



A Demographic Profile of Independently Incorporated Native American Foundations and Selected Funds in the United States



Native Americans in Philanthropy



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INTRODUCTION

It has been more than a decade since Native Americans in Philanthropy (NAP) commissioned the first study on Native foundations. That study, *Native Americans in Philanthropy: Survey of Grant Giving by American Indian Foundations and Organizations*, by Alexander Ewen and Jeffrey Wollock, identified twenty-two Native grant-making foundations operating in the United States in 1994. The study also provided information on other types of Native “funds” that distributed financial resources, through scholarships and other forms of contributions, to nonprofit organizations and individuals. This seminal work, along with the ongoing efforts of NAP and other Native organizations, has led to increased interest in understanding and strengthening the development of Native foundations across the Nation. Accordingly, NAP leadership felt it was important to take a fresh look at the growth in the field and provided partial support for the following report.

This report gives basic demographic information on 60 grantmaking entities grouped into three categories: 1) Native foundations that are independently incorporated; 2) 501c3 Native organizations; and 3) tribal funds. These categories capture the variety of Native controlled approaches currently at work in the field.

The Native Foundations category includes thirty-six Native controlled, independently incorporated grantmaking foundations that were operating in the United States during the years 2001-2003. These foundations received their 501c3 charitable designation from the Internal Revenue Service (IRS) and are largely committed to carrying out a grantmaking function. They vary in terms of foundation type, focus, financial resources and experience. However, they do have a common thread: their interest and commitment to improving conditions for Native people.

Data is presented in this report, as in the Ewen and Wollock study, on a limited number (fifteen) of independently incorporated Native organizations and scholarship funds that provide financial resources to Native people and communities, but are not generally included in research on grantmaking foundations. This is not meant to be a representative sample of all nonprofit organizations that offer funds, which could be many times more than this number, but is offered as an example of some nonprofit funding models that operate in Native communities.

Finally, information is provided for a small group of nine tribal funds that were established by tribal governments to serve charitable purposes. These funds were not listed in Guidestar or other public databases that provide information on organizations designated as 501c3 charities, or as private foundations, by the IRS. Many tribal funds have been established through Section 7871 of the Internal Revenue Code. Section 7871 treats tribes as states and clarifies their status with respect to charitable contributions. Tribal funds may be the fastest growing and largest source of Native grantmaking across the country. Gaming tribes that have financial resources generated from casino operations are primarily driving this new wave of giving. While they were beyond the focus of this study, data was secured and is presented on nine of these tribal funds. This group is too small to be considered a representative sample of all tribal funds, but the purpose of providing this data is to further illustrate the variety of organized giving approaches that exist in Native communities and to share some of the questions the data raises that could be answered by further research.

Overall, the data presented in this report shows that Native people and communities have embraced and are deeply engaged in the development of philanthropic organizations, and this movement offers hope that new Native leadership in this field translates to more effective philanthropic work in addressing the many needs and issues that exist in Native communities. Based upon the research findings, the following three comments are offered for consideration in the field.

1. While gains have been made in establishing endowments to support Native foundations, increased efforts are needed to increase the size of existing endowment funds and to assist others in creating such funds, particularly among new and emerging foundations. Native people, tribes and communities, as well as non-Native foundations should support these efforts.

2. The growth in Native philanthropic leadership offers new promise and opportunity to target philanthropic resources in a manner consistent with the needs, values and aspirations of Native people; opportunities to share the challenges and best practices in the field among Native and non-Native foundations should be promoted.

3. The level of research on Native foundations and funds in the U.S. should be broadened in order to reach a deeper understanding of giving patterns, operations and infrastructure development, as well as the impact of these grantmaking entities.

This study has been closely modeled after the Ewen and Wollock study and benefited from the work they conducted. Their list of foundations and funds provided a starting point from which to build the current database.

METHODOLOGY

The initial challenge was to identify existing independently incorporated Native foundations operating across the country. While the initial list was drawn from the Ewen and Wollock study, additional foundations were identified through the following four approaches:

- Searching online databases (GuideStar & Foundation Center)
- Surfing the web
- Requesting referrals from resource people and Native organizations
- Sending emails and letters to more than 500 tribal offices asking them to identify independently controlled Native foundations

The survey targeted organizations designated by the Internal Revenue Service as “private foundations” as well as “public charities” that met the following criteria:

- Primary purpose of the organization is to provide grants to other Native organizations, individuals and communities for charitable purposes.
- The Board of Directors is primarily Native (American Indian, Alaskan Native and Native Hawaiian), based on self-identification and not determined by the researchers.
- The Internal Revenue Service designated the organization as a 501c3 charitable organization.

Additionally, information was obtained on a small number of tribal funds that receive money and maintain a working relationship with tribal governments.

Data was collected between March 2004 and March 2005, using a variety of approaches, including: an online review of the foundation websites and tax forms (Form 990) that were available at the time, through telephone interviews, and by distributing survey forms through e-mail and US Postal Service mail. The survey questionnaire included 18 questions on topics that ranged from levels of giving, to staff and board size. All of the data was compiled in an Access database, then downloaded to an SPSS database upon which a statistical analysis was performed. Regarding the financial distributions, analysis includes only the monetary grants awarded, not in-kind support or in-house project support.

Classification of the groups into the various categories was a challenging task. Those entities classified as private foundations by the IRS were placed in categories designated by their listing with the Foundation Center, e.g., corporate foundation. Those that are public charities were categorized according to their strongest fit. For example, two of the entities tied to Alaska Native corporations are public charities, not private or corporate foundations, and were placed in subcategories of the Native organizations group rather than the Native foundations group because of their programmatic focus and the breadth of their work.

NATIVE FOUNDATIONS

As previously stated, the primary purpose of this study was to identify those foundations that were Native controlled, independently incorporated, and received their 501c3 charitable status from the Internal Revenue Service (IRS). A total of 36 foundations were identified that met the research criteria (see appendix A for a list of foundations). Seventeen (47%) of the 36 foundations were designated as “private foundations” by the IRS while the remaining 19 (53%) were designated as “public charities.”¹ Thirty-six foundations represent an increase of 64% over the 22 foundations identified in the 1994 Ewen and Wollock study; however, some of the original 22 have closed or no longer serve a grantmaking function. Thirteen of the initial 22 are included in the current study.

While we cannot guarantee that this research captured the entire universe of independently incorporated Native foundations, it can be considered a representative group. Basic demographic information about these foundations is presented below.

FOUNDATION TYPES

The 36 foundations have been categorized into six major foundation types that are commonly used to classify foundations. The definitions provided below for these six types of foundations are taken from the Council on Foundations’ 2004 Grantmakers Salary and Benefits Report (pp. 2-3), unless noted otherwise.

Community Foundations - provide charitable support to a specific geographic area, ranging from a small town to a larger region. They receive funds from a variety of sources. Classified by the tax code as public charities, they must pass the public support test.

