



# BUILDING LOCAL ECONOMIES OF SCALE:

## THE IMPACT OF TRIBAL COLLEGES & UNIVERSITIES IN RURAL AMERICA

---

AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM



# MONTANA TRIBAL COLLEGES & UNIVERSITIES ECONOMIC IMPACT STUDY

Published September 9, 2025

---

# TABLE OF CONTENTS

---

At-A-Glance | 2

Executive Summary | 3

Montana TCUs Economic Impact Summary | 4

TCU Operations Spending Impact | 4

Construction Spending Impact | 5

Student Spending Impact | 5

Alumni Impact | 6

Total Montana TCU Economic Impact | 6

Investment Analysis | 7

Tax Payer Perspective | 7-8

Student Perspective | 8

Society Perspective | 9

Summary of Investment Analysis Results | 10

Conclusion | 11

About Study & Acknowledgments | 11

# AT-A-GLANCE: MONTANA TCUs ECONOMIC IMPACT

---



## Impact of Montana TCUs

Montana Tribal Colleges & Universities (TCUs) generate more benefits for national taxpayers than the TCUs cost to support. (FY2022-2023 Data)



## Montana TCUs

There are seven (7) Tribal Colleges located in the state of Montana out of 35 total Tribal Colleges & Universities across the nation. Those seven colleges include: Aaniiih Nakata College, Blackfeet Community College, Chief Dull Knife College, Fort Peck Community College, Little Big Horn College, Stone Child College, and Salish Kootenai College.



## Return on Investment

For every dollar of public money invested in Montana TCUs, national taxpayers will receive a cumulative value of \$1.40 over the course of the students' working lives. ***At the state level, Montana taxpayers will receive a total of \$12.40 for every dollar of public money invested.*** (FY2022-2023 Data)



## \$322.22 Million & 5,178 Jobs

Montana TCUs added \$322.2 million in income to the Montana economy during the analysis year, equal to the sum of operations and construction spending impacts; the student spending impact; and the alumni impact. The \$322.2 million impact supported 5,178 state jobs, using the jobs-to-sales ratios specific to each industry in the state. (FY2022-2023 Data)

# EXECUTIVE SUMMARY

---

Montana Tribal Colleges and Universities<sup>1</sup> (Montana TCUs) create value in many ways. The colleges play a key role in helping students increase their employability and achieve their individual potential. The colleges draw students to the state, generating new dollars and opportunities for Montana. The colleges provide students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, the colleges are places for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

Montana TCUs influence both the lives of students and the state economy. The colleges support a variety of industries in Montana, serve state businesses, and benefit society as a whole from an expanded economy and improved quality of life. Additionally, the benefits created by Montana TCUs extend to the local, state, and federal government through increased tax revenues and public sector savings.

This study measures the economic impacts created by Montana TCUs on the business community and the benefits the colleges generate in return for the investments made by their key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

- Economic impact analysis
- Investment analysis

All results reflect employee, student, and financial data, provided by the colleges, for fiscal year (FY) 2022-23. Impacts on the Montana economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society are reported under the investment analysis.

---

<sup>1</sup> Montana TCUs consist of Aaniiih Nakata College, Blackfeet Community College, Chief Dull Knife College, Fort Peck Community College, Little Big Horn College, Stone Child College, and Salish Kootenai College.

# MONTANA TCUs ECONOMIC IMPACT SUMMARY

Montana TCUs promote economic growth in Montana through their direct expenditures and the resulting expenditures of students and state businesses. The colleges serve as employers and buyers of goods and services for their day-to-day and construction operations. The colleges’ activities attract students from outside Montana, whose expenditures benefit state vendors. In addition, the colleges are primary sources of higher education to Montana residents and suppliers of trained workers to state industries, enhancing overall productivity in the state workforce.

## TCU OPERATIONS SPENDING IMPACT

Montana TCUs add economic value to Montana as employers of state residents and large-scale buyers of goods and services. In FY 2022-23, the colleges employed 767 full-time and part-time faculty and staff, more than 99% of whom lived in Montana. Total payroll at Montana TCUs was \$47.1 million, much of which was spent in the state on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the colleges spent \$56.4 million on expenses related to facilities, supplies, and professional services (excluding construction).

