Hitting the Jackpot or Breaking the Bank?
A Stakeholder Analysis of Gaming Expansion

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Abstract

Native American tribal gaming started in the 1970's when a number of Tribes established bingo parlors to raise revenues. Today, tribal gaming has grown into casinos that mimic the best of Las Vegas. Also growing is the number of stakeholders active in this policy arena. This paper traces key events and primary stakeholders to analyze the types of wins and losses experienced by each in gaming expansion and to answer the question posed in the title. We conclude that there have been wins and losses in five categories: financial, social, legal, regulatory, and political. By far the most wins were financial, but it is difficult to determine if these wins compensate for the financial and non-monetary losses.

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Relations between Indian Tribes and governments in the United States have, historically, been complicated and controversial. The sovereign status of Native American tribal governments means that the treatment of tribal members, their lands, funds and interests is different from that of other U.S. citizens and these differences are becoming more pronounced over time (Light and Rand, 2005). Tribal members have the power to self-govern form a government, to decide their own membership, to regulate property, to maintain law and order, to regulate commerce, and so on. The Supreme Court has repeatedly affirmed the sovereign status of Tribes, including "the power of regulating their internal and social relations" (*New Mexico v. Mescalero Apache Tribe*) and the authority "to make their own substantive law in internal matters and to enforce that law in their own forums" *(Santa Clara Pueblo v. Martinez).* This is what gives tribal government the right to engage in gaming and economic development activity on tribal lands (*California v. Cabazon Band of Indians)* although this was weakened somewhat by the Supreme Court decision *(Seminole Tribe of Florida v. Florida)* upholding states' immunity from suits charging them with failing to negotiate compacts in good faith.

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The introduction of gaming activities challenged Tribes who did not have experience operating these types of ventures. It also presented challenges in terms of the distribution of gaming revenues. Based on legal interpretations of their sovereign status, tribal activities do not typically fall under federal, state, or local government purview, even though they may occur within the geographic jurisdiction of these governments. This special status of tribal activities created a challenge for intergovernmental relations when Indian gaming facilities were established. Other stakeholders beyond government organizations became active in this policy area including businesses, investors, and citizens residing on or near tribal lands. The challenges faced by all these different stakeholders have grown in magnitude alongside the expansion in gaming activities since the early 1970's.

To better understand how gaming expansion changed the lives of tribal and non-tribal stakeholders, suggest an analytic framework for understanding the ever expanding relationships between active stakeholders in this policy arena. The second section describes key events in tribal gaming by identifying stakeholders and the nature of their relationships and transactions3. The third section analyzes the financial, social, legal, regulatory, and political motives of stakeholder as their interactions become increasingly complex. In the concluding section we suggest that, overall, gaming expansion has had more wins than losses, especially in the financial category. Different from prior work that tends to limit analysis to primarily the economic, or legal, or societal effects of gaming, this paper simultaneously considers five different types of wins and losses to urge a more comprehensive understanding of this important phenomenon. Thus, our purpose is to organize the stakeholders and their interests to frame the issue for exploring future research directions and to encourage thoughtful policymaking that addresses issues in all five categories.

Active Stakeholders in the Gaming Issue

Different policy actors, whether they become involved as individuals or representatives of a group, are stakeholders. Commonly defined as any individual or group that can impact or is impacted by government activities, stakeholder involvement is desired to assure that government actions represent the will of the governed. The federal government has been the so-called "guardian" of Indian country since the signing of the U.S. Constitution. Over time they have become more involved in overseeing the activities of nations operating within the United States, especially as different forms of commercial gaming were introduced. As Tribes started compacting with state governments, another group of stakeholders was introduced. As we shall see in the next section, there has been a dramatic increase in the number of stakeholders active in this issue as each seeks to protect their rights, their property, and even their livelihoods.

Over time, as events unfolded and more stakeholders become actively involved, there was a give and take process necessary during negotiations to foster exchanges based on the varying preferences of the participants (Williamson 1975). Initially, many exchanges involved the transfer of money between stakeholders. Later, as money available for exchange became scarce, tangible and intangible benefits were traded to ensure that each stakeholder came out of the negotiation a "winner." Even though individual stakeholders may not have "won" as much as they would have liked from one specific

3 The focus of this paper is primarily events related to gaming expansion and Indian casinos. Morse and Goss (2007) offer a more extensive treatment of the history of commercial gaming.

transaction (in economic terms, they do not fully maximize their preferences), each stakeholder reasoned that small winnings now would lead to continued wins in the future. Then, as they continued to work with others, the nature of the exchanges moved from primarily monetary to non-monetary, intangible benefits (Stevens 1993)

such as the right to open a casino or to change the operating policies of existing gaming establishments.

To manage the multitude of stakeholders and their interests and the types of exchanges represented in the events related to gaming expansion, we divide the type of potential wins and losses motivating stakeholders into five categories: **financial** - referring to the exchange of tangible assets such as money from gaming, or future transfers through revenue sharing, or the long-term impacts on business transactions based on today's policy decisions; **social -** referring to exchanges designed to improve or preserve the well-being of affected parties such as tribal members or the general population; **legal** - referring to actions involving the courts to challenge policy implementation; **regulatory -** referring to efforts to use government intervention to control or regulate individual or organizational behavior; and **political -** referring to transactions designed to directly influence official policy actors so that certain stakeholder interests are maximized in the policy process.

Using these categories, gaming expansion can be analyzed to determine what each stakeholder won and lost in individual events. It is important to note that these categories are not intended to be mutually exclusive nor exhaustive, but merely illustrative of an analytical format that can be used as a heuristic to examine the evolution of gaming activities the impacts, positive and negative, associated with individual events as well as cumulative outcomes over time. Then, the entire history of wins and losses are considered to find out whether, the various stakeholders are hitting the jackpot or breaking the bank comparatively.

The Evolution of Tribal Gaming

Indian Tribes have a strong tradition of using oral history to interpret and understand current situations and plan future actions. Of course, the choices for what parts of a tale to relate are made by the storyteller based on subjective memory, interpretation, and purpose. In this tradition, we trace key events thought to be particularly relevant to this analysis of stakeholders in gaming expansion. Other events, perhaps, should be included, but a comprehensive recounting of history is not necessary to adequately serve our purpose. Before presenting the key events and related stakeholders, the remainder of this section provides background on the circumstances fostering the introduction of tribal gaming.

