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The goal of this 2019 Island Mountain Development Group [IMDG] Economic Contribution Report is to provide an independent analysis of the impact IMDG provides to regional households, businesses and governments. The report includes estimates of IMDG’s impacts on jobs, income, population and economic output. Finalized in October 2019, The Economic Contribution Report was prepared by the Bureau of Business and Economic Research at the University of Montana, Missoula Montana.
Ancestral Heritage

For thousands of years the Aaniiih (Gros Ventre) and Nakoda (Assiniboine) Tribes lived in harmony with the land, relying on buffalo for subsistence. The introduction of the horse to North America in the late 1540s facilitated the ability of the Tribes to migrate within their vast ancestral territories.

Fort Belknap Reservation

The Aaniiih and Nakoda Tribes joined other tribes in signing the Fort Laramie Treaty of 1851 which greatly restricted their territorial lands. In 1888 the remaining land was ceded to the US Government and the Aaniiih and Nakoda people were relocated to the Fort Belknap Indian Reservation situated in a remote area of north central Montana.

This forced relocation obliterated the Tribes’ indigenous way of life. Families suffered. Children were taken away to boarding school to receive education that contradicted Native beliefs. The Aaniiih and Nakoda cultures eroded, their languages nearly extinguished – and with it their oral histories.

Today, the Aaniiih and Nakoda Tribes are revitalizing their languages and cultures through immersion-based education.

Cycle of Poverty

For generations economic development was not possible on the reservation. Reservation lands are held “in Trust” by the Federal Government. Under the Trust Tribes have the ability to form their own government, but the Federal Government places limitations on how the land may be used when it comes to mortgages, building on the land and renovating existing structures. Moreover, Tribes have no authority to use the land as collateral for loans or investment.

As a result, there was no economic stimulus on the reservation. Instead, generational poverty has become the norm fueled by high unemployment, barriers to higher education, substandard housing, lack of infrastructure or access to Geographic isolation contributed to the dearth of economic vitality.

The data on Tables 1 and 2 affirms that FBIC has experienced considerable economic hardship. (above right)

<table>
<thead>
<tr>
<th>TABLE 1:</th>
<th>POVERTY RATE</th>
<th>MEDIAN HH INCOME</th>
<th>PER CAPITA INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Belknap Reservation</td>
<td>48.20%</td>
<td>$29,566</td>
<td>$10,896</td>
</tr>
<tr>
<td>United States</td>
<td>14.6%</td>
<td>$57,652</td>
<td>$30,088</td>
</tr>
<tr>
<td>All Reservations</td>
<td></td>
<td></td>
<td>$18,662</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>TABLE 2:</th>
<th>FBIC</th>
<th>MONTANA</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td>33.9%</td>
<td>4.5%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Labor Force Participation Rate</td>
<td>59.1%</td>
<td>62.7%</td>
<td>62.9%</td>
</tr>
<tr>
<td>Real Median Household Income</td>
<td>$29,582</td>
<td>$53,628</td>
<td>$58,197</td>
</tr>
<tr>
<td>Real Per Capital Income</td>
<td>$10,774</td>
<td>$44,059</td>
<td>$49,673</td>
</tr>
<tr>
<td>Less than High School</td>
<td>14.5%</td>
<td>14.9%</td>
<td>11.3%</td>
</tr>
<tr>
<td>BA or Higher, % of population</td>
<td>11.9%</td>
<td>32.3%</td>
<td>34.2%</td>
</tr>
</tbody>
</table>

Island Mountain Development Group

As a sovereign nation, Fort Belknap Indian Community (FBIC) has the right and the responsibility to self-government and to the creation and promotion of economic development for the benefit of Tribal Members.

In 2006, Island Mountain Development Group (IMDG) was established by the Gros Ventre and Assiniboine Nations of the FBIC to be the autonomous economic development arm under these Nations.

The FBIC Tribal Council hired a single employee who was tasked with accomplishing two goals: First, to initiate business ventures that would create jobs on FBIC; second, to significantly expand and diversify IMDG’s holdings in order to grow multiple revenue streams which can be re-invested in FBIC.

**IMDG’s Small Dollar Credit and E-Commerce Business**

In the US over 50 million people do not have access to traditional lending.

