Project Title: Mountain Plains Regional Indigenous Finance Industry

A Regional Response to a Global Pandemic
In early March 2020, at the onset of the COVID-19 pandemic, finance executives from across the country connected to discuss economic impacts, provide each other with updates on federal relief programs, and explore additional solutions. In the middle of the country, weekly virtual meetings facilitated by a group of Native thought leaders provided a regional platform for Native community development financial institutions (CDFIs) to discuss similar challenges, receive executive support, and share solutions during this novel crisis. Through these conversations, a grassroots movement of Native finance leaders emerged to harness their collective capacity and respond to the needs in the region. Consequently, the Mountain Plains Regional Native CDFI Coalition (the Coalition) was initially formed as a regional triage response to the COVID-19 pandemic. A uniquely Indigenous peer-to-peer model based on shared leadership, the Coalition leverages each other’s strategic leadership roles as opportunity requires.

The Coalition’s work became especially critical as CDFIs were excluded from participating in national Coronavirus Aid, Relief, and Economic Security (CARES) Act funding programs and Native American entrepreneurs were faced with several barriers as they attempted to access federal relief funds. The Coalition swiftly undertook a data collection effort to accurately assess the economic shocks Native-owned businesses in the region were struggling to absorb as well as the impacts Native CDFIs were feeling. Determined to create minority access to relief funds, members of the Coalition formed a partnership with the Community Reinvestment Fund, a national CDFI, to create a referral program, which connected Native-owned small businesses to the Paycheck Protection Program (PPP). Beyond these immediate responses, the Coalition has continued to build its collective capacity and expand its focus to address systemic racism and economic opportunity while building equitable platforms for growth.

Representing the Indigenous Finance Industry in North Dakota, South Dakota, Montana, and Wyoming, the Coalition developed a holistic framework to lead its work with integrity, humility, and respect, integrating reciprocal leadership with forward, progressive sunrise thinking. The Coalition has established a three-tiered purpose to address a range of impacts:

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The Coalition prioritizes capacity building through peer-to-peer mentorship, amplifying organizational strength. While individual CDFI strength drives tribal economic change, Indigenous economies continue to be fluid and connect regionally. Community, culture, and capital connect markets, opening greater regional opportunities and impacts. By unifying action, the Coalition recalibrates its regional Indigenous economies through collective strategies, shared resources, and networked partnerships. The Coalition lives daily with systemic racial economic inequity, and consequently is reorganizing allies and resources to sustain future generations. To achieve its overarching purpose while upholding Indigenous culture and values, four strategic
goals guide the Coalition: 1) lead, grounded in assessment; 2) engage the ecosystem; 3) advocate for the unique region; and 4) leverage resources and greater opportunities.

**Coalition Members**
As an inclusive group, the composition of the Coalition is fluid and encompasses a myriad of Native CDFIs and collaborative partner organizations. However, the Coalition is currently comprised of nine actively engaged Native CDFI members and one national partner:

- Akiptan
- Black Hills Community Loan Fund
- Four Bands Community Fund
- Montana Native Growth Fund
- Wind River Development Fund
- Native American Community Development Corporation
- Plenty Doors Community Development Corporation
- Native American Development Corporation
- People’s Partner for Community Development
- **Partner** - Oweesta Corporation

**Lead Institution & Regional Economic Competitiveness Officer**
For the Coalition’s American Rescue Plan Build Back Better Regional Challenge proposed project, Four Bands Community Fund will serve as the lead institution. Four Bands has a 20 year history managing federal grants, including 15+ Native CDFI Assistance Awards from the Department of Treasury, 3 Administration for Native American awards, 25+ USDA Rural Business Development Grants, and 2+ HUD Awards. Four Bands would issue an RFP for the Regional Competitiveness Officer and procure this position according to federal regulations.

