THE ECONOMIC IMPACT OF THE 19 INDIAN PUEBLOS IN NEW MEXICO

Prepared for All Pueblo Council of Governors
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Executive Summary

The 19 Pueblos contribute substantially to New Mexico’s economy. In 2017, the 19 Pueblos brought $608.2 million into the state. Including indirect impacts, these revenues supported 11,500 jobs and nearly $1.0 billion in sales, including the purchase of $222 million in goods and services from non-tribal businesses in New Mexico. For context, 19 tribes created more jobs and funded more in wages and salaries than the state’s real estate industry. The Pueblos’ impact on rural communities in central and northern New Mexico is particularly important. In Cibola, McKinley, Rio Arriba, Taos and Sandoval Counties, the Pueblos account for nearly 10% of all economic activity.

Pueblos bring revenues into the state through a number of channels. In 2017, tribal-owned enterprises generated $308 million in out-of-state sales, which directly and indirectly supported more than 5,000 jobs, $168 million in wages and salaries and $505 million in sales. Federal grants and employment totaling nearly $287 million supported nearly 6,500 jobs, $280 million in wages and $477 million in revenues to state businesses.

These estimates are based on a conservative and narrowly framed assessment of the Pueblos’ economy. The estimated impacts include only the direct activities of the 19 Pueblos, including tribal governments, tribal-owned enterprises, and Federal grants and programs that directly support the tribes and their members such as the Bureau of Indian Affairs (BIA) and Indian Health Services (IHS). The estimates do not include activities of individual tribal members, such as employment, business ownership or Federal programs available to the general public such as Social Security and Veteran’s benefits. Further, the study includes only activities funded by out-of-state revenues.

Yet, these other activities should not be overlooked. In-state revenues, such as spending by New Mexicans at tribal resorts and casinos, are dollars that Pueblo enterprises effectively keep in state, stemming an outflow of funds that might otherwise be spent in Las Vegas, NV or elsewhere. In addition, income generated by tribal enterprises, from both in-state and out-of-state sales, fund more than $150 million in services to tribal members. Most importantly, enterprise revenues provide stability in an era of declining Federal and State funding, providing Pueblos with uncompromised autonomy in tribal affairs.
In the end, any attempt to quantify the importance of the Pueblos to the New Mexico economy falls short. In sectors that hold the greatest promise for New Mexico’s economy, including the creative industries, the influence of Pueblos is unmistakable. In a rapidly changing and increasingly diverse national and global economy, New Mexico’s tribes and Native population provide a stability and character that is essential to economic development.

This study was commissioned by the All Pueblos Council of Governors (APCG) on behalf of New Mexico’s 19 Pueblo tribes. The Bureau of Business & Economic Research’s (BBER’s) analysis was based entirely on independent, publicly sourced data.
1. Introduction

On behalf of New Mexico’s 19 Pueblo tribes, the All Pueblos Council of Governors (APCG) commissioned the UNM Bureau of Business & Economic Research (BBER) to analyze the economic impact of the Pueblos on the state’s economy.

Native Americans are fundamental to any account of the history, culture and economics of New Mexico; it is all but impossible to conceive of the arts and creative industries, tourism or any number of other industries in New Mexico without considering the impact that Native Americans have played in their development. These impacts are immeasurable. Thus, to provide clarity and verifiability, the scope of the study must be narrowly framed to include only current economic activities that can be specifically attributed to the 19 Pueblos.

The focus of this study are the 19 Pueblos acting as tribal entities. For the purposes of this study, this includes:

a) Businesses and enterprises such as the Indian Pueblo Cultural Center (IPCC), the Eight Northern Indian Pueblo Council (ENIPC) that are collectively-established by tribes;

b) Business enterprises wholly-owned by tribes;

c) Tribal governments, including services that the tribes provide to the members; and

d) Federal programs available to members of the 19 tribes (e.g. Indian Health Services (IHS), Bureau of Indian Education (BIE)).

The study does NOT include activities of tribal members. For example, the study does NOT include the impact of employment and businesses owned or operated by individuals who are members of a Pueblo tribe, except as specified above (e.g. employment by a tribal-owned enterprise). Likewise, the study does NOT include Federal payments such as Social Security or Veteran’s benefits to tribal members that are also available to the general public.

The scope of the study is narrowly framed in a second way. The economic impact of the 19 Pueblos, as measured in this study, includes only activities that
are funded by out-of-state revenues, including the Federal government.¹ Impacts do NOT include activities that are funded by in-state dollars, such as grants, capital projects and activities funded by the State government (except where State government serves as a ‘pass-through’ agent of Federal monies). Further, the study does NOT include the impacts of grants made by New Mexico-based private foundations, NOR expenditures of New Mexico residents and businesses at tribal enterprises (including casinos).

The reason for the inclusion of only out-of-state monies is based in economic principles. In-state spending, whether by state or local governments, businesses or households, does not create new jobs or economic growth. Expenditures by New Mexicans at a tribal enterprise rather than another competing local business does not create jobs but only determines which business will provide the job. Thus, all impacts, as measured in this study, are specifically due to the effectiveness of the Pueblos in bringing funds into the state.

As analyzed in this report, the Pueblos bring money into the state pass through four primary channels. First, tribal-owned enterprises, like many other private companies, generate revenues from sales to out-of-state customers. Estimates of sales of tribal-owned enterprises reported in this report are adjusted to include only sales to out-of-state buyers. Second, Pueblos receive grants from private foundations, most located outside of New Mexico. Third, Pueblos receive federal grants and assistance to support sovereign governance and provide health, educational, public safety and other services to its members. These programs and services are prescribed by historical treaties and agreements that provide partial compensation for prior land rights. Finally, Pueblo members receive direct services funded by Federal government agencies, including the Bureau of Indian Affairs (BIA), Indian Health Service (IHS), and the Bureau of Indian Education (BIE). As with Federal grants and assistance, these funds are mandated by historical agreements and treaties.

As analyzed in this report, tribal governments and sovereign programs are funded with three sources of income. Tribal governments fund a substantial and growing share of services with income generated by Pueblo-owned enterprises.

¹ Technically, Federal dollars should be discounted to exclude revenues collected from New Mexico-based individuals and businesses. However, because this accounts for only 0.27% of gross collections by the IRS (https://www.irs.gov/pub/irs-soi/15databk.pdf), BBER omitted this step.
Grants from private foundations and the Federal government as described above are also sources of income.

Activities directly funded by out-of-state dollars are defined as direct economic impacts. These include expenditures and payrolls of wholly-owned tribal enterprises that are funded by out-of-state visitors and businesses; expenditures and payrolls of tribal governments funded with Federal grants; and New Mexico-based Federal employees who serve the tribes and their members; and employees of tribal enterprises. Direct impacts are followed by indirect and induced economic impacts, which result from subsequent rounds of expenditures by employees of and vendors to tribes. Indirect and induced impacts account for what is commonly-known as the multiplier effect.

To the extent possible, this report is based on publicly-available secondary data sources. To track revenues that flow into the state, the study uses a comprehensive listing of audited Federal contracts and grants available from the Federal Audit Clearinghouse.² The study also utilizes data on Federal employment and salaries for programs that serve the Pueblos, including Bureau of Indian Affairs (BIA), Bureau of Indian Education (BIE), and the Indian Health Service (IHS)³. Additionally, the study uses proprietary data collected by the Foundation Center to track private foundation grants to the 19 Pueblos and New Mexico-based non-profit organizations that serve the Pueblos⁴. Finally, BBER uses the State of New Mexico’s Sunshine Portal to track State-funded grants and capital projects that directly support the Pueblos⁵.

To track expenditures by tribes, the study utilizes the New Mexico Taxation and Revenue Department’s (TRD) publicly-available quarterly RP-80 gross receipt data⁶, which summarizes revenues by geographical area, including 15 Pueblos actively engaged with TRD under a Cooperative Agreement⁷. These data account for sales of goods and services by private firms that occur on tribal lands, including purchases made by tribal entities. Finally, the study draws on

² https://harvester.census.gov/facweb/
³ https://www.fedsdatacenter.com/federal-pay-rates/
⁴ http://foundationcenter.org/gain-knowledge/foundation-data
⁵ http://www.sunshineportalnm.com/
Federally-mandated confidential employment and wage data collected by the New Mexico Department of Workforce Solutions (DWS), with which BBER has a data sharing agreement for research purposes\(^8\).

