

# Analyzing Montana's Indian Reservations' Economies



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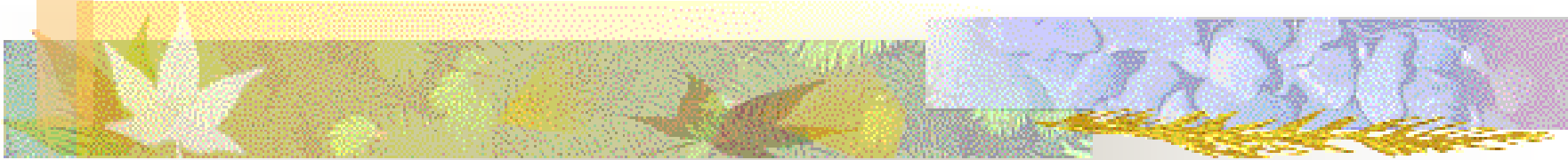
**Census and Economic Information Center**  
Montana Department of Commerce  
<http://www.ceic.mt.gov> (406) 841-2740



# Outline

- History
- Current Status
  - Demographics
  - Socioeconomics
- What is an Economy?
- Determining Potential
- Sources for Statistics

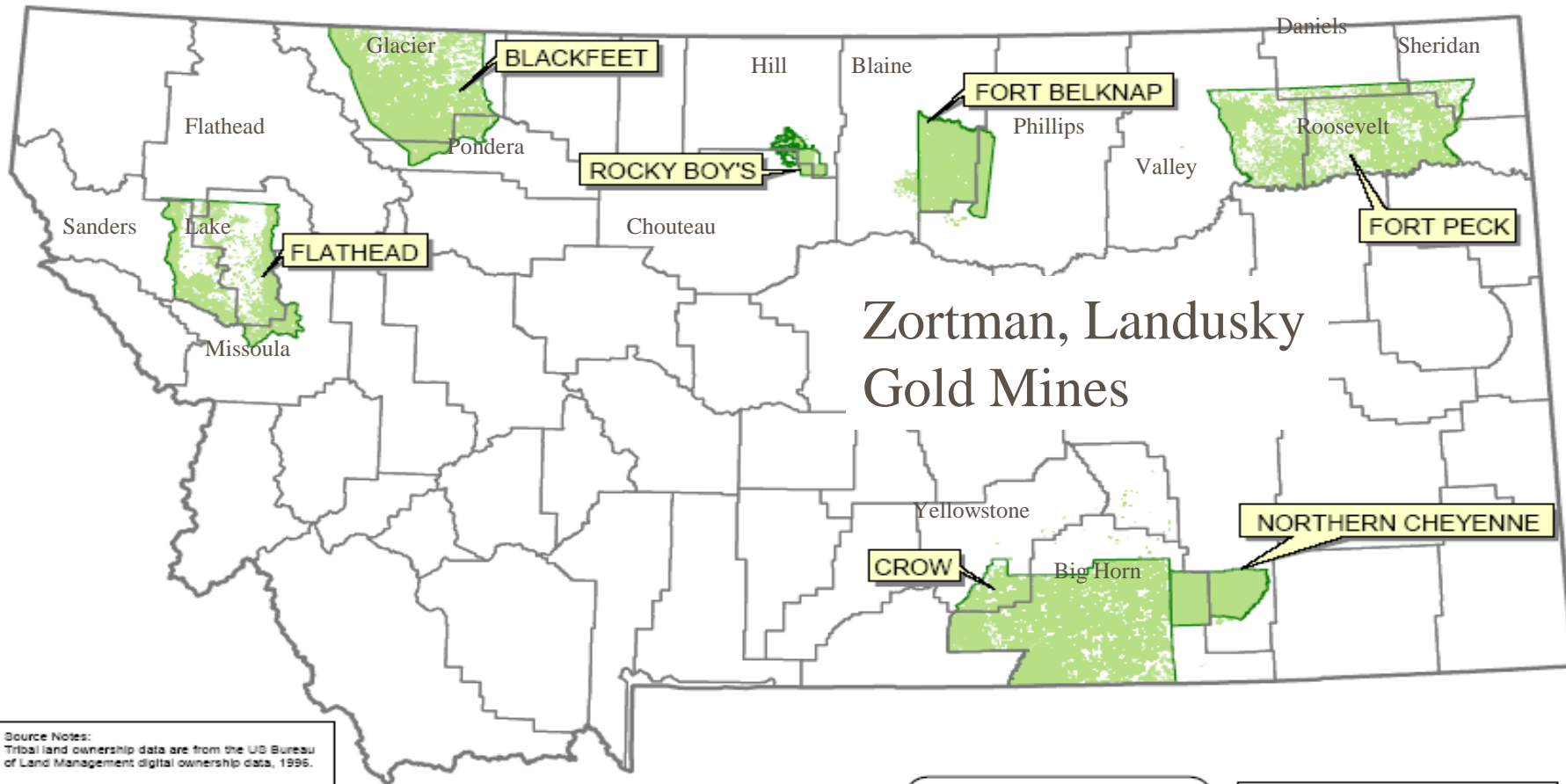
# HISTORY



# Federal government established paternalistic policies over American Indians

Date	Reservation
1851	Blackfeet
1825	Crow
1855	Flathead
1869	Fort Belknap
1871	Fort Peck
1884	Northern Cheyenne
1916	Rocky Boy's

# Tribal Lands in Montana



Source Notes:  
 Tribal land ownership data are from the US Bureau of Land Management digital ownership data, 1996.  
 Montana Indian reservation outlines were digitized from 1:250,000 scale USGS maps in the 1970s. The boundary of the Rocky Boy's Indian Reservation has been re-digitized from 1:100,000 and 1:24,000 scale maps.  
 Data were obtained from the Natural Resource Information System at the Montana State Library.



Tribal Lands in Montana

- Reservation Outline
- Tribal Lands

Created by:  
 Montana Census & Economic Information Center  
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June 7, 2000





# Government Agencies

- Bureau of Indian Affairs
  - Management of Indian land and assets
- Indian Health Services
- Indian Housing
- Bureau of Indian Education
- Office of Tribal Justice



# BIA

- Power of the Bureau of Indian Affairs had become so powerful that it almost destroyed many of the present tribal governments.
- Change and mold Indians to a non-Indian way of life through the schools



# Self Determination

- Achieve tribal restoration, self-government, cultural renewal, reservation development, educational control and equal or controlling input in government decisions concerning policies and programs
- Not official US policy until 1970 when Richard Nixon addressed the issue on July 8<sup>th</sup>