**Population Served by Proposed Project**
The Coalition’s American Rescue Plan Build Back Better Regional Challenge proposed project will serve Native communities in North Dakota, South Dakota, Montana, and Wyoming. These are four of the least and most sparsely populated states in the nation, but with some of the highest concentrations of Native American people. For example, South Dakota’s population is over 10% Native American, compared to under 2% nationwide. Similarly, Montana’s and North Dakota’s populations are 7% and 6% Native American respectively. The four-state region represents 20 Indian reservations (Fort Berthold, Spirit Lake, and Turtle Mountain in North Dakota; Cheyenne River, Crow Creek, Flandreau, Lake Traverse, Lower Brule, Pine Ridge, Rosebud, Standing Rock, and Yankton in South Dakota; Blackfeet, Crow, Flathead, Fort Belknap, Fort Peck, Northern Cheyenne, and Rocky Boy’s in Montana; and Wind River in Wyoming) with large land bases, and 62% of the total population of 188,245 within these reservation communities is Native American. While some of the most rural and remote areas, these reservations are also some of the nation’s most economically disadvantaged. About a third (30.7%) of people live in poverty, more than double the national average of 14.1%. At $42,524, the median household income in the region is about 30% less than the national average of $60,293.
### Economic Opportunities in Native Communities of the Mountain Plains Region

While much of the data above presents a bleak outlook for the Mountain Plains Region, the Coalition sees several, interconnected opportunities for economic development and growth:

1. **Innovation & Entrepreneurship.** While 6% of the nation’s workforce is self-employed, nearly 10% of the workforce in these reservation communities is self-employed, demonstrating an eagerness and determination to generate income through innovation.

2. **Private Sector Investments.** With a historic lack of investments from traditional financial institutions, the economies of these reservation communities are heavily weighted by federal programs. Thirty-nine percent of all those employed are government workers, more than double the national level of 14%. Only about half are employed in the private sector, 30% less than the national average. Investments into private sector businesses will create more diverse and resilient economies.

3. **Job Creation.** Sitting at 11.5%, unemployment in the region is nearly double the national average. Investments that spur innovation and entrepreneurship will create more jobs.

4. **Workforce Development.** With post-secondary education rates 15% lower and income levels about a third lower than national averages, there is a dire need for workforce development strategies designed to build human infrastructure in the region. Many employment opportunities for skilled candidates require months of intensive recruiting and often remain unfilled. Skilled candidates will have the opportunity to fill quality jobs created by new private sector businesses established through strategic investments.

### Access to Capital: The Foundation for Economic Growth

In order to increase regional innovation and entrepreneurship capacity, attract private sector investments, create well-paying jobs with good benefits, and develop a regional workforce, a holistic approach to economic development is critical for sustained impact. Access to capital, a core tenant of the Indigenous Finance Industry, is the seed for growth strategies designed to lift up struggling economies. Native CDFIs, which have been filling the credit and capital gap in Native communities for decades already, are optimally positioned to create equitable opportunities. These organizations enter markets deemed “too risky” by traditional financial institutions and deploy capital to businesses, which in turn create jobs that generate income for families. South Dakota’s reservations, where two of the nation’s leading Native CDFIs are located, have a higher rate of self-employed workers than the region’s other reservations, where
younger, developing Native CDFIs are located. This is a clear indicator of how these financial institutions are impacting reservation economies and why investments in the Indigenous Finance Industry are a crucial part of closing the racial wealth gap.

**Proposed Component Projects**
The following proposed projects leverage the opportunities described above and are aligned around a holistic approach to building, strengthening, and scaling the Indigenous Finance Industry across the rural region of North Dakota, South Dakota, Montana, and Wyoming. These projects also align with the Cheyenne River Sioux Tribe’s 2018 CEDS goals of increasing employment opportunities, promoting capacity building for business organizations, and promoting cultural resilience as a core tenet of economic development. Furthermore, this group of projects supports multiple goals of CEDS plans that cover the Coalition’s four-state region.

1. **Regional Indigenous Finance Industry Growth Plan** – The Coalition will build upon its strategies to create a long-term, transformational plan and execution plan to build the capacity of Coalition members as well as the region’s broader Indigenous Finance Industry. As part of the planning process, the Coalition will integrate feedback from a diverse array of stakeholders and engage community members to ensure inclusivity and cultural relevance. *Timeframe: 1 year. Metrics of Success: job creation, wage growth.*