Corporate Foundations – are organized as private (independent) foundations by for-profit businesses. While corporate foundations are subject to the same regulations as private foundations, their governing boards usually consist of corporate employees. Although some have endowments that provide grant funds, annual grantmaking is usually derived from corporate contributions rather than endowment income.

Family Foundations – are private foundations in which the donor or donor’s relatives play a significant role in governing the foundation.

Independent Foundations – are private foundations that have endowments that provide resources for grantmaking to charitable organizations. The endowments are usually gifts from one donor, either an individual or a family. Private foundations in which the donor or donor’s relatives play a significant role in governing the foundation are often referred to as family foundations.

Operating Foundations - These foundations run their own programs, and they make few, if any, grants to outside organizations (GrantStation).

Public Foundations – like community foundations, are classified as public charities and must pass the public support test. Instead of supporting the broad needs of a defined geographic area, public foundations focus on specific interests or charitable activities.

¹ The Internal Revenue Service designates a 501c3 organization a private foundation if its money comes primarily from a single source; those 501c3 organizations that derive their funds from multiple sources remain public charities. For example, community foundations are “public charities” because they secure their funds from a variety of sources, including individuals and other organizations. Whereas, a corporate foundation is typically designated a “foundation” because its operating funds are primarily from one source, the parent corporation.

Table 1 shows the distribution of Native foundations across foundation types. The largest number of foundations appears among the following three types: public foundations (11 or 30.6%), corporate foundations (10 or 27.8%), and community foundations (8 or 22.2%).

Table 1: Distribution of Native Foundations by Type

| Foundation Type | Number | Percentage |
|-------------------|-----------|------------|
| Public (National) | 11 | 30.6 |
| Corporate | 10 | 27.8 |
| Community | 8 | 22.2 |
| Operating | 4 | 11.1 |
| Independent | 2 | 5.6 |
| Family | 1 | 2.8 |
| Total | 36 | 100 |

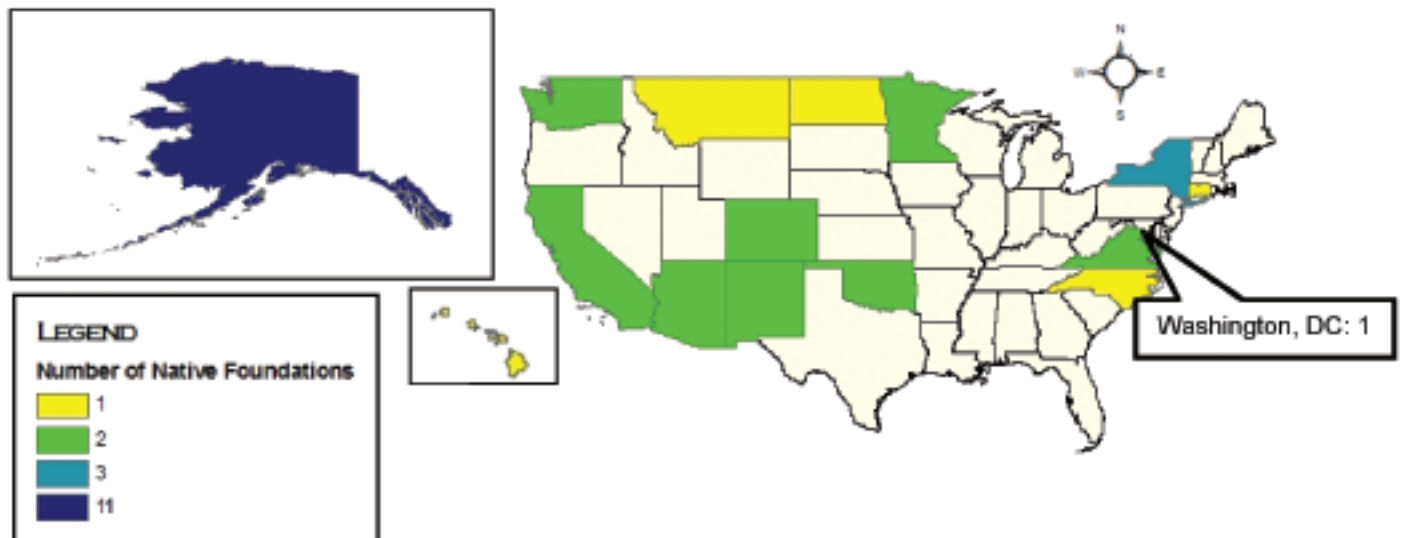
It is significant that all of the corporate foundations are affiliated with Alaska Native regional corporations established under the 1971 Alaska Native Claims Settlement Act (ANCSA). These regional corporations created nonprofit organizations and foundations to serve their respective communities.

The paucity of family foundations in this study may be explained by such factors as the low level of individual wealth in Native communities; a lack of familiarity with this form of institutionalized philanthropy; or the lack of disaggregation in available data.

GEOGRAPHIC LOCATION

The 36 foundations are located in 16 states. Eleven (31%) of the foundations are located in Alaska. The remaining 25 (69%) foundations are more evenly distributed across the country, with 1 to 3 foundations located in 15 states. See Chart 1 below for the state-by-state distribution.

Chart 1: Geographic Distribution of Native Foundations



The high number of Native foundations in Alaska is largely attributed to the initiative taken by the Native regional corporations to establish separate but related philanthropic entities to serve their communities.

FOUNDATION GIVING

Total giving by the 36 foundations during the years 2001-2003 was \$32,239,979 (see Table 2). Community foundations gave the highest total amount at \$11,734,714, followed by public foundations (\$10,865,514), corporate

foundations (\$8,422,950), independent foundations (\$1,122,592), and family & operating foundations (\$94,209).

Total giving increased 53% from 2001 to 2003, with steady increases from 2001 to 2002, and 2002 to 2003. This growth is noteworthy considering that the U.S. economy was in a period of recession and slow economic recovery during this time, and many foundations experienced a reduction in their assets and giving portfolios (The Foundation Center, p.2-3).

