

# American Indian Capital and Minnesota's Future

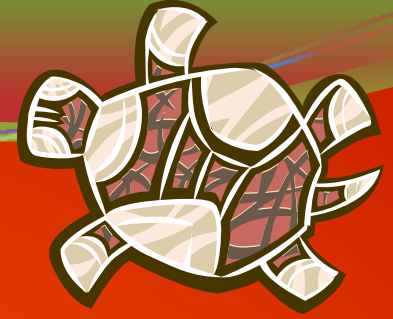
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MINNESOTA INDIAN BUSINESS CONFERENCE,  
OCTOBER 28-29, TREASURE ISLAND CASINO, MINNESOTA



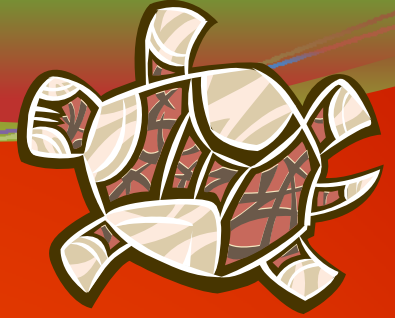
# American Indian Capital

- A NEW CONCEPT
- RELATING TO THE COMMUNITY AS AN ASSET RATHER THAN AS A DEFICIT



# American Indian Capital

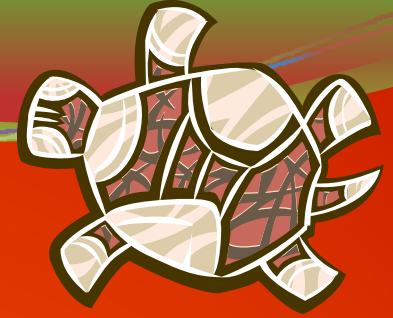
- Consumer Capital
- Entrepreneurial Capital
- Productive Capital
- Fiscal Capital
- Human Capital
- Global Capital
- Political Capital



# CONSUMER CAPITAL

- 1.4 BILLION DOLLARS
- WHAT DOES THIS MEAN?

• Source: Estimated from ACS 2007 for population and income estimates.

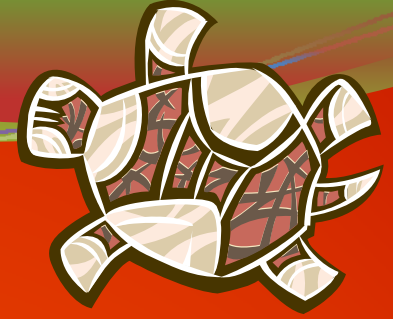


# CONSUMER CAPITAL

A SMALL AMERICAN INDIAN NONPROFIT OF SIX PEOPLE HAD THE FOLLOWING EXPENSES

- Ebay - \$540
- Best Buy- \$1670
- Cub Food \$4500
- Target \$7860
- Home Depot \$6000
- Gas \$14,420

- Source: Author (2004)



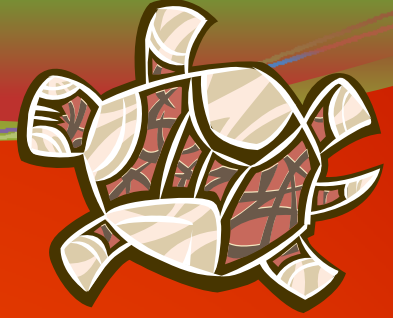
# Consumer Capital

The zip code for Treasure Island Casino had the following annual expenditure:

- \$7.2 million dollars or \$102,842 per square mile
- Food away from home \$1.1 million
- Apparel \$1 million
- Major Appliances \$152,531
- Furniture \$364,343
- Housekeeping supplies \$399,055

- <http://www4.uwm.edu/eti/etizip.cfm>

# Business Capital



- 2742 firms with 318 million in sales
- 487 firms with employees with
  - \$282 million in sales
  - Employing 3676 and
  - \$90 million payroll
  - Construction, manufacturing, administration & waste management sectors
- We can identify around 278 AI businesses in various sectors from various lists

