Family Economic Success in Native Communities:

Adapting the Annie E. Casey Family Economic Success Framework to Rural and Reservation-based Native Communities

March 2004

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Acknowledgements
This paper was written by Sarah Dewees with assistance from Sherry Salway Black and Rebecca Adamson. Thanks is due to the Annie E. Casey Foundation for providing funding for this project.

Suggested Citation: Dewees, Sarah (2004). *Family Economic Success in Native Communities: Adapting the Annie E. Casey Family Economic Success Framework to Rural and Reservation-based Native Communities.* Fredericksburg, VA: First Nations Development Institute.

<u>Table of Contents</u>

Adapting the Annie E. Casey Family Economic Success Framework to Rural and Reservation-based Native Communities

I. Introduction

There is great diversity in Native America, with communities ranging in size from the 180,462 person, 17 million acre Navajo Nation to the 394 person, 1,600 acre Viejas Band of Kumeyaay Indians. Poverty rates vary as well, with such reservations as the Pine Ridge Reservation in South Dakota displaying rates of over 50 percent of the population in poverty in contrast to the Mashantucket Pequot Tribe, which has very low poverty rates and high median income. Yet as a whole, Native people are more likely to be low-income and less likely to be homeowners. Nationally, American Indians have some of the lowest rates of educational attainment and highest mortality statistics. When focusing on geography, most rural and reservation-based communities display high-poverty rates, low home-ownership rates, and low levels of business development. In many of these communities, this condition is the result of years of historical underinvestment and underdevelopment.

Native rural and reservation-based communities[1] face a range of challenges similar to those found in inner city neighborhoods and other urban high-poverty areas. Many Native families are unable to build a sustainable base of economic security for themselves, their children, and their communities due to a lack of job opportunities, lack of access to financial and other services, and an historical exclusion from the economic mainstream. Similar to many other high-poverty areas, years of disenfranchisement have produced communities with low levels of business activity, low home ownership rates, and families with little experience with money management. It is for these reasons, and others, that the solutions to poverty in these communities must be multi-dimensional, comprehensive, and innovative. While there is no "one-size-fits-all" model for development in the diverse range of Native communities, there are some common strategies and resources that can be brought to bear on the problem at hand.

This paper will identify challenges related to family economic success in Native communities, discuss unique issues related to Native communities, and outline a framework for economic success that will reflect the unique opportunities and challenges in these communities.

[1] This paper will cover issues related to American Indian and Alaska Native communities in the United States. Most, but not all, American Indian tribes possess reservation trust land, which presents unique challenges. Alaska Native land is not held in trust status but they too face unique issues related to their legal status and remote rural location.

II. Background Problem Statement: Barriers to Family Economic Success and Self-Sufficiency in Reservation-Based Native Communities

Many of the problems found in urban high-poverty areas are also present in Native communities, including the following:

- There is a lack of access to capital and credit through mainstream financial institutions.
- There is a concomitant lack of a business sector to provide basic goods and services.
- There are high rates of predatory lending and wealth stripping practices.
- There is an interrelated low level of financial literacy and experience with mainstream financial institutions.
- Not only are there low rates of asset ownership, including homeownership, but low levels of control over those assets (such as land) that are owned.

In addition to these problems that can also be found in urban neighborhoods, Native communities face some unique challenges related to the legal status of tribal governments and the history of treatment of Native American tribes. While it is important to look to the present, and the future, for solutions to the challenges in Native communities, no discussion of such a topic is complete without an understanding of the past.

Native American tribes have a unique legal history in the United States that sets them and their communities apart from other high-poverty populations. While this is not the place to cover this topic in depth, there are three very important points to remember when focusing on poverty alleviation strategies for Native communities and Native peoples:

♦ Native Americans are not "minorities" in the same sense of the word as other populations. Native people who are enrolled members of a tribe are members of sovereign nations, and have unique opportunities related to this (see Appendix A).

♦ Tribal governments are sovereign nations, with the power to regulate, tax, and provide social services and private sector stimulation. The closest comparison is state government.

♦ The federal government has a unique relationship with tribal governments, termed the *trust responsibility* (see Appendix B) and has responsibility for providing resources such as health care to many tribes and their members.

It is also important to remember that the role of assets in Native communities, and the history of asset ownership, is different from any other low-income community. Native American tribes and individuals technically own many assets, including land, but often they do not control these assets and thus do not reap the benefits. Asset-building policy in Native communities thus must have a dual focus: assisting tribal nations and individuals in controlling and building their assets, and assisting tribal members with individual asset-building to support their families and communities.

Before moving on to more examples of differences between urban and reservation and rural Native communities, it's important to note that our framework for development is applicable within all communities. Because tribal sovereignty and the link between tribes and land is of paramount concern to First Nations, we have been deliberate about our focus on reservation and rural Native communities. Given our limited resources and desired impact, this strategy has been effective. However, we also acknowledge that in some instances, continued urban sprawl has resulted in areas where urban centers now border or even encompass many reservation and rural Native communities. Furthermore, a majority of Native people in the United States live in urban areas as a result of relocation programs in the 1930s and 40s (the cities of Los Angeles, New York, and Phoenix currently have the largest number of Native individuals). The Native populations in urban areas face many of the same problems as other high-poverty urban populations, and have their own nonprofit infrastructure and social organizations. This population would benefit from an integrated, comprehensive program similar to the Family Economic Success program. Furthermore, although implementation of much of First Nations work has been limited to more remote and isolated communities, our materials, like our consumer financial education curriculum, are relevant to Native Americans broadly – regardless of their geographic location.

Four unique issues related to economic development on rural, reservation-based communities are profiled below: barriers related to land, limited access to credit and financial services, lack of private sector business development, and unique cultural issues. After these issues are covered in detail, opportunities and strategies for Family Economic Success will be identified.

A. Unique Barriers Related to Land in Native Communities: Challenges to Homeownership and Business Development

Native Americans are actually land rich, with both many tribes and many Native individuals technically owning land. Yet there are many barriers that stop individuals and tribes from using this land. So, where do specific differences exist? One example is land ownership. Tribes and individual Native Americans face the challenge of trust land, or land held in trust by the federal government for tribes and tribal members. Because this land is held in trust, it is very difficult to use land as collateral for loans, and banks often refuse to work with individuals interested in purchasing a home on trust land. In addition, much of this land is highly fractionated and it can be difficult to gain permission to construct homes on trust land. This is just one issue that has led to low homeownership and a chronic shortage of credit and capital in Native communities, which in turn contributes to the lack of a viable business sector and the severe economic distress of many of these communities.

The challenges to use of land include the fact the land is held in trust by the federal government; fractionation of the land among numerous heirs makes it difficult to use land; problems related to probate and poor record keeping by the Bureau of Indian Affairs (BIA) can make it difficult to determine ownership and then gain permission for use; checkerboarded land plots can make it difficult to find large plots of continuous land for agricultural use; and the bureaucracy related to the BIA makes it difficult for individuals to use land for homeownership or business development. For more detailed information about the history of land tenure and American Indian tribes, see Appendix C and *Case Study: Confederated Tribes of Umatilla Indian Reservation.*

B. Lack of Access to Credit and Financial Services

Another unique circumstance facing many reservation-based communities is a lack of access to credit and other financial services. The reasons for this are multiple. First, many Native communities are located in remote rural regions, and banks find little reason to service rural, low population density areas that they perceive as costly. However, a history of discrimination also exists against many communities that has resulted in little or no access to credit or other financial services.

Research suggests that much of the available information on *access* to capital and financial services emphasizes the inadequate record to date of non-Native commercial banks and external investors in providing capital and financial services to Native communities. For example, the Community Development Financial Institutions (CDFI) Fund recently conducted an in-depth study of access to capital on Native land titled *The Native American Lending Study.* The study found that only 14 percent of Native land located in the United States has a financial institution in the community and 15 percent of Native people must travel more than 100 miles to reach a bank or ATM. It also found that tribal respondents to the study rated the majority of mainstream financial services as difficult or impossible to attain.[2]

In addition, anecdotal evidence gathered through interviews reveals that many Native communities and individuals have encountered negative experiences when attempting to work with mainstream institutions. This has discouraged existing and future efforts to access capital and financial services.

As a whole, research suggests that the largest gaps in financial services are in three primary areas: debt/equity products for housing and real estate; debt/equity products for small business development; and financial education. The most frequently expressed financing need among tribal members includes financing for home mortgages, housing development and construction, and home improvement. The lack of mortgage financing is linked to land tenure issues,

[2] CDFI Fund. (2000). *Native American Lending Study.*

mentioned earlier. Although its trust status has successfully protected Indian land from leaving Native control, it has complicated the process for Native people to use their land as collateral for debt financing. Access to debt and equity financing for business development remains elusive for the majority of Native entrepreneurs. According to First Nations' *Native American Entrepreneurship Report*, there are numerous reasons for insufficient business financing including: inadequate business expertise, lack of collateral, insufficient legal infrastructure, poor or no credit histories, geographical isolation, discrimination from mainstream financial institutions, and a dearth of alternative sources of capital.[3]

The majority of tribal respondents to the *Native American Lending Study* also stated that there are *no* programs that provide financial education in their respective communities.[4] This includes programs providing basic financial skills training, consumer credit counseling or credit repair services, information on banking and lending practices, basic small business training and technical assistance services, training on accounting and bookkeeping, or information on federal laws and regulations. Unanimously, respondents stated that, "training, counseling, and technical assistance are not being offered in sufficient quantity to meet the needs of the community."[5]

In many Native communities, residents are unable to access available capital sources because that capital or financial service is priced unreasonably and is inappropriate for the needs and financial position of the borrower. These unsuitable loans, considered "predatory" by many, have become a serious problem in Native communities.[6] According to the Housing Assistance Council (HAC), a national nonprofit rural housing support organization, examples of predatory lending tactics include "the assignment of excessively high fees and interest rates, the origination of repeated refinancing within a short period of time, the long-term financing of lump sum credit insurance premiums, the extension of a loan without regard for a borrowers ability to pay, and in some cases, fraud."[7]

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[3] First Nations Development Institute. (2002). *Native American Entrepreneurship Report.*

[4] With the exception of housing counseling. Tribal respondents noted that more often than not, there is one housing counseling service on their respective reservation, although the service is not sufficient to meet the needs of their communities.

[5] CDFI Fund. (2000). *Native American Lending Study.*

[6] Predatory lending refers to abusive lending practices involving fraud, deception, or unfairness. According to the Federal Reserve Board, the practices include one or more of the following: 1. Making unaffordable loans based on the borrower's collateral without regard to the borrower's ability to repay the obligation; 2. Inducing a borrower to refinance a loan repeatedly, even though the refinancing may not be in the borrower's interest, and charging high points and fees each time the loan is refinanced, which decreases the consumer's equity; and 3. Engaging in fraud or deception to conceal the true nature of the loan obligation from an unsuspecting or unsophisticated borrower.

[7] Housing Assistance Council. (2002 Spring). Predatory Lending. *Rural Voices.*

Case Study: Confederated Tribes of Umatilla Indian Reservation, Oregon

Julie Minthorn stood bundled against an icy wind in the middle of January watching as a six-man crew rolled the two pieces of her new 1,800-square-foot home onto its foundation. Minthorn and her two daughters, Brittany, 12, and Breann, 8, hope to move into the modular later this month, after the water and sewer systems are completed. When they finally step up on the porch and open that front door to the three-bedroom, two-bath home, replete with fireplace and built-in big-screen home theater, it will mark the end of a stubborn, frustrating process but the beginning of a new life. It's been more than a year of struggles and headaches for Minthorn. She jumped over land-use, financial and infrastructure hurdles, paid more than $1,000 in tribal permits and braved the bureaucracy of the Bureau of Indian Affairs to finally secure a home loan.

