

# The Strength of Multi-Institutional Development: The Winnebago Tribe of Nebraska 1990-2022



Jonathan B. Taylor  
December 12, 2023

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Any errors and omissions that remain are mine.

— Jonathan

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## Findings in Brief

After repeated efforts hindered by everything from federal paternalism and incompetence to casino competition and Winnebago brain drain, the economy of the Winnebago Reservation has begun to take off. This report describes Winnebago economic development over the last thirty years. It is a story of numerous achievements, the not least of which is the formation of an Indian middle class in rural Nebraska—the intentional result of concerted Winnebago policy-making, institution-building, and management effort.

**Jobs.** The Winnebago Tribe employed more than all but one of its peer Plains tribes and well above the national tribal average for tribes of its size, facing similar market opportunities (Figure 14).

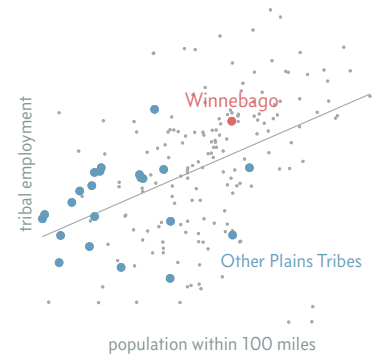
- The Winnebago Tribe and its entities employed 2,896 people in 2022, 59% of them in the tri-state region, i.e., Nebraska, Iowa, and South Dakota (Table 3).
- Approximately a quarter of them were employed by the tribal government and its not-for-profit entities. The remainder were employed by WinnaVegas Casino Resort and Ho-Chunk, Inc. (Table 3).
- The Tribe and its entities employed at least 804 American Indians or Alaska Natives in 2022, 484 of whom were Winnebago and 118 of whom were Omaha citizens (Section IV.A.).

**Tri-State Multiplier Impact.** As the Winnebago Tribe and its entities purchase and hire, the demand for labor, goods, and services registers in the larger economy, contributing to the gross regional product.

- In the Tri-State area, the Winnebago Tribe is associated with \$286 million in gross state product, more than two-thirds of it labor income (\$196.4 million) spread across 3,525 jobs (Table 5).
- More than half of the impacts (jobs, labor income, and value added) accrue in Thurston County, Nebraska, a county that recently ranked 93<sup>rd</sup> of Nebraska’s 93 counties in income per person [1].

**Public Revenue.** Indian tribes, their entities, activities, and trust lands are generally immune from direct state taxation. Nonetheless, revenue does flow to tribal, local, state, and federal governments as a result of tribal economic activity.

- In 2022, Ho-Chunk, Inc. paid the tribal government a dividend of more than \$5 million and remitted almost a quarter-million dollars in tribal taxes from activities at its stores. Additional revenue flowed from the Tribe’s casinos to the tribal government (Section IV.C.1.).
- The Winnebago Tribe’s non-trust (i.e., fee-simple) land holdings are taxable, and in 2022, the Winnebago Tribe was the largest property taxpayer in Thurston County (Section IV.C.1.).



Winnebago employs more than most peers. (Figure 14)

### Workforce Composition

Winnebago	484
Omaha	118
Other Indian	202
Non-Indian	1,979
indeterminate	113
<b>total:</b>	<b>2,896</b>

(Section IV.A.)

- As tribal entities' demand for goods, services, and labor registers in the larger economy, the suppliers and workers undertake other taxable activities, generating \$47.7 million in local, county, state, and federal taxes in the tri-state area (Table 7).
- Economic activity outside the tri-state region (esp. where HCI has subsidiaries, like the Washington, DC metro area) adds to the above multiplier and tax impacts.
- HCI also made \$275,000 in charitable contributions in 2022 (Table 6).



12 Clans Unity Hospital.

**A Multi-Institution Tribe.** Prior to the start of the Indian Self-Determination Era (ca. 1975), the tribal government was virtually the only Winnebago-constituted entity on the reservation, and its policies and choices had been dominated for decades by the federal Bureau of Indian Affairs and Indian Health Service. Today, more than a dozen specialized entities that the Winnebago government imagined, chartered, owns, and oversees produce public goods and services on the Reservation. They educate preschoolers, provide dialysis, grant degrees, pave roads, diversify business, and grow corn (Table 2). Together, they achieve more than they could apart.

- A multi-institution approach overcomes the hurdles to rural new-home construction, making it possible for Winnebago citizens who are too prosperous to qualify for federal housing but not wealthy enough to afford the large down payments necessary to mortgage new construction to move into new homes in rural Nebraska (Section III.F.).
- A multi-institution approach makes possible a multi-use Ho-Chunk Village, a master-planned community with amenities and attractions beyond what many Plains reservations can build or sustain. (Section III.F.).
- The capacities of the Tribe's multiple institutions were ready to assemble into an effective rapid-response task force during the COVID-19 pandemic (Section III.G.).

**A Growing On-Reservation American Indian Middle Class.** Like many Indian tribes, the Winnebago Tribe confronts a backlog of problems created by asset loss, relocation, cultural destruction, federal meddling, and opportunistic outsiders. Despite the considerable *stock* of interrelated consequences (from anemic inter-generational wealth inheritance and relative human capital deficits to domestic violence and substance abuse), the beneficial *flows* of employment, income, education, training, home equity, healthcare quality, and other community amenities have begun to produce an Indian middle class on the Winnebago Reservation.

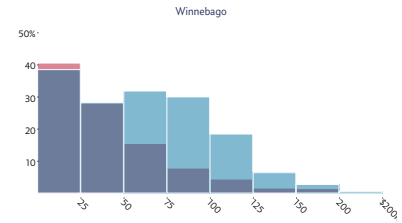
- The inflation-adjusted per capita income of Indians on the Winnebago Reservation grew by 37% over three decades, finishing at \$15,900 while Nebraska's average for all persons grew 28% to



\$37,500 (Figure 19). Because its growth rate exceeded the state’s, Winnebago closed its income gap with the state, but the difference in contemporary levels indicates much more needs to be done.

- The inflation-adjusted median income of Indians on the Reservation grew 78% over three decades, finishing at \$58,200 while Nebraska’s median for all persons grew 16% to \$71,200 (Figure 20).
- The ranks of middle-class Indian households more than doubled on the Winnebago Reservation over three decades, far outstripping the growth of the middle class in the United States, in the tri-state region, and among other Plains tribes (Figures 23–27).
- The proportion of Indians living in poverty dropped from roughly one-half to roughly one-third, but remained three times higher than in the United States, Nebraska, Iowa, and South Dakota (Figures 28 and 29).
- Indian unemployment dropped five points on the Reservation over three decades, finishing at 15.5%, relative to Nebraska’s virtually unchanged unemployment rate of about 3.5% (Figure 30).
- Indian labor force participation on the Reservation displayed a net increase of four points over three decades (Figure 31), with gains in female labor force participation, +8.6 points (Figure 32), more than overcoming losses in male labor force participation, -2.2 points (Figure 33).
- The Indian rate of home ownership on the Reservation increased by five points over two decades, far outpacing the rates of change in the US, in the tri-state region, and at other Plains reservations (Figure 34).
- The median value of a home on the Reservation grew too—by 14% over two decades (Figure 35). Some home values are approaching values in nearby cities like Sioux City, IA, and Omaha, NE, thereby making mortgage lending more feasible.
- The proportion of Indian adults on the reservation older than 25 with college degrees leaped by nearly eleven points—effectively quadrupling in two decades, finishing at 14% (Figure 38).

Much remains to be done to extend the benefits of economic development to more Winnebago citizens and to close the gaps with neighboring communities. Nonetheless, the Tribe’s track record in the past and its prospects for economic growth in the future make for a bright outlook for the quality of life on the Winnebago Reservation.



30-years' change in the income distribution. (Figure 26)

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# I. Introduction: The Power of Development

This report tells the story of Winnebago development over the past thirty years. It is a story written in the language of economic growth—jobs, income, gross regional product, and human capital accumulation. Fundamentally, however, it is about more than just economic growth for growth’s sake.

The international development economist Lant Pritchett puts economic growth in global perspective by noting that non-economic indicators of well-being—social progress indicators as varied as secondary school enrollment, maternal mortality, and exposure to pollution—improve with what Pritchett calls “national development”—a combination of:

1. democracy
2. state capability, and
3. gross domestic product (GDP) per capita [2].

As he notes, there are no countries with high social progress that have low levels of national development, and vice versa, there are no countries with high levels of national development that have low levels of social progress. Worldwide, movement on these three elements of national development is both necessary and sufficient for social progress (see Appendix A).

Pritchett’s trio of national development characteristics points to a framework for reviewing the last 30 years of Winnebago economic history. Pritchett’s “democracy” translates to *tribal practices of self-rule*. His “state capability” maps onto the *effectiveness of tribal institutions*—a key ingredient of Indigenous development [3]. Because the United States’ national income accounts do not decompose gross domestic product down to the reservation level, in this report, Pritchett’s “GDP per capita” will be proxied by *per capita income*.

Improvements in all three factors are evident in recent Winnebago history. Winnebago constitutional democracy has generally been stable and robust to challenges. Winnebago institutional complexity and sophistication have been growing. And Winnebago economic growth has been substantial. What’s more, broad-based Winnebago flourishing—social progress—is beginning to come into view (though much remains to be done). This report will document the changes underway.

In doing so, the report will highlight several themes that run through the past three decades. First, what is happening now is the fulfillment of generations’ dreams and efforts. Second, the progress at Winnebago is the culmination of accumulating self-determined Winnebago laws and policies. Third, while a stable company, Ho-Chunk, Inc. (HCI), is indeed a powerful engine for Winnebago economic growth, that company is situated in a matrix of stable tribal institutions—prime among which is the tribal government—without which the community-developing powers of the Tribe would hardly exist at all. Fourth, strategic imagination, flexibility,



Winnebago then.



Winnebago now.

and steadiness in that company are essential ingredients of its success. Fifth, the capacity of the tribe's multiple institutions to produce housing and other amenities is attracting and retaining middle-class and college-educated Winnebago citizens to the reservation. Finally, all of the above has benefits for other economies and governments.

Section II briefly recounts the history of the Winnebago Tribe of Nebraska, describing its path from aboriginal homelands to present-day Nebraska, not just as a story of forced relocation and voluntary migrations, but also as an evolution of a community's economy, society, and polity under Winnebago leadership. Section III describes the structure and operation of the Winnebago government and institutions as they have evolved in the last three decades, demonstrating their synergistic efforts on tribal goals. Section IV analyzes the employment, economic, and fiscal impacts of the Winnebago Tribe, highlighting its regional economic heft. Section V reports the changes in Indian socioeconomic statistics on the reservation, relative to other reservations and relative to the all-persons statistics in the neighboring county, states, and United States. That section shows remarkable progress on long-standing poverty, yet also highlights areas of continuing need for tribal policy effort. Five biographical sketches throughout the document enliven the themes of the report with personal history, and the appendices offer technical information about the analysis. The final section concludes with optimism about the future.

## II. A Brief History of the Winnebago Tribe

The people generally known as Winnebago call themselves in their own Siouan language *Hočągra*, *Hocąk*, or *Ho-Chunk*—people of the sacred, strong, or original speech. This section divides their history into two parts: the history up to the beginning of the Self-Determination Era (i.e., up to 1975) and the history of the early Self-Determination Era (1975-1990), culminating in an economic crisis in the early 1990s that threatened to upend the Tribe’s fiscal stability—the onset of gaming competition in Iowa. As will be clear from the telling, it is a story of resilience, adaptability, and sustained achievement for the common good of the Winnebago people.

### A. Early *Hočągra* History

The earliest European record of the Winnebago placed them in the vicinity of Green Bay and Lake Winnebago in what is now Wisconsin. Like their neighbors, the Winnebago hunted and gathered, but unlike their neighbors, they relied substantially on horticulture.

As settler pressure increased, the Ho-Chunk faced a steady onslaught of warfare, disease, and land loss at the hands of miners seeking access to lead deposits and migrants seeking farms. The mere length of the list of treaties and cession agreements testifies to the insecurity of their rights to land. But Winnebago people were not passive in response; virtually every time the federal government moved the Winnebago people to a place out of the way of settler encroachment—usually to lower-grade land—they would walk or canoe back to their homelands in southern Wisconsin (Figure 1).

To this day, a contingent remains there. The Ho-Chunk Nation is a federally recognized tribe of the Ho-Chunk people headquartered in Black River Falls, Wisconsin. The other federally recognized tribe of Ho-Chunk people is the Winnebago Tribe of Nebraska. While bonds of kinship, culture, and other connections continue to link the citizens of each, the latter is the focus of the rest of this report.

The process of federal relocation culminated around the time of the Civil War. The federal government forced the Winnebago to give up their land again—on this occasion, the Blue Earth Reservation in Minnesota in 1859 and 1863—without the benefit of a treaty. The tribe had to move in the middle of winter to poor land on Crow Creek in South Dakota. Almost 600 lost their lives in that removal, and the bulk of the remaining people (approximately 1,200) left in dugout canoes down the Missouri River and settled among the Omaha in what is now Nebraska. Approximately half of the Nebraska remnant canoed or walked back to Wisconsin, again. A treaty was concluded in 1865, ceding the Crow Creek land and setting aside a Nebraska reservation. In 1874 the Tribe purchased a northern strip of the Omaha Reservation, adding approximately 12,000 acres [4].

In the late nineteenth and early twentieth century, the economy of the Winnebago Reservation in Nebraska came to be dominated by non-Indian,

1816 First Treaty with the US

1829 Land Cession Treaty WI IL

1832 Land Cession Treaty WI

1837 Land Cession Treaty WI

1846 Neutral Ground Cession MN IA

1855 Long Prairie Cession MN

1859 Blue Earth Cession 1 MN

1863 Blue Earth Cession 2 MN

1865 Crow Creek Cession MN IA

1871 Land allotment begins

1874 Purchase Res. from Omahas

1887 General Allotment “Dawes” Act

1913 2/3rds of reservation gone

1934 Indian Reorganization Act

1936 WTN Constitution passed

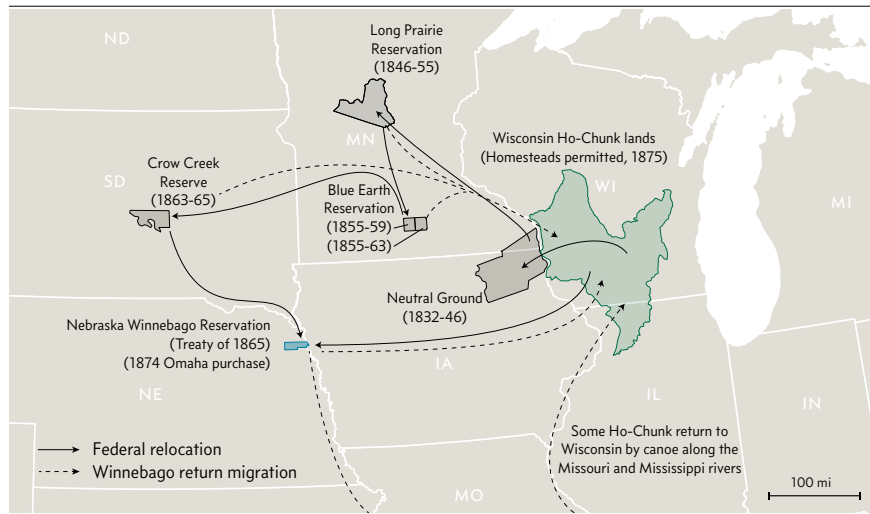
1968 WTN Constitution amended

1969 Louis LaRose first elected

1975 Ind. Land Claims Comm. \$4.6M

1977 Reuben Snake first elected

Figure 1: Winnebago Relocations



[4]

Figure 2: Dept. of Interior Advertisement

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State	Acres	Price per Acre	Total Price	Acres	Price per Acre	Total Price	
Colorado	5,211.21	\$7.27	\$37,885.00	Oklahoma	34,664.00	\$19.14	\$663,400.00
Idaho	17,013.00	24.85	\$422,800.00	Oregon	1,020.00	15.43	\$15,730.00
Kansas	1,684.50	33.45	\$56,350.00	South Dakota	120,445.00	16.53	\$1,991,000.00
Montana	11,034.00	9.86	\$108,780.00	Washington	4,875.00	41.37	\$201,700.00
Nebraska	5,641.00	36.65	\$206,700.00	Wisconsin	1,069.00	17.00	\$18,173.00
North Dakota	22,610.70	9.95	\$225,000.00	Wyoming	865.00	20.64	\$17,850.00

**FOR THE YEAR 1911 IT IS ESTIMATED THAT 350,000 ACRES WILL BE OFFERED FOR SALE**

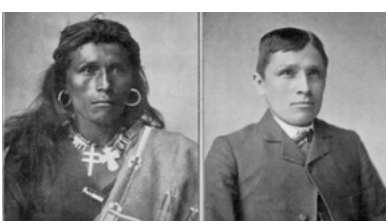
For information as to the character of the land write for tables, "INDIAN LANDS FOR SALE," to the Superintendent U. S. Indian School at any one of the following places:

STATE	INDIAN AGENT	INDIAN SCHOOL	INDIAN AGENT	INDIAN SCHOOL
ALABAMA	John S. Gandy	Fort Rucker	WISCONSIN	John S. Gandy
ARIZONA	John S. Gandy	Fort Huachuca	WYOMING	John S. Gandy
CALIFORNIA	John S. Gandy	Fort Yuma		
IDAHO	John S. Gandy	Fort Lapwai		
KANSAS	John S. Gandy	Fort Riley		
KENTUCKY	John S. Gandy	Fort Campbell		
LOUISIANA	John S. Gandy	Fort Polk		
MISSISSIPPI	John S. Gandy	Fort Adams		
MISSOURI	John S. Gandy	Fort Snelling		
NEBRASKA	John S. Gandy	Fort Omaha		
NEVADA	John S. Gandy	Fort Mohave		
NEW MEXICO	John S. Gandy	Fort Stanton		
OHIO	John S. Gandy	Fort Meigs		
PENNSYLVANIA	John S. Gandy	Fort Mifflin		
TENNESSEE	John S. Gandy	Fort Mifflin		
TEXAS	John S. Gandy	Fort Hancock		
VIRGINIA	John S. Gandy	Fort Mifflin		
WASHINGTON	John S. Gandy	Fort Stevens		
WEST VIRGINIA	John S. Gandy	Fort Mifflin		
WISCONSIN	John S. Gandy	Fort Snelling		
WYOMING	John S. Gandy	Fort Snelling		

WALTER L. FISHER, Secretary of the Bureau      ROBERT G. VALENTINE, Commissioner of Indian Affairs

[5]

Figure 3: Pratt: "Kill the Indian... and save the man."



[6, p. 46]

rather than Winnebago participation. Federal policy parcelled the bulk of Winnebago-owned land into individual allotments and “surplus” lands that could be sold to non-Indians. Much of the individual-Indian-owned and tribe-owned land was held in trust by the United States, precluding its use as collateral in lending—a key mechanism for growing wealth—and precluding its taxation by the Tribe. Even so, that land leaked out of Winnebago ownership via tax and other liens, if not outright swindles. By 1913, “almost the entire western two-thirds of the Winnebago reservation passed out of Indian ownership” [4]. Over time, Winnebago people generally ceased to own and operate farms, choosing instead to lease their land, and the bulk of them lived in the wooded bottomlands of the Missouri River, in part because the shifting course of the river prevented allotment. The federal Indian agent supervised Indian bank accounts, stunting Winnebago experience in the money economy [4].

Schooling Winnebago children often entailed forcible removal to off-reservation boarding schools, and in any case, adopted some form of Christianization combined with the philosophy of Army Captain Richard Henry Pratt—namely that Indian culture had to be destroyed to redeem Indian people (Figure 3). The combined pressures of cultural destruction, land loss, federal paternalism, and the demise of traditional Winnebago participation in agriculture brought poverty and powerlessness, which in turn catalyzed “delinquency, drunkenness, broken homes, school dropouts, and acts of personal violence” [4, p. 701].

Despite the hardship, Winnebago sense of collective purpose persisted. The Tribal Council “enjoyed a reputation with the Indian Bureau as conscientious in its limited duties of administering loans and negotiating with the agency in the community’s general economic interests” [4, p. 701]. In addition,



Winnebagos looked out for one another in family crises, such as deaths or house fires....Spontaneous, powwow-style dances were frequently held...with a feast of donated food....There was often gift giving, usually small sums of money, in honor of occasions such as birthdays or departures for the armed services or to raise money for some community cause. Ideas for economic improvement began to be discussed after the Second World War as former servicemen and defense plant workers came home with knowledge of new, promising alternatives for community development....In the early 1970s the Nebraska Winnebago were endeavoring by legal and other expedients to reestablish effective tribal government. [4, pp. 701-2]

## B. Winnebago at the Start of the Self-Determination Era, 1975–1990

Winnebago community efforts for the common good became increasingly formalized into tribal policies during the Self-Determination Era (1975–present). When the Indian Claims Commission awarded \$4.6 million for Winnebago land losses in 1975, for example, the Winnebago Tribe of Nebraska set aside 20% of the funds for a tribal wake and burial fund. Their Ho-Chunk cousins in Wisconsin allocated all of it toward per capita payments, but the Winnebago Tribe of Nebraska chose to address a risk-sharing opportunity. Until then, the unexpected costs of wakes and burials “caused an undue economic impact on the families,” and the fund pooled and bore the families’ financial risk [7].

