

Wages and Healthcare Benefits of Workers at Agua Caliente Casino

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Summary of Findings

We believe that this is the first independent study of the rapidly growing tribal casino workforce. Many state and federal laws governing labor conditions (for instance, EEOC, ADA, NLRA, CalOSHA, and State Minimum Wage) have not been applied to the employees at tribal casinos.

This study of workers is based on a scientific survey of “eligible employees” at the Agua Caliente Casino which is located on tribal land adjacent to Rancho Mirage in Riverside County, CA. It focuses on the economic conditions of the workforce, with particular attention to the healthcare benefits provided to employees.

The Agua Caliente Casino is owned and operated by the Agua Caliente Band of Cahuilla Indians, who also own and operate the Spa Resort and Casino in downtown Palm Springs. The Agua Caliente Casino opened in April 2001. Rancho Mirage is located approximately 120 miles east of Los Angeles in the Coachella Valley, which encompasses nine incorporated cities (including Palm Springs) and seven unincorporated communities.

Among the findings of this study are:

- Agua Caliente Casino induces employees to depend on government subsidized healthcare for their children. This practice potentially increases casino profits by as much as \$1,000,000 per year. This practice, however, costs state taxpayers who fund the Healthy Families and Medi-Cal programs.
- Most Agua Caliente Casino employees work full time. They are not employees who aim simply to earn a little extra money; they depend on this job for their standard of living.
- The average hourly wage of employees in the sample is \$8.93. As the average employee in the sample worked 38 hours per week, the average weekly pay check for employees is \$339. If an average employee works 50 weeks per year, then he/she earns an annual wage income of \$16,967. Tip income is not included in these estimates, as data on tips were not collected in the survey.
- The median wage of tipped employees is \$7.40. The median wage of non-tipped employees is \$9.10 per hour. More than half the non-tipped employees earn less than \$18,000 per year.
- Very few casino (non-tipped) employees who have children are able to achieve a modest standard of living from their casino job. Less than half of single workers who do not have children and who work in non-tipped jobs are able to achieve a modest standard of living.
- A substantial percentage of employees (28%) have second jobs, which is indirect evidence of the inadequacy of their casino earnings.
- A substantial number of Agua Caliente Casino employees are paid less than what the casino’s general manager predicted they would be paid. While the general manager apparently predicted the lowest-paid job would pay approximately \$8 per hour, many employees are paid less than this.
- Agua Caliente Casino apparently complies with the California minimum wage of \$6.75 although it need not do so. No statistically reliable evidence exists that the casino discriminates against female employees in the wages it pays.

Introduction

Tribal casinos have developed at a staggering rate in the past few years. This has been particularly true in California since the passage of Proposition 1A in March 2000. As many as 35,000 people might currently be employed in tribal casinos in California; this is more than twice the number employed in this same industry in 1998.¹ This rapid growth of tribal casinos is predicted to continue in the near future.

The primary reason for permitting the expansion of tribal casinos has been to promote “tribal economic development, self-sufficiency, and strong tribal governments.”² Economic research has shown that these benefits have occurred for many—but not all—tribes that have opened casinos.³

Economic research is now turning to considering both the benefits *and* the costs of tribal casinos to the surrounding communities and to state, local, and federal budgets.⁴ Such research permits a fuller understanding of the overall impact of the expansion of tribal casinos on society as a whole. If the goal is to design good public policy toward tribal casinos, then *all* the benefits and *all* the costs must be taken into account.

This report focuses on the types of jobs being created within tribal casinos. We believe that this is the first study to provide objective data on the nature of jobs created within this booming industry. Little is known about these jobs or about the wages and benefits they provide. Such a study is important because no guarantee exists that tribal casinos provide quality jobs: California laws that provide protection for workers are generally not enforceable in tribal casinos. In addition, some Federal laws have not been applied to tribal casino workers, such as the National Labor Relations Act (NLRA) and the Equal Employment Opportunity Act (EEOC). A tallying of the benefits and costs of tribal casinos must take into account the nature of the jobs created by the industry.

This report pays special attention to the healthcare benefits provided by tribal casinos. It will be seen that the employee healthcare benefit practice used by the casino studied in this report gives rise to considerable benefits to the tribal casino investigated. It will also be seen that this employee healthcare practice imposes significant costs to California taxpayers.

Agua Caliente Casino

Agua Caliente Casino was the first Indian casino built as a response to the passage of Proposition 1A, which amended the California Constitution to allow Indian gaming. On March 7, 2000, voters approved Proposition 1A. Six days later, on March 13, 2000, the Agua Caliente Band of Cahuilla Indians announced the construction of a \$90 million Las Vegas-style casino on tribal land adjacent to Rancho Mirage, a few miles from Palm Springs in Southern California.

Agua Caliente Casino opened in April 2001. The 135,000 square-foot casino has more than 1,100 slot and video poker machines, 46 gaming tables, a 700-seat bingo area,

1. California Nations Indian Gaming Association, “TIME Misses the Point of Tribal Government Gaming.” See also <http://www.calmis.cahwnet.gov/file/indcur/calSpr.txt>, which is part of the California Employment Development Department’s website. For 1998 employment see http://www.cniga.com/media/CNIGA_PressKit.pdf

2. Indian Gaming Regulatory Act (IGRA), 25 U.S.C. 2702(1).

3. William Evans and Julie Topoleski, “The Social and Economic Impact of Native American Casinos,” National Bureau of Economic Research Working Paper no. 9198, August 2002, and sources cited therein.

4. Evans and Topoleski, 2002, and sources cited therein.

and a special high-limit gaming area. The Casino also has six restaurants⁵ and a cabaret. It employs approximately 1,000 workers.⁶ The casino has been financially successful.

The Survey

Approximately 470 workers at Agua Caliente Casino are classified as “eligible employees.” These are the employees to whom the Tribal Labor Relations Ordinance applies. The employees classified as eligible employees are all employees except for those who are supervisors, employees of the Tribal Gaming Commission, members of security or surveillance departments (other than those who repair or maintain equipment), “cage” employees, money counters or dealers.

The Tribal Labor Relations Ordinance provides for the right of employees to engage in, or to refuse to engage in, concerted activities for the purpose of collective bargaining or other mutual aid or protection.⁷ It limits the behavior of employers, employees, and unions in any effort to form or to fight the formation of a union. Only “eligible employees” are covered by the Tribal Labor Relations Ordinance.

A random sample of “eligible employees” was selected to be surveyed. The survey provides information about the wages, hours, and healthcare benefits of casino employees. All information about “employees” or “workers” in this report should be understood to refer to “eligible employees.”

This random sample included 199 workers. As indicated in Appendix 1, the information gained about these 199 workers can be used to draw conclusions about the complete set of eligible employees at Agua Caliente Casino.

The workers in the sample were surveyed between October 2002, and January 2003. The survey was performed with the oversight of the Institute of Industrial Relations at UCLA. The information appearing below comes from this survey.

Survey Results: Who Works at Agua Caliente Casino?

Table 1 on the following page presents selected demographic characteristics of the workers at Agua Caliente Casino. As can be seen, 59% of the workers are female, 69% are minorities, 48% are married, and 46% of workers have one or more children.⁸

5. Agua Caliente Casino has hired outside vendors to run five of the six restaurants. Only the 24-hour buffet is run by the casino, which staffs the buffet with its own employees. The conditions of employment for the employees of these outside vendors are not considered in this report.

6. “Casino Thrives During First Year,” *The Desert Sun*, April 7, 2002 (accessed from thedesertsun.com on March 10, 2002).

7. The Ordinance must be adopted by any tribe with 250 or more persons employed in a tribal casino and related facility.

8. These percentages are the best point estimates of population parameters and were derived from the data from the 199 workers in the sample. The 95% confidence intervals for the population are: Sex from 52% to 66%, Minority from 63% to 76%, Married from 41% to 55%, and for Have Children from 39% to 53%. Because the sample is a relatively large proportion of the population, these confidence intervals were calculated using the technique recommended by Alan Agresti and Brent Coull, “Approximate is Better than ‘Exact’ for Interval Estimation of Binomial Proportions,” *The American Statistician*, 52 (1998), pp. 119-126.

Table 1
Demographic Characteristics of Employees

Characteristic	Percent
Sex	
Female	59%
Male	41%
Race/Ethnicity	
Minority	69%
Non-Minority	31%
Marital Status	
Married	48%
Unmarried	52%
Have Children?	
Yes	46%
No	54%

Table 2 indicates the race/ethnicity composition of employees. Latinos are the largest racial/ethnic group working in the casino while Whites are the second largest group.⁹

These average worker characteristics hide, however, the existence of distinct groups of workers laboring at Agua Caliente Casino.

Table 3 presents information about the characteristics of different racial/ethnic groups working at Agua Caliente Casino. The first pair of columns indicates Filipinos are much more likely to be female than, say, Whites (74% versus 51%). The second pair of columns indicates that Filipinos are much more likely to be married than other groups and that Whites and Blacks are least likely to

be married (83% versus 34% and 0%). The last pair of columns indicates that Blacks and Latinos are most likely to have children while Whites and Others are least likely to have children.

