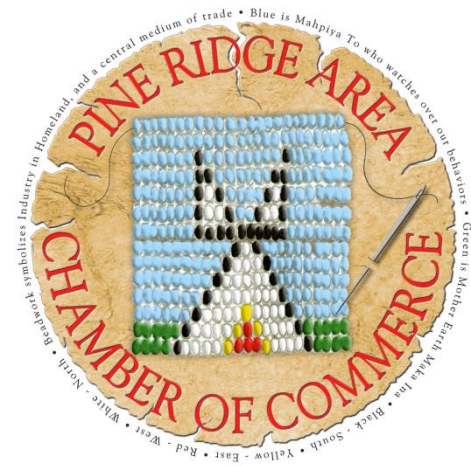


PINE RIDGE AREA CHAMBER OF COMMERCE REPORT OF WORKFORCE AND BUSINESS DEVELOPMENT 2018: FIVE YEARS OF CHANGE, STABILITY, AND VISION

OCTOBER 29, 2018



Introduction

The Pine Ridge Area Chamber of Commerce (PRACC or the Chamber) commissioned a five-year study to assess growth and change, as it relates to business and workforce on the Pine Ridge Reservation. Sweet Grass Consulting, LLC (Sweet Grass) administrated the study and began with an assessment of 70 businesses in 2014. The assessment included questions related to business demographics, employment information, and opinions on businesses success and growth; as well as recommendations for future efforts focused on workforce, tourism, and overall business and economic sustainability.

Businesses were again surveyed in 2015 and with little change within a year's time, as was to be expected, it was decided that 2016 (year three) recommendations would be made based on finding from years one and two. Recommendations were centered on internal changes to PRACC and ways they could enhance and diversify their programs and services. In year four, Sweet Grass conducted an assessment of PRACC to measure the degree to which 2016 recommendations were incorporated to better meet the needs of local businesses. In year five (2018), a final assessment was conducted with 105 businesses. This assessment included the same questions from year one as well as additional questions to assess business owners', managers', and employees' perception of how their business had changed in the last five years. Businesses were also asked to describe the keys to a successful business and their insights on how Reservation business will grow in the next 5 years.

The overall findings suggest that business and workforce on the Reservation fluctuated between stable and growing slowly. **Confidence intervals, calculated at 95% confidence, were ran on all analyses comparing 2014 and 2018 data and it was found that none of the differences in businesses between the two years were statistically significant.** Throughout the report, percentages are used to show change between the two years, but once again it should be noted that what may be a 10% or 15% change was found not to be statistically significant, when considering the difference in sample size between 2014 and 2018.

Entrepreneurship and workforce development are currently a prevailing theme at the Chamber and across Oglala Lakota Country. The Chamber is involved in a variety of entrepreneurship and workforce development programs. Businesses owners mentioned them specifically for assisting them with helping their business grow during the last five years. They have specifically provided workforce development trainings in-house and at Little Wound High School and Crazy Horse School. The trainings focusing on job readiness, customer service, and business start-up have assisted young adults obtain employment, but the trainings have unexpectedly assisted students who decide to attend college as well. The Chamber plans to expand their services into Pine Ridge High School and Red Cloud Indian School this year. One day during the summer, Principal Director of Development and Community Engagement at Sweet Grass, Michael Brydge was talking with full-time employee and front desk Administrative Assistant, Tacie LeBeau, when she stated, "I am a product of those trainings. I am very thankful!" Furthermore, the Chamber has provided workforce development programs, offered

paid internships and part-time employment for college students as well community service projects, working at Badlands National Park, and working on-site.

In addition to the Chamber, there are a variety of organizations and programs on the Reservation aimed at developing entrepreneurs and workforce development efforts. Red Cloud Indian School, Thunder Valley Community Development Corporation (Thunder Valley CDC), and AmeriCorp VISTA, administered by Thunder Valley CDC as Promise Zone Designees, have developed notable, impactful programs related to internship and workforce development. Thunder Valley CDC's Workforce Development in Sustainable Construction Initiative, for example, has spurred the development of a 100% Lakota owned and operated residential construction company—Thikáŋa. Paid interns have worked as sawyers, agriculturalists, research associates, front desk clerks, teachers' assistants, and more. These hands-on applications of classroom education, coupled with paid opportunities in local communities, have, and will continue to help further enhance self- and community-esteem, develop the local economy, and create greater career worthy opportunities.

The Tribe has shown dedication to workforce development as well, with the historical ground breaking in May 2018 of the Oglala Lakota County Career Technical Education (CTE) High School. The school is set to open in August of 2020 and is the only CTE high school on a Reservation in the United States. The high school is “for empowering students with career and technical real-life experience and certifications to immediately enter into the workforce [. . .] to ensure successful, viable long-term careers that will stimulate Pine Ridge Indian Reservation's economic growth.”¹

Some of the Chamber's networking partners are also breaking ground on a new facility aimed at enhancing business and workforce development opportunities for artists. These collaborations have resulted in the Oglala Lakota Artspace, an upcoming Native Arts and Cultural Space to be built in Kyle, SD. This center will provide space and opportunity for native artists, an integral part of the Reservation economy, to become self-sufficient and grow their economic capacity. “Oglala Lakota Artspace, a collaboration between Lakota Funds, First Peoples Fund, and Artspace, will provide not only a home-base for the work of the Rolling Rez Arts Bus, but an expanded opportunity for nurturing the creative economy and arts ecosystem on the reservation.”² The space will house artist studios, recording and sound studio, a computer lab, an art gallery, a gift shop, and be a home base for First Peoples Fund's youth development, and more.³ These amenities are geared toward enhancing entrepreneurship and workforce development, in the region.

¹ “Oglala Lakota County Career Training Education (CTE) High School.” *Lakota Country Times* (Martin, SD), October 25, 2018. Accessed October 26, 2018 from: <https://www.lakotacountrytimes.com/articles/ogla-la-lakota-county-career-technical-education-cte-high-school/>

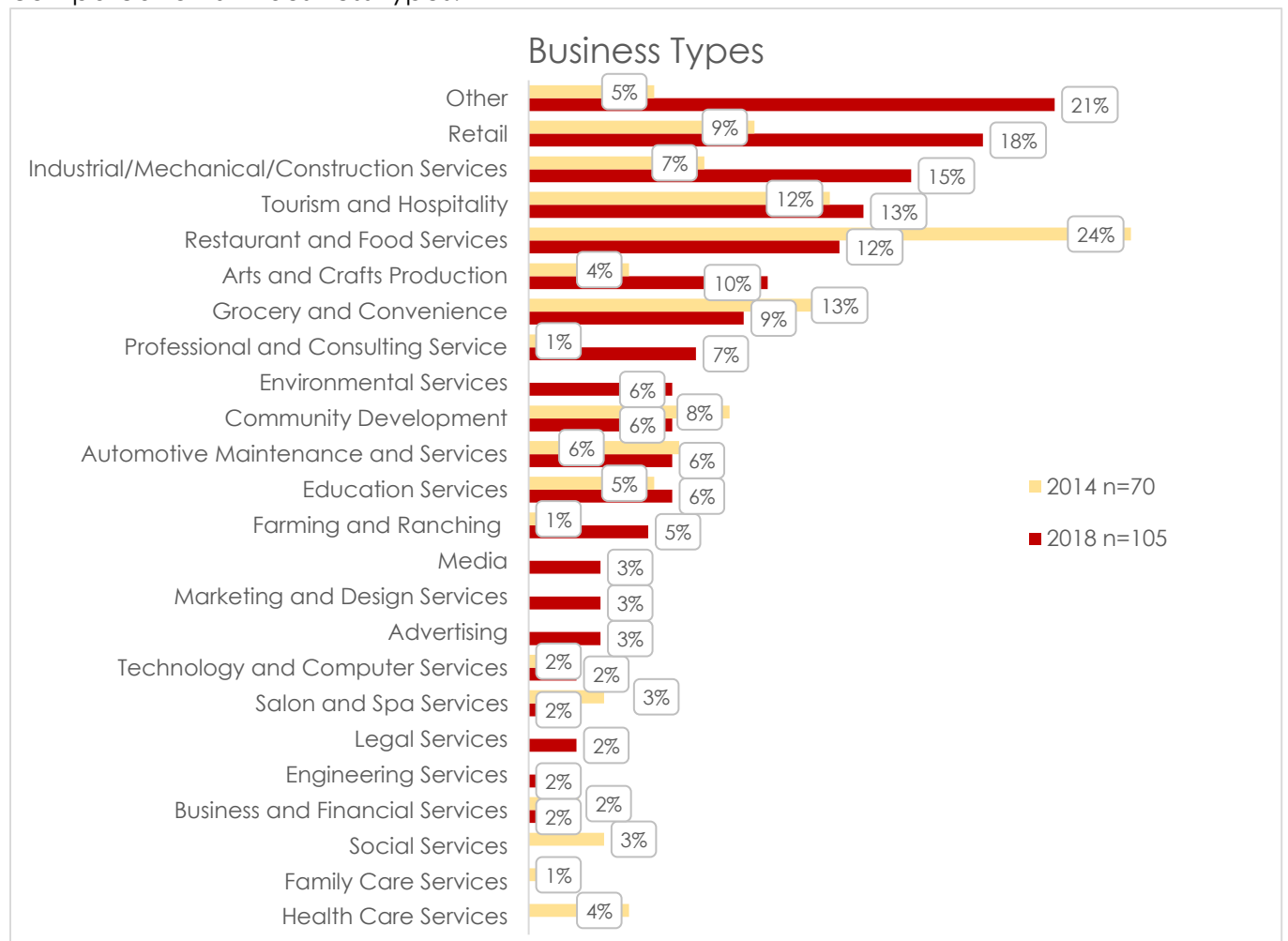
² Sawyer, Sarah Elizabeth. “Oglala Lakota Artspace-First of Its Kind Coming to the Pine Ridge Reservation.” First Peoples Fund. (Rapid City, SD), May 29, 2018. Accessed October 26, 2018 from: <http://www.firstpeoplesfund.org/news/2018/5/29/ogla-la-lakota-artspace-first-of-its-kind-coming-to-the-pine-ridge-reservation>

³ Ibid.

Programs, services, and infrastructural development by the Chamber, their networking partners, and the business owners, managers, and employees discussed throughout this report are making noticeable, impactful changes in their communities, and creating greater economically healthy and financially viable opportunities in Oglala Country.

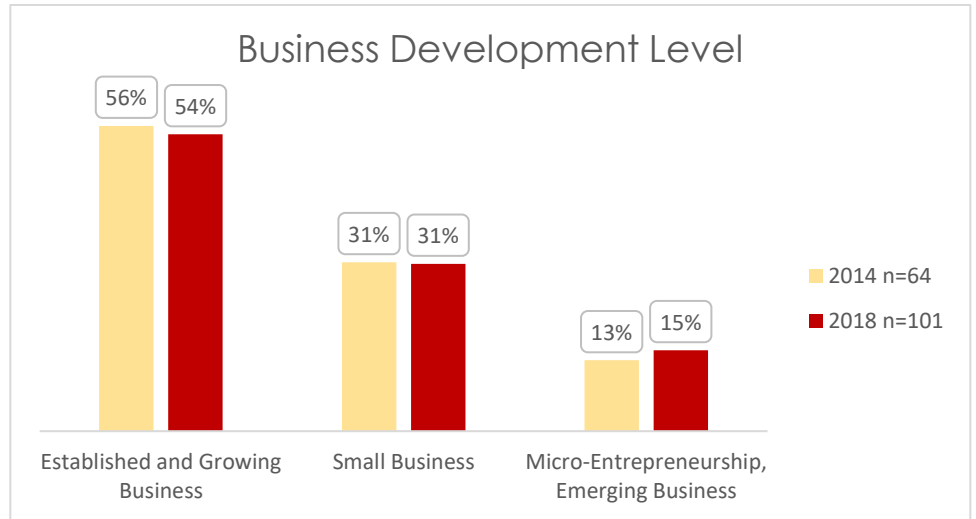
Business Demographics

105 total businesses participated in the 2018 Business Assessment while 70 businesses were surveyed in 2014. Most of the 2018 businesses (23%) were located in Pine Ridge followed by 15% located off the Reservation in Rapid City. Of the 2014 businesses, 30% were located in Pine Ridge and 26% were located in Martin. In 2018, 59% of those surveyed were members of a tribe, and nearly half (49%) were members of the Oglala Sioux Tribe. 21% of participants reported their business type to be 'other'. 18% reported their business to be 'retail', 15% 'industrial/mechanical/construction services', and 13% 'tourism and hospitality'. All business types reported can be seen in the chart below compared to 2014 business types.