Table 2: Total Native Foundation Giving in Real Dollars (all in 2003 dollars***)

| Foundation Type | 2001 | 2002 | 2003 | Total |
|---------------------------------|-----------------------|------------------------|------------------------|------------------------|
| Community | \$1,795,113 (N=8) | \$4,123,070 (N=8) | \$5,816,531 (N=8) | \$11,734,714 (N=8) |
| Public* | 3,761,828 (N=10) | 3,377,564 (N=11) | 3,726,122 (N=11) | 10,865,514 (N=11) |
| Corporate | 2,195,385 (N=10) | 3,219,713 (N=10) | 3,007,852 (N=10) | 8,422,950 (N=10) |
| Independent | 421,899 (N=2) | 636,998 (N=2) | 63,695 (N=2) | 1,122,592 (N=2) |
| Family & Operating** | 51,544 (N=5) | 32,165 (N=5) | 10,500 (N=5) | 94,209 (N=5) |
| Total | \$8,225,769 (N=35) | \$11,389,510 (N=36) | \$12,624,700 (N=36) | \$32,239,979 (N=36) |

Data Source: IRS 990's and personal interviews with 97% of the foundations

N= Number of Native Foundations

* 03 giving data for one foundation in this category was based on its two-year average

** These two types of foundations have been combined

*** Adjusted to 2003 dollars using the Consumer Price Index

In 2003 the average distribution was \$350,686 among the 36 foundations, an amount that is 2 1/4 times as much as the average annual distribution of \$156,097 (in 2003 dollars) by those in the earlier Ewen and Wollock study. This growth suggests that overall organizational capacity has increased in several areas, including fundraising, investment and grantmaking.

ENDOWMENTS

Endowments serve a vital purpose by helping to ensure long-term financial viability for a foundation. Essentially, an endowment fund is created to provide an ongoing source of operating funds, funds that are drawn from money earned on investments. The principal of an endowment fund is generally left intact to provide a source of revenue well into the future.

Endowment information was assembled on 35 of the 36 Native foundations. Almost half (seventeen, 48.6%) of the foundations had an endowment fund, and several others were considering establishing one. The size of the existing endowment funds ranged from a low of \$9 thousand to a high of \$46 million. The 17 endowed foundations averaged \$5,078,017 in endowment funds, and the \$510,000 median endowment demonstrates that half of these foundations had endowments of approximately a half million dollars or more. Also, the research found that the older foundations were more likely to have an endowment than those more recently established.²

² The sample size in this category alone was not large enough to reach statistical significance but a correlation was established. When the Native Foundations group was coupled with those in the Native Nonprofit Grantmaking Organizations and Tribal Funds categories (see Appendix A), the combined groups were statistically significant at the .05 level. Therefore, we can say with 95% confidence that the older the entity is, the more likely it is to have an endowment.

Table 3 shows that corporate foundations had the highest average dollar amount (\$11.8 million) and public foundations had the second highest average dollar amount at \$4.7 million. Community foundations had the highest number (6) of foundations with endowments. The family and operating foundations did not report having endowments.

Table 3: Endowments by Foundation Type

| Foundation Type | Number with Endowments | Mean | Median |
|-----------------|------------------------|--------------|-------------|
| Corporate | 5 | \$11,740,000 | \$5,000,000 |
| Public | 5 | \$ 4,653,179 | \$ 320,000 |
| Community | 6 | \$ 694,000 | \$ 405,000 |
| Independent | 1 | \$ 191,400 | \$ 191,400 |
| All | 17 | \$5,078,017 | \$ 510,000 |

These findings show that the Native foundations have increased their interest and commitment to building endowments. In the 1994 Ewen and Wollock study, the authors did not identify a specific number of foundations with endowments, but they did state that “most” of the foundations did not have endowment funds and had to raise all of their operating money through fundraising activities (Ewen and Wollock, p. 3). To continually raise all of the money for grantmaking and operations places a heavy fundraising burden on a foundation’s staff and board, a burden which draws energy away from the intended work of the organization. Therefore, increasing attention on endowment building is a positive step forward by these foundations and should continue. It also suggests that those without endowments should seriously consider developing plans to establish endowments.

FIELDS OF INTEREST

The 36 Native foundations in this study focused their work in 10 major fields of interest (see Table 4). Due to the limited resources available for this study, no attempt was made to measure the actual dollar amount allocated to each field. The data presented here demonstrates the range of interest areas that these foundations are engaged in, not the amount of dollars that were awarded to each field. Table 4 shows that the three fields with the highest number of interested foundations are: education with 28 (77.8%) of the foundations, arts & cultural preservation with 14 (38.9%), and community improvement/economic development with 8 (22.2%).

Specialization in one or two fields of interest appears to be the preferred approach to grantmaking by these foundations. The foundations tend to target a narrow range of fields rather than take a scattered approach and commit themselves to working in many areas. The average is slightly less than two fields of interest (1.9) per foundation.

Table 4: Fields of Interest

| Field of Interest | Number of Foundations | Percentage of Native Foundations |
|--|-----------------------|----------------------------------|
| Education | 28 | 77.8% |
| Arts & Cultural Preservation | 14 | 38.9% |
| Community Improvement/ Economic Development | 8 | 22.2% |
| Environment | 4 | 11.1% |
| Youth Development | 3 | 8.3% |
| Health | 3 | 8.3% |
| Employment | 2 | 5.6% |
| Human Services | 2 | 5.6% |
| Civil rights/Social Action/Advocacy/ Public Affairs | 2 | 5.6% |
| Housing | 1 | 2.8% |

The average number of fields of interest per foundation is 1.9.

AGE OF FOUNDATIONS

At the time of the study in 2005, the median age of the 36 Native foundations was 15.5 years; therefore, half (18) of the foundations were established by 1989, and half (18) of the foundations were established after that year. The oldest was 40 years old, and the youngest was 3 years old. Twenty-five percent (9) were established within the past 7 years.

STAFF

Information about the number of staff employed by these foundations was obtained on 35 (97%) of the 36 foundations. The average number of staff across all 35 foundations was 3.3, and the median was 2.0 (see table 5). Public foundations, not surprisingly, had the highest average number of staff, at 4.7. This 4.7 figure is due to the fact that public foundations implement other non-grantmaking projects that require staff beyond those assigned solely to the grantmaking function of the foundation.

Table 5: Staff Size by Foundation Type

| Foundation Type | Mean | Median |
|---------------------|------|--------|
| Public | 4.7 | 4.0 |
| Community | 4.0 | 2.0 |
| Corporate | 2.4 | 1.5 |
| Family & Operating* | 2.3 | 3.0 |
| Independent | 0 | 0 |
| All (35) | 3.3 | 2.0 |

*These two Types have been combined in this table

BOARD MEMBERSHIP

Information was obtained on the size of the boards of directors at 35 of the foundations. The size varied from a low of 2 members to a high of 17 board members. Forty-three percent of the foundations had boards in the range of 7-9 board members. The average size was 7.4 board members, and the median was 7.0 (see table 6).