These data suggest that within Agua Caliente Casino distinct “typical” workers can be identified: married female Filipinos generally without children; unmarried female Blacks with children; female Latinos with children; and unmarried Whites without children.

Table 4 presents information about the differences between men and women. As can be seen, males are more likely to be married than female employees, but female employees are more likely to have children. Females are also more likely to be a member of a minority racial or ethnic group.

Table 2
Race/Ethnicity of Employees

Race/Ethnicity	Percent
Latino	50%
White	31%
Filipino	12%
Black	3%
Other ¹⁰	5%

Table 3
Characteristics of Various Racial/Ethnic Groups

	Percent Female		Percent Married		Percent w/ Children
Filipino	74%	Filipino	83%	Black	83%
Black	67%	Others	70%	Latino	61%
Latino	62%	Latino	48%	Filipino	35%
White	51%	White	34%	White	28%
Others	50%	Black	0%	Others	20%

Table 4
Female and Male Characteristics

Sex	Married	Have Children	Minority
Female	41%	51%	74%
Male	58%	40%	63%

Survey Results: Hours, Wages and Estimated Income

Hours Worked per Week

Almost all workers at Agua Caliente Casino work full time. The average employee in the survey worked 38 hours per week.¹¹

Figure 1 on the following page shows the distribution of the hours worked per week. A large majority of casino employees works between 36 and 40 hours per week. Only a small percentage of employees work part time. The predominance of full-time workers at the casino was intended by Agua Caliente Casino management.¹²

9. The 95% confidence interval for Latinos is 43% to 57%.

10. “Other” includes Middle Eastern, Native American, Caribbean, South Asian, Chinese, and South Pacific Islanders.

11. The 95% confidence interval for weekly hours for the population is 37.6 to 38.8.

12. “Casinos Rounding Up New Workers,” *The Desert Sun*, February 2, 2001 (accessed from thedesert-sun.com on March 6, 2003).

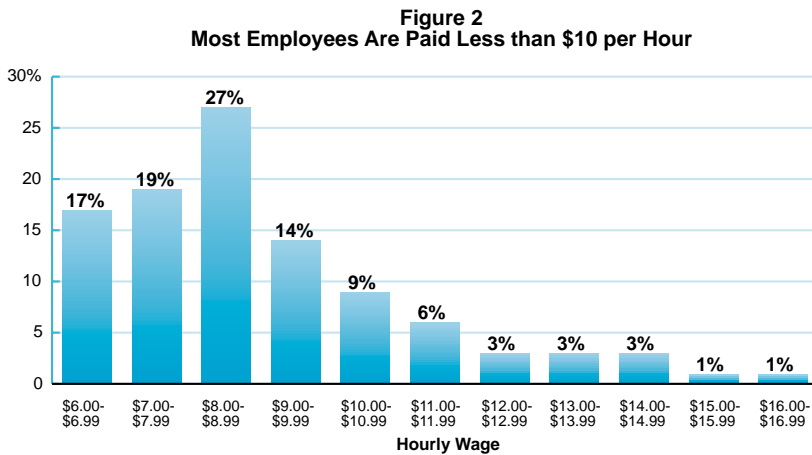
Most employees of Agua Caliente Casino, then, depend on the casino as their primary source of income and benefits. They are not casual employees looking to pick up a few dollars in their spare time.

Wages and Wage Income

Casino employees all receive a wage. Many also receive tips. This section discusses only the wages earned by casino employees. The following two sections discuss tip income and total hourly earnings for employees.

The average hourly wage of Agua Caliente Casino employees in the sample is \$8.93.¹³ As the average employee in the sample worked 38 hours per week, the average weekly pay check for employees is \$339. If an average employee works 50 weeks per year, then he/she earns an annual wage income of \$16,967.

Not all employees are average, however: some are paid higher wages than others. Figure 2 shows the distribution of hourly wages earned by different employees at Agua Caliente Casino.

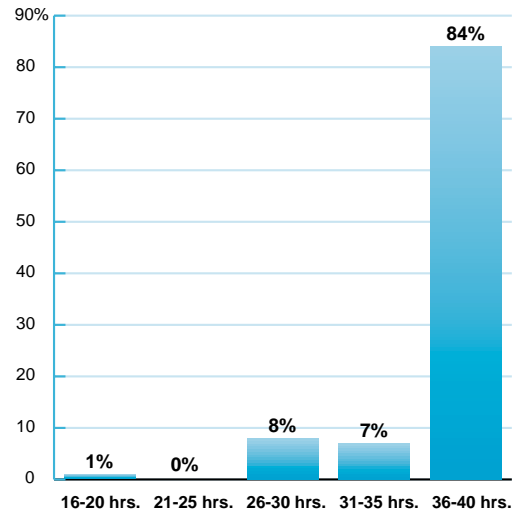


are not held to the California minimum wage, all surveyed employees report being paid an amount at least equal to the current California minimum wage of \$6.75. The California minimum wage exceeds the federal minimum wage of \$5.15 per hour.¹⁵

Difference in Wages by Job Classification

Table 5 shows the average wage rates for different jobs within Agua Caliente Casino. At one extreme, valets and cocktail servers are paid, on average, \$6.75 per hour while at the other extreme maintenance engineers are paid \$13.50 per hour.

Figure 1
Most Employees Work Full Time



Most employees earn between \$8.00 and \$8.99 per hour. Three-quarters of the employees are paid less than \$10.00 per hour.

Although Indian casinos

Table 5
Wages by Job Classification

Job Classification ¹⁴	Avg. Hourly Wage
Valet	\$6.75
Cocktail server	\$6.75
Bartender	\$6.98
Server	\$7.36
Busser	\$7.50
Bar Back	\$7.73
Dishwasher	\$8.23
Phone Operator	\$8.44
Janitor	\$8.47
Host/Hostess	\$8.48
Bingo Attendant	\$8.68
Slot Attendant	\$9.16
Cook	\$10.47
Guest Services Attendant	\$11.47
Slot Technician	\$13.01
Maintenance Engineer	\$13.50

13. The 95% confidence interval for the hourly pay is \$8.64 to \$9.21.

14. Bussers bus tables while bar backs help bartenders.

15. Federal courts have held unanimously that Indian enterprises, even those on reservations, are covered by the FLSA, the federal minimum wage law. Tribal casinos, however, are not covered by the higher California minimum wage.

Figure 3 shows how wages are distributed within individual job classifications. The average wage for a job classification (taken from Table 5) is shown with a vertical line while the right side of the bar indicates the wage paid to the highest paid employee and the left side of the bar indicates the wage paid to the lowest paid worker.

For instance, all cocktail servers and valets receive an identical wage (\$6.75 per hour). Cooks on average are paid \$10.47 per hour but one cook is paid \$16.00 per hour while another cook is paid \$8.00 per hour.

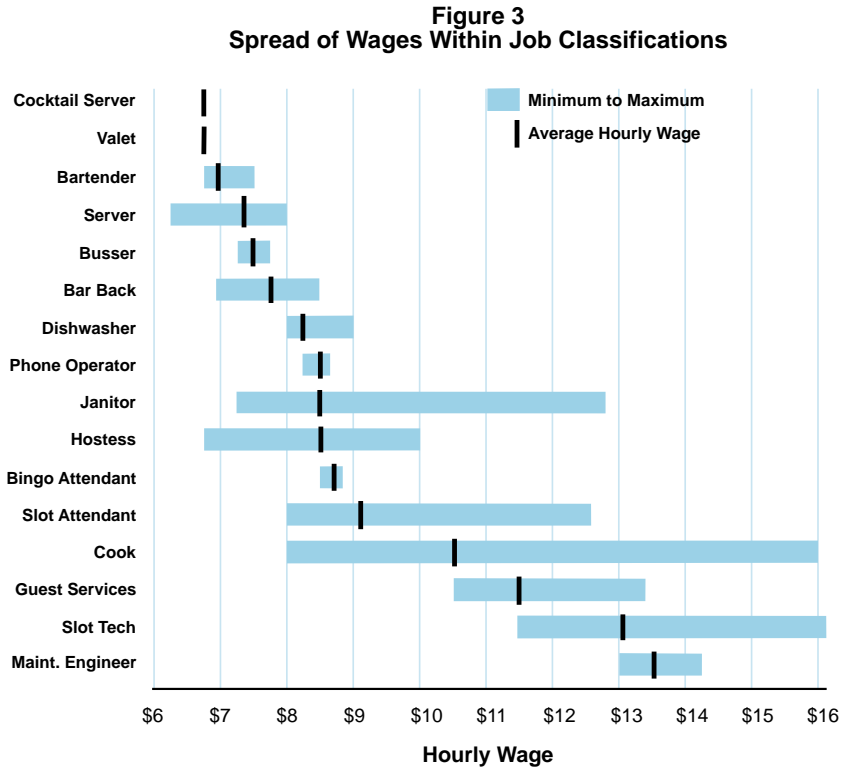
As can be seen, employees in some job classifications are paid identical or nearly identical wages (cocktail servers, valets, bartenders, bussers, dishwashers, phone operators, and bingo attendants). It appears that for these job classifications the casino has a standard wage rate that is given to mostly everyone within the job classifications regardless of skill, seniority, tenure, or job performance. For instance, all cocktail servers and all valets are paid exactly at the California minimum wage.

