

# 2018 ANNUAL REPORT



Northwest Area  
Foundation

*Reducing Poverty. Building Prosperity.*



## OUR MISSION

**The mission of the Northwest Area Foundation is to support efforts by the people, organizations, and communities of our eight-state region to reduce poverty and achieve sustainable prosperity.**

We support organizations anchored in the culture of the people they serve across our region of eight states and 75 Native nations. Our grantees are dedicated to expanding economic opportunity in under-resourced communities by advancing good jobs and financial capability. They build on the untapped potential within our priority communities: Native Americans, communities of color, immigrants, refugees, and people in rural areas.

## From Our President and CEO

Last year, our annual report lifted up the work of Native community development financial institutions (CDFIs) as organizations whose expertise and deep grounding in Indian Country help bring new possibilities to life for multiple generations.

Our communications spotlighted this work intensively during the past year. We've learned more about why Native CDFIs are potential game changers for the people they serve and win-win investments for funders.

We also explored how Native CDFIs put capital to work in Native communities in ways that cultivate businesses, jobs, and other opportunities that are sustainable for the long term.

And they've been very successful. Their net asset ratios are high and their delinquency rates are historically low. In other words, they're a safe bet, safe enough that we've made grants and investments in excess of \$6.6 million to Native CDFIs since late 2014—nearly \$4 million in grants and more than \$2.8 million in program-related investments.

Native CDFI success stories have generated a lot of curiosity from my non-Native peers in philanthropy. They wonder if we've discovered a secret to sparking economic opportunity in communities where the deck has been stacked against people's life chances for generations.

After all, reservations were never designed to position Native people to thrive on their own terms. Government policies have directed many Native people to urban cores, but largely abandoned them there. So what is the magic that has empowered Native CDFIs to begin changing this rigged game?

Hint: it's not magic. It's more like common sense. Native CDFIs succeed because they're culturally anchored institutions rooted in Native values of community and family, sharing, and reciprocity.



We explain more about this in the following pages. A profile features leaders from Native CDFIs and from the investment community who describe in vivid detail how Native CDFIs are building assets and expanding opportunity.

Finally, the annual report features a dynamic commitment we've made to weave diversity, equity, and inclusion (DEI) into the very fabric of our organization. Why have we done this?

Written boldly across a blue wall in our office lobby are these words: We believe prosperity is possible for all. But we know that centuries-long disparities have made prosperity elusive for our priority communities: Native Americans, communities of color, immigrants, refugees, and people in rural areas.

So, we've set out on a mission-critical journey to shape a future in which every person, family, and community in our region has a fair chance to live free of poverty and thrive on their own terms.

We announced our DEI journey in the summer of 2018, but it began more than a year before that. We're still determining what this all means for our Foundation, and we're framing the goals against which we'll measure ourselves. And we've now launched an effort to document the journey; we invite you to share in it.

In gratitude,

**Kevin Walker**  
*President and CEO*

# LEARN HOW NATIVE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs) MAKE GREAT INVESTMENT PARTNERS

## Engines of Opportunity and Change with Unique Benefits for Partners

Rooted in the cultural and historical context of Native communities, Native CDFIs weave partners, funding, and networks together to help create lasting prosperity in local communities.



Cheryl DuPris, entrepreneur who launched her food business with capital and other assistance from the [Four Bands Community Fund](#), Eagle Butte, SD; photo by Uzoma Obasi

## A WIN-WIN INVESTMENT WITH LONG-TERM IMPACT

Native CDFIs are proven and promising partners for financial institutions and other investors to help make a positive difference in Indian Country successfully and sustainably. Banks, credit unions, and other financial institutions wanting to make meaningful community investments can turn to Native CDFIs as a safe, secure way to respond to community needs.

They're engines of change that expand economic opportunity in Native communities, opening doors to loans, credit, jobs, and much more.