Table 6: Board Members

| Number Board Members | Number of Foundations | Percentage of Native Foundations |
|------------------------------------|-----------------------|----------------------------------|
| 2 | 1 | 2.9 |
| 3 | 3 | 8.6 |
| 4 | 1 | 2.9 |
| 5 | 7 | 20 |
| 6 | 1 | 2.9 |
| 7 | 7 | 20.0 |
| 8 | 4 | 11.4 |
| 9 | 4 | 11.4 |
| 10 | 2 | 5.7 |
| 11 | 3 | 8.6 |
| 15 | 1 | 2.9 |
| 17 | 1 | 2.9 |
| Total | 35 | 100.0 |
| Mean Number Board Members | | 7.4 |
| Median Number Board Members | | 7.0 |

SUMMARY

These findings show steady growth in the development of independently incorporated Native foundations, both in the number and type of foundations, and their grantmaking capacity. The median age of these foundations is 15.5 years. Their total giving of over \$32 million (in 2003 dollars) during the three-year period (2001 to 2003) implies these foundations are an important resource to Native communities across the country. They are highly specialized, limiting their grantmaking focus to a small number of “fields of interest.” Interestingly, 31% (11) of the foundations were located in Alaska, and the other 70% were distributed fairly evenly across fifteen other states. Almost half (48.6%) have established endowment funds, and the older foundations were more likely to have an endowment. This attention to establishing endowments to support their activities suggests they will continue to play a role well into the future. Those without endowments could benefit from exploration into the advantages and development strategies related to establishing and maintaining endowments. Finally, the average staff size was 3.3 staff, and the average board size was 7.4 members.

NATIVE NONPROFIT GRANTMAKING ORGANIZATIONS

There are numerous nonprofit organizations established and controlled by Native people across the country who were devoted to addressing needs and issues in their communities. Some of these organizations provide grant funds to support a variety of causes, whether on a local, regional or national basis. For example, there are organizations devoted solely to awarding scholarships to Native students. There is at least one organization devoted to raising and distributing financial support to tribal colleges across the country. And, there are many other Native organizations that have established special funds dedicated to providing monies to address specific community needs (Ewen and Wollock, p. 8). These types of organizations are generally not included in studies on grantmaking foundations. However, by presenting data on a small number of these nonprofit “organizations and funds,” as classified in the Ewen and Wollock study, they created a broader understanding of the various forms of Native giving that were in force. Therefore, we included a small group of fifteen Native organizations that maintain grantmaking funds in this study, including several organizations that were part of the earlier study (see appendix A for a list of organizations). This group is only presented as an example of additional forms of institutional giving, not as a representative sample of all the nonprofit organizations that have funds to distribute. An in-depth examination across those organizations would far exceed the research capacity of this current study.

TYPES OF NONPROFIT GRANTMAKING ORGANIZATIONS

Fifteen Native organizations were included in this study and were grouped into three types of entities (Scholarship Funds, Special Purpose Funds, Other Organizations) that award grants and financial resources to other individuals and organizations. The types are defined below, and the total number of each type presented in this report is provided in Table 7.

Scholarship Funds – are nonprofit organizations that were established to provide scholarship funds for individuals which enable them to acquire education and training.

Special Purpose Funds – a fund that grants money to a specific organization, or a few organizations, for specific purposes (Ewen and Wollock. p.8).

[Other] Organizations – nonprofit corporate entities for which grantmaking is a secondary activity. Across the country there are hundreds of Native organizations that have small funds and give scholarships, emergency or supplemental grants (Ewen and Wollock, p 8).

In this report, the “other organizations” group has the highest number of entities (8, 53%), followed by scholarship organizations (6, 40%), and one (6.7%) special purpose fund.

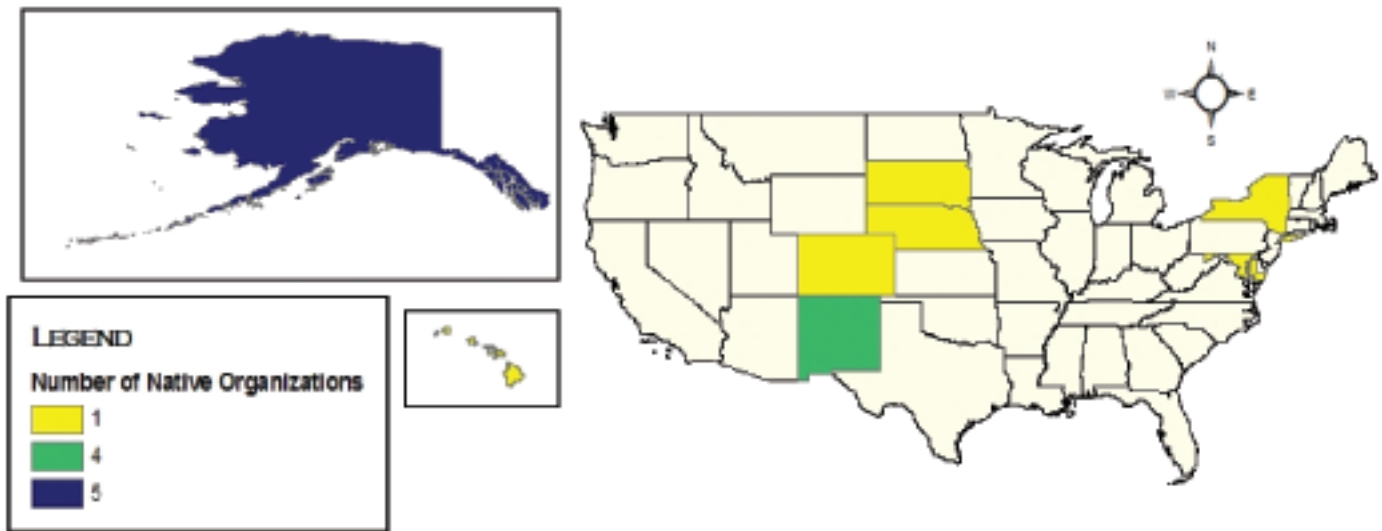
Table 7: Number of Native Organizations Reported

| Organizations Type | Number | Percentage |
|---------------------|-----------|--------------|
| Other Organizations | 8 | 53.3 |
| Scholarships | 6 | 40.0 |
| Special Purpose | 1 | 6.7 |
| Total | 15 | 100.0 |

GEOGRAPHIC LOCATION

The fifteen Native organizations were located in 8 different states (see Chart 2). Sixty percent (9) of them were located in Alaska and New Mexico. The remaining 40% (6) were located in 6 other states.

Chart 2: Geographic Distribution of Native Organizations



GIVING BY NATIVE NONPROFIT ORGANIZATIONS

Total giving by the 15 Native organizations was more than \$59 million over the three year period, 2001-2003 (see Table 8), and grew by 47% from 2001 to 2003. The one special purpose fund accounted for 68% of total giving. This organization substantially increased its giving over this period, from \$11,036,921 in 2001, to \$16,290,857 in 2003. Clearly, they have stepped up their fundraising and increased their capacity to distribute grant resources.

Scholarship funds, while giving a much smaller total amount, realized the greatest rate of increase among these three types of organizations. These groups gave \$5,320,645 in 2003, 3.6 times the amount they gave in 2001 (\$1,488,703).

