



# ECONOMIC IMPACT OF INDIAN TRIBES IN MINNESOTA



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# INTRODUCTION

## ECONOMIC IMPACT OF INDIAN TRIBES IN MINNESOTA

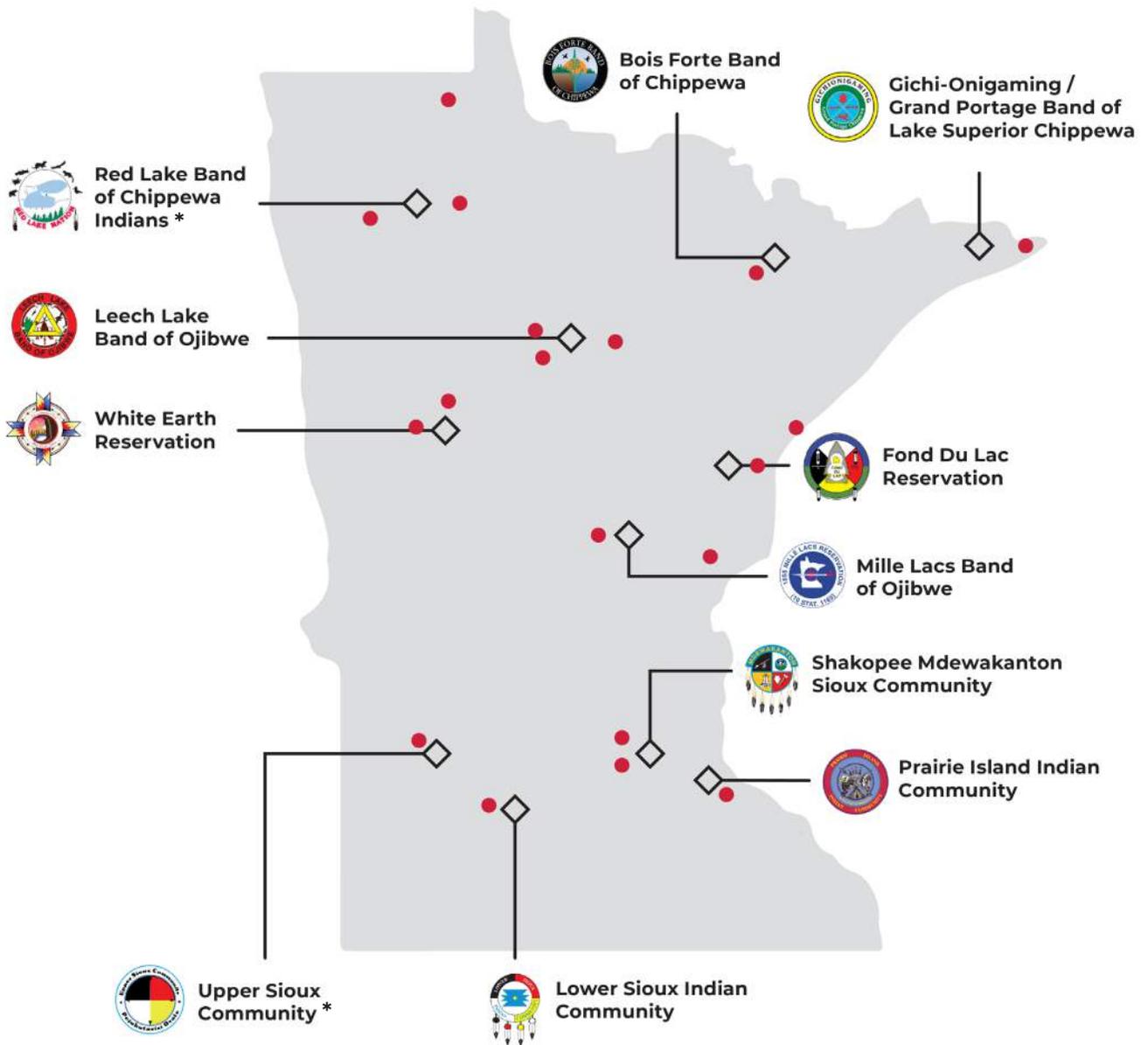
### BACKGROUND

The state of Minnesota has 11 federally recognized Indian tribes. Those tribes have a variety of economic developments, including 21 casinos with related ancillary facilities within the state.

Indian gaming has given Minnesota's 11 sovereign tribal nations a means to improve the lives of their communities, foster economic development and strengthen self-government. It has helped tribes combat extreme poverty, provide for tribal members' health and education, preserve Native cultures, and achieve important goals that were previously unattainable. Indian gaming has also strengthened local economies by providing jobs, supporting local vendors, boosting tourism and generating new tax revenues.

Minnesota's Indian tribes have made significant investments in the creation of non-gaming enterprises on their reservations to provide goods and services to their tribal members and area residents. Minnesota's Indian tribes have also made significant investments in the purchase and/or creation of non-gaming enterprises off the reservation to further diversify their tribal economies. In addition, federal government funds paid to tribes under their sacred, treaty-based trust obligations return significant tax dollars to the state economy.

# MINNESOTA INDIAN CASINOS



## LEGEND

- ◇ Tribal locations
- Gaming enterprises
- \* Not MIGA member-tribe in 2025



The **Minnesota Indian Gaming Association (MIGA)** brings member tribes together to educate the public and elected officials, address shared interests and concerns, and speak with a unified voice on public policy matters. In an effort to better educate the public and to provide current, factual, supportable information to submit to state and local governments, MIGA commissioned a study demonstrating the economic benefits of Indian gaming, economic development and tribal governments in Minnesota.



**KlasRobinson Q.E.D.** was selected to perform this study due to its accumulated experience in analyzing Indian gaming and other tribal business operations in Minnesota and throughout North America, as well as its experience in estimating the economic impact of individual projects and entire industries. For additional information on KlasRobinson Q.E.D., refer to the addendum.

## **OBJECTIVE**

The purpose of this study is to quantify, to the extent possible, the benefits accruing from Indian gaming in the state of Minnesota as a whole and, to a certain degree, the entire country. The study provides estimates of the direct, indirect and induced impact from Indian casinos in the state of Minnesota. It also examines non-gaming investments made by those tribes both on and off the reservation that are funded from the proceeds of Indian gaming and other sources, as well as tribal government operations and programs and services. The magnitude of the direct, indirect and induced benefits provides compelling evidence of the positive impact which Indian gaming has generated in the state of Minnesota.

**Direct impacts** are changes in the industry in which a final demand change is made. In the case of the Indian gaming in Minnesota, direct impacts are those generated directly at the gaming operations, including employment, wages, and purchases of goods and services, as well as taxes or payments in lieu of taxes paid to the local, state and/or federal governments. The same is true for non-gaming enterprises both on and off the reservation and tribal government spending.

**Indirect impacts** are changes in the inter-industry purchases as they respond to the demands of the directly affected industry, namely tribal government spending and the presence of gaming and non-gaming enterprises both on and off the reservation of the 11 Minnesota Indian tribes. This includes increased production and subsequent employment, earnings, and expenditures at businesses which supply goods and services to the tribally-owned enterprises.

**Induced impacts** are derived from changes in spending from households as income/ population increases or decreases due to changes in production. This includes increased production and subsequent employment, earnings and expenditures at area and regional businesses which supply goods and services to the employees of tribally-owned enterprises.

## APPROACH & METHODOLOGY

The primary source material for this study was derived from surveys and follow up interviews with management at the tribally-owned enterprises and representatives of the individual tribes throughout 2023. Information from surveys and interviews was supplemented by written documentation, including financial statements, payroll records, customer counts and surveys, and a variety of other data.

Estimates of indirect and induced impact were prepared by KlasRobinson Q.E.D. using the IMPLAN (IMPact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN model was developed at the University of Minnesota and is maintained by Minnesota IMPLAN Group in Huntersville, North Carolina. The IMPLAN model has been in use since 1979.

The IMPLAN model accounts closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

Induced impact calculated by the IMPLAN model reflects changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy.

Indirect impact calculated by the IMPLAN model reflects changes in inter-industry purchases, effectively measuring the impact of expenditures for other goods and services by the tribally-owned enterprises, as they too cycle through the economy. Three levels of impact have been calculated: output, employment and employee earnings.





# EXECUTIVE SUMMARY

## ECONOMIC IMPACT OF INDIAN TRIBES IN MINNESOTA

The 11 federally recognized Native American tribes in Minnesota make a significant contribution to the economy of the state. These tribes are major economic players in their local economies (in most cases as the single largest employer in their respective regions), promote important regional tourism and spur enormous secondary economic activity in their areas. They provide good-paying jobs with valuable benefits for thousands of people in rural communities where employment opportunities are otherwise difficult to come by. And tribes' economic activities help build greater self-reliance within their own tribal communities.

### 2023 DIRECT IMPACT

#### Indian casinos and related ancillary facilities in Minnesota

- ▶ An annual average of 10,563 employees – 69.6% of employees are full-time, 47.2% are female, 29.7% are Native American, 52.0% are Caucasian and 18.3% are other minorities.
- ▶ Combined, Indian casinos would rank as the 17th largest employer in the state of Minnesota.
- ▶ Annual employee earnings and benefits of almost \$507 million and almost \$110 million in payroll related taxes.
- ▶ Over \$601 million in annual purchases for goods and services for ongoing operations, including almost \$315 million from vendors in the state of Minnesota.
- ▶ Minnesota Indian casinos attract approximately 18.9 million visitors each year, including more than 2 million from outside of the state of Minnesota.
- ▶ Combined, Indian casinos would rank as the 2nd largest tourism attraction in the state of Minnesota – second only to the Mall of America.

