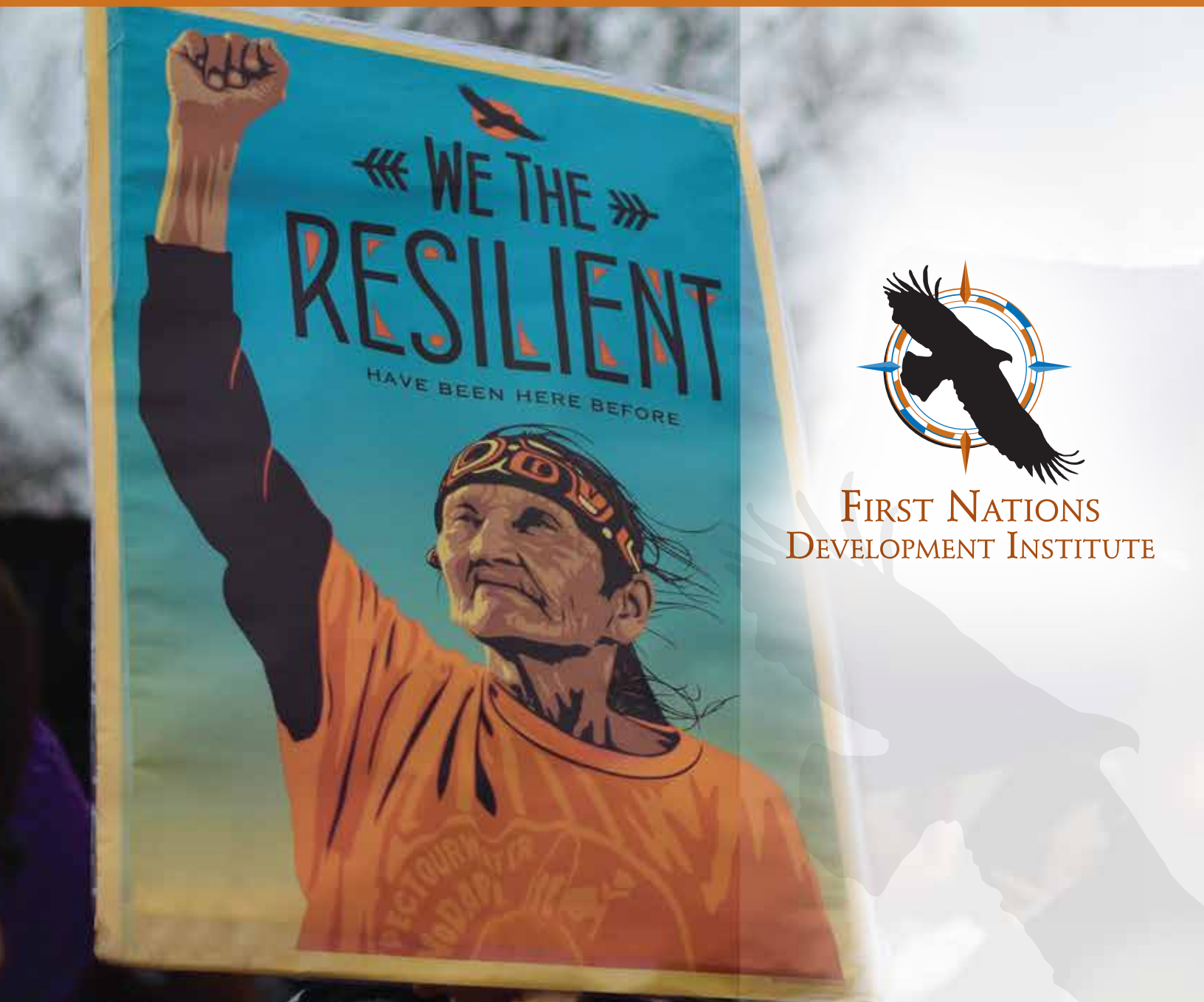
Growing Inequity:

Large Foundation Giving

to **Native American Organizations** and **Causes**

| 2006-2014 |



First Nations
Development Institute

ACKNOWLEDGMENTS

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OUR MISSION

. . . to strengthen American Indian economies to support healthy Native communities. We invest in and create innovative institutions and models that strengthen asset control and support economic development for American Indian people and their communities.

OUR GUIDING PRINCIPLE

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.

The Native Nonprofit Sector *and* **Large Foundation Support**

Introduction

First Nations Development Institute

In this report, First Nations Development Institute (First Nations) examines the state of large foundation giving to Native American organizations and causes from 2006 to 2014. This study finds:

- *From 2006 to 2014, total grant dollars awarded to Native American organizations and causes declined. Over the same time, the number of grants awarded to Native American organizations and causes increased.*
- *From 2006 to 2014, annual giving by large foundations declined by 29%, a $35 million decline in funding. This means since 2006, on average, large foundations have given $4.3 million less every year to Native American organizations and causes.*
- *The majority of grant dollars awarded annually in support of Native American causes are awarded to non-Native-controlled nonprofit organizations. Similarly, the majority of large multi-year grants (grants over $400,000) are awarded to non-Native-controlled organizations.*
- *Support from America's largest foundations has declined significantly. Support from these foundations has declined on average by 60%.*
- *New foundations have emerged to support Native American organizations and causes but these new supporters have not been able to give at the same capacity as America's largest foundations.*

Since the 1970s, there has been a rise in the number of Native American-led and controlled nonprofit organizations formed in Native communities and in urban centers aimed at improving community and economic development for Native people.[1] The rise of the nonprofit sector in Native America is explicitly linked to the self-determination movement of the 1970s and the need for Native people and communities to exert greater control over social and economic development, reduce dependence on the federal government for goods and services and to increase access to human and social services for local communities.

Leaders within Native American communities demonstrated innovation in developing and implementing philanthropic models for local development, including the rise and growth of community development financial institutions (CDFIs) to improve access to capital; a food sovereignty movement that has increased access to healthy and traditional foods; education organizations and programs to retain Native American cultural and linguistic identities among youth; and countless service organizations for some of the most vulnerable populations in Native American communities.

There have been a handful of studies documenting philanthropic giving trends to Native American organizations and causes.[2] Hicks and Jorgenson (2005) document that from 1989 to 2002, the annual number of grants and the total dollar value of grants made to Native organizations increased substantially over time. In sum, the number of grants increased by 89% and total dollars increased by 161% (from roughly $32 million to $92 million) from 1989 to 2002. But looking further into the 2000s, Mukai et al (2011) document that foundation giving to Native American organizations and causes actually declined by roughly 10%.[3] The annual decline in giving to Native American organizations and causes in the 2000s was in part conditioned on the Great Recession, with 2009 being the recessionary peak.

With the Great Recession behind us, and most economic indicators including investment returns exponentially better than prerecession levels, has giving to Native American organizations and causes bounced back to prerecession levels? In other words, what is the current state of foundation giving to Native American organizations and causes?