The advent of Indian casinos has been attributed to a search for ways to ease the desperate economic and living conditions of Native Americans. Tribes have a history of engaging in a variety of economic development activities, such as gas stations, smoke shops, energy sales, agriculture, and forestry. These activities often struggled since reservations were not well suited for business activities and tribal members often did not have the ability to secure the commercial financing required to start a business (Comptroller General, CED78-50, 1978). In 1974, Congress enacted the Indian Financing Act to stimulate economic development on Indian reservations by making federal funding available to start and expand business enterprises. As noted in a 1978 Comptroller General Report, federal support did not have the intended results with net decreases in the number of businesses and Indian employment as well as prohibitions on loan eligibility for about 300,000 Indians. The reported recommended consolidation of the federal programs managing Indian economic development (p. iv).

The rates of poverty and unemployment among American Indians are the highest of any ethnic group in the U. S., whereas per capita income, education, home ownership, and similar indicators of socio-economic conditions are among the lowest. In 2005, the 3-year average number of American Indians and Alaskan Natives (AIAN) in poverty was 20.9% compared to a nationwide average of 9.6% (U.S. Census 2006 – 2008 American Community Survey). Unemployment among male tribal members in 2000 was 34% versus a US average of 29% (Census 2006). On average, AIAN families earn 72.9% the income of all households. Just over 71% of American Indians have a high school education, while only 11 percent have a bachelor's degree or higher. This compares with nationwide figures of 80% and 24%, respectively (Census 2006). There are approximately 90,000 Indian families who are homeless or under housed, nearly one in five Indian homes on the reservation are classified as severely overcrowded and one out of every five Indian homes lacks adequate plumbing facilities (National Gaming Impact Study Commission Report 1999). As these statistics indicate, low socioeconomic status is an every day reality, pervading all aspects of Indian life.

Native American gaming started in the 1970's, when a number of Tribes established bingo parlors to raise revenues. Beginning with bingo parlors, tribal gaming operations rapidly expanded to operate in nearly every state today. By 2007, the National Indian Gaming Commission (NIGC) reported 382 Indian gaming operations generated $27.0B in revenues. These casinos accounted for over 20% of all gaming revenue (tribal and commercial) and provided more than 670,000 jobs nationwide of which 20-80% of the jobholders were Indians depending on the facility (NIGA 2008).

Event and Stakeholder Analysis

Active stakeholders in the first event, the introduction of tribal gaming, were Tribes and the federal government. Tribes were financial winners since the bingo parlors generated revenues used for social welfare programs for tribal members. The federal government won when more Tribes elected to pursue federal recognition and won regulatory control over tribal gaming through the enactment of IGRA. Tribes had a regulatory loss since gaming was now under federal purview. Table 1 shows this event (**Event 1**), the stakeholders, and what they won and lost, respectively, as the first round of activity in the 30+ year expansion of Indian gaming.

Table 1. Key Events in Gaming Expansion and the Wins and Losses of Key Stakeholders
F = Financial, S = Social, L = Legal, R = Regulatory, P = Political, IG = Interest group, $ = Money

Key Event	**Stakeholders**	**Wins**	**Losses**
1. Bingo parlors created	Tribes Federal Govt	**F-** $ for social welfare programs **L-** Enforces acknowledgement process **R-** Regulatory control over gaming	**R-** Regulatory control over gaming

2. State gaming diversification	Tribes Charities State Govt	**L-** Sovereign status upheld **F-** $ from gaming **F-** $ from lotteries	**L-** Cannot stop tribal gaming
3. Federal gaming law passed	Tribes Federal	**P-** Confirmation of sovereignty **R-** Regulate use of gaming revenues	**R-** Use of revenues is mandated
4. States begin compacting	Tribes State Govt Non-gaming IG's	**F-** $ from gaming **F-** $ from gaming **S-** Some reductions in proposed gaming	**F-** $ paid to state **S-** Moral preferences
5. Indian casino and enterprise growth	Tribes State Govt Local Govts Competing bus's	**F-** $ from gaming, $ from concessions	**P-** Surrounding merchant goodwill **F-** $ from Indian tax treatment **F-** $ from Indian tax treatment **F-** $ from concessions
6. Tribes authorize per capita payments	Tribes Members	**S-** Social capital in development activities **F-** $ from gaming payments	
7. States expand commercial gaming	Tribes State Govt Comm'l gaming Non-gaming IG's	**F-** $ from gaming/lottery for social pgms **F-** $ from gaming	**F-** $ going to gaming competitors **S-** Moral preferences
8. Compacting provisions change in response to state fiscal crises	Tribes State Govt Local Govts Addiction IG's	**F-** $ from gaming expansion F- $ from gaming expansion F- $ from impact fees F- $ from gambling treatment funds	**F-** $ paid to state and local govt

9. Tribes seek consultants and investors	Tribes Consultants Investors Federal Govt	**F-** $ from enhanced mgmt and expansion **F-** $ from consulting **F-** $ from investing	**F-** % of gaming revenues **F-** Opportunity costs **R-** May lose oversight of casinos
10. States (re)negotiate compacts	Tribes State Govt	**F-** $ from gaming **R-** Rights, and/or regulatory authority **F-** $ from gaming **R-** Uniform compacts	**F-** % of gaming revenues if joint compacts are less lucrative
11. Tribes voluntarily give back to community	Tribes Local Govts Charities	**P-** Enhanced public opinion **F-** $ for infrastructure / capital acquisition **F-** $ for social programs	**F-** $ given to recipients
12. Cities and counties become partners	Tribes State Govt Local Govts	**L, F-** Property rights, expansion privileges **F-** $ from gaming	**F-** $ from gaming revenues **F-** % of gaming revenues **L-** Right to oppose casino placement
13. States create racinos	Tribes State Govt Racing Industry	**F-** $ from increased gaming authorzn's **F-** $ from enhanced or stabilized revenues **F-** $ from increased attendance	**F-** $ going to gaming competitors
14. Tribes increase political activism	Tribal IG's Politicians Non-gaming IG's	**P-** Greater likelihood preferences adopted **F-** for campaigns	**F-** $ for campaigns **P-** Support of competing groups **S-** Moral preferences
15. Tribes seek capital in the market	Tribes Investors	**F-** $ from investors **F-** $ from return on investment	**F-** Opportunity costs

