

RESEARCH NOTE

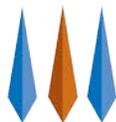
Research Note #1: December 2016

The Economic Impact of Tribal Colleges in the Northwest Area Foundation Region

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I. Introduction

Tribal colleges and universities (TCUs) represent a unique set of institutions in the Native-led nonprofit sector. They are often located directly on reservations and provide a vital service on these reservations - education. But they also provide many contributions to community economic development through employment, programs and services, and cultural preservation.

This *Research Note* provides a review of existing research related to the economic and community development impact of TCUs, drawing from reports produced by the American Indian Higher Education Consortium (AIHEC) over the past 16 years. In addition, we use a unique data set from the IRS to measure the economic impact of tribal colleges in the Northwest Area Foundation region.¹ Some key findings include the following:

1. **Over Half of All Tribal Colleges and Universities in North America are Located in the Northwest Area Foundation Region.**
 - a. Nineteen tribal colleges and universities who are members of AIHEC are located in the region.
 - b. This accounts for 51% of all AIHEC members.
 - c. There are many additional affiliate campuses located in the region, including Lower Brule Community College, Red Lake College, and Spokane Tribal College.

¹ First Nations Development Institute received funding from the Northwest Area Foundation to perform research on the impact of TCUs in their service region: Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota, and Washington.

- d. In addition, many TCUs have regional campuses serving other reservations in the area.
2. **Tribal Colleges and Universities Have a Significant Economic Impact on Reservation-Based Native Communities in the Northwest Area Foundation Region.**
- a. Tribal colleges and universities in the region employ a total of 4,275 people.
 - b. Tribal colleges and universities in the region and their associated foundations brought in more than \$217,517,072 in average revenue between 2010 and 2011.²
 - c. Tribal colleges and universities in the region and their associated foundations accounted for more than \$285,431,536 in assets.³
 - d. Research by the American Indian Higher Education Consortium suggests that TCUs contribute to sustainable economic development by providing a skilled workforce on reservations.
 - e. Research by the American Indian Higher Education Consortium suggests that TCUs encourage entrepreneurship and small business development through a range of programs and services.
3. **Tribal Colleges and Universities Contribute to Job Creation and Financial Capability Through a Variety of Programs.**
- a. Research by the American Indian Higher Education Consortium suggests that TCUs contribute to job creation and financial capability through a range of programs and services including entrepreneurship programs, financial education programs, and sector specific employment training.
 - b. Several tribal colleges and universities in the region are partnering with CDFIs to offer financial education classes and entrepreneurship training.

II. THE IMPACT OF TRIBAL COLLEGES IN NATIVE COMMUNITIES

In 1999, the American Indian Higher Education Consortium (AIHEC) released a report titled “Tribal Colleges: An Introduction.”¹ This report provided a general overview of the state of TCUs at the end of the 20th century and their defining characteristics. At the time of the 1999 report, there were 31 TCUs, of which the Northwest Area Foundation’s region had the majority (19).⁴ AIHEC concluded that the 31 TCUs had the following characteristics in common: a) they were young (all younger than 25 years at the time of the report), b) they had small student bodies predominately comprised of Native American students, c) they were located in remote, rural reservation communities removed from higher education

² Data were available for 18 of the 22 TCUs (AIHEC members and affiliated campuses); as such this figure underestimates the total revenue for all TCUs in the region. Data reflect a 2 year average (2010-11) from the organizations’ Form 990.

³ Data were available for 18 of the 22 TCUs; as such this figure underestimates the total assets for all TCUs in the region. Data reflect a 2 year average (2010-11) from the organizations’ Form 990.

⁴ In addition, there are several colleges in the region that are affiliated with other TCUs such as Lower Brule Community College (affiliated with Sinte Gleska University), Red Lake College (affiliated with Leech Lake Tribal College), and Spokane Tribal College (affiliated with Salish Kootenai College), and several regional campuses serving other reservations (such as the satellite campuses of Northwest Indian College).

alternatives, and d) they were generally chartered by tribes but are now separate entities. The report pointed out that all the TCUs were guided by a dual mission of a) providing culturally appropriate and unique curricula, and b) providing traditional courses that are easily transferable to four year colleges/universities.

