

# Indian Country Economic Development: Data and Data Gaps

*Discussion by  
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“Every individual that we can inspire, that we can guide, that we can help to start a new company, is vital to the future of our economic welfare.”

— Ewing Kauffman

## KAUFFMAN

The Foundation of Entrepreneurship



# Economic Development and Entrepreneurship in Indian Country

- I see two separate but related lines of research:
  - Indian Country
  - American Indians (regardless of location)
- Barriers to entrepreneurship fall into five main categories: geographic, political, social & cultural, economic, and education.
- Some data sources
  - 2010 Census
  - 2006-2010 American Communities Survey
  - 2007 Survey of Business Owners
  - NETS data

# 2010 Census

## American Indian and Alaska Native Population: 2000 and 2010

(For information on confidentiality protection, nonsampling error, and definitions, see [www.census.gov/prod/cen2010/doc/pl94-171.pdf](http://www.census.gov/prod/cen2010/doc/pl94-171.pdf))

Race	2000		2010		Change, 2000 to 2010	
	Number	Percentage of total population	Number	Percentage of total population	Number	Percent
<b>Total population . . . . .</b>	<b>281,421,906</b>	<b>100.0</b>	<b>308,745,538</b>	<b>100.0</b>	<b>27,323,632</b>	<b>9.7</b>
American Indian and Alaska Native alone or in combination . . . . .	4,119,301	1.5	5,220,579	1.7	1,101,278	26.7
American Indian and Alaska Native alone . . . . .	2,475,956	0.9	2,932,248	0.9	456,292	18.4
American Indian and Alaska Native in combination . . . . .	1,643,345	0.6	2,288,331	0.7	644,986	39.2
American Indian and Alaska Native; White . . . . .	1,082,683	0.4	1,432,309	0.5	349,626	32.3
American Indian and Alaska Native; Black or African American . . . . .	182,494	0.1	269,421	0.1	86,927	47.6
American Indian and Alaska Native; White; Black or African American . . . . .	112,207	—	230,848	0.1	118,641	105.7
American Indian and Alaska Native; Some Other Race . . . . .	93,842	—	115,752	—	21,910	23.3
American Indian and Alaska Native; Asian . . . . .	52,429	—	58,829	—	6,400	12.2
All other combinations including American Indian and Alaska Native . . . . .	119,690	—	181,172	0.1	61,482	51.4
Not American Indian and Alaska Native alone or in combination . . . . .	277,302,605	98.5	303,524,959	98.3	26,222,354	9.5

## 5.2 million American Indian/Alaskan Natives in 2010

## American Indian Reservation and Alaska Native Village Statistical Area Population: 2010

(For information on confidentiality protection, nonsampling error, and definitions, see [www.census.gov/prod/cen2010/doc/pl94-171.pdf](http://www.census.gov/prod/cen2010/doc/pl94-171.pdf))

Area	Total population	American Indian and Alaska Native			Not American Indian and Alaska Native alone or in combination
		Alone or in combination	Alone	In combination	
Total American Indian areas <sup>1</sup> . . . . .	4,576,127	1,069,411	901,280	168,131	3,506,716
Total Alaska Native village statistical areas . . . . .	242,613	78,141	65,855	12,286	164,472
Outside American Indian/Alaska Native areas . . . . .	303,926,798	4,073,027	1,965,113	2,107,914	299,853,771

