“Native CDFIs are engines of change, supporting investment and entrepreneurship in Indian Country. They’re really a best-kept secret, both inside and outside of Native communities.”

Kevin Walker
President and CEO, Northwest Area Foundation
NATIVE CDFIs, SEEDING SELF-DETERMINATION

CDFIs—community development financial institutions—offer a proven and successful model for providing loans, investment capital, and much more to underserved communities.

They offer financial services, education, and products that open up access to resources that help people grow businesses, create jobs, and build better opportunities to thrive on their own terms.

In Native communities, which have been working hard to gain fair and equitable access to banks and financial services, the role of these institutions is even more vital. Native CDFIs are dynamic and trusted partners for building assets and thriving economies in Indian Country. They are weavers, connecting families, communities, and entrepreneurs to the resources necessary to bring dreams to life for multiple generations. They are also led by people with strong community relationships and deep knowledge of their history, trusted intermediaries whose expertise has guided investments toward impressive returns that are uplifting economies anchored in Native culture.

We’ve made deep investments in Native CDFIs for the past five years, evolving from our commitment to target 40 percent of each year’s grant dollars to Native-led organizations. In the following pages, you’ll read why we are committed to connecting Native CDFIs with the partners and networks necessary to prosper.

A profile on our grantee Native CDFI Network (NCN) helps make the work tangible. You’ll read how Native CDFIs are driving positive change in Native communities, and why NCN’s ability to support and amplify local efforts is so essential.

The stories in this report focus on our current and future work, and for that reason, we’ve called it our 2017 annual report. The financial information, however, reports on 2016, the most recent year for which our audited financials are complete.

We have proudly published an annual report every year since the 1950s, and that tradition continues. We have simply chosen to name the report for the current year as an indication that the story we’re sharing about Native CDFIs is current, urgent, and evolving. The Native CDFI field is still young. But it contains seeds of change that we are honored to nurture in whatever ways we can—through our grantmaking, of course, but also by lending our voice in lifting up the beauty and promise of Native CDFIs and how they open the door to the credit and capital for strong, self-determined communities.

Please view this report as the beginning of a dialogue I’m inviting you to join. You’ll be able to frequently engage with us on Native CDFIs over the next 12 months and beyond. In the 2018 annual report, I plan to follow up with you on what we learned and where else that learning will take us.

Sincerely,

Kevin Walker, President and CEO
Native CDFIs expand economic opportunity and open doors to loans, credit, jobs, and much more.

Rooted in the cultural and historical context of Native communities, Native CDFIs are weavers, connecting the elements necessary to build thriving local economies anchored in culture.

We are committed to Native CDFIs, which cultivate the partners, funding, and networks necessary for Native communities to prosper—growing jobs, supporting small businesses, and bringing dreams to life for multiple generations.

NATIVE CDFIs BUILD RELATIONSHIPS AND OPPORTUNITIES FOR A VARIETY OF STAKEHOLDERS

TRIBAL GOVERNMENTS:
Native CDFIs help tribal governments achieve their goals by offering expertise that advances economic development and concrete results within their communities. They connect families and communities with the financial resources necessary to bring dreams to life for multiple generations.

BANKS:
Native CDFIs can help banks be responsive to Native communities while meeting CRA requirements. Native CDFIs have a long history of producing strong returns and building assets in Native communities.

FEDERAL, STATE, AND LOCAL GOVERNMENTS:
Native CDFIs build a powerful multiplier effect in tribal communities, creating jobs and self-sufficiency that expand tax bases and lead to more stable and prosperous communities.

COMMUNITIES:
Tribal communities know what is best for their futures. Native CDFIs are led by people with deep knowledge of their own communities; most Native CDFIs operate on tribal lands, and many are managed and staffed by tribal citizens. Native CDFIs support ideas generated by the community; they follow the community’s lead.
Native CDFIs are Engines of Change Within Our Access to Capital Funding Portfolio, Driving Investment and Prosperity in Tribal Communities

Native CDFIs weave culturally informed relationships that bridge traditional cash economies and the financial mainstream, making financial education and services available to tribal members. They help tribal members open bank accounts, access credit, and make savings plans. Families can purchase their homes, Native-led businesses can secure loans, and communities can build long-term wealth.

Native CDFIs are led by people with deep knowledge of their communities. Most Native CDFIs operate on tribal lands, and many are managed and staffed by tribal citizens. They’re anchored in local culture and passionate about creating opportunities for investment and prosperity.

Helping Communities Build Assets, Strengthen Financial Know-how, and Overcome Barriers to Credit

Communities have often established their own lending and credit systems, especially when traditional banks haven’t met their needs. Although the term “CDFI” is relatively new, the concept is grounded in a rich history of strong, self-determined community leadership.