Beginning in about 1968 with the election of Louis LaRose to Tribal Council, a string of tribal leaders with staying power began to push tribal self-government and economic self-sufficiency with greater and greater effectiveness. Louis LaRose, Reuben A. Snake, Jr., John Blackhawk, and Victoria Kitcheyan (currently Chairwoman), all rank among the longest-serving tribal council members in recent history (see Figure 7 in Section III.A.), and they all served as Chair more than one term. The Tribe built a bingo hall (Winn-A-Bingo) and, after the *Cabazon* decision and passage of the Indian Gaming Regulatory Act, converted the Sloan, Iowa facility into a Las-Vegas-style Class III casino, WinnaVegas Casino Resort. In the late 1970s, the Tribe also created a revolving credit program and a land acquisition program.

As Chairman Reuben Snake noted in his autobiography,

We structured our efforts to become self-sufficient into four categories. One category was cultural enhancement and cultural revitalization of our Winnebago culture, reviving our music and our language. The second concerned coping with problems of alcoholism and health, such as diabetes. The third program involved protecting the sovereignty of our tribe

1977	Reuben Snake first elected
1979	NE Indian Comm. College founded
1983	Winn-A-Bingo Opens Sloan, IA
1985	John Blackhawk first elected
1987 1988	Winnebago L-T Planning Retreat IGRA and SBA Native 8(a)
1992	WinnaVegas Casino opened
1994	Ho-Chunk, Inc. chartered
1996	Tribal Housing Entity
1998	Little Priest Tribal College chartered
2000	Ho-Chunk CDC founded
2001	Down Payment Fund created
2004	Ho-Chunk Village created
2007	Comm. Dev. Fund created
2014	Educare Winnebago opened
2015	Victoria Kitcheyan first elected
2016	Comm. Dev. Financial Inst. founded
2018	12 Clans Unity Hospital takeover
2022	WarHorse Casino Lincoln opened



Heritage Express's first facility in Winnebago.

as an Indian nation. We had to assert ourselves with the various other governments that we came into contact with: the county, state, and federal governments. The fourth category was economic development. In order to be truly self-sufficient we had to develop our economic base so that we were generating our own income and creating our own jobs instead of relying upon federal or state governments for grants and contracts. [8]



Chairman Reuben Snake

These efforts were catalyzed by a 20-year plan formulated in 1980 by Chairman Snake and other tribal leaders that called for tribal economic self-sufficiency by 2000. Pursuant to that plan, the Tribe opened Heritage Foods, a small food market, under a parent company, Winnebago Enterprises, that was governed by a board of directors. Two additional subsidiaries—Company “A” Service Center, La Manse Industries—helped the Tribe employ more than 100 people in jobs not funded by federal antipoverty programs. The vision was to split profits between retained earnings for reinvestment and dividends to the Tribe for community reinvestment. Plans were also made for farms and food processing businesses and a 10-million-gallon ethanol plant [9].

Nearly a decade later, the tribe’s development efforts required a stock-taking re-appraisal. In the words of outside facilitator, Benjamin Broome and collaborator Irene Cromer:

Near the mid-point of the plan the chairman [Reuben Snake] recognized that the plan had not received widespread acceptance in the community, with various social and cultural dissonances inhibiting progress. He decided a forum should be conducted on tribal self-sufficiency that would engage different segments of the community and produce a consensus that would lead to increased action in implementing the plan.

Chairman Snake set up a planning session involving eighteen participants, including members of the Winnebago Tribal Council, tribal administrative staff, and community dissidents.

[10]

That 1987 strategic consensus-building effort produced plans to redouble efforts toward self-sufficiency, some of which were in progress a few years later:

According to Chairman Snake, the following activities, which are based on...the ideas generated by the participants during the idea-writing sessions, were undertaken immediately after the group work sessions:

1. The Public Relations Officer has created a “Winnebago Pride” Campaign to provide positive images of the Tribe to the general community.
2. The Tribal Mental Health Program developed a proposal to create a Family System Therapy Center to work with total family units to resolve problems that create dysfunction within individuals and families.
3. Tribal Economic Development Division, in conjunction with the Tribal Credit Department, held community seminars on Small Business Development for tribal members who want to become entrepreneurs with the aid of the Tribe’s long-term Credit Program.
4. A community-based language program was funded by the tribal government to generate involvement by tribal members in cultural preservation efforts.
5. The Tribal government has taken the federal government to task for failure to work cooperatively towards tribal-specific health goals and objectives. [10]

Despite these and other concerted efforts to identify impediments to Winnebago development and take steps to overcome them, the economy was still federally dependent. Because its revenue model was dominated by trust land leasing rather than taxes or enterprise revenue, in 1990, the tribal government had discretion over only \$180,000 dollars (\$403,113, adjusting for inflation)<sup>1</sup>. The remainder of tribal expenditures were federal program dollars with spending restrictions determined in Washington. Indian housing was predominantly federally subsidized low-income housing, and new construction was rare. Table 1 shows how dire economic conditions were at the time.

To make matters worse, Iowa announced that it would issue licenses to establish casinos in Council Bluffs, allowing what would become large

<sup>1</sup>Unless otherwise denoted by *nominal* or a given year (e.g., *1989 dollars*) all dollar figures in this report are in inflation-adjusted 2022 dollars [11, 12]



**Table 1: Relative Conditions, 1990 (inflation-adjusted 2022 dollars)**

	all persons in Nebraska	Indians at Winnebago
per capita income	\$29,400	\$11,600
median household income	\$61,400	\$32,700
child poverty	13.8%	48.6%
unemployment	3.6%	20.4%
labor force participation	68.3%	57.9%
home ownership	67.4%	39.7%
college attainment	23.7%	3.5%

**Figure 4: Casinos on the Missouri circa 1990**



casinos between WinnaVegas and its primary market, Omaha, Nebraska (Figure 4). Between Iowa’s policy announcement and the actual openings of Council Bluffs casinos, the Tribe scrambled to charter and capitalize a diversification company. In an explicit reiteration of setting aside a portion of the land claims settlement for a burial fund, the Tribe planned to direct 20% of WinnaVegas’ net income for five years as capital injections into a new company. A review of the preceding decade’s tribal business history pointed toward establishing an independent board of directors and powers to establish separate financial, personnel, and computer systems. A charter establishing Ho-Chunk, Inc.—“the people incorporated”—passed in 1994 and specified that the company was not to pay a dividend for five years and then pay 10% of net income after that, retaining the rest for reinvestment.

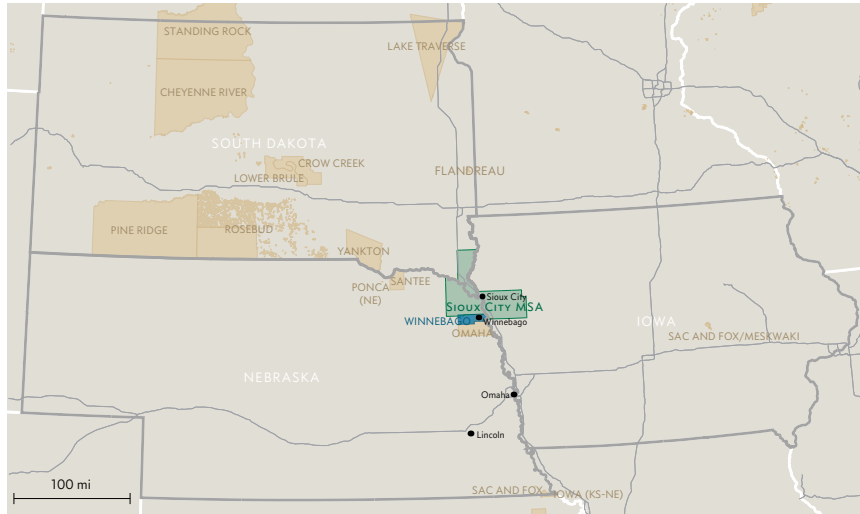
Unfortunately, the competition in Council Bluffs cut WinnaVegas’ profits by 80% in just two years instead of five, and the capital injection amounted to \$9 million of a hoped-for \$20 million[11]. Once again, it seemed as if the Tribe’s goals of recovering social, cultural, economic, and physical health were to be delayed. Thankfully, the Iowa competition was not enough to stymie the Tribe, primarily because institution-building efforts in the 1990s and 2000s laid the foundations for greater success than in the past.





### III. The Winnebago Tribe Produces Development

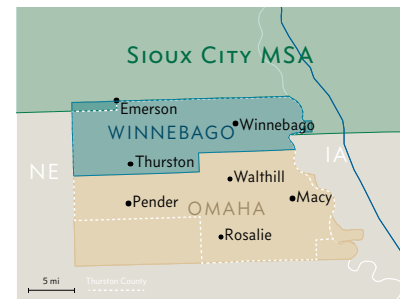
Figure 5: The Winnebago Reservation and the Tri-State Region



[13]

The Winnebago Reservation is located in northeast Nebraska between the Omaha Reservation to the south and what is today called the Sioux City Metropolitan Statistical Area (MSA) to the north.<sup>2</sup> The two reservations, Winnebago and Omaha, overlap with Thurston County, Nebraska. The seat of tribal government, the village of Winnebago, is twenty-five driving minutes from downtown Sioux City, Iowa, and an hour and twenty-five minutes from Omaha, Nebraska. The Winnebago Reservation is rural—characterized predominantly by farmland, small towns, and woodlands along the Missouri River. A small portion of the Winnebago Reservation extends into Iowa. Thurston County, the Sioux City MSA, and the three states will be the geographic focus of this report’s impact analysis (Figure 6).

Figure 6: Winnebago & Omaha Reservations



[13]

#### A. Winnebago Self-Rule

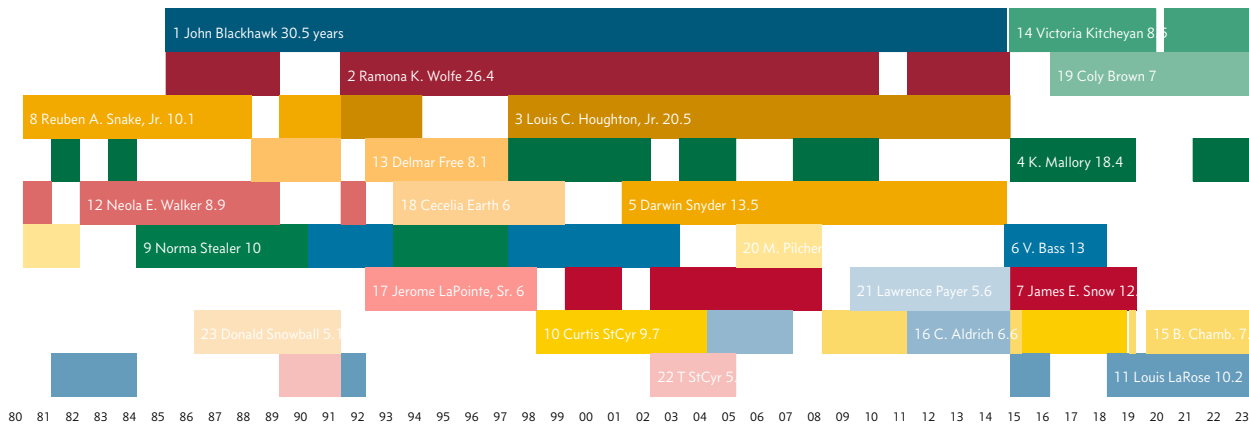
Like many tribes in the US, the Winnebago Tribe of Nebraska operates under what is known as an Indian Reorganization Act (IRA) constitution, a document based on a template circulated by the Bureau of Indian Affairs during the Great Depression. In the Winnebago instance, the constitution calls for a Tribal Council of nine elected members who serve three-year staggered terms. After annual elections, the newly sworn council elects its officers: Chair, Vice-Chair, Treasurer, and Secretary [14]. While staggering the terms does add stability (some IRA governments without staggered terms have seen wholesale removals of tribal councils), actual

<sup>2</sup>The Sioux City MSA comprises Dakota and Dixon Counties, Nebraska; Union County, South Dakota; and Woodbury County, Iowa.

Winnebago practice produces exceptionally long council tenures well beyond a mere three years.

In the nine rows of Figure 7, each colored bar represents the tenure(s) of a long-serving Council member from 1980 forward. The deeper the saturation of the color, the higher the ranking of that tenure. For example, John Blackhawk served on the council more than ten terms (30.5 years), ranking him longest serving from 1980–2023.

**Figure 7: Twenty-Three Longest-Serving Winnebago Tribal Council Members, 1980–2023 rank and total service in years**



Little Priest Tribal College President, Manoj Patil (left), conversing with Councilman Louis LaRose at the college's 25<sup>th</sup> anniversary celebration.

Several characteristics of the figure highlight the stability of the Winnebago government. First, John Blackhawk is not a lonely outlier; the ten longest-serving Council Members served a minimum of a decade each. Second, because the data have to start somewhere and readily accessible records start forty-three years ago, the longevity in Figure 7 is actually understated for at least two members. Louis LaRose was first elected to the Tribal Council in about 1968, and Reuben Snake in 1977 [15, 16]. If it were possible, extending the data before 1980 would raise their rankings to reflect their true, exceptionally long, lifetime service to the Council.<sup>3</sup>

Third, when an unfortunate calamity vacated the Council in 2015, five seasoned hands with at least two terms' experience by that time re-entered political life, bringing decades' worth of collective institutional knowledge to the Council. Fourth, a former HCI intern, Victoria Kitcheyan, entered politics for the first time that year and has been re-elected consistently enough to rank the fourteenth-longest serving as of now. Finally, because the white spaces in Figure 7 represent the various Council Members who

<sup>3</sup>And even then, their service outside the Council was broad and deep. Among many things, Reuben Snake was a nationally recognized advocate for tribal sovereignty and for Native American freedom of religion. LaRose advocated nationally and in Nebraska for Winnebago land claims, the repatriation of sacred objects, and the retrocession of Winnebago criminal jurisdiction. He also served as President of the Nebraska Indian Community College and helped develop and operate WinnaVegas [17, 16].

do not rank among the longest serving, it is clear that in most years, the Winnebago Tribal Council has a majority of experienced hands.

In the life of participatory democracies of all sizes, the events of the day can obscure larger patterns. Yes, there are resignations, removals, and political controversies from time to time—even once-in-a-lifetime political upheavals—but Figure 7 offers a longer view. The political stability evident there made it possible for the Winnebago Tribe to sustain policies and institutions capable of addressing Winnebago social and economic challenges over decades. Whatever its struggles from time to time, Winnebago self-rule—Pritchett’s *democracy*—works over the long haul.

## B. A Multi-Institution Tribe

In contrast to the condition of most tribes in the 1960s and 1970s, when the tribal government was typically the only Indian institution on reservations, today, the Winnebago Tribe is properly considered a multi-institution tribe. Table 2 lists the major institutions and the dates of their founding or takeover.<sup>4</sup> There are other institutions on the reservation that would not be there but for the Tribe and its needs, such as the Bureau of Indian Affairs Winnebago Agency (which also serves the Santee Sioux and Omaha Tribes), the Winnebago Public Schools (which operate under the auspices of Nebraska’s Department of Education), and the Boys and Girls Club.<sup>5</sup> But the Tribe’s institutions dominate, both in their sheer size—e.g., their number of employees—and in their collective command of on-reservation policy implementation.

**Table 2: Selected Institutions of the Winnebago Tribe**

institution	founding
Tribal government	1936
Winn-A-Bingo (now WinnaVegas)	1983
Ho-Chunk, Inc. (HCI)	1994
Tribal Housing Entity	1996
Little Priest Tribal College	1998
Ho-Chunk Community Development Corporation (HCCDC)	2000
Housing Down Payment Fund	2001
Ho-Chunk Village	2004
Community Development Fund	2007
Educare Winnebago	2014
Community Development Financial Institution (CDFI)	2016
12 Clans Unity Hospital	2018



<sup>4</sup>Important historical precursors are worth noting. Winnebago government predated the writing of its Indian Reorganization Act constitution in 1936. Little Priest Tribal College had been a part of the Nebraska Indian Community College (NICC) prior to becoming independent of it in 1996. What is now 12 Clans Unity Hospital had been an Indian Health Service facility prior to the Tribe’s taking it over under P.L. 93-638 in 2018.

<sup>5</sup>And Table 2 does not include all tribal institutions; it omits regulatory commissions and a gaming company, and does not list the government’s departments.



Ho-Chunk, Inc. manager Willy Bass at a Little Priest Tribal College graduation ceremony.

The institutions of the Winnebago Tribe listed in Table 2 display a number of features that work to achieve Winnebago development. First, they are long-lived. To be sure, Table 2 is a list of survivors—the institutions the Tribe created long ago that did not survive are not listed (e.g., Winnebago Enterprises from the 1980s). That said, the length of the list and the ages of the entities on it (all of which are active today) testify to the steadiness of policy and sustainability of missions—the result of stable Winnebago political life. Second, they display a diversity of public service capacities germane to Winnebago social, economic, and individual development, including early childhood education, degree-granting education, community lending, economic diversification, and healthcare quality.

Third, they display a diversity of chartering and governing choices, including i) using Nebraska state nonprofit law (HCCDC), ii) establishing independent boards under tribal law (HCI and the Winnebago Comprehensive Health System), and iii) hybridizing federal and Winnebago policies (e.g., the tribally designated housing entity under NAHASDA or the CDFI under the Riegle Act).<sup>6</sup> Fourth, they all are rooted in Winnebago self-government—that is, they are the products of tribal resolutions, ordinances, regulations, by-laws, policies, procedures, and practices.

In other words, Winnebago's multiple institutions instantiate self-determination rooted in tribal sovereignty. In contrast to conditions in the mid-twentieth century and earlier when federal agents managed most

<sup>6</sup>The Native American Housing Assistance and Self-Determination Act of 1996 and the Riegle Community Development and Regulatory Improvement Act of 1994

of reservation life, those institutions are not the manifestations of an ostensibly generous federal overseer of reservation poverty. Rather, they fulfill the dreams of Winnebago visionaries who have walked on (and many who have not). Subsections F. and G. below will make clear they also instantiate Pritchett’s “state capability”—i.e., the Winnebago Tribe’s capacity to produce public goods, services, and amenities.



HCI Headquarters, circa 1994.



HCI Headquarters today.





Danielle Gutierrez Stone

*“My career at Ho-Chunk, Inc. has allowed me...to provide for my family and complete my educational goals—all while gaining hands-on experience at work. I will forever be grateful...”*  
— Danielle Gutierrez Stone,  
Sr. Dir. of Retail Operations

Danielle Gutierrez Stone’s childhood included multiple moves among family members, time in the foster care system, and even a stay at a girls’ home in Omaha. Transitioning into adulthood, she dropped out of high school in the 11<sup>th</sup> grade, and shortly after married at a young age, having her first child at 19. She admits she was not emotionally mature or mentally stable enough to be a mother or a wife. “I made some choices back then that I shouldn’t have, and it was rough for a while.” Eventually, she ended up a single mother of three, working multiple jobs just to take care of her kids. One day, her best friend suggested she try college and convinced her to enroll at Little Priest Tribal College. Hesitant and scared to death, not knowing how she would be able to provide for her family, she took a leap of faith and started her educational journey.

Danielle started at HCI as an intern. “When I started, I remember worrying that I didn’t even have or own professional clothes. I could not afford to buy any, so I had to borrow them.” After the internship, Danielle secured a position in HCI’s Accounts Payable department and began pursuing a Bachelor’s in Business Administration at Wayne State College. Money was tight, and Danielle continued to wait tables or serve as hostess to make ends meet. She even got a part-time job tutoring at the college, “I’m used to having to work multiple jobs and so I did, even while attending college full-time.”

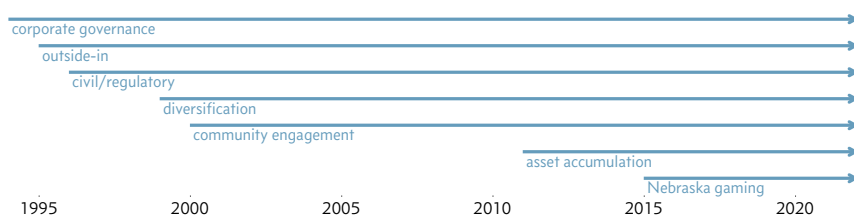
As HCI flourished, so did Danielle. She moved into the Distribution division and rose from Assistant Office Manager to Office Manager, to Operational Manager. While in that role, she finished her Bachelor’s Degree and applied for new jobs inside and outside HCI. The company approached her with a new opportunity in a Director position. Today, Danielle is the Senior Director of Retail Operations, overseeing six Pony Express convenience stores and three SweetWater Cafés.