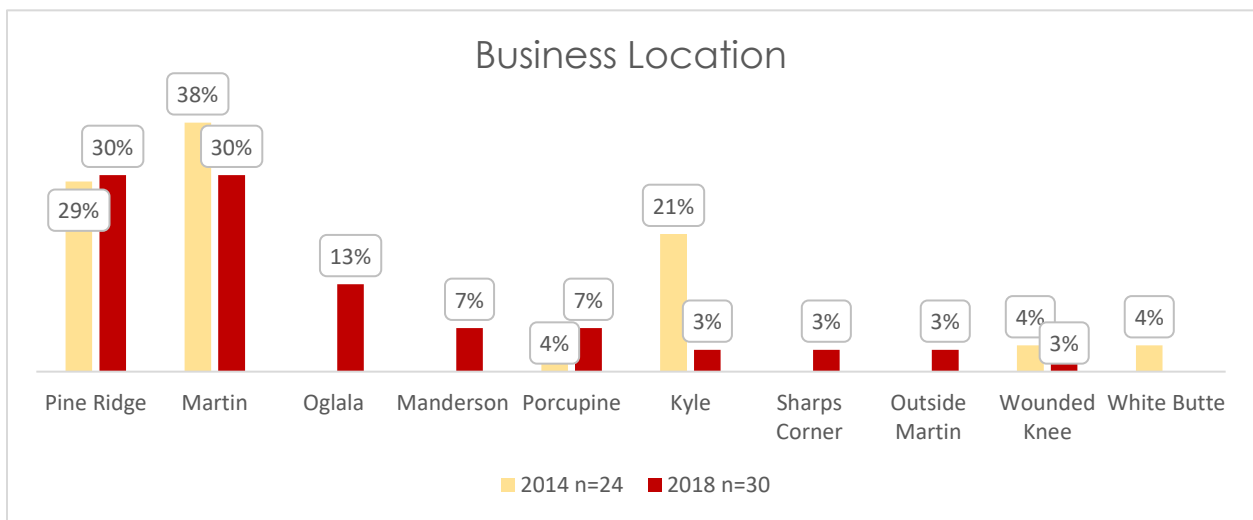
Both 2014 and 2018 included a majority of businesses with a for-profit status, but 2014 did have a slightly higher amount of non-profit businesses. Level of business development stayed similar between the two years with most businesses in each year

reporting their development level to be 'established and growing' which can be seen in the chart on the right. Over half (58%) of the businesses surveyed in 2018 were Native American owned while 61% of those surveyed in 2014 reported to be Native American owned. This is likely due to 2018



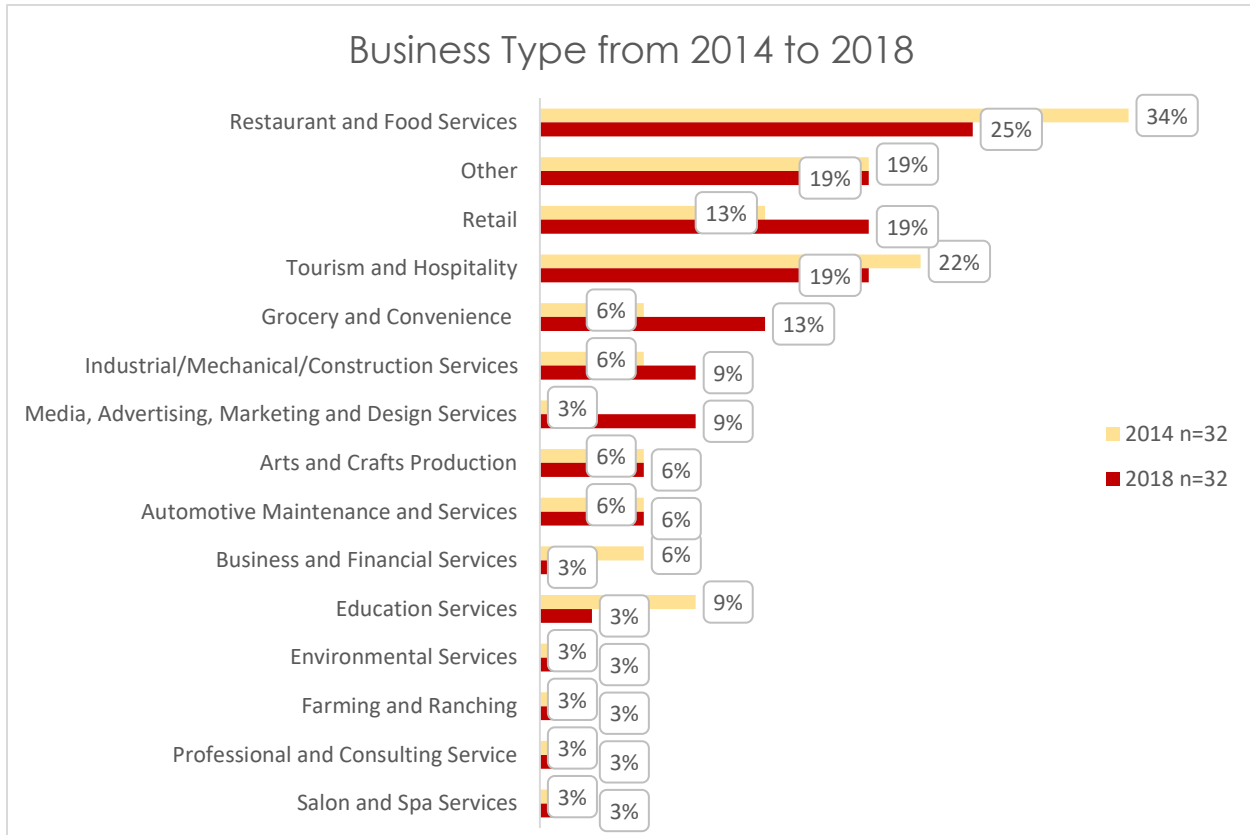
including more businesses off the Reservation than in 2014. **When businesses off the Reservation were not included, 66% of the 2018 businesses (n=85) were in fact Native American owned demonstrating a 5% increase over the years.**

32 of the businesses surveyed in 2018 also participated in the 2014 Business Assessment. In order to understand how these businesses have changed, they will be compared throughout the report following analysis of the total samples from each year. The largest percentage – 30% – of the businesses reported their town to be Pine Ridge in 2018 while 38% reported their town to be Martin in 2014. Most of those surveyed in both years were



American Indian, and most were also female. 61% of 2018 Business Assessment participants reported they were members of a tribe, and 94% were members of the Oglala Sioux Tribe while 6% were from the Cheyenne River Sioux Tribe. In 2014, 70% of the business representatives were members of a tribe. 86% of 2014 participants were members of the Oglala Sioux Tribe, 9% the Cheyenne River Sioux Tribe, and 5% reported they are members of the Cherokee Tribe. Between 2014 and 2018 little change

occurred relating to profit status and Native American ownership. Business development saw only a slight change between the two years surveyed. The following chart displays the business types reported by the businesses in 2014 and 2018. In 2014 the most reported business type was 'restaurant and food services' (32%) which was also the most reported type in 2018 (25%).



A Snapshot of Changes

Since 2014, new businesses have emerged while others have shut their doors. The revitalization of White Clay, NE is overtly noticeable, since the closing of all liquor stores by authorities. The beautification of White Clay is one example of how law can reshape local business, and thus, eludes to ways the Oglala Sioux Tribe can incentivize economic development on the Reservation. Locals hope the new businesses there will spur development along the highway heading to Pine Ridge, while some contribute the closing of Lakota One Stop (Dollar Store) in Pine Ridge to the opening of a Family Dollar



in White Clay. One prominent business owner and entrepreneur, however, contributed the closing to not meeting the needs of locals and not remaining adaptive during a changing business climate. In the last five years Dollar Hunter in Kyle shut down as well, yet several new food trucks service the area and offer foods from pop-overs to pizza.

In Pine Ridge, True Foundation, Liberty Tax, and True Thrift have emerged, though True Thrift was liquidating during the summer of 2018 as the owner discovered the thrift store was not a need or want as indicated by low clientele and purchases. Despite slow businesses, the main street location boasts a welcoming appeal, compared to its 2014



appearance. A local tribal member has recently opened a thrift store on the way to Oglala as well. Time will tell whether Pine Ridge Thrift Store will remain or not. In Oglala, Oglala Mercantile now sells groceries, along with the long-standing Oglala Ridge General Store, which experienced political unrest and brief closure during the last few years.

In Porcupine, the Porcupine General store has changed managers several times and experienced periods of vacancy over the last several years. With a new lease, new management, and experienced employees, the store is meeting the needs of locals.

As indicated in this report, other newly emerging businesses and developments have been created and are creating local impacts as well. U.S. Census data from 2012 found 203 total businesses on the Pine Ridge Reservation.⁴ Estimates in 2018 report 356 businesses, thus demonstrating an increase in over 150 businesses.⁵

Gross Sales for Bennett, Jackson, and Oglala Lakota Counties

To substantiate data for this report, data was also looked at from the South Dakota Department of Revenue annual reports for both 2014 and 2017, since a 2018 report was not yet available. In all three counties, and at the state level, gross sales decreased between the two years which can be seen in the table on the following page.

⁴ https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmk

⁵ Esri. (2018). Business Summary.

In 2017, the three counties making up Pine Ridge Reservation reported total gross sales was only 83% of their 2014 totals. At the state level, gross sales decreased by nearly \$1.2 billion, yet the 2017 total was 98% of the 2014 total.⁶

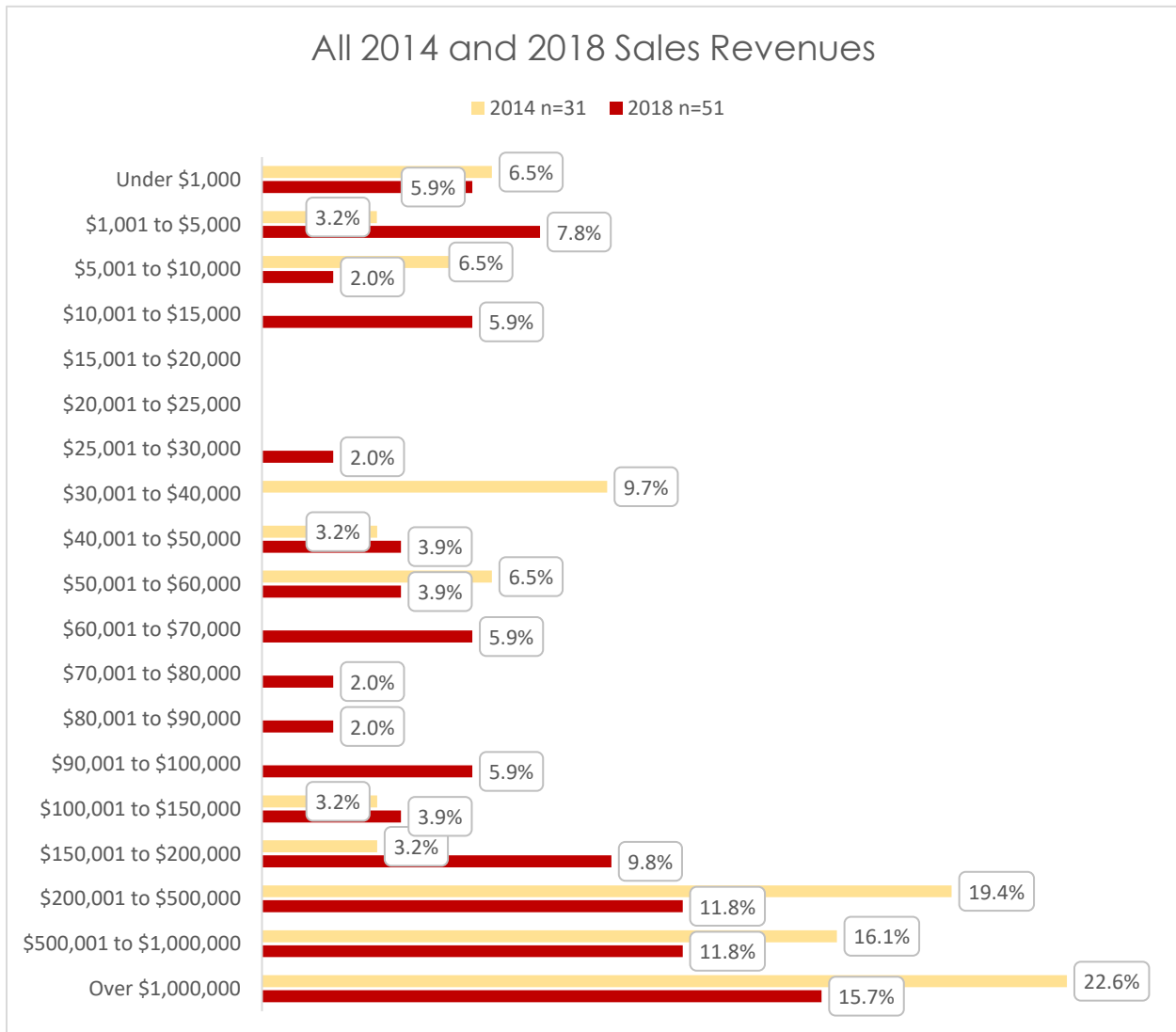
Counties	2014	2017	\$ Difference	% Difference
Bennett	\$76,530,346.12	\$53,948,482.27	\$-22,581,863.85	70%
Jackson	\$51,557,562.77	\$47,313,636.02	\$-4,243,926.75	92%
Oglala Lakota	\$70,002,311.48	\$62,313,491.35	\$-7,688,820.13	89%
Counties of Pine Ridge Reservation Totals	\$198,090,220.37	\$163,575,609.64	\$-34,514,610.73	83%
South Dakota	\$68,958,623,352.36	\$67,760,535,199.49	\$-1,198,088,152.87	98%

When comparing revenue and profit data collected in 2014 and 2018 in this report, the results are similar to the Department of Revenue findings and demonstrate a decrease in both profit and revenue. However, the decreases are not considered statistically significant.

