
FIRST NATIONS DEVELOPMENT INSTITUTE



Project Title:	Assets for the Future: Building Native Individual Development Accounts
Award Amount:	\$371,256
Type of Grant:	Social and Economic Development Strategies
Project Period:	9/30/2004 – 9/29/2007
Grantee Type:	Native Nonprofit

PROJECT SNAPSHOT

- 1 job created
- 8 Native American consultants hired
- \$1,300 in revenue generated
- \$253,800 in resources leveraged
- 80 people trained
- 19 partnerships formed
- 2 products developed

BACKGROUND

The First Nations Development Institute (FNDI) is a national organization founded in 1980 to assist Native American tribes to develop strong economies. FNDI implements programs designed to build local capacity while respecting tribal cultural integrity. The agency's programs focus on financial technical assistance and asset-based economic development in reservations and rural native communities. By building the capacity of Native Americans to control and develop their assets, FNDI empowers economic futures in alignment with cultural mores.

PROJECT PURPOSE AND OBJECTIVES

The purpose of this Project was to expand Native American individual savings and investments through outreach and education on Native Individual Development Accounts (IDAs). IDAs are matched savings accounts that enable low-income families to save and build assets. IDAs are based on a cash match-incentive, similar to an employer match for 401(k) contributions, which augments monthly family investments. Typically, IDA investments are used to buy houses, pay for education or start small businesses.

The Project's first objective was to develop and implement expanded IDA outreach and education activities. Project staff hired nine consultants and created an introductory information packet and marketing materials, which were published on the internet. Staff also conducted educational convenings in Arizona and Oklahoma, involving a total of 85 participants. The convenings presented introductory information about IDAs including: financial education training options, Earned Income Tax Credit (EITC), funding sources, involving tribal leaders in IDA work and sustaining IDA programs.

The second objective was to develop statewide IDA coalitions in Arizona and Oklahoma and create an educational workbook. Project staff held interactive meetings in both states to identify coalition goals, technical needs and next steps for each coalition. Representatives from existing IDA programs in each state met with organizations interested in establishing their own IDA initiatives. Project staff also conducted four onsite mentoring visits to the Choctaw, Citizen Potawatomi, Muscogee Creek, and Cherokee tribes as well as the Navajo Partnership for Housing. The purpose of the site visits was to provide technical assistance to the fledgling IDA programs and, by the Project's end, participants formed tentative coalitions. Project staff also developed and disseminated a new workbook entitled, *Expanding Native Opportunity: Native IDA Initiative*. The workbook is on FNDI's website and staff distributed 1,200 copies to new and potential IDA holders.

The third objective was focused on solidifying the Arizona and Oklahoma coalitions through meetings designed to facilitate the creation of new IDAs in each state. Challenges arose in the Arizona coalition as member organizations struggled to follow through with initial agreements and FNDI's local consultant unexpectedly left the Project. Despite these setbacks, FNDI assisted in the opening of three new IDA programs in Arizona by the end of the Project. The Oklahoma coalition conducted two follow-up meetings to promote IDAs in the state, with 32 participants in attendance. By the Project's end, the coalition had helped start two new IDA programs in Oklahoma and initiated a mentor relationship between the Cherokee and Citizen Potawatomi tribes. Staff also sought to expand FNDI's mentorship training program in both states through additional onsite visits. This activity remained

incomplete as staff worked with only six of the anticipated 35 participants.

PROJECT OUTCOMES AND IMPACT ON THE COMMUNITY

The Project staff assisted in the creation of five new IDA programs in Arizona and Oklahoma. The new programs deliver financial training focused on asset building through IDA savings accounts. The programs also provide matching funds to Native American clients looking to buy assets, receive an education, or start a small business.

Though FNDI does not track its partner agencies' IDA participant data, it often receives field reports demonstrating the program's impact in native communities. One such partner is the Citizen Potawatomi Community Development Corporation (CPCDC), which FNDI helped to initiate an IDA program in 2006. In October, 2006, CPCDC's IDA program enrolled 25 Native Americans, of which 23 graduated after receiving 1,106 hours of financial training. Fifteen participants used their IDA savings for credit repair and repaid \$30,736 in debt. Eight started small businesses, including a photo studio, home renovation company, recording studio and lawn care businesses. In all, participants saved \$18,325 of their own money and received a cumulative match of \$35,950.

For organizations starting IDA programs, the Project increased knowledge of strategies for delivering financial education. Staff reported the Project successfully increased peer learning and networking between tribes and nonprofits through meetings and mentoring visits. To sustain activities after the Project ends, the newly created IDA programs will work to utilize funds from tribes, private foundations and state federal reserve banks.