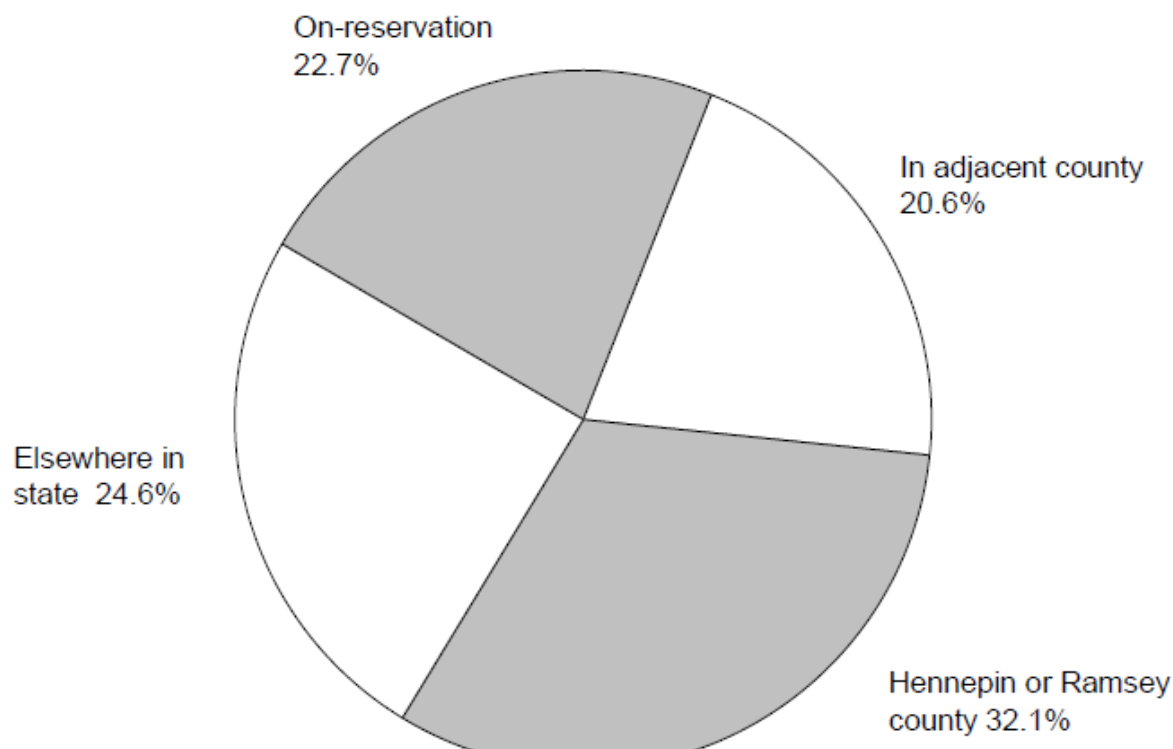
<sup>1</sup> Includes federal reservations and/or off-reservation trust lands, Oklahoma tribal statistical areas, tribal designated statistical areas, state reservations, and state designated American Indian statistical areas.

Note: In this table, the American Indian and Alaska Native alone-or-in-combination population and the not American Indian and Alaska Native alone-or-in-combination population add to the total population for each area.

