



## **NEWS ALERT: 225 Birch Bark Canoes Try in Vain to Raise the Titanic**

by

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When First Nations Development Institute was asked to be a part of a conference call with the National Center for Family Philanthropy, we were happy to participate. First Nations Development Institute is a national Native American-led 501(c)(3) nonprofit organization that was founded in 1980. Through a three-pronged strategy of educating grassroots practitioners, advocating systemic change, and capitalizing Indian communities, First Nations Development Institute is working to restore Native control and culturally-compatible stewardship of the assets they own - be they land, human potential, cultural heritage, or natural resources - and to establish new assets for ensuring the long-term vitality of Native communities. First Nations was founded with the belief that: "when armed with appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable economic, spiritual, and cultural wellbeing of their communities."

Throughout its 27-year history, First Nations' mission has not been only to eliminate poverty, but to build healthy and sustainable reservation economies. Although the reasons for reservation poverty are multiple and complex, only solutions provided by Indian people, for Indian people, through the control of their assets, and crafted by their own development strategies within the values of their own cultures, will succeed. First Nations' strategic intent has always been to be the leader in empowering and training Indian leaders and Indian people to control their assets and become self-sufficient and self-sustaining communities.

First Nations Development Institute sponsors a comprehensive range of economic development programs, including programs that provide tribes and Native nonprofits the training and tools required to effectively organize and develop the institutional capacity necessary to become active partners in giving and receiving philanthropic dollars. Recognizing the large cultural and funding gaps between mainstream foundations and Indian communities, First Nations Development Institute began its unique and innovative grantmaking program in 1994. As of August, 2007, First Nations' grantmaking program has given over \$13 million dollars to over 500 tribal and Native nonprofit programs (this includes 515 grants to 331 organizations).

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Always working to lead the way in addressing Indian Country's most pressing issues, First Nations created and implemented its Strengthening Native American Philanthropy (SNAP) program in 1995 to actively address the need for more information about the emerging Native nonprofit and grantmaking sectors. Through SNAP, First Nations has been able to perform innovative research and to collect much needed data related to Native American controlled foundations; including philanthropic grantmaking foundations sponsored by tribal governments. Through the programmatic side of SNAP, First Nations has also provided five Native American foundations the support and start up assistance required to become long-term self-sustaining organizations.

In setting out to write an article about the way in which American Indians (a subject which has been worked and reworked so often in novels, motion pictures, and television) remain probably the least understood and most misunderstood Americans of us all, my first inclination was to be glib, e.g., something to the effect of:

*Yes, Virginia, there is a Santa Claus. But he doesn't wear a red suit and fly around the world one night per year. And yes, there is a population of Native people in America. But they don't all wear war paint or sit around eating bon bons waiting for the next \$100,000 monthly per capita check as a result of Indian gaming. Just as there is a time for Americans to put away their short pants and their notions of Santa Claus and the Easter Bunny, the time is long past to put away outdated, incorrect, and damaging notions of American Indians, including the latest myths that have grown out of perceptions of gaming on Indian reservations.*

But the topic is much too serious, and the stakes for American Indians are much too high.

I have a quote taped to my computer that, in my opinion, sums up my concerns about the way in which I believe formalized philanthropy in the U.S. deals with the social needs of American Indians:

*The great enemy of the truth is very often not the lie - deliberate, contrived and dishonest - but the myth: persistent, persuasive, and unrealistic. Belief in myths allows the comfort of opinion without the discomfort of thought.*

*President John F. Kennedy*

Former Vice President Al Gore has spent a great deal of time recently talking about uncomfortable truths. And at the risk of stopping you from reading further, let me share with you another inconvenient truth:

***American Indians, as a whole, are not getting rich from Indian gaming!***

Somebody might wish to call the national media and tell them to stop the presses, but then again, why would you wish to let facts get in the way of good journalism, no matter what color it may be – yellow, red.

The facts are this: of America's 561 federally recognized Indian Tribes (including 223 village groups in Alaska), speaking 250 tribal languages, and each Tribe existing as a sovereign entity with a unique culture, only 225 of them have some sort of federally regulated Indian gaming. These same 225 tribes are bringing in a whopping \$25.7 billion in gaming *revenue*. The reason I am highlighting the revenue number is that because the myth in the national press is that this is a profit number. It is

not. Estimates show that of the Indian gaming revenue, the net income of these operations (after expenses) is approximately 40 percent of that \$25.7 billion, or \$10.28 billion. This is still a pretty impressive number, but stopping the calculation there would allow you all sorts of comfortable opinions about the economic health of America's Indians, without the discomfort of thought.

