



Blackfeet Reservation, Montana

■ OVERVIEW

Sweeping grasslands of the high plains dominate the eastern landscape of the Blackfeet Reservation in Montana. Rising westward into the rugged Rocky Mountains, the reservation's high plains reach elevations up to 9,000 feet. This breathtaking natural landscape provides an uncharacteristic backdrop for the reservation's impoverished communities. While the

reservation's remote, rural landscape is not typically associated with a geographic setting for concentrated poverty, its residents experience many of the same issues associated with concentrated poverty in urban communities, such as limited employment opportunities, high levels of welfare dependency, insufficient housing, and few services or community amenities. As one tribal housing official explained, the vast open spaces can be misleading. Some reservation neighborhoods, he said, "look like inner-city slums, just spread out over a much larger area."¹

■ BACKGROUND

The Blackfeet Reservation—home to the largest of Montana's Native American tribes, the Southern Piegan Blackfeet—is located in a remote, sparsely populated region of northwestern Montana. The reservation, which covers nearly 1.5 million acres, is larger than the state of Delaware.² It is bordered by Canada to the north and Glacier National Park to the west and encompasses much of Glacier County and the northwestern portion of Pondera County. Slightly more than 10,000 people live there, of

TABLE 1

Comparison Statistics

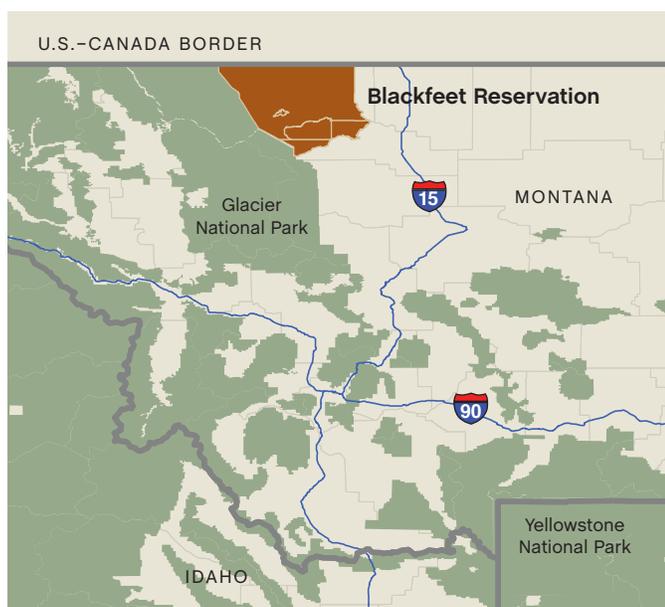
		Blackfeet Reservation	Montana non-metro
Poverty Rate	Poverty rate 1970 ^a	n/a	14.6
	Poverty rate 2000 ^b	33.8	15.3
Income	Median household income ^c	\$24,566	\$32,434
Demographics	Population 2000 ^d	10,115	573,885
	% Population change, 1970 - 2000 ^e	n/a	27.8
	Racial/ethnic composition, 2000 ^f		
	% White	13.8	89.8
	% Hispanic/Latino	1.3	1.7
	% Native American	80.6	6.5
	% Residents under age 18 ^g	38.2	25.7
	% Single-parent households ^h	20.9	7.7
	% Foreign born, 2000 ⁱ	1.9	1.8
	% Population in same house as five years ago ^j	63.3	55.1
Education	% Adults without a high school diploma, 2000 ^k	25.6	13.6
	% Adults with a college degree, 2000 ^l	13.5	23.2
	% Students proficient in reading, 2005 ^m	22.8	66.0
	% Students proficient in math, 2005 ⁿ	10.4	56.9
Labor Market	Unemployment rate, 2000 ^o	22.6	6.6
	% Adults in the labor force ^p	60.7	63.9
Housing	Homeownership rate, 2000 ^q	55.5	70.9
	% Renters with a housing cost burden ^r	31.0	48.6
	Median value for owner-occupied units ^s	\$61,518	\$94,737
	Median year structure built ^t	1976	1976
Access to Credit	% Credit files that are thin, 2004 ^u	29.0	19.4
	% Credit files with high credit scores ^v	41.8	64.8
	% Mortgage originations that are high cost, 2005 ^w	14.3	21.2
	Mortgage denial rate, 2005 ^x	41.3	18.9

whom approximately 8,500 are enrolled members of the Blackfeet tribe.³ (See Table 1)

The main community on the reservation and the seat of the tribal government is the town of Browning, where roughly half of the reservation's population lives. Yet even Browning feels isolated, not only from the other communities on the reservation but also from the surrounding region. Cut Bank (population 3,000), the closest off-reservation town, is 35 miles away; Great Falls, the closest metropolitan area, is 142 miles southeast of Browning. While the reservation does boast some geographic advantages, specifically related to tourism and ranching, it remains distant from established urban centers and the

opportunities and amenities they provide. The region's weather can be inhospitable and contributes to the sense of isolation: temperatures during winter can drop to 40 degrees below zero Fahrenheit, and winds typically blow across the plains at 50 to 60 miles per hour.