Danielle received a Master’s in Organizational Management a few years ago. She is also a certified Reiki Master and started a business, StoneReiki, with that credential. Danielle is active in the Siouxland community where she resides, and serves on the board of the Junior League of Sioux City; Girls, Inc.; Boys and Girls Home; and Leadership Siouxland.

### C. The Sequence of HCI Strategies

The activities and accomplishments of all the institutions in Table 2 are worth detailed analyses in their own right, but such detail is beyond the scope of this report. Except for Ho-Chunk, Inc., most of those institutions will be represented in the impact analysis by their employment numbers, and their other impacts will be discussed qualitatively. The focus here will be on Ho-Chunk, Inc.'s strategies, structures, and practices—and occasionally, the stories of how those strategies amplify and are amplified by the efforts of the other institutions. Even so, the treatment must still be somewhat cursory because HCI is a large, diversified, 29-year-old holding company.

**Figure 9: Strategies of Ho-Chunk, Inc.**



Broadly speaking, Ho-Chunk, Inc. has a “dual mission of generating revenue and affecting positive change in the community.” Those dual missions have been advanced for nearly three decades via a collection of accumulating strategies that continue through to the present day (Figure 9):

1. **Corporate Governance:** As Iowa prepared to license large casinos in Council Bluffs in the early 1990s, the Winnebago Tribal Council saw keenly the need to diversify. It established Ho-Chunk, Inc. with a board of directors structured to limit Tribal Council member participation in decision-making so that decision-making could be focused on sustainable profitability. It also set community expectations about revenues via the company’s dividend policy: 0% for five years and then 10% of net income thereafter. Though the dividend policy has evolved (as will be explained below), the corporate governance structure remains critical to the company’s success and has been substantially unchanged since 1994.
2. **“Outside-In”** is founding CEO Lance Morgan’s phrase for developing businesses in the off-reservation economy that produce benefits for the company and tribe. Sometimes, those benefits are simply cash flow margins, but more often than not, the off-reservation businesses offer additional synergies. Initially, the strategy entailed owning hotels where staff could learn management, operations, and accounting, for example. Today, the strategy



encompasses everything from manufactured housing to managing federal facilities.

3. The **Civil/Regulatory** strategy entails exploiting the Tribe's legal advantages, especially where state powers over tribes are constrained. The strategy has often required litigation to defend, but it produced steady cash flows from tobacco and motor fuel businesses that helped capitalize subsequent stages of development.
4. **Diversification** of WinnaVegas' revenues was the prime motivation for the formation of HCI in 1994, but this later rendition of the diversification strategy entailed building subsidiaries to supply the federal government with goods and services under policies such as Section 8(a) of the Small Business Act, HUBZone, Buy Indian, and other federal programs for disadvantaged businesses. While federal government contracting has been a dominant strategy since 2000, diversification has also applied to acquisitions throughout HCI's lifespan of companies that complement the existing subsidiaries' capabilities.



The Farmers Market pavilion and LPTC Ag Extension offices and classroom in the Ho-Chunk Village.

5. **Community engagement** has involved catalyzing the multiple institutions of the Tribe to extend benefits beyond the boundaries of Ho-Chunk, Inc. to the Winnebago community at large. For example, Ho-Chunk Village, a walkable planned reservation community, contains private residential housing, elder housing, retail and office space, light manufacturing, and a farmers market. Its creation integrated grant-making efforts by HCCDC and down payment assistance for first-time home buyers (orchestrated under Winnebago policy and funded by HCI profits) with infrastructure deployment and home construction by HCI subsidiaries.



Cultural education activities during an autumn harvest celebration.

6. **Asset accumulation** has entailed growing the capital base of the company in ways that produce recurring income for the company and contribute to steady dividends to the Tribe. Routinely, that has taken the form of passive investments, but in recent years a more concerted effort has focused on real estate acquisition and development. Whereas the hotels of HCI's early days absorbed a large share of the young company's limited capital base, today, the company's larger size permits the development of residential neighborhoods, such as the riverfront Flatwater Crossing development in South Sioux City, Nebraska, and commercial buildings such as Ho-Chunk Centre and the mixed residential and commercial Virginia Square, both in Sioux City, Iowa.



WarHorse Casino construction in Lincoln, Nebraska



Willy Bass, a Winnebago Tribal member and Ho-Chunk, Inc. manager, speaks at a regional leadership development meeting in Sioux City, Iowa.

7. **Nebraska gaming** was an impossibility for years, but a Winnebago alliance with the Nebraska Horsemen's Benevolent & Protective Association changed the state constitution and paved the way for Nebraska to keep its citizens' gambling dollars in the state. Winnebago's return full circle to the challenge posed by casinos in nearby Council Bluffs, Iowa, means that HCI is planning to open a succession of casinos at racetracks around Nebraska. A temporary WarHorse Gaming facility opened in Lincoln, Nebraska, on September 24, 2022, and additional construction is underway there, in Omaha, and elsewhere. These operations promise to amplify HCI's capital stock and dividends.

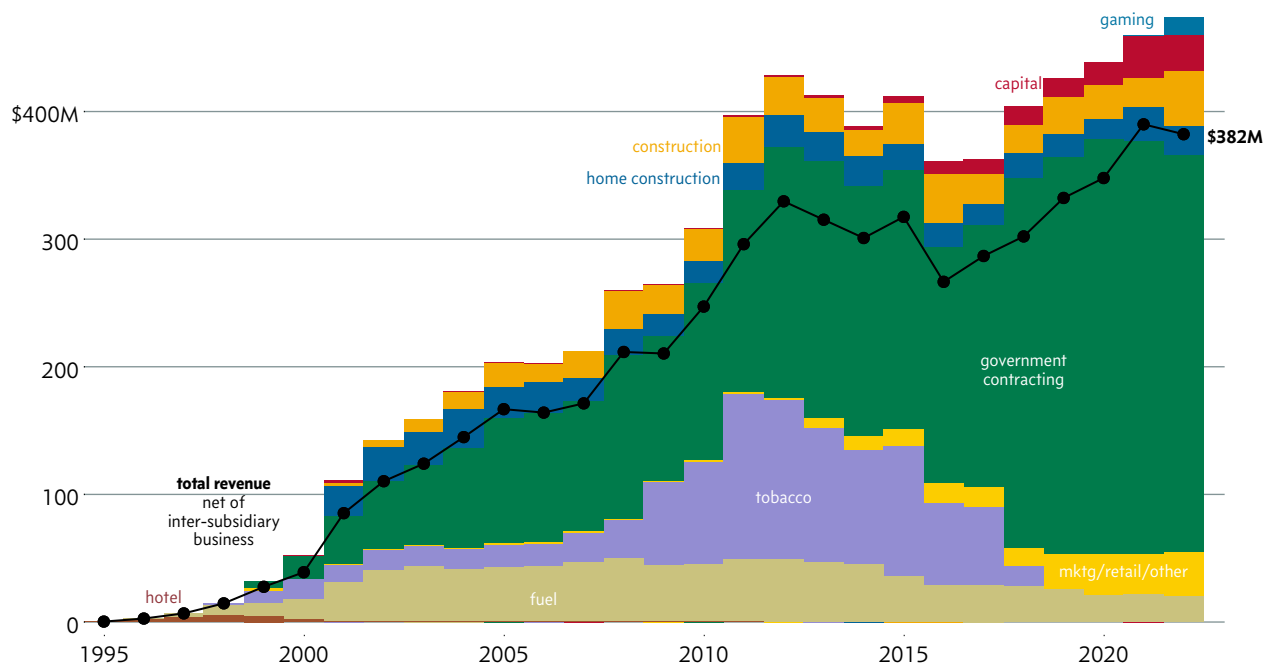
If those seven strategies describe HCI's outward-facing approaches to competition, internal organizational strategies are formulated annually to advance four long-term goals:

1. **Grow Smart:** attend to the company's internal structures, resources, and coordination to achieve robust returns on capital;
2. **Be the Employer of Choice:** recruit, develop, and retain talented people, especially Winnebago citizens, and maintain a strong corporate culture;
3. **Positively Impact Our Community:** support links to community individuals who could be potential hires, maintain ties to community boards and tribal government, and communicate with the Winnebago public;
4. **Drive the 100-Year Plan:** a strategy that develops recurring income from assets, grows Winnebago leadership and managerial human capital, maintains succession plans, and works with the tribal government to produce sustainable community projects.

## D. HCI's Growth

Figure 10 shows how the competitive and organizational strategies grew the Winnebago Tribe's \$9 million investment into a \$382 million business by 2022. Government procurement contracting has stood out as a dominating contributor in the last decade. Nonetheless, it is worth also appreciating that tobacco, fuel, marketing, and retail played key roles in HCI's most difficult decade—its first one. Also noteworthy are the emerging real estate and gaming strategies; real estate (labeled *capital*) grew rapidly in the last two years, and WarHorse Gaming is poised to grow rapidly as facilities come online in 2024 and 2025. Overall, however, the most remarkable thing to note is the steadiness of HCI's growth through the Great Recession of 2008-9 and the COVID-19 pandemic in 2020-2.<sup>7</sup>

**Figure 10: Estimated Ho-Chunk, Inc. Revenues by Sector (millions of 2022 dollars)**



Ho-Chunk, Inc.'s steady growth over decades is a critical achievement because reversals of economic fortunes imperil poor regions worldwide. Growth collapse—episodes where vast wealth is destroyed and economies take years to recover—explain much of the difference in economic outcomes around the world [18]. Indian Country has experienced such

<sup>7</sup>When an HCI subsidiary faces a need for an input that another subsidiary produces, it is generally advantageous to the whole of HCI to buy internally. Such vertically integrated purchasing has the effect of representing revenues in two places, first in the subsidiary supplying the outside customer and a second time when the other subsidiary supplies the input. The colored bars in Figure 10 accumulate all such sales, and the black line represents the audited total revenue *net* of internal sales. The colored bars, in other words, offer an estimated relative size of the business sectors rather than audited financial data.

collapses, too. Isleta Pueblo del Sur had its casinos shuttered by Texas litigation. Countless tribe-owned enterprises have succumbed to a blurring of roles between political and business leaders [19, 20, 21]. The 80% decline in WinnaVegas's revenue suddenly reduced Winnebago discretionary funds, not just for investing in Ho-Chunk, Inc.'s first five years, but also in tribal programs.

The trajectory in Figure 10 shows that a Winnebago response to just such a collapse worked as intended—creating an economic diversification engine, Ho-Chunk, Inc., made up for WinnaVegas's losses. This is a monumental achievement. Without steady success, much of the downstream impact described below would have been short-lived, intermittent, or considerably diminished. It may go without saying, but Figure 10 is also indicative of Winnebago economic growth. HCI is not the whole tribal economy, of course, but it is a core engine that works to accelerate Winnebago gross reservation product per capita—in Pritchett's formulation, gross domestic product—making possible social progress on a multitude of fronts.



Melanie Parker first learned about Ho-Chunk, Inc. in high school as the company was starting up. She could hardly imagine building a career there—it was in a double-wide trailer home on the hill north of the high school football field. In 2006, Melanie applied for an executive assistant role at HCI. The responsibilities were vastly different from her receptionist job at Little Priest Tribal College, but now she had the opportunity to work for and learn from two company executives. Within a year, she was promoted to Office Manager, and as HCI grew, she seized all the learning opportunities she could. Today, she is a Senior Project Manager.

Melanie has taken advantage of a variety of development opportunities, from facilitation training to Gallup’s CliftonStrengths coaching program with the support of HCI. As her children grew, Melanie found the time to finish her degree at Little Priest, graduating in 2015 with an Associate’s Degree in Business Administration. These formal efforts and her growing leadership experience yield dividends to the broader community. In the company, she works on special projects like the 10<sup>th</sup> anniversary celebration for Ho-Chunk Village, which she found particularly rewarding for its engagement with the community. Melanie also speaks when needed with participants in the Winnebago First-Time Home Buyers Program, sharing her experiences as an early home buyer and encouraging others to pursue the dream of home ownership. I tell them, “Build your dream home, not the one you just want today, but the one you want to grow old in.” Melanie also serves on the Board of Directors for the Nebraska Children and Families Foundation. In multiple ways, Melanie Parker personifies Winnebago aspirations for human capital accumulation, home equity growth, and community revitalization.

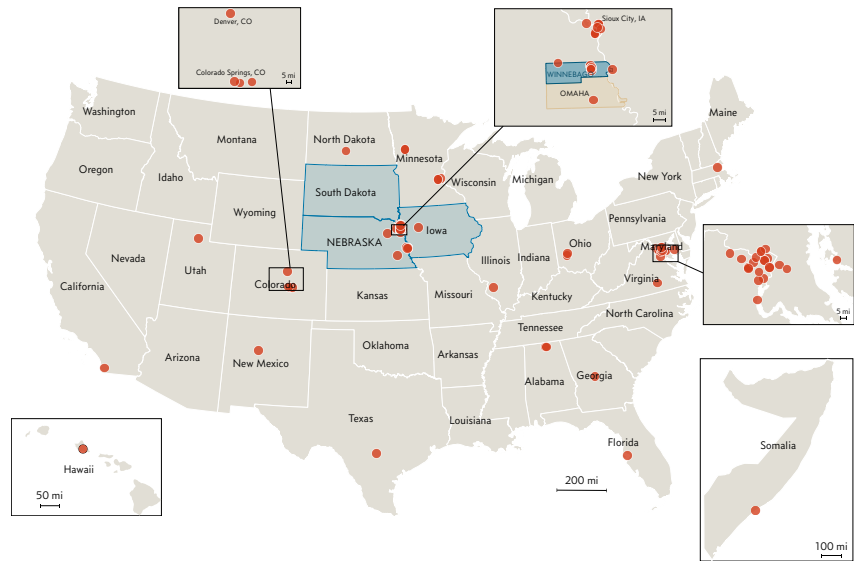


Melanie Parker

## E. Selected HCI Subsidiaries

Figure 10 hints at a great deal of complexity within Ho-Chunk, Inc., and Figure 11 confirms the geographic breadth of the company’s operations. This section describes a few of the subsidiaries in detail, both to give a sense of the range of HCI’s operations and to connect them to their roles in Winnebago development.

**Figure 11: Locations of HCI Subsidiaries in 2023**



[13]



**1. Rez Cars / Titan Motors**

The founding of Rez Cars (now Titan Motors) began with a banker’s ethical dilemma. Winnebago citizens hoping to get mortgages for homes on the reservation were underwater in their car loans. Nearby car salesmen would notice a Winnebago address and charge higher prices and interest rates. This often meant that many mortgage applicants owed more car debt than their cars were worth. The banker’s view was that they should walk away from their debts, but he couldn’t ethically advocate that they damage their credit scores. By creating a used car company, Ho-Chunk, Inc. addressed the problem upstream by creating a used car company. Today, Titan Motors buys cars at used car auctions and sells them in Winnebago. Winnebago citizens’ credit scores are not imperiled by opportunistic used-car salesmen, and mortgage lending to citizens has one less obstacle to overcome. Titan Motors is not a remarkable presence in HCI’s income statement, but it is a key presence in the Winnebago economy.



**2. All Native Group, Flatwater Group, and Dynamic Systems**

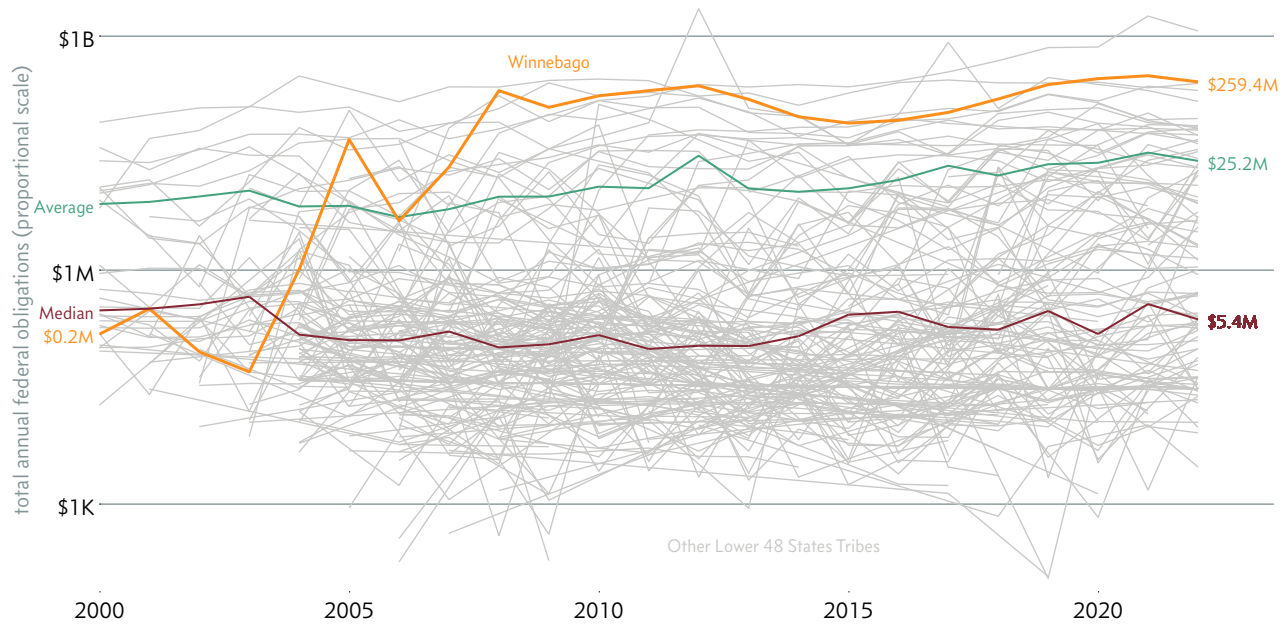
The reason HCI’s geographic footprint extends from Hawaii to Somalia in Figure 11 is that the activities of its government contracting subsidiaries require it. HCI’s All Native Group, Flatwater Group, and Dynamic Systems subsidiaries provide the US Government with goods and services, including office furniture and equipment, facilities maintenance, transportation logistics, information systems installation, temporary staffing, and much else. HCI’s government contracting divisions are





variously certified to participate in the federal government’s Section 8(a), HUBZone, and Buy Indian programs.

**Figure 12: Winnebago Government Contracting Relative to other Tribes in the Lower Forty-Eight States**



[22]

Government contracting not only represents a large part of the company’s revenue base (per Figure 10), but the company has grown substantially relative to its peers in lower forty-eight states (Figure 12). After a modest start in the early 2000s, HCI grew quickly past the median and average tribes to occupy a permanent place among the top ten. There are many larger Native 8(a) companies—namely, Alaska Native Corporations (not shown)—but Winnebago is a standout among the tribe-owned government contractors. The substantial earnings from government contracting enlarge HCI’s bottom line, making investments in the company, the dividend to the tribal government, the career trajectories of HCI employees, and so much more of Winnebago community life that much richer.

### 3. Ho-Chunk Farms

Historically, around Indian Country, tribal assets have earned below-market returns despite the BIA’s ostensible duty to ensure otherwise. On the Winnebago Reservation, Indian farmland earned about \$125 to \$150 less per acre than non-Indian farm leases, effectively transferring wealth from Indians and the Winnebago Tribe to non-Indian farmers. The Tribe needed a credible threat to break up the collusion that depressed revenues; it needed its own farming company. The creation of Ho-Chunk Farms (HCF) in 2012 and tribal policies that permit HCF to

*“Tobacco and fuel have been good businesses for us, but the US Government is the largest customer on the planet! The opportunity is unlimited.”*

— Annette Hamilton,  
COO, Ho-Chunk, Inc.





Ho-Chunk Farms is adding to its equipment line and employing more Tribal members to perform work that was previously contracted out.

match the highest responsible bid on Indian land [23] immediately raised rental rates earned by individual Indian landowners (allottees) and the Tribe.

An extreme example demonstrates the power of making anemic competition robust. The rate on a 5-year, 1,100-acre lease of irrigated river bottomlands jumped from \$185 to \$415 per acre when the Farms' bidding threat became credible [24]. In other words, the added competition produced a net gain of \$1.27 million over the five-year life of the lease. Not all lands are as productive as irrigated Missouri River bottomlands, and because agricultural prices and land values are constantly changing, it is difficult to measure how much more revenue is earned by the Tribe and individual Indians. That said, 15 parcels came up for lease recently, and Ho-Chunk Farms only won two of them [25] indicates that competition is robust and producing market valuations.

Ho-Chunk Farms (HCF) is not only a threat in bidding; it is a profit-making concern in its own right. It is led by Senior Business Manager Aaron LaPointe, a former HCI intern and the holder of a University of Nebraska bachelor's degree in agricultural management—a rare degree among Winnebago citizens. The LaPointe family is also prominent in the roster of former Tribal Council members and officers, including his father, Daryl LaPointe Sr., who served as Chairman and Vice-Chairman. Under Aaron LaPointe's leadership, HCF has acquired land, expanded operations, and built up its plant and equipment.

