



FIRST NATIONS
DEVELOPMENT INSTITUTE



A CASE FOR THE NATIVE NONPROFIT SECTOR:

*Advocating for
Cultural, Economic and
Community Change*



Acknowledgments

This work was funded by the Northwest Area Foundation and we thank them for their support. The findings in this report are those of the authors alone and do not reflect the views or opinions of the Foundation. We wish to thank members of the Advisory Committee for this report including Crystal Echo Hawk (Echo Hawk Consulting), Sarah Echohawk (American Indian Science and Engineering Society (AISES)), Michael E. Roberts (First Nations Development Institute), and Richard B. Williams (former executive director of American Indian College Fund). We also thank those who participated in interviews with our staff, and staff at the Federal Reserve Bank of Minneapolis for taking time to review the paper and provide feedback. In addition, we extend our appreciation to Stanton Coman and the Department of Geography at the University of Mary Washington for their assistance in conducting analysis and creating maps for this report. This report was written by Sarah Dewees and Benjamin M. Marks.

© First Nations Development Institute and Northwest Area Foundation 2015.

Suggested citation: First Nations Development Institute. (2016). ***A Case for the Native Nonprofit Sector: Advocating for Cultural, Economic and Community Change***. Longmont, CO: First Nations.

This report was created for the exclusive use of First Nations Development Institute. All material is copyrighted and is not intended for reprint unless permission is specifically granted by First Nations Development Institute. Such permission is also needed for quotes of 50 words or more, or more than 400 words of material quoted from this report.

For more information, or to order additional copies of this report, please call 303-774-7836 or email info@firstnations.org.

Table of Contents

I. Introduction	1
II. History of the Nonprofit Sector in Native Communities.....	5
Historical Dominance of Religious Organizations.....	5
Self-Determination and Civil Rights Movements	6
The Role of Tribal Governments.....	7
Urban Indian Organizations.....	8
Summary.....	9
III. What Do We Know About the Native Nonprofit Sector Today?.....	9
1. The Native-led nonprofit sector is young	9
2. The Native-led nonprofit sector is under-resourced	10
3. The Native-led nonprofit sector is dependent upon public sector/government funding	11
4. Most organizations in the Native-led nonprofit sector provide education, arts/culture or social services programs.....	12
5. The Native-led nonprofit sector is important to local community economic vitality	13
6. Native-led nonprofits nurture the next generation of Native American leaders.....	15
7. The Native-led nonprofit sector supports self-determination.....	15
8. The Native-led nonprofit sector needs support.....	17
Summary: What do We Know about the Native Nonprofit Sector Today?.....	18
IV. The Nonprofit Sector in the Northwest Area Foundation Region.....	18
V. Nonprofit Organizations Located on Indian Reservations in the Northwest Area Foundation Region	20
Analysis: Comparing All Native American Counties versus All Non-Native Counties.....	21
Rural Only Analysis: Comparing Rural Native American Counties versus Rural Non-Native Counties.....	22

Continued on next page

Table of Contents (cont.)

Discussion	23
Comparing the Types of Nonprofits in Counties.....	24
Discussion	27
VI. Native-Led Nonprofits in the Northwest Area Foundation Region.....	27
Age of Native-led Nonprofits	28
Types of Native-led Nonprofits.....	28
Discussion	29
VII. Existing Models Supporting the Native Nonprofit Sector.....	30
1. The Seventh Generation Fund for Indigenous Peoples: Affiliates Program.....	30
2. Hopa Mountain: Strengthening the Circle — A Native Nonprofit Leadership Program	30
3. Native Americans in Philanthropy: Circle of Leadership Academy	31
4. First Nations Development Institute: LEAD Fellows Program.....	31
5. The Native Ways Federation.....	31
6. Grantmaking Intermediaries	32
VIII. Implications for Action: Supporting the Native-led Nonprofit Sector	32
1. Consider supporting ongoing training and skill-building opportunities for Native nonprofit leaders.....	33
2. Consider supporting ongoing networking and peer learning among Native nonprofit organizations	33
3. Consider investing in Native nonprofit organizations that have demonstrated their impact on community economic vitality.....	33
4. Consider supporting Native nonprofits as they learn to diversify their income sources and build their fundraising skills.....	34
5. Consider multi-year grants that provide core support.....	34
6. Consider supporting a Native nonprofit incubator model.....	34

IX. Conclusion	34
References.....	36
Appendix A — Technical Note on Use of NCCS Data	38
Data Set.....	38
NTEE Coeds.....	38
Comparing All Native American Counties versus All Non-Native Counties.....	38
Rural Only Analysis: Comparing Rural Native American Counties versus Rural Non-Native Counties.....	39
Comparing the Types of Nonprofits in Counties.....	39
Native-Led Nonprofits in the Northwest Area Foundation Region	39

“I think that the nonprofit sector in many ways, both culturally and economically, saved Indian Country.”

—Rick Williams, former Executive Director of the American Indian College Fund.

I. Introduction

It is widely recognized that while different Native cultures have different traditions and worldviews, there is a long history of generosity among Native peoples. Many have recognized Native people as the first American philanthropists. In different Native cultures, the giving of time, money, or gifts signifies respect, honor, and recognition. This tradition of generosity, often manifesting itself as a potlatch, feast, throw, or giveaway, has played an important role in the political, cultural, and social history of Native peoples in America, but has been long misunderstood by outsiders.



In the past 40 years, we have witnessed a growth of formal 501(c)(3) Native-led charitable organizations. The services of these organizations are not unrelated to different tribes’ traditions of philanthropy, and in some ways are an extension of pre-existing practices aimed at helping others. More and more Native-led nonprofit entities are being created to assist with economic, social, and cultural programs, and an increasing number of Native-led nonprofit institutions are operating on Indian reservations or functioning at a national level.

In broader society, nonprofit organizations have long played an important role in providing social services, giving voice to creative expression of diverse viewpoints, and supporting community-led initiatives. Today there are nearly two million nonprofit organizations in the United States providing a broad range of services. The organizations employ over 70 million people and have revenues of over \$2 trillion. Work by Lester Salamon and others provides a framework for understanding the ways in which nonprofit organizations contribute to civil society in the United States.¹ Salamon suggests that nonprofits function in a **service role**, providing health care, education, and other social services. Nonprofits also provide a **community building** function, contributing to social capital and establishing connections among individuals and teaching norms of cooperation and collective action that are important in a pluralistic democratic society. Third, nonprofits serve in an **expressive role**, promoting artistic, cultural, ethnic, social, and even recreational activities and sentiments in a collective fashion. Fourth, nonprofits also function in an **advocacy role**, identifying and giving voice to diverse issues in society related to social, political, environmental, and community interests and concerns (see Figure 1). Some organizations span all categories with their program work.²

¹ Salamon (2012).

² Note: Salamon’s framework for understanding the functions of nonprofit organizations was developed to explain the nonprofit sector overall and is not specific to the Native American nonprofit sector. Nonetheless, Salamon’s framework is one of many useful frameworks for understanding the nonprofit sector serving Indian Country.

Figure 1: The Native Nonprofit Sector Contributes to Increased Community Vitality by Functioning in a Service, Community Building, Expressive, and Advocacy Role



In rural and urban Native communities across North America, Native-led nonprofit organizations³ are experiencing a golden age of growth and development. Faced with a broad array of challenges and opportunities, nonprofit organizations led by community members are finding local solutions to local problems. Native-led nonprofits are increasingly functioning in a service role, providing needed youth services and health programs. They advocate for issues unique to Native American peoples and promote equity in funding, programs, and resources. Nonprofits also promote artistic and cultural expression designed to revive and support traditional Native cultures by sponsoring art museums, cultural gatherings, and language camps. Many Native-led nonprofits continue to promote community building by bringing together community members for collective action.

There are also many national Native-led organizations that have become important advocates for Native issues related to sovereignty and cultural revitalization (see Table 1). All these activities play an important role in supporting Native community wholeness, community economic vitality, and community prosperity (see Table 2). But the Native-led nonprofit sector is a relatively new phenomenon, and increased support is crucial to the long-term success of Native-led nonprofits.

³ For the purposes of this paper, Native-led nonprofit organizations are organizations that have a majority Native board or a Native executive director, and also have a mission to provide services in Indian Country or in Native communities in urban or rural settings.

Table 1: Examples of Native Nonprofits Functioning in Service, Advocacy, Expressive, or Community Building Roles

Service	Advocacy	Expressive	Community Building
<p>Little Earth of United Tribes: This Urban Indian Center was founded in 1973 to create affordable housing in south Minneapolis. Currently the organization provides services (housing, early childhood education), advocates for economic justice, and provides cultural and community building activities for urban Indians in Minneapolis.</p>			
<p>Northwest Native Development Fund: The NNDF, a community development financial institution (CDFI), seeks to foster economic and financial independence for Native people by assisting in the development of personal assets through financial and entrepreneurial education as well as providing access to capital through creative lending products. NNDF also advocates at the local, state, and national level to support Native entrepreneurship.</p>			
		<p>Three Affiliated Tribes Museum, Inc.: The museum serves as heritage center to display and preserve history and culture of the Mandan, Hidatsa and Arikara people.</p>	
		<p>Northwest Native American Basket Weavers Assoc.: The mission of this organization is to preserve, promote, and perpetuate the traditional art of Northwest Native American basketry. By promoting solidarity and communication among Native artists, this organization provides an outlet for cultural expression.</p>	
<p>Indian Land Tenure Foundation: The mission of the ILTF is that the land within the original boundaries of every reservation and other areas of high significance where tribes retain aboriginal interest are in Indian ownership and management. The organization has a partner community development financial institution (CDFI), Indian Land Capital Company, that provides loans to help purchase land, and advocates for returning Indian land to Indian control.</p>			
<p>First People's Fund: First Peoples Fund's mission is to honor and support the Collective Spirit® of First Peoples artists and culture bearers. First People's Fund strives to provide support and voice to the creative Indigenous artists who share their inspiration, wisdom, knowledge and gifts with their communities.</p>			
<p>Washington State Native American Coalition Against Domestic Violence: The Washington State Coalition Against Domestic Violence provides services to victims of domestic violence and advocates for policy reform.</p>			
	<p>Native CDFI Network: The Native CDFI Network's mission is to be a national voice and advocate that strengthens and promotes Native community development financial institutions (CDFIs), creating access to capital and resources for Native peoples.</p>		

Table 1: Examples of Native Nonprofits Functioning in Service, Advocacy, Expressive, or Community Building Roles

Service	Advocacy	Expressive	Community Building
<p>Minnesota Indian Business Alliance: The mission of MIBA is to align partners committed to the growth and success of Native American businesses and entrepreneurs; connect Native American businesses, entrepreneurs and resource providers in innovative and practically useful ways; and transform Native American communities by supporting and advocating for culturally effective entrepreneurial creativity, sound business models, and pro-social economic growth.</p>			

This report will explore the history of nonprofit organizations in Indian Country and the multiple ways these organizations have contributed to community wholeness, community economic vitality, and community prosperity. We will explore the history of both Native and non-Native led nonprofits and document the economic, cultural, and community development impacts of this sector. We include interviews with key leaders in the Native nonprofit sector to help illuminate the important role of the nonprofit sector in promoting community wholeness, community economic vitality, and community prosperity. Drawing upon a unique dataset, we will empirically explore the types of nonprofits that are serving reservation-based Indian communities in the Northwest Area Foundation region⁴ as well as the characteristics of Native-led nonprofits organizations. Ways to support the growth of the Native nonprofit sector will then be discussed.

Table 2: Community Wholeness, Community Economic Vitality, and Community Prosperity

The *American Indian Community Blueprint* was produced by the Native American Community Development Institute (NACDI) in the Twin Cities. The Blueprint is a comprehensive document that was developed by the community, for the community, and NACDI compiled the document from extensive engagement and study. Released on April 30th, 2010, the Blueprint is a vision for the future of the urban American Indian community of the Twin Cities. This Blueprint introduces the concepts of **Community Wholeness**, **Community Economic Vitality**, and **Community Prosperity**, and we borrow these concepts for use in this paper. Definitions are provided here:

Community Wholeness

- American Indian people are spirituality nourished; value their cultures and traditions; pass these practices on to younger generations; and foster respect, honor, and understanding by all people
- American Indian people live healthy lifestyles and have access to high-quality and affordable health care

Community Economic Vitality

- American Indian people inspire and grow their own entrepreneurs and small businesses, creating a vibrant local business district and economy with regional prominence
- American Indian people have living-wage jobs that build assets and eliminate barriers to success, creating economic self-sufficiency
- American Indian people have strong schools, educational programs, and training opportunities to prepare for 21st century jobs
- American Indian people have access to quality, affordable housing for all people with an emphasis on home ownership

Community Prosperity

- American Indian people live in a community that builds and nurtures leaders from within, and the urban Indian community has a strong voice in local, state, and national politics
- American Indian people are served by an efficient and collaborative social service network that reduces dependency and fosters self-sufficiency

⁴ The Northwest Area Foundation Region is comprised of Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota, and Washington.