Unlike many other remote rural areas that are losing residents, the reservation's population increased almost 20 percent between 1990 and 2000, adding just over 1,600 people. This growth was a product both of in-migration and a higher-than-average birth rate.⁴ Overall, reservation residents are young, with nearly 40 percent of them under the age of 18, compared with 26 percent in Montana's non-metro areas as a whole.



In addition to having a younger population, the reservation has a poverty rate of 34 percent, significantly higher than the neighboring counties of Flathead (13 percent) and Pondera (19 percent). In the non-reservation portions of Glacier County, the poverty rate is roughly 14 percent. While the poverty rate on the reservation remains high, the 1990s saw a significant decline in the poverty rate, which was estimated at around 50 percent in 1989.⁵

The reservation's continuing high poverty rates are driven by a number of factors, not least of which is the lack of private-sector activity and jobs. The U.S. Department of Agriculture (USDA) described Glacier County's economy in 2004 as "government-dependent," with low levels of employment and significant housing stress.⁶ Public program and census data from 2000 support this conclusion. In that year, the unemployment rate on the reservation was nearly 23 percent, compared with 7 percent in non-metro Montana.⁷ Reservation households were also far more likely to receive public assistance (20 percent of households, compared with only 3 percent in non-metro Montana). Educational attainment on the reservation is also low. In 2000, one-quarter of the adult population lacked a high school diploma or equivalent, nearly double the 14 percent rate in rural Montana as a whole.

The Blackfoot Reservation also faces significant housing problems, similar to those in many other Native American communities.⁸ The homeownership rate on the reservation was 56 percent in 2000, at least 15 percentage points lower than the state overall. Housing conditions are

also poor. According to the USDA, at least 30 percent of the reservation's households lived in housing that lacks complete plumbing and/or kitchen facilities.⁹ Overcrowding is also prevalent on the reservation.¹⁰

■ ISSUES TO CONSIDER

Our analysis of publicly available data, along with interviews of residents and stakeholders, suggests that the reservation's remote location and institutional development—namely, the federal management of trust land and the tribe's governance structure—have impeded economic development there.¹¹ Inadequate housing is also an issue that many residents raised in interviews. These three issues—governance, economic development, and housing—are explored below.

Governance

Federal policies and political reforms that sought to impose a governance structure on the reservation and manage reservation lands helped to shape the current poverty conditions there in two important ways.¹² First, the passage of the Indian Reorganization Act (IRA) in 1934 made significant changes in the tribal leadership structure.¹³ The IRA established both a constitution and a tribal council, both of which were alien to the non-hierarchical, inclusive leadership models that the Blackfeet had traditionally followed. This tribal council structure, which remains in force today, bears responsibility for a significant share of reservation activities, serving as both the executive and legislative bodies of the tribe and overseeing all economic and social welfare programs.



The remote Blackfoot Reservation, encompassing an area larger than the state of Delaware, is home to some 8,500 members of the Southern Piegan Blackfeet tribe.

The tribe's IRA constitution may have been adequate when it was adopted, but its separation of powers is not strong enough to meet the complex responsibilities of the current tribal government and economy, according to many interviewees. This has limited economic development on the reservation by creating an uncertain business environment for private-sector investment. For example, policies that originated with a particular tribal council or council member are sometimes rescinded if that council is not re-elected. The council can also intervene in the tribal court's decisions because there is no official, mandated separation between the court and the council. Knowing that the council can influence or overturn the court's decisions makes lenders and investors wary. "Banks won't sign a contract that's made on the reservation," noted one tribal elected official. "The lenders believe it's better to sign contracts off the reservation because they are more protected; they're covered by state law and not tribal law."

Second, the compulsory system of reservation land and resource management, which has been in effect on the reservation since the late 1800s, gives management responsibilities to the Department of the Interior, which holds roughly two-thirds of the reservation's land in trust for the tribe or individual members. Land held in trust cannot be sold or encumbered by a lien unless the transaction is first approved by the Bureau of Indian Affairs (BIA), often a lengthy undertaking. This legacy of trust land management continues to influence the reservation's economy in many ways, including on land's availability as an asset for economic and housing development. One community development leader called it "an old dinosaur system that's supposed to be the guardian of Indian people." She stated that "all of our land and assets were given to the Department of the Interior to manage, and we had no access to our assets. People could not get any type of loan using the land as collateral." While opinion varies about how trust land should be managed, there is general agreement on the importance of protecting Indian land and sovereignty.