In November of 2001, Minthorn submitted an application to Tribal Planning for a Planned Unit Development, which would authorize her father, Doug Minthorn, to partition his land. Doug Minthorn's land, known as both federal trust land and "allotted land," although technically owned by Minthorn, is held in trust by the federal government, through the Bureau of Indian Affairs (BIA). Therefore, any legal transfer of the land, as well as any legal activity, such home construction, must be approved by the BIA. First Doug Minthorn gift deeded 2.5 acres to his daughter. Next Julie Minthorn needed a Title Status Report from the BIA to ensure a lending institution that she, in fact, was the valid owner of the land given to her by her father. What looked like a mere formality became fuzzy due to bureaucracy. Minthorn's efforts were stalled because of the Cobell-Norton lawsuit, which challenges the BIA's handling of millions of dollars in Individual Indian Money accounts. When a federal judge realized the potential for hackers to access the IIM accounts, he shut down the BIA's computer system, locking up all other Bureau work as well. The judge's ruling effectively put a freeze on any mail moving out of the Pendleton office, and the BIA's Portland Area Office put a hold on mail from one department to another. That stopped the gift deed from leaving Pendleton for Portland, where the BIA approval was waiting. "We don't know how long all of this will take," Barbara Holman, counselor for the Umatilla Reservation Housing Authority, which manages federal rental properties, said in June. "The entire process has been a challenge. We wait patiently to hear what will happen next so she can proceed to the actual loan process through Wells Fargo and maybe be the first HUD 184 recipient here. Julie has worked very hard to make this happen and tries to maintain a positive attitude throughout all of the obstacles." It reached the point where Julie volunteered to drive the deed to the Area Office in Portland. The day before she planned to leave, the ban on mail was lifted. "A woman in the BIA office in Portland worked extremely quickly to process the status report," Julie said.

So, with final plat, Title Status Report, a purchase agreement with Oregon Trail Mobile Homes in Hermiston, plus bids for construction, including excavation, foundation, road and utilities in hand, Minthorn went to find a lender. There was only one – Wells Fargo – that was willing to loan money for home ownership in Indian Country. Most banks, Holman said, shudder when they see the five-inch binder of forms necessary to satisfy the HUD 184 loan-guarantee program. "There's no extra money, just extra work" for banks, Holman said. Fortunately, Wells Fargo, recognized the need and "stepped up to the plate," said Paul Rabb, director of the Umatilla Reservation Housing Authority. Greg Galloway, loan officer at Wells Fargo, said it makes sense for his company to assist Native Americans. "Wells Fargo Home Mortgage has looked to the future and expansion of their business is not going to come from repeat borrowers but from emerging markets - minority borrowers and low-income borrowers," he said. Galloway acknowledged the bureaucracy involved in a loan on an Indian reservation. "The difference is that it takes six months to a year to get one of the loans like Julie. It takes 10 times the man hours because of the paperwork and uniqueness, as opposed to a regular loan on fee land or off reservation." But it's worth it, Galloway said, for both the bank and the borrower. "This is a real opportunity as a lender and as tribal members to have ownership of land and a house," he said.

(continued)

So it's time to get the house now, right? Not yet. First the BIA has to give its blessing to Wells Fargo. That means the entire loan package – five-inches thick plus the routine bank documents – has to go to the local BIA office where, for a reason only bureaucrats would embrace, the entire package must be transferred to BIA forms to be sent to Portland. At the Portland Area Office, a policy committee reviews the loan package before recommending approval of the mortgage, which results in a commitment letter to the bank. Once that's done, HUD in Denver, Colo., has to give its final okay. By the time Minthorn signed the papers at the bank on Nov. 25, 2002, she had to resubmit paycheck stubs to update her income. "My impression was that the BIA here and in Portland, HUD and Wells Fargo were all very cautious about proceeding because this was the first HUD 184 for the Tribes here," Minthorn said. "It was the first through this BIA office. They wanted to be thorough in making sure it was done properly." Minthorn said working with Wells Fargo was not complicated. "I took my information to the bank and they said this is the total amount you are eligible for with this monthly payment," she said. "I knew I had to stay in the $85,000 range to make it work and afford it."

Minthorn smiles broadly as she stands on the foundation, pulling back the black plastic to reveal the kitchen in her new home. Her daughters giggle behind her. Her sisters look on proudly. After all the hassle, Minthorn has become the first Tribal member on the Umatilla Indian Reservation to successfully obtain a bank loan that allows her to build a house on her own trust land property. "We applaud Julie," said Barb Holman, "She stuck with it, she did the work."

-Confederated Umatilla Journal, March 6, 2003.

The National Community Reinvestment Coalition (NCRC), a national coalition dedicated to increasing access to affordable capital in low-income communities, found that nationally, Native peoples fall victim to predatory lenders more often than the general population and in 2000 were nearly twice as likely to receive "sub-prime" loans than whites.[8] Additionally, a survey of 10 percent of tribes across the country conducted by the National American Indian Housing Council (NAIHC), a national network of Indian housing authorities, found that 65 percent of Native respondents reported being victimized by lenders who charged them as much as 25 percent interest on mortgages and 18 to 24 percent on home improvement and mobile home loans. Native respondents reported fees of between 10 and 15 percent of the loan amount and high prepayment penalties.[9]

C. Lack of Private Sector Business Development

The unique treatment of Native American tribes in the United States over the past 200 years has created a context for development that is full of challenges that will take a great deal of time to remedy. Native American tribes have been subject to exploitation and control at a level

[8] Smith, Kyle. (2002). *Predatory Lending in Native American Communities*. First Nations Development Institute. For the purposes of this paper, sub-prime lending is defined as a loan to a borrower with less than perfect credit. In order to compensate for the added risk associated with lending to this customer, lending institutions charge higher interest rates than the prevailing market price for "prime" loans. These higher interest rate loans are referred to as "sub-prime."

[9] National American Indian Housing Council. (2001, July). Press Release: Native Americans Often Victims of Predatory Lending.

unmatched in this country. Colonial techniques of cultural domination, social and legal exploitation, and resource extraction are the hallmarks of the United States treatment of Native Americans. This now 200-year-old history is important to understand today, because vestiges of this legacy are still evident. Most important, the policies which led to the breakdown of traditional family structures, relocated children to boarding schools (where their often experienced abuse), and deprived people of their language and cultural traditions still have ramifications today in generations of people who have poor parenting skills, substance abuse problems, and little family role modeling. The division of Indian land into individual plots further contributed to the breakdown of the social system and contributed to changing gender roles, changes in the traditional economies of reservations, and outmigration of tribal members from reservations to urban areas.

Furthermore, paternalistic control by the Bureau of Indian Affairs means that the private business sector in many Native communities is a relatively new phenomenon, and there are few role models for businesses in many communities. Until only about 30 years ago, the federal government, through the BIA, dictated policy from D.C., directly funded and administered tribal programs, and managed all tribal financial affairs including trust funds, land leases, and public expenditures. Truly a centralized, command economy, the private sector (including the private nonprofit sector) was minimal or nonexistent. In 1975, the *Indian Self-Determination* and *Educational Assistance Act* (ISDEA) was enacted provide tribes with more control over their tribal governmental programs.[10] This legislation declares that Congress recognizes a federal obligation to be responsive to the principle of self-determination through Indian involvement, participation, and direction of educational and service programs. Title I of the Act directs the Secretary of Interior, at the request of a tribe, to contract with any tribal organization to carry out the services and programs the federal government provides to Indians. It further authorizes the Secretary of Health, Education, and Welfare to contract out functions of the Indian Health Service to tribal organizations.[11] While the spirit of the legislation appeared to be a step in the right direction, institutional opposition in the Department of the Interior and other federal agencies initially stalled its effect. It took time for the culture of the institutions to change. This process was advanced by the passage of new legislation, among other things. In 1994 ISDEA was amended and expanded to include construction, road maintenance, housing improvement, health facility maintenance and improvement contracts and, more importantly, added a new title on self-governance. The 1994 amendments, also referred to as the *Tribal Self-Governance Act* (TSGA), included additional rules and procedures, an expanded range of eligible costs, and a requirement of annual consultation with tribes and organizations in the development of the budget for the Indian Health Service and the Bureau of Indian Affairs.[12]

[10] P.L. 93-638 (1975).
[11] P.L. 93-638 (1975).
[12] P.L. 103-413 (1994).

In the 1980s, the Reagan administration severely cut funding to tribes and as a result encouraged tribes to further to develop their private business sector, including gaming, to find alternative revenue streams to federal funding. The last 20 years represent numerous experiments in private sector development and have seen the exponential growth of both private for-profit and nonprofit businesses. However, this movement is still very young, and there continues to be potential for technical assistance, training, and model development to encourage business growth on reservations.

D. Unique cultural issues

Another unique aspect of working in Native communities is understanding the cultural context. Many Native community members, especially those who are more traditional, still adhere to cultural values that non-Native frequently fail to understand and respect. Again, it is important to understand the historical context for many of these cultural values. Traditionally, many Native American cultures respected collective resources, collective ownership of property, and valued generosity as a sign of wealth. For example, in the Makah Tribe, a family's wealth was measured by what they gave away at the potlatch. In the modern day, these cultural values, in many ways ironically strengthened by years of cultural assault, translate into valuing and providing for family, especially extended family, valuing collective resources over individual advancement, and rejecting overt signs of material well being and monetary wealth. In Native communities, the family is one of the most important social units and family bonds are very important. In many cases, people have a holistic view of family, and include extended family members, other community members, and even the tribe as a whole as part of that family unit. Therefore, many individuals value providing for their extended family more than saving for individual advancement.

Many outside observers have identified these collective values as presenting a barrier to asset based development and individual self-sufficiency in Native communities because it is assumed that savings and asset purchases are not rewarded. Many have argued that it may be harder for people in reservation-based communities to save and invest in assets because the extended family is so strong and unemployment is so high, that earners are obligated to support extended family, resulting in less disposable income for savings. A more proactive, positive assessment would suggest that any poverty alleviation or asset-building program would have to take into account the cultural values of each community. For example, instead of calling a program an “Individual Development Account,” in may make more sense to call it a “Family Development Account,” and all the trainings and literature related to such a program should emphasize the role of asset building in family well being and contributing to the local economy. In addition, the rhetoric of "wealth building" and "asset development" may need to be re-tooled in order to resonate with a population that prioritizes community and family well being over individual wealth. Furthermore, trainings should be couched in familiar, traditional contexts. For example, at a recent IDA training, a Native individual who was present observed that, “Historically, we had to accumulate assets before we could participate in the potlatch. The first step was saving up resources, before we could give them away." Using this metaphor of saving for the potlatch is a useful way to communicate a concept that in many ways is very traditional.

The Annie E. Casey Family Economic Success framework presents strategies for strengthening family supports. In the context of Native communities this could be expanded to a focus on not just the nuclear family, but also the extended family, and the tribe and tribal relationships that are so important in these communities. This tradition of viewing the collective as the whole, and the extended family as the main family unit is an important part of Native culture that should strongly influence the design of all activities and programs. The significance of the tribal community, and the importance of strengthening the individual by strengthening the collective, requires a different focus for family support programs.

