

# Analyzing Montana's Indian Reservations' Economies

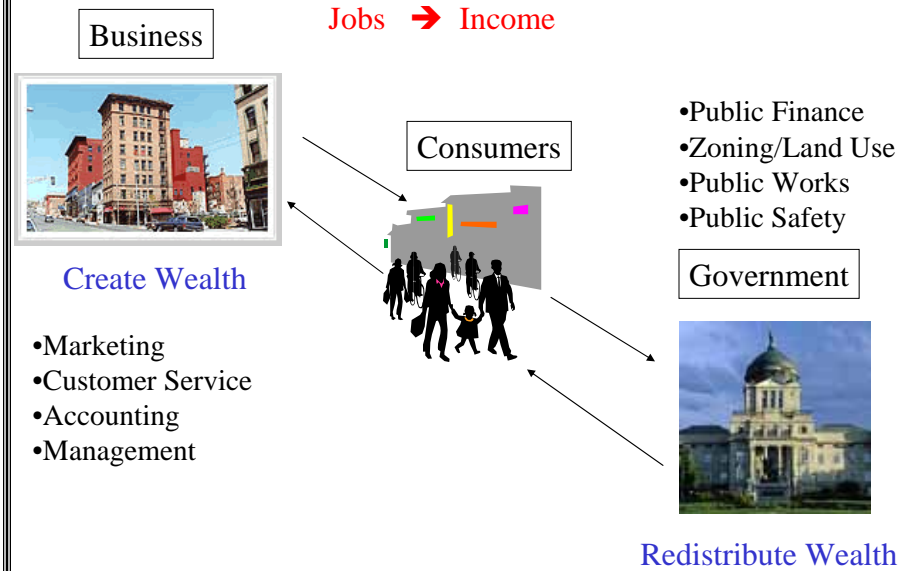
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## Economic Base



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

# Business – Where to Locate

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Retail sales: Gauge of purchasing power

Population: 5,584

On reservation



Population: 3,946

Off reservation



How much population is needed?

16 mile radius – One establishment

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

"Potential for Retail Trades in Rural Communities," University of Missouri Extension, <http://mucextension.missouri.edu/>;  
 Montana Natural Resource Information System, Interactive Mapping and Database Applications, <http://mris.state.mt.us/interactive.html>

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# 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
Total Retail	12	

Store	Actual	Potential
Automotive	2	1
Grocery	2	3
Pharmacy	1	1
General*	1	2
Total Retail	27	

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

Compiled by Census and Economic Information Center, Montana Department of Commerce, 01/06

Industry	Pop: 3,708	Pop: 1,498
Utilities	1	1
Construction	4	5
Manufacturing	1	3
Wholesale	1	4
Retail	11	14
Transportation	2	2
Information	0	5
Finance & Insurance	1	6
Real Estate	2	0
Professional	1	4
Education (Private)	1	0
Health Care	4	3
Art, Entertainment	1	3
Accommodation & Food	4	7
Consumer Services	8	5
<b>TOTAL BUSINESSES</b>	<b>45</b>	<b>68</b>
Public Administration (Gov't)	78	25

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## Diversity of an Economy

- Smaller population is OFF the reservation
- 2.5 times less population
- 1.5 times more businesses
- 3 times less government

U.S. Census Bureau, Zip Code Business Patterns, 2003

Compiled by Census and Economic Information Center, Montana Department of Commerce, 01/06

Industry	Pop: 3,708	Pop: 1,498	Potential
Utilities	1	1	2
Construction	4	5	12
Manufacturing	1	3	6
Wholesale	1	4	10
Retail	11	14	35
Transportation	2	2	5
Information	0	5	12
Finance & Insurance	1	6	15
Real Estate	2	0	2
Professional	1	4	10
Education (Private)	1	0	1
Health Care	4	3	7
Art, Entertainment	1	3	7
Accommodation & Food	4	7	15
Consumer Services	8	5	12
<b>TOTAL BUSINESSES</b>	<b>45</b>	<b>68</b>	<b>170</b>
Public Administration (Gov't)	78	25	62