In 2022, HCF owned and farmed 372 acres of its own land and leased 3,509 tribal acres, 1,870 Indian-owned acres, and 557 acres of non-Indian land, paying \$1.6 million in rent (Figure 13). HCF performs about 40% of its own disking, sowing, haying, cultivating, combining, and other



Traditional Winnebago Indian corn harvest and processing video on YouTube. [26].

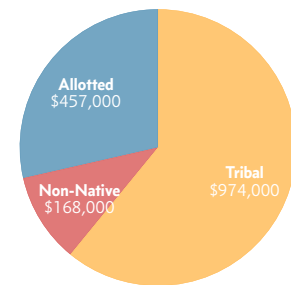
operations. The remaining functions are performed by independent farmers contracted under an annual bidding process.

In recent years, HCF has added millions of dollars worth of grain bins, irrigation infrastructure, and trucks, trailers, tractors, and implements. The grain bins allow time arbitrage—selling when prices are higher. Irrigation adds to the productivity of the land. Owning and maintaining your own equipment helps the bottom line. Vertically integrating into cattle and supplying them with feed corn grown by Ho-Chunk Farms increases margins. These value-adding efforts are paying off. In 2022, HCF earned \$662,000 in operating profit, of which \$165,000 (25%) was its dividend contribution to the Tribe—tribal income over and above the \$974,000 that it paid the Tribe in land rent that year.

Ho-Chunk Farms’ third central mission entails developing tribally controlled, sustainable, and culturally resonant agricultural practices. HCF does not apply chemical fertilizers, pesticides, or herbicides in its traditional corn operations. Additionally, it operates on 830 acres of USDA-certified organic lands, with more land in the pipeline for that certification.

HCF has also revived the practice of growing and processing *Washa*—traditional Indian corn. Starting with a traditional blessing with tobacco before planting, the entire process of growing, harvesting, processing, and distributing the corn is infused with community spirit and the experience of elders. Schoolchildren participate in the shucking and shelling. Adults blanch the corn, and everyone helps take corn off the cobs before putting it on the drying racks. The children sell bags of dried corn to raise funds for academic enrichment, and elders receive free packs of corn. The bulk of the processing takes place in the open-air pavilion of the Farmers Market in Ho-Chunk Village on the main road through town. Throughout, Ho-Chunk Farms organizes the work.

Figure 13: HCF Paid \$1.6 M in rent in 2022



*“I never really liked buying farmland because the biggest part of your return on farmland is when you sell it, and I suspect we are never going to sell any land we buy. We **have** to focus on more value added.”*

— Lance Morgan,  
CEO, Ho-Chunk, Inc. [24]



Winnebago students learn about traditional Indian corn from Aaron LaPointe, a Tribal member and Senior Business Manager at Ho-Chunk, Inc.

Perhaps most importantly, Ho-Chunk Farms and community partners are reviving Winnebago’s practice of agriculture. The company has seven full-time employees who are tribal members, all of whom are younger than Aaron (32). In addition, HCF routinely hires about 20 temporary employees in a year. Interest in day laborer positions is high, especially among men. Growing youth interest in agriculture has prompted Little Priest Tribal College to add an Associate’s degree in Diversified Agriculture with Ho-Chunk Farms’ help.

## **F. The Multi-Institution Tribe in Action: Ho-Chunk Village**

Ho-Chunk Village, where the Farmers Market is located, is a multi-phase, multi-objective project of a multi-institutional tribe that almost defies description. To sell it short, it is a mixed-use real estate development on the Winnebago Indian Reservation that grew to 185 units in five years. It is also a place to buy a salad, an espresso, or some household goods—scarce items in Thurston County, Nebraska. It is a place to take a Little Priest college class, visit a grandmother in elder housing, live in a home you own, manufacture cigarettes, hold a large board meeting, and shuck traditional corn with cousins. But the mere physical activities of the Village do not capture its full economic character.

First, it is a multi-institution creation. The Winnebago Tribe initially purchased the land. Ho-Chunk Community Development Corporation, the nonprofit chartered under Nebraska law, identifies federal or philanthropic grant opportunities to support road, sewer, plumbing, and electrical infrastructure, the construction of the Farmers Market, or elder



housing. Ho-Chunk, Inc.'s construction subsidiary paves the roads and pours the slabs, and its manufactured housing company ships a house to put on that foundation. The Tribal College teaches classes there. Ho-Chunk Farms hosts traditional Indian corn processing there at harvest time. Ho-Chunk, Inc.'s SweetWater Café makes salads and espressos fresh daily, and Ho-Chunk Capital leases space to Dollar General.



The Ho-Chunk Village master-planned development in Winnebago, Nebraska.



Dulcie Greene

*“My oldest daughter was accepted into the HCI Apprenticeship in her junior year of high school, and she hopes to join the Marines and return as a Winnebago Police officer. I couldn’t be more proud.”*

*— Dulcie Greene,  
HR Employee and Tribal  
Community Relations Mgr.*

Dulcie Greene’s childhood was challenging. She was raised in southwestern Minnesota, but after an eviction, her family moved to Sioux City. Soon after, Dulcie and one of her sisters were placed in a foster home about 30 minutes outside of the city, and her three younger siblings in a home in another town. The siblings were reunited in Winnebago, but it did not last.

Sarah Snake (daughter of Chairman Reuben Snake) hired Dulcie at HCI. Sarah had been Dulcie’s youth leader in the 8<sup>th</sup> grade and her cheerleading coach in high school. Dulcie was pregnant right out of high school, and Sarah said that she would hire Dulcie on the condition that Dulcie would continue her education and go to college.

Starting as a File Clerk in HCI’s Human Resources Department, she steadily advanced, obtaining promotions and adding to her responsibilities. Mentors and co-workers encouraged her to expand her skill set, and ultimately, she received an Associate’s Degree at Little Priest Tribal College and a Bachelor’s Degree in Human Resources. Today, Dulcie is the Human Resources Employee and Tribal Community Relations Manager, working with all the HR departments of HCI, its subsidiaries, and the Winnebago Tribe. She recruits for openings, assists with workplace investigations, and identifies resources for employee growth.

Dulcie and her five daughters live in a home she was able to purchase with help from the Down Payment Assistance Program. Dulcie cooks for wakes in the community, sometimes even being asked to be the head cook. It is a big commitment since wakes last for four days. Dulcie also helps with Ho-Chunk Way, an HCI employee-donation program that has helped raise over \$230,000 since its inception in 2017.

Second, the Village helps address a critical challenge in home equity finance. In rural areas, low home prices impede the construction of new homes when valuations are not much higher than construction costs—i.e., when there is little home equity on move-in day. Banks are reluctant to lend if the owner does not start with much equity. To overcome the problem, down payments have to be disproportionately large to put the loan-to-value ratio within acceptable ranges. This difficult challenge for households with limited savings means new construction is hamstrung in rural communities.





Ho-Chunk Village, actual (lower left quadrant) & planned.

To address it, Winnebago tribal law and continuing appropriations from tribal tobacco tax revenue and HCI's dividend make it possible for a tribal member to apply for down payment assistance on a new house on the reservation. Since 2002, 78 awards have been made for an inflation-adjusted average contribution of \$56,296, totaling \$4,391,123 (in 2022 dollars).<sup>8</sup> Thus, the Winnebago government's down payment assistance program makes it feasible for families too wealthy to qualify for federal housing programs but too poor to pay for new construction in rural Nebraska without a mortgage to consider owning a house in Winnebago and building equity in it as they pay down their mortgage.

Still, the full story of Ho-Chunk Village as a multi-institution effort goes untold. Consider yourself a young Winnebago father or mother in the 1990s or early 2000s weighing your options for career and family. You'd like to live near your parents on the reservation and work for your tribe, but the housing in town is substandard and you cannot finance a new one. There are only a narrow range of government jobs. The overstuffed daycare is in a couple of decaying trailers. The Indian Health Service

<sup>8</sup>Down payment assistance is permitted anywhere on the Reservation, and slightly more than half of the loans have been outside Ho-Chunk Village.

hospital is terrible. In other words, the options a half-hour drive north of the reservation in Sioux City, Iowa, start to look really attractive.

Today, by contrast, that same family could be supported by down payment assistance for a new house in Ho-Chunk Village, near a variety of work opportunities, down the road from Educare Winnebago (which provides early childhood education infused with tribal culture), near grandma and grandpa, and minutes from a high-quality, tribally controlled hospital. In other words, Ho-Chunk Village is part of a community-integrating, family-supporting, quality-of-life-improving engine set in motion by tribal policy, running on multiple tribal institutions, fueled by tribal capital earned by tribal businesses. It plays a role in making an on-reservation Indian middle class possible (see Section V.C.).

Consistent with its achievements, the Village has been elevated as an example to the rest of Indian Country. In 2015, it won an award for excellence in tribal governance from the Honoring Nations program at the Harvard Project on Indigenous Governance and Development [27]. In 2023, the Village was re-recognized by Honoring Nations as an All-Star program [28].

The Winnebago Tribe punches above its weight in Honoring Nations, earning four awards over the program’s lifetime.<sup>9</sup> Among repeat winners that are single tribes (some winners are groups of Native nations), Winnebago ranks third in awards per capita over the life of Honoring Nations (1998–present), behind the Swinomish Indian Community (WA) and the Confederated Tribes of the Umatilla Indian Reservation (OR) [33, 34]. The achievements of Ho-Chunk Village arise from stable self-government, robust institutional capacity, and persistent economic growth—Pritchett’s trio of “national development” characteristics taking effect in a Plains Indian reservation.

## **G. The Multi-Institution Tribe in Action: The Pandemic Task Force**

If Ho-Chunk Village demonstrates the power of Winnebago’s multiple institutions jointly sustaining pressure on tribal policy goals over more than a decade, the pandemic revealed their rapid adaptability in an emergency.

The Winnebago Tribe operated a Health Department staffed with Public Health Nurses and Community Health Representatives beginning in the late 1970s. Alongside, the US Indian Health Service operated an Indian Hospital in Winnebago, Nebraska, called the Omaha/Winnebago Service Unit. The quality of care in that hospital—never great to begin

<sup>9</sup>In reverse chronological order, Winnebago’s winners are Ho-Chunk Village (2015), the Community Development Fund (2006), the Whirling Thunder Wellness Program (2002), and Ho-Chunk, Inc. (2000) [29, 30, 31]. In 2001, the Winnebago Tribe also won an Innovations in American Government Award from Harvard’s Ash Center for Democratic Governance and Innovation for Ho-Chunk, Inc., one of a small handful of tribal governments to do so [32].



12 Clans Unity Hospital.

with—degraded to the point that the Centers for Medicare & Medicaid Services (CMS) revoked the hospital’s certification in July 2015, declaring that management weakness posed an “immediate jeopardy to patient health and safety.” The IHS’s Winnebago facility was the first federal hospital ever to lose the right to collect Medicare and Medicaid reimbursements [35].

After exerting a great deal of advocacy in Washington, the Tribe decided that rather than wait for the IHS to re-certify, it would assume management responsibility of the facility under the frameworks of the Indian Self-Determination and Educational Assistance Act (P.L. 93-638, as amended). On July 1, 2018, it took control under a self-governance compact and renamed it Twelve Clans Unity Hospital. The Tribe created an overarching Winnebago Comprehensive Healthcare System (WCHS) to oversee the hospital, its Public Health Department, and later, a Winnebago Health Foundation. The hospital was pursuing CMS re-certification when the pandemic interceded. It recently earned re-certification, as will be explained in Section II.

The Winnebago Tribe’s response to the COVID-19 pandemic began with an informal gathering of accountants and human resource staff to make sure that Winnebago organizations were aware of and applied for federal funds in the Paycheck Protection Program (PPP). A Tribal Resolution on March 24, 2020 (#20-108) formalized the Tribe’s response by creating a Pandemic Preparedness Task Force. The Task Force began meeting two days later. Chaired by Tribal Councilman John Snowball, it comprised the CEO and CFO of the Tribe; the CEOs of the hospital, casino, and Ho-Chunk, Inc.; and later, the President of Little Priest Tribal College.

*“I have never seen as large an organized collaboration in the Tribe as we put together in the Pandemic Task Force.”*

*— Danelle Smith,  
then-CEO of WCHS*

The Task Force met weekly, gathering information, expertise, and capabilities from the various tribal institutions and apportioning the work into subcommittees: food security, community healthcare, federal and state funding, businesses and employers, utilities, security, education, communications, and information technology. The Task Force quickly processed public health guidance, federal policy-making, and local conditions into recommendations for Tribal Council action. These included a tribal curfew and masking policy, recommendations for staffing a food pantry and making grants available to small Winnebago businesses, and securing dedicated quarantine housing.

*“We trickle money into these capital projects a little at a time. Pandemic relief funds allowed us to advance five to ten years into the future of our planning.”*  
— Lance Morgan,  
CEO of Ho-Chunk, Inc.

Routinely, the Task Force approached the pandemic response with an eye toward short-, medium-, and long-term resiliency. It solicited “wish lists” from all around the community, and from those, built a compliant package of spending recommendations. For example, when it became clear that federal relief funding could be used for food system resiliency, Ho-Chunk Farms purchased a warehouse, truck, tractor, and planter with an eye to the long term. These and similar decisions meant that the crisis was also a means of bolstering the Tribe’s institutions.

More importantly, the steady growth of the Tribe’s multiple institutions before the pandemic arrived meant that the Task Force could draw on tribal expertise quickly. When vaccines became available, the Winnebago Comprehensive Healthcare System and the Task Force’s multiple education and communication efforts helped make, in the words of one newspaper headline, “Nebraska’s poorest county...also its most vaccinated” [36].

Decades of multi-institutional growth also made it possible for the Task Force to mix and match experience, capabilities, and resources synergistically. The logistics and warehousing capabilities of Ho-Chunk, Inc., for example, helped make personal protective equipment available for the casino in a timely fashion to facilitate its reopening. Terrible as it was, the pandemic revealed that Winnebago institutional collaboration had become more powerful than the sum of its parts.

## **H. Winnebago Human Capital Investment**

The strength of Winnebago institutions arises in large measure from the capacities of the people in them. *Human capital*, the way economists mean the phrase, encompasses the capacity of people to do work in the world. Though many appropriately take it to mean degrees, credentials, skills, and experience, it also properly encompasses physical health, social skills, and strength of character. Educare Winnebago, the Winnebago Public School District, and Little Priest Tribal College build Winnebago human capital as an explicit mission, and so does Ho-Chunk, Inc.

Most everyone accumulates knowledge and skills with time in a job, and HCI has conventional training programs for its workers. The company also makes extraordinary efforts. These start with high-school



Ho-Chunk, Inc. leadership and summer interns in front of the corporate headquarters in Winnebago, Nebraska.

apprenticeships and college internships. The company's Footprints Program pairs Winnebago and high-potential employees with a leadership team member to develop identified talents via a specific development path over three to five years.

The company's Immersive Leadership Program deploys employees with undergraduate or graduate degrees in company roles suited to their education. It also provides mentoring from executive leaders and ongoing experiential opportunities, such as in-committee service and conference attendance. Professional development outcomes are tracked and a recent report to the Board of Directors noted that, of the 259 leadership positions in the company (from Supervisor up through Chief Officers), 16% are Native American, and of those, 9% are Winnebago. Company leadership certainly wants to achieve more, yet human capital formation for leadership takes time. Moreover, those statistics do not capture the Winnebago citizens with company-grown skills who have gone on to other roles in the community.

*“When you put these footprints down, be very careful because your children are going to follow along.”*  
— Reuben Snake Jr.  
*Former Chairman*



## IV. Economic Impacts

As the Tribe, its companies, and institutions hire and purchase, their activities affect households, firms, and governments in the larger economy. This section describes the Tribe's employment impacts, multiplier effects, and public finance and community investments. In other words, this section is focused outward, answering, for example, the question: How do Ho-Chunk, Inc. revenues translate into jobs, household income, purchases, and government revenue for the Tribe and other governments? The subsequent section (Section V.) turns inward to assess the effects of economic growth on Indians living on the Winnebago Reservation.



Winnebago Tribal members and Ho-Chunk, Inc. Human Resources employees Dulcie Greene (left) and Lana Stabler review an employee presentation.

### A. Employment

Table 3 shows the employment of the Winnebago Tribe by the state of the jobs' location. The columns further break down the data into HCI's government contracting, the rest of HCI, and the Winnebago government (WTN). The Washington, DC, metro area features prominently in government contracting, especially Virginia (601). Nebraska employees dominate the rest of HCI employment (nearly 496) and the Winnebago Tribe predominantly employs people in Nebraska (781).

Table 4 shows that almost a third of the workforce of the major employers of the Tribe (HCI, WinnaVegas, the Health System, and government, i.e., all but 113 jobs) is Native American, 17% of whom are Winnebago. The presence of 804 Indians on the payroll of the Winnebago Tribe in 2022 demonstrates the power of dynamic career paths as explained above (Section III.H.). Without concerted human capital development directed toward recruiting, retaining, and training Winnebago and other Indians,



**Table 3: Locations of Winnebago Employees, 2022**

state	gov't. contracting	other HCI	WTN	total
Nebraska	128	496	781	1,405
Virginia	601	8		609
Iowa	6	49	244	299
Washington, DC	263			263
Minnesota		106		106
Colorado	85			85
Alabama	59			59
Maryland	31			31
Ohio	14			14
South Dakota		3		3
Other States	22			22
total:	1,209	662	1,025	2,896

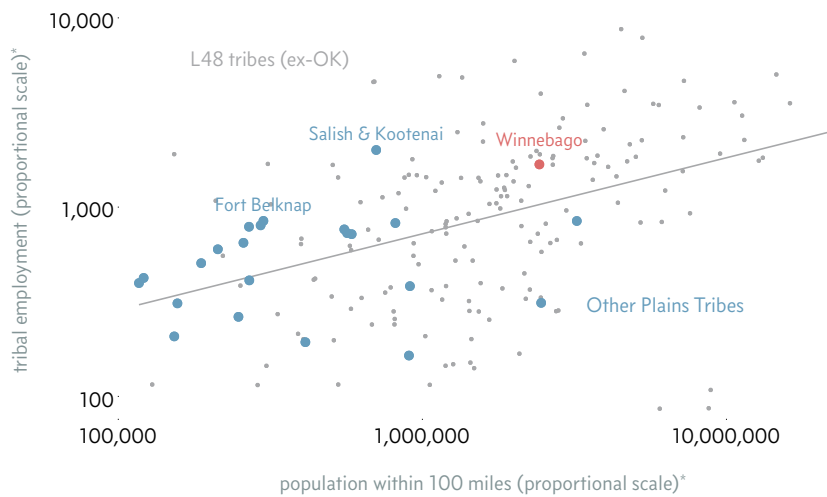
more jobs—especially senior positions—would be occupied by non-Indians than the 1,979 indicated in Table 4.

The above tables describe Winnebago employment, but without context. How does Winnebago employment compare to other Plains tribes?<sup>10</sup> To other tribes in general? Figure 14 displays pre-pandemic tribal employment levels (full-time equivalents, or FTEs) on the vertical axis of tribes in the lower forty-eight states (excluding Oklahoma) and the total population within 100 miles of the reservations' centers on the horizontal axis. Tribal employee counts vary with tribal size—more enrolled citizens require more school teachers, for example. Employee headcounts may also vary with the wealth of the surrounding population; a wealthier market may sustain a larger casino, for example. Both factors have been taken into account in the figure's variables already (see Appendix B).

**Table 4: Workforce Composition of Major Winnebago Employers, 2022**

composition	employees
Winnebago	484
Omaha	118
Other Native American	202
Non-Indian	1,979
total:	2,783

**Figure 14: Tribal Employment and Population within 100 miles**



\* After taking into account tribal enrollment and nearby non-Indian income (see Appendix B)

<sup>10</sup>See, Section V. for a formal delineation of “Plains reservations” in this report.

The scatterplot shows a positive relationship—an upward slope to the line of best fit. In other words, the grey line shows that the average expected tribal employee count rises with the surrounding population. It also shows that Winnebago is to the right of most of the Plains tribes—approximately two million people are within 100 miles. So yes, Winnebago may have some advantage in being able to access more customers. But note also that Winnebago is well above the grey line for all reservations. It employs 649 more people than would be expected on the basis of population within 100 miles (after adjusting for citizenship and regional income), ranking it second among Plains reservations, behind Salish and Kootenai, and ahead of Fort Belknap. In other words, the Winnebago economy has an advantage, but it over-performs, even taking into account that advantage.<sup>11</sup>



Trevor Wilke

*“I hope I can be a standard for the community: work hard, be present, and help out even if it’s not your job. It’s still your community. Take pride in that!”*  
*— Trevor Wilke, Maintenance Mgr.*

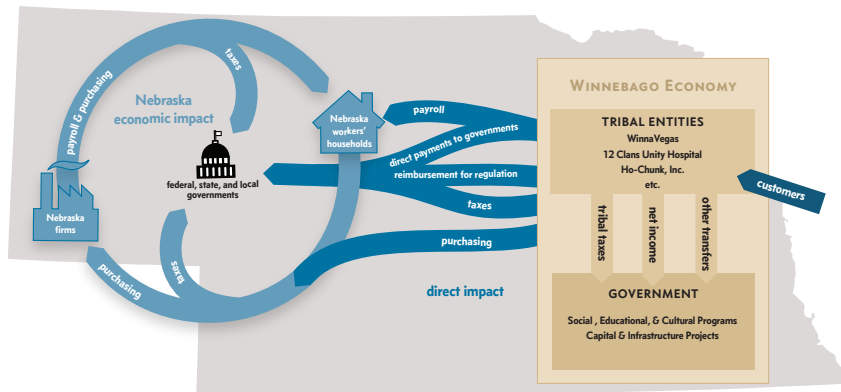
Trevor Wilke began working for Ho-Chunk, Inc. about a year after graduating from high school and after completing a 6-month program at Whirling Thunder. The Tribe’s Whirling Thunder Wellness Program provides preventative services to improve health and wellness, fight diabetes and substance abuse, and teach healthy lifestyles consistent with traditional practices.