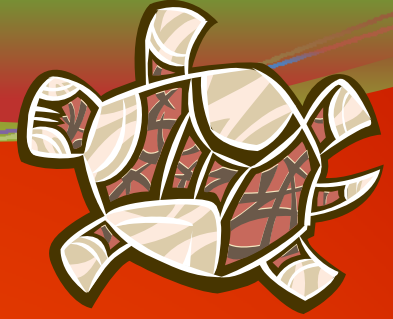
• Source: Survey of Business Owners, 2002



# Business Capital - Casinos

- Tribal gaming employs 13,000 with an annual payroll of 250 million dollars (2000 MIGA estimates)
  - Unemployment decreased significantly in reservations where casinos are located (DEED)
  - Major economic development expenditures occurred in reservations with casinos
  - Casinos – second major tourist attraction after Mall of America (MIGA estimates)
- 
- [http://www.mnindiagaming.com/template\\_info.cfm?page=4#4](http://www.mnindiagaming.com/template_info.cfm?page=4#4)

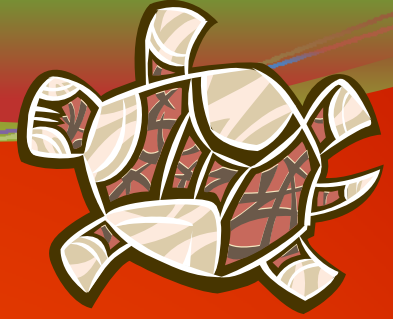




# Productive Capital

## OCCUPATION DISTRIBUTION (AI)

- Total (ACS 2007, AI all races) 32, 287
- Management/professionals 31 %
- Service 24%
- Sales and office 22 %
- Farming, fishing, agriculture 0.4%
- Construction, excavation, repair 8%
- Production, transportation.. 14%

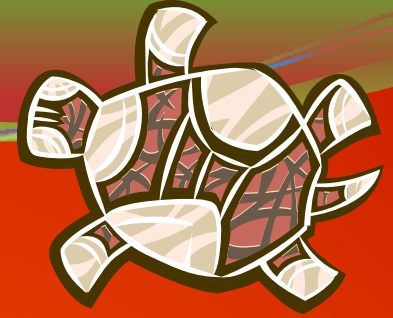


# Productive Capital

## INDUSTRY DISTRIBUTION (AI)

- Education, Health Care, Social Assistance 26 %
- Art, Recreation, Accommodation 15%
- Professional services 9%
- Retail Trade 9%
- Manufacturing 9%
- Public Administration 9%

• Source: ACS 2007

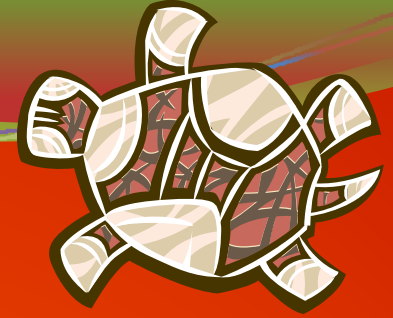


# Human Capital

## Educational Attainment (2007)

• Less than High School	16 %
• High School	35%
• Some College	34%
• Bachelor's degree	9%
• Graduate or professional degree	5%

• Source: ACS 2007



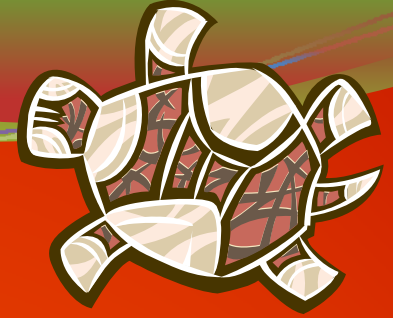
# Fiscal Capital

- 260 million dollars in personal taxes\*
- 10 million in real estate taxes\*\*

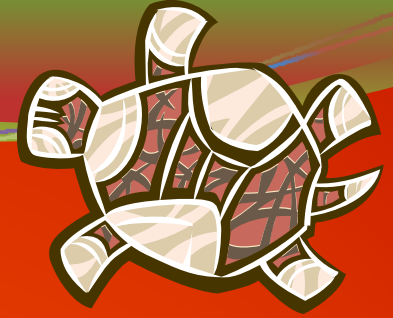
\*Assuming 77 percent live off reservations and pay 11 % state and local taxes. All pay federal income tax of 10 %