2. **Workforce & Professional Development** – The Coalition will develop and implement a comprehensive plan to build the region’s talent pool of Indigenous finance professionals through training, building employment networks, and creation of career pathways. This project would provide professional development for current staff and board of Coalition member CDFIs as well as strategies to increase the number of viable candidates coming into the Native CDFI field. This project will explore the feasibility of wrap-around services, such as workforce housing, transportation, and daycare services, required by project participants. *Timeframe: 3 years. Metrics of Success: workers placed in quality jobs, job creation, reduced unemployment, wage growth.*

3. **Non-Physical Infrastructure Development** – The Coalition will design and build a shared services platform to build the capacity of the region’s Indigenous Finance Industry. This platform could include IT services, marketing, compliance reporting, employee recruitment, employee training, group-purchasing, and other efficiencies that come with economies of scale. As part of the platform, the Coalition will establish industry-standard protocols, which have the potential to be scaled and replicated nationally. *Timeframe: 4 years. Metrics of Success: workers placed in quality jobs, job creation, wage growth.*

4. **Crow Nation Innovation Center** – Through this project, Coalition member, Plenty Doors, will purchase and renovate an existing property in Crow Agency, Montana. The new innovation center, comprised of two two-story buildings totaling 12,650 square feet, will foster innovation and business creation by providing the necessary facilities and wrap-around services to entrepreneurs. *Timeframe: 3 years. Metrics of Success: job creation, reduced unemployment, wage growth.*

5. **Regional Revolving Loan Fund** – Four Bands Community Fund, in conjunction with Oweesta Corporation, a National Native CDFI Intermediary based in Colorado, would establish a regional revolving loan fund. As a unique fund, the purpose of this capital pool would be to utilize participation loan models to build the capacity of Coalition members
while closing capital gaps for small businesses. As many of the Coalition members are younger, developing Native CDFIs they cannot always meet larger capital requests. By partnering with Four Bands and Oweesta on larger loan requests, they will gain experience, build knowledge, and grow their lending portfolios while creating businesses and jobs in their communities. Members will have the opportunity to receive mentorship from a more mature organization, which will grow the Indigenous Finance Industry. Oweesta will contribute to phase one planning and explore other ways in which they can contribute to workforce development of the Native finance sector in the Mountain Plains region as well as capacity building of shared platforms and services to the Native CDFIs. As a key supporting organization, serving the region, they are an additional key part of the Indigenous Finance Industry. **Timeframe: 2 years. Metrics of Success:** job creation, wage growth.

**Potential Match Funds**
Economies are relationship based, thriving when currency can circulate through networks and exchanges. As such, the Coalition has been cultivating relationships between philanthropic foundations and major banks in the region and impact investors committed to re-structuring capital investments that forward racial justice and equity. For the last eighteen months, the ecosystem of capital relationships focused on the Mountain | Plains Indigenous Finance Industry has met on the quarter to center Indigenous culture, values, and ways of being. This is an active and engaged network of over 40 partner organizations comprised of foundations (15), banks (2 plus the Federal Reserve), and impact investors (8). 36 members of this actively engaged community have provided letters of support included in the appendix.

This community is poised to participate in the planning process, lending valuable intellectual capital to the ecosystem and to see where their capital and grant dollars can stack and leverage additional public resources. To date, the Coalition has received support for our collective efforts from First Interstate Bank Foundation ($70,000), and Wells Fargo Foundation ($350,000). In Phase One, the Coalition will include partners in the planning process to identify strategic areas that will require additional funds and work with partners to see who else can contribute further.

**Barriers & Mitigation Strategies**
The Coalition has identified potential barriers to implementing the projects described above and consequently developed preliminary mitigation strategies to ensure desired metrics are achieved. As Coalition members have varying community needs, experience levels, and internal dynamics, balancing individual CDFI capacity with the collective needs of the Coalition is an underlying challenge. However, the Coalition is unified under a common vision and committed to its strategic actions. Coalition members understand that prioritizing Coalition activities benefits their individual organizations and presents opportunities for their respective communities.

As a relatively young industry, the Indigenous Finance Industry is composed of many organizations that are still developing and maturing. It is not uncommon for Native CDFIs to work with limited staff and budgets. These organizations could benefit from capacity building services to develop expertise in the Indigenous Finance Industry; many times, this comes from mentorship or other professional development opportunities. They are also in need of skilled workers and struggle to fill open positions. The proposed component projects would mitigate these barriers, not only enabling project success, but also growing this regional growth cluster.