In 2011 IMDG launched its first business – an e-Commerce company offering small dollar credit products online. The business is supported by a call center located in Hays on the Fort Belknap Reservation. Initially the company had 5 employees. By 2018, e-Commerce had grown exponentially and IMDG employed nearly 200 people in a new, state-of-the-art call center. IMDG’s rapid growth is reflected in the data on Table 3 (next page):
Left: Original call center. Above: The new, state-of-the-art IMDG Call Center is 13,400 sq.ft. and employs nearly 200 people on the Fort Belknap Reservation.

### TABLE 3:

<table>
<thead>
<tr>
<th>IMDG Economic Information (2018USDs)</th>
<th>2017</th>
<th>2018</th>
<th>AVERAGE ANNUAL GROWTH RATE</th>
<th>TOTAL GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$9,102,243</td>
<td>$25,325,202</td>
<td>73.3%</td>
<td>1464%</td>
</tr>
<tr>
<td>Payroll and Benefits</td>
<td>$4,889,217</td>
<td>$6,327,231</td>
<td>53.0%</td>
<td>577%</td>
</tr>
<tr>
<td>Net Income</td>
<td>$2,895,194</td>
<td>$2,993,166</td>
<td>46.6%</td>
<td>737%</td>
</tr>
<tr>
<td>Employment</td>
<td>126</td>
<td>151</td>
<td>19.1%</td>
<td>139.7%</td>
</tr>
<tr>
<td>Average Income</td>
<td>$38,803</td>
<td>$41,902</td>
<td>22.6%</td>
<td>68.5%</td>
</tr>
<tr>
<td>Donations and Sponsorships</td>
<td>$317,163</td>
<td>$501,512</td>
<td>100.5%</td>
<td>3140%</td>
</tr>
<tr>
<td>Profit Sharing with FBIC</td>
<td>$465,161</td>
<td>$749,720</td>
<td>39.0%</td>
<td>419%</td>
</tr>
</tbody>
</table>

Empowering Our People

"Island Mountain Development Group is about empowerment. When even one person is empowered, we all become stronger."
- Terry Brockie, CEO

In 2018, the base for the Economic Contribution Analysis, there were 151 people employed by Island Mountain. Through September 2019, IMDG payroll expanded to 201 employees, of which 95% are classified as Native American. In 2018, payroll and benefits paid IMDG employees totaled $6.3 million.

Operating revenues increased 1464% over the six-year period from 2013 to 2018, averaging about 75% per year; employment is 140% higher, total payroll rose 577%.

The data illustrates that IMDG has enjoyed a continuous upward trajectory. In particular, operating revenues increased over three-fold between 2017 and 2018 alone. Both net income and payroll average 47% and 53% annual increases respectively since 2013.

This economic activity undoubtedly brings welcome economic relief to a region which has been economically disadvantaged.

**IMDG Employment: 2009-2019**
- 1 employee in 2009
- 7 employees in 2011
- 126 employees in 2017
- 151 employees in 2018
- 210 employees in 2019

**IMDG Growth 2013 – 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>+737%</td>
</tr>
<tr>
<td>Employment</td>
<td>+140%</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>+1464%</td>
</tr>
<tr>
<td>Payroll + Benefits</td>
<td>+577%</td>
</tr>
</tbody>
</table>

**WHAT DOES WORKING FOR IMDG MEAN TO ME?**

**Twai Werk, PORTFOLIO MANAGER**

Twai began her career with IMDG in 2011, as a Customer Service Representative. Since 2011, Twai was promoted to a Team Leader and now a Portfolio Manager. Twai now manages 40+ employees. "When I grew up, Hays didn't have an employer like IMDG. I saw little opportunity to stay home and work and provide for my family. Since the creation of IMDG, I have a sense of security that has never existed for me and IMDG has changed my life."
Economic Impact of Island Mountain Development Group
Blaine County

IMDG is headquartered in the town of Hays in Blaine County, Montana as is the majority of the Fort Belknap Indian Community, though a small percentage is in Phillips County. BBER considers both Blaine and Phillips counties in the synopsis of the local economic environment, however the Economic Contribution Analysis focuses only on Blaine County.