Where reliable information is available, this analysis of the economic impact of the Pueblos is supplemented by data provided by the Pueblos.

A detailed description of methodologies and data is provided in Appendix A.

This report is comprised of five parts. Following this introduction, the second part provides historical and geographical context to the study of the Pueblo economies. The third part summarizes the economic impacts of the 19 Pueblos on the state economy. Impacts are reported in aggregate, by sources of income, and by region within New Mexico. The next section briefly discusses challenges and strategies in the development of tribal economies. The report ends with a brief summary and conclusions.

2. Pueblo Economics in Geographical and Historical Context

The 19 Pueblos are located in seven counties in central and northern New Mexico. Figure 1 is a map of northern New Mexico, indicating the location of the 19 Pueblos and principal population centers. Table 1 lists the 19 Pueblos by county, and shows the area of tribal lands, populations living on that land, and drive distances to population centers. According to Census Bureau the population of the 19 Pueblos is 31,136; 77% of the population living on Pueblo tribal land identify themselves as of Pueblo Indian heritage. Just over half (53%) of the 45,626 New Mexicans who identify themselves as of Pueblo Indian heritage live on tribal land.\(^9\)

\(^8\) BBER’s agreement with DWS specifies the terms of use of confidential data, which requires that the data not be presented in any manner that would allow for identification of individual records.

\(^9\) US Census Bureau, 2013-2017 5-year estimates, Table B02005 “American Indian and Alaska Native alone for selected tribal groupings”.
Table 1. Population, Land and Location of the 19 Pueblos

<table>
<thead>
<tr>
<th>Pueblo</th>
<th>County</th>
<th>Land (Acres)</th>
<th>Population</th>
<th>Nearest Urban Area</th>
<th>Nearest Metro Area (Pop &gt; 50,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acoma Pueblo</td>
<td>Cibola</td>
<td>381,252</td>
<td>821</td>
<td>27 miles to Grants</td>
<td>65 miles to ABQ</td>
</tr>
<tr>
<td>Laguna Pueblo</td>
<td>Cibola</td>
<td>500,023</td>
<td>1,410</td>
<td>46 miles to ABQ Center</td>
<td>46 miles to ABQ</td>
</tr>
<tr>
<td>Zuni Pueblo</td>
<td>McKinley</td>
<td>464,468</td>
<td>9,197</td>
<td>37 miles to Gallup</td>
<td>151 miles to ABQ</td>
</tr>
<tr>
<td>Isleta Pueblo</td>
<td>Bernalillo</td>
<td>211,843</td>
<td>403</td>
<td>15 miles to ABQ Center</td>
<td>15 miles to ABQ</td>
</tr>
<tr>
<td>Cochiti Pueblo</td>
<td>Sandoval</td>
<td>52,551</td>
<td>579</td>
<td>50 miles to ABQ Center</td>
<td>50 miles to ABQ</td>
</tr>
<tr>
<td>Jemez Pueblo</td>
<td>Sandoval</td>
<td>89,384</td>
<td>2,022</td>
<td>35 miles to Rio Rancho</td>
<td>35 miles to Rio Rancho</td>
</tr>
<tr>
<td>Sandia Pueblo</td>
<td>Sandoval</td>
<td>51,954</td>
<td>394</td>
<td>15 miles to ABQ Center</td>
<td>15 miles to ABQ</td>
</tr>
<tr>
<td>San Felipe Pueblo</td>
<td>Sandoval</td>
<td>30,271</td>
<td>3,012</td>
<td>25 miles to Rio Rancho</td>
<td>25 miles to Rio Rancho</td>
</tr>
<tr>
<td>Santa Ana Pueblo</td>
<td>Sandoval</td>
<td>64,701</td>
<td>675</td>
<td>13 miles to Rio Rancho</td>
<td>13 miles to Rio Rancho</td>
</tr>
<tr>
<td>Santo Domingo Pueblo</td>
<td>Sandoval</td>
<td>68,801</td>
<td>2,596</td>
<td>35 miles to Santa Fe</td>
<td>35 miles to Santa Fe</td>
</tr>
<tr>
<td>Zia Pueblo</td>
<td>Sandoval</td>
<td>122,327</td>
<td>994</td>
<td>25 miles to Rio Rancho</td>
<td>25 miles to Rio Rancho</td>
</tr>
<tr>
<td>Nambe Pueblo</td>
<td>Santa Fe</td>
<td>20,738</td>
<td>1,876</td>
<td>11 miles to Española</td>
<td>19 miles to Santa Fe</td>
</tr>
<tr>
<td>Pojoaque Pueblo</td>
<td>Santa Fe</td>
<td>13,700</td>
<td>2,035</td>
<td>9 miles to Española</td>
<td>16 miles to Santa Fe</td>
</tr>
<tr>
<td>San Ildefonso Pueblo</td>
<td>Santa Fe</td>
<td>24,892</td>
<td>725</td>
<td>9 miles to Española</td>
<td>28 miles to Santa Fe</td>
</tr>
<tr>
<td>Tesuque Pueblo</td>
<td>Santa Fe</td>
<td>17,236</td>
<td>286</td>
<td>10 miles to Santa Fe</td>
<td>10 miles to Santa Fe</td>
</tr>
<tr>
<td>Ohkay Owingeh Pueblo</td>
<td>Rio Arriba</td>
<td>17,096</td>
<td>1,480</td>
<td>5 miles to Española</td>
<td>29 miles to Santa Fe</td>
</tr>
<tr>
<td>Santa Clara Pueblo</td>
<td>Rio Arriba</td>
<td>50,527</td>
<td>967</td>
<td>2 miles to Española</td>
<td>26 miles to Santa Fe</td>
</tr>
<tr>
<td>Picuris Pueblo</td>
<td>Taos</td>
<td>17,510</td>
<td>100</td>
<td>28 miles to Taos</td>
<td>51 miles to Santa Fe</td>
</tr>
<tr>
<td>Taos Pueblo</td>
<td>Taos</td>
<td>99,965</td>
<td>1,564</td>
<td>2 miles to Taos</td>
<td>72 miles to Santa Fe</td>
</tr>
</tbody>
</table>

Sources: US Census Bureau, 2013-2017 5-year estimates, Tables B01003 and B02005; Census Bureau Cartographic Boundary Shapefiles – American Indian/Alaska/Hawaiian Home Lands; Google Maps.

The economies of the 19 Pueblos vary significantly, depending on size, historical and cultural assets, proximity to population centers and major transit corridors, and other factors. Isleta and Sandia Pueblos are near or immediately adjacent the City of Albuquerque; Santa Ana Pueblo neighbors Rio Rancho; and Tesuque and Pojoaque Pueblos are located only a short distance from Santa Fe. Others are located in more rural areas, in Cibola, McKinley, Rio Arriba, and Taos counties, and northern and western regions of Sandoval County. Close proximity to urban areas offers market opportunities, particularly for leisure and hospitality industries, that are less available to more rural areas.
Figure 1. Central and Northern New Mexico, with 19 Pueblos and Population Centers

Sovereignty, Self-Determination and the Transformation of Tribal Economies

Although the Pueblos have different economic opportunities, they share a centuries-old struggle to establish the autonomy necessary to achieve economic development on tribal lands. Since the establishment of the United States, Federal policies effecting the economic development of tribal lands have shifted from removal (Indian Removal Act of 1830)\(^{10}\); to allotment and assimilation (Dawes General Allotment Act of 1887)\(^{11}\), which intended to break down tribal communities and collective landholdings; to termination and relocation (beginning with the Kansas Act of 1940\(^{12}\) and continuing with the Indian Relocation Act of

\(^{10}\) https://www.loc.gov/rr/program/bib/ourdocs/indian.html

\(^{11}\) https://www.ourdocuments.gov/doc.php?flash=false&doc=50

1956\textsuperscript{13}), under which the US government sought to end its recognition of tribal sovereignty and ‘normalize’ the citizenship of Native peoples.

