

CSD Research Report

Exploration and Use of Individual Development Accounts by Three American Indian Tribes in Oregon

Christina Finsel, Jennifer Russ

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The Center for Social Development (CSD) at Washington University in St. Louis, part of the George Warren Brown School of Social Work. CSD, with support from Dr. Michael Sherraden, CSD Director, has been tracking and researching asset-building strategies globally (including IDAs), and making policy recommendations at the state and national levels, since 1994. Over the last three years, CSD has partnered with the Kathryn M. Buder Center for American Indian Studies, with support and direction from previous Director, Dr. Eddie Brown, current Interim Director, Dana Klar, MSW, JD, and Research Director and Ph.D. candidate, Sarah Hicks, in initiating key projects and research dedicated to raising the awareness of asset-building opportunities in Indian Country. Joint projects include initiating new discussions about asset building in American Indian communities, analyzing research on American Indian asset-building initiatives, developing a Native-specific asset-building research agenda, and engaging Buder Center students (graduate-level American Indian and Alaska Native students) in asset-building discussions and research.

Established in 1990, the Kathryn M. Buder Center for American Indian Studies was originally founded with the primary mission to provide scholarships for American Indians. The Buder Center has since grown into one of the most respected centers in the nation for academic advancement and study of American Indian issues related to social work. The Buder Center offers courses on American Indian social and political issues to “Buder Scholars,” as part of the requirements of their Master’s in Social Work degree program. The Buder Center takes its charge to develop Buder Scholars into leaders who will serve Indian Country seriously.

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Abstract

Over the last several years, the number of IDA programs in American Indian communities has increased substantially, from two programs in the planning stages in 1997 to 11 programs in 8 states in 2003 (King, Hicks, Edwards, & Larson, 2003, p.11). While goals of Native IDA programs, including promoting financial education and asset accumulation, align with those of IDA programs serving non-Native communities, there are many challenges in program planning and implementation unique to Native communities. American Indian tribes living on reservation and tribal lands suffer a greater rate of poverty and unemployment than the U.S. population as a whole (Census 2000), and experience unique property development restrictions that limit availability of financial products and material resources. Since tribal governments and communities are also sovereign nations, they do not possess the 501(c)(3) non-profit status currently necessary for applying for federal IDA funds and, in most cases, state IDA funds (unless tribal communities have formed, or are served by, 501(c)(3)s or other non-profits).

Three American Indian tribes in the state of Oregon--the Confederated Tribes of the Umatilla, the Confederated Tribes of Grand Ronde, and the Confederated Tribes of the Warm Springs--have explored the possibilities of initiating Individual Development Accounts (IDAs) for the purposes of increasing financial education and building individual and community assets. Their experiences provide important information for future IDA policy and programming efforts in American Indian communities across the country. Because of restrictive Oregon State IDA legislation, Oregon Native communities encountered the additional barrier of not being able to administer their own state-

supported IDA programs. However, advocacy by Native representatives helped overcome that policy exclusion. This collaborative effort among Oregon tribes working together to amend State IDA law in favor of Native communities suggests one way of better equalizing treatment of tribal and non-tribal IDA initiatives.

Two of the tribes secured private funding and developed IDA programs; one of these tribes also secured public funds for match and program. All three explored this means to asset building despite the exceptional challenges they face as American Indian tribes residing on reservation lands, giving them a wealth of knowledge to share with other tribes looking to develop IDA and other asset-building initiatives. Their experiences also provide an example to Indians and non-Indians alike, working for both inclusion of tribes in state and federal IDA policies and better access to public funding sources.

In the fall of 2003, at the Umatilla Reservation, IDA coordinators from the tribes met with a project team from the Center for Social Development and Kathryn M. Buder Center for American Indian Studies, at Washington University in St. Louis, for a full day of interviews and conversation related to the development of their IDA programs.

Drawing on these conversations and subsequent communications, this case study seeks to trace the opportunities and challenges the Oregon tribes faced while exploring the concept of building assets in general, and establishing culturally specific financial education and IDA programs.

Specifically, the project team sought to learn how the tribes surmounted considerable challenges in establishing and fully utilizing IDA programs. These challenges included exclusion from the development process of state and federal IDA policy, and directly receiving funding sources related to these policies, housing and land acquisition issues, participant recruitment and retention, and obtaining funding for staff. The three tribes have much to teach regarding the exploration and development of Individual Development Accounts.

Background: Challenges to Homeownership for American Indian Communities

This section will sketch out several factors that make homeownership a considerable challenge for American Indian tribes across the country: the complications in purchasing land and housing stock in Indian Country today; barriers to building on some types of reservation lands; the economic challenges tribes face with unemployment and poverty; asset stripping; and the need for Native-led discussions about asset building and related policies developed in a culturally appropriate way.

The selection of housing stock for sale on Indian reservations is minimal with existing individual or group housing in need of repair and being currently maintained by reservation housing authorities, making them only available for lease. Thus, there is a general scarcity of affordable housing stock, which is problematic for anyone wishing to acquire land and build a home on the reservation. According to the 2000 Census, the housing stock on reservations is of the poorest quality of housing for any ethnic group, creating a situation in which middle-class earners desiring to purchase a home often are compelled to save more than the national average in order to contract to build a new

home (Deweese & Florio, 2003, p.26). To further complicate the process of achieving private homeownership, much of the land on Indian reservations is held in trust by the federal government for the tribe (Deweese & Florio, 2003, p.25) and cannot be directly sold to private owners (individual tribal members). Instead, much of this land is locked into the form of “allotments” made many decades ago. The land is subject to non-standard legal treatment and is difficult to use for collateral with banks or other lending institutions. Due to flawed accounting by the federal government, many private individuals holding reservation trust land lack a clear description of what land and share of a total allotment they own, therefore facing significant obstacles to obtaining the appropriate legal documents to begin to build a home. Only with additional legal and economic supports, and a much higher and more time-consuming, requirement of documentation and paperwork than a typical non-trust land home purchase, can tribal members successfully achieve homeownership.

Due to destabilization caused by asset stripping and lack of access to mainstream asset-building programs, tribes can experience high rates of poverty and related unemployment. Over the past century, native communities have dealt with loss of control of their land, termination of federal recognition of their governments, and loss of control of tribal economies, particularly natural resources on reservations (Deweese & Florio, 2003, p.24). Despite economic improvements in recent years including casino and other revenues, American Indian families remain considerably poorer than their non-native counterparts, with a full 29 percent of families living in tribal areas, or on reservations, having incomes at or below the federal poverty line (Deweese & Florio, 2003, pp. 7-8).

Due to the trust relationship, tribes receive financial assistance from the U.S. government to provide housing, employment, and food assistance to tribal members. As a result of the aforementioned asset stripping and historical exclusion from general asset accumulation, some American Indians may have less knowledge about how to interact with mainstream financial processes. Many members of the three Oregon tribes examined in this case study have been victims of predatory lending and must rebuild their credit before they can save for homeownership. Given these realities, there are several special barriers tribes must overcome when working towards homeownership.

As tribes incorporate mainstream economic and financial strategies into their cultural framework, there is a need to include programs such as the IDAs into a wider discussion about tribal asset building. It is important for tribes to have conversations about their unique assets, such as natural resources, kinship, spirituality, sovereignty, financial knowledge, and saving for powwows, potlatches, and funerals, while making ends meet. Also, asset stripping must continue to be addressed and resolved, such as with the previously mentioned mismanagement of Indian land records. If these discussions and particular issues are not attended to, additional asset building will likely be less effective for Tribal communities. When discussing asset accumulation, tribes can do so in culturally appropriate ways. Current non-Indian asset building programs do provide contrasts to traditional Native beliefs about the importance of communal assets, multigenerational and multifamily living arrangements, and the increased need for immediate care for family members with financial needs or emergencies, thus, in many

cases, making saving money more of a challenge for Native families. To address homeownership on reservations, Native-led conversations about asset development and corresponding inclusive policies that meet the needs of tribal members must be supported.

