

2014 ANNUAL REPORT



Northwest Area
Foundation

Reducing Poverty. Building Prosperity.



“People and communities need enterprises that generate both income and social good. They need jobs with career pathways at livable wages. They need access to capital on fair terms. And they need the know-how to build assets over time.”

— **Kevin Walker**, *President & CEO*

Cover: Scotti Clifford (Lakota) and Julianna Brown Eyes (Lakota) of alternative rock band, Scatter Their Own, First Peoples Fund Cultural Capital grantees



A REFINED FUNDING STRATEGY: FOUR INTERLOCKING PORTFOLIOS



What does it take for people and communities to thrive on their own terms and find new pathways out of poverty to a brighter future? How do we best support their progress?

We've wrestled with these questions for years. In 2013, we committed to a framework for our grantmaking that drives proven approaches and promising innovations to help people build assets through good jobs and financial capability. In 2014, we examined how we fund organizations within that framework and arrived at a refined funding strategy.

It emerged from the years we spent listening and learning in communities throughout our region of eight states and 75 Native nations while building the strategic framework.

We spoke with leaders and staff of nonprofits and community members benefiting from their programs. We spoke with tribal elders. We spoke with mayors and other government officials, business leaders, educators, researchers, thought leaders, and many other community members—especially those from Native and immigrant communities and communities of color.

Time and again we heard that to be effective, four essential elements need to be in place. People and communities need enterprises that generate both income and social good. They need jobs with career pathways at livable wages. They need access to capital on fair terms. And they need the know-how to build assets over time.

This report provides more detail about these four elements, each of which forms a portfolio within our funding strategy with shared priorities that cut across all of them.

To show you how this all looks in practice, the heart of the annual report features an in-depth profile of one of our most outstanding grantees: First Peoples Fund, based in Rapid City, South Dakota.

We've supported First Peoples Fund since 2010, and in 2013–2016 we're providing major support for its efforts to lift up art as an economic engine in Native communities. First Peoples Fund sustains artists in a way that builds assets for entire communities economically, culturally, and spiritually.

We have learned a great deal from our relationship with First Peoples Fund, and we offer this profile in a spirit of reciprocity and gratitude.

Sincerely,

Kevin Walker
President and CEO

FOUR INTERLOCKING PORTFOLIOS

We align our funding with four interlocking portfolios to advance our strategy to build and share prosperity through good jobs and financial capability.

WHY FOUR PORTFOLIOS?

Our work is guided by the wisdom of those we serve.

For years, we listened to and learned from organizations across our region—to identify the most effective investments in lasting change. Through this listening and learning, four key approaches repeatedly emerged—reinforced by field research. Together, they lay the foundation to advance good jobs and financial capability for the long term.



We fund organizations committed to build assets through policies and programs that develop the following portfolios.

ENTERPRISE DEVELOPMENT

To expand access to good jobs where they're needed most, we invest in organizations that support microenterprises—where individuals work for themselves—and social enterprises that generate income, while advancing social good.



WORK OPPORTUNITY

To strengthen labor supply as well as demand, we fund initiatives that go beyond workforce education and training to pave pathways to good jobs. These programs and policies are designed to remove other barriers that prevent employees from getting and keeping good jobs.



ACCESS TO CAPITAL

We support community development financial institutions (CDFIs) and their networks—groups that loan funds at affordable rates—to bring access to capital to communities not served well by commercial banks and lenders.



FINANCIAL INCLUSION

We invest in efforts to develop the financial know-how and skills that help individuals, families and communities control their finances, enhance their financial security and build assets over time.



OUTCOMES

Through these interlocking portfolios, we strive to advance the economic, political and social reforms needed to realize a region where every individual, family and community has the chance to thrive on their own terms.

GOOD JOBS

**FINANCIAL
CAPABILITY**

Crosscutting Priorities

We strive to advance the following priorities within each of our four portfolios.

SYSTEMS & POLICY CHANGE

We support programs and policies to improve and expand access to good jobs and financial capability, alongside efforts to influence the systems that impact our communities. This approach helps dismantle barriers faced by some today—and establish new pathways to prosperity for many more tomorrow.