16. Heritage land ownership challenges	Tribes State Govt Local Govts Land owners	**F-** Rights to casino expansion **F-** $ from new casinos and $ from future expansion [both St/Loc] **L-** Clear title to property	**L-** Future property rights **F-** Legal costs P– Public Opinion **L, F, P-** Right to oppose future casinos, legal & public opinion costs **F-** Legal costs
17. Inter-tribal negotiations	Gaming & Non-gaming tribes	**F-** $ from additional casinos, slot machines **F-** $ from gaming revenues	**L, F-** Right for future casinos
18. Entrepreneurial activity expansion	Tribes Land developers Competing businesses	**F-** $ from related businesses **F-** $ from development profit **F-** $ from monopoly retail activities	**F-** $ from monopoly concessions **F-** Opportunity costs **F-** $ from Indian businesses
19. Interstate and intergovernmental issues	Tribes State Govt Competing businesses	**F-** $ from rights to future expansion **F-** $ from new compacts	**P-** Support from IG opponents **P-** Right to oppose future expansion **F-** $ drawn off by gaming expansion

Event 2: State Gaming Diversification. In the mid-1980's, many states began authorizing state-operated lotteries and charitable gaming, such as pull tabs and casino nights for small non-monetary prizes, at private clubs. At roughly the same time, states began to seek regulatory power over tribal gaming establishments within their jurisdiction. Currently there are 28 states that have Indian gaming and these operations are covered by 249 State-Tribal compacts (NIGA, 2008). Tribes challenged this action since federal law held that states must allow Tribes to have the same level of gaming activities as the state allows. So, if a state allowed a lottery or charitable gaming, Tribes could have gaming at an equivalent level without having to compact (an agreement governing casino operations, regulations, and distribution of revenues or collection of taxes or other fees) with that state (NIGC 2002). The debate over a state's right to be involved in the tribal gaming issue simmered until 1987, when the U. S. Supreme Court confirmed the authority of tribal governments to establish gaming operations independent of state regulation, if the state in question permitted some form of gaming (*California v Cabazon Band of Mission Indians*). In this event, Tribes won legally since their sovereign status was upheld. The courts neither won nor lost from this event. Charities and the state received financial

benefits from monetary revenues generated from gaming diversification. The state also suffered a loss since their legal challenge to oppose or regulate Indian gaming was quashed.

Event 3: Federal laws establish the ground rules. As tribal gaming activities grew, the National Indian Gaming Association (NIGA), a non-profit trade association, was formed to advance the lives of Indian people, economically, socially and politically (NIGA, 2004). At roughly the same time, in 1988, Congress conducted a series of public hearings on tribal gaming, culminating in the passage of the Indian Gaming Regulatory Act (IGRA) [Public Law 100-497]. The Act created the NIGC as the regulator and investigator of tribal gaming, described acceptable use of revenues from gaming, and defined different classes of gaming operations. According to the IGRA, revenues from tribal gaming could only be used to: 1) fund tribal government operations or programs, 2) provide for the general welfare of the Indian Tribes and its members, 3) promote tribal economic development, 4) donate to charitable organizations, or 5) fund a portion of the operations of local government agencies. In addition, part 3 allowed Tribes to distribute a portion of net revenues directly to their members as a per-capita payment. Under the IGRA, there were three different classes of gaming operations:

- **Class I Operations:** consist of traditional tribal games and social games for prizes of nominal value, all of which are subject solely to tribal regulation;
- **Class II Operations:** consist of bingo, instant bingo, lotto, punch cards, and similar games and card games legal anywhere in the state and not played against the house. A Tribe may conduct or license and regulate Class II gaming if it occurs in a "state that permits such gaming for any purpose by any person" and is not prohibited by federal law;
- **Class III Operations:** consist of all other games, including electronic facsimiles of games of chance, card games played against the house, casino games, pari-mutuel racing, and jai alai. Class III games may be conducted or licensed by a Tribe in a state that permits such gaming for any purpose or any person, subject to a state-tribal compact.

These classes become important in later events as negotiations shifted from a question of whether or not Indian gaming should be allowed to determinations of the level of gaming and the types of games that were operated.

Tribes and the federal government were the two primary stakeholders in Event 3. Tribes won confirmation of their sovereign status and the right to open gaming establishments (in line with the Cabazon decision), but lost freedom from regulation since the IGRA prescribed the distribution of gaming revenues. This federally mandated allocation scheme may have differed from tribal preferences. The federal government (as a proxy for the citizenry's preferences) posted a win since they now regulated revenue distribution, indirectly practicing social engineering.

Event 4: States begin compacting with Tribes. The late 1980's brought a flurry of negotiations between Tribes and state governments as Indian gaming expanded and Tribes sought to operate casinos at a class level higher than that already existing in the state. The primary compact provisions concerned the establishment of state-level regulatory activities and payment of a portion of Indian gaming revenues to the states, normally to the general fund (Gambling Magazine 2003b). In 2003, 48 states had some form of gaming, Tribal or non-Tribal,. In 29 states, the respective state government regulated gaming operations (NIGA 2004). Tribes with state compacts had to follow federal guidelines, but, in exchange for certain enhanced privileges such as Class III gaming, they agreed to make transfer payments to the state and sometimes to city and county governments. In 2000, gaming taxes added $26.8 billion to state coffers from an estimated $61.4 billion in spending (National Conference of State Legislatures – NCSL 2002).

The movement to state-level compacting was not universal; some states such as Oklahoma actively resisted gambling expansion, based on moral opposition and Florida was successful in the Supreme Court case upholding state immunity (*Seminole Tribe v. Florida)*. If a Tribe alleged that a state did not respond to a request to negotiate, or negotiated in bad faith, appeals were made to U.S. District Courts, and ultimately, to the Secretary of the Interior. In these cases, the burden was on the state to prove it acted in good faith. In this event, States were joined by interest groups representing those that oppose gaming – both Indian and commercial. Each of these stakeholders won something. Tribes and states were financial winners in terms of increasing revenues from gaming. Gaming opponents claimed a victory in the states where political pressure resulted in the defeat of gaming expansion bills, but they also lost politically since their preferences were not maximized. Tribes lost financially, since by compacting, they agreed to revenue sharing.

Event 5: Indian Casino and Enterprise Growth. Of the 562 federally recognized Tribes, 68 % had gaming operations in 2007(NIGA 2008). Since enactment of the IGRA, tribal gaming went from revenues of almost $8.5 billion in 1998 to over $27.0 billion in 2007 (NIGC 2008). This change represented a doubling of revenue in four years. This revenue received special tax treatment, since Indian gaming operations do not pay federal or state taxes on their gaming profits (US GAO, GAO/GGD-97-91). Native American-owned land, even when within city limits, is not subject to any property tax assessment if the land is held in trust. Further, any profits from Indian-owned business ventures are excluded from most forms of taxes representing another source of revenue foregone. For example, most of the larger casinos had gasoline stations or a tobacco store located nearby (Gambling Magazine 2003d). States argued that a significant source of revenue was being lost.

