

INTERGENERATIONAL MOBILITY IN TRIBAL COMMUNITIES: DRIVERS AND POTENTIAL INTERVENTIONS

MATT GREGG
SR. ECONOMIST

NATIONAL ACADEMIES OF SCIENCES
JULY 25, 2022



CENTER FOR
INDIAN COUNTRY
DEVELOPMENT



FEDERAL RESERVE BANK OF MINNEAPOLIS

DISCLAIMER

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.



EVIDENCE OF AIAN INTRA-/INTERGENERATIONAL MOBILITY

Only recent research has directly measured AIAN intra-/intergenerational mobility

- Intragenerational Mobility (Akee et al., 2018)
 - Links admin IRS (1040s) records linked to self-identified race in Census data.
 - AIAN incomes are 50-80% of White incomes across income quantiles.
 - Tracing persons from 2000 to 2014, AIANs (along with Blacks and Hispanics) exhibit less income mobile (more downward mobility) than Whites and Asians.
- Intergenerational Mobility (Chetty et al., 2018)
 - Similar data but traces income mobility from parent to child
 - AIAN children have low/high rates of upward/downward mobility.. AIAN income distribution close to steady-state (permanently lower than whites).
 - Temporary programs (temporary cash transfers) will not shrink gap in the long run.
 - Key policy question: why do AIAN children have lower incomes than white children conditional of parental income
- Challenges to prescribe policies to combat AIAN intergenerational poverty
 - Tribal affiliation is unobserved to research, small samples obscures gender heterogeneity, racial definition of AIAN is an important research choice,

DRIVERS OF INTERGENERATIONAL POVERTY

There is a widespread spectrum of socio-economic outcomes among tribal communities. Below is a list of high-level factors of intergenerational poverty shared across tribal communities:

- ***Lack of Access to Housing Wealth:*** Home buyers on trust land face many hurdles to build wealth (collateralizing trust land, long mortgage application processes, high-cost mortgage, lack of banking services).
- ***Undermining of Tribal Self-Determination:*** Since 1800s, good lands were taken away, traditional tribal governments were suppressed, termination further reduce sovereignty, tribal involvement in litigating contracts (only since the 1970s) has only recently been getting traction.
- ***Lack of Investment:*** private investment, infrastructure under-investment led to challenges to retain tribal members.





INTERVENTIONS THAT COULD BREAK THE CYCLE OF INTERGENERATIONAL POVERTY

Three legs of stable and robust tribal economies

- Stable Rule of Law: Since the 1970s, tribal governments are getting their feet back
 - Creating economic development on reservations is critical.
 - Large body of research by HPAID (2008) on how cultural-specific tribal institutions spur local development (e.g., Navajo Peacemaking Courts)
 - Clear jurisdiction on criminal and civil matters (but Castro-Huerta 2022 decision adds more (not less) certainty).
- Education: this is a treaty right
 - Fee tuition (University of Maine – free room/board, University of Minnesota-Morris, Fort Collins College, MT University System, CA University System, e.g.).
- Health care: this is another treaty right
 - Some tribes signed 638 contracts, compacts to run IHS programs to better meet local needs.
 - One example: Rocky Boys Drug and Alcohol Treatment Center.



CENTER FOR
**INDIAN COUNTRY
DEVELOPMENT**



FEDERAL RESERVE BANK OF MINNEAPOLIS