Land and Homebuilding Issues

The U.S. government's historically restrictive management of American Indian lands has profoundly affected tribes' land and resource use, and thus tribes' capacity to build assets, even into the present day. To contextualize IDA homeownership program efforts in Indian Country in Oregon, a brief accounting must be made of the status of the land and housing today for the three Oregon tribes, which outlines the complicated legacy left by land dealings between the federal and tribal governments, and is comparable with the issues faced by other American Indian tribes across the Indian Country.

Land Holdings on Oregon Reservations: History and Status

In the mid-1850s, many American Indian tribes entered into treaties with the United States and gave up their long-inhabited lands. Over 20 tribes and bands from Oregon and California were relocated to the Grand Ronde reservation southwest of Portland (Grand Ronde, 2004), while the Warm Springs tribe gave up ten million acres of land, which it had historically inhabited, and was settled onto a reservation in central Oregon with the Wasco and Paiute tribes. The Confederated Tribes of Umatilla (the Walla Walla, Cayuse, and Umatilla tribes) "ceded certain aspects of their aboriginal title to more than 6.4 million acres of land to the United States," receiving in return 500,000 acres of land in an area of eastern Oregon called Mission, near the town of Pendleton, and the rights to fish,

hunt, and gather foods (CTUIR, Declaration of Sovereignty, 2003, p. 1). Over the years, Umatilla's land holdings would decrease to just 172,000 acres (CTUIR, Our Homeland, p. 1), which today is partitioned in a checkerboard fashion into the three existing types of reservation land allotments: individual Tribal Trust Land, Tribal Trust Allotments (member allotments), and Fee Simple Lands. Umatilla is the only Indian Reservation in Oregon partitioned into a checkerboarded land base.

The first type of land allotment, Tribal Trust Land, remains under the auspices of the United States federal government and tribal members must undergo many levels of negotiation to build on it. Tribes can lease the land, but typically, no tribal members can own Trust property. Compared with members buying property off the reservation, tribal members on the reservation are often underserved when they wish to buy property or take out a housing loan; since they must go through costly and time-consuming government-to-government negotiations while undertaking many transactions, someone must typically be available to assist them in these efforts. A program was recently initiated at Umatilla by the Housing Authority and Economic Development Department (using innovative loan products) which allows individuals to lease tribal trust land and build a privately owned home on the land, thus avoiding much of the typical governmental hoop-jumping, and encouraging some level of asset accumulation (Deweese & Florio, 2003, p.25).

The second kind of reservation land, individual Tribal Trust Allotments, resulted from the U.S. government's decision made in the 1880s, to give out land allotments to individual

tribal members and families. At Grand Ronde, 270 allotments totaling 33,000 acres were made to individual tribal members (Our Story, 1). However, between 1887 and the early 1900s, many individuals' allotment lands were turned over to private ownership; 25,791 acres of Grand Ronde land was sold by U.S. Inspector James McLaughlin (Grand Ronde, 2004). The Indian Reorganization Act of 1936 allowed Grande Ronde and other dispossessed tribes to repurchase some of their lands, though it was also made nearly legally impossible to recuperate a significant amount of property within the Reservation community.

In 1954, Congress terminated the trust relationship with seven of Oregon's nine tribes leaving the people of Grand Ronde and other tribes "landless people in their own land" (Grand Ronde, 2004, p. 1). Not until 1983, did the Federal government recognize Grand Ronde as an American Indian tribe again. The Tribe was granted back reservation land in 1988--but the grant included just a few thousand acres held in trust (Grand Ronde, 2004). The Confederated Tribes of Umatilla Reservation and the Warm Springs Reservation were not terminated and their individual allotments remain today, having been passed down from generation to generation, though these tribes did lose significant tribal lands in the early 20th century.

Utilizing allotment lands to build assets is as challenging for tribes as using trust lands, perhaps even more so. The Bureau of Indian Affairs (BIA) holds member allotment records and many of the land boundary records have not been accurately maintained;

confusion remains among family members as to who owns what land, increasing the cost and prolonging the process of tribal members preparing their land for construction.

To build a home on allotment lands, every family member assigned to the land by the allotment must sign off on the land and their portion of the allotment. Since many family members (sometimes more than twenty-five) are on an allotment, this situation can lead to tensions within families as the system fosters inequity and division. If not all designated tribal members sign off on a land allotment, the building process cannot move forward. If one allotted tribal member is or becomes the sole owner, he/she can move ahead to the next step of development. In some cases, tribal members will then need to partition the land--a process that requires several further steps accomplished through the Tribal planning office, while working intensely with the BIA. Initially, a land survey must be undertaken before beginning development or partitioning of the land. Because of the lack of infrastructure on reservations, other pieces of the development costs and steps may include acquiring road access and installation of well, septic, electric, and power grid services. This long list of bureaucratic, legal and infrastructure development requirements are generally seen as inequitable and unfair, making many tribal members go through extraordinary steps before they can even pursue a mortgage.

The third kind of reservation land is Fee Simple Land, which is subject to both county and tribal laws and codes, and which both non-Indians and Indians alike can own. Oregon is the only state having a statute (Oregon Revised Statute 307.180) that allows property taxes to be waived for tribal members on fee simple reservation property. As the laws

also dictate, “non-native members” with the finances to do so can purchase this land easily. The situation is reversed for Native members seeking to buy or build a home on this land, since it is often less expensive to buy or build on property outside the reservation. According to a local realtor, the average home cost in the Pendleton area, just outlying the Umatilla reservation, is about \$117,000 (Premier Realty, Pendleton); but with the tax-free status of fee simple property, in most cases, homes on fee simple reservation property having acreage can cost as much as \$200,000 to \$500,000 (the average cost is \$182,000 and a couple of homes on the market today are as high as \$399,000). It is not uncommon that homes for sale on fee simple reservation land are overvalued and not truly worth the asking price. For Umatilla’s target population, homes bought on fee simple land represent a huge payment shock. Another challenge faced by Tribal members is moving from subsidized housing to owning and solely paying on a mortgage (Roloff, 2003).

A “Homeownership Guide” has been drafted at Umatilla to provide an overview of buying options for both fee simple and trust land on the reservation. Barbara Roloff, Housing Program Manager as well as the IDA Program Coordinator at Umatilla, calls the Umatilla program “Homeownership: Financial, Credit and Consumer Protection.” A 7-week series is taught called “Wayapatat,” which means “to learn or to teach,” which among other things, helps members build the credit history necessary to take on a mortgage--a key factor in home buying.

Housing Shortages and Infrastructure Issues

In addition to the challenges inherent in the utilization of reservation land today, the housing shortage on reservations must also be noted. The shortage has been historically perpetuated by the Federal Allotment Act. This policy allowed the federal government to tax American Indians who owned property, making it impossible for some tribal members to retain their land, and making it possible for Non-tribal people to purchase repossessed Indian lands. This historical precedent has led to long-term land and housing shortages on reservations across the country.

Tribal members on the Umatilla Reservation face special housing challenges. The Umatilla Reservation Housing Authority (URHA) has built 262 housing units (143 rental units, another 61 in mutual help lease-to-own housing units, and 58 Tax Credit units) since 1967, but this does not meet the demand of the over 1500 tribal members and another 1500 non-Indians who live on the reservation. The “mutual help” homes are old housing units, either in need of a great deal of repair or unable to be repaired. The URHA units (262 in total) carry a waiting list of 110 households. Most of the mortgage properties available to purchase are not affordable for Tribal members because of such conditions as fee simple status. Moreover, with an increasing need for foster care placements in the tribal community, tribal members are in need of more viable housing options. Often several generations live in one house. Even with an increase in incomes, the people remain asset-poor and unable to access additional family housing.

Several factors make the Umatilla housing shortage an acute problem. Some of the reservation housing stock is in very poor condition (such as the mutual help homes mentioned above), and tribal members do not have the funds for home repairs, even though URHA federal grant dollars, through the Native American Housing and Self-Determination Act (NAHASDA), allow for rehabilitation of homes. In addition, if tribal members want to build new housing or expand current homes, the above-mentioned complexities of gaining use of appropriate available land presents many barriers for future homeowners.