In July 2023, Trevor celebrated his 19th year with HCI. Trevor started out in groundskeeping, and his responsibilities grew to include electrical, carpentry, maintenance, and machinery repair. Over the years, HCI began incorporating leadership courses into Trevor’s development plan, helping him prepare for more senior roles. Today, he is the Maintenance Manager and leads an 11-person crew. He’s prepared for anything, especially during the chaotic lead-up to Winnebago’s annual Powwow and Homecoming Celebration.

Outside of work, Trevor balances being a single parent to three kids, playing in local sports leagues, and helping out around the community. Thanks to his steady employment, Trevor is in the process of buying a new home for his family through Ho-Chunk Capital.

<sup>11</sup>Some of this employment differential arises from government contracting outside the 100-mile radius (per Table 3), but such dynamics affect the other tribes’ employment, too. The Confederated Salish and Kootenai Tribes have long been leaders in government contracting, for example.

**Figure 15: Fiscal Flows Propagated by the Winnebago Economy**



## B. Tri-State Multiplier Effects

As the tribal entities earn revenues from customers, they pay workers, suppliers, and governments. Those payments and purchases, in turn, prompt input purchases and household purchases in iterating cycles as indicated in Figure 15.

Table 5 reports the total jobs, labor income, and value-added associated with the total impact of Winnebago government employment and Ho-Chunk, Inc. activities (commercial and government contracting) as estimated by the IMPLAN model [37]. It does so at expanding scales of geography, from individual counties up to the state and tri-state totals.<sup>12</sup>

Total tribal economic activity reflected in tribal government and business activity in 2022 was \$286.2 million in gross tri-state product. Underlying total impacts are different types of economic impact: direct, indirect, and induced. Direct effects result from the Tribe paying workers and suppliers itself. When the Tribe purchases goods and services, its suppliers purchase goods and services, the sum of which is the indirect effect. Then, as the employees of both the Tribe and its suppliers buy things like groceries and gas, their household spending yields the induced effect.

The direct, indirect, and induced together make up the total economic impact, reported here as the calculated value added. Table 5 breaks out labor income, a predominant fraction of value added, and it reports the total value added itself. The sum of all value-added in an economy is the gross regional product (or gross state product or gross national product, as the case may be, see Appendix C). In 2022, 3,525 jobs were supported by Winnebago operations in Nebraska, Iowa, and South Dakota.

<sup>12</sup>Note, because the impacts modeled geographically are non-overlapping, it does not double-count to add different rows of the tab to each other—for example, to add the values of Dakota and Dixon Counties, NE; Union County, SD; and Woodbury County, IA to yield the Sioux City MSA impacts.

**Table 5: Winnebago Tribe Impacts on the Tri-State Region, 2022  
(dollars in millions)**

region	employment	labor income	value added
Dakota Cty., NE	124	\$6.2	\$11.4
Dixon Cty., NE	8	\$0.3	\$0.9
Lancaster Cty., NE	150	\$5.0	\$13.1
Madison Cty., NE	0	\$0.0	\$0.0
Sarpy Cty., NE	371	\$22.5	\$41.9
Thurston Cty., NE	2,113	\$120.8	\$147.8
Rest of Nebraska	389	\$23.7	\$39.4
Nebraska Total	3,157	\$178.5	\$254.5
Woodbury Cty., IA	289	\$12.9	\$21.4
Rest of Iowa	51	\$2.9	\$5.4
Iowa Total	340	\$15.8	\$26.8
Union Cty., SD	12	\$0.8	\$1.7
Rest of South Dakota	16	\$1.3	\$3.2
South Dakota Total	27	\$2.1	\$4.9
Grand Total	3,525	\$196.4	\$286.2



Construction in progress at HCI's Flatwater Crossing master-planned community in South Sioux City, Nebraska.

Examined here are not only the impacts on and around the Winnebago Reservation (i.e., Thurston County), but also the effects in the Sioux City, MSA (the sum of Dakota, Dixon, Union, and Woodbury counties), and the states of Nebraska, Iowa, and South Dakota. More than half of the tri-state impacts (jobs, labor income, and value-added) accrue in Thurston County, Nebraska, a county that ranks 93<sup>rd</sup> of Nebraska’s 93 counties in income per person over 2017-20 [1]. That said, it should also be noted that Table 5 understates the Winnebago Tribe’s total nationwide impact because it does not include the impacts found in the full range of states where HCI has operations (e.g., Washington, DC, Minnesota, and Virginia). Finally, the impacts in Table 5 can be considered to recur from year to year, that is, they do not include extraordinary or one-time capital expenditures in 2022.

### C. Public Finance & Community Reinvestment

The multiplier effects described in Table 5 produce taxes in the off-reservation economy, but before addressing those, this subsection will address direct payments to governments and donations.

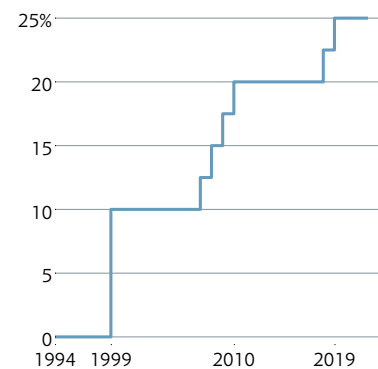
#### 1. Direct Payments of Dividends and Taxes

When it was created in 1994, Ho-Chunk, Inc. was to receive capital for five years and not pay a dividend until 1999, at which point it would pay 10% of net earnings. Over time, the company’s Board of Directors has recommended and Tribal Council has approved increases in that rate, including a phased doubling from 2007 to 2010 and a phased increase to 25% in 2018 and 2019 (Figure 16). The remainder stays in the company as retained earnings for the subsequent year’s reinvestment.

In 2022, HCI paid a dividend of slightly more than \$5 million to the Winnebago Tribe. The company also remitted \$294,979 in tribal tax collections, and pursuant to tribal law, the company paid \$300,000 of its dividend in down payment assistance to home buyers. The company also paid \$20,000 to Little Priest Tribal College under a Memorandum of Understanding. Over the life of the company, HCI has paid the Tribe over \$34.4 million in dividends and \$9.3 million in taxes, predominantly tobacco taxes but also construction taxes after 2020.

In addition, HCI paid \$186,978 in property taxes to Thurston County, Nebraska, in 2022, making it the second-largest property taxpayer there. Most of the Tribe’s land is tax-exempt because it is held in trust by the US Government, but the Winnebago Tribe does own some land in fee-simple title and it paid another \$70,166 in 2022. The combined company and tribal payments make the Winnebago Tribe the largest property taxpayer in Thurston County.

Figure 16: HCI Dividend Rates





**Table 6: HCI Donations  
(dollars in thousands)**

area	amount
HCCDC	\$150.0
Seniors	\$39.7
Education	\$6.9
Scholarships	\$17.8
Pow Wow	\$1.7
Community Support	\$8.1
Funeral	\$3.7
Youth Sports	\$4.5
Ho-Chunk Way	\$43.1
Total	\$275.5

**Table 7: Tax Impacts, Tri-State Region  
(dollars in millions)**

region	tax
Sub Cty.	\$1.5
Sub Cty. - Spec. Dist.	\$3.7
Cty.	\$1.2
State	\$8.4
Federal	\$32.9
Total	\$47.7

## 2. Donations

Ho-Chunk, Inc. makes contributions to nonprofits and other public-serving institutions. In 2022, the company gave away more than \$275,000 as indicated in Table 6.

## 3. Estimated Multiplier Taxes

Indirect and induced economic impacts yield federal, state, and local government taxes as the multiplier impacts of the Tribe's purchasing and hiring ripple out into the surrounding taxable economies. In 2022, IMPLAN estimates that those taxes resulted in \$47.7 million in tax collections in the tri-state region (Table 7).



Ho-Chunk Way Donation to Whirling Thunder Wellness Program

## V. Socioeconomic Change

Consider the long-term implications of Chairman Snake’s (and other Winnebago leaders’) agenda for reducing poverty on the Winnebago Indian Reservation. Every year that the Winnebago economy does not grow faster than Nebraska’s or the United States’, the faster it has to grow in the future to catch up. The challenge is to outpace some of the most dynamic economies on the planet. Meantime, the Winnebago economy is in a remote, rural location. And many of the Winnebago citizens who would actually perform the work necessary to accomplish reservation economic development are scattered from Texas to Wisconsin and Los Angeles to New York City—especially the citizens with skills in high demand.

It is a tall order.

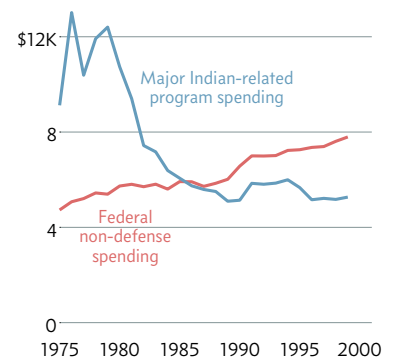
This section presents a multi-decade retrospective of selected Census statistics on socioeconomic status and shows that the Winnebago Tribe is a standout in running that race. The section compares several 1990 decennial statistics with their counterparts in the 2020 American Community Survey 5-year averages.<sup>13</sup>

In the 1990 Census, 1,154 respondents on the Winnebago Indian Reservation self-identified as American Indian or Alaska Native alone (out of a total of 2,433 people there). The 2020 American Community Survey’s 5-year average reported that 1,871 (out of 2,886) people were American Indian or Alaska Native alone [38, 39]. This section is about those people. Not all of them are citizens of the Winnebago Tribe; some may be Omaha, Apache, Navajo, or other Native people. In addition, many of the Tribes’ approximately 5,300 citizens live off the reservation in Omaha, Sioux City, and elsewhere [34]. While the Census Bureau does report some self-reported tribal citizen counts, that data is extremely limited in coverage and depth.

The 1990 Census preceded the founding of Ho-Chunk, Inc. by four years and Little Priest Tribal College’s independence from Nebraska Indian Community College (NICC) by six. That year also marked the end of an evolution under which federal funding of programs targeting Indians flowed and ebbed, never to recover. Federal support increased in the 1970s, helping to raise per capita incomes on reservations 49%, only to retreat under 1980s budget cuts, lowering real reservation incomes with them: -8% in that decade [40, 38].

Thereafter, federal funding for Indians steadily lost ground against non-defense spending for all Americans (Figure 17). Today, federal funding for Indian Country is widely acknowledged to be inadequate to the needs [42, 43]. Thus, socioeconomic change in the period 1990–2020 tells

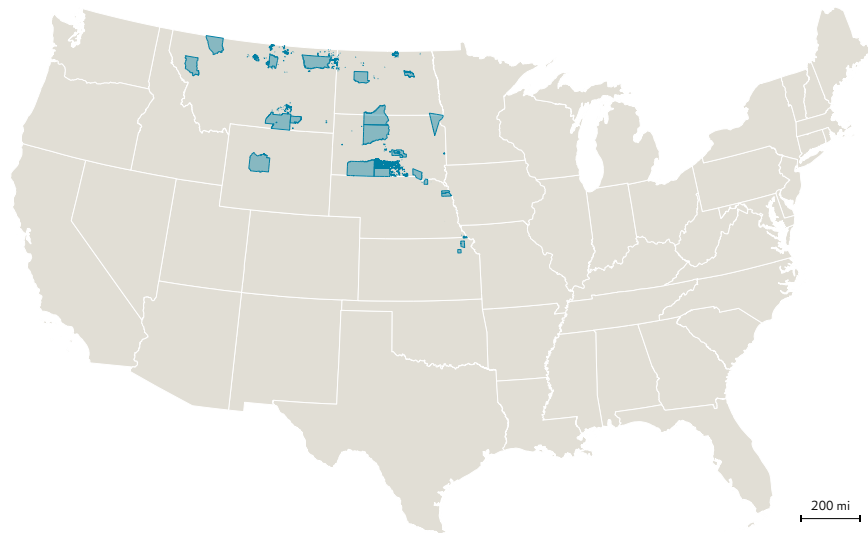
Figure 17: Relative Federal Funding



Thousands of 2022 dollars per capita [41].

<sup>13</sup>In the cases of owner-occupied housing, median home value, and college attainment (toward the end of this subsection), the starting point has to be the 2000, rather than 1990, decennial census.

**Figure 18: Plains Reservations**



[13]

us what self-determined economic development and self-rule can achieve in Indian Country, independent of federal funding booms or busts. The period also encompasses the lifespans of Ho-Chunk, Inc., Little Priest Tribal College, and the other Winnebago institutions listed in Table 2. The multi-decade pictures below of social and economic change provide a before-and-after view of the work of those institutions.

The analysis in this section measures change at Winnebago on the basis of two categories of comparison. The first compares conditions among Indians<sup>14</sup> on the Winnebago Indian Reservation against those of all persons in the United States, Nebraska, Iowa, South Dakota, and Thurston County, Nebraska. The second is against Indians in the other lower forty-eight states reservations. In particular, the Winnebago Reservation is compared to its neighbor, the Omaha Reservation, to Other Plains Tribes (Figure 18),<sup>15</sup> and to the Indian areas of federally recognized tribes in the lower forty-eight states, i.e., “Other Reservations.”<sup>16</sup>

<sup>14</sup>In this document *AIAN*, *Indian*, and *American Indian* are used to refer to people identifying themselves on the US Census form as American Indian or Alaska Native and no other race—what the Census calls *AIAN alone*. Though *multi-race Indians* (i.e., *AIAN in Combination* with or without self-identified Hispanic ancestry) can comprise large proportions of state and national populations, they generally represent only a few percent of the total self-identifying Indian population in typical Indian geographies—reservations, pueblos, rancherias, and the Census Bureau’s Indian statistical areas [44].

<sup>15</sup>*Other Plains Tribes* refers to the reservations of the federally recognized Native nations in the northern Plains states of Kansas, Montana, Nebraska, North Dakota, South Dakota, and Wyoming (other than Winnebago and Omaha). In particular, the Blackfeet, Cheyenne River, Crow, Crow Creek, Flandreau, Flathead, Fort Belknap, Fort Berthold, Fort Peck, Iowa, Kickapoo, Lake Traverse, Lower Brule, Northern Cheyenne, Pine Ridge, Ponca, Prairie Band, Rocky Boy, Rosebud, Sac and Fox, Santee, Spirit Lake, Standing Rock, Turtle Mountain, Wind River, and Yankton Reservations (Figure 18).

<sup>16</sup>Formally, these are reservations (including a few tribal joint-use areas) and Oklahoma Tribal Statistical Areas (OTSAs). Important elements of this composite, such as the dom-

The Omaha Reservation is singled out, not just because it is adjacent and the Winnebago Tribe purchased a portion of it in 1875, but also because it is a reservation within commuting distance. The towns of Walthill and Macy on the Omaha Reservation are a 15-minute drive from the village of Winnebago (Figure 6). Other Plains Reservations are an obvious comparison group for their remote and rural nature, and Other Reservations completes the comparison to the rest of Indian Country in the lower forty-eight states.

## A. Income Per Capita

Per capita income provides a measure of average individual economic well-being. In the national economy, personal income comprises the bulk of gross domestic product (87% of GDP in 2019 [12]). In smaller economies, that proportion varies with idiosyncratic amounts of proprietor income, natural resource revenue, and other non-personal income. Because US GDP is broken down to the state level, but not down to the reservation level, per capita income suffices here as a first-order approximation for how strong a reservation economy is for the people in it.

As Akee and Taylor explained at greater length:

Although it sometimes receives undue consideration at the expense of other quality-of-life indicators, income correlates with mortality, fertility, migration, education, occupation, and a host of other measures [46]. For example, rising income derived from gaming profits has recently been linked to declines in Indian psychopathology among children whose families crossed the poverty threshold [47]. Similarly, higher baseline incomes correlate with healthier dietary responses to Indian income growth [48]. Income tracks only the cash economy, not domestic production, barter, subsistence, or other economically meaningful but uncompensated work. Nonetheless, it remains a valuable first-order comparator for living conditions in societies.[45]

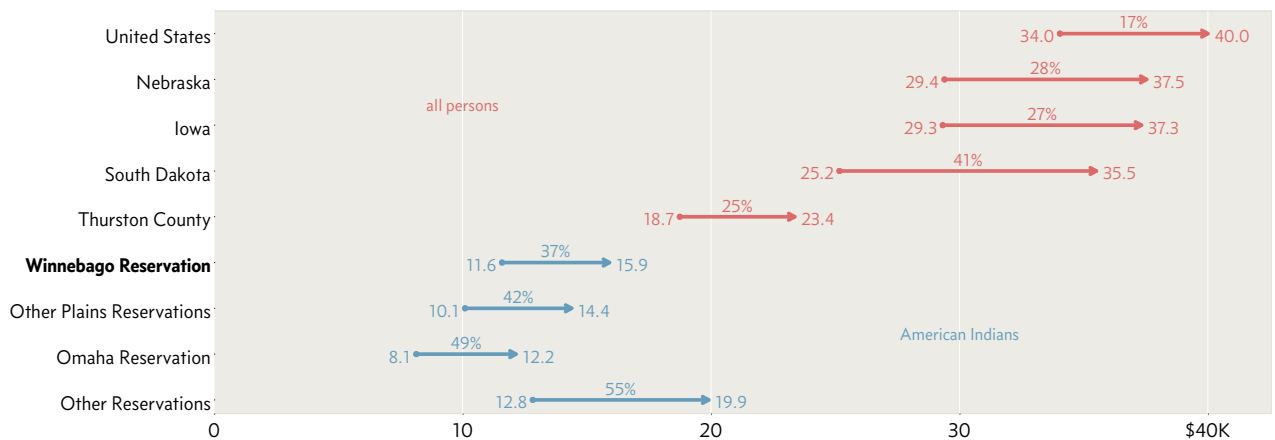
Such relationships between income and non-economic outcomes occur at the individual level and are further amplified by the social progress effects produced in conjunction with the two other elements of Pritchett's trifecta: sound institutions and robust self-government.

The arrow plot in Figure 19 yields a multitude of income comparisons. First, the relative positions of Indians living on reservations are apparent in the locations of the tails and heads of the arrows.<sup>17</sup> In terms of average

ination of the Navajo Nation within it and the overlapping jurisdictions in Oklahoma, require care in interpreting comparisons to it (as discussed in Akee and Taylor [45]).

<sup>17</sup>The arrows start at the historic value and extend to the contemporary value. For dollar-denominated data like income or dollar-determined data like poverty, the 1990 census data are based on the question, "What was your income last year?" Accordingly, those values are actually 1989 values and deflated as such. The "2020" values are from the 2020 Amer-

**Figure 19: Changes in Inflation-Adjusted Income per Capita, 1989-2020\***



\* "2020" is the ACS five-year average of 2016–2020; 2022 dollars in thousands [12, 49, 38, 39].

income, Indians on reservations have been and remain about half as well off as the average American, and in the Plains, about a third.

Second, the differences in percentage changes show rates of catching up. For example, Nebraska, Iowa, and South Dakota were all well behind the US average income in 1989, but they all had growth rates in excess of the US average (28%, 27%, and 41%, respectively, vs. 17% for the US). Accordingly, their gaps with the US at the end of the period are visibly much smaller. The same can be said about the rate of change for Indians on the Winnebago Reservation (37% is more than double 17%), though the closing of the gap with the US is harder for the eye to see from the beginning and ending points alone because the starting point is so far back.

Third, because Thurston County overlaps with the Winnebago and Omaha Reservations (see Figure 6), the fifth red arrow and the first and third blue arrows in Figure 19 can be used to compare the socioeconomic status of people living in virtually the same place. The average income for all people in Thurston County contrasts sharply with Indians' income at Winnebago and Omaha, making plain that the descendants of the non-Indians who settled on the two reservations are prospering much more than the Indians in the same place.

Finally, Figure 19 gives a concrete appreciation of the economic challenge that remains, even under superlative growth. Yes, the slower growth of the US average (+17%) means that Indians on the Winnebago Reservation (+37%) gained ground over three decades, but the absolute dollars of change in the US (about \$6,000 for every person in the country) far outstrips the dollars of change for Indians at Winnebago (\$4,323 per

ican Community Survey's 5-year average, representing 2016–2020. Use of the 5-year average is required for areas of fewer than 20,000 people, i.e., most Indian areas. The 5-year average is also used for more populous geographies such as the United States and Nebraska for comparability.