# Fall of Berlin Wall: 1989

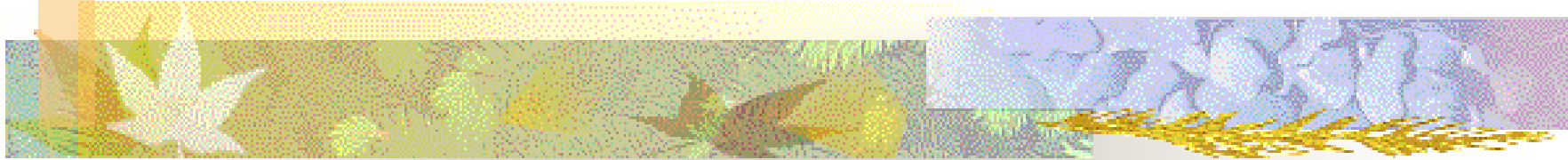




# Eastern Countries

- All decisions made at federal level
- Workers had no initiative, creativity, innovation
- Workers paid no matter if showed up or
- Work assigned by patronage and not ability

# CURRENT STATUS



- Population
- Socioeconomics

# 2000 Population by American Indian and by Tribe

Reservation	Total	American Indian	Tribe	Number	% AI
<b>Blackfeet</b>	10,110	8,146	Blackfeet alone	7,441	84%
<b>Crow</b>	6,894	5,132	Crow alone	4,556	75%
<b>Flathead</b>	26,172	6,339	Salish alone Kootenai alone Salish and Kootenai	1,842 308 2,348	27%
<b>Fort Belknap</b>	2,959	2,764	Assiniboine alone Gros Ventres alone	1,068 1,276	93%
<b>Fort Peck</b>	10,321	6,116	Assiniboine alone Assiniboine Sioux alone Sioux alone	1,107 781 3,406	62%
<b>Northern Cheyenne</b>	4,470	3,835	Northern Cheyenne alone	2,982	90%
<b>Rocky Boy's</b>	2,676	2,446	Rocky Boy's Chippewa Cree alone	2130	95%

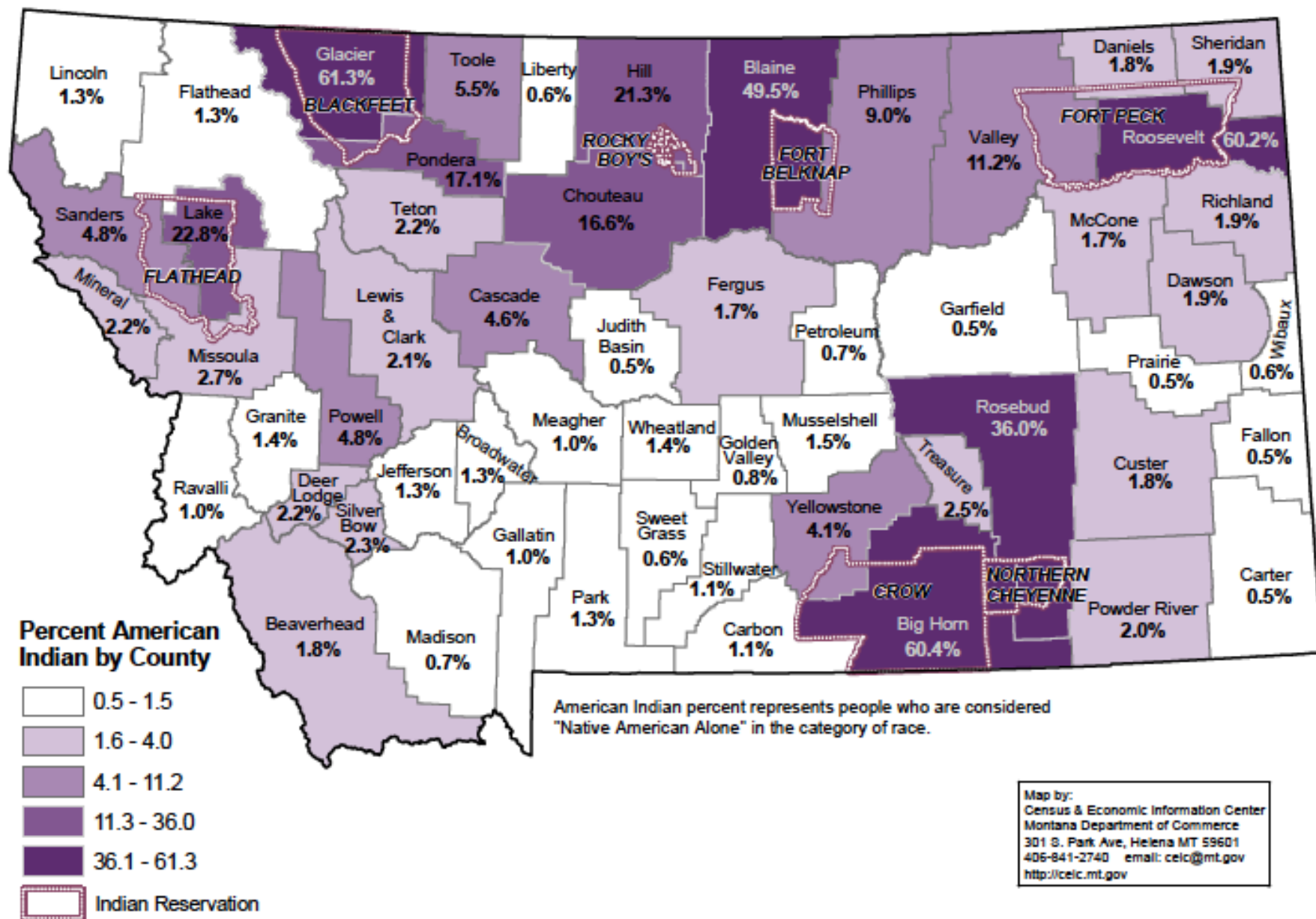
Source: U.S. Census Bureau, Census 2000



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Reservation	Counties	Population
Blackfeet	Glacier Pondera	<b>91%</b> of Blackfeet’s population located in Glacier County 69% of Glacier’s population on Blackfeet Reservation
Crow	Big Horn Yellowstone	<b>94%</b> of Crow’s population located in Big Horn County 51% of Big Horn’s population on Crow Reservation
Flathead	Sanders Lake Missoula Flathead	<b>90%</b> of Flathead’s population located in Lake County 88% of Lake’s population on Flathead Reservation
Fort Belknap	Blaine Phillips	<b>95%</b> of Fort Belknap’s population located in Blaine County 40% of Blaine’s population on Fort Belknap Reservation
Fort Peck	Valley Daniels Roosevelt Sheridan	<b>88%</b> of Fort Peck’s population located in Roosevelt County 85% of Roosevelt’s population on Fort Peck Reservation
Northern Cheyenne	Big Horn Rosebud	<b>65%</b> of Northern Cheyenne’s population is located in Rosebud County and 35% in Big Horn’s County 31% of Rosebud’s and 12% of Big Horn’s population is on Northern Cheyenne Reservation
Rocky Boy’s	Chouteau Hill	8% of Rocky Boy’s population is located in Hill County and 32% in Chouteau County 11% of Hill’s and 14% of Chouteau’s population is on Rocky Boy’s Reservation

