

INVESTING IN NATIVE COMMUNITIES

Mobilizing for Native American
Small Businesses & Families
During COVID-19



OUR MISSION

To provide opportunities for Native people to develop financial assets and create wealth by assisting in the establishment of strong, permanent institutions and programs contributing to economic independence and strengthening sovereignty for all Native communities.



OUR STORY



Our Omegas (Chiefs) were chosen not for the power they wielded, but for their acts of generosity. Their leadership was determined in how they cared for the people and upheld an equal distribution of wealth among the Tribe. Orphans and widows were cared for, our Elders were revered and honored, and we walked in harmony and respect with our Mother Earth. We have survived as people and continue to carry our ancestors teaching in how to walk this world with honor, respect and humility.

Our Native Organizations- born out of colonization—born out of the American Indian Movement—born out of pure necessity—continue to honor this leadership obligation for our people. We are vehicles of capital, community building in culturally-relevant manners and

have changed the economic landscape of our communities. We are all related, as a human race and with all of Creation. Indian Country needs now, more than ever partners, investors and constant believers to realize aligning capital with justice for our Native Nations.

Please read below to learn more how to support the financial first responders—the Native Community Development Financial Institution (CDFI) movement—that is helping our Native small businesses and families through this crisis.

Chi Miigwetch (Many Thanks),

A handwritten signature in black ink that reads "Chrystel Cornelius". The signature is fluid and cursive.

Chrystel Cornelius

Executive Director
First Nations Oweesta Corporation

The Disproportional Effects Of COVID-19 On Native Communities

Indigenous communities are among some of the most economically vulnerable in the United States and are being disproportionately affected by the COVID-19 crisis. The economic distress of the crisis has been worse for Native communities for a myriad of reasons including: isolated geographies, less access to quality healthcare, overcrowding and multi-generational housing situations, limited capital access, and a larger percentage of the workforce employed in critically hit industries (i.e. gaming, food service, arts, etc.)



Photo Credit: Deidra Peaches

The history of settlement in the United States has meant that Indigenous communities were largely forcibly relocated onto geographically isolated reservations. Native economies are—due to these historical issues—heavily reliant on the arts, recreation, and accommodation industries (especially gaming). In many Native communities, over 30% of the tribal citizens are employed in the service industry, which has been so disastrously affected by

COVID-19; this is compared to just 18% of the total US population¹. These tribally-owned businesses were unable to access the SBA PPP program in the first round of funding, meaning that lay-offs began much sooner in Native communities than they did for much of the United States.

Compounding these issues, Native small business owners regularly lack access to capital resources (such as SBA loans) and the technical assistance they will need to survive the COVID-19 crisis. A recent survey by Native Women Lead demonstrated that over 70% of respondents said their business was their sole source of income and that 50% were solopreneurs not legally structured. This means that many Native CDFI borrowers are not eligible for SBA loan programs and are reliant on CDFIs as their primary or only source of capital. As early as late March 2020, over 80% of these respondents said their livelihood was immediately in jeopardy. In an April 9, 2020 webinar co-hosted by Oweesta and NDN Collective, most Native businessowners reported a capital need of \$25,000-50,000 to get them through this crisis. They also reported a need for assistance in applying for SBA and other federal programs, as well as pivot planning (business and financial).

These Native communities already experience some of the highest unemployment and poverty in the US, and Native people are least likely of any minority group to

¹ <https://www.minneapolisfed.org/article/2020/covid-19-and-indian-country-early-snapshot-reveals-disproportionate-economic-exposure-and-uncertainty?fbclid=IwAR0SvANnfUwn9zGYnsXzC56yaks1F9tayanEafJzafBoOOJ8cGHXok1wnGU>

have emergency funds². Native families also are the least likely to have a banking or checking account of any other minority population in the nation³; this means that Native families will not have access to the emergency loans necessary to keep families housed, fed, and safe through the crisis and its recovery period. Lastly, overcrowding in Native housing on most reservations put families at additional risk due to the inability to practice safe social distancing; on average, Native households are almost four times more likely to be considered overcrowded⁴ than the regular US population.

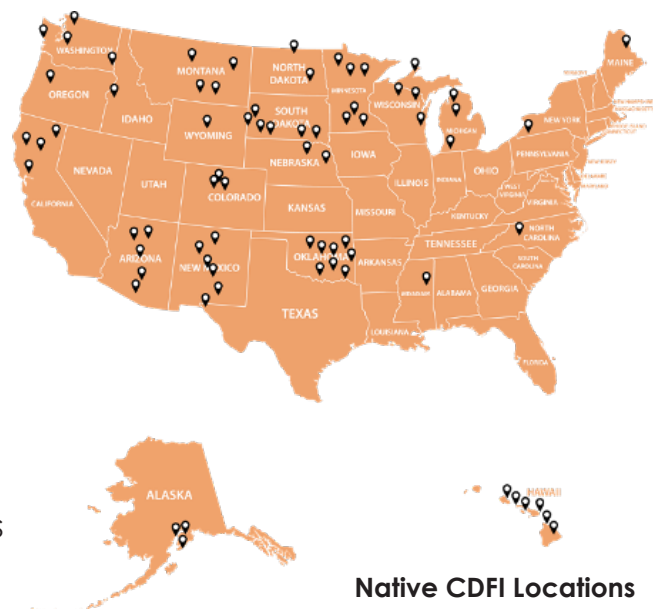
2 Dewees, Sarah and Gary Mottola, First Nations and FINRA Investor Education Foundation, Race and Financial Capability: Understanding the Native American Experience, 2017.