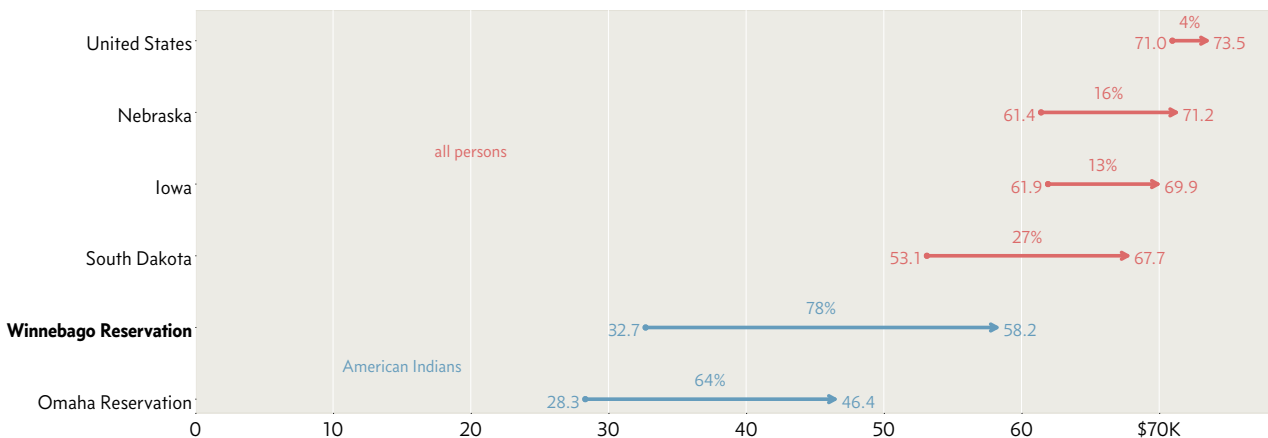


person). In other words, the average American became capable of buying more children’s clothing, iPhones, and hamburgers over the period than the average Indian at Winnebago, even though growth *rates* were stronger there.

## B. Median Household Income

Income per capita reports average income, yet because income distributions are skewed and high incomes distort averages, it is appropriate to also examine the median household income. The median is another way of expressing how the “typical” household lives because it is the income at which half the households earn more and half earn less—the 50<sup>th</sup> percentile. Figure 20 shows the movement in the medians in six of the nine geographies in Figure 19. The movement of the median Indian household’s income at Winnebago was not enough to catch up to the US or the three states because those areas started so far ahead of Winnebago and advanced also. Nonetheless, the astonishing growth of median household income at Winnebago, 78% over three decades, points to an even more startling development, as the next subsection will make clear.

**Figure 20: Changes in Inflation-Adjusted Median Household Income, 1989-2020**



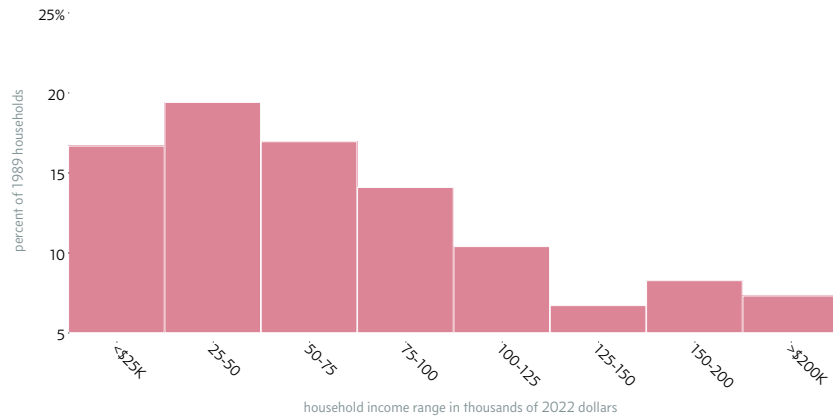
2022 dollars in thousands [12, 38, 49, 39].

## C. Income Distribution

The movement of the median offers only a bit of information about changes in the distribution of income; it can say nothing about changes in concentrations of households in different income brackets along the distribution. Figure 21 shows the household income distribution of the United States in 1989. The median then was \$71,000 (per Figure 20).<sup>18</sup>

<sup>18</sup>Note that the widths of the two rightmost brackets in these income distribution graphs are not to scale. The first six brackets are consistently \$25,000 wide, but the seventh is \$50,000 wide and the eighth is unbounded. Note also that distribution is plotted in inflation-adjusted 2022 dollars (see Appendix D).

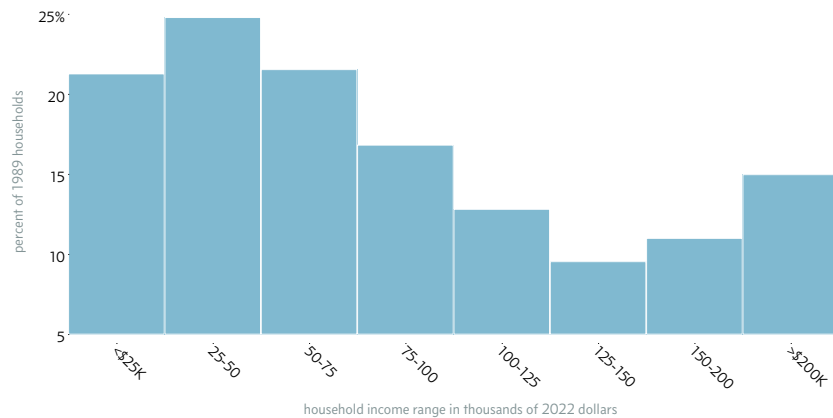
**Figure 21: Income Distribution of the United States, 1989**



See Appendix D, [12].

Figure 22 shows the income distribution of the United States in the 2020 American Community Survey 5-year average, whose median was \$73,000. The 4% gain in the median seems modest, but the gain in the top income bracket was pronounced.

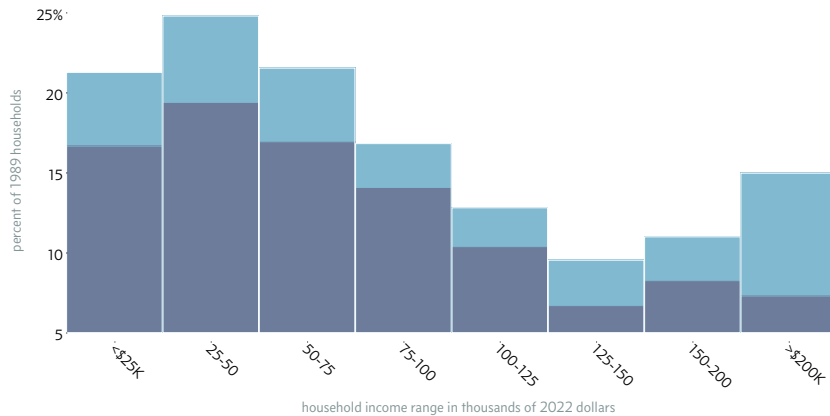
**Figure 22: Income Distribution of the United States, 2020**



[12]

This is even more clear when the two figures are overlaid in Figure 23. The red for 1989 becomes purple when overlaid by the blue 2020 ACS data. Thus, the remaining light-blue portions in Figure 23 indicate growth in the number of households in every income bracket. While there were appreciable gains in the number of upper-middle-class households (e.g., the \$125,000–\$150,000 bracket), the fastest-growing US income bracket was the top one (more than \$200,000). The median did not move much, however, because the lowest three (up to \$75,000) grew substantially in number, too.

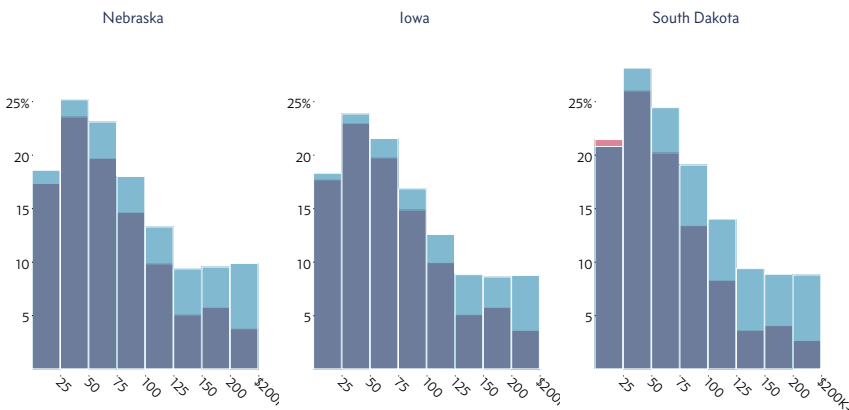
**Figure 23: Change in the US Income Distribution, 1989–2020**



[49, 39, 12]

Figure 24 shows the distributions for Nebraska, Iowa, and South Dakota. In these states, the top bracket grew appreciably as it had in the US, but the growth of the number of households in the lowest income bracket was slight in Nebraska and Iowa (the thin light-blue rectangles) and negative in South Dakota (the red rectangle). That and the robust growth in the sixth and seventh brackets (\$125,000–\$200,000) help explain the greater growth in the median in Nebraska (16%), Iowa(13%), and South Dakota (27%) vs. the United States (4%).

**Figure 24: Change in the Tri-State Income Distributions, 1989–2020**

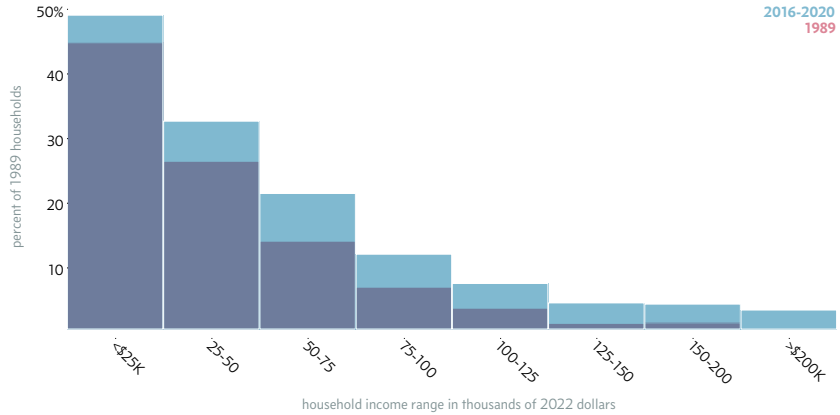


[49, 39, 12]

Relative to the United States and the tri-state income distributions, Indian households on Plains Reservations (i.e., other than Winnebago and Omaha) are highly concentrated in the lowest income brackets (Figure 25). In both years, almost half of all households were in the lowest income bracket (less than \$25,000). For context, the real poverty line for a family of four was \$29,921.88 in 1989 and \$29,951.87 in 2020 [50, 12]. Indian

households on the other Plains reservations also display relatively even growth across the brackets, with a slightly higher concentration of growth in the second and third brackets (i.e., \$25,000-\$75,000). In other words, the income distribution was and is skewed toward poverty.

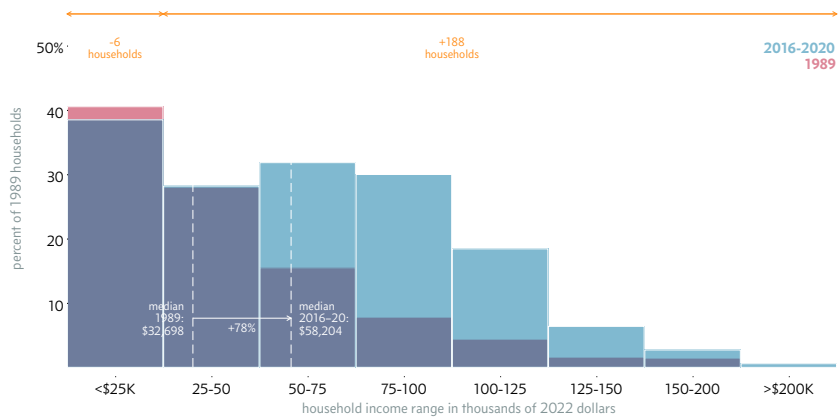
**Figure 25: Change in Other Plains Tribes’ Indian Household Income Distribution**



[49, 39, 12]

The 1989 and 2020 income distributions of Indian households on the Winnebago Reservation are shown in Figure 26. The locations of the medians from Figure 20 are reproduced in white for reference. As with other Plains reservations, the largest income bracket is the lowest, but at Winnebago, it shows no gains—rather an absolute decline of about six households over the period. The second income bracket (\$25-50K) shows no change. The next five income brackets each more than doubled in size for an estimated net gain of 188 households over three decades. Not only is that number large relative to the change in the lowest bracket, it represents nearly 60% of the number of Indian households in 1989, a massive change.

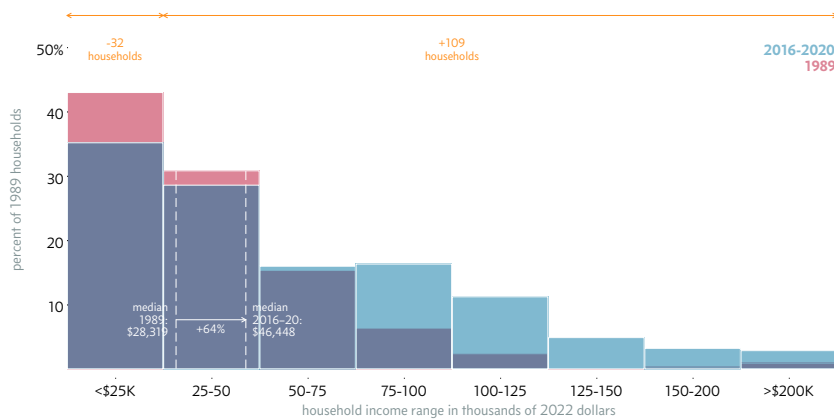
**Figure 26: Change in the Winnebago Tribe’s Indian Household Income Distribution**



[12, 38, 49, 39]

Figure 26 shows the formation of an Indian middle class at Winnebago—a middle class growing in place, not elsewhere, under the auspices of a BIA relocation program and not in place under Great Society spending. An Indian middle class emerged there during low and declining relative federal spending (per Figure 17) and in an era of rising powers of Indian self-government—the Self-Determination Era of federal policymaking. Its emergence contrasts with a backdrop of no pronounced middle-class growth among Plains tribes, the neighboring states, or the United States. In other words, credit for the impressive achievement goes to the Winnebago people, their government, and its institutions. Other factors no doubt contributed—from federal procurement and IHS compacting policy to court precedents and widespread Internet access—but the Winnebago Tribe was the linchpin.

**Figure 27: Change in the Omaha Tribe’s Indian Household Income Distribution**



[49, 39, 12]

Figure 27 shows the changes in the income distribution of the Omaha Reservation. Omaha experienced an absolute decline in the number of Indian households in the lowest two brackets (red regions), with 32 fewer households in the lowest one. There is also growth in the fourth bracket and above, but it is modest in comparison to what the Winnebago Reservation experienced. While untangling the development dynamics of the Omaha Reservation is beyond the scope of this report, it is worth noting two features about it. First, while the Omaha Tribe has some institutions analogous to Winnebago’s (e.g., the tribal government, Blackbird Bend Casino, a NICC campus, and the Carl T Curtis Health Center), it lacks a large, profitable, and diversified non-gaming conglomerate like Ho-Chunk, Inc. Second, more than 118 Omaha citizens worked at Ho-Chunk, Inc., the Winnebago Comprehensive Healthcare System, the Winnebago Tribe, and WinnaVegas in 2022 (per Table 4). It

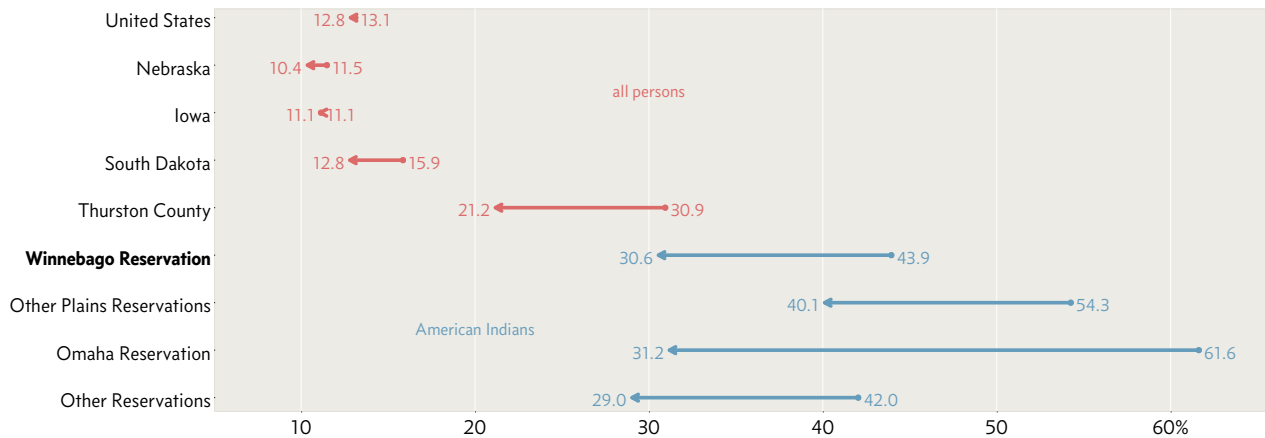


is possible that Winnebago spillovers account for a substantial portion of the growth in the higher income brackets at Omaha.<sup>19</sup>

### D. Poverty

Figure 28 displays the change in poverty rate—the percentage of people living below the poverty threshold for their particular household size. Consistent with the income distribution graphs in the previous subsection, relative Indian poverty continues to characterize reservation life; the proportion of poor remains about three times the national and state rates. The decline in the percentage of Winnebago Indians in poverty reflects the absolute growth in the number of households above the poverty line, but recall that the absolute number of households in the lowest two income brackets in Figure 26 barely budged. Winnebago has no fewer Indian households in the lower income brackets than thirty years ago.

**Figure 28: Percent Living in Poverty, 1989-2020**

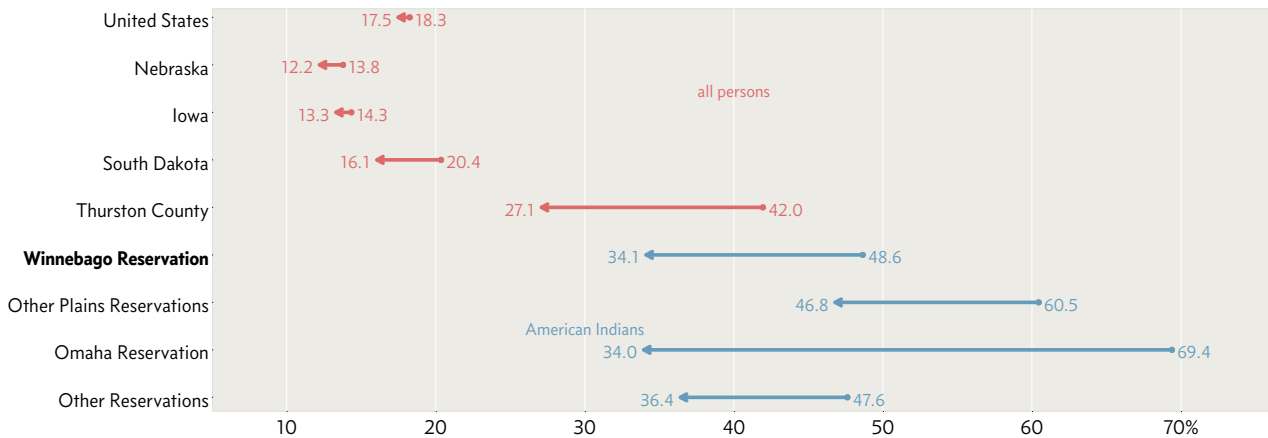


[38, 39, 51, 52]

Figure 29 shows a subset of poverty—the poverty experienced by people younger than 18. As a group, Indian children on the Winnebago Reservation have seen their poverty rate drop by a third, yet it still remains almost triple the Nebraska proportion, and fully one-third of Indian children there live in poverty. This statistic is particularly concerning because it implicates a host of challenges for the Winnebago Tribe that will persist into the future. Poverty in childhood is associated with long-term behavioral, educational, health, and economic costs [53, 54]. Thus, while the three-decade drop is welcome, concerted Winnebago policy attention to child poverty is warranted precisely because it influences the future size of the lower income brackets in Figure 26).

<sup>19</sup>Note: all of the income distribution graphs in this subsection can be compared on a common y-axis scale in Figure 43 in Appendix D.