Only in the 1960s did tribes begin to gain meaningful authority over the development of their land, most significantly with the passage of the Indian Self-Determination and Educational Assistance Act (ISDEAA) in 1975.\textsuperscript{14} Under ISDEAA (PL 93-638), control of Federal programs were transferred to tribal governments via “638 contracts”. Under these contracts tribes agree to utilize funds channeled through Federal implementing agencies, including the Bureau of Indian Affairs, to provide services such as public safety, education, health, environmental and resource management. Over the following years, Native control over economic development was strengthened, most notably with the Indian Gaming Regulatory Act of 1988\textsuperscript{15}.

Under the current terms of the ISDEAA, economic development strategies of the Pueblos are inherently rooted in tribal land sovereignty. Contrary to a common misconception, Native Americans receive no favorable treatment off Indian lands, unless explicitly provided by Federal or State law. For example, Native Americans are subject to Federal, and in most states including New Mexico, State income taxes. The few programs exclusively available to Native Americans, such Indian Health Services, are granted under Federal acts that acknowledge obligations due to prior transfer of land rights\textsuperscript{16}. Only on tribal land does sovereignty apply and States are prohibited from collecting sales taxes.

With increased autonomy, Native American communities have begun to undergo an economic transformation – “a shift away from transfer economies (economies largely dependent on transfers of funds from federal and other sources) to productive economies (economies built on productive economic activity and the

\textsuperscript{14} 25 USC Ch. 46. Indian Self-Determination and Education Assistance Act http://uscode.house.gov/view.xhtml?path=/prelim@title25/chapter46&edition=prelim
\textsuperscript{15} https://www.law.cornell.edu/uscode/text/25/chapter-25
\textsuperscript{16} “Indian Tribes have, through the cessation of more than 400 million acres of land to the United States in exchange for promises, among other things, of health care, often reflected in treaties, secured the right to health care from the United States based on the moral, legal, and historic obligations of the United States to AI/AN people.” Indian Health Service Circular No. 2006-01. https://www.ihs.gov/IHM/circulars/2006/tribal-consultation-policy/
revenues it produces). The success of New Mexico’s Pueblos in undertaking this economic transformation is documented in this report in the important role that Tribal-owned enterprises play in both the tribal and state economies.

3. Economic Impacts of the 19 Pueblos on New Mexico’s Economy

Table 2 summarizes the total impact of the 19 Pueblos on the New Mexico economy in 2017. In this year, monies that the 19 Pueblos brought into the state funded 8,254 jobs with a total of $340.5 million in wages, salaries and benefits. These monies resulted in $608.2 million in sales for state businesses. Spending by the tribes, their employees and vendors supported another 3,287 jobs, $109.2 million in labor income, and $379.2 million in revenues to New Mexico businesses. In all, funds that the Pueblos brought into the state accounted for a total of 11,541 jobs, $449.7 million in wages and salaries, plus benefits, and $987.4 million in sales.

This is a substantial economic impact. For comparison, funds that the 19 Pueblos brought into the state created more jobs than in either agriculture (11,200) or real estate (9,950), where many if not most jobs are supported by in-state dollars.

Table 2. Total Impacts of the 19 Pueblos on New Mexico’s Economy, 2017

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>8,254</td>
<td>$340,509,467</td>
<td>$608,223,285</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>779</td>
<td>$30,277,601</td>
<td>$106,420,148</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>2,508</td>
<td>$78,882,680</td>
<td>$272,761,144</td>
</tr>
<tr>
<td>Total Effect</td>
<td>11,541</td>
<td>$449,669,749</td>
<td>$987,404,577</td>
</tr>
</tbody>
</table>
| Multiplier       | 1.40       | 1.32          | 1.62

Source: UNM Bureau of Business & Economic Research

Table 3 presents these same data by the source of funding. Tribal-owned enterprises account for the majority of the money that the Pueblos bring into the state (51% including both enterprises and enterprise income). Enterprises are

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more productive (output per employee), and thus they account for a somewhat smaller share of employment (43.5%). Federal grants account for nearly 40% of total revenues, and BIA, BIE and IHS employment adds another 8.5%.

From another perspective, tribal government and programs, funded by profits generated by tribal-owned enterprise and Federal and foundation grants, accounts for the majority of job creation, labor income and revenues. As a reminder, enterprise revenues and profits include only those generated from out-of-state sales; if in-state revenues were included, these totals would be far higher.

**Table 3. Total Impacts of the 19 Pueblos on New Mexico’s Economy, 2017**

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employment</td>
<td>1,051</td>
<td>$57,262,237</td>
<td>$83,945,624</td>
</tr>
<tr>
<td>Enterprise</td>
<td>4,029</td>
<td>$128,198,405</td>
<td>$434,060,571</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>6,461</td>
<td>$264,209,107</td>
<td>$469,398,386</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>980</td>
<td>$39,954,387</td>
<td>$70,963,182</td>
</tr>
<tr>
<td>Foundations</td>
<td>53</td>
<td>$2,929,236</td>
<td>$5,337,928</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>5,428</td>
<td>$221,325,484</td>
<td>$393,097,277</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,541</strong></td>
<td><strong>$449,669,749</strong></td>
<td><strong>$987,404,582</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

The following sections provide an analysis of the economic impact of the 19 Pueblos on the state by examining each of these sources of funding in detail.

**A. BIA, BIE, IHS Employment in New Mexico**

As specified by treaties and agreements, the Federal government supports Native communities, including the 19 Pueblos, with directly funded programs staffed by Federal employees. The majority of these programs are administered by the Bureau of Indian Affairs (BIA), Bureau of Indian Education (BIE) and the Indian Health Service (IHS). Note that the estimates included in this section include only programs that directly serve members of the 19 Pueblo tribes.

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18 Estimates do not include federal employees located in New Mexico whose work is not in direct service to members of the Pueblo tribes, such as the BIA Southwest Regional Office located in Albuquerque.
In 2017, there were 764 federal employees in New Mexico providing services to members of the 19 Pueblo tribes. Table 4 shows the number of Federal employees by county and agency. The greatest number were employed by IHS. Three-quarters were employed in facilities located in Albuquerque and Santa Fe, and others worked at the Zuni Comprehensive Health Center, Zia Health Clinic, Santa Ana Health Center and the Taos-Picuris Service Unit. Nearly two hundred were employed by BIE-run schools, including the Jemez Day School, San Felipe Pueblo Elementary School, T’siya Day School (Zia Pueblo) in Sandoval County, the San Ildefonso Day School and Santa Clara Elementary School in Rio Arriba, and the Taos Day School. BIA offices include sub-regional offices such as the Northern Pueblos Agency in Espanola, the Southern Pueblos Agency in Albuquerque, and the Zuni and Laguna Agencies.

Table 4.  BIA, BIE and IHS Employment in Support of Pueblo Tribal Membership, 2017

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>BIA</th>
<th>BIE</th>
<th>IHS</th>
<th>Total Employment</th>
<th>Total Labor Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bernalillo</td>
<td>16</td>
<td>12</td>
<td>230</td>
<td>258</td>
<td>$16,354,749</td>
</tr>
<tr>
<td>Cibola</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>8</td>
<td>$420,258</td>
</tr>
<tr>
<td>McKinley</td>
<td>7</td>
<td>33</td>
<td>69</td>
<td>109</td>
<td>$6,554,829</td>
</tr>
<tr>
<td>Rio Arriba</td>
<td>24</td>
<td>28</td>
<td>19</td>
<td>71</td>
<td>$4,452,974</td>
</tr>
<tr>
<td>Sandoval</td>
<td>101</td>
<td>21</td>
<td></td>
<td>122</td>
<td>$6,834,976</td>
</tr>
<tr>
<td>Santa Fe</td>
<td>9</td>
<td>110</td>
<td></td>
<td>119</td>
<td>$7,451,072</td>
</tr>
<tr>
<td>Taos</td>
<td>30</td>
<td>47</td>
<td></td>
<td>77</td>
<td>$4,389,258</td>
</tr>
<tr>
<td>Grand Total</td>
<td>51</td>
<td>216</td>
<td>497</td>
<td>764</td>
<td>$46,458,116</td>
</tr>
</tbody>
</table>

Source: [https://www.fedsdatacenter.com/federal-pay-rates/](https://www.fedsdatacenter.com/federal-pay-rates/)

Table 4 summarizes the economic impact of these Federal jobs on New Mexico’s economy. The direct impacts are limited to wages, salaries, and benefits paid to Federal employees. As above, the broader indirect and induced impacts were the result of the spending of the Federal employees on housing, food and entertainment, and other goods and services purchased from local businesses.