In addition, some programs such as IDAs might be able to explore collective models of asset development that may facilitate investment in collective assets such as a community center or Village fishing boat. Of course, it is also important to be sensitive to language differences as well as cultural differences in communication styles, and in as many cases as possible, it is important to use people from the local community or who are familiar with Native culture to provide the trainings.

III. Strategies for Native Communities

Despite the range of challenges facing reservation communities and their residents, there are also many opportunities for creating family economic success through family economic supports, workforce development programs, and community investments. In fact, Annie E. Casey Foundation's Family Economic Success Framework is applicable to Native communities, with a few notable adjustments. First Nations recommends enhancing Annie E. Casey Foundation's existing framework by making it more relevant in Native communities by specifically adding the following components:

- Recognizing of the unique legal context in rural reservation communities, including the presence of trust land.
- Understanding the sovereign nature of tribal governments, and their potential role in providing workforce development, family economic support, and community investment.
- Acknowledging the geographic remoteness of many Native communities.
- Understanding the unique legal and historical context, and the lack of a developed private business sector on many reservations.
- Understanding the unique cultural and social issues, including the importance of the extended family, and the holistic definition of family.

- Incorporating First Nations' Elements of Development as a tool for measuring development within Native communities.

While there is no "one-size-fits-all" poverty alleviation strategy for Native communities, there are some common strategies that are useful for Native communities and some unique opportunities available to tribes and Native communities as they struggle for self determination and self sufficiency. This section outlines these unique opportunities, including tribal sovereign status, use of the command economy, and economic growth.

A. Tribal Sovereign Status and Tribal Governmental Infrastructure

There are many unique opportunities for supporting Family Economic Success in Native rural and reservation-based communities. First, the governmental infrastructure of tribes as well as their unique sovereign status provides an opportunity for offering programs supportive of Family Economic Success, including:

- Homeownership counseling, assistance, and financing.
- Individual Development Accounts.
- Financial education for adults and youth.
- Small business training, assistance, and financing.
- Education counseling, assistance, and financing.
- Health care.
- Education about the Earned Income Tax Credit (EITC), including setting up Volunteer Income Tax Assistance (VITA) sites.
- Access to credit through tribally owned or chartered banks, credit unions, or community development financial institutions (CDFIs).
- Anti-predatory lending codes to stop asset stripping.

In fact, there are many tribes that are already operating such programs. The following is an illustrative but not comprehensive list.

Family Economic Success Programs Currently Sponsored by Tribes

Poverty Reduction/Asset Building Program	**Example of Tribal Program**
Homeownership counseling, assistance, and financing.	Most tribes have housing departments where they provide homeownership counseling, assistance, and financing. Some tribes, such as the Confederated Tribes of Warm Springs, are linking their housing programs to IDAs.
Individual Development Accounts.	There are several tribes directly running IDA programs, including Confederated Tribes of Warm Springs; Confederated Tribes of Umatilla; Redwood Valley Rancheria; Cherokee Nation; Leek Lake Band of Ojibwe; White Earth Tribes of Anishinaabe, and others.
Financial education for adults and youth.	Over 100 tribal representatives have provided training on the culturally appropriate financial education curriculum *Building Native Communities: Financial Skills for Families*. Several tribal programs use this financial education curriculum in their IDA, housing, and small business programs.
Small business training, assistance, and financing.	Most tribes have a small business development, commerce, or economic development department where they provide small business and entrepreneurship training, assistance, and financing. There are over 18 Tribal Business Information Centers (TBICs) on reservations across the nation, and more and more tribes and sponsoring or supporting community development financial institutions (CDFIs) in their communities to provide small business assistance.
Education counseling, assistance, and financing.	Most tribes have an education department where they provide education counseling, assistance, and financing to assist tribal members in getting a higher education. Some tribes, such as Cherokee Nation and Oneida Nation have their own K-12 schools. There are 28 tribally chartered colleges and three federally chartered Indian colleges in 12 states.
Health care.	All enrolled members of tribal nations are supposed to be provided health services through the Indian Health Service (whether this health service is adequate is another story).
Education about the Earned Income Tax Credit (EITC), including setting up Volunteer Income Tax Assistance (VITA) sites.	Many tribes, including Cherokee Nation and Standing Rock Sioux, provide VITA sites on the reservation.
Access to credit through tribally owned or chartered banks, credit unions, or community development financial institutions (CDFIs).	Wind River Development Fund, a CDFI operating on the Wind River Indian Reservation in Wyoming, was chartered by the tribe before it became a 501(c)(3) organization. It offers affordable credit to tribal members and also runs an IDA program. Many other tribes have chartered CDFIs or started tribally owned banks.
Anti-predatory lending codes to stop asset stripping.	Navajo Nation recently passed a usury statue that limits the interest rates that can be charged on loans.

Tribes can use their sovereign legal status to enact codes to restrict predatory and abusive lending practices, require businesses to pay a living wage, and reward socially responsible businesses. Similar to the statute passed by the city of San Francisco rewarding socially responsible businesses that paid a living wage, tribes could use their sovereign legal status to affect business decisions. Several tribes have already passed usury statues and their own UCC codes, including the Navajo Nation and the Lummi Nation.

B. Use of “Command Economy”

Second, many practitioners and scholars have pointed out that “the command economy can be used for good” by supporting Family Economic Success in reservation-based Native communities in ways that are not possible in urban city neighborhoods. An example can be found on the Winnebago Reservation in Nebraska where the tribe runs a multi-million dollar corporation, Ho-Chunk Inc., which includes construction crews, a retail catalog, and reservation-based convenience stores. More recently, Ho-Chunk Inc., in cooperation with their nonprofit 501(c)3 partner, Ho-Chunk Community Development Corporation, has planned and funded a tribal village based on “new urbanism” design principles that locate centers of commerce and government affairs close to residential units and exercise facilities. The Winnebago Tribe of Nebraska is a leader in this form of economic development, as is the Oneida Nation of Wisconsin, which has active housing, education, and business development departments, has constructed its own tribal school and community health center, and provides a Seniors Fund for tribal members that functions similar to a social security program. These tribes and many others have taken initiative to use their sovereign status to provide social supports, and at the same time contribute to the local economy.

C. Rural Renaissance

Third, many Native communities are experiencing a renaissance of sorts as many of their members are returning to retire or settle down after a successful career or gaining an education. This newly emerging middle class is invested in improving and developing their communities, and also represents demand for the small business and housing sectors.

All of these unique circumstances represent opportunities for promoting Family Economic Success through a range of family economic supports, workforce development, and community investment.

VI. First Nations’ Asset Topography and Development Strategies

Before moving on to a discussion of what Family Economic Success would look like in Native communities, it is important to understand First Nations’ unique approach to economic development and asset-based development. First Nations supports holistic, culturally appropriate, community directed development. First Nations also has a broad asset topology. Traditional asset topographies focus on financial assets and their related issues such as building savings and banking accounts, developing financial literacy, and developing equity through homeownership and small business development. First Nations’ asset based development work focuses on these assets but also includes natural resources, cultural property, human capital, and social, political, institutional, and legal assets. First Nations’ approach includes an asset benefit mapping that identifies who controls the assets, who uses the assets, who benefits from the asset, and who decides how the asset is allocated. The initial strategy focused on control of assets but has evolved to address six distinct strategies of asset-based development: control, utilize, leverage, retain, create, and increase. Each one requires different tactics, technical assistance, and community capacity. All require a policy framework that upholds sovereignty, tenure rights, usage rights, and rights of self-determination.

First Nations chooses to focus on assets because:

- Assets are the building blocks of wealth.
- From assets, people derive income, jobs and other benefits.
- A major difference between rich and poor people is their ownership and control of assets.
- Tribes and Native people own substantial assets (e.g., land, natural resources, trust funds) but because they do not control them, they do not derive the most benefit.

Through building assets, tribal communities can improve the well-being of their residents and move toward self-sufficiency. Through effective asset deployment, tribal communities can continually generate income and other resources, thereby ensuring the maintenance and creation of wealth into the future. Additionally, in times of economic stress, assets provide security and stability. First Nations’ work has, and continues to be, based on the hypothesis that it is only through the **control** of these assets, that the economic well-being of Native communities will be improved and sustained.

Asset Types

First Nations has identified a broad typology of assets. These assets reflect the holistic nature of Native communities and Native economies, acknowledging the value of not just financial capital but also cultural and human resources (see Appendix D for more detail). The eight broad asset categories are as follows:

***Financial Assets*:** This is perhaps the most common form of a community's or individual's wealth. Financial assets include stocks, bonds, savings, trust funds, and other forms of monetized investments. Financial assets are the most liquid form of assets and can be readily used/exchanged to acquire other assets.

***Physical Assets*:** The physical infrastructure within tribal communities, such as transportation, utilities, and technological systems are critical for economic activity. Although primarily important as a means to enhance the productivity of other assets, physical assets can generate income streams for a community and increase access to information and expand communication.

***Natural Assets*:** Land and natural resources form the basis for economic production. The ability to manage these resources in a sustainable manner, while generating economic benefits is a challenge for all communities. Natural resources include oil, gas, minerals, agriculture, wildlife, and forests.

Institutional Assets: The institutions and organizations within a community can attract resources to the community, and recycle them there. Such institutions may include the creation of financial intermediaries, nonprofit organizations, and philanthropic institutions.

***Human Capital*:** The skills, knowledge, education and experience of people within a community are important elements within a community. Nurturing the productivity, innovation, and creativity of people is foundational to community well-being.

Cultural Assets: These refer to the customs, traditions and indigenous knowledge that are specific to the tribal community. Language is a cultural asset, as is tribal intellectual property. Cultural assets are often "intangible" elements that underpin a community. However, the material expressions of culture can generate income and other assets.

***Social Capital*:** Social relations and networks (e.g. kinship systems) within a community, can support the building and maintenance of assets, but does not in itself, generate income. Leadership development, community empowerment, and social justice are ways of increasing the social assets of a community.

***Legal and Political Assets*:** The legal rights and claims that a Native community may have can support the ownership and control of economic assets. Similarly, "political" assets, such as sovereign status, tax immunity, or decision-making power can create economic opportunities.

Asset Strategies

The ability to use and organize the community's assets in ways that improve the well-being of the community is the basis for an asset-based sustainable development strategy. We have identified several strategies that can be used to promote asset-based development. Native communities can adopt various strategies to build their assets. Asset-building strategies include the ability to **control**, **retain, increase, utilize, leverage,** and **create** assets. These strategies have been defined as follows:

Control:	To increase the control of the asset through a variety of means, including external-institutional factors (becoming more active in political and other decision making bodies) and internal-capacity factors (increasing the skills of tribal members to effectively control assets).
Retain:	To create or establish internal controls or regulatory structures within the community to retain assets.
Increase:	To expand and/or add value to an existing asset.
Utilize:	To build/strengthen the ability of the community to manage and make use of the asset.
Leverage:	To use the asset in such a way as to attract/ generate additional resources to the asset pool.
Create:	To originate, or bring into being, a new asset.

Elements of Development

Any economic development strategy in Native communities must be holistic and encompass economic, social, cultural, and spiritual assets. The role assets play in sustainable community development is difficult to quantify. In many cases, the underlying value of the asset or the change in asset valuation cannot be captured by a simple numeric dollar amount. Therefore, First Nations has identified 16 elements that we hypothesize are crucial for understanding and assessing changes in Native communities that occur as a result of changes in the control of assets. These **"Elements of Development"** provide a paradigm for measuring the multi-dimensional impact for each project investment in asset based community development. Research and data collection begins with the onset of every project. After a baseline of data is established the project is tracked according to all 16 **elements of development** throughout the life of each project. The "elements," defined first in 1990, are drawn from the first decade of First Nations' work and from the culture and value system of Native people.[13] They represent a

[13] The Elements of Development were later outlined in a 1994 publication for the Richard Schramm Paper on Community Development titled "Redefining Success in Community Development: A New Approach for Determining and Measuring the Impact of Development."

holistic way to measure community economic development in Native communities (see Figure 2: **"Elements of Development"**).