This event caused more losses than wins when viewed from the perspective of all stakeholders. Tribes won financially as casinos and related concessions and business enterprises grew, but they potentially lost the goodwill of state and local governments since tax assessments were limited and tribal-local relationships could be strained. Tribes may have also lost the goodwill of local businesses since they were now direct competitors. Financially, state and local governments and competing businesses lost sales and potential tax revenues because of the exempt tax treatment granted to Indian enterprises.

Event 6: Tribes expand social programs and authorize per capita payments. Tribal gaming brought financial and social enhancements to 65% of the 341 Tribes in the lower 48 states (NIGA 2004). Many Tribes used gaming revenues for infrastructure and program development on tribal lands (Hill 1996). For instance, the Oneida Tribe of Indians of Wisconsin used over 40% of the gaming revenues for police, health, and social services (Oneida Tribe 2004). The Prairie Island Indian Community built better homes, constructed a community center and an administration building, developed a waste water treatment facility and built safer roads with gaming revenues (American Indian Policy Center 2002). In 1993, 25% of Tribes operating casinos had a per capita revenue allocation plan, although payouts to individual members varied widely (NIGA 2004). The Potawatomi

Tribe in Kansas, gave around $2,000 to each of its 5,000 members in 2001. Other Tribes have made their members millionaires (Time 2002). However, the frequency, duration and amount of per capita payments has varied widely, often in parallel with changes in gaming revenues (www.indianz.com 9/26/2005). From an analytical perspective, in Event 6 both Tribes and their members received social and financial benefits.

Event 7: States expand commercial gaming. In the 1990's, many states enacted bills allowing higher levels of commercial gaming in an attempt to add to state coffers. The National Conference of State Legislatures (NCSL 2004b) reported on studies indicating an increasing tolerance of gaming as an acceptable form of entertainment when the question was presented as a choice between gambling expansion and tax increases. The bulk of commercial gaming revenues came from casinos in Nevada and New Jersey (roughly 55%). The remainder was generated from activities such as state lotteries (around 40%), race tracks, riverboats and cruise ships. Many times gaming revenues were earmarked, with education and environmental programs being the most common recipients (NCSL 2004).

In this event, there were clear winners and losers and no stakeholder experienced both wins and losses. States and the commercial gaming industry won financially as gaming revenues increased. Tribes lost potential revenues because of increased competition. Gaming opponents lost politically since gambling, which they rejected on moral grounds, was expanded.

Event 8: Compacting provisions change in response to fiscal crises. Recent economic downturns in the late 1990's prompted at least 23 states to consider bills to expand gaming operations or increase gaming taxes (NCSL, 2003). States such as New York, facing a $9 billion budget deficit, scrambled to balance their state's budget. One solution was to allow Tribes to build more casinos in exchange for a $1billion payment to the state over three years. This type of financial agreement was not limited to New York. Illinois received $350 million from the sale of the state's 10th casino license (Council of State Governments 2004) and other have states benefited as well.

Compacts negotiated in this event often included other provisions. Many created funds to be used for the cost of regulatory activities (NCSL 2004) or for compulsive gambling treatment programs (American Gaming Association 2004) in exchange for no compact ending dates. Other provisions included impact fees to be paid to local governments to offset revenues lost from sales and property tax exclusions (The San Diego Union Tribune 2003).

Innovative compact provisions ensured that every stakeholder had financial wins. Tribes lost some gaming revenues to state and, also, local governments; but it was assumed that the financial wins from expanded gaming activities were larger than the revenues shared (or else there would be no reason to have compacted with the state instead of staying under federal jurisdiction). States enlarged their slice of gaming revenues, giving them a financial win. Local governments won financially through the impact fees paid to compensate them for tax revenues lost through Indian enterprise activities. Interest groups won with the creation of treatment funds.

Event 9: Tribes seek consultants and investors. As Indian casinos expanded, the need for high quality management grew as well (Smith 2001). Many Indian ventures were run by non-natives, assisted by tribal members. In theory, the non-natives were teaching tribal members the skills necessary for daily casino operations and customer and public relations. There are many federal regulations governing casino management. Important among these are requirements that Tribes must file an internal management agreement if their casinos were wholly operated by tribal members. If the Tribe employs outsiders, such as management consultants, then this aspect of regulation was circumvented; however, outside managers are limited in the amount of revenues they can “take” or compensation they can receive and these contracts must be phased out over a 5-7 year period. Of 332 Tribes with gaming, only 31 had internal management agreements (Department of the Interior 2001).

Another area where Tribes sought outside assistance or funding was in the financing of casino construction. Bringing in outside expertise was not without its trade-offs. *Time* (2002b) reports the case of Lyle Berman, who helped the Mille Lacs Band of Ojibwe Indians in Minnesota to build and manage a casino. In exchange for his financial backing and management expertise, he got 40% of the casino profits for seven years. Even though it is hard to assess the true costs and benefits of these management contracts since Tribes did not have the same reporting requirements as other businesses4, these management contracts were often lucrative for the Tribe and for the contracting firm. Lakes Gaming, Inc., a publicly owned company, earned $54.7 million in management fee income from tribal consulting in 1999 (Time 2002b).

This event introduced management consultants who won financially. Tribes also won financially through more cost efficient management of their casinos and access to capital development expertise and monies, which in the long-term were expected to generate additional revenues. Tribes may have lost a percentage of revenues for a period of time. Investors suffered opportunity costs since, by providing cash infusions to Tribes, they could not make other, perhaps less risky or more financially lucrative, investments (Gambling Magazine 2003e). In some cases, the federal government lost regulatory oversight of Tribes with management consultants instead of internal management agreements.

Event 10:(Re)negotiating compacts. Many Tribes petitioned to change the class of gaming operations to bring in more customers and to enhance the gaming base. Table games (Class III) generally, but not always, had higher stakes and are financially quite lucrative for the house (Gambling Magazine, 2003). Whenever a Tribe sought to engage in Class III operations, it had to give notice to the respective state. Unless the state already allowed Class III gaming, the state was required to negotiate a compact in good faith. Other terms sought by Tribes in these (re)negotiations included monopoly provisions to prevent the encroachment or expansion of commercial gaming (Indian Country Today 2004), longer-term or perennial compacts so that they could more easily obtain financing (Gambling Magazine 2003e), and enhanced independent regulatory authority so that the Tribe could set betting limits and hours of operations in their casinos (Milwaukee Journal Sentinel 2003). In exchange, many times states required all Tribes to agree to a (re)negotiated compact and/or sought to change compensation levels, moving to a more financially lucrative sliding scale based on gross revenues (Gambling Magazine 2002).