Data is not available on other costs associated with BIA, BIE and IHS programs, including office leases, procurement of goods and services. With insufficient information BBER made no attempt to estimate these costs, and thus the impacts summarized in this section should be considered a significant under-estimate.
B. Tribal Enterprise

Over the past several decades Native American tribes have worked to expand their sovereignty in governance by generating additional funding from tribal-owned enterprises, such as hotels and casinos, gasoline stations and convenience centers, and construction and business service companies. According to our analysis, enterprises owned by the 19 Pueblos have a greater impact on New Mexico’s economy than grants and assistance provided by the Federal government and private foundations combined.

Investments in gas stations and in adjacent convenience stores have been encouraged by the State of New Mexico Gasoline Tax Act, which since 1991 has specifically provided “a deduction for gasoline received in NM and “sold at retail by a registered Indian Tribal distributor” if “the sale occurs on the Indian reservation, pueblo grant or trust land of the distributor’s Indian nation, tribe or pueblo” and if the Tribe has in place an excise or similar tax on gasoline.

Investment in casinos began in NM in the 1990s, when then NM Governor Gary Johnson, who had used gambling as a campaign platform, began signing gaming compacts with Native American Tribes. There are currently 26 New Mexico casinos operating in the state, and most of these are Native American casinos, with only five commercial casinos (racinos) in the state. The casinos are not always located on tribal lands. Tribal investments in casinos are sometimes paired with investments in hotels, but tribes have also invested in hotels that are not associated with casinos, e.g., Hotel Santa Fe.

Table 6 below provides estimates of employment, labor income, sales and out-of-state sales of the tribal enterprises operated by the 19 Pueblos in 2017. By these estimates, Pueblo-owned enterprises generate $1.10 billion in sales, of which $307.7 million or 28% is from out of state. Hotels, including casino hotels, alone
accounted for $184 million. Construction firms were most effective in generating out-of-state sales, accounting for three-quarters of total revenues.

Table 6. Tribal Enterprise Employment, Labor Income, and Out-of-State Sales, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Total Sales</th>
<th>Out of State Sales</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels, incl Casino Hotels</td>
<td>6,261</td>
<td>$205,844,452</td>
<td>$732,168,045</td>
<td>$184,076,686</td>
<td>25%</td>
</tr>
<tr>
<td>Casinos (except Casino Hotels)</td>
<td>516</td>
<td>$18,913,286</td>
<td>$104,790,544</td>
<td>$17,088,098</td>
<td>16%</td>
</tr>
<tr>
<td>Golf Courses and Country Clubs</td>
<td>192</td>
<td>$3,297,608</td>
<td>$8,048,448</td>
<td>$2,012,112</td>
<td>25%</td>
</tr>
<tr>
<td>Museums</td>
<td>223</td>
<td>$5,456,639</td>
<td>$15,755,269</td>
<td>$3,938,817</td>
<td>25%</td>
</tr>
<tr>
<td>Gas Station &amp; Convenience Store</td>
<td>306</td>
<td>$5,556,687</td>
<td>$150,465,039</td>
<td>$37,616,260</td>
<td>25%</td>
</tr>
<tr>
<td>Commercial Construction</td>
<td>271</td>
<td>$9,919,934</td>
<td>$82,070,794</td>
<td>$61,553,095</td>
<td>75%</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
<td>$652,989</td>
<td>$2,123,234</td>
<td>$1,434,656</td>
<td>68%</td>
</tr>
<tr>
<td>Total</td>
<td>7,799</td>
<td>$249,641,595</td>
<td>$1,095,421,373</td>
<td>$307,719,724</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

Table 7 isolates the impacts of the $307.7 million in out-of-state revenues on New Mexico’s economy. Nearly 90% of these revenues ($274.6 million) were spent in-state, directly creating 2,854 jobs with a total payroll of $82.4 million. As revenues cycled through the New Mexico economy, the impacts multiply with indirect and induced impacts associated with in-state purchases made by vendors and employees. Including these secondary impacts, out-of-state sales by Pueblo enterprises created 4,029 jobs with a total payroll of $128.2 million, and $434.1 million in receipts for New Mexican businesses.

Table 7. Economic Impacts of Pueblo Enterprises, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>2,854</td>
<td>$82,433,583</td>
<td>$274,639,486</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>580</td>
<td>$23,533,398</td>
<td>$82,589,983</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>595</td>
<td>$22,231,424</td>
<td>$76,831,102</td>
</tr>
<tr>
<td>Total Effect</td>
<td>4,029</td>
<td>$128,198,405</td>
<td>$434,060,571</td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

Pueblo-owned enterprises further impact the state economy by re-channeling their profits into tribal government and services and tribal members. In this sense, the impacts of tribal enterprises are broader than most industries, and
well beyond those of corporate enterprises that typically return profits to out-of-state shareholders.\textsuperscript{20}

BBER estimates that Pueblo-enterprises generated $43.4 million in profits on out-of-state sales in 2017. We assume that Pueblos use these profits to fund tribal services which in turn create jobs, pay wages and salaries, and directly and indirectly result in the purchase of goods and services from New Mexico-businesses. These impacts are summarized in Table 8.\textsuperscript{21}

**Table 8. Economic Impacts of Re-Invested Enterprise Profits, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>703</td>
<td>$32,003,560</td>
<td>$43,407,210</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>30</td>
<td>$1,017,701</td>
<td>$3,595,869</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>247</td>
<td>$6,933,126</td>
<td>$23,960,102</td>
</tr>
<tr>
<td><strong>Total Effect</strong></td>
<td><strong>980</strong></td>
<td><strong>$39,954,387</strong></td>
<td><strong>$70,963,181</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

**C. Federal Government Grants and Assistance**

In 2017, Federal Government grants and assistance to the 19 Pueblos totaled $240.5 million. Federal support is provided under terms of established treaties and agreements. Table 9 summarizes these transfers by program area for 2017.\textsuperscript{22}

All 19 Pueblos received grants in support of sovereignty and government, which include programs such as Indian Self-Determination; Tribal Self-Governance;

\textsuperscript{20} In the calculation of the economic impacts of Pueblo enterprises corporate profits were subtracted to eliminate double counting. Inclusion of corporate profits in the analysis of enterprise impact would result in additional induced impacts, which are associated with the expenditure of proprietor and household incomes.

\textsuperscript{21} Separating the analysis of re-invested enterprise profits would allow for a separate analysis of the impacts of tribal government and services. We assume that tribal government is funded by three sources: Federal and private foundation grants and earnings of tribal enterprise. Thus, the impact of the 19 tribal governments is the sum of the impacts of these three sources, each detailed in this report.

\textsuperscript{22} Program areas used in the categorization of Federal grants and assistance are detailed in Appendix B.
Equitable Sharing Program; and Aid to Tribal Governments. These grants, totaling $59.3 million, accounted for one-quarter of the total.

Educational funding totaled $54.8 million, equal to 23% of the total. Under initiatives to support tribal self-determination, schools and educational programs previously administered by the Bureau of Indian Education (BIE) have been transferred to tribal governments. Funds that previously paid the salaries of federal employees, including teachers and other school employees, are now provided to tribal governments to support schools. The Isleta Elementary School is a recent example of ongoing reorganization. 23

Health programs have undergone similar changes, with some programs previously staffed with Federal employees in the Indian Health Service (IHS) now under direct control of Pueblo governments. Support for Pueblo-administered health programs totaled $27.3 million in 2017, 11% of total Federal grants and assistance to Pueblos that year.

Pueblos received $31.0 million in funds to support infrastructure projects, including road and highway programs, sanitation and water resource development and natural disaster relief. Federal monies also funded services for children, families and the elderly; housing; public safety; courts; environmental protection; agriculture; community and economic development; and cultural programming such as arts, language preservation, and archeological and historical preservation.