First Nations answers these questions by examining data on large foundation giving to Native American organizations and causes from 2006 to 2014. Examining philanthropic giving during this nine- year time period allows us to look at rates of giving before and after the recession and gain an accurate picture on the trajectory of large foundation giving to Native American organizations and causes.

Previous studies attempting to better understand the size and scope of private foundation giving to Native American organizations and causes have acknowledged the support and engagement of current investors who support Native communities. These studies have also called on broader philanthropic partners to support Native American communities as they continue to demonstrate resiliency despite a history of colonialism and as they pursue healthy futures. This work builds on earlier studies in its acknowledgment of current philanthropic donors and also its advocacy and call to action for philanthropy to increase philanthropic investments in Native American communities. Such increases will require long-term active and authentic partnership with Native American people and communities as they look to build self-determined communities aligned with culturally appropriate values and knowledge systems.

But similar to previous reports, this report highlights some troubling findings related to the state of large foundation giving to Native organizations and causes. The general trends suggest that large foundations are more willing to give grants to Native American organizations and causes but are spreading fewer dollars among a growing pool of grantees. Moreover, data in this report highlights that most resources are going to non-Native-controlled organizations. Finally, in trying to understand where the largest gaps in funding are coming from, we find that new funders have emerged to support Native American organizations and causes but these new funders cannot fill gaps left by significant declines in support by America's largest foundations.

What these findings highlight is that it is more important than ever for foundations to evaluate their commitment to equity and inclusion of Native people within philanthropic giving. These findings also highlight the need for Native organizations to continue to draw on existing and new philanthropic partners to demonstrate the great value of investing in Native-led organizations and solutions.

REPORT **CONTENTS**

- Chapter 1 examines the momentum of annual giving by large foundations to Native American organizations and causes. First Nations finds that grants awarded to Native American organizations and causes have increased while total dollars awarded have decreased over time. In sum, fewer dollars are being spread over an increasing number of grants made to Native American organizations and causes.

- Chapter 2 examines funding patterns of large foundations in support of Native American organizations and causes. First Nations finds that philanthropic giving to Native American organizations and causes is concentrated in the portfolios of a small number of funders. Among this small group of funders, levels of support have been on the decline from 2006 to 2014. New funders have emerged to support Native American organizations and causes. But these supporters do not have the giving capacity to fill in the funding gaps left annually by declining support from America's largest foundations.

- Chapter 3 tracks the flow of resources to Native American-controlled organizations and non-Native American-controlled organizations. Data in this chapter highlights that the majority of grants are awarded to Native-controlled organizations but in most years more grant dollars were awarded to non-Native controlled organizations.

- Chapter 4 outlines areas of support by foundations and presents other grant-specific trend data.

- The conclusion highlights some steps that foundations may take to be more inclusive of Native communities within funding portfolios in an effort to challenge and change the status quo.

THE **DATA**

Data used to inform this report was provided by the Foundation Center and comes from its "Grants" database. Foundation Center Grants data tracks foundation giving from the 1,000 largest U.S. foundations, coded by issue, population and geographic focus. The data in Grants includes grant-level data reported by foundations, foundation websites and other public reporting, and from the IRS returns filed annually by all U.S. foundations. Grants data includes information on all grants of $10,000 or more awarded by independent, corporate, grantmaking operating foundations and community foundations.[4] The Foundation Center notes that giving by this subset of foundations ensures a good sample within the universe of overall grants made by the foundation community.

Tracking of grants awarded to Native American organizations (including Native nations) or causes is based on foundation grant descriptions or related grant information that specifies serving Native Americans or if the recipient organization's mission explicitly mentions serving Native Americans or Native American communities.[5]

First Nations acknowledges there are some limitations with the Grants data. This dataset may not capture all giving directly to Native American organizations or causes by foundations. First Nations recognizes that grants of less than $10,000 are common and imperative to support many Native-serving organizations but are not captured in this analysis. Moreover, data coding may create missing or misleading grant-purpose descriptions. For example, many foundations may not provide expansive descriptions of their grants and the demographic population served, thus this data may not capture all giving to Native communities or causes. First Nations tried to acknowledge these limitations in parts of our analysis.

Another limitation of the Grants data is that coding does not allow researchers to tell which grants were made directly to Native-led organizations or Native communities. For example, grants may be made to organizations that serve different population groups, which may include Native Americans, but the size or scope of direct support to Native people and populations is unknown. First Nations explores the flow of resources to Native American-controlled organizations (including tribes) and Native serving organizations in Chapter 3. For the purposes of this report, Native American-controlled organizations includes support of Native tribes and organizations that are mission-focused on serving Native communities and whose board is over 50% Native American. Native American-serving organizations are those that are not solely mission focused on serving Native American communities.

Acknowledging these limitations, the Foundation Center Grants data is the most expansive and most useful data that exists for a representative snapshot of foundation philanthropic giving.

PHILANTHROPY *is* ABOUT RELATIONSHIPS

Relationships play a significant role in philanthropy. As one of our colleagues put it, every grant is a relationship as is every dollar awarded. The dynamics of relationships are hard to acknowledge, analyze and understand when looking at annual levels of foundation giving. Nevertheless, the contents of this report are not intended to diminish or disregard the relational dynamics of philanthropy as relationships are extremely important to building strong and healthy Native communities. At the same time, readers should also ask themselves what the data trends in this report suggest about the state of relationships between the philanthropic sector and Native American communities.

1 Sherry Salway Black, The Emerging Sector: Nonprofits in Indian Country (Fredericksburg: First Nations Development Institute, 1998); First Nations Development Institute, A Case for the Native Nonprofit Sector: Advocating for Cultural, Economic and Community Change (Longmont, CO: First Nations Development Institute, 2016).
2 Sarah Lynn Hicks, Determinants of and Variation in Large Foundations' Grantmaking to Native America (Washington University: St. Louis, 2008); Sarah Hicks and Miriam Jorgenson, Philanthropy in Indian Country: Who Is Giving? Who Is Receiving? (St. Louis: Washington University, 2005); Rosalyn R. LaPier, Philanthropy and Native Peoples: An Update for the Years 1991-1992-1993 (Native Americans in Philanthropy, 1996); Sarah Hicks and Miriam Jorgensen, "Philanthropy in Indian Country: Who Is Giving? Who Is Receiving," in *Meeting of the Association for Research on Nonprofit Organizations and Voluntary Action, Los Angeles, California*, 2004.
3 Reina Mukai et al., "Foundation Funding for Native American Issues and Peoples," *The Foundation Center, New York, NY*, 2011.
4 This is the same data source used in the Mukai et al (2011) report, which was extracted and coded similarly by the Foundation Center. Data in this report may vary slightly from results in Mukai et al. due to updates and changes in coding made by Foundation Center researchers.
5 To learn more about the Foundation Center's Grants data, please visit http://data.foundationcenter.org/about.html.