Finally, the other organizations group was the only type of the three types to realize a decline in funds distributed. Their combined distribution in 2003 was only 56% of what it was in 2001. It is possible that this group was the most vulnerable to the economic recession that occurred during those years, or that the group was negatively affected by changes in federal funding for social programs.

Table 8: Total Giving by Native Organizations (all in 2003 dollars)

| Organization Type | 2001 | 2002 | 2003 | Total |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| Special Purpose Fund | \$11,036,921 (N=1) | \$12,713,713 (N=1) | \$16,290,857 (N=1) | \$40,041,491 (N=1) |
| Scholarships | 1,488,703 (N=6) | 4,460,353 (N=6) | 5,320,645 (N=6) | 11,269,701 (N=6) |
| Other Organizations | 3,446,272 (N=6) | 2,393,339 (N=8) | 1,933,159 (N=8) | 7,772,770 (N=8) |
| Total | \$15,971,896 (N=13) | \$19,567,405 (N=15) | \$23,544,661 (N=15) | \$59,083,962 (N=15) |

Data Source: IRS 990's and personal interviews with 100% of the organizations
 N= Number of Native Organizations

ENDOWMENTS

Seven (46.7%) of the 15 organizations have endowments. The average amount of endowment across all 7 organizations with endowments is \$5,499,197, and the median is \$775,000 (see Table 9). This level of commitment to endowment building and the financial stability it can bring to an organization is encouraging. Interestingly, the percentage of organizations with endowments is very similar to the percentage of Native foundations with endowments (48.6%). Also, the research found that the older groups in this category were more likely to have an endowment than the more recently established groups.³

As in total giving, the one special purpose fund organization again dwarfs the other types of organizations. Its endowment is almost three times the average amount of the 4 groups with endowments in the other organizations grouping, and thirty-nine times the average amount of those endowments maintained by the 2 scholarship funds.

Table 9: Endowments by Native Organization Type

| Fund and Organization Type | Number with Endowments | Mean | Median |
|----------------------------|------------------------|------------|------------|
| Special Purpose | 1 | 15,228,380 | 15,228,380 |
| Other Organizations | 4 | 5,620,250 | 703,000 |
| Scholarship | 2 | 392,500 | 392,500 |
| All | 7 | 5,499,197 | 775,000 |

FIELDS OF INTEREST

The 15 Native organizations distributed their funds in 9 different fields of interest (see table 10). Education was the most popular, with 73.3% of the entities focusing on it, followed by arts and cultural preservation (40%), civil rights/social action/advocacy/public affairs (26.7%), and health (13.3%). These entities are once again similar to Native foundations in that the Native organizations tend to focus their giving on a narrow range of interest areas, an average of 1.9 per organization.

Table 10: Fields of Interest

| Field of Interest | Number of Organizations | Percentage of Organizations |
|--|-------------------------|-----------------------------|
| Education | 11 | 73.3% |
| Arts & Cultural Preservation | 6 | 40.0% |
| Civil rights/Social Action/Advocacy/ Public Affairs | 4 | 26.7% |
| Health | 2 | 13.3% |
| Community Improvement/ Economic Development | 1 | 6.7% |
| Youth Development | 1 | 6.7% |
| Human Services | 1 | 6.7% |
| Housing | 1 | 6.7% |
| Technology | 1 | 6.7% |

The average number of fields of interest per organization is 1.9.

AGE OF ORGANIZATIONS

Information on the age of these organizations was compiled. The median age was 21 years; therefore, half the organizations were established prior to 1984, and half were established after that date. As a group, Native organizations tend to be older than Native foundations which had a median age of 15.5 years, illustrating that Native organizations were earlier arrivals in the Native nonprofit organizational infrastructure.

STAFF

Staff size varied considerably across the three organization types (see table 11): the scholarship organizations had the fewest (average 2.7), and the special purpose organization had the highest at 21 staff members. While those in the other organizations group are reported to have an average of 10.5 staff, this figure is misleading because it includes all staff of the organization, not just those charged with distributing grant funds.

Table 11: Staff Size by Native Organization Type

| Organization Type | Mean | Median |
|---------------------|------|--------|
| Special Purpose | 21.0 | 21.0 |
| Other Organizations | 10.5 | 10.0 |
| Scholarships | 2.7 | 1.0 |
| All (15) | 8.1 | 7.0 |

BOARD MEMBERSHIP

The size of the boards of directors varied from a low of 6 members to a high of 36 board members. The average size was 11.7 board members, and the median was 9.0 (see table 12). This is higher than the average board membership in Native foundations 7.4, and median of 7.0. This is not surprising since all of the 15 organizations are public charities, not private foundations, and public participation in the governance structure is one way to secure public support and to demonstrate their commitment to public accountability.

Table 12: Board Members of Native Organizations

| Number Board Members | Number of Organizations | Percentage of Organizations |
|-----------------------------|-------------------------|-----------------------------|
| 6 | 19 | 6.7 |
| 7 | 3 | 20.0 |
| 8 | 1 | 6.7 |
| 9 | 3 | 20.0 |
| 10 | 2 | 13.3 |
| 11 | 2 | 13.3 |
| 15 | 1 | 6.7 |
| 20 | 1 | 6.7 |
| 36 | 1 | 6.7 |
| Total | 15 | 100 |
| Mean Number Board Members | | 11.7 |
| Median Number Board Members | | 9.0 |

SUMMARY

The 15 Native organizations included in this study, while not presented as a scientific sample, is offered as an example of the different forms of Native institutional giving that exist. Together, the 15 organizations distributed slightly more than \$59 million dollars to Native causes over the three-year period (2001-2003). Significantly however, 68% of the funds were distributed by one large organization. Similar to the Native foundations group, those in the organizations category tended to be highly specialized, focusing their giving to a narrow range of interest areas (1.9 per organization), and they were aggressive in establishing endowments (46.7 % had endowments). Again, older organizations were the most likely to have an endowment. The 15 organizations were located in 8 states; sixty percent of them were in Alaska and New Mexico. They had an average of 8.1 staff, and the average size of the boards of directors was 11.7 members.

TRIBAL FUNDS

“Federally Recognized” tribal governments are treated as states under the Internal Revenue Code (IRC), having the authority to charter and regulate corporations and nonprofit organizations in their communities. They may also establish subunits of government to carry out functions of government, and they can receive tax deductible charitable contributions. Section 7871 of the IRC, in addition to The Indian Tribal Governmental Tax Status Act passed in 1982, provides the primary regulatory framework supporting these powers (Niles et al., pp. 6-10). These regulations provide the legal basis for the establishment and operation of the tribal funds covered in this section.

There are nine tribal funds discussed in this section of the report (see appendix A for a list of funds). This is a very small number compared to the many that are in existence. The information on these funds is provided to further illustrate the types and vitality of Native philanthropy occurring in the field, and to share important insights and questions that deserve further research. The group is not considered a representative sample by any means. According to the National Indian Gaming Association, 224 tribal governments are engaged in gaming, and many designate funds for charitable purposes in addition to providing support for tribal governmental services, including economic and community development (National Indian Gaming Association).