This event marked the first time that Tribes negotiated for things not directly related to gaming expansion, such as independence from state-level regulation. Tribes and states won financially with

4 Tribes are not subject to the same financial disclosure laws as public or private organizations. They do not have to release information on revenues, expenses or profits/losses.

provisions for certain types of gaming activities thought to be more profitable. States had a regulatory win when they forced Tribes to negotiate as a unified actor rather than conducting sequential compacting with each individual Tribe. But, Tribes may have viewed this as a win as well since there may have been strength in numbers when presenting a united front. When unified compacting occurred, some individual Tribes may have lost financially.

Event 11: Tribes voluntarily give back to the community. According to the IGRA, tribal governments could donate some of their revenues to charitable organizations in local communities hosting Indian casinos. Such donations were given to maintain and establish good public relations. For example, the Oneida Tribe in upstate New York sponsored a Chain of Friendship Grant program in towns surrounding their Turning Stone Casinos. Annually, this grant program gave out $100,000 in scholarships to high school seniors (Oneida Indian Nation Website 2004). This program won goodwill for tribal operations. Local citizens saw the Tribe as “giving back” to the community, easing any negative public opinions about business competition or tax revenues foregone. Similar contributions to local development funds and support of non-profits by tribes through donations and local funding agreements has been evident for a number of Tribes. For a small financial loss relative to the amount of gaming revenue that was being earned, Tribes were able to positively sway public opinion. Local governments and grant recipients had a financial win since the money was used for community infrastructure (roadways) and capital purchases (fire trucks, water towers) or for individual personal development (education) (Gambling Magazine 2003c).

Event 12: Cities and Counties become compacting partners. Up to this point, state level compacts typically had provisions for revenue sharing only with the state level of government. Local impact fees may have been included, but there was no provision for direct revenue sharing with local governments adjacent to casinos. In this event, cities became part of the compact negotiations, seeking their fair share in exchange for the city’s agreement not to contest casino operations within their jurisdiction (Arizona Daily Star 2004, The Capital Times 2003). An example is Albuquerque, NM where city officials charged that casinos drained an estimated $4 - $7 million annually from the budget (Gambling Magazine 2003).

By this time, the financial impacts of Indian gaming expansion were large with more than $7.6 billion in federal, state and local taxes and other revenues paid out from tribal gaming in 2003 (NIGA 2004). Successful negotiations for revenue sharing gave local governments a financial win in this event. Tribes got legal and financial wins through casino placement and expansion agreements. What Tribes lost was a portion of their gaming revenues. States suffered a financial loss as well, since their slice of the pie may have been reduced through revenue sharing with local governments. Local governments lost legally when they affirmed casino operations, abridging their rights to object to future Indian gaming activities.

Event 13: States authorize racinos. In 2003, lawmakers in at least 13 states were considering legislation allowing racinos - a racetrack where people could play video games that mimic slot machines (NCSL 2003). Iowa already operated these types of establishments, which often included off-track betting (Council of State Governments 2004). Racinos were intended to bolster lagging attendance and profits at race-tracks. Authorizations for these establishments were exchanged with tribal requests to expand casino operations (as in the case of Oklahoma Senate Bill 553 2004). Tribes sought additional casinos, slots machines or higher classes of gaming to off-set losses in gaming revenues expected by additional competition from the video terminals at the racinos. This event had mostly wins, since each stakeholder – Tribes, state governments and the racing industry won financially. Tribes also had a financial loss, since they now faced greater commercial gaming competition.

Event 14: Tribes increase political activism. Over time, more and more Native Americans, as individuals and representing tribal affiliations with common interests, formed lobbies to protect their interests. In many state legislatures, Native American Gaming alliances became the single most powerful lobbying group, at times, influencing elections (Gambling Magazine 2003d). Tribal political contributions were predicted to reach $4 million in 2000, dwarfing the $1.5 million donated during the 1996 cycle (Meatto 2000). Much of the lobbying came in response to attempts by states to abridge tribal sovereignty by, among other things: challenging sales on Indian lands that circumvent state taxation laws, questioning tribal membership, diminishing tribal lands, and removing civil immunity (American Indian Policy Center, 2002).

Event 14 was one of the purer examples of quid pro quo exchanges directly between tribal interests groups and politicians, with political contributions used to guarantee greater consideration of tribal preferences on policy issues. Some claimed (Gambling Magazine, 2003e), that the Indians were using the shame of historical actions as leverage in political negotiations. This made it hard for competing interest groups to effectively oppose tribal political participation without looking unsympathetic, or at the extreme, like the bigots of the days of old. For this event: Tribes won politically, politicians won financially, and interest groups lost if tribal activism altered political outcomes away from their social preferences.

Event 15: Tribes seek capital in private markets. As the number of casinos and related tribal businesses expanded in the late 1990's, so did the need for financing for capital construction activities. Historically, reservation or tribal lands could not be used as collateral, since they were held in trust by the federal government. To finance their activities, Tribes often depended on long-established banking relationships based on trust and reputation since land guarantees could not be used. As Tribes established patterns of gaming revenues and legal rights to and expectations for future revenues, new avenues for financing opened up as market investors become more willing to assume the risk for "unsecured" lending based on anticipated rewards from gaming revenues. Revenue bonds and other financing mechanisms became more common place. Of course, many speculated that this condition was only possible because of the introduction of federal and state regulatory oversight and of outside professional expertise (described in Events 2, 5 and 9, respectively). In this event, both Tribes and investors benefited financially. Investors lost financially as well, due to opportunity costs and the risk of default.

Event 16: Heritage land ownership challenges. Despite the infusion of cash, Tribes still found themselves handicapped in terms of continuing the rapid pace of gaming expansion. Two areas where Tribes sought assistance, authorizations for additional casinos and long-term financing backed by tangible collateral (thus reducing the cost of borrowing), were addressed by resolving the issue of ownership of heritage lands. At the turn of the century, many Tribes around the nation sued or threatened to sue private individuals and local governments to return heritage lands to the Tribe as the rightful owners. Since there was no statute of limitations on Indian land claims, the threat of these cases was often enough to guarantee rapid concession to tribal demands. An example of this type of land dispute is *The Oneida Indian Nation of New York, The Oneida Tribe of Indians of Wisconsin, and the Oneida of the Thames v. United States.* The Oneida Tribes sued over 20,000 land owners to reclaim original tribal land. Disputing ownership was seen by many as a ploy to "test" legal limits in order to give Tribes leverage for the concessions they sought. This strategy was successful in Kansas City, KS where the Wyandotte Tribe wanted to open a casino near a small cemetery plot they owned downtown (Carlson, 2003). Backed by a Florida casino investor, a suit was filed and hundreds of private property owners found the titles to their land in limbo and their livelihoods in jeopardy if Tribes prevailed in their heritage land claim. It was estimated that one out of every eight people in Kansas City would have to find a new place to work. In exchange for dropping the suit, local officials granted permission to the Wyandotte Tribe to build a casino near Kansas City.