1 Losing Momentum:

Recent Trends *in* Foundation Giving *to* Native American Organizations and Causes

KEY FINDINGS

First Nations Development Institute

First Nations examined the momentum of large foundation annual support of Native American organizations and causes from 2006 to 2014. By momentum we mean the trajectory of philanthropic support as it relates to:

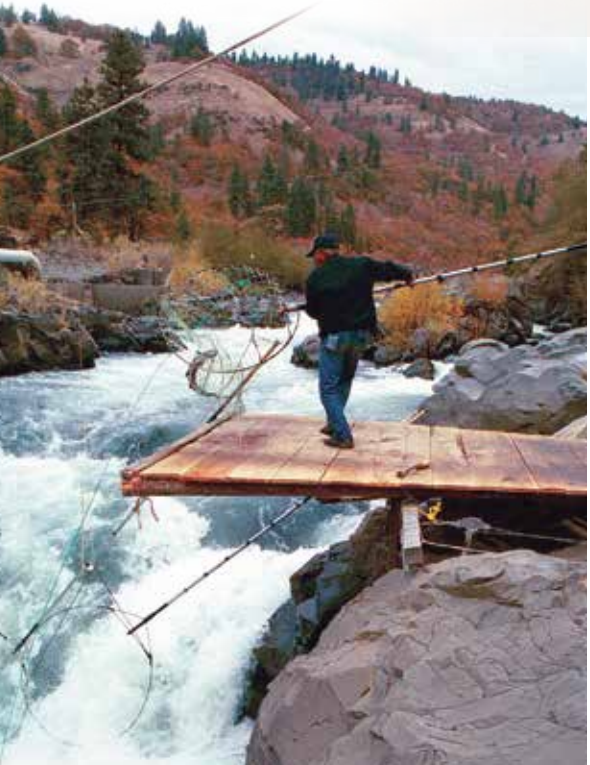
1 | *Total grant dollars awarded*

2 | *Inflation-adjusted grant dollars awarded*

3 | *Total grants awarded*

4 | *Overall share of foundation resources going to Native American organizations and causes.*

From 2006 to 2014, First Nations found that the number of grants awarded to Native American organizations and causes has increased. However, the grant dollars awarded in support of Native American organizations and causes has declined. Similarly, we found that the overall share of foundation grants going to Native American organizations and causes has remained constant while the share of grant dollars has also decreased. In sum, examination of large foundation giving to Native American organizations and causes suggests that foundations are awarding more grants to Native American organizations and causes over time but they are spreading fewer dollars over more grants.

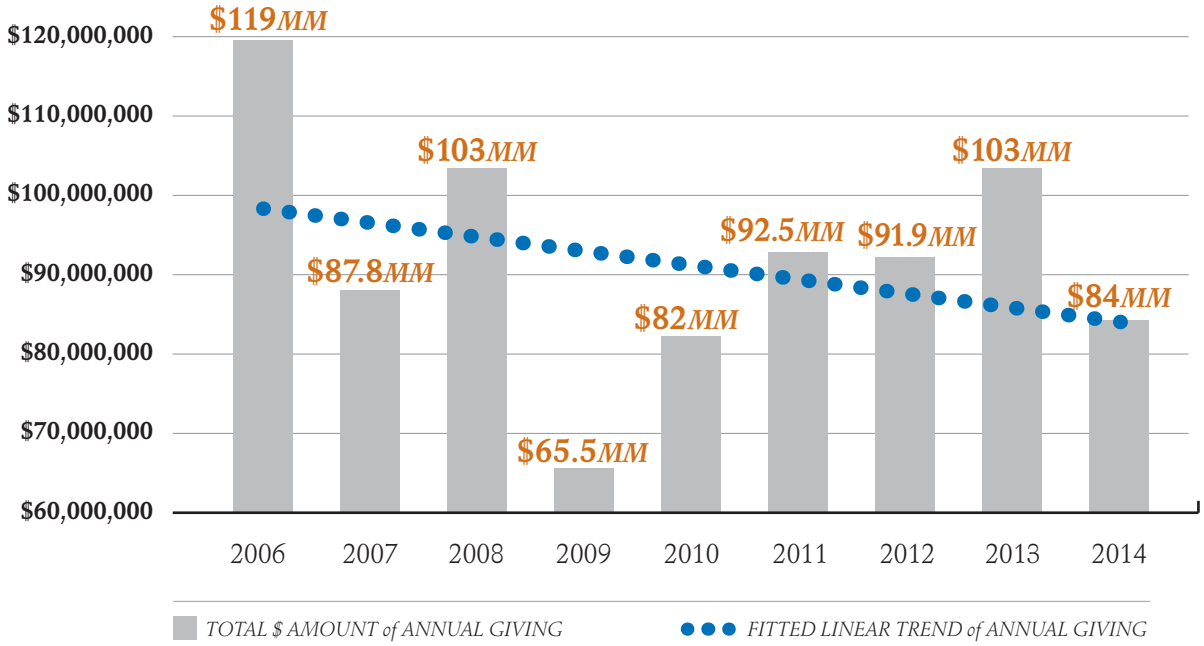


What was the momentum of large foundation giving to Native American organizations and causes from 2006 to 2014? We examine momentum to better understand the trajectory of overall philanthropic giving to Native American organizations and causes.[1] By definition, this allows us to gauge the overall commitment of large foundations in supporting and growing the field of organizations committed to Native American community development.

First, we examined dollars awarded to Native American organizations and causes from 2006 to 2014. On average, the annual level of giving by large foundations over those years was roughly $92 million. As noted in Figure 1.1, annual giving was at its highest in 2006, totaling $119 million, and the second-highest years of giving were in 2008 and 2013, both totaling about $103 million in annual giving. The lowest years of annual giving occurred during and after the peak of the Great Recession in 2009, where a low of $65.5 million was granted, followed by 2010 when $82 million was granted to Native American organizations and causes.

FIGURE 1.1

Annual Grants Dollars Awarded *to* Native American Organizations and Causes | **2006-2014** |



From 2006 to 2014, annual giving by large foundations declined by 29%, a $35 million decline in funding.

Overall, data on annual levels of giving to Native American organizations and causes reveals two key points:

1 | ***From 2006 to 2014, annual giving by large foundations declined by 29%, a $35 million decline in funding.*** If 2014 was an unusually low year for annual giving by large foundations, looking at 2013, which tied for the second-highest year in annual giving, there was still a downward trend in annual giving to Native American organizations and causes. From 2006 to 2013, large foundation giving declined by $16 million (a decline of 13%). In the figure above, we fit a linear line to levels of giving and the slope of that linear trend line shows a decline over time.

2 | ***Annual giving to Native American organizations and causes is extremely volatile.*** For example, giving declined from 2006 to 2007 by $31.2 million (a 26% decrease from 2006 to 2007); declined by $37.5 million from 2008 to 2009 (2009 being the peak of the Great Recession and witnessing a 36% drop in funding); and also declined by $19 million from 2013 to 2014 (an 18% decrease from 2013). There were also year-over-year increases to the positive in annual giving, including from 2007 to 2008 when funding increased by $15.2 million (a 17% positive change in funding), a $16.5 million increase from 2009 to 2010 (a 25% positive change); and an $11.1 million increase in annual giving from 2012 to 2013 (a 12% positive change). On average, however, the annual rate of growth in giving from 2006 to 2014 was a negative 3.6%, meaning that foundation funding has declined on average by roughly $4.3 million per year from 2006 to 2014.[2]

On average, foundations gave more to Native American organizations and causes prior to the Great Recession (from 2006 to 2008) when compared to the years after the recession (from 2010 to 2014).

