



A Partnership for Financial Education

Financial Education with the Three Affiliated Tribes of
the Fort Berthold Indian Reservation

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Acknowledgements

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Executive Summary

- Oil exploration on the Fort Berthold Indian Reservation has resulted in some tribal members receiving large lease and bonus payments for the first time. Once production begins, additional royalty payments may also be disbursed.
- At the request of Chairman Marcus Wells, Jr., First Nations Development Institute (FNDI) worked in partnership with the Office of the Special Trustee (OST) to provide five financial education trainings at the Fort Berthold Indian Reservation between October 6th and October 10th, 2008. A total of 124 people attended the trainings.
- First Nations Development Institute collected evaluation forms from participants at the trainings. This report provides information about participants' rating of the training program:
 - Eighty-six percent of the respondents rated the trainings "Excellent" or "Very Good."
 - Eighty-seven percent of respondents rated the instructor "Excellent" or "Very Good."
 - Eighty-four percent of respondents would like to attend more financial education workshops.
 - When asked if participants wanted to learn more, the most popular topics were "Scams To Avoid" (64%), "Retirement" (67%) and "Investing" (67%).
 - When asked what type of financial services people wanted assistance with, the most popular responses to this question were "Retirement Planning" (64%) and "Investment Portfolio" (62%).
 - Eighty-nine percent of participants rated the value of the workshop as "Very Good" or "Excellent."
- There is interest in providing financial education with other tribes in the region.



Introduction - Opportunity Knocks

The Fort Berthold Indian Reservation in North Dakota is home to the Three Affiliated Tribes of the Mandan, Hidatsa, and Arikara Nations. Totaling over 900,000 acres of beautiful windswept prairie, the reservation is governed by the Three Affiliated Tribes Business Council. While poverty has historically been high on the reservation, the development of a casino and other tribal enterprises over the past two decades has brought welcome economic development.

The Fort Berthold Reservation has recently gained a lot of attention from major oil corporations because it is included in an area known as the Bakken Formation. The Bakken Formation is a large rock mass with a significant oil supply beneath it. Researchers estimate that there are a possible 3-4 billion barrels of potentially recoverable oil beneath the surface, using today's technology.

Most of the reservation wasn't explored during the last oil boom because federal law required 100 percent of mineral owners to sign leases. That law changed to 51 percent in 1997, making it easier to sign leases. Marathon Oil Co., among other companies, has recently begun to sign very lucrative oil leases for both individual tribal owners of trust land and for the trust land owned by the tribe. For example, in March 2008, The Three Affiliated Tribes received an oil bonus of \$2,099,524 from Dakota 3 LLC, a local oil company, for minerals exploration and development. This payment is the first in a series of payments from Dakota 3 to the tribe that will eventually total \$9 million.¹ Other oil companies have also pledged large payments.

Individual tribal members are also receiving payments for leases on trust land that have been negotiated by the Bureau of Indian Affairs and the tribe. Nearly 900,000 mineral acres on the reservation are allotted to tribal members under trust, and over \$109 million has been distributed to individuals so far through the Office of the Special Trustee. Furthermore, it is estimated that given

¹ Source: MHA Nation press release, downloaded on November 13, 2008 from http://www.mhanation.com/main/download/TRIBE_RECEIVES_BONUS_PAYMENT_FOR_MINERALS.pdf.



current production levels, within the next ten years as many as 100 tribal members may have a personal net worth exceeding \$1,000,000 due to the infusion of oil money.

A Call for Financial Education

Across the nation, the Office of the Special Trustee of the Department of the Interior manages the payments for natural resource exploration, land leases, and other economic development work on Indian trust land. Recently, policy makers and tribal leaders have been calling on the Office of the Special Trustee and their staff to provide some sort of financial education to individuals who are receiving large lease payments for their land. Payments at Fort Berthold are often as large as \$75,000 to \$100,000, and some exceed \$200,000. Unfortunately many tribal members (like most Americans nationally) lack the financial skills to effectively manage funds of this magnitude. First Nations Development Institute had been working with the Fiduciary Trust Officer at Rosebud Indian Reservation, James Cordry, who had been using First Nations Development Institute's *Investing for the Future*² curriculum to provide one-on-one financial counseling to his clients. He was invited up to the Fort Berthold Indian Reservation in July to provide a two hour investor education training in New Town, where the tribal government is housed, and at that time he received requests for more trainings, especially ones in the outlying communities. The Fort Berthold Reservation is divided into six political subdivisions called segments. They are referred to as: Mandaree, New Town, Twin Buttes, White Shield, Four Bears and Parshall (see also Map 1).³ These outlying communities are small in population, but have a majority of Native American population and cover large geographic areas. They also have high percentages of individuals living below the poverty line, underlining the need for financial education.

