Persistent poverty is frequently identified as a key problem on American Indian tribal lands in the United States. Yet the fact that tribal lands tend to be located in isolated, nonmetropolitan areas suggests that relatively lower per capita income levels in tribal areas may be largely due to locational factors, such as lack of access to markets, absence of agglomeration economies, and inadequate infrastructure. This study explores the role of location-specific factors and other characteristics in accounting for variation in income levels between tribal and non-tribal areas, and across different types of tribal areas. Results suggest that location indeed plays a significant role in accounting for income variation across both tribal and non-tribal areas, but that human capital, demographics, and structural factors also matter. In particular, college-educated shares of the population and shares of the population that are of retirement age have a positive effect on income levels across all areas, while unemployment rates and shares of the population that are American Indian have a negative effect in all areas. The results further indicate that once locational, structural, and demographic factors are controlled, tribal areas do not have significantly lower levels of income than other areas. The lower income levels found in tribal areas may thus be understood as a function of location, industrial structure, human capital, and demographics, rather than as a reflection of problems inherent only to tribal areas.

This paper is forthcoming as an article in *Economic Geography* (October 2003). It, therefore, cannot be made available through these proceedings. Please see the journal article when it is published. If you subscribe to the on-line version of the journal, this article will be available at [http://www.boydprinting.com/EcoGeo/](http://www.boydprinting.com/EcoGeo/).