**Figure 29: Percent of Children Living in Poverty, 1989-2020**

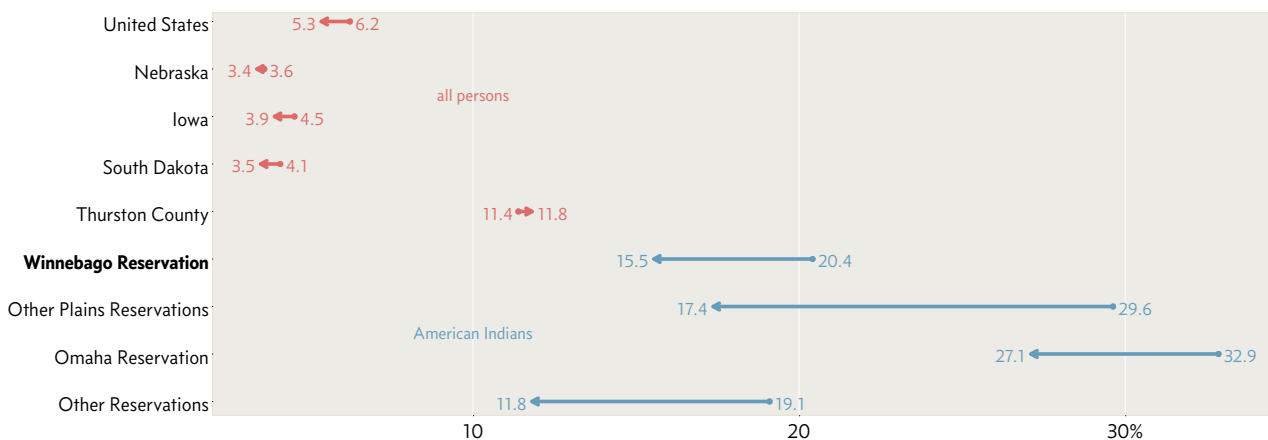


[38, 39, 52]

## E. Employment

Figure 30 shows changes in unemployment, the share of the labor force who are actively seeking employment but not finding it. Some workers have given up searching, and some, like full-time students and people working in the home, are not searching in the first place. These categories are *not* counted in the unemployment rate. The levels of unemployment on reservations have hardly been seen at the national level since the Great Depression, but tribes generally have made progress over the last thirty years. Even so, for one-sixth of the Indian labor force at Winnebago to be seeking and not finding work indicates a great deal of economic development is still needed.

**Figure 30: Percent Unemployed, 1990-2020**

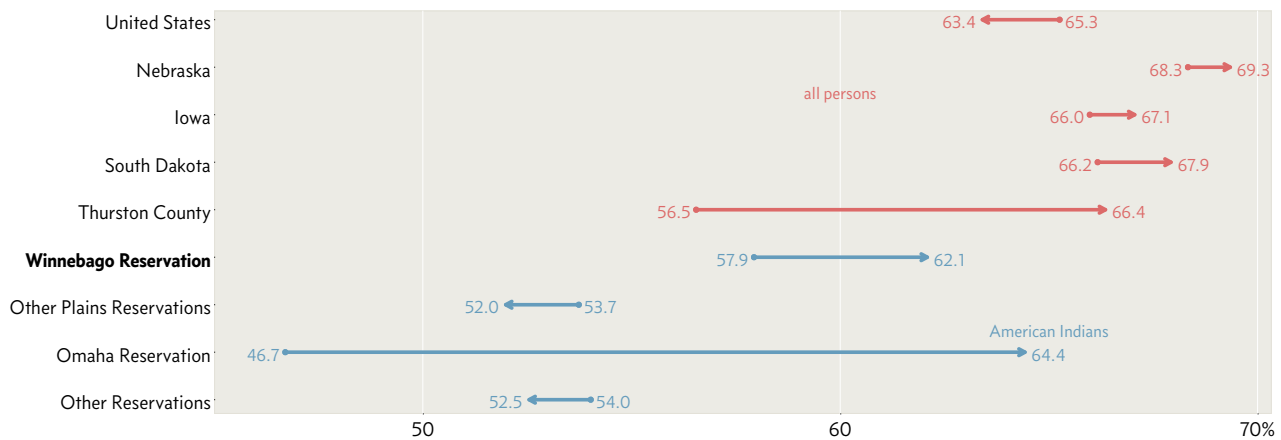


[38, 49, 39]

What about the workers who have given up searching for work? Labor force participation is a broader measure indicating the proportion of people

who are working as a percentage of the population 16 years old and older. Unlike unemployment, it captures the so-called “discouraged workers” in its denominator. Like unemployment, labor force participation moves with recessions and booms. It also reflects longer-term demographic trends (like the Baby Boom retiring) and sociological factors (like women participating more in the labor force). When people transition from not participating to participating in the labor force the economy grows; except for retirees relying on savings, non-participants are generally dependent on other family members or government assistance. The direction of movement at Winnebago and Omaha is in a positive direction and against the declining trend in the rest of Indian Country. Within that trend, however, gender differences are quite pronounced.

**Figure 31: Labor Force Participation Percentage, 1990–2020**

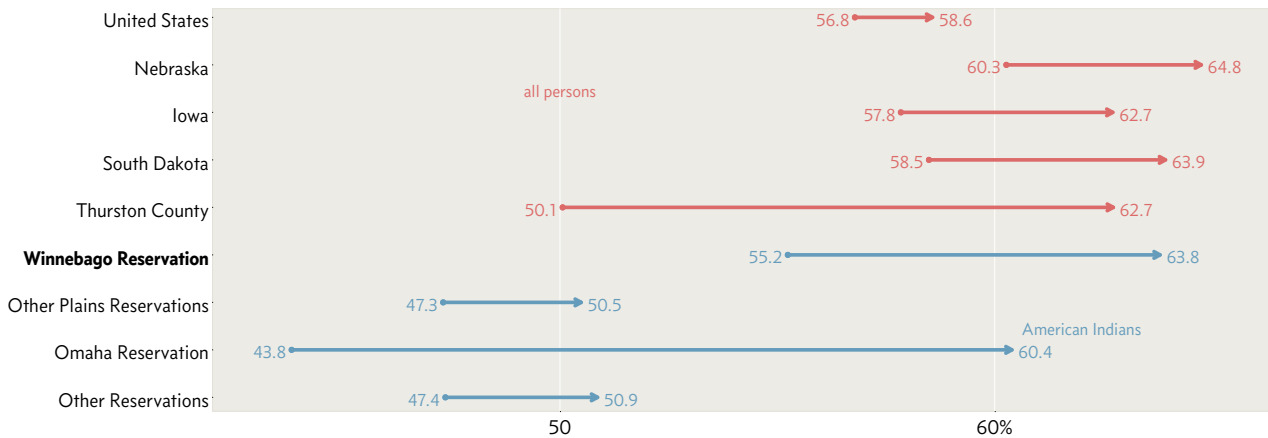


[38, 49, 39]

The growth in female labor force participation at Winnebago is astonishing. The contemporary level of female Indian participation in the Winnebago workforce is higher than the nation’s level and on par with the neighboring states. Over the last three decades, Indian female labor force participation at Winnebago started from behind Iowa’s and finished ahead. Thus, the Winnebago economic transformation portrayed in Figures 19, 20, and 26 is appropriately understood as driven by Indian women. In critical respects, it was also led by them. Annette Hamilton (*Kickappoo*) presided over the pronounced growth of government contracting in Figure 10. Danelle Smith (*Winnebago*) managed 12 Clans Unity Hospital during its Winnebago-led recovery from de-certification. Winnebago women are among the ranks of the longest-serving members of the Tribal Council (Figure 7), which is currently chaired by Victoria Kitcheyan. These and other Indian women have been prominent leaders during critical periods in the Tribe’s last three decades and join the many others participating in the workforce to a degree their mothers and grandmothers did not. By doing so, they grow the Winnebago economy.

Male labor force participation has not fared so well, pulling the average Winnebago labor force participation rate below women’s. Nationwide over

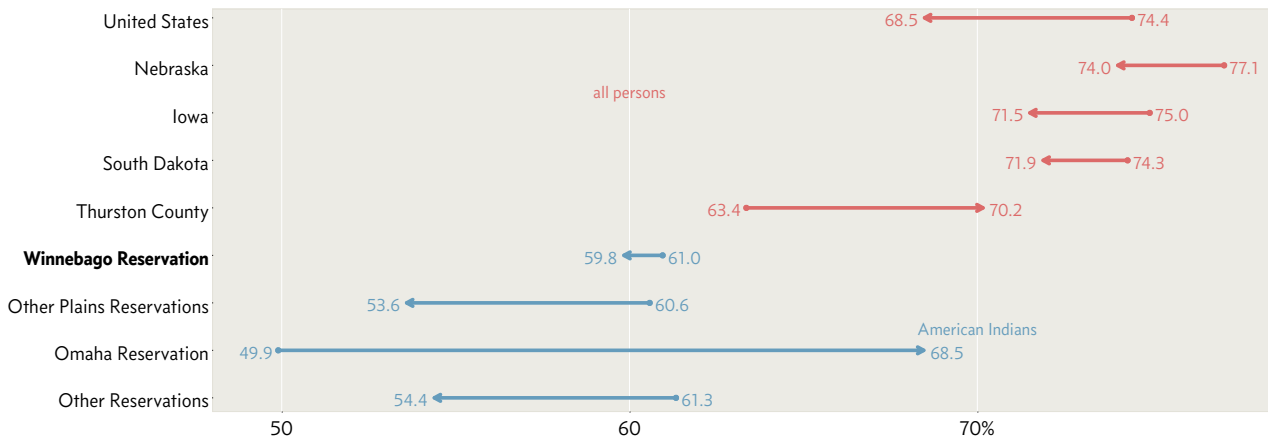
**Figure 32: Female Labor Force Participation Percentage, 1990–2020**



[49, 39, 45]

the last seventy years, male labor force participation has been trending downward [12, 55]. Figure 33 shows Winnebago male labor force participation to be relatively low and declining, worsening against a bad national trend. It fell over the last three decades at Winnebago, in tandem with other reservations and against Omaha’s trend. Persistently low and falling Winnebago male labor force participation is especially concerning because declining male economic stature generally worsens male mortality, increases the proportion of unwed mothers, and grows the share of children living in below-poverty, single-headed households [56]. Progress on long-term poverty at Winnebago will depend critically on improving male labor force participation.

**Figure 33: Male Labor Force Participation Percentage, 1990–2020**



[49, 39, 45]



Ira Rave

*“Bosses are extra cool. Other places crack the whip. Here, there is more understanding. They are parents, too, and they understand when things come up.”*

*— Ira Rave,  
Machine Operator*

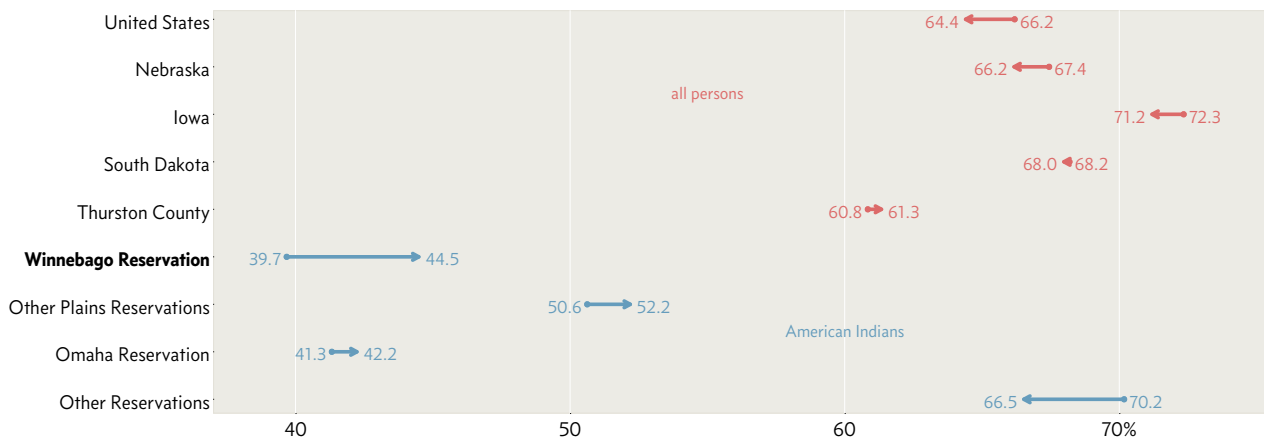
**Ira Rave** began working at Rock River Manufacturing four years ago, starting as a Line Assistant. He quickly learned the ins and outs of cigarette manufacturing, ensuring the smooth functioning of the machines, loading tobacco, and pulling off finished cigarettes. Ira’s capabilities led to a recent promotion to Machine Operator.

When asked what was different about working for HCI, Ira explained that Winnebago family responsibilities are understood. He appreciates working four 10-hour days with Fridays off to schedule appointments and help care for his children without asking for time off. His commute is also much shorter than his previous job in South Sioux City. He is happy to have a job in a place that’s good for him and his family.

## F. Home Ownership

Assets help households weather economic storms, and for most, home equity is the principal means of accumulating wealth. The 5-point change in the Winnebago homeownership rate over the last two decades (Figure 34) far outstrips the magnitude of the improvements on the Plains, not to mention contrasting favorably with modest declines for all persons elsewhere.<sup>20</sup> Winnebago’s pace is a testament to the pressure the Down Payment Assistance Program, CDFI, Titan Motors, and Ho-Chunk Village put on barriers to home ownership. That said, the gap yet to be closed remains large.

**Figure 34: Percent of Homes that are Owner-Occupied, 2000–2020**



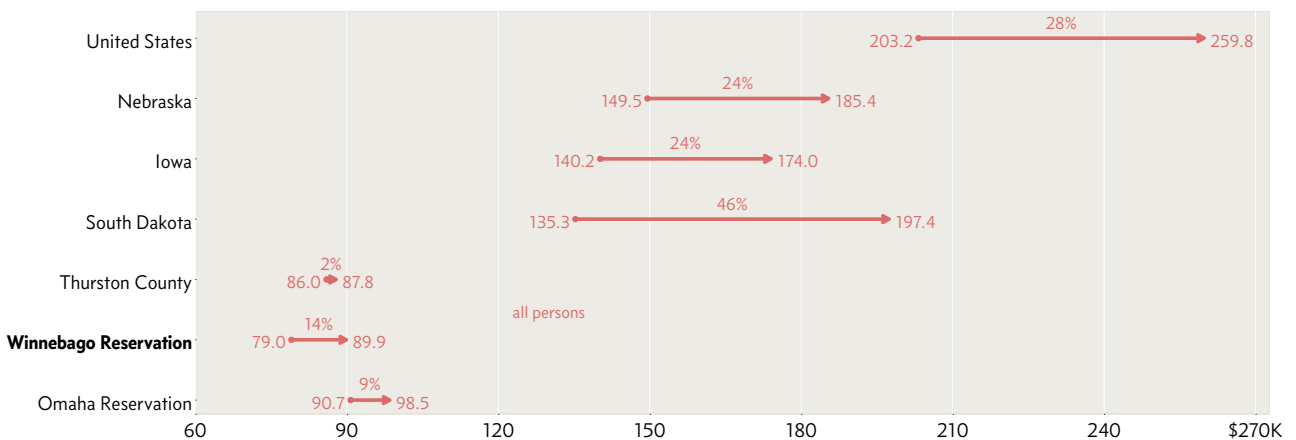
[38, 39, 52]

<sup>20</sup>Note that the remaining figures in this section based on Census data (Figures 34, 35, and 38) report only two decades of change, i.e., from 2000 to 2020.



The median home values for all persons on the Winnebago Reservation from 2000 to the 2020 5-year average grew by 14% (Figure 35). The numbers here are for the occupied housing of all persons, not just Indians, and their improvement at Winnebago and Omaha represents an achievement for the poorest county in Nebraska. Nonetheless, the median home value on the Winnebago Reservation is still less than half the Nebraska median. As with the income distribution data above, the movement of the median does not tell the full story. Private market valuations of some homes have started to approach those of Sioux City (especially outside federally subsidized housing projects, i.e., in the Ho-Chunk Village) [57]. Such valuations result from the Winnebago Tribe’s concerted efforts to improve homeownership on the reservation. They translate into household wealth, which, at the margin, makes mortgage lending more feasible for the reasons explained above.

**Figure 35: Median Home Values of Owner-Occupied Units, 2000–2020**

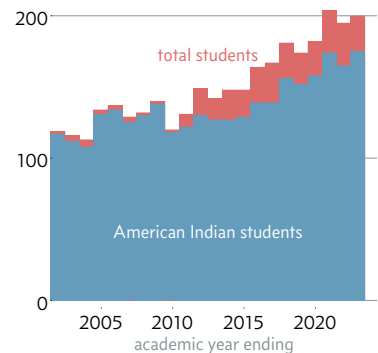


2022 dollars in thousands [38, 39, 52].

### G. Education

Fifty years ago, the Winnebago Public Schools were borderline hostile to Indians, possibly even to the extent of misappropriating federal funds intended to support Indians at public high schools [7]. Thankfully that antipathy has been resolved as Winnebago citizens have participated more fully in the district’s teaching, administration, and governance. Indian enrollment at Winnebago High School (WHS) has been growing (Figure 36), and the college-going rate has been robust (Figure 37). College continuation rates for the Winnebago Public School district reached 57.5% in 2021, approaching the Nebraska statewide rate of 66.6% in 2021 [58]. All of these improvements would be for nothing, however, if Winnebago sent young people to college, never to see them again.

**Figure 36: Winnebago HS Enrollment**

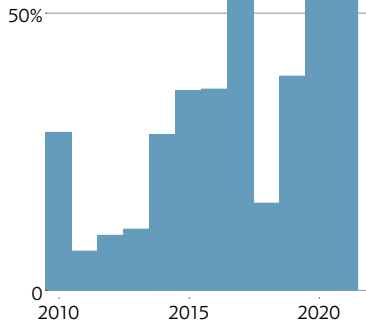


[59]



Winnebago High School.

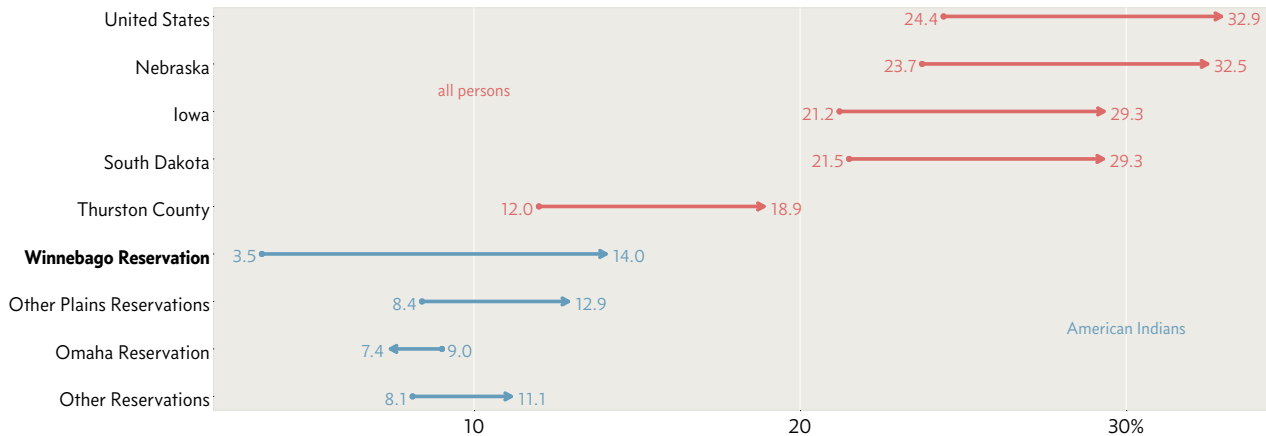
**Figure 37: WHS College-Going Rate**



[59]

Brain drain—the movement of skilled and educated people to higher productivity regions—has long been a challenge for poor regions internationally and domestically. Figure 38 shows changes in the proportion of adults age 25 and older with bachelor’s degrees and higher. It shows a quadrupling in the proportion of Indian adults at Winnebago with college degrees (an increase of 302%) from 2000 to 2020. Winnebago started from levels behind other Indian homelands and moved ahead of them. To achieve a four-fold increase like this over twenty years, the Winnebago Reservation had to be an attractive place for Indian college graduates to work and live, and this change is consistent with the growth of a middle class there (per Figure 26).

**Figure 38: Percent of Adults Older than 25 with Bachelors Degrees or Higher, 2000–2020**



[39, 52]



Winnebago Public Schools senior graduation.

A few caveats bear mentioning about the figures in this section that are based on Census data. First, the composition of Census respondents in a particular place changes from time to time as people physically migrate and as people vary in their self-identification. For several decades, the propensity to self-identify as Indian has been rising [60], and there has been churn—people moving in and out of the category American Indian or Alaska Native from census to census [61]. Thus, the changes displayed in the arrow plots reflect not only household formation dynamics and migration but also people re-categorizing themselves.

The dynamics of Indian self-identification are unlikely to overturn the conclusion that an economy and its middle class are growing at Winnebago. The category AIAN alone used above is a restrictive Census category for Indians and the category growing the slowest—if not shrinking nationally. The category growing fastest, American Indian or Alaska Native in Combination with One or More Races, appears to be growing most intensely at the greatest distance from contemporary Indian homelands (think Tennessee) [62]. Most importantly, to render the conclusion of a growing Winnebago economy and middle class spurious on the basis of changes in self-identification, one would have to tell a story of *differential* self-identification relative to other tribes.

