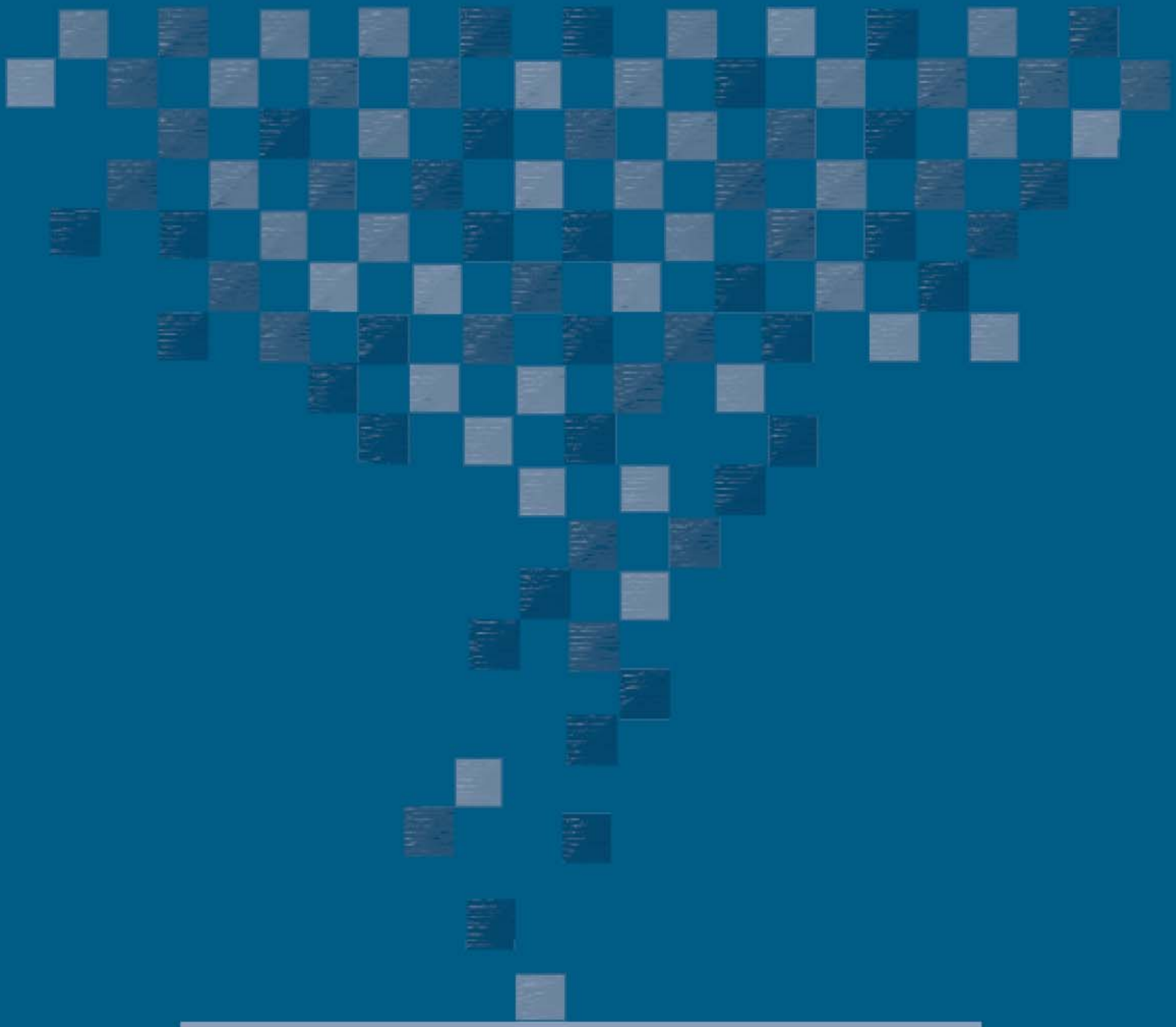

Large Foundations' Grantmaking *to* Native America

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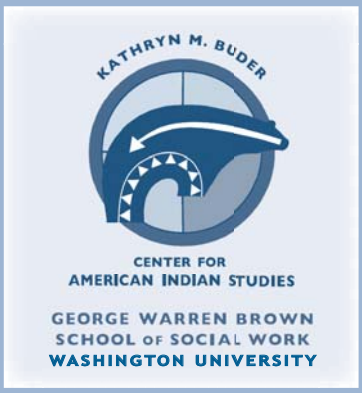
by Sarah Hicks

and

Miriam Jorgensen



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Large Foundations' Grantmaking to Native America

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The Harvard Project on American Indian Economic Development is housed within the Malcolm Wiener Center for Social Policy at the John F. Kennedy School of Government at Harvard University. Through applied research and service, the Harvard Project aims to understand and foster the conditions under which sustained, self-determined social and economic development is achieved among American Indian nations. The Harvard Project's core activities include research, advisory services, executive education, and the administration of Honoring Nations, a tribal government awards program. The Harvard Project collaborates with the Native Nations Institute for Leadership, Management, and Policy at the Udall Center for Studies in Public Policy at The University of Arizona. The Harvard Project is also formally affiliated with the Harvard University Native American Program, an interfaculty initiative at Harvard University. For further information about The Harvard Project and additional copies of this work, visit www.ksg.harvard.edu/hpaied or contact 617-495-1480.

I. Introduction

American Indian communities are in the midst of a 30-year period of rejuvenation, economic growth, and social and cultural reconstruction termed the "Self-Determination Era," which has been motivated in part by the civil rights movement of the 1960s and the *Self-Determination and Education Assistance Act of 1975* (Public Law 93-638), but more fundamentally driven by Native Americans' desire to exercise their sovereign rights.