**"We feel strongly about working with Native CDFIs. . . . They can tailor their advice and training in a way that is culturally specific. That's one reason [they're] so effective."**

CONNIE SMITH, PROGRAM MANAGER,  
DIVERSE COMMUNITY CAPITAL PROGRAM,  
WELLS FARGO

**"This partnership . . . puts capital to work for the benefit of asset-building strategies in Indian Country."**

MIKE WILSON, PRESIDENT AND CEO,  
FEDERAL HOME LOAN BANK OF DES MOINES



## WHY NATIVE CDFIs ARE STRONG, SUCCESSFUL, AND SUSTAINABLE

The key to the success of Native CDFIs lies in their commitment to building strong community relationships. Long-term economic impact is achieved by connecting families and communities with the resources necessary to bring dreams to life for multiple generations. With deep cultural ties and understanding, Native CDFIs are poised to build trust and create a powerful infrastructure for self-sufficient economic and cultural wealth.

## EFFECTIVE WAYS FOR FINANCIAL INSTITUTIONS TO INVEST AND PARTNER

There are many ways that financial institutions can partner with Native CDFIs, and partnerships can be tailored to match the varying capabilities of institutions.

### OFFER CAPITAL THROUGH SMALL OR LARGE LOANS

Capital investments in Native CDFIs can be impactful at any size—even small dollar deposits impact economic opportunity, and larger investments are easy through [First Nations Oweesta Corporation](#), the only Native CDFI intermediary lender.

### PROVIDE TECHNICAL ASSISTANCE

One of the ways that financial institutions often work with Native CDFIs is by providing IT support and technical assistance, an area of expertise many institutions already provide to their bank or credit union network. And there are plenty of other ways to offer in-kind assistance.

### MATCH FEDERAL DOLLARS TO BUILD LENDING CAPACITY

Financial institutions have the opportunity to help Native CDFIs grow their lending capacity by matching government dollars through the [Native American CDFI Assistance Program](#) from the U.S. Department of Treasury's CDFI Fund.

### MEET COMMUNITY REINVESTMENT ACT (CRA) REQUIREMENTS

Banks can meet their CRA requirements by investing or partnering with a Native CDFI, an opportunity that assessment regulators promote and support. Some options include: providing equity capital, funds for lending through deposits, and bank services.

# ADDING UP THE BENEFITS OF PARTNERING WITH NATIVE CDFIs

## 1. SUSTAINABLE IMPACT AND ECONOMIC GROWTH

Native CDFIs weave together culturally informed relationships that bridge traditional cash economies with the financial mainstream. They're anchored in local culture and passionate about creating opportunities for growth. They lay the groundwork for investment in Native communities by providing capital and financial assistance, education, and training.

This leads to a powerful multiplier effect, which helps Native entrepreneurs and Native-led businesses thrive. It also creates jobs, an expanded tax base, and new business development and market opportunities. These opportunities haven't often been available in Native communities.

## 2. NEW POTENTIAL CUSTOMERS

Native CDFIs are often the first encounter Native families and individuals have with a financial institution, and staff will frequently refer program participants to a nearby bank or credit union to open their first account and deposit money as a part of a savings plan.

Many of these new potential customers are the first in their generation to break a cycle of poverty and move toward building a life of economic prosperity.

## 3. STRONG NET ASSET RATIOS, LOW HISTORICAL WRITE-OFF AND DELINQUENCY RATES

Native CDFIs have default rates that are lower than that of the average financial institution because they're anchored in the Native communities they serve. They build lasting relationships with lenders and provide extended services such as financial education and training.

Source: [bit.ly/2vytpHu](https://bit.ly/2vytpHu)



**"We at Oweesta have lent over \$11 million to Native CDFIs and we have a .001 percent historical write-off rate [and a zero percent delinquency rate]. . . . Our Native CDFIs pay us back and are really good investments. They have really strong net asset ratios; they have really strong, healthy institutions."**

KRYSTAL LANGHOLZ, COO, FIRST NATIONS OWEESTA CORPORATION

**"[We] invest in an individual to begin to build their capacity and their family wealth and assets. . . . That's one of the reasons Native CDFIs are climbing off the [growth] charts."**



TANYA FIDDLER (CHEYENNE RIVER SIOUX), EXECUTIVE DIRECTOR, NATIVE CDFI NETWORK

## 4. HUGE, UNMET CAPITAL DEMANDS IN INDIAN COUNTRY

A 2012 Oweesta-sponsored study revealed that as Native economies grow, Native CDFIs are being asked to respond to higher needs for capital. A survey led by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis showed the additional amount to meet Native CDFI financing needs in 2017 was \$48 million.