On average, foundations gave more to Native American organizations and causes prior to the Great Recession (from 2006 to 2008) when compared to the years after the recession (from 2010 to 2014). Prior to the recession, average annual giving was $103.2 million, and after the recession average annual giving was around $91 million. But important to note is that foundation assets have been increasing since the end of the Great Recession, yet funding for Native communities has decreased (see Sector-Wide Giving Trends below).

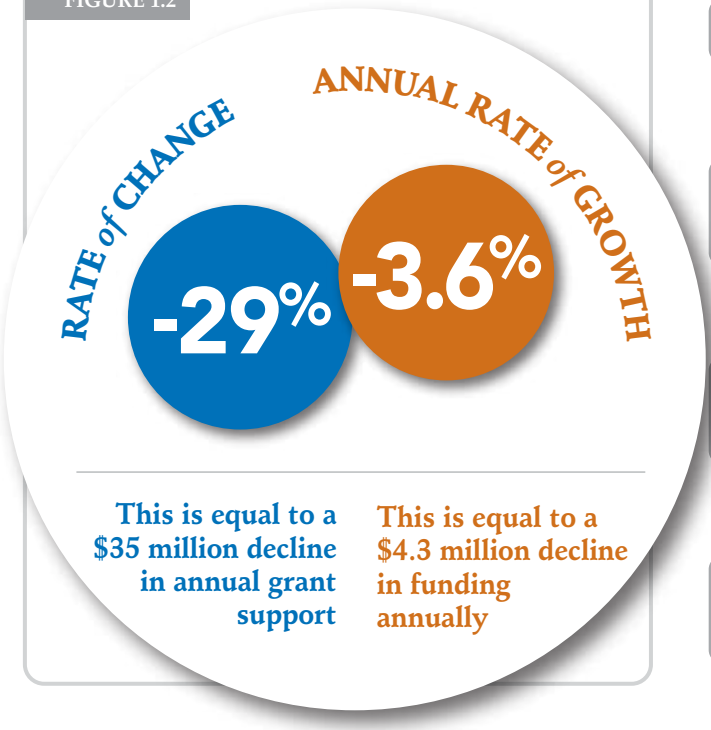
In all, dollars awarded by large foundations to Native American organizations and causes declined from 2006 to 2014. Moreover, examining annual levels of giving revealed a significant amount of annual volatility. The consequence of this volatility for community organizations is instability in predicting revenue, which then leads to instability in organizational growth, development and programming, as well as other negative organizational outcomes.

Sector-Wide Giving Trends[3]

It is estimated that the top 1,000 foundations gave roughly $9.6 billion more in 2012 than they did in 2006 (a 19% increase from 2006 to 2012). But grant dollars to Native American organizations and causes during this same period of time declined by $27.1 million or by 23%.

Overall Rates *of* Change *in* Dollars Awarded *to* Native American Organizations and Causes | 2006-2014 |

FIGURE 1.2



What are the consequences of philanthropic volatility for Native American organizations?

- Volatility in foundation funding
- Instability in predicting revenue for organizations
- Instability in organizational growth, development and programming
- Compromised continuity of services, leaving Native communities vulnerable

As the data above demonstrates, annual funding to Native American organizations and causes has declined and shows annual volatility. But another way to probe the trajectory or momentum of philanthropic support or Native American organizations and causes is to look at inflation-adjusted levels of annual giving.[4]

First Nations examines inflation-adjusted giving in two ways. First we take levels of annual giving and then discount these giving levels by 2006 inflation-adjusted dollars (see Table 1.1, column B).[5] Alternatively, we present inflation-adjusted giving by converting giving levels to 2014 inflation-adjusted dollars (see Table 1.1, column C).

In all, considering inflation-adjusted giving to Native American organizations and causes exposes even greater levels of decline in support by large foundations. This data suggests a 40% decline in inflation-adjusted levels of giving from 2006 to 2014, and an annual growth rate of negative 5% annually, or rather a compounding decline of over $5 million annually. In Figure 1.3, we add 2006 inflation-adjusted dollars to real levels of annual giving. The growing inflation gap multiplies the declining level of real giving by large foundations over time.

FIGURE 1.3

Inflation Gap *in* Giving *to*
Native American Organizations and Causes | **2006-2014** |

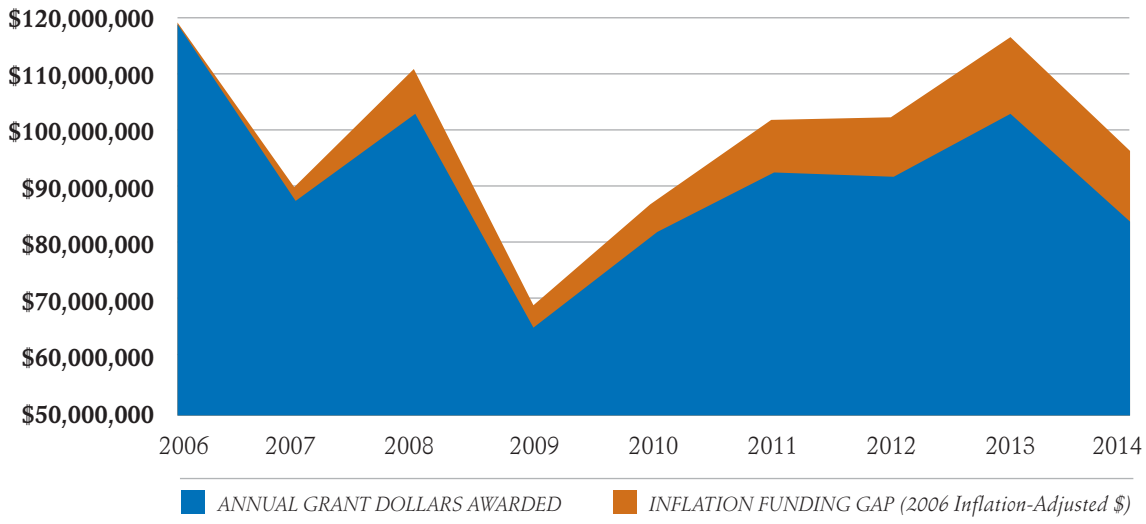


TABLE 1.1

Has Giving *to* Native American Organizations and Causes
Kept Up *with* Inflation?