# Percent American Indian by County Montana - 2008





# Social Factors

## Population

- Faster growth rate
- Younger median age

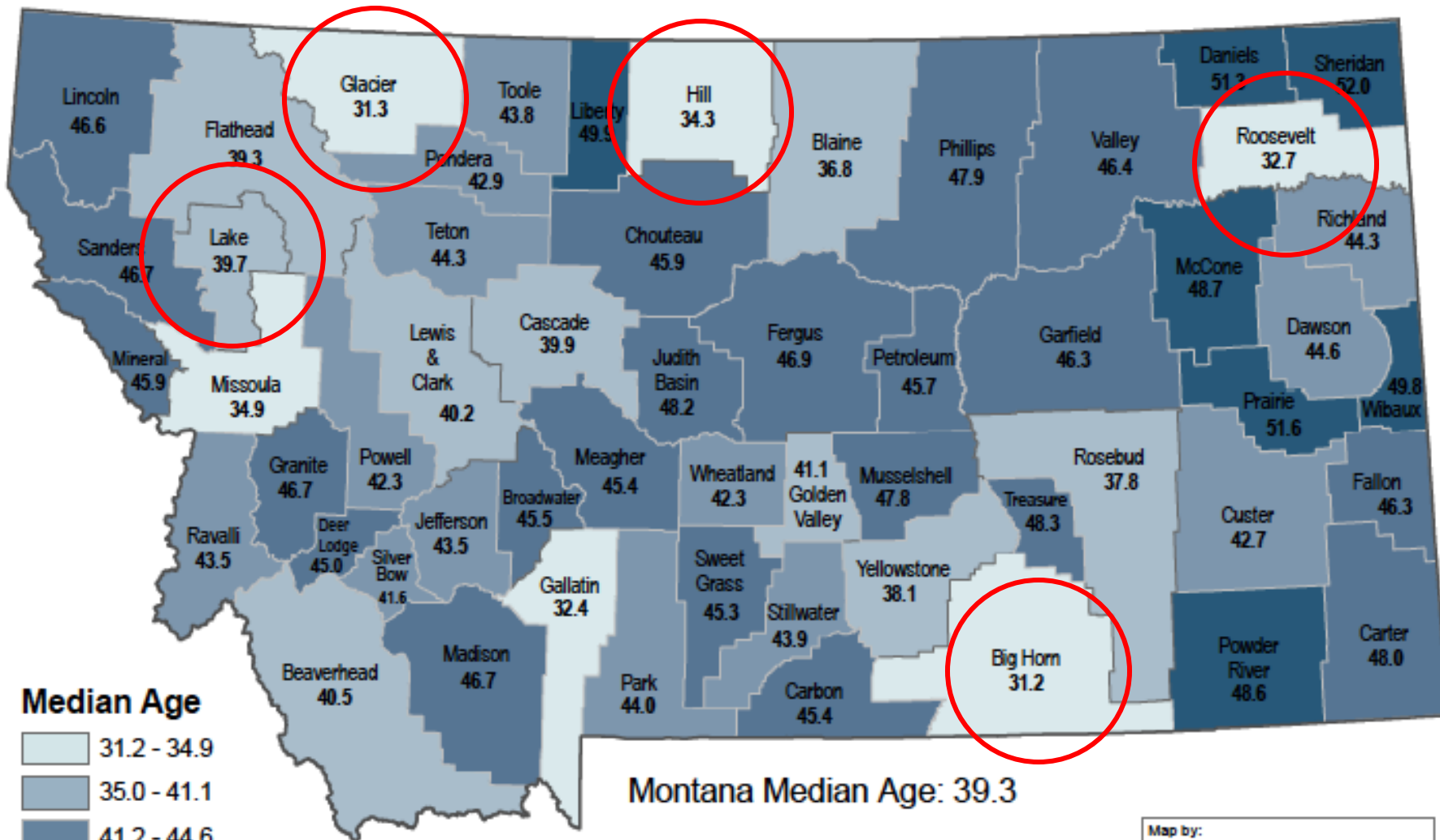
## Education

- Fewer with degrees
- Higher drop out rate

## Social

- Larger percent of population uses food stamps
- Higher pregnancy rate
- Shorter life spans

# Median Age of Population 2008 Population Estimates - Montana



Map by:  
 Census and Economic Information Center  
 Montana Department of Commerce  
 301 S. Park Ave, Helena MT 59601  
 406-841-2740 email: celc@mt.gov  
<http://celc.mt.gov>

# Indicators

County	Educational Attainment		Fertility Rate per 1,000 Females		Median Age at Death	
	HS	BA	15-19	15-44	White	AIAN
MONTANA	87%	24%	37.9	66.8	79	59
Big Horn	76%	14%	101.8	104.6	78	58
Blaine	79%	17%	90.2	98.3	81	63
Glacier	79%	17%	88.6	94.8	80	61
Hill	87%	20%	64.9	90.4	80	58
Lake	84%	22%	54.7	76.8	79	60
Roosevelt	81%	16%	102.8	116.1	81	54
Rosebud	84%	18%	69.6	103.6	76	57

Source: 2009 Montana County Health Profiles, DPHHS





# Health Care

- US Census Bureau has counted people with no coverage other than to the Indian Health Service as uninsured.

Source: Income, Poverty and Health Insurance Coverage in the United States: 2008





# Public Assistance: Nov 2009

- Temporary Assistance for Needy Families (TANF)
  - Families Achieving Independence in Montana (FAIM)
  
- Supplemental Nutrition Assistance Program (SNAP)
  - Formerly Food Stamps

# Percent of Population

County	TANF	Rank	SNAP	Rank
Big Horn	8.08%	2	28.12%	3
Blaine	0.12%		20.67%	5
Glacier	6.62%	3	34.14%	1
Pondera	1.9%	5	15.29%	
Roosevelt	8.21%	1	30.47%	2
Rosebud	5.58%	4	21.47%	4
MONTANA	1.00%		10.99%	