One supporting piece of infrastructure has been put in place at the Umatilla reservation. Barbara Roloff, with other team players, negotiated the legal infrastructure to provide mortgage lending on the reservation. Umatilla was approved to access the HUD 184 Guaranty Loan product (the first successful home built on Tribal Trust land was recently financed by a local bank). In 1992, HUD came up with this loan product to help provide mortgage loans on reservations. They revamped the HUD 184 Loan Guaranty product in 1997. The loan is similar to an FHA loan that provides some special benefits. For Native Americans, the loan requires a 3% down payment, no mortgage insurance and, if residing within the reservation boundaries in the state of Oregon, members do not pay state income taxes or state property taxes. This is a huge savings for Tribal members considering homeownership. Lending partners include Wells Fargo Mortgage, Washington Mutual Bank and a newly active lender, Bank of America, who has selected Umatilla as a national pilot project to test out the HUD 184 loans and determine if they want to offer the product to other tribes. Washington Mutual has been most instrumental

in closing mortgages in Umatilla because they offer an additional amount, up to \$2,000, toward closing costs for Native Americans using the HUD 184 loan product. This encourages additional savings and allows lending partnerships to creatively compete with each other. Umatilla is proud to offer choices and to see the banks knocking on their door after three years of trying to recruit banks.

In addition to the challenges to homeownership raised by the status of reservation lands and housing, a psychological challenge also exists in that homeownership is a new concept for Native communities. Homeownership, as an asset-building tool, has only been encouraged as a part of tribal financial education teaching, at the Umatilla reservation, since late in 2001. It does not make sense to teach members about homeownership, if such limited homeownership opportunities exist.

IDA Program Goals, Development and Design in Oregon Tribes

Traditional Native cultures have often included in their goals the acquisition of wisdom, the support of community, and the development of spiritual awareness. These contrast with some of the typical goals of modern American society at large, such as the acquisition of information, the support of the “rugged individualist” or self-made person, and the development of profit, in financial or material form (Utter, 136). As a recent study by the U.S. Treasury Department shows, American Indians who live in tribal areas face significant barriers to securing financial capital for housing, small businesses, education, and other needs (Deloitte & Touche, 2000). Generally located outside of the financial mainstream, tribal members on many reservations often do not have access to a

mainstream financial institution and are vulnerable to the predatory lending practices of more local lending businesses. American Indians on reservations stand to benefit from broadening their financial education to include credit “worthiness,” lending processes, investment management, and the many other techniques of personal financial management.

IDAs and Asset Building at The Confederated Tribes of Umatilla Indian Reservation

The Umatilla IDA program was initiated in 2001 through the efforts of the Chair of the tribe’s Board of Trustees and staff from its Department of Economic and Community Development. Together they then wrote a grant proposal to the philanthropic organization First Nations Development Institute (FNDI) and received \$30,000 to begin an IDA program. They also oversaw the creation of a multi-faceted staff position that would develop the housing program along with IDA’s, and hired Barbara Roloff. The IDA program is known as “Umatilla Saves” and runs as an integrated part of a larger program created by Roloff, “Homeownership: Financial, Consumer, and Credit Protection.” While it emphasizes financial education, the IDA program provides a 3:1 match rate that allows participants to exit the program with a maximum total of \$6,000 in savings and match money. Umatilla’s IDA policies require that participants save for at least 6 months consistently, and may continue to save up to 25 months with a minimum deposit of \$60 per month, in order to receive the \$4500 matching dollars to their \$1500 savings. This total of \$6000 may then be used for a down payment on a house, transacted to the title company at loan closing.

The First Nations Development Institute (FNDI) and Fannie Mae developed a financial education curriculum directed to Native communities¹ that Umatilla IDA coordinators amended to fit their specific circumstances and offer to participants to give them the opportunity to change savings patterns. The unique strategy of Umatilla's program requires participants to take financial classes as the first step of the program, followed by a credit and budget consultation, and only then determine their readiness to save in an IDA. Since the inception of the Umatilla IDA program, approximately 200 of the tribe's 1,555 members have participated in financial education classes, and 15 of those members then started saving for a down payment on a home, using IDAs.

To tie financial classes in with the IDA program better, Roloff works with employees of the tribe's social service programs, education program, and Head Start and Even Start programs. She partnered with the Small Business program to access the state of Oregon IDA funds and develop an internal policy that best fits their needs. In addition, she works with community members who are tribal employees, including those at the Wild Horse Casino, as they comprise the largest local population of people likely to need assistance with asset development strategies. The tribe's 1100 employees can participate in the classes and program services, but only enrolled Umatilla members are eligible to participate in the IDA program at this time. Eventually, Umatilla hopes to broaden the IDA program to help many community needs. Limited program staff does not allow for expansion at this time.

¹ The Housing Assistance Council, a nonprofit rural housing agency in Washington, DC, has ascertained that 42.9 percent of those Indians who live in counties with more than a 33 percent Indian population and who had mortgages extended to them between 1980 and 2000 received sub-prime or manufactured housing loans. This compares with 17.6 percent of mortgagors from the nation as a whole.

The Umatilla program uses the term “financial success” in its courses as opposed to “financial literacy,” to promote the idea that IDA participants already have some financial training before they begin the program and can take pride in increased skills in financial management. With the advantages afforded them by the IDA program they are able to leverage their increased financial skills and assets to build more assets.

The numbers of interested program participants reflect the benefits of a concentration on credit and budgeting, since many of the participants work on repairing and building credit, but know that they are not initially ready to buy a home. Of the participants who have completed the IDA program, four tribal members have used their IDA money for housing, using the innovative (but still relatively high on time intensive paperwork) HUD 184 loan product. Another 14 IDA program graduates have been researching housing options and are continuing to save in their accounts.

The IDA program has been successful on the Umatilla reservation largely because tribal members have had positive experiences with financial education courses and participants in the IDA program and have shared these experiences with others by word of mouth--the best advertising tool on the reservation. Another reason for success is that Barbara Roloff gained the trust of tribal members with her high level of confidentiality and follow-through related to financial education training. The Umatilla program also offers additional topics on investing, car buying workshops, record keeping, taxes, insurance comparisons, and a summer employment financial series for youth. The Umatilla IDA program currently uses Native American Housing and Self-Determination Act

(NAHASDA) funds to pay for the administration of the program, including program manager Barbara Roloff's salary. In 2003 and 2004, the Umatilla Reservation Housing Authority allocated \$45,000 in non-program income from properties maintained by the Housing Authority for a total of \$90,000 allocated from all sources. This additional money provides match money for 20 families.

Recently, The Confederated Tribes of the Umatilla was awarded a three-year \$211,600 federal grant from the ROSS Homeownership Support Services to fund a second staff position for the Homeownership Program. The new staff person is a loan expert who has the ability to package loans "in-house" for participants. Recruiting a loan expert is an important step for the tribe's economic development since the tribe has developed a mortgage structure specifically for offering loans to tribal members. The tribe's mortgage codes were approved by Tribal government in November 2002, to provide lending on the reservation; the creation of additional needed legal infrastructure followed before the Tribe could proceed with lending services. The loan expert (who is not an American Indian, but is appreciated by the tribal community as someone with needed expertise) teaches homebuyer workshops and provides individual guidance through the mortgage process. By employing her, the program is now able to offer additional services to meet the tremendous asset-building needs generated from the financial education classes. Eventually, the program hopes to have its own mortgage brokerage firm, to waive fees for tribal members, and to develop a "one-stop shop" concept to centralize services now spread across six departments.

With the integrated and comprehensive system of asset building now being offered and developed at Umatilla, the high demand for financial education courses and IDAs, and Roloff's successes in increasing the program's funding stream, Umatilla's asset building efforts can be seen as a best-case scenario for American Indian Tribal IDA programs.