² *Building Native Communities: Investing for the Future* is a culturally-relevant investor education curriculum that was designed by First Nations Development Institute. For more information, visit www.InvestNative.org.

³ Source: "Demographics of the Fort Berthold Reservation." *Fort Berthold Library*. 1994. Fort Berthold Community College. Downloaded 1 Dec. 2008. <<http://lib.fbcc.bia.edu/FortBerthold/TATDemo.asp>>





Community	Population	Percent Native American	Percent of Individuals Below Poverty Line
Mandaree	558	95.9%	35.4%
New Town	1,367	66.9%	23.3%
Twin Buttes	No Data Available	No Data Available	No Data Available
White Shield	348	98.6%	56.2%
Four Bears	364	94.0%	31.2%
Parshall	981	54.5%	27.7%

Data Source: American FactFinder, U.S. Census Bureau

On August 13 2008 the current MHA Tribal Chairman Marcus Wells, Jr. sent a letter to First Nations Development Institute to request that they deliver financial education trainings in the small regional communities of Twin Buttes, Mandaree, and White Shield. The Office of the Special Trustee at Fort Berthold, including Austin Gillette, a former tribal chairman and the current Fiduciary Trust Officer at Fort Berthold, reached out to First Nations Development Institute to encourage them to send a trainer up to the reservation. In partnership with the Office of the Special Trustee, First Nations Development Institute agreed to send Shawn Spruce, a certified *Investing for the Future* trainer and an enrolled member of the Laguna Pueblo, up to Fort Berthold to provide five trainings over five days.

With assistance from Trust Officers James Cordry and Austin Gillette, press releases were sent to local papers and radio stations. The trainings were covered in the Minot Daily News and other periodicals (see Appendix B).

Shawn Spruce traveled up to Fort Berthold and provided five trainings between October 6th and October 10th. A list of the trainings and number of attendees are provided in Table 2.

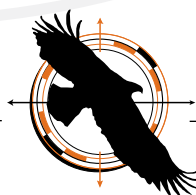


Table 2: Trainings and Number of Attendees		
Location	Number of Attendees	Date
Twin Buttes	13	10/6/2008
Mandaree	20	10/7/2008
White Shield	16	10/8/2008
Four Bears Casino	20	10/9/2008
New Town High School	55	10/10/2008
Total	124	

The workshops gained positive feedback from not only the attendees but from key policymakers as well. Congressman Earl Pomeroy, the at-large Congressman for North Dakota, attended the training at New Town High School. Office of the Special Trustee staff got positive feedback from staff at the offices of both North Dakota senators as well as both the senators in South Dakota.



Trainer Shawn Spruce



Feedback from Training Participants

First Nations Development Institute collected evaluation data from training participants in an effort to get feedback and assess the effectiveness of the trainings. Each participant was asked to fill out an evaluation form at the end of the training. A total of forty-five completed evaluation forms were collected. The results of the evaluation can be found in Appendix A, but the highlights are listed here:

- Eighty-six percent of the respondents rated the trainings “Excellent” or “Very Good.”
- Eighty-seven percent of respondents rated the instructors “Excellent” or “Very Good.”
- Eighty-four percent of respondents would like to attend more financial education workshops.
- When asked if participants wanted to learn more, the most popular topics were scams to avoid (64%), retirement (67%) and investing (67%).
- When asked what type of financial services people wanted assistance with, the most popular responses to this question were retirement planning (64%) and investment portfolio (62%).
- Eighty-nine percent of participants rated the value of the workshop at “Very Good” or “Excellent.”