### **Tribally-owned and operated non-gaming enterprises in Minnesota**

- ▶ An annual average of 1,487 employees – 56.7% of employees are full-time, 51.5% are female, 20.0% are Native American, 49.6% are Caucasian and 30.4% are other minorities.
- ▶ Annual employee earnings and benefits of \$66.8 million and \$16.5 million in payroll related taxes.
- ▶ Over \$132 in annual purchases for goods and services for ongoing operations, including almost \$74.7 million from vendors in Minnesota.

### **Tribal government operations, programs and services in Minnesota**

- ▶ An annual average of 4,802 employees – 82.2% of employees are full-time, 54.6% are female, 61.3% are Native American, 34.7% are Caucasian and 4.0% are other minorities.
- ▶ Annual employee earnings and benefits of over \$286 million and \$60.5 million in payroll related taxes.
- ▶ Over \$527 million in annual purchases for goods and services for ongoing operations, including more than \$453 million from vendors in the state of Minnesota.

## **2023 MULTIPLIER IMPACT**

### **Indian casinos and related ancillary facilities in Minnesota**

- ▶ Additional annual multiplier output of almost \$1.7 billion for the state of Minnesota.
- ▶ Additional stabilized multiplier employment of 7,882 jobs in the state of Minnesota, combined with direct employment – total employment impact of 18,445 jobs.
- ▶ Additional annual multiplier employee earnings of almost \$607 million for the state of Minnesota, combined with direct earnings – total annual earnings of over \$1.0 billion.

### **Tribally-owned and operated non-gaming enterprises in Minnesota**

- ▶ Additional annual multiplier output of almost \$100 million for the state of Minnesota.
- ▶ Additional stabilized multiplier employment of 483 jobs in the state of Minnesota, combined with direct employment – total employment impact of 1,970 jobs.
- ▶ Additional annual multiplier employee earnings of almost \$35 million for the state of Minnesota, combined with direct earnings – total annual earnings of over \$95 million.

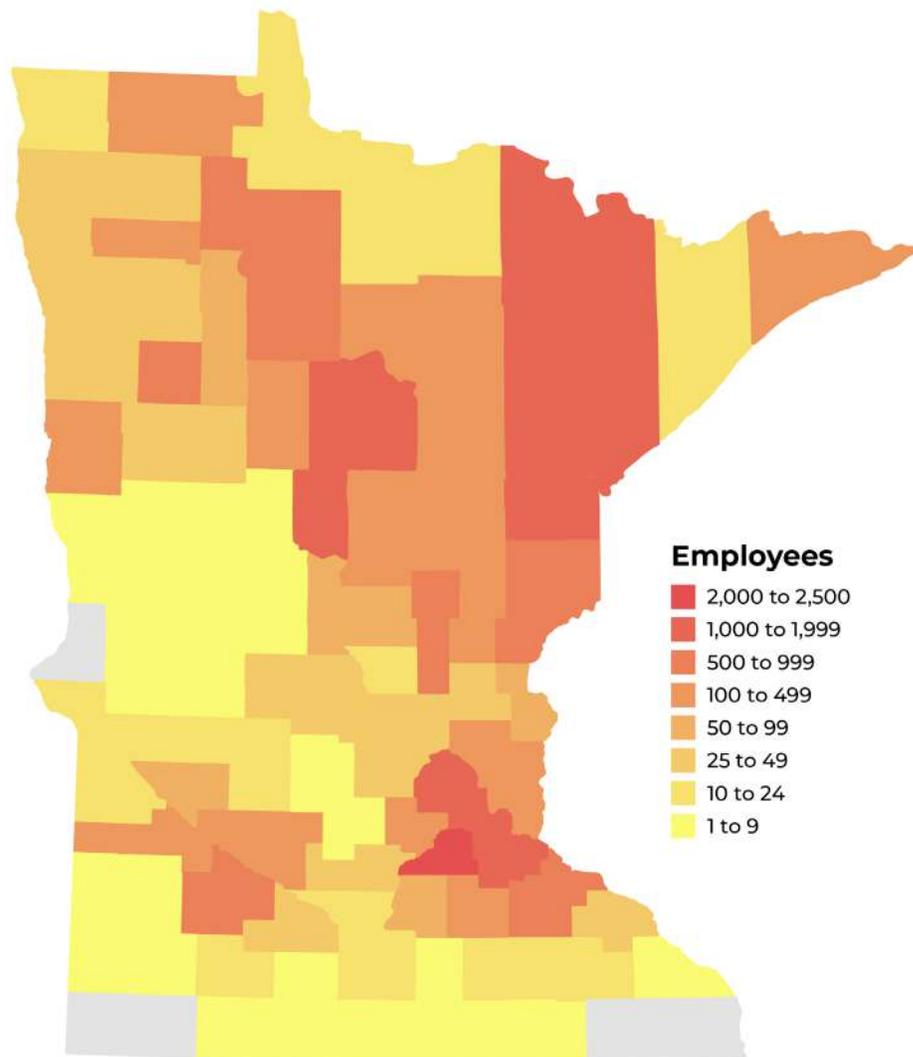
### **Tribal government operations, programs and services in Minnesota**

- ▶ Additional multiplier employment of 6,647 jobs in the state of Minnesota, combined with direct employment – total employment impact of 11,449 jobs.
- ▶ Additional annual multiplier employee earnings of almost \$528.5 million for the state of Minnesota, combined with direct earnings – total annual earnings of almost \$757 million.

Minnesota Indian casinos and related ancillary facilities had an annual average of 10,563 employees, tribally-owned and operated non-gaming ancillary facilities had an annual average of 1,487 employees, and tribal government operations, programs and services had an annual average of 4,802 employees. Combined, Minnesota Indian casinos, tribally-owned and operated non-gaming enterprises, and tribal government operations, programs and services had an annual average of 16,852 employees in 2023.

The vast majority of employees at Indian casinos, tribally-owned and operated non-gaming enterprises, and tribal governments in Minnesota reside in the state of Minnesota.

## MINNESOTA INDIAN TRIBES, CASINOS, ENTERPRISES AND TRIBAL GOVERNMENTS EMPLOYEES BY COUNTY OF RESIDENCE – 2023





# 1. DIRECT IMPACT OF INDIAN TRIBES IN MINNESOTA

## INDIAN CASINOS AND RELATED ANCILLARY FACILITIES

### GENERAL

Tribal enterprises, such as Minnesota Indian casinos and their related ancillary facilities, have a direct impact, not only on their respective tribes, but on the economy of the entire state of Minnesota. Direct expenditures in the form of wages to the numerous employees and purchases of goods and services from various suppliers and industries bring an increased measure of vitality to the region. The following section provides a summary of the estimated levels of employment and direct expenditures that Indian casinos in Minnesota generate on an annual basis. All estimates are in stated year dollars.

**10,563**  
gaming employees

**\$110** MILLION  
in payroll related taxes

**18.9** MILLION  
visitors each year

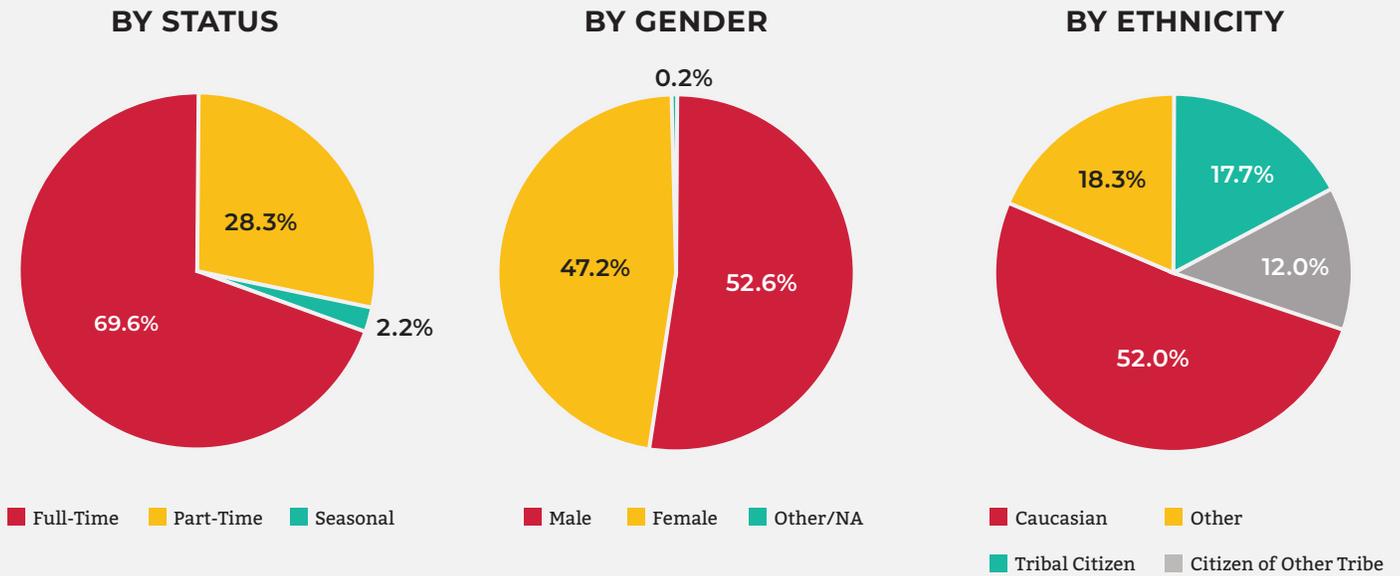
**17<sup>TH</sup>**  
largest employer  
in Minnesota