In the early 1990s, Native Americans in Philanthropy commissioned two studies of large foundations' philanthropy to Native American causes and concerns, the first by William Brescia and the second, covering a later period, by Roslyn LaPier (see Endnote 1). These studies identified the amounts, sources, and targets of large private foundations' investments in Native America, as a means of both acknowledging and promoting grantmakers' engagement with Native communities in self-determined community change.

In 2000-01 and again in 2003-04, the Harvard Project on American Indian Economic Development replicated and extended Brescia's and LaPier's work in conjunction with analysis projects for the Ford Foundation and W.K. Kellogg Foundation. As leading grantmakers to Native causes and concerns, the foundations sought to maximize the effectiveness and leverage the impact of their investments in Native America by learning more about sectoral trends. This document summarizes these new findings and joins earlier efforts in acknowledging and advocating for foundation involvement in the revitalization of Native communities and culture.

In particular, this report uses data compiled from Internal Revenue Service records as reported by the Foundation Center to examine large grants to Native America (see Endnote 2) made by the approximately 900 largest independent, community, operating, and corporate foundations in the United States over the period 1989-2002. Grants were identified by the Foundation Center using a keyword search (of which "Native Americans" is one) and the application of categories from the National Taxonomy of Exempt Entities. Thus, "small" grants, grants from smaller foundations, grants from tribes or tribal philanthropies, gifts from individual philanthropists, and foundation grants that serve Native causes and concerns among many others (which makes it impossible to identify the funds flowing only to Native America) are excluded from the analyses of this paper. Nonetheless, the data provide a reasonably representative picture of regularities and trends in the non-Native, formal philanthropic sector, including data on total giving over time, top donors, top recipients, and the distribution of grant funds across issue areas and geographies (see Endnote 3).

II. Data

how much is given?

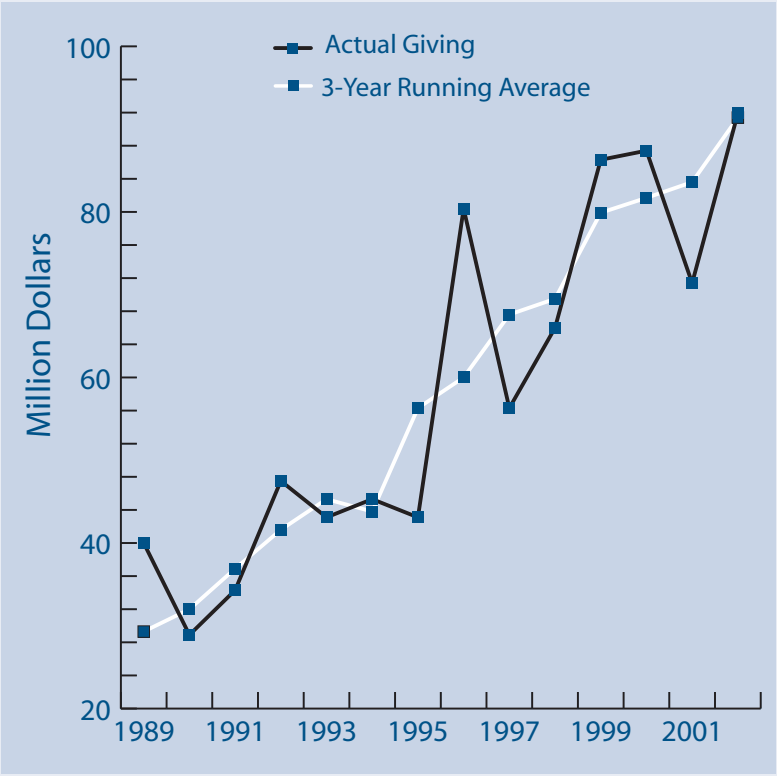
Foundation giving to Native American causes and concerns is on the rise. The number of grants given to strictly Native American causes and concerns rose from 301 in 1989 to 504 in 2002, and the real dollar value of combined annual grantmaking rose from $32.9 million to $91.9 million (2002 dollars; see Table 1 on page 3).

Nonetheless, grantmaking to Native causes and concerns constitutes a very small and relatively unchanged share of the pie. Estimates that help account for longer-term grants and fluctuating grantmaking resources show that large foundations' giving to Native America accounted for some 0.270 percent of foundations' overall grantmaking resources in 1990 and rose to only 0.279 percent by 2001 (see Table 2 on page 4). The explanation is that grantmaking to Native causes and concerns was growing at only a slightly faster rate than overall grantmaking resources, which increased 153 percent (in real terms) over the period.

Notably, even if it were possible to include smaller foundations' activity and smaller grants in the analysis, it is unlikely that foundation grantmaking to Native American issues totals any more than 0.5 percent of the U.S. foundation sector's overall resources. The larger foundations' activity represents such a substantial share of resources that unrepresented activity could not easily drive the Native-directed proportion of overall grantmaking higher.