IDAs and Asset Building at The Confederated Tribes of Warm Springs Indian Reservation

Warm Springs is a non-public law 280 tribe, which means that it does not follow state law and jurisdictions. Thus, power may be more easily consolidated and concentrated at Warm Springs, by the tribal government, than at some other reservations. The idea of potential separation of internal powers (allowing individual departments to have more authority), coupled with the motivation for tribal members to develop assets as a means to alleviate poverty, led IDA Coordinator Bruce Engle to make asset-building strategies, such as IDAs, a priority at Warm Springs. With assistance from Alisa Larson, an American Indian consultant working with the Grand Ronde reservation, and from the Tribal Small Business Development Office, Engle wrote a grant proposal to FNDI in 2001. He was awarded a \$30,000 grant to initiate an IDA program at Warm Springs, and started the program in October 2001. Engle hired Jack Quinn to coordinate the IDA program. Quinn adopted the belief that building assets is a solution to alleviating poverty and that individuals building assets can also build self-worth and increase self-confidence. He integrated IDAs into the broader tribal ten-year asset-building plan, completed in the fall of 2003.

Engle then determined that the first priority for the tribe, which has approximately 4200 enrolled tribal members, should be to promote financial education. He sees IDAs as the motivating “carrot” for those taking the financial education courses. The tribe offers financial education courses to participants, and the IDA program offers a 3:1 match, up to \$3,750, for individual savings of up to \$1,250. The program partners with USBank in Warm Springs. Participants are required to remain in the IDA program for a minimum of six months. Engle thinks participants can begin to develop a savings habit in that amount of time, if they do not already have one. They can work towards the allowable uses of purchase of a first home or beginning a business.

The FNDI grant funded IDA match money for only eight participants. Given the limited match money, tribal members completing their courses and savings requirements became eligible to receive available match funds on a first-come first-served basis. As of September 2004, six IDA participants had finished financial education classes and were still depositing money into their IDAs. One program graduate used the money to purchase a trailer home and another chose to buy materials and equipment to begin a baby board making business. Engle has a positive association with Barbara Roloff from the Umatilla reservation. This association afforded Engle and Roloff the opportunity to have meaningful discussions about IDA program specifics, which has been helpful for both the Warm Springs and Umatilla IDA programs.

IDA program challenges at Warm Springs

A significant problem for the Confederated Tribes of Warm Springs is the lack of ongoing funding for match money, since the tribe has used all the initial match money from FNDI. There are program participants who have taken financial skills, business, or homebuyer classes and deposited money into an IDA account, who will not receive match money from the program. Quinn left the position of IDA administrator in spring 2004. Staff changes are not untypical in IDA programs, both Native and non-Native. Engle's other responsibilities with the Tribe prevent him from maintaining the IDA program at what he considers an adequate level. He has encouraged Warm Springs members interested in participating in an IDA account to enroll in the IDA program offered by a non-profit organization off the reservation, the Central Oregon Community Action Agency Network (COCAAN). Warm Springs established a working relationship with COCAAN in 2004, specifically for IDAs. COCAAN is located about 40 miles south of Warm Springs in the city of Redmond, Oregon. COCAAN receives state and federal IDA funding to provide both financial education and an IDA program. The organization accepts the tribe's economic education courses as part of COCAAN program participation requirements. A number of tribal members interested in IDAs beyond the available openings for the Warm Springs IDA program have been referred to COCAAN. Whether or not the non-profit community-based agency will become a significant secondary support for the tribal IDA program remains to be seen. In any case, the number of tribal members interested in IDAs greatly outstrips the tribe's current capacity to support IDAs. For a variety of reasons, including a lack of marketing opportunities, slow recruitment of IDA participants, and program participant retention, the IDA program

became an early challenge at Warm Springs. As to retention, program guidelines state that if a participant misses one or more financial education classes he/she is allowed to make up the class or classes in the next set of education literacy classes. In order to increase retention, IDA program coordinators have met with participants on a one-on-one basis to go over missed course content. (If participants choose not to attend classes, they are forced to exit the program).

Coordinators had several suggestions for combating the two problems of recruitment and retention. A process might be developed and instituted to determine the target population better, in order to promote the best fit between the IDA program and participants, and a group of IDA board members (an advisory committee) could meet consistently to address emerging issues and challenges in a more timely fashion. Better advertising and marketing might boost recruitment, and additional ways to retain applicants who miss financial education courses could be determined. To support retention, transportation and babysitting services could be offered to participants when attending financial education sessions, and a pre-determined classroom site might strengthen attendance in the classes, and better formalize the process. Finally, to help address “interest retention,” bankers, realtors, and business associates could be sought to teach and collaborate additional classes or seminars with participants and graduates to encourage them to reach their savings goals (Quinn, 2003).

Unemployment in the area is a major challenge for Tribal members: with no major gaming or other growth businesses, the Warm Springs Confederated Tribe suffers a 60%

unemployment rate. The nearest town off the reservation, with potential employment opportunities, is twelve miles away. The vagaries of employment on Warm Springs also pose a challenge to asset building. For example, when the mill outside the reservation laid off a shift it affected the ability of some program enrollees to contribute to their IDA account. Some IDA participants asked if they could use their Human Resource Income, in the forms of Per Capita tribal revenues, Unemployment Assistance, tribal General Assistance (somewhat similar to welfare benefits), and Children's Services Division funds as funding sources for their IDA deposit. This request was somewhat problematic for IDA administrators, as they originally intended that the IDA deposits come from earned income from employment. Engle hopes to provide more flexible program guidelines to address such situations so that participants may be better retained.

To increase employment opportunities for tribal members, Warm Springs offers grants for small businesses. This money contributes to the profit of the individual enterprise and is viewed as seed money for the business. The Tribe also hopes to address unemployment by expanding its Tribally-owned industries. To increase profits it may move the small casino it operates closer to an interstate. Recently, the tribe has acquired ranch and timber properties for income and with new employment available for tribal members through these industries, opportunities might emerge for the tribe to expand the IDA program and offer financial education and IDAs to ore of its workers.

Both Engle and Quinn think opportunities exist for an IDA program to partner with other tribal departments at Warm Springs, as part of a larger asset-building strategy for the

reservation. Engle would like to invite someone familiar with car dealerships to speak with tribal members about how to protect themselves financially, when purchasing an automobile. He is also interested in partnering with a banking institution to charter a bank for the tribe. This would allow for IDA participants to access banking services within a tribally-owned financial enterprise, which could strengthen the tribe economically, as money would not be as likely to exit the reservation through a “leaking economy” situation. With a tribally-owned bank, the tribe could also provide members with more flexible and culturally sensitive banking services.

IDAs and Asset Building at The Confederated Tribes of Grand Ronde Indian Reservation

The Confederated Tribes of the Grand Ronde Community identify a number of assets they maintain in connection to their particular history of losing land and status as a tribe through being terminated by an act of federal government in 1954, and being restored in 1983. According to consultant Alisa Larson, who has worked with the tribe for several years, some of the tribe’s major assets are “cultural life ways, language, access to traditional use areas, customs, religion, ceremonies, and traditional foods” (Larson, 2003). The 2,241-person (Census, 2000) reservation consists of approximately 10,000-plus acres of timberland. The tribal administration is located on tribal trust land subsequently purchased in the small rural community of Grande Ronde, south of the reservation. The tribal population is primarily distributed outside the Grand Ronde Community area and has access to various education programs and services offered by the tribal government. Since restoration, a community center, a language immersion school, wellness center, clinic, natural resource center and an education center have all

been built, contributing to the tribe's ongoing social capital and health development. In terms of economic assets, the tribes have opened The Spirit Mountain Casino, which is currently a primary source of income. In addition, the tribe manages timber resources and multiple commercial properties in metropolitan areas; recent business ventures include a manufacturing facility in Tangent.

While Grand Ronde's restoration process has endowed the tribe with community-based social capital and assets, tribal members' displacement has left the members who have returned to the reservation unemployed and in great need of establishing residences and individual financial assets. Additionally, existing work programs are not large enough to meet the demand from younger tribal populations, and some tribal elders have chosen to collect cans as a means to pay their utility bills. Even though a new housing complex featuring assisted living for elders is under construction, additional individual asset-building strategies must be developed for the tribe to combat poverty and further marginalization. There is potential for leveraging some revenues from the tribe's casino to provide asset accumulation for all tribal members.