II. History of the Nonprofit Sector in Native Communities

Nationally, it is suggested that a voluntary sector developed very early in the formation of the United States because of the individualistic nature of the immigrants and their fear of the controlling government structures they left behind in Europe and elsewhere.⁵ The experience of Native peoples on this continent follows a different history. In the mid to late 1800s, most American Indians were being organized into a reservation system as a result of aggressive westward expansion on the part of immigrants and the signing of exploitative treaties and other agreements with the nascent U.S. government. This system superimposed governmental and other structures on Native peoples, denying and destroying their traditional societal structures in the process, including traditional forms of community organizations. What resulted and continued over the next century or so was a tightly controlled economic and cultural system for Native peoples with the federal government in the lead. Many non-Native nonprofit organizations sprang up to serve Indians on reservations at the time and to respond to the high levels of poverty found in many of these communities. In the past 40 years, however, the passage of legislation that has empowered tribal governments, and the civil rights and self-determination movement, has helped American Indian tribes build capacity to exercise their sovereignty and break free from the influence of federal agencies and other outside interests. As a result, both tribal governments and the “third sector,” or nonprofit organizations, are growing in strength and capacity in Native communities across North America. This section provides an overview of some of the unique issues shaping the nonprofit sector in Indian Country.



Historical Dominance of Religious Organizations

When studying the nonprofit sector in Native American communities, it is important to understand the role of religious organizations. The earliest formal nonprofit organizations that were located on Indian reservations or served Native communities were often supported by non-Native religious organizations. These organizations were motivated by the desire to reduce the poverty found in reservation settings and to disseminate their religious views. From early colonization through the post-colonial era, religious groups of many different faiths set up churches and schools on reservations. The services and programs did usually help to ameliorate the deplorable conditions found on Indian reservations, and successfully contributed to reform movements that led to American Indians gaining citizenship in 1924. The actions of religious organizations also helped lead to the 1928 Meriam Report, which precipitated significant changes in Indian Country. However, many of the religious organizations were motivated by a desire to impose western and Christian values on Indigenous populations and contributed to cultural erosion and paternalistic control of tribal operations. These early organizations are still present on many reservations, but many have followed an arc away from the early paternalistic models of cultural assimilation towards the social service provision model of the 1950s, and then finally to supporting emerging organizations of the modern era that reflect local leadership and values.

“I think that the nonprofit sector in many ways, both culturally and economically, saved Indian Country.”

⁵ Skocpol and Firoina (1999).

Self-Determination and Civil Rights Movements

More recently, the late 1960s to present day represents a self-determination era for Indigenous people and tribal governments, characterized by expanded recognition and applications of the powers of tribal self-government and a growing cultural acceptance of American Indian issues in mainstream society. The Indian Self-Determination and Education Assistance Act (P.L. 93-638) passed by Congress in 1975 gave tribes a mechanism to assume the administrative responsibility to manage federal programs that were designed for their benefit. Appropriations for Indian programs, including both the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS), significantly expanded during the 1970s. This, along with the passage of the Tribal Self-Governance Act (P.L. 103-413) in 1994, led to greater tribal control of the social service budgets and a growing partnership with local nonprofits to support service provision. The civil rights movement in the 1960s and 70s, including the work of the American Indian Movement, led to a growth in advocacy nonprofits nationwide both at the national level and the local community level as Native leaders advocated for increased self-determination and control. Several national organizations, such as the American Indian College Fund, were created to advocate at a federal policy level for equity in funding and increased tribal control of service provision. The American Indian Movement also contributed to a rekindling of pride in cultural traditions, ceremonies, and arts that helped promote the growth of many expressive and community building nonprofits both nationally and at the local level. The current diversity of Native-led nonprofits represents the growth in the sector over the past 40 years as community members take on programs to preserve and restore Native languages, revive traditional food systems, and mentor and support Native artists. These organizations are working to contribute to community wholeness, community economic vitality, and community prosperity,⁶ and to building local capacity to successfully address local economic, social, and cultural issues.

This era was very important for the Native-led nonprofit sector because it empowered many Native leaders to advocate for Native American causes and build capacity for self-determination. It also highlighted the significant role the nonprofit sector can have in supporting advocacy and community building.

A member of the advisory committee for this paper put it this way:

I think that the nonprofit sector in many ways, both culturally and economically, saved Indian Country. The early work of the nonprofit sector helped tribal nations both in the development of sovereignty and the implementation of the newfound sovereign powers for Indian Country. The critical work and success of the Native American Rights Fund and others laid the foundation for new nonprofits, for example the tribal colleges. The entire sector created new service entities who provided critical services to both reservation and urban Indian communities. At the heart of the nonprofit sector were Native-led nonprofits that provided a key role in helping advocate for our basic rights related to sovereignty and cultural preservation.

⁶ See the *American Indian Community Blueprint* produced by the National American Indian Community Development Institute in 2010.



*Advisory Committee member
Rick Williams.*

The Role of Tribal Governments

Due to the unique history of Indian reservations and the federal government's changing treatment of tribal leadership over the past 200 years, Indian tribal governments have played a unique role in both supporting and competing with the nonprofit sector. On reservations, the tribal government is often the largest service provider and is usually a recipient of a large amount of federal funds used to provide these social service programs. The nonprofit sector on Indian reservations has in some cases grown to help administer these federal programs. A member of our advisory committee stated:

For a long time reservations were a single sector economy - federal funding came into the tribal governments, and the tribal governments would divvy it up and be responsible for providing programs and services. With the nonprofit sector we have started to see services provided through nonprofits and not just the government. There have been strides made in the delivery of services by the nonprofit sector, when before it had been the responsibility of the tribal government, and in some cases it wasn't happening or wasn't happening the way it should have. The nonprofit sector provided an alternative.

The Native-led nonprofit sector has emerged in some cases as a partner in service provision, and some nonprofits partner with tribal governments to administer federal grants or pull down additional funding for programs. For example, the Southern Ute Community Action Agency partners with the tribal government

to manage several large social service grants and contracts from the federal government. Another example is the Ho-Chunk Community Development Corporation, which was formed on December 8, 2000 and designated by the Internal Revenue Service on August 13, 2001 as a 501(c)(3) nonprofit corporation. Designed to assist the Winnebago Tribe and other community partners to

promote community development, the Ho-Chunk Community Development Corporation has successfully diversified the stream of resources available to promote local community development.⁷

"If you think about the challenges in the field of nonprofits in Indian Country, it is really about no resources—it is about trying to do something with nothing."

Increasingly, Native nonprofits are also emerging when citizens are dissatisfied with the tribal governments' handling of key issues. Nonprofits also provide an alternative to the tribal government "program" model that is often structured by the availability of federal government funding and may not be responsive to the needs found on many reservations. One of the experts we interviewed for this report stated,

There is an increasing number of nonprofits being developed over the last decade, largely in response to a recognition of needs in local communities that are not being met by tribal governments or through federal funding paradigms. We might see an issue related to youth suicide, but there are not enough community programs, so we are just really seeing people spurred to take action where there is a lack of funding or lack of political will.

⁷ Some foundation and government grant programs are only available to 501(c)(3) nonprofit organizations, and an increasing number of tribes have started nonprofits to assist in securing grants from a broad range of sources.

She goes on to say,

There is this wonderful level of civil society within Indian Country that's really begun to emerge that strives for change and for things to be different and beyond the paradigm of tribal government and a "programs" infrastructure which is largely driven by federal dollars.

Increasingly, nonprofits on Indian reservations are expanding their advocacy and community building role and contributing to a vibrant "third sector" where community members act collectively to identify solutions to issues not being adequately addressed by the public sector or by tribal governments.



*Advisory Committee member
Sarah Echohawk*

Urban Indian Organizations

Federal policies in the 1950s and earlier encouraged American Indian people to relocate from reservations to urban areas and today urban Indians account for the majority of the Native American population in the United States. Outmigration has continued since the middle of the last century. As a result of urban relocation, Urban Indian Centers began to flourish, and these represented some of the first Native-led nonprofits. These centers offered a variety of services and served as a cultural hub for Native Americans from a broad array of tribal backgrounds. A member of our advisory committee shared,

Urban Indian nonprofits had a significant impact both in rural reservation communities and in urban areas. We see many nonprofits bringing critical services to Indian centers - youth development programs, all of those services are critical to the well-being of our people from a health standpoint and also the cultural standpoint. In Denver alone, there were a number of significant nonprofits that were directly benefiting Indian nations. The Council of Energy Resource Tribes, the Coalition of Indian Controlled School Boards, the American Indian Higher Education Consortium, the American Indian Scholarship program, White Buffalo Council and many others all helped Indian people and supported the development of sovereignty of Native nations and their constituents. The impact was tremendous.

Urban Indian Centers also played a key role in cultural preservation:

Historically Indian centers played a very, very important role in defeating the assimilation policies and relocation practices because essentially you were supposed to send the Indians off to the city and then they are no longer Indians. But all of the sudden Indian Centers as nonprofits pop up and are keeping us from becoming fully assimilated and really, extinct. That is a role that nonprofits are not really given credit for. Today some of the largest cultural events take place in urban areas such as the Denver March Pow-wow and the Gathering of Nations. The founders of the events grew up in the Indian Centers.

Urban Indian organizations remain important today and provide a range of programs and services. And although the majority of American Indian people live off the reservation, many people retain strong ties with extended families on reservations and continually travel back to their home reservations.

Summary

The unique history of Native peoples in North America and the distinct legal structure of tribal governments has had significant implications for the growth of the nonprofit sector in Native communities. As our data will demonstrate, the development and growth of the Native-led nonprofit sector is a relatively recent phenomenon in both urban and rural reservation communities, reflecting a mere 40 years of growth. Tribes have transitioned away from paternalistic federal control towards greater involvement in social service and other programs, and this has initiated the growth of social service nonprofits in reservation-based communities. Increased tribal self-determination has also spawned advocacy nonprofits that contribute to the expression of diverse viewpoints in local communities and have begun to strengthen civil society. Societal changes in the 1960s, 70s, 80s and beyond continue to contribute to new nonprofits that provide a range of expressive, service, advocacy, and community building roles.

III. What Do We Know About the Native Nonprofit Sector Today?

While there has been limited research on Native-led nonprofit organizations, there are a few studies that help increase understanding of this sector. In 1998, First Nations Development Institute wrote a report based on over 550 surveys from a range of Native nonprofit organizations.⁸ This sample provided valuable insight into the composition and characteristics of the Native nonprofit sector. First Nations Development Institute also led a meeting of Native nonprofit leaders at the Kauffman Foundation in 2004 that helped identify key areas of need for these organizations.⁹ Additionally, in 2013, Native Americans in Philanthropy released “Native Voices Rising,” a report highlighting the diversity of strategies that Native groups use to support change in their communities and identifying areas of need for these organizations.¹⁰ The Minnesota Council of Nonprofits also partnered with Native Americans in Philanthropy in 2013 to produce a profile of Native American nonprofits in Minnesota. From these research reports and others, we can identify a few key characteristics of the Native-led nonprofit sector.

1. The Native-led nonprofit sector is young.

According to research conducted by First Nations Development Institute in 1998, nonprofits serving Indian Country were younger than the general nonprofit sector. The study indicated that 83% of Native nonprofits were founded after 1970 and 90% achieved tax exemption status since 1977, compared to almost 75% of the general nonprofit sector being founded since 1977.¹¹ Research conducted by Native Americans in Philanthropy and the Minnesota Council of Nonprofits corroborated this and found that the majority of nonprofits serving Native Americans in Minnesota were founded after 1970. Our research for this paper further verified these findings—very few Native-led nonprofits in the Northwest Area Foundation region were founded before 1975.

⁸ Salway Black (1998).

⁹ Smith (2004).

¹⁰ Delgado (2013).

¹¹ Salway Black (1998).

2. The Native-led nonprofit sector is under-resourced.

The Foundation Center and Native Americans in Philanthropy conducted research in 2011 looking at foundation giving to Indian Country between 2000 and 2009.¹² In general, foundation investment in Native American programs is minimal, constituting anywhere from 0.5% to 0.6% of all foundation grants, and only 0.3% to 0.5% of foundation dollars during the 2000s.¹³ A significant portion of these grants go to non-Native controlled organizations such as museums.¹⁴

In addition, nonprofits located in rural areas are especially vulnerable to challenges related to funding. As documented by the Big Sky Institute, there is a “Philanthropic Divide” between high population urban regions and low population rural regions in the United States.¹⁵ In 2005, the ten states with the fewest foundation assets were North Dakota, South Dakota, Montana, Vermont, Alaska, Mississippi, West Virginia, Idaho, New Hampshire, and New Mexico—all very rural states and, notably, four of which are in the Northwest Area Foundation region. In 2005, the bottom ten states in terms of foundation assets held nearly \$7.66 billion in total foundation assets, representing only 1.39% of the nation’s total foundation assets. This affects the availability of charitable funds in these states, and in 2005, the average per capita grantmaking to the bottom ten states was roughly \$34, compared to \$171 for the top ten states, which translates to an average difference of \$137 per person in grantmaking resources in those states. In general, this means that communities in these areas, which are disproportionately rural, have fewer philanthropic dollars with which to build their programs. Research by the National Committee for Responsive Philanthropy in 2004 reached a similar conclusion, documenting that predominantly rural states have the fewest foundations and receive the lowest grant dollars per capita.¹⁶ Given that many reservation-based Native-led nonprofits are located in remote rural areas, this means many of them face challenges associated with raising funds for their work.