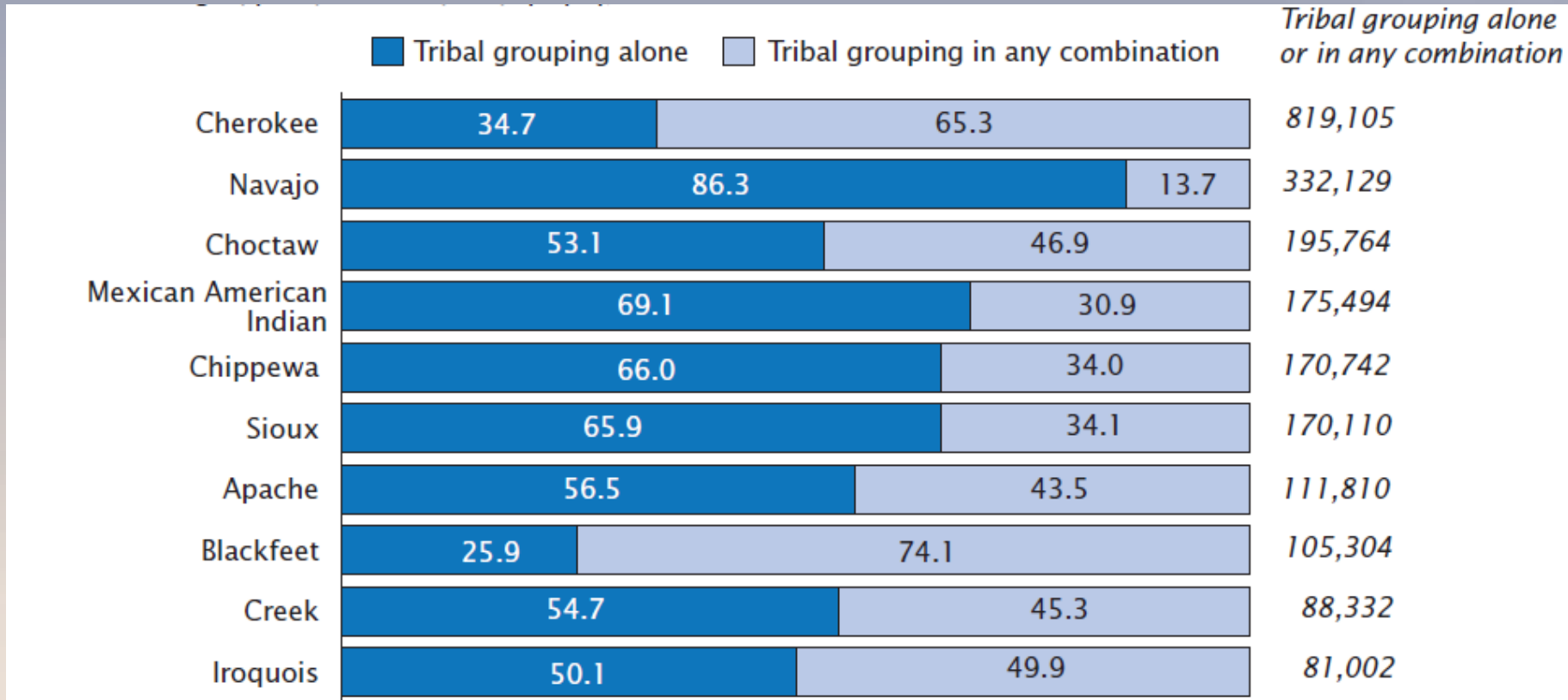
Source: U.S. Census Bureau, *2010 Census Redistricting Data (Public Law 94-171) Summary File*, Table P1.

# 4.1 million (of 5.2 million) reside outside AI/NA areas

Figure 1 shows where, according to the 2000 census, Indians in Minnesota live.<sup>3</sup> In 2000, about 23 percent of the Minnesota Indian population lived on reservations. Approximately 20 percent of the population lived in the county in which the reservation is located, referred to as the “adjacent county” in Figure 1. Slightly more than 32 percent of the Minnesota Indian population lived in Hennepin or Ramsey County. Finally, nearly 25 percent of the Minnesota Indian population lived elsewhere in the state.



# Can get some interesting and detailed information from public data sources



Top 10 Place  
In terms of  
Percentage  
versus  
Number

Only four:  
overlap:  
Anchorage  
Tulsa  
Albuquerque  
Oklahoma  
City

Important  
because  
Business  
ownership is  
less than 10%  
of adult pop.

Place <sup>1</sup>	Total population	Alone or in combination	
		Rank	Percentage of total population
Anchorage, AK . . . . .	291,826	1	12.4
Tulsa, OK . . . . .	391,906	2	9.2
Norman, OK . . . . .	110,925	3	8.1
Oklahoma City, OK . . . . .	579,999	4	6.3
Billings, MT . . . . .	104,170	5	6.0
Albuquerque, NM. . . . .	545,852	6	6.0
Green Bay, WI . . . . .	104,057	7	5.4
Tacoma, WA. . . . .	198,397	8	4.0
Tempe, AZ. . . . .	161,719	9	3.9
Tucson, AZ. . . . .	520,116	10	3.8