It’s not uncommon for people living in Native communities to drive for hours to reach the nearest bank or even an ATM. Many Native entrepreneurs and Native-led businesses can’t gain the capital and services necessary for their businesses to succeed. Native CDFIs connect tribal governments to new investment opportunities. They build stronger ties between local enterprise and funding from banks, investors, and government agencies that haven’t always been available in sovereign tribal nations.

Meeting the Opportunity for Economic Growth

Native CDFIs build a powerful multiplier effect in tribal communities, creating jobs and self-sufficiency, which in turn leads to more stable and prosperous communities. Most Native CDFIs function as independent nonprofits—separate from tribal governments—opening the door to new market tax credits and incentives to support Native-owned businesses.

In many areas, Native CDFIs provide the only affordable alternative to predatory financial service providers. They’re straining to keep pace with the growing need for their services. Native communities are among the fastest growing segments of the US economy, and the need for a loan to start up or expand a business or to buy a home is outstripping the financing available in the markets served by Native CDFIs. Nationwide, financing demands are projected to double over the next five to seven years in Native communities.*

To meet community needs, Native CDFIs will require stronger organizational structures, more advanced skills, and greater availability of technical assistance for entrepreneurs. We’ve made deep investments in Native CDFIs for five years, evolving from our commitment to invest 40 percent of our Foundation’s grantmaking in Native-led organizations. In total, we’ve made $33.4 million in grants to Native-led organizations between 2012 and 2016.


SUCCESSFUL NATIVE FINANCIAL INVESTMENTS ROOTED IN THE CULTURAL AND HISTORICAL STRENGTH OF NATIVE COMMUNITIES

Native CDFIs connect families and communities with the resources necessary to bring dreams to life for multiple generations. They’re committed to self-determination and helping Native communities overcome challenges of accessing credit and building assets. Rooted in the cultural and historical context of Native communities, Native CDFIs are strong investments, offering expertise that advances economic development and impact.

We support Native CDFIs because they channel the power of local, community-based economic development that grows jobs, strengthens Native communities, and advances small business and entrepreneurs, whether they exist on reservations or elsewhere.

LEARN MORE: Check out our webpage devoted to Native CDFIs.

NATIVE CDFIs WE’RE FUNDING

Bii Gii Win Community Development Loan Fund | biigiiwin.org
Black Hills Community Loan Fund | blackhillsloanfund.wixsite.com/mysite
Confederated Tribes of the Umatilla Indian Reservation | ctuir.org
First Nations Oweesta Corporation | oweesta.org
First Ponca Financial | firstponcafinancial.com
Four Bands Community Fund, Inc. | fourbands.org
Lakota Funds | lakotafunds.org
Mazaska Owecaso Otipi Financial | mazaskacdfi.org
Native American Community Development Corporation (NACDC) Financial Services, Inc. | naccdfifinancialservices.com
Native American Development Corporation | nadc-nabn.org
Native CDFI Network | nativecdfi.net
Nimipuu Community Development Fund | nezpercecdfi.org
Northwest Native Development Corporation | thenndf.org
Oyate Community Development Corporation | oyatecdc.org
People’s Partner for Community Development | peoplespartners.org
Rosebud Economic Development Corporation | sicangucorp.com
Taala Fund | taalafund.org
White Earth Investment Initiative | whiteearthinvestmentinitiative.com
It’s a cloudy morning in early June. Nearly 15 people have gathered at the Federal Reserve Branch Bank in Helena, MT, making small talk about their drives after a storm. Over coffee and scones in a conference room, they discuss their drives across town, their drives from the Northern Cheyenne Reservation, their drive from Idaho.

“The prettiest drive in the country, in my opinion!” says Kim Pate (Cherokee/Choctaw), with a laugh. She drove four hours from Idaho to help facilitate this meeting, the second gathering of the Native American Committee of the Montana Financial Education Coalition (MFEC), a convening also facilitated by Prosperity Now (formerly CFED).

“It’s good to see all of you,” she tells the group.

Addressing a Vast Need

Pate is the network coordinator for the Native CDFI Network (NCN), a national association of Native community development financial institutions (CDFIs) that works to increase access to capital in Native communities. The organization was created in 2009 to unify Native CDFIs serving Native trust land communities, American Indians, Alaska Natives, and Native Hawaiians.
Currently, over 70 certified Native CDFIs are located in 19 states across the country, serving Indian Country, Alaska, and Hawaii. Native CDFIs have been around for decades, but grew significantly during the early 2000s, after a US Department of the Treasury study revealed that Native American, Native Alaskan, and Native Hawaiian communities face challenges to accessing capital and basic financial services.