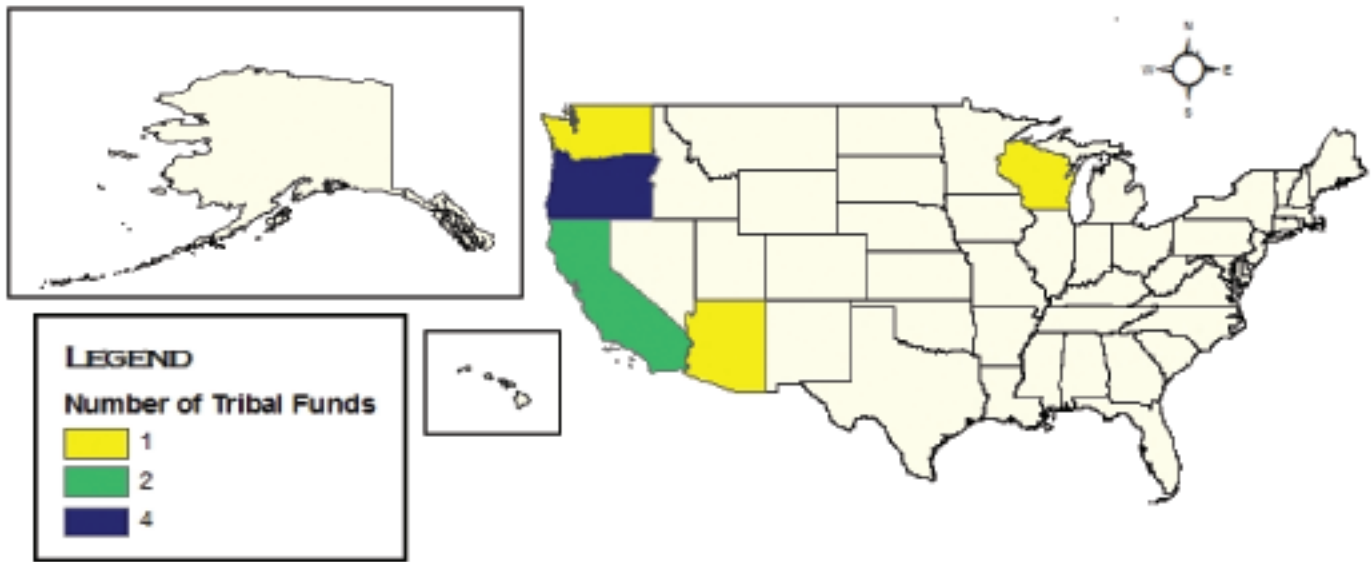
The tribal funds included in this study have been grouped together in their own category (see Appendix A) because they: were established by their respective tribal governments through formal resolution; received their operating and grantmaking funds from the tribe; are accountable to the tribal governments for their work; and do not appear in existing nonprofit databases such as Guidestar and the Internal Revenue Service, which means they enjoy charitable status extended by the tribal government or because they operate within the government structure and may not have applied for or received a 501c3 charitable designation from the IRS by the time of this research. A few of them, for example, described themselves as “branches of tribal government,” while another stated “we do not operate under the tribal government.” In addition, they viewed themselves as entities that continue to honor the tribal tradition of giving and sharing.

It should be noted that other tribal funds in this study that were established by tribes and were included in online databases such as Guidestar, the Internal Revenue Service, or the Foundation Center that list 501c3 designated organizations and foundations, have been grouped in the Native Foundations category (see Appendix A).

GEOGRAPHIC LOCATION

The nine tribal funds were located in five different states (see Chart 3); Oregon and California had the highest representation, with 4 (44%) and 2 (22%) of the funds respectively. The remaining three states each had 1 (11%) of the funds that participated in the study.

Chart 3: Geographic Distribution of Tribal Funds



GIVING

One tribal fund was established in 2004 and, therefore, is not included in the following grant distribution summary. Total giving by the other eight tribal funds operating during 2001-2003 exceeded \$31 million (2003 dollars) over the three year period (see Table 13). This is nearly equivalent to all the money (\$32 million dollars) distributed by 35 independently incorporated Native foundations during the same period. In 2003, the average giving by the eight tribal funds was \$1,396,817, and the median amount was \$1,267,069. Most importantly, total giving increased by 28% between the years 2001 and 2003, demonstrating their ongoing commitment to philanthropy. Eight of the nine tribal funds were established by “gaming tribes” which receive funds generated by their respective tribal casinos to support their giving.

According to those interviewed, seven of the eight tribal funds connected to the gaming tribes awarded grant funds to Native, as well as non-Native organizations, generally in their surrounding community area. One fund did not award grants to Native organizations but stated that some funding went to Native organizations through their respective tribal government. This overall finding is consistent with a previous study on charitable giving by Indian gaming tribes in which researchers found 38% of tribal funding was granted to non-Native organizations (National Indian Gaming Association and First Nations Development Institute). The most commonly stated reason for giving to both populations is that it is in the tradition of Native people’s commitment to sharing and giving back to the community.

Table 13: Total Giving by Tribal Funds (all in 2003 dollars)

| # Tribal Funds | 2001 | 2002 | 2003 | Total |
|----------------|-------------|--------------|--------------|--------------|
| 8 | \$8,757,303 | \$11,359,625 | \$11,174,535 | \$31,291,463 |

Data source: personal interviews

ENDOWMENTS

Only one of the tribal funds had an endowment fund to provide an ongoing source of financial support to its operations. The size of the endowment was \$13.2 million. Strikingly, it is also the only fund that is not associated with a gaming tribe. Those tribal funds that are connected to gaming tribes have not established endowments because of the steady flow of casino revenue they receive to support their operations and grantmaking. While a few of the respondents mentioned they had brief or informal discussions about possibly establishing an endowment fund to support the work of their tribal fund, none of them had specific plans in place to establish one. This leaves their funds in a precarious position should anything, whether legislative or economic, cause the gaming operations to reduce or eliminate their support.

FIELDS OF INTEREST

Table 14 shows that eight tribal funds targeted their money to nine different fields of interest, and one fund did not target any specific field. The three fields targeted by the largest number of tribal funds were: education (6, 66.7%), health (5, 55.6%), and human services (5, 55.6%).

At an average of 3.8 fields per tribal fund, the range of interests they funded is wider than those entities in the Native foundations or Native organizations categories. Should this be true among the universe of tribal funds, future research should ask why this is the case. At this point, one can speculate that since most of these funds are supported by casino revenue; it is in their mutual interest, at least from a public relations standpoint, to promote goodwill and to reach out and serve the broadest range of public interests and organizations as possible.

