

The Economic Impact of the Cherokee Nation: ARPA Addendum

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The 14-county reservation benefits from the presence of the Cherokee Nation as an additional layer of government to support local communities, deliver essential services, and from time to time receive and distribute federal funds. In the midst of the coronavirus pandemic, the tribe received Coronavirus Relief Funds through the CARES Act to help tribes navigate a response to the health emergency. The Cherokee Nation also received funds through the State and Local Fiscal Recovery (SLFRF) program authorized by the American Rescue Plan (ARPA). These funds were designated to help communities recover from the economic hardship experienced during the health emergency.

The Cherokee Nation received \$1.996 billion in funding through the ARPA SLFRF program and has allocated that funding towards one-time uses designed to have a long-run impact. A portion of ARPA funds were allocated and spent with local vendors and as local assistance in the 14 counties in FY 2023¹. These funds were allocated directly to citizens to provide hardship assistance and to other major programs including housing construction, community grants, community buildings, employment and vocational training, cultural and language support, and first responder support among other priorities. It is worth emphasizing again that these tribal federal funds and their resulting impacts are in addition to and complement funds received by state, county, and municipal governments in the region.

A review of FY 2023 vendor payments originating from ARPA SLFRF funds indicates more than \$90 million in purchases directly from regional vendors and local contractors. Added to the vendor purchases are employment, contractor, and citizen assistance payments made directly to households in the 14-county tribe reservation. Economic impacts are estimated for the reservation as a single region and are not estimated or reported at the county level. The impacts are presented below.

Cherokee Nation ARPA Economic Impact			
	Output	Employment	Income
Direct	\$ 86,764,561	590	\$ 40,791,946
Indirect	\$ 26,990,993	112	\$ 7,945,024
Induced	\$ 75,356,610	433	\$ 23,921,807
Total	\$ 189,112,164	1,135	\$ 72,658,776

¹ See the FY 2023 Cherokee Nation Popular Annual Financial Report for an overview of SLFRF spending.

Cherokee Nation allocation of ARPA funds during FY 2023 generates one-time impacts of \$189 million in local production activities while supporting 1,135 jobs and \$72.6 million in labor income. The economic impacts underscore the Nation's tie to the local communities in which their citizens live, and their businesses operate. The funds allocated through Cherokee Nation programs go largely to local households directly as citizen assistance or to local vendors directly as demand for locally produced goods and services.

The impacts reported here are additive to the one-time economic impacts estimated and reported for the FY 2021 economic impact. The economic impacts of federal programs certainly extend beyond just the windows of spending and programs examined in these two reports. Note also that the one-time impacts are in addition to the comprehensive economic impact estimates reported for the annual operations during FY 2023 and are reported separately only to ease the comparison of the tribe's economic impact across time.

All economic impact reports are estimates of connectedness. The greater the economic impact, the greater the connections between a primary source of economic activity and the regional economy. The impressive economic impacts of the Cherokee Nation, both here and in the full FY 2023 assessment, follow naturally from the tribe's intentional focus on community. The Nation's economic and financial success in northeastern Oklahoma supports and maintains a robust network of suppliers that support both the Cherokee Nation and other primary producers. The services delivered, assistance provided, and income paid into local households allow local communities to thrive against the headwinds facing so many rural communities. As this focus on the community continues and local economies grow, the tribe's economic connections will deepen, and future economic impacts will broaden.