Table 1. Combined Value of Grants Made by Large Foundations to Native American Causes and Concerns, 1989-2002 (in 2002 dollars)

Year	Total (million dollars)	3-Year Running Average (million dollars)
1989	32.9	29.3*
1990	28.9	32.0
1991	34.3	36.9
1992	47.5	41.6
1993	43.1	45.3
1994	45.3	43.8
1995	43.1	56.3
1996	80.4	60.0
1997	56.3	67.6
1998	66.0	69.5
1999	86.3	79.9
2000	87.4	81.7
2001	71.4	83.6
2002	91.9	91.4*

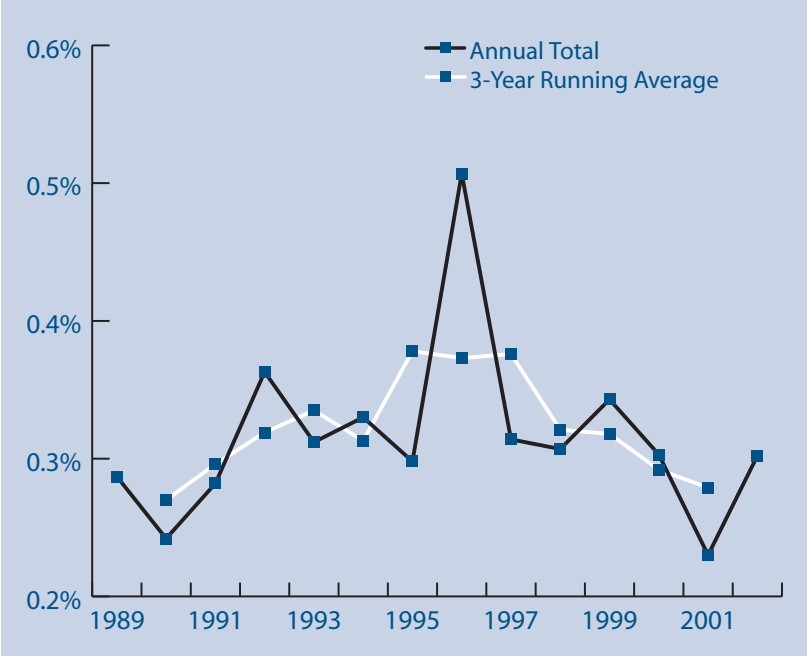


Source: See Endnote 4.

* Estimate based on the average annual rate of growth of the three-year running average.

Table 2. Percentage of Foundation Grantmaking Resources Committed to Native American Causes and Concerns, 1989-2002

Year	Annual Total (percent)	3-Year Running Average (percent)
1989	0.287	…
1990	0.242	0.270
1991	0.282	0.296
1992	0.363	0.319
1993	0.312	0.335
1994	0.330	0.313
1995	0.298	0.378
1996	0.507	0.373
1997	0.314	0.376
1998	0.307	0.321
1999	0.343	0.318
2000	0.303	0.292
2001	0.230	0.279
2002	0.302	…



Source: See Endnote 4.

who is giving?

Over the 14 years represented in the data, the top four donors to Native American causes and concerns were the Ford Foundation, W.K. Kellogg Foundation, Lilly Endowment, and Robert Wood Johnson Foundation (see Table 3 below). The aggregated, inflation-adjusted giving for each of these foundations topped $70 million, which is nearly double the amount invested by the next foundation on the list.

In combination, the investment totals reported in Table 1 (see page 3) and the top donors data in Table 3 lead to an important observation: There is great "market concentration" in grantmaking to Native America. In the past 14 years, 25 foundations contributed more than 78 percent of the total resources captured in this analysis; the top ten alone contributed 61 percent of the resources.

Table 3. Top 25 Foundation Donors to Native American Causes, 1989-2002 (in 2002 dollars)

Rank	Foundation	Total (million dollars)	Number of Grants
1	Ford Foundation	92.3	363
2	W.K. Kellogg Foundation	82.0	276
3	Lilly Endowment, Inc.	74.0	38
4	Robert Wood Johnson Foundation	71.6	160
5	Northwest Area Foundation	37.7	106
6	Bush Foundation	36.8	319
7	Lannan Foundation	31.9	177
8	David and Lucile Packard Foundation	27.3	209
9	Educational Foundation of America	26.6	157
10	California Endowment	20.1	72
11	McKnight Foundation	19.6	168
12	Bill and Melinda Gates Foundation	16.7	122
13	John D. and Catherine T. MacArthur Foundation	15.9	109
14	Otto Bremer Foundation	11.9	400
15	Charles Stewart Mott Foundation	10.0	67
16	Rockefeller Foundation	9.3	95
17	M.J. Murdock Charitable Trust	7.7	32
18	US WEST Foundation	7.5	157
19	William and Flora Hewlett Foundation	7.4	37
20	Wallace Foundation	7.1	23
21	Kresge Foundation	5.6	13
22	California Wellness Foundation	4.8	23
23	John S. and James L. Knight Foundation	4.6	31
24	Meyer Memorial Trust	4.6	25
25	Pew Charitable Trusts	4.5	16

Source: See Endnote 4.

Table 4 (see below) compares the most active grantmakers to Native America (in terms of dollars invested) over the period 1996-2002 to the national list of foundations with the largest grantmaking resources in 2002. (Information on total foundation resources was available only for 2002, and although it is possible to compare this data to Native-directed grantmaking in 2002, the ebbs and flows in grantmaking to Native issues suggest that a more appropriate comparison includes a longer time period; thus, the chart below considers Native-directed grantmaking from 1996 to 2002.)

The striking finding is that a number of major players give very little to Native causes and concerns. This may be understandable for foundations such as the Bristol-Myers Squibb Patient Assistance Foundation and the Janssen Ortho Patient Assistance Foundation, whose missions may be so specific as to exclude investments directly in Native issues. It is less so for a number of other low contributors whose broader missions have more obvious intersections with Native America's innovations and needs.