Sources: [bit.ly/2LNG6lo](https://bit.ly/2LNG6lo); [bit.ly/2OqnE7m](https://bit.ly/2OqnE7m)

## 5. FEDERAL GOVERNMENT PROGRAM AND AGENCY SUPPORT

A number of economic and community development programs can provide equity, loans, loan security, and other credit enhancements to help reduce any lending risk and provide worthwhile support.

» **The U.S. Department of Treasury's CDFI Fund fosters partnerships and offers support through its Native Initiatives program.** In many cases, if you work at a community bank and a Native CDFI is in your bank's assessment area, your bank establishment could leverage public funds to support technical assistance, trainings, and more.

» **HUD can guarantee home loan portfolios.** Section 184 Indian Home Loan Guarantee Program (HUD) provides a 100% loan guarantee to ensure investments held in Indian Country trust lands will be repaid in full in the event of foreclosure.

» **The Federal Deposit Insurance Corporation offers insurance to help back up small dollar deposits made to a Native CDFI.**

Sources: [bit.ly/2fyiTfg](https://bit.ly/2fyiTfg); [bit.ly/2LwlKmk](https://bit.ly/2LwlKmk); [bit.ly/2DYXW8r](https://bit.ly/2DYXW8r)

**SUCCESS STORIES**, a five-part blog series, and more information on our website provide further insight on how Native CDFIs are essential partners for successful investments in Native communities. [nwaf.org/invest](https://nwaf.org/invest)

# Native CDFIs Are Partners for Investments with Impact: Community-Based for Sustainable Long-Term Growth

*By Clay Scott*



Gerald Gray, tribal chairman, [Little Shell Tribe of Chippewa Indians of Montana](#), a landless tribe that gained financing through [Native American Development Corporation](#) to develop an entrepreneurial opportunity that could allow the tribe to become self-sufficient. Photo by Richard Marshall.



**“What people often don’t understand about what we do is that we *live* in these communities, and so our hearts, and our work, and our sense of who we are—it’s all intertwined. . . . With us—we *are* our work. We *are* our community.”**

CHRYSTEL CORNELIUS (OJIBWE; ONEIDA),  
EXECUTIVE DIRECTOR, FIRST NATIONS  
OWEESTA CORPORATION

Photo courtesy of First Nations Oweesta Corporation

Before Chrystel Cornelius (Ojibwe; Oneida) was director of [First Nations Oweesta Corporation](#), and before she had founded the first and only CDFI on North Dakota’s [Turtle Mountain Reservation](#), she was a single mother trying to survive.

“There were times when my family struggled for the basic essentials—sometimes there wasn’t enough food for all of us,” she says. “But I’d always make sure my children had something to eat. And I wasn’t alone in this; my entire community faced the same challenges.”

**COMMUNITY-BASED ACCESS TO CAPITAL**

What helped Chrystel through tough times was her sense that she was part of a larger community, part of a historical and cultural continuum. She’s carried that sense with her in her career as a leader in the field of Native CDFIs.

“What people often don’t understand about what we do,” she says, “is that we *live* in these communities, and so our hearts, and our work, and our sense of who

we are—it’s all intertwined. It’s much different from the larger CDFI field, where you work, then you might go home to your neighborhood, go home to your life. With us—we *are* our work. We *are* our community.”

Native CDFIs are profoundly connected to the communities, and to the cultures and histories of those communities. That’s a message that Chrystel shares with financial institutions and other investors—and it resonates. Megan Teare manages the CDFI investment team at Wells Fargo.

“What I think is really special about Native CDFIs,” says Megan, “is that they bring all of us back to why the CDFI sector was created in the first place. It’s about community-based access to capital.

**“What I think is really special about Native CDFIs is that they bring all of us back to why the CDFI sector was created in the first place. It’s about community-based access to capital. . . . You so clearly feel that care and that compassion, and the genuineness. It’s an absolutely rejuvenating environment to be around.”**

MEGAN TEARE, SENIOR VICE PRESIDENT,  
COMMUNITY LENDING AND INVESTMENT, WELLS FARGO



Photo courtesy of Wells Fargo

“The mission of these CDFIs is so much about community, and about serving the people in the community. You so clearly feel that care and that compassion, and the genuineness. It’s an absolutely rejuvenating environment to be around.”