**Fort Belknap Indian Community**
Primarily in Blaine County with a small portion in Phillips County, 40 miles south of the Canadian border and 20 miles north of the Missouri River

<table>
<thead>
<tr>
<th>Closest Urban Center:</th>
<th>180 miles (Billings, MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size:</td>
<td>4th largest reservation in Montana</td>
</tr>
<tr>
<td>Membership:</td>
<td>8,000 enrolled members, Gros Ventre + Assinboine Nations</td>
</tr>
<tr>
<td>Primary Industry:</td>
<td>Agriculture (cattle, alfalfa, dry land farming)</td>
</tr>
<tr>
<td>IMDG Headquarters:</td>
<td>Hays, Montana</td>
</tr>
</tbody>
</table>

**Labor Force**

<table>
<thead>
<tr>
<th></th>
<th>BLAINE</th>
<th>PHILLIPS</th>
<th>MONTANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,522</td>
<td>2,290</td>
<td>500,556</td>
</tr>
<tr>
<td>2018</td>
<td>2,208</td>
<td>1,917</td>
<td>528,190%</td>
</tr>
<tr>
<td>%Dif</td>
<td>-9.2%</td>
<td>-13.2%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>


**Negative Net Migration**
Over the past 10 years both Blaine and Phillips counties have experienced negative net migration

**Discouraged Workers**
People who want to work and have been actively seeking employment in the market but have not been able to find employment eventually become discouraged and stop their job search. These “Discouraged Workers” and other individuals who are not members of the labor force are not accounted for in the Unemployment Rate.

The Employment to Population Ratio (EPRatio) shows the percentage of the total population which is employed. While the EPRatio has grown across Montana since 2010, in both Blaine and Phillips Counties it has fallen, implying a growing number of Discouraged Workers.

<table>
<thead>
<tr>
<th>Employment Population Ratio (EPRatio)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>%Dif</td>
</tr>
</tbody>
</table>

IMDG's operations have resulted in a net population impact of +337 people, of which 170 are between the ages of 25-64 and represent the working age cohort.

**IMDG REGIONAL POPULATION IMPACTS**

<table>
<thead>
<tr>
<th>AGE GROUPS</th>
<th>NUMBER</th>
<th>FEMALE-TO-MALE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEMALE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-14</td>
<td>29.3</td>
<td>0.962</td>
</tr>
<tr>
<td>15-24</td>
<td>25.8</td>
<td>0.956</td>
</tr>
<tr>
<td>25-64</td>
<td>89.0</td>
<td>1.001</td>
</tr>
<tr>
<td>65+</td>
<td>24.3</td>
<td>1.099</td>
</tr>
<tr>
<td><strong>MALE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-14</td>
<td>30.4</td>
<td></td>
</tr>
<tr>
<td>15-24</td>
<td>26.9</td>
<td></td>
</tr>
<tr>
<td>25-64</td>
<td>88.9</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>22.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>337</td>
<td></td>
</tr>
</tbody>
</table>

"Given the sparsely populated region these changes are more significant than this comparison suggests. In this part of the state, the economic impact of new population contributes to more robust economic activity."

Source: Economic Contribution Analysis of IMDG 2019

**Real Total Income**

Income growth in Blaine and Phillips counties was slower than the state average. In terms of percent of statewide per capita income, both counties have fallen further behind.

**Total Real Income (millions) (2018USDs)**

<table>
<thead>
<tr>
<th></th>
<th>BLAINE</th>
<th>PHILLIPS</th>
<th>MONTANA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$196.7</td>
<td>$154.2</td>
<td>$40,179.7</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>$197.3</td>
<td>$149.8</td>
<td>$48,673.8</td>
</tr>
<tr>
<td><strong>Dif</strong></td>
<td><strong>+0.3%</strong></td>
<td><strong>-2.8%</strong></td>
<td><strong>+21.0%</strong></td>
</tr>
</tbody>
</table>


**Blaine County Estimated Gains to Total Income**

- **2013 - 2017 CUMULATIVE**: $58.2 Million
- **AVERAGE ANNUAL**: $11.6 Million

Source: Difference-in-Difference Analysis, Economic

**IMDG Estimated Impacts to Blaine County**

**Real Income Difference-in-Difference Analysis**

An analysis of IMDG’s effect on Blaine County Real Income suggests gains over the five-year period totaling a cumulative of $58.2 million or $11.6 million per year.
The Economic Impact of IMDG

