

Oweesta Strategic Plan

July 1, 2021 – June 30, 2023

Planning Process Facilitated by Bluestem Consulting



Oweesta Corporation was created as a division of First Nations Development Institute (FNDI) in 1986 to address the lack of capital and financial infrastructure that was holding back economic development in Native communities. Oweesta, whose name was derived from the Mohawk word for “money,” was launched as a separate legal entity and affiliate of FNDI in 1999. In June 2020, Oweesta became fully independent with a separate and self-perpetuating board of directors. Although Oweesta is no longer an affiliate of FNDI, the two organizations remain fully aligned in our efforts to support Native asset control and sustainable economic development for American Indian people and their communities.

In so many Native communities, economic and social distress is not a new normal; it has been a way of life for generations. COVID-19 has placed additional physical, emotional and economic stress on many of our Native communities. At the same time, the spotlight that has been shined on racial inequality is creating opportunities in the form of newly focused attention and resources. The result of this shifting landscape is that asset building organizations serving Native people will face both extreme challenges and opportunities over the next several years. The pandemic has increased short-term resources to Native Community Development Financial Institutions (“CDFI”) and Indian Country, but the threat of financial instability looms large as the future of global, national and local economies remain highly volatile and uncertain.

As a newly-independent entity with a board of directors now comprised of experts in Indian Country financing and the CDFI industry, Oweesta is uniquely poised to help Native CDFIs and other Native-serving organizations navigate these uncertain economic waters currently flowing through our Native communities, building strategies that will result in significant community impact for Native people and long-term sustainability for these essential support organizations. Oweesta’s work over the last 21 years has centered on providing access to capital and education to help build the financial resources of Native people and communities. Commitment to this work continues in the FY2020-2023 Strategic Plan, building on our core competencies while adopting new initiatives that will help to build the financial strength and resiliency of Native communities in response to these unique times. The resulting plan is a living document that will grow and evolve as the future unfolds. Oweesta staff and leadership will continue to solicit ongoing input so that, while charting the strongest and truest course for the work that we do, we may always be responsive to the needs of the Native communities we are so passionate about.

Although many challenges lie ahead, at Oweesta we are excited about the opportunities to build financial strength and resilience – for our clients, for our organization, and, most importantly, for the Native people and communities that we serve. Resilience and perseverance in the face of adversity are hallmarks of Native people. Today in this uncertain environment, as we watch our Native communities look within themselves for strength and healing, 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. This strategic plan, and all the work that Oweesta does, is built upon this unwavering belief. We remain optimistic about a healthy and prosperous future for Native people and the communities they live in. We are excited to be part of supporting this outcome.

Oweesta underwent a comprehensive strategic planning process leading up to setting the goals and objectives identified in this plan. Bluestem Consulting, Inc. was hired beginning in FY2020 to facilitate the formal planning process. The plan included a 360-degree evaluation of the organization including getting input from the staff, board, clients and other key stakeholders. This evaluation helped staff and management to identify, synthesize and interconnect strengths and weaknesses of the organization as well as opportunities that best align with Oweesta's mission and values.

Prior to setting strategic direction and goals, Bluestem Consulting interviewed all staff and board members as well as dozens of key stakeholders including existing and potential partners, funders, and industry leaders to get input on industry issues, Oweesta's strengths and weaknesses as an organization, and potential opportunities. A client survey was sent to all Oweesta clients to get their input on what Oweesta is doing well, what the organization can do better, and what roles clients would like to see Oweesta undertake in the future. Bluestem Consulting also did several follow-up interviews with key clients. Staff and management then came together for two independent days of onsite planning. Strategic goals and objectives were developed based on Oweesta's strengths and weaknesses, industry and client issues and needs, as well as consideration for the work of key partners and other stakeholders that were identified in the 360 evaluation. Oweesta has created an annual operating plan to ensure that the day-to-day actions of the company align with achieving the strategic goals and objectives identified in the strategic plan.

Oweesta is very grateful to everyone who contributed their thoughts, ideas, time and energy towards this effort. It is the different perspectives, knowledge, expertise, passion and dedication of the people in the industry (and beyond) who have helped to shape Oweesta's direction over the next three years, and the resulting goals and objectives described in this strategic plan. Oweesta's Board of Directors approved this plan on July 16, 2020.

Oweesta strives for all its actions to be consistent with the guiding principles expressed in its Mission, Strategy, and Value statements. These core beliefs laid the foundation for the results of this Strategic Plan, and all the work that Oweesta does.

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 that contributing to economic independence and strengthening sovereignty for all Native communities.

Values

We believe that when armed with the appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable, economic, spiritual and cultural well-being of their communities.

Strategy

Native community development financial institutions directly provide Native communities the tools and capital support required for real and sustainable job creation, small business development, commercial real estate development, and affordable housing/home ownership, while also offering basic banking services and financial literacy training to “underbanked” Native American communities who have been historically targeted by predatory lending practices.

Our driving focus is to bring \$100 million into Indian Country over the next 10 years.

Oweesta supports creating resilient, sustainable and financially prosperous Native communities through three key strategies:

- 1) Providing access to capital to support Native community development through direct financing and facilitating the aggregation of larger capital sources directed to Indian Country.
- 2) Providing organizational capacity training and technical assistance to enhance the overall effectiveness, resilience and sustainability of Native CDFIs.
- 3) Providing leadership through facilitating and advocating for local, regional and national solutions that support the work of Native CDFIs and other Native entities pursuing asset-building strategies in Native communities.