Table 4. Top 25 Foundation Donors to all Causes (in 2002 dollars)

Rank in Giving Nationally, 2002	Foundation	Total Giving, 2002 (million dollars)	Rank in Giving to Native America, 1996-2002	Total Giving to Native America, 1996-2002 (million dollars)
1	Bill & Melinda Gates Foundation	1,158.3	10	16.7
2	Lilly Endowment	557.1	1	59.6
3	Ford Foundation	509.7	2	57.0
4	Robert Wood Johnson Foundation	360.3	4	46.5
5	David and Lucille Packard Foundation	350.0	6	25.5
6	Bristol-Myers Squibb Patient Asisstance Fdn	297.1	179	0.2
7	Pew Charitable Trusts	238.5	47	1.1
8	Andrew W. Mellon Foundation	222.7	30	2.3
9	Starr Foundation	209.3	175	0.2
10	John D. and Catherine T. MacArthur Fdn	195.6	21	3.0
11	Annenberg Foundation	192.1	348	0.3
12	W.K. Kellogg Foundation	176.3	3	51.2
13	William and Flora Hewlett Foundation	168.2	16	5.7
14	Annie E. Casey Foundation	159.3	108	0.4
15	Janssen Ortho Patient Assistance Fdn	155.3	no rank	--
16	California Endowment	153.4	9	20.1
17	Rockefeller Foundation	149.2	17	5.3
18	Open Society Institute	130.7	73	0.7
19	New York Community Trust	126.5	190	0.1
20	Robert W. Woodruff Foundation	122.7	173	0.2
21	Duke Endowment	120.6	78	0.6
22	Charles Steward Mott Foundation	108.7	14	6.5
23	Wal-Mart Foundation	103.0	443	0.01
24	Harry and Jeanette Weinberg Foundation	101.0	140	0.2
25	Kresge Foundation	99.0	20	3.1

Source: See Endnote 4.

what is being funded?

Large foundations' giving was concentrated (in this order) on (1) Indian education; (2) arts, culture, and humanities issues; (3) community improvement and development; and (4) health issues. These four topic areas accounted for 60 percent of the funds tracked in the data set (see Table 5 on page 8). Several topic areas critical to Native America are receiving comparatively low levels of support, including tribal government infrastructure development, Native religion, youth programs, and food and nutrition issues.

Because the data from 1989-2002 cover a long time period, over which foundation interests and investment strategies may have changed, some disaggregation over time is also informative. The figure accompanying Table 5 (see page 9) presents the easiest cut on the data, a simple "first-half" and "second-half" split, with each time period covering seven years. The figure suggests that the sector's emphases *have* changed over the last decade and a half. Notably, it shows:

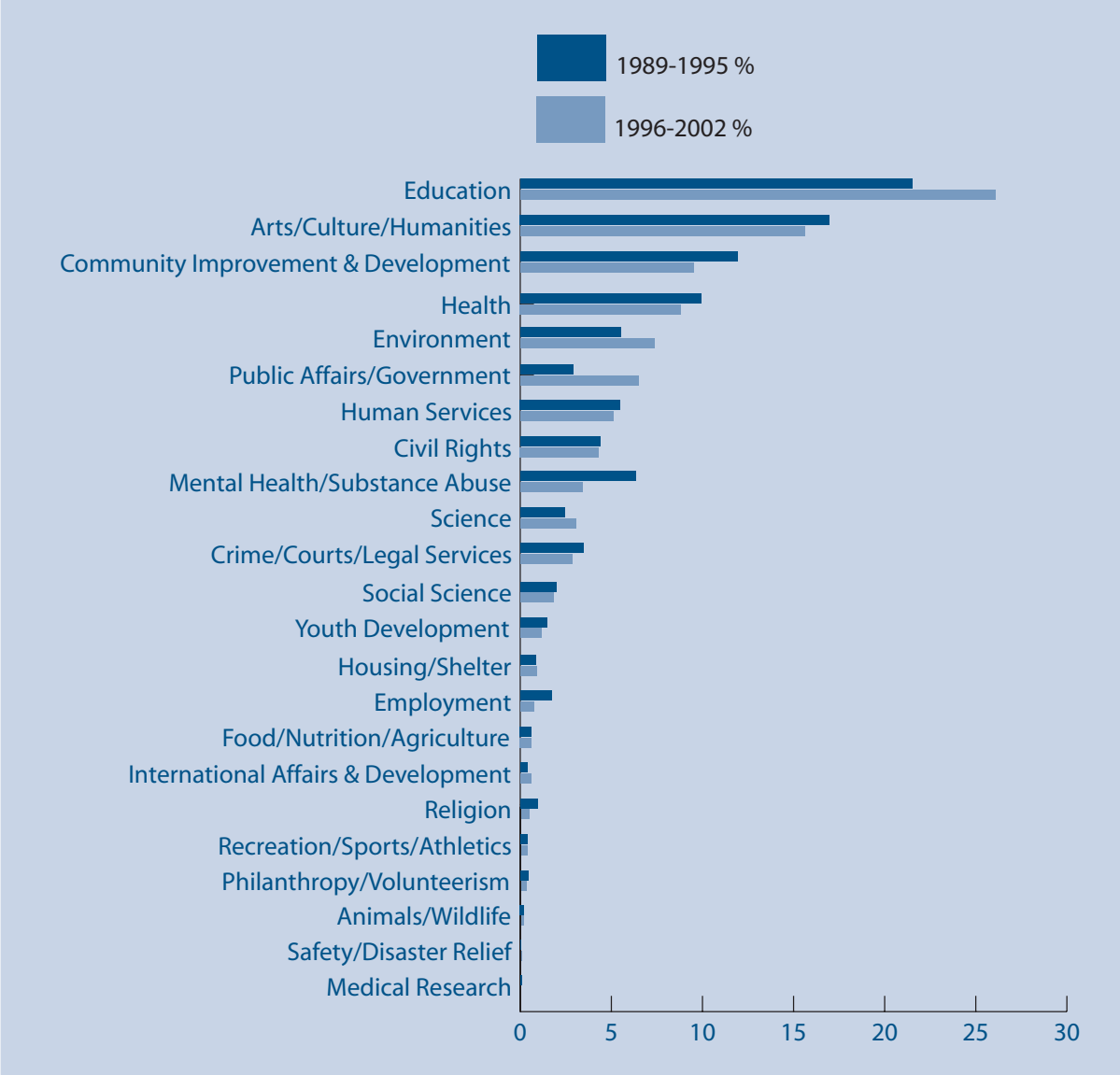
- In relative terms, foundations' concentration on arts, culture, and humanities fell in the second period, which may signal less reflexive giving to museums and other displays or exhibits of Native culture, and more informed investments in the self-determined efforts of Native communities. Yet it is also the case that spending on another "easy" investment option – education-related activities – increased nearly five percentage points.