A second important caveat concerns features of life not reflected in the data. For example, recent decades have seen households shift from one income to two. Changes in the US economy have caused more and more households to need two incomes to keep from falling in the standard of living, and double-income families certainly face higher time pressures, if not greater per-person economic strains. These and other important details cannot all be captured in the data above.

All that said, the foregoing multi-decade views of Winnebago economic, housing, and educational change demonstrate the achievement of sustained Winnebago policy: the growth of an economy on the Winnebago Reservation and the growth of a middle class there.

## VI. Winnebago Development into the Future

The Oxford University development economist, Lant Pritchett, observed that when it comes to the international experience of poor people's economic fortunes,

- Well-designed and implemented aid programs can often recover their cost of capital (but do not achieve much more than that),
- Allowing poor people to migrate to higher productivity regions (e.g., from Nuevo Laredo, Tamaulipas, to Laredo, Texas) is about 40 times more effective at improving standards of living than aid, and
- General economic growth in place (or preventing economic collapse) is 100 to 1,000 times more effective than aid at raising standards of living [18].



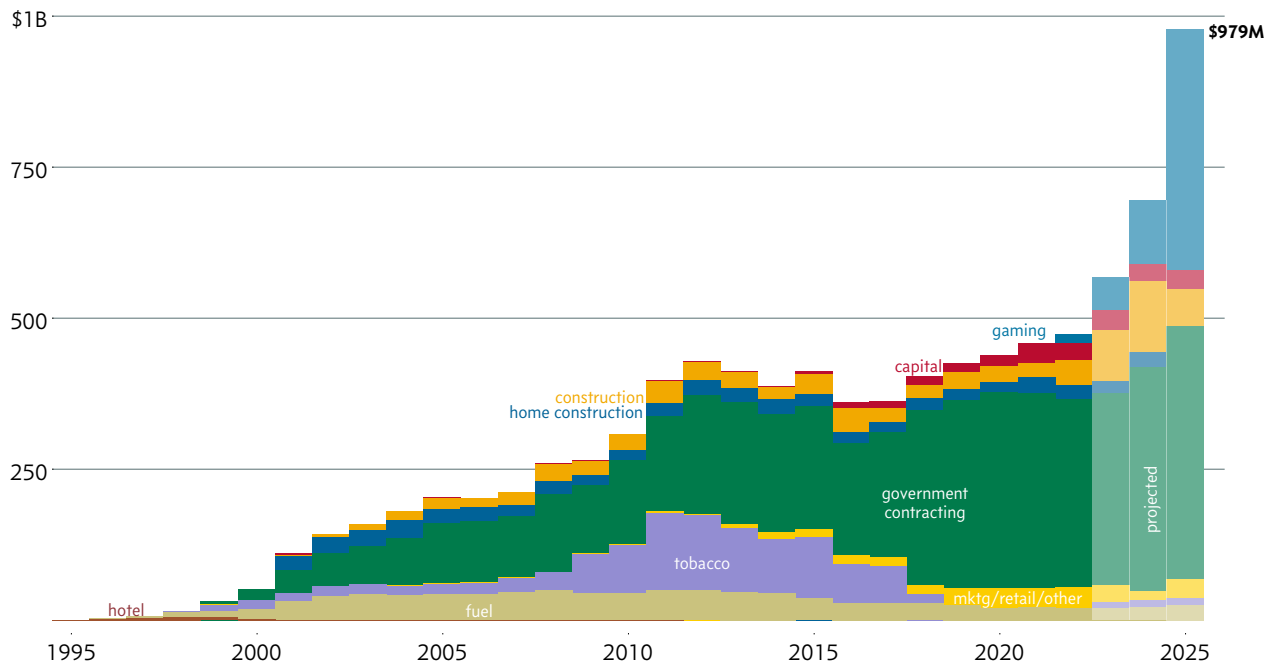
Little Priest Tribal College Graduates, 2023.

In the US, Indian Country has experienced federal aid programs (some not so well designed), and it has experienced the migration of its people from reservations to higher productivity regions (some of it forced). The news of the last few decades is economic growth on reservations. The Winnebago Tribe of Nebraska is in the vanguard. It achieved growth despite intense gaming competition and a location in rural Nebraska. It moved past its peers over three decades, and an Indian middle class grew in place.

Those achievements arise from Winnebago policy making, not least of which is the formation of multiple specialized Winnebago institutions, and in a very real sense, those institutions are just getting started. Twelve Clans Unity Hospital, for example, recently received a three-day, unannounced inspection visit from CMS, the result of which was a no-exceptions re-certification—a rare achievement. With that certification in hand, the Winnebago Comprehensive Healthcare System can move beyond the failures of the IHS and the challenges of the pandemic toward key initiatives, among which are: i) preventative medicine, especially of lifestyle-related diseases like Type-II diabetes and substance abuse, and ii) earning substantial revenue from third-party billing for care delivered to non-Indians in the region. Both promise to yield economic and non-economic benefits to the Winnebago people and their neighbors, and both were objectives of the strategic consensus orchestrated by Chairman Snake in 1987 (listed at the end of Section II.B.).

Ho-Chunk, Inc. is also poised for remarkable growth in the coming years. The company's seventh strategic emphasis, Nebraska gaming under the WarHorse brand, promises to nearly double the revenues of the company (Figure 39). Government contracting is also expected to be a source of growth. To the extent these projections come to fruition, the Winnebago Tribe will overcome a key constraint to its economic growth in the past, namely the scarcity of capital. And that capital will be reinvested in businesses, institutions, and—via Winnebago government policies and programs—the wealth and well-being of Winnebago citizens.

**Figure 39: Projected Revenues**



Millions of 2022 dollars.

The achievements of the past three decades are the fulfillment of generations’ dreams and efforts, and the bright economic prospects of the future will bring those visions of prospering—even flourishing—on the Winnebago Reservation into ever-more tangible reality. Much remains to be done to raise average standards of living, lift people (especially children) out of poverty, and increase male labor force participation. But the dollars, jobs, human capital, financial capital, household incomes, and tribal government revenues that are increasingly plentiful will continue to translate into myriad non-economic features of life. No doubt, those will include everything from language and cultural revitalization to physical health and longer life expectancy. Most importantly, a rising quality of life is likely to increase Winnebago pride of place and heritage, rooted in the bonds of community and made possible by economic growth produced by and for Winnebago people.

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# Appendix A Economic and Social Progress Together

The Social Progress Imperative (socialprogress.org) produces the Social Progress Index (SPI). Its 2022 edition encompasses 60 non-economic indicators [63]:

Figure 40: 2022 Social Progress Index Framework



The Harvard and Oxford international development economist, Lant Pritchett, scores countries on the basis of their relative position on a composite of all three social progress categories—basic human needs, foundations of well-being, and opportunity—and takes that score to be a measure of social success. He also constructs a composite measure of countries’ “national development” using statistics on GDP per capita, state capability, and democracy. His results are reproduced in Figure 41.

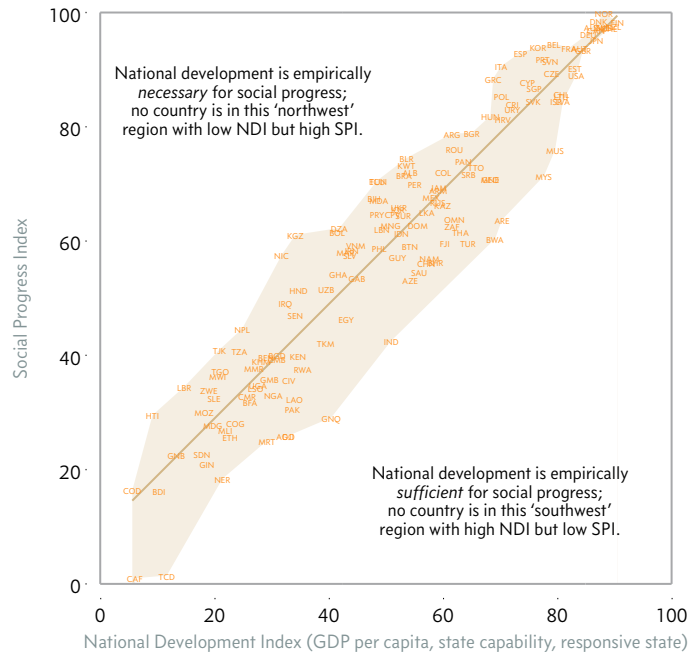
As Pritchett observes:

- there are no countries with low national development and high social progress (i.e., the northwest region of Figure 41 is empty), and
- there are no countries with high national development and low social progress (i.e., the southeast region of Figure 41 is empty)

He goes on to observe that only about 10 to 15% of the variation in well-being remains to be explained after the three national development factors are taken into account. In sum,

National development is empirically necessary and sufficient for high levels of human wellbeing. Measures of three elements of national development: productive economy, capable administration, and responsive state, explain

**Figure 41: National Development Is Necessary and Sufficient for Social Progress**



[2]

(essentially) all of the cross-national variation in the Social Progress Index (SPI) [2].



## Appendix B Graphing Employment and Population

Figure 14 in Section IV.A. is a scatterplot of tribal FTEs in relation to the population within 100 miles of the reservation center after statistically taking into account the enrollment of the tribe and the per capita income of non-Indians nearby. In technical terms, it is a residualized scatterplot in logarithms of the tribes' 2019 FTEs and the Census's 2020 ACS 5-year population in tracts whose centers are within 100 miles of reservation centers, conditional on the logarithms of tribal enrollment and non-Indian per capita income in tracts whose centers are 0-25, 25-50, 50-75, and 75-100 miles' distance (pcini1-4) from the reservation centers [34, 39]. The residuals of the two partial regressions below are re-centered on their means and plotted in Figure 14. The data are for all reservations in the lower forty-eight states other than Oklahoma, with more than 68 reported FTEs. Also excluded are two tribes that share one reservation<sup>21</sup> and eight multi-reservation tribes.<sup>22</sup>

```
reg l_fte l_enrolled l_pci*
```

Source	SS	df	MS	Number of obs	=	189
-----+-----				F(5, 183)	=	9.71
Model	9.39173014	5	1.87834603	Prob > F	=	0.0000
Residual	35.4073712	183	.193482903	R-squared	=	0.2096
-----+-----				Adj R-squared	=	0.1880
Total	44.7991013	188	.238293092	Root MSE	=	.43987

l_fte	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
l_enrolled	.3601659	.0560378	6.43	0.000	.2496027	.4707291
l_pcini1	.4838627	.4163083	1.16	0.247	-.3375186	1.305244
l_pcini2	.223612	.6268838	0.36	0.722	-1.013237	1.460461
l_pcini3	.4684054	.6182045	0.76	0.450	-.7513193	1.68813
l_pcini4	.7367256	.5316131	1.39	0.167	-.3121534	1.785605
_cons	-6.892769	2.504182	-2.75	0.007	-11.83355	-1.951988

<sup>21</sup>The Eastern Shoshone and Northern Arapaho Tribes, both of the Wind River Reservation in Wyoming.

<sup>22</sup>The Keweenaw Bay Indian Community, Michigan; the Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada; the Pit River Tribe, California; the Seminole Tribe of Florida; the Seneca Nation of Indians; the Te-Moak Tribe of Western Shoshone Indians of Nevada; the Washoe Tribe of Nevada & California; and the Yerington Paiute Tribe of the Yerington Colony & Campbell Ranch, Nevada.

```
reg l_pop100 l_enrolled l_pci*
```

Source	SS	df	MS	Number of obs	=	189
-----+-----				F(5, 183)	=	18.83
Model	21.6515654	5	4.33031308	Prob > F	=	0.0000
Residual	42.0907066	183	.230003861	R-squared	=	0.3397
-----+-----				Adj R-squared	=	0.3216
Total	63.742272	188	.339054639	Root MSE	=	.47959

l_pop100	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
-----+-----						
l_enrolled	-.3402887	.061098	-5.57	0.000	-.4608359	-.2197416
l_pcini1	1.088426	.4539012	2.40	0.017	.1928737	1.983979
l_pcini2	-.0533292	.6834918	-0.08	0.938	-1.401867	1.295208
l_pcini3	1.170684	.6740287	1.74	0.084	-.1591825	2.500551
l_pcini4	1.763492	.5796181	3.04	0.003	.6198987	2.907086
_cons	-10.56649	2.730311	-3.87	0.000	-15.95343	-5.179553
-----+-----						

## Appendix C IMPLAN Modeling

Ho-Chunk, Inc. impacts were estimated using IMPLAN [37], applying company data on 2022 gross revenues and employee compensation. Taxes on production and imports (TOPI) were set to zero in recognition that tribal governments and the commercial enterprises of tribal governments are not themselves subject to taxation. TOPI *does* arise from the indirect and the induced impacts. In all enterprise modeling, proprietor income was set to zero to not double-count the government effect of spending HCI's dividend income. Note also that TOPI does not include all taxes paid by industry. For example, social insurance taxes are part of employee compensation, and profits taxes are part of other property income.

The IMPLAN modeling of other Winnebago institutions relied on the year-end 2022 employee headcounts of the entities. Tribal government was modeled using a local government institutional spending pattern. When modeling capital expenditures that entailed real estate transactions, the purchase price was not the basis of demand change (since most of its value represents a wealth transfer that does not affect the demand for goods and services in the economy). Instead, an estimate of transaction costs (5 percent of value) was attributed to the legal, real estate, and banking sectors.

The analysis excludes business and multiplier effects outside the tri-state region: Nebraska, Iowa, and South Dakota.

Although looking at overall *output* can lead to sensational numbers, we focus on understanding the *value added*, taking a conservative approach. Many impact studies report output numbers instead of value-added, but output double counts (and worse). For example, the original value of iron that becomes ore at a mine, steel at a smelter, stamped sheet metal at a mill, a radio housing at an electronics firm, a car stereo at an auto plant, and a car sale at a dealership would be counted six times over in output.

Yes, each firm received revenue to cover the costs of its inputs—in turn, the revenues of its input suppliers—but the economy is not as large as all those firms' revenues. Because it is not appropriate to count the iron ore six times, economists measure gross regional, state, or national product—the sum of all value added—to track growth and recession—not the measure of all firms' revenues (output). Not only is value-added unexaggerated by double-counting, but it also does not vary with vertical integration or segmentation. By contrast, output would shrink in the iron-ore example above if the smelter and sheet metal firms merged, despite the economy not shrinking by such a merger.

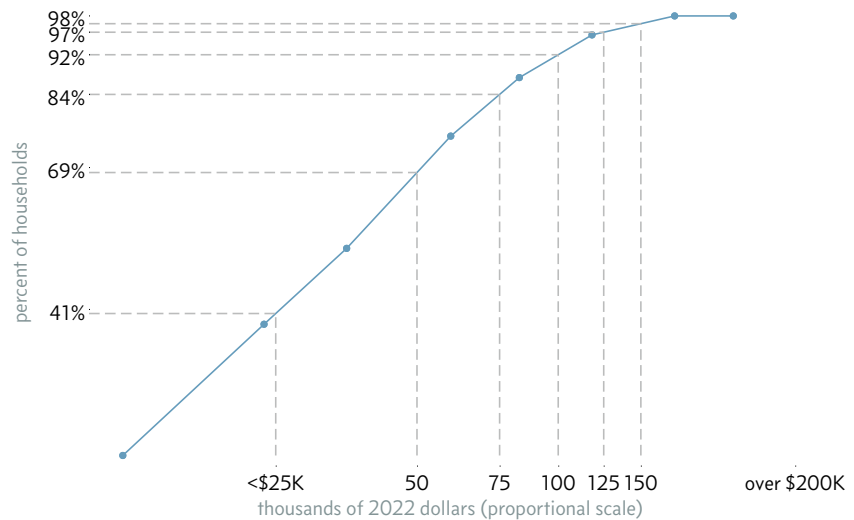
## Appendix D Comparing Income Distributions Across Decades

The purchasing power of \$1,000 in 1989 is about \$2,360.89 in 2022 [12]. Deflating historic income brackets is essential with that much difference in purchasing power. However, merely multiplying all the Census Bureau’s 1989 bracket boundaries by 2.36 would make idiosyncratic bracket boundaries like \$35,413, \$59,022, and so on. Such brackets cannot be compared to the round-number brackets of another year (e.g., \$10,000 and \$20,000).

To solve the problem, the data for the figures of Section V.C. undergo a multi-step transformation that can be visualized in Figure 42:

1. Deflate the historic income brackets (i.e., the 1989 blue dots are 2.36 times further to the right).
2. Convert the counts of households into an empirical cumulative distribution (the ECDF is the blue line).
3. Plot the ECDF on a proportional scale (because income distributions generally have high extremes).
4. Perform a linear interpolation from “tidy” income bins in 2022 dollars (i.e., draw lines up to the blue line to read off the percent of households earning less than that level of income).
5. De-cumulate the interpolated points to report the estimated household counts in each income bracket.

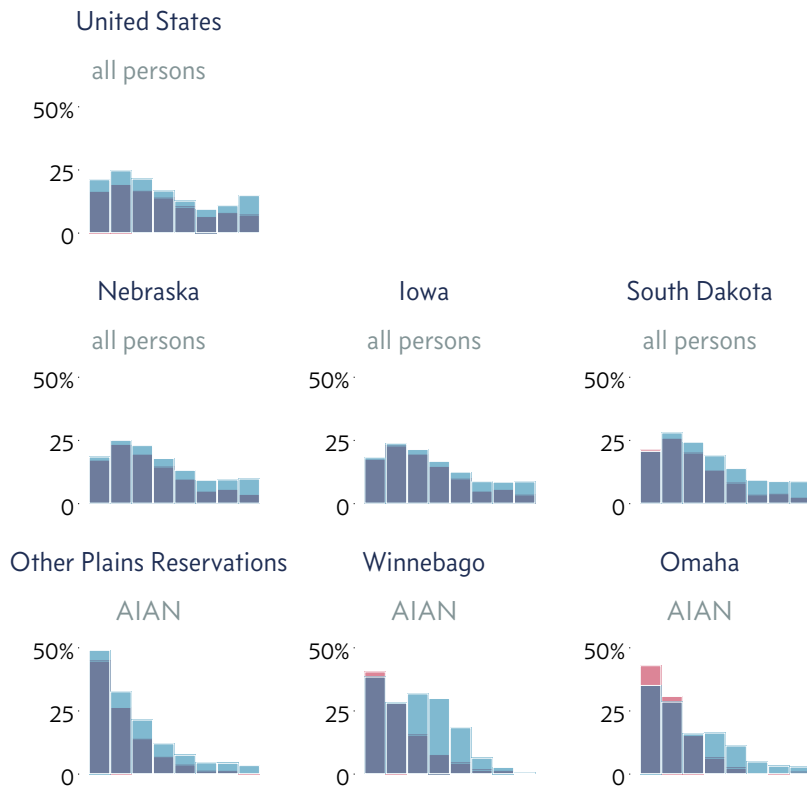
**Figure 42: Interpolation of the Indian Household Income Distribution at Winnebago, 1989**



[38]

A small amount of error may enter the analysis to the extent the ECDF line does not capture the actual curve of the underlying data (which the Census does not reveal) or may arise from rounding. However, over thirty years, the growth in the number of households means in all likelihood that inferences made by comparisons across the geographies and distributions of Section V.C.) are robust to these estimation errors. Figure 43 presents all the changes in income distributions (1989–2020) on a common vertical scale.

**Figure 43: Comparative Changes in Household Income Distributions**



Percent of 1989 household counts; the first six income brackets are \$25K wide (see Figure 26 for details) [49, 39, 12].

## Appendix E About the Author

Jonathan Taylor is an economist with expertise in natural resources, gaming, and American Indian development. He provides counsel to Native nations in the United States and Canada, consisting of public policy analysis, strategic advice, and economic research. He has offered expert testimony in litigation and public proceedings for Native nations.

Mr. Taylor has assessed the economic impacts of tribal enterprises (including casinos), assessed tribal tax regimes, assisted in tribal institutional reform, provided public policy analysis and negotiation support for resource development, valued non-market attributes of natural resources, and educated tribal executives. Selected publications include:

- Economic and Social Impacts of Restrictions on the Applicability of Federal Indian Policies to the Wabanaki Nations in Maine (with Joseph P. Kalt and Amy Besaw Medford) [64].
- Why Beggar Thy Indian Neighbor? The Case for Tribal Primacy in Taxation in Indian Country (with Kelly S. Croman) [65].
- Twenty-five years of the Indian Gaming Regulatory Act and its effects on American Indian economic development (with Randall K.Q. Akee and Katherine A. Spilde) [66].
- Social and economic change on American Indian reservations: A databook of the US Censuses and American Community Survey, (with Randall K.Q. Akee) [45].
- Managing the Boundary between Business and Politics: Strategies for Improving the Chances for Success in Tribally Owned Enterprises, (with Kenneth W. Grant II) [21].

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