There has been some research conducted addressing why some funders may feel uncomfortable funding in Indian Country. Many funders are unfamiliar with the sovereign rights of tribal governments, or have a lack of awareness or understanding of key issues in Indian Country. Because of the relatively small population size, many funders can’t find data on American Indian issues. In addition, there are still very few American Indian program officers at foundations. Finally, there is a fear of working in Indian Country, what Crystal Echo Hawk refers to as “Implicit Bias.”¹⁷ As a result, funders may stick with what are perceived as “safe” causes like education and museums, and may be less likely to fund advocacy organizations. All of this may contribute to lower levels of grantmaking to Native nonprofits.



¹² Mukai and Lawrence (2011).

¹³ Note, this study examined funding to all causes benefiting Native Americans, not funding exclusively to Native American nonprofits. This includes funding to non-Native nonprofit organizations that have a program area addressing Native American populations.

¹⁴ Mukai and Lawrence (2011).

¹⁵ Schechtman (2008).

¹⁶ Cohen and Barkhamer (2004). See also Wilson (2010).

¹⁷ Echo Hawk (2015).



Advisory Committee member
Crystal Echo Hawk.

Research suggests that on the whole, Native nonprofits, especially those in rural settings, are likely to be under-resourced. A member of our advisory committee observed:

People are trying to respond to issues and needs in the community, trying to create an alternative future, whether it is around bringing back traditional food or agriculture, or trying to work on cultural revitalization. But they lack the resources to support a strong development of the nonprofit programs. So if you were able to go out and wrap your arms around all of the different Native nonprofits in the United States, I believe you are going to find that the vast majority are all severely lacking resources, they are severely lacking in infrastructure, and people are just barely holding it down to figure out how to manage and run these things. The majority are struggling.

She went on to state,

I was reviewing grant proposals from Native nonprofit programs where I work and the telling thing was - none of them have any foundation funding in their portfolio. They had funding from tribes, or sponsorships from businesses, or earned income from things like taco sales. But that is it. So there is a lack of foundation funding out there for these important Indian groups.

Another advisory committee member shared:

If you think about the challenges in the field of nonprofits in Indian Country, it is really about no resources - it is about trying to do something with nothing. They used to call the tribal colleges the underfunded miracles. I think that any nonprofit that has been around for 20 years is probably considered to be an underfunded miracle because the resources are just not there. That is just the fact.

3. The Native-led nonprofit sector is dependent upon public sector/government funding.

Another key finding is that the Native-led nonprofit sector is highly dependent upon federal government funding. The research conducted by First Nations Development Institute in 1998 revealed that the nonprofit sector in Indian Country predominantly receives funding through government grants and contracts. Fifty two percent of the reporting organizations stated that government funding was their primary source of funding. Only 14% stated that foundation grants were their primary funding source—the second ranked primary funding source. Despite popular belief, revenue earned from gaming does not represent a significant source of contributions towards nonprofit funding—only one nonprofit indicated that it was the primary source of funding, and only 3% said it was the number two source.

“Tribal colleges often contribute to local economic development through their cooperative extension programs and the business or entrepreneurship centers they support.”

Organizations with government grants and contracts as their primary funding source had greater revenue, on average, than other organizations. Research conducted by Native Americans in Philanthropy and the Minnesota Council of Nonprofits corroborated this and found that nonprofits serving Native Americans in Minnesota received the majority of their funding from non-foundation sources—43% from federal, state, local and tribal government funding, and 18% from earned revenue. Interviews with key experts and members of our advisory committee supported these findings. One member observed:

Many nonprofits grow up on tribal programs where you apply for federal funding and you learn how to do that. So that is where the majority of funds come from.

Another advisory committee shared,

If you look at the history of the nonprofit sector, they got a lot of funds from the federal government. So that is what they know. And combine that with a lack of foundation funding. That means that federal grants are really still the main funder of Native nonprofits.

4. Most organizations in the Native-led nonprofit sector provide education, arts/culture or social services programs.

Research suggests that most Native-led nonprofit organizations provide programming in the area of education, arts/culture, or social services. First Nations Development Institute’s 1998 research suggests that education and arts, culture, and humanities were the most significant program areas for Native-led nonprofits. Thirty-two percent of the nonprofits that filled out surveys stated that education was one of their three major focus areas and 22% indicated that arts, culture, and humanities was one of their three major focus areas (including an additional 15% who have “traditional tribal/Native culture” as one of the focus areas). By contrast, only 10.7% of the national nonprofit sector has arts, culture, and humanities as a focus area.¹⁸ This distribution of program areas seems to suggest that education and preservation of culture is an enormous priority for nonprofits serving Indian Country. However, the significant representation of nonprofit organizations in the fields of education and cultural preservation may also be explained by the fact that many charitable foundations and other donors feel “safe” funding in these program areas and this may lead to a disproportionate number of these organizations as a result. After education and arts, survey respondents listed economic development and children and youth as key focus areas for their work.¹⁹ Research conducted by Native Americans in Philanthropy and the Minnesota Council of Nonprofits also found that the Native American-serving nonprofits in Minnesota were more likely to be focused on education and human services—22% were education focused, and 30% were human service or health oriented.



*Advisory Committee member
Michael E. Roberts.*

¹⁸ Salway Black (1998).

¹⁹ Ibid.

5. The Native-led nonprofit sector is important to local community economic vitality.

Native nonprofits have a direct impact on the economic vitality of Native communities as evidenced by their average revenue and employment numbers. According to the 1998 study published by First Nations Development Institute, 63% of Native nonprofits reported revenue above \$100,000, including 34% over \$500,000. Using projections from the research sample, the study determined that the nonprofit sector in Indian Country employed nearly 30,000 individuals including around 8,500 Native Americans in rural/reservation-based nonprofits and nearly 10,000 Native Americans in urban-based nonprofits.²⁰

Research conducted by Native Americans in Philanthropy and the Minnesota Council of Nonprofits found that Native American-serving nonprofits in Minnesota employ 1,201 individuals in the state and have annual expenditures of \$69 million. According to Coon et al., the five tribal colleges located in North Dakota account for over \$48 million of expenditures, with over half (\$28.7 million) going to households in the form of wages and salaries. The total economic impact of the colleges, including any multiplier effect associated with expenditures, was \$142 million, and total employment at the colleges accounted for 815 full time employees and 209 part time employees. Student spending also created a total economic impact of \$39.6 million. It is clear that the five tribal colleges in the state have a “substantial impact on North Dakota’s economy.” The authors also point out that tribal colleges provide both social and economic benefits to the North Dakota communities where these colleges are located.²¹

Research conducted by First Nations Development Institute using a dataset from the Internal Revenue Service suggests that all the tribal colleges and associated foundations in the Northwest Area Foundation region account for \$217,517,072 in revenue and over \$285,431,536 in assets. These colleges

employ over 4,200 individuals and enroll nearly 16,000 students.²² Both through the jobs they create and the demands for goods and services in the community, these tribal colleges have a significant economic impact in the communities where they are located. In addition, tribal colleges often contribute to local economic development through their cooperative extension programs and the business or entrepreneurship centers they support.

“The growth of the nonprofit sector also helps support the growth in the for-profit sector... Native community development financial institutions (CDFIs), such as Four Bands Community Fund and Leech Lake Financial Services, work with their tribal councils to implement policies that encourage financial education of tribal employees and to offer access to credit.”

The nonprofit sector provides young people with a career option that lies outside of the tribal government or the federal government. This is particularly important because the government sector (federal and tribal) is still the largest employer on most reservations. Nonprofit organizations can attract tribal members back to reservations, countering the local “brain drain” in Native communities, or can provide new jobs for recent tribal college graduates who want to stay in the local community.

²⁰ Ibid

²¹ Coon et al. (2013).

²² Marks (2015).

It is clear that the nonprofit sector on Indian reservations plays a key role in supporting community economic vitality. A member of the advisory committee shared,

Nonprofits on reservations contribute to economic development by providing much needed jobs for the Indian middle class—educated tribal members who want to return to the reservation and give back. Many of these nonprofits provide solid middle class jobs and also contribute more broadly to economic development through the multiplier effect. But really it is about diversifying the local economy and providing employment options beyond just the tribal government and federal government programs.

Another advisory committee member shared,

When you look at nonprofits on the reservation, they are having an economic impact through employment, and new resources coming into the reservation.

The growth of the nonprofit sector also helps support the growth in the for-profit sector. Businesses are often supported by the nonprofit sector, either through advocacy or service provision. On many reservations, the nonprofit sector has advocated for tribal policies and programs that support the development of the for-profit sector. Native community development financial institutions (CDFIs), such as Four Bands Community Fund and Leech Lake Financial Services, work with their tribal councils to implement policies that encourage financial education of tribal employees and to offer access to credit. Native CDFIs also advocate for better tribal codes in relation to business development (such as UCC codes) and support local private sector entrepreneurs. In addition, as businesses develop, their employees may need services that the nonprofit sector can provide. People may need child care, training, and access to credit. As a result, nonprofit child care centers develop and employment and training programs emerge. Financial institutions such as banks, credit unions, and community development financial institutions (CDFIs) surface to offer credit and protect individuals' assets. The nonprofit sector often functions in a way that is very complementary to, and supportive of, the for-profit sector, especially in reservation-based communities.

Figure 2: Ways in which the Nonprofit sector contributes to the for-profit/business sector



6. Native-led nonprofits nurture the next generation of Native American leaders.

A key issue that emerged in our discussions with the advisory team for this paper was the important role that Native nonprofits played in nurturing the next generation of Native leaders. For example, one advisory team member shared,

Native nonprofits bring a high level of professionalism and demand accountability and responsibility in their work—for years at American Indian College Fund, we trained our Indian staff to have important values that included respect, responsibility and a commitment to doing their best for Indian people and our communities. Many of our employees went to work in other organizations. The skills they learned at the American Indian College Fund—the importance of report writing, the importance of having good audits, learning financial investment, learning how to create endowments and just unbridled commitment were transferred to their new jobs. There is a whole skill set that wasn't available in tribal communities until the advent and success of the Native nonprofits. The next generation of Native leaders will be better equipped to change the future of Indian Country, forever.

Advisory committee members shared that they felt there was a shortage of opportunities elsewhere for Native peoples to build leadership and management skills that are critical for tribal self-determination and economic development, and therefore the Native nonprofit sector provides a unique service.

7. The Native-led nonprofit sector supports self-determination.

Members of our advisory committee emphasized that the Native nonprofit sector plays a unique role in supporting community advocacy, collective expression, and self-determination both for tribes and Native Peoples overall. The Native nonprofit sector both locally and nationally has advocated in key areas including environmental justice, cultural revitalization, and tribal self-determination and governance (see Table 3).

Table 3: Examples of Native nonprofits that support community advocacy, collective expression, and self-determination

Organization Name	Mission
National Congress of American Indians	NCAI was established in 1944 in response to the termination and assimilation policies the US government forced upon tribal governments in contradiction of their treaty rights and status as sovereign nations. To this day, protecting these inherent and legal rights remains the primary focus of NCAI. NCAI's mission is to: Protect and enhance treaty and sovereign rights; secure traditional laws, cultures, and ways of life for our descendants; promote a common understanding of the rightful place of tribes in the family of American governments; and improve the quality of life for Native communities and peoples.

Native American Rights Fund

As part of the war on poverty launched in the mid-1960s under the Office of Economic Opportunity, government-funded legal services programs were established around the country to provide legal services to poor and disadvantaged people. Many of these programs were located on or near Indian reservations. As these programs began working with their Indian clients, a common realization soon developed among them that Indians had special legal problems which were, for the most part, governed and controlled by a specialized and little-known area of the law known as “Indian Law”—a complex body of law composed of hundreds of Indian treaties and court decisions, and thousands of federal Indian statutes, regulations and administrative rulings. As legal services contended with this area of Indian law, they became more aware of its relevance and applicability to the problems of their Indian clients. This was especially so for legal services located on reservations where the presence of trust land, tribal resources and tribal government institutions necessarily involved the most basic tenets of Indian law.

Soon, legal services lawyers became involved in various matters with national implications, and it was clear to those working in legal services and to others working for Indian rights that cases involving major national issues of Indian law needed to be handled with the greatest consideration. The idea began to form that a national organization was needed, staffed by Indian advocates with experience and expertise in Indian law and sufficiently funded in order that important Indian cases were not lost or abandoned for lack of funds. In 1970 with funding from the Ford Foundation, California Indian Legal Services—one of the federally-funded legal services programs serving California Indians—implemented a pilot project to provide legal services to Indians on a national level. That project became known as the Native American Rights Fund (NARF). Throughout its history, NARF has impacted tens of thousands of Indian people in its work for more than 250 tribes. Some examples of the results include:

- Protecting and establishing the inherent sovereignty of tribes,
- Obtaining official tribal recognition for numerous Indian tribes,
- Helping tribes continue their ancient traditions, by protecting their rights to hunt, fish and use the water on their lands,
- Helping to uphold Native American religious freedom,
- Assuring the return of remains and burial goods from museums and historical societies for proper and dignified re-burial, and
- Protecting voting rights of Native Americans.