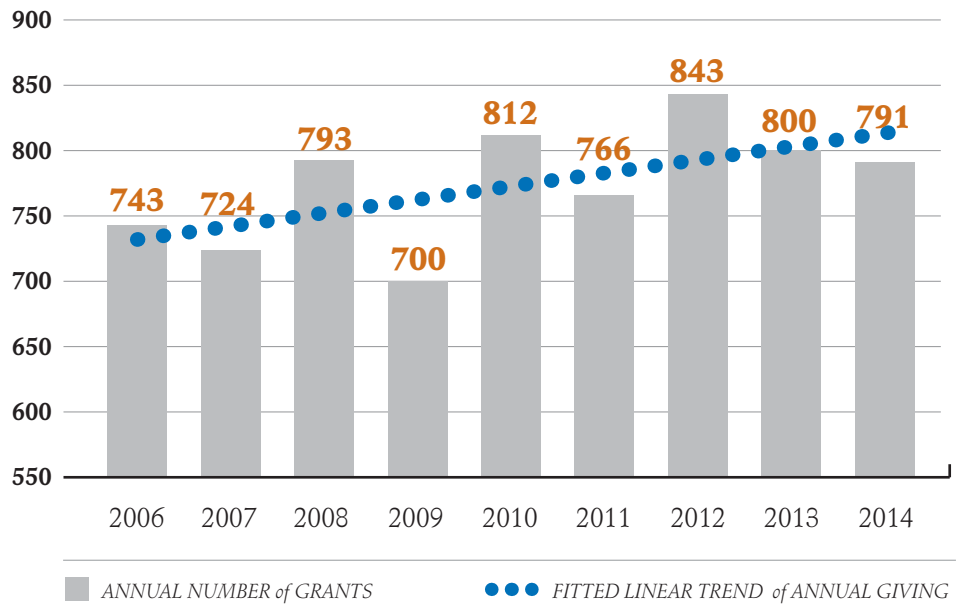
	(A) **Real Dollars** Awarded Annually	(B) **2006** Inflation-Adjusted Giving	(C) **2014** Inflation-Adjusted Giving
2006	$119,000,000	$119,000,000	$139,300,000
2007	$87,800,000	$85,700,000	$100,400,000
2008	$103,000,000	$95,200,000	$111,500,000
2009	$65,500,000	$61,800,000	$72,400,000
2010	$82,000,000	$76,700,000	$89,600,000
2011	$92,500,000	$83,300,000	$97,500,000
2012	$91,900,000	$81,600,000	$95,500,000
2013	$103,000,000	$89,700,000	$105,000,000
2014	$84,000,000	$71,700,000	$84,000,000

GRANTS AWARDED *to* NATIVE AMERICAN ORGANIZATIONS AND CAUSES | 2006-2014 |

A total of 6,972 grants were awarded to Native American organizations and causes from 2006 to 2014, an average of 775 grants per year over the nine-year period.[6] The number of grants was highest in 2012, when 843 grants were awarded to Native American organizations and causes. The lowest number of grants was awarded in 2009 (during the peak of the Great Recession), when 700 grants were awarded to Native American organizations and causes.

FIGURE 1.4

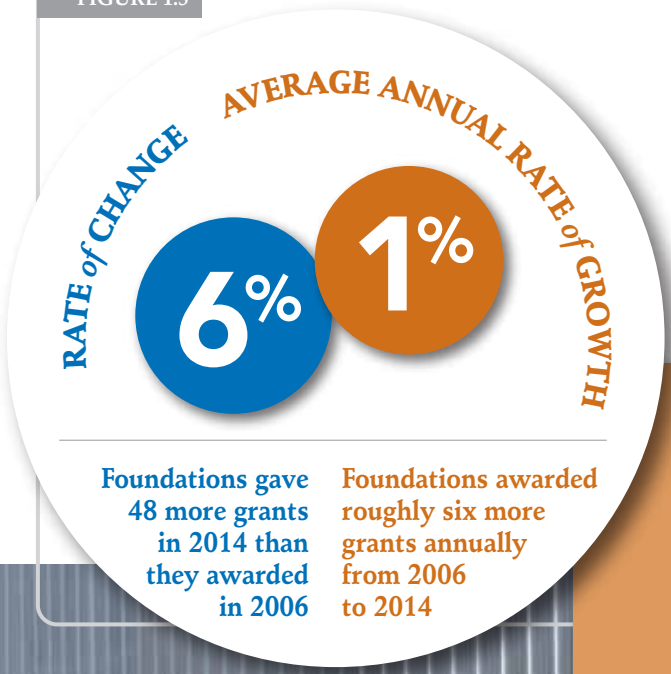
Annual Grants Awarded *to* Native American Organizations and Causes | 2006-2014 |



Generally, the number of grants awarded annually showed an upward trend over time, demonstrating that large foundations were giving more grants in 2014 than they did in 2006. Foundations gave 6% more grants, totaling 48 more grants, to Native American organizations and causes in 2014 than they did in 2006. The average annual rate of growth was 1%, meaning that foundations gave roughly six more grants annually each year from 2006 to 2014.