The economic contribution analysis of Island Mountain Development Group is measured against the economy in the absence of IMDG, including the absence of jobs that currently exist in Blaine County:

<table>
<thead>
<tr>
<th>OVERALL IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Jobs Created</td>
</tr>
<tr>
<td>Labor Force</td>
</tr>
<tr>
<td>Population Supported</td>
</tr>
<tr>
<td>Personal Income [2018$]</td>
</tr>
<tr>
<td>Disposable Personal Income [2018$]</td>
</tr>
<tr>
<td>Output [2018$]</td>
</tr>
</tbody>
</table>

* Fort Belknap Indian Community

The personal income received by Montana households due to the operation of IMDG is sizeable. This impact is broader in scope than what the direct impact would suggest. IMDG generates a total of 210 additional jobs across all industries in the region, producing 18.3 million in household income and $15.9 million in after tax income.

Given that payroll and benefits paid by IMDG is $6.75 million, the total new income generated across the region is significant.

SUMMARY

The Island Mountain Development Group contributes a substantial amount of economic activity to the North Central region of Montana.

Because of the significant linkages that exist between the activities of IMDG and the rest of the economy, the Economic Contribution Analysis found the production, spending and jobs ultimately supported by IMDG production to be significantly larger than what IMDG represents.

A secondary approach which focused the analysis on Blaine county reveal a significant impact of IMDG on income and employment in Blaine County – an economic area which would likely be less economically viable in the absence of the Island Mountain Development Group.

The analysis also points to the benefits of IMDG to the Fort Belknap Indian Community, which is under economic duress. IMDG’s contribution to not only economic development and “human capital” development will foster future economic development in the region.

— IMDG Economic Contribution Analysis by BBER

Growth and diversification are central to IMDG’s goal of creating a self-sustaining economy on the FBIC.

While e-Commerce lending is IMDG’s flagship business, the company’s holdings have expanded to include Snake Butte Construction, a company that provides construction services and management as well as engineering services, and Spirit Box Technologies, a full-service IT company.

Revenue Generation
- E-Commerce
- Construction
- Information Technology
- Passive Investments / Commercial
- Real Estate Development

Job Opportunities
- Customer Service / Small Dollar Lending Service
- Construction Trades
- IT Technology
- Administrative
Island Mountain Realty

More recently, IMDG has actively moved into Real Estate Acquisition and Development through its subsidiary, Island Mountain Realty. Real Estate holdings include commercial property investments on the FBIC and in Billings, Montana as well as residential developments both on the reservation and in Billings.

The goal behind Island Mountain Realty (IMR) is to grow additional revenue streams which can be used to benefit the FBIC by creating access to capital and ultimately a path to home ownership on the Fort Belknap Reservation.

Home Ownership is essential to a strong tribal economy. Successful homeownership has a lasting impact on the security and future of our Tribal Members and their families. It also creates jobs for Tribal Members because of the demand for specialized skills and stimulates a cyclical and connected system of financial and social dividends we are working hard to achieve.

**HOME OWNERSHIP IS ESSENTIAL**

to a **STRONG TRIBAL ECONOMY**

**IMPORTANCE OF HOME OWNERSHIP**

Mountain Development Group, he began his career as a Call Center Rep and has worked his way up to Compliance Manager and is successfully managing a team while completing online coursework for his Business degree. Scott cites that this is “the best job he has ever had.

“I would like to start a family and have a home, but homeownership isn’t looking too promising.” Currently because of the housing shortage on Ft. Belknap Reservation, Scott lives with four other family members, not because he cannot afford another housing option, but because there is no option to rent or buy.

“I want there to be light at the end of the tunnel. You can do everything right and position yourself financially to be successful and there is still nothing there. That is the frustrating part.”

Scott Horn
Compliance Manager IMDG

Scott Horn, a Tribal Member, wanted to live on the Fort Belknap Reservation but had to move off the reservation in order to find work. When IMDG opened the call center in Hays, Scott was able to return to Fort Belknap to work. Scott’s goal was to grow professionally and become financially independent and he has accomplished that goal. When he joined Island

Frances Skinner grew up a half of mile from where IMDG Headquarters is now located. As a child, Skinner recalls not having any electricity or running water in his home. “We didn’t know we were poor; everyone was poor back then.” Skinner said. The town of Hays never had anything like IMDG ever before and it makes Skinner happy to see so many people going to work in Hays.