Land ownership challenges added a new stakeholder – private land owners - who had the potential for big financial losses. However, if state and local government intervention was successful in avoiding legal challenges, then land owners won. Tribes won financially since they got authorization to expand gaming activities. Tribes lost legally since they limited their ability to gain legal ownership of heritage lands when a land swap was contracted. They may have also lost in the arena of public opinion if their actions were viewed as attempting to "hold-up" the city, its residents and businesses. When governments agreed to tribal demands for land swaps, they lost politically, socially and legally since there was less control over future gaming activities. Tribes, states, and cities all lost financially through the legal costs associated with court cases.

Event 17: Inter-tribal negotiations. Some tribal casinos were profitable, but others were not. As we know, in real estate - location matters. Only about the top 20% of active gaming enterprises were financially prosperous, often because of the proximity of the casino to major metropolitan areas (Gambling Magazine 2002). In recognition of the disparity in earning potential caused by remote locations, a few Tribes in high-population metropolitan locations exchanged a portion of the revenues they generated for rights to machine allotments with those Tribes in remote locations. California created a revenue sharing account that provided a large source of income for poorer, non-gaming Tribes (Gambling Magazine 2002b). Sharing the revenues with non-gaming Tribes benefited poorer Tribes financially. There was the potential for future financial loss for the non-gaming Tribes since they gave up the right to open casinos in their jurisdiction, but this loss was small since the market in those areas was not viable. If it had been, then the non-gaming Tribe would not have negotiated with gaming Tribes, preferring to open their own casinos.

Event 18: Entrepreneurial activity expansion. In this event, tribal enterprise diversification continued. Around the nation, casinos were developed as luxury resorts and tourism destinations. The Chickasaw Tribe in Oklahoma planned two 250 room hotels to complement the doubling of their WinStar casino on the Texas border near the Dallas-Fort Worth Metroplex (The Norman Transcript 2004). To accomplish expansions of this nature, Tribes often formed partnerships with private land developers (Laub 2001). Related to this, private businesses were getting into the mix by seeking non-competition clauses in other support services such as the rights to a convention and/or concert venue (Time 2002).

Additional Native American business endeavors ranged from the natural resource and agriculture industries to banking. For example, Tribes entered or increased the capacity of the lumber business to supply wood products for home construction (Oneida Tribe 2004, Menominee Indian Tribe of Wisconsin). They operated large organic farms using the crops to feed tribal members and selling any excess crops for a profit. Tribal representatives argue that these business ventures secured the financial future for Native Americans and reduced dependence on government aid (Gambling Magazine 2003e). When structured carefully, Indian entrepreneurial activity minimized financial disparities and/or ill-will between Tribes and local businesses as described in a 11/14/2007 *New York Times* article on the positive economic outcomes drawn from relationships between the Tulalip Indian Reservation and the neighboring cities and State of Washington. If the proper balance was found, each stakeholder benefited financially. When agreements could not be reached, only the land developers came out ahead financially with no risk of loss. Since development was likely to occur, the question was just who the developers would contract with – Indian or non-Indian businesses.

Event 19: Interstate and intergovernmental issues. This final event was really a precursor to future concerns and stakeholder involvement. At stake were rights to land and authorizations for gaming expansion. The question was whether gaming was allowed solely on tribal lands or if new casinos could be located on lands where a tribal presence was demonstrated, by the past or current residency of tribal members (Indian Country 2004). There were different ways of treating Tribes that had their own lands from those that just had members in a state but no recognized tribal lands. In addition to land ownership disputes increasingly there was talk of land swaps, where Tribes traced their ancestors' geographical movements and sought the right to open casinos in states where their ancestors have been but they did not currently own any lands. Another emerging issue was the case of Tribes with members in multiple states who wished to establish interstate operations. An example was the Texas-Louisiana border where existing casinos sought new ways to attract the lucrative population of Texans in the Houston area (The Times Picayune 2003). To resolve issues such as these required negotiations involving multiple state and local governments in addition to guidance from the federal Department of the Interior. In this last event, and as it continues to unfold, Tribes and the state governments wanted to assure future financial wins, without losing in the arena of public opinion. If opposition to gaming expansion solidified or if perceptions of being held hostage to tribal legal and property claims or sweetheart deals arose, then more political losses were realized by the stakeholders.

Analyzing the Impacts of Key Events in Gaming Expansion

When looking at the key events that occurred during the gaming expansion of the last 30 years, we have demonstrated that an increasing number of stakeholders have become involved over time. Starting with two primary stakeholders, Tribes and the federal government, sovereignty issues were first considered. As new issues arose, the list of stakeholders expanded to include nearly 20 different kinds of stakeholders who actively participated in this policy issue. Of course, this list is not complete. Others, such as interest groups lobbying for the earmarking of gaming revenues to education, highways, environment and so on, have been involved to a greater or lesser extent, but not included as a primary stakeholders for this analysis. Identification of the most active stakeholders was sufficient to identify the types of wins and losses realized by each in the key events identified in gaming expansion.

Table 2 organizes the types of wins and losses experienced by the stakeholders in each event as a means to analyze what types of things, i.e., financial social, legal, regulatory, and political, were being negotiated and exchanged. When reviewing this table, it is important to understand that no attempt is made to determine the relative value of nor to assign weights to the different wins and losses. The purpose of this analysis is not to determine the net cost or benefit of each event, but rather to identify the range and type of wins and losses that need to be considered in a more comprehensive analysis. Some of the stakeholders from Table 1 are consolidated in Table 2 to simplify the presentation. For example, competing businesses, commercial gaming firms, consultants, investors, the racing industry, and land developers are lumped together in the business/investor column since they are all interested in benefiting financially from market-based transactions. Charities, politicians and land owners are grouped under individuals/politicians since each is acting for their own self-interest. For each of the different types of stakeholders, there is one column to describe the Wins (W) and Losses (L) they experience. The codes (F, S, L, R, and P) represent the category of win or loss.