SUCCESSFUL MODELS

To share and advance the work of our grantees, we lift up innovative programs and policies that serve as models for nonprofit, government and private sector leaders championing similar reforms in communities across our region and country.



OPPORTUNITIES FOR LEARNING

We connect the champions we support with other leaders—so they can generate new opportunities for impact by exchanging ideas and resources, exploring innovations, and collaborating in unexpected ways.



WHO WE FUND

To build and share prosperity, we target low-income communities that have been denied the chance to thrive on their own terms—with a special focus on those that are Native, communities of color or immigrant.



FIRST PEOPLES FUND

Profile by Clay Scott

To show how our four portfolios funding strategy supports nonprofit and community work on the ground, we've profiled First Peoples Fund. The impact of its work touches on all four portfolios. "What's more, we've also recognized how closely First Peoples Fund's work aligns with our approach by providing ongoing support through a \$1 million Presidential Grant that runs until the end of 2016," NWAFF President and CEO Kevin Walker said.

First Peoples Fund helps Native communities build financial assets, and also cultural and spiritual assets, which are just as important.



Scotti Clifford (Lakota) and Julianna Brown Eyes (Lakota) of alternative rock band, Scatter Their Own, First Peoples Fund Cultural Capital grantees

First Peoples Fund, headquartered in Rapid City, South Dakota, has been honoring and supporting First Peoples artists and culture bearers since 1995.

First Peoples Fund focuses on enhancing the crucial role Native artists can play in supporting economic growth, as well as sustaining the culture, traditions and well-being of Native peoples. Through this important work, and its focus on arts as an entrepreneurial driver of good jobs and financial capability, First Peoples Fund furthers the impact of the Foundation's strategic framework, touches on all four portfolios of its funding strategy, and demonstrates the interlocking connections between them. (See insets for detail of how the work connects to each portfolio.)

Lori Pourier is the president of the First Peoples Fund, but before she was with First Peoples Fund—long before—she was already thinking about innovative ways to strengthen Native communities through culture and arts.

"Growing up on the Pine Ridge Reservation," she says, "I felt like I had my feet in two worlds. I was connected to the world of education, through my parents. I was also surrounded by traditional Lakota culture and values. I saw both of those things as a source of strength and of spiritual wealth."

She also realized, she says, that the communities she grew up in, and the culture and traditions that defined them, were misunderstood, underserved, and often overlooked.

"Only a tiny percentage of philanthropy in this country goes to indigenous peoples. And only a fraction of that percentage goes to rural areas.



Lori Pourier, president, First Peoples Fund

That's not right. I wanted to try and do something to help change that equation."

During Lori's time at First Peoples Fund, that equation has indeed begun to change. The support provided by First Peoples Fund to Native artists across the country has had far reaching impacts—not just on the individual artists, but on their communities and beyond, as well.

"We've really had to educate ourselves about all of the systems that support the work that we do," she says. "And that work is founded on supporting individual artists and entrepreneurs, and helping them to make a living from their art in their own respective communities."



CLICK HERE Listen directly to the voices within the First Peoples Fund profile through the audio story.



FINANCIAL INCLUSION

Provides coaching and advice that helps artists repair their credit, manage funds, and plan safer, more secure financial futures.

"We're proud of our Artist in Business Leadership program. We've started equipping an army of artists in Indian country with training in banking systems and finance, and now they're working alongside the business coaches, and passing on their knowledge."

— Lori Pourier



"Buffalo Rose," by Alaina Buffalo Spirit (Northern Cheyenne), First Peoples Fund Artist in Business Leadership Fellow

That support comes in the form of a variety of small grants and fellowship programs made to Native artists, including the Artist in Business Leadership grants, the Community Spirit Awards, and the Cultural Capital grants (for more information on these, see www.firstpeoplesfund.org/grant-programs.html).

“At First Peoples Fund,” Lori says, “we try of course to find ways to measure the effectiveness of what we do. But our role, and the impact I believe we are having in Indian Country, goes far, far beyond what can be quantified.”

How to quantify, for example, the role played by Cultural Capital grantees Scotti Clifford and Julianna Brown Eyes and their family—who form the widely acclaimed alternative rock band Scatter Their Own? Standing on a bluff on the Pine Ridge Reservation, overlooking the rugged badlands near their home in the community of Rocky Ford, Scotti talked about the work of First Peoples Fund and how it can effect change in places like Pine Ridge.