23 “The Pueblo of Isleta effectively assumed overall control and operation of the School in 2015. The tribe is now able to create and fulfill the educational aspirations for Isleta Pueblo children as the Pueblo and their parents determine.” https://www.isletaelementary.com/
Table 9. Federal Grants to New Mexico Pueblos, by Program Area, 2017

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Tribes Receiving Grants*</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>18</td>
<td>$5,875,574</td>
</tr>
<tr>
<td>Child, Family, Aging Services</td>
<td>19+1</td>
<td>$11,486,467</td>
</tr>
<tr>
<td>Culture</td>
<td>10+1</td>
<td>$751,029</td>
</tr>
<tr>
<td>Econ. &amp; Comm. Development</td>
<td>13+1</td>
<td>$3,274,577</td>
</tr>
<tr>
<td>Education</td>
<td>19+2</td>
<td>$54,819,974</td>
</tr>
<tr>
<td>Environment</td>
<td>19+1</td>
<td>$10,558,482</td>
</tr>
<tr>
<td>Health</td>
<td>19+2</td>
<td>$27,345,894</td>
</tr>
<tr>
<td>Housing</td>
<td>13+1</td>
<td>$14,454,208</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>19</td>
<td>$31,007,637</td>
</tr>
<tr>
<td>Justice</td>
<td>15+2</td>
<td>$4,388,424</td>
</tr>
<tr>
<td>Public Safety</td>
<td>16+1</td>
<td>$17,190,525</td>
</tr>
<tr>
<td>Sovereignty &amp; Governance</td>
<td>20+1</td>
<td>$59,299,451</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>$240,452,243</strong></td>
</tr>
</tbody>
</table>

*Number of tribes that received grants in the program area; plus organizations representing more multiple tribes, including IPCC.

Source: Federal Audit Clearinghouse
(https://harvester.census.gov/facdissem/SearchResults.aspx)

Table 10 shows the impacts of these Federal dollars as they pass through the state's economy. The most significant direct impact was the employment of 3,896 persons, most of whom worked for tribal governments as administrators, police and firefighters, teachers, health and social service professionals. The estimated wages, salaries and benefits totaled $177.3 million. The balance of the Federal funds, $63.7 million, were spent on the procurement of goods and services provided by New Mexico businesses.

Beyond the direct impacts, the federal dollars indirectly generated another $152.6 million in sales, supporting 1,533 jobs with a total payroll of $44.0 million. Most of these indirect and induced impacts were the result of the spending of those employed by tribal governments and their vendors.
Economic Impacts of Federal Grants and Assistance to Pueblo Tribes, 2017

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>3,896</td>
<td>$177,282,246</td>
<td>240,452,240</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>167</td>
<td>$5,637,506</td>
<td>$19,919,153</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>1,366</td>
<td>$38,405,732</td>
<td>$132,725,879</td>
</tr>
<tr>
<td>Total Effect</td>
<td>5,428</td>
<td>$221,325,484</td>
<td>$393,097,272</td>
</tr>
</tbody>
</table>

Multiplier: 1.39 1.25 1.63

Source: UNM Bureau of Business & Economic Research

D. Foundation Grants

New Mexico’s Pueblos have been successful in securing funding from private foundations, including the W.K. Kellogg Foundation, the Rockefeller Foundation, and the First Nations Development Institute. In 2017, the Pueblos received $4.11 million in grants from out-of-state foundations, of which 80% or $3.27 million was directly spent in state. These grants funded 38 jobs and a payroll of $2.3 million. Including the indirect and induced impacts, foundation dollars supported a total of 53 jobs, $2.9 million in labor income, and a $5.3 million in sales for New Mexico businesses. These impacts are summarized in Table 11.

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>38</td>
<td>$2,331,961</td>
<td>3,266,232</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>2</td>
<td>$88,997</td>
<td>$315,142</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>14</td>
<td>$508,278</td>
<td>$1,756,554</td>
</tr>
<tr>
<td>Total Effect</td>
<td>53</td>
<td>$2,929,236</td>
<td>$5,337,928</td>
</tr>
</tbody>
</table>

Multiplier: 1.41 1.26 1.63

Source: UNM Bureau of Business & Economic Research

E. Economic Impacts of Pueblos by County

As significant impacts of the Pueblos are on statewide economy, their mark on rural communities in central and northern New Mexico is especially important. Jobs are scarce in areas outside the Albuquerque and Santa Fe metropolitan regions, particularly in Cibola and McKinley, Rio Arriba and Taos counties, and the northern and western reaches of Sandoval County. In these areas, the Pueblos account for 10% of all economic activity.
Table 12 shows the total economic impacts of the Pueblos by county. The results and data are the same as summarized in Table 1, and include the impacts of Pueblo-owned enterprise, tribal government and Federal agency employment, and include the indirect impacts associated with the expenditures of vendors and employees. The columns show the number of jobs, total wages and salaries, and total sales supported by monies that the Pueblos bring into New Mexico. The last column shows the Pueblos’ impact as a share of economy of the respective counties.

Table 12. Economic Impacts of the Pueblos by County, 2017

<table>
<thead>
<tr>
<th>County</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
<th>% of Gross Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bernalillo &amp; Santa Fe</td>
<td>3,324</td>
<td>119,895,888</td>
<td>248,930,682</td>
<td>0.6%</td>
</tr>
<tr>
<td>Cibola &amp; McKinley</td>
<td>3,066</td>
<td>129,274,412</td>
<td>290,894,653</td>
<td>9.9%</td>
</tr>
<tr>
<td>Rio Arriba &amp; Taos</td>
<td>1,877</td>
<td>71,446,942</td>
<td>154,590,703</td>
<td>10.4%</td>
</tr>
<tr>
<td>Sandoval</td>
<td>3,274</td>
<td>129,052,507</td>
<td>292,988,544</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,541</strong></td>
<td><strong>$449,669,749</strong></td>
<td><strong>$987,404,582</strong></td>
<td></td>
</tr>
</tbody>
</table>

Multiplier: 1.40  1.32  1.62

Source: UNM Bureau of Business & Economic Research

Table 13 shows the impacts of Pueblos in Bernalillo and Santa Fe Counties. As these data show, the Pueblos contribute nearly $250 million to the economies of Bernalillo and Santa Fe counties, funding 3,325 jobs. Pueblo-owned enterprises account for 46.3% of total revenues, and Federal grants and assistance accounts for about one-third. Nearly half of Federal government jobs in New Mexico that provide services to the Pueblos, including jobs with IHS, are located in these two counties.

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24 Bernalillo and Santa Fe Counties, Cibola and McKinley Counties, and Rio Arriba and Taos Counties are aggregated so that impacts cannot be attributed to individual Pueblos. Data for Bernalillo County also includes activities of the Indian Pueblo Cultural Center and Indian Pueblo Marketing Inc. Impacts are assigned to counties where businesses are located rather than principal center of the Pueblo.
The seven Pueblos located in Sandoval County support 3,275 jobs, and generate $293.0 million in revenues. The Pueblos account for 9.2% of total economic activity in the County, which also includes Intel and businesses located in the City of Rio Rancho. Compared to other areas, the Pueblos in Sandoval County derive a comparatively larger share of out-of-state revenues from Pueblo-owned enterprises (56.6%). Income from these enterprises are estimated to fund 18.6% of government programs. With incomes from enterprises, due in part to proximity to Albuquerque, in aggregate Pueblos in Sandoval County are less dependent on Federal and private foundation grants and assistance.

Table 13. Pueblo Economic Impacts in Bernalillo and Santa Fe Counties\(^{25}\), 2017

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employment</td>
<td>519</td>
<td>$29,342,011</td>
<td>$43,014,971</td>
</tr>
<tr>
<td>Enterprise</td>
<td>1,278</td>
<td>$27,973,334</td>
<td>$94,713,514</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>1,528</td>
<td>$62,580,543</td>
<td>$111,202,197</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>283</td>
<td>$11,552,123</td>
<td>$20,517,782</td>
</tr>
<tr>
<td>Foundations</td>
<td>21</td>
<td>$1,138,563</td>
<td>$2,074,796</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>1,224</td>
<td>$49,889,856</td>
<td>$88,609,618</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,324</td>
<td><strong>$119,895,888</strong></td>
<td><strong>$248,930,682</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

Table 14. Pueblo Economic Impacts in Sandoval County\(^{26}\), 2017

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employment</td>
<td>168</td>
<td>$8,424,492</td>
<td>$12,350,185</td>
</tr>
<tr>
<td>Enterprise</td>
<td>1,165</td>
<td>$41,208,994</td>
<td>$139,527,474</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>1,940</td>
<td>$79,419,021</td>
<td>$141,110,885</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>363</td>
<td>$14,799,472</td>
<td>$26,285,414</td>
</tr>
<tr>
<td>Foundations</td>
<td>21</td>
<td>$1,177,200</td>
<td>$2,145,205</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>1,556</td>
<td>$63,442,349</td>
<td>$112,680,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,274</td>
<td><strong>$129,052,507</strong></td>
<td><strong>$292,988,544</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

\(^{25}\) Isleta, Nambe, Pojoaque, San Ildenfonso and Tesuque Pueblos are located in Bernalillo and Santa Fe Counties.