Other job classifications pay some employees differently (janitor, slot attendant, cook, and slot tech). For instance, \$8.00 per hour separates the lowest and highest paid cook while \$5.55 separates the lowest and highest paid janitors.

One pattern seen in the above figure is that lower-paid job classifications tend to have less variation within wages than do job classifications that pay higher wages. A second pattern is that employees within job classifications that lead to tips (e.g., cocktail servers, valets) tend to be paid about the same while other job classifications that do not ordinarily lead to tips (e.g., janitors, cooks, slot techs) have a much higher spread of wages within the job classification.

One concern that sometimes follows from the observation that different job classifications pay differently is that women might be crowded into lower-paying jobs while men gain access to higher-paying jobs.

The Tribal-State Gaming Compact commits Indian casinos to non-discrimination, except for preferences given to Indians. According to section 10.2.g, the tribes agree to “Adopt and comply with standards no less stringent than federal laws and state laws forbidding employers generally from discriminating in the employment of persons to work for the Gaming Operation or in the Gaming Facility on the basis of race, color, religion, national origin, gender, sexual orientation, age, or disability; provided that nothing herein shall preclude the tribe from giving a preference in employment to Indians, pursuant to a duly adopted tribal ordinance.”



Yet, section 10.2.g can be read both broadly and narrowly. “Employment,” as it appears in this document, is not clearly defined. It might be read to include *only* the process of hiring. Or, it might be read to include *both* hiring and the terms and conditions of employment. We have no knowledge of how the Agua Caliente Casino interprets this non-discrimination language.

Table 6 might shed light on whether a difference in male and female wages exists within the casino. Job classifications are listed according to the percent of workers in each job classification that is female. Five jobs are arguably “male jobs” while eight jobs are arguably “female jobs” at Agua Caliente Casino.

Male jobs include both relatively high-paying jobs (e.g., maintenance engineer) and low-paying jobs (e.g., valet). Female jobs at Agua Caliente Casino also include both relatively high-paying and low-paying jobs. Yet the average hourly wage for job classifications identified as “male jobs” exceeds that for jobs identified above as “female jobs” (\$9.59 versus \$8.48).

Table 6
Wages by Job Classification and Gender

Job Classification	% Female in Job	Avg. Hourly Wage	
Maint. Engineer	0%	\$13.50	Male Jobs (\$9.59)
Bar Back	0%	7.73	
Valet	0%	6.75	
Bartender	9%	6.98	
Slot Technician	11%	13.01	
Cook	50%	10.47	Female Jobs (\$8.48)
Slot Attendant	50%	9.16	
Busser	50%	7.50	
Server	70%	7.36	
Dishwasher	78%	8.23	
Janitor	80%	8.47	
Guest Services Attend.	100%	11.47	
Bingo Attendant	100%	8.68	
Host/Hostess	100%	8.48	
Phone Operator	100%	8.44	
Cocktail Server	100%	6.75	

But it cannot be stated with *statistical certainty* that any difference in wages between “male jobs” and “female jobs” actually exists within the casino.

For instance, the average wage of the 33 employees working within the top five “male jobs” is \$9.62. The average wage of the 53 employees working within the top five “female jobs” is \$8.65. *Yet, the difference between these two average wages is not statistically significant (at a 5% one-tail significance level).*¹⁶ No evidence exists in the sample that a wage difference—and hence potential wage discrimination—exists between male and female job classifications.¹⁷

But women can be paid less than men not only because they find themselves in low-paying jobs, but also because they are paid less than men for the same work within the *same* job.

16. The critical value for the t-test was 1.68 while the t-statistic of the test was 1.63.

17. A full-scale study of the causes of wage differences between men and women in Agua Caliente Casino is not possible with the data available in the survey. At the very least, such a study would require information on employee skills, education, job tenure, English-language ability, and more. A finding in this study that a wage difference exists between men and women in Agua Caliente Casino would say nothing about the causes of this wage difference: in the study wage differences due to discrimination cannot be separated from wage differences due to factors relevant to wage setting. The finding of a difference in wages between men and women would only indicate that the causes of this difference need to be investigated.

Table 7 indicates that, within the sample data, women are often paid less than men for what *might* be the same work.¹⁸ While women are paid more than men in two job classifications (Server and Slot Attendant) the wage advantage to women is fairly small. Notably, in the two highest paying jobs in which both men and women work (Cook and Slot Technician) women are paid about 10% less than men.

Yet, once again, the above findings are *not* statistically significant: the null hypothesis that male and female wages were equal *within* job classifications *cannot* be rejected at any reasonable level of statistical significance.¹⁹

The data in this sample are not able to resolve the issue of whether a difference exists in the wages paid men and women in Agua Caliente Casino. Superficial evidence of a wage difference exists in Table 6 and Table 7, but this evidence is not strong enough to achieve statistical significance. Further research is certainly warranted on this issue of wage differences between men and women and potential wage discrimination within Agua Caliente Casino.

Tips

The survey asked employees in the sample whether they receive tips or not. Table 8 indicates which job classifications receive tips and which do not.

Employees in some of the job classifications receiving tips likely receive only infrequent and/or small tips. Often some employees, such as bussers and bar backs, get tips only if a server or bartender shares the tips they receive with bussers or bar backs.

Employees in other job classifications receive regular tips. These classifications include servers, valets, slot attendants, bartenders, and cocktail servers.

Of the sample employees, 45% reported receiving tips while

Table 7
Gender Wage Differences within Job Classifications

Job Classification	Female Wage as Percent of Male Wage within Job Classification	Average Hourly Wage for All Workers in Job Classification
Cook	89%	\$10.47
Slot Technician	91%	13.01
Janitor	93%	8.47
Bartender	96%	6.98
Busser	97%	7.50
Dishwasher	100%	8.23
Server	102%	7.36
Slot Attendant	104%	9.16

Table 8
Tipped and Non-Tipped Job Classifications

Tipped	Not Tipped
Valet	Phone Operator
Slot Attendant	Host/Hostess
Slot Tech	Guest Services
Bar Back	Engineer
Bartender	Dishwasher
Cocktail Server	Cook
Busser	Janitor
Server	
Bingo Attendant	

18. It is not possible to tell whether employees within the same job classification truly perform the same activities. For instance, some cooks might be lead cooks while other cooks might fill more of an assistant role. It is also possible that seniority and tenure differs between men and women and this might explain some of the difference in the wages paid to men and women. This cause of wage differences within a job classification is in addition to other potential reasonable causes of wage differences, such as different skills, job tenure, education, and so on.

19. Only the wage difference between male and females in the cook job classification is statistically significant. The critical value was 1.70 while the t-statistic for the difference between the means was 2.14 in a one-tail 5% significance test. Yet, this finding of statistical significance for this one job classification must be set aside because, when considering the 8 job classifications as a whole and when considering the null hypothesis of no difference between male and female wages and a 5% significance level, one would anticipate that 1 out of 8 draws would often be found "statistically significant" even if the null hypothesis was indeed true for each of the 8 job classifications.

Table 9
Characteristics of Tipped and
Non-Tipped Employees

Characteristics	Tipped	Not Tipped
Female	53%	64%
Minority	53%	83%
Married	41%	53%
Have Children	44%	48%
Average Hourly Wage		
Mean	\$7.92	\$9.75
Median	\$7.40	\$9.10

55% reported not receiving tips. Table 9 indicates that tipped and non-tipped employees differ. Non-tipped employees are more likely to be female and much more likely to be a minority. Non-tipped employees also are paid a higher hourly wage, yet tip income most likely leads to higher hourly earnings for tipped employees. Because both distributions of wages are moderately skewed, the median is the better measure of the central tendency of hourly wages for the two groups than is the mean.

The survey did not ask for employee estimates of their tip income as self-reported tip information is notoriously inaccurate.

The Hotel Employees and Restaurant Employees Union (HERE) collected data on the tip income earned by slot employees in one California tribal casino outside of Southern California. At that casino, the average weekly tip rate for slot employees was \$4.72 per hour in October 2002.²⁰ Whether the tip income for slot employees at Agua Caliente Casino equals this amount or how the tip income received by slot employees compares to the tip income received by those in other job classifications is unknown. A Bureau of Labor Statistics study has found that not only are data on tip income very poor, the variances of tip income between individual job classifications and between employees within single job classifications are quite high.²¹

In the case of a casino that is open 24 hours a day, it can be presumed that tip income for individual workers varies even more than in other working environments. Someone working very early in the morning on a weekday is much less likely to receive substantial tip income than someone working during the busiest time of the day during the weekend. This is an additional reason to suppose that any estimate for “average tip income” would be unlikely to measure accurately the tip income earned by any individual employee.