Native American Finance Officers Association

Through its work in growing tribal economies and strengthening tribal finance, NAFOA supports the advancement of independent and culturally vibrant American Indian and Alaska Native communities. NAFOA launched over three decades ago as the Native American Finance Officers Association to highlight the role of tribal finance in fostering economic opportunities. Since that time, NAFOA has grown along with tribal economies. Today NAFOA advocates sound economic and fiscal policy, develops innovative training programs in financial management, builds the financial and economic skills of the next generation, and convenes tribal leadership, experienced professionals, and economic partners to meet the challenges of economic growth and change.

Native nonprofits have also helped strengthen tribal sovereignty and self-determination. One advisory committee member shared,

The Native American Rights Fund and individuals like Vine Deloria²³ were absolutely critical to the whole concept of sovereignty. In those early years, leaders from the nonprofit sector supported tribes in defining their sovereign status. Sometimes it was as simple as supporting their actions and telling them, “You can do this.” Tribal colleges have significantly impacted the evolution of sovereignty. Tribal colleges are the near perfect example of fully unbridled sovereignty. Indian nations that have tribal colleges are exercising full authority and sovereignty over their own higher education. There are no limitations. There is no state control, there is no outside involvement, other than some funding from the state and federal government. These are fully independent, fully sovereign entities that didn’t exist, and again, it is through their nonprofit status and brilliant leadership that this concept developed and is now thriving.

8. The Native-led nonprofit sector needs support.

The Native nonprofit sector is critical to the cultural, legal, and economic future of Native communities. Yet, it is young and underfunded. The Native Voices Rising report highlighted the fact that many Native nonprofit leaders feel that they need support in their work and that they would benefit from capacity building. Forty-nine percent of the groups surveyed identified a lack of capacity as one of the key barriers to fundraising for these organizations.²⁴ A meeting of Native nonprofit leaders at the Kauffman Foundation in 2004 found that there is an ongoing need for leadership development in several key areas, including fundraising, staff management, grants management, and program evaluation.²⁵ These observations were echoed by the members of our advisory committee:

I think it is critical that we find ways to build the capacity of our nonprofits in our Indigenous communities. It is critical to our future to find the resources to help Native led nonprofits build their capacity and teach them the importance of succeeding at raising more funds from foundations. They must understand about good management, having reports done on time, having audits done, understanding what an audit is, having good boards, having good board governance, all of those kinds of things will help strengthen that sector so they can do even more in the future. If these happen, we will have empowered our own communities to solve our problems in our own ways...in good ways.

Another advisory committee member shared:

Some foundations prefer to fund non-Native intermediaries. You can’t continue to give money to non-Native entities that are serving Indian communities and expect meaningful long-term change. Some of our people don’t have that capacity of some of those intermediaries that are getting funded. But we need to focus on growing that capacity, and giving a chance for the Native nonprofits to grow and find successes.

²³ Vine Victor Deloria, Jr. (March 26, 1933–November 13, 2005) was a Native American author, theologian, historian, and activist. He was widely known for his book *Custer Died for Your Sins: An Indian Manifesto* (1969), which helped generate national attention to Native American issues in the same year as the Alcatraz-Red Power Movement.

²⁴ Delgado (2013).

²⁵ Smith (2004).

Summary: What do We Know about the Native Nonprofit Sector Today?

Current research suggests that the nonprofit sector plays a key role in supporting self-determination for Native peoples and tribal governments, and can empower and elevate the collective goals of Native peoples in a unique and important way. The Native nonprofit sector also supports economic development through job creation and building skills. Yet, the nonprofit sector is still relatively young and under-resourced, and in need of increased support. After reviewing the status of the nonprofit sector in the Northwest Area Foundation region, this paper will conclude with suggestions regarding ways to support the Native nonprofit sector and the collective goals and impact of this sector.

IV. The Nonprofit Sector in the Northwest Area Foundation Region

In order to further understand the ways in which the nonprofit sector serves Native communities, it is useful to conduct a case study. The Northwest Area Foundation region is home to 75 tribal nations with reservations ranging in size and location (see Figure 3). Tribal territories in the region range from reservations with less than 100 inhabitants to some of the more populous reservations in the country with over 15,000 people, such as the Pine Ridge Reservation in South Dakota. There is also tremendous diversity in the geographic size of communities both between and within state lines. This range is exemplified by reservations that amount to less than a square mile of land, such as the Jamestown S’Klallam Tribe in Washington, compared to the fourth largest geographic reservation in North America—the Cheyenne River Indian Reservation in South Dakota. Most of the Indian reservations are located in rural areas, many of which are very remote. The Native American population in the region is made up of 674,687 people who self-identified as American Indian or Alaska Native,²⁶ or 2.9% of the total population in the region.²⁷ Nearly 80% of Native people in the region live in urban areas,²⁸ but a significant number live on their home reservation and an even larger number move back and forth regularly from their home communities.



26 Alone or in combination with some other race.

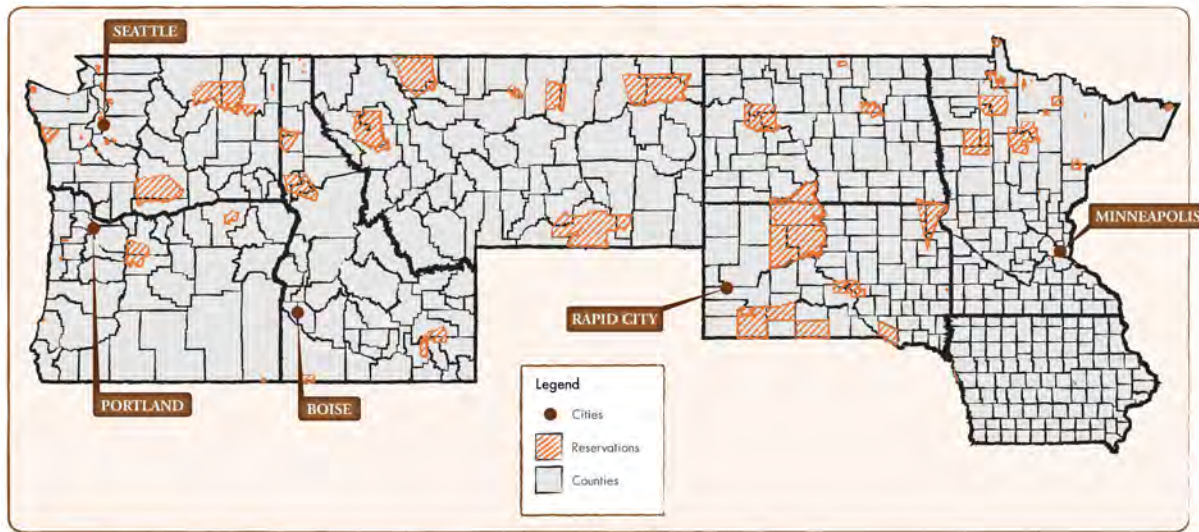
27 2010 US Census.

28 Data from the U.S. Census Bureau clearly demonstrate that nationally, the majority of American Indian people live off their home reservations. However, the actual percent varies from reservation to reservation and this idea remains difficult to measure because some individuals move between their home reservation and urban areas on a regular basis. In addition, the Census data is self-reported, and may lead to some issues of reliability.

According to the National Center for Charitable Statistics,²⁹ there are over 61,000 501(c)(3)³⁰ nonprofit organizations in the eight-state Northwest Area Foundation region.³¹ These nonprofits, which account for approximately 8% of all the 501(c)(3) nonprofits in the nation, provide a broad range of social service, expressive, advocacy, and community building functions. The nonprofit sector in the Northwest Area Foundation region accounted for at least \$133 billion in revenue in 2011 and \$228 billion in assets (not including churches that are not required to file financial information.) In order to better understand the Native nonprofit sector in the region, including Native-led nonprofit organizations, First Nations Development Institute accessed a unique dataset from the National Center for Charitable Statistics to explore the size, characteristics, and activities of nonprofit organizations.³²

This section of the report will provide an analysis of the types of nonprofit organizations (Native and non-Native) that are serving reservation-based Native American communities. It will also present a separate exploration of the Native-led nonprofit organizations operating in the Northwest Area Foundation region. There are some important differences in the types of nonprofit organizations serving reservation-based Native American communities compared to non-Native communities in the region. In addition, a closer look at just the Native-led nonprofit organizations helps us understand the opportunities and challenges facing these organizations.

Figure 3: Tribal Lands in the Northwest Area Foundation Region



29 <http://www.nccs.urban.org/>

30 Section 501(c) of the United States Internal Revenue Code (26 U.S.C. § 501(c)) provides that 29 types of nonprofit organizations are exempt from some federal income taxes. The most common type of tax-exempt nonprofit organization falls under category 501(c)(3), whereby a nonprofit organization is exempt from federal income tax if its activities have the following purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering amateur sports competition, or preventing cruelty to children or animals.

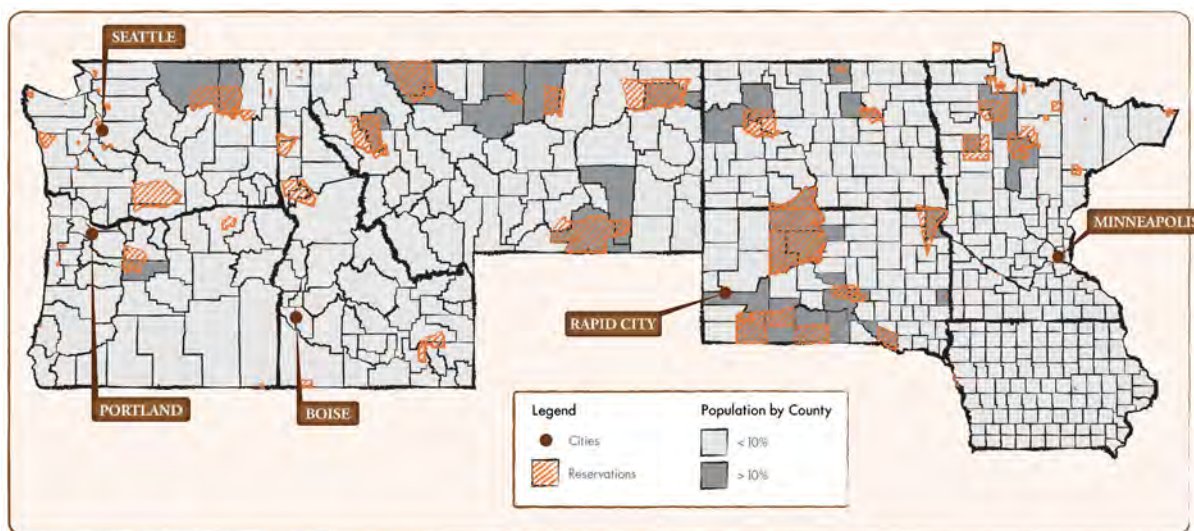
31 This includes only organizations that actively filed Form 990s in the past three years.

32 This dataset only includes nonprofit organizations that are registered with the IRS and does not include informal voluntary organizations or organizations that are using a fiscal sponsor.

V. Nonprofit Organizations Located on Indian Reservations in the Northwest Area Foundation Region

In order to conduct an analysis of the types of nonprofit organizations located on or near Indian reservations, we divided the 177 counties in the Northwest Area Foundation region into two categories: those with a significant Native American population, and those without.³³ Counties with a significant Native American population (greater than 10%) were for the most part the counties with large reservations within their boundaries (see Figure 4: Native American Population by County). With these two categories of counties, we can compare the characteristics of the nonprofit sector. From here forward, counties with a Native American population 10% or greater are referred to as “Native American counties” and all others are “non-Native counties.” According to our analysis, there are 1,554 nonprofits located in counties with a Native population of 10% or more (Native American counties), and 59,561 nonprofits in non-Native counties. Native American counties represent \$1,891,103,667 in revenue for the nonprofit sector, compared to \$132,042,539,365 in non-Native counties. Nonprofits in Native counties hold \$3,161,092,106 in assets, compared to \$225,625,709,614 in assets in non-Native counties.

Figure 4: Native American Population by County



We used this dataset to explore differences in the number of nonprofits (total and per 1,000 people population), assets, and revenue for all Native American counties versus all non-Native counties.

³³ To conduct this research First Nations Development Institute used the Business Master File from the National Center for Charitable Statistics. This dataset includes information about all registered 501(c)(3) organizations in the United States including their names, addresses, NTEE codes (which indicate the types of services they provide), year founded, revenue, and filing history. We opened the 1,127,697 record dataset in an Access database and conducted a query to extract the records for the eight states in the Northwest Area Foundation region (Idaho, Iowa, Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington). This extract yielded a dataset with 98,887, or approximately 8% of all the 501(c)(3) nonprofits in the nation (the region accounts for a total of 7.4% of the nation's population). We then cleaned the data by removing unnecessary columns and out of scope records. We also chose to only use records for the nonprofits that had filed a tax return in the past three years and therefore excluded several inactive or dormant nonprofits.