Table 14: Fields of Interest

| Field of Interest | Number of Tribal Funds | Percentage of Tribal Funds |
|--|------------------------|----------------------------|
| Education | 6 | 66.7 |
| Health | 5 | 55.6 |
| Human Services | 5 | 55.6 |
| Arts & Cultural Preservation | 4 | 44.4 |
| Environment | 4 | 44.4 |
| Community Improvement/ Economic Development | 3 | 33.3 |
| Public Safety | 3 | 33.3 |
| Youth Development | 2 | 22.2 |
| Civil rights/Social Action/Advocacy/ Public Affairs | 1 | 11.1 |
| Unspecified | 1 | 11.1 |

The average number of fields of interest per tribal fund is 3.8.

AGE

The median age of the tribal funds was 5 years; thus, half the funds were established prior to 2000, and half were established after that year. Should further research be conducted that shows this is representative of the universe of tribal funds, it would make these entities the most recent organizational entrants to the field of Native institutional philanthropy.

STAFF

The average number of staff among the nine tribal funds was 1.1 staff members, and the median number was 1.0 staff members. By comparison, these Funds have less staff dedicated to grantmaking than the Native foundations (mean 3.3, median 2.0). Based on responses from those interviewed, the reason for this difference is that, at least in some cases, the tribal funds can draw staff support from their tribal governments, or casinos management, or marketing/public relations staff.

BOARD

The average size of the boards of directors overseeing these funds was 8.7, and the median was 7.0 (see Table 15), which is closer to the size of the Native foundation boards (mean 7.4, median 7.0) than the organizations' boards (mean 11.7, median 9.0). Boards of 5-8 members seemed to be the norm in these tribal funds; only one fund had a large board (25 members). Unlike the Native organizations entities, tribal funds may not feel pressured to demonstrate public accountability through public involvement at the governance level.

Table 15: Board Members of Tribal Funds

| Number Board Members | Number of Tribal Funds | Percentage of Tribal Funds |
|-----------------------------|------------------------|----------------------------|
| 5 | 2 | 22.2 |
| 6 | 1 | 11.1 |
| 7 | 3 | 33.3 |
| 8 | 2 | 22.2 |
| 25 | 1 | 11.1 |
| Total | 9 | 100 |
| Mean Number Board Members | | 8.7 |
| Median Number Board Members | | 7.0 |

SUMMARY

Nine tribal funds were included in this study; eight of them were affiliated with gaming tribes and one was not. They reside in 5 different states, and Oregon had the most (4). The median age was five years, making them the most recent arrivals in the institutional infrastructure of Native philanthropy. They distributed \$31.3 million (in 2003 dollars), during the years 2001-2003, to Native and non-Native organizations. They focused their giving on a wide range of interests; the average number was 3.8 fields of interest per fund. Only one of the tribal funds had an endowment, and that fund was not affiliated with a gaming tribe. Those that are affiliated with gaming tribes depend primarily on the steady stream of financial support that they receive from the tribes' gaming revenue to support their grantmaking. The tribal funds operate with a lean staff, an average of 1.1 staff members per fund. This is made possible through in-kind staff support from their affiliated tribal governments or casino executive staff. The size of their boards of directors averaged 8.7 members per board.

CONCLUSION

The demographic information presented in this report makes a strong case that Native philanthropy has grown considerably over the past decade, not only in the amount of grantmaking, but also in the variety and numbers of Native institutions doing this work. Seemingly, the overall skills, capacity and sophistication in the development and operation of these funding entities must also have grown considerably during this period. This growth offers new promise and potential for addressing community needs and, hopefully, will continue in this upward trend. These Native foundations and funds offer not only badly needed financial resources to communities but also create a new wave of Native leadership with knowledge and expertise in institutional philanthropy. One can only speculate that this new leadership will generate creative and effective approaches to conducting institutional philanthropy in all chosen communities and fields of interest.

While this growth in Native philanthropy is encouraging, more still needs to be done and with the involvement and support of the larger, non-Native philanthropic community. For example, in spite of recent developments in gaming and community development pursuits, Native people have a high level of poverty. According to the 2000 census data, the poverty rate among American Indian/Alaska Natives was 26% of the population, or more than twice the national average of 12% among all races combined. In addition, the unemployment rate was 12%, or twice that of all races at 6% (Urban Indian Health Institute, pp. 5-7). To counter the effects of centuries of oppression, isolation and poverty that is America's legacy with respect to Native people, strong, comprehensive funding and community building strategies that are culturally appropriate and responsive are required.

As stated earlier, our primary focus was to secure data on independently incorporated (501c3) Native foundations. The additional data on grantmaking among a relatively small but vibrant group of Native organizations and tribal funds provides an insight to the breadth and depth of the larger field of Native giving, and provides an opportunity to make some interesting comparisons among the groups. These comparisons should be read, however, with the understanding that the two latter categories of funds are not necessarily representative samples of their respective types and should be the focus of further research.

The overarching issues and findings from our research are discussed below.

Growth in the Field: The 36 independently incorporated Native foundations identified in this study represent a 64% increase in the number of Native foundations identified since the last report on Native funds was conducted in 1994 by Ewen and Wollock. This is a conservative figure since we know that some of the foundations identified in their study have closed or have discontinued their grantmaking function prior to our research study. Also, insufficient data is available on the myriad of tribal funds currently operating. Unarguably, however, this increase shows there is substantial interest and belief in the social value of these institutions, i.e., that they can play a vital role in addressing needs and issues in Native communities across the country. The multiple types of grantmaking funds, including Native organizations and tribal funds, offer expanded funding opportunities for Native communities. The challenges associated with this growth are to ensure that information and knowledge concerning efficiency and effectiveness is shared across institutions, and to ensure that Native communities are informed and able to adequately access this growing array of financial resources.

Institutional Longevity: Not surprisingly, the Native organizations were the oldest with a median age of 21 years. All of the groups in this category were 501c3 public charities, the most common form of organization among the three major categories in this report. The Native foundations, with a median age of 15.5 years, were the second oldest group, followed by the tribal funds at 5.5 years median age. These waves of new foundations and tribal funds are directly connected to new forms of wealth in Native communities, particularly in the case of the tribal funds that are largely dependent on tribal gaming operations which have experienced significant growth in the past decade.

Financial Capacity: Funds distributed by Native funding organizations in each of the three major categories increased significantly over the three year period (2001-2003): Native foundation giving grew by 53%, Native organizations by 47%, and tribal funds by 28%. In total, \$122.6 million was distributed (Native foundations \$32.2M, organizations \$59.1M, tribal funds \$31.3M) by the 60 entities in this study during the period. This is particularly impressive when considering these were years of recession and slow recovery in the United States economy, and foundations generally were experiencing declines in their assets and grantmaking activities. The current challenge is to sustain and expand these funding sources through steady and permanent sources of financial support.