Congressman Earl Pomeroy speaking to students at New Town High School



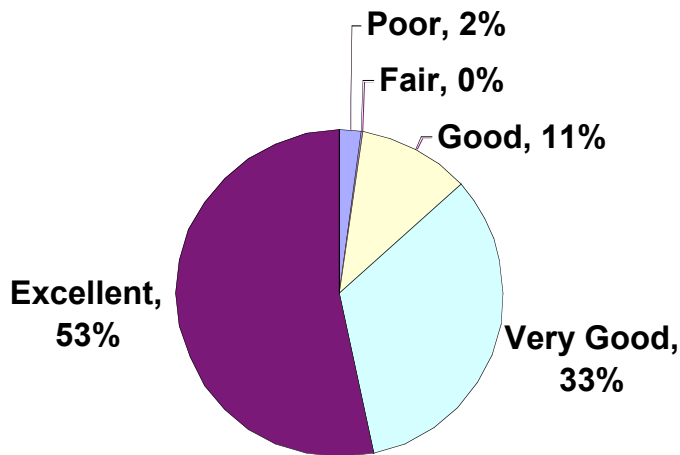
Appendix A: Evaluation Results for Investor Education Trainings at Fort Berthold Indian Reservation

Question 1: How Would You Rate the Value of the Information Presented Today?

Fifty-three percent of the respondents rated the trainings “Excellent.” Eighty-six percent of the respondents rated the trainings “Excellent” or “Very Good.” See also Figure 1.

Question 1: How would you rate the value of the information presented today?		
	Number	Percent
Poor	1	2%
Fair	0	0%
Good	5	11%
Very Good	15	33%
Excellent	24	53%

Question 1: How Would You Rate the Value of the Information?

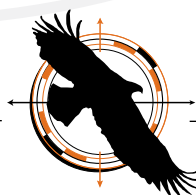
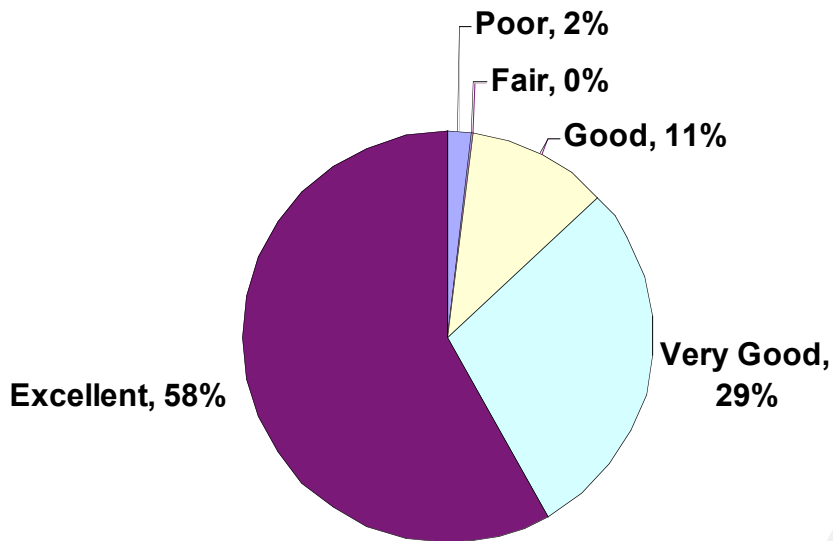


Question 2: How Would You Rate the Instructor?

Fifty-three percent of the respondents rated the instructor “Excellent.” Eighty-seven percent of participants rated the instructor “Excellent” or “Very Good.” See also Figure 2.

Question 2: How Would You Rate the Instructor?		
	Number	Percent
Poor	1	2%
Fair	0	0%
Good	15	11%
Very Good	13	29%
Excellent	26	58%

Question 2: How Would You Rate the Instructor?