Because we assumed there would be an urbanization effect (urban areas have higher population density and may have very different types of nonprofits) we also explored differences for all rural Native American counties versus all rural non-Native counties. For the analysis, we primarily assessed the data with a difference in means t-test to determine if there were statistically significant differences in the averages between the two county groupings.³⁴ Finally, we were also interested in a comparison of the types of nonprofits present in Native American counties versus in non-Native counties. For this analysis, we compared the proportions of different types of nonprofits between the county groupings.

Analysis: Comparing All Native American Counties versus All Non-Native Counties

A comparison of Native American counties to non-Native counties in the Northwest region reveals several notable differences between the two groups. There is a great disparity in the average number of nonprofits in Native American counties, 42, and non-Native counties, 135 (see Figure 5). This difference is statistically significant. As can be seen in Figure 6: Dot Density Map of Nonprofits in the Northwest Area Foundation Region, there is a significant clustering of nonprofits near urban areas, resulting in a lower number of nonprofits in rural and reservation counties.

Figure 5: Average Number of Nonprofits

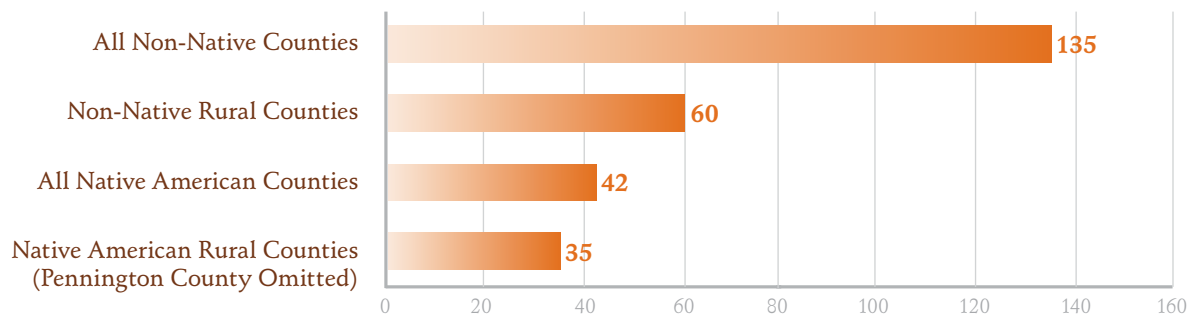


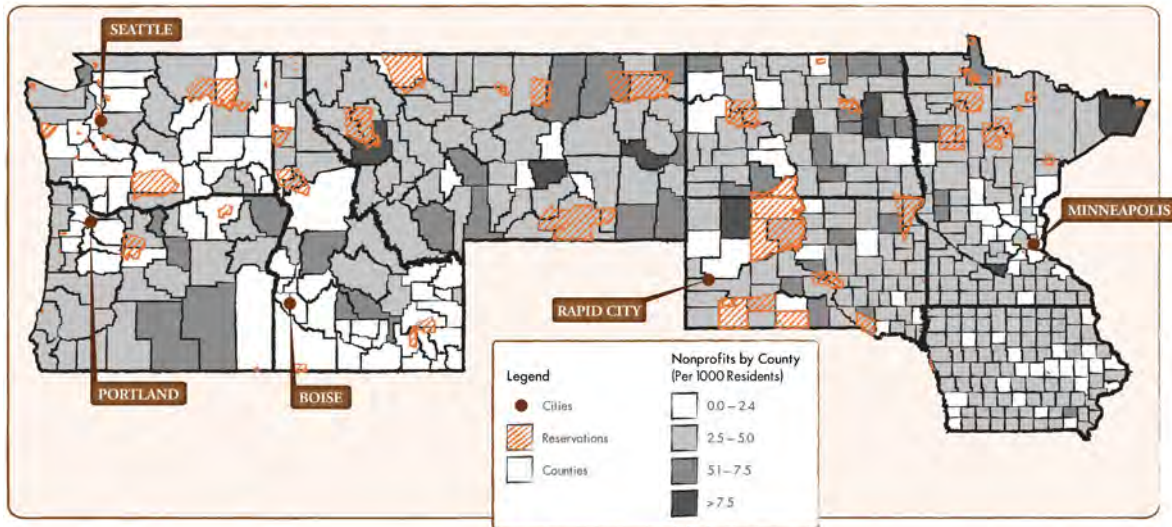
Figure 6: Dot Density Map of Nonprofits in the Northwest Area Foundation Region



³⁴ All difference of means tests were conducted at the .05 level of significance.

When controlling for population size in a county, however, there is no statistically significant difference in the number of nonprofits per 1,000 people between the county groupings (average of 3.13 for Native American counties and 3.35 for non-Native counties). **Figure 7** indicates that in some very low population counties, there are actually more nonprofits per 1,000 people than in urban areas.

Figure 7: Nonprofits by County Per 1,000 Residents



For both average total revenue and average total assets, there are large discrepancies that are statistically significant between Native American counties and non-Native counties. The average total revenue for non-Native counties is \$2,965,347, which is 73% larger than the average of \$1,711,130 for Native American counties. Similarly, the average total assets of \$5,067,064 for non-Native counties is 77% greater than the average of \$2,860,502 for Native American counties (see **Figure 8**).³⁵

Rural Only Analysis: Comparing Rural Native American Counties versus Rural Non-Native Counties

The analysis of all Native American counties versus non-Native counties indicates significant differences in number and resources. However, all Native American counties except one are in rural areas, and non-Native counties contain over 50 urban counties with a tremendous number of nonprofits and substantial resources. To control for the disproportion of the presence of urban counties between the two groups, an additional assessment of only rural counties was required. To identify urban counties and remove them from the rural-only analysis, we omitted any county above 50,000 people that was designated as a Core Based Statistical Area (CBSA).³⁶

In counties with a high Native American population, nonprofits have significantly fewer assets and much lower average revenue.

³⁵ For an explanation of how we adjusted the National Center for Charitable Statistics data for analysis, please see **Appendix A**.

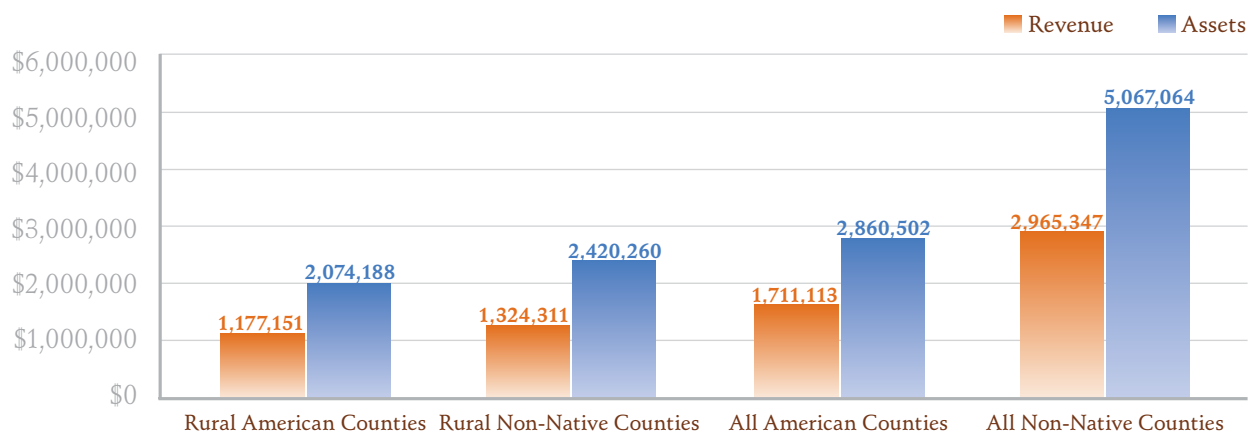
³⁶ The Office of Management and Budget (OMB) defines a CBSA as, "A collective term for both metro and micro areas. A metro area contains a core urban area of 50,000 or more population, and a micro area contains an urban core of at least 10,000 (but less than 50,000) population. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core."

Counties that are not designated as CBSAs but have populations above 50,000 people were retained since many of these are large rural counties characterized by low population density. Only one Native American county, Pennington County in South Dakota, met the criteria to be removed from the rural-only analysis. Being that the county is right at the 10% Native American population threshold and it contains Rapid City, a major urban center in South Dakota, we felt comfortable staying consistent and omitting it from the analysis.³⁷

The difference of means tests demonstrated that the major distinction between rural Native American counties and non-Native rural counties is the average number of nonprofit organizations, suggesting less investment in Native communities. There is a statistically significant difference in the average number of nonprofits in non-Native rural counties (60) and Native American rural counties (35). When comparing nonprofits per 1,000, the difference is small and not statistically significant—3.5 for non-Native rural counties and 3.15 for Native American rural counties—but there still appears to be fewer nonprofits on average in Native American counties.

For the other categories—average total revenue and average total assets—there are minor differences between the two groups, none of which are statistically significant. Average total revenue is \$1,324,311 and average total assets is \$2,420,260 for non-Native rural counties, compared to an average total revenue of \$1,177,151 and an average total assets of \$2,074,188 for Native American rural counties (see Figure 8).

Figure 8: Average Total Revenue and Total Assets



Discussion

An analysis of county-level data suggests that fewer nonprofit organizations are located in counties with a significant Native American population, and that they tend to have lower revenues and assets (especially when including non-rural counties in the analysis).

³⁷ For more detailed information about our dataset, please see **Appendix A**.

Comparing the Types of Nonprofits in Counties

The National Center for Charitable Statistics created the National Taxonomy of Exempt Entities (NTEE) to classify nonprofit organizations by area of focus. For this report, we used the NTEE codes to compare the distribution of nonprofit types by rural Native American counties, rural non-Native counties, and all non-Native counties. The analysis reveals some important findings (See Table 4 and Figure 9). Overall, religion-related nonprofits have a significant presence in the northwest region. Religion-related nonprofits comprised 33.1%, 31.4%, and 28.8%, of the groupings consecutively. Moreover, these nonprofits are at least twice as populous as the second most common nonprofit organization in each of the groupings. While religion-related nonprofits are ubiquitous throughout the region, they are especially prominent in rural Native American counties, more than tripling the second most common type of nonprofit, human services (see Table 4). Our analysis suggests that there are currently 422 religious organizations that serve Native American rural counties, a much larger number than any other type of nonprofit.

Figure 9: Types of Nonprofit Organizations

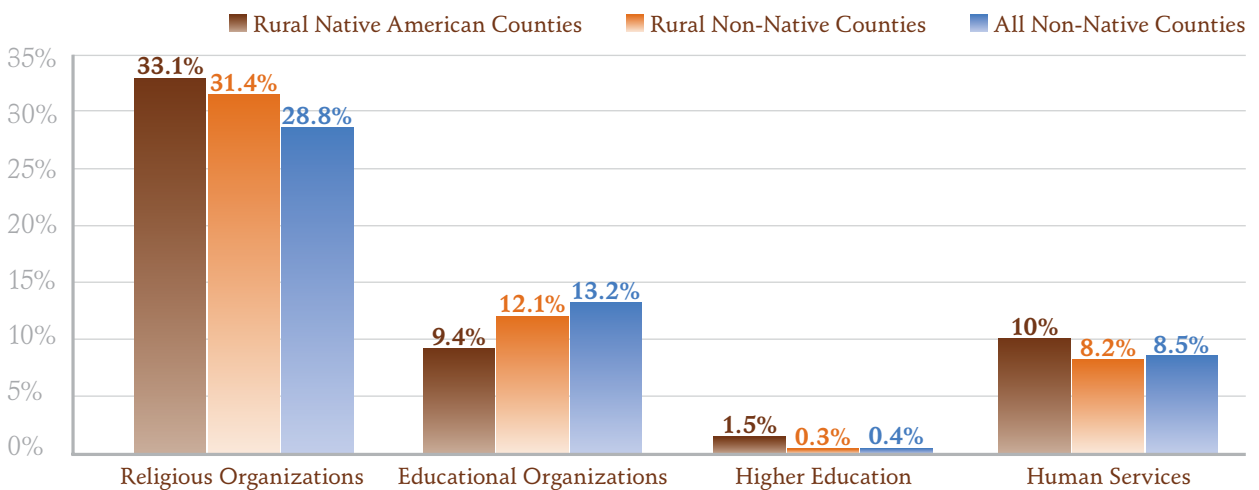


Table 4 on page 26 illustrates that religion-related, education, and human services nonprofits are the most common types of nonprofits in all three county groupings. Native American rural counties differ, however, in the proportion of those three nonprofit types compared to non-Native rural counties and all non-Native counties. Education (all education-related organizations other than higher education) comprises only 9.4% of all nonprofits in Native American counties, whereas 12.1% and 13.2% of nonprofits are education-related in non-Native rural and all non-Native counties, consecutively. The NTEE codes account for higher education nonprofits separately from the larger education classification type. The table shows that while Native American counties have a smaller share of education nonprofits, they have a slightly larger proportion of higher education nonprofits, which includes Tribal College Universities (1.5% compared to 0.3% for rural non-Native and 0.4% for all non-Native counties) (see Figure 9).