- Several topic areas that might be judged critical to progress in Native America received relatively less funding in the second period than in the first: community improvement and development; crime, courts, and legal services; health; mental health and substance abuse; and youth development.

- An important area in Native nations' development – public affairs and government – received greater support in the latter period, as did funding for science and environmental programs and projects (see Endnote 5).

Table 5. Large Foundations' Giving to Native American Causes and Concerns by Grant Purpose, 1989-2002 (in 2002 dollars)

Category	1989-1995 %	1996-2002 %
Education	21.51	26.09
Arts/Culture/Humanities	16.97	15.63
Community Improvement & Development	11.92	9.52
Health	9.90	8.82
Environment	5.52	7.36
Public Affairs/Government	2.91	6.48
Human Services	5.49	5.09
Civil Rights	4.39	4.31
Mental Health/Substance Abuse	6.34	3.40
Science	2.41	3.05
Crime/Courts/Legal Services	3.48	2.86
Social Science	1.99	1.81
Youth Development	1.46	1.15
Housing/Shelter	0.87	0.91
Employment	1.72	0.76
Food/Nutrition/Agriculture	0.63	0.66
International Affairs & Development	0.38	0.60
Religion	0.96	0.50
Recreation/Sports/Athletics	0.37	0.37
Philanthropy/Volunteerism	0.44	0.33
Animals/Wildlife	0.21	0.20
Safety/Disaster Relief	0.05	0.09
Medical Research	0.09	0.01



Source: See Endnote 4.

who is receiving?

Well-established, organizationally capable, and relatively large nonprofit organizations are the typical recipients of foundation grants of $10,000 or more. The sheer size of large foundations' asset bases is one reason for this orientation: grantmakers are responsible for the disbursement of large budgets, and it is simply not possible for them to fund small projects proposed by numerous small organizations.

Table 6. Leading Recipients of Grants for Native American Causes and Concerns, 1989-2002
(in 2002 dollars)

Rank	Top Recipients	Total (million dollars)	Number of Grants
1	American Indian College Fund	61.8	230
2	Eiteljorg Museum of the American Indian and Western Art	40.4	66
3	First Nations Development Institute	29.0	170
4	Indian Land Tenure Foundation	20.2	2
5	Native American Rights Fund	20.0	46
6	Native American Preparatory School	15.7	24
7	Indian Law Resource Center	12.3	90
8	United Indian Health Services/California Rural Indian Health Bd	11.0	20
9	Sinte Gleska University	10.8	45
10	Salish Kootenai College	9.4	55
11	Navajo Nation	8.5	20
12	Smithsonian Institution*	7.9	27
13	American Indian Science and Engineering Society	7.9	131
14	Seventh Generation Fund for Indian Development	7.8	106
15	American Indian Higher Education Consortium	6.5	22
16	Minneapolis American Indian Center	6.4	88
17	American Indian Opportunities Industrialization Center	6.3	91
18	Americans for Indian Opportunity	5.7	16
19	Oglala Lakota College	5.7	47
20	Blackfeet Reservation Development Fund	5.5	14
21	National Museum of the American Indian*	5.4	45
22	University of California	5.2	20
23	Harvard University	4.9	22
24	Tides Foundation	4.8	12
25	Pueblo of Santa Clara	4.7	3

Source: See Endnote 4.

* Grants to the Smithsonian Institution and to the National Museum of the American Indian (NMAI) are listed separately in Foundation Center data, even though NMAI is part of the Smithsonian. A close look at the data argues against combining the entries, however. One observation is that many Smithsonian grants were made in the same years as NMAI grants, which suggests that the Smithsonian was not merely acting as a fiscal agent until NMAI was separately established. Second, Smithsonian grants were made for a wider spectrum of purposes, with grants falling into five NTEE categories, whereas all 45 NMAI grants fell into the "arts, culture, and humanities" category.

Importantly, this is an observation not only about volume but also about capacity. Small organizations with smaller-dollar-value projects tend to have less organizational capacity. Thus, moving a project from proposal to implementation absorbs a more than proportional amount of a grantmaker's time. Unfortunately, the typical nonprofit serving Native causes and concerns *is* smaller, less well-established, and struggling to increase its organizational capacity.

Only two tribal governments (the Navajo Nation and the Pueblo of Santa Clara) appear on the top recipients list, which is representative of the situation overall: Foundations award relatively few grants to tribal governments. From 1989 to 2002, only 6.5 percent of large foundations' Native American grants and 6.7 percent of their grant dollars were awarded directly to tribal governing bodies. This is despite the fact that tribal governments often take responsibility for tasks that, outside of Indian Country, nonprofits might perform.