“Even today, banks don’t always serve Native communities,” says Tanya Fiddler (Cheyenne River Sioux), executive director of NCN. “Want to reach an ATM or a bank? That can be hours away. Want to get a loan? Buy a house? Start a business? That’s next to impossible without a mainstream financial institution. Native CDFIs fill the gap, especially in communities that have traditionally lacked banking and other financial services.”

Native CDFIs can be game changers for families and businesses: offering up investments, loans, and services that break down barriers to cultural and economic prosperity.
For generations, many Native communities have operated their own lending and credit-building services, grounded in a rich history of strong, self-determined community leadership. Native CDFIs serve as a bridge between traditional cash economies and the financial mainstream, making financial education and services available to tribal members. They help tribal members open bank accounts, access credit, and make savings plans, among other things.

Growing Equity, Building Connections

In short? Native CDFIs connect Native families and businesses with the resources necessary to bring dreams to life for multiple generations.

In many areas, Native CDFIs provide the only affordable alternative to predatory financial service providers, but they’re straining to keep pace with the growing need for their services. Native communities are among the fastest growing segments of the US economy and the need for a loan to start up or expand a business or to buy a home is outstripping the financing available in the markets served by Native CDFIs. Nationwide, financing demands are projected to double over the next five to seven years in Native communities.*

That’s where NCN comes in.

“The Native CDFI Network brings us all together,” says Sharon Small (Northern Cheyenne), the executive director of People’s Partner for Community Development, a Native CDFI serving the communities of the Northern Cheyenne Indian Reservation in Southeastern Montana. “We get so busy in our everyday working lives that we don’t really have time to go out and see what everybody else is doing well. [NCN] gives us a chance to see everything that is happening.”

NCN sets up peer-to-peer support groups for Native CDFIs. They lead trainings. They connect Native CDFIs to advance policy priorities that foster stronger job growth and economic development in Indian Country.

“Native CDFIs are engines of change, supporting investment and entrepreneurship in Indian Country,” says Kevin Walker, president and CEO of Northwest Area

“We want to move the needle forward and maximize effecting change—real, lasting change [in Native communities].”

Diana Holshue
Director of Branch Operations and Regional Outreach,
Federal Reserve Bank of Minneapolis, Helena Branch

Setting a Bold New Course in Montana

The meeting of the Native American Committee of MFEC is an example of NCN’s leadership in action. Montana has a larger Native American population, by number and by percentage, than most US states. MFEC is an affiliate of the National Jump$tart Coalition, which focuses on youth financial literacy. But it didn’t initially have a focus on engaging Native American families and youth.

NCN worked closely with MFEC to create a Native American Subcommittee, which identifies financial capability programs that could serve Montana’s Native communities, especially youth. The Subcommittee is likely the first of its kind, and it plans to support pilot efforts that could be replicated in other Native communities across Montana. It includes representatives from tribal colleges, K–12 schools, Native youth organizations, tribal housing departments, Native CDFIs, Native American Boys and Girls Clubs, and more.

“There are people on this Subcommittee, and in the Native CDFI Network, that are key to moving the needle,” says Diana Holshue, director of branch operations and regional outreach at the Federal Reserve Bank of Minneapolis, Helena branch. “We want to move the needle forward and maximize effecting change—real, lasting change [in Native communities].”

“Want to get a loan? Buy a house? Start a business? That’s next to impossible without a mainstream financial institution. Native CDFIs fill the gap . . .”

Tanya Fiddler (Cheyenne River Sioux)
Executive Director, Native CDFI Network

“There aren’t many leaders in Montana who can bring Native voices forward,” adds Pate. “We connect the dots, and we’re trying to build capacity to move this work.”

On this rainy day, that capacity looks like people sitting around a conference room table and starting to build out the Subcommittee’s workplan. They discuss how they want to communicate with one another, how to build a working understanding of financial education curricula used by Native communities, and how to build deeper partnerships with businesses, youth, and school districts across Montana.

After electing a new Subcommittee chair, the meeting wraps up. As people leave the room, they continue talking, all the way to lunch.

“We’re just getting started,” says Pate, with a smile.
The Foundation paid out grants totaling $16,448,298 in this fiscal year.

Full listings of our 2016 grantees, and our current grantees, exist on our website, nwaf.org/grant-listing.

Our 2016 audited financial statement will be available online in late August 2017, where it can be referenced at nwaf.org/financial-reports.
This year’s annual report is dedicated to our friend and colleague David Hoffman, who joined the Foundation in 2009 and served as our Network Administrator until his passing on August 6, 2017.