Economic Development

The reservation's lack of economic development and limited employment opportunities are more recent challenges. Several residents interviewed recalled that, before the 1970s, the reservation had a viable and vibrant economy, with several grocery stores, two drugstores, hotels,

a car dealership, a skating rink, and numerous other small businesses. According to one tribal official, most of the businesses that the tribal government acquired following the passage in 1975 of the Indian Self-Determination and Education Assistance Act eventually failed or contracted partly because the tribe lacked the necessary financial resources and capacity to operate them.¹⁴

With so few businesses on the reservation today, residents have limited access to goods and services. Noted one, "It can take four hours round-trip to go grocery shopping." Interviewees described the modest grocery store in Browning—the only one located on the reservation—in less than favorable terms for its perceived high prices and mediocre food quality. Other retail businesses, such as automobile repair, clothing, and hardware stores, are few or non-existent. Some interviewees reported making round trips of nearly 300 miles to Great Falls to buy groceries and other goods at Wal-Mart and other discount stores.

The lack of private enterprise also limits job opportunities on the reservation. Interviewees described an economy where many employment opportunities stem from federal programs. Employment in government agencies—both tribal and federal—amounts to approximately 1,800 jobs on the reservation, with the tribal government providing 800 of them.¹⁵ The largest private employer is the non-Indian-owned grocery store in Browning, which employs 49. The reservation has approximately 60 other privately owned businesses. In total, however, these businesses create too few job opportunities for residents, and many of the jobs that exist on the reservation pay low wages. Furthermore, some residents reported encountering additional barriers, including discrimination, when looking for off-reservation employment.

Interviewees expressed a number of reasons for the lack of private Indian-owned enterprises. One of the greatest barriers to establishing a business is the lack of access to credit and capital. In particular, interviewees noted that the trust status of tribal land hinders business development by making it difficult to mortgage land or buildings, to get business start-up capital, or to use equity in non-business property for financing.¹⁶ One business owner said that after 33 years of running his business, he still cannot get an operating line of credit because he lacks collateral. Getting loans that require equity up front is especially difficult. "It's easier to not have to borrow at all," he stated. A local bank director pointed out that poor credit scores¹⁷ are a major problem not only for consumers, but also for potential entrepreneurs on the reservation,

and that financial education and credit counseling could improve their creditworthiness.

Numerous other barriers to business development on the reservation also exist, ranging from inadequate infrastructure to the absence of zoning and building codes. For instance, the reservation lacks adequate buildings for commercial ventures, and the main street in Browning is a checkerboard of private and trust lots with a substantial number of vacant or underutilized buildings. The lack of viable commercial space is now being addressed through a new lot policy, which requires lot owners to establish a code-conforming business within three years; if nothing has been built within that period, another potential business may bid on the land. While this policy holds promise, a community member noted that it is essential that initiatives such as this remain in place beyond the expiration of a particular tribal council member's term.

Tribal institutions and community values also act as barriers to economic development, according to several interviewees. For example, some Native American business owners felt that they would be violating accepted social norms if they created independent sources of income or wealth. As one community development leader noted, "If you're a private business owner, you're seen as being rich." Another interviewee maintained that, at times, a conflict between the values of community sharing and those of individual wealth accumulation has influenced tribal bodies' decisions. She noted that in the past, the tribal council has sometimes intervened in tribal court rulings and other proceedings by deciding that those with greater means should provide goods or services to those with less, regardless of the material facts of the case. The resulting uncertainty has negatively affected prospective business opportunities. However, she acknowledged that in recent years, the tribe has been taking steps toward establishing a more consistent and business-friendly climate and promoting collaboration among agencies on the reservation. One such collaboration is Forward Blackfeet, an initiative driven by individuals and groups on the reservation that aims to advance the tribe economically in part through the creation of partnerships among Blackfeet's different development entities.

Efforts are also under way to increase job opportunities on the reservation. The recently established Blackfeet Manpower program, for example, is creating employment partnerships with employers and businesses both on and



Much of the reservation's housing is substandard, owing in part to residents' lower incomes, the region's harsh climate, and a complicated land-trust system that hampers housing development.

off the reservation. One of its projects involves Glacier National Park, a spectacular and hugely popular tourist destination that shares a border with the reservation. The U.S. Department of the Interior is the major federal government employer for the park; Glacier Park Industries (GPI) is a private, seasonal employer that operates all the hotels in the park on both the Canadian and Montana sides. In a turnaround from previous years, the Blackfeet Manpower program is now working with GPI and other private-sector employers to recruit employees from the reservation. The program director reported that as of March 2007, employers had already interviewed and hired 150 Blackfeet residents for positions at all levels for the year's tourist season, which runs from early April until mid-October.

