



## The Top Five Things to Remember When Grantmaking to Indian Communities

by

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First Nations Development Institute, a national Native-led nonprofit organization, has been making grants in Indian Country since 1994. As of September, 2007 First Nations' grantmaking program has given over \$13 million dollars to over 500 tribal and Native nonprofit programs. We have given 515 grants to 331 organizations, including tribal government programs and Native nonprofits. In our nearly 15 years of grantmaking to Native communities, we at First Nations Development Institute have learned a few things that we would like to share with you. We call this our "Top 5" list.

**1. When you've seen one Native community, you've seen one Native community.**

According to the federal government, there are over 560 federally recognized Indian tribes in the United States, including 223 village groups in Alaska, speaking 250 tribal languages. Each tribe exists as a sovereign entity with a unique culture. Each tribe has a different history of treaties, relocation, and cultural domination. Try to learn more about a community before you begin grantmaking there. The Tiller's Guide is a good place to start – it is available online at <http://www.tillerresearch.com/>.

**2. Not all Indians are rich from gaming.** Of America's over 560 federally recognized Indian Tribes, only 225 of them have some sort of federally regulated Indian gaming. Estimates show that of the Indian gaming revenue, the net income of these operations (after expenses) is approximately 40 percent, or \$10.28 billion. One third of the gaming tribes account for 90 percent of the gaming revenue, and less than a dozen of the 225 tribes account for 40 percent of the overall Indian gaming revenue. Poverty is still very high on Indian reservations. The majority of reservations are located in remote rural areas, and the poverty rate on these reservations remains nearly three times higher than the national average. The average Indian on a reservation earns \$7,942 annually, compared to the United States median income of \$21,587 – which, for those doing the math, is 36.8 percent of the national norm.

**3. Try not to get hung up on "Indians giving back."** We hear a lot of people ask, "Why don't those rich Indians use their money to reduce poverty on Indian reservations?" The fact is, many tribes are giving back. According to the National Indian Gaming Association, the vast majority of gaming operations engage in some form of philanthropic activity,

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accounting for at least \$100 million in 2004 alone. But philanthropy is not just limited to gaming tribes. There are at least 53 Native-controlled grantmaking foundations in the nation, and the majority of them, or 33, are affiliated with tribes (only 17 are gaming tribes). These 53 Native grantmaking organizations provide funding for a broad range of social, economic, educational, and cultural programs. Read more about this topic in our *Integrated Asset Building Strategies* report, in our publications section at [www.firstnations.org](http://www.firstnations.org).

4. **Donations to tribal governments are tax-deductible.** There is a lot of confusion out there about whether foundations can make donations to tribal government programs. In fact, in 1982 Congress passed the Indian Tribal Governmental Tax Status Act, which confirms that tribal governments and their various programs can receive tax deductible donations from foundations and individuals, and that these donations count as “qualifying distributions” for foundations. For more information about this admittedly dry topic (hey, it’s tax law) visit First Nations’ website ([www.firstnations.org](http://www.firstnations.org)) or the website of the Spirit of the Salmon Fund ([http://www.critfc.org/spirit/sots\\_7871.html](http://www.critfc.org/spirit/sots_7871.html)) and look for a pamphlet titled, *“What Every Tribe, Corporation, Foundation, and Financial Planner Should Know About Charitable Giving to Tribes and Tribal Organizations.”*
5. **Look for strong institutions on Indian reservations to receive funding – and don’t forget the Native nonprofit sector!** As we have discussed, every tribe is different, with its own unique history, culture, and legacy. But on every reservation there is a strong institution somewhere – whether it is the tribal government, a local nonprofit, a tribal college, or some other organization. In our work, we look for tribes and organizations that have a good governance structure, built-in accountability measures, and other indicators of organizational effectiveness. The most recent research on the Native nonprofit sector dates back to 1997, and indicates that, at that time, there were over 1,500 Native controlled nonprofits, and that the number was growing. These Native nonprofits are an important part of the growth of civil society in Indian communities and provide a range of important social and economic development services, in addition to those provided by tribal government programs.

We hope this information is useful to you as you start your journey (or continue your journey) of grantmaking to Indian peoples. If we were to throw a sixth suggestion in there (“Top 5” is so much catchier than “Top 6”!), we would recommend that you consider working with an intermediary for your work, at least in the beginning. Indian communities are diverse, complex, unique places that a short article like this cannot begin to do justice to. An intermediary can help provide a guide to engaging a community and understanding their unique issues and needs. We wish you luck on your journey!

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*Through a three-pronged strategy of Educating Grassroots Practitioners, Advocating Systemic Change, and Capitalizing Indian Communities, First Nations has spent the past 27 years 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.*