Let's take away some of the complications in this calculation, e.g. that 1/3 of the gaming Tribes make 90 percent of the gaming revenue, and that less than a dozen of these 225 tribes account for 40 percent of the overall Indian gaming revenue. Let's also strip away the fact that the Bureau of Indian Affairs has demonstrated that there is not an efficient system of distributing income among the United States' 4.1 million Indian people. And let's not assume that Tribes (having similar sovereign status as those of States) somehow have the obligation to distribute the profits from their enterprises to other Native and non-Native organizations. To make such an assumption would be as preposterous as it would be to expect the NAACP to raise money for or fund projects of the National Council of La Raza or the Federation of Jewish Charities, or to ask the peoples of North Carolina to feel obligated to fix the problems of the peoples in Idaho. Let's also take away the fact that these same gaming tribes, at best, are acting like most good businesses and reinvesting these proceeds into the future operations of their businesses. More likely, a great deal of the resources generated by gaming tribes have been set aside for either debt payments on the gaming facilities themselves, or to pay deferred maintenance for reservation infrastructure – schools, administration buildings, roads, water systems, etc. And we won't mention that this reservation infrastructure was, in theory, part of the contracts (treaties) that tribes signed with the U.S. government, which the U.S. government defaulted on long ago. And while gaming tribes have begun to look beyond their reservation borders in their charitable giving, much of their work has been in their local communities (counties & States), often dictated as part of the State-Tribal gaming compacts negotiated between the Tribes and the States in which they reside.

Here is the math, plain and simple. Forty percent of \$25.7 billion is \$10.28 billion. If you were to divide this equally between the 4.1 million American Indians, this would equal \$2,507. What does this really mean for American Indians living on Indian reservations? The average Indian on a reservation earns \$7,942 annually, compared to the United States median income of \$21,587 - for those doing the math that is 36.8 percent of the national norm. When one adds this to the \$2,507 that gaming, in theory, provides, that would equal \$10,449 of per capita income, about 48 percent of the national norm.

So what does this all mean in terms of philanthropy's investment in Indian Country? During the past 26 years, First Nations has witnessed the phenomenon of Native nonprofits and philanthropic institutions as an increasingly important institutional asset in the effort to rebuild reservation and rural Native economies. We believe this germinal Native "third sector" needs continued support.

Although this sector is growing, for the most part it remains highly unorganized and lacks a cohesive voice. Furthermore, many of these organizations are aimed at addressing, out of necessity, basic needs (needs that arise out of larger and more systemic issues that reach far beyond reservation boundaries) without the capacity or necessary connections to address systemic problems. First Nations, through its work with this fledgling sector, has worked hard to serve as a conduit – linking grassroots efforts to systemic change – providing a voice for Indian Country in a national policy agenda. This is simply insufficient. More must be done to organize what might appear to many outsiders as disparate voices from equally disparate cultures, but, when taken as a whole, is in fact a

single cohesive message, or voice – one that speaks of basic civil and human rights so easily given to those not indigenous to these lands – one that demands equality for all Native peoples.

Thinking in terms of “equality,” it is difficult to overlook what we perceive as the unequal treatment of Native Americans within mainstream philanthropic practices. This point is critical because we believe that in order to build a voice that speaks to justice for all Native Americans, attempts to do so must be supported by a strong and well-networked nonprofit sector – one that commands the resources and respect to affect lasting systemic change. The support of mainstream philanthropy is critical to future achievements.

Although there are a few well-heeled national foundations that have clearly been leaders in providing funding for Native Americans, they stand nearly alone among their peers. Multiple studies show a severe deficit in grantmaking to Native Americans, a deficit that is out of proportion with the population and its needs.

A 1998 Foundation Center study found that the total foundation funding allocated to Native Americans from 1992 through 1996 varied between 0.5 and 0.9 percent of total giving. More recently, a 2002 Foundation Center study confirmed this same trend for the period 1997 through 2000, with funding allocated to Native Americans ranging between 0.5 and 0.8 percent of total giving. According to Sarah Hicks and Miriam Jorgensen in “*Philanthropy in Indian Country: Who is Giving? Who is Receiving?*”:

*The Native American grantmaking by large U.S. foundations accounted for a mere 0.287 percent of independent, corporate, community and operating foundations’ overall grantmaking resources in 1989, a statistic which apparently rose to 0.302 percent in 2002...Even if it were possible to include grants under \$10,000 and grants from smaller foundations in the analysis, it is unlikely that grantmaking to American Indian issues totals any more than 0.5 percent of the U.S. foundation sector’s overall resources. This percentage calls attention to the substantial gap between the amounts of funding directed toward Native America (less than 0.5 percent) and the population size (1.5 percent of the total U.S. population). In the face of still other considerations – such as the proportion of Native Americans who are poor, tribes’ major institution-building and service provision needs, and the sheer volume of innovative approaches to social and civic concerns evolving in Native America – [the] lack of foundation engagement is truly startling.*

Even worse, a 1996 study by Ewen and Wollock found that in many cases, funding by mainstream foundations to Native issues “does not even go to Native people or organizations, but rather to non-Indian museums or universities that study Indians.” Foundation giving to Native Americans in 2000, when reviewing by foundation type, showed that private foundations gave 0.6 percent, corporate foundations 0.3 percent, and community foundations a mere 0.2 percent.

Patricia Nelson Limerick in her book, “*The Legacy of Conquest*,” said:

*The image - the noble, happy, pristine, uncontaminated Indian - had always been a great deal easier to live with than the diverse and complicated human beings who had come to be known as Indians.*

There is much work to be done to get to the point to where Native Americans and Indigenous peoples are active players in the philanthropic decision-making process and in accessing philanthropic dollars. The time is now for formalized philanthropy to invest in Native America, so that in the future Native Americans are able to create their own philanthropic networks and develop

experienced professionals who in turn fight for equity in philanthropic giving. In addition, although constrained by logistics, the philanthropic community must devote attention and resources toward empowering Native Americans to come to the table as equals.

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