The operations spending of Montana TCUs added \$66.5 million in income to the state during the analysis year. This figure represents the colleges’ payroll, the multiplier effects generated by the in-state spending of the colleges and their employees, and a downward adjustment to account for funding that the colleges received from state sources. The \$66.5 million in added income is equivalent to supporting 1,013 jobs in the state.

### IMPACTS CREATED BY MONTANA TCUs

(FY2022-23)

**\$66.5 million**

*Operations Spending Impact*

**\$1.7 million**

*Construction Spending Impact*

**\$5.5 million**

*Student Spending Impact*

**\$258.6 million**

*Alumni Impact*

**\$332.2 million**

*Total Impact*

**5,178**

*Total Jobs Supported*

# MONTANA TCUs ECONOMIC IMPACT SUMMARY

## CONSTRUCTION SPENDING IMPACT

Montana TCUs invest in capital projects each year to maintain facilities, create additional capacities, and meet growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the state economy. In FY 2022-23, the colleges' construction spending generated \$1.7 million in added income, which is equivalent to supporting 27 jobs.

## STUDENT SPENDING IMPACT

Around 4% of students attending Montana TC Us originated from outside the state in FY 2022-23, and some of these students relocated to Montana to attend the colleges. These students may not have come to the state if the colleges did not exist. In addition, some in-state students, referred to as retained students, would have left Montana if not for the existence of Montana TC Us. While attending the colleges, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. Also attributable to Montana TC Us is the increased spending of in-state students who would have remained in Montana even if the colleges had not existed. Because of the federal scholarships and grants these students received, they spend more money in the state while attending college than they would have had they not attended the colleges. In total, Montana TCU students generated \$5.5 million in added income for the state economy in FY 2022-23, which supported 120 jobs in Montana.



*Photos courtesy of Aaniiih Nakata College, Blackfeet Community College, Chief Dull Knife College, Fort Peck Community College, Little Big Horn College, Stone Child College, and Salish Kootenai College.*



# MONTANA TCUs ECONOMIC IMPACT SUMMARY

## ALUMNI IMPACT

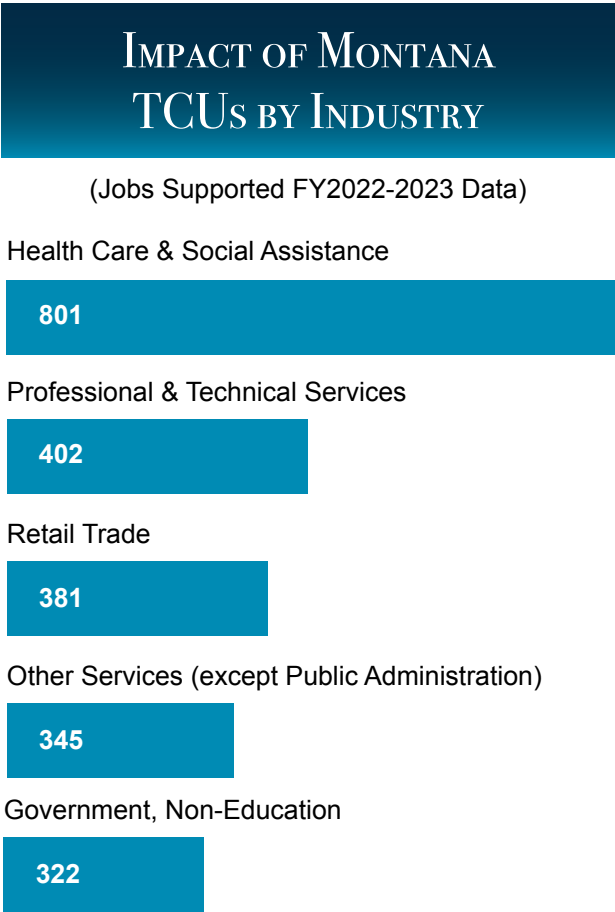
The education and training the colleges provide for state residents has the greatest impact. Since the colleges were established, students have studied at Montana TCUs and entered the state workforce with greater knowledge and new skills. Today, thousands of former students are employed in Montana. As a result of their education from Montana TCUs, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2022-23, Montana TCU alumni generated \$258.6 million in added income for the state economy, which is equivalent to supporting 4,017 jobs.