**+\$601** MILLION  
annual goods and services purchases

### EMPLOYMENT

**In 2023, Minnesota Indian casinos and their related ancillary facilities had an average annual employment of 10,563.** By employment status, 69.6% were full-time positions, 28.3% were part-time positions and 2.2% were seasonal positions. By gender, 52.6% of employees at Indian casino in Minnesota were male and 47.2% were female, while 0.2% reported other or not applicable. By ethnicity, 17.7% of employees were tribal citizens of the tribe that owns the respective casino, 12.0% were citizens of a different tribe, 52.0% were Caucasian and 18.3% were other minorities. This information is presented in the table below and on the pages that follow:

## MINNESOTA INDIAN CASINOS - 2023 EMPLOYMENT



Source: MIGA tribes and KlasRobinson Q.E.D

With 10,563 employees, Indian casinos in Minnesota are one of the largest employers in the state. Based on Minnesota Department of Employment and Economic Development’s list of Minnesota’s top employers, **combined Indian casinos and their related ancillary facilities would rank Indian gaming as the 17th largest employer in the state of Minnesota.** This information is presented in the following table.

Rank	Organization	Industry Description	Employees
1	Mayo Clinic	Medical Care	51,000
2	State of Minnesota	State Government	37,100
3	Fairview Health Services	Integrated Academic Health Systems	36,865
4	Target Corp.	General Merchandise Retailer	35,000
5	Allina Health System	Health Care	29,163
6	University of Minnesota	Public University	27,875
7	HealthPartners	Health Care	26,400
8	Walmart	Merchandise and Grocery Retailer	24,400
9	United States Federal Government	Federal Government	20,800
10	UnitedHealth Group, Inc.	Health Care	19,000
11	Minnesota State (Formerly MNSCU)	Public Colleges and Universities	14,600
12	U.S. Bancorp	Multistate Bank Holding Company	13,000
13	Essentia Health	Health Care	12,065
14	CentraCare Health System	Health Care	11,363
15	United States Postal Service	Federal Government	11,217
16	Wells Fargo Bank Minnesota	Banking, investment and mortgage products	11,000
	<b>Minnesota Indian Casinos</b>	<b>Entertainment</b>	<b>10,563</b>
17	3M	A science-based company that provides products and solutions in numerous industries	9,295
18	Hennepin County	County Government	8,848
19	Hormel Food Corp.	Global food company	8,190
20	Hennepin Healthcare System Inc.	Health Care	7,482

Source: Minnesota Employment and Economic Development, MIGA and KlasRobinson Q.E.D.

The rank estimate figure for Indian casinos in Minnesota does not include employees at tribal governments, programs or services or at non-gaming tribally-owned enterprises, whether on or off their reservations. They also do not include employees at businesses that supply the casinos with goods and services for on-going operations. Non-gaming, government and multiplier employment impact are discussed later in the report.

## WAGES & EARNINGS

The total annual wages in 2023 at Minnesota Indian casinos and related ancillary facilities were approximately **\$361.3 million**.

By dividing the annual wages by the number of employees at Indian casinos in Minnesota, average wages paid at Indian casinos equaled approximately **\$34,200 per job in 2023**.

Tipped employees at Minnesota Indian gaming complexes are estimated to earn an additional **\$52 million** in tip income annually, bringing total direct earnings at Minnesota Indian gaming complexes to **\$413.3 million** and average earnings per job to **\$39,100**.

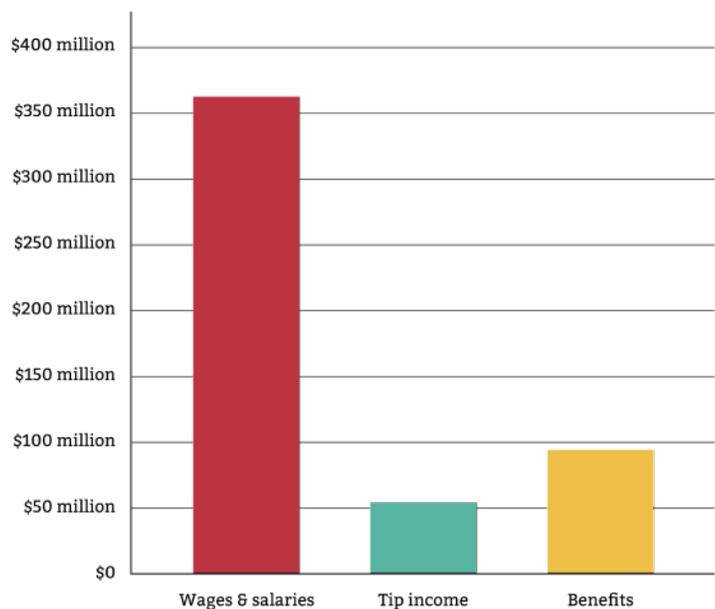
The above average wage calculation is for full-time, part-time and seasonal employees. Accordingly, the average wage per full-time employee is even higher.

## OTHER BENEFITS

In addition to wages, Minnesota Indian casinos set aside additional funds for employee benefits for their 10,563 employees including health care, dental, life insurance, retirement plans and other benefits. Based on current levels of benefit payments, Indian casinos in Minnesota pay **more than \$93.5 million in other benefits** to their employees on an annual basis, which equates to **more than \$8,850 in other benefits per employee in 2023**.

Combined, Minnesota Indian casinos generate over **\$506.8 million in employee earnings and benefits annually to their employees**.

MINNESOTA INDIAN CASINOS - 2023 ANNUAL EMPLOYEE EARNINGS AND BENEFITS



## PAYROLL TAXES

There is a common misconception that Indian tribes, particularly those with gaming facilities, operate completely free of tax obligations. The belief arises out of the fact that tribal businesses, such as casinos and their related ancillary facilities are, like any government-run enterprise such as the Minnesota Lottery or municipal liquor stores, not subject to federal and state income taxes, state sales taxes or municipal real estate taxes.

Native American employees who both live and work on the reservation, while exempt from state withholding, pay federal withholding. Indian-owned businesses, such as tribal casinos, and their employees are also subject to Social Security and Medicare taxes. In addition, non-Native employees and Native employees not living on the reservation are subject to both federal and state withholding. Consequently, Indian-owned businesses make major contributions to state and federal tax revenue both directly and indirectly.

The following table presents the estimated direct payroll related withholding for Indian casinos and their related ancillary facilities in Minnesota.

### MINNESOTA INDIAN CASINOS - ANNUAL PAYROLL RELATED TAXES

Federal Withholding	\$33,822,000
State Withholding	\$15,338,000
Social Security - Employer	\$24,611,000
Social Security - Employee	\$24,537,000
Medicare - Employer	\$5,795,000
Medicare - Employee	\$5,815,000
<b>Total</b>	<b>\$109,918,000</b>

The figures do not include increased federal and state payroll and income taxes paid by the suppliers of Minnesota Indian casino complexes as a result of increased business volume. The magnitude of expenditures by Indian casinos in Minnesota for goods and services is included later in this report. It should also be noted that these figures do not include the tax revenue derived from expenditures by gaming facility patrons or employees for lodging, food or beverage or other taxable items away from the gaming and associated facilities.



## PURCHASES OF GOODS AND SERVICES

In addition to wages and taxes, Minnesota Indian casinos and their related ancillary facilities spend considerable sums annually, including within the state of Minnesota, to purchase goods and services for ongoing operations. Goods and purchases for ongoing operations include advertising and promotion, food and beverage raw materials, gaming and non-gaming supplies, contract labor and services, utilities, insurance, maintenance supplies and services, marketing, and administrative and general. Player comps and other internal discounts from the casinos have been excluded.

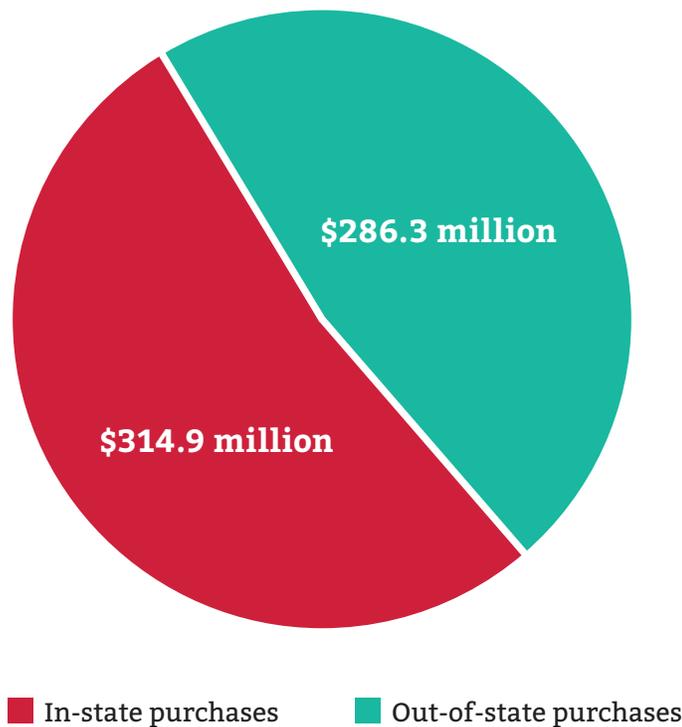
### MINNESOTA INDIAN CASINOS - 2023 ANNUAL PURCHASES OF GOODS AND SERVICES FOR ONGOING OPERATIONS

Segment	Purchases	Percent
In-State Purchases	\$314,909,000	52.4%
Out-of-State Purchases	\$286,377,000	47.6%
<b>Total Purchases</b>	<b>\$601,286,000</b>	<b>100.0%</b>

Source: MIGA tribes and KlasRobinson Q.E.D.

