

CSD Report

Building Tribal Economies: Linking Asset Building Strategies

Jordan Lewis, MSW

CSD Report 05-23

2005



Center for Social Development



George Warren Brown School of Social Work

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Conference Report
Center for Social Development
Washington University in St. Louis
August 17-19, 2004

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Acknowledgements: The author wishes to thank the following conference funders: First Nations Development Institute, Fredericksburg, VA; the Center for Social Development, Washington University in St. Louis, MO; the Kathryn M. Buder Center for American Indian Studies at Washington University in St. Louis and the support from The Annie E. Casey Foundation, Baltimore, MD.

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Meeting Sponsors

The Center for Social Development (CSD) is an international research center based at the George Warren Brown School of Social Work (GWB), Washington University in St. Louis. The Center began in 1994 with Michael Sherraden, the Benjamin E. Youndahl Professor of Social Development, as the founding director. Although a relatively young organization, CSD has established itself as a leading academic center in social development nationally and internationally. CSD works on economic development projects related to American Indians in conjunction with the Kathryn M. Buder Center for American Indian Studies, which is also a part of GWB at Washington University.

The Kathryn M. Buder Center for American Indian Studies was originally founded to provide scholarships for American Indians, and has grown into one of the most respected centers in the nation for academic advancement and study of American Indian issues related to social work. The Buder Center offers one American Indian course per semester, which Buder Scholars are required to take. Additionally, the Buder Center is charged with developing Buder Scholars into leaders who will serve Indian Country.

First Nations Development Institute was founded in 1980 with the mission to assist Indigenous peoples to control and develop their assets and, through that control, build the capacity to direct their economic futures in ways that fit their cultures. Our programs and strategies focus on assisting tribes and Native communities to control, create, leverage, utilize and retain their assets. First Nations has sponsored several asset-building initiatives in Native communities, including Individual Development Accounts (IDAs), financial education, and campaigns for utilizing Earned Income Tax Credits (EITC).

The Annie E. Casey Foundation (AECF) has worked to build better futures for disadvantaged children and their families in the United States, since 1948. The primary mission of the Foundation is to foster public policies, human service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families.

Introduction

Building assets is becoming widely accepted as an important economic development strategy in Indian Country, for a variety of reasons. Research on asset-building initiatives, both in and out of Indian Country, has shown that asset building encourages individual and family savings, and can facilitate educating savers in effective money management. Careful use and management of assets has traditionally served to build economic security in American Indian communities, for multiple generations. In August 2004, Tribal leaders, tribal community members, and other interested stakeholders convened at Washington University in St. Louis to discuss several potential asset-building development strategies for Indian Country, and how tribes might go about establishing these strategies in their communities, in culturally appropriate ways.

An asset can be described as "something of value that is defined comprehensively, according to a holistic view, in relation to other systems (Hicks, S., 2004, FNDI/CSD Convening, St. Louis, MO)." Numerous assets already exist in Indian Country, and have for many years. They include natural resources, interpersonal resources, human resources, cultural assets, institutional assets, and legal and political assets. In Indian Country, these types of assets and financial holdings are generally held for the benefit of the community; traditionally, the main purpose of utilizing asset-building strategies in Indian Country is to improve the economic well being of the community, as well as individuals. Cultural and self-preservation are not new concepts for tribal communities, and have direct connections to asset development. It would be presumptuous of those outside Native communities to define effective asset building for those communities, or to determine the importance of asset building for tribal communities. "Regardless of the

fact that tribal communities are in possession of many assets, as well as [being] the largest landowners [in the Nation], they are still the poorest communities in the Nation due to the fact they have little control over their assets (Deweese, S., 2004, FNDI/CSD Convening, St. Louis, MO).” One of the main problems facing tribal communities today is that the money flowing into communities flows right back out (creating so-called “leaking economies”), not fostering the circulation of financial assets within tribal communities. When working on strategies to build assets in tribal communities, the most important question to ask may be: “How do tribes keep existing assets within their communities, and determine how to utilize those assets most effectively?”

The August convening was attended by thirty-eight representatives of tribal communities and organizations, other organizations serving Indian Country, and foundations and research centers from across the United States (see addendum for a complete list of participants). The agenda for the convening focused on establishing and linking four asset-building strategies: Individual Development Accounts (IDA), Earned Income Tax Credits (EITC), financial education initiatives, and Community Development Financial Institutions (CDFI). Selected participants presented examples of how some tribes currently use these four asset-building initiatives, illustrating some guiding principles that could be related to future demonstration projects in Indian Country, and the potential involvement of communities and tribal governments with these projects. The group also participated in discussions related to the connectedness of asset-building initiatives and cultural preservation. The overall goal of the convening was to provide participants with a framework in which to develop a conceptual "roadmap" for one or more pilot asset-building projects for tribal communities, establishing protocols

that could be altered to meet the various economic development goals of the tribal communities.