Table 7. Foundation Grants to Tribal Governments, 1989-2002 (in 2002 dollars)

Year	Amount (million dollars)	Total Number of Grants
1989	2.3	26
1990	2.9	24
1991	2.2	27
1992	4.0	25
1993	4.0	41
1994	2.9	26
1995	4.4	44
1996	7.8	33
1997	2.3	20
1998	1.5	23
1999	1.9	24
2000	9.2	43
2001	3.6	48
2002	5.7	68

Source: See Endnote 4.

where is funding going?

Table 8 (see page 13) compares the geographic distribution of Native-targeted foundation grantmaking to the geographic distribution of American Indian people and tribes, showing that:

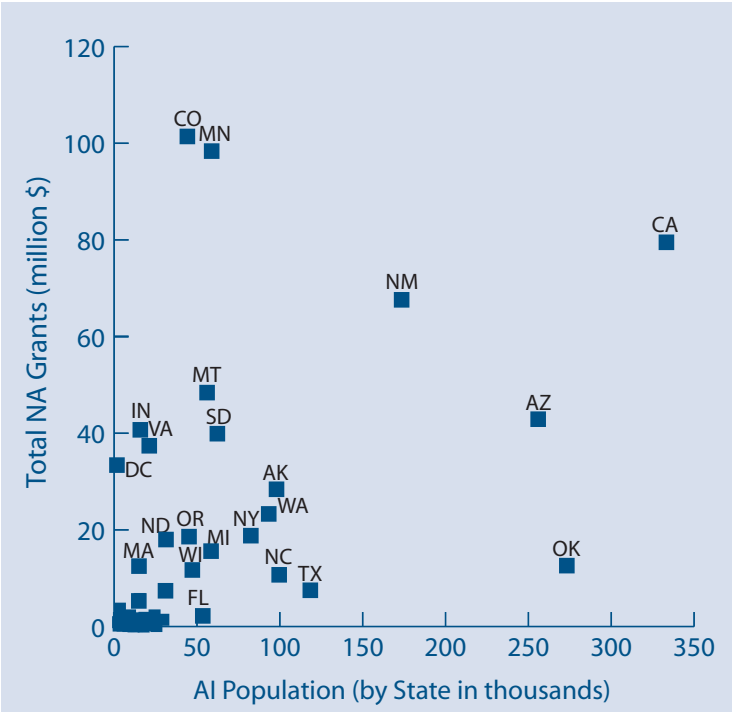
- The five states with the highest distribution of American Indian tribes (Alaska, California, Oklahoma, Washington, and New Mexico) account for 416 tribal governments (72.9 percent); these states receive 26.0 percent of large foundations total Native-oriented funding.
- One interesting case is the State of Alaska, with almost 40 percent of federally recognized tribes (229 of 582) and 4 percent of the American Indian population (at about 98,000), but which received only 3.5 percent of total Native American grant funds from 1989 to 2002.
- Seventeen states without any resident federally recognized tribes received 17 percent of grant funds for Native American causes for 1989 to 2002.

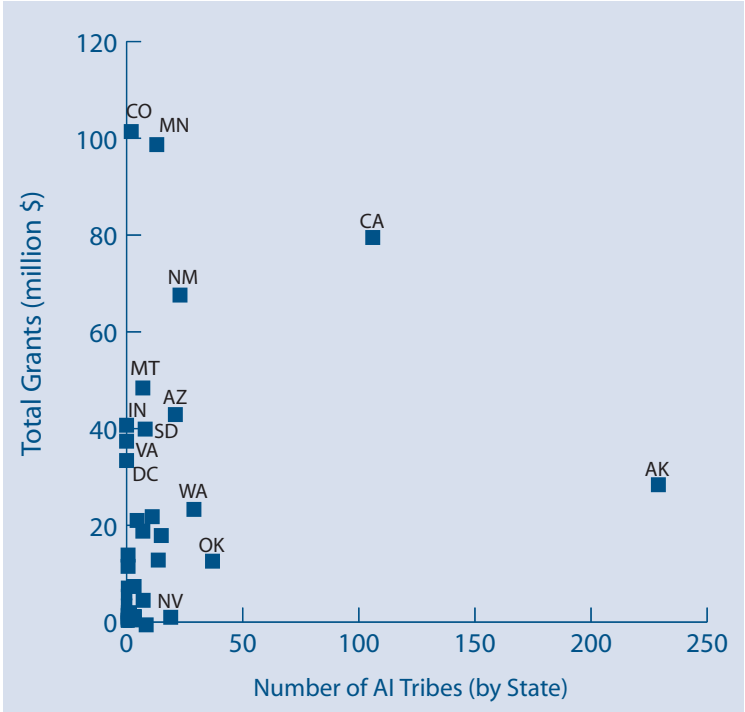
What can explain this distribution of funds? One clarifying factor is that several national tribal service organizations are strategically located outside states with large Native populations and high tribal densities. For example, the First Nations Development Institute (third on the top recipients list) in Fredericksburg, Virginia, and the National Congress of American Indians (forty-first on the top recipients list) in Washington, D.C., are both substantial recipients of grants for Native American causes and concerns located in jurisdictions that contain no federally recognized tribes. Instead, the organizations likely chose to establish their headquarters near Washington for policy-impact purposes. It is also the case that many states without tribes in their boundaries are homes to substantial non-reservation, and largely urban, Native populations; grants to nonprofits in such states may underwrite the provision of critical services to those groups. A number of foundation grants directed to nonprofit organizations in Illinois that serve Chicago's large Native population fit this characterization. Finally, there is the possibility that institutions located somewhat distant from Indian Country and higher-density Native populations nonetheless remain focused on Native America, either broadly (as might be the case with national and regional museums) or narrowly (as would be the case with intermediaries, acting at the behest of large foundations to develop "right size, right project" grants for specific Native communities).

Other explanations of the geographic distribution of foundation funds intended to serve Native America are less positive. For instance, the mismatch between grant distribution and the location of tribal governments is perpetuated by the fact that, as mentioned previously, tribal governments and tribal colleges receive a minority of large foundations' Native-oriented grants. It is also possible that nonprofits located in states without tribal lands have some Native population-oriented mission elements, but are not really serving Native people and Native communities.

Table 8. Foundation Giving to Native American Causes and Concerns (in 2002 dollars), by State and in Comparison to the Location of American Indian (AI) People and Federally Recognized Tribes, 1989-2002

State	Amount (million dollars)	Number of AI People	Number of AI Tribes
CO	101.4	44.2	2
MN	98.7	55.0	13
CA	79.5	333.3	106
NM	67.6	173.5	23
MT	48.4	56.1	7
AZ	42.9	255.9	21
IN	40.7	15.8	0
SD	39.9	62.3	8
VA	37.4	21.2	0
DC	33.4	1.7	0
AK	28.4	98.0	229
WA	23.3	93.3	29
NY	18.8	82.5	7
OR	18.6	45.2	9
ND	18.0	31.3	4
MI	15.6	58.5	12
OK	12.6	273.2	37
MA	12.5	15.0	1
WI	11.7	47.2	11
NC	10.7	99.6	1
TX	7.5	118.4	3
IL	7.4	31.0	0
MD	5.7	15.4	0
NE	5.3	14.9	6
HI	3.7	3.5	0
OH	2.3	24.4	0
CT	2.3	9.6	2
FL	2.2	53.5	2
PA	1.8	18.3	0
TN	1.7	15.2	0
ID	1.5	17.6	4
ME	1.5	7.1	4
UT	1.4	29.7	7
WY	1.4	11.1	2
WV	1.4	3.6	0
KS	1.3	24.9	4
NV	1.0	24.4	19
VT	0.9	2.4	0
GA	0.7	21.7	0
MO	0.7	25.1	0
NH	0.6	3.0	0
IA	0.6	9.0	1
AL	0.5	22.4	1
NJ	0.3	19.5	0
RI	0.2	5.1	1
DE	0.2	2.7	0
KY	0.1	8.6	0
SC	0.1	13.7	1
LA	0.1	25.5	4
MS	0.03	11.7	1
AR	0	17.8	0
Totals	**814.9**	**2,473.6**	**582**





Sources: See Endnotes 4 and 6

III. The Path Forward

What do these data on large foundations' investments in Native causes and concerns imply? This section summarizes our response to this question for three sets of actors: foundations, nonprofit organizations serving Native America, and tribal governments.

foundations

Based on the findings presented here and in our more detailed report (see Endnote 3), it is our belief that foundations ought to engage in more grantmaking to Native American causes and concerns. We find that relative to their representation in the U.S. population, Native people are underserved by foundations. While we fully understand that foundation support is not an entitlement, we also note that on a needs basis, the population's socioeconomic profile ranks it as worthy of increased grantmaking activity.

Yet it is more than issues of equity and need that should motivate increased foundation giving to Native America – the "thickness on the ground" of innovative social change justifies increased philanthropic attention. Tribal governments and Native populations are experiencing a period of revitalization. They are rethinking and restructuring their governmental institutions and economies with dramatic results for social and economic development. Traditional cultural practices and Native languages are being revived, creating new bonds of community and new social capital. Families, community groups, and public agencies are interacting in new (yet indigenous) ways, improving the effectiveness of programming and service delivery. In sum, Native America is a crucible for innovation and experimentation that has the possibility of informing practice far beyond the boundaries of Indian Country. Foundations willing to rise to the challenge can play a pivotal role in this process by gathering lessons learned from tribal communities, extrapolating from them, and disseminating these valuable models to other grantees.

As grantmakers expand beyond current commitments, however, they should proceed strategically, not reflexively. They must be open to learning from Native communities what Native communities' issues of vital importance are. This approach may seem obvious, but it has not always been the way forward for grantmakers (or the federal government, or any others that have worked with and in Native communities). Too often, the assumption is made that Native communities have needs like those of other poor communities or other ethnic communities and can be treated similarly. Even when specialized "Indian" programs are developed, outsiders may assume that they

understand community problems – and the solutions to these problems – as well as insiders do. Notably, even when individual grantmakers do not suffer from this failing, it can be an *institutional* tendency. For example, if a foundation funds through "initiatives," "grant clusters," or according to certain "action themes," Native communities are forced to fit their needs and community-change ideas into those packages (which are nothing more than institutional ideas about how change ought to proceed) if they hope to receive funding. In addition to these biases against community-specific learning, program officers at large foundations face the added difficulty of needing to disburse relatively large amounts of money, and may not feel they can afford the time for specialized learning about Native concerns. Yet, forgoing such learning and outreach may also mean forgoing opportunities to support truly dramatic, self-determined community change.

Particularly based on our review of statistics on grant purposes, we conclude that foundations seeking such transformative opportunities ought to look not only toward educational and cultural investments, but increasingly toward other subject areas. The categories of "civil rights," "community improvement and development," "crime, courts, and legal services," "environment," "mental health and substance abuse," "philanthropy and volunteerism," "public affairs and government," "religion," and "youth development" may be particularly promising topic areas on which to work with Native populations. With the caveat that we mean to provide guidance and not specific direction (since, in line with the point of the preceding paragraph, specifics must be worked out with the community served), promising projects for greater investment might include: redesigning or improving a tribe's government infrastructure, streamlining or reconsidering the way a tribe delivers services, or culturally re-envisioning mental health and substance abuse treatments.