Estimating tip income, and total earnings for employees or groups of employees, would involve conjecture unsupported by any data in the survey. Such conjecture would lead to unscientific and unreliable results. Therefore, such estimates will not be made in this report.

Many job classifications in Agua Caliente Casino do not receive tips. As the tip income for these workers equals zero, we can simply use their wage earnings as their total earnings.

Total Earnings for Employees Not Receiving Tips

More than half the employees in the sample reported that they did not receive tips. This section considers the income earned by these non-tipped employees.

20. In the casino in question slot employees pool their tips and all receive the same tip amount. In Agua Caliente Casino, however, tips are not pooled and any average tip rate might give little information about the tip income for any individual employee.

21. Hilery Simpson, “Tips and Excluded Workers: The New Orleans Test,” *Compensation and Working Conditions*, Summer 1997.

Figure 4 shows how hourly wages are distributed among non-tipped employees. As can be seen, the mean wage for these employees (\$9.75) is boosted by a relatively small number of higher wage employees. Indeed, 62% of non-tipped employees earn less than the average of non-tipped employees. The median, a better measure of the central tendency in such a skewed distribution, is \$9.10.

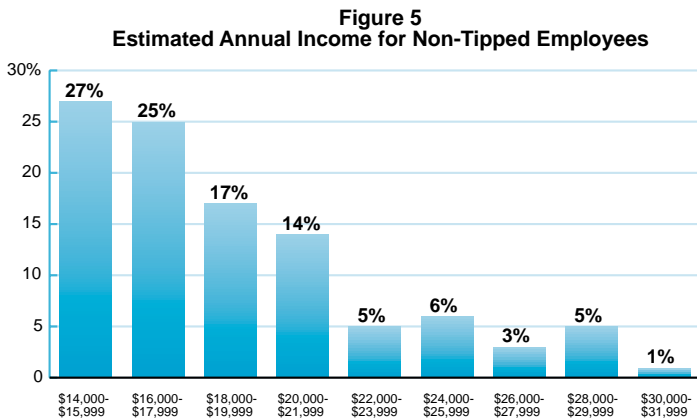
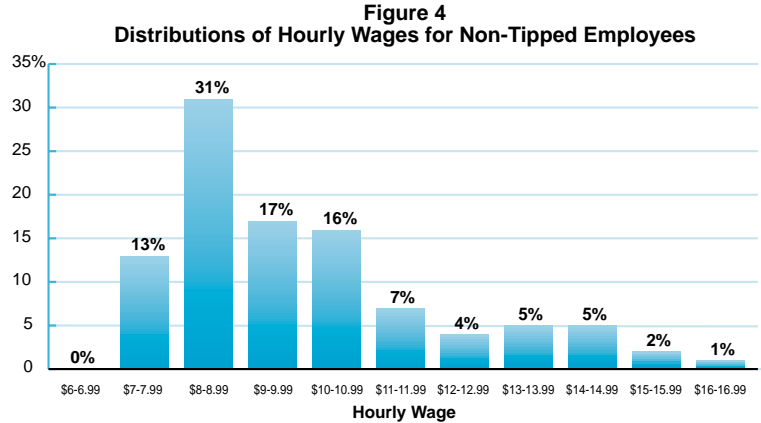


Figure 5 presents estimates for the potential annual income earned by non-tipped employees. These annual estimates were derived by assuming that employees worked 39 hours per week (the actual weekly average for these employees) and worked 50 weeks per year.

As can be seen, more than half the non-tipped employees earn less than \$18,000 per year from their full-time casino job. This information, however, provides no guidance to the total income earned by tipped employees.

Adequacy of Casino Wages

Table 10 reports estimates of what different types of families must earn to achieve a modest standard of living in Riverside County. This table is based on work by the California Budget Project's (CBP) publication *Making Ends Meet*²² with the following exceptions: the housing and utility cost data are for Riverside County and were taken from the Fair Market

Table 10
Basic Family Budget, Riverside County 2002

	Single Adult (no children)	Single Parent with Two Children	Two Parents (one working) with Two Children	Two Working Parents with Two Children
Housing/Utilities	\$537	\$656	\$656	\$656
Child Care	0	831	0	831
Transportation	281	281	281	507
Food	187	457	655	655
Health Care	50	265	335	335
Miscellaneous	184	350	440	440
Taxes	352	473	402	624
Monthly Total	\$1,590	\$3,313	\$2,769	\$4,047
Annual Total	\$19,085	\$39,751	\$33,229	\$48,569
Basic Family Wage per Hour*	\$9.79	\$20.39	\$17.04	\$12.45 for each parent

*Hourly rate assumes 39 hours/week, 50 weeks of work per year

22. California Budget Project, *Making Ends Meet: How Much Does It Cost to Raise a Family in California?* September 2001.

Rents program of the Department of Housing and Urban Development,²³ the healthcare expenditures are reduced to take account of the fact that Agua Caliente Casino employees receive premium-free healthcare insurance for themselves,²⁴ and all other numbers are increased by the rise in the cost of living in Riverside County between 2001 and 2002.

The Basic Family Wage per Hour represents an estimate of how much someone must earn per hour to achieve a modest standard of living. The estimates for the Basic Family Wage per Hour must be understood as being only very general and imprecise guidelines.

The estimate for the Basic Family Wage for a single adult (with no children) of \$9.79 is about equal to the mean wage of non-tipped employees at Agua Caliente Casino: \$9.75 per hour. This Basic Family Wage, however, exceeds the median wage for non-tipped workers: \$9.10 per hour.

Of course, 48% of Agua Caliente Casino employees are married and 46% of them have children and, so, the Basic Family Wage for these workers exceeds that for a single adult (no children).

Table 11 presents estimates of the percent of workers who earn a basic family wage from Agua Caliente Casino. Only non-tipped employees are considered in this table. Single workers with no children earn, on average, \$10.06. This exceeds the required basic family wage of \$9.79. However, only 44% of the employees in this group earn the basic family wage of \$9.79.

Table 11
Basic Family Wage Achieved, Non-Tipped Workers

	No Children	Two Children	
	Single	Single	Married (Both Working)
Wage Needed	\$9.79	\$20.39	\$12.45
Average Wage Earned	\$10.06	\$8.72	\$9.84
Percent Earning Needed Wage	44%	0%	18%

Single employees with children (averaging 1.9 children each) earn on average \$8.72 per hour. This falls far short of the required \$20.39 per hour wage needed to provide a modest standard of living. None of the single employees with children earns the required family wage. The final column indicates that for married employees with children (averaging 2.15 children), only 12% of these workers achieve the required family wage. However, the \$12.45 family wage is based on the assumption that both parents work and earn this family wage. This latter assumption might not be true for the 18% indicated as achieving a family wage.

23. The data were accessed from <http://www.huduser.org/datasets/fmr/fmr2002F/fmr2002ca.pdf> on March 2, 2002. The CBP document provides a single estimate for Orange, Riverside, San Bernardino, and Ventura Counties. The biggest difference in the cost of living between these counties is housing. Therefore, the Fair Market Rents data for Riverside County was used in place of the 4-county average used by the California Budget Project. The cost of housing/utilities for those with children is based on a 2-bedroom apartment which would lead to more crowded conditions than most people would like.

24. The CBP healthcare estimates are based on the assumption that employees must buy healthcare insurance on their own and on estimates of out-of-pocket expenses for ordinary physician visits. The CBP estimates exclude costs for non-ordinary care such as hospital care and emergency room visits. Agua Caliente Casino employees, however, have their healthcare premiums paid for them (but not for their spouses or children). The healthcare costs appearing in this table are estimates of the out-of-pocket expenses made per month for a single adult. The CBP estimates for the monthly healthcare costs are used as estimates for the other classifications in the table.

Again it should be noted that the above table considers only the situation of the 55% of employees who did *not* receive tips. For tipped employees other information is needed to determine the adequacy of their combined wage and tip income.

Second Jobs

Employees take second jobs only because their first job provides them with a standard of living that is below their expectations.²⁵ The survey collected information on whether employees held a second job.²⁶

Of the surveyed employees, 28% of employees held a second job in addition to their job at Agua Caliente Casino. Unlike in the previous section, this percentage was calculated using both tipped and non-tipped employees.

Table 12 presents information about the characteristics of second job holders and of those who did not hold a second job²⁷. As can be seen, second job holders are somewhat less female, but no major difference exists in the percentage married or with children between the two groups. No major difference exists in the wage rate paid to the two types of workers. Indeed, those in the survey who held a second job were paid slightly more by the casino than those who did not hold a second job.