It was hoped that creating a project framework would assist Native communities in making informed decisions about newer asset-building strategies, as well as provide direction for policy-makers when establishing asset-building policies targeting Native communities. Throughout this convening, the questions that attendees focused on was, “If I wanted to develop an asset-building project in my community, what would it be, what purpose would it serve, and how would I design it most effectively?”

A Broad Vision of Asset Building

On the first day of the convening, attendees were asked, “What is your ‘big picture’ vision of asset building?” A visioning exercise followed, in which small groups collaborated to answer questions intended to facilitate defining of the concept of asset building, after which they brainstormed guiding principles for a demonstration project, including identifying the key components and structure of such a project, and the roles of both tribal government and the larger community in the project. A list of participant responses to these questions can be found in Appendix A.

Barriers to Asset Development

Although many components of asset-building strategies already exist in both Native and non-Native communities, there is no developed framework or overall strategy to guide communities in the most effective way to develop a multi-faceted asset-building agenda or program. It will be challenging for tribes to create such a framework, but the consensus was that it can, and should, be done.

Also, as more tribal communities express interest in building and expanding asset holdings, there is a need for creating and amending asset-building policy and regulations at several levels (federal, state, local, and tribal), to better accommodate the unique circumstances of tribal communities. Some federal and state legislation is already in place that could be used for asset-building initiatives in tribal communities. One existing federal level demonstration project titled *Indian Employment, Training and Related Services bill*, P.L. 102-477, which was introduced by Senator Paul Simon (IL), on July 23, 1991, could serve as a base for asset-building initiatives for tribes. This legislation directs the Secretary of the Interior (DOI) to authorize tribal governments to consolidate federally-funded employment, training, and related services programs. It authorizes expenditures for the creation of employment opportunities and development of economic resources of tribal governments, or of individual Indian people. This legislation also authorizes tribal governments, under specified conditions, to use available funds to: (1) place participants in training positions with private employers; and (2) pay such participants a training allowance or wage for a maximum 12-month period. Under this program, the Bureau of Indian Affairs (BIA) serves as the lead agency.

As programs such as the one mentioned above are developed, and gain momentum, it will be important for tribal leaders, community members, and policy makers to join together in ensuring that the design of these and other asset-building policies facilitate culturally appropriate implementation. However, major barriers to the establishment of tribal asset-building initiatives, to date, has been the lack of direction for tribal communities to use existing models most effectively, and that many existing asset-building initiatives are not designed to serve the needs of Indian communities.

It is important for tribal communities and others in the asset-building field, to work on expanding existing asset-building programs; developing more inclusive asset-building strategies and providing opportunities for a more diverse group of people to be involved in the process and implementation of asset-building demonstration projects. On the other hand, even with increased opportunities for tribal community involvement in policy development, there are also concerns regarding the inclusiveness of the program development process. For example, assumptions should not be made by sources outside Indian communities (governments and other entities) about how demonstration projects that serve Indian Country should be designed, what the intended and unintended effects of these programs might be, and what the potential overall effectiveness (success) of the proposed strategies might be. Tribal government and community participation in, and support of, the development process for these types of initiatives should be sought and utilized.

A challenge often faced by tribal leaders, as well as other policy makers, is how to establish demonstration projects that accommodate the diverse needs of Native communities. Tribal communities can participate in existing asset-building programs, such as Individual Development Accounts (IDA), Earned Income Tax Credit (EITC), financial education initiatives, and Community Development Financial Institutions (CDFI), but creating and implementing asset-building demonstration project initiatives that meet the needs of diverse tribal economies can be a daunting task. This convening could be viewed as a precursor to a beginning; for gathering a variety of ideas from tribal representatives, and proposing the parameters of a structure.

Asset Building Demonstration Projects

During the convening, discussion included voicing the challenge of how to develop the adequate resources and support, from both inside and outside Native communities, necessary to establish asset-building demonstration projects. The next challenge that surfaced was related to designing demonstration projects from within communities. Tribal leaders already face these two challenges daily related to other initiatives, and they are not issues that are easily solved. Questions participants addressed included: “What would the main objectives of your asset-building strategy be?” “What would the key components be?” “What would the role of the tribal government be?” and “What resources would be required to implement your plan?”