“Not just on this reservation,” he says, “but in any Native community, really, economic viability is huge. And the scale doesn’t really matter, because these small grants can be leveraged in so many ways and they have a ripple effect in our communities.”

Julianna puts it this way: “We Lakota have always prided ourselves on being independent and self-sufficient. And Scotti and I, as artists, try to convey those values to our children. When we take our family on the road, we like to say that we are packing up our tipi. We’re a modern day Lakota family, but we still chase buffalo, which are the gigs, and we teach our children how to hunt, by touring, and we don’t shy away from teaching them about money.”



CLICK HERE Go deeper to hear the music and story of musicians Scotti Clifford and Julianna Brown Eyes.

Financial support from First Peoples Fund, says Julianna, can be absolutely crucial. But even more important to indigenous artists, she says, is the recognition of their work and of their role as culture bearers. One such culture bearer recognized by First Peoples Fund is Warren “Guss” Yellow Hair, a member of the Northern Cheyenne and Lakota Sioux nations. Guss travels to schools across the Pine Ridge Reservation to pass on traditional knowledge to young people—including knowledge of the Lakota language. He is known for his traditional art—he



Decorated drum by Warren “Guss” Yellow Hair (Northern Cheyenne and Lakota Sioux), First Peoples Fund Cultural Capital Fellow



“I’ve learned a lot about the business side of what I do—about having a business plan and finding a market for what I do.”

— Warren “Guss” Yellow Hair



ENTERPRISE DEVELOPMENT

Helps artists develop micro/small businesses and business plans, tell stories to market their work, access juried art awards, and build networks of other artists.

WORK OPPORTUNITY

Offers training and skills to help artists realize their art as a primary source of income and successfully price and market their work.

"Those folks (First Peoples Fund) helped me think a little bit bigger. They gave me confidence to think that I could live from my art. And in that way, I could reach a lot more people."

— **Brendon Albers**



Background: Kyle, SD, studio of Brendon Albers (Cheyenne River Sioux), First Peoples Fund Artist in Business Leadership Fellow

uses a distinctive, pictographic style to decorate tipis, drums, and sweat lodge covers.

"All of this was passed down to me," he says, "and I want to pass it on."

As he speaks, he holds a drum he made of cottonwood and elk hide, depicting a group of ochre-colored buffalo running across the sun, with the Black Hills in the background.

"It's not about me as an individual artist. It's about teaching young Native people who they are and where they come from. That's the only way they'll understand where they're going."



CLICK HERE Go deeper to hear Warren "Guss" Yellow Hair talk about and practice the art of culture bearing.

Lori Pourier says culture bearers and artists like Warren "Guss" Yellow Hair and Scotti Clifford and Julianna Brown Eyes affect their communities in profound ways.

"They are not just successful artists," she says. "They are scrappy fighters, fighting to maintain old traditions and create new ones. In a way, they are healers. Everything they do resonates in their communities and beyond. And as we find ways to help tribal economies through individual artists and entrepreneurs, we are also trying to nurture a generation that is connected to the past and looking toward a future with no barriers. And that is what we are trying to support at the First Peoples Fund. For us, anything is possible."

Learn more about First Peoples Fund's transformative work by visiting www.firstpeoplesfund.org.

ACCESS TO CAPITAL

Partners with Native CDFIs to provide access to affordable loans that help artists develop and grow their businesses.

"First Peoples Fund can play an effective role working with Native CDFIs to help artists get access to affordable loans that can really help them. A little can go a long way in small tribal communities. Sometimes, it's all about momentum."

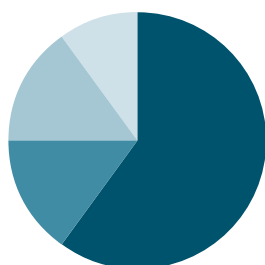
— **Lori Pourier**



"Three Sisters" by Valentina LaPier (Blackfeet), First Peoples Fund Artist in Business Leadership Fellow

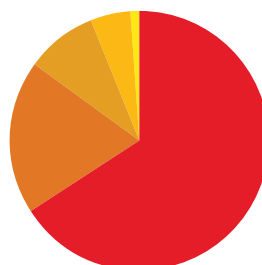
FY2014: JANUARY 1–DECEMBER 31, 2014

The Foundation paid out grants totaling \$16,449,537 in this fiscal year.