**During 2023, Indian casinos in Minnesota purchased more than \$601.0 million in goods and services for ongoing operations, including approximately \$314.9 million from in-state Minnesota vendors (approximately 52.4%) and almost \$286.4 million from out-of-state vendors (approximately 47.6%).**

### 2023 ANNUAL PURCHASES OF GOODS AND SERVICES FOR ONGOING OPERATIONS : \$601 MILLION



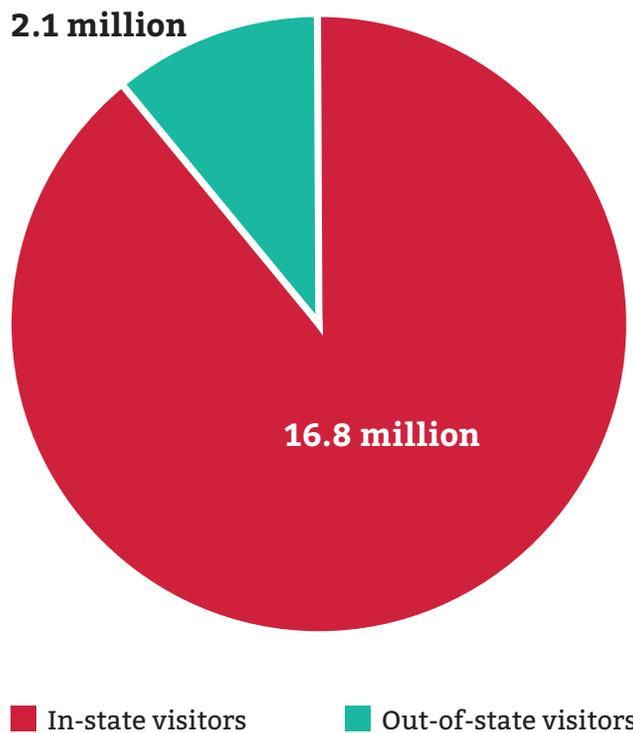
## IMPACT ON TOURISM

Indian casinos in Minnesota attract millions of visitors annually. **During 2023, Minnesota Indian casinos attracted 18.9 million visitors of which more than 2 million resided outside of Minnesota.**

Many of these visitors, particularly those from out of state, stay at hotels in the region, including tribally-owned hotels at Minnesota Indian casinos. **Tribally-owned hotels at Indian casinos in Minnesota are estimated to accommodate well over 2.3 million overnight visitors annually.**

Like other visitors to Minnesota Indian casinos, the overnight hotel guests not only spend money at the various tribal enterprises, but at other businesses in the area. Furthermore, the more time visitors spend in the area, the greater the amount of money spent at area businesses.

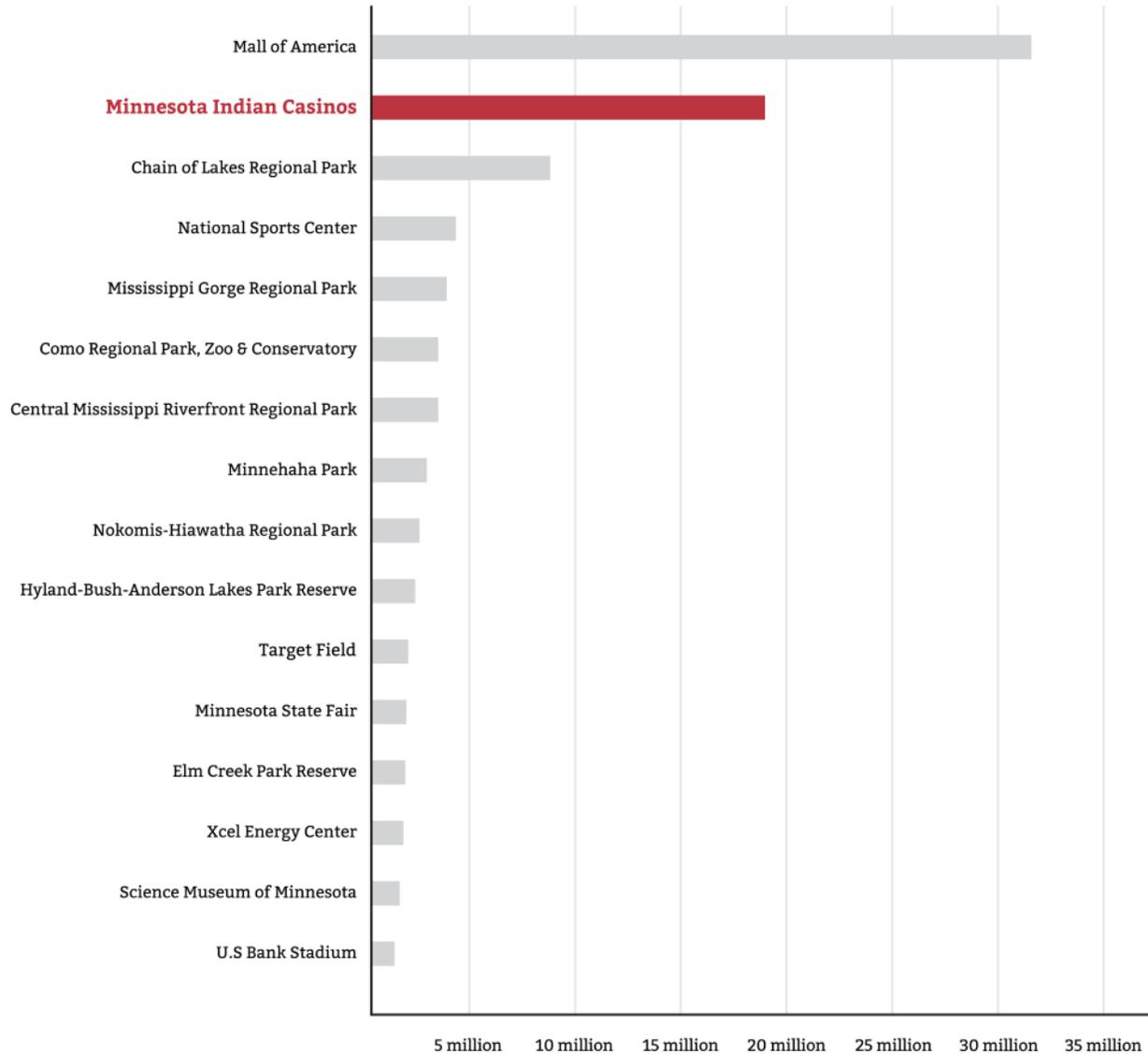
### 2023 ANNUAL VISITS TO MINNESOTA INDIAN CASINOS



With an estimated 18.9 million annual visitors, Indian casinos in Minnesota as a group are one of the most popular attractions in the state. Based on published information from various government entities and/or the individual attractions themselves, combined, Indian casinos would rank as the second largest tourism attraction in the state of Minnesota, only surpassed by the Mall of America.

It is important to note that several of Minnesota's Indian casinos would rank amongst the top 25 Minnesota attractions based on the attendance at their individual properties.