Place	Total population	Alone or in combination	
		Rank	Number
New York, NY . . . . .	8,175,133	1	111,749
Los Angeles, CA . . . . .	3,792,621	2	54,236
Phoenix, AZ. . . . .	1,445,632	3	43,724
Oklahoma City, OK . . . . .	579,999	4	36,572
Anchorage, AK . . . . .	291,826	5	36,062
Tulsa, OK. . . . .	391,906	6	35,990
Albuquerque, NM. . . . .	545,852	7	32,571
Chicago, IL . . . . .	2,695,598	8	26,933
Houston, TX. . . . .	2,099,451	9	25,521
San Antonio, TX. . . . .	1,327,407	10	20,137

## 2006-2010 American Community Surveys (Five year Average Estimates)

	Total population	American Indian alone or in any combination	Total	American Indian
<input checked="" type="checkbox"/> Population 16 years and over	238,733,844	2,692,089		
<input checked="" type="checkbox"/> Civilian Labor Force	154,037,474	1,634,519	64.5%	60.7%
Employed	141,833,331	1,413,669	92.1%	86.5%
Unemployed	12,204,143	220,850	7.9%	13.5%
<b>OCCUPATION</b>				
Management, business, science, and arts occupations	50,034,578	399,867	35.3%	28.3%
Service occupations	24,281,015	312,622	17.1%	22.1%
Sales and office occupations	36,000,118	336,541	25.4%	23.8%
Natural resources, construction, and maintenance occupations	13,940,273	175,001	9.8%	12.4%
Production, transportation, and material moving occupations	17,577,347	189,638	12.4%	13.4%

**American Indians have higher unemployment rates (almost twice the rate of country average) and more likely to be in service, construction, and maintenance operations.**



## 2006-2010 American Community Surveys (Five year Average Estimates)

	Total population	American Indian alone or in any combination	Total	American Indian
<b>CLASS OF WORKER</b>				
Civilian employed population 16 years and over	141,833,331	1,413,669		
Private wage and salary workers	111,303,933	1,012,601	78.5%	71.6%
Government workers	21,024,265	308,833	14.8%	21.8%
Self-employed in own not incorporated business workers	9,250,789	88,440	6.5%	6.3%
Unpaid family workers	254,344	3,795	0.2%	0.3%
<b>INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)</b>			Ratio of American Indian to Total	
Median household income (dollars)	51,914	38,679	74.5%	
Mean household income (dollars)	70,883	52,348	73.9%	
Median family income (dollars)	62,982	45,318	72.0%	
Mean family income (dollars)	82,446	59,096	71.7%	
Per capita income (dollars)	27,334	17,523	64.1%	
Median nonfamily income (dollars)	31,305	23,510	75.1%	
Mean nonfamily income (dollars)	44,804	34,550	77.1%	

**American Indians are more likely to work for the government. Incomes are much lower than overall means and medians.**

## 2007 Characteristics of Business Owners

	Year	Non-minority Owned Firms	Native Ameri./ Nat. Alaskan	NA/Non- Minority
Total Number of Firms	1997	17,316,796	197,300	1.1%
	2002	18,326,375	201,387	1.1%
	2007	20,100,926	236,691	1.2%
Total Number of employees	1997	54,084,357	298,661	0.6%
	2002	50,429,209	191,270	0.4%
	2007	50,113,990	185,037	0.4%
Mean Number of Paid Employees	1997	3.1	1.5	48.4%
	2002	2.8	0.9	32.1%
	2007	2.5	0.8	32.0%
Total Number of Employer Firms	1997	4,372,817	33,277	0.8%
	2002	4,512,577	24,498	0.5%
	2007	4,337,535	23,662	0.5%
Total Annual Payroll for Employer Firms (\$1000)	1997	1,395,150	6,624	0.5%
	2002	1,504,917	5,135	0.3%
	2007	1,754,224	5,930	0.3%
Mean Annual Payroll for Employer Firms	1997	319,051	199,063	62.4%
	2002	333,494	209,620	62.9%
	2007	404,429	250,613	62.0%
Payroll Per Employee for Employer Firms	1997	25,796	22,180	86.0%
	2002	29,842	26,848	90.0%
	2007	35,005	32,048	91.6%

# NEW PUMS Microdata from SBO: 2007

- Public use microdata now available
- Quick and dirty comparison of the American Indian/Native Alaskan-Owned Businesses and White-Owned Businesses is pretty interesting.