During the strategic planning process, we identified a 10-year goal that would significantly shift the needle in wealth building for Native communities. As a financing intermediary, ultimately, if we are successfully moving capital into our Native communities, we are fulfilling our mission of increasing economic independence and sovereignty. We are arming Native people with the financial resources they need to build strong and resilient communities.

Each of the goals identified in this strategic plan supports this underlying focus and align with one or more of the three strategies described above.

Increase Native CDFIs' access to capital by expanding our loan portfolio to \$40MM.

As Native CDFIs grow and mature, so does their ongoing need and demand for increased access to reasonably priced, flexible lending capital. To help meet this need, Oweesta will continue to grow direct lending and will leverage its position as a national Native CDFI intermediary to serve as a facilitator and conduit to aggregate larger amounts of capital for the industry. We will build on the success of our first-ever 2018 Native Capital Pool by creating a second, larger pool focused on addressing the challenges of COVID-19 with an emphasis on access to long-term, low-cost housing capital. We will also utilize our national position to encourage funders to invest more robustly throughout Indian Country.

Objectives to achieve this goal include:

- Develop and launch a financing vehicle to bring at least \$15 million in capital to help NCDFIs address the challenges of COVID-19 and of growing housing market needs.
- Enhance loan products by evaluating existing products and adding 1-2 new loan products that meet the capital needs of NCDFIs.
- Participate in financing/funding forums to shine a spotlight on NCDFIs and access to capital needs and potential impact in Indian Country.
- Grow existing loan products, increasing the amount of capital deployed each year.

Build an effective platform that will support Native CDFIs' ability to provide homeownership financing for Native families.

Native CDFIs continue to expand homeownership lending and development service roles in their local communities. This expansion of services will help to fill a large capital need in Indian Country, contributing to one of the most effective forms of family and community asset building. COVID-19 has placed a spotlight on the vulnerability of Native communities due to extreme housing shortages and the resulting overcrowding. Increasing homeownership opportunities will help address this critical need, while helping Native CDFIs strengthen their own sustainability through increased impact and growing loan portfolios. Oweesta will take a lead in the housing arena to provide support and guidance to Native CDFIs as they enter and expand in this complex and highly regulated industry.

Objectives to achieve this goal include:

- Create a HUD Housing Counseling network.
- Create a more robust training and TA initiative on housing-focused topics.
- Develop and enhance collaborations/partnerships to break down homeownership barriers and support access to mortgage capital in Indian Country.
- Create innovative strategies for capital access challenges for affordable housing financing and mortgage lending, including secondary market access.

Increase the financial capacity among Native people by growing and supporting our financial capability suite of training products.

Strong financial skills are the bedrock to successful asset-building and wealth creation in Native communities. These skills are essential to successfully managing financial resources and achieving economic independence. Developing these skills has been a core competency of Oweesta's since inception. In partnership with First Nations Development Institute, we will continue to build on the work utilizing the bedrock, Building Native Communities: Financial Skills for Families ("BNC") curriculum. As a result of COVID-19, we will also expand our ability to offer these services in an effective, online delivery system, ensuring that all Native people and communities are able to access this important educational tool.

Objectives to achieve this goal include:

- Provide at least 12 place-based and regional adult BNC trainings.
- Provide 6 place-based and regional financial coaching trainings.
- Provide at least 6 place-based and regional youth BNC trainings.
- Continue to innovate in the creation of culturally appropriate tools, creating, revising and launching new platforms to support both in person and online learning for financial capability programming.

Increase the capacity of Native CDFIs to grow their impact, build resilience and achieve long-term sustainability.

Native CDFIs have developed a proven track record of success providing access to reasonably priced, flexible capital in a culturally appropriate way. Their loan products and development services are an essential tool to creating financial empowerment and economic opportunity in Native communities. Building self-sufficiency and long-term sustainability is a continual challenge for Native CDFIs due to the often-rural nature and limited population size of the markets many serve, the high level of development services they must provide, and the limited financial resources available in their local communities. The changing landscape as a result of COVID-19 has only increased sustainability challenges due to uncertainty in the economy and funding markets. Building a strong and resilient business model is essential to the long-term sustainability of each Native CDFI as they navigate changing economic times. Combining sound, industry best-practices with new and innovative approaches to maximizing impact and revenue while controlling costs will be the key to building resiliency and long-term sustainability in this new environment.

Objectives to achieve this goal include:

- Roll out and institutionalize NCDFI Training Certification program.
- Expand agribusiness training/TA services for NCDFIs to expand their current service and lending delivery capacity.
- Provide customized NCDFI capacity building training and TA.
- Grow the OTIS network, further supporting standardization of NCDFI impact reporting.

Build internal capacity and financial strength to ensure Oweesta is a vibrant and sustainable Native intermediary.

As Oweesta strives to improve the self-sufficiency and sustainability of our Native CDFI clients, we must also continually focus on building our own internal capacity and financial strength. As an intermediary with a goal of providing the lowest-cost capital possible to our clients and who also performs advocacy and other client-supporting services that do not directly generate revenue, we recognize that there will always be certain activities that will have to be subsidized. Growing self-sufficiency through earned revenue, controlling costs and increasing unrestricted net assets will help Oweesta build resiliency that will ensure we are able to remain a resource for Native communities for many years to come.

Objectives to achieve this goal include:

- Increase self-sufficiency to 40%.
- Grow unrestricted net assets to \$4.25 million.
- Conduct an organizational assessment to support growth.
- Research back-office platforms for earned revenue opportunities.