## TOTAL TCU ECONOMIC IMPACT IN MONTANA

Montana TCUs added \$332.2 million in income to the Montana economy during the analysis year, equal to the sum of the operations and construction spending impacts; the student spending impact; and the alumni impact. For context, the \$332.2 million impact was equal to approximately 0.5% of the total gross state product (GSP) of Montana. This contribution that the colleges provided on their own was half as large as the entire Arts, Entertainment, & Recreation industry in the state.

The total impact of Montana TCUs can also be expressed in terms of jobs supported. The \$332.2 million impact supported 5,178 state jobs, using the jobs-to-sales ratios specific to each industry in the state. In addition, the \$332.2 million, or 5,178 supported jobs, stemmed from different industry sectors. For instance, among non-education industry sectors, the spending of Montana TCUs and their students and the activities of their alumni in the Health Care & Social Assistance industry sector supported 801 jobs in FY 2022-23. If the colleges did not exist, these impacts would not have been generated in Montana.



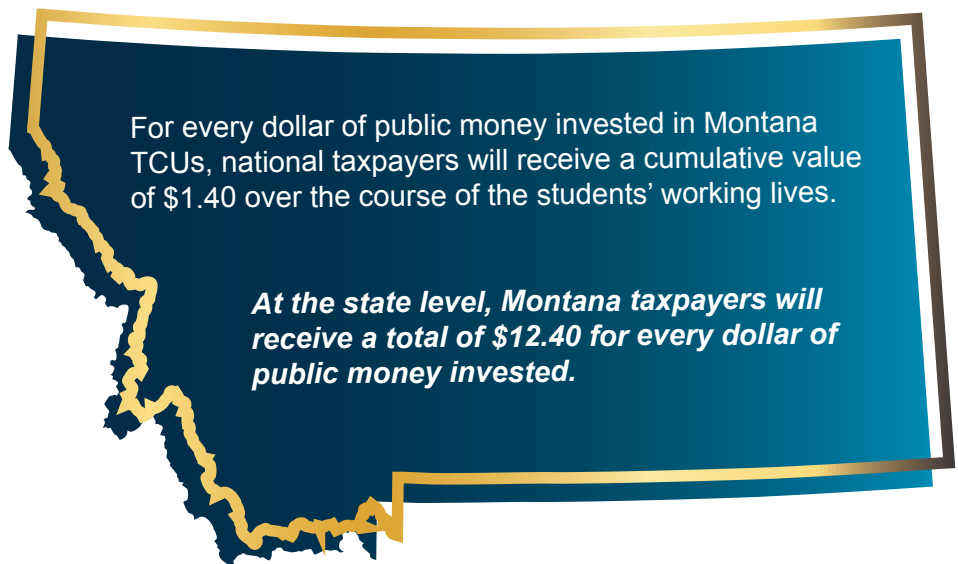
# INVESTMENT ANALYSIS

*An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates Montana TCUs as an investment from the perspectives of students, taxpayers, and society. As with the economic impact analysis, this analysis considers only FY 2022-23 activities.*

## TAXPAYER PERSPECTIVE

Montana TCUs generate more in national tax revenue than they receive. These benefits to taxpayers consist primarily of taxes that the government will collect from the added revenue created in the nation and state. As Montana TCU students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. At the national level, the government will have collected a present value of \$123.4 million in added taxes by the end of the FY 2022-23 students' working lives. At the state level, Montana will have collected a present value of \$16.9 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of students attending Montana TCUs and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that Montana TCU students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. Montana TCU students will be more employable, so their reduced demand for income assistance such as welfare and unemployment



benefits will benefit taxpayers. Altogether, the present value of the benefits associated with an education through Montana TCUs will generate \$13.8 million in savings to national taxpayers. Taxpayers in Montana will experience \$2.3 million in government savings.