Overall Rates *of* Change *in* Number *of* Grants Awarded | 2006-2014 |

FIGURE 1.5

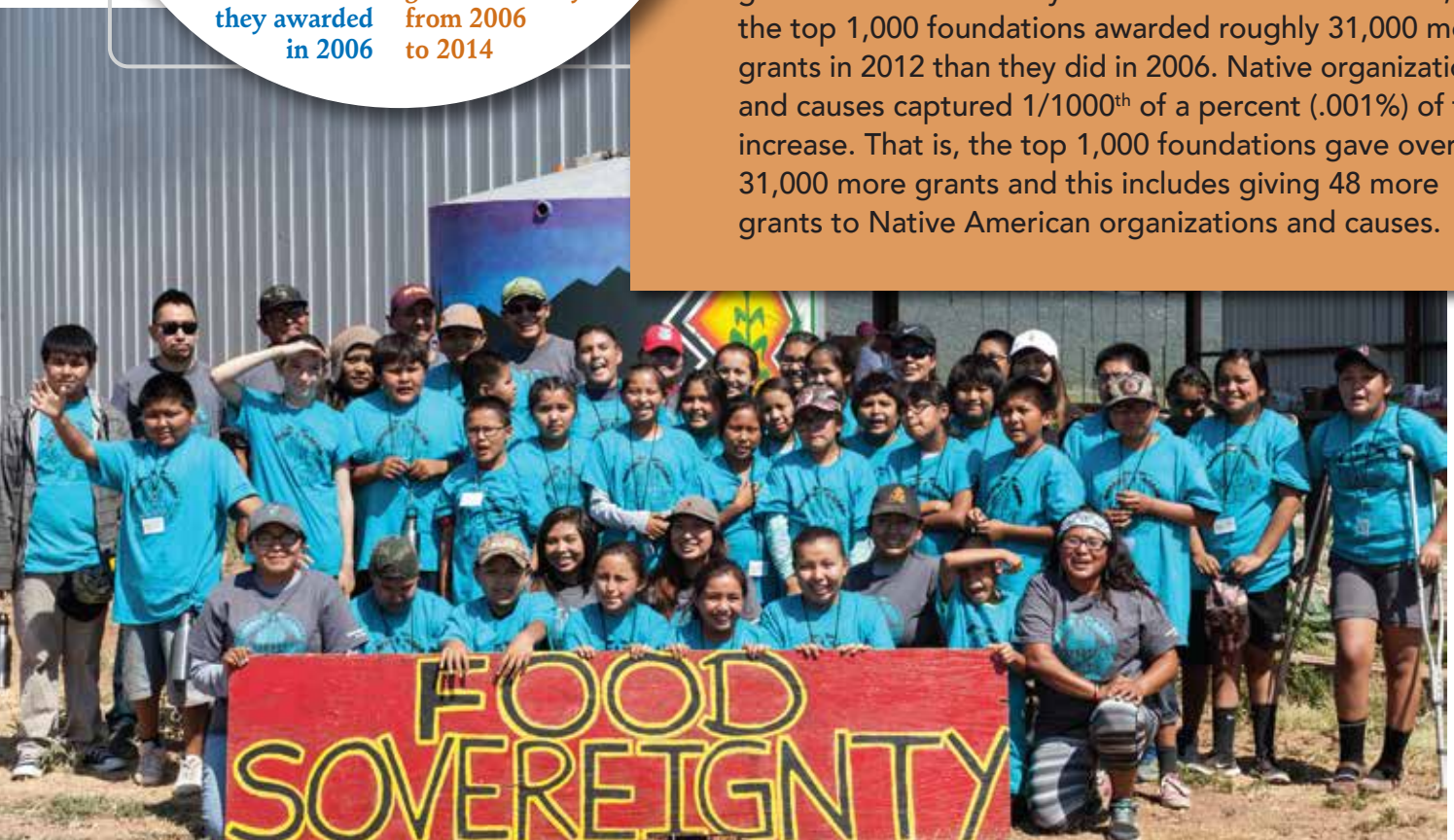


In all, this data indicates that the number of grants awarded to Native American organizations and causes increased from 2006 to 2014. Moreover, the average number of grants awarded after the 2009 recessionary peak was greater than the number of grants awarded prior to the recession.

This data also demonstrates that while dollars given to Native American organizations and causes declined from 2006 to 2014, large foundations awarded more grants to Native American organizations and causes. ***In other words, foundations spread fewer resources over an increased number of grants they awarded to Native American organizations and causes.***

Sector-Wide Giving Trends

The top 1,000 foundations gave approximately 11% more grants in 2012 than they did in 2006. In real numbers, the top 1,000 foundations awarded roughly 31,000 more grants in 2012 than they did in 2006. Native organizations and causes captured 1/1000th of a percent (.001%) of this increase. That is, the top 1,000 foundations gave over 31,000 more grants and this includes giving 48 more grants to Native American organizations and causes.



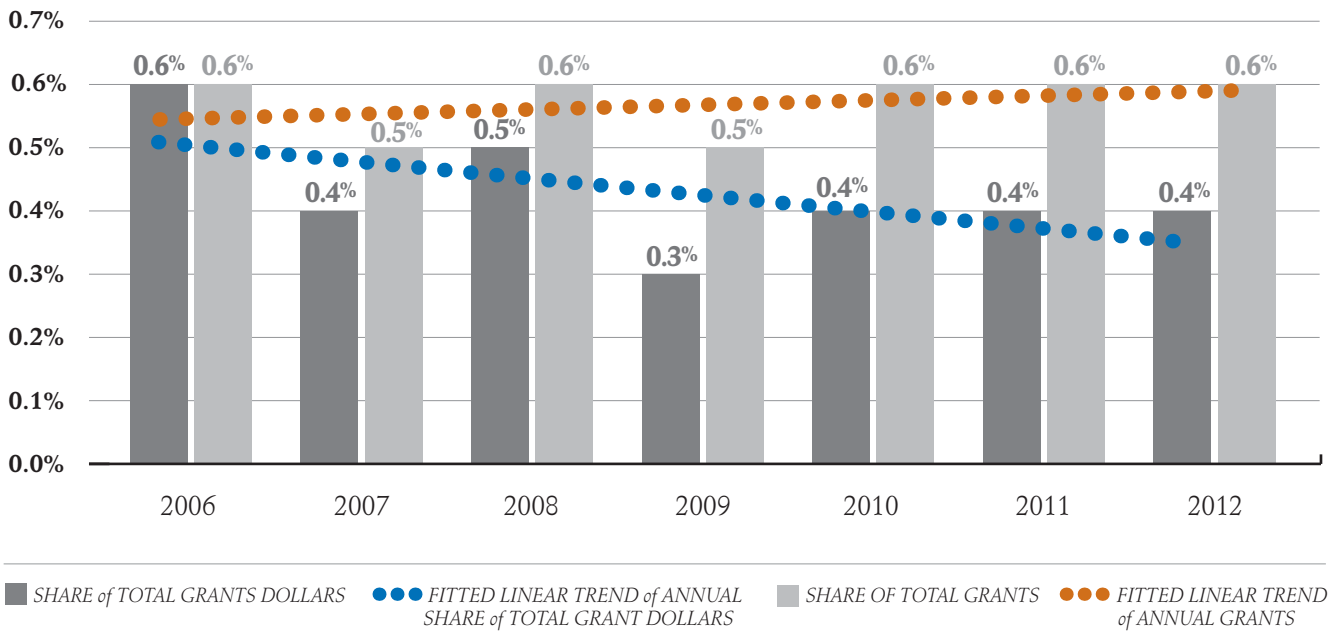
Another method to gauge the momentum of large foundation support for Native American organizations and causes is to examine the share of overall foundation grants and dollars awarded to Native American organizations and causes. Looking at the share of grants and dollars awarded as a function of total foundation giving helps provide an indication of overall increases or decreases in foundation support.

From 2006 to 2012, the share of total large foundation grants going to Native American organizations and causes remained the same, whereas the share of total grant dollars declined. Unfortunately, at the time of analysis, data on total large foundation giving was not yet available from the Foundation Center for 2013 and 2014, so we were not able to look at aggregate shares of giving to Native American organizations and causes for the full period from 2006 to 2014. Nonetheless, in 2006, 6/10^{ths} of one percent (.6%) of total foundation grant dollars and total grants were awarded to Native American organizations and causes. In 2012, the share of foundation dollars awarded to Native American organizations and causes decreased to 4/10^{ths} of one percent (.4%). The share of grants going to Native American organizations and causes remained much more consistent over time. On average, 6/10^{ths} of one percent (.6%) of foundation grants made were awarded to Native American organizations and causes.

Overall, data from 2006 to 2012 illustrates that Native American organizations and causes continued to receive a significantly low share of resources from large foundations. This data notes that the share of total dollars awarded to Native American organizations and causes decreased over time, but the share of grants awarded by foundations to Native American organizations and causes remained relatively constant from 2006 to 2012.

FIGURE 1.6

Share *of* Total Foundation Giving Awarded *to* Native American Organizations and Causes | 2006-2012 |



In all, looking at overall annual giving trends, the data documents that the amount of resources flowing to Native American organizations and causes has declined. The data also notes that annual funding is volatile. This volatility has implications for the stability of organizations, how they are viewed by charity watchdog organizations and the services they provide to Native communities. Although the amount of dollars flowing to Native American organizations and causes has decreased over time, the number of grants made to Native American organizations and causes has increased. This suggests that large foundations are splitting fewer resources among more organizations or grants. These trends are similarly reflected in the overall share of foundation resources going to Native American organizations and cases. In the next chapters, we examine the nuances of the data and highlight various factors driving these trends.