One set of elements concerns the **economic and financial changes** in the development process. This includes such factors as income, employment, savings, and business activities.

- ***Income****:* This element refers to improvements in the financial well being of the community. Specific indicators include a change in the financial valuation of an asset, an increase in the personal savings rate, or a decrease in the level of poverty. Changes in financial well-being can be measured at the individual, organizational, or community level.

- ***Trade/Exchange:*** This element attempts to capture changes in the economic relationship between the community and others by measuring both the direct and indirect impact from economic activities. Specific indicators include changes in the level of sales, increase in marketing outlets, the number of subsidiary businesses/activities supported, the level of additional resources secured, the type of resources secured (private vs. public), and the number of new clients assisted or served.

- ***Productivity Skills:*** This element refers to changes in employment, skills and knowledge in the community. It is related to building human capital. Specific indicators include the number of jobs created, the number of training workshops held, the number of individuals trained, the number and type of skills acquired, the amount of knowledge obtained, and the type of positions created.

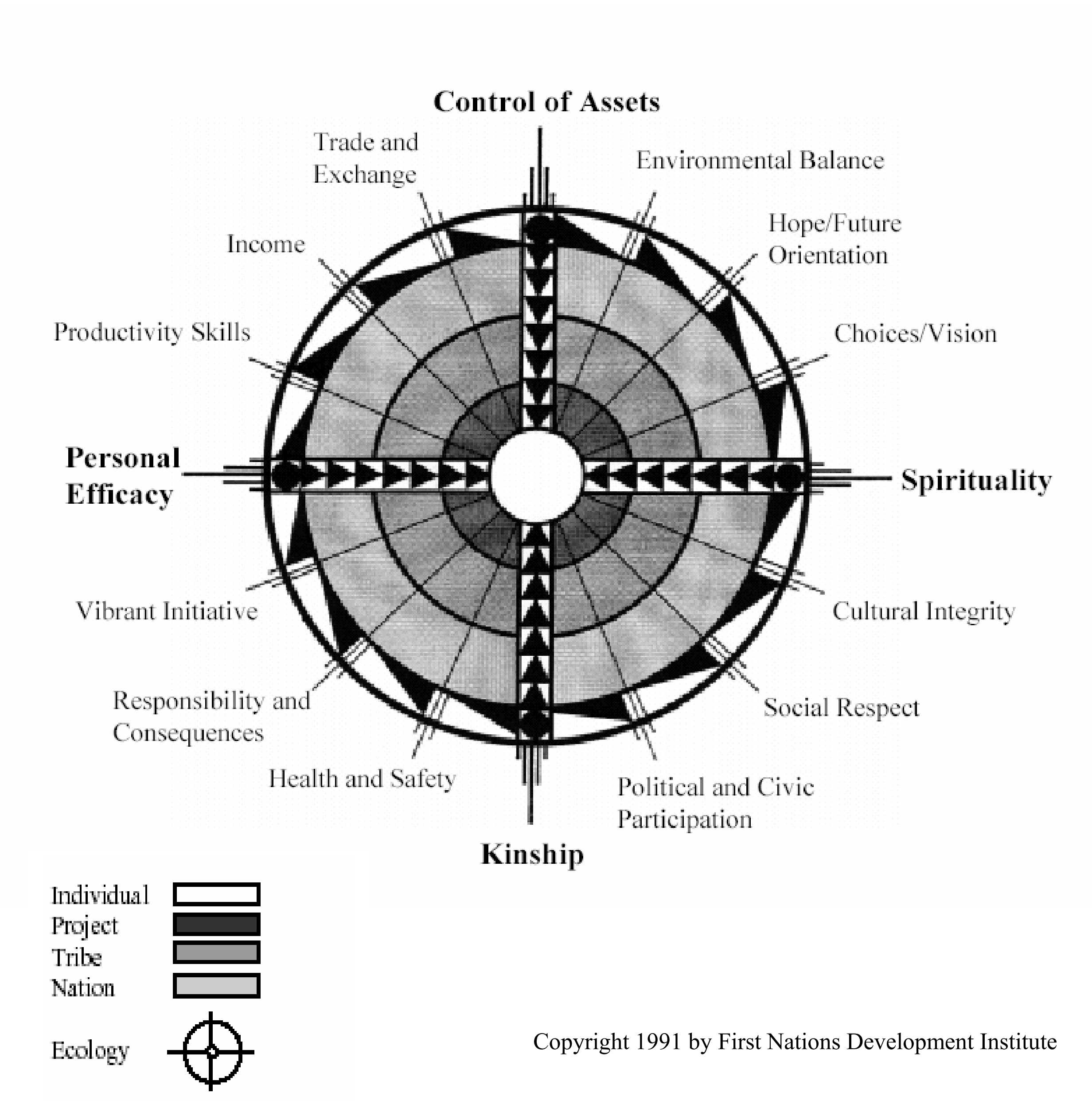
A second set of elements relates to **leadership, community and institutional capacity, and security.**

- ***Vibrant Initiative:*** This refers to the creativity and entrepreneurial spirit within the community, and is related to leadership and innovative use of resources. Specific indicators include the number and type of leaders developed, the number of entrepreneurial activities, the amount of participation by leaders, the innovative use of resources, and the use of self-help or self-directed activities.

- ***Responsibility and Consequences:*** This element relates to strengthened integrity and accountability within the community. At the organizational level, this may be measured as improvements in the management capacity of the organization. Other specific indicators include the number and type of new organizations and entities established, financial stability, staff and leadership stability, ability to leverage resources, and increased community inclusion in decision-making processes.

- ***Health and Safety*****:** This element refers to a sense of security and well-being within the community. Defined broadly, indicators include an improvement in health status, a decrease in the crime rate, and an increase in the availability of food resources.

Figure 1: Elements of Development



A third set of elements addresses **social, political and cultural changes** in the development process.

- ***Political and Civic Participation:*** This refers to the degree to which the community engages in the political and civic life both within and outside the community. Specific measures include the number of political positions held, the number of people who attend community activities, changes in legal rights and authorities, and the number and type of resolutions, laws and policies passed.

- ***Social Respect:*** Social respect is closely related to political and civic participation, but refers to the type of networks and collaborative partnerships formed between the community and others. Specific indicators include the number of collaborative partners, the number of new partnerships and networks formed, the quality and diversity of networks, and the level of collaboration or coordination.

- ***Cultural Integrity:*** This element captures the maintenance and strengthening of traditional knowledge and cultural practices. Specific indicators include the degree to which indigenous knowledge is protected and promoted, the maintenance of language, and the continuation of traditional practices.

A fourth set of elements relates to the future in terms of **planning, opportunities and sustainability.**

- ***Choices and Vision:*** This element refers to the expansion of opportunities in the community and engagement in long-term strategic visioning. Indicators include the existence of a strategic plan and the number of people engaged in the planning process.

- ***Hope/Future Orientation**:* Closely related to choices and vision, this element captures the level of community investment in its future and its people. Specific indicators include the number of youth and elder participants in projects, the number of young adults who stay in the community, changes in educational attainment, and changes in the level of financial investment.

- ***Environmental Balance*:** This refers to the environmental or ecological impact of economic activities, and the degree to which a balance is maintained between ecological and economic outcomes. Specific measures include the degree to which natural resources are utilized or reproduced, the use of sustainable materials and technologies, the maintenance of genetic variety, and the use of risk analysis and cost/benefit analysis to assess alternatives.

Finally, four elements represent **significant relationships and cross cutting themes in the development process**, and link the other elements together.

- ***Control of Assets:*** This element refers to the ability of the community to control their assets in order to create wealth. Examples of indicators are an increase in the access to land rights and an increase of control in the decision-making process.

- ***Personal Efficacy***: This element refers to a sense of confidence in one's own ability. A community needs people with confidence in their own ability. Indicators include the ability to problem solve, increased self-esteem, a positive outlook, increased knowledge and skills, and the ability to engage in teamwork. On a community level, indicators include improved tribal leadership, community cooperation, and teamwork.

- ***Kinship:*** This element relates to the networks among community members and families. The kinship network connects the individual to the family and the tribe. Indicators related to the strengthening of kinship ties can focus on family and extended family gatherings and shared services. Indicators include the extent to which a project strengthens family ties, and the number and type of extended families within a community.

- ***Spirituality:*** This element refers to the underlying value system of the community, and the sense of well being among community members. Spirituality gives a person a sense of vision, a sense of who they are and meaning within the community and the larger universe. Indicators include instilling traditional values in children, helping children learn traditional language skills, and helping community members maintain a balance in life. Other indicators are the design, goals, and work patterns of the projects and whether they contribute to community well being.

By tracking the **"Elements of Development"** over time in the communities we work with, we can assess whether asset development generates the hypothesized benefits for communities. At the same time, we can assess the impact of our grant making on the communities we serve in a holistic sense, and in a manner that reflects the holistic economic paradigm of not just increased income but also increased community well being.

V. Family Economic Success in Native Communities

The Annie E. Casey Family Economic Success (FES) framework is a powerful concept for moving families out of persistent poverty by providing workforce development, family economic support, and community investment. This framework, outlined on Annie E. Casey Foundation's website and in the paper titled "Family Economic Success: A Framework for *Making Connections,*" contains many elements of a successful framework for asset-building and family economic success in Native communities. However, there are many elements that are absent or may not fit tribes and rural or reservation-based Native communities. First Nations wishes to work with Annie E. Casey to adapt the FES framework for more robust application in rural and reservation-based Native communities.

Native American tribes and rural or reservation-based Native American communities exist in a different legal, historical, and cultural framework than most urban neighborhoods with persistent poverty. Yet, many of the components of Annie E. Casey Foundation's FES framework apply to these communities. There is still a need for *workforce development*, or enhancing the skills and education necessary for community members to get good jobs and build careers. *Family economic supports*, including asset building, is also important, including providing information, resources, and policies to meet basic family needs, keep jobs, and build assets. In addition, *community investment* in housing, facilities, and business and commercial development is also critical. However, the approach to such activities may be different in Native communities.

We agree that strategies for family economic success must be multiple, interrelated, and long-term. We concur with Annie E. Casey on the following:

- Family economic success can only be achieved when families are supported in an ongoing way to build a foundation of economic security that leads to family self-sufficiency.
- Family economic success is the presence of sufficient and predictable resources and connection available to meet basic family needs, aspirations for improving quality of life, and ongoing investments in lifelong learning for the entire family.
- Family economic success is dependent on assets that grow with the family over time, such as homeownership and retirement accounts.
- Stable work leads to resolving past credit problems, learning more about financial budgeting, and beginning to save for special times and emergencies.