#### SOUND INVESTMENT POTENTIAL

As financial institutions have increasingly discovered, the sector represents both extremely sound investment potential, as well as an opportunity to be an engine for positive and sustainable change in Native communities. Jodi Neuman, investment manager with Trillium Asset Management, puts it this way:

“I think there is some real room for investors to be able to develop programs where they’re either lending to Native CDFIs, or making private capital investments into CDFIs. From our experience, these are very, very strong investments. Some mainstream investors might have to change their perspective a little bit at the outset, but if you’re open to some more patient capital, and if you take into account the huge positive impact on the community you’re helping to bring about, then these are wonderful investments.”

#### COMMITTED TO OVERCOMING BARRIERS

Fern Orié (Oneida), CEO of the [Wisconsin Native Loan Fund](#) and vice chair of [Native CDFI Network](#)’s board, agrees. But she says barriers remain between Native CDFIs and potential investors; barriers that can be overcome with communication and education.

“As Native CDFIs,” she says, “we have to take responsibility for educating potential partners and investors and helping them understand the broader historical context. We want to help them overcome any hesitation they might have about doing business in our communities. At the end of the day, any perceived barrier comes down to misconceptions and lack of knowledge—and those are things that are easily remedied with a little good will on all sides.”

Eileen Briggs is someone who is familiar with all sides of the relationship between investors and Native CDFIs. She is the former director of Tribal Ventures on South Dakota’s [Cheyenne River Reservation](#), where she is an enrolled member, and is now the director of the [Native Nation Building and Government Redesign Portfolio](#) for the Bush Foundation in St. Paul, MN.



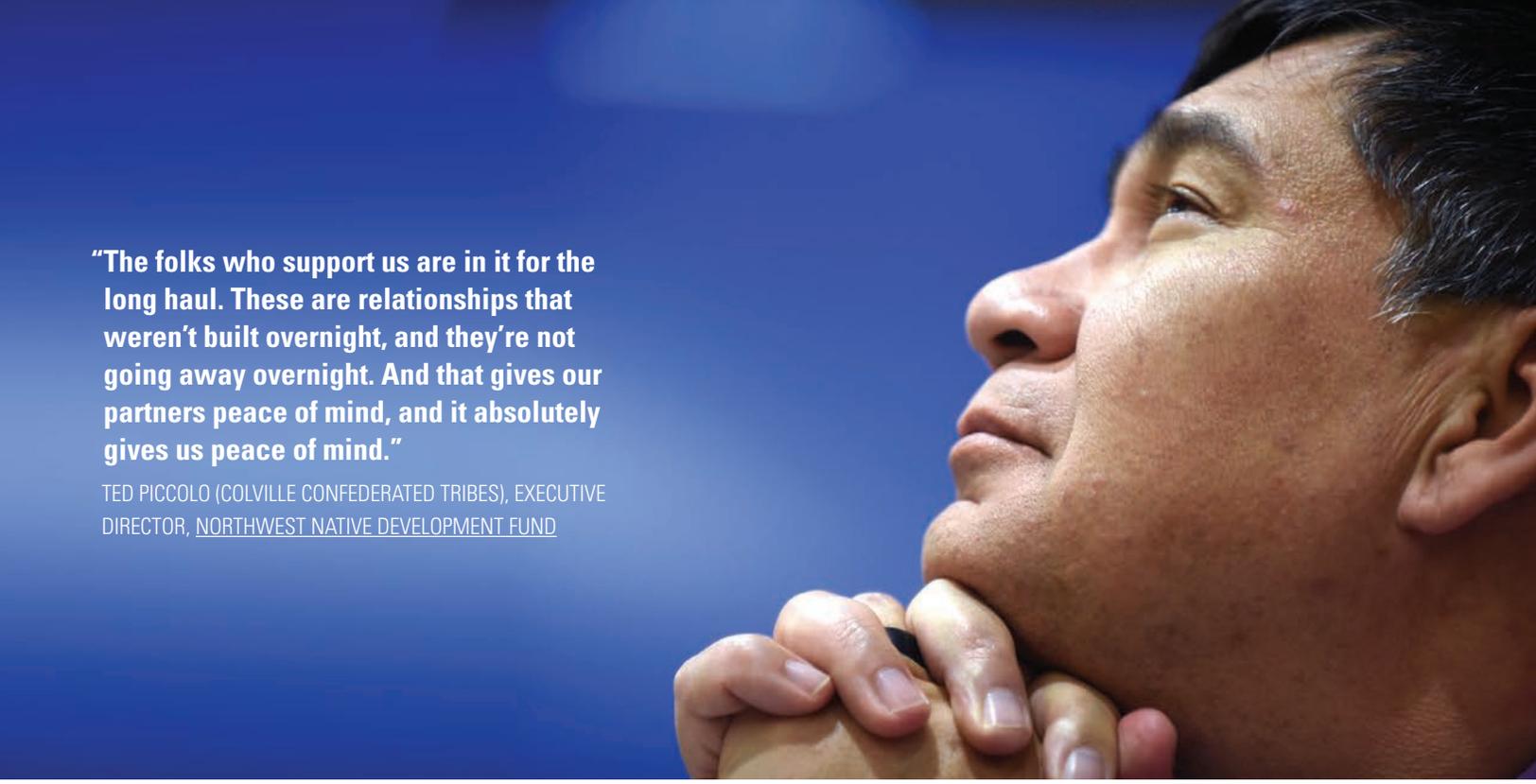
Noah’s Ark Learning Center, Eagle Butte, SD;  
photo by Steve Wewerka