Question 3: What Topic Did You Find Most Useful?**Topic most useful**

All (11)
 Breakdown of balanced mutual funds/stocks and bonds
 Brokerage Info
 Difference between stocks and bonds
 Different types of investment, financial planners, questions to ask the CFP.
 Endowments
 I M accounts
 Investing
 Investing
 Investment
 Investment
 Investment
 Investment stocks and bonds
 investment, inflation rate
 Investments
 Money Investments
 Mutual funds and financial advisors
 Mutual funds, stocks and bonds.
 Mutual funds.
 Mutual Funds.
 Planning your first move-questions to ask yourself.
 Retirement info.
 Stocks and bonds
 Stocks and bonds
 Stocks and bonds
 Stocks and bonds
 Stocks and bonds, money markets
 The S&P
 Top 5 choices scenario
 Types of investments
 Using your IIM account.
 Variety of knowledge.
 What questions to ask planners

Question 3: What Topic Did You Find Least Useful?**Topics least useful**

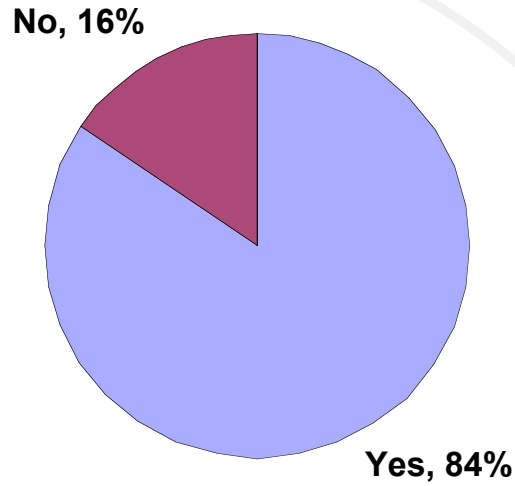
CDs
 Coffee break.
 Importance of financial literacy.
 None (39)
 Too short.



Question 5: Are You Interested in Attending More Financial Education Workshops?

Eighty-four percent of participants are interested in attending more financial education workshops.

Are you interested in more financial education workshops?

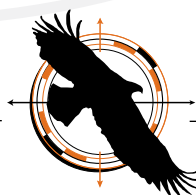
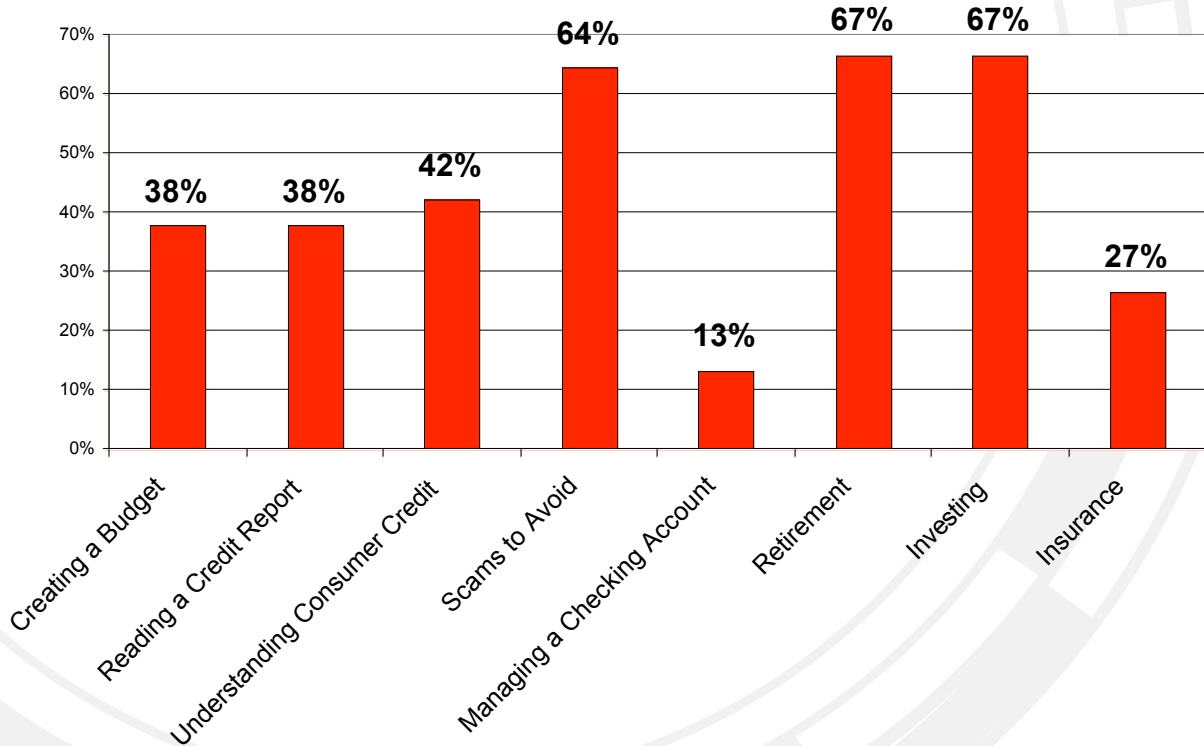


If So, What Future Topics are You Most Interested In? (check all that apply):

The most popular responses to this question were Scams To Avoid (64%), Retirement (67%) and Investing (67%).

If so, what future topics are you most interested in?		
	Yes	No
Creating a Budget	17	28
Reading a Credit Report	17	28
Understanding Consumer Credit	19	26
Scams to Avoid	29	16
Managing a Checking Account	6	39
Retirement	30	15
Investing	30	15
Insurance	12	33

What Topics Are You Interested in Learning More About?

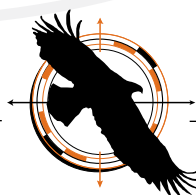
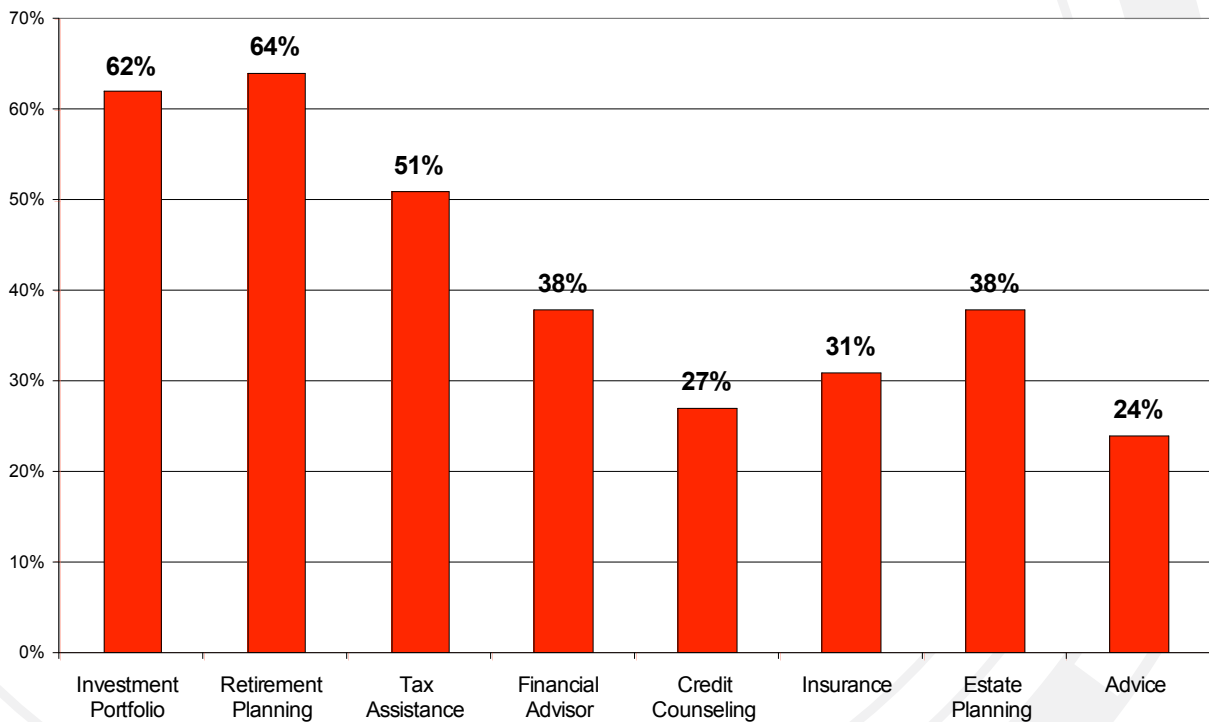


Question 6: What Types of Financial Services Would You Like Assistance With? (check all that apply):

The most popular responses to this question were Retirement Planning (64%) and Investment Portfolio (62%).