Table 12
Second Job Holders versus
Non-second Job Holders

	Have Second Job?	
	Yes	No
Female	51%	62%
Married	53%	46%
Children	49%	45%
Wage	\$9.02	\$8.89
Tipped	33%	50%
Part Time	20%	6%

Noticeable differences exist, however, in the percent who are tipped and the percent who are part-time employees. Those who earn tips are less likely to hold second jobs. This seems to suggest the importance of tips for providing for a modest standard of living for some employees.

Further, those who work part time are more likely to have second jobs. This is not surprising at all: many workers with part-time jobs hold second jobs.

To eliminate the effect of part-time employment status from the above table, we removed all employees who worked less than 30.5 hours per week. The result is Table 13.

The importance of tipped jobs stands out even more in this table. The receipt of tips from customers seems to play an important part in providing for a modest standard of living. The lack of a job that pays tips appears to play an important role in provoking Agua Caliente Casino employees to seek out additional employment beyond their full-time job at the casino.

Table 13
Second Job Holders versus
Non-second Job Holders:
Employees Working More
than 30.5 Hours per week

	Have Second Job?	
	Yes	No
Female	50%	61%
Married	52%	47%
Children	50%	44%
Wage	\$9.34	\$8.98
Tipped	23%	49%

25. But the reverse is not necessarily true: it is not necessarily the case that people with only a single job are satisfied with their current standard of living.

26. For one employee in the survey no information exists about whether the employee held, or did not hold, a second job.

27. In this table numbers across columns do not sum up to 100% as they represent, for instance, the percent of those who have second jobs who are female, and the percent of those who do not have second jobs who are female. Nothing forces these two numbers sum to 100%

Table 14 provides more information about the relationship between tip income and the holding of a second job.

As can be seen, the six job classifications with the lowest percent holding second jobs all receive tips. Most notably, cocktail servers are paid the California minimum wage, but none of them in the survey held second jobs. At the other extreme, valets receive tips and are also paid the California minimum wage, but 83% of them held second jobs.

The above table suggests that some tipped jobs (bingo attendant, bar back, bartender, cocktail server, slot attendant, and slot technician) receive adequate tips to allow them to achieve a modest standard of living. Other tipped jobs (valets and, to a less extent, servers) find the wages and tips together fail to provide them with what they think is an adequate standard of living.

And, of course, employees in non-tipped job classifications are more likely to hold second jobs to supplement their pay from Agua Caliente Casino.

Table 14
Job Classifications, Wages, and Second Jobs

Job Classification	Second job	Tipped?	Avg. Hourly Wage
Valet	83%	Y	\$6.75
Maintenance Engineer	50%	N	13.50
Server	40%	Y	7.36
Janitor	37%	N	8.47
Cook	34%	N	10.47
Phone Operator	33%	N	8.44
Guest Services Attend.	33%	N	11.47
Busser	25%	Y	7.50
Dishwasher	22%	N	8.23
Host/Hostess	22%	N	8.48
Slot Technician	22%	Y	13.01
Slot Attendant	14%	Y	9.16
Cocktail Server	0%	Y	6.75
Bartender	0%	Y	6.98
Bar Back	0%	Y	7.73
Bingo Attendant	0%	Y	8.68

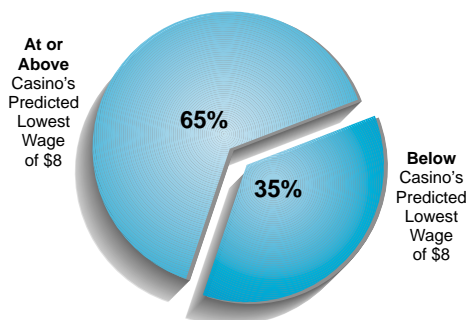
Casino Wages: Tribal Predictions and Survey Results

Before Agua Caliente Casino opened in April 2001, *The Desert Sun* newspaper reported that the casino's general manager had predicted that the lowest wage paid by the casino would be about \$8 per hour for unskilled work. This wage estimate excluded tip income.²⁸

The survey, however, indicates that 36% of employees surveyed earn less than this predicted lowest wage of \$8 per hour.²⁹ Figure 6 presents this information graphically. Not only do many casino employees earn less than \$8 per hour, 11% of the surveyed workers earned the California minimum wage of \$6.75 per hour, far below the predicted lowest wage for the casino.

Whether the newspaper accurately quoted the casino wage prediction is not known. The article states, "Agua Caliente Casino employees will earn between about \$8 per hour for unskilled work, to as much as \$40,000 annually for supervisors, not including tips, said Ken Kettler, the new casino's general manager." The same \$8 wage predic-

Figure 6
Poor Prediction by Casino of
the Lowest Wage They Would Pay



28. "Growing Casino Work Keeps Valley Job Market Humming Along," *The Desert Sun*, April 1, 2001 (accessed from thedesertsun.com on March 6, 2003).

29. See Figure 2 above which indicates that 17% of the surveyed workers earn between \$6 and \$6.99 and 19% earned between \$7 and \$7.99.

tion did, however, appear in two separate articles in *The Desert Sun*.³⁰ We have no evidence that Mr. Keller was misquoted.

But even if this prediction was for only non-tipped employees, it was inaccurate: approximately 13% of non-tipped employees in the survey were paid less than \$8 per hour by the casino. A much larger percentage of tipped employees was paid much less than this \$8 predicted lowest wage.

Survey Results: Healthcare

In California, 99% of firms the size of Agua Caliente Casino provide health benefits to their employees.³¹ The Agua Caliente Casino provides its employees with medical and dental insurance beginning in the fourth month of work. This health benefit is provided without a payroll deduction.

The casino does not provide a healthcare plan to the spouses or children of employees. But the casino does make medical and dental insurance available if the employee pays part of the premium.

Costs of Insurance on the Agua Caliente Plan

Table 15 presents the most recent annual cost to employees for their share of the premium for healthcare coverage of various types.³² The average premiums paid by employees in California for employee and family insurance are also shown.³³

As can be seen, the annual cost to the employee for the healthcare benefit provided to them is lower than the California average (\$0 versus \$342). But the cost of family coverage is far greater (\$2,880 versus \$1,806).

Table 15
Annual Cost of Premium to
Employees of Agua Caliente Casino Healthcare Plans

	Agua Caliente Casino Annual Employee Cost	California Average Annual Employee Cost
Employee	\$0	\$342
Spouse	\$1,920	na
One Child	\$960	na
Two Children	\$1,920	na
Family	\$2,880	\$1,806

na = not available

Table 16
Choice of Healthcare Plan

	Agua Caliente Casino	California Average
Single only	84%	31%
Single + 1	12%	20%
Family	4%	49%

Agua Caliente Employees' Choice of Healthcare Coverage

Table 16 presents information about the healthcare coverage chosen by employees at Agua Caliente Casino.³⁴ It indicates the percent of employees choosing each type of coverage. It also presents California averages.³⁵ The

30. The second article is "Hundreds Crowd Indian Casino Job Fair," *The Desert Sun*, February 6, 2001 (accessed from thedesertsun.com on March 6, 2003)." Both articles also state Agua Caliente Casino employees will earn an average of \$26,000 per year. This latter average, however, was for all employees at Agua Caliente Casino and not simply for the "eligible employees" surveyed in this report.

31. This is the percent of firms with 200 or more employees who offer healthcare plans to their employees. Kaiser/HRET 2002 California Employer Health Benefits Survey.

32. These figures come from a memo issued to employees by the Agua Caliente Casino and confirmed by employee pay stubs for those who purchase each category of insurance.

33. Kaiser/HRET 2002 California Employer Health Benefits Survey.

34. In this table we classified healthcare enrollment for two children (without spouse) as a "family" enrollment. This would tend to provide an upward bias to the estimate for family coverage for employees of Agua Caliente Casino.

35. Kaiser/HRET 2001 California Employer Health Benefits Survey.

classification “Single + 1” includes both employee plus one child and employee plus spouse.³⁶

The failure of Agua Caliente Casino employees to take advantage of employer-provided family healthcare coverage—compared to California averages—is striking: 49% of the workforce of typical employers in California enroll in employers’ family healthcare plans while only 4% of the employees at Agua Caliente Casino do so.

The most likely cause of the failure of Agua Caliente Casino employees to enroll in employer-provided family healthcare plans is that employees have better options for healthcare coverage elsewhere for their spouses and children.

Table 17 presents information about the healthcare coverage of the spouses and children of employees at Agua Caliente Casino. Only 27% of the spouses and 11% of the children of employees were covered by casino-provided healthcare plans. A majority of spouses were covered under the heading “Other.” This heading includes spouses who gained healthcare from another (non-casino) employer and spouses who did not live with the casino employee.

Table 17
Healthcare Insurance Coverage of Spouses and Children

	Covered by				Uninsured	Other	Total
	Casino-Provided Insurance	Government-Provided Insurance					
		Healthy Families	Medi-Cal				
Spouses	27%	0%	3%	14%	56%	100%	
Children	11%	36%	10%	10%	33%	100%	

A significant portion of employees’ children were enrolled in Healthy Families or Medi-Cal. A total of 46% of employees’ children were covered by these two government healthcare plans: 36% were covered by Healthy Families and 10% by Medi-Cal.