The report also highlighted some general demographic, enrollment, and funding information. AIHEC found that based on data between 1990 and 1996, TCUs experienced a much more rapid increase in American Indian enrollment (62%) compared to American Indian enrollment in other colleges (36%). In contrast to the typical age range of 18-24 at mainstream colleges, AIHEC discovered that the average age for a TCU student was 31.5 and estimated that single parents made up over half of the student body. Finally, the report indicated that like the larger nonprofit sector in Indian Country, TCUs rely most heavily on federal funding to cover operational costs. Similar to all nonprofits in Indian Country, tribal gaming revenues are rarely used as a reliable source of funding.

TRIBAL COLLEGES AS DRIVERS OF ECONOMIC DEVELOPMENT

In 2000, AIHEC issued a report titled, "Tribal College Contributions to Local Economic Development."ⁱⁱ This report examines the multiple ways in which TCUs boost the local reservation economy and create avenues for sustainable development. The report first highlighted the *immediate* impact that TCUs provide by way of spending and providing employment. On average, AIHEC found that

Staff at the Chief Dull Knife College Cooperative Extension Program are providing a range of programs and services for students. They are offering an IDA program and weekly financial education classes. They also offer financial coaching and children's savings accounts for interested students.

TCUs employed 81 people, including 44 fulltime staff and 22 fulltime faculty, in 1995. Through employment, TCUs paid faculty and staff \$2.1 million in salaries and benefits during Fiscal Year 1996. In addition, TCUs promote spending on food, travel, and other expenses by faculty and staff, students, and visitors. In total, TCUs stimulate a variety of economic activity that keeps money in the local reservation community.

While it is clear that tribal colleges make an immediate impact through employment and expenditures, AIHEC's report argues that TCUs also make contributions that are more long term and contribute to sustainable economic development. First, TCUs considerably improve the workforce in the local reservation community by tailoring curricula to match the needs of the reservation community. For example, there could be a demand for experts in the field of agriculture and the local TCU will design farming courses and/or degrees to meet the need. Secondly, AIHEC argues that the improved workforce increases earnings and the

The Cooperative Extension Program at Northwest Indian College provides many financial capability programs both on and off campus. They offer a Summer Bridge Camp for local youth that includes a range of financial education lessons. They also offer an orientation class for incoming students at the college that helps them learn budgeting and money management. The business department at Northwest Indian College works closely with the local CDFI and Lummi Gateway Center to support local entrepreneurs with coaching, financial education, and business planning.

employment rate on the reservation. They point to a study that demonstrates a positive correlation between the presence of TCUs on reservations and the average income of residents in the community. Similarly, some data indicated that median incomes grew more steadily in communities with TCUs than other reservation communities (while poverty grew 22% more on reservations without TCUs).

Lastly, preliminary case studies highlighted in the report make a case that graduates are more likely to be employed than their peers without degrees in their communities.

The AIHEC report also finds that TCUs encourage entrepreneurship and small business development. Most notably, TCUs offer business and management courses and some also house small business centers where students and community members can develop business models with coaching from experienced faculty and staff. Additionally, many TCUs specialize in providing state-of-the-art agricultural and land development programs. For many reservation communities, land and available natural resources are the most valuable asset. To accommodate the protection and prudent use of this asset, TCUs offer a variety of courses in land management, support sustainable practices through the use of green technologies, and provide the local community with technical assistance.

TRIBAL COLLEGE'S COMMITMENT TO THE LARGER RESERVATION COMMUNITY

A report that AIHEC produced in 2001, "Building Strong Communities: Tribal Colleges as Engaged Institutions,"ⁱⁱⁱ illustrates that TCUs contribute to community development beyond just their campuses. TCUs continually deliver a variety of services to all ages throughout the surrounding community. Between the 2003-2004 and 2009-2010 academic years, AIHEC reports that TCUs served 19,070 students, and estimated they served almost an additional 47,000 community members.

To address the historically high dropout rates and poor educational attainment in schools on reservations, many TCUs provide educational programs or assist outside programs with design and implementation from pre-K to high school. In 2001, 40% of TCUs offered some type of pre-school program and many offered early intervention programs like Head Start, as well as support services for at-risk youth and teens. Additionally, almost all TCUs work with elementary and secondary schools to establish good relationships, while also partnering to offer courses for college credit. In addition to

providing services for students, TCUs deliver ongoing teacher education programs with the goal of creating role models for Native youth. Many TCUs have also developed partnerships with nearby 4 year colleges and universities to create a bridge for students wishing to pursue a Bachelor's degree in education.

The 2001 report also discusses the variety of ways tribal colleges help protect the health and wellness of their communities. At the time the report was released, 60% of all TCUs had counseling and treatment programs available for individuals and families struggling with alcohol and/or substance abuse. Many TCUs also house updated fitness facilities and wellness centers for community members to stay active and healthy, both mentally and physically. Furthermore, TCUs that have nursing and other health degrees available generally have a variety of medical offices on site where community members can receive medical treatment.

Tribal colleges also play an important role in cultural preservation and community building. One of the founding principles of tribal colleges is to preserve the cultural identity of students and their communities. Many tribal colleges offer museums and other spaces to showcase cultural artifacts. Tribal colleges often contain expansive libraries that function as an archive of tribal history. These exhibition and archival spaces can be quite expansive; for example, Haskell Indian Nations University has a 3,000 square foot facility and the Institute of American Indian Arts has a 4,400 square foot building to serve these functions. Moreover, TCUs have language preservation courses for all ages and provide a space for speakers and a variety of performers. Lastly, tribal colleges support a Native American faculty that is able to conduct research and generate new knowledge from an indigenous perspective. Faculty members and their students have a creative environment in which to study and disseminate information that is pertinent to the development and preservation of traditional culture.

THE CURRENT STATE OF TRIBAL COLLEGES

Excluding the one tribal college in Canada, the number of Tribal Colleges has increased 19% from 31 to 37 between 1999 and 2010. In the fall of 2010, TCUs served a total of just over 19,000 students and AIHEC estimates that nearly 47,000 additional community members were served through a variety of programs.^{iv} Student bodies range in size among the colleges, from less than 50 students to more than 2,000. Between the 2003-2004 and 2009-2010 academic years, the number of degrees earned annually increased 16%. Additionally, community education programs grew 84% through farming classes, literature classes, health and wellness courses, and leadership development seminars.

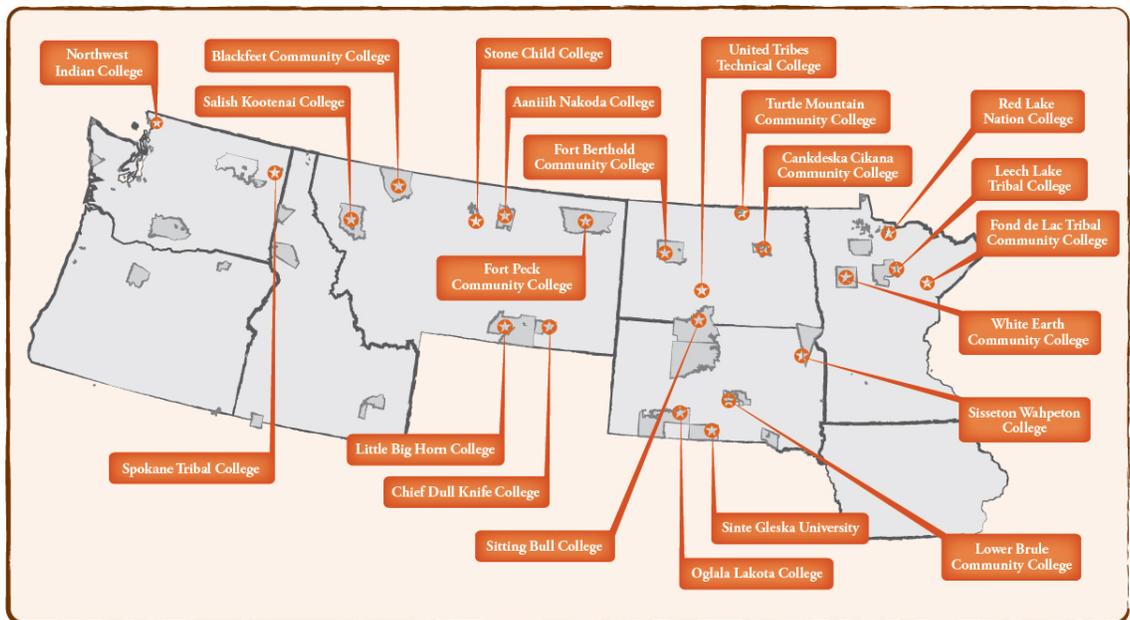
As of the 2009-2010 academic year, there were 358 unique degrees, certificates, diplomas, and apprenticeships in 36 different major disciplines throughout the tribal college system. The 2009-2010 enrollment data indicate that liberal arts were the most popular degree programs, with 23% of students selecting these majors. Health related majors had the second highest proportion (13%), followed by vocational/career degrees (12%), and business (11%).

Female students have always comprised the majority of the student body at Tribal Colleges but between 2003-2004 and 2009-2010, the percentage of female students dropped from 67% to 63%. Still, 72% of

all Bachelor’s degrees and 66% of all Associate’s degrees awarded in 2010 were earned by women. Degree-

seeking Native American student enrollment grew 12% during that period, and American Indians made up 84% of all students enrolled in tribal colleges in the 2009-2010 academic year. AIHEC also points to the significant decrease in first generation students from 83% to 62% from 2003-2004 to 2009-2010, explaining that for the first time, multiple generations in families are seeking higher education. It is likely that the number of services offered by TCUs to students and their families is helping to facilitate multigenerational degrees in families. The percentage of Native American faculty instructing at TCUs has steadily increased since 1999. In 1999 30% of TCU faculty was American Indian, during the 2003-2004 academic year it increased to 40%, and grew to 46% during the 2009-2010 academic year.

AIHEC explains that TCUs attempt to keep student costs as low as possible to reduce the need for and utilization of financial aid. TCUs offer tuition rates at a fraction of what it costs elsewhere, averaging only \$100 per credit (around \$2,500 a year). Still, 76% or about 14,000 TCU students received Federal Pell grants in 2009-2010, totaling more than \$49 million. About 6,000 students received a tribal scholarship, totaling about \$14 million, and about 3,500 students had scholarships from the



Tribal Colleges in the Northwest Area Foundation Eight-State Region

American Indian College Fund, amounting to around \$4 million.^v

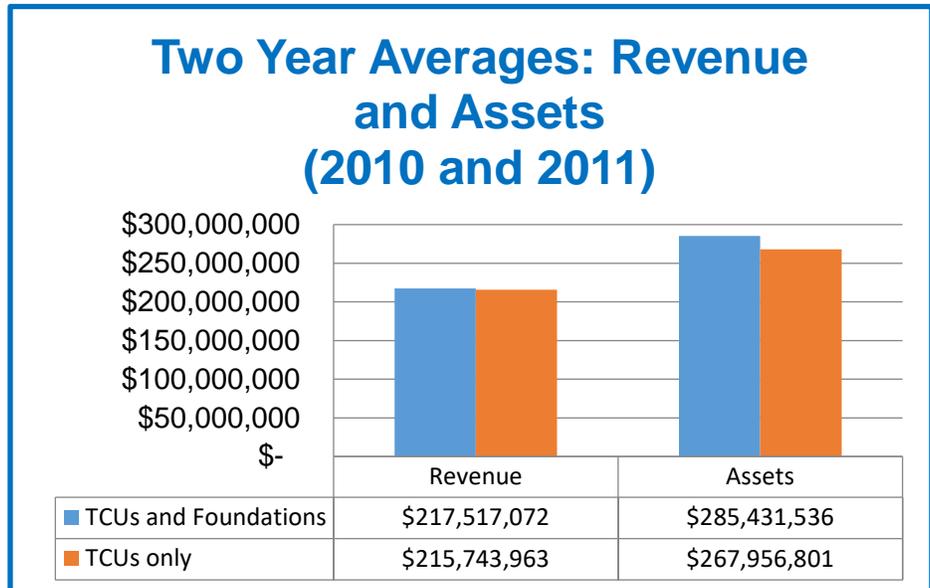
III. TRIBAL COLLEGES IN THE NORTHWEST AREA FOUNDATION REGION

Most tribal colleges in the Northwest Area Foundation region are 501(c)(3) nonprofit organizations, and as such, are important institutions in the Native-led nonprofit sector. Due to the importance of tribal colleges in the eight-state region, we accessed a unique dataset to better understand the economic contributions of these organizations. We looked at data for a total of 22 TCUs (including affiliate campuses) located in the region. These colleges served 11,019 students during the 2009-2010 academic year. Between the 2003-2004 and 2009-2010 academic years, three of the TCUs in the Northwest Area Foundation’s region – White Earth Tribal and Community College, Sitting Bull College, and Leech Lake Tribal College – experienced an increase of over 30% in enrollment.

DATA AND METHODS

In order to assess the economic contributions of TCUs in the Northwest Area Foundation region, First Nations Development Institute compiled financial and other data on TCUs in the area. We accessed financial data that are available on the IRS tax Form 990 for all TCUs from the latest year that most of the TCUs filed, 2012. These data were accessed using the GuideStar website.^{vi} The Form 990s provided data for 2010 and 2011 including revenue, assets, and income. It also provided

information on the number of employees. Having financial data for two years allowed us to compute two year averages to avoid reporting numbers from one year that were not representative of an organization’s average



resources. We also acquired Form 990 data for any charitable foundations associated with tribal colleges, such as the Northwest Indian College Foundation, Inc. Additionally, we utilized the American Indian College Fund’s (AICF)^{vii} website to gather figures for enrollment, faculty, and degrees awarded for all TCUs in the region. There were some cases where Form 990 or AICF data were unavailable or incomplete.⁵ To compensate, we consulted data provided by US News and World Report,^{viii} as well as institutional assessment data from official TCU websites. Below, we present data on average figures and aggregate numbers for TCUs in Northwest Area Foundation’s region including revenue, assets, faculty and staffing, student enrollment, and degrees awarded.

ANALYSIS

We were able to collect Form 990 data for 18 TCUs and 4 supporting foundations.⁶ All the

⁵ This is sometimes an issue for TCUs that are chartered through another TCU and reliable data is not collected and/or reported. In addition, data are not available from Sinte Gleska University because the University has not filed a Form 990 since 2011. Furthermore, Sisseton

Wahpeton College, Little Big Horn College, and Fort Berthold Community Colleges did not have Form 990s on file in GuideStar later than 2003.

⁶ There were no 2012 Form 990s for Little Big Horn College, Fort Berthold Community College, Sinte Gleska

following financial information reflects a two year average of 2010 and 2011 data.

REVENUE

The two year average for total aggregate revenue received by the TCUs and foundations for which we have data was \$217,517,072 with an average revenue of \$9,887,140. When removing the four foundations, total revenue as \$215,743,963 with an average revenue of \$11,985,776.

TOTAL ASSETS

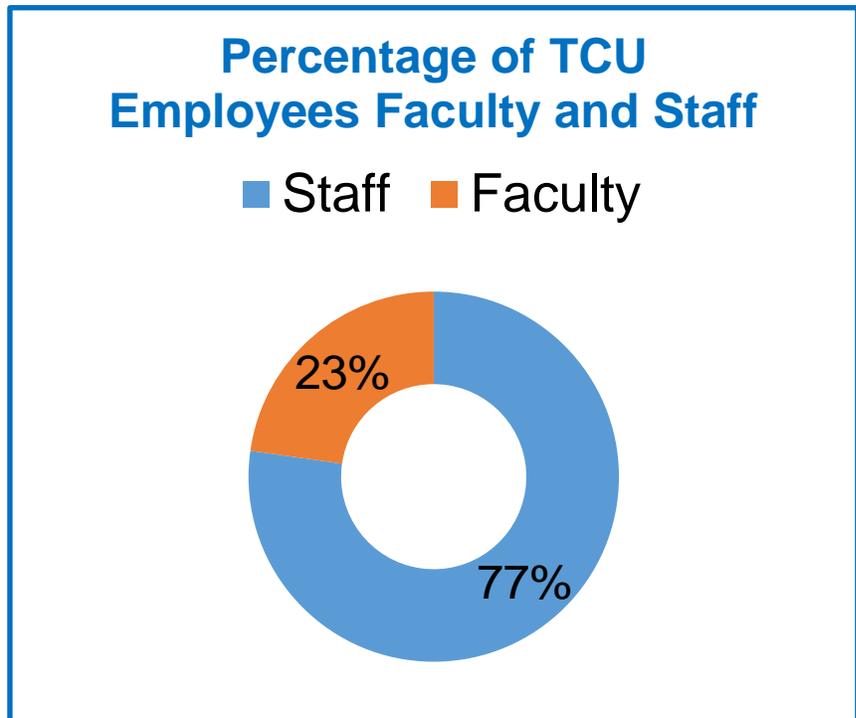
The two year average net assets for TCUs and foundations for which we have data was \$285,431,536 with an average of \$12,974,160. If the total assets for the four foundations are removed, the two year average was \$267,956,801 with an average of \$14,886,489. The data demonstrate that, in general, TCUs in the Northwest Area Foundation’s region are financially healthy and have a relatively large pool of resources to draw from.

FACULTY, STAFF, AND STUDENT INFORMATION

Total paid employees reported on the Form 990 captured information for the preceding year, and as such, the following data represents a snapshot of faculty and staff for 2011. Tribal colleges and supporting foundations who submitted a 2012 Form 990 reported employing a total of 4,275 individuals with an average of 204 people per organization. AICF data

Tribal colleges and universities in the Northwest Area Foundation 8-state region (and their corresponding foundations) brought in a total of \$217,517,072 in revenue and have \$285,431,536 in assets.

illustrates that roughly 973, or 23%, of those employed are faculty. The average number of faculty per TCU is 54 with a range of 12 faculty (White Earth Community College) to 191 faculty (Oglala Lakota College).



According to AICF data collected during the 2009-2010 or 2010-2011 academic years (this varied by TCU), TCUs in the Northwest Area Foundation’s region enrolled a total of nearly 16,000 students. The average student enrollment for the TCU in the region was 833 students, ranging from 121 (White Earth Community College) to nearly 2,500 (Sinte Gleska University).

Tribal colleges in the in the Northwest Area Foundation 8-state region employ a total of 4,275 individuals and enrolled nearly 16,000 students.

DEGREES AWARDED

Tribal colleges in the Northwest Area Foundation region offer Associate’s degrees, certificates, and some offer Bachelor’s and

University, or Sisseton Wahpeton College. Foundations represented in the analysis include Northwest Indian College Foundation, Salish Kootenai College Foundation,

Elsie Medd James Medd Fort Berthold Community College Trust, and Fond du Lac Tribal and Community College Foundation.

Master's degrees. In the year of most current data available through the American Indian College Fund, 2010,⁷ six TCUs conferred Bachelor's degrees – Northwest Indian College (2), Salish Kootenai College (37), United Tribes Technical College (11), Sitting Bull College (15), Oglala Lakota College (45), and Sinte Gleska University (25) – and two schools awarded master's degrees – Oglala Lakota College (7) and Sinte Gleska University (11). In total, 135 Bachelor's degrees and 18 Master's degrees were awarded. During that year, over 1,000 Associate's degrees were conferred, with schools averaging just about 55 each in 2010.

IV. CONCLUSION

The Northwest Area Foundation is home to 19 TCUs, three additional affiliate campuses, and many satellite campuses. Collectively, these nonprofit institutions and their affiliate foundations brought in an average of \$217,517,072 in revenue in the 2010-11 school year and had \$285,431,536 in assets. They employed 4,275 individuals, many of whom live on the Indian reservations they serve. In addition to direct economic impact through employment and any multiplier effect, tribal colleges help create an educated workforce, support small business development through specialized programs, and create a market for goods and services in the local community. Tribal colleges continue to support the cultural, social, and economic development of reservation-based communities.

⁷ Note: 2013 -2014 academic year data are used for United Tribes Technical College.

V. ENDNOTES

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- ⁱ American Indian Higher Education Consortium. (1999). *Tribal Colleges: An Introduction*. Alexandria, VA.
- ⁱⁱ American Indian Higher Education Consortium. (2000). *Tribal College Contributions to Local Economic Development*. Alexandria, VA: Federico Cunningham, A.
- ⁱⁱⁱ American Indian Higher Education Consortium. (2001). *Building Strong Communities: Tribal Colleges as Engaged Institutions*. Alexandria, VA: Federico Cunningham, A.
- ^{iv} American Indian Higher Education Consortium. (2012). *2009-2010 AIHEC AIMS Fact Book: Tribal Colleges and Universities Report*. Alexandria, VA.
- ^v American Indian Higher Education Consortium. (2012). *2009-2010 AIHEC AIMS Fact Book: Tribal Colleges and Universities Report*. Alexandria, VA.
- ^{vi} GuideStar. (2016). *GuideStar Nonprofit Reports and Forms 990 for Donors, Grantmakers, and Businesses*. Retrieved from <http://www.guidestar.org>
- ^{vii} American Indian College Fund. (2016). *Tribal College Listing*. Retrieved from http://www.collegefund.org/tribal_colleges_listing
- ^{viii} U.S. News & World Report. (2016). *Higher Education*. Retrieved from <http://colleges.usnews.rankingsandreviews.com/best-colleges/search>

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