There is no "one-size-fits-all" model for Native communities. An integrated FES strategy for Native communities will have to be flexible, responsive to the local context, opportunities, and barriers, and reflect the desires and aspirations of community members. However, a FES strategy for Native communities would have many of the same goals and component parts as the FES strategy outlined in the Annie E. Casey FES paper. A workforce strategy would include connecting people to jobs that pay family supporting wages and providing work supports such as healthcare and childcare. Family economic supports would strengthen people's ability to support themselves and their families through earning an income and building an asset base. Central to this project would be tools to improve financial literacy and strengthen asset building such as access to EITC, financial education, consumer financial services, and IDAs and homeownership programs. Community investment strategies would include affordable housing development, business development and supports, and facilities development. As stated in the FES paper, this third strand of development has the potential to provide some structural community changes that make the community an attractive place to move back to, find a job in, or invest money in. This includes improvements in educational facilities, the business sector, including such basic services and grocery stores, and development of local financial institutions that are attuned to community needs.

A. Family Economic Supports in Native Communities

So what would Family Economic Success look like in Native communities? Let's start with *family economic supports.* To quote the AECF Family Economic Success Framework, "Family economic support strategies consist of enhancing people's ability to increase their personal and family income and to build their asset base. These strategies include access to EITC consumer financial services, and asset building tools such as IDAs and homeownership." The AECF Family Economic Success Framework suggests the following strategies:

- ♦ Use financial literacy and planning, tax planning and preparation, IDAs, checking accounts, and other financial products and services to reduce the cost of transaction and provide important consumer education.
- ♦ Create multiple, low-cost tax preparation options for residents such as paid preparers, VITA sites, help from family members…and schools.
- ♦ Develop links to mainstream financial services to reduce the level of monetary "leakage" in low income areas.

Family economic success in Native rural and reservation-based communities could contain similar elements. Using First Nation's asset topography, the following table outlines the range of programs that would contribute to poverty alleviation in Native communities through supports directly aimed at families and their individual members. All of these supports and programs are interrelated with *workforce development* and *community investment*, a point that we will return to later. It is important to note that these programs could be offered by the tribal government, local nonprofits, the state government, or the federal government, although our assumption is that the tribal government in partnership with the private philanthropic and nonprofit sector will be the most successful in implementing these programs.

Asset	Strategies for Providing Family Economic Supports
Financial Assets	• Offer Individual Development Accounts (IDAs). • Provide entrepreneurship and small business development assistance. • Provide financial education training. • Enact anti-predatory lending codes. • Promote use of Earned Income Tax Credit (EITC). • Provide access to no cost tax preparation options such as VITA sites or other low cost options. • Link EITC to IDAs or other asset building programs. • Provide access to credit and capital by starting a community development financial institution (CDFI).
Natural Assets	• Assist individuals in land acquisition. • Assist individuals in land consolidation. • Assist individuals to gain control of leasing process and fund management. • Ensure accurate valuation and benefits analysis of natural resources. • Promote use of land and other natural resources to support business development, e.g., agriculturally related businesses. • Assist tribes in developing Tribal Inheritance Codes.
Institutional Assets	• Provide access to credit and capital by starting a community development financial institution (CDFI).
Human Capital	• Strengthen youth leadership. • Increase access to higher education.
Cultural Assets	• Protect cultural property rights. • Supporting culturally appropriate economic development.
Social Capital	• Help make the community a safe, healthy place to live by reducing crime and strengthening the bonds between community members.
Legal and Political Assets	• Assist tribes in passing Uniform Commercial Codes (UCC) and anti-predatory lending codes. • Use tribal sovereign status to require businesses to pay a living wage, offer benefits, and contribute to the local community.

As mentioned above, there are some unique considerations to take into account when implementing the above programs (especially if the impetus for such programs comes from outside the community). These include the following:

- ♦ Programs are more likely to succeed if the focus is on families, including extended families. Therefore, programs such as IDAs may be called "Family Development Accounts."
- ♦ Programs are more likely to succeed if the rhetoric around individual advancement, wealth building, and asset building is changed to reflect local cultures. For example, the term "family self sufficiency" may be used instead of "individual self sufficiency," individual "well-being" instead of "wealth building," and phrases like

"saving for the seventh generation" might be appropriate. In addition, the connection between individual well-being and family and community economic success must be made.

- The tribal government is the most important partner in this effort. The tribal government has a pre-existing infrastructure to implement many of these programs, but also is more likely to be an institution of trust in the local community. Developing a partnership with a local tribal council takes a great deal of time, but is a necessary pre-requisite for any work in Native communities.
- Local nonprofits are another source of local partners, and are often trusted institutions in the local community.
- Special allowance must be made for the unique circumstances in Native communities, especially the presence of trust land and the role of the BIA bureaucracy in limiting business development. Unique programs must be developed to address these issues that are at the root of many of the problems in rural reservation based Native communities. It must be understood that homeownership programs face unique challenges in Native communities.

B. Workforce Development in Native Communities

As described in the Annie E. Casey Foundation paper, "Family Economic Success: A Framework for *Making Connections,*" workforce strategies much connect people to jobs that pay family supporting wages and provide opportunities for advancement. Childcare, health care, and transportation must be addressed. The following are provided as examples of effective workforce strategies:

- Multiple options for residents are offered to pursue career advancement – volunteering, part time jobs, transitional jobs, basic skills/ESL, skills training, advancement, and post placement supports.
- Anchor institutions (hospital or university) are identified and small businesses are created to serve the institution.

A workforce development strategy in Native communities would have many similar components. However, a significant difference can be found in the tools available to tribes to implement workforce development. The tribal government is in a unique position to assist in job creation. In fact, the tribal government is often one of the largest employers in many rural reservation based communities, and in some cases functions as the "anchor institution" mentioned above. However, with opportunity comes responsibility, and some tribal governments have struggled to make the best use of their resources without promoting a system of patronage and corruption. Most tribal governments have been successful in providing living wage jobs for tribal members that offer career ladders and reward higher education. Tribes have the opportunity to ensure that their own jobs offer reasonable benefits, including childcare and healthcare.

Tribes also have a unique opportunity to use their sovereign status to ensure that other businesses on the reservation also pay a living wage, provide reasonable benefits, and offer career ladders. At the same time, tribal governments struggle with the same issue that all small local governments do, and have to be careful when attracting businesses to provide enough incentives for businesses to agree to move into the community. Just like any other local government, the tribal government must adapt a tax and regulation structure that does not differ too significantly from surrounding communities if they are going to compete for private sector business, and this is even more of a challenge in this era of globalization. One potential incentive tribes can offer entrepreneurs, especially tribal members, is an ability to avoid state and in some case federal taxation, which translates into significant differences in profits.

In 1992, the Harvard Project on American Indian Economic Development issued a report that identified three keys to economic development: 1) tribal sovereignty – tribes make their own decisions regarding approaches and resources; 2) culture – tribal decisions are consistent with tribal culture; and 3) institutions – decisions regarding businesses are separated from decisions regarding tribal governance.[14] One of their main conclusions was the need for a separate and independent judiciary to provide a legal context for resolving business disputes and mediating conflicts. This must be developed in tandem with a legal code clearly outlining business responsibilities and rights, ideally a Uniform Commercial Code (UCC) or something similar. Harvard's subsequent research has shown this to be an important part of nation building and supporting the private business sector on reservations. While this paper is not the place to cover this issue in detail, we agree with this general recommendation for business development and workforce development in rural Native communities.

Using First Nation's asset topography, the following table outlines a range of programs that could contribute to poverty alleviation in Native communities through workforce development strategies. All of these programs are interrelated with *family economic supports* and *community investment*, a point that we will return to later. Indeed, some of the same strategies are found in this table that were identified in the previous table.

[14] Jorgensen & Taylor, 2000.

Asset	Strategies for Workforce Development
Financial Assets	• Tribal governments provide jobs with a living wage. • Use tribal sovereign status to require businesses to pay a living wage, offer benefits, and contribute to the local community.
Institutional Assets	• Provide access to credit and capital by starting a community development financial institution (CDFI).
Human Capital	• Increase access to higher education.
Social Capital	• Help make the community a safe, healthy place to live in and start a small business in by reducing crime and strengthening the bonds between community members.
Legal and Political Assets	• Strengthen the judiciary to assure businesses that the community is a safe place to do business. • Assist tribes in passing Uniform Commercial Codes (UCC). • Use tribal sovereign status to require businesses to pay a living wage, offer benefits, and contribute to the local community.

C. Community Investment in Native Communities

The Annie E. Casey Foundation's Family Economic Success Framework defines community investment as including housing, business, and facilities development. According to the Annie E. Casey Foundation paper, "Family Economic Success: A Framework for *Making Connections,*" effective community investment strategies include:

- ♦ Supporting new retail developments that provide local employment opportunities and financial services.
- ♦ Investing in safety, schools, and model blocks.
- ♦ Collaboration with a variety of partners co-investing to create a more sizable impact.
- ♦ Build the capacity of neighborhood partners as planners, partners, and implementers.

A community investment strategy in Native communities would have many similar components. The previous section discussed opportunities for supporting small business development, including retail and financial service businesses. The importance of improving local schools, reducing crime, and improving the quality of life in the local community is obvious and the literature on social capital suggests all these investments lead to healthy, vibrant communities.

Given the unique history of tribes and the relative lack of a private sector, some additional strategies are recommended for community investment in Native communities. The private, nonprofit sector, a new phenomena in Native communities, represents an important part of civil society development in these communities. Over the past 20 years Native communities have witnessed a transition from a century of control by the federal government to more tribal self-governance and control, and this transition is still happening. In many ways, the economies of reservations can be compared to those of developing countries moving to unshackle themselves from the remnants of colonialism, or to countries in eastern Europe and the former Soviet Union struggling to change from a centrally planned and controlled economy to a more market driven approach with a newly emerging "third sector." While significant research has been conducted on the nonprofit sector and the emerging civil society in these countries and what it means for social service provision, economic development, and policy formulation, little such work has been done in Indian Country.

Nonprofits in Native communities across the nation are changing the dynamic in local communities and providing a private sector counterpart to tribal and federal governmental programs. In many communities, these nonprofits provide valuable services and may even administer some of the tribal government's social service programs.[15] In other cases, these nonprofits represent political and social justice organizations that have been successful in fighting the federal government for tribal rights (and example can be found in Native Action, a nonprofit on the Northern Cheyenne Indian Reservation). Tribes can support these nonprofits, and the civil society that they represent, in many ways. Tribes can provide funding to nonprofits, either through contracts for services rendered, or charitable contributions. More and more tribes are developing their own philanthropic foundations and funds, and tribes can invest in nonprofit and charitable causes in their own communities and other tribal communities in support of the tribal nonprofit sector.

Tribal governments can support the development of community development financial institutions (CDFIs), and other local institutions such as tribal colleges. By chartering such organizations through the tribal council, and providing organizational and financial support, tribes can create these institutions that represent a significant resource for local communities.

Using First Nation's asset topography, the following table outlines a range of programs that could contribute to poverty alleviation in Native communities through community investment strategies. All of these programs are interrelated with *family economic supports* and *workforce development*, a point that we will return to later. Indeed, some of the same strategies are found in this table that were identified in the previous table.