This might be explained by the recent sprouting of Tribal Colleges and their supporting foundations throughout the region in reservation communities. Human services-related nonprofits also represent a greater percentage of nonprofits in Native American rural counties (10%) as opposed to 8.2% for rural non-Native counties and 8.5% of all non-Native counties. Senior centers, day care centers, financial counseling services, family counseling, and single parent services are some of the focus areas that fall under the “human services” classification type.

One other notable distinction between nonprofits in Native American counties and the other counties is that Native American counties have a larger share of social service organizations such as youth development, human services, and community improvement and capacity building organizations (see Figure 10). Youth development organizations make up 5% of nonprofits in Native American counties compared to 3.1% and 2.6% of rural non-Native and all non-Native counties, consecutively. Well known organizations such as Boys & Girls Clubs, Big Brothers & Big Sisters, Boy Scouts, and Girl Scouts all fall under this category; but it also includes youth development programs with a focus on agricultural, business, citizenship, or religious leadership. The higher proportion of social service organizations may reflect the needs found on many reservations and their nearby rural communities, which often have high levels of poverty and other challenges. However, the most common types of nonprofits represented in Table 4 may not be just a function of the needs of a community, but also the type of philanthropic money available and what projects grantors are willing to fund.

Figure 9: Types of Nonprofit Organizations

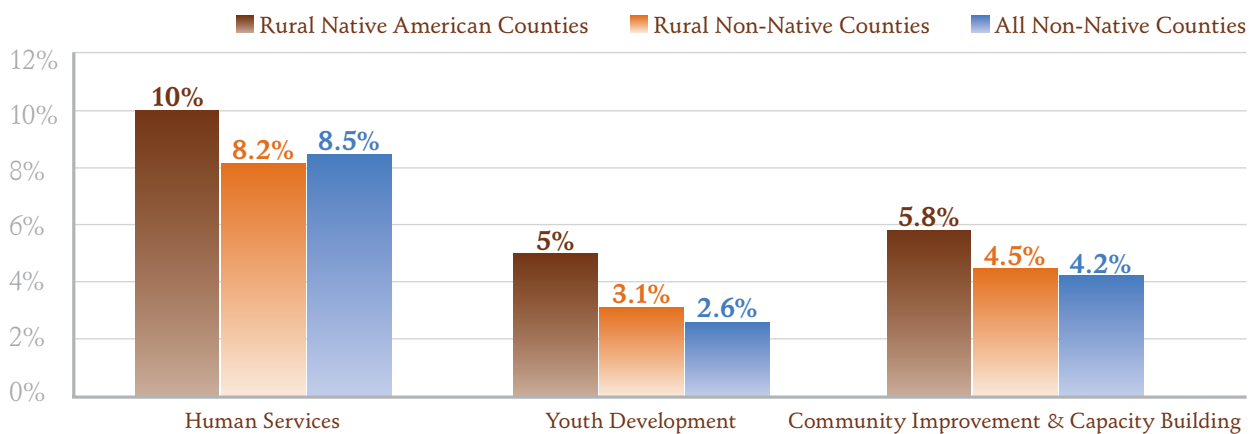


Table 4: Nonprofit Organizations by NTEE Code

NTEE Group	NTEE Category Title	Native American Rural Counties		Non-Native Rural Counties		All Non-Native Counties	
A	Arts, Culture, & Humanities	85	6.7%	1,644	7.0%	4,668	7.8%
B	Education	120	9.4%	2,826	12.1%	7,888	13.2%
BH	Higher Education	19	1.5%	62	0.3%	254	0.4%
C	Environment	27	2.1%	585	2.5%	1,350	2.3%
D	Animal-Related	22	1.7%	1,159	4.9%	1,787	3%
E	Health Care	61	4.8%	951	4.1%	2,125	3.6%
EH	Hospitals	21	1.6%	274	1.2%	506	0.8%
F	Mental Health & Crisis Intervention	12	0.9%	279	1.2%	803	1.3%
G	Disease, Disorder, & Medical	4	0.3%	179	0.8%	877	1.5%
H	Medical Research	0	0%	29	0.1%	197	0.3%
I	Crime and Legal	17	1.3%	209	0.9%	728	1.2%
J	Employment	8	0.6%	164	0.7%	539	0.9%
K	Food, Agriculture, & Nutrition	10	0.8%	331	1.4%	676	1.1%
L	Housing and Shelter	30	2.4%	563	2.4%	1,765	3%
M	Public Safety, Disaster Preparedness, & Relief	11	0.9%	286	1.2%	522	0.9%
N	Recreation & Sports	76	6%	1612	6.9%	4,624	7.8%
O	Youth Development	64	5%	716	3.1%	1,577	2.6%
P	Human Services	127	10%	1926	8.2%	5,046	8.5%
Q	International, Foreign Affairs, & National Security	7	0.5%	172	0.7%	928	1.6%
R	Civil Rights, Social Action, & Advocacy	6	0.5%	65	0.3%	262	0.4%
S	Community Improvement & Capacity Building	74	5.8%	1043	4.5%	2,485	4.2%
T	Philanthropy, Voluntarism, & Grantmaking Foundations	28	2.2%	566	2.4%	1,499	2.5%
U	Science and Technology	2	0.2%	61	0.3%	245	0.4%
V	Social Science	0	0%	25	0.1%	93	0.2%
W	Public and Societal Benefit	9	0.7%	171	0.7%	563	0.9%
X	Religion-Related	422	33.1%	7,351	31.4%	17,162	28.8%
Y	Mutual and Membership Benefit	9	0.7%	120	0.5%	240	0.4%
Z	Unknown	4	0.3%	57	0.2%	152	0.3%
		1275	100%	23,426	100%	59,561	100%

Discussion

When looking at the types of nonprofits that are present in counties with a significant Native American population, some patterns emerge. Religion-related nonprofits constitute a larger share of total nonprofits in rural Native American counties than in non-Native counties. Religion-related nonprofits are more common in counties with a significant Native American population, and more than triple the second most common type of nonprofit in those counties. Counties with a larger share of Native American population are more likely to be home to nonprofits that focus on Human Services, Youth Development, and Community Improvement and Capacity Building.

VI. Native-Led Nonprofits in the Northwest Area Foundation Region

Another way to look at the nonprofit sector serving Native American communities in the Northwest Area Foundation region is to examine Native-led nonprofit organizations. Using the dataset from the National Center for Charitable Statistics, we were able to identify 215 Native-led nonprofit organizations in the Northwest area Foundation region.^{38,39} This includes 26 educational organizations (including tribal colleges) and approximately 30 loan funds or community development financial institutions. The 215 organizations represent 0.2% of all nonprofits in the region, while 2.9% of the total population is Native American. Of these Native-led nonprofits, 76 are located in high Native American population counties, and the rest are located in urbanized areas or far from reservations. Using the dataset from the National Center for Charitable Statistics, we were able to identify some noteworthy differences between the Native-led nonprofit sector compared to other nonprofits in the region.



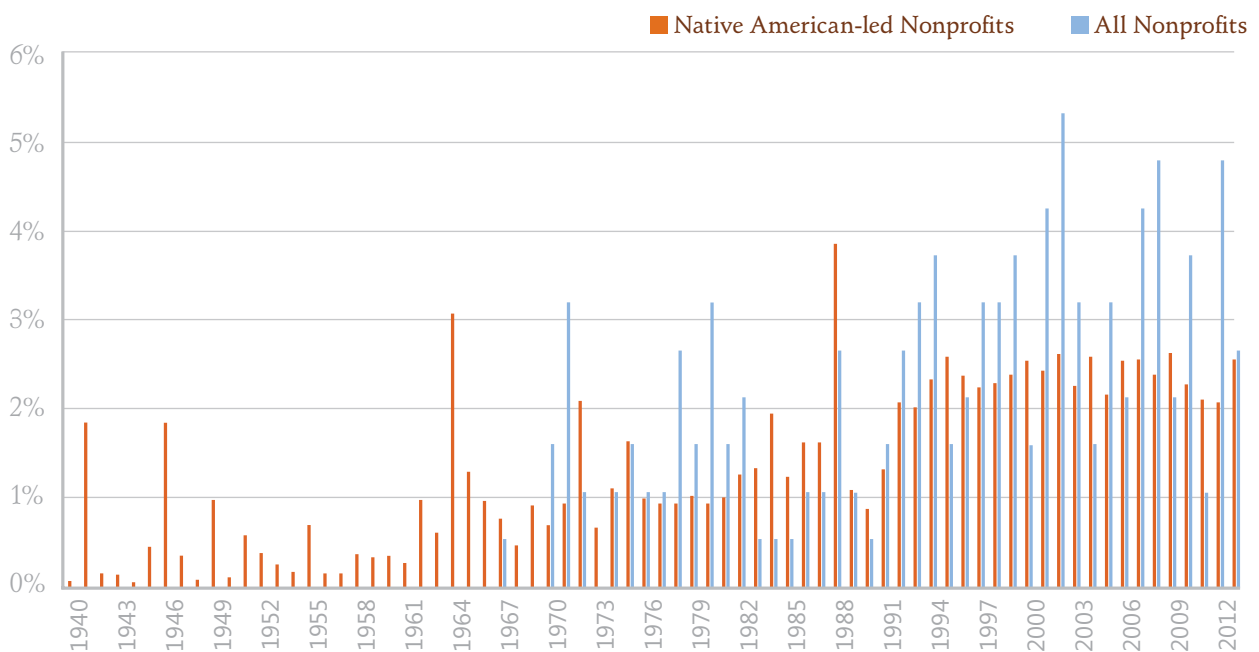
³⁸ We searched the dataset for key words in the organization name. We also used lists of tribal colleges, Native-led community development financial institutions (CDFIs), and other known organizations to ensure our list included all active Native nonprofit organizations.

³⁹ As stated earlier, the dataset from the National Center for Charitable Statistics includes the names of all 501(c)(3) organizations and information about whether they have filed a Form 990 in the past 3 years. For our analysis, we only included nonprofits that were listed as “active” in this database, or who had filed a Form 990 in the past 3 years. This excluded several well-known Native nonprofits, including a few tribal colleges, that did not have a current Form 990 submitted to the IRS. In addition, this database does not include nascent nonprofits that may be operating with a fiscal sponsor.

Age of Native-led Nonprofits

An analysis of the IRS ruling date for the nonprofits revealed that Native-led nonprofits are much younger than the overall nonprofit sector in the region. The oldest Native-led nonprofits in the region were founded in 1970 and include an urban Indian center, the United Sioux Tribes of South Dakota Development Corporation, and the United Indians of All Tribes Foundation. In contrast, there are many non-Native nonprofits in the region that were founded between 1919 and 1970. [Figure 11](#) below demonstrates the differences in founding dates, and shows that a larger proportion of the Native-led nonprofits were founded in the past decade. This research seems to corroborate earlier findings that suggest that Native-led nonprofits as a group are younger on average than the overall nonprofit sector.