1 Data used for this analysis is based on giving by the top 1,000 U.S. foundations and comes from the Foundation Center. See the introductory chapter of the full report for more information on the dataset.

2 Change rates are calculated as $\Delta \text{Rate} = \frac{\text{(present value–past value)}}{\text{past value}}$ and annual growth rates are calculated as $\text{Growth} = \frac{\frac{\text{(present value–past value)}}{\text{past value}}}{\text{Number of Years}}$

3 Sector-wide data came from the Foundation Center Aggregate Fiscal Data of Grants. For more information, see http://data.foundationcenter.org/#/fc1000/population_group:all/all/total/list/2006. Sector-wide data on giving from the top 1000 foundations was only listed through 2012.

4 In finance terms, this means we need to factor in the time value of money (TVM). TVM as an economic concept shows that money today will have a greater value than the same money received in the future. Over time, inflation decreases the value of a dollar. Thus, the time value of money suggests you need to discount future payments by inflation and other market factors given that the same dollar today will be worth less (have less purchasing power) in the future.

5 Inflation-adjusted numbers were calculated using the Bureau of Labor Statistics' inflation calculator, https://www.bls.gov/data/inflation_calculator.htm.

6 The original dataset provided by the Foundation Center contained 6,933 grant observations, but 20 observations were deleted because the country transaction code indicated that recipient organizations were in Mexico and Canada (not the U.S.).

2 Who Gives
to **Native American Organizations** and **Causes**

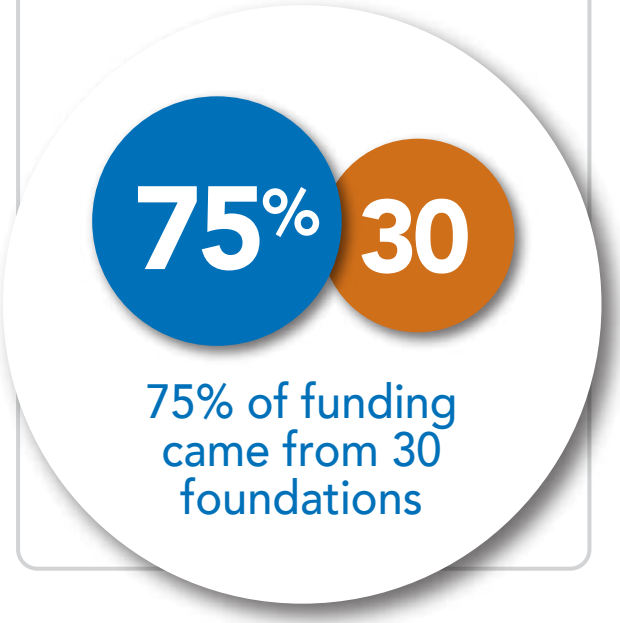
KEY FINDINGS

First Nations Development Institute

This chapter examines the funding patterns of large foundations' support of Native American organizations and causes. Generally, philanthropic giving to Native American organizations and causes is concentrated in the portfolios of a small number of funders. Among this small group of funders, from 2006 to 2014, levels of support have been on the decline. While new funders have emerged to support Native American organizations and causes, these supporters do not have the giving capacity to fill in the funding gaps left annually by declining support from America's largest foundations. Finally, data reveals that over time, there has also been a decline in the tendency of foundations to make significant multi-year grant commitments to Native American organizations and causes.

Less than 1/2 of the top 1,000 foundations gave to Native communities and causes

FIGURE 2.1



Of the top 1,000 foundations in the United States, less than half of those foundations gave to Native American organizations and causes from 2006 to 2014. During this period, a total of 493 funders provided grant support to Native American organizations and causes.

On average, 203 of these funders gave grants to Native American organizations and causes annually (the low was in 2013 when 189 foundations provided grants, and 2008 was a high when 211 foundations provided grants). The fluctuation in the number of funders that support Native American organizations and causes indicates that the same number of funders (or even the same funders) do not give annually.

One positive trend in the data reveals that new funders do emerge annually to support Native American organizations and causes. Yet, there has been a slight decrease in the annual number of funders supporting Native American organizations and causes over time. In the years prior to the 2009 recession, slightly more funders on average were investing in Native American organizations and causes when compared to the number of funders investing after the recession (from 2010 to 2014 there were 201 average annual funders investing and from 2006 to 2008 there were an average of 207 annual funders).

FIGURE 2.2

Annual Number of Funders Giving *to* Native American Organizations and Causes

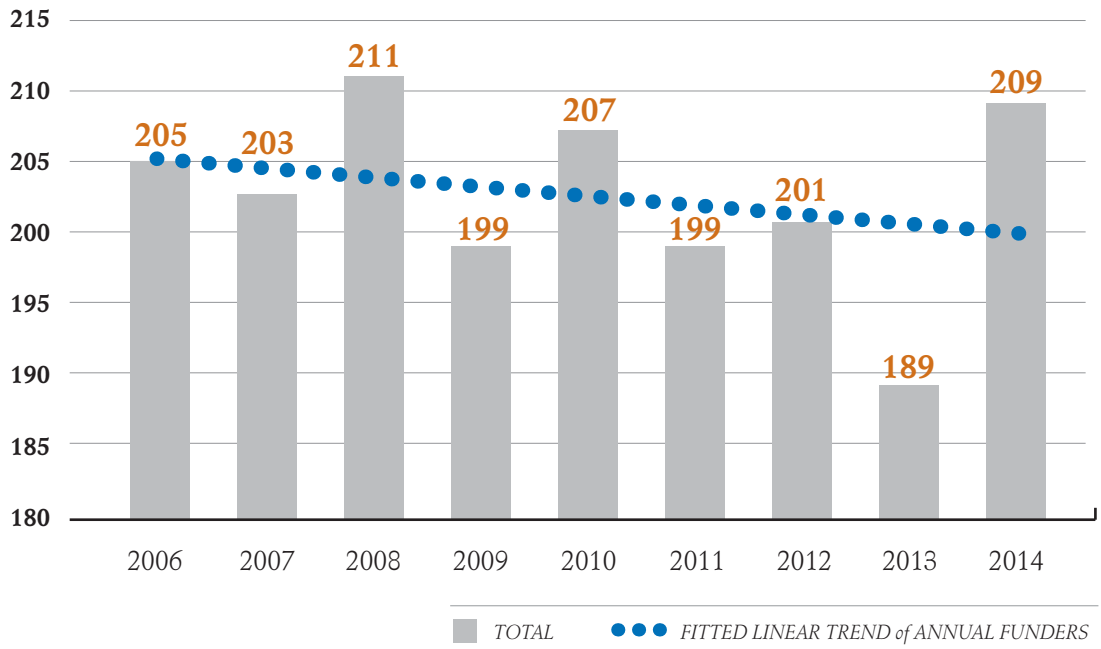


Table 2.1 on the following page presents the top 30 foundations that gave to Native American organizations and causes from 2006 to 2014. The Otto Bremer Foundation (now Otto Bremer Trust) led the way in the number of grants awarded to Native American organizations and causes. From 2006 to 2014, it awarded 311 grants (averaging 35 grants annually) accounting for 4.5% of the nearly 7,000 grants awarded during this period. The Ford Foundation made 251 grants to Native American organizations and causes from 2006 to 2014 (averaging 28 grants annually) accounting for 3.6% of the nearly 7,000 grants made to Native American organizations and causes.