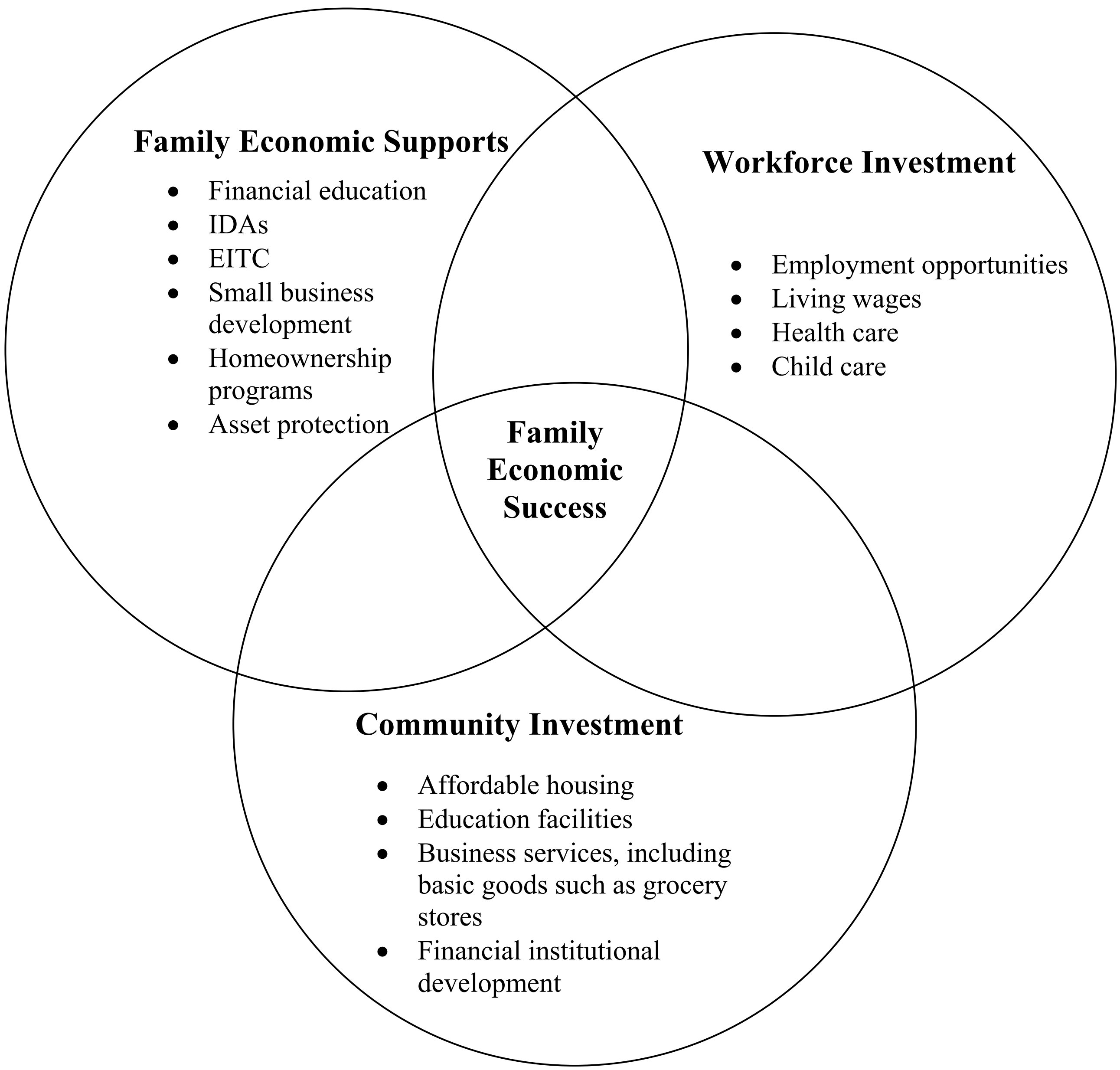
[15] For example, in Ignacio, Colorado, the Southern Ute Community Action Program (a 501(c)(3)) administers the Southern Ute Tribes' Indian Health Service programs.

Asset	Strategies for Community Investment
Financial Assets	• Provide entrepreneurship and small business development assistance. • Provide access to low cost tax preparation options such as VITA sites. • Provide access to credit and capital by starting a community development financial institution (CDFI).
Institutional Assets	• Provide access to credit and capital by starting a community development financial institution (CDFI). • Develop the Native nonprofit sector. • Develop philanthropic foundations and funds. • Support local educational institutions, such as tribal colleges.
Human Capital	• Strengthen youth leadership. • Increase access to higher education.
Cultural Assets	• Protect cultural property rights. • Supporting culturally appropriate economic development.
Social Capital	• Help make the community a safe, healthy place to live by reducing crime and strengthening the bonds between community members. • Develop the Native nonprofit sector.
Legal and Political Assets	• Assist tribes in passing Uniform Commercial Codes (UCC) and anti-predatory lending codes. • Use tribal sovereign status to require businesses to pay a living wage, offer benefits, and contribute to the local community. • Develop the Native nonprofit sector. • Strengthen Native American philanthropy.

D. An Integrated Approach

Only by integrating the strategies related to *family economic support, workforce investment,* and *community investment* will families find a sustainable, integrated ladder out of poverty. Figure 2 illustrates the interrelationship between these programs.

Figure 2: Interrelationships Between Strategies



Only by providing employment opportunities (*workforce investment*) will individuals and families have the income to save in an IDA, purchase a home, or save to start a small business (*family economic supports*). Only if the community offers an attractive, affordable housing stock and quality educational facilities (*community investments*) will people want to live in that community and start businesses there (*workforce investment*). Only when there are viable local financial institutions (*community investment*) will people have the chance to develop financial literacy, gain experience with money and credit, and have the opportunity to open a banking or savings account (*family economic supports*). Therefore, it is recommended that any strategy be integrated in nature and address these multiple avenues for community economic development.

VI. Conclusion

A Family Economic Success program in Native communities will have to be flexible, responsive to the local context, and reflect the desires and aspirations of community members. The solutions to poverty in these communities must be multi-dimensional, comprehensive, and innovative. The approaches to Family Economic Success in Native communities must be varied, and must reflect the unique cultural traditions, historical context, and institutional and legal opportunities present in each community. The Family Economic Success strategy outlined here provides a starting point for planning a poverty alleviation and asset building strategy that can both draw upon the work of Annie E. Casey to date, and also reflects the unique circumstances in rural reservation based Native communities.

Appendix A: Not a "Minority"

It is important to understand that American Indians have a history and a legal status that is different from any other racial minority group in America. Technically, Indians are not a "minority group," but rather are members of independent, sovereign tribal governments (although not all American Indian people are enrolled members of tribal nations). These sovereign tribal governments have a unique relationship with the federal government, one that is rooted in American history and federal Indian law. This relationship determines the rights of members of Indian tribes, and determines how the federal government can treat Native Americans as members of tribal governments.

As a member of an Indian tribe, American Indians are eligible to participate in certain programs sponsored by the federal governments, including programs designed to take care of the health, educational, and social service needs of tribal members. Individual tribal members may also own land that is held in trust by the federal government. In addition, tribal members can participate in tribal programs related to health, education, and homeownership. These programs are typically administered by the federal government, usually through the Bureau of Indian Affairs, which is located in the U.S. Department of the Interior. Historically, the BIA administered all trust funds for tribes, and all land and natural resource leases. The Indian Health Service (IHS), a federal program, administered all tribal health programs. More and more tribes are administering programs formerly controlled by the BIA and the IHS, including health programs, housing programs, and even in a few cases, trust funds.

While there is no single definition of "Indian," there are some legal definitions that determine who qualifies for such programs. Usually, tribes have criteria based on ancestry for determining who is a tribal member. The federal government also uses certain criteria, often based on ancestry and termed "blood quantum." Most tribes require a one-fourth to one-eighth blood quantum, or 1 out of 4 or 1 out of 8 relatives to be a full-blooded tribal member. Unfortunately, many tribal definitions of tribal members do not match the federal definition, and this sometimes leads to a confusing situation where an individual may be eligible for a tribal program but not a federal program, or vice-versa.[16] The U.S. Census goes with a "self-definition" approach – anyone who reports that they are Native American on the census is counted as Native American.

According to the treaties tribes signed with the federal government, Indian nations must be treated as independent, sovereign nations with a right to self-government. These treaties are the basis for federal Indian law, the set of legal rulings and legislative acts that determine the relationship between Indian tribes and the federal government. It has been said that the "subject of Indian rights is complex and terribly confusing. There are thousands of treaties, statutes, executive orders, court decisions, and agency rulings that play integral roles. Indian law is a subject unto itself, having few parallels."[17] As a subcommittee of the U.S. Senate noted in 1977:

[16] Pevar (2002).
[17] Pevar (1992).

> It is almost always a mistake to seek answers to Indian legal issues by making analogies to seemingly similar fields. General notions of civil rights law and public land law, for example, simply fail to resolve many questions relating to American Indian tribes and individuals. This extraordinary body of law and policy holds its own answers, which are often wholly unexpected to those unfamiliar with it.[18]

The U.S. constitution does provide some guidance for the relationship between the federal government and Indian tribes, but unfortunately it does not clearly protect the sovereign rights of tribes. Article I, Section 8, Clause 3 (often referred to as the Commerce Clause) states that "Congress shall have the power …to regulate commerce with foreign Nations, and among the several States, and with the Indian Tribes." This has been interpreted as giving Congress the right to regulate commerce on Indian reservations and commerce between tribes and states. The Commerce Clause, in addition to the doctrine of trust responsibility (see box inset), has been interpreted as giving Congress, and the federal government in the form of the Bureau of Indian Affairs, a great deal of power over Indian tribes and the ability to regulate and control the activities, rights, and obligations to Indian individuals. One thing is clear however: that tribes function as sovereign governments, and must be treated like states and/or local governments in all federal legislation. Tribes have continually struggled to ensure that all legislation that mentions states or local governments also provides equal treatment for tribal governments. To this day, debates continue about the nature of tribal sovereignty, the role of the federal government in regulating Indian affairs, and the rights and responsibilities of tribal members.

18 American Indian Policy Review Commission, 1977.

Appendix B: The Trust Responsibility

One of the most important legal concepts to emerge from historical treaties signed with Indian tribes is the doctrine of *trust responsibility*. The Supreme Court has ruled that the treaties entered into with the federal government create a legal relationship with the Indian tribes and the federal government must respect the sovereignty of the tribes and provide "food, services and clothing to the tribes." In exchange for taking Indian lands and restricting tribes to reservation lands set aside for their use, the federal government would be held under the "moral obligations of the highest responsibility and trust" to the tribes (see Seminole Nation vs. United States, 1942). This legal ruling that the government has a duty to keep its promises and act in the best interests of the tribes is termed "the doctrine of trust responsibility."

A 1977 report by the American Indian Policy Review Commission stated:

> The purpose behind the trust doctrine has been to ensure the survival and welfare of Indian tribes and people. This includes an obligation to provide those services required to protect and enhance Indian lands, resources, and self-government, and also includes those economic and social programs which are necessary to raise the standard of living and social well-being of the Indian people to a level comparable to the non-Indian society.

Many tribes benefit from the trust relationship with the federal government, and tribes that have a trust relationship with the federal government of the United States are eligible to participate in numerous programs related to health care, education, and housing.

However, while the doctrine of the trust responsibility may have claimed to manage tribal affairs for the best interests of tribes, this doctrine has in fact been applied in a paternalistic fashion over the past 200 years. This doctrine of the "trust responsibility" has affected American Indian tribes in two important ways:

- First, the trust responsibility promoted federal control of Indian assets, including land and natural resources. Congress, through legislation, has given federal agencies control of the majority of tribal land and natural resources over the past two centuries. Most natural resources such as coal, oil, and gas are held in trust by the federal government and managed for tribes. Although the original purported intention of the trust responsibility was to manage tribal resources for the best interests of the tribes, decades of federal mismanagement have actually led to lost resources and stolen funds. This is the origin of the land trusts, which are the source of a $137 billion lawsuit against the Department of the Interior.