Medi-Cal, California’s version of the federal Medicaid program, is designed to cover very low income persons, including seniors and persons with disabilities as well as very low income parents and children. Healthy Families, the California version of the federal Children’s Health Insurance Program (CHIP), covers children up to 250% of federal poverty (about \$30,000 for a family of two). Both programs are funded by a combination of state and federal funds: for Medi-Cal, the federal government matches approximately one dollar of state funding with one dollar of federal funding; for Healthy Families, the federal government provides two dollars of funding for every dollar of state funding. Under current California law, employers have no share of cost for any worker or their dependent in either of these programs.

Table 16 and Table 17 suggest that the high utilization of Healthy Families by employees at Agua Caliente Casino is unusual. Typically, employees rely on employer-subsidized healthcare insurance for spouses and children. But at Agua Caliente Casino, employees rely on government-subsidized healthcare for spouses and children.

Rather than buying family healthcare insurance through Agua Caliente Casino, employees often turned to government subsidized healthcare insurance.

Further evidence of the relatively high rate of enrollments in the Healthy Family program by the children of Agua Caliente Casino employees can be found. The 199 workers in the sample had 183 children and 95 spouses. This gives a total “population” of 477. In this population 66 were enrolled in Healthy Families.

The best estimate of the total population associated with all 470 “eligible employ-

36. All employees receive coverage for themselves. Of these employees, 84% did not purchase any extra insurance for spouse and/or children. 16% of employees purchases additional coverage (for spouse and/or children).

Table 18
High Incidence of Healthy Families Enrollment
for Children of Casino Employees

	Population	Enrollments in Healthy Families
Casino Employee, Spouses, and Children	1,127	156
Rancho Mirage	13,249	87
Homeland	4,290	130

(where the casino is located) and Homeland, CA in Riverside County.³⁹

The number of Healthy Families enrollments coming from Agua Caliente Casino employees and their children is high compared to other nearby populations.

Of interest also is the insurance coverage for spouses and children who must depend on either casino or government healthcare plans. These data are most directly relevant to the insurance coverage of those who rely on Agua Caliente Casino for health-care insurance.⁴⁰

Table 19 indicates that, for those who might depend on the casino for insurance, 61% of spouses are covered by purchased casino insurance while 32% remain uncovered by insurance. The table also indicates that of these children 55% are enrolled in Healthy Families, 14% are enrolled in Medi-Cal, and 15% are uninsured. That is, 84% are either on a govern-

ees” at Agua Caliente Casino is, then, 1,127.³⁷ The estimated number of children enrolled in Healthy Families in this “population” is 156.³⁸

Table 18 presents these data in comparison with data from two other populations, that of Rancho Mirage

Table 19
Insurance Coverage for Spouses and Children
Relying on Casino or Government

	Covered by			Uninsured	Total
	Purchased Casino Insurance	Healthy Families	Medi-Cal		
Spouses	61%	0%	7%	32%	100%
Children	16%	55%	14%	15%	100%

ment healthcare plan or are uninsured.

Figure 7
Source of Insurance for Children
Relying on Casino or Government

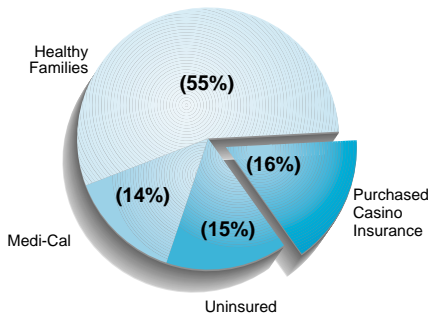


Figure 7 highlights the importance of Healthy Families for children of Agua Caliente Casino workers who potentially rely on casino healthcare coverage. This figure graphically represents the data on the bottom row of Table 19.

Table 20 on the following page presents data on the parents who have children who are either uninsured or who are enrolled in a government healthcare program. As can be seen, such parents are overwhelmingly female and Latino. Indeed, 100% of the children who are uninsured have Latino parents.

37. This is equal to $(477/199) \times 470$.

38. This is equal to $(66/477) \times 1,127$.

39. The population of Rancho Mirage in 2000 is found at <http://www.ci.sanbernardino.ca.us/pdf/2000%20Demographics/City%20Rankings%20by%20Population.pdf>. The number of Healthy Families enrollments in Rancho Mirage and Homeland is found at <http://www.mrmib.ca.gov/MRMIB/HFP/EnrCounty/Riverside.html>

40. Excluded from this group are those who have healthcare coverage from another employer, those who do not live with the employee, and selected other people. The excluded, in other words, are those classified in “Other” in Table 17.

Table 20
 Characteristics of Parents with Children who are Uninsured or Enrolled in Government Healthcare Insurance

	Percent Female	Percent Latino	Average Wage	Average Weekly Hours
Uninsured	70%	100%	\$8.40	39
Healthy Families	75%	65%	\$8.63	38
Medi-Cal	91%	82%	\$7.91	38

Of all the job classifications within the casino, janitors stand out in their healthcare coverage. None of these employees insure their children through the Casino plan, and 61% of their children are either uninsured or on government

health care. This department is 80% women, 74% Latina, 23% Filipina, and 3% White.

Why Do Employees at Agua Caliente Rely on Government-Subsidized Healthcare Insurance?

Table 21 shows the costs of children’s healthcare insurance faced by employees at Agua Caliente Casino. California averages are also provided.⁴¹

The reason employees use the Healthy Families program is obvious: it costs substantially less to buy children’s healthcare insurance from Healthy Families than from Agua Caliente Casino.

But, even with the above cost differentials employees might *not* enroll in Healthy Families. First, they might not know about the existence of this program and/or they might not know how much cheaper Healthy Families healthcare insurance is compared to casino insurance. Second, the time and hassle associated with applying to Healthy Families can be substantial, especially for employees working at two jobs.

Agua Caliente Casino, however, has addressed this potential information lack and the cost of applying for Healthy Families: they reportedly tell employees about Healthy Families at new employee orientations, provide information about the fact that Healthy Families is much cheaper than Agua Caliente Casino insurance, and have brought Healthy Families representatives to sign up new employees on the spot.⁴² Two relevant Agua Caliente Casino documents appear within Appendices 2 and 3 below.

No direct evidence exists about the motivation of Agua Caliente Casino to offer relatively expensive healthcare coverage⁴³ and, then, to point out to its employees that they will save money by buying insurance coverage from Healthy Families (rather than from the casino). It should be pointed out, however, that any money saved by this practice increases casino profits.

The average cost in California for an HMO family healthcare coverage plan, the

Table 21
 Employee Cost for Different Sources of Healthcare for Their Children

Source of Healthcare Insurance	Monthly Cost to Employee of Healthcare Coverage of Children		
	1 Child	2 Children	Family
Casino	\$80	\$160	\$240
Healthy Families	\$9	\$18	\$27
Calif. Average	\$50	\$100	\$151

41. The average employee cost for family insurance comes from Kaiser/HRET 2002 California Employer Health Benefits Survey. The costs for 1 and 2 children are estimates based on Kaiser/HRET data.

42. This information is based on oral reports of Agua Caliente Casino employees and on materials provided by Agua Caliente Casino to new employees. According to one memo, “Team members [employees]...will notice a significant increase in premiums. Keep in mind, you may be able to save money by enrolling children in programs such as Healthy Families...” An additional packet distributed to Agua Caliente Casino employees in 2002 underlined the cost savings for employees who enrolled in Healthy Families rather than casino-provided health insurance.

43. That is, relatively expensive compared to the California average for the employee contribution to healthcare premiums.

cheapest available, is \$6,538 annually.⁴⁴ Agua Caliente Casino requires that employees contribute \$2,880 for family coverage. This means that, based on the California HMO average, the cost to the casino for every employee who enrolls for family coverage is \$3,658.⁴⁵

Agua Caliente Casino, then, saves \$3,658 every time an employee chooses the family plan offered by Healthy Families instead of the family insurance plan offered by the casino. This estimate of cost savings likely understates the true value of the benefit going to Agua Caliente Casino.

Table 22 shows the estimated savings to Agua Caliente Casino every time an employee enrolls in Healthy Families (instead of the casino plan). It also shows the estimated contribution made by the typical California business for a family healthcare plan. If Agua Caliente Casino offered the typical family healthcare employer contribution plan, it would cost the casino \$4,732 every time an employee enrolled their family in the Agua Caliente Casino plan. Every time an employee enrolled instead in Healthy Families this would save the casino \$4,732 if the casino had offered what a typical California business does.

Table 22
Employer's Cost and Employer's Savings with Family Healthcare Plan

	Agua Caliente Casino	Typical Business in California
Cost of Healthcare Plan	\$6,538	\$6,538
Employee Contribution	\$2,880	\$1,806
Employer's Cost/Savings	\$3,658	\$4,732

The survey does not provide information that permits us to estimate the proportion of Agua Caliente Casino employees who were induced to enroll their children in Healthy Families because of the relatively high-cost casino plan and because of the casino's intentional dissemination of information about the lower costs of Healthy Families.