In October 2000, Alisa Larson brought information about IDAs to the Board of Directors of the Grand Ronde Community Resource Center (GRCRC), a non-profit 501(c)(3) organization whose mission is to educate and assist families in becoming self-sufficient while helping to meet basic needs. The GRCRC serves inhabitants of Polk and Yamhill Counties, both tribal and non-tribal populations. While the center is a separate entity from the Confederated Tribes of Grand Ronde, the tribe provides a low-cost location for the

center's programs and nearly 25 percent of its funding (Larson, 2003). The Board was interested in IDAs but did not think it was in a position to fund an IDA program. It recommended that Larson present information about IDAs to the Grand Ronde community. She met with representatives from the Small Business Development Center and the Education Department, but due to restructuring and other issues within the departments, they determined they could not support an IDA program at that time. Representatives from the Grand Ronde Tribal Housing Authority (GRTHA), who had just developed and implemented a Down Payment Assistance Grant Program with an IDA-like match component, a Home Repair Grant, and a Minor Medical Adaption Grant program, were interested in the IDA concept and financial skill-building for tribal members.

Recently the Grand Ronde Tribal Housing Authority received funding from the tribe for additional staff to explore enhancing existing homeownership programs through the development of a financial skills strategy that would be responsive to several individual levels of readiness for homeownership. The Grand Ronde Tribal Housing Authority plans to target current residents of low-income housing at the reservation, and interested tribal members receiving services through the Housing Authority, to assist them in better understanding and improving their credit, learning new financial education skills, and working towards self sufficiency goals, personal finance and homeownership goals. The Housing Authority also seeks to find innovative ways to better serve tribal members who fall into the income gap between available housing options, such as low-income rental properties and homeownership opportunities. With the increased growth of tribal

membership over the past ten years it has been challenging to keep up with economic development and housing needs for the tribe.

Grant programs provide substantial financial support to Grand Ronde tribal members. A Down Payment Assistance Grant Program, operated by the Grand Ronde Tribal Housing Authority with HUD and tribal gaming revenue, is open to members who are currently pursuing homeownership, and who live in any of the 50 states or the District of Columbia (Larson, 2003). The program provides tribal members with 20% of the purchase price and closing costs, with up to \$10,000 to purchase a single-family home. Participants put down a minimum of \$1000 for purchase costs. In an IDA-like component of the Down Payment Assistance Grant Program, tribal members can also receive up to \$2500 through a 1:1 match to cover additional costs. Also, home repair grants of up to \$10,000 are available to tribal members living in Oregon, and Medical adaption grants--medically required home improvements such as access ramps or grab bars for people with disabilities--are available to tribal members anywhere in the United States. In 2003, the Confederated Grand Ronde Tribes spent \$1,444,377 in a combination of HUD and tribal funds, on grants for down payment assistance, repairs, and medical adaptations. Since the GRTHA was established by Tribal Ordinance in 1996 the team has successfully established three housing subdivisions in Grand Ronde. Tlip Tilixam (Elder Community), a 38 unit rental development consisting of duplexes, triplexes and four-plexes, was funded in partnership with HUD. Chxi Musam Illihi (Family Community), a 36 unit family rental that consists of 1-5 bedrooms, was funded in partnership with HUD, NAHASDA, and other Block Grants. The Grand Meadows, a 36 lot manufactured

homeownership community, was constructed with tribal revenue. Lots are leased for fifty years; manufactured homes are purchased and placed on the land, utilizing HUD 184 loans. Wells Fargo Home Mortgage is the lender servicing Grand Meadows homeowners. The GRTHA assists tribal member homebuyers with their mortgage processing and contracting for site improvements.

The Role of Partnerships in Developing IDA Programs for American Indians

Partnerships with organizations outside the reservation represent a promising practice and success in building networks to provide resources for Native IDA programs. Research suggests that forming partnerships with outside organizations is an important way for Native IDA programs to provide access to services, including financial services and education (Deweese & Florio, 2003, p. 16). The partnership between Warm Springs and the Central Oregon Community Action Agency Network (COCAAN), as previously described in this case study, provides such an example. The COCAAN IDA currently serves both Tribal member participants and non-tribal participants. Examination of the asset-building efforts at Umatilla, Warm Springs, and Grand Ronde also suggests that building partnerships with tribal departments inside the reservation may be vital to securing the sustainability and position of Native IDA programs among other tribal services.

Both on and off the Umatilla Reservation, Barbara Roloff has built several community partnerships that assist her in both the financial education and IDA programs. She works with the tribe's retirement specialist to teach investing classes; with tribal police on

identity theft cases; with the tribe's workforce development program to offer summer employment financial/life skills series; with the tribe's CPA and Economic Planners to teach record keeping and ways of maintaining a healthy economy; with the tribe's legal staff to teach history and legal challenges; and with the state of Oregon's business consumer specialist and the Department of Justice and Pendleton Legal Aid Office to combat predatory lending issues, among many other community stakeholders. The program also writes monthly financial articles for the tribe's award winning newspaper.

In 2003, Roloff was elected to a local credit union board. Using her position on the board, she has assisted other board members in better recognizing the financial realities faced by the tribal community she serves through the financial education courses and IDA program. The Credit Union is now partnering with the tribe to teach classes on purchasing cars as part of the financial education curriculum.

Umatilla's IDA program taps every available down payment assistance program available to them, to assist community members better. Such programs include the Federal Home Loan Bank of Seattle Home Start funds, which provide a 3:1 match, with limited funds as high as a 10:1 match, and the state of Oregon's variety of programs targeting first-time homebuyers. Umatilla's partnership with Washington Mutual Bank, to establish mortgages, allows Native Americans using the innovative HUD 184 product, to receive an additional \$2,000 in closing costs. All of these products are additional funding sources for tribal members accessed through partnerships. Diligent research, forming a variety of partnerships, and networking can allow many tribes to tap into such programs.

Partnerships between tribes, individual consultants, and national-focused organizations have also proven to be pivotal in the policy history of IDA programs in Oregon. The primary example of these partnerships is Alisa Larson's meetings in 2001 with FNDI and representatives of Warm Springs, which led to the inclusion of a state law amendment giving tribes the opportunity to use state funds for IDA programs.

IDA Policy and Funding Challenges at the Tribal, State, and Federal Levels

Since IDA programs first began operating in the early 1990s, funding has been sought through legislation or administrative rule at the state and federal levels. These IDA policies typically allow non-profit organizations that are interested in operating IDA programs to submit proposals to become fiduciary and/or administrative entities for state and federally supported IDA programs. The policies appropriate or allocate financial support from such sources as state general revenue funds, Temporary Assistance for Needy Families (TANF) funds, state tax credits, or, in the case of federally-administrated IDA programs, Assets for Independence Act (AFIA) grants.

Because American Indian Tribes are sovereign governmental units, distinct from non-profit 501(c)(3) organizations, they are excluded from the commonly defined eligibility requirements for IDA programs and, according to the standard policy model, may not be authorized to receive federal or state grants for developing IDA programs. This is an important distinction because tribal governmental departments most often offer housing and other programs that relate to IDAs. Only in four states, where American Indians have

actively advised policy makers to include tribes in state IDA policy, do laws include provisions stating that IDA programs may be operated and receive funding by tribal governments and agencies. Tribal governments in other states have fallen into this gap in IDA policy and must either take other routes to finding funding for IDA program match or administration, create non-profits that may fit the policy profile, or partner with non-tribal, non-profit organizations with which they may or may not have an existing relationship.