**“I think there is some real room for investors to be able to develop programs where they’re either lending to Native CDFIs, or making private capital investments into CDFIs. . . . If you take into account the huge positive impact on the community you’re helping to bring about, then these are wonderful investments.”**

JODI NEUMAN, INVESTMENT MANAGER,  
TRILLIUM ASSET MANAGEMENT

Photo courtesy of Trillium Asset Management



**“The folks who support us are in it for the long haul. These are relationships that weren’t built overnight, and they’re not going away overnight. And that gives our partners peace of mind, and it absolutely gives us peace of mind.”**

TED PICCOLO (COLVILLE CONFEDERATED TRIBES), EXECUTIVE DIRECTOR, [NORTHWEST NATIVE DEVELOPMENT FUND](#)

Photo by Richard Marshall



“I certainly understand questions and concerns that potential partners and investors might have,” she says. “There is a persistent myth that investing in Indian Country is overly complex. Then there are misunderstandings about how tribal sovereignty works, for example, or about the tribes’ use of sovereign immunity. But the truth is that the world of mainstream banking deals with issues that are infinitely more complex.

“I think as investors get closer to understanding what their central mission is, and what kind of impact they’d like to see their dollars make and, above all, when they become more familiar with our communities, then the Native CDFI sector starts to represent an appealing opportunity.”

#### **LOW RISK, GREAT SOCIAL IMPACT**

To investors, part of the appeal of the sector is its overall stability and extremely strong net asset ratios, paired with extraordinarily low default rates. Brigitte Wilson, relationship manager and senior analyst in community investments for the Federal Home Loan Bank of Chicago, has worked in the CDFI industry for 15 years.

“With every investment there is risk,” she says. “But there are other benefits that are difficult to quantify, but are there nonetheless. I’m talking about the social

impact our investments have. And that is something you can’t put a price on.”

#### **STABLE COMMUNITIES, STRONG INVESTMENT PARTNERSHIPS**

Ted Piccolo (Colville Confederated Tribes) is the executive director of [Northwest Native Development Fund](#) (NNDF), a CDFI serving the Colville Indian Reservation in eastern Washington. NNDF has made a remarkable and measurable impact on the reservation, helping entrepreneurs, homebuyers, small-business owners, and others. NNDF has thrived, according to Ted, for two primary reasons. First, because of the inherent stability of the community the CDFI serves. As Ted says:

“We’re dedicated to the dirt, dedicated to our land and our culture. Our dedication to the dirt—it’s like a line on our balance sheet. And what it means is we’re not going anywhere!”

The second reason, he says, is the strength of the partnerships forged and nurtured over the years with a variety of investors.

“The folks who support us are in it for the long haul,” says Ted. “These are relationships that weren’t built overnight, and they’re not going away overnight. And that gives our partners peace of mind, and it absolutely gives us peace of mind.”



Tanya Fiddler (Cheyenne River Sioux), executive director, [Native CDFI Network \(NCN\)](http://NativeCDFINetwork.org), which has been moving the needle for nearly 10 years on essential policy, networking, and advocacy for Native CDFIs. Visit [nwaf.org/ncn](http://nwaf.org/ncn) to read the profile on NCN that was featured in our 2017 annual report. Photo by Richard Marshall.