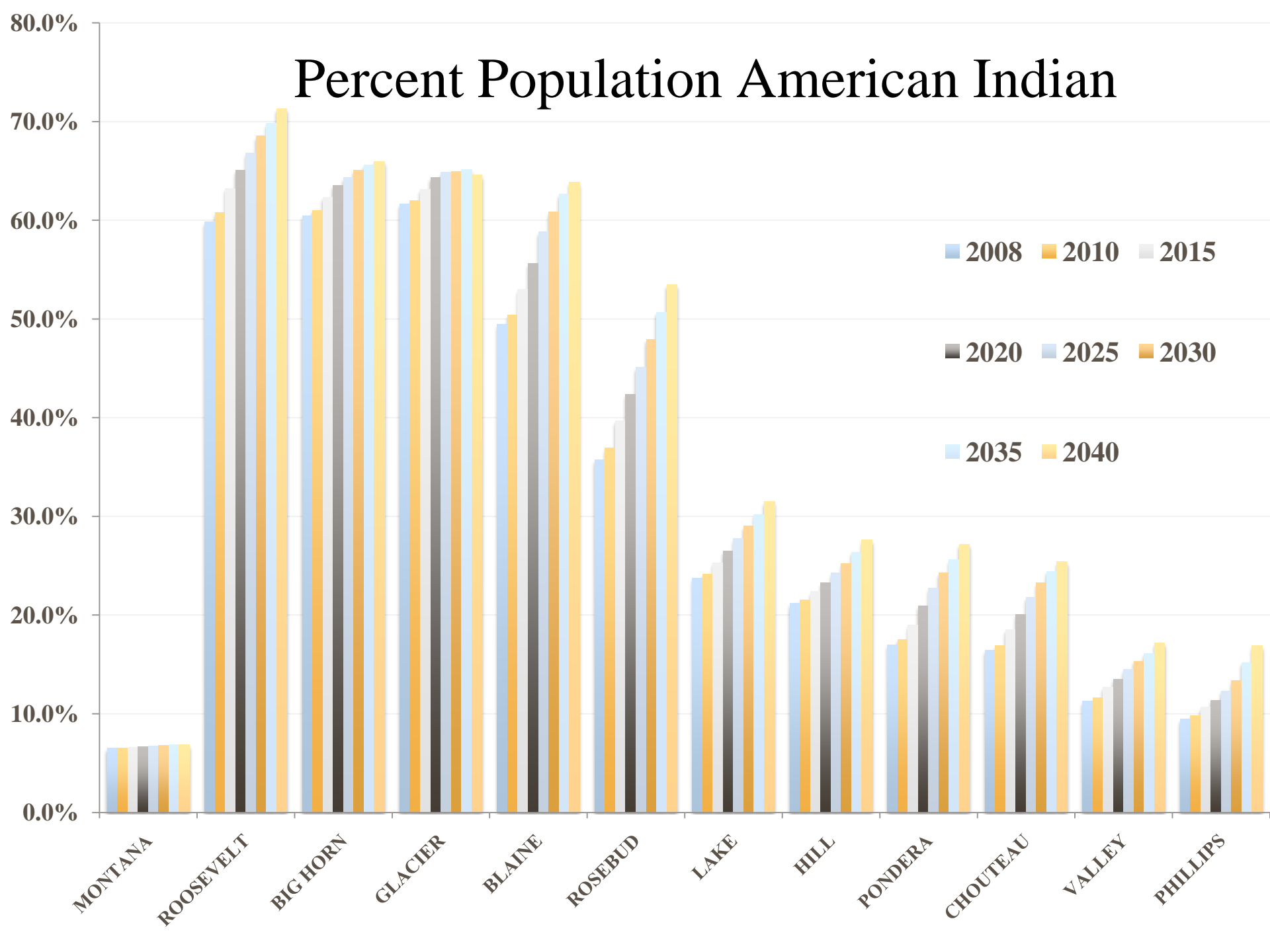


# High School Drop Out Rates: 2005-2006

County	White	American Indian
Glacier	1.4%	<b>10.8%</b>
Pondera	2.4%	2.0%
Flathead	4.7%	<b>14.3%</b>
Big Horn	3.3%	<b>10.3%</b>
Rosebud	1.6%	8.0%
Yellowstone	2.6%	8.2%
Lake	7.3%	6.1%
Missoula	3.5%	<b>11.6%</b>
Blaine	2.5%	8.2%
Phillips	0.0%	2.4%
Roosevelt	0.5%	7.8%
Valley	1.0%	7.6%
Hill	3.0%	<b>14.1%</b>
Chouteau	0.7%	0.0%
<b>MONTANA</b>	2.1%	5.8%