We make two further recommendations about the process of giving, one concerning grantees and the other concerning financial arrangements. First, whatever the specific investment, foundations should seek to work with Native-controlled institutions wherever possible. When that is not possible, they should seek to work with institutions that have the clear support of tribes or other Native communities (which might be evidenced through letters of support, tribal council resolutions, etc.). Second, funders should think about appropriate transitions in the way they support grantees. Solid Native-serving organizations that receive grants from the same foundations on a regular basis should be considered for endowment funding. Endowment support can shift valuable organizational time away from fulfilling administrative responsibilities, such as completing grant applications and progress reports, to the real work of the organization. It also shifts the organization's relationship with its funders from one of hat-in-hand (dependency) to mutual focus on self-determination, mission, and sustainability.

nonprofit organizations

Nonprofit organizations need to continually make the case for grantmaking to Native America. On-going education of the philanthropic community about tribal governments, Native populations, and Indian lands is a substantial task. Rather than viewing these educational efforts and the resultant funding as a zero-sum game, where only certain nonprofits "win" funding and others do not, nonprofits should recognize that the trend toward increased philanthropic support of Native America is one in which they are all winners.

Nonprofits serving Native communities should also build bridges to other nonprofits, both within the community of organizations serving Native America and beyond it. These bridges can help nonprofits stay true to their missions, better match grant dollars to organizational capacities, leverage nonprofit resources through collaboration, and bring still more resources into the Native communities that so desperately need them.

Lastly, Native-oriented nonprofits must be accountable not only to their funders, but also to their service populations, and infrastructure to support these twin responsibilities must be in place. Nonprofits must have the capacity to track grant funding, produce sound financial statements, and develop reports for funders. Just as important, however, are mechanisms to communicate with and be responsive to the Native communities served. Especially in growth sectors, such as that discussed here, there is great pressure on organizations to develop their "upward" communication and reporting capacities, so that they can manage more money and develop more programs to help meet the many needs of the target population. In the face of such demands it is easy to neglect "downward" communication capacities – yet without them, new initiatives risk inappropriate design and may be less well-known, less accepted, and less effective.

tribal governments

Tribal governments ought to more actively engage the foundation community and seek its support. Critically, philanthropic funding allows tribes to pursue activities that do not fall within the narrow federal (and state) government funding streams to which tribes are accustomed. Thus, tribes should look at foundation grant opportunities as a way to promote their innovative work and support broad, community capacity-building.

Along with nonprofits in Native America, tribal governments share the responsibility of educating funders. We note that tribal governments are especially well-suited to the task of educating foundation actors about the breadth of tribal government functions and community responsibilities. Tribes may even have to provide potential funders with basic education about the *Indian Tribal Governmental Tax Status Act of 1982*, which treats tribal governments as state governments for certain tax purposes and allows tribal governments, their political subdivisions, or a department or division that is an integral part of the tribal government to receive tax-deductible donations.

In all of their interactions with grantmakers and foundation officials, tribal-government actors must behave in a way that demonstrates they understand the difference between foundation support and federal government funding. A grantor-grantee relationship is not that of the federal government to tribes; there is no trust responsibility, and nothing is "deserved" or "owed." As such, tribes have to "work" for the money they are applying for, and their relationships to funders should be characterized by responsiveness and accountability for the funds and services provided. For example, as nonprofit organizations must, tribes must have the capacity to track grant funding, produce sound financial statements, and develop reports for funders. Ideal foundation-tribal government relationships are characterized by mutual respect, joint learning, and a commitment to positive social change for the Native nation's citizens.

Endnotes

1. William Brescia, "Philanthropy and the American Indian," Native Americans in Philanthropy: Lumberton, NC (1990), and Rosalyn R. LaPier, "Philanthropy and Native Peoples: An Update for the Years 1991-1992-1993," Native Americans in Philanthropy: Lumberton, NC (1996).

2. In the source publications and, hence, in our dataset, "higher dollar value" grants were defined as grants of $5,000 or more through 1991 and as those of $10,000 or more from 1992 onward.

3. For a complete discussion of the data, its limitations, and the methodology used to generate estimates in this report, see Sarah Hicks and Miriam Jorgensen, "Philanthropy in Indian Country: Who is Giving? Who is Receiving?" Harvard Project on American Indian Economic Development, Harvard University: Cambridge, MA, and Kathryn M. Buder Center for American Indian Studies: Washington University, St. Louis, MO (2005).

4. Dataset compiled by Stephen Brimley (Harvard Project on American Indian Economic Development, Harvard University) and Sarah Hicks (George Warren Brown School of Social Work, Washington University), based on data from Foundation Center publications.

5. See also, Stephen Cornell and Joseph P. Kalt, "Sovereignty and Nation-Building: The Development Challenge in Indian Country Today," in *American Indian Culture and Research Journal*, 22(3):187-214 (1998), reprinted and available online at <jopna.net/pubs/JOPNA03_Sovereignty.pdf> (link last verified August 19, 2005); and, Eric Henson and Jonathan B. Taylor, "Native America at the New Millennium," Harvard Project on American Indian Economic Development, Harvard University, available online at <www.ksg.harvard.edu/hpaied/pubs/pub_004.htm> (link last verified August 19, 2005).

6. Additional data from the National Congress of American Indians "Tribal Directory Overview," <www.ncai.org> (accessed September 2004; link verified August 19, 2005) and Table 2 of S.M. Ogunwole, "The American Indian and Alaska Native Population: 2000," U.S. Census Bureau, Washington, DC (February 2002). Tribes with land in more than one state are counted in each of those states. Population data reported refer to persons identifying solely as American Indians or Alaska Native.

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