Participants divided into small groups, in which members worked together to create sample demonstration projects based on the questions listed above; projects they saw some promise for implementing in their communities. Group A followed the question format as it was presented and the other groups (Group B & C) created composite programs that did not address the questions in as specific a fashion. The following are the three example demonstrations suggested:

GROUP A

Goal: First-time homeownership for Navajo tribal members on the reservation. The target population would be potential first time homebuyers who are Navajo. The other goals of the project include: (1) to make wealth accumulation practical and accessible for all tribal members and (2) to foster attitudinal and behavioral changes toward saving and asset-building at both the individual and community levels. If possible, project participant eligibility requirements would be flexible and, based on family need. Eligibility would be mostly based on an ADP of 80% or less of Area Median Income (AMI). The asset (i.e., house) may be purchased after a minimum of 6 months of savings accumulation. In addition, individuals must live within reservation boundaries to participate, and must attend financial education classes. The matching value for each individual account is 3:1 (18 months maximum; minimum of 6 months), for a potential total of \$3,000. In order to run this program, numerous Native funding sources would be used, such as: Housing and Urban Development (HUD), Rural Housing and Economic Development (RHED) grant, Native American Housing and Self-Determination Act (NAHASA), Indian Housing Block Grants (IHBG), fist-time homebuyer program (assistance with down payments), as well as state and (possibly) federal IDA program dollars. To increase participation, marketing strategies would include sharing information through word-of-mouth and advertising in local and tribal newspapers. The tribal liaison for this demonstration project would be an appointed Executive Director and an IDA Program Director.

GROUP B

Goal: Establish retirement accounts for tribal members of the Osage Tribe. The tribe's goal is to have at least 20% of enrolled tribal members participating in an Individual Development Account (IDA) program for retirement purposes. To be eligible for this program, individuals must be enrolled tribal members, attend financial education classes and financial investment trainings. Participating members are required to contribute \$500 per year to the IDA, receiving a 3:1 match (\$6,000 maximum total savings). The projected outcomes of the project are that tribal members will enjoy financial security during their retirement years, and gain financial investment skills. Funding for this project would come from tribal tax and gaming revenues, the National Association of State Development Agencies (NASDA), and the Charles Schwab Foundation. Advertising for the retirement accounts would be done through tribal newspapers, radio announcements, flyers, local senior centers, websites, the casino, and the tribal human resources and social services departments, with the approval of the Osage Tribal Council. The demonstration project would be administered by the Osage Tribal Council, as an independent program, maintaining local control.

GROUP C

Goal: To change dependency attitudes, and increase self-sufficiency, for Navajo community members. The projected outcomes of this non-profit program would be increased home ownership and small business development within the tribal community. A new position would be created in the tribal council to administer this program. The targeted population includes middle-income individuals and families. For each individual deposit, the program will make a 2:1 match (no limit specified). Numerous funding sources will be utilized to support the demonstration project, including: RHED/Housing and Urban Development, Resident Opportunities and Self-Sufficiency Program/Housing and Urban Development, Assets for Independence Act (AFIA), State IDA program, and tribal funds. The minimum participation is for one year, and the eligibility criteria would be participants that are Native Americans with documented CIB, who purchase homes on or near reservation, and attend financial education courses. Marketing strategies to promote this project include tribal college outreach, word of mouth through client counseling, advertisements in Navajo Times newspaper, and radio announcements. Lobbying efforts will be lead by board members, staff, state legislators, partnering organizations, and students/interns.

It was noted, during this session, that funding sources should be diversified, so that limitations placed on program designs would be minimized. Also discussed was the availability (or lack of availability) of funding for these types of projects. All of the components of this exercise, which involved envisioning a demonstration project, could be applied to a variety of asset-building initiatives targeting Indian Country.

Summary

In order to develop a framework for a pilot asset-building project for American Indian communities, the relevance and importance of individual, family, and community asset-building initiatives, and potential associated benefits to tribal communities, must first be discussed and determined by the communities and tribal governments involved. Advocates for these efforts in Indian Country must continue working to move this discussion forward, promoting community-based consideration of asset development and related economic development and community building strategies in tribal communities. The overall program goal should be to develop a vision for an asset-building strategy and program design that is determined appropriate by and for specific communities.