Skinner previously worked for the Head Start program, driving the school bus for fifteen years. Currently, Skinner is the IMDG Transit Driver and takes pride and joy in transporting employees from the northern end of the reservation to the southern end. Some of the employees he drives to work he used to drive to the Head Start school.
INVESTMENT

Investment in Nakoda and Aaniiih Economic Development Corporation

[NON-PROFIT]

"Island Mountain Development Group has provided so many educational and athletic opportunities that we normally wouldn’t receive. With their donations, they have enriched our students’ educational and athletic opportunities by providing necessary equipment to better our students’ performance. We are very grateful for Island Mountain Development Group."

—Corey Morgan, Athletic Director for Hays/Lodge Pole Public Schools

WHAT DOES WORKING FOR IMDG MEAN TO ME?

Bobbi Werk, FINANCE CONTROLLER IMDG

Bobbi began her career with IMDG in 2011, as a Customer Service Representative. IMDG gave Bobbi the opportunity to advance into different career fields of the company. In 2017, Bobbi graduated with a Bachelor in Business Administration from Montana State University-Northern. Bobbi is IMDG’s first graduate under the IMDG educational program and is currently our Finance Controller, overseeing a department of eight employees.

THE NAEDC SUPPORTS KEY SERVICES ON FBIC:

- Red Paint Creek Trading Post and Pantry.
  Community-based, non-profit food cooperative supporting food sovereignty by providing healthy, fresh food in the remote community of Lodge Pole, Montana.

- Fort Belknap Indian Community Tourism.
  Melding Tourism with Tribal heritage and customs.

- Educare.
  Immersive education for Tribal Members ages 0 - 5 years old.
Island Mountain Development Group
Economic Impact to Date

Island Mountain Development Group seeks to become a national model for Tribal advancement. Key economic trends indicate that IMDG is making a significant contribution to the FBIC:

**IMDG ECONOMIC IMPACTS OVERVIEW:**

- Jobs created: 210+
- Disposable income: $15.9 million
- Added output: $33.0 million
- People supported: 337 people
- Adults in labor force supported: 192
- Local donations + sponsorships: $1.3 million*
- Profit Sharing with FBIC: $2.5 million*

**THESE ESTIMATES LIKELY CONSTITUTE**
a conservative measure of the additional economic benefits to regional households, businesses and governments ultimately derive from IMDG as the analysis assumes activity is fixed at current levels.

**JOBS CREATED**

210+

*2013-2018
Future Strategic Initiatives

In July 2019, the IMDG Leadership Team and FBIC Tribal Council held a 3-day Strategic Planning Session. During that meeting IMDG identified key initiatives for future business expansion along with objectives, timelines and action items.

The Leadership Team is currently laying the groundwork to move forward with initiatives in each of the following business sectors:

• Government Contracting
• Alternative Energy
• Agriculture
• Healthcare
• Community Development Financial Institution
A New Generation: 
Taking Our Rightful Seat at the Table

As the economic development arm of the Gros Ventre and Assiniboine Nations, IMDG honors the Tribes’ cultural heritage and embraces traditional values. One of the core tenants is expressed as “We” before “I,” acknowledging the importance of everyone working together to benefit the whole.

Certainly, Billings and the greater region will benefit from the investment that IMDG is making locally and regionally. Yet every business decision made by IMDG must absolutely align and support the greater vision of bringing economic development to the Fort Belknap Reservation and self-sufficiency to the people of FBIC.

Never in the history of FBIC has there been a company like IMDG. The mission is being driven by a new generation of Tribal Members – educated, capable, committed Members who are hungry.

We have prepared for this.
We are here. We are taking our rightful seat at the table.

Working together, we will achieve self-actualization for every FBIC Tribal Member.

Maslow’s Hierarchy of Needs

Psychologist Abraham Maslow theorized that human needs follow a hierarchy in which basic needs must be satisfied before there is motivation to move to the next level. This hierarchy is expressed as a pyramid with basic needs at the bottom which once fulfilled support and motivate movement to the next level.

"Every business decision made by IMDG must absolutely align and support the greater vision of bringing economic development to the Fort Belknap Reservation and self-sufficiency to the people of FBIC."

- IMDG