\(^{26}\) Cochiti, Santo Domingo, San Felipe, Santa Ana, Sandia, Zia and Jemez Pueblos are located in Sandoval County.
Pueblos in Cibola and McKinley counties bring a total of $290.9 million into the state, accounting for nearly 10% of the total economic output of the two counties. They support 3,066 jobs, nearly 11% of all jobs in the area. Pueblo-owned enterprises account for just over half of out-of-state revenues. A proportionately larger share of Pueblo government finances come from Federal grants and assistance, much of which is used to fund educational programs. However, these counties benefit from comparatively fewer Federal government jobs that serve of Pueblo populations.

Table 15. Pueblo Economic Impacts in Cibola and McKinley Counties27, 2017

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employment</td>
<td>161</td>
<td>$8,597,186</td>
<td>$12,603,353</td>
</tr>
<tr>
<td>Enterprise</td>
<td>923</td>
<td>$39,713,240</td>
<td>$134,463,073</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>1,982</td>
<td>$80,963,986</td>
<td>$143,828,227</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>206</td>
<td>$8,411,961</td>
<td>$14,940,525</td>
</tr>
<tr>
<td>Foundations</td>
<td>11</td>
<td>$599,614</td>
<td>$1,092,673</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>1,765</td>
<td>$71,952,410</td>
<td>$127,795,029</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,066</strong></td>
<td><strong>$129,274,412</strong></td>
<td><strong>$290,894,653</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

The Pueblos in Rio Arriba and Taos Counties bring a total of $150.6 million into New Mexico. Although these Pueblos generate less revenues than Pueblos in other counties, their importance to the local economy is more significant, accounting for 10.4% of all economic activity in the two county region. Located in rural areas and removed from major highways, the enterprises operated by these Pueblos account for 48.2% of the total impact. Except for the urban centers, BIA, BIE and IHS employ more workers in Rio Arriba and Taos counties. Many are engaged in resource management projects.

27 Acoma, Laguna and Zuni Pueblos are located in Cibola and McKinley Counties.
Table 16. Pueblo Economic Impacts in Rio Arriba and Taos Counties\textsuperscript{28}, 2017

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Employment</th>
<th>Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employment</td>
<td>204</td>
<td>$10,898,548</td>
<td>$15,977,116</td>
</tr>
<tr>
<td>Enterprise</td>
<td>662</td>
<td>$19,302,837</td>
<td>$65,356,510</td>
</tr>
<tr>
<td>Tribal Government</td>
<td>1,011</td>
<td>$41,245,558</td>
<td>$73,257,077</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>127</td>
<td>$5,190,831</td>
<td>$9,219,460</td>
</tr>
<tr>
<td>Foundations</td>
<td>0</td>
<td>$13,858</td>
<td>$25,254</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>884</td>
<td>$36,040,869</td>
<td>$64,012,363</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,877</strong></td>
<td><strong>$71,446,942</strong></td>
<td><strong>$154,590,703</strong></td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

**F. Pueblo Purchases of Goods and Services by Industry**

As sovereign entities, Native American tribes retain tax authority on tribal lands. This means that unless provided by agreement, state and local governments do not have authority to collect taxes on sales or property on tribal land.\textsuperscript{29} In New Mexico, this means that transactions on tribal lands are not subject to state gross receipts taxes. However, 15 Pueblos have entered into cooperative agreements with the State of New Mexico under which gross receipts taxes on sales to parties other than tribal entities are collected by the State and 75\% of the total is returned to Pueblos.\textsuperscript{30} The agreements serve to maintain a level playing field for businesses and provide tax collection services to Pueblos by the State in exchange for fees equal to 25\% of total collections. The collections provide the Pueblos additional revenues to fund programs for their members.

Table 17 shows total gross receipts, taxable gross receipts, and gross taxes of sales on tribal lands in 2017. Gross receipts includes sales of goods and services by non-tribal entities on tribal land. For example, payments to a non-tribal business for the construction of a building on tribal land would be included, while sales by a tribal enterprise, such as a hotel or convenience store, would not be included.

\textsuperscript{28} Ohkay Owingeh, Picuris, Santa Clara and Taos Pueblos are located in Rio Arriba and Taos Counties.

\textsuperscript{29} Individuals are not exempt from the payment of Federal and State income taxes.

\textsuperscript{30} Agreements were authorized in 1978. See http://www.tax.newmexico.gov/Government/tribal-cooperative-agreements.aspx
These data are neither limited to purchases made by tribes with out-of-state revenues (as in all other parts of this report), nor sales made by in-state businesses. Notwithstanding these limitations, these data provide a useful snapshot of the impacts that tribal purchases have on businesses, detailed according to industry.

According to these data, purchases in 2017 totaled $222.4 million, 54% of which was subject to taxes. In total, $8.24 million in taxes were collected.

More than 60% of the value of expenditures were for construction ($135.8 million). Retail accounted for 9%; professional and technical services 6%; and utilities 5%. These data do not allow for an estimation of the share of these expenditures that went to New Mexico-based businesses. However, available data indicate that, in general, expenditures on construction and utilities and, to a lesser extent, professional services tend to benefit local businesses.
Table 17. Gross Receipts of Pueblo Tax Districts by Industry, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Gross Receipts</th>
<th>Taxable Gross Receipts</th>
<th>Gross Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>231,678</td>
<td>231,678</td>
<td>15,179</td>
</tr>
<tr>
<td>Mining</td>
<td>16,027</td>
<td>16,027</td>
<td>1,082</td>
</tr>
<tr>
<td>Utilities</td>
<td>11,993,343</td>
<td>2,711,494</td>
<td>177,657</td>
</tr>
<tr>
<td>Construction</td>
<td>135,801,445</td>
<td>68,997,154</td>
<td>4,677,992</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,478,742</td>
<td>3,892,185</td>
<td>274,276</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2,838,973</td>
<td>756,809</td>
<td>53,748</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>19,671,199</td>
<td>9,377,339</td>
<td>656,858</td>
</tr>
<tr>
<td>Transportation</td>
<td>2,061,367</td>
<td>2,022,540</td>
<td>139,685</td>
</tr>
<tr>
<td>Information</td>
<td>5,971,241</td>
<td>5,698,434</td>
<td>403,222</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>92,462</td>
<td>84,451</td>
<td>5,905</td>
</tr>
<tr>
<td>Real Estate</td>
<td>2,886,673</td>
<td>1,897,880</td>
<td>140,646</td>
</tr>
<tr>
<td>Prof, Scientific, Technical Services</td>
<td>13,430,543</td>
<td>8,050,898</td>
<td>546,397</td>
</tr>
<tr>
<td>Administrative &amp; Waste Mgt</td>
<td>4,747,179</td>
<td>1,157,429</td>
<td>83,749</td>
</tr>
<tr>
<td>Educational Services</td>
<td>63,235</td>
<td>61,124</td>
<td>5,224</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>173,841</td>
<td>174,101</td>
<td>12,623</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>707,965</td>
<td>340,129</td>
<td>22,491</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>7,142,762</td>
<td>7,119,810</td>
<td>495,519</td>
</tr>
<tr>
<td>Other Services</td>
<td>8,597,483</td>
<td>7,112,771</td>
<td>494,174</td>
</tr>
<tr>
<td>Unclassified</td>
<td>476,755</td>
<td>452,795</td>
<td>29,394</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>222,382,913</strong></td>
<td><strong>120,155,046</strong></td>
<td><strong>8,239,819</strong></td>
</tr>
</tbody>
</table>

Source: NM Taxation and Revenue Department RP-80s; UNM Bureau of Business & Economic Research
4. Strategies to Promote Tribal Economic Development

With increased autonomy, Native American communities have begun to undergo an economic transformation—"a shift away from transfer economies (economies largely dependent on transfers of funds from federal and other sources) to productive economies (economies built on productive economic activity and the revenues it produces)." Yet, there are significant challenges to continued economic development. A report issued in 2012 by the Federal Reserve, the result of a year-long series of workshops in Indian Country, identify challenges in eight broad categories:

1. Insufficient access to capital;
2. Capacity and capital constraints of small business resource providers;
3. Insufficient workforce development;
4. Tribal government constraints;
5. Regulatory constraints on land held in trust and land designated as restricted use;
6. Underdeveloped physical infrastructure;
7. Insufficient research and data; and
8. Lack of regional collaboration.

To address these challenges, Native American leaders recommend changes on two fronts. First, the National Congress of American Indians (NCAI) recommends changes to Federal government policies to empower Tribal economic development efforts. These include:

• Supporting Tribal strategic planning efforts for economic development, for example planning seed grants and expanding the Promise Zone initiative;
• Enhancing Tribal Nations’ taxing authority to seed economic development by eliminating dual taxation of tribal commerce and providing access to tax-exempt bond markets;
• Investing in infrastructure, incentivizing buildout of Indian Country’s telecommunications infrastructure, and providing access to federal tax credit programs such as New Markets and Low Income Housing Tax Credit programs;
• Leveling the commercial playing field to enable Native businesses to fairly compete, for example enabling tribes to establish Sub Chapter S Corporations;
• Streamlining bureaucratic approval processes for land and energy development.

Secondly, NCAI encourages tribes to take initiative in securing conditions for their own economic success. Specifically, NCAI supports efforts to:

• Secure financial success with financial education for tribal citizens and providing access to capital by establishing Native Community Development Financial Institutions (NCDFIs).
• Develop and protecting a 7th Generation Workforce by advancing educational partnerships, scholarship programs, initiatives to promote job preparation for Native youth, and exercising sovereignty in enacting laws to govern labor and employment relations in Tribal territories.
• Take control over local food systems on tribal lands to promote better nutrition and health as well as community and economic development and culture and traditions; and creating housing programs to help families find homes, create jobs, stimulate local economic development, and help families establish wealth through homeownership.
• Improve natural resource management on lands over which tribal nations have recently regained control, while establishing Indian Country’s role as a leader in the emerging new energy economy.
• Inspire innovation through improved responsiveness and increased accountability and new management strategies such as ‘lean management’, which draw on Native traditions.
• Grow tribal-owned and Native-owned businesses by promoting entrepreneurship, developing intertribal business relationships and building upon international networks.
5. Conclusion: The Pueblo’s Broader Impacts

In 2017, the 19 Pueblos brought $608.2 million dollars into the New Mexico. Including indirect and induced impacts, these revenues supported 11,500 jobs and nearly $1.0 billion in sales, including the purchase of $222.4 million in goods and services from non-tribal businesses in the state. For context, 19 tribes created more jobs and funded more in wages and salaries than the state’s real estate industry. As significant as the tribes are statewide, their mark on rural communities in central and northern New Mexico is especially profound. In Rio Arriba and Taos counties, tribal economies accounted for 10.4% of all economic activity; in Cibola and McKinley Counties, 9.9%; and in Sandoval County 9.2% of the total.

Tribal enterprises were the largest source of revenues in 2017, with sales totaling $274.6 million. Including indirect impacts, these monies supported 4,029 jobs, $128.2 million in wages and salaries, plus benefits, and $434.1 million in total sales. Federal grants and assistance to the Pueblos was the second largest source of out-of-state revenues, totaling $240.5 million in 2017. Federal grants supported 5,428 jobs, $221.3 million in wages and salaries, plus benefits, and $393.1 million in total sales. 764 jobs at Federal agencies, including BIA, IHS and BIE, brought another $46.5 million into the state. With an outsized multiplier effect, spending by these Federal employees generated $83.9 million in sales for New Mexico businesses.

The analysis presented in this report examines only the impacts of the monies that the Pueblos bring into state, as these specifically explain the impacts on the growth of the state economy. Yet, this significantly understates the broader presence of the Pueblos in the state’s economy. According to estimates presented in this report, tribal-owned enterprises generate $307.7 million in out-of-state revenues, but this accounts for only 28% of the $1.095 billion in total sales by the enterprises, the balance of which are in-state sales.

In-state revenues should not be dismissed. For one reason, in-state sales by tribal-enterprises are dollars that New Mexicans do not spend elsewhere. Most importantly, the vast majority of in-state sales are generated in leisure and hospitality businesses, including casino hotels, golf courses, etc.. Absent these services in the state, it is reasonable to assume that many New Mexicans would send their business elsewhere, for example Las Vegas, NV or other states where gaming is permitted. From an economic perspective, stemming such leaks is as impactful as bringing new dollars into the state.
A second reason why in-state revenues are important is because they fund services that Pueblos provide to their members. As summarized in Table 18, in-state sales by tribal-owned enterprises generates more than $111.1 million in income that Pueblos use to fund services to their members. Combined with income generated by out-of-state sales, tribal-enterprises generate a total of $154.5 million for tribal services, estimated to be nearly 40% of total spending by the 19 Pueblos. These enterprise-generated revenues offset reductions in Federal and State funding. More importantly, their capacity to fund government and services with income generated by tribal enterprises gives the Pueblos uncompromised autonomy and control over tribal affairs.

Table 18. Pueblo Tribal Revenues by Source, 2017

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants</td>
<td>$240,452,240</td>
</tr>
<tr>
<td>Foundation</td>
<td>$3,266,232</td>
</tr>
<tr>
<td>Enterprise Income</td>
<td>$154,521,085</td>
</tr>
<tr>
<td>Out-of-state income</td>
<td>$43,407,210</td>
</tr>
<tr>
<td>In-State Income</td>
<td>$111,113,875</td>
</tr>
<tr>
<td>Total</td>
<td>$398,239,557</td>
</tr>
</tbody>
</table>

Source: UNM Bureau of Business & Economic Research

Even consideration of the role of Tribal-owned enterprises understates the importance of the Pueblos and the broader Native American community to the state’s economy. Native Americans account for 8.5% of the New Mexico’s labor force, and 7.7% of those employed. In rural counties with Pueblo tribal land, Native Americans account for 26.2% of the labor force and 23.3% of those employed. In Cibola and McKinley counties, indigenous peoples account for 48.8% and 73.2% of the labor force.34

Not including tribal-owned enterprises, Native American’s own 8,738 businesses, nearly 6% of all businesses in New Mexico, with total sales of $598.1 million35. Native-owned businesses play an outsized role in a number of sectors in the state economy, including agriculture, construction and business services.

34 Census Bureau American Community Survey 5-year estimates, 2017, Table C23002.
Yet, the true importance of the Pueblos and the Native American community as a whole for the New Mexico economy is beyond measure. Creative industries, including arts and culture and cultural tourism account for one in ten jobs in the state\textsuperscript{36}, and the influence of Pueblos in these areas is unmistakable. In national and global markets, creative industries offer significant opportunities for New Mexico businesses, and the Native population will be central to state’s success in these efforts.

\textsuperscript{36} UNM Bureau of Business and Economic Research, 2014. Building on the Past, Facing the Future: Renewing the Creative Economy in New Mexico.
Appendix A. Data and Methodology

The purpose of this study is to estimate the direct and indirect impact of the 19 Pueblos on the economy of New Mexico. Impacts are measured in terms of employment, labor income and output (revenues to businesses plus/minus changes to inventory).

Figure A1 illustrates the relationships between direct, indirect and induced economic impacts. Direct employment impacts include the persons employed by the Pueblos, tribal-owned enterprises and Federal agencies that serve members of the Pueblos. Direct labor income is wages & salaries and benefits, minus federal taxes paid to these employees. Direct output are in-state expenditures by the Pueblos and their employees.

Indirect economic impacts are the subsequent effects of business-to-business spending. These include impacts of in-state purchases of the Pueblos' vendors and direct employees, as defined above. Induced economic impacts are subsequent effects of employee spending, including spending by employees the Pueblos, their enterprises and Federal workers, as well as employees of the vendors. Combined, the indirect and induced impacts measure the effects of the direct spending as money is cycled through the economy. Throughout this report, indirect and induced effects are summarized as indirect effects. The multiplier is an estimate of the indirect and induced impacts; additional jobs, incomes and revenues that flow from the initial direct expenditure.