Table 23
Increased Profits Due to Agua Caliente Casino's Healthcare Benefit Practice

Percent of Employees That Might Have Enrolled in Casino Family Plan	Healthcare Cost Savings to Agua Caliente Casino
20%	\$355,846
49%	\$1,000,818

Table 23 presents a range of estimates of the increased profits earned by Agua Caliente Casino because of its promotion of Healthy Families over its own family healthcare plan. Two different scenarios are portrayed: one in which 20% of employees enroll in the casino family healthcare plan

and the other in which 49% of employees enroll in the casino family healthcare plan.⁴⁶ The latter number is the average enrollment rates for employees in the average California business.⁴⁷ The former number is presented just for the sake of comparison. This table also assumes that the true benefit to Agua Caliente Casino of each family enrollment in Healthy Families is \$4,732, which it would be if Agua Caliente Casino provided a typical California family healthcare plan.

Agua Caliente Casino potentially has increased its profits by as much as \$1,000,000 per year by following its current employee healthcare insurance practice: promoting Healthy Families to its employees and by providing a relatively expensive family healthcare plan to its employees. This approach to healthcare insurance induces employees to choose the government-subsidized healthcare insurance.

44. Kaiser/HRET 2002 California Employer Health Benefits Survey. Although Agua Caliente Casino offers a PPO plan, I use the HMO average rather than the PPO average in order to be conservative in my estimate. PPO plans cost more than HMO plans.

45. This is equal to \$6,538 - \$2,880.

46. As it appears that 4% of Agua Caliente Casino employees are already enrolled in the casino family plan, the savings are based on 16% and 45% declines in enrollments in the casino's plan.

47. See Table 16 for the 49% figure.

Conclusion

The findings of this study are about employees working at Agua Caliente Casino. These findings might not match what would be found in studies of employees at other tribal casinos in California. Unfortunately, the only way to discover when the findings of this report apply to other tribal casinos is to survey workers in other tribal casinos. Tribal casinos, however, are unlikely to facilitate such surveys.

But these findings are important for at least three reasons. First, the Agua Caliente tribe plans to expand the size of its operations in the near future and will most likely be employing even more workers in conditions such as those found in this study. Second, Agua Caliente Casino is a major employer in the Coachella Valley and any business strategies it pursues might set the standards for other firms in the surrounding area. Third, the findings of this study might indeed apply to other tribal casinos in California. If so, these findings might represent the situation of approximately 30,000 current employees in California.

Among the findings of this study are:

- Agua Caliente Casino induces employees to depend on government subsidized health-care for their children. This practice potentially increases casino profits by as much as \$1,000,000 per year. This practice, however, costs state taxpayers who fund the Healthy Families and Medi-Cal programs.
- Most Agua Caliente Casino employees work full-time. They are not employees who aim simply to earn a little extra money; they depend on this job for their standard of living.
- The average hourly wage of employees in the sample is \$8.93. As the average employee in the sample worked 38 hours per week, the average weekly pay check for employees is \$339. If an average employee works 50 weeks per year, then he/she earns an annual wage income of \$16,967. Tip income is not included in these estimates, as data on tips were not collected in the survey.
- The median wage of tipped employees is \$7.40. The median wage of non-tipped employees is \$9.10 per hour. More than half of the non-tipped employees earn less than \$18,000 per year.
- Very few casino (non-tipped) employees who have children are able to achieve a modest standard of living from their casino job. Less than half of single workers who do not have children and who work in non-tipped jobs are able to achieve a modest standard of living.
- A substantial percentage of employees (28%) have second jobs. This suggests that the standard of living provided by casino employment is inadequate for these workers.
- A substantial number of employees at Agua Caliente Casino are paid less than what the casino's general manager apparently predicted they would be paid. While the general manager predicted the lowest-paid job would pay approximately \$8 per hour, many employees are paid less than that.
- Agua Caliente Casino apparently complies with the California minimum wage of \$6.75 per hour, although it need not do so. No statistically reliable evidence exists that the casino discriminates against female employees in the wages it pays.

Appendix 1: Sample Methodology

Two hundred and three (203) survey respondents were randomly selected from 470 workers at the casino. Excluded from the group of possible subjects were management, tribal office employees, security personnel, dealers and cage employees. These 470 workers are classified as “eligible employees” under the Tribal Labor Relations Ordinance enacted by the tribe as a requirement of the 1999 Tribal-State Compact.

A simple random sample (SRS) of interview subjects was drawn from a complete list of Agua Caliente Casino workers. Without being stratified by job classification, the SRS still roughly mirrored the known job classification breakdown of the population (see Table A-1).

Interviews were conducted in two waves. In the first wave, information was gathered on job classification, ethnicity, gender, family demographics and family health insurance. The second wave covered wages, number of hours worked, whether workers were tipped or worked a second job, household size, type of dwelling and whether it was owned or rented, and whether workers lived in Low Income or Section 8 Housing.

The attrition from the first to the second wave of measurements was four employees, yielding a final *N* of 199. In other words, the same 199 workers were interviewed in both the first and the second wave. The response rate was 100% for most questions.⁴⁸

Because the sample size of 199 was a relatively large proportion of the population of 470, the sample generally provided fairly good estimates for the population parameters of interest.

Table A-1
Job Classifications in Population and Sample

Classification	Percent of Workers in Each Job Classification	
	Population	Sample
Buffet Kitchen	22	24
Slot Workers	17	19
Beverage Service	16	14
Janitorial	16	18
Buffet Dining	16	17
Valets	3	3
Maintenance/Engineers	3	3
Guest Services	3	2
Bingo	3	1
Telephone Operators	1	2

48. The exceptions were: Spouse’s Insurance (response rate 99.5%); Children’s Insurance (99.5%); Type of Housing (99%); Second Job (99.5%); Household Size (99%); Low Income Housing (99.5%) and Section 8 Housing (99.5%).

Appendix 2: Memo to Agua Caliente Casino Employ

TEAM MEMBER NOTICE

We will be renewing our current health, vision & dental plans for the new plan year which begins November 1, 2001. At this time we will continue our relationship with PacifiCare for our health coverage, MES (Medical Eye Services) for vision coverage, and United Concordia for dental coverage.

This year we will be adding a new PPO (Preferred Provider Organization) option to both the health and dental plans. These new PPO options are being adopted to allow Team Members a less expensive method of purchasing PPO coverage and as an alternative to the standard HMO (Health Maintenance Organization) and DMO (Dental Maintenance Organization) plans. These PPO plans have broader networks which will allow Team Members access to more physicians. Additionally, the PPO plans offer an out of network benefit. Although services are more expensive, this benefit allows you to visit the doctor of your choice.

For the new plan year, the Agua Caliente Band of Cahuilla Indians (ACBCI) will continue to pay 100% of the premium cost for standard health, dental, and vision coverage for all individual Team Members. Team Members with dependents or those wishing to upgrade to PPO coverage will have the option to buy-up coverage as needed. Unfortunately, there is a significant increase in the cost of health coverage for the new plan year. Although ACBCI will absorb the increased cost for your basic coverage as an Team Members, those Team Members wishing to buy-up additional coverage will notice a significant increase in premiums. Keep in mind, you may be able to save money by enrolling children in programs such as Healthy Families or purchasing individual policies for dependents through carriers such as Blue Cross. For example, a single Team Member with one child could enroll in the free coverage provided by ACBCI and buy an individual policy for their child through an outside carrier. This would possibly be less expensive than enrolling in the "Team Member + Children" category of the company plan. You should explore these and other options prior to the upcoming enrollment.

Enrollment meetings are tentatively scheduled for October 25, 2001 for the Spa Resort Casino and other Tribal entities and October 26, 2001 for Team Members of Agua Caliente Casino. **Only Team Members wishing to add dependent or family coverage or those wishing to purchase one or both of the new PPO options will be required to attend these meetings.** Specific times for these enrollment meetings will be provided.

On the reverse side of this sheet, you will find a rate sheet which will show you how much each plan will cost on a per payroll basis. Please note that individual Team Members are covered 100% by the employer for the standard HMO and DMO plans. Please review this rate sheet to determine if you are interested in the new PPO options or dependent or family coverage. Plan descriptions of all plans are now available for review in the Human Resources Department. Specific details of each plan will also be provided during the scheduled enrollment meetings.

Beginning November 1, 2001, payroll deductions will be 24 pay period deductions instead of the 26 pay period deductions that we are currently using. On the two months a year that we have three paychecks, there will be no deductions on that third paycheck.