# Percent Population American Indian

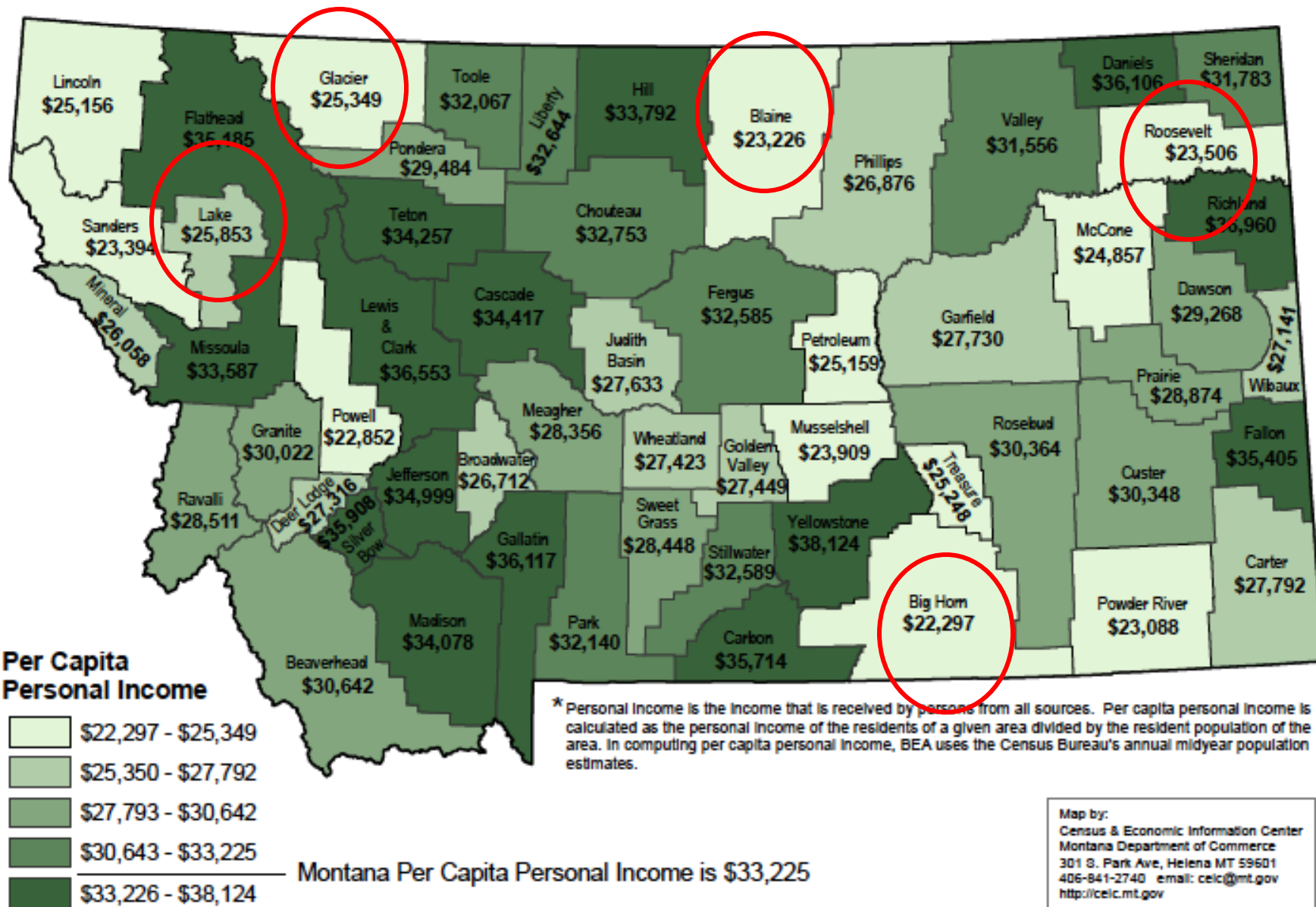




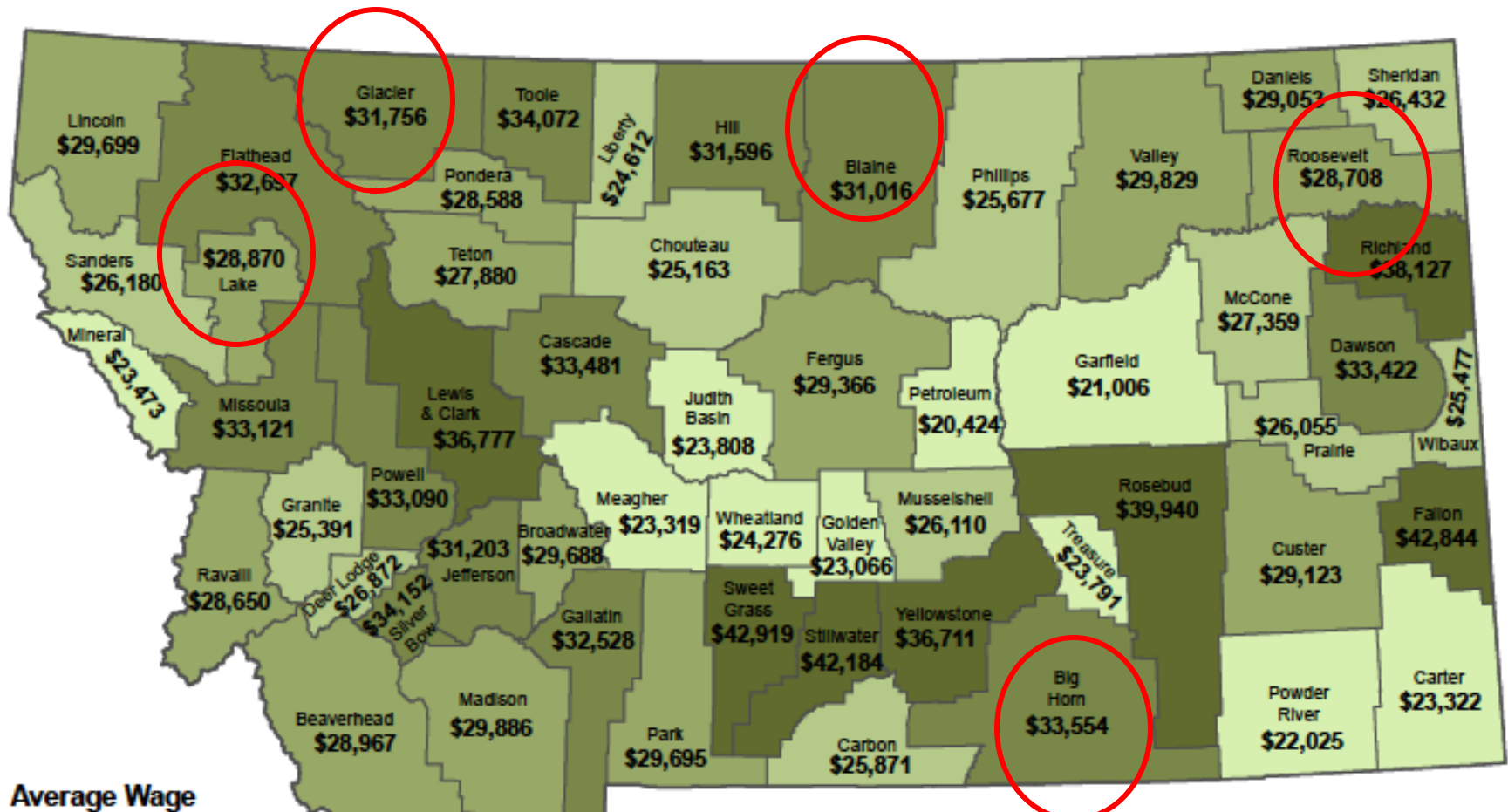
# Current Reservation Economies

- Higher unemployment
- More poverty
- Lower per capita income
- Lower wages
- Smaller private sector

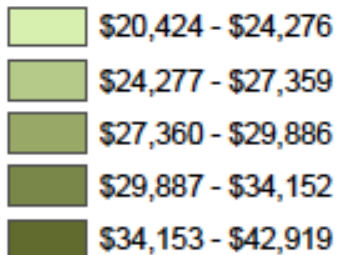
# Montana Per Capita Personal Income\* by County - 2007



# Average Wage Per Job - Montana 2008



## Average Wage



**Montana Average Wage Per Job: \$33,299**

Map by: Census & Economic Information Center  
 Montana Department of Commerce  
 301 S. Park Ave, Helena, MT 59601  
 406-841-2740 email: celc@mt.gov  
<http://celc.mt.gov>



# Wages and Salaries

- Tribal Council members paid well paid
  - Flathead - \$120,000
  - Blackfeet - \$65,000
- Tribal government department heads are also well paid, sometimes more than council members

# 2008 Employment and Wages

Reservation	Employment	% Change	Wages	Growth
Blackfeet	2,867	2.2%	\$30,556	3.9%
Crow	1,932	7.5%	\$30,275	-0.7%
Flathead	8,339	0.5%	\$28,976	3.8%
Fort Belknap	339	0.0%	\$37,012	-6.0%
Fort Peck	3,053	2.1%	\$28,744	4.6%
Northern Cheyenne	1,126	2.4%	\$29,114	2.5%
Rocky Boy's	834	0.8%	\$35,274	1.9%
MONTANA	437,620	0.2%	\$33,280	3.2%