Securing the Future through Endowments: The establishment of endowments by many of the funding entities is a huge step forward and is directly connected to the concern over long-term financial stability discussed above. In the past ten years, the field has seen Native foundations move from “most” not having endowments, to 48.6% of the Native foundations in this study having an endowment, followed by 46.7% of Native organizations, and 11.1% of the tribal funds. The older entities were more likely to have an endowment fund supporting their work than were more recently established groups. While an endowment fund helps ensure future longevity and stability, further developmental work in this area is needed. For example, half of the Native foundations’ endowments are under a half-million dollars, and half of the endowments of those in the Native organizations category are under three-quarters of a million dollars. Attention to growth and development of these funds is essential. Further, none of the groups listed under tribal funds that received “gaming” revenue had an endowment at the time this research was conducted, which could leave them in a difficult position should legislative or economic forces ever substantially diminish gaming revenues. These funds should explore the potential benefits and strategies in developing endowments in the future.

Breadth of Focus: The entities in the Native foundations and Native organizations categories were almost identical in their tendency to specialize and focus their grantmaking to a limited number of “fields of interest.” Grantmaking entities in each category averaged 1.9 fields of interest per foundation/organization. “Education” and “arts & cultural preservation” were the top two fields receiving attention by each of these two major groups. This is in stark contrast to the broad focus that the tribal funds maintained: tribal funds averaged 3.8 fields per fund, twice as many as the groups in the other two categories. In addition, “education” received the most attention by tribal funds. However, “arts & cultural preservation” dropped to fourth place, behind “health” and “human services.” Finally, while sharing a portion of tribal gaming revenue with surrounding communities is described as being in the best tribal traditions of sharing and generosity, this broad-focus strategy may also be grounded in the public relations benefit of supporting a variety of charitable organizations and causes affecting a broader cross-section of people. Further research could illuminate the reasons for this difference more clearly.

Staff and Board Infrastructure: Native foundations and tribal funds had fewer staff (3.3 and 1.1 respectively) than did Native nonprofit grantmaking organizations (8.1), in part because the latter group included staff members that worked in other areas of the organization. We do not have specific figures for the number of staff managing their grant funds exclusively. Tribal funds clearly benefit from their association with the tribe. They can receive in-kind staff support from the tribal government or from casino executive staff. Native foundations and tribal funds are also similar in regards to board membership with an average of 7.4 and 8.7 members respectively. On the other hand, Native nonprofit grantmaking organizations had an average of 11.7 board members. This higher participation may be driven by their need, as public charities, to be more transparent and accountable to the public with respect to their operations.

CONSIDERATIONS FOR THE FIELD

As stated earlier, the research findings presented in this report suggests that the following three items are important for the field to consider.

1. While gains have been made in establishing endowments to support Native foundations, increased efforts are needed to increase the size of existing endowment funds and to assist others in creating such funds, particularly among new and emerging foundations. Native people, tribes and communities, as well as non-Native foundations, should support these efforts.

2. The growth in Native philanthropic leadership offers new promise and opportunity to target philanthropic resources in a manner consistent with the needs, values and aspirations of Native people. Opportunities to share the challenges and best practices in the field among Native and non-Native foundations should be promoted.

3. The level of research on Native foundations and funds in the U.S. must be broadened in order to reach a deeper understanding of giving patterns, operations and infrastructure development, as well as the impact of these grantmaking entities.

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NATIVE FOUNDATIONS

| Corporate | State |
|--|--------------|
| The Aleut Foundation | AK |
| Arctic Education Foundation | AK |
| The CIRI Foundation | AK |
| The Doyon Foundation | AK |
| Bristol Bay Native Corp. Education Foundation | AK |
| Chugach Heritage Foundation | AK |
| Huna Heritage Foundation | AK |
| Koniag Education Foundation | AK |
| Sitnasuak Foundation | AK |
| The 13th Regional Heritage Foundation | WA |
| | |
| Community | |
| Bering Straits Foundation | AK |
| Cherokee Nation Education Corporation | OK |
| Cherokee Preservation Foundation | NC |
| Chickasaw Foundation | OK |
| The Hopi Foundation/ Lomasuminagwtukwsiuma | AZ |
| Laguna Education Foundation, Inc. | NM |
| Navajo Way, Inc. | AZ |
| Robert Aqqaluk Newlin, Sr. Memorial Trust | AK |
| | |
| Public | |
| American Indian Heritage Foundation | VA |
| Catching the Dream | NM |
| First Nations Development Institute** | VA |
| First Peoples Fund | MN |
| Indian Land Tenure Foundation | MN |
| Ingrid Washinawatok Elissa Flying Eagle Woman Fund, Peace, Justice, Sovereignty | NY |
| Potlatch Fund* | WA |
| The Pretty Shield Foundation* | MT |
| Seventh Generation Fund for Indian Development Inc. | CA |
| The Solidarity Foundation, Inc. | NY |
| The Spirit of Sovereignty Foundation | DC |
| | |
| Family | |
| Keluche-Fuller Foundation | CO |
| | |
| Independent | |
| Foundation for the American Indian | CT |
| Helen Gough Foundation Trust | ND |
| | |
| Operating | |
| George Bird Grinnell American Indian Children's Fund | NY |
| Gibson Foundation | HI |
| Nihewan Foundation | CA |
| Sacred Mountains Foundation* | CO |

NATIVE NONPROFIT GRANTMAKING ORGANIZATIONS

Scholarship

| | |
|--|----|
| Ahtna Heritage Foundation | AK |
| American Indian Graduate Center Inc. | NM |
| American Indian Graduate Center Scholars | NM |
| Calista Scholarship Fund | AK |
| CERT Education Fund, Inc. | NM |
| Thunderbird American Indian Scholarship Fund | NY |

Special Purpose

| | |
|----------------------------------|----|
| The American Indian College Fund | CO |
|----------------------------------|----|

Other Organizations

| | |
|---|----|
| The Alaska Native Arts Foundation* | AK |
| American Indian Science and Engineering Society (AISES) | NM |
| Association on American Indian Affairs | MD |
| Council for Native Hawaiian Advancement* | HI |
| First Alaskans Institute | AK |
| Native American Journalists Association | SD |
| Native American Public Telecommunications, Inc. | NE |
| Sealaska Heritage Institute | AK |

TRIBAL FUNDS

| | |
|--|----|
| Coquille Tribal Community Fund | OR |
| Cow Creek Umpqua Indian Foundation | OR |
| Forest County Potawatomi Community Foundation | WI |
| Hopi Education Endowment Fund | AZ |
| Rumsey Community Fund | CA |
| Spirit Mountain Community Fund | OR |
| The Tulalip Tribes Charitable Fund | WA |
| United Auburn Indian Community Giving Program* | CA |
| Wildhorse Foundation | OR |

*Did not distribute funds during 2001-2003 because they were either newly established or lacked funds to distribute

**Currently relocating offices to Colorado