Appendix 3: Information about Healthcare Costs Provided To Employees by Agua Caliente Casino

Healthy Families Cost Savings Comparison

Current Premiums	Emp + Child	Family
Medical	\$40	\$120
Dental	20	45
Vision	0	0
	<u>\$60</u>	<u>\$165</u>

Current Premiums utilizing Healthy Families¹

Medical Premium	\$0	\$80
Healthy Families Prem	4.5	4.5
Dental	0	0
Vision	0	0
	<u>\$5</u>	<u>\$85</u>

Bi-Weekly Savings	\$56	\$81
Annualized Savings	\$1,443	\$2,093

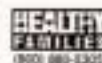
1. Denotes the maximum monthly cost of \$9 for one child (Maximum of \$81/Yr if premiums prepaid)
2. Includes the medical premium of \$80 for Emp + Spouse



CENSE NO. 0639540



CORONA INSURANCE AGENCY, P.
Property/Casualty Carrier
PAVEZ INSURANCE AGENCY, B
Employer Benefit Carrier



DINAH SALCIDO
Community Relation Specialist
English/Spanish
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Come Find Out About HEALTHY FAMILIES

HEALTH COVERAGE FOR YOUR CHILDREN
FROM \$4 - \$27 PER MONTH.

COPIES TO ME MADE OF THE FOLLOWING:

- Birth Certificates or Green Cards - both sides
- Social Security Cards
- Last pay check stub for both parents or 2000 income tax return
- Check or money order to pay first month of insurance
- ACTA DE NACIMIENTO O PRUEBA DEL ESTADO MIGRATORIO DE SUS HIJOS SOLAMENTE.
- LA TARJETA DE SEGURO SOCIAL.
- EL ULTIMO TALON DE SU CHEQUE O EL INCOME TAX DEL AÑO 2000.
- UN GIRO POSTAL (MONEY ORDER) O CHEQUE PARA EL PRIMER MES DE COBERTURA (SI PAGA LOS PRIMEROS TRES MESES EN AVANZADO EL CUARTO ES GRATIS).



Changes to the Medi-Cal/Healthy Families Mail-in Application

STARTING APRIL 1, 2002

ENGLISH • SPANISH • VIETNAMESE • CAMBODIAN • HMONG • ARMENIAN • CHINESE • KOREAN • RUSSIAN • FARSI • LAO

English

CHANGES* STARTING APRIL 1, 2002

Income limits have gone up. Use the Gross Monthly Income Chart figures below instead of the figures in the chart on page 2 of this Application.

GROSS MONTHLY INCOME						
FAMILY SIZE	CHILD BIRTH UP TO AGE 1 OR PREGNANT WOMAN MEDI-CAL	CHILD BIRTH UP TO AGE 1 HEALTHY FAMILIES	CHILD AGE 1 THRU 5 MEDI-CAL	CHILD AGE 1 THRU 5 HEALTHY FAMILIES	CHILD AGE 6 THRU 18 MEDI-CAL	CHILD AGE 6 THRU 18 HEALTHY FAMILIES
1	\$0 - \$1,477	\$1,478 - \$1,846	\$0 - \$ 982	\$ 983 - \$1,846	\$0 - \$ 739	\$ 740 - \$1,846
2	\$0 - \$1,990	\$1,991 - \$2,488	\$0 - \$1,324	\$1,325 - \$2,488	\$0 - \$ 995	\$ 996 - \$2,488
3	\$0 - \$2,504	\$2,505 - \$3,130	\$0 - \$1,665	\$1,666 - \$3,130	\$0 - \$1,252	\$1,253 - \$3,130
4	\$0 - \$3,017	\$3,018 - \$3,771	\$0 - \$2,007	\$2,008 - \$3,771	\$0 - \$1,509	\$1,510 - \$3,771
5	\$0 - \$3,530	\$3,531 - \$4,413	\$0 - \$2,348	\$2,349 - \$4,413	\$0 - \$1,765	\$1,766 - \$4,413
6	\$0 - \$4,044	\$4,045 - \$5,055	\$0 - \$2,689	\$2,690 - \$5,055	\$0 - \$2,022	\$2,023 - \$5,055

*This Federal Income Guideline changes each year in April. Be sure to get an updated chart after April 1 each year.

Spanish

Español

CAMBIOS* VIGENTES A PARTIR DEL 1 DE ABRIL DEL 2002

Los límites de los ingresos han subido. Utilice las cifras del cuadro de Ingresos Brutos Mensuales que figura a continuación en lugar de las cifras del cuadro de la página 2 de esta Solicitud.

INGRESOS BRUTOS MENSUALES						
Nº DE MIEMBROS EN LA FAMILIA	NIÑO DESDE EL NACIMIENTO HASTA UN AÑO DE EDAD O MUJER EMBARAZADA MEDI-CAL	NIÑO DESDE EL NACIMIENTO HASTA UN AÑO DE EDAD HEALTHY FAMILIES	NIÑOS DE 1 A 5 AÑOS DE EDAD MEDI-CAL	NIÑOS DE 1 A 5 AÑOS DE EDAD HEALTHY FAMILIES	NIÑOS DE 6 A 18 AÑOS DE EDAD MEDI-CAL	NIÑOS DE 6 A 18 AÑOS DE EDAD HEALTHY FAMILIES
1	\$0 - \$1,477	\$1,478 - \$1,846	\$0 - \$ 982	\$ 983 - \$1,846	\$0 - \$ 739	\$ 740 - \$1,846
2	\$0 - \$1,990	\$1,991 - \$2,488	\$0 - \$1,324	\$1,325 - \$2,488	\$0 - \$ 995	\$ 996 - \$2,488
3	\$0 - \$2,504	\$2,505 - \$3,130	\$0 - \$1,665	\$1,666 - \$3,130	\$0 - \$1,252	\$1,253 - \$3,130
4	\$0 - \$3,017	\$3,018 - \$3,771	\$0 - \$2,007	\$2,008 - \$3,771	\$0 - \$1,509	\$1,510 - \$3,771
5	\$0 - \$3,530	\$3,531 - \$4,413	\$0 - \$2,348	\$2,349 - \$4,413	\$0 - \$1,765	\$1,766 - \$4,413
6	\$0 - \$4,044	\$4,045 - \$5,055	\$0 - \$2,689	\$2,690 - \$5,055	\$0 - \$2,022	\$2,023 - \$5,055

* Estos cambios en los límites federales de ingresos cambian todos los años en Abril. Revise que debe solicitar un cuadro actualizado a partir del 1 de Abril de cada año.

Benefits and services of the Health Net Healthy Families plan

WHAT YOU PAY FOR SERVICES

Professional services

Visits to physician, physician assistant or nurse practitioner at a Participating Physician Group	\$5
Newborn care office visits (infant through 30 days of life)	covered in full
Periodic health evaluations	
Birth through 30 days, including well-baby care ¹	covered in full
31 days through 12 months	not covered
13 months through 24 months, including well-baby care ¹	covered in full
25 months and older ²	covered in full
Vision and hearing examinations	covered in full
Specialist consultations	\$5
Immunizations for foreign travel/occupational purposes	\$5
Other immunizations	covered in full
X-ray and laboratory procedures	covered in full
Allergy testing	\$5
Allergy serum	covered in full
Neuromuscular rehabilitation therapy (physical, speech, occupational and respiratory therapy)	
Inpatient	covered in full
Outpatient	\$5
Care for conditions of pregnancy (professional services only)	
Prenatal and postnatal care office visits	covered in full
Normal delivery, cesarean section; includes newborn inpatient professional care	covered in full
Elective abortions	\$5
Family planning (professional services only)	
Contraceptive devices	covered in full
Infertility services (including treatment by injection)	not covered
Sterilization of females	covered in full
Sterilization of males	covered in full
Alcohol/drug rehabilitation³	
Outpatient consultations (therapy, counseling and/or psychological testing) in an outpatient substance abuse rehabilitation facility (20 visits maximum each benefit year)	\$5
Acute inpatient care for alcohol and drug abuse (detoxification)	covered in full
Care for mental disorders⁴	
Outpatient mental health consultations (20 visits maximum each benefit year)	\$5
Inpatient hospital care for mental disorders	covered in full/ 30 days maximum per benefit year

Other services	
Ambulance	covered in full
Durable medical equipment	covered in full
Prosthesis (replacing body parts)	covered in full
Blood, blood plasma, blood factors and blood derivatives	covered in full
Organ and bone marrow transplants	covered in full
Chemotherapy	covered in full
Home health visits	covered in full
Hospice services	covered in full
Hospital and skilled nursing facility services	
Inpatient services	covered in full
Emergency services	
Emergency room service	\$5
Urgent care center services	\$5
Maximum copayment liability	
Family	\$250

¹ Provided on basis of age, medical need and health status.

² Provided on basis of age, medical need and health status. Includes one well-woman visit each benefit year (medical history and diagnosis; breast and pelvic exams; Pap smears and any other necessary tests).

³ Day and visit maximums are combined between mental health and substance abuse.

This is only a summary of your benefits. Please refer to your Evidence of Coverage for terms and conditions of coverage, including which services are limited or excluded from coverage.