Toward the end of the two-day convening, after many ideas and stories about current asset-building initiatives, and plans for new initiatives, had been shared, small groups were formed to plan a pilot asset-building project that could be taken back to their communities and proposed. Just as each tribal community is unique, so were the models created: each targeting a specific community economic development goal, from increased housing opportunities to increased overall financial stability, through financial education, for individuals and families. Examples of the asset building program models developed can be found in Appendix B.

The models created by participants may serve as examples of how tribal communities can take the lead in developing their own asset-building strategies, utilizing their own resources, including tribally owned resources and other resources that the tribes have access to. Over time, if more tribal communities develop asset-building plans that include strategies such as these, similar models may emerge in many Native communities; models that hope to strengthen important community development and cultural preservation goals, including tribal self-sufficiency and self-governance.

Next Steps

The conference followed a previously held asset-building discussion convening, hosted by the Kathryn M. Buder Center for American Indian Studies and the Center for Social Development, at Washington University, held in Minneapolis in November 2003. The 2003 meeting, attended by a variety of tribal leaders, agency directors, and other interested organizations, focused on discussing the broader concept of asset building and encouraged participants to think “outside” individual program boxes. All participants from the first meeting were invited to the 2004 meeting, along with additional invitees.

One of the main goals of the second convening, sponsored by First Nations Development Institute, the Kathryn M. Buder Center for American Indian Studies, and the Center for Social Development, and supported by the Annie E. Casey Foundation, was to extend the initial conversation and further generate Native discussion around asset building (particularly financial assets), identifying practical asset-building approaches that tribal communities can use, at both the local and national levels. As previously mentioned, four specific asset-building initiatives were identified at the meeting and focused on, because of their current and potential success in Native communities:

Individual Development Accounts, the Earned Income Tax Credit, Community Development Financial Institutions, and financial education.

The second convening was declared successful by a majority of participants because of the “hands on” assistance it offered. Participants were able to hear about successful examples of these asset-building initiatives from representatives of Native communities, where the initiatives are currently being implemented.

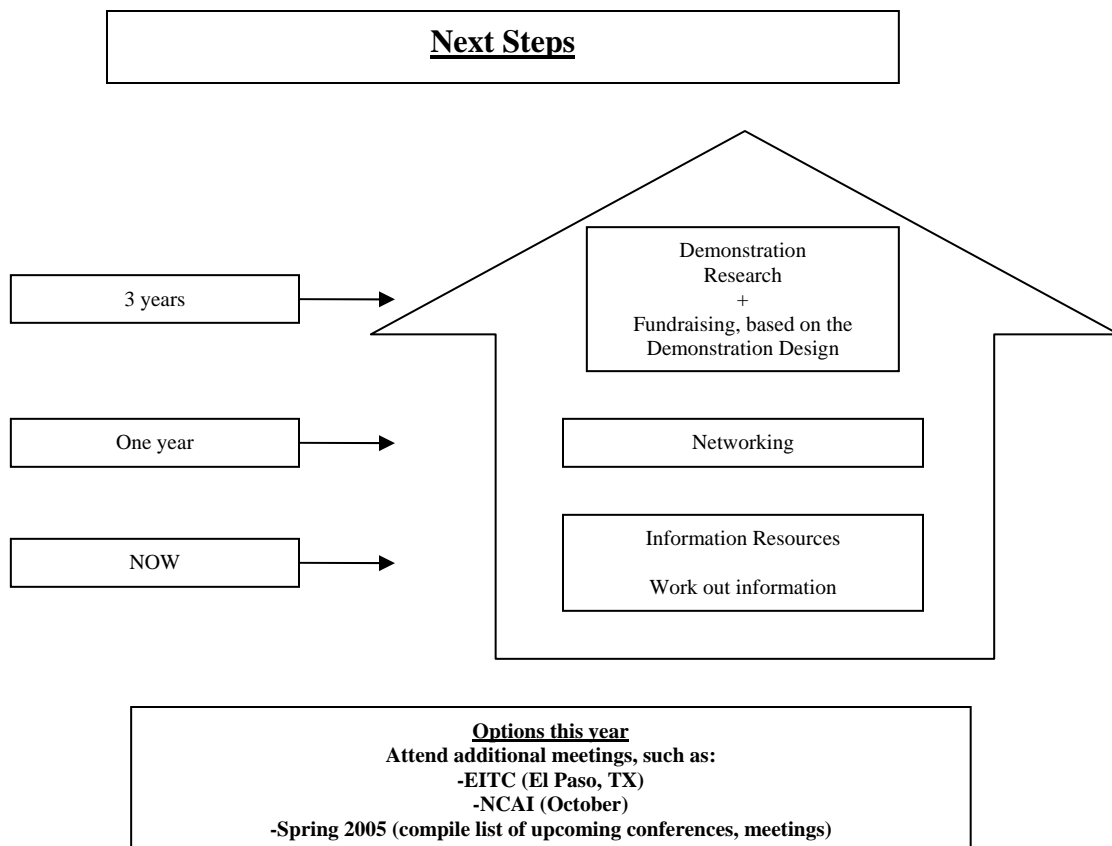
It is important to maintain the momentum gained from the good will, information sharing, and intent of participants shown at this conference. At the end of the convening participants brainstormed ways to move the work of this group forward in their communities (see “Next Steps” diagram below).