3 Dewees, Sarah and Gary Mottola, First Nations and FINRA Investor Education Foundation, Race and Financial Capability: Understanding the Native American Experience, 2017.

4 Housing Needs of American Indians and Alaska Native in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and a Native Hawaiian Housing Needs, HUD, 2017,

Financial First Responders: Native Community Development Financial Institutions (CDFIs)

The Native Community Development Finance Institution (CDFI) movement is leading the COVID-19 response to capital needs in Native communities. A CDFI is an organization, most often a non-profit, that provides access in economically distressed areas to both affordable, flexible loans and the education necessary to ensure the financial success of the borrower. For example, most Native CDFIs provide start-up small business loans and the corresponding small business training (helping build a business plan, learning to keep their books, etc.) necessary for those fledgling businesses to survive. This model has been both flexible and sustainable enough to make it a powerful and successful part of the solution to the capital access challenge in Native communities, ensuring that the number of U.S. Department of Treasury certified Native CDFIs have grown from 14 in 2001 to 69 in 2019.



These community-based lenders have been on the frontlines of the COVID-19 crisis, supporting the small businesses and families in their communities. This is—in large part—Native CDFI client regularly lack access to traditional financing due to damaged credit histories, a lack of local banking institutions, and the more informal nature of their businesses. Native CDFIs report many of their entrepreneurs were unable to access the PPP loan, and are thus relying on the Native CDFI to help them through the crisis. Established to be the economic development engines of their communities in most cases, 79% of Native CDFI lenders provide microenterprise and small business lending; 72% provide consumer loans¹. Not only have Native CDFIs been compassionate lenders, deferring and restructuring their loan portfolios to support the families and entrepreneurs in their portfolio, they also have been incredibly innovative. Well over half of the Native CDFIs in the country are boldly providing emergency capital loan products to their community members.

1 Oweesta. Snapshot 2018: The Growing Native CDFI Movement, 201

Spotlight on Financial First Responders

NORTHWEST NATIVE DEVELOPMENT FUND is providing emergency relief funding in Washington for small business owners impacted by the COVID-19 pandemic.



Colleen Leskinen is a Colville tribal member who has operated a daycare in Nespelem, WA for the past 40+ years. Clients of Colleen have suspended use of her daycare with the shutdown of most of the tribal activities due to COVID-19. Colleen has been approved for a \$30,000 Mercy Loan to help consolidate, lower the interest rate, and reduce the terming of her debt; these financial benefits will help her bridge the gap in these difficult times. This loan is under the new Mercy loan program and is based on a 4% interest rate and six- year terming which reduces the monthly payment from \$756 to \$481. In addition,

the program provides a payment holiday for the first six months which reduces her monthly payments until the pandemic is resolved.

The mission of Northwest Native Development fund is to foster economic and financial independence for Native people by assisting in the development of personal assets through financial and entrepreneurial education as well as providing access to capital through creative lending products. They have committed to this mission during the COVID-19 pandemic through adopting new policies that have allowed them to rewrite every loan impacted by this virus in their portfolio, allowing up to a 90 day loan deferment.

In addition to emergency loans, Native CDFIs are also creating innovative new loan products for communities.

For example, in Hawaii, where housing prices often result in multi-generational lending among indigenous Hawaiians, the **HOMESTEAD COMMUNITY DEVELOPMENT CORPORATION** has created a loan product to create backyard living quarters for their kapuna (elders), for their protection from the virus. When the COVID-19 pandemic is over, these tiny homes will be converted to house tourists for additional income for Native Hawaiian families.



First Nations Oweesta Corporation

Oweesta began over 20 years ago and has centered on providing access to capital and education to help build the financial resources of Native people and communities. Today, Oweesta remains soundly committed to the founders' original belief that, when armed with appropriate resources, Native people hold the capacity and integrity to ensure the sustainable, economic, spiritual and cultural well-being of their communities. Honoring the fact that our ancestors and Native Nations acted with wholly self-sustaining economies, Oweesta has built the platform for the creation, development and capitalization of the Native CDFI industry. Through our history, we have revolved \$70 million in direct investments, assisting in the creation of private sector economies, homeownership and individual asset building across Indian Country.

Oweesta's mission is to provide opportunities for Native people to develop financial assets and create wealth by assisting in the establishment of strong, permanent institutions and programs that contributing to economic independence and strengthening sovereignty for all Native communities.

Oweesta has been an incredibly successful intermediary lender. Having never defaulted on any of our loans, Oweesta is trusted by the diverse investors in our portfolio. As a trusted partner of the Native CDFIs to which we lend, Oweesta's quality technical assistance, coupled with the dedication and integrity of our Native CDFI clients, has ensured that—in our twenty-year history—we have experienced only one loan default.

Support Native Communities, Small Businesses & Families

There are many ways to support the financial first responders serving Native communities. First and foremost, consider a grant or personal donation at [OWEESTA.ORG](https://oweesta.org).

Additionally, Oweesta will need long-term access to affordable capital to rebuild our indigenous economies.

If you would like to learn how to become an investor, please contact Chief Operations Officer Krystal Langholz at KRYSTAL@OWEESTA.ORG.



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