Total national taxpayer benefits amount to \$137.2 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$96.8 million, equal to the amount of government funding Montana TCUs received in FY 2022-23. These benefits and costs yield a benefit cost ratio of 1.4. This means that for every dollar of public money invested in Montana TCUs in FY 2022-23, taxpayers will receive a cumulative present value of \$1.40 over the course of the students' working lives.



# INVESTMENT ANALYSIS

## TAXPAYER PERSPECTIVE (CONTINUED)

*In other words, Montana TCUs generate more benefits for national taxpayers than they cost to support.* Although it is not recommended to directly compare benefit-cost ratios between institutions since many factors influence them, any benefit-cost ratio above 1.0 is significant and indicates that the institution generates a surplus of benefits. Additionally, the average annual internal rate of return for national taxpayers is 2.7%, which compares favorably to other long-term investments in the public sector.

From the state perspective, Montana taxpayer benefits amount to \$19.1 million, which will accrue in the future as long as the FY 2022-23 student population of Montana TCUs remains in the state workforce. Taxpayers in Montana provided Montana TCUs \$1.5 million of funding in FY 2022-23. For every dollar of public money invested in the colleges, Montana taxpayers will receive \$12.40 in return over the course of FY 2022-23 students' working lives.

## STUDENT PERSPECTIVE

In FY 2022-23, Montana TCUs served 3,375 credit and 267 non-credit students. In order to attend the colleges, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by Montana TCU students in FY 2022-23 amounted to a present value of \$13.7 million, equal to \$6.4 million in out-of-pocket expenses (including future principal and interest on student loans) and \$7.3 million in forgone time and money.

In return for their investment, Montana TCU students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average Montana TCU associate degree graduate from FY 2022-23 will see annual earnings \$11,200 higher than a person with a high school diploma or equivalent working in Montana. Over a working lifetime, the benefits of the associate degree over a high school diploma will amount to an undiscounted value of \$403,200 in higher

earnings per graduate. The present value of the cumulative higher future earnings that Montana TCU FY 2022-23 students will receive over their working careers is \$114.8 million.

The average associate degree graduate from Montana TCUs will see an increase in earnings of **\$11,200 each year** compared to a person with a high school diploma or equivalent working in Montana.

<High School | \$22,500

High School | \$30,400

Certificate | \$35,400

**Associate | \$41,600**

Bachelor's | \$44,700

# INVESTMENT ANALYSIS

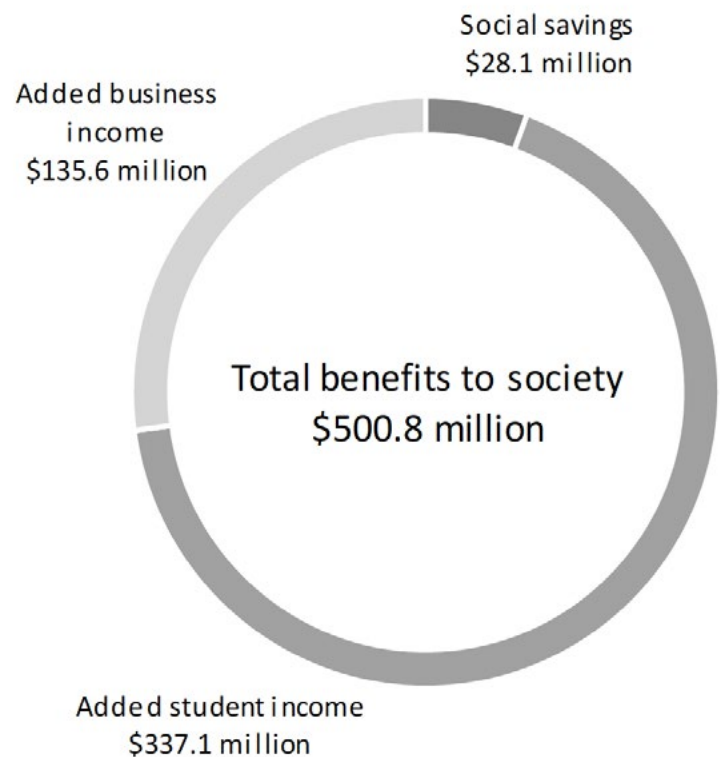
## SOCIAL PERSPECTIVE

Society as a whole benefits from the presence of Montana TCUs in two major ways. Primarily, society benefits from an increased economic base in the nation. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in the U.S.