⁶ South Dakota Department of Revenue. 2014. *South Dakota Sales and Use Tax Report*. 5, 56, 93, 113; South Dakota Department of Revenue. 2017. *South Dakota Sales and Use Tax Report*. 5, 56, 85, 113.

Business Sales Revenue

In 2018, 15.7% of all businesses surveyed reported their sales revenue in the last year to be 'Over \$1,000,000'. Most (22.6%) of all businesses in 2014 also reported their sales revenue to be 'Over \$1,000,000' as well. The following chart displays the sales revenues of all businesses surveyed in 2014 and 2018. 22% of all 2018 businesses estimated 91-100% of their sales revenue stayed in the community which was the most popular

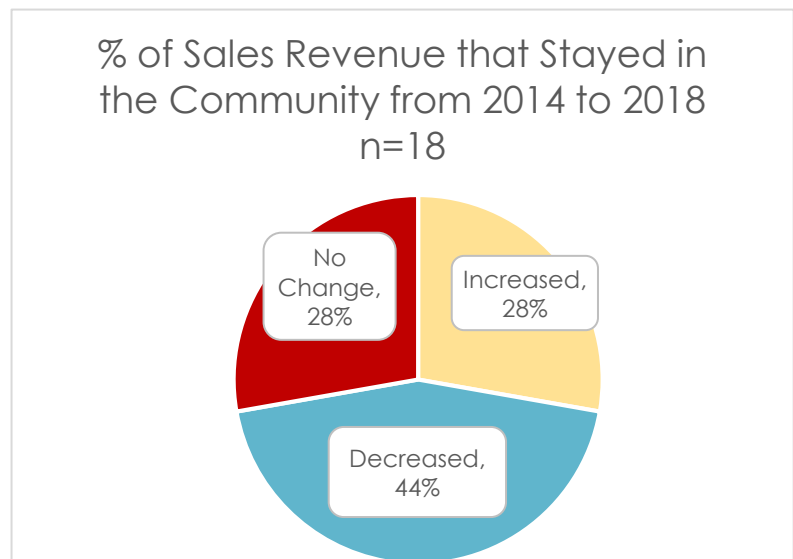


response (31%) for all 2014 businesses as well. Stability, and likely growth in upcoming years in the area of local spending, will result in positive business development and economic growth due to a sustained economic multiplier effect—the effect of circulation money locally.

Looking at business sales revenue for the same businesses surveyed in 2014 and 2018, values remained relatively the same – between the \$1,000 to \$200,000 revenue range. The major changes were seen in the \$200,001 to over \$1,000,000 range, which indicates

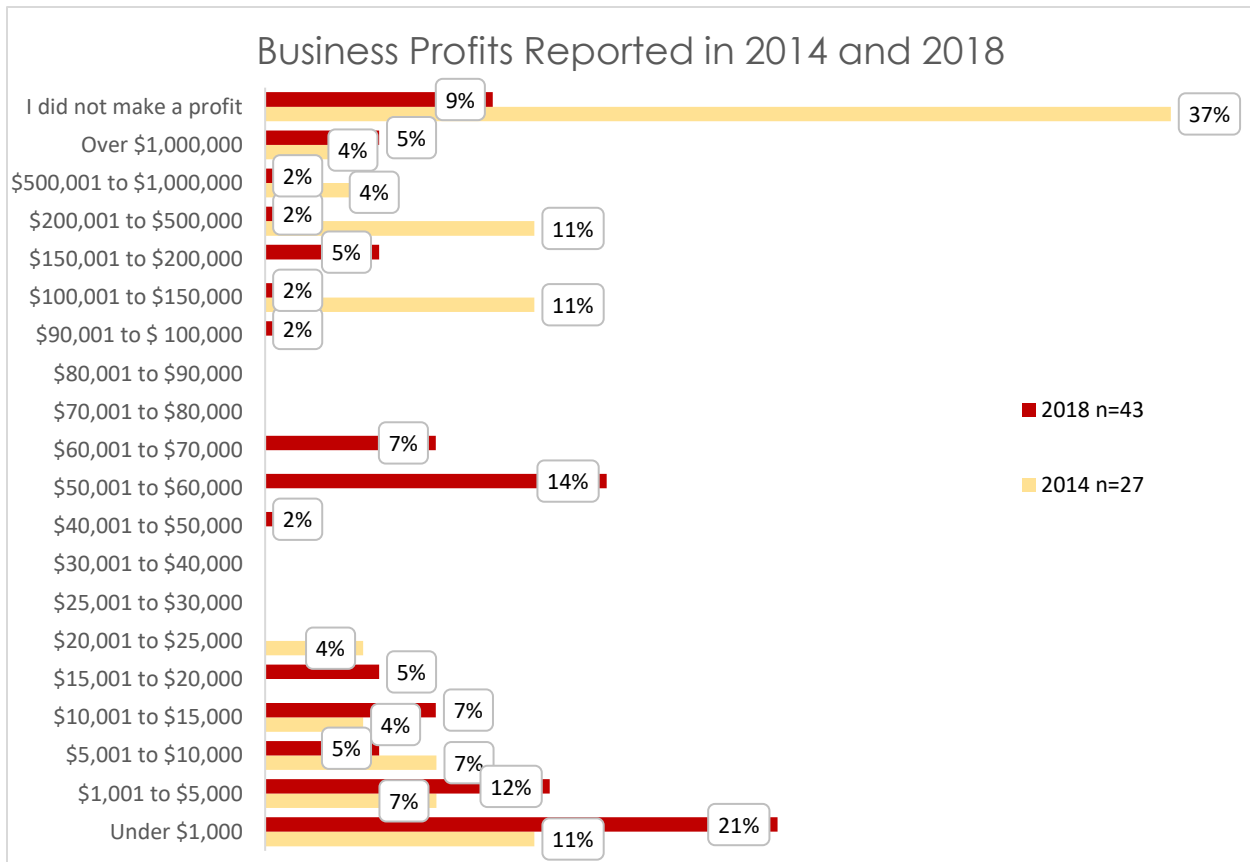
that the more established businesses experienced greater transformation during these years. One local business fell from receiving \$5,001 to \$10,000 in revenue in 2014 to receiving only under \$1,000 in 2018. This business in the Porcupine District is closing as the owner prepares for retirement. Some notable growth was one local business increased revenue from the \$50,001 to \$60,000 range to revenue in the range of \$70,001 to \$80,000. Two local businesses also increased their revenue to over \$1,000,000 according to the 2018 survey, and they previously reported between \$500,001 to \$1,000,000. From 2014 to 2018, 40% saw no change, demonstrating overall stability of business revenue which is fortunate in an area with generally low economic development compared to other areas across the U.S.

Overall, the percentage of sales revenue that stayed in the community for the same businesses surveyed in 2014 and 2018 reported generally no change. This steadiness again proves to be a positive impact. Diminishing sales and customers can absolutely have a negative effect, while at the same time, when demand exceeds supply it can undesirably impact a business' customer satisfaction as well as the time and profit associated with hiring and training new employees to support the growth. In some business models, growth is widely important. But considering the economics of the area, having stability is successful.



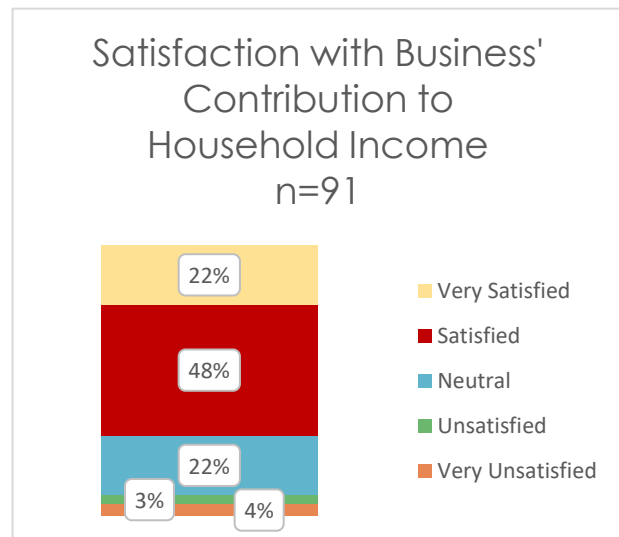
Business Profit and Household Income

Businesses were asked to disclose their business' profit or loss in the past year. In 2018, 21% reported their profit to be 'under \$1,000' followed by 14% who said it fell somewhere between '\$50,001 to \$60,000'. 9% of the businesses reported they did not make a profit at all. The following chart displays all 2018 business profit reported with 2014 data. In 2014, 37% of businesses reported they did not make a profit which has greatly decreased with the businesses surveyed in 2018. The next most common response for 2014 businesses was 11% who reported a profit 'under \$1,000', 11% reported '\$100,000 to \$150,000', and 11% reported a profit between '\$200,001 to \$500,000'.



Most businesses (39%) said their business provides 91-100% of their annual household income in 2018, and the next most common response was 11% who said it made up 51-60% of their household income. Not surprisingly, owners, managers, and employees relied heavily on the businesses for their annual household income. In 2014, 47% reported their business contributed 91-100% of their annual household income, and 13% reported 0-10% came from their business.

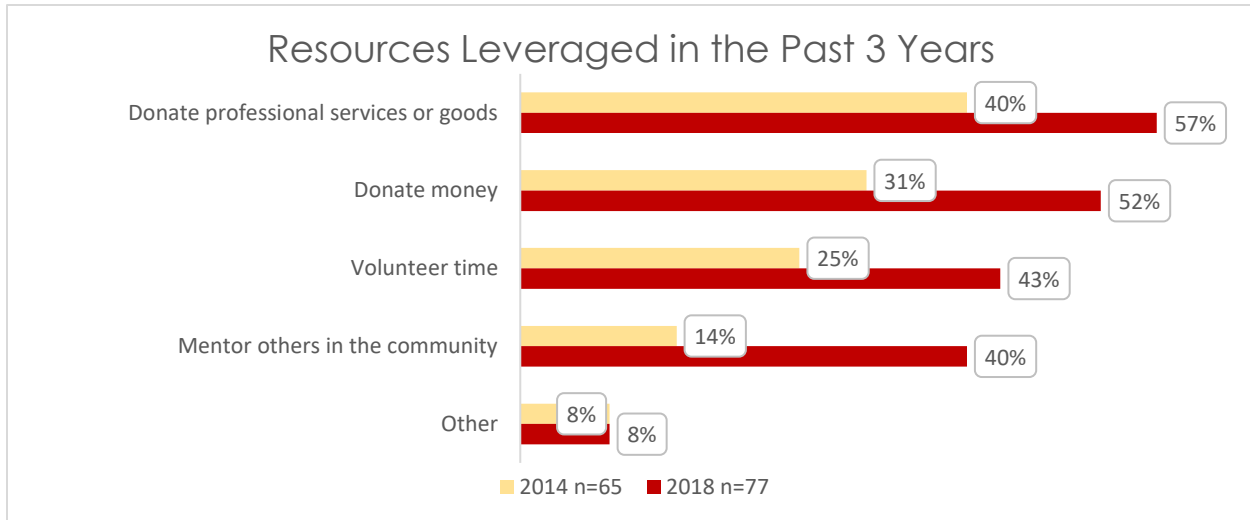
The chart to the right displays 2018 satisfaction with the contribution their business makes to their household income. Almost half (48%) reported they were 'satisfied', and only a combined 7% reported they were 'unsatisfied' or 'very unsatisfied'. Very similar results came in the 2014 assessment where 52% reported they were 'satisfied', and only 8% reported any degree of dissatisfaction.



Resources Leveraged

Survey participants were asked 'In the past 3 years, what resources have you leveraged,' to which 57% reported they donate professional services or goods and 52% of participants donate money. In 2014, 40% of

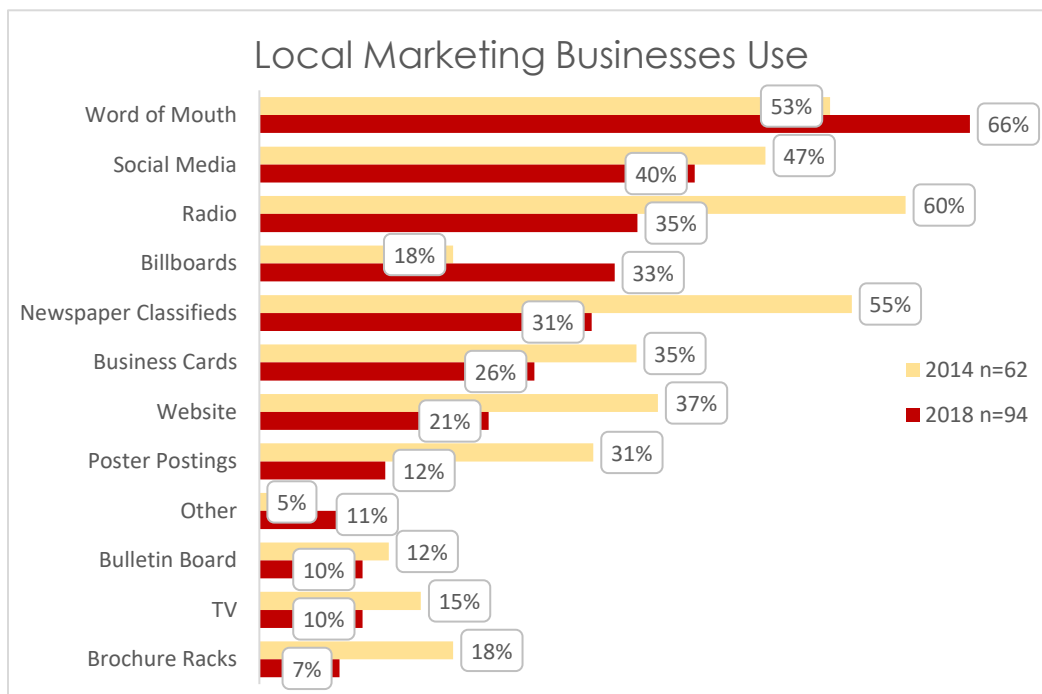
the businesses reported they donate professional services or goods and 31% reported they donate money. Comparing the two years, businesses are still mostly donating services and goods and money. The following chart displays all resources leveraged by 2018 and 2014 business participants.



Marketing Strategies

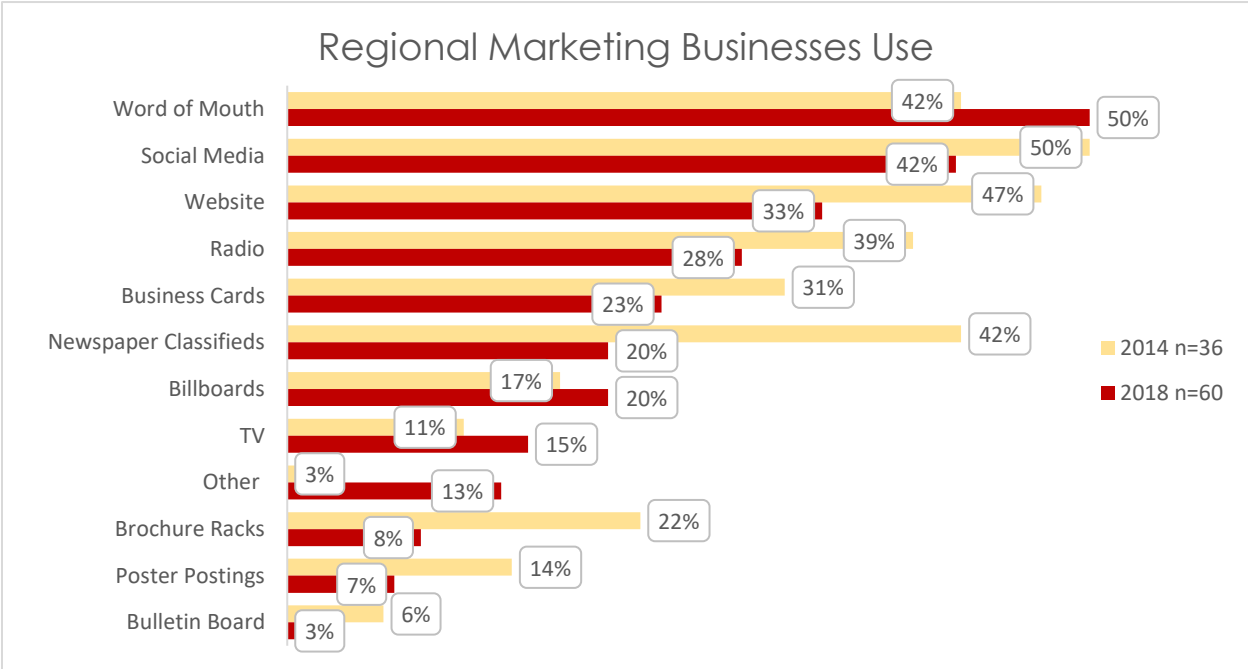
To better understand how businesses market themselves, they were asked to identify if they market locally, regionally, nationally, and internationally and to specify how they do so. 2018 businesses mostly indicated local (92%) and regional (59%) marketing. Further, 34% of the businesses reported marketing nationally and 15% internationally.

Locally, 66% of 2018 businesses marketed by 'word of mouth', 40% used 'social media', and 35% used 'radio'. The chart below displays all local marketing used by 2014 and



2018 business total samples. 'Radio' was the most reported local marketing tool used by 60% of 2014 businesses, and 55% were utilizing 'newspaper classifieds' for local marketing which decreased in 2018. Local marketing was done by 100% of the same businesses surveyed in both 2014 and 2018.

'Word of mouth' was also an important marketing tool used by 50% of businesses who marketed regionally in 2018. 'Word of mouth' was used by 42% of businesses in 2014, and the most common marketing tool used in 2014 was 'social media' which 50% of the businesses utilized. 42% utilized 'social media' in 2018 demonstrating that it's still a very relevant marketing tool, and 33% used their website for regional marketing. Regional marketing tools used in both years can be seen in the chart below.

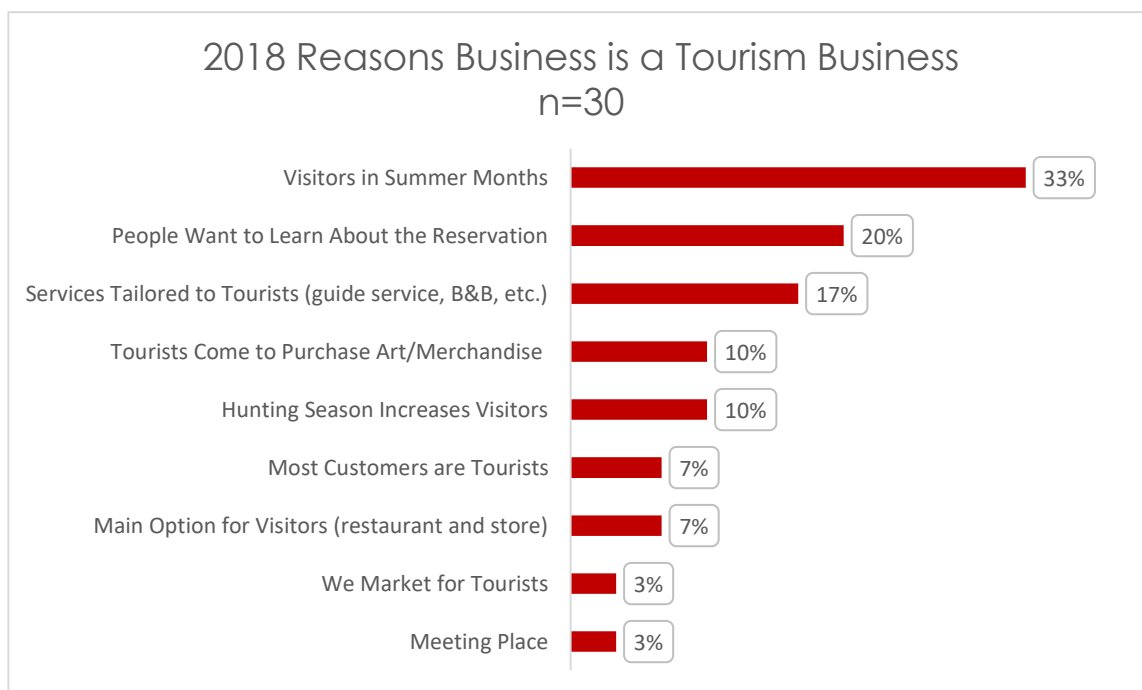


When dealing with national and international marketing, businesses from just the 2018 assessment reported mostly using their 'website', 'social media', and 'word of mouth'. In 2018, 53% of businesses who market nationally reported they do so via their website, and 59% of 2014 businesses reported the same. Internationally, 2018 and 2014 businesses primarily used their website for marketing followed by social media. Focusing on those who participated in both assessments, overall, national marketing was utilized by 36% of 2014 businesses and 30% of 2018 businesses. National marketing was primarily done through websites, radio, and social media for both years surveyed. Social media was used by 55% of 2014 businesses and 56% of 2018 businesses – not a significant increase, although the national realm was the only area that social media did not drastically lessen. Although website marketing increased from 45% to 56% in the five-year span, billboards also become an increased marketing tool in 2018, growing by 4%. TV, brochures, business cards, newspapers, and word of mouth all significantly decreased from 2014 to 2018.

When asked if they use social media on any level, aside from just marketing, 60% of 2018 businesses reported they do. When asked to identify what specific social media platforms they used, 51% of responses identified Facebook, 14% Instagram, and 14% said Twitter. In 2014 the top three social media platforms used were Facebook (62%), Twitter (14%), and LinkedIn (5%). Instagram was only reported by 3% in 2014 showing it has gained popularity with businesses over the five-year span. Various other platforms were used as well by 2018 businesses including: LinkedIn; Google+; Pinterest; Flickr; and Tumblr. 3% of 2018 businesses said they used 'other' social media platforms. 'Other' social media specified were Indeed, Craigslist, and a couple websites.

Tourism

When asked "Do you consider your business a tourism business," 70% of 2018 businesses said 'no'. Similarly, 63% of 2014 businesses also reported they do not consider their business a tourism business. Of the 2018 businesses who did consider themselves a tourism business, 33% explained it's due to the influx of visitors and tourists that come to the Reservation during summer months. 20% of businesses said people outside of the Reservation want to learn about the area, and so they often call, reach out via social media, or visit to become more educated about Lakota culture. 17% reported their services are tailored for tourism including guide services and hospitality businesses. Below is a chart detailing all the business' reasons for viewing themselves as a tourism business. 2014 businesses viewed themselves as a tourism business due to getting

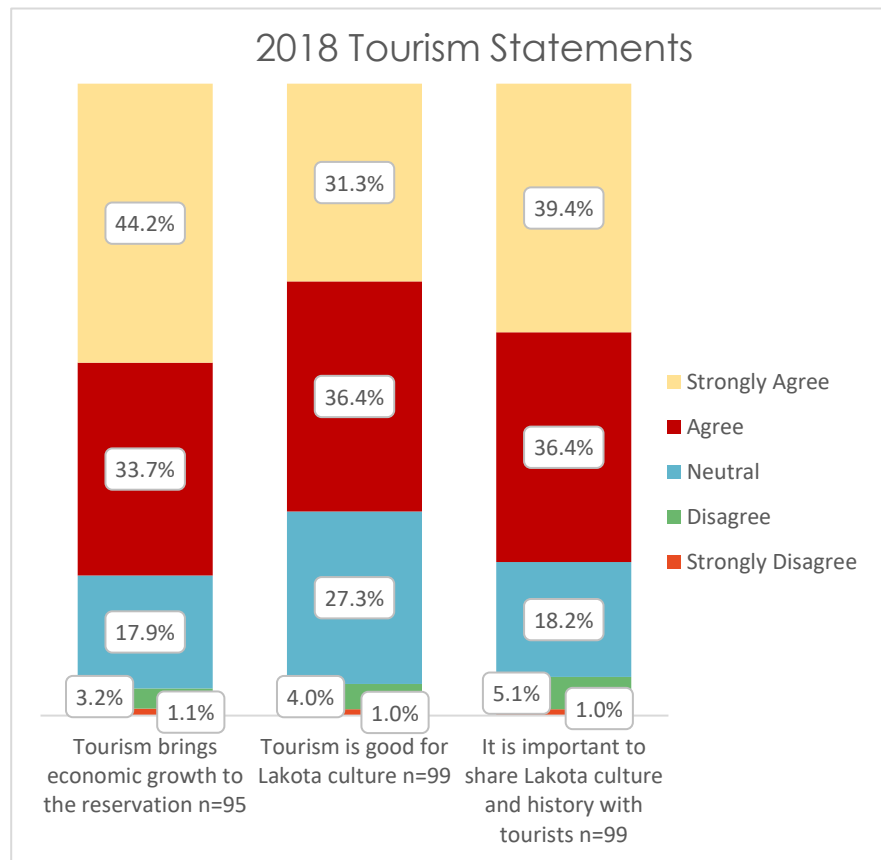


business from some tourists (27%), being a tourist destination (18%), the possibility for expansion (14%), selling tourist goods (14%), and experiencing seasonal tourists (5%). Businesses were also asked to report the percentage of their clients or customers who were tourists. In 2018, 70% of businesses reported 0-10% of their clients were tourists, and

in 2014 60% reported the same. In 2018, 21% of the businesses identified 91-100% of their clients live on the Reservation which indicates most of their services are not reaching tourists. This is a decrease from 2014, where 34% identified their clients to live on the Reservation. Although almost half of the same businesses surveyed in both 2014 and 2018 reported stability in Reservation clients.

Businesses were asked to rate their agreeance with three questions related to tourism. 2018 businesses reported they agreed most with 'tourism brings economic growth to the reservation'. There were very little reports of disagreeing with the statements in both 2014 and 2018. Businesses 'agree' or 'strongly agree' most often with each of the statements thus demonstrating the understanding and importance of tourism on the Pine Ridge Reservation. 2014 businesses 'agree' most often with each of the statements. The statement 'It is important to share Lakota culture and history with tourists' received the most agreeance for 2014 businesses.

2014 businesses 'agree' most often with each of the statements. The statement 'It is important to share Lakota culture and history with tourists' received the most agreeance for 2014 businesses.



Many more businesses are more indifferent to tourism than they were in 2014. **In the last 5 years then, overall acknowledgement of tourism being positive for Lakota culture and economics has declined, and thus may also signify why more businesses in 2018 did not consider their business a tourism business.** A stance among community businesses detaching from tourism may be an effect of growing businesses and new businesses in the construction sector and public service sectors that rely less on tourism.

Changes in Employment

Information was gathered in the 2014 and 2018 assessment about owners, managers, and employee types. The goal was to understand how many people businesses were employing, how many hours they were working, how much money they were making, and how these elements might have changed over the last five years. It's important to note that likely different individuals, with different levels of knowledge about the topic,

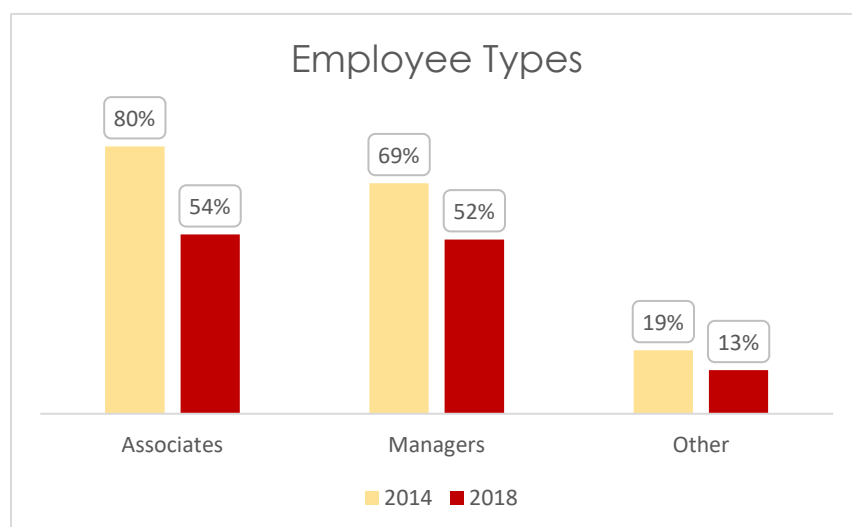
completed the assessments in 2014 and 2018. Thus, some of the numerical responses are likely estimates and as such may differ significantly between 2014 and 2018.

The businesses have a diverse array of employees including seasonal, on-call, and temporary employees. The table below displays a general overview of 2018 employment information including owners, total employees, managers, associates, and 'other' employees.

2018 Employee Type	Average Number	Average Hours Worked
Owners	31.1 (2.2 excluding outlier)	42.1 hours/week
Total Employees	18.2 (7 excluding outliers)	NA
Managers	2.9	44.9 hours/week
Associates	10.3	37.5 hours/week
'Other'	17.4	36.9 hours/week

2018 businesses had an average of 31.1 owners of which 79% of reported owners worked full-time and 27% have owners who worked part-time. The average number of owners was quite high due to one of the businesses being member-owned. When excluding this outlier, the average number of owners was 2.2. Businesses from the 2014 assessment reported an average of 1.4 owners meaning this increased between the two assessments. In 2018, owners were reported to work an average of 42.1 hours per week and had an average salary of \$28,000 or an average hourly salary of \$14. When asked if the owners worked seasonally or year-round, 87% reported they worked year-round.

75% of the businesses surveyed in 2018 reported they have employees, and when excluding outliers, businesses reported an average of 7 employees and a total of 369. Employees consisted of managers, associates, or businesses had the opportunity to



describe another type of employee. The chart to the left displays employee types reported in 2014 and 2018. In 2014, 84% of businesses reported they had employees with an average of 33.5 and a total of 1505.5 employees demonstrating a decrease over the five-year period. Those who had managers reported an average of 2.9 managers in 2018 while

the average was 3.6 in 2014. Businesses with associates reported an average of 10.3 in

2018, and businesses with other employee types reported an average of 17.4 employees. The number of associates reported is much lower than 2014 businesses who reported an average of 31.1 associates. The number of 'other' employees has increased since 2014 when the average reported was just 2.3. Each employee type was further looked at to get a better picture of the business' employment environment.

87% reported their manager(s) to be full-time and 92% reported they worked year-round. Manager positions were mostly (87%) permanent positions, but some did report on-call (6%) and temporary (6%) management positions. 2018 business reported managers to work an average of 44.9 hours a week. Associate positions were split fairly equally among full-time (52%) and part-time (48%) demonstrating businesses had a good balance between the two. Year-round was most common for associate positions as 77% of the businesses reported. While over half (55%) of the associate positions were permanent, 30% were temporary, and 15% were on-call. Over half being permanent employees, coupled with most also working year-round, suggests a sense of job security as employees are not mostly filling temporary, seasonal, or on-call positions. On average, associates worked an average of 37.5 hours a week. Finally, 'other' positions included 74% full-time employees who mostly (68%) worked year-round. 'Other' employee positions did have the highest report of seasonal workers (32%) perhaps due to the 18% who utilized laborers. 46% of the other positions were permanent, and the average number of hours worked a week reported for other employees was 37.

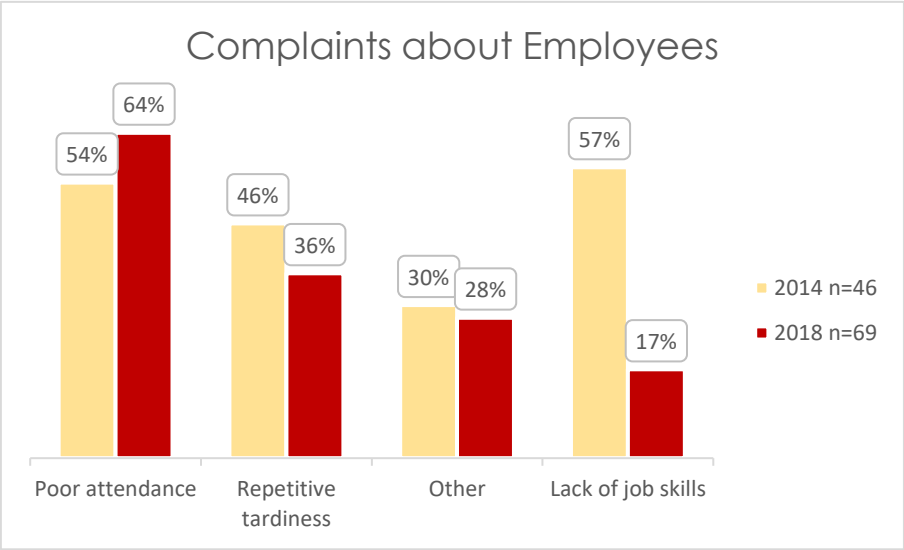
The same businesses surveyed in both 2014 and 2018 identified employment had not significantly changed over the five-year period. **Most of these businesses indicated the greatest strengths about their employees are being punctual and hard working.**

This demonstrates that job security and opportunity through permanent full and part-time employment is stable. This could be, in part, due to internship programs through local schools such as Red Cloud Indian School and AmeriCorps VISTA interns being available throughout the Reservation as part of Promise Zone.

Over half of the same businesses surveyed in both 2014 and 2018 identify employees to hire through word of mouth. Additionally, using KILI and other radio ads as a method of hiring stayed the same.

Employee Barriers

Businesses were asked to identify their major complaints about their employees. For 2018 businesses, 64% reported 'poor attendance' to be a major complaint followed by 36% of the businesses who said, 'repetitive tardiness'. 26% of the businesses also identified 'other' various complaints. In 2014, 'lack of job skills' was mentioned as a complaint by 57% of businesses, followed by poor attendance (54%), and repetitive tardiness (46%).



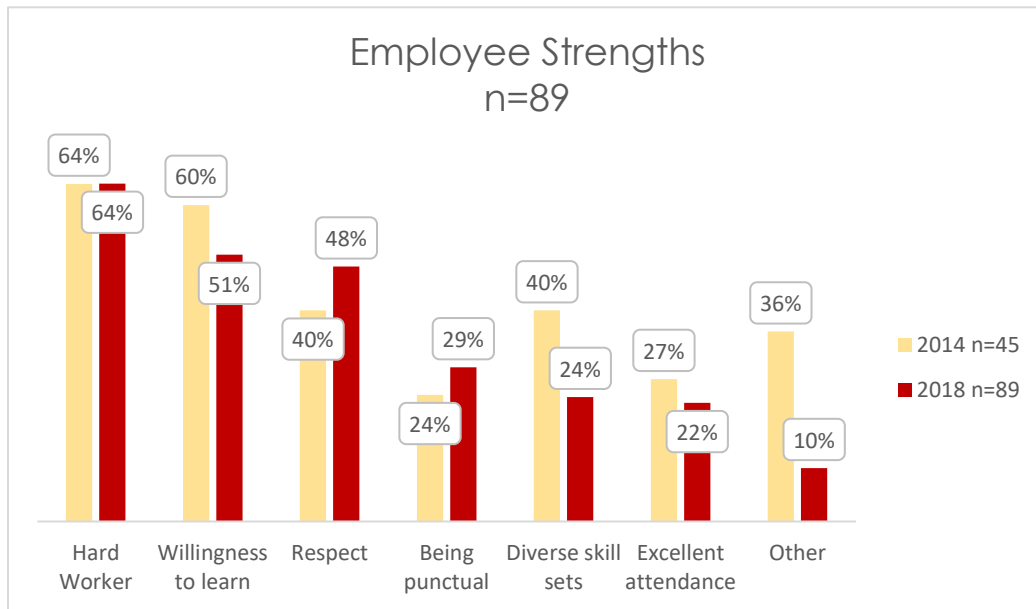
Main 'other' complaints from 2018 businesses were motivation/work ethic (19%), issues with pay such as wanting higher pay, pay advances, or not showing up after they are paid (19%), drug and alcohol issues (13%), and theft (13%). Two 2018 businesses specified their 'other' as no complaints at all about employees. The table below displays all 'other' complaints from 2018 businesses.

'Other' Complaints About Employees	%	#
Motivation/Work Ethic	19%	3
Pay Issues (want advances, higher pay, etc.)	19%	3
No Complaints	13%	2
Drugs/Alcohol	13%	2
Theft	13%	2
Semester Adjunct	6%	1
Teamwork	6%	1
Gossip/Trouble Making	6%	1
Distance/Lack of Transportation	6%	1
Lack of Social Skills	6%	1
Personal Issues	6%	1

Looking specifically at businesses who participated in both assessments, in 2014, 'repetitive tardiness', 'lack of job skills', and 'poor attendance' were reported by at least half of those surveyed. The Pine Ridge Area Chamber of Commerce and Thunder Valley Community Development Corporation are both leading extensive efforts towards workforce development in the area. The only complaint that remained

relatively the same was 'poor attendance', which can often be ascribed to difficult home and travel situations and the need to care for family members who are in need, such as through childcare or eldercare.

Businesses surveyed also offered insight on their employees' strengths. 64% of 2018 businesses reported their employees to be 'hard workers', 51% reported employees' 'willingness to learn', and 48% of the businesses reported an employee strength to be 'respect'. The following chart displays all employee strengths reported in 2014 and 2018 by all businesses.

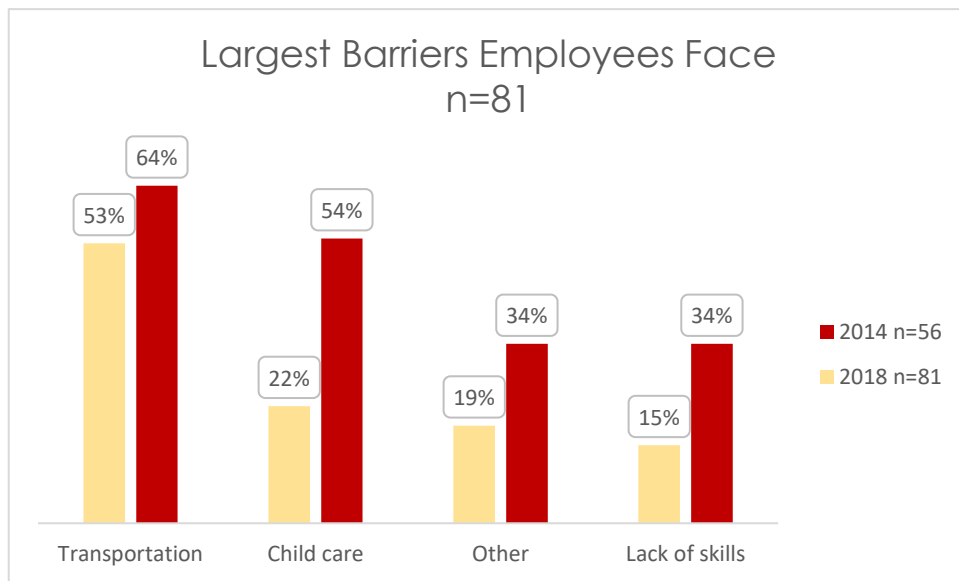


Examining the data for all the same businesses surveyed in 2014 and 2018, reports showed that employees have shown growth in being hard working and being punctual. Employees respectfulness stayed the same over the five-year period and was specifically mentioned by half of the businesses who reported an increase in employees. Strengths that showed decline in this timeframe were 'willingness to learn,' 'excellent attendance,' and 'diverse skill sets.' The decline in 'diverse skill sets' could be explained through the results discussed above.

As previously mentioned, 'poor attendance' and 'repetitive tardiness' were key complaints from employers in both years – from those who participated both years and total samples in general. These complaints could be due to a variety of reasons, but it is important to note that transportation was also a major barrier to employee satisfaction. Another barrier to satisfaction with employees reported in both 2014 and 2018 was the lack of childcare. Lacking access to childcare puts a burden on attendance, punctuality, and even growth in job skills. One non-profit organization is in the process of developing another childcare facility in the Porcupine District.

The following chart compares 2018 responses surrounding the barriers employees face with 2014 businesses surveyed. Of the 19% of 2018 businesses who reported another

type of barrier, 42% said employees often lack work ethic and motivation and 33% reported issues relating to employees' lives and families involving the need to take time off.



The table below displays all 'other' barriers faced by 2018 business employees.

'Other' Barriers Employees Face	%	#
Work Ethic/Motivation	42%	5
Life/Personal/Family Issues	33%	4
Drug/Alcohol Issues	8%	1
Not Following Safety Procedures	8%	1
Lack of Specialized Training	8%	1
Unprofessional	8%	1
Unreliable	8%	1

Local Partnerships

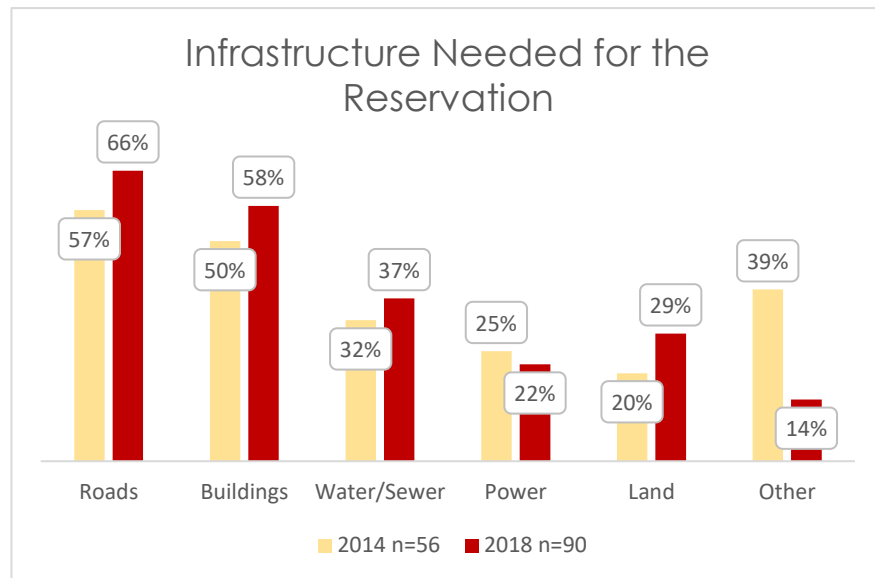
Of those who answered the question "In which arts or business networks or organizations do you participate in," 16% reported Pine Ridge Area Chamber of Commerce. Aside from PRACC, businesses named 32 specific arts and business organizations and networks they participated in. General responses were also given including participation in schools and universities, churches, museums, non-profits, art shows and galleries, women's organizations, social media groups and networks, and community events such as pow wows. 48% of businesses specified they do not participate in any networks or organizations. If the business participated in a network or organization, they were asked if they hold a leadership role in the network of organization. 33% reported they were either a manager/supervisor or a mentor/teacher. 22% reported they were a

board member or a committee member, and 11% said numerous employees of the business served in a variety of positions in networks and organizations.

Pressing Infrastructure Needs for the Reservation

To gain insight as to what infrastructure needed attention across the Reservation, businesses were asked to identify all needed infrastructure from a list. The need for road improvements was reported by 66% of 2018 businesses followed by buildings (58%). In 2014, roads (57%) and buildings (50%) were also the top two needed infrastructures reported by businesses.

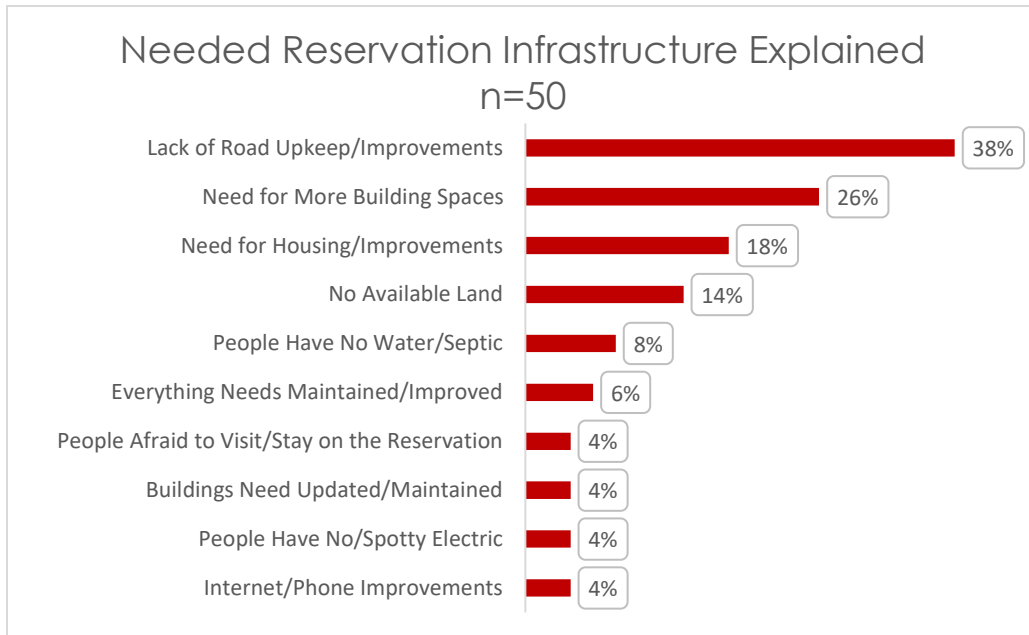
2018 businesses were asked to explain their reasoning for needed infrastructure. 38% of those surveyed



explained there is a lack of road upkeep and maintenance. This included condition of the roads, how bad they get with snow and rain, and the need for clear signage. During the time of the 2018 survey, new signage was placed throughout the Pine Ridge Reservation. Dirt roads and highways now have signs and most of them had never had a sign prior to 2018. The road improvements from Pine Ridge to Oglala approximately 5 years ago, and the new highway from Pine Ridge heading east have made improvements to travelers by automobile and by foot, even in winter conditions.

26% of the businesses specified the need for more buildings on the Reservation. With more buildings on the Reservation, participants felt there would be more space available for new businesses and office space for existing businesses, thus building up small businesses in the community and potentially boosting the economy. Furthermore, the present buildings often need updating and remodeling to make them more welcoming spaces in the community. 18% specified the need for housing and well-maintained houses for community members as many of the current homes house multiple families. The lack of available land and the difficulty it can take to obtain land

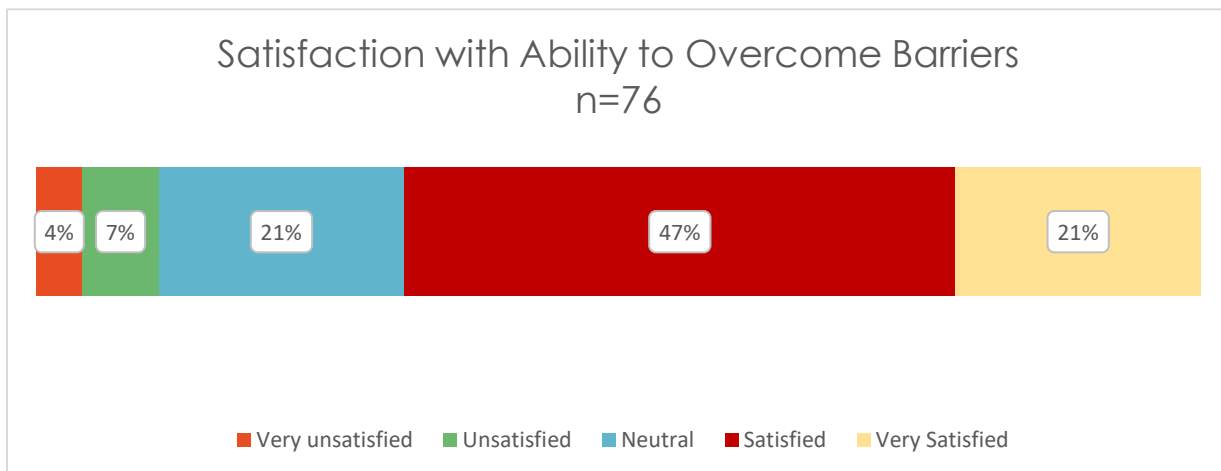
was also reported by 14% of the 2018 businesses. Below is a chart with all explanations for needed infrastructure on the Reservation.



Barriers for Businesses

2018 businesses were asked to disclose any risks, personal adversity, or barriers they may need to overcome. 16% of the participants who answered said they did not have any barriers to overcome. Those who did report barriers, reported a wide variety. 6% of the businesses reported one of the following: reliable employees; better relationships with customers on the Reservation; personal barriers including things like age and medical issues; politics and issues with the Tribe; and issues with break-ins, burglaries, and safety.

Businesses were then asked their satisfaction with their ability to overcome the reported barriers. Most (47%) reported they were 'satisfied' while 21% said they were 'very satisfied'. An additional 21% were neutral on the topic, and a small amount of 2018 businesses were 'unsatisfied' or 'very unsatisfied' which can be seen below.



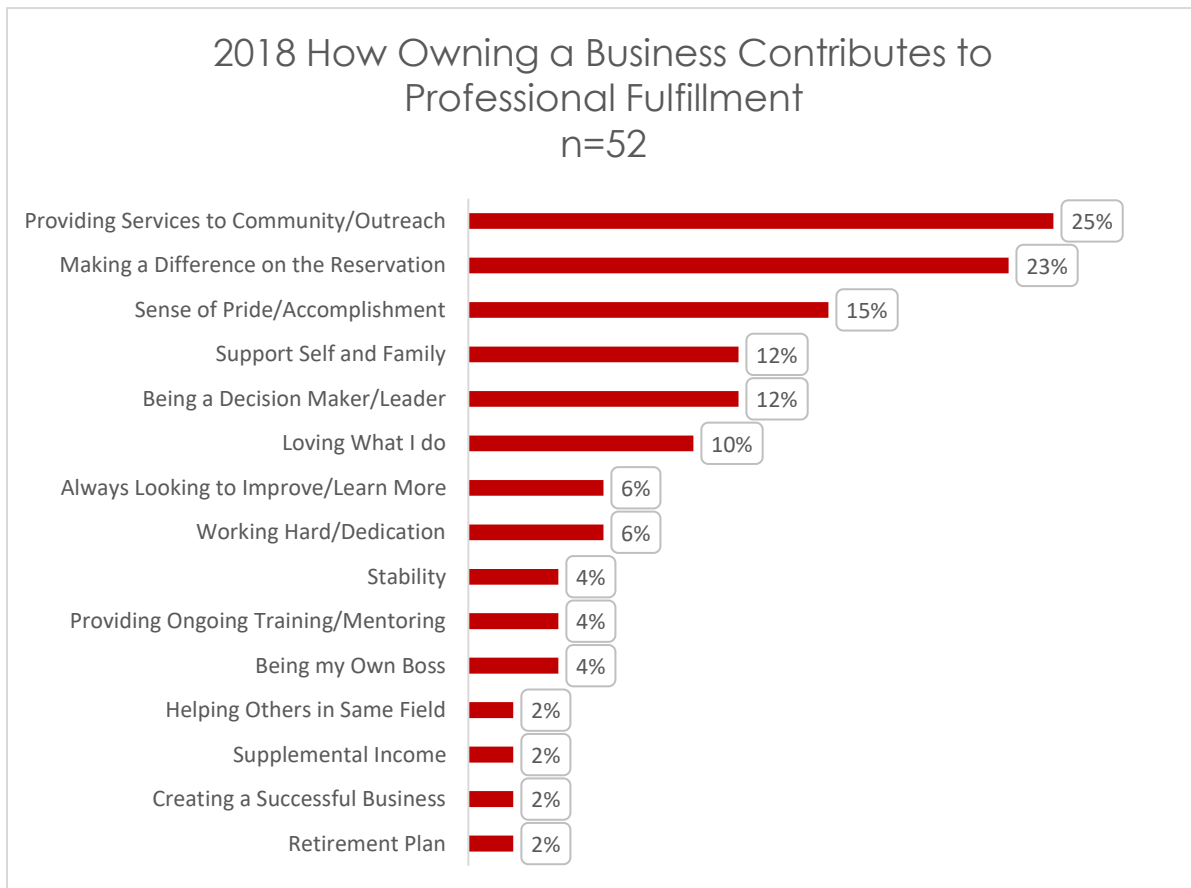
Professional Fulfillment

Businesses offered their personal meanings of 'professional fulfillment' in many ways. 25% of 2018 businesses reported the meaning to revolve around making a positive difference in the community and giving back which can be compared to 2014 businesses' responses in which 13% reported it meant helping those in need and 29% who reported it meant community and family. A restaurant and food service manager shared, **"being able to work hard and give back to the community. Without them, we wouldn't be able to keep our doors open."** 20% said it meant professional achievement meaning moving up in your position, a successful business, or successfully fulfilling your job requirements. An associate from an established retailer on the Reservation explained: **"Professional fulfillment means to complete or move forward in a job well done. Doing what's expected and beyond in whatever profession you are in."** In 2014, 35% reported the meaning to be 'doing a good job'. 16% of the businesses reported 'professional fulfillment' to be loving what you do which 27% of 2014 businesses also reported.



Going a step further, those surveyed reported how owning a business contributed to their own professional fulfillment. 25% of those who responded said it contributed by allowing them to provide services to their community and do outreach, whereas most (32%) in 2014 said it contributed to 'freedom in career ascension', meaning it allowed them to move up in their career with few strings attached. Closely following that, 23%

reported they were able to make a difference in their local communities. A non-profit manager from the Reservation explained how their business contributes to their own professional fulfillment through **“The difference we are making on the Reservation. Making some people’s lives a little bit easier is what I want to see and feel.”** Another business manager felt they impact the community because **“People have more hope and confidence in achieving their own goals after seeing us overcome our own obstacles.”** In 2014, 9% reported it allowed them to impact the community. 15% of 2018 businesses said owning a business gives them a sense of pride and accomplishment which directly ties to their sense of professional fulfillment in a positive manner. A business owner reported: **“I feel like I have accomplished everything that I need to run my business – getting things done. I wanted to have a business to be creative and fulfill a need for the public and did all my research and am providing a local, Native owned business rather than it being outsourced by non-Native business overseas.”** Another important factor reported by 12% of businesses was the ability to support themselves and their family. Below is a chart showing all responses from 2018 business owners regarding how owning a business contributed to their professional development.



Finally, businesses were asked to identify their satisfaction relating to professional development. This question yielded positive responses, and 52% reported they were 'satisfied' and 32% reported they were 'very satisfied'. **Thus, 84% of businesses felt good about their professional development.**

It was notable to look specifically at the businesses surveyed in both 2014 and 2018 to see if professional fulfillment was identified differently than the entirety of businesses surveyed because the data could possibly be used to see what stable businesses attribute fulfillment to. In terms of what professional fulfillment even means for these businesses, the most chosen responses were:

- Loving what you do (19%);
- Making a positive difference in the community/giving back (17%);
- Having a successful and profitable business (14%); and
- Professional achievement (14%).

This is the same “top four” that findings from all businesses surveyed showed, and there weren’t many differences generally. This is also true of responses identifying how owning a business contributes to professional fulfillment in which most responses aligned similarly for aggregated results and the 2014/2018 pullout. Providing services to community and implementing outreach strategy was the top chosen response. Making a difference throughout the Reservation was also often chosen in both data sets. These comparisons tell us that businesses in general have similar feelings about what professional fulfillment means and how that is being achieved.

Factors to Reservation Business’ Success

Of 2018 businesses finances, including financial backing and financial management, as the most defining factor (18%) leading to the success or failure of a business. A restaurant and food service business expressed **“You have to work hard and stay dedicated to be successful. The hardest part for us was being disciplined to keep [the] business account and money separate from personal finances.”** 18% of the businesses also reported the need to understand the community’s wants and needs in order to be successful. One business manager reported **“Most [businesses] have failed due to not being the right business the community needed.”** This included the product a business is offering. Many attribute business successes to offering a good, quality product or service which community members actually want and need. One business shared how the product you offer is crucial so that you can beat out competition. The business explained that due to the variety and quality of their products they stand out from other, similar businesses. Hard work and dedication, community support and trust, and the need for reliable employees and good customer service were reported by 15% of 2018 businesses. In the chart below all responses can be seen regarding factors to business failure or success.



Businesses were asked to identify if their business was growing and sustainable, and if so, they were asked to give three reasons why. In 2018, 85% of the businesses reported they felt their business was growing and sustainable. 83% of 2014 businesses shared the same feelings. Many unique reasons were given as to why businesses were growing and sustainable. For each of the three reasons given in 2018, the number one response as to why their business was growing and sustainable was due to the steady or increased number of customers and clients. With all reasons combined, 28% of the businesses mentioned the steady or increased number of customers and clients. 9% reported their services or products are needed and in demand which in turns aids the business in growth and sustainability. Expansion of products and services was mentioned by 8% of businesses, and 8% stated they were profiting or there was an increase in the business' income.

2018 Follow-up Questions

Business Changes Over Last Five Years

To get an idea of how the business environment might have changed over the last five years, businesses were asked to explain any changes they've experienced. 20% of the businesses in 2018 reported little or no changes. 14% of businesses reported an increase in business and clientele, and 14% reported infrastructure changes including things like building repairs/updates and equipment. One hospitality business reported **"We have remodeled, and the sales went up."** As noted within the section on needed infrastructure on the Reservation, it's important to update and maintain buildings to

make them more appealing and welcoming to the public, as this business personally experienced. Positive changes reported were 'more/better employees' (12%), 'business expansion/growth' (12%), and 'expansion of products/services' (11%). In terms of improved employees, a business shared how better training positively impacted the business: **“Used to be only one person who could do the books, now there is five people. People feel more empowered here now. Team morale is different, more positive... Customer service skills have increased. I value them because of that.”** Another business had begun to travel outside the Reservation more often with their products, particularly when business was slow on the Reservation. This type of expansion allowed the business to open itself to new markets while keeping its roots tied to the Reservation. Some of the more negative changes included 'decrease in business' (9%), 'business closing' (2%), 'decrease in profit' (2%), and 'increase of break ins/theft' (1%). All changes reported can be seen in the chart below.

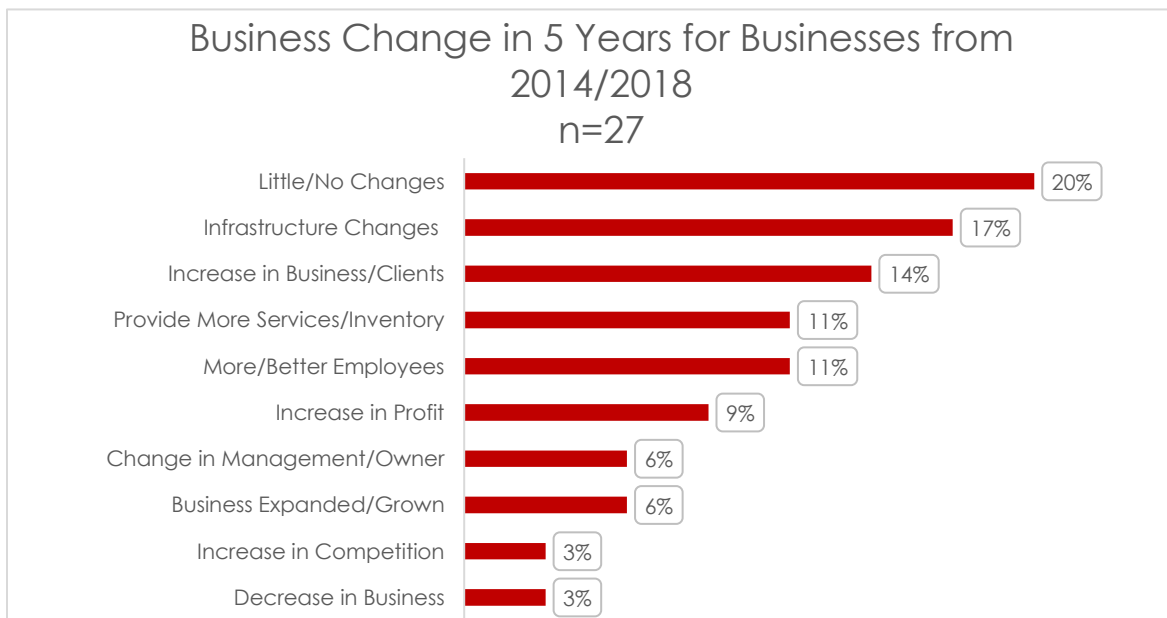


Businesses from Both Years

Businesses owners and entrepreneurs who rely on the tourist industry mentioned that for nearly the last 2 years there has been a noticeable decrease in tourism to Reservation communities, including a noticeable decrease in tourists traveling from European countries.

Businesses who answered surveys in both 2014 and 2018 were all on, or very near, the Reservation. Businesses commonly discussed deficient and insufficient infrastructure in local communities. Roads, water and sewer, electricity, and buildings in general can be difficult to access. However, **businesses surveyed in both years noted that infrastructure was the number one thing that changed for them in five years. 15% of businesses also noted a key reason for their success was infrastructure growth.** This included remodeling, purchasing and expanding equipment or space, and one business changed locations entirely. One store specifically purchased more freezing and cooling storage – leading to increased inventory and profits.

Businesses also discussed overall increases in profit and clientele. Some of this business growth is likely due to other changes that businesses implemented. 11% of businesses provided more services and increased inventory and another 11% of businesses hired more employees and increased training. One business specifically saw an increase in competition, as they used to be the primary seller of a specific product or service that is now becoming more widespread. A couple businesses saw a change in management or ownership, one of which described a difficult transition, “but it is getting better.” For those 20% of businesses who reported little or no change over five years saw stability in their business, which should be considered a measure of success. Stability in business is important in an area like Pine Ridge Reservation, considering the low economic growth and the amount of businesses that closed in this same timeframe. The full results can be seen in the chart below.



Key Reasons for Success

2018 businesses were asked “*In the last 5 years, what do you think has been the key reason(s) to your business(es) success?*” Hard work/dedication was reported by 31% of the businesses and 22% mentioned they have a strong team including employees and management which contributed to the business' success. **One business owner stated,**

“Building a great team of people with various assets that help me with things I can’t do as well or don’t have time for.” Another business owner mentioned the **PRACC staff’s support, coupled with hard work and determination, was an important driving force for business success.** Ensuring customer satisfaction and repeat customers were mentioned by 14% of businesses. **A business manager shared, “Having a strong staff definitely has made the difference. Having loyal members whom stuck it out with us even though we didn’t have all services and products that we have now.”** Businesses certainly see the value in working hard to satisfy customers and understand how customer support and



satisfaction leads to success. **Proper financial management was mentioned by 10% of businesses, and one person surveyed stated, “being a successful manager and being able to make smart financial decisions to keep the business alive” is part of their success.**

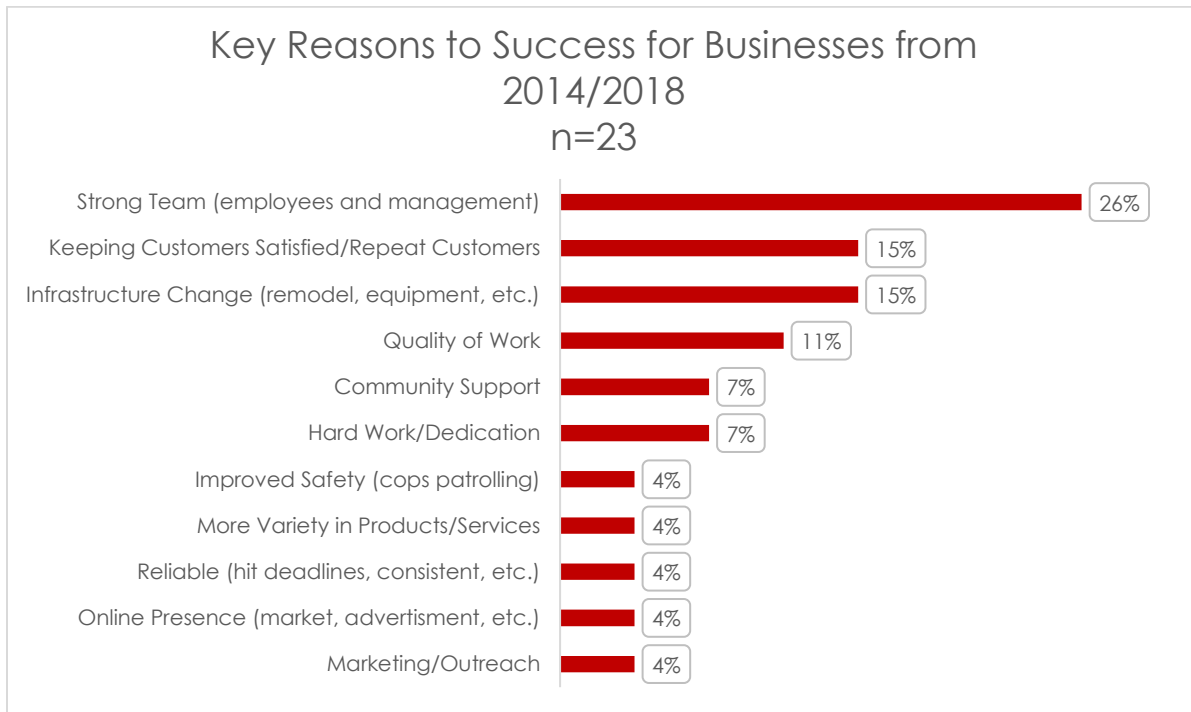
Businesses from Both Years

Identifying reasons for business success is important for the businesses who reported in both 2014 and 2018 because each of them had been running for at least five years, establishing themselves in their communities. By far, having a strong team of employees and managers was the most reported response. As iterated earlier, one business specifically said,

“[I am better at] delegating responsibility and better training staff. [There u]sed to be only one person who could do the books, now there is five people. **People feel more empowered here now. Team morale is different, more positive.** Floor

people do the floor ordering, so they make decisions so now we are better stocked. Customer service skills have increased. I value them because of that.”

Not only was delegating tasks important to business success, but so was utilizing an asset-based approach in which management built upon people's skills and existing job roles to make the business run smoother. **Working as a team was imperative for the businesses surveyed in both 2014 and 2018.** This improved the quality of work as well, which was reported by 11% of businesses as a key reason to achievement. **Hard work and dedication were reported by 31% of businesses from 2014 and 2018. Community support, keeping customers satisfied, infrastructure changes, and quality of work were influential to business success.**



Helpful Organizations, Networks, and Businesses

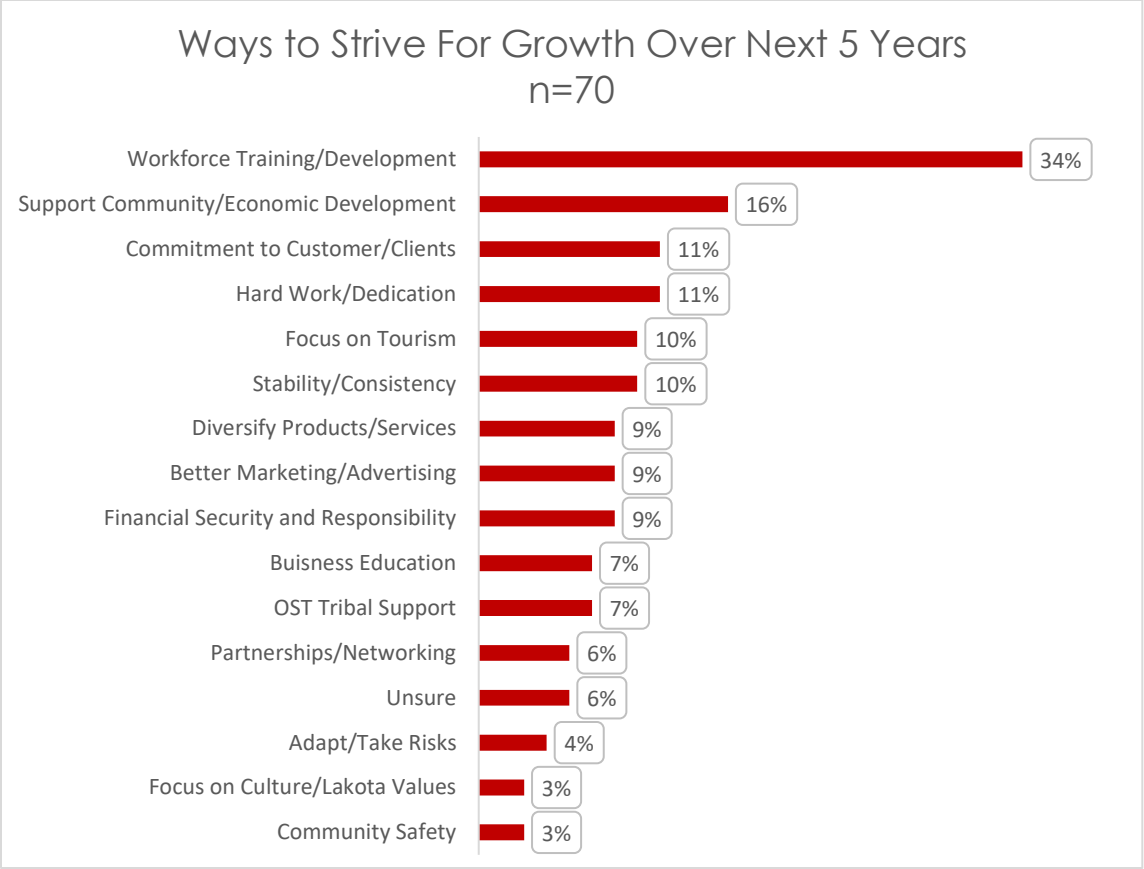
Businesses provided a wide array of feedback about specific organizations, networks, and businesses that have helped their business' success in the last five years. **Of those who offered a response, 27% reported no help from any organization, network, or other business. PRACC was mentioned by 17% of the businesses, 10% reported schools and universities but did not specify which ones, 8% reported unspecified businesses, and 6% said Lakota Funds has been helpful in their success.** This leaves the remaining 38% of responses mentioning unique organizations, networks, and businesses. Businesses in 2018 did not report any overly significant information regarding networking they do, and as stated, 27% are not involved in any sort of networking. **PRACC was the one organization mentioned by name most often which suggests they offer helpful services for local businesses who seek out their guidance.**

Growth in the Next Five Years

Workforce training and development was mentioned by 34% of businesses as the main way businesses should strive to grow in the next five years. One person surveyed stated the need to “support professional development of employees. Approach OLC and other groups for needed trainings. Get funding for management degrees whether business, non-profit, government, or tribal management.” **Businesses in 2018 valued the idea of ensuring employees, and potential employees in the community, are ready and adequately trained to join the workforce.** An arts business owner shared, “The Chamber and FPF [First Peoples Fund] offer courses in business management. Customer service is a big problem here. Some are excellent, some just sit on the chair. [They] need to stay personal with their clients as well... Have a good team of people to support you and support others.” **Additionally, 16% of the businesses mentioned the need to support community and economic development as a need for business growth moving forward.** For many, these two concepts were intertwined; workforce development will lead to greater community and economic development on the Reservation. Notably, 10% of the businesses mentioned the need to focus their efforts on tourism and the tourists that often visit the Reservation. Specifically, one business owner, of an established and growing business, stated:

“[Businesses owners need to continue] educating themselves around tourism...creating more awareness around our cultural ways to bring in tourists because they want to eat it up after Standing Rock. We need to educate ourselves and present ourselves to tourists...We need more management of sacred Wounded Knee. [We] gotta start educating ourselves, it's terrible the way things work out sometimes. We can't be fighting anymore. We have to work together to stimulate our economy.”

Despite some businesses not being connected with tourism, businesses continuing to see the value in tourism on the Reservation understood that by marketing and advertising themselves toward tourism would likely have positive effects on their business. The chart on the following page summarizes business' feedback around how they should strive for growth over the next five years.



Characteristics of Successful Businesses

Of the 105 businesses surveyed, 39 (or 37%) reported a profit in the last year. Of these businesses, 30% viewed themselves as a tourism business. 68% of the profitable businesses have employees with an average of 11.3. Regarding growth and sustainability, 85% of these businesses felt they were both growing and sustainable.

Focusing on tourism, of the 2018 for-profit businesses who stated they were a tourism business (n=31), 50% reported a gross business sales/revenue of \$90,001 or greater. 50% also reported a profit of \$50,001 or greater. However, those who did not consider themselves a tourism business (n=73) did see larger sales revenue, but only 42% saw a profit of \$50,001 or greater. Therefore, **businesses who identified as a tourism business did report higher profits in 2018.**

The importance of hard working, reliable employees was certainly reported by 2018 businesses. To understand how the presence, or absence, of employees effects a business' success, those who had employees were further analyzed to see if there were any similarities corresponding with revenue and profit. Of businesses who reported having employees and specified how many, 47% had 1-5 followed by 21% having either 6-10 or 11-20. Those who provided sales revenue and profit information were examined to see what types of complaints successful businesses had about their employees as

well as employee strengths. The higher a business' sales revenue was, the more employee strengths were mentioned. Businesses with a sales revenue of \$10,000 or less, on average, mentioned 1.5 employee strengths. Those who reported revenue of over \$1,000,000 reported an average of 3.3 strengths. The mention of 'diverse skill sets' was mostly (43%) done by businesses with a sales revenue greater than \$1,000,000 suggesting the importance of employees to have a wide variety of skills to contribute to the business' financial success.

Turning attention toward business profit, the highest average of employee strengths mentioned was 2 – by those with a profit between \$50,001 to \$60,000 and over \$1,000,000. The one business that reported a profit of \$50,001 to \$60,000 was the only one to mention 'excellent attendance' and accounted for the most (31%) of those who mentioned employees to be 'hard workers'. 80% of those who mentioned 'being punctual' had a profit of \$50,001 or greater insinuating punctuality to contribute to success. Complaints about employees were mentioned by businesses at all profit levels. Poor attendance was reported by 58% of businesses with a profit of \$20,000 or less, including those with no profit.

Focusing on business type, as mentioned previously, the most common business types reported in 2018 were 'retail', 'industrial/mechanical/construction services', and 'tourism and hospitality'. Half of retail businesses reported low profits – \$5,000 or less – while 8% reported no profit at all. As 'retail' was the most reported business type in 2018 by 18% of participants, competition becomes a key obstacle to overcome for these businesses. Industrial/mechanical/construction services saw a variety of reported profits, but 33% made a profit of \$500,001 or greater making it the business type with the highest profits. Hospitality and tourism businesses also had varying profits with the highest profit being over \$1,000,000 reported by 17%, and 17% with a profit under \$1,000. Most (33%) of hospitality and tourism businesses had a profit between \$50,001 and \$70,000 in 2018.

Businesses who participated in the assessment in 2014 and 2018 were analyzed as well to observe what changes may have contributed to their success. 13% of the businesses reported an increase in their business' level of development. **Of the 32 businesses who participated in the assessment both years, only two reported an increase in their range of business revenue and only one of those businesses reported an increase in their range of profit.** 29% of businesses maintained their profitability through the 5-year period. Both businesses reported themselves to be a tourism business in 2014. The business who reported an increase in profit between the two years saw an employee cut of just under 50% over the last five years; from 27 employees to 13 in 2018. Perhaps the decrease in employee wages contributed to the increase in profit for the business. In 2018, this business reported the managers' salary to be \$45,000 and associates' to be \$20,800, but unfortunately this business did not provide salary information in the 2014 assessment. As was noted earlier in the report, it is likely different individuals filled out the business assessment in 2014 and 2018 and thus this may have resulted in differing responses.

Struggling Business Commonalities

Similar to looking at successful businesses, those reporting no profit and other evidence of a struggling businesses were analyzed separate from the total sample. In 2018, four businesses reported they did not make a profit. Of those businesses, three were located on the Reservation, yet only one business reported to be a member of PRACC. Further, only one business reported any sort of helpful networking, organization, or business.

Perhaps the involvement in and with networks, organizations, and businesses, on the Reservation and off, would aid struggling businesses.

Three of the businesses lacking a profit had employees with an average of 5.7. Of these businesses who responded to the question "*What are your major complaints about employees*", 100% reported 'poor attendance'. It could be inferred that these business lack reliable employees which may contribute to their struggles. In terms of how they find employees to hire, 50% use newspaper ads, 50% use word of mouth, and 25% hire relatives, use KILL, or via Union posts.

Focusing on the 15% of total 2018 businesses who did not feel their businesses was growing and sustainable, 23% reported the need to make their products and services affordable which had been difficult. Personal and family issues were reported by 15% of the businesses, and 15% also mentioned the need for better marketing/advertising or the need for dependable employees. Keeping products/services affordable while competitive was the main barrier businesses faced regarding growth and sustainability. A potential solution may lie in participating in business trainings and workshops to gain more knowledge on pricing, hiring, and other business operation topics. Interestingly, 45% of these businesses were most interested in participating in a training about web design/development. 36% were interested in marketing, 27% computer software and technology, and 27% bookkeeping/accounting/financial planning. **Local policy-making and policy-change related to local production, taxation, and incentives are worth considering as well.**

Of the businesses who provided business revenue information in 2014 and 2018, 40% reported a decrease. Similarly, 57% reported a decrease in their business' profit over the five-year period. To try and understand what changes may have occurred to result in these decreases, the businesses were further analyzed. **Half of those who saw a decrease in business profit also reported a decrease in their level of development; one from a small business to a micro-enterprise and the other from an established business to a small business.**

In 2014, 90% of businesses felt they were growing and sustainable. When these same businesses were surveyed again in 2018, there was a slight decrease to 83%. Further, of the businesses that reported a change in their feelings, 10% reported in 2018 that their business was no longer growing and sustainable. Only a few responses were given, in both years, as to what would help these businesses increase their growth and sustainability. In 2014, 100% of the businesses who responded stated some sort of financial improvement needed. This included working out loan issues, ensuring customer

payment, and an improved economy in general. Only one also gave an answer in 2018 to which they said they needed to improve the time and production of their services.

Again, training and workshops may be part of the solution to the worries, struggles, and barriers faced by businesses.

Conclusion

An area which has been known for some time as one of the most economically impoverished regions in America is making lasting positive impacts by providing services and enhancing industry and commerce in their communities. To demonstrate growth in some areas and maintain overall stability during the last five years is an accomplishment, and only figments of the full effects are now being noticed.

During the last five years, the Chamber, as well as their networking partners and allies have enhanced workforce development and business development initiatives. Many areas in the five-year study demonstrated slight decreases and slight increases, indicating the economy is relatively stable. New businesses and job-ready young adults are contributing to a relatively stable economy on the Pine Ridge Reservation. Trends of new businesses, expanding businesses, and business owners' visions for the next five years lend credibility to the idea that the next five to twenty years on the Reservation will be years where an economic multiplier effect will impact local business growth as new services and amenities are created. It may be too soon to see large scale impacts from the recent increase in workforce and business development initiatives. However, impacts abound from new infrastructure development, new businesses, and young adults having a greater understanding of how fiscal responsibility, business etiquette, and job-skills can better enhance their self- and community-wellbeing.