\*\* Census 2000

# Global Capital



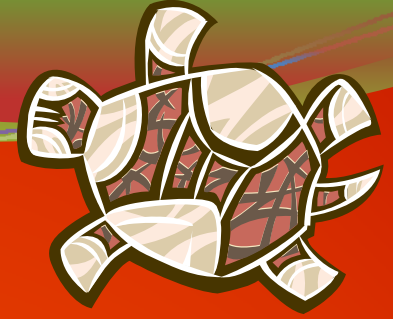
- Relations with indigenous and other people around the world. Largely untapped.
- Cultural Heritage Tourism



# Civic Capital

## American Indian Buying Power by Senate District

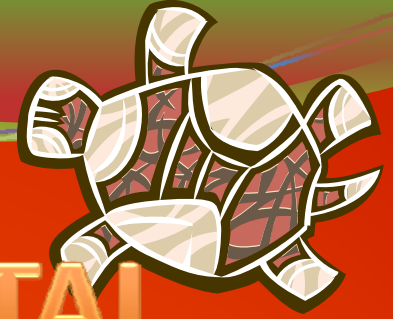
- Senate District 2 150 million dollars
- Senate District 4 111 million dollars
- Senate District 61 54 million dollars
- Senate District 8 43 million dollars
- Senate District 7 29 million dollars
- Senate District 6 24 million dollars
- Senate District 65 21 million dollars
- Senate District 9 20 million dollars



# Economic Impact

## EMSI Input Output model

- 52, 482 American Indian workers in 212 industrial sectors
- Increase of 43,000 workers in other industries
- Adds 3.2 billion dollars to earnings in the economy

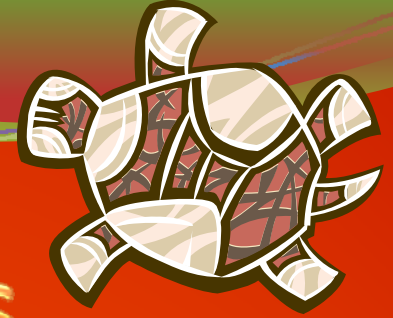


# AMERICAN INDIAN CAPITAL

THE DATA ABOVE PROVED

- AMERICAN INDIANS ARE AN ASSET TO MINNESOTA
- AN ASSET TO BE INVESTED IN AND NURTURED





# Current Conditions

ALANA BUSINESS SENTIMENT INDEX, 2008



1

2.3

3

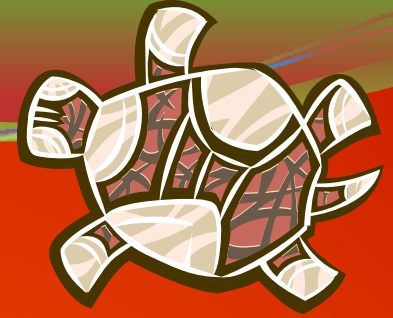
**BOOM**

**GLOOM**



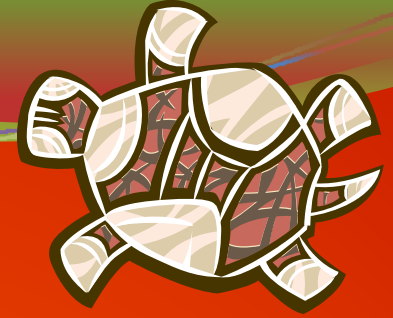
# GLOOM, RESILIENT ADAPTERS

- SOME HURTING
- LOSS OF INCOME FROM PUBLIC PROJECTS, COMPANIES
- FAMILY BUSINESSES TAKING THE BRUNT ON FAMILY MEMBERS
- SUCCESSFUL ONES IN INDUSTRIES WITH GROWTH
- SOME CHANGED COURSE TO SURVIVE
- NEW NICHE AREAS OR MARKETS