Another way to productively use the information generated by both of these convenings is to share these discussions with a wider audience through word-of-mouth and other venues such as web sites and newspaper and journal articles – generating increased awareness at the tribal, local, state, and national levels. The examples and models created during both convenings can serve as blue prints for future asset-building strategies in Indian Country.

Sarah Hicks framed the idea that an important way to increase Native involvement in determining effective asset-building strategies is through initiating and supporting demonstration projects that could allow tribes to test various strategies to build and increase assets. “Rather than trying to fit tribes into current [asset-building] policies, an examination [and discussion] of how Native families and tribes want to build and use assets can inform new, more inclusive, policymaking (Sarah Hicks).” It was the consensus that existing policies should be amended to better work for the goals and needs

of tribal communities, not forcing tribal communities to change cultural practices to meet established policy requirements that don't apply well, (or at all), to their communities.

As tribal communities begin to accumulate assets, they will serve as an important tool for developing a new vision for effectively building the kind of communities that Native peoples want to live in. Ultimately, this would help develop policies that facilitate the ability of tribes to use complementary, culturally appropriate, self-determined asset-building strategies, that would strengthen tribal communities, enabling individuals to live in ways that are most desirable for them, improving quality of life for their citizens and building tribal government capacity to better meet the needs of the communities, which would worthily serve the greatest goals and visions of Native communities.



Appendix A: Group Exercise Responses

What is the broad vision of asset development?

- Flexibility
- Community driven
- Well-funded
- Incremental
- Evidence-based
- Based on local assets
- Strong community leadership
- Focus
- Youth involvement
- Assessment of assets, resources, community needs
- Diversification (assets, resources, etc)
- Local experience(s)
- Enhancing local programs
- Culturally appropriate
- Opportunistic
- Sustainable
- History of success (credibility)
- Well-developed plan

Vision

- Clear understanding of desired outcomes
- Flexible plan with maximum involvement of others
- Identifying human capacity
- Clarity of outcomes and purpose
 - Broad guidelines: flexibility for tribes to establish own guidelines
- Global, diverse, and versatile recipe to meet all unique needs
 - Culturally appropriate
- Identify human capacity, current resources, and future needs
 - Work and expand the strengths already in place in the community
 - Assessment of assets, resources, and needs in tribal community
- Benefit everyone in community and be community driven
- Inclusive awareness through education
- Identify leadership and developing it along the way

Key components

- Tribal government support
 - Strong community leadership (tribal and non-tribal)
- Funding sources, financial base (cash and in-kind)
 - Funding streams must have sustainability (plan for future and longevity of program)
- Strategic planning process
- Collaborative partnerships (public and private)
- Holistic support system
- Education and awareness of the benefits and purpose
- Involvement and tribal and non-tribal business enterprises
- Evaluation component – tribally driven by tribal members
- Clearly designed, defines, and measures program outcomes

Program structure

- Tiered planning process in which team members are dedicated and invested in the issues, established timelines, and specific focus

- Project management – initiated by tribal leadership
- Develop a tribal non-profit capacity, or make alliances, that will embrace the mission with existing non-profits
- Cooperative and collaborative approach
- Work from realistic funding that includes the economic realities of tribes (based on local assets/funds) beyond the demonstration project
- Youth involvement – adopt values around the programs being implemented
 - Long-term sustainability through intergenerational participation

Appendix B: Three examples of asset-building program models developed by conference participants

1. Tribe: East Isleta Pueblo, New Mexico

- **Establish a fitness program targeting tribal youth**, including a financial education curriculum, identify stakeholders, make policy changes, and acquire adequate financial support and staff, as main goals in the successful implementation of the program.
- **The objectives of this program are to:** 1) target youths scheduled to receive per capita payments; 2) impose mandatory financial education before releasing the money to youths; and 3) conduct a needs assessment to better meet the needs of the youths and entire community.
- **In order for a program to be successful** in most tribal communities, it is important to have the support of both the tribal government and the local community. In this model, the role of the tribal government will be to support and concur with the community; while support, active participation, and advocacy, should come from the local community as needed.
- **Tribal communities possess numerous resources**, such as environmental, physical, and cultural resources. This tribal community will tap into the resources made available through a BIA Economic Development grant, youth prevention money, and support from First Nations Development Institute.

