



# The Impact of the IGRA on Native American Reservation Poverty

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## Motivation

To assess the impact on poverty rates that the 1987 Indian Gaming Regulatory Act (IGRA) had, which has allowed reservations to create gaming compacts with their state and open casinos.

## Research Question

Do Native American Reservations with casinos have lower poverty rates?

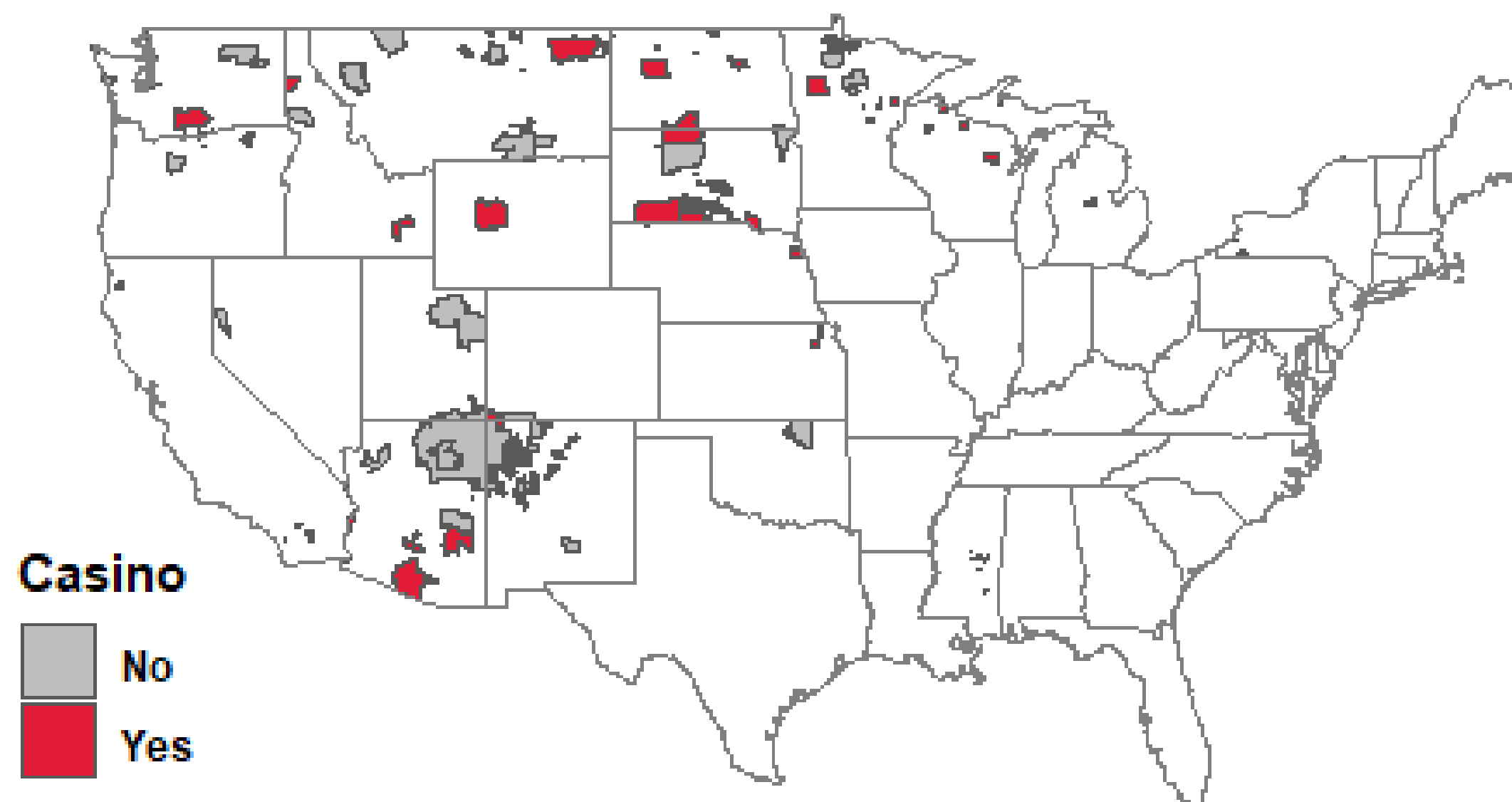
## Methodology

Census Bureau data was collected for the 100 most populous Native American Reservations for the years 1970, 1980, 1990, 2000, 2010, 2015, and 2020. A difference in difference method was used to create the casino presence variable for a linear regression. Control variables include unemployment rate, population, region, numbers of casinos, and years open.