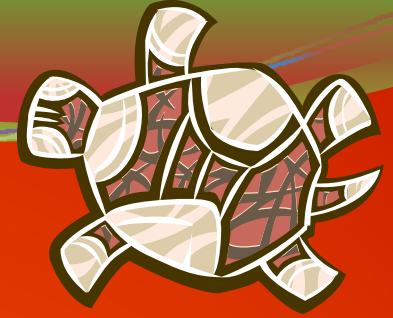
# CURRENT CONDITIONS

- FROM A DATA BASE OF 3000 FIRMS A RANDOM SAMPLE OF 140.
- FROM THIS 52 CALLS WERE MADE
- 24 RESPONSES, 16 SECTORS
- 3 NATIVE AMERICAN FIRMS



# THE FUTURE

- IT IS NOT ABOUT MORE MONEY EVEN THOUGH THIS IS IMPORTANT
- IT IS NOT ABOUT GOVERNMENT POLICY EVEN THOUGH THIS IS RELEVANT
- IT IS ABOUT BUILDING RELATIONSHIP CAPITAL
  - OUR YOUTH NEED IT TO IMPROVE GRADUATION RATES
  - OUR ENTREPRENEURS NEED IT TO SUCCEED
  - OUR LEADERS NEED IT TO BE SUCCESSFUL



# AI BUSINESSES

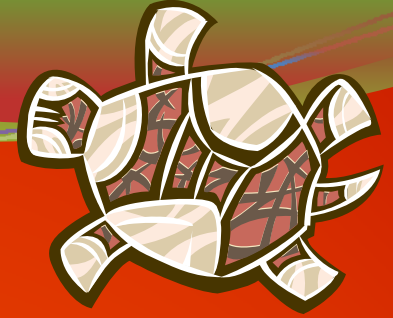
- LATEST RESEARCH IDENTIFY THE FOLLOWING FACTORS FOR ALANA BUSINESS SUCCESS
- EDUCATION
- START UP CAPITAL
- LEARNING BY DOING/MENTORING RELATIONSHIPS



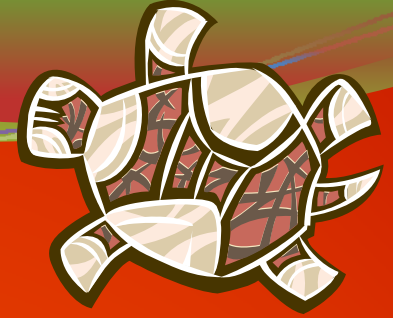
# American Indian Businesses

- More Likely to be successful
- Especially so for Female firms

# ALANA GREEN



- THE GREEN ECONOMY HOLDS PROMISE FOR THE AMERICAN INDIAN COMMUNITY
- VALUES ARE SHARED
- NATURAL RESOURCES LIKE WIND POWER
- NATIVE AMERICAN COMMUNITIES ALREADY TAKING THE LEAD



# AI GREEN STRATEGY

- VALUE BASED
- BUILDS PIPELINES FROM K TO GRADUATE EDUCATION
- DEVELOPS MENTORING RELATIONSHIPS TO GROW NEW ENTREPRENEURS
- WILL HELP GROWTH IN OTHER SECTORS





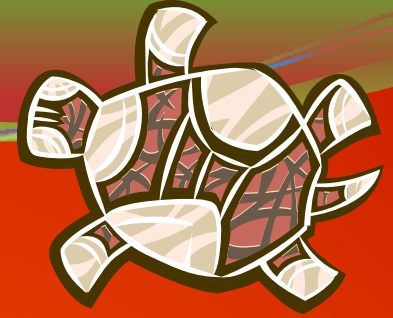
# ALANA GREEN DECLARATION

- At least 25 percent of the workers in high tech green collar jobs are from ALANA communities by 2015;
- At least 25 percent of the firms in Green Businesses are from ALANA communities by 2015;
- An intensive public education campaign on the Green Economy and its importance to ALANA communities is funded.
- Training programs to enable ALANA Businesses and workers secure green credentials are funded.



# ALANA GREEN DECLARATION

- Career track internship programs for ALANA high school and college youth are funded.
- Publicly funded green projects establish goals for ALANA youth apprenticeships and ALANA firm utilization/partnership/mentorship.
- Policy making entities at the local, state and national levels Involve ALANA representation so that they are co-creators of the green economy;
- Publicly funded green projects include a list of potential jobs and business opportunities.



# THANK YOU

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