## Means from SBO Microdata

	Owner Race	
	American Indians	Whites
High School or less	48.0%	35.0%
College or college degree	28.0%	23.0%
Graduate Degree	24.0%	42.0%
founded	81.0%	76.0%
purchased	15.0%	18.0%
inherited	2.0%	3.0%
Business provides primary income	63.0%	66.0%
Previously self employed	36.0%	40.0%
Homebased	50.0%	38.0%
Franchise	2.0%	3.0%
FEDERAL GOV'T IS 10%+ OF SALES	7.0%	3.0%
State/Local IS 10%+ OF SALES	10.0%	7.0%
Other Businesses IS 10%+ OF SALES	36.0%	43.0%
Individuals IS 10%+ OF SALES	69.0%	67.0%
Have any Operations outside U.S.	1.0%	1.0%
Have any work Outsourced abroad	1.0%	1.0%
Have any Full time Employees	34.0%	51.0%
Have any Part Time Employees	29.0%	40.0%
Business has a website	26.0%	38.0%
Business does Ecommerce	8.0%	10.0%
Business made online purchases	39.0%	47.0%

## American Indian Business Owners are:

- Less educated
- Less likely to have
  - Employees
  - Business Website
  - Buy online
- More likely to be
  - Home based
  - Reliant on Federal gov't for sales

Source of Start up Capital	American Indians	Whites
Savings	57.0%	60.0%
Other personal assets	10.0%	9.0%
Home equity line of credit	6.0%	6.0%
Credit cards	13.0%	10.0%
Govt Loan	1.0%	1.0%
Govt Guarantee	2.0%	1.0%
Bank Loan	13.0%	15.0%
Family Loan	3.0%	4.0%
Venture Capitalist	0.0%	1.0%
Grant	1.0%	0.0%
Other Source	3.0%	2.0%

## 2007 SBO PUMS

	White	American Indian
Employment	11.65	3.98
Payroll	\$ 446,314	\$ 137,888
Receipts	\$ 2,185,319	\$ 717,985

## Amount of Startup Capital

	White	American Indian
Zero	26.3%	30.2%
1 – LESS THAN \$5,000	25.4%	28.3%
2 – \$5,000 TO \$9,999	8.1%	9.2%
3 – \$10,000 TO \$24,999	9.7%	9.9%
4 – \$25,000 TO \$49,999	6.8%	6.8%
5 – \$50,000 TO \$99,999	7.2%	6.3%
6 – \$100,000 TO \$249,999	7.5%	5.0%
7 - \$250,000 TO \$999,999	5.7%	3.3%
8 - \$1,000,000 OR MORE	3.3%	1.1%

# Economic Development--Entrepreneurship

- 2010 Census data show majority of American Indians live off reservations.
- 2006-2010 ACS data show higher unemployment rates and lower incomes by American Indians.
- Published SBO data show businesses have lower levels of receipts, payroll, and employment.
- Some cities (Anchorage, Tulsa, Albuquerque, and Oklahoma City) offer interesting potential for research because of high rates of Indian population and high numbers of observations as well.
- Other cities (NY, LA, etc.) have high numbers of Indians living in these cities, but they are very small proportions of the people living there.



# Lots of room to make significant contributions!

- Current state of our knowledge of American Indian Businesses and Indian Country business activity is quite limited.
- SBO microdata within the RDCs and CES can be used to study American Indian Business Owners (on and off reservations)
- SBO PUMS data offer some potential for research on American Indian Business Owners
- NETS data offer some possibilities on business activity on Indian reservations if we have location maps or zip codes for reservations

# Thanks!

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