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## Growth Potential

U.S. Census Bureau,  
Zip Code Business Patterns, 2003

# Employment

## Largest Employers

- Tribal Government  
– 1,000 – 4,999
- Federal Government  
– BIA
- Tribal Enterprises
- School systems

## Private Employers

- Grocery Stores
- Construction
- Health Care
- Hotels

Reference USA, [www.referenceusa.com](http://www.referenceusa.com)

# Agriculture on the Reservation

Item	Total	Non Native American	Native American	% of Total
Farms	2,552	1,825	727	29%
Average Size (acres)	3,116	2,179	5,196	167%
Market Value of Products	\$221,182,000	\$162,150,000	\$59,032,000	27%
Farm Expenses*	\$183,549,000	\$150,709,000	\$32,841,000	18%
Internet Access	1,406	1,048	358	26%
% of Farms with Internet	55%	57%	49%	N/A
Market Value per Acre	\$52,116	\$59,636	\$11,361	22%
Expense per Acre	\$43,249	\$55,428	\$6,320	15%
Net Income per Acre	\$8,867	\$4,208	\$5,041	57%

\* 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)

# Vibrancy of Economy

Town	Zip Code Population	# of Retail Est	Pop/Est	# of Govt entities*	Pop/Govt	Zip Code
Browning	6,689	14	478	81	83	59417
Cut Bank	5,220	27	193	27	193	59427
Wolf Point	5,027	31	162	35	144	59201
Scobey	1,498	14	107	11	136	59263
Lame Deer	2,908	6	485	74	39	59043
Hardin	4,726	29	163	15	315	59034
Crow Agency	2,290	8	286	59	39	59022
Box Elder	2,901	2	1,450	25	116	59521
Harlem	2,565	12	214	19	135	59526
Hays	1,092	3	364	5	218	59527
Polson	9,209	59	156	35	263	59860
Ronan	6,202	40	155	20	310	59864
Helena	47,154	277	170	133	355	59601,2,4,20,23,24,25,26
Montana	926,865	5,145	180	2,309	401	

Reference USA, [www.referenceusa.com](http://www.referenceusa.com), U.S. Census Bureau, Zip Code Business Patterns, 2002 and 2003

- Reference USA
- 921: Executive, Legislative and
- Other government support. Excludes
- Law enforcement, public health

# Productivity – Measure of Efficiency

## Average Output per Worker (IMPLAN)

Area	Output/worker	Area	Output/worker
Montana	\$86,309	Lewis & Clark	\$82,675
Blackfeet	\$75,398	Cascade	\$83,367
Crow	\$76,531	Missoula	\$82,749
Flathead	\$82,532	Gallatin	\$80,178
Fort Belknap	\$56,367	Flathead	\$85,341
Fort Peck	\$69,559	Hill	\$69,383
Northern Cheyenne	\$60,559	Garfield	\$82,941
Rocky Boys	\$67,638	Richland	\$85,986
Glacier	\$71,790	Rosebud	\$100,944
Toole	\$77,466	Blaine	\$59,319
Yellowstone	\$116,707	Beaverhead	\$80,303

Minnesota IMPLAN Group, [www.implan.com](http://www.implan.com)

# Compensation per Worker

## Average Salary per Worker (IMPLAN)

Area	Output/worker
Montana	\$24,680
Blackfeet	\$20,894
Crow	\$21,697
Flathead	\$24,197
Fort Belknap	\$16,089
Fort Peck	\$17,129
Northern Cheyenne	\$27,005
Rocky Boys	\$21,908
Glacier	\$26,409
Toole	\$22,866
Yellowstone	\$28,867

Area	Output/worker
Lewis & Clark	\$30,370
Cascade	\$28,048
Missoula	\$25,324
Gallatin	\$23,500
Flathead	\$23,225
Hill	\$23,711
Garfield	\$10,775
Richland	\$21,350
Rosebud	\$35,437
Blaine	\$19,141
Beaverhead	\$21,834

## Needed Statistics

- Population
- Labor Force
  - Employment
- Income
- Wages and salaries
- Ownership
- Output per worker

## Summary

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