**A STRONG AND SUSTAINABLE MODEL**

Cheryl Smith is a managing partner, economist, and investment manager at Trillium. Her relationship with Native CDFIs goes back two decades. In that time, she’s watched the steady evolution of the sector as more of her clients have chosen to invest in Native CDFIs.

“It’s easy to invest in listed stocks and bonds, and mutual funds, and money market funds,” she says. “But this sector is altogether different. True—these are investments that tend to take more management and more analysis. But the flip side is that the rewards are far greater, and not just because they are excellent long-term investments.

“Our clients have educated themselves about Native CDFIs, and they *want* to move capital to a sector that needs it. They *want* to support organizations that address issues of social and economic inequality, and that have a concrete, positive impact on people’s lives.

“That is something that is extremely rewarding for all of us to be a part of.”

The impact Cheryl refers to might not always be obvious to those outside the community. But sometimes, says Eileen Briggs, the smallest investment or the smallest loan can have the most far-reaching effect.

“I have seen people’s lives change profoundly,” she says. “Hope given. Dreams realized. Be it first-time homeownership, or starting a small business that helps a family survive. I’ve seen how individuals and entire communities blossom with the acquisition of knowledge; knowledge that helps them transition from an unbanked, cash-economy world to a world of mainstream finance, which they now have the confidence to interact with. That is what can be accomplished when investors partner with CDFIs. And we’ve created a model that’s strong and sustainable.”



**“There is a persistent myth that investing in Indian Country is overly complex. . . . But the truth is that the world of mainstream banking deals with issues that are infinitely more complex.”**

EILEEN BRIGGS (CHEYENNE RIVER SIOUX), [NATIVE NATION BUILDING AND GOVERNMENT REDESIGN PORTFOLIO DIRECTOR](#), BUSH FOUNDATION; FORMER DIRECTOR OF TRIBAL VENTURES INITIATIVE, ADVANCING ECONOMIC, SOCIAL, AND CULTURAL DEVELOPMENT ON THE CHEYENNE RIVER RESERVATION

Photo courtesy of Bush Foundation

**“With every investment there is risk. But there are other benefits that are difficult to quantify, but are there nonetheless. I’m talking about the *social impact* our investments have. And that is something you can’t put a price on.”**

BRIGITTE WILSON, RELATIONSHIP MANAGER AND SENIOR ANALYST, COMMUNITY INVESTMENTS, FEDERAL HOME LOAN BANK OF CHICAGO



D. D. Dolphus of Dolphus Racing, a client of Four Bands Community Fund, Eagle Butte, SD; photo by Uzoma Obasi



## **\$5M COLLABORATION UNLOCKS THE POTENTIAL OF INDIAN COUNTRY**

On Nov. 10, 2017, leaders and funders of Native CDFIs joined Nwaf in Missoula, MT, to help launch a \$5 million collaboration with the Federal Home Loan Bank of Des Moines (FHLB Des Moines). Nwaf and FHLB Des Moines both have long-standing commitments to serving Native areas. The collaboration puts capital to work for the benefit of private economies and asset-building strategies in Indian Country, focusing on support for the groundbreaking work of Native CDFIs and capturing the attention and imagination of new investors and partners.

**READ MORE ABOUT THE COLLABORATION:**  
[nwaf.org/fhfb-blog-series](http://nwaf.org/fhfb-blog-series)

# LEARN ABOUT OUR JOURNEY TO ADVANCE DIVERSITY, EQUITY, AND INCLUSION (DEI)—DEI MAKES PROSPERITY POSSIBLE FOR ALL

We've made a commitment to advance DEI intentionally, in everything we do, because sustainable prosperity can't be achieved without it.



DEI describes an approach we're using to more fully live out our mission, which is to support efforts to reduce poverty and achieve sustainable prosperity across our region of eight states and 75 Native nations. We envision a region where this is truly possible for all people—and DEI can help make that possibility a reality.

**"This is a vision, not a current reality. We're starting on a journey to weave DEI into the Foundation's fabric, starting from within."**

KEVIN WALKER, PRESIDENT AND CEO,  
NORTHWEST AREA FOUNDATION



## WHAT'S DEI?

### DIVERSITY

The presence of individuals with various identities.