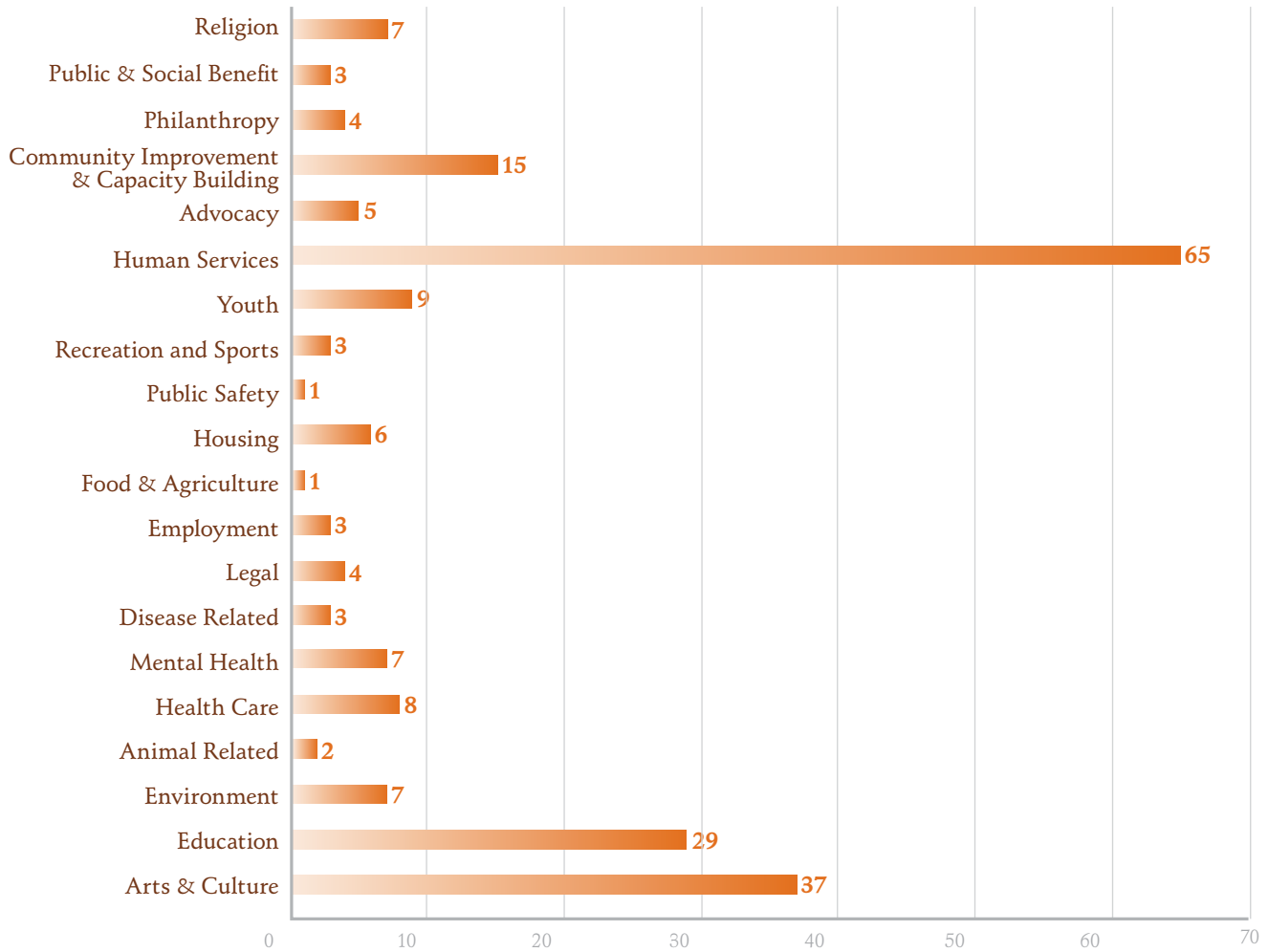
Figure 11: Percent of Total Nonprofits Founded Each Year



Types of Native-led Nonprofits

An examination of data on Native-led nonprofits in the region also reveals some significant differences in the types of services offered by these organizations. As can be seen in [Figure 12](#), the largest category of Native-led nonprofits includes those that focus on a range of human services and educational programs. Arts and culture organizations are also prominent, reflecting the important role these organizations are playing in cultural preservation and revitalization. This research seems to also support previous research that found that Native-led nonprofits are heavily focused on the provision of social services and education, but also reflect a focus on arts and cultural revitalization.

Figure 12: Types of Native-led Nonprofits in the Northwest Area Foundation Region



Discussion

A review of the Native-led nonprofits in the Northwest Area Foundation region reveals some useful information. Our research corroborates earlier findings that suggest Native-led nonprofits are younger than non-Native nonprofits on the whole, and that they are more likely to offer programs that focus on human services, arts/culture, and education. The fact that these organizations focus on human services and education suggests that there is still a great need in Native communities for these nonprofit organizations and their services. The most important finding is that in the Northwest Area Foundation region, there are only 215 documented Native-led nonprofit organizations and of these, only 76 serve non-urban communities. It appears there is still great room for growth as the Native American population in the region accounts for 2.9% of the total population, yet the 215 Native-led nonprofit organizations represent only 0.2% of all nonprofits in the region.

VII. Existing Models Supporting the Native Nonprofit Sector

As the Native-led nonprofit sector grows and evolves, many nonprofit leaders have developed programs and models to support this growth. Many of these models are sponsored by organizations in the Northwest Area Foundation's region, but many also serve a national and international population. This section provides an overview of a few of these models.

1. The Seventh Generation Fund for Indigenous Peoples: Affiliates Program

The Seventh Generation Fund for Indigenous Peoples (Seventh Generation) started a program in the 1970s called the Affiliates program. Seventh Generation had been working with several community-based organizations that were focused on community organizing and community change, and they saw a need to help support their work. Many of the organizations were young, or were led by community leaders focused on their advocacy work, and Seventh Generation saw an opportunity to help these organizations with project management, fundraising, and back-office financial management. According to their website, Affiliates are Native communities or organizations who come "in-house" with Seventh Generation Fund usually because they are emerging programs (less than five years old) or projects that do not yet have the staff or capacity to run as a solo 501(c)(3) nonprofit, tax-exempt organization. Being an Affiliate allows a group to direct its efforts towards accomplishing its goals and objectives while Seventh Generation Fund assists with administration, technical training, fiscal management, program oversight, and organizational development. Seventh Generation Fund's assistance allows Affiliates to fully participate in community-based organizing efforts and direct action campaigns. Seventh Generation currently has over 28 organizations that they work with and nurture through the Affiliate program. The Affiliate program is one example of a model that helps support, nurture, and grow the Native nonprofit sector across Indian Country.

2. Hopa Mountain: Strengthening the Circle — A Native Nonprofit Leadership Program

The Strengthening the Circle program is a Native nonprofit leadership program that builds the capacity of experienced and emerging Native-led nonprofit organizations that are working to improve economic development, education, and social services on or near reservations. This Native nonprofit leadership program consists of a four-day workshop for executive directors and board members with follow-up training and technical assistance.⁴⁰ The program goals for Strengthening the Circle are to build the capacity of Native nonprofit organizations' staff and boards so that there are more resources and services for youth and families in tribal communities. The program also works to share knowledge among organizations about traditional ways of leading and governing, and develop culturally appropriate training materials. Strengthening the Circle works to develop Native nonprofit training programs within tribal colleges to build the base of support available to Native nonprofit organizations. Finally, the program also works with private foundations to encourage more of them to support investments in the Native nonprofit sector.

⁴⁰ See the Hopa Mountain website for more information: www.hopamountain.org.

3. Native Americans in Philanthropy: Circle of Leadership Academy

Native Americans in Philanthropy has periodically offered a Circle of Leadership Academy, which is an 18-month leadership development program designed to educate and empower Native American leadership in the philanthropic and nonprofit sectors. The Circle of Leadership Academy works with emerging and mid-career Native American leaders and provides them with education related to the nonprofit sector. The program supports experiential learning, professional development, networking, and mentorship opportunities.

4. First Nations Development Institute: LEAD Fellows Program

Although currently dormant, First Nations Development Institute has historically sponsored a program called the Leadership and Entrepreneurial Apprenticeship Development (LEAD) Fellows Program. The goal of the Leadership and Entrepreneurial Apprenticeship Development Program was to support the growth and education of future Native American nonprofit sector leaders. The program was designed to encourage people to work in the Native nonprofit sector and to support leadership development opportunities for young Native leaders already in the nonprofit sector. In the later years, the program offered a “New Executive Directors’ Boot Camp” program to support the continued growth of Native nonprofit leaders. The program combined a rigorous yet flexible curriculum with an individual learning plan, facilitated mentoring, peer learning and networking, and industry-specific leadership development. Over 50 young people participated in the LEAD program over a four-year period and many of them have gone on to lead successful nonprofit organizations.

5. The Native Ways Federation

In 2006, seven of the country’s leading national American Indian nonprofits came together to form the Native Ways Federation.⁴¹ The mission of the Native Ways Federation is twofold: to strengthen the Circle of Giving by uniting Native organizations to raise needed funds for the communities served by the federation, and to ensure that nonprofit organizations working on behalf of Native communities observe the highest levels of ethical standards and fiscal responsibility. Native Ways is unique in that it is the only federation in the U.S. to directly serve Native nonprofits that assist Native peoples and communities in Indian Country. The Native Ways federation has launched a workplace giving program that is modeled after the United Way and has been adopted by nearly 10 tribes and Native nonprofits. The Native Ways federation also carries out educational work to promote increased accountability, transparency, and effectiveness of nonprofits working in Indian country.



⁴¹ Members include the American Indian College Fund, the Native American Rights Fund, American Indian Science & Engineering Society, American Indian Youth Running Strong, Association on American Indian Affairs, First Nations Development Institute, and the National Indian Child Welfare Association.

6. Grantmaking Intermediaries

In the Northwest Area Foundation region, there are several grantmaking intermediaries who work with mainstream foundations to give grant funds to new and emerging Native nonprofits in a way that supports their capacity and improves their program impact. Mainstream foundations often do not have the staff to provide a “high touch” grantmaking style, which includes grantee convenings, assistance with reporting and evaluation, and support for some nonprofits that may be receiving their first grant. The Potlach Fund, First Nations Development Institute, and the American Indian College Fund all provide grantmaking services in the region, and Seventh Generation Fund supports and nurtures Native nonprofits through their Affiliates program.

VIII. Implications for Action: Supporting the Native- led Nonprofit Sector

The Native-led nonprofit sector has grown significantly over the past 40 years and plays an important role in supporting community wholeness, community economic vitality, and community prosperity. Native-led nonprofits continue to provide needed services in their home communities, and continue to advocate for unique causes in support of tribal sovereignty and self-determination. They also support artistic and cultural expression in many Native communities, and continue to provide a community building function as local community members come together to find local solutions to challenging problems. As community institutions, they continue to train and nurture the next generation of Native American leaders.

While Native nonprofits play a key role in Native community wholeness, community economic vitality, and community prosperity, they continue to face challenges associated with lack of resources and

Important Note

Many previous reports and studies have identified recommendations for supporting the nonprofit sector. We do not wish to replicate their work here. For more detailed information about each of the implications for action in this report, and the research and community consultation process that informed these recommendations, please refer to the following reports:

Native Voices Rising: A Case for Funding Native-led Change

This report, created by the Common Counsel Foundation and Native Americans in Philanthropy and published in 2013, summarizes recommendations for supporting the nonprofit sector collected from interviews with over 146 organizations. Some of their recommendations include:

- Provide more general operating and capacity-building support.
- Make long-term multi-year funding commitments.
- Invest in Native leadership.

Leadership for Native Nonprofits

In 2004, over 43 Native nonprofit leaders met in Kansas City at the Kauffman Foundation to discuss ways to support the Native nonprofit sector. The meeting was designed to discuss the nonprofit leadership opportunities facing Native leaders in Indian Country and identify ways to build vibrant Native nonprofit organizations, guided by Native leaders, that continually sustain high performance. The meeting report from this event made the following recommendations, among others:

- Invest in Native leadership.
- Provide more support for mentoring and growing Native nonprofit leaders.
- Support networking and peer learning among Native nonprofit leaders.

lack of capacity. Numerous studies of the Native nonprofit sector suggest that the organizations in this sector are young and under-resourced. In addition, at many convenings Native nonprofit leaders have expressed a desire for more training and opportunities for skill-building.

This paper provided a review of several programs that have been developed to serve the Native nonprofit sector. Some additional recommendations for supporting the Native nonprofit sector are provided here:

1. Consider supporting ongoing training and skill-building opportunities for Native nonprofit leaders.

There is an ongoing need to help support Native nonprofit staff and leaders as they grow their nonprofit organizations. Native nonprofit leaders and their staff continue to benefit from training in project management, financial management, fundraising, evaluation, accounting and finance, and many other subject areas. Ongoing investment in these types of training programs will provide continued support for the Native nonprofit sector as organizations grow and expand their programs and their impact. Such training may also have an added benefit of helping Native nonprofits become more effective in raising funds from foundations and other non-federal sources.

2. Consider supporting ongoing networking and peer learning among Native nonprofit organizations.

Native nonprofit leaders and staff, especially those working on Indian reservations, often face similar challenges and opportunities but often operate in geographic silos. They would benefit from chances for networking and peer learning. Regional convenings, membership associations, and other opportunities for networking could be supported.

3. Consider investing in Native nonprofit organizations that have demonstrated their impact on community economic vitality.

There are many nonprofits located on Indian reservations that have a history of good work and a demonstrated impact on the local economy in terms of job creation and bringing resources into the local community. Tribal colleges and community development financial institutions (CDFIs) are both examples of this type of nonprofit organization. A continued investment in these institutions is needed to support their ongoing work and provide a solid foundation for continued growth.



4. Consider supporting Native nonprofits as they learn to diversify their income sources and build their fundraising skills.

Native-led nonprofits continue to face challenges with capitalization and successful fundraising. Organizations like Native Americans in Philanthropy and the Native Ways Federation are designed to help Native nonprofits develop fundraising skills and increase professionalism, transparency, and effectiveness. Some new innovations in this area include crowdsourcing models such as the NativeGiving.org program which helps smaller nonprofits build online giving platforms and provide support in individual donor campaigns. Continued support for these and similar programs will be important for continued skills building and revenue development for Native nonprofits.

5. Consider multi-year grants that provide core support.

Many Native nonprofits are “underfunded miracles” that function with small budgets and few resources. If more foundations gave multi-year grants that provided core support, an organization’s staff would have more time to focus on their programs and on their long-term capitalization plan. There is a growing body of research in philanthropy that suggests that increased core support can help nonprofits achieve their mission.⁴²

6. Consider supporting a Native nonprofit incubator model.

Many smaller, younger Native nonprofits may need support during their start-up phase and may be addressing urgent, timely issues related to self-determination which leave little time for building a nonprofit. A nonprofit incubator model, similar to the Affiliates program at Seventh Generation Fund, could provide resources to these nonprofits in the form of back-office financial management and evaluation services, but could also provide an opportunity for peer learning and mentoring in a safe, culturally sensitive environment.