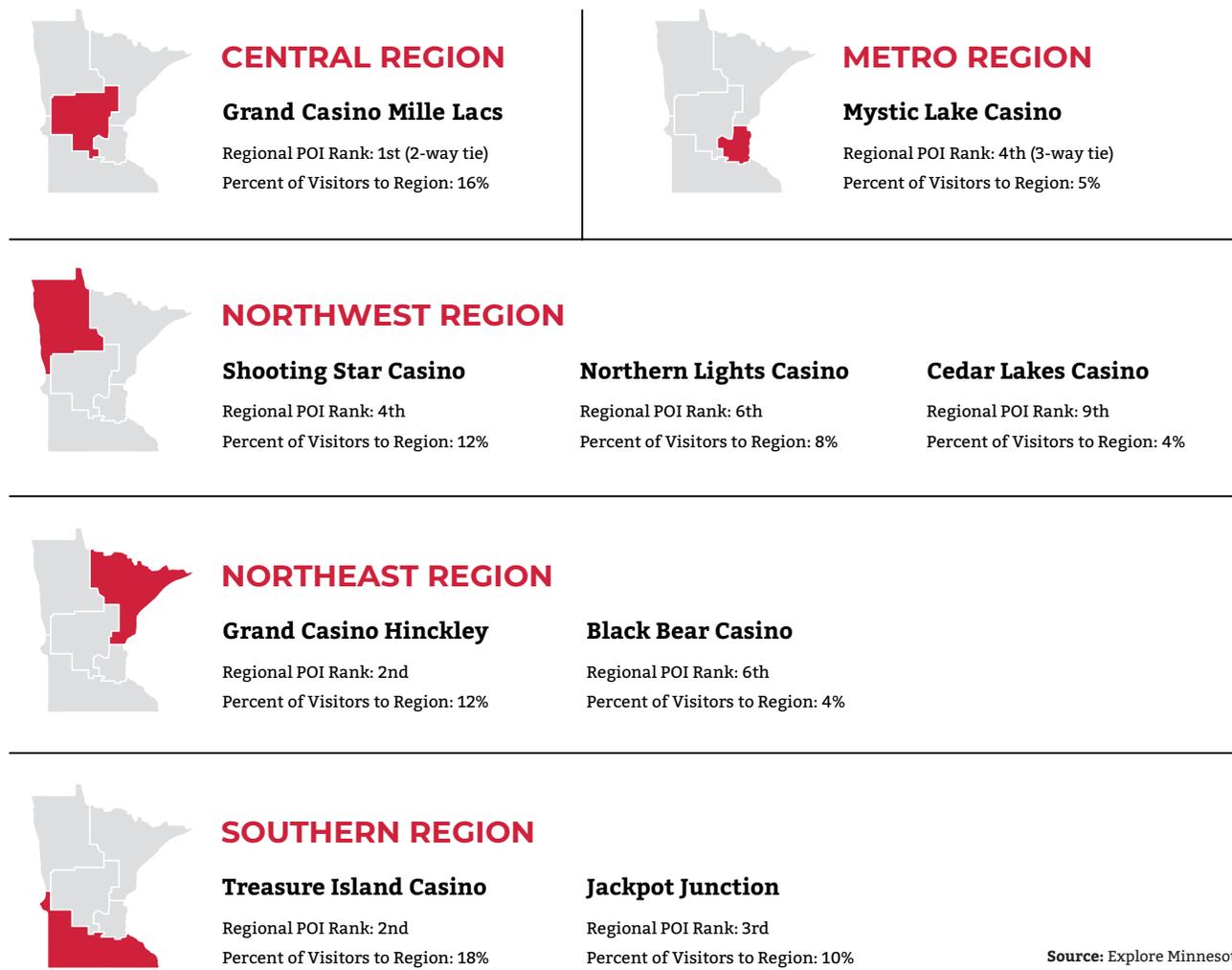
## 2023 MINNESOTA TOP ATTRACTIONS ANNUAL VISITATION COMPARISON



Source: Various government entities, individual attractions, MIGA tribes and KlasRobinson Q.E.D.

**Explore Minnesota** is the state tourism promotion agency. As part of its ongoing research into Minnesota visitor trends, Explore Minnesota engaged Datafy – a national IT services and consulting firm – to conduct an analysis of top points of interest (POIs) based on 500 POIs that have been set up in Explore Minnesota’s geolocation dashboard. POIs are physical boundaries drawn on a map to capture mobile device activity in that boundary. While not a substitute for actual attendance data or point of sale reports, POI share of trip percentage data estimates do provide useful insights into relative volumes of visitation to various points of interest. POI data was for calendar year 2023.

The analysis broke the 500 various POIs into five Minnesota regions – Central Minnesota, Minneapolis-Saint Paul Area (Metro), Northeast Minnesota, Northwest Minnesota and Southern Minnesota. The following table presents the rankings of Indian casinos by region that appeared in the top 10 POIs for each of the five regions and the percentage share of visitor trips for the specific POI in that region.



In 2023, **Grand Casino Mille Lacs** in Onamia tied for first with 16% of visitors to the Central Minnesota region. **Mystic Lake Casino** in Prior Lake with 5% of visitors was in a three-way tie for fourth in the Metro region. In the Northeast region, **Grand Casino Hinckley** ranked second with 12% while **Black Bear Casino** in Carlton ranked sixth with 4% of visitors to the region. In the Northwest region, **Shooting Star Casino** in Mahanomen ranked fourth with 12%, **Northern Lights Casino** in Walker ranked sixth with 8% and **Cedar Lakes Casino** in Cass Lake ranked ninth in the region with 4% of visitors. In the Southern region, **Treasure Island Casino** in Welch ranked second with 18% and **Jackpot Junction** in Morton ranked third in the region with 10% of visitors to the region.

The preceding rankings are examples of the popularity of Indian casinos in Minnesota. While each of Minnesota’s Indian casinos is an entertainment destination, they do not necessarily each rank in the top 10 POIs in their respective regions and/or may not have been included in the 500 POIs selected by Explore Minnesota for the analysis.



## 2. MULTIPLIER IMPACT OF INDIAN TRIBES IN MINNESOTA

### INDIAN CASINOS AND RELATED ANCILLARY FACILITIES

#### GENERAL

The concepts of indirect and induced impact are among the most widely used and poorly understood tools in economic analysis. Fundamentally, they are based upon an extension of the direct expenditures by the businesses and their patrons described above. Money spent at tribal enterprises is redistributed back into the economy in the form of wages, taxes and expenditures for goods and services.

In the case of tribally-owned and operated gaming operations, money is spent at the Indian casino and then is redistributed back into the economy in the form of wages, taxes and expenditures for goods and services. In the same manner that the casino redistributes the gaming win and other revenue it receives, the people to whom those wages are paid and from whom the goods and services are purchased further redistribute the money they receive in wages to their employees and purchases for their own operating needs. It is the measurement of this ongoing cycle of redistribution which estimates of indirect and induced impact attempt.

Estimates of indirect and induced impact were prepared by KlasRobinson Q.E.D. using the IMPLAN (IMPact Analysis for PLANing) economic model originally developed for the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN model was developed at the University of Minnesota and is maintained by IMPLAN in Huntersville, North Carolina. The IMPLAN model has been in use since 1979. The IMPLAN model accounts closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations.

**\$1.7** BILLION  
output

**7,882**  
jobs

**+\$606** MILLION  
employee earnings

Induced impact calculated by the IMPLAN model reflects changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy. Indirect impact calculated by the IMPLAN model reflects changes in inter-industry purchases, effectively measuring the impact of expenditures for other goods and services by the tribal enterprises as they cycle through the economy. Three levels of impact have been calculated: output, employment and employee earnings.

## OUTPUT

Indirect and induced output includes increases in production and/or sales at area businesses due to the increased demand generated by Indian casinos and their related ancillary facilities in Minnesota, as well as at businesses impacted by the providers of goods and services to the tribal gaming enterprises.

The total induced and indirect impact on the economic output from Indian gaming operations in Minnesota is estimated to equal **almost \$1.7 billion annually in Minnesota.**

### ESTIMATED INDIRECT AND INDUCED OUTPUT IMPACT

Impact	State of Minnesota
Indirect Impact	\$893,990,000
Induced Impact	\$772,700,000
<b>Total Multiplier</b>	<b>\$1,666,690,000</b>

Source: KlasRobinson Q.E.D.

## EMPLOYMENT

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by Indian casinos and related ancillary facilities in Minnesota, as well as at businesses impacted by the providers of goods and services to the Indian gaming enterprises.

The total induced and indirect impact on employment from Indian casinos in Minnesota is estimated to equal **over 7,880 jobs for the state of Minnesota as a whole.**

Adding the direct impact on employment from Indian casinos and related ancillary facilities in Minnesota to the indirect and induced impact yields a total estimated impact on employment of 18,445 jobs for the state of Minnesota as a whole.

### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYMENT IMPACT

Impact	State of Minnesota
Indirect Impact	3,894
Induced Impact	3,988
<b>Total Multiplier</b>	<b>7,882</b>
Direct Impact	10,563
<b>Total Impact</b>	<b>18,445</b>

Source: KlasRobinson Q.E.D.

## EMPLOYEE EARNINGS

Indirect and induced employee earnings include increases in employee earnings at area businesses due to the increased demand generated by Indian casinos and related ancillary facilities in Minnesota, as well as at businesses impacted by the providers of goods and services to the tribal gaming enterprises.

The total induced and indirect impact on employee earnings from Indian casinos in Minnesota is estimated to **equal almost \$607 million for the state of Minnesota as a whole.**

Adding the direct impact on employee earnings from Minnesota Indian casinos to the indirect and induced impact yields a total estimated impact on employee earnings of more than \$1.0 billion annually for the state of Minnesota as a whole.

### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYEE EARNINGS IMPACT

<b>Impact</b>	<b>State of Minnesota</b>
Indirect Impact	\$339,050,000
Induced Impact	\$267,930,000
<b>Total Multiplier</b>	<b>\$606,980,000</b>
Direct Impact	\$413,300,000
<b>Total Impact</b>	<b>\$1,020,280,000</b>

Source: KlasRobinson Q.E.D.





### 3. DIRECT IMPACT OF INDIAN TRIBES IN MINNESOTA

#### TRIBALLY-OWNED AND OPERATED NON-GAMING ENTERPRISES

#### GENERAL

Proceeds from Indian casinos help fund tribal governments, programs and services including economic development and diversification, both on and off the reservation. Funding also comes from other tribal economic development activities. Minnesota's Indian tribes have made significant investments in the creation of non-gaming enterprises on their reservations to provide goods and services to their tribal members and area residents. Minnesota's Indian tribes have also made significant investments in the purchase and/or creation of non-gaming enterprises off the reservation to further diversify their tribal economies.