The range of funding options open to tribes is limited. Some funding options allow tribes to design their own programs, while others require them to submit to the guidelines and provisions of programs designed by the state or federal governments or 501(c)(3) organizations. These forced guidelines may inadvertently work against tribal asset building. For instance, a typical guideline for many state IDA programs and the federal AFIA program determines income limits on a “household” basis, thereby excluding reservation members who live in large households that may include several extended adult family members and/or others living under one roof. In such situations, the combined household income may easily exceed the maximum specified to qualify for the IDA program, yet individual family income may remain well below the required level. Another common program guideline limits individual income to 200 percent of federal poverty guidelines, which excludes tribal members who have just begun to earn more moderate wages in a successful tribal enterprise, such as Umatilla’s gaming industry. Yet with the hidden factors of previous debt, the level of negative assets, and the heavier costs of housing development on reservations, newly acquired higher wages alone may

not translate into homeownership or asset accumulation without the support of asset-building programs. Limiting allowable uses to homeownership, small business, and education, without allowing for such uses as automobiles, to assist with travel to jobs off the reservation, or home repairs and infrastructure development (services, lights, wells, etc.), which are currently more likely to be a feasible asset-building strategy than homeownership on many reservations, is also problematic. Well-intended but restrictive program guidelines thus exclude many tribal members, who have specific needs, from meaningful participation in IDA programs.

The Confederated Tribes of Umatilla and Warm Springs chose to design their own IDA programs and underwrote them with private philanthropic funds awarded by the First Nations Development Institute. Free from the guidelines set by state and federal rules, they tailored their programs to serve the unique financial and asset-building needs and goals of their population, opening up eligibility to all members and creating financial education fitting tribal needs. Tribal IDA policy can take into account the disparity that exists on reservations between income and assets and between household size and individual income, targeting tribal members who are truly asset-poor, but may be beginning to move up income-wise. To serve participants best, tribes must secure or allocate enough funds for program operation and administration over a longer-term period. However, to do this, tribes may need to seek out and allocate additional funding sources such as TANF, CDBG, and other private, public, and tribal funds.

Revision of state IDA policy

Tribes can also seek to amend state legislation for the ability to serve as fiduciary organizations for IDA programs. Taking the legislative route can expand funding sources and allow tribes to voice concern for equalizing asset-building opportunities in states. Prior to getting legislation passed to approve tribes as fiduciary organizations, representatives of the Oregon state government and the Enterprise Foundation met just once, in 1999, at the Umatilla Reservation, to discuss IDAs with the tribe. Other than that meeting, tribes were not brought to the state policy table to discuss IDAs as an asset-building tool in relation to the development of Oregon IDA law HB3600. The original law “established an IDA program for low-income households by appropriating state tax credits” to leverage for match and administrative funds (King, Hicks, Edwards, & Larson, 2003, p. 20). Tribes would have been completely left out of the funding scenario if action had not been taken by the tribes, themselves.

Due to the tribes’ combined advocacy efforts, the Oregon exclusion of tribes as fiduciary organizations was rectified, in 2001, by an amendment, HB3391, which allowed tribes to qualify as fiduciary organizations, approved to receive state tax credits and run state-supported IDA programs. The initial work to include tribes in Oregon State IDA policy gave Oregon tribes an additional source of support from which to develop asset-building tools since the IDA programs at Umatilla and Warm Springs were initiated in the wake of the successful passage of HB 3391. (See Dewees & Florio, 2003, pp.62-66.) The success of HB 3391 may serve as a model for other Native groups desiring to revise state IDA policy, since tribes’ exclusion from state legislation remains a problem in many states.

Less than one-third of states with IDA laws and significant American Indian populations, contacted by researchers with the Center for Social Development, reported doing outreach to tribes in IDA policy development (King, Hicks, Edwards, & Larson, 2003, p. 19).

Since the passage of HB3391 and other IDA rulemaking, which related directly to administrative rule changes and amendments for trust land, the Umatilla IDA program became the first tribal IDA program to access Oregon State IDA funds successfully. In January 2004, Umatilla received a \$22,500 award from the state of Oregon, in competition with all other nonprofits and public housing authorities in the state. This award came from a total funding source of \$660,000, in leveraged state tax credits, awarded to five organizations. The Umatilla tribe is the first and only tribe in Oregon, to date, to access state funds successfully. The funding carries more program restrictions than Umatilla's IDA program. For example, in order to provide the full \$6,000 under the Umatilla program policy and to work in alignment with the state regulations, which impose a \$2000 matching cap per year, the Umatilla IDA participants must save for an extra minimum of 25 months. Additional required reporting for the state, income restrictions, and the above-mentioned limitations delayed the tribe from using this funding source effectively during the first year. Roloff has found participants to match the requirements, however, and hopes that the funds can provide match money for at least five families for down payment assistance. During the delay in using the funds, Roloff used the time to partner with the tribe's small business center in hopes of using the state money for small business owners, and is therefore able to work within the state's criteria.

This course of action spread the money to cover more of members' needs on the reservation and created another partnership with a tribal entity with similar program goals (Roloff, 2004).

Other Federal and Funding Challenges

Although IDA legislation was amended to allow Oregon tribes to administer their own IDA programs, the dilemma over not wanting to set more strict program guidelines has also prevented the Umatilla tribe from accessing federal Assets for Independence Act (AFIA) grant money. The Umatilla IDA program is not accessing this funding source because of the policy requirements of a such a low 'household' income level and necessity of the fiduciary organization holding 501(c)(3) status, or partnering with a nonprofit. During a national comment period, American Indian advocates recommended amending AFIA, as part of the legislative re-authorization process in 2003-2004, but were unsuccessful in getting the recommendations heard by key policymakers. None of the changes suggested in the previous sections, such as (1) changing the term "household" income as related to American Indian families; (2) raising income limits for American Indian families; (3) expanding uses for American Indian families, especially families on reservations; and (4) allowing Tribal governments to act as fiduciary organizations for IDA programs, were made. AFIA has been granted a one-year extension before re-authorization is again considered; it remains to be seen if these changes will then be addressed by federal lawmakers. It would benefit American Indian Tribes across the nation to contact their legislators to propose and approve the above-mentioned changes in AFIA.

Even in the case of current state IDA funding and administrative amendments, some tribes may be hesitant to participate in mainstream public asset-building programs. For example, despite the state legislative amendment in Oregon, the Confederated Tribes of Warm Springs have chosen not to apply to the state for IDA tax credit money. As a non-public law 280 tribe, Warm Springs does not follow state law and jurisdictions, and the tribe is concerned about the Public Information Act, which would mandate that the names of all IDA participants be made public. In addition, the tribe is concerned that with a state partnership the state could audit the Tribal Credit Enterprise Program, a 22 million dollar program that is already regularly inspected. Tribal members fear that additional examination of their records would challenge their role as a sovereign nation.

Policymakers and IDA advocates may need to consider in what ways the principle of sovereignty may become an issue in IDA funding at the state and federal levels, and may need to work to incorporating further guarantees of privacy to tribal governments into future asset-building legislation.

Outcomes and Recommendations for IDAs in Indian Country

Outcomes and Recommendations at Umatilla

The initial Umatilla IDA strategy conveyed by tribal decision-makers was to “get people into homes,” but the program took a different approach by developing long-term sustainable solutions such as financial education training and legal infrastructure development, to support financial growth, with additional courses in personal finance. This approach required commitment to a much broader scope of asset-building work and created additional program development efforts not deemed necessary at first, but was

later approved by tribal leaders who were better able to understand the under-lying concept of building a financial infrastructure, as Roloff constantly reported on her activities and strategies.

The IDA program has served as a positive presence in the Umatilla community.

Participants have acquired such habits as asking more financial questions and seeking financial advice from trusted tribal employees and partners, where in the past they might turn to predatory lenders for assistance. IDA program participants now work towards a more articulated vision of asset building and are supported by the knowledge that others in the tribe are concerned about their general and financial well-being. Roloff would like to see a Umatilla-like IDA program emulated by many more tribes. Through its blending of financial education with IDAs and other programs, community members receive the necessary tools to develop financial independence through asset accumulation, becoming more likely to escape historically persistent cycles of dependence and homelessness (Roloff, 2004).

Examining other areas of asset building, Roloff wants to expand workforce development programs to address land development costs. Such an advance could assist those wanting to develop individual allotments so that they could erect housing on them. To develop such lands, tribal members need money for sewer, well, septic, roads, and survey and appraisal costs, which can total as much as \$10,000-\$20,000 for individual development.