There are many kinds of diversity: race, gender, sexual orientation, class, age, country of origin, education, religion, geography, and physical or cognitive abilities. Valuing diversity means recognizing differences between people, acknowledging that these differences are a valued asset, and striving for diverse representation as a critical step toward equity. (Source: Race Forward)

**WHY IT MATTERS TO US:** We value and celebrate diversity across various identities. We strive to be a workplace where all staff and visitors feel welcomed and respected.

### EQUITY

Just and fair inclusion into a society in which all can participate, prosper, and thrive on their own terms.

Equity starts with recognizing different challenges, needs, and histories of a given group. To be more equitable is to promote justice and fairness within the practices, policies, and distribution of resources by institutions or systems. To accomplish this, there must be systems that create, support, and sustain justice. (Source: Informed by D5 Coalition and Race Forward)

**WHY IT MATTERS TO US:** Our mission focuses on helping people in our region achieve sustainable prosperity and thrive on their own terms. We believe that prosperity is possible for *all people* in our region. Currently, that is not the case. Our priority communities (Native Americans, communities of color, immigrants, refugees, and people in rural areas) have been, and continue to be, disproportionately under-resourced. Our work focuses on improving practices, policies, and systems to create more equitable outcomes.

### INCLUSION

The act of creating environments in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate.

An inclusive and welcoming climate embraces differences, offers respect in words and actions, and fosters a sense of belonging for all people. (Source: Informed by UC-Berkeley Initiative for Equity, Inclusion, and Diversity)

**WHY IT MATTERS TO US:** We believe inclusion is more than simply diversity and quantitative representation. It involves authentic and empowered participation and full access to opportunities. It also means ensuring everyone is able to contribute meaningfully to better decisions and greater effectiveness in our organization. (Source: Informed by Race Forward and Grantmakers for Effective Organizations)

## DRIVEN BY OUR PRIORITY COMMUNITIES

We know that some communities experience more poverty than others because they've been denied their fair share of resources and opportunities. Our priority communities have been telling us for a long time that the policies and systems of our region don't work for everyone. These policies and systems continue to create barriers to opportunities such as access to good jobs, entrepreneurship, and asset building.

We've listened and learned, striving to support our communities as they seek to thrive on their own terms and achieve sustainable prosperity. Their wisdom informs our strategy, and we believe that advancing DEI creates stronger pathways to prosperity for our priority communities.



## THE JOURNEY DELIBERATELY BEGINS WITH OURSELVES

### AN APPROACH TO FULLY LIVE OUT OUR MISSION

To be a useful ally to the people we serve—and to advance and exemplify our mission—we must be diverse, equitable, and inclusive ourselves. We're learning from experts and others who've engaged in DEI work, using their insights to avoid reinforcing the very cycles of poverty and injustice we seek to change.

We're on a journey to weave DEI into the fabric of our organization, and we will continue to listen and learn from the people of our region to understand their different identities, challenges, and needs.

### WITH AN INTENTIONAL AND ACTIVE COMMITMENT TO RACIAL EQUITY

We are also committed to racial equity. Communities of color and indigenous communities experience striking levels of poverty and other social and economic disparities. The causes are rooted within a deeper historical context of trauma, inequality, and barriers based on racial discrimination.

We're in the process of defining how we'll carry out our commitment. It will be a top priority.

### THE NEXT STEPS ON OUR DEI JOURNEY

Through the rest of 2018, we're holding discussions among our staff and board to develop goals and plans for our efforts. As part of this, we're fostering stronger relationships internally and with our grantees and community partners.

We've devoted more than a year to learning about possibilities from DEI thought leaders and other funders and discovering how best to follow through on our DEI commitment.

Whatever we do, we'll be transparent by sharing what we're learning and doing with you in real time, as we take the next steps.

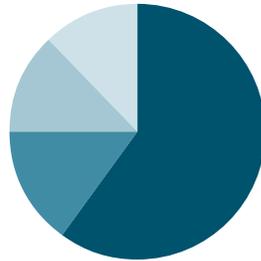


To learn more and receive updates on our DEI journey, please visit: [nwaf.org/dei](http://nwaf.org/dei).