IX. Conclusion

Across North America, Native-led nonprofit organizations are experiencing a golden age of growth and development. Native-led nonprofits are increasingly functioning in a service role, providing needed youth services and health programs. They advocate for issues unique to American Indian peoples and promote equity in funding, programs, and resources. Nonprofits also promote artistic and cultural expression designed to revive and support traditional Native cultures. Many Native-led nonprofits continue to promote community building by bringing together community members for collective action. All these activities play an important role in supporting Native community wholeness, community economic vitality, and community prosperity. But the Native-led nonprofit sector is relatively young and under-resourced and could benefit from increased support.

⁴² Shoemaker (2015).

In Native American communities in the Northwest Area Foundation region, the nonprofit sector brings in significant revenue for the local economy and is a key source of employment. Tribal colleges alone account for over \$285,431,536 in assets and employ over 4,200 individuals. But the nonprofit sector in these communities appears to be dominated by non-Native led nonprofits, many of them religiously affiliated. There is still a lot of room for growth for the Native nonprofit sector. Another key finding is that human services, youth development, and community improvement and capacity building are the largest categories of nonprofits serving these Native communities. This corroborates what we already know: that there is still a great need in these communities for more nonprofit organizations and their services. In the Northwest Area Foundation region, there are only 215 documented Native-led nonprofit organizations and of these, only 76 serve non-urban communities. There is still much to be done to support this diverse set of nonprofit organizations, and to grow new organizations, to continue to support community economic development in Native communities.

References

- Adamson, R. (1998). Change and tradition: Native American philanthropy enters a new era. Fredericksburg, VA: First Nations Development Institute.
- Cohen R., & Barkhamer, J. (2004). Beyond city limits: The philanthropic needs of rural America. Washington DC: National Committee for Responsive Philanthropy, 5-10.
- Cohen, R. (2004). The trouble with rural: Philanthropic giving to U.S. areas disproportionately low. The National Center for Responsive Philanthropy Quarterly, summer 2004, 7-9.
- Coon, R., Bangsung, D., & Hodur, N. (2013). Economic contributions of North Dakota's tribal colleges in 2012. Fargo, ND: Department of Agribusiness and Applied Economics at North Dakota State University.
- Delgado, L. (2013). Native voices rising: A case for funding Native-led change. Minneapolis, MN: Native Americans in Philanthropy and Oakland, CA: Common Counsel Foundation.
- Echo Hawk, C. (2015). Implicit bias and Native Americans: Philanthropy's hidden minority. National Committee for Responsive Philanthropy.
- First Nations Development Institute. (2004). Discussion notes from: Leadership for Native Nonprofits, July 14 and 15, 2004 in Kansas City, Missouri. Fredericksburg, VA.
- Harstad, J. (2013). Native American nonprofit economy report. Minneapolis, MN: Native Americans in Philanthropy and the Minnesota Council of Nonprofits.
- Huenemann, J. & Hestness, A. (2010). American Indian community blueprint. Minneapolis, MN: National American Indian Community Development Institute.
- LaPier, R. (1996). Philanthropy and Native peoples: An update for the years 1991-1993. Lumberton, NC: Native Americans in Philanthropy.
- Marks, B. (2015). Research note: Tribal colleges in the Northwest Area Foundation region. Longmont: CO: First Nations Development Institute.
- Mukai, R. & Lawrence, S. (2011). Foundation funding for Native American issues and peoples. New York, NY: The Foundation Center in cooperation with Native Americans in Philanthropy.
- National Center for Charitable Statistics. (2015). IRS Business Master File. Retrieved March 12, 2015, from <http://www.nccs.urban.org/>.
- Salamon, L. (Eds.). (2002). The state of nonprofit America. Washington, DC: Brookings Institution Press.

_____ (2012). *American's Nonprofit Sector: A Primer (3rd Edition)*. Washington, D.C.: The Foundation Center.

Salway Black, S. (1998). *The emerging sector: Nonprofits in Indian country*. Fredericksburg, VA: First Nations Development Institute.

_____ (2004). *The emerging sector, still emerging: Nonprofits in Indian country*. Fredericksburg, VA: First Nations Development Institute.

Schechtman, M. (2008). *The philanthropic divide 2007*. Helena, MT: Big Sky Institute for the Advancement of Nonprofits.

Shoemaker, P. (February 11, 2015). *Reconstructing philanthropy from the outside in*. Philanthropy Northwest. Retrieved from <https://philanthropynw.org/news/reconstructing-philanthropy-outside>.

Skocpol, T. & Fiorina, M.P. (1999). *Civic engagement in American democracy*. Washington, D.C.: Brookings Institution Press.

Smith, Kyle (2004). *Meeting Summary: Native nonprofit leaders' summit*. Longmont, CO: First Nations Development Institute.

U.S. Census Bureau. (2010). *American FactFinder Fact Sheet: 2010 Decennial Census*. Retrieved March 12, 2015, from <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.

Wilson, K. (2010). *Foundations shortchange rural areas: Examining foundation rural giving*. Washington, DC: Rural Community Assistance Corporation.

Wittstock, L. (2007). *American Indian giving and philanthropy: The overlaid relationship*. Minneapolis, MN: Hubert H. Humphrey Institute of Public Affairs, University of Minnesota.

Appendix A — Technical Note on Use of NCCS Data

Data Set

In order to conduct an analysis of the nonprofit sector in the Northwest Area Foundation region, First Nations pulled 2014 data records for all nonprofits in the region from the National Center for Charitable Statistics (NCCS). We paid for a copy of the Business Master File and downloaded it March, 2015. We opened the dataset in a Microsoft Access database and did a query of all 501(c)(3) records for the 8 states in the region. We excluded all organizations that were inactive - had not filed a Form 990 in the past 3 years. The data extracted from the NCCS returned information for all the 501(c)(3) nonprofits in the Northwest region including data on revenue, assets, the rule year for tax exemption status, and the Federal Information Processing Standard (FIPS) codes (utilized to give unique codes for individual counties). We used these variables, as well as the NTEE variable (discussed below) to conduct an analysis of the data.

NTEE Codes

The National Taxonomy of Exempt Entities (NTEE) system is used by the IRS and the National Center for Charitable Statistics (NCCS) to classify nonprofit organizations. The original NTEE was developed by NCCS during the 1980's with the collaboration of major nonprofit organizations. In the mid-1990s, the IRS decided to begin classifying new organizations using the NTEE system. The "IRS determination specialists" -- the individuals who decide whether or not an organization is eligible to receive federal tax exempt status -- classify organizations based on descriptive data in the organizations' applications for recognition of tax-exempt status (Forms 1023 and 1024).⁴³ For more information about the NTEE codes, visit <http://nccs.urban.org/classification/NTEE.cfm>.

Comparing All Native American Counties versus All Non-Native Counties

Since the NCCS database does not maintain a record of which nonprofits are located on Indian reservations, we had to employ a method for delineating nonprofits that were located in communities that had a significant Native American population. We tried to geocode the dataset using addresses but found too many errors in the data due to PO boxes and trouble finding rural address. We then decided to use the county as the unit of analysis. We compiled a list of county FIPS codes for the region that indicated the percent of the population that was Native American using data from the decennial census. We joined that data set to our dataset using the FIPS codes. We then grouped counties by those which had a significant Native American population—10% or greater—and those which did not have a significant Native American population—less than 10%.

To assess nonprofit revenue and asset data, we also removed religious organizations (as indicated by the NTEE "major group" code by the NCCS) not reporting assets or revenue, due to their unique reporting requirements. Nonprofit religious organizations are not required to submit data on revenue or assets; therefore, we removed these organizations to not impact the financial statistics. There was a

⁴³ This information is taken from the website of the National Center for Charitable Statistics: <http://nccs.urban.org/classification/NTEE.cfm>.

small percentage of organizations under the “religion-related” NTEE code that reported revenue and/or assets, such as hospitals with religious affiliations. These entities were retained in the descriptive and explanatory statistics for revenue and assets.

Rural Only Analysis: Comparing Rural Native American Counties versus Rural Non-Native Counties

All of the same parameters utilized for the All Native American Counties vs. All non-Native Counties analysis were again employed for the rural only analysis. The only additional modification to the dataset involved omitting nonprofits in any county above 50,000 people that was designated as a Core Based Statistical Area (CBSA). Counties that were not designated as CBSAs but had populations above 50,000 people were retained since many of these are large rural counties characterized by low population density. Only one Native American county, Pennington County in South Dakota, met the criteria to be removed from the rural only analysis.

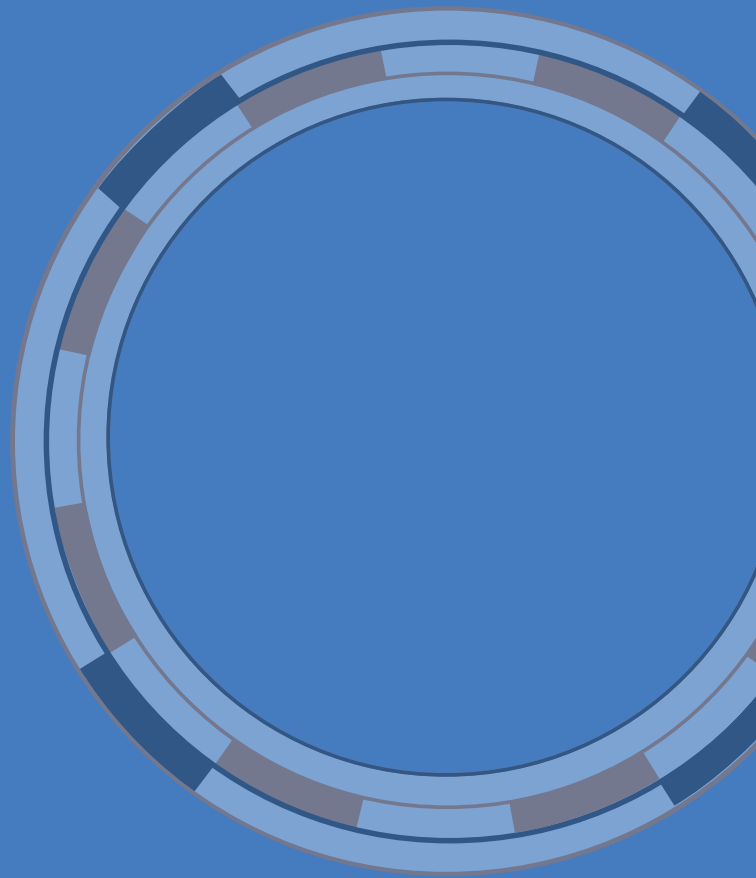
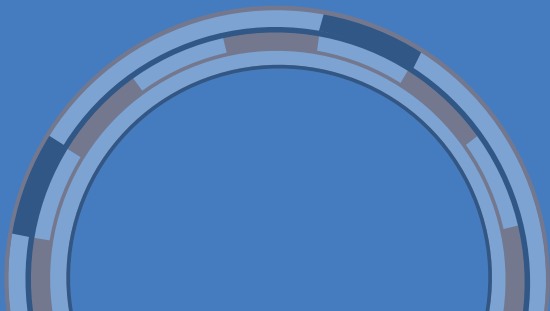
Comparing the Types of Nonprofits in Counties

To interpret the distribution of different types of nonprofits in the Northwest Area Foundation region, the nonprofit organizations were again identified by county and grouped as “Native American counties” or “non-Native counties.” Again, any organization positively labeled as a non-filer was removed for the analysis. The remaining organizations were assessed by the “major group” variable in the dataset, which classifies an organization by NTEE code.

Native-Led Nonprofits in the Northwest Area Foundation Region

In order to identify the active Native-led nonprofit organization in the region, we searched the dataset for key words in the organization name including “Native”, “Indian”, “tribal”, “tribe” and other key words. We also used known lists of tribal colleges, Native-led community development financial institutions (CDFIs), and other known nonprofit organizations to ensure our list included all active Native nonprofit organizations. Unfortunately, several well-known 501(c)(3) organizations had not filed a Form 990 in the past 3 years and therefore were excluded from our list, including a few tribal colleges. We also only included active 501(c)(3) organizations and therefore young or nascent nonprofits are not included in the analysis. We identified 215 organizations and our dataset provided the FIPS code (location), address, NTEE code, age of nonprofit ruling (founding date), revenues, assets, and other information for each of these 215 organizations. The NCCS list is an excellent source of information on 501(c)(3) organizations, however it doesn’t include informational organizations that are not registered 501(c)(3)s or organizations that are run through a fiscal sponsor. Therefore, our analysis may underestimate the number of Native-led nonprofit organizations in the region.

Notes: _____





FIRST NATIONS
DEVELOPMENT INSTITUTE

2432 Main Street, Longmont, CO 80501
Tel 303.774.7836 • Fax 303.774.7841 • www.firstnations.org