Housing

The reservation's weak economy, coupled with residents' low incomes, has had a negative impact on the number and quality of homes built on the reservation. A tribal housing official stated that residents' low income "prohibits development of housing at all levels and affects every aspect of life." As a result, the housing stock, both public and private, is generally substandard, and the many manufactured and mobile homes on the reservation do not hold up well in the harsh climate.

Several banks, located on or adjacent to the reservation, offer residents basic financial services.¹⁸ One major factor affecting the quality and quantity of housing on the reservation has been a lack of mortgage financing. Residents and community leaders noted that residents' lower incomes and poorer credit files discourage lenders

from offering mortgages, as does the trust status of a significant portion of reservation land. Access to credit remains a significant challenge on the Blackfeet Reservation, limiting both homeownership and opportunities for housing development. According to a comprehensive study by the Fannie Mae Foundation, the volume of housing credit activity on the Blackfeet Reservation is low compared with the U.S. Nationwide, there were 367 mortgages per 1,000 occupied housing units in 2000; on the Blackfeet Reservation, the comparable figure was 122.¹⁹ Moreover, denial rates for mortgage loans on the reservation were significantly higher than in rural Montana as a whole.

Housing maintenance and specific environmental problems are also concerns for the tribe. Some of the properties require environmental remediation because of past contamination. In addition to external environmental problems, a 2004 study by the U.S. Department of Housing and Urban Development (HUD) documented mold and moisture problems in the public housing stock on several reservations, including Blackfeet.²⁰ In 2004, substandard housing conditions combined with mold prompted several homeowners to file a civil suit against HUD and the Blackfeet Housing Authority (BHA) for damages.

Many of those interviewed identified both underutilization of public programs and federal funding cuts as important issues that further worsen the substandard housing situation. For example, programs that help borrowers finance homes, such as HUD's Section 184 Loan Guarantee Program,²¹ are often underutilized because of a lack of qualified participants. Federal funding cuts caused a former tribal-sponsored down payment program to end. Similar cuts have also affected the BHA's ability to maintain its properties.²²

There have been some recent signs of improvement in housing conditions on the reservation. The BHA recently completed four rental housing projects using low-income housing tax credits and has engaged several supportive financial partners to help develop a multimillion-dollar line of credit for the tribe for housing development. BHA expects to make the line of credit available for use in the next two years.

■ CONCLUSION

Recent poverty interventions on the reservation have focused on addressing key issues in tribal governance and land status, as well as the current shortage of jobs and

housing opportunities for residents. There are signs that the tribal government recognizes the need to address governance concerns. In 1999, the tribe chartered the Siyeh Corporation to independently manage some of its enterprises. The corporation's bylaws insulate it to a large degree from the influence of the tribal council. Several tribal members mentioned plans for a constitutional reform referendum in the near future. Nationally, discussions between tribes and the federal government have been under way for some time in an attempt to resolve the multifaceted issue of trust land management. In addition, Fannie Mae recently began to support leasehold mortgage lending on reservations as one way to address trust land concerns.

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Endnotes

- 1 Interviews for this case study were conducted on the Blackfeet Reservation between February and March 2007. Because of the sensitive nature of many of the discussions, interviewees requested that their responses remain anonymous.
- 2 The Southern Piegans Blackfeet Tribe is historically one of four branches that make up the loose confederacy of the Blackfeet Nation. The other branches are now located on reservations in southern Alberta, Canada.
- 3 For more information on the Blackfeet Tribe, see John C. Jackson, *The Pikani Blackfeet: A Culture Under Siege* (Missoula: Mountain Press Publishing Company, 2000). Manataka American Indian Council, "The Blackfeet Nation," available at http://www.blackfeetnation.com/Home%20Page/history_of_the_blackfeet.htm. "History of the Blackfeet Tribe," available at <http://www.neokistomi.com/aboutus.html>. Edward S. Curtis, "The North American Indian," Northwestern University Digital Library Collections, 2004, available at <http://curtis.library.northwestern.edu/>.
- 4 U.S. Census Bureau, Census 2000; and Montana Department of Public Health and Human Services, Vital Events Statistics by County, 2005, available at <http://www.dphhs.mt.gov/statisticalinformation/vitalstats/index.shtml>.
- 5 U.S. Census Bureau, Censuses 1990 and 2000.
- 6 U.S. Department of Agriculture, "Rural County Typologies 2004," available at http://www.ers.usda.gov/Data/TypologyCodes/2004/all_final_codes.xls (accessed November 29, 2007).
- 7 A number of different data sources offer divergent statistics about employment conditions on the reservation. Each of these sources uses different definitions and techniques to calculate rates, making it more difficult to determine truly representative figures. What is clear, however, is that unemployment on the reservation is far higher than the 7 percent rate seen in Montana's non-metro areas overall.