# UNEMPLOYMENT

## MT Dept of Labor, Research and Analysis Bureaus Criteria:

- Statistics represent labor characteristics of the reservation, not the tribe.
- Unemployment rates produced by MT Department of Labor
- Labor Force definition:
  - Civilian, non-institutional population 16 years and older
  - The sum of Employment and Unemployment
- Employment definition:
  - Did any work as paid employees or,
  - Worked in their own business, profession, or farm or,
  - Worked 15 hours or more as unpaid workers in a family owned enterprise
- Unemployment Rate definition:
  - Equal to the number of Unemployed divided by number in the Labor Force

## Bureau of Indian Affairs Criteria:

- Statistics represent labor characteristics of the tribe, not the reservation.
- Labor Force definition:
  - Number of tribal members between 16 and 64 years old
  - Available for work
  - Not disabled or incarcerated
- Employment definition:
  - Tribal members working for money
- Unemployment definition:
  - Calculated by subtracting Employment from Labor Force

# Montana Reservation Unemployment Rates

From Various Sources

Reservation	Census 2000 Rate	BIA 2005 Rate	MT DLI** 2005 Rate	MT DLI 2006 Rate	MT DLI 2007 Rate	MT DLI 2008 Rate
Blackfeet	22.6%	69%	18.4%	11.7%	12.7%	13.10%
Crow	17.1%	47%	11.4%	9.4%	9.1%	9.20%
Flathead	7.9%	24%	11.4%	4.7%	4.7%	6.70%
Fort Belknap *	23.0%	70%	12.0%	N/A	N/A	N/A
Fort Peck	17.5%	54%	7.8%	9.7%	9.7%	8.10%
Northern Cheyenne	19.5%	60%	12.4%	11.5%	11.7%	12.90%
Rocky Boy's	28.4%	68%	15.0%	16.4%	15.1%	14.80%

\* Rates for Fort Belknap cannot be calculated due to lack of unemployment insurance data.

\*\* MT DLI: Montana Department of Labor and Industry

Sources: U.S. Census Bureau, Census 2000

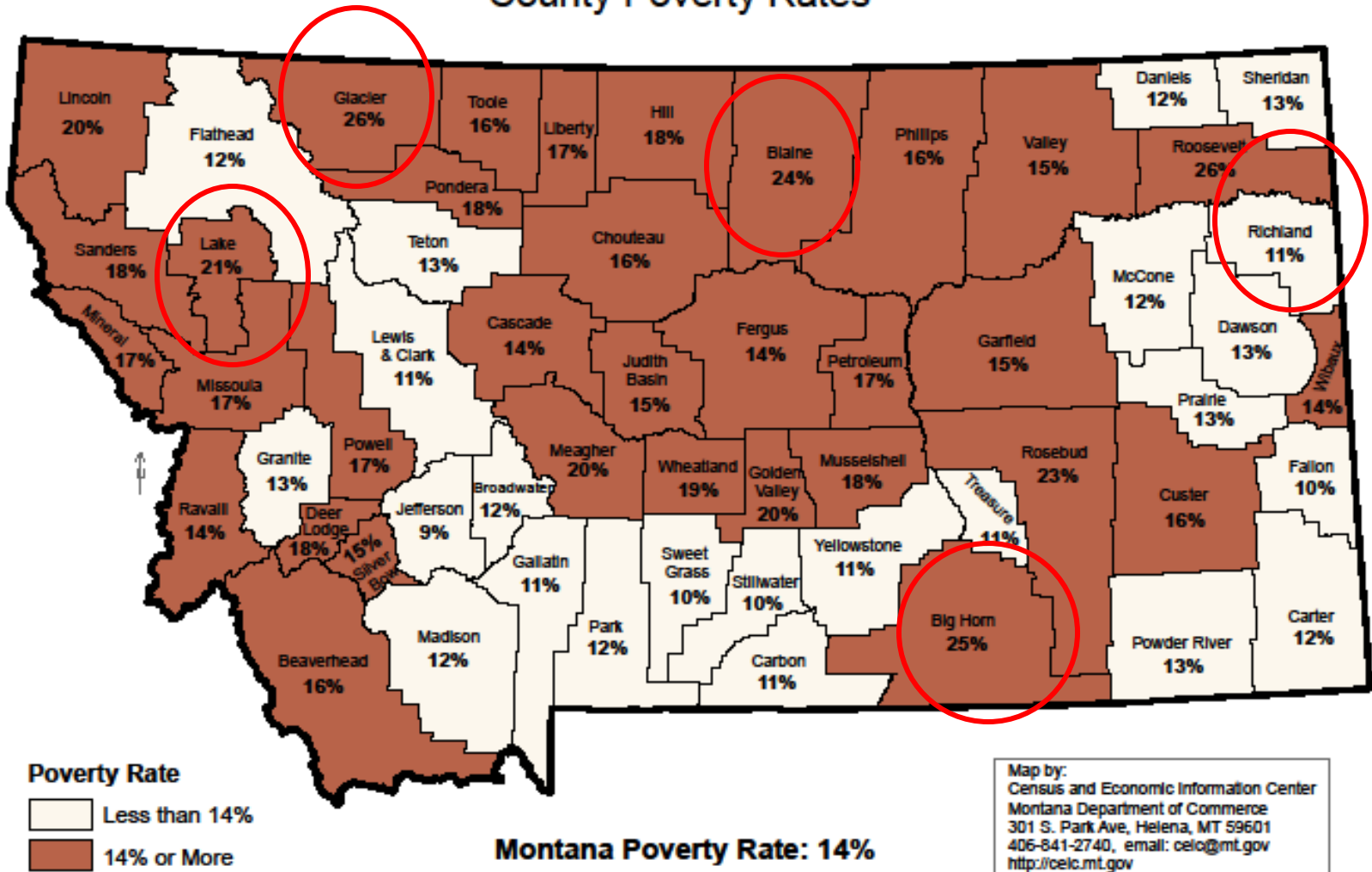
Bureau of Indian Affairs, U.S. Department of Interior and Confederated Salish & Kootenai Tribes

Montana Department of Labor and Industry, R & A



# Poverty in Montana: 2008

## County Poverty Rates



# Business Environment

Item	1997	2002
Number of businesses – MT	93,677	100,421
Number of Businesses – AI	1,912	1,990
Growth Rate – MT (1997 – 2002)		<b>9%</b>
Growth Rate – AI (1997 – 2002)		<b>4%</b>
Population – MT	878,706	910,670
Population – AI	54,726	57,841
Firms/1,000 citizens – MT	107	110
Firms/1,000 Indians – AI	<b>35</b>	<b>34</b>
Firms with employees – MT	25,974	28,258
Firms with employees – AI	<b>438</b>	<b>357</b>
% of firms with employees/total firms - MT	28%	28%
% of firms with employees/total firms – AI	<b>23%</b>	<b>18%</b>
Sales per business – MT (\$1,000)	\$402,321	<b>\$445,543</b>
Sales per business – AI (\$1,000)	\$86,436	<b>\$107,830</b>