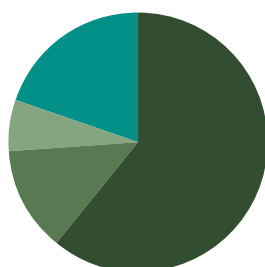
TARGET ASSET ALLOCATION

- **EQUITIES – 60%**
(includes US Large & Small Cap, Non-US Equity & Private Equity)
- **FIXED INCOME – 15%**
- **MULTI-STRATEGY FUNDS – 15%**
- **REAL ASSETS – 10%**



ACTUAL ASSET ALLOCATION

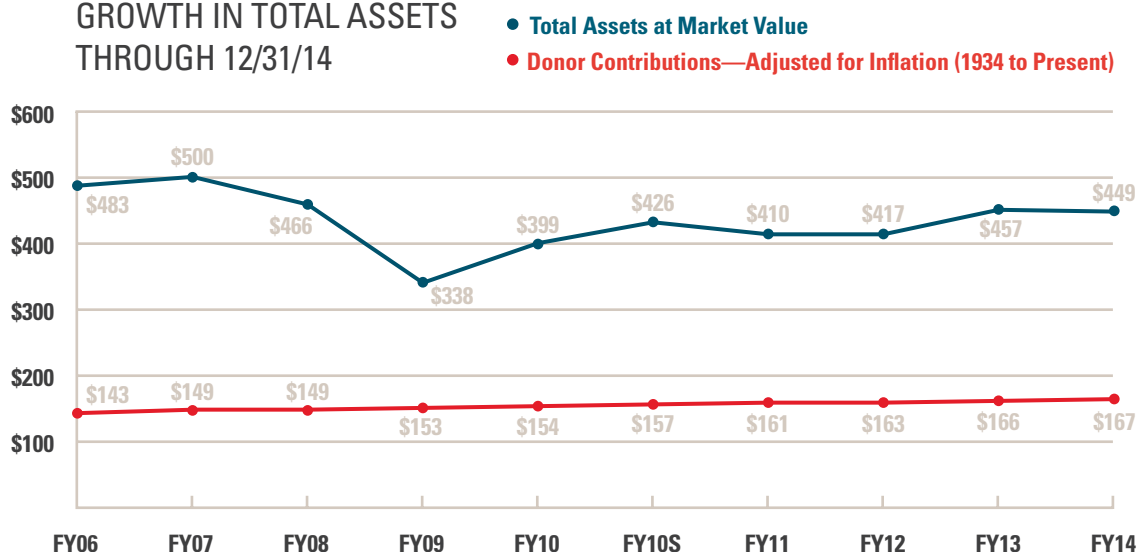
- **EQUITIES – 66%**
(includes US Large & Small Cap, Non-US Equity & Private Equity)
- **FIXED INCOME – 19%**
- **MULTI-STRATEGY FUNDS – 9%**
- **REAL ASSETS – 5%**
- **CASH – 1%**



ALLOCATION OF EXPENSES

- **GRANTS – 60.9%**
- **PROGRAM RELATED EXPENSES – 13%**
- **ADMINISTRATIVE EXPENSES – 6.5%**
- **NONQUALIFIED EXPENSES – 19.6%**
(includes investment-related, depreciation, and tax expenses)

GROWTH IN TOTAL ASSETS THROUGH 12/31/14



OUR PEOPLE

NWAF staff and board listing as of September 30, 2015

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The Northwest Area Foundation's annual report is also online. Please visit www.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.

PHOTOGRAPHY Shannon Burnette-Meek: Cover and pages 5, 6, 7, 9; Steve Wewerka: pages 2, 3, 4, 8; Paul Bachleitner: page 1
COPYEDITING Marianne Shay • DESIGN Thebe & Co



NWAF board members, staff, and grantees on a learning visit during the May 2015 board retreat on Pine Ridge Reservation near Rapid City, SD