- Second, the trust responsibility has led to decades of federal policies to "help" Native Americans assimilate into mainstream white society. These policies included forcing Indians to sell their tribal land to acquire cash, forcing Indians to adopt western farming techniques, and removing Indian children from their families to attend schools designed to assimilate them into mainstream society. Nearly two centuries of such policies have tried to force Native Americans to accept western models of property ownership, promote private property ownership instead of collective, tribal property ownership, and have attempted to erode the cultural traditions that formed tribal communities and societies. It is these policies that are often referred to as the genocidal policies of the United States government, given the profound negative influence they have had on Native people and communities.

Appendix C: Land Tenure Issues and Native Americans

History: The Dawes Act of 1887

Current problems related to land in Native communities have long historical roots. In the early1800s, Native tribes had already lost a significant amount of traditional territory as they were relocated to reservations or had their traditional land areas reduced through sale to white-owned business and agricultural interests. The loss of land was greatly accelerated, however, in the late 1800s with the passage of the *General Allotment Act*, also know as the *Dawes Act*.[19] This piece of legislation, passed by Congress in 1887, was disastrous for tribes and severely reduced their land holdings.

The official purpose of the *Dawes Act* was to encourage tribal members to adopt a sedentary agricultural lifestyle and to force Indians to assimilate into white society.[20] Another unstated purpose was to break up tribal governments, abolish Indian reservations, promote individual Indian ownership of land (instead of traditional collective tribal ownership), and allow white settlers and private business interests increased access to land and other Native natural assets.[21] This was to be accomplished by dividing existing reservations – already diminished by treaties and settlement – into individual Indian allotments of between 80 to 160 acres. Many Indians were given meager farming tools and encouraged to start western farming practices by Indian Agents dedicated to "civilizing" the Native population. Surplus land not allotted to Indians was typically sold to white farmers and ranchers. This resulted in a massive land transfer from Indians to white settlers over a short period of time. For example, in one year alone, 1891, Indian Commissioner Thomas Morgan sold off one seventh of all the Indian lands in the United States to white settlers, over 17,400,000 acres.[22]

Individual Indian allotments were initially to be held in trust for 25 years, during which time the State could not tax them nor could they be sold. This was to designed to protect individually owned Indian land, as individuals worked to gain economic self-sufficiency through farming. Even this protection, however, was short lived. *The Burke Act*, passed in 1890, allowed the Secretary of the Interior to remove allotments from trust before the time set by the *Dawes Act* to Indian allottees considered competent to manage their own affairs. After allotment lands were taken out of trust, they could be sold and, most importantly, taxed by the state. Many impoverished American Indians sold their allotments or lost them in foreclosures when they were unable to pay the State property taxes. In most instances, this land was quickly sold to local non-Indians, usually for below market value.[23]

The *Dawes Act* was devastating for tribes for many reasons. First, it significantly diminished tribal land holdings. For example, the Confederated Tribes of Umatilla Indian

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[19] 24 Stat. 388, as amended, 25 U.S.C. Secs. 331-58.
[20] See Tyler, S.L. (1973)
[21] Iverson, 1994 p. 30.
[22] Nabhan 1989.
[23] McDonnell, J. (1991)

Reservation in Oregon was reduced from 245,000 acres to 148,000 acres because of allotment. In 1897 and 1904, the United States Indian Bureau allotted the Uintah and Ouray reservation, and reservation and tribal land holdings fell from nearly 4 million acres to 360,000 acres. Overall, tribes lost a cumulative total of 90 million acres of tribal land in the United States between 1887 to 1934.[24] Allotment occurred most fully in the northern Plains region where farming and ranching interests were eager to gain access to Indian-controlled land.[25] Tribal ownership of land fell from 138 million acres in 1887 to 48 million acres by 1934. Allotment and the subsequent loss of land to non-Indians meant that tribes lost 80 percent of their land wealth, including the value of the associated resources, by the early twentieth century.[26] As of 1989, more than 50 percent of all formerly reservation land in the United States was owned by non-Indians.[27]

Some of the hemorrhaging of land was stopped in 1934 when John Collier became the new Commissioner of Indian Affairs. Upon assumption of office, Collier acted quickly to try to reform agricultural policy and guarantee a land base for future generations. As the allotment policy had turned Indians into "paupers" instead of making them responsible, self-sufficient farmers, and due to strong support for those previous policies, Collier presumed that legislation would be necessary to guarantee the land protections he sought. His extensive plan, known as the Wheeler-Howard bill, was introduced in Congress in 1934, and an amended version was legislated in June of that year. This legislation, also known as the *Indian Reorganization Act*, became the heart of the Indian New Deal.[28] The *Indian Reorganization Act* prohibited further allotment of reservation land and extended the trust periods for allotments remaining in trust. Remaining "surplus" land was returned to tribal ownership and held in trust. This policy had a positive impact for many tribes. By 1950, tribes had reacquired 4 million acres of previously alienated lands.[29] Table 1 provides an accounting of the Indian land held in trust for Indian tribes and individuals. As can be seen, tribes now own over 45 million acres of land that is being held in trust by the federal government. In addition, Indian individuals "own" over 10 million allotted acres, also held in trust.

"Checkerboarded" Reservations

A significant effect of the *Dawes Act* was the breakup of traditional collective tribal land holdings into many individual allotments. As a result, land was converted to hundreds of separate parcels. This had many negative implications. First, instead of the culturally appropriate collective, tribally owned land, the *Dawes Act* forced private property ownership upon tribal members. Second, the push to individual allotments resulted in a "checkerboard" pattern of ownership within the boundaries of many reservations, where Indian allotments were interspersed with non-Indian land plots. This checkerboard pattern of ownership has led to serious problems on many reservations to this day related

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[24] Kinney, J.P. (1975)
[25] Iverson, 1994., p. 30.
[26] O'Brien, 1989: 78.
[27] O'Brien, 1989: 216
[28] Hurt (1987), p. 178-79.
[29] Parker, L.S.. (1989)

to jurisdiction and tribal control of land. Without a unified land base, tribes have had difficulty creating economies of scale or implementing effective economic development strategies. Moreover, it has been an administrative nightmare for the BIA and tribes to keep tract of thousands of small land parcels.

Table 1: Reservation Land (Acres) by Region and Allotment status

Region	Tribal Trust	BIA Owned	Allotted	Total	Percent Allotted
Alaska	32	-	1,056,530	1,056,562	100.0%
Eastern	571,808	225,849	0	797,657	28.3%
Eastern Oklahoma	78,082	861	567,265	646,208	87.8%
Great Plains	2,888,420	4,580	3,043,910	5,936,910	51.3%
Midwest	1,348,723	429	142,455	1,491,607	9.6%
Navajo	15,476,731	139,581	709,623	16,325,935	4.3%
Northwest	3,956,493	33,532	874,128	4,864,153	18.0%
Pacific	405,133	68	62,852	468,053	13.4%
Rocky Mountain	3,580,748	95,109	2,903,580	6,579,437	44.1%
Southern Plains	43,387	25	414,280	457,692	90.5%
Southwest	4,599,100	138	65,339	4,664,577	1.4%
Western	12,317,926	135,651	272,853	12,726,430	2.1%
Total	45,266,583	635,823	10,112,815	56,015,221	18.1%

Source: Bureau of Indian Affairs - Realty Division - December 31, 1996; and Indian Land Working Group website

Land Held in Trust

Another major barrier is the fact that the land is held in trust for tribes and Indian individuals, with the Federal government, through the BIA, designated as the trustee. Because of this unique legal arrangement, with its roots in an 1830 legal ruling by the Supreme Court in which chief Justice Marshall described the relationship between Indian tribes and the federal government as one between "a ward and his guardian," tribes and Native people do not directly control Indian land. Instead, they are required to negotiate a labyrinthine maze of federal and BIA leasing and management regulations to use their own land. Furthermore, they have been cheated out of collection of revenues on this land.

Today, there are over 11 million acres of land held in trust for over 387,000 individual beneficiaries in the Individual Indian Monies (IIM) system. More than $300 million dollars are earned annually from agricultural and oil leases, mining and water rights, rights-of-way and timber sales, and are collected by the BIA for distribution to owners. In addition to Individual Indian Monies are some 2000 Tribal Trust Accounts, which include per capita annual payments and compensation for rights-of-way and court settlements, which total $2.3 billion. All trusts managed by the Department of the Interior include about $3 billion in Individual Indian Monies trust funds, about 54 million acres of land, and numerous oil, gas, coal, timber, and other natural resource leases.[30]

[30] General Accounting Office, 2003, p. 14.

Unfortunately, these trusts have been severely mismanaged by the federal government. In 2003, the General Accounting Office stated:

> Management of Indian trust funds and assets has long been plagued by inadequate financial management, such as poor accounting and information systems; untrained and inexperienced staff; backlogs in appraisals, determinations of ownership, and record-keeping; the lack of a master lease file or accounts receivable system; inadequate written policies and procedures; and poor internal controls. As a result, account holders have no assurance that their account balances are accurate or that the trust assets are managed properly. [31]

In 1996, the Native American Rights Fund and Eloise Cobell, a treasurer for the Blackfeet tribe, sued the federal government as part of a class action lawsuit for mismanagement of the trust funds. The goals of the case were two-fold: to force the government to account for the money it owed her for her individual allotment, and to bring reform to the federal government's management of the trust funds.[32] In 1999, Judge Royce C. Lamberth ruled that the government was in breach of its fiduciary role as a trustee for the Indian accounts. He ordered the program, including 12,000 backlogged probate cases, to be placed under his jurisdiction for five years so that he could ensure that the Department of Interior complied with his orders. In the spring of 2001, the Department of the Interior set up a division called the Office of Historical Trust Accounting. This office issued a report in July 2002 that stated that it would cost $2.4 billion to do an effective audit on the trust funds, and even this may not produce a usable result.[33] In January 2003, the lawyers representing Eloise Cobell submitted a historical analysis of the trust fund that revealed that nearly $137.2 billion dollars may have been stolen, lost, or misallocated since the passage of the General Allotment Act.[34] Litigation in this case is ongoing.

Land Fractionation

"Land was divided and divided again," says Norman Cambridge, a Navajo who has spend years researching American Indian land titles and other records. "I've seen cases where the land became so small that people literally owned 1 millionth of an acre. Most are a thousandth or ten-thousandth of an acre. Some Indians own less than a square foot of land."

Del Le Compte, a member of the Standing Rock Sioux Tribe in North Dakota, relates how his own father left 160 acres to his wife and four children. Because his father died without a will, his mother was probated one third of the land while each child received one-sixth of the 160 acres. "Then my sister died and each of her 10 children got an interest in her share, Le Compte explains. Now, there are 26 of us who own part of the original 160 acres. It's become like a parking lot. Each of us can't do anything with it."

-from the Indian Land Tenure Foundation

Fractionated Heirship

After the *Dawes Act* of 1887, Individual Indian allotments were to be "held in trust" for individual Indians by the federal government. For the allotments that were not sold or encumbered, the land was partitioned among the heirs upon the original allottee's death, or sold and the money divided. This aspect of the allotment policy, in particular, has been

[31] General Accounting Office, 2003, p. 14.
[32] Native American Rights Fund, n.d.
[33] Brinkley, J. The New York Times Jan 7, 2003.
[34] Brinkley, J. The New York Times Jan 7, 2003.

extremely disruptive to Native land ownership patterns. It has resulted in highly fractionated heirship, where dozens or even hundreds of heirs to the original allottee own partial interests in a single 160-acre allotment. In many cases, to further compound the problem, years of government mismanagement of these land trust accounts has led to great confusion over who owns what parcels of land. The parcels of land were supposed to be managed for individuals and their heirs, but these parcels of land have become highly fractionated with each generation. Today, some original allotments have are owned by over 300 people, rendering the land useless for homesteading or development. In addition, mismanagement by the federal government had resulted in lost records pertaining to land ownership, so many tribal members have no record of the land they rightfully own.

Banks Won't Loan Money for Homes or Businesses on Trust Land

In 2001, the Community Development Financial Institution (CDFI) Fund of the U.S. Treasury Department released the Native American Lending Study. In this study, they document several barriers to accessing capital on Indian land. One of the most significant barriers was the limited use of trust land as collateral. Research suggests that financing home mortgages and business loans presents a major challenge, since most Indian Lands and Hawaiian Home Lands are held in trust by federal or state governments and cannot be sold or encumbered by a mortgage lien, except as authorized by the Secretary of the Interior or other appropriate state official. Banks are often wary to make loans for homes on trust land. As a result, many Native people who technically own land cannot use it as collateral to start a small business or purchase a home.

Unique Barriers Related to Trust Land: Challenges to Homeownership and Small Business Development

Native Americans are indeed land rich, with both many tribes and many Native individuals technically owning land. Yet there are many barriers that stop individuals and tribes from using this land for home construction or small business development (*See also Case Study: Confederated Tribes of Umatilla Indian Reservation, Oregon*). Barriers to use of land are the following:

1. The bureaucracy related to BIA leasing makes it difficult for individuals to use land for housing and small business development.
2. Fractionation of the land among numerous heirs makes it difficult to use land.
3. Problems related to probate and record keeping by the BIA can make it difficult to determine ownership and then gain permission for use.
4. Checkerboarded land plots can make it difficult to find large plots of continuous land for commercial use.
5. Land held in trust by the federal government cannot be used as collateral for a loan because of lack of ability to enforce foreclosure.

6. Banks are hesitant to lend money for homes on trust land because of lack of knowledge of trust land and perceived inability to enforce foreclosure.

Land Issue in Alaska

In 1790, there were an estimated 74,000 Alaska Natives living in the ceded territory. By 1867, this number had dropped to 35,000 as a result of disease, starvation, and hardship. The 1867 Treaty of Cession, which transferred Alaska from Russian to American control, said little concerning the citizenship status of Alaska Natives and nothing at all about their property rights. Thus, from the beginning of American occupancy of Alaska, the status of the Natives concerning both land tenure and citizenship was ambiguous. Alaska Natives could not own land because they were not considered "citizens" and they could not be considered citizens until they were "civilized," yet no criteria for what determined "civilized" were delineated. A significant aspect of federal relations with the Alaska Natives is that there were no treaties signed with them, which has been the basis of official interaction between the U.S. government and Americans Indians in the contiguous 48 states. Because Alaska has never been declared "Indian Country,"[35] it was excluded from federal laws or executive actions applicable to tribes living on territory that met this legal definition.

In 1906, the *Alaska Native Allotment Act* was introduced into Congress. This act allocated land to Alaska Natives in a manner similar to the *General Allotment Act*. The Act provided authority for the Secretary of the Interior: "to allot not to exceed 160 acres of vacant, unappropriated, and unreserved nonmineral land in Alaska…to any Indian, Aleut, or Eskimo of full or mixed blood who resides in and is the head of a family, or is twenty-one years of age."[36] In 1936, Alaska Natives were brought under the provisions of the *Indian Reorganization Act*, however the majority of tribes rejected the establishment of a reservation system. In The *Alaska Native Claims Settlement Act* (ANCSA) of 1971,[37] Congress awarded Alaska Natives clear title to 40 million acres of land, $462.5 million dollars, and 2 percent royalty on mineral development on state and federal lands. The act authorized the land distribution among 12 Native corporations that would allocate acreage to eligible villages.

Alaska Native rights to wild game, fish, and other species, in addition to the same right for early settlers, was officially recognized as far back as 1925.[38] This inclusive definition

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[35] "Indian Country" is a legal term that refers to all the land under the supervision of the U.S. government that has been set aside primarily for the use of Indians. "Indian Country" is defined in a federal criminal statue, Title 18, U.S. Code, Sec 1151. The U.S. Supreme Court ruled in 1998 that lands held by Native entities under the terms of the Alaska Native Claims Settlement Act (ANCSA) are not technically "Indian Country."

[36] Act of May 17, 1906, 34 Stat. 197, repealed in the Alaska Native Claims Settlement Act, P.L. 92-203, Sec. 18, 43 U.S.C. Sec. 1617 (1971) (ANSCA).

[37] Pub. L. No. 92-203, 85 Stat. 688, codified as amended at 43 U.S.C. 1601-1629.

[38] Believed to provide for most subsistence hunting during territorial days, the Alaska Game Law stated that, "… any Indian or Eskimo, prospector, or traveler [can] take animals, birds, or game fishes during the closed season when he is need of food.

of the right, currently applied to "rural" residents, is in large part responsible for the ongoing debate about who can and cannot subsistence hunt and has drastically impeded the development of a sound and just policy about wild food resources. While there is legal recognition of customary and traditional harvest practices and uses in rural areas, attempts to accommodate multiple and conflicting demands have resulted in inordinate pressures on resources that threaten their continued health, including the health of rural Alaska Natives.

Due to protracted debate and litigation, the Alaska Boards of Fisheries and Game and the Federal Subsistence Board have created subsistence regulations designed to provide opportunity for the continued harvest of the rural food supply, and rural residents have a legally protected opportunity to fish and hunt to feed families following long-term customs and traditions.[39]

As in the "lower 48," the state has attempted to separate Alaska Native communities into "individual" hunters and regulate them as all other rural citizens. This concept, of course, flies in the face of the entire fabric of cooperative and communal societies and fails to address the unique nature of Alaska Native communities. Failure to protect the rights of "communities," not individuals, to traditional harvests would sever their ties to relatives, neighbors, community, and culture.[40] State of Alaska policy has also consistently ignored the importance of subsistence in the state economy and failed to elevate the issue to a status that would allow consideration of subsistence and subsistence rights in state land planning. The best economic and social policy would seek to recognize subsistence as a major sector of the state's rural economy, and seek paths of regional development compatible with high, sustainable wild resource extraction.[41]

[39] Alaska Department of Fish and Game, Division of Subsistence, 2000, p. 4.
[40] Wolfe, 1996, p. 4.
[41] Wolfe & Walker, 1987, p. 69.

Appendix D: First Nations' Asset Topology

ASSET	FACTORS AFFECTING CONTROL	STRATEGIES TO ADDRESS TRIBAL CONTROL
Financial Assets *Savings* *Trust Funds* *Taxation* *Investment Vehicles*	• Few economic resources to generate assets. • Limited management expertise of financial assets at both tribal/ individual level. • Few institutional assets (to hold financial assets). • Limited information about investment strategies. • Policy exclusions/ restrictions from using certain investment types (e.g. taxation and bonding). • Federal mismanagement of tribal and individual finances.	• Increase educational resources and outreach regarding savings management and investment tools. • Create financial intermediaries and small businesses that can "capture" and "recycle" financial assets. • Promote public policies that: - Promote savings among the poor. - Remove restrictions governing tribal investment vehicles (e.g. taxation, bonding authority). - Ensure subsidy programs that support tribal needs. - Place management control at the community level.
Physical Assets *Tribal utilities* *Telecommunication systems* *Housing* *Physical infrastructure (water and sewer)* *Transportation systems*	• Issue of individual affordability. • Limited access to alternative technologies and innovations. • Inadequate information regarding industries. • Lack of alternative financing sources. • Limited access to manage certain resources (e.g. FCC restrictions). • Lack of "hardware" infrastructure on which to base systems. • Limited tribal organizations/mechanisms to assume control (e.g. utility, transportation authorities).	• Increase access to alternative financing sources. • Promote public policies that: - Seek removal of restrictions on tribal ability to leverage funds (bonds/taxation). - Ensure government subsidy programs address tribal needs (e.g. utility/telephone access). - Support integration of federal financing resources. - Adopt "appropriate" technologies and technological innovation. - Create tribally controlled utility, transportation, and telecommunication companies.
Natural Capital *Land* *Energy Resources* *Minerals* *Forests* *Agriculture* *Natural Habitat* *Water* *Aquaculture* *Wildlife*	• Small or little land base. • Poor, submarginal land. • Federal interpretation as "trustee" resulting in mismanagement of resources and excess oversight. • Low valuation for resources. • Few value-added enterprises. • Limited management expertise. • Limited access to alternative financial resources.	• Establish resource processing facilities/ enterprises. • Build tribal land and resource management capacity. • Build tribal planning capacity. • Secure passage of tribal inheritance, probate, land use codes. • Purchase land. • Seek structural reformation of trust fund and land management system that returns resources/land management to tribe. • Enter co-management agreements.

ASSET	FACTORS AFFECTING CONTROL	STRATEGIES TO ADDRESS TRIBAL CONTROL
Cultural Assets *Patents and Trademarks* *Cultural Tourism* *Sacred Sites* *Language Preservation/Retention* *Oral History*	• Limited information about patents and trademarks. • Tourism is infrastructure intensive. • Locational constraints. • Potential cultural conflict. • Limited available capital to develop resources.	• Increase education and information. • Pass tribal laws to protect and maintain sites. • Enhance technical capacity to market reservation and Indian products. • Increase access to alternative financing sources. • Develop cultural curricula.
Institutional Assets *Small Business Development* *Tribal Enterprises* *Philanthropic Institutions* *Community-based nonprofit organizations*	• Lack of access to financing. • Limited technical expertise. • Lack of information. • Limited tribal legal infrastructure. • Piecemeal, fragmented federal programs. • Uncertain legal and tax status of tribal nonprofits and philanthropic entities.	• Diversify funding base. • Pass tribal laws to support sector development. • Build organizational/management expertise. • Seek removal of restrictions on tribal investment, tax, bond ability.
Human Capital *Entrepreneurship* *Youth Development* *Leadership Development* *Educational Systems* *Training Systems*	• Limited availability of capital. • Limited technical expertise. • Piecemeal and fragmented federal approach. • Lack of institutions to focus community's energy and resources (e.g. small businesses, nonprofits etc.).	• Expand training and educational opportunities. • Create culturally appropriate curricula on multiple topics. • Secure tribal participation in educational system through boards, associations, etc.
Social Capital *Leadership Development* *Community Participation* *Community Empowerment* *Community Networks*	• History of federal dependency. • Breakdown of traditional social systems. • Isolated rural communities. • Conflicts with dominant society.	• Rebuild family structures through enhanced social support networks. • Build coalitions/networks within communities. • Create community-based nonprofit organizations for collective action. • Participate in outside events/meetings/organizations.

ASSET	FACTORS AFFECTING CONTROL	STRATEGIES TO ADDRESS TRIBAL CONTROL
Legal Capital *Legal Rights to access other assets* *Legal Rights to exploit market niches*	• Limited financial resources to bring legal cases forward. • Legislative restrictions. • Legal precedents and broken promises.	• Seek legislative solutions that the courts must uphold. • Develop legal training programs.
Political Capital *Sovereign Status* *Tax immunity*	• Legal decisions restricting sovereign authority. • Lack of information, e.g. 7871. • Congressional plenary authority that gives Congress ultimate authority.	• Embark on Congressional education campaign. • Advocate for public policies that: affirm tribal sovereignty, and the ability to exercise it. • Place tribes on equal footing with other governments. • Increase training for leadership/negotiation skills.

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