2. Tribe: Red Lake, Minnesota

- **Create a private sector economy on the reservation, in the form of a CDFI.**

- **Tribal members will support this endeavor** because there is currently a lack of private sector businesses located on, or near, the reservation. Over the years, members have attempted to start businesses but have failed due to a lack of financial education and reasonable financing.
- **To meet the tribal communities specific needs**, this program would establish an organization to assist tribal members in achieving economic self-sufficiency.
- **Red Lake tribal members will seek endorsement from the tribal government**, but not require direct government involvement in the operation. The members of tribal government will establish a tribal code to make it more business friendly.
- **Available resources will be:** asset mapping, various forms of technical assistance provided by First Nations Development Institute and others, and funding support from the U.S. Department of Agriculture and the Department of the Treasury.

3. Tribe: Osage Nation, Oklahoma

- **Development of a 5-year asset-building plan** to be implemented in incremental stages, starting slowly with things the tribal community can do: the first step will be to establish an Earned Income Tax Credit (EITC) campaign.
- **Tribal programs, such as housing and human services/TANF, will be encouraged to collaborate with other tribal programs** to assist tribal members and employees with EITC (i.e. provide financial education courses)

and get local bankers more involved with checking and savings accounts and other financial services, as needed.

- **The established timeline would be:** First year – establish an Earned Income Tax Credit program; Second year – expand initiative by establishing an Individual Development Account (IDA) program; Third and fourth year – expand further, working with landowners on issues related to restricted land use, begin development of local corporations, and provide assistance with execution of business plans; and fifth year – develop a CDFI in the tribal community.



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Addendum C: Resources for Asset-Building in Native Communities

Updated 1.10.05

Financial Education Resources

- Native Financial Education Coalition: <http://www.nfec.info/>
- Download copies of the Building Native Communities financial education curriculum: <http://www.firstnations.org/publications.asp>
- Training schedule for trainings on Building Native Communities financial education curriculum: <http://www.oweesta.org/main/programs/schedule>

Please contact First Nations OWEESTA Corporation at (605) 455-1700 or at info@oweesta.org to schedule your own training, or for questions and registration information.

Earned Income Tax Credit

- For information on EITC resources and initiatives: <http://www.firstnations.org/EITCwb.asp>
- For more information on EITC resources and initiatives: <http://www.oweesta.org/eitc/toolkit>

Starting a Community Development Financial Institution (CDFI)

- First Nations OWEESTA corporation: <http://www.oweesta.org/main>
- Free trainings on starting a CDFI: <http://www.oweesta.org/main/about/announcements/ann2>

Individual Development Accounts in Native Communities

- For more information on IDA programs in Native communities: <http://www.firstnations.org/publications.asp>
- For additional information on upcoming trainings, continue to monitor the First Nations website at www.firstnations.org

Other Selected Asset-Building Resources and Sources of Related Publications:

Kathryn M. Buder Center for American Indians: <http://gwbweb.wustl.edu/buder/>

Center for Social Development: <http://gwbweb.wustl.edu/csd>

Annie E. Casey Foundation Initiatives: <http://aecf.org/initiatives/>

National Congress of American Indians:

http://www.ncai.org/mainto/pages/issues/community_development/economic_dev.asp

Harvard Project on American Indian Economic Development:

<http://www.ksg.harvard.edu/hpaied/>

Administration for Native Americans, DHHS: <http://www.acf.dhhs.gov/programs/ana/>

Office of Community Services, DHHS (Assets for Independence IDA Program):

<http://www.acf.hhs.gov/assetbuilding/>

New America Foundation: <http://www.assetbuilding.org/AssetBuilding/>

CDFI Fund Resources for Native Americans:

<http://www.cdfifund.gov/programs/programs.asp?programID=3>

http://www.cdfifund.gov/docs/2001_nacta_final_report_bibliography.pdf

Economic Development Administration, United States Department of Commerce
Resources for Native Americans:

<http://www.eda.gov/Research/NativeAmerican.xml>