

BHI Policy Study

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*The Standard of
Living of the Mille
Lacs Band of
Chippewa*

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Introduction

A treaty signed in 1837 between the state of Minnesota and the Mille Lacs Band of Chippewa Tribe (the Band) granted the tribe specific hunting, fishing and gathering rights. The treaty granted the Band a maximum of 50 percent of all harvestable fish, with the actual share dependent on the Band achieving a moderate standard of living.¹

The United States Supreme Court upheld the treaty rights in a 1999 decision. However, the Court maintains jurisdiction in the case, and the “moderate standard of living” issue has not been addressed.

Similar gathering rights have been upheld by court rulings pertaining to cases in several states. The courts recognize that the treaties give “each signatory country an “equal” and apportionable share of the take of fish in the treaty areas”² In *Lac Courte Oreilles Band of Lake Superior Chippewa Indians v. State of Wisconsin*, the court ruled that “plaintiffs’ needs for a moderate standard of living dictate their right to a full share of the harvest, subject to a ceiling set at 50% to prevent the frustration of the non-Indian treaty right.” The Court also asserted that plaintiffs’ “moderate living needs drive the division. In the unlikely event that those needs decline to the point at which they can be met with less than half the harvest, the division will have to be adjusted to reflect the reduced needs.”³

As the *Lac Courte Oreilles Band* court decision was handed down, Congress enacted the Indian Gaming Regulatory Act. The Act would lead to an explosion in the growth of gaming on Indian reservations. In 2009, the National Indian Gaming Association reports that the industry generated \$26.2 billion in gaming revenue and \$3.2 billion in related hospitality revenue.⁴ This new industry has altered the landscape of the Indian reservations and opened up a vast new source of income to tribe members.

Proper Economic Resource Management (PERM), a Minnesota organization, commissioned the Beacon Hill Institute at Suffolk University (BHI) to assess the standard of living for the Mille Lacs Band members relative to income levels commensurate with common measures of moderate income.

¹Mille Lacs Band of Chippewa Indians v. State of Minnesota et al. 124 F.3d 904.Submitted June 12, 1997.

² United States District Court for the Western District of Wisconsin *Lac Courte Oreilles Band of Lake Superior Chippewa Indians v. State of Wisconsin United States of America* 740 F.Supp. 1400 (W.D.Wis. 1990) <http://www.animallaw.info/cases/causfd740fsupp1400.htm>

³ Ibid.

⁴National Indian Gaming Association, *The Economic Impact of Indian Gaming*, Internet, http://www.indiangaming.org/info/NIGA_2009_Economic_Impact_Report.pdf.

Income of Mille Lacs Band v. the County

The U.S. Census Bureau conducts surveys of residents and uses the data to calculate income levels for people with different characteristics. The surveys are conducted at many geographical levels including county, congressional district and Native Americans living on and off reservations. Table 1 displays five year average data for the Band.⁵

Table 1: Average Income of Mille Lacs Band Members by Living Arrangement: 2006 -2010
(\$)

Household size	1 person	2 persons	3 persons	4 persons
Median Family Income	NA	40,096	57,763	64,250
Median Household Income	17,500	43,523	58,984	70,809
Type of Household	Per Household	Per Family	Married Couples	Non-family Households
Median Income	34,564	47,105	59,030	18,677
Mean Income	46,034	55,333	NA	27,371

The top half of Table 1 displays the median income for a Mille Lacs Band family or household by size. For both families and households, income increases along with the size of the household, which is typical of the relationship between income and the number household members. The bottom half of Table 1 shows the mean (or average) and median income of Mille Band member by different living circumstances. The mean and median across all household types is lower than households that are living as a family unit. We expect this since all households include younger people living alone or in roommate situations, and younger people tend to have less experience and fewer skills that limit their productivity and income. Married couples have the highest median income, again typical, and non-family households incomes are the lowest for the reasons outlined above.

Now we need some definition of moderate standard of living with which to compare to the Mille Lacs Band. Table 2 shows three standards of income.

Table 2: Standard of Living Measures of Income

	1 person	2 persons	3 persons	4 persons
Poverty Guideline	10,890	14,710	18,530	22,350
U.S. HUD	33,600	38,400	43,200	48,000
Basic Needs Budget	23,904	36,108	43,236	55,572

The first row in Table 2 displays the 2011 Poverty Guideline from the U.S. Department of Health and Human Services.⁶ The Mille Lacs median income is almost double the poverty guideline for a one person household and more than double the poverty guidelines for the larger households. The mean and median income for all of the Mille Lacs family types are also well

⁵ The U.S. Census Bureau, "2006 – 2010 American Community Survey," Series B19019: Median Household Income, Series B19119: Median Family Income, Series DP03: Selected Economic, Mille Lacs Reservation, Internet, <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t> (accessed February 2012).

⁶ The U.S. Department of Health and Human Services, "The 2011 HHS Poverty Guidelines," <http://aspe.hhs.gov/poverty/11poverty.shtml>.

over the poverty guidelines. We can conclude that the Mille Lacs families and households, on average, are not living in poverty.⁷

The next row of Table 2 contains data from the U.S. Office of Housing and Urban Development (HUD). The department reports income thresholds for obtaining housing assistance in categories including “very-low”, “low” and “moderate.”⁸ HUD reports a moderate income levels as being 80% of the area median income. For Mille Lacs County the levels range from \$36,600 for a one person household to \$48,000 for a four-person household. Except for the one-person household, the Mille Lacs tribe’s mean and median income exceeds the HUD definition of moderate income, or 80% of the median income for Mille Lacs County.

The last row of Table 2 contains a “basic monthly needs budget” for Mille Lacs County published by the Jobs Now Coalition. The Coalition defines the “basic monthly needs budget” as a “no-frills” standard of living. “No money is included for debt payments or skills training. There’s no entertainment budget, no restaurant meals, no vacation, and nothing for emergencies, retirement or children’s education.”⁹ As with the Poverty Guidelines, the mean and median incomes of Mille Lacs tribe members are significantly above the “basic monthly needs budget” for all four household sizes.

We can also compare the income of the Mille Lacs tribe families and households with those of the County as a whole. Table 3 presents the results.¹⁰

The top half of the table contains median family income by family size. The Mill Lacs tribe two-person family has significantly lower income than the county as a whole, almost \$9,000 less. However, Mille Lacs tribe families with three and four people have a higher median income than families in Mille Lacs County.

Table 3: 2006 -2010: Five- Year Average Family and Household Incomes

Median Family Income	1 person	2 persons	3 persons	4 persons
Mille Lacs Band	NA	40,096	57,763	64,250
Mille Lacs County	NA	49,049	54,318	63,110
Difference	NA	-8,953	3,445	1,140
Median Household Income	1 person	2 persons	3 persons	4 persons
Mille Lacs Band	17,500	43,523	58,984	70,809
Mille Lacs County	21,946	52,591	58,708	65,737
Difference	-4,446	-9,068	276	5,072

⁷ The U.S Census Bureau reports that 18.3% of Mille Lacs tribe families are living below the poverty threshold.

⁸ The U.S. Department of Housing and Urban Development, “Census 2000 Low and Moderate Income Summary Data,” <http://www.hud.gov/offices/cpd/systems/census/lowmod/>

⁹ Kevin Ristau, Colette LaFond and Dr. Herbert Cederberg, “The Jobs Gap Family Budgets, The Jobs Now Coalition, <http://www.jobsnowcoalition.org/reports/2010/cost-of-living2010.pdf>: 1.

¹⁰ The U.S. Census Bureau, “2006 – 2010 American Community Survey,” Series B19019: Median Household Income, Series B19119: Median Family Income, Series DP03: Selected Economic, Mille Lacs Reservation & Mille Lacs County, Internet, <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t> (accessed February 2012).

The bottom half of Table 3 shows the same income sorted by household size rather than family size. The results are similar to the family data, the smaller households in the Mille Lacs Band have lower incomes than their counterparts in Mille Lacs County and the larger Mille Lacs Band households have a higher median income than those in the County.

Conclusion

Historically, average incomes of the Native American Indians have fallen well below the national averages. However, the adoption and rapid expansion of casino gambling on Indian reservations over the past three decades has narrowed the gap between Native American incomes and average households. The Mille Lacs Band of Ojibwe is no exception. The average incomes of the Band are well above several measures of low and moderate income used by federal agencies and a local Minnesota group. Moreover, while the average incomes of smaller families and households within the Mille Lacs tribes continue to trail those of Mille Lacs County as a whole, the incomes of the tribe's larger families outpace those of the Mille Lacs County as a whole. It is clear that the Mille Lacs Band has achieved incomes that cannot be considered low and are on par with the local population as a whole.

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