These enterprises have a direct impact, not only on the tribes, but on their local economies, as well as on the entire state of Minnesota. Direct expenditures in the form of wages to the numerous employees, and purchases of goods and services from various suppliers and industries bring an increased measure of economic activity to both the reservation and community in which the enterprise is located.

**1,487**  
employees

**\$60.2** MILLION  
employee earnings and benefits

**\$16.5** MILLION  
annual payroll related taxes

## TRIBALLY-OWNED AND OPERATED NON-GAMING ENTERPRISES IN MINNESOTA\*

Car wash  
Commercial laundry  
Construction  
Equipment leasing  
Fast food restaurant  
Gas station/convenience stores

Golf courses  
Government contracting  
Grocery stores  
Hotels and lake resorts  
Mini storage  
Movie theater

Organics recycling  
Propane sales and distribution  
Property management  
Radio stations  
RV parks  
Sand and gravel products

Sports and fitness facilities  
Real estate development  
Telecommunications  
Wastewater management  
Water bottling facility  
Wild rice production and sales

*\* This report reflects tribal data in 2023, before tribal cannabis dispensaries came into existence*

**Source:** MIGA tribes and KlasRobinson Q.E.D.



It is important to note that these are business enterprises owned and operated by the individual tribes, either through the tribe directly or through entities owned by the tribe, and do not include enterprises owned or operated by private individuals or groups of tribal members that own and operate their own business enterprises in the state.

In addition, these enterprises do not include enterprises owned but not operated by the tribes, or passive investments made by the tribes.

The following section provides a summary of the estimated levels of employment and direct expenditures that the non-gaming, tribally-owned and operated enterprises generate on an annual basis. All estimates are in stated-year dollars.

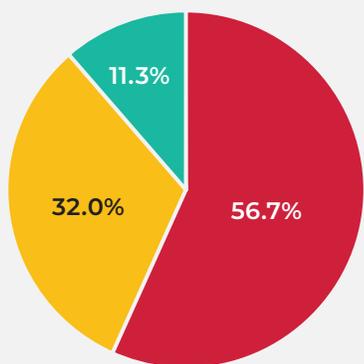
## EMPLOYMENT

**In 2023, Minnesota tribally-owned and operated non-gaming enterprises had an average annual employment of 1,487.**

By employment status, 56.7% were full-time positions, 32.0% were part-time positions and 11.3% were seasonal positions. By gender, 47.9% of employees at tribally-owned and operated non-gaming enterprises in Minnesota were male and 51.5% were female, while 0.6% reported other or not applicable. By ethnicity, 15.8% of employees were tribal citizens of that tribe’s non-gaming enterprises in Minnesota, 4.2% were citizens of a different tribe, 49.6% were Caucasian and 30.4% were other minorities.

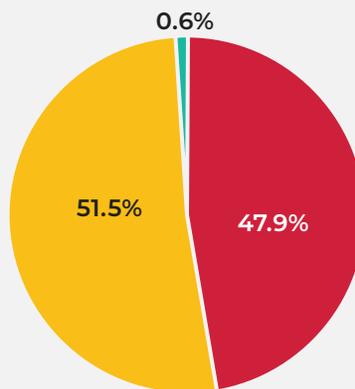
### NON-GAMING ENTERPRISES - 2023 EMPLOYMENT

BY STATUS



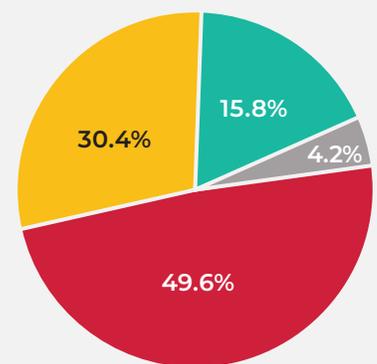
■ Full-Time ■ Part-Time ■ Seasonal

BY GENDER



■ Male ■ Female ■ Other/NA

BY ETHNICITY



■ Caucasian ■ Other  
 ■ Tribal Citizen ■ Citizen of Other Tribe

Source: MIGA tribes and KlasRobinson Q.E.D.

## WAGES & EARNINGS

Minnesota tribally-owned and operated non-gaming enterprises had an average annual employment of 1,487 in 2023.

The total annual wages in 2023 at tribally-owned and operated non-gaming enterprises in Minnesota were approximately **\$59.3 million**. By dividing the annual wages by the number of employees, average wages paid at tribally-owned and operated non-gaming enterprises in Minnesota equaled approximately **\$39,900 per job in 2023**.

This average wage calculation is for both full-time and part-time employees and does not include tip income.

Tipped employees at tribally-owned and operated non-gaming enterprises in Minnesota are estimated to earn an additional **\$912,000 in tip income** annually, bringing total direct employee earnings at tribally-owned and operated non-gaming enterprises in Minnesota to more than **\$60.2 million** and average earnings per job to **\$40,500**.

The above average wage calculation is for full-time, part-time and seasonal employees. Accordingly, the average wage per full-time employee is even higher.

## OTHER BENEFITS

In addition to wages, tribally-owned and operated non-gaming enterprises in Minnesota set aside additional funds for employee benefits for their 1,487 employees, including health care, dental, life insurance, retirement plans and other benefits.

Based on current levels of benefit payments, tribally-owned and operated non-gaming enterprises in Minnesota pay **almost \$6.6 million in other benefits** to their employees on an annual basis, **which equates to almost \$4,435 in other benefits per employee**.

Combined, tribally-owned and operated non-gaming enterprises in Minnesota generated **almost \$67 million in earnings and benefits** annually for their employees.

## PAYROLL TAXES

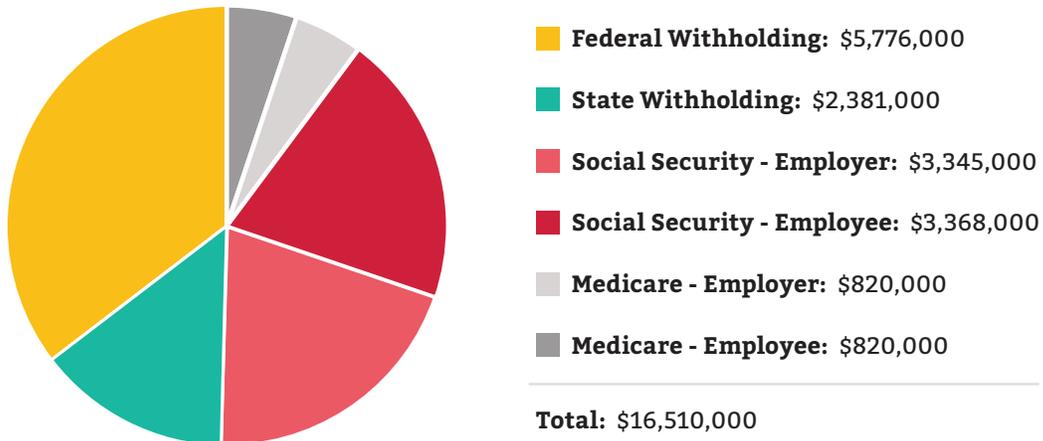
There is a common misconception that Indian tribes operate completely free of tax. The belief arises out of the fact that Indian businesses, like other government enterprises such as the Minnesota Lottery, are not subject to federal and state income taxes, state sales taxes or municipal real estate taxes.

Indian employees who both live and work on the reservation, while exempt from state withholding, pay federal withholding. In addition, non-Indian employees and Indian employees not living on the reservation at tribally-owned and operated non-gaming enterprises are subject to both federal and state withholding. Consequently, tribally-owned and operated enterprises make major contributions to state and federal tax revenue both directly and indirectly.

The following table presents the estimated direct payroll related withholding for tribally-owned and operated enterprises in Minnesota. This information is presented graphically on the following page.

These do not include increased federal and state payroll and income taxes paid by the suppliers of the tribally-owned and operated non-gaming enterprises as a result of increased business volume. The magnitude of expenditures by tribally-owned and operated enterprises in Minnesota for goods and services is discussed later in this report. It should also be noted that these figures do not include the tax revenue derived from expenditures by enterprise patrons or employees for lodging, food or beverage or other taxable items away from the tribally-owned and operated enterprises.

**TRIBALLY-OWNED AND OPERATED NON-GAMING ENTERPRISES  
ANNUAL PAYROLL RELATED TAXES**



Source: MIGA tribes and KlasRobinson Q.E.D.

**PURCHASES OF GOODS AND SERVICES**

In addition to wages and taxes, tribally-owned and operated non-gaming enterprises spend considerable sums annually, including within the state of Minnesota, to purchase goods and services for on-going operations. Goods and purchases for on-going operations include raw materials, supplies, contract labor and services, utilities, insurance, maintenance supplies and services, marketing, and administrative and general.