- 8 See, for example, Housing Assistance Council, "Taking Stock: Rural People, Poverty, and Housing at the Turn of the 21st Century" (Washington, DC: Housing Assistance Council, 2002).
- 9 The USDA defines housing stress counties as those in which at least 30 percent of households had one or more of these housing conditions in 2000: lacked complete plumbing, lacked complete kitchen, paid 30 percent or more of income for owner costs or rent, or had more than one person per room.
- 10 David Listokin, Robin Leichenko, and Juliet King, *Housing and Economic Development in Indian Country: Challenge and Opportunity* (Washington, DC: Fannie Mae Foundation, 2004).
- 11 The barriers to economic development on reservations have been more broadly defined by scholars; see Stephen Cornell and Joseph Kalt, "Reloading the Dice: Improving the Chances for Economic Development in American Indian Reservations," Joint Occasional Papers on Native Affairs, No. 2003-02, The Harvard Project on American Indian Economic Development, John F. Kennedy School of Government, Harvard University. Stephen Cornell and Joseph Kalt, "Sovereignty and Nation-Building: The Development Challenge in Indian Country Today," PRS 98-225, The Harvard Project on American Indian Economic Development, Harvard University.
- 12 For more information about how federal policies have influenced Indians and Indian reservations, see Felix S. Cohen, *Handbook of Federal Indian Law* (Washington, DC: United States Government Printing Office, 2005), and *American Indian Policy: Self-Governance and Economic Development*, Lyman H. Legters and Fremont J. Lyden, eds. (Westport, CT: Greenwood Press, 1993).
- 13 One goal of the IRA was to establish an optional governance structure for the reservation that could make authoritative decisions on behalf of the tribe, particularly those decisions involving dealings with the U.S. government and those regarding the leasing of land and resources to non-Native people.
- 14 In 1975, Congress passed the Indian Self-Determination and Education Assistance Act, which allowed tribal governments to contract and compact with the federal government to directly administer services to its members, including law enforcement, social services, road maintenance, health services, education, and forestry, with federal funding that had previously been provided directly by federal agencies. The act empowered tribal governments effectively. As a result, some non-Indian business owners on the Blackfeet Reservation may have been reluctant to renew leases or to continue to do business there because of the uncertainty about possible land-use policies, preferences, and actions that might arise from the newly empowered tribal government.
- 15 The tribe owns and operates seven farms and ranches, a casino, and the Blackfeet Bison program. Other major employers on the reservation include the Browning public schools, the tribally owned Siyeh Corporation, Indian Health Services, Bureau of Indian Affairs, Blackfeet Housing Authority, and Blackfeet Community College.
- 16 While leasehold mortgages on trust property exist, the process, which requires federal government approval, is burdensome.
- 17 Credit score data for December 2004 obtained by the Federal Reserve Bank of Minneapolis support this claim. A sample of credit files for reservation residents reveals that close to one-third have a low credit score.
- 18 A branch of Native American Bank is located within the reservation in the town of Browning. Off the reservation, the First State Bank of Shelby, U.S. Bank, and Wells Fargo Bank are located 60 miles east of Browning in the town of Shelby. In addition, Bank of Glacier County and Stockman Bank of Montana are located in the border town of Cut Bank.
- 19 Listokin, Leichenko, and King, "Housing and Economic Development in Indian Country."
- 20 U.S. Department of Housing and Urban Development, "Mold and Moisture Problems in Native American Housing on Tribal Lands: A Report to Congress," 2004.
- 21 The Section 184 Indian Home Loan Guarantee program is a mortgage product specifically for American Indian and Alaska Native families, tribes, Alaska villages, or tribally designated housing entities. Congress established this program in 1992 to facilitate homeownership among Native Americans by reducing the credit and collateral risk on trust land compared with that on loans for properties located off reservations.
- 22 This focuses specifically on current cuts that the BHA's director identified for specific programs that he directs. For more information on this trend over time, see Paul Stuart, "Financing Self-Determination: Federal Indian Expenditures, 1975-1988," *American Indian Culture and Research Journal* 14(2) (1990): 1-18.