Through Roloff's efforts, the Umatilla IDAs have leveraged a total of \$120,000 in grant money so far. As the program expands, Roloff would like the allowable uses to become more flexible, including options for home repair, land development costs, and earnest money for the \$3000 fee to hold certain property on the reservation. She wants the program to secure additional funds for administration and for supporting more small business development.

Roloff would also like to see financial education specialized to meet the needs of tribal youth. Currently, when young adults reach eighteen years of age they receive trust money. As tribal members, they also receive certain dividends. Roloff believes that it is important to develop long-term strategies for retention and effective use of youths' trust and per capita funds, and not the more prevalent, and shorter-term, band-aid approaches currently used. Another critical factor with youth is the timing of financial education. Teaching youth effective financial strategies while they are very young integrates early preventative measures into the tribal communities overall economic goals, which will in turn create a healthier future economy for the community. With financial education tools, young people can better avoid predatory lending and begin investing their money as soon as they are able. Roloff and her staff have joined with other tribal departments to offer a youth summer employment, financial, and life skills series, which includes work on personal finance. This program might be expanded to encompass a full financial education curriculum for schools for youth in the future.

Outcomes and Recommendations at Warm Springs

At Warm Springs, the initial grant money from FNDI has been depleted and the IDA program is “on hold.” Tribal development personnel are currently working on the construction of a tribal credit building on reservation property. Bruce Engle reports that the IDA program’s advisory board is favorable to IDAs and they are continuing the financial education classes. They tell the participants that their financial benefit at this time is “what they use of what they learn.” The tribe has stated that it does not currently have the staff, staff time, space, or matching money for IDAs (Engle, 2004).

Warm Springs provides an example of the stalling of IDA programs on reservations in the absence of full-time program coordinators. Tribes have many basic economic needs to consider, including community, economic, business and housing development. The time spent addressing these needs may threaten to consume all of tribal program administrators’ time. Without a full-time IDA coordinator, concern for community-level projects tends to dominate the more individual-centered asset-building approach used by most IDA advocates. The question remains as to what extent Warm Springs administrators will shift their focus back to supporting an IDA program, along with financial education, after breaking ground for the tribal credit building.

Future Possibilities at Grand Ronde

An IDA program has not yet been funded on the Grand Ronde reservation, and many tribal needs for asset-building remain. There are multiple opportunities for integrating financial education skills and IDA match concepts into existing tribal programs.

Examples of a few possibilities include: current work-training programs, like the Summer Youth Crew Program of the Natural Resources Department of the tribe that partners with Oregon Youth Conservation Corps to employ 14 youth crew members ages 16-19, each summer for a 14 week period. Projects in this program include both natural resource and more community-based projects. A financial education and IDA component might be tied to such a work-training program that would also explore additional financial skills needed, goal setting, and planning for one's future.

The Grand Ronde Tribal Housing Authority could offer an IDA program alongside its Down Payment Assistance Grant Program. As a tribally designated housing entity, the Housing Authority could access match money from state funds and other sources, bearing in mind the restrictions and program design issues that arise with each funding source.

There are opportunities for employer-based IDA programs. The Spirit Mountain Casino and other tribally-owned businesses could offer IDAs to all entry-level employees who are American Indians, which would help plug the reservation's leaking economy. Though these entry-level workers are employed, they do not make enough money to support their families and some rely heavily on emergency food assistance from the Grand Ronde Community Resource Center. With IDA money and additional financial education, these workers could receive additional education so that they could move into higher-paying managerial positions. Currently, most high-level positions are awarded to non-tribal employees, and most entry-level tribal workers lack the resources to improve their situation.

Under the current income restrictions for tribes to receive state IDA funds, the tribe could attain match money funds from the state for some income-eligible tribal employees, because a high percentage have lower median incomes that fall within the state funding criteria. Match money could also be dedicated by the Grand Ronde Tribal Council and General Membership. A portion of the tribe's per capita payments (payments from its gaming revenues) could be used to underwrite an IDA program. The opportunity for integration of financial skill training as a prerequisite for receiving tribal member timber revenue or gaming revenue per capita payments could prove effective in assisting tribal members to consider a savings habit, reach their personal finance goals, and gain and retain assets within families and the tribal community. The above mentioned possibilities, however, have not been developed through the consensus of the Grand Ronde community, and therefore may not reflect ideas that are approved by a majority in the community.

Larson has been successful in advocating for amendments to state IDA policy, supporting additional opportunities for tribes in Oregon by creating an IDA policy infrastructure that allows tribes to access state funds. If the time comes when Grand Ronde is in a position to begin an IDA, the tribe will have a much more effective program due to the state funding support opportunity. With the funds recently set aside by the Grand Ronde Tribal Housing Authority for hiring staff support, the Tribe may soon have the administrative resources to take the next steps and identify further needs, set priorities, develop more innovative approaches and partnerships for supporting financial education and asset building strategies in their community.

Other General Recommendations

Roloff offers five key recommendations to others interested in developing IDA programs in Indian Country: (1) Address strategic questions related to goals before developing a program; (2) Hire a full-time coordinator; (3) Start small and expand slowly; (4) Maintain a view of IDAs as part of a broader asset building strategy; and (5) Ensure that coordinators are able to offer technical assistance and educational resources to other IDA programs, and assist in the leveraging of funding sources for neighboring tribal IDA programs. Expanding on these five recommendations, she suggests that:

1) Some overarching questions must be addressed before tribes can develop IDA programs that meet their members' needs. Tribes must first identify individual asset-building needs of members and then develop programs based on those findings. Each tribe should first do a needs assessment and examine how IDAs would best work in the community. For example, a tribe could study whether IDAs might best be used for homeownership or youth savings. With such information, tribes could more actively strategize methods to address these needs. It is also critical to identify appropriate program coordinators in advance; tribes must find people with whom the community can trust and relate. Another important factor, related to this topic, is to develop a strategic plan and lobby for support within the tribe.

2) The IDA program coordinator should be full-time. Almost all IDA program managers interviewed by Sarah Dewees and FNDI mentioned the challenge of effective program administration, if too little staff time was dedicated to recruiting participants and raising funds, among other tasks. Previous research has shown that administrative capacity correlates with funding amounts obtained (Dewees and Florio, 2003, pp. 21-23).

The lapsing of the IDA program at Warm Springs mostly due to the lack of dedicated staff time also suggests the need to have a full-time coordinator in place.

3) Programs can “start small” and expand gradually, by beginning with a strong financial education program. Although it has expanded in scale, the Umatilla program continues to operate from the paradigm of teaching financial education as the foundation to using IDAs and positioning IDAs themselves as a secondary asset-building tool. This has particularly led to successes in the area of capacity building for IDA participants. Roloff states that participants reported increased self-esteem through learning the tools necessary to build equity, assets, and wealth accumulation. Through this knowledge, participants have increased their awareness of specific financial choices gained through developing a saving and spending plan so that they can better achieve their goals. Additionally, tribal members can learn to more effectively manage their money, learn the consumer rights in place to assist them in avoiding predatory lending, understand a variety of laws that can protect their finances, and learn new financial negotiating skills. Increase in knowledge and skills, in turn, equates to an increase in tribal members’ confidence so that they can better control their financial situations. Other Native programs can utilize the FNDI/Fannie Mae financial education curriculum for Native communities, in use at Umatilla, and can supplement it with a myriad of resources (as Roloff did), modeling best practices from and partnering with other nonprofits that are successfully coordinating IDA programs.

4) IDAs are most effective when they are viewed as part of a wider strategy for social development, coupled with financial education and strong program infrastructure. For tribes to have self-sustaining IDA programs, they need to develop a larger view of the

entire asset-building picture for the community--recognizing that IDAs are only one asset-building tool among many, serving as part of a gradual process for increasing stability, wealth, an well-being, and self-determination in the community.