Using Table 2 to look at the specific stakeholders and what happens to them over the course of key events, Tribes were financial winners in 15 out of the 19 events (from the Stakeholder Totals row). Tribes certainly suffered financial losses as well, every time they paid out to others. In fact, they financially compensated every stakeholder except the federal government. In addition, Tribes (gaming, non-gaming and members alike) posted one social, two legal, one regulatory, and three political wins. These wins may not have had the same short-term appeal of gaming revenues in the bank or revenues used for improving social services and the lives of their members, but the rights, privileges and changes in public perceptions they gained had far-reaching future impacts by establishing precedents for future gaming expansion and entrepreneurial activities.

Tribes experienced some losses beyond the financial payouts to other stakeholders. By agreeing to state level regulation, they gave up some rights. There have been political losses in terms of the loss of goodwill from competing businesses, interest groups opposed to gaming, and the public when legal action was taken or threatened. Tribes had no social losses associated with a particular event (however there may be externalities that represent social losses embedded across events such as per capita payments and pathological gambling) , two legal, two regulatory, and three political losses identified in the individual events. Comparing the wins and the losses, Tribes came out ahead in every category except the regulatory category, where they suffered two early losses in the first two events.

Looking at non-tribal stakeholders, all levels of government except the federal government and non-profit organizations experienced financial wins from Indian gaming expansion. None of the governments experienced wins or losses in the social category, and state and local governments experienced a potential political loss as interstate gaming issues were worked out in the future. Looking at each level of government, the federal government wins exceed the losses in the legal and regulatory categories. State governments came out ahead in the financial and regulatory categories, but had more losses than wins in the legal and political categories. Local governments participated in only three categories, with more wins in the financial category and more losses in the legal and political arenas. These losses may explain why there has been a notable increase in local government activism in recent years.

Table 2. Analysis of the Stakeholders' Wins and Losses

	Tribes/ Members		**Governments** (F = Federal, St = State, L = Local)						**Interest Groups**		**Business/ Investors**		**Indiv's + Politicians**		**Event Total**	
Event	**W**	**L**	**F-W**	**F-L**	**St-W**	**St-L**	**L-W**	**L-L**	**W**	**L**	**W**	**L**	**W**	**L**	**W**	**L**
1	F	R	L, R												F, L, R	R
2	L				F	L							F		L, 2F	L
3	P	R	R												P, R	R
4	F	F			F				S	S					2F, S	F, S
5	F	P				F		F				F			F	P, 3F
6	S, F														S, F	
7		F			F					S	F				2F	F, S
8	F	F			F		F		F						4F	F
9	F	F		R							F, F	F			3F	2F, R
10	F, R	F			F, R										2F,2R	F
11	P	F					F						F		P, 2F	F
12	L, F	F				F	F	L							L, 2F	2F, L
13	F	F			F						F				3F	F
14	P	F								S			F	P	P, F	F, S, P
15	F										F	F			2F	F
16	F	L, F,P			F	L, F,P	F	L, F,P					L	F	3F, L	3L,4F, 3P
17	F, F	L, F													F, F	L, F
18	F	F									F, F	F, F			3F	3F
19	F	P			F	P						F			2F	2P, F
Total	15F 1S 2L **1R** 3P	12F 0S 2L **2R** 3P	0F 0S 1L 2R 0P	0F 0S 0L 1R 0R	8F 0S **0L** 1R **0P**	3F 0S **2L** 0R **2P**	4F 0S **0L** 0R 0P	2F 0S **2L** 0R 1P	1F **1S** 0L 0R 0P	0F **3S** 0L 0R 0P	7F 0S 0L 0R 0P	6F 0S 0L 0R 0P	3F 0S 1L 0R **0P**	1F 0S 0L 0R **1P**	38F **2S** **4L** 4R **3P**	24F (+14) **3S (- 1)** **6L (- 2)** 3R (+ 1) **7P (- 4)**

F = Financial, S = Social, L = Legal, R = Regulatory, P = Political

Interest groups had limited involvement in gaming expansion, with most activity in the social category. Here we see more losses than wins. There is only one event where they won financially, when funds for treatment programs were included in gaming compacts. Interest groups did not have any legal, regulatory or political activity in the events described.

For the business/investor stakeholders there were only financial concerns, with seven wins and six losses. The close number of wins versus losses masks the magnitude of the financial wins these stakeholders experienced since most losses were *potential* foregone revenues, while financial wins were *tangible*. They did not experience any social, legal, regulatory or political wins or losses.

Individuals and politicians came out ahead in the financial and legal categories, but have a potential political loss if they served the interests of Tribes at the expense of other constituents' interests. This is not unusual or surprising; for any elected official, cleavages will be present in every jurisdiction. There are always winners and losers when political decisions are made. In Event 4, Tribes became increasingly politically savvy and devoted significant resources to furthering their political interests/preferences in their own jurisdiction and even into neighboring jurisdictions that may be considering gaming expansion (such as Oklahoma – gaming and Texas – non-gaming); some may claim at the expense of other public interests.

If we look at the combined effects to all stakeholders, the financial wins stand out as the most significant finding. Certainly there has been an attitude of sharing the wealth through gaming expansion. In most cases, the payments were direct, but for the gaming opponents, indirect wins such as tribal self-sufficiency gains were made over time as reliance on government social programs was reduced through gaming employment, infrastructure development, and/or financial payouts to Tribes and their members.

Losses across the five categories are few, but may have had potentially large long-term consequences. Financial losses were, of course, smaller than financial wins (otherwise market motivated transactions would not have occurred). Interest groups and citizens who opposed gaming, and the politicians that represented them, had social and political losses since their preferences were not being maximized. However, it is the nature of public policy issues to ebb and flow over time as attitudes and preferences change. Losers in these events may be winners in the future. The balance of legal losses to wins is more troublesome. Many non-tribal stakeholders, such as states, cities and property owners, lost in the legal arena, as tribal rights and sovereignty were mostly upheld in the courts. Tribes may have experienced a backlash if their legal tactics resulted in a loss of goodwill and local residents boycotted their gaming establishments. The same sort of outcome could be expected when comparing the balance of political wins and losses, if tribal activism was perceived negatively. Research (Cornell, et al; 1999; Taylor, Krepps, and Wang, 1999; National Gambling Impact Study Commission, 1999; Grinols, 2004; Light and Rand, 2005) has examined the social costs of gambling pointing to issues such a crime, competition with local business, traffic, loss of real estate and sales tax. There are mixed conclusions, but it is safe to conclude that these issues represent some level of social loss embedded in the key events studied.