Economic Impact Estimation Model

This economic impact analysis involves steps. First, in the introduction of this report, the subject of study is defined to include the activities of tribal governments; enterprises collectively and individually by the tribes; and Federal programs available to members of the 19 tribes (e.g. IHS, BIE). Second, employment and revenues of Pueblo economy, as defined in step one, are tabulated. Finally, impact analysis estimates the indirect and induced impacts of the Pueblos in other sectors of the economy. The study also captures the multiplier effect for each additional unit of employment, employee compensation and output.
Figure A1. Direct, Indirect and Induced Economic Impacts

Direct
Jobs, Wages and Revenues to Tribes, Tribal Enterprises and Federal Services, and their vendors

+ Indirect
Jobs, Wages and Revenues due to spending by vendors to Tribes, Tribal Enterprises and Federal Government Services

+ Induced
Jobs, Wages and Revenues due to payroll spending of employees of Tribes, Enterprises and employees of the supply chain

The input-output multipliers are computed using IMPLAN v3.1 and are based on 2015 model data. These multipliers are used to estimate the indirect and induced impacts on the New Mexico economy. IMPLAN uses a variety of data sources to estimate these impacts, including Bureau of Labor Statistics (BLS) Covered Employment and Wages; Census Bureau County Business Patterns (CBP); and Bureau of Economic Analysis Regional Economic Accounts (REA).

Data

This study is based on four sources of information, one for each of the four principal sources through which money is brought into the state by the Pueblos.

The first source of information, the Office of Management and Budget’s Federal Audit Clearinghouse is a comprehensive, detailed inventory of audits of Federal grants and contracts. For each grant, information includes the name, address and contact for the recipient of the grant, amount of grant and expenditure, Federal program and oversight agency, audit findings, and where applicable information for sub-recipients. Program titles can be as specific as “Violence against women discretionary grants for Indian tribal governments” “Farmers markets and local food promotion program”.

37 http://www.implan.com/
38 https://harvester.census.gov/facweb/
BBER pulled nearly 6,700 records of grants to entities in New Mexico with expenditures in 2017. These were sorted by location, and Federal program and oversight agency. Based on recipient information, 974 grants to Pueblo tribes were for the year. For each grant, BBER coded the grant by program category (e.g. health, housing, environment, governance). Grants by program category are summarized in Table 9, above. The total value Federal grants and assistance in 2017 was $240.5 million.

The second source of information was the Federal Data Center\(^{39}\), which is a service similar to New Mexico’s Sunshine Portal. The Federal Data Center provides for a detailed search of Federal employee salaries by year, agency, location, name and occupation. BBER extracted data for 984 employees employed in New Mexico by agencies that serve Indian populations, including the Bureau of Indian Affairs, Bureau of Indian Education and Indian Health Services. Data was further sorted to include only employees located or immediately neighboring Pueblo tribal land. As appropriate, data for locations that are service centers for Native populations other than Pueblos (Albuquerque, Santa Fe, McKinley County) were selected in estimated proportion to the Pueblo population. To ensure that the data was representative, BBER collected data for fiscal years 2015 – 2017, adjusted for inflation and calculated an average annual value. Data was retained for 764 Federal employees.

The third source of information was proprietary data collected by the Foundation Center\(^{40}\), which details grants by private foundations by grantmaker, recipient, value of the grant, program area and brief description of the recipient program. Grantmakers and recipients are searchable by location, including city and state. BBER extracted 1,300 records for recipients located in central and northern New Mexico. The data was again collected for the period 2015 – 2017, adjusted for inflation and calculated as an average annual value. Data was retained for 87 grants with an average value of $4.11 million per year.

Fourth, under a confidentiality agreement BBER worked with the New Mexico Department of Workforce Solutions to extract unemployment insurance records for industries and locations pertinent to this study. These are Federally-mandated employment data that specify wages by employee and employer. BBER de-identified employee data, and assigned codes to employer by Pueblo, location

\(^{39}\) https://www.fedsdatacenter.com/federal-pay-rates/
\(^{40}\) http://foundationcenter.org/gain-knowledge/foundation-data
and industry. These data were the principal source of information on employment and wages by tribal-owned enterprises.

Pueblos were unable to provide information on enterprise revenues, and the source of these revenues (in- and out-of-state). BBER utilized various sources of information to create estimates. For estimates of revenues for gaming activities, data was collected from the New Mexico Gaming Control Board\(^41\), which provides quarterly data on ‘Adjusted Net Win’ from gaming machines for 14 tribes that are signatories of the 2015 State Class III Gaming Compact. Estimates also utilized gaming statistics and analysis available from the University of Nevada, Los Vegas Center for Gaming Research.\(^42\) Center for Gaming Research maintains detailed data on revenues and operational costs of casino and hotel-casinos, by size and location of operations. Data does not include information from New Mexico’s tribal-operated casinos.

To estimate revenues for other industries, including construction, gas stations and convenience stores and other retail activities, BBER utilized data from the Economic Census\(^43\) and BEA Regional Economic Accounts.\(^44\) These sources provide data such as employment, wages and revenues by industry and location.

BBER's analysis of purchases of goods and services by the Pueblos utilized the New Mexico Taxation and Revenue Department’s (TRD) publicly-available quarterly RP-80 gross receipt data for 15 Pueblos.\(^45\) Also, BBER accessed data on State-funded grants and capital projects from the State of New Mexico’s Sunshine Portal\(^46\).

\(^{41}\) https://www.nmgcb.org/revenue-sharing.aspx
\(^{42}\) https://gaming.unlv.edu/
\(^{43}\) https://www.census.gov/programs-surveys/economic-census.html
\(^{44}\) https://www.bea.gov/data/economic-accounts/regional
\(^{46}\) http://www.sunshineportalnm.com/
Appendix B. Classification of Federal Grants and Assistance Programs

AGRICULTURE: Agriculture, forestry, forest management, irrigation, farmers markets.

CHILD, FAMILY & AGING SERVICES: Early Head Start, Indian Child Welfare Act; Home Visiting; Safe & Stable Families; Programs for the Aging (Title VI); Stephanie Tubbs Johns Child Welfare.

CULURE: arts, language preservation; historic preservation; archeology.

ECONOMIC & COMMUNITY DEVELOPMENT: Community Service Block Grants; Formula Grants for Rural Areas; Indian Community Development Block Grants; Native American Employment & Training; Minerals & Mining on Indian Lands.

EDUCATION: Head Start; Higher Education Scholarships; Indian Education Facilities Operations & Maintenance; Indian Education Assistance to Schools; Indian School Equalization Program; Student Transportation; Bilingual education; Library services; Special Education; Teacher Quality Partnership Grants; Title I Grants to Local Educational Agencies; 21st Century Community Learning Centers.

ENVIRONMENT: Indian Environmental General Assistance; Natural Resources Program; Conservation Services; Nonpoint Source Implementation Grants; Regional Conservation Partnership Programs; Renewable energy; fish & wildlife conservation; Water Pollution Control; Water Resources on Indian Lands; Environmental Quality Incentives Program.

GOVERNANCE: Indian Self-Determination; Tribal Self-Governance; Aid To Tribal Governments; Consolidated 477 Plan; Equitable Sharing Program; Multi-Purpose Grants to Tribes.

HEALTH: Demonstration Projects for Indian Health; Food Distribution Program on Indian Reservations; Diabetes prevention programs; School Breakfast and Lunch programs; mental health programs; nutrition services; substance abuse;

HOUSING: Indian Housing Block Grant; home energy assistance; Home Investment Partnership; House by House; homeless programs.
INFRASTRUCTURE: road and highway planning, construction, maintenance; highway safety; IHS Sanitation Facilities Construction Program; Water Resources Development; disaster assistance;

JUSTICE: courts; justice facilities; litigation support; drug courts.

PUBLIC SAFETY: BLS Wildland Urban Interface Community Fire Assistance; Crime Victim Assistance; Family Violence Prevention; Indian Law Enforcement; hazard mitigation; Public Safety Partnership and Community Policing Grants.