Benefits to society also consist of the savings generated by the improved lifestyles of Montana TCU students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims.

Altogether, the social benefits of Montana TCUs equal a present value of \$500.8 million. These benefits include \$337.1 million in added student income, \$135.6 million in added business income, as well as \$28.1 million in social savings related to health, the justice system, and income assistance in the U.S. People in the U.S. invested a present value total of \$113.1 million in Montana TCUs in FY 2022-23. The cost includes all government funding and student costs.

### SOCIAL BENEFITS FROM MONTANA TCUs NATIONWIDE



The benefit-cost ratio for society is 4.4, equal to the \$500.8 million in benefits divided by the \$113.1 million in costs. In other words, for every dollar invested in Montana TCUs, people in the U.S. will receive a cumulative value of \$4.40 in benefits. The benefits of this investment will occur for as long as Montana TCU FY 2022-23 students remain employed in the workforce.

# INVESTMENT ANALYSIS

## SUMMARY OF INVESTMENT ANALYSIS RESULTS

The results of the analysis demonstrate that Montana TCUs are a strong investment for all major stakeholder groups students, taxpayers, and society. As shown, students receive a great return for their investments in an education through Montana TCUs. At the same time, taxpayers' investment in Montana TCUs returns more to state and federal government budgets than it costs and creates a wide range of social benefits throughout the U.S.

### NATIONAL TAXPAYERS

**\$137.2 million**

Present value benefits

**\$96.8 million**

Present value costs

**\$40.4 million**

Net present value

**1.4**

**2.7%**

Benefit-cost ratio

Rate of return

### STATE TAXPAYERS

**\$19.1 million**

Present value benefits

**\$1.5 million**

Present value costs

**\$17.6 million**

Net present value

**12.4**

**n/a\***

Benefit-cost ratio

Rate of return

### STUDENT PERSPECTIVE

**\$114.8 million**

Present value benefits

**\$13.7 million**

Present value costs

**\$101.0 million**

Net present value

**8.4**

**30.2%**

Benefit-cost ratio

Rate of return

### SOCIAL PERSPECTIVE

**\$500.8 million**

Present value benefits

**\$113.1 million**

Present value costs

**\$387.7 million**

Net present value

**4.4**

**n/a\*\***

Benefit-cost ratio

Rate of return

\*The rate of return is not reported for the state taxpayer perspective because costs are so low.

\*\*The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

## CONCLUSION

The results of this study demonstrate that Montana TCUs create value from multiple perspectives. The colleges benefit state businesses by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. Montana TCUs enrich the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The colleges benefit taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Montana TCUs benefit society as a whole by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.



## ABOUT THE STUDY

This study is part of a series of Economic Impact Studies conducted in partnership with the American Indian Higher Education Consortium (AIHEC) and Lightcast. Lightcast provides colleges and universities with labor market data that helps create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and resumes. Visit [lightcast.io/solutions/education](https://lightcast.io/solutions/education) to learn more or connect with Lightcast.

Data and assumptions used in the study are based on several sources, including the FY 2022-23

academic and financial reports from Montana TCUs, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness.

For a full description of the data and approach used in the study, please contact the American Indian Higher Education Consortium for a copy of the main report.



# MONTANA TRIBAL COLLEGES & UNIVERSITIES ECONOMIC IMPACT STUDY



**BUILDING LOCAL ECONOMIES OF SCALE:**  
THE IMPACT OF TRIBAL COLLEGES & UNIVERSITIES IN RURAL AMERICA

---

AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM