

CSD Policy Report

Asset-Building in Tribal Communities: Generating Native Discussion and Practical Approaches

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Center for Social Development



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George Warren Brown School of Social Work

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“Assets...are not simply resources that people use in building livelihoods: they...give them the capability to be and to act.” -Anthony Bebbington¹

“People think and behave differently when they are accumulating assets, and the world responds to them differently.” -Michael Sherraden²

“To empower people to strengthen their political voice, we need to help them gain access to the sources of power in any society. Typically these include assets such as skills that are marketable, economic resources, and social supports. This is essential if we are to make a difference.” -Geeta Rao Gupta³

“Development consists of the removal of various types of ‘unfreedoms’ that leave people with little choice and little opportunity of exercising their reasoned agency. The removal of substantial ‘unfreedoms’... is constitutive of development” -Amartya Sen⁴

Introduction to Asset-Building Policies

Asset-building policies, on the whole, seek to encourage and assist individuals, families, and communities to build economic security by fostering the accumulation of wealth. Building assets has traditionally been a mainstay of national strategies for economic growth in the United States. However, most existing asset-building policies do little to foster accumulation of wealth for individuals and families who do not already have financial wealth or pay significant taxes.

American Indians, and other low-income groups, have not benefited from key historic asset-building programs in the United States.⁵ As Dr. Michael Sherraden (1991)⁶ points out, historically, the major U.S. asset-building programs are: (a) the Homestead Act of 1862;⁷ (b) the G. I. Bill, or the Servicemen's Readjustment Act of 1944;⁸ and (c) the creation of a 30-year mortgage product, to subsidize new home construction. Sherraden (1991) and Ray Boshara (2001) note that these programs target people in middle- and upper-income brackets, allowing individuals and families with resources to increase their assets, sometimes dramatically so.⁹

A more recent example of asset-building policy is Individual Development Accounts. As a concept, asset-building policy as matched savings accounts, such as Individual Development Accounts (IDAs), is only about 10 years old.¹⁰ In Sherraden's original conception, asset-building policies would be universal—each child receiving an asset account at birth. But, during the 1990s, some distortion occurred in the design and implementation of these policies; IDA programs, including those resulting from policy initiatives, were designed as “demonstrations” both because of the newness of the idea and the related lack of substantial funding commitment on the part of state and federal

governments.¹¹ Also, there were some initial concerns that the poor could not save, might not contribute to their children's accounts, or might divert resources that were intended for their children, toward other purposes.

More than 500 matched savings account programs are now operating at the community level in all 50 states, serving over 20,000 low-income individuals, and perhaps as many families, throughout the country. Additionally, there are 24 state-supported IDA programs being implemented, out of IDA legislation in 35 states, and additional programs initiated by administrative rule-making.¹² Included in these numbers are a small (but growing) group of IDA programs that serve American Indians and Alaska Natives, some of which are run by tribal governments, and some by tribal non-profit entities.

State-supported IDA programs, generally administered through partnering non-profit organizations, serve a modest number of families and individuals who are determined eligible because their income falls at or below 150 to 200 percent of the federal poverty line (income eligibility guidelines vary by program – the other most common income cap is 50 to 80 percent of the area median income of the targeted population). Most IDA program participants are required to identify a savings goal, participate in financial literacy training, and save a minimum amount in their IDA on a regular basis, most often monthly (again, this requirement and attendant amounts vary by program). Participant savings are generally matched at a rate of 1 to 4 dollars for every dollar the participant saves, up to a specified savings cap. After savings goals are met, participants may only withdraw savings for specified uses, the three most common of which are homeownership, starting or investing in a business, or higher education.¹³

Besides the fact that IDAs are being instituted differently from their original theoretical conception, there has also been little discussion about the social inclusiveness (or lack thereof) of these policies and the related program implementation. Research has shown that a variety of barriers exist to the development of typically designed IDA programs in American Indian communities.¹⁴ Also, most federal and state asset-building policies do not give tribal governments the authority to directly administer, or receive funds for, IDA programs. Even in the minority of cases where tribes can directly access funding, program rules and requirements are often seen as problematic.¹⁵

The lack of tribal participation in developing asset-building policies and programs may be a bigger problem than that of American Indians being disproportionately unable to benefit from the major historic asset-building policies.¹⁶ The lack of input in policy development has rendered tribal communities largely unable to directly access the \$125 million Assets for Independence Act five-year demonstration project.¹⁷ Increasingly, federal policy and funding streams are being directed toward asset-building programs, mostly in the form of “individual asset accounts.” The accumulation of individual assets and wealth is an ever-increasingly popular policy goal. Consider President George Bush’s recent proposals to address the viability of the Social Security program through the development of individual asset accounts.¹⁸ Individual Retirement Accounts (IRAs), 401(k)s, 403(b)s, Roth IRAs, Earned Income Tax Credits (EITC), College Savings Plan accounts, Medical Savings Accounts, and Lifetime Savings Accounts (proposed) are also illustrative of this policy trend toward tax incentivized savings schemes. The growing focus on individual assets and wealth will likely be problematic for many population groups, who are poor or have low-incomes, including American Indians, people with

disabilities, urban blacks, refugees, and immigrant groups, who, besides paying disproportionately smaller amounts of taxes, may view at least some types of assets as community holdings, and therefore need asset-building strategies that also foster building the asset bases of whole communities.

There is an urgent need to further explore the nascent concept of asset-building in American Indian communities and to determine the appropriateness of mainstream asset-building policies for tribal communities.¹⁹ Tribes must weigh in on the asset-building policy debate and determine an approach (or a concert of approaches), and framework, that would work effectively in tribal communities. Little research has been done to examine this question.²⁰ To date, few tribes and tribal organizations have thoroughly discussed the mainstream asset-building approaches mentioned above, whether or not they are appropriate for tribal communities, and how, because of unique tribal environments, conditions, and circumstances, asset-building strategies might best work in an American Indian cultural context.

This paper attempts to create a forum for discovering the appropriate questions related to these issues, including questions that might spark a related and much needed research agenda on this topic, and provide new information for a tribal discussion about (a) the appropriateness of mainstream asset-building approaches in Indian communities; (b) a framework for a unique approach to asset-building in Indian communities; and (c) the application of such an asset-building approach in Indian communities.

We begin by presenting a brief summary of some important economic and social concepts related to asset building. Then we will pose some questions around the appropriateness of the application of mainstream asset-building approaches to tribal

communities. Finally, we explore current tribal models of asset building and present a framework that summarizes the key aspects of these models. From these models, we draw recommendations for policy, practice and research. The conclusion discusses the importance of tribal sovereignty as the foundation for Native asset-building approaches.

Conceptualizing the Road Map: Where Do We Start, and Where Are We Going?

Building assets moves beyond the daily struggle for survival, or attempts to reduce poverty.²¹ Although income maintenance, creation of jobs and income, and poverty reduction are important ends in themselves, and ones that are desperately needed in tribal communities, building assets is compatible with these ends, and has been shown to increase the power of “agency,” or “self-determination,” in individuals, collectives, and ultimately communities.²² Key to the concept of self-determination is the ability to act out one’s will, creating choices and options.²³

Regressive federal asset-building policies and practices,²⁴ those designed to serve current asset-holders, have produced significant, long-standing, and growing disparities in wealth accumulation between the groups with various income levels that make up the United States population. This trend makes the prospect of building assets problematic and slow-going for those in lower income tiers. Since building assets typically demands an incremental approach, time is a critical factor. As policies are analyzed and shaped to reduce historical disparities that favor building the assets of upper and middle class individuals and families,²⁵ inequities continue to erode within the present generation. Building assets over time has been proven to better ensure an exponentially higher

quality of life for next and future generations.²⁶ Over generations, as transfers from one family or community member to the next accrue, cumulative positive effects of building assets are increased.

It is unlikely that a single asset-building strategy or mechanism is universally appropriate or effective. Rather, creating a fabric of efforts, a weaving together of multifaceted interventions, within a flexible universal policy framework, is called for. To accomplish this task we must thoughtfully examine and attempt to understand the power that assets hold for tribes and tribal citizens and create policies that facilitate creative approaches to building assets, creating “wealth” for tribal citizens in a culturally appropriate way. We must support the construction of an overarching asset-building policy that includes a policy framework flexible enough to accommodate diverse culturally-based asset-building approaches and layered strategies.

A broad tribal outreach effort may be one way to begin this exploratory task. Comprehensive Federal outreach to tribes will make policy and programming efforts in asset-building more accessible, and afford tribes the tools necessary to use their unique cultural contexts to develop appropriate asset-building programs. Tribes, in turn, will need to develop the necessary tools for inviting community dialogue, decision-making and planning around building assets. Tribal, community-driven, approaches will produce culturally-appropriate efforts at initiating individual, collective, and community asset-building strategies; creating a more stable foundation for success.

Key Concepts: How We Get There

Previous work, supported by the Ford Foundation, is useful in explaining some of the key concepts related to asset-building. Like the Ford Foundation, we choose to define assets as “a broad array of resources that enable people and communities to exert control over their lives and to participate in their societies in meaningful and effective ways.”²⁷

The desired outcome of asset-building strategies is to develop “resources—assets—that individuals, organizations, or communities can acquire, develop, improve, or transfer across generations.”²⁸ The Ford Foundation distinguishes four categories of assets:

- (a) **Financial holdings**, such as savings, equity in a business, homeownership, revenues from trust land and natural resources, and Individual Indian Monies;
- (b) **Natural resources**, such as timber, wildlife, land, and livestock, that provide aspects of a sustainable livelihood and are often of substantial cultural value;
- (c) **Interpersonal resources**, such as social bonds and community relations that form the social capital and civic culture of a community, giving individuals security and support; specialized knowledge of food, medicine, hunting, fishing, craft-making, and other traditions, stories, and Native languages may also be included here; and
- (d) **Human assets**, such as marketable skills and job experience that allow people to find employment that pays a sufficient wage, as well as comprehensive health care, education, and basic adult living skills.²⁹

First Nations Development Institute, a national Native non-profit organization committed to helping tribes, Native communities, and individuals identify and control their assets, and building the capacity to direct their economic futures, distinguishes four

categories beyond Ford's initial four assets:³⁰

- (a) **Physical assets**, or the physical infrastructure within tribal communities, including transportation, utilities, and technological systems;
- (b) **Institutional assets**, or the institutions and organizations within a community, like financial intermediaries, nonprofit organizations, tribal community colleges, and philanthropic institutions;
- (c) **Cultural assets**, such as the customs, traditions, language and indigenous knowledge of Native communities;³¹ and
- (d) **Legal and political assets**, or the legal rights and claims that a Native community may possess, including their sovereign status, tax immunity, and authority to make decisions.

Communities may use a variety of strategies, mechanisms, and institutions to build assets. From a strengths-based perspective, we suggest initially approaching the building of assets with an assessment of existing assets and capacities. The determined endowment will be the cornerstone of the development process, the foundation upon which to develop existing assets, and build additional assets.

Assets built for the long-term are not meant to be quickly consumed, but are “stock that endures and can be used in many ways to generate economic, psychological, and social benefits that foster resilience and social mobility.”³² With a shift in focus away from immediate consumption and toward building an enduring asset base, three types of tangible outcomes of asset building become clear.³³ The Ford Foundation differentiates these three “asset-effects:”

- (a) **Economic benefits.** Assets can provide a cushion, increasing household stability and giving individuals and families the capacity to address changes, like the loss of a job or household income, caused by business cycles, restructuring, or family crisis. Accumulating assets also has an additive effect – it helps to build other assets and provides the opportunity to transfer assets to later generations, giving the next generation a better initial endowment to start from.
- (b) **Psychological benefits.** Ford cites Sherraden’s (1991) explanation, “Assets are hope in concrete form.”³⁴ Assets “provide a sense of security, control, confidence, and a belief that one can take advantage of opportunities. They can provide an incentive to reduce risky behavior. Assets engender a desire and ability to look toward the future, make plans, and take an interest in additional steps toward independence. Assets support action on behalf of oneself and the next generation.”³⁵
- (c) **Social benefits.** Assets can increase the commitment of individuals, families, and groups to one another and their community as a whole. Assets have the potential to increase shared vision and community action. Sharing individual assets and building community assets leads to a broader, increased sense of well-being and quality of life. Ultimately, assets create stronger families and communities for future generations.³⁶

The second and third asset-effects, the psychological and social benefits, are at least as important as economic benefits. Tribal communities have learned from experience that, as important as financial resources are, money alone cannot combat the socioeconomic problems that plague their communities. Social, psychological, and

institutional environments are also important components to improving the quality of life in Indian Country.

The benefits of asset-building are directly related to the multiple layers of asset-building strategies, from building individual assets to familial or clan assets to community wide assets. The asset effects follow a similar path, with each strategy and its effects influencing and mutually reinforcing complementary strategies. For example, a southern Arizona tribe's community action program has recently begun practicing some traditional agricultural customs. In addition to contributing to the local economy, these practices have bonded community members together and helped them, as individuals and a community, to gain more knowledge about their ancestors' way of life. Further, reinstating some of the practices has served to newly energize ceremonial life; a ceremony related to agricultural traditions, which had not been practiced for over 30 years, was recently brought back into practice, provoking both individual and communal feelings of cultural pride.

Although policymakers have recognized the value of building assets for some time, increasing attention is being devoted to an understanding of the effects of asset building. More concentrated policymaking efforts are surfacing toward developing policies with dedicated funding streams that better facilitate community-driven asset-building efforts. This promising movement has been charted by communities, supported by scholarly work, and largely funded by private philanthropic entities. However, as illustrated by the support afforded the undertaking of this project, government agencies are also taking an interest in asset building on a larger scale, and seeking to determine the appropriate role of government in supporting asset-building efforts.

Moreover, recent social, economic and political trends have increased the potential yield of asset building,³⁷ making it a more promising policy course than ever before. In short, new balances of power are being struck in the world today. The devolution of federal authority to more local levels of government, increased economic globalization, increased access to sophisticated technologies, and a growing appreciation of the benefits of sustainable environmental practices are altering institutionalized power structures and making way for new power sharing arrangements and distribution of power. The opportunities for tribal, federal and state governments, businesses, non-profit organizations, and community-based organizations to partner in new and more effective ways is unprecedented. Developing innovative, progressive, inclusive, and universal asset-building strategies and policies should be integral to these new partnering opportunities.

Developing an Asset-Building Mentality

The success of any asset-building strategy depends greatly on the belief that there is value in deferring consumption in favor of savings and making investments. A significant precursor to the implementation of asset-building strategies is asset education, or fostering a family and community understanding of the benefits of deferring the use of assets. For individuals, families and communities who have never, or rarely, saved to build assets or invest assets, it is difficult to think of resources as savings that one allows to accumulate over time, rather than resources that are placed in a checking account (or coffee can) to be available for spending.³⁸ Incentives to save, such as the matched savings feature of IDAs, must be accompanied by an educational process. Disincentives

to save, such as asset limits tied to eligibility for means-tested programs, must be minimized or eliminated to increase the potential “take-up” and effectiveness of savings initiatives for people with little monetary income.

Although developing an asset-building mentality may sound as simple as acquiring some financial education and financial literacy training; having established incentives to save also plays a key role in an asset-building effort, and the combination of the two strategies has been shown to be more likely to result in gained assets and developing a future orientation. An example of this principle, from a Minnesota tribe, highlights the general unwillingness of tribal citizens to apply an asset-building mentality toward natural resources management. In this instance an incentive was there, but adequate asset-management training was missing, and tribal citizens were concerned about their governments’ initiatives to reforest some depleted land and restock an over-fished lake. Rather than considering the preservation of these resources for future generations and the preservation of culturally significant resources, tribal citizens were more concerned about their current situation and the diversion of existing tribal funds that would be required to fund these initiatives. As one tribal citizen commented, “people are more inclined to worry about tomorrow when it gets here.”

The difficulty of establishing an asset-building mentality is by no means unique to tribal communities. In environments in which immediate needs may be largely unmet and/or the future seems highly uncertain, there are strong disincentives to saving. Asset-building programs should not be seen as substitutes for human services and funding that provides for immediate needs. An asset-building strategy should not reduce budgets or decrease service provision immediately. Rather, during the phase of building community

readiness (including education about assets and the inter-related benefits of building various assets),³⁹ strong support services should be provided, in a way that allows capacity and motivation for building savings to be incrementally increased.

An Asset-Building Approach: A Cultural Match?⁴⁰

When Dr. Eddie Brown, former Assistant Secretary of Indian Affairs, first heard about Individual Development Accounts, he was skeptical. “In traditional American Indian cultures, assets are given away,” he commented, “Think about ceremonies, like potlatches or give-aways at Pow Wows. Sharing and reciprocity are important. The whole point of possessing assets is that one can use and share them. Status and power are derived from the ability to share and to provide others in the community with the resources that they need. The pride of acquiring something is directly related to being able to give it away.”⁴¹

Dr. Brown’s comments illustrate some of the tensions around the application of mainstream asset-building models to tribal communities. In our view, four core issues arise when relating traditional asset-building principles to tribal communities:

(a) Asset building as a private sector strategy vs. underdeveloped reservation

private sector economies. At first glance, asset-building strategies may appear to be imposing a western economic model of capital development and building of the broader private sector on tribal communities. However, even though some mainstream asset goals, such as housing, higher education and small business development, may prove much more challenging on Indian lands than in urban, suburban or even less remote rural areas, they are not necessarily less desirable.

Building assets for Native families may require both those strategies that look far ahead in time and those that are aimed outside of the immediate geographical area. For example, opportunities for higher education for tribal youth most often require substantial (long-term) savings and actually leaving the reservation.⁴² In addition, research finds that tribes would like to use asset-building policies for home repair, transportation, and other resources that are “short-term,” and more survival-oriented, than “long-term” assets. This finding may indicate that tribal communities still lack a considerable amount of necessary available assets, and interim steps to fulfill immediate needs are required.⁴³ Moreover, the creation of an infrastructure that facilitates the building of assets will also be necessary.⁴⁴

(b) Sharing and reciprocity vs. savings and accumulation. Traditionally, American Indian and Alaska Native communities have focused on sharing and reciprocity rather than longer-term savings and accumulation of wealth and assets. The difficulty of a history of subsistence lifestyles and requisite division of labor made sharing and reciprocity necessities for community survival. Although the majority of tribal communities are now mixed economies and not solely reliant on subsistence activities, sharing and reciprocity are still valued. They play integral roles in the interrelationships between family and community members. In contrast, mainstream asset-building programs focus on individual asset accumulation and use of wealth for personal homes, educations, and businesses, although research anticipates positive community effects related to increased individual and family assets among low-income populations, even in densely populated urban areas.

(c) Communal accumulation and use of resources vs. individual accumulation.

Very much related to the previous two points, which address the typical objectives of asset building, is a point about the unit of focus and process of asset-building. Traditionally, American Indian communities accumulated assets in a communal fashion; economic assets were mostly owned by families or clans, and everyone in the family or clan had a distinct role and function in using the assets wisely. The process of acquiring and maintaining resources was multi-faceted, with each persons' role needed, and, in the end, the assets were shared property. In contrast, most natural resources were not considered "owned" by any one, but to be jointly used by all. This approach differs from mainstream asset-building programs, which focus on the individual as the locus for asset building. The individual contributes toward building the asset, and reaps the greatest benefits (although of course, families and communities must also derive some benefit from the building of individual assets).⁴⁵

(d) Mainstream vs. tribal definition of assets. Even the types of assets valued and desired may be different in mainstream vs. tribal communities. Mainstream asset-building approaches, with a focus on individual capital, homeownership, businesses, and higher education, may differ from tribal community assets, not because these assets are not needed in Native communities, but because American Indian communities may prioritize assets in other ways. For example, rather than promote individual savings for the establishment of a new convenience store owned by an individual tribal citizen, clans or community sub-groups may wish to

build assets through which many citizens may benefit, i.e. a revolving loan fund to which many citizens contribute assets and can, in their turn, draw from the fund to develop an individual or communal business, that will be used to serve the community. Another example could be an Alaska Native village that pools resources to buy a new boat motor. The boat will benefit all through its use by skilled hunters or fisherman to provide resources for the whole community. Considering these examples, the use of communally related assets (i.e. natural resources) to build more individually related assets (i.e. income or wealth) might be objectionable to tribes. The point here is that the types and use of assets desirable in Native communities are likely to differ from those built in mainstream communities.

The assumption of the authors is not that asset-building strategies are not appropriate for Indian communities; in fact, discussion with tribal communities indicate that the opposite is the case, and the tensions highlighted in this section may be more easily resolved than supposed. Certainly some of these tensions are naturally resolved by adopting an expanded time horizon for building assets. In an expanded temporal view, the conflict between accumulation and sharing may be nonexistent. A resource must be accumulated before it can be shared. Before one can giveaway food, clothing, and blankets at a potlatch or Pow Wow, a family has to save, sometimes for more than a year, to accumulate the resources. Another example of this concept is the necessity to save significant resources so that one might leave the community, get a higher education, and return to the community with more to contribute.

However, giving tribes the opportunity to explore appropriate asset-building

strategies will take more than merely making tribes eligible for current, prescriptive programs and the attached funding streams. It is critical to more fully explore how asset-building might best occur (i.e. be most effective, useful, and desired) in a Native context, rather than encouraging tribes to access available programs that are likely to prove unsuccessful in a tribal context and create setbacks to further exploring the overall concept. We see it as a given that tribal communities will greatly benefit from “asset effects”—all of the good byproducts of asset building expected to occur in mainstream economies. The challenge is to design policies that allow tribes the flexibility to develop their own uniquely appropriate, and therefore most effective, asset building approaches.

Demonstrating Workable Approaches

The most difficult part of developing asset-building policy is determining what opportunities the policy should facilitate, what constraints it should include and avoid, and then convincing policymakers of the benefits of the most flexible policy approach. In order to get a sense of some potentially effective policy structures, consider the following case scenarios, based on input from tribal representatives, which suggest workable approaches to asset-building strategies:

Red Lake Tribe, Minnesota

The Red Lake Ojibwe Tribe in Minnesota invested in and exercised tribal sovereignty through the development of a compact for reforestation of tribal lands.⁴⁶ The tribe invested funds received from a recently settled lawsuit. Through implementation of this strategy, the tribe hopes to increase the stability of tribal government, and develop a

common vision of investing in tribal assets for the future vitality of the tribe.

Hopi Tribe, Arizona

The Hopi Tribe of Arizona committed to investing in the human capital of the tribe by establishing the Hopi Endowment Fund, generated by “638” funds.⁴⁷ The Fund supports graduate education and professional development for tribal citizens in areas that the Tribe considers of critical administrative importance. An additional goal is to encourage Hopis, who leave the reservation to achieve higher levels of education, to commit to returning to the reservation to establish their careers in all levels of tribal administration and services. The tribe was able to implement this asset-building strategy through a commitment of tribal funds and a partnership with the Endowment Fund Board, creating solid internal policy for the development and implementation of the Hopi Endowment Fund. The tribe successfully created the program by capitalizing on tribal staff, creating the position of Fund Manager (whose sole job responsibility is to manage the endowment fund), and networking with other appropriate partners such as attorneys, the Internal Revenue Service, and First Nations Development Institute. The program initially performed outreach to their post-secondary tribal citizens living on the reservation. They plan to expand and broaden the program to increase beneficiaries and employment options.

Confederated Salish and Kootenai Tribes, Montana

The Confederated Salish and Kootenai Tribes (CSKT), through the work of a stable, forward thinking tribal council, embarked on a tribal land acquisition and recovery

plan. The tribe surveyed lands that were determined, with the use of land records and the “land use plan,” to have cultural and tribal significance. These lands include ceremonial and burial sites and travel routes. The tribe dedicated resources toward this project with the goal of purchasing these lands, which had been previously lost by tribal citizens. Additionally, the CSKT were able to more effectively strategize and plan for this project due to their role as a critical member of the national Indian Lands Working Group. After purchasing the land, the tribe successfully categorized it into trust and fee simple tribal lands. Having increased their tribal land ownership from 22% to 46% with this land recovery effort, the tribe has invested in cultural preservation of the land and decreased the “checkerboard effect” on the reservation, simplifying the exercise of tribal jurisdiction and offering new employment opportunities (in forestry) for tribal citizens. The CSKT were also able to create a buffer zone from development, and save a historically and culturally significant mountain from outside development, thereby protecting the petroglyphs, fish, sheep and other associated natural resources from outside exploitation.

Southern Ute Tribe, Colorado

The Southern Ute Tribe of Colorado is rich in natural resources, such as coal and natural gas, and has been able to capitalize on these natural resources and invest in assets for tribal citizens. Through the vision of tribal leadership and resultant establishment of rights to much of the natural gas on the reservation lands, the tribe invested millions of dollars of royalties and profits into two funds, a Permanent Fund and a Growth Fund. In addition to making conservative investments for the tribe, the Growth Fund supports and

develops new and existing tribal businesses. Tribal citizens benefit in perpetuity from the profits generated by these funds, which provide better access to higher education, homeownership, and other assets. Additionally, the tribal council manages and directs the priorities of a portion of the funds used for tribal development.

Tanana Chiefs Conference, Alaska

The Tanana Chiefs Conference (TCC), based in Fairbanks, Alaska, is a non-profit Native consortium of the 42 villages in Interior Alaska. The TCC philosophy is based on a belief in tribal self-determination and the need for regional Native unity. Tanana Chiefs has been using University of Alaska business students to assist tribal citizens in filing federal tax returns in order to receive the refundable Earned Income Tax Credit (EITC), bringing many refunded income tax dollars back into the Villages that were previously going unclaimed. Several other tribal governments and organizations in Indian Country are supporting efforts to make tribal citizens more aware of EITC, more trustful of the free tax preparation process, and gain better access to tax-filing assistance.⁴⁸

Navajo Nation, Arizona

Indigenous Community Enterprises, Inc., based in Flagstaff, Arizona, employs high school students to work in a program to build traditional Navajo hogans for elders. Attached to the Elder Hogan Project (ICE HOME), is an Individual Development Account program for the tribal youths who build the hogans. As of Fall 2003, the Youth IDA Savings Program had eleven active participants. Each participant was required to attend a series of financial literacy trainings in addition to saving \$500 over a twelve (12)

month period. ICE matches this amount at a 2:1 ratio. If a youth participant meets his/her savings goal and other requirements by a certain date, they are eligible to withdraw \$1,500 toward an approved asset. ICE defines an approved asset as secondary educational expenses, down payment on a home, or small business development. ICE partnered with Wells Fargo Community Development, Fannie Mae and First Nations Development Institute to obtain the matching funds. ICE is a member of the developing statewide IDA movement in Arizona, *Assets for Arizona Alliance*, and is expanding this savings program to include adults. More than twelve American Indian and Alaska Native IDA programs currently exist in the U.S. (Salish and Kootenai also successfully implemented an IDA program.)

These diverse case scenarios all highlight the ability of tribal governments and Native non-profits to develop uniquely appropriate asset-building strategies. In any given community, tribal asset-building strategies will certainly vary (based on the asset, mechanism, tribal infrastructure, etc.) and, because of this diversity, may need to be almost tribe-specific. These strategies have policies lessons for other tribes embedded within them.

Recurrent Themes: What Do these Strategies Have in Common?

The asset-building and resource generation strategies cited above include five key elements:

- (a) **Exercising of tribal self-determination.** In every example we considered, asset-building strategies were developed and employed within tribal communities.⁴⁹

The concept and impetus came from within the community, and the community

determined the proper approach to build desired assets.

(b) Deliberate and balanced building of assets. In each case, tribal leaders and community members identified needs for particular assets and appropriate ways to facilitate the building of those assets. The strategies were weighed against potential benefits and costs. The impacts of employing these strategies were evaluated at the community level in the context of their affect on increasing other, sometimes individual, assets. The positive impacts that the generation of some assets would have on other assets were clear considerations. For example, in the case of the Confederated Salish and Kootenai Tribes' Land Recovery Project, acquiring more tribal land increased the tribes' natural resources and financial holdings. This strategy also exercised the tribes' legal and political assets. It may prove to develop human assets, as tribal citizens are trained to take on new jobs in forestry and land management. This strategy may also develop cultural assets as citizens learn more about the history of the newly acquired land and how their people traditionally used it. Moreover, from the increased pride in their community as well as the sense that their community is a permanent and desirable place to live, citizens may invest more of themselves in their community, building interpersonal resources and institutional assets. The end result may be higher levels of participation in tribal community and political events. The mentioned tribes considered all of these layers of effects when they determined that they would move forward with their Land Recovery Project.

(c) Community leadership with vision. In each case, champions for asset-building had to start a dialogue with community members. Someone, such as an elected

tribal leader or an informal community leader, had to have the vision for what could be possible. They then had to engage other people in a community conversation.

(d) Community support. Community members were recruited to participate in the process. Community members had to discuss and weigh strategies and agree on a particular asset-building strategy (or concert of strategies). They had to make a commitment to expend resources (time, money, staff, etc.) in order to develop particular assets.

(e) Resources. A commitment of resources was necessary in all cases. Depending on the strategy adopted and the asset being built, varying amounts of resources were required. The community had to agree to commit resources to the effort while forgoing many other possible uses of the time, money, staff, etc. This required making a commitment to increasing future assets and improving future quality of life at the expense of current consumption that could be used for other necessities.

Recommendations for Policy, Practice and Research

Based on research and discussions with tribal leaders, program administrators and community members, a number of recommendations for policy, practice and research that can facilitate tribal asset-building strategies have come to the forefront. These recommendations are organized below according to the groups we consider most appropriate to undertake them: tribal government, federal government, philanthropic organizations, and researchers.

Tribal governments have the single most important role in tribal asset-building. It is up to tribal governments and community members to develop a forum for, and participate in, dialogue about building assets. Infrastructure and community readiness are critical. In practice, tribal governments and institutions can take stock of current assets and how they are being used; explore other appropriate assets to build and strategies for building them; and identify appropriate resources to support asset-building strategies. Finally, successes will be increased if tribes share information with one another (providing peer-to-peer technical assistance) and contribute to national tribal discussions about federal policy and research that can better support and facilitate identified strategies for tribal asset-building.

The federal government can conduct tribal outreach with regard to asset-building. It can seek input from tribes regarding mainstream asset-building policy development and amendment, and better provide information to tribes about current policy and available resources (i.e. funding, technical expertise, administrative resources, etc.). The federal government also has a role to play in providing support for tribal asset-building strategies (including clarifying that federal funds can be invested by the tribes, and that derived interest can be used to support tribal asset-building strategies) and in directly funding a scaled-up tribal IDA demonstration project. Finally, the federal government can support tribally-driven research efforts to assess and evaluate the effectiveness of tribal asset-building strategies.

State governments can also conduct tribal outreach regarding the development of state asset-building initiatives, inviting tribal governments and tribal representatives to the policymaking table early in the process. States can encourage tribal participation in

existing state asset-building programs ensuring, through tribal consultation, that state programs are appropriate and flexible enough to meet tribes' needs. States should offer tribal governments the opportunity to directly administer asset-building strategies in their community whenever possible.

National and regional inter-tribal Indian organizations can facilitate and support tribal dialogue and debate about mainstream asset-building approaches, whether or not they are appropriate for tribal communities, and how, because of unique tribal environments, conditions, and circumstances, asset-building strategies might best work in an American Indian cultural context. Inter-tribal organizations can also be a resource to tribes who wish to pursue asset-building strategies, providing tools like asset inventories and effective tribal models being used in other places around the country. Finally, inter-tribal organizations can help raise awareness of the need for research and evaluation and can encourage tribes to address the effectiveness of the asset-building strategies they are employing.

The philanthropic community can support tribal community dialogue, asset inventories, and planning processes with regard to determining asset-building strategies. Foundations can fund asset-building projects and research as well as help to document models and community learning. They can also support national tribal dialogue regarding determining appropriate asset-building policy and research.

Researchers, both academic and community-based, can help evaluate tribal asset-building strategies, documenting the most effective practices and identifying key determinants of successful strategies. Researchers also have a role to play in helping tribes think through process and outcome evaluation criteria and methodology for

individual project evaluation for the purpose of determining the effectiveness and appropriateness of various asset-building strategies. Finally, any national asset-building demonstration must necessarily include a comprehensive evaluation, if it is to carry lessons and helpful information to others.

Tribal Sovereignty as the Foundation

Ultimately, building individual, family, and community assets may increase the capacity and capability of tribal governance. Research has shown that communities with greater financial, natural, interpersonal, and human assets are better able to exercise their sovereign authority.⁵⁰ Through asset-building strategies, tribal governments, like the citizens they serve, may acquire more options and an increased ability to act in self-determined ways, achieving tribally-desired outcomes.

Former chairman of the Red Lake Nation, Bobby Whitefeather, noted that, relatively speaking, “Tribal self-governance is in its infancy.”⁵¹ Yet, as much as tribes need to build assets to strengthen their ability to act in self-determined ways, tribal sovereignty is, in itself, an asset-building tool. As our case scenarios point out, sovereignty, as a legal and political asset, makes possible unique tribal asset-building strategies, like controlling tribal trust lands and accounts and using lease money for education accounts. Tribal sovereign authority and land can be used as leverage to create a different infrastructure for tribal asset-building strategies. Tribes can choose to re-invest a variety of tribally controlled funds in other effective asset-building strategies. Tribes can invest federal funds, such as NAHASDA and 638 funds and use the interest gained to support asset-building strategies. Tribes can help their employees to build

assets through offering matched savings accounts as an employment benefit.⁵² Resource-rich tribes have unique opportunities to support individual asset-building strategies through the structure, requirements, and incentives around per capita payments.⁵³ Tribes can also endow foundations to secure resources to meet future tribal needs, and develop tribally run non-profits.

Support for asset-building strategies begins with a tribal community adopting an asset-building philosophy. Such a philosophy reflects a balance between building assets for the future, meeting immediate needs, and sustaining tribal identity. This philosophy is characterized by acknowledging time as a critical factor and focusing on building an enduring stock of assets for future generations rather than current consumption. An asset-building philosophy must be accompanied by an asset-building environment. Creating an environment conducive to asset building necessitates developing tribal policy that supports and models effective asset-building strategies, while maintaining traditional community supports and resources.

Conclusion

In conclusion, tribes do recognize the importance of building assets, but must find new strategies to identify, develop, and maintain a variety of assets, at both the individual and community levels, to increase chances of escaping persistent poverty which is, in large part, due to asset stripping over many years. In many ways, tribes have been struggling to recover stripped assets and build individual, family, community, and tribal assets, albeit not always using the term “assets,” for hundreds of years. Tribal sovereignty gives tribal communities some unique tools and leverage to use in building

assets. By exercising sovereign authority, modeling tribally-driven and regulated governmental asset-building strategies, involving the community in all aspects of an approved asset-building strategy, and committing dedicated resources to asset-building strategies, for the long term, can lead to new assets that will both help the current community and be left behind for future generations. These long-term asset-building strategies, which will be more comprehensive than any single “silo-ed” asset-building program (i.e. just an IDA program or EITC outreach), are much more likely to leave behind an abundance of resources for individuals, families, communities, and ultimately tribal governments, than relying on a support services strategy, alone. These combined strategies may change the initial endowment that new generations start with; but will likely make possible even larger asset accumulations, dramatically changing the social and cultural possibilities for future American Indian/Alaska Native peoples.

Please feel free to submit comments and questions to Sarah Hicks at shicks@wustl.edu.

Appendix A: Timeline of Major Asset Policy and Program Events

Date Event

1862 Homestead Act passed by Congress

1944 G.I. Bill enacted by Congress

1980s Michael Sherraden (social work professor at Washington University) offers theory of asset-based social welfare

1991 “Assets and the Poor” written by Michael Sherraden and published by M.E. Sharp, Armonk, NY (proposes policy structure for Individual Development Accounts)

1991 State of Oregon legislates first state-level IDA policy for children

1992-93 First three community-based IDA programs launched (Indianapolis, IN; Tupelo, MS; and Bozeman, MT)

1993 State of Iowa legislates first state-level IDA program for adults (program is implemented in 1996)

1997 National American Dream IDA Demonstration (ADD) launched in 13 sites throughout the U.S. (funded by private foundations)

1998 First Nations Development Institute (FNDI) funds 5 American Indian IDA programs

1998 First federal IDA policy, the Assets for Independence Act (AFIA), passed (\$125 million appropriated over 5 years), implemented in 1999

1999 Office of Refugee Resettlement (ORR) funds 16 IDA programs specifically for refugee populations

1999 AFIA funds first 20 IDA programs through competitive request for proposals process (\$10 million appropriated for first year)

1999 Federal legislation, Savings for Working Families Act, proposed to fund IDA programs through tax credits

1999-2000 United Kingdom proposes IDA-like initiatives

2000 FNDI funds 4 more American Indian IDA programs

2000 ORR funds 13 more IDA programs

2000 AFIA funds second round of IDA programs (45 programs, \$10 million appropriated)

- 2001 National “Learn \$ave” IDA policy demonstration launched in Canada
- 2001 Children’s Saving Program demonstration launched in Singapore
- 2001 Children’s Matched Savings Program launched in Ireland
- 2001 AFIA funds third round of IDA programs (60 programs, \$25 million appropriated), other rounds funded in 2002 and 2003 through \$25 million appropriations each year
- 2002 “Savings Gateway” IDA policy demonstration launched in United Kingdom (funded by Parliament)
- 2003 “Children’s Trust Accounts” matched savings accounts approved and funded by Parliament (accounts from birth), for roll out in 2005
- 2003 AFIA up for reauthorization – success likely
- 2003 35 states in the U.S. have legislated IDAs, 25 state-supported programs have been initiated
- 2003 An estimated 20,000 accounts established in 500 IDA programs in the United States, spread over all 50 states

Appendix B
Asset-Building in Tribal Communities:
Generating Native Discussion and Practical Approaches
Mystic Lake, Minnesota: October 17, 2003
Small Discussion Groups Summary

How would you define assets?

- Something of value; increases in value over time
- Comprehensively, according to a holistic view, in relation to other systems
- Contributes to balance within the community and to building a healthy community

What purpose do assets serve for individuals, communities, and tribes?

- Strengthen tribal government capacity and self-determination
- Increase current and future resources
- Improves quality of life over time (a long-term investment)

What categories or classifications would you use to group various types of assets?

- Groups concurred with 8 categories (identified by Ford and First Nations Development Institute) identified and outlined in attached asset-building discussion paper

What types of assets is your community interested in building?

- Preservation of cultural and spiritual assets
- People (human capital) – assets we currently have, and we're nothing without our people
- Generational assets: the assets of elders will be used to develop the assets of children
- A professional tribal workforce (to use instead of importing "experts")
- Land: buy back, and better develop, according to tribal needs
- Housing: people need it, and it can be used to build equity in the reservation economy
- Institutional infrastructure
- Technological infrastructure

What kinds of asset-building programs and/or strategies does your community use?

- Developing long-range plans
- Developing local community plans
- Building capacity and infrastructure to manage resources
- Use available tax credits, if able
- Invest 638 funds (flexible base to accomplish things for which there is no federal funding)

What is the potential use and outcomes of asset-building strategies in your community?

- Meet needs locally (people won't have to leave the reservation)
- Reinforce the importance of spiritual and cultural assets
- Security ("Rainy Day Fund")

- Transfer assets to next generation (improve quality of life for future tribe)
- Strengthen and leverage tribal sovereignty
- Recover stripped resources

Appendix C: Generating Resources for Tribal Asset-Building Programs

A key issue in the development and implementation of asset-building strategies, such as those described in this paper, is finding dedicated resources to support the effort. While there is no current ideal pool of dedicated resources to support tribal asset-building strategies, there are, as previously mentioned, various non-dedicated federal funding sources such as Temporary Assistance for Needy Families (TANF), Native American Housing and Self-Determination Act (NAHADSA), Community Services Block Grant (CSBG), and Community Development Block Grant (CDBG), that may be used, depending on the asset goal and the strategy applied to it.⁵⁴

While it's true that these sources are not dedicated specifically to a general asset-building agenda, and are already being used for the programs for which they were intended in many communities, the implementation of any asset-building strategy does require a trade-off of resources that can be currently used in favor of saving and accumulating greater resources in the future. Tribes have found other creative ways to support their strategies including leveraging existing, but perhaps under-utilized, assets into additional assets by creating a pool of incentives. Such a model allows for sustainable development through the building of both economic and social capital.

For example, in order to build the capacity of individual persons and the tribe, incentives are needed to increase funding sources that will better allow for asset building. Tribal citizens could have incremental incentives to build assets through participation in an Individual Development Account (IDA), a matched savings account for dedicated asset-building purposes, which could allow them to start a small business, purchase a home, or gain further education. While an individual was participating in an IDA

program, they could be building financial expertise and marketable skills, leading to the development of a community asset as well. Also possible during IDA program participation is information gained about the Earned Income Tax Credit (EITC), which gives the tribal member more personal assets to invest in a tribal business. With the acquiring of marketable skills, individuals, and the wider community, would have more opportunities for job training, employment, and contributions of earnings to a tribal investment fund, for example. This would allow the tribe to build their own matching funds to leverage additional asset building for the tribe, thus, increasing the ability of the tribe to exercise its self-determination.

Selected development and funding strategies:

- (a) Identify assets and renegotiate leases.** Tribes could perform an inventory of their assets, including BIA negotiated leases that are held at below-market rates. When the identified leases come up for renegotiation, the tribes could demand that they be negotiated at the current market rate. Tribes could also get upfront payments for oil or grazing leases, whereby the companies would make a payment on the lease immediately in addition to negotiated monthly payments.
- (b) Buy land and postpone putting it into trust.** Tribes could acquire land and postpone putting the land into trust, which would allow them to use the land for their own asset-building purposes for a period of time. To lessen concerns by states about lands leaving the state tax base, tribes could negotiate with states, delaying putting the land into trust for a year or so. For productive leverage for other negotiations on cigarette tax compacts, for example, a tribe could offer to

pay ½ of the cigarette tax or so to the state.

(c) Promote the establishment of an American Indian tax credit. With changes in federal legislation, such as with IRS laws on corporation taxation, an American Indian tax credit could be created that allows tribes to sell the credits to corporations to leverage funds. Thus, for example, targeted entities could buy tribal credits, reduce their federal tax burden, and direct their tax dollars for the specific purpose of asset building and economic development on tribal lands.

(d) Assist city-based home ownership for tribal citizens. The Mille Lacs Band of Ojibwe in Minnesota helps tribal citizens buy houses in the city of Minneapolis. If citizens retain the property until the value has increased, they can sell the property later and move back to the reservation, holding greater individual assets (acquired through equity in their homes) that benefit the tribe. In this sense, community assets are a collection of individual assets. Helping citizens to move back with greater individual resources, increases the community's asset base as well.

(e) Set up mortgage programs using Native American Housing and Self Determination Act (NAHASDA) funds. Tribes could consider setting up mortgage programs using NAHASDA funds, whereby tribes would hold the mortgage and families would pay the tribe back.

(f) Consolidate economic development funding streams. In order to streamline administrative costs and to more effectively combine federal and tribal resources, legislation, along the same lines as the existing "Indian Tribal Development Consolidated Funding Act of 2003," could establish new policies to facilitate

asset building and acquiring matching funds.

(g) Create a tax-deductible tribal investment fund. A tax-deductible tribal investment fund could be created; tribal citizens that live off the reservation could also be invited to participate in the investment fund. The tribe could receive fifty percent of the interest earned, and the non-resident tribal citizen investor could take the other fifty percent.

(h) Levy tribal personal income tax or taxes on such activities as fishing. Tribal citizens could pay personal income tax to the tribe, to be used for a pool of asset building and matching funds for the benefit of all tribal citizens. Also, tribes could levy a tax on tribal fishing, for example, whereby they could tax 5% of a catch and generate income for the benefit of tribal asset building.

Endnotes:

1 Bebbington, Anthony. *Capital and Capabilities: A Framework for Analyzing Peasant Viability, Rural Livelihoods and Poverty in the Andes*. London, UK: International Institute for Environment and Development, 1999, p. 5.

2 Sherraden, Michael. *Assets and the Poor* Armonk, NY: Sharpe, Inc., 1991, p. 155-156.

3 Geeta Rao Gupta, President, International Center for Research on Women. Interview with the Ford Foundation, 12/13/01.

4 Sen, Amartya. *Development as Freedom*. New York, NY: Random House, 1999, p. xii.

5 Moreover, American Indian communities have suffered as a result of asset-depleting policies. Federal treaties with Indian tribes as well as policies such as the Indian Reorganization Act, the Dawes Act, the institution of boarding schools for Native children, the termination of numerous Indian tribes and relocation of Native families to urban centers, and many others have all served to strip tribal communities of assets such as land, timber, fish and wildlife, oil, minerals, tribal languages and cultures, Native forms of government, Native religions, and community bonds. See DeWees, Sarah and Lou Florio. *Sovereign Individuals, Sovereign Nations: Promising Practices for IDA Programs in Indian Country*. Fredericksburg, VA: Native Assets Research Center, First Nations Development Center, 2002; and King, Juliet, Sarah Hicks, Karen Edwards, and Alisa Larson. *American Indian Tribal Communities and Individual Development Account (IDA) Policy*. St. Louis, MO: Center for Social Development, George Warren Brown School of Social Work, 2003.

6 Dr. Michael Sherraden is the Director of Washington University's Center for Social Development.

7 The Homestead Act of 1862 allowed 1.5 million households to claim 160 acres for their homesteads. 246 million acres of land were transferred into private ownership. Williams (2000) estimates "a quarter of the [current] population (age 25 and up) has a legacy of property ownership and assets in their background that can be directly linked to national policy." For more information, see Williams, T. *The Homestead Act – Our earliest national asset policy*. Paper presented at the inclusion in *Asset Building: Research and Policy Symposium*, Center for Social Development, Washington University in St. Louis, MO, 2000.

8 The G. I. Bill, or the Servicemen's Readjustment Act of 1944 is one of the most well known postsecondary education asset based program. The G.I. bill offered veterans attending college \$500 annually for tuition and other educational expenses and a \$50 monthly stipend compensation for each month spent uniformed in service. Additionally, veterans were able to purchase homes through mortgage subsidies. The loan guarantee program financed one fifth of the homes built in the 20 years following World War II.

9 Boshara, Ray. *The Rationale for Assets, Asset-Building Policies, and IDAs for the Poor in Building Assets: A Report on the asset-development and IDA field*. Corporation for Enterprise Development, Washington, D.C., 2001.

10 Sherraden, Michael. *Assets and the Poor* Armonk, NY: Sharpe, Inc., 1991.

11 Edwards, K, and L.M. Mason. *State Policy Trends for Individual Development Accounts in the United States: 1993-2003 (Policy Report)*. St. Louis, MO: Washington University, Center for Social Development, 2003.

12 Ibid.

13 For information on state-specific IDA policies and programs, see <http://gwbweb.wustl.edu/csd/statepolicy/>.

14 Barriers that have been highlighted in recent research include: the need for tribal governments to partner with a non-profit in order to administer an Assets for Independence Act (AFIA)-funded IDA program, the inability for AFIA-funded programs to incorporate home repair as an IDA savings goal, the 200% or below poverty line restriction for program eligibility, and the 15% administrative cap on AFIA funds. For more information, see DeWees, Sarah and Lou Florio. *Sovereign Individuals, Sovereign Nations: Promising Practices for IDA Programs in Indian Country*. Fredericksburg, VA: Native Assets Research Center, First Nations Development Center, 2002; and King, Juliet, Sarah Hicks, Karen Edwards, and Alisa Larson.

American Indian Tribal Communities and Individual Development Account (IDA) Policy. St. Louis, MO: Center for Social Development, George Warren Brown School of Social Work, 2003.

¹⁵ DeWees, Sarah and Lou Florio. *Sovereign Individuals, Sovereign Nations: Promising Practices for IDA Programs in Indian Country*. Fredericksburg, VA: Native Assets Research Center, First Nations Development Center, 2002; King, Juliet, Sarah Hicks, Karen Edwards, and Alisa Larson. *American Indian Tribal Communities and Individual Development Account (IDA) Policy*. St. Louis, MO: Center for Social Development, George Warren Brown School of Social Work, 2003. For proposed changes during AFIA reauthorization, see http://www.idanetwork.org/initiatives/reauthorization_recommendations_memo.pdf.

¹⁶ King, Juliet, Sarah Hicks, Karen Edwards, and Alisa Larson. *American Indian Tribal Communities and Individual Development Account (IDA) Policy*. St. Louis, MO: Center for Social Development, George Warren Brown School of Social Work, 2003.

¹⁷ The Assets for Independence Act, enacted by Congress in 1997, provided the first dedicated funding stream for IDA programs. Whereas previous legislation, such as the 1996 welfare reform law, allowed some existing program funds to be used for IDA programs, AFIA provided a dedicated stream of \$125 million/year for IDA demonstration projects. Tribal governments were not eligible for direct funding under AFIA and had to partner with a non-profit organization (a significant barrier) in order to receive any funding. To date, no tribal governments have received AFIA funds. Two Native non-profits, the Lakota Fund and Cook Inlet Tribal Council (a non-profit service provider of tribes), have received AFIA funds. For a timeline of relevant asset-building policies, see Appendix A.

¹⁸ See White House website at <http://www.whitehouse.gov/infocus/social-security/> for more information.

¹⁹ While there is certainly a need to examine the utility of asset-building strategies for urban Native communities, this paper does not specifically address the urban Indian population. Some of the discussion here is applicable to urban communities, but the focus of this paper is on federally-recognized tribal communities residing on Indian lands.

²⁰ DeWees, Sarah and Lou Florio. *Sovereign Individuals, Sovereign Nations: Promising Practices for IDA Programs in Indian Country*. Fredericksburg, VA: Native Assets Research Center, First Nations Development Center, 2002.

²¹ Ford Foundation. *Building Assets To Reduce Poverty and Injustice*. New York, NY: Ford Foundation, no date, p. 6.

²² Amartya Sen's *Development as Freedom* (1999) addresses the issue of "agency" and greater self-determination as a goal of development.

²³ Tribal governments are familiar with the concept of self-determination, albeit, in practice, perhaps a stunted form. Almost since European contact and certainly especially within the last two hundred years, actual tribal self-determination has not been realized because of the imposition of outside political and economic constraints on tribal sovereignty. In short, tribes are quasi-sovereigns, and the majority of tribal governments do not yet have resources to act out their will.

²⁴ Regressive policies are designed to benefit those who pay the most taxes; therefore best serving those who already have significant savings and investments. As mentioned earlier, the most significant social welfare policy direction in the country today is moving toward a system of individual asset accounts – such as IRAs, 401(k)s, 403(b)s, Roth IRAs, College Savings Plan accounts, Medical Savings Accounts, and those proposed for Social Security investments and retirement, by the current administration. The current designs of these policies continue this tradition of serving those with high to moderate to high incomes, and significant existing assets, leaving those less fortunate behind.

²⁵ See Sherraden's *Assets and the Poor* (1991) for a detailed discussion of federal policies that build assets of middle- and upper-income Americans.

²⁶ Schreiner, Mark, Margaret Clancy, and Michael Sherraden. *Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts*, research report. St. Louis: Center for Social Development, Washington University, 2002.

27

Ford Foundation. *Building Assets To Reduce Poverty and Injustice*. NY, NY: Ford Foundation, no date, p. 1.

28
Ibid.

29

Building an educated, professional workforce of tribal members to govern the tribe, administer tribal programs, and provide governmental services is a critical part of tribal human asset-building strategies. The \$10 million Hopi educational endowment established under Chairman Wayne Taylor is a good example of this strategy. (See page 15 of this publication for more information about the Hopi Endowment Fund.)

30

First Nations Development Institute. *Asset Framework and Elements of Development*. Fredericksburg, VA: First Nations Development Institute, 2000.

31

Culture is not an asset that tribes desire to sell for financial gain but an asset that can guide tribal efforts to gain and manage other assets. Culture is an asset in the sense that it is valued and can be preserved and passed on to future generations.

32

Ford Foundation. *Building Assets To Reduce Poverty and Injustice*. New York, NY: Ford Foundation, no date, p. 7.

33

In identifying the benefits of asset-building strategies it is critical to recognize not only the financial, but the non-financial value of assets as well.

34

Sherraden, Michael. *Assets and the Poor*. Armonk, NY: Sharpe, Inc., 1991, p. 155-156.

35

Ford Foundation. *Building Assets To Reduce Poverty and Injustice*. New York, NY: Ford Foundation, no date, p. 7.

36

Ibid.

37

Edwards, K, and L.M. Mason. *State Policy Trends for Individual Development Accounts in the United States: 1993-2003 (Policy Report)*. St. Louis, MO: Washington University, Center for Social Development, 2003.

38

Common in many societies, this “cash ‘n carry” mentality is also exemplified in the immediate expenditure of significant trust accounts for Indian youth when the youth turn 18 years old. In these cases, trust funds that have been developed with per capita payments from natural resource development, gaming revenues, or court settlements to build assets for tribal youth may be rapidly spent on consumables, such as cars and “partying.”

39

Although building community readiness is described here as a phase, it should be noted that it is not something that is done and accomplished once and for all. Rather it is a continual process, requiring ongoing support and energy to bring increasing community members along, preparing them for participation in asset-building strategies.

40

A pool of research by the Harvard Project on American Indian Economic Development found that modern forms of tribal government that replicate or parallel traditional forms of tribal government are more legitimate in the eyes of tribal citizens. They call this concept “cultural match”-- the fit between present rules and indigenous concepts of how authority should be organized and exercised. Research shows that societies with culturally appropriate governing institutions are more likely to thrive. See Cornell, Stephen J. and Joseph P. Kalt. “Reloading the Dice: Improving the Chances for Economic Development on Indian Reservations,” in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, ed. Stephen Cornell and Joseph P. Kalt. Los Angeles, CA: University of California, 1992. Here we use the term “cultural match” in a similar vein. We are posing a question about whether asset-building strategies are compatible with tribal culture.

41

Dr. Eddie F. Brown, Dean, American Indian Affairs, George Warren Brown School of Social Work, Washington University in St. Louis. Interview with Sarah Hicks, 09/19/03.

42

Although 31 tribally controlled community colleges have been established on Indian reservations and serve as a strong asset to their home communities as well as surrounding communities, only a small

minority of tribes benefit from these resources.

43

Consider Maslow's hierarchy of needs. Immediate survival needs must be met before people can consider meeting other, more long-range or less immediate needs.

44

General financial education as well as education specific to the asset goal are required. Many good examples of curriculum exist. For example, see "Building Native Communities: Financial Skills for Families" developed in partnerships by the Fannie Mae Foundation and the First Nations Development Institute, available on-line at: <http://www.firstnations.org/fnoc/resourceguide.pdf>

45

For example, in a community where a new arts and crafts shop opens, nearby businesses, such as a gas station and diner, may also benefit.

46

See forthcoming Kathryn M. Buder Center for American Indian Studies and Center for Social Development publication by Bobby Whitefeather, a detailed case study of the Red Lake reforestation strategy.

47

"638" funds are federal funds received under Indian Self-Determination Act (Pub. Law 93-638) contracts from the BIA and/or IHS.

48

For more information on EITC outreach on Indian lands, see Annie E. Casey's Native outreach website at: www.eitc.info/native.

49

Tribal IDA evaluations conducted by First Nations Development Institute suggest that IDA programs (and asset-building strategies generally) must be Native directed and managed and must use tribes to deliver services.

50

Cornell, Stephen J. and Joseph P. Kalt. "Reloading the Dice: Improving the Chances for Economic Development on Indian Reservations," in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development*, ed. Stephen Cornell and Joseph P. Kalt. Los Angeles, CA: University of California, 1992.

51

Personal communication with Bobby Whitefeather, October 17, 2003.

52

This strategy will also provide a greater incentive for employees to stay with the tribal government, building greater human and institutional capacity.

53

Increasingly tribes are requiring a high school diploma (or GED) and/or financial education before tribal members are qualified to receive per capita payments. Tribes can also think through ways to structure incentives for saving and/or investing per capita payments for individual asset-building (including buying a home, starting a small business, or pursuing higher education). The Mashantucket Pequot and St. Regis Mohawk tribes require financial education and offer investment assistance for tribal members.

54

For a thorough discussion of potential funding resources for tribal asset-building strategies, see forthcoming Kathryn M. Buder Center for American Indian Studies and Center for Social Development publication by Alisa Larson.