NOTE: AI = American Indian

Source: U.S. Census Bureau, "Survey of Business Owners"

# Public and Private Employment

Reservation	% Private	% Government
Montana	81.5%	18.5%
Blackfeet	28.9%	<b>71.1%</b>
Crow	16.3%	<b>83.6%</b>
Flathead	68.1%	31.9%
Fort Belknap*	72%	28.0%
Fort Peck	46.5%	53.5%
Northern Cheyenne	22.1%	<b>77.9%</b>
Rocky Boy's	89.6%	10.4%

\* Does not include Fort Belknap Tribal Government



# Agriculture on Reservations: 2007

Item	Total	Non Native American	Native American	% of Total
Farms	3,257	1,864	1,393	43%
Average Size (acres)	2,636	<b>1,652</b>	<b>3,953</b>	N/A
Market Value of Products*	\$335,533,000	\$269,786,000	\$65,747,000	20%
Farm Expenses	\$311,506,000	\$244,657,000	\$66,849,000	21%
High Speed Internet Access	1,265	<b>803</b>	<b>462</b>	37%
% of Farms with Internet	39%	43%	33%	N/A
Market Value per Acre	\$39.08	<b>\$87.60</b>	<b>\$11.94</b>	N/A
Expense per Acre	\$36.28	<b>\$79.44</b>	<b>\$12.14</b>	N/A
Net Income per Acre	\$2.80	<b>\$8.16</b>	<b>-\$0.20</b>	N/A

\* Due to confidential information, only 6 reservations used

United States Department of Agriculture, National Agricultural Statistics Service, [http://www.nass.usda.gov/Census\\_of\\_Agriculture/index.asp](http://www.nass.usda.gov/Census_of_Agriculture/index.asp)



# What is an 'economy'?

Businesses

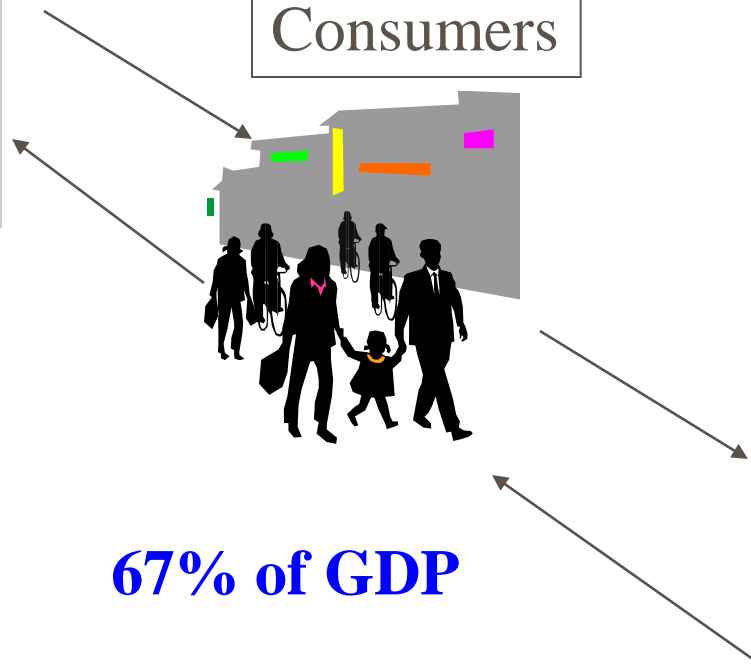
Jobs → Income



Create Wealth

- Marketing
- Customer Service
- Accounting
- Management

Consumers



67% of GDP

- Public Finance
- Zoning/Land Use
- Public Works
- Public Safety

Government



Redistribute Wealth

Source: "Understanding Your Community's Economic Base,"  
University of Missouri Extension, <http://muextension.missouri.edu>



# Capitalism

- An economic and social system in which capital, the non-labor factors of production,
- Is privately owned;
- Labor, goods and capital are traded in markets; and
- Profits distributed to owners or invested in technologies and industries

# Obstacles to Private Business on Reservations

- Tribal land
  - Not private property
- Not own land
  - Can't use as collateral
    - No mortgages
  - No property taxes paid
- Without collateral
  - Can't get business loans
  - No contract protection





# Sources of Revenue

## ■ Local Governments

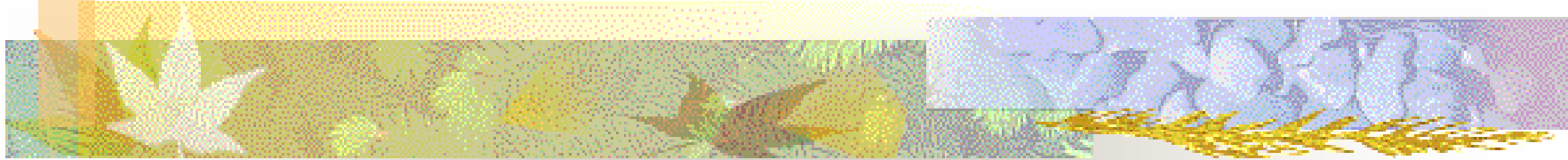
- State government 15%
- Property taxes 49%
- Charges 27%
  - Hospitals
  - Parks & Recreation
  - Solid Waste Management

# Sources of Revenue: Tribal Gov't

Federal Government	61%
Earned: Revenue by Entities or Individuals	22%
Various: Other Government/Private Sources	9%
State: School Districts & Grants/awards	7%
Fiduciary: (maintained on behalf of others)	1%

Revenue earned by the entities through various means, such as: lease revenues, enterprises, or investing. And by tribal members in the communities earning trust income for use of their land or by interest payments related to treaty obligations or U.S. government land settlements called percapita.

# Determining Potential



# Business – Where to Locate

Retail sales: Gauge of purchasing power

Population: 5,584  
On reservation

How much  
population is  
needed?

Population: 3,946  
Off reservation

Business	Town Population	Market Population
Grocery Store	329	1,250
General Merchandise	385	1,536
Pharmacy	957	2,939
Hardware Store	959	3,709
Automotive Parts	1,083	4,000

# Examples

Population: 5,584  
On reservation

Number of Establishments

Population: 3,946  
Off reservation

Store	Actual	Potential
Automotive	0	1
Grocery	1	3
Pharmacy	0	1
General*	2	2
Hardware	0	1
Total	3	8

Store	Actual	Potential
Automotive	2	1
Grocery	2	3
Pharmacy	1	1
General*	1	2
Hardware	1	1
Total	7	8

\* Dollar stores, general stores, trading posts: retail new goods such as apparel, dry goods, house wares, etc.