Reviewing what occurred over the course of all the events, the wins equal or exceed the losses in 15 of the 19 events. In Event #5, there was a rapid expansion of tribal gaming under federal jurisdiction. In response, state and local government and competing businesses entered the policy arena to get a piece of the gaming action and to offset the financial losses they were experiencing through revenues lost or foregone. As a result, the number of losses exceeded the number of wins. Event #14 described the political activism of Tribes as their interests began to coalesce. Where tribal interest groups were successful in achieving their policy preferences, a social loss was suffered by groups representing divergent preferences. Event #16 was problematic since everyone suffered legal and/or financial losses when the heritage land use issue was taken to the courts for resolution. The inability to negotiate a settlement out of court introduced political as well as financial losses as stakeholders paid for legal representation. Had the matter been kept out of the courts, a better balance between wins and losses may have been possible. Certainly financial compensation obtained through court rulings and out of court settlements may have softened the blow of the land settlements opposed by local governments and taxpayers. For Event #19, the same scenario was true. Unless stakeholders found mutually acceptable resolutions out of the courts, they all suffered losses as the costs of legal representation were introduced and the likelihood of sustainable outcomes was diminished. For all 19 events, there are more wins than losses posted by the various stakeholders. However, this conclusion is misleading since it is impossible to assess whether a financial win is sufficient to offset to a social or political loss. Nor can we say whether a regulatory win sufficiently offsets a legal loss. Criticism can be made that value assumptions inherent in this type of descriptive analysis are highly normative and make comparison nearly impossible since categorizations are subjectively made.

One limitation of this analysis is that actors have been grouped into broad categories that are treated equally, when, in reality, these actors are seldom monolithic in terms of their activities and preferences. A good example of this limitation is the lumping of all tribes under the label of Tribes, when clearly they are not a unified actor. As most who study in this arena are aware, vast differences exist in the degree to which tribal members embrace gaming activities. The classification of gaming and non-gaming tribes represents these ideological differences as two ends of a continuum for clarity of analysis; however, in reality it is likely that tribes could be placed along the entire continuum. A second limitation is that little empirical evidence exists for the non-financial wins and losses. Financial impacts have been, by far, the most studied areas to date (Morse and Goss, 2007). There have been studies on the incidence of crime, bankruptcy, and addictions attributed to gaming, but the results have been mixed or inconclusive because of the inability to separate out commercial gaming activities, and these effects are seldom considered in light of financial contributions. This study attempts to be more comprehensive in the consideration of a range of outcomes, but it also suffers from the same lack of specificity in monetizing and comparing the different types of wins and losses. Also, the impacts identified here cannot be expected to remain static in the future, i.e., the analysis is time-bound (and victim to the limitations of Monday morning quarterbacking and thus not a robust predictor of the future). For example, the indirect, long-term financial and social impacts are critical items not directly considered in this analysis. These effects must be considered as the long-term impacts of education funding and enhanced social programming on tribal lands emerge. Other things to measure are the multiplier effects in local communities gained from casino payrolls. On the negative side, measurement of the long-term social effects from gaming addiction is necessary. Grinols (2004) argues that there are criminal behaviors associated with pathological gambling that need to be considered as well. The estimated national prevalence rate of 0.8% for lifetime pathological gambling5 may increase as true long-term impacts are documented.

As we are reminded by the program and policy evaluation literature (Rossi and Freeman, , an important element in this form of analysis is consideration of the counterfactual. What if the stakeholders in tribal gaming remained just Tribes and the federal government, such as was the case in the 1970's and 1980's? What if there had been no movement to state compacts, which concurrently tended to expand commercial gaming, directly benefiting state and local government? We can speculate that Tribes may not have had the incentive to professionalize, since they would essentially have remained a monopoly with few competitors. Or, there could have been increases in gaming irregularities that lead to enhanced regulation which Tribes generally seek to avoid. In an alternate scenario, states may have been more likely to expand commercial gaming, introducing greater direct competition for gaming dollars. It is important to determine the elasticity of gambling. Gaming revenues seemed to be on an increasing trajectory, until the 2009 data showed a drop from $236.7B to $26.5B, so there may be a break point. Models in this area can be very informative. To do this, there will need to be greater cooperation with tribal and commercial gaming organizations alike to foster transparency in terms of revenues, expenses and net profits.

Conclusion

This paper identified wins and losses experienced by different stakeholders during 19 key events in gaming expansion over the past few decades. The involvement of stakeholders increased from just the federal government and the Tribes to more than 20 active stakeholders in this policy arena. From the 19 events, it is clear that the nature of the negotiations changed from primarily financial to both financial and non-monetary concerns. Additionally, even though the paper started with a tribal gaming focus, it is clear that the boundaries between tribal gaming and commercial gaming activities are blurring; just as the boundaries between financial, social, legal, regulatory and political activities of the different actors in this policy arena are blurring. Over the course of events, each stakeholder won something, most of the time it was financial but there have been wins in every other category as well. Of course, the true question is: are these the desired benefits? Or, do the wins sufficiently compensate for the losses? Have actors indeed hit the jackpot or, when considering the long-term impacts, are they breaking the bank?

These questions can be answered with future research that documents the different types of wins and losses in the financial, social, legal, regulatory and political categories. Confirmation of conclusions regarding the different categories of wins and losses would be a good place to start and would require the efforts of scholars in a variety of disciplines. Financial models can be created as more longitudinal data becomes available on the monetary and economic impacts of gaming establishments. Social impacts can be studied through monitoring of incidence and prevalence rates and the estimation of the social costs of gambling addictions. In addition, research into gains in socio-economic indicators of tribal members can help us to better understand the contribution casino revenues are making to the tribes. The legal issues have, perhaps, received the most attention as sovereignty claims and property

5 By comparison, national alcohol dependence is reported at 13.8%, drug dependence and major depression incidence are reported at 6.2% and 6.4%, respectively.

rights challenges have been highly visible throughout American history. In the regulatory arena, the provisions in compacts between tribes and the states can be more closely examined to determine how the level of oversight is changing. The increase of inter-local arrangements through contracting can contribute to literature on intergovernmental relations and management. Finally, the political arena and actors is shifting. What does this mean for future casino activities and other questions specific to the tribes such as economic development and environmental protection activities? Clearly, more work needs to be done to understand the evolution of gaming and related activities and to enhance the theoretical literature so that it accommodates the special nature of tribal governments operating within a larger government context. Research such as this can contribute invaluable to theory development in this policy arena.

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