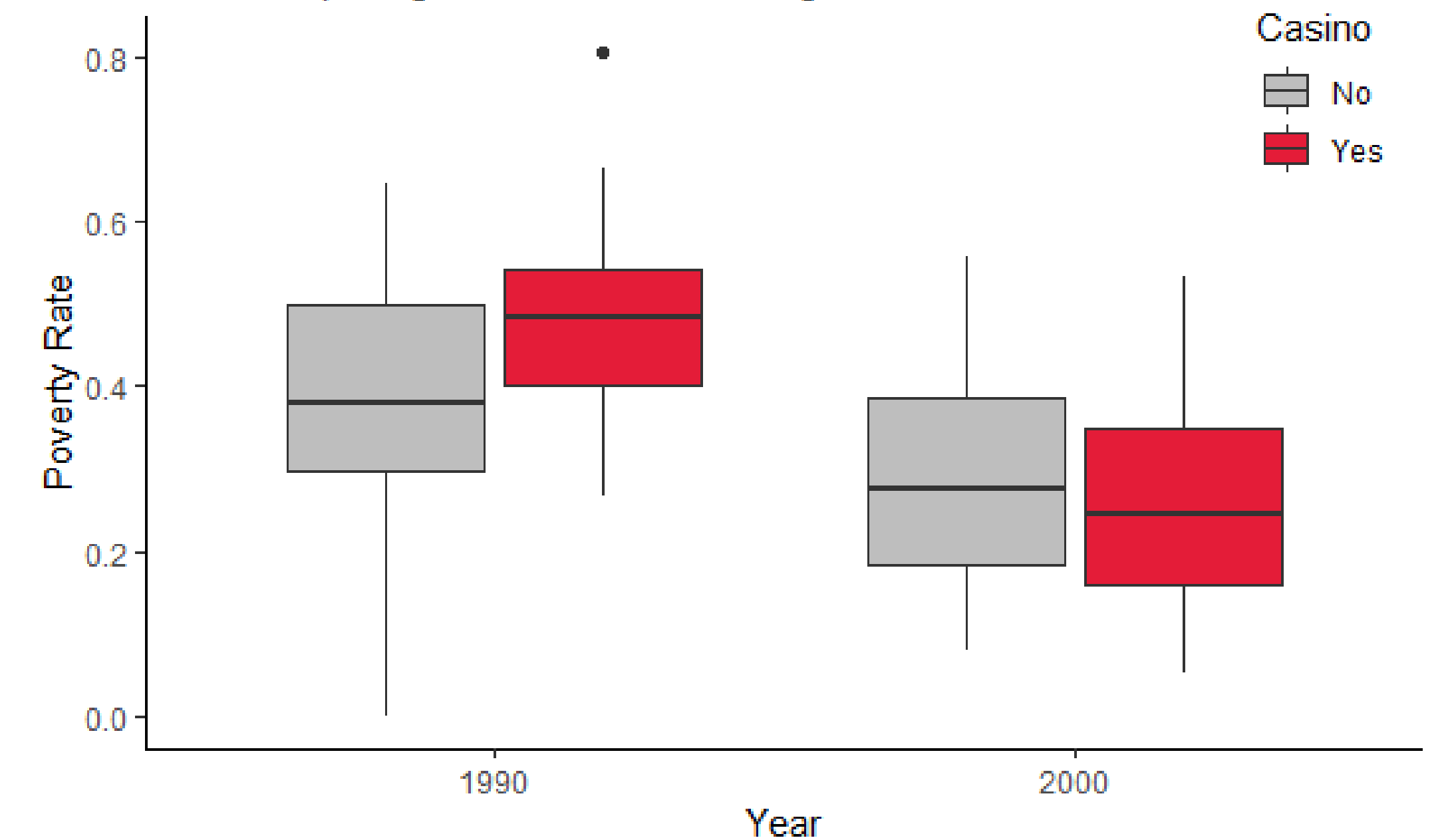
## Results

Dependent Variable: Poverty Rates			
Variable	Estimate	Std. Error	P-value
Intercept	0.249	(0.016)	0.000***
Casino Presence	-0.048	(0.014)	0.001**
Unemployment Rate	0.723	(0.051)	0.000***
Population	0.000	(0.000)	0.0316*
Region - Northeast	-0.088	(0.027)	0.0016**
Region - South	-0.023	(0.029)	0.438
Region - West	-0.046	(0.010)	0.000***
Number of Years Open	0.001	(0.001)	0.424
Number of Casinos	-0.007	(0.004)	0.101
N: 591 // R-squared: 0.3562 // Adj. R-squared: 0.3475			
Significance codes: ***'0.001 // '**'0.01 // '*'0.05			

Native American Reservation Casino Presence in 2000



The Impact on Poverty of Opening a Casino on a Reservation  
Casinos Opening on Reservations during the 1990s



## Conclusions

The regression indicates a negative association between casino presence and the reservation's poverty rate. In other words, casino presence has a preferable, decreasing relationship with poverty rates.

## References

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