5) To strengthen tribal IDA programs, program coordinators need to offer technical assistance to both local participants and IDA facilitators at other reservations, to provide necessary educational resources and assist in leveraging funding sources. IDAs are, by their nature, administratively heavy, and tribes need additional technical resources to be successful when creating and using this asset-building tool. Also, coordinators must often acquire for themselves many of the resources necessary to run a successful program, including education and skill set development in grant writing and fundraising. Roloff compliments First Nations Development Institute staff in executing IDA trainings with tribes, and mentoring tribes through the early stages of their IDA programs. Moreover, additional funding sources must be identified and obtained for tribal IDA programs to be successful over the longer term. Leveraging resources for IDAs has not been easy to do in non-tribal or tribal communities alike and, as described above, some of the first tribal programs awarded grants through FNDI have lapsed because they could not continue to leverage funding.

In addition to considering Roloff's recommendations, tribes aiming to develop successful asset building programs must develop the legal infrastructure necessary to support such efforts. Umatilla has been able to develop such structures and now offers near one-stop mortgages that allow IDA participants to access much needed loan products. (It was important for the tribe to offer mortgage services because, historically, banking

institutions and mortgage lenders have not always cooperated with tribal members to the degree necessary to support them in their mortgage needs.) Developing the legal infrastructure to support loans and transfers of other assets saves tribal members critical time and money. With such supports in place, the Umatilla tribe has been able to continually support asset-building programs such as IDAs more successfully.

Asset Building Questions for Indian Country

Tribes have faced pervasive barriers to asset development. Such hindrances may directly relate to a lack of dialogue about assets. It is important for tribal members to define assets, and discuss the importance of assets. In addition, it is necessary to ask how to best leverage assets, while gaining legal supports. For those working with homeownership, an important question relates to how the BIA bureaucracy and land trust relationship challenges land acquisition and contributes to asset stripping.

Tribal governments must specifically address how best to support members in the process of beginning and maintaining an asset-building strategy, including IDA programs. The questions put forth in this case study must be framed within an even larger set of questions related to what asset building, in general, means for tribal communities today. Thus, questions about IDAs must take into consideration issues as large and various as improving the BIA relationship to tribes, challenges to economic sovereignty, and the need for tribes to better strategize about their economic future on local, state, and national political levels.

Those who fund and promote IDAs as an asset-building tool must ask why so many tribes, and non-profits, are failing at building IDA programs that are successful in the long-term. Questions tribal IDA advocates might ask include:

- How could the desire for confidentiality, especially related to tribal sovereignty, exclude tribal members from participating in mainstream asset-building strategies?
- If tribes create successful asset-building programs, what long-term funding sources can be developed to sustain these programs?
- How can tribes become better included in planning meetings for state and federal IDA policy creation?
- How can IDA program challenges in Indian Country be addressed, and perhaps eliminated, *before* funding is sought and received?
- What next steps must be taken by tribes to amend requirements and gain access to such public funding sources as Assets for Independence Act funds?

With some efforts underway to start IDA programs and broader "assets" discussions in Indian Country that will better facilitate building assets in tribal communities, some research and expansion of the process is necessary. Additional questions that may need to be addressed include:

- How and where should Native communities initiate discussions of the implications of asset building?
- What are the positive and negative effects of asset building on tribal communities?

- Once asset-building discussions start in Indian Country, which entities and organizations could be tapped to best assist in furthering determinations, and help to support effective strategies to achieve determined goals?
- How does the trust relationship between American Indian Tribes and the U.S. Federal government contribute to asset stripping and bureaucratic roadblocks, which make asset accumulation and leveraging for Native peoples more difficult?
- How can American Indian communities, and policy makers at large, plug “leaking economies” on and near reservations for the economic betterment of tribal communities?
- How can tribes leverage their own and other public and private funds better, developing more effective long-term asset-building strategies in Native communities?

Conclusion

The Confederated Tribes of Umatilla Indian Reservation, the Confederated Tribes of Grand Ronde Indian Reservation, and the Confederated Tribes of the Warm Springs Indian Reservation have all recognized the need in their communities to have increased opportunities for financial education and asset building. IDAs may serve as an effective mechanism in Indian Country to level the asset-building playing field more quickly. With champions representing each of the three tribes, all tribes in Oregon are now included in state IDA legislation as allowable IDA fiduciary organizations, capable of receiving state funds. This inclusion has not only benefited Oregon tribes but has served as an example that helps other tribal communities in the United States, as they recognize that they too

could organize and work for inclusion in state and federal IDA policy initiatives. By educating state leaders, boards, and non-profit organizations about the realities of tribal housing shortages, persistent poverty, lack of tribal non-profits, and asset depreciation associated with the trust relationship between tribal governments and the U.S. government, tribes may become better able to advocate for and meet the asset-building needs of their members.

The history of Native IDA programs in Oregon highlights several key factors for achieving better success with all tribal asset building. 1) Identifying and acquiring significant resources for administration, staffing, and match money for IDA programs are of primary importance; 2) IDA programs require the support of an economic and legal infrastructure to better secure participants' access to banking services, land purchase, inclusive state and federal policies, and available match money; 3) Partnerships with tribal departments, non-profit organizations, banks, and other related organizations, and with programs outside the tribe, can better support and produce this infrastructure; 4) Tribes in general are more asset poor than the rest of the general population, meaning that IDAs must be coupled with a strong financial education component and anti-predatory lender mechanisms to better assist tribal members on the road to homeownership, small business development, and continued educational options and; 5) To meet unique tribal needs, IDA programs must be flexible in terms of eligibility requirements and allowable uses for IDAs.

IDA program development may best be fostered within a wider asset-building discussion within and among tribes. Even though each tribe is unique and its own sovereign nation, tribal communities tend to be viewed uniformly by the U.S. Government, and to safeguard their sovereignty, land, culture, and other tribal assets, tribes must work together to advocate for government-to-government relationships that help them build on existing assets. Champions from the three Oregon tribes detailed in this case study serve as an example of how tribes can collaborate to create infrastructures allowing tribal members to be included in state IDA policy, and build assets as opportunities become available. Their work has enriched the asset-building efforts in all American Indian communities.

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Appendix

Case Study Interview Questions:

- 1) How would you define “asset building,” in general?
- 2) Is the tribe you work with interested in asset building for the community, in general? If yes, what type of asset-building activities are they most interested in?
- 3) How would you define the larger vision of asset building for the community, of the tribe you work with?
- 4) Does the tribe you work with see IDAs as part of this larger asset-building vision?
- 5) Does the tribe you work with have a larger, active, asset-building plan in place (more than just IDAs)? If yes, please explain.
- 6) How did the idea for a tribal IDA program first come to your community and/or government?
- 7) If you have an active tribal IDA program, how did the tribal government become interested in IDAs?
- 8) Does the tribal government you work with have specific goals for the uses of IDAs in the community? If yes, what are they?
- 9) What sources did your tribal IDA program funding come from?
- 10) How do you define IDA program success? In your opinion, is your tribal IDA program currently a success? Do you think the program has potential for success?
- 11) Based on the progress of your tribal IDA program start-up and implementation, what does the future of the IDA program in your community look like to you?
- 12) Is your tribal IDA program replicable by other tribes? Why, or why not?
- 13) What opportunities and/or successes has your IDA program experienced?
- 14) What roadblocks and/or challenges has your IDA program faced? Have you been able to overcome them? How overcome? How not overcome and why?
- 15) Based on lessons learned in developing and implementing a tribal IDA program, what advice would you give other tribes that may wish to initiate IDA programs?
- 16) If you don’t have an active tribal IDA program, but are in an IDA exploration phase, how did the process begin and how is it progressing?
- 17) Define growth for your tribal IDA program. Do you think the program has experienced growth? Do your tribal leaders think the IDA program has experienced growth? If yes to one or both, explain.
- 18) If IDAs are part of an overarching asset-building strategy for the tribe, how do they fit in? What would you consider an ideal overall program for asset building for the tribal community you work with? How would it be administered and funded? Who would it serve?
- 19) Have you been successful in getting IDA participants into homes on tribal lands? If yes, how? If no, why not?
- 20) What is the typical process for achieving homeownership on the tribal lands in your community?
- 21) Do you, personally, have tribal IDA program goals? If yes, what are they?