U.S. Census Bureau, Zip Code Business Patterns, 2003, [www.census.gov](http://www.census.gov)



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# Threshold Analysis

- Central Place Theory - Population needed to support retail and service businesses
- Simple Analysis: population and number of businesses
  - Similar characteristics such as population & location
  - Does not take into account economies of scale
    - Square footage
    - Number of doctors in one facility
- Grocery store
- Health care
- Financial Institutions

# Grocery Stores

Location	Threshold	Actual#	Potential*
On the Reservation	4,480	4	6
Browning		1	2
Wolf Point		1	2
Ronan		2	2
Just off Reservation	2,923	5	5
Trade Center	3,287	10	12
Metropolitan	2,853	75	85
Statewide	2,725	337	337

# Number of Businesses      \*Number of Businesses using statewide threshold of 2,725

On the Reservation: Browning, Wolf Point, Ronan

Just Off the Reservation: Cut Bank, Hardin, Glasgow

Trade Center: Havre, Miles City, Glendive

Metropolitan: Missoula, Great Falls, Billings and Helena



# Health Care: Doctors and Clinics

Location	Threshold	Actual#	Potential*
On the Reservation	1,378	13	35
Browning		2	13
Wolf Point		3	10
Ronan		8	12
Just off Reservation	812	18	29
Trade Center	587	56	64
Metropolitan	300	808	476
Statewide	509	1,804	1,804

# Number of Businesses

\*Number of Businesses using statewide threshold of 509

On the Reservation: Browning, Wolf Point, Ronan

Just Off the Reservation: Cut Bank, Hardin, Glasgow

Trade Center: Havre, Miles City, Glendive

Metropolitan: Missoula, Great Falls, Billings and Helena



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# Financial Institutions

Location	Threshold	Actual#	Potential*
On the Reservation	3,584	5	14
Browning		1	5
Wolf Point		2	4
Ronan		2	5
Just off Reservation	1,044	14	12
Trade Center	1,174	28	27
Metropolitan	780	311	197
Statewide	1,227	748	748

# Number of Businesses

\*Number of Businesses using statewide threshold of 1,227

On the Reservation: Browning, Wolf Point, Ronan

Just Off the Reservation: Cut Bank, Hardin, Glasgow

Trade Center: Havre, Miles City, Glendive

Metropolitan: Missoula, Great Falls, Billings and Helena





# Implications

- Reservations are underserved in these private sectors
- Just Off the Reservation serving own population and reservation
- Trade Centers and Metropolitans serve a much larger region



# Location Quotient

- Determine if number of jobs are what a local economy should have to serve local needs
- Comparison of local employment to statewide for each industry
- $< 1$  = underserved,  $> 1$  = serving more than local
- MT Department of Labor and Industry, Research and Analysis has calculated LQ for each county in Montana ([www.ourfactsyourfuture.mt.gov](http://www.ourfactsyourfuture.mt.gov))

# Blackfeet Reservation

Industry	LQ	Comment
Grocery Stores	0.03	Very under served
Financial Institution	ND	Non-disclosable – one establishment
Health Care	ND	Non-disclosable – one establishment

Industry	LQ	Comment
Human Resource Programs	16.6	Most over served of all
Executive Government	14.9	2 <sup>nd</sup> over served

**Can not provide Location Quotient for most businesses since there are so few of them**





# Implications

- Money is leaving the reservations to purchase retail goods and consumer services
- There is not an adequate supply of financial services on the reservations
- There is not an adequate supply of doctors, clinics, etc. on the reservations



# Diversity of Economy

- Hachman Index measures diversity of economy – employment spread out among many different industries compared to benchmark
  - Montana or United States
- More diversity reduces community's vulnerability to economic downturns
- Closer to 1 mean more diversity
- MT Department of Labor and Industry, Research and Analysis has calculated HI for each county in Montana ([www.ourfactsyourfuture.mt.gov](http://www.ourfactsyourfuture.mt.gov))



# Hachman Index

- Fort Peck Reservation = .24
- Blackfeet Reservation = .14

## County Hachman Indices

- Lowest (Stillwater) = .01
- Median = .25
  - (McCone, Phillips, Toole)
- Highest = .66
  - (Gallatin, Missoula, Cascade)



# Implications

- Reservation and county economies are not diverse
- ‘One company’ towns



# Summary

- Private businesses create wealth
  - Private goods and services
  - Business decisions
  
- Governments redistribute wealth
  - Public goods and services
  - Government decisions

# NATIVE AMERICAN STATISTICS

Department of Commerce  
Census and Economic  
Information Center

[www.ceic.mt.gov](http://www.ceic.mt.gov) American Indian Data

- Census 2000
- Economic Census 2002
- Census Population Estimates by Race
- Census of Agriculture
- Office of Public Instruction
- 1990 Census
- CEIC Presentations
- CEIC Maps

Department of Labor  
Workforce Services Division  
Research and Analysis Bureau

[www.ourfactsourfuture.mt.gov](http://www.ourfactsourfuture.mt.gov)

- 2006 Labor Day Report
- MT Reservation Data

Montana Indian Business Alliance  
(MIBA)

[www.mibaonline.org](http://www.mibaonline.org)

- Indian Census Data
- Indian Economic Data
- Indian Business Data
- Indian Business Directory
- Reservation Maps



# Contact Information

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# Sources:

- Reservation Data: U.S. Census Bureau, Census 2000; US Department of Interior, Bureau of Indian Affairs, 2003; MT Department of Labor and Industry, Research Analysis Bureau, 2005
- Population: U.S. Census Bureau, Population Estimates Program, July 1, 2004 Estimates
- Unemployment: MT Department of Labor and Industry, Research and Analysis Bureau, Labor Day Report 2005
- Per Capita: US Department of Commerce, Bureau of Economic Analysis, 2003
- Poverty: U.S. Census Bureau, Small Area Income & Poverty Estimates, 2002
- Housing Value: U.S. Census Bureau, Census 2000
- Median Age: U.S. Census Bureau, Census 2000
- % Food Stamps: MT Department Public Health and Human Services, Statistical Report June 2005
- Pregnancies: MT Department of Public Health and Human Services, Trends in Montana Teen Pregnancies and Their Outcomes 1981-2000, November 2002
- Alcohol treatment Need: MT Department of Public Health and Human Services, An Integrated Substance Abuse Treatment Needs Assessment for Montana, 2001
- Drop Out: Office of Public Instruction, Montana High School Dropout Rates by Race/Ethnicity, 2003-04 School Year
- U.S. Census Bureau, Census 2000 American Indian and Alaska Native Summary File (AIANSF) – Sample Data, [www.ceic.mt.gov/C2000/allreservationsbytribe.xls](http://www.ceic.mt.gov/C2000/allreservationsbytribe.xls)
- U.S. Census Bureau, Census 2000 Summary File 2, Matrix PCT1. [www.ceic.mt.gov/C2000/urban\\_rural\\_indian.xls](http://www.ceic.mt.gov/C2000/urban_rural_indian.xls)
  
- Industry Data:U.S. Census Bureau, “County Business Patterns”
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