**During 2023, tribally-owned and operated non-gaming enterprises in Minnesota purchased more than \$132.1 million in goods and services for on-going operations including almost \$74.7 million from in-state Minnesota vendors (approximately 56.5%).**

**TRIBALLY-OWNED AND OPERATED  
NON-GAMING ENTERPRISES  
2023 ANNUAL PURCHASES OF GOODS AND  
SERVICES FOR ON-GOING OPERATIONS**

Segment	Purchases	Percent
In-State Purchases	\$74,693,000	56.5%
Out-of-State Purchases	\$57,436,000	43.5%
<b>Total Purchases</b>	<b>\$132,129,000</b>	<b>100.0%</b>

Source: MIGA tribes and KlasRobinson Q.E.D.



## 4. MULTIPLIER IMPACT OF INDIAN TRIBES IN MINNESOTA

### TRIBALLY-OWNED AND OPERATED NON-GAMING ENTERPRISES

#### OUTPUT

Indirect and induced output includes increases in production and/or sales at area businesses due to the increased demand generated by tribally-owned and operated non-gaming enterprises in Minnesota, as well as increases at businesses impacted by the providers of goods and services to the tribally-owned and operated non-gaming enterprises.

**The total induced and indirect impact on the economic output from tribally-owned and operated non-gaming enterprises in Minnesota is estimated to equal over \$99.8 million annually on the state of Minnesota as a whole.**

**\$99.8** MILLION

output

**483**

jobs

**\$34.9** MILLION

employee earnings

## EMPLOYMENT

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by the tribally-owned and operated non-gaming enterprises in Minnesota, as well as increases at businesses impacted by the providers of goods and services to the tribally-owned and operated non-gaming enterprises.

The total induced and indirect impact on employment from the tribally-owned and operated non-gaming enterprises in Minnesota is estimated to equal more than 480 jobs for the state of Minnesota as a whole.

Adding the direct impact on employment from tribally-owned and operated non-gaming enterprises in Minnesota to the indirect and induced impact yields a total estimated impact on employment of 1,970 jobs for the state of Minnesota as a whole.

The following table presents a summary of the estimated impact on employment from tribally-owned and operated non-gaming enterprises in Minnesota on the state of Minnesota as a whole.

### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYMENT IMPACT

Impact	State of Minnesota
Indirect Impact	234
Induced Impact	248
<b>Total Multiplier</b>	<b>483</b>
Direct Impact	1,487
<b>Total Impact</b>	<b>1,970</b>

Source: KlasRobinson Q.E.D.

## EMPLOYEE EARNINGS

Indirect and induced employee earnings include increases in employee earnings at area businesses due to the increased demand generated by tribally-owned and operated non-gaming enterprises in Minnesota, as well as at businesses impacted by the providers of goods and services to the tribally-owned and operated non-gaming enterprises.

**The total induced and indirect impact on employee earnings from tribally-owned and operated non-gaming enterprises in Minnesota is estimated to equal over \$34.9 million for the state of Minnesota as a whole.**

Adding the direct impact on employee earnings from tribally-owned non-gaming on-reservation enterprises in Minnesota to the indirect and induced impact yields a total estimated impact on employee earnings of more than \$95.1 million annually for the state of Minnesota as a whole.

### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYEE EARNINGS IMPACT

Impact	State of Minnesota
Indirect Impact	\$18,240,000
Induced Impact	\$16,680,000
<b>Total Multiplier</b>	<b>\$34,920,000</b>
Direct Impact	\$60,200,000
<b>Total Impact</b>	<b>\$95,120,000</b>

Source: KlasRobinson Q.E.D.



## 5. DIRECT IMPACT OF INDIAN TRIBES IN MINNESOTA

### TRIBAL GOVERNMENTS

#### GENERAL

Tribal governments receive significant funding from the federal government in fulfillment of its sacred, treaty-based trust obligations to the tribes. These payments repatriate substantial tax dollars to Minnesota. In addition to the numerous benefits already discussed, net proceeds from Indian casinos and tribally-owned and operated non-gaming enterprises in Minnesota are a significant funding mechanism for tribal government operations, programs and services.

The following page includes examples of tribal government operations, programs and services – which vary from tribe to tribe depending on their form of governance and the needs of their members.

**4,802**

employees

**\$286** MILLION

employee earnings and benefits

**\$60.4** MILLION

annual payroll related taxes

**\$527** MILLION

purchases of good and service

## TRIBAL GOVERNMENT OPERATIONS, PROGRAMS AND SERVICES

- ▶ Tribal council/executive branch/legislative branch
- ▶ Judicial branch/tribal court
- ▶ Administration
- ▶ Economic development
- ▶ Human resources
- ▶ Accounting and finance
- ▶ Housing
- ▶ Health and wellness
- ▶ Human services
- ▶ Veteran services
- ▶ Head Start and education
- ▶ Nutrition services
- ▶ Natural resources
- ▶ Fire/EMS
- ▶ Information technology
- ▶ Law enforcement/detention
- ▶ Planning
- ▶ Language, cultural and historic preservation
- ▶ Enrollment
- ▶ Contracts and grants
- ▶ Public works and public utilities

Source: MIGA tribes and KlasRobinson Q.E.D.



The following sections provide a summary of the estimated levels of employment, wages and earnings, benefits, and payroll related taxes. All estimates are in stated year dollars.

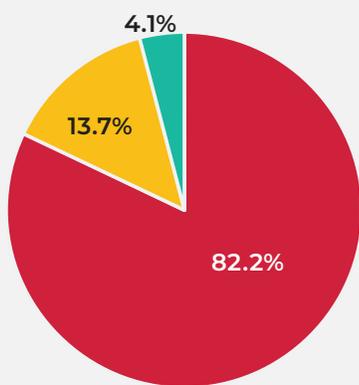
## EMPLOYMENT

In 2023, the 11 Minnesota tribal governments, including operations, programs and services, had an estimated average annual employment of 4,802.

By employment status, 82.2% were full-time positions, 13.7% were part-time positions and 4.1% were seasonal positions. By gender, almost 45.4% of tribal government employees in Minnesota were male and almost 54.6% were female (0.04% reported other or not applicable). By ethnicity, 44.2% of tribal government employees in Minnesota were tribal citizens of that tribe’s government, 17.1% were citizens of a different tribe, 34.7% were Caucasian and 4.0% were other minorities.

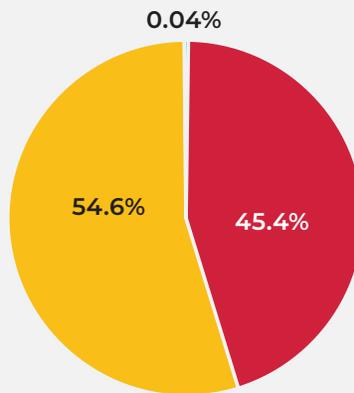
### MINNESOTA TRIBAL GOVERNMENTS - 2023 EMPLOYMENT

BY STATUS



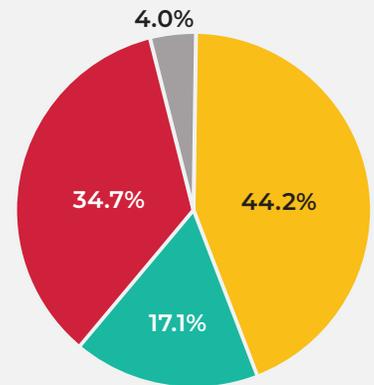
■ Full-Time ■ Part-Time ■ Seasonal

BY GENDER



■ Male ■ Female ■ Other/NA

BY ETHNICITY



■ Caucasian ■ Other  
■ Tribal Citizen ■ Citizen of Other Tribe

Source: MIGA tribes and KlasRobinson Q.E.D.

## WAGES & EARNINGS

The 11 Minnesota tribal governments, including operations, programs and services, had an estimated average annual employment of 4,802 in 2023.

The total annual wages in 2023 at Minnesota tribal governments were approximately \$228.3 million.

By dividing the annual wages by the number of employees at tribal governments, average wages paid at tribal governments in Minnesota equaled approximately \$47,500 per job in 2023.

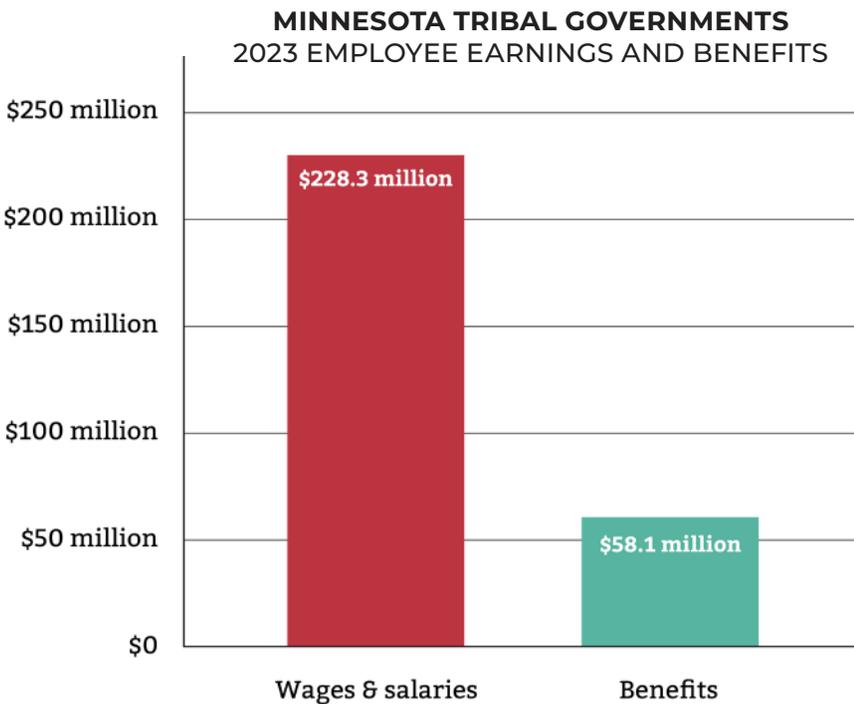
This average wage calculation is for full-time, part-time and seasonal employees. Accordingly, the average wage per full-time equivalent employee is even higher.