Question 6: What Types of Financial Services?		
	Yes	No
Investment Portfolio	28	17
Retirement Planning	29	16
Tax Assistance	23	22
Financial Advisor Referral	17	28
Credit Counseling	12	33
Insurance	14	31
Estate Planning	17	28
General Advice	11	34

What Types of Financial Services Would You Like Assistance With?

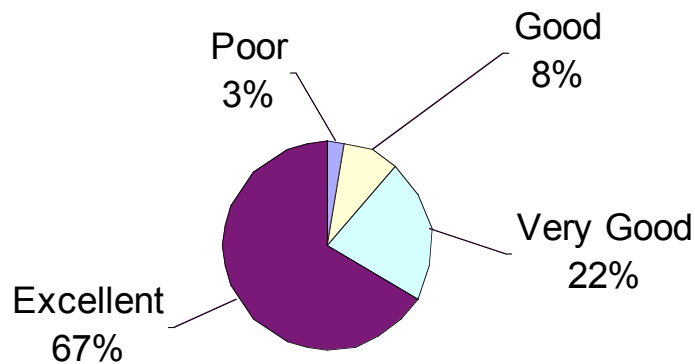


Question 7: Please Rate the Overall Value of Today’s Workshop.

Overall, respondents found the workshop extremely useful with 67% of participants rating it “Excellent.” Eighty-nine percent of participants rated the value of the workshop at “Very Good” or “Excellent.”

Question 7: Please Rate the Overall Value of Today’s Workshop		
	Number	Percent
Poor	1	3%
Fair	0	0%
Good	3	8%
Very Good	8	22%
Excellent	24	67%

Rate the Overall Value of Today's Workshop



Appendix B: Media Coverage

Minot Daily News - Tribal leaders providing financial meetings

POSTED: September 26, 2008

<http://www.minotdailynews.com/page/content.detail/id/519354.html?nav=5010>

Trust specialists with the Office of the Special Trustee for American Indians will hold five meetings on the Fort Berthold Reservation in early October to provide training on fundamental personal financial skills and concepts to members of the Three Affiliated Tribes.

The meetings, being held at the request of the tribal government of the Three Affiliated Tribes, are in response to the infusion of oil-generated income from trust interests which has increased the need for tribal members to be able to make sound personal financial decisions.

"I applaud the tribal leadership for providing these tools to their members," said Special Trustee Ross Swimmer.

The First Nations Development Institute, a Native nonprofit organization, has developed easy-to-use training material suitable for individuals at all levels of experience.

First Nations and OST will present information about recent developments in trust reform and tools to help manage trust assets.

The training is open to tribal members.

Workshops are scheduled for:

Oct. 6, Twin Buttes Community Hall, 6 to 9 p.m.

Oct. 7, Mandaree Water Chief Hall, 6 to 9 p.m.

Oct. 8, White Shield Ralph Wells Memorial Complex, 6 to 9 p.m.

Oct. 9, 4 Bears Casino west of New Town, 12:30 to 4 p.m.

Oct. 10, New Town High School, 9:30 to 11:30 a.m. This session is for junior and senior classes.

For more information about the schedule and the training, call Austin Gillette, fiduciary trust officer at the Fort Berthold Agency in New Town at 627-4475 or OST's Trust Beneficiary Call Center toll free at 888-678-6836. TBCC operates six days a week Monday through Friday from 7 a.m. to 6 p.m. and Saturday from 8 a.m. to noon MDT.



Appendix C

Budget for Investor Education training					
5 day training at Fort Berthold October 6-11, 2008					
<i>Training costs</i>	Hours/ Nights	Rate	Costs	In-Kind Support By The MHA Tribes/OST	FNDI Costs
Trainer (consultant cost-hours)	40	\$ 90.00	\$ 3,600.00		\$3,600.00
Trainer travel time (hours)	8	\$ 40.00	\$ 320.00		\$ 320.00
Trainer travel to N.D.		\$ 450.0	\$ 450.00		\$ 450.00
Trainer meals (average \$50/day)	6	\$ 50.0	\$ 300.00	\$ 300.00	
Hotel for trainer 6 nights	6	\$ 150.00	\$ 900.00	\$ 900.00	
Rental car and gas			\$ 400.00	\$ 400.00	
TOTAL			\$ 5,970.00	\$ 1,600.00	\$4,370.00



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