# FINANCIAL REPORT

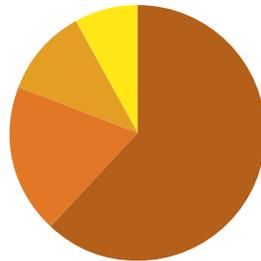
## JANUARY 1–DECEMBER 31, 2017

The Foundation paid out grants totaling \$16,315,456 in this fiscal year.



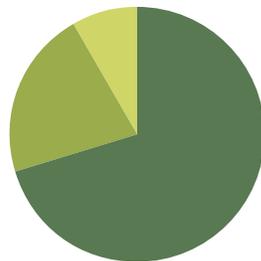
### TARGET ASSET ALLOCATION

- EQUITIES – 60%**  
(includes US Large and Small Cap, Non-US Equity, and Private Equity)
- FIXED INCOME – 15%**
- DIVERSIFYING STRATEGIES – 13%**
- REAL ASSETS – 12%**



### ACTUAL ASSET ALLOCATION

- EQUITIES – 62%**  
(includes US Large and Small Cap, Non-US Equity, and Private Equity)
- FIXED INCOME – 19%**
- DIVERSIFYING STRATEGIES – 11%**
- REAL ASSETS – 8%**

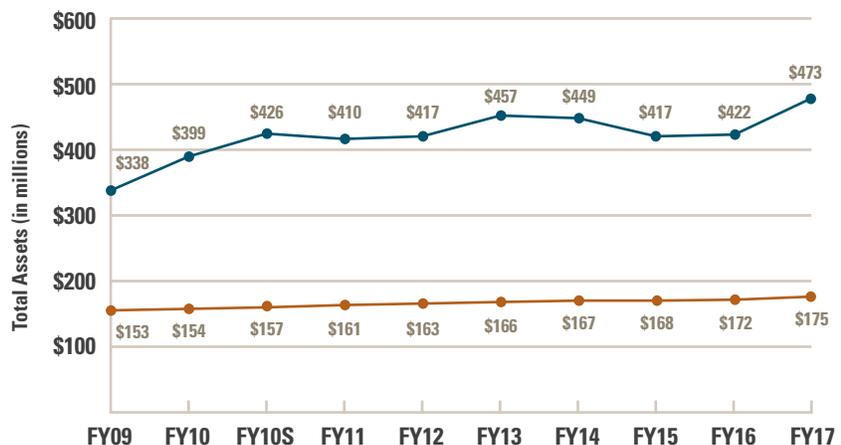


### ALLOCATION OF EXPENSES

- FUNDING ADVANCING MISSION – 70.4%**  
(includes grants – 60.1% and program-related expenses – 10.3%)
- NONQUALIFIED EXPENSES – 21.3%**  
(includes investment-related, depreciation, and tax expenses)
- ADMINISTRATIVE EXPENSES – 8.3%**

### GROWTH IN TOTAL ASSETS

- Total Assets**
- Donor Contributions—Adjusted for Inflation (1934 to Present)**



### LEARN MORE

Full listings of our 2017 grantees, and our current grantees, exist on our website, [nwaf.org/grant-listing](http://nwaf.org/grant-listing).

Our 2017 audited financial statement will be available online in fall 2018, where it can be referenced at [nwaf.org/financial-reports](http://nwaf.org/financial-reports).

# OUR PEOPLE

## NWAF staff and board listing as of August 15, 2018

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The Northwest Area Foundation's annual report is also online. Please visit [nwaf.org](http://nwaf.org) for a more detailed picture of what we do, how we do it, and why, and for additional financial information. You'll also see links to Foundation staff and board members.

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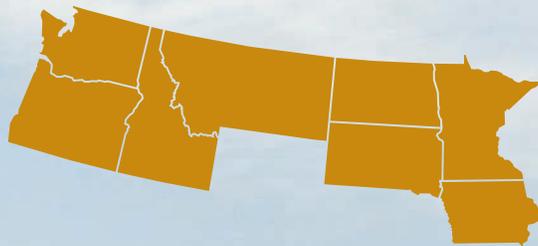


Members of the NWAF board, staff, and trustees on the 2018 board retreat at Coeur d'Alene Reservation in northern Idaho; photo by Uzoma Obasi



## Northwest Area Foundation

*Reducing Poverty. Building Prosperity.*



### OUR REGION

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