## OTHER BENEFITS

In addition to wages, tribal governments in Minnesota set aside additional funds for employee benefits for their 4,802 employees including health care, dental, life insurance, retirement plans and other benefits.

Based on current levels of benefit payments, tribal governments in Minnesota pay over \$58 million in other benefits to their employees on an annual basis, which equates to almost \$12,100 in other benefits per employee.

Combined, tribal governments in Minnesota paid over \$286 million in annual earnings and benefits to their employees in 2023.



## PAYROLL TAXES

As previously discussed, there is a common misconception that Indian tribes operate completely free of tax. The belief arises out of the fact that Indian businesses, like other government enterprises such as the Minnesota Lottery, are not subject to federal and state income taxes, state sales taxes, or municipal real estate taxes. The same is true for the tribal governments themselves. Indian employees who both live and work on the reservation, while exempt from state withholding, do pay federal withholding.

Tribal governments and their employees are also subject to Social Security and Medicare taxes. In addition, non-Indian tribal government employees and Indian employees not living on the reservation are subject to both federal and state withholding. Consequently, tribal governments make major contributions to state and federal tax revenue both directly and indirectly.

The following table presents the estimated direct payroll-related withholding for tribally-owned and operated enterprises in Minnesota.

### MINNESOTA TRIBAL GOVERNMENTS 2023 ANNUAL PAYROLL RELATED TAXES

Federal Withholding	\$20,634,000
State Withholding	\$6,973,000
Social Security - Employer	\$13,258,000
Social Security - Employee	\$13,258,000
Medicare - Employer	\$3,181,000
Medicare - Employee	\$3,193,000
<b>Total</b>	<b>\$60,497,000</b>

Source: MIGA tribes and KlasRobinson Q.E.D.

The above figures do not include increased federal and state payroll and income taxes paid by the suppliers of the tribal governments as a result of increased business volume.

## PURCHASES OF GOODS AND SERVICES

In addition to wages and taxes, tribal governments spend considerable sums annually, including within the state of Minnesota, to purchase goods and services for ongoing operations. Goods and purchases for ongoing operations include raw materials, supplies, contract labor and services, utilities, insurance, maintenance supplies and services, and administrative and general.

### TRIBAL GOVERNMENTS OPERATIONS, PROGRAMS AND SERVICES

#### 2023 ANNUAL PURCHASES OF GOODS AND SERVICES FOR ONGOING OPERATIONS

Segment	Purchases	Percent
In-State Purchases	\$453,034,000	85.9%
Out-of-State Purchases	\$74,401,000	14.1%
<b>Total Purchases</b>	<b>\$527,435,000</b>	<b>100.0%</b>

**During 2023, tribal governments in Minnesota purchased more than \$527 million in goods and services for ongoing operations, including over \$453 million from in-state Minnesota vendors (approximately 85.9%).**



# 6. MULTIPLIER IMPACT OF INDIAN TRIBES IN MINNESOTA

## TRIBAL GOVERNMENTS

### EMPLOYMENT

Indirect and induced employment includes increases in employment at area businesses due to the increased demand generated by the tribal governments in Minnesota, as well as at businesses impacted by the providers of goods and services to the tribal governments. The total induced and indirect impact on employment from tribal governments in Minnesota is estimated to equal 6,647 jobs for the state of Minnesota as a whole.

Adding the direct impact on employment from tribal governments in Minnesota to the indirect and induced impact yields a total estimated impact on employment of almost 11,450 jobs for the state of Minnesota as a whole.

#### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYMENT IMPACT

Impact	State of Minnesota
Indirect Impact	3,925
Induced Impact	2,722
<b>Total Multiplier</b>	<b>6,647</b>
Direct Impact	4,802
<b>Total Impact</b>	<b>11,449</b>

Source: KlasRobinson Q.E.D.

## EMPLOYEE EARNINGS

Indirect and induced employee earnings include increases in employee earnings at area businesses due to the increased demand generated by tribal governments in Minnesota, as well as at businesses impacted by the providers of goods and services to the tribal governments. The total induced and indirect impact on employee earnings from tribal governments in Minnesota is estimated to equal almost \$528.5 million for the state of Minnesota as a whole.

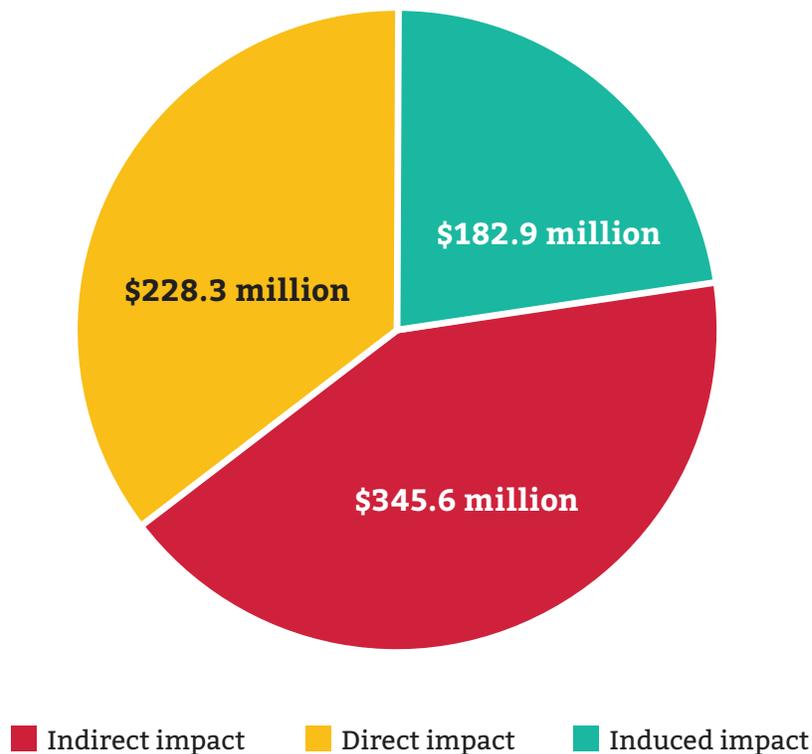
Adding the direct impact on employee earnings from tribal governments in Minnesota to the indirect and induced impact yields a total estimated impact on personal income of almost \$756.8 million annually for the state of Minnesota as a whole.

### ESTIMATED DIRECT, INDIRECT AND INDUCED EMPLOYEE EARNINGS IMPACT

Impact	State of Minnesota
Indirect Impact	\$345,580,000
Induced Impact	\$182,900,000
<b>Total Multiplier</b>	<b>\$528,480,000</b>
Direct Impact	\$228,300,000
<b>Total Impact</b>	<b>\$756,780,000</b>

Source: KlasRobinson Q.E.D.

### MINNESOTA TRIBAL GOVERNMENTS ANNUAL EMPLOYEE EARNINGS IMPACT





# ADDENDUM

## PROFILES OF KLASROBINSON Q.E.D. AND MIGA

### ABOUT THE REPORT'S AUTHORS

#### Klas Robinson<sup>QED</sup>

KlasRobinson Q.E.D. has been at the forefront of financial and economic impact analysis in Indian Country, working with more than 270 different Tribes on gaming and related ancillary developments, as well as other tribally-owned and/or operated enterprises, both on and off the reservation.

KlasRobinson Q.E.D. specializes in analyzing the financial feasibility of unique real estate projects and business ventures that by location, concept or market position do not conform to standard and easily classified development categories. Our ability to understand and accurately determine the market potential for unique projects and concepts in unusual settings.

Feasibility studies and other expert counseling provided by the principals of KlasRobinson Q.E.D. have been used to successfully attract over \$25.0 billion in financing and investment from bank financing, capital leases, private placements, registered securities and IPOs.

KlasRobinson Q.E.D. has extensive experience in analyzing the economic and social impact of individual projects and entire industries. Our analyses of direct, indirect and induced economic impact provide not merely facts and figures, but the context necessary to make them real and understandable to the reader. KlasRobinson Q.E.D. emphasizes hands-on, client-oriented consulting, based on our founding principles of integrity, accuracy and respect.

For more information about KlasRobinson Q.E.D., please visit [klasrobinsonqed.com](http://klasrobinsonqed.com).

### ABOUT THE MINNESOTA INDIAN GAMING ASSOCIATION

#### MIGA

Founded in 1987, MIGA has served as the collective voice of its member tribes on vital issues affecting gaming. Led by elected officials from each of tribal nations in Minnesota, MIGA educates and advocates to protect tribal gaming for the benefit of their tribal citizens and their neighboring regional communities.

For more information on our history and work, please visit [mnindiangamingassoc.com](http://mnindiangamingassoc.com).

**MIGA**

**[mnindiangamingassoc.com](https://mnindiangamingassoc.com)**

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