Looking at total funds awarded between 2006 and 2014, the Ford Foundation led the way, having granted almost $90 million to Native American organizations and causes (about $9.9 million annually), accounting for 11% of total foundation funds granted during this period. Both the Robert Wood Johnson Foundation and the W.K. Kellogg Foundation round out the top three highest-dollar supporters of Native American organizations and causes, awarding roughly $82 million each (roughly $9.1 million annually). The Northwest Area Foundation awarded roughly $59 million (about $6.5 million annually). The Lilly Endowment rounds out the top five funders, giving roughly $32.5 million, or on average $3.6 million per year. Important to note, the Lilly Endowment gave a limited number of total grants, so its total giving was spread over 18 grants. Similarly, giving by the Alfred P. Sloan Foundation was largely driven by its annual giving in 2008, where it gave over $12 million in grant support to a single organization. As well, the presence of the Richard and Helen DeVos Foundation on the list of top funders is the result of its support to a single Christian school from 2006 to 2011.

TABLE 2.1

Top 30 Funders *by* Total Amount *and* Grants Awarded | 2006-2014 |

50% of TOTAL GIVING *50% of TOTAL GRANTS MADE*

Funder Name	Total $ Amount Awarded	Average Annual Amount Awarded
Ford Foundation	$89,400,000	$9,933,333
Robert Wood Johnson Foundation	$82,500,000	$9,166,667
W.K. Kellogg Foundation	$81,900,000	$9,100,000
Northwest Area Foundation	$59,000,000	$6,555,556
Lilly Endowment Inc.	$32,500,000	$3,611,111
Rasmuson Foundation	$28,700,000	$3,188,889
Bush Foundation	$24,600,000	$2,733,333
Bill & Melinda Gates Foundation	$22,300,000	$2,477,778
Alfred P. Sloan Foundation	$20,100,000	$2,233,333
Otto Bremer Trust	$15,500,000	$1,722,222
Lannan Foundation	$14,600,000	$1,622,222
California Endowment	$12,500,000	$1,388,889
Marguerite Casey Foundation	$12,000,000	$1,333,333
California Wellness Foundation	$10,200,000	$1,133,333
Richard and Helen DeVos Foundation	$9,634,000	$1,070,444
Andrew W. Mellon Foundation	$9,385,000	$1,042,778
NoVo Foundation	$8,940,300	$993,367
The Christensen Fund	$8,643,035	$960,337
David and Lucile Packard Foundation	$8,246,274	$916,253
Kalliopeia Foundation	$7,920,453	$880,050
The Kresge Foundation	$7,781,000	$864,556
M.J. Murdock Charitable Trust	$7,300,000	$811,111
The McKnight Foundation	$6,767,000	$751,889
Blue Shield of California Foundation	$6,687,080	$743,009
Charles K. Blandin Foundation	$6,403,715	$711,524
Margaret A. Cargill Foundation	$6,218,789	$690,977
Buffett Early Childhood Fund	$5,839,416	$648,824
Theodore R. & Vivian M. Johnson Scholarship Foundation, Inc.	$5,570,590	$618,954
Paul G. Allen Family Foundation	$5,153,000	$572,556
Meyer Memorial Trust	$4,750,944	$527,883

Funder Name	Total Grants Awarded	Average Annual Number *of* Grants Awarded
Otto Bremer Trust	311	35
Ford Foundation	251	28
Rasmuson Foundation	229	25
Lannan Foundation	224	25
Blue Shield of California Foundation	219	24
W.K. Kellogg Foundation	208	23
Robert Wood Johnson Foundation	187	21
Northwest Area Foundation	167	19
Bush Foundation	134	15
California Endowment	134	15
Marguerite Casey Foundation	122	14
Kalliopeia Foundation	113	13
The Christensen Fund	107	12
Minneapolis Foundation	106	12
Charles K. Blandin Foundation	99	11
General Mills Foundation	95	11
O.P. and W.E. Edwards Foundation, Inc.	92	10
Bank of America Charitable Foundation, Inc.	92	10
Hawaii Community Foundation	89	10
Bill & Melinda Gates Foundation	88	10
McCune Charitable Foundation	80	9
Theodore R. & Vivian M. Johnson Scholarship Foundation, Inc.	76	8
McKnight Foundation	66	7
San Francisco Foundation	63	7
California Wellness Foundation	59	7
Wells Fargo Foundation	58	6
Citi Foundation	55	6
Arizona Community Foundation	51	6
The Annie E. Casey Foundation	50	6
George S. and Dolores Doré Eccles Foundation	49	5

The top 30 funders made up 75% of total grant funds awarded and 52% of all grants awarded to Native American organizations and causes from 2006 to 2014.

The most striking finding in studying top private foundation support of Native American organizations and causes is the substantial concentration of giving by the top foundations. The top 30 funders made up 75% of total grant funds awarded and 52% of all grants awarded to Native American organizations and causes from 2006 to 2014. This highlights the fact that the concentration of giving to Native American organizations and causes is in the portfolios of a relatively small number of funders.

A closer look at the data reveals that the top eight foundations accounted for 51% of total dollars granted to Native American organizations and causes from 2006 to 2014. Further, giving by the top four foundations combined (Ford Foundation, Robert Wood Johnson Foundation, W.K. Kellogg Foundation and Northwest Area Foundation) made up 38% of total dollars granted to Native American organizations and causes, totaling approximately $313 million of the $800 million awarded. These same funders accounted for roughly 12% of the total grants awarded to Native American organizations and causes.

The number of grants awarded during the nine-year period was distributed relatively more evenly among top givers, with the top 27 grantors constituting 50%, or just over 3,500, of the roughly 7,000 grants awarded. On average, the top 10 foundations awarded 15 or more grants, and the remaining foundations awarded less than 15 grants on average annually.

Generally, the overall pool of foundation supporters is consistently narrow and there is little fluctuation in top givers annually. For example, of the top 10 annual grant givers, there were only 22 unique foundations represented across all years. Sixteen of these foundations (73%) showed up on the top 10 list of grant givers in more than one year. Similarly, of the top 10 annual grant dollar givers, there were 28 unique foundations represented across all years. Twenty-six of these foundations (92%) showed up on the top 10 list of grant givers in more than one year.

Support by six of the 10 largest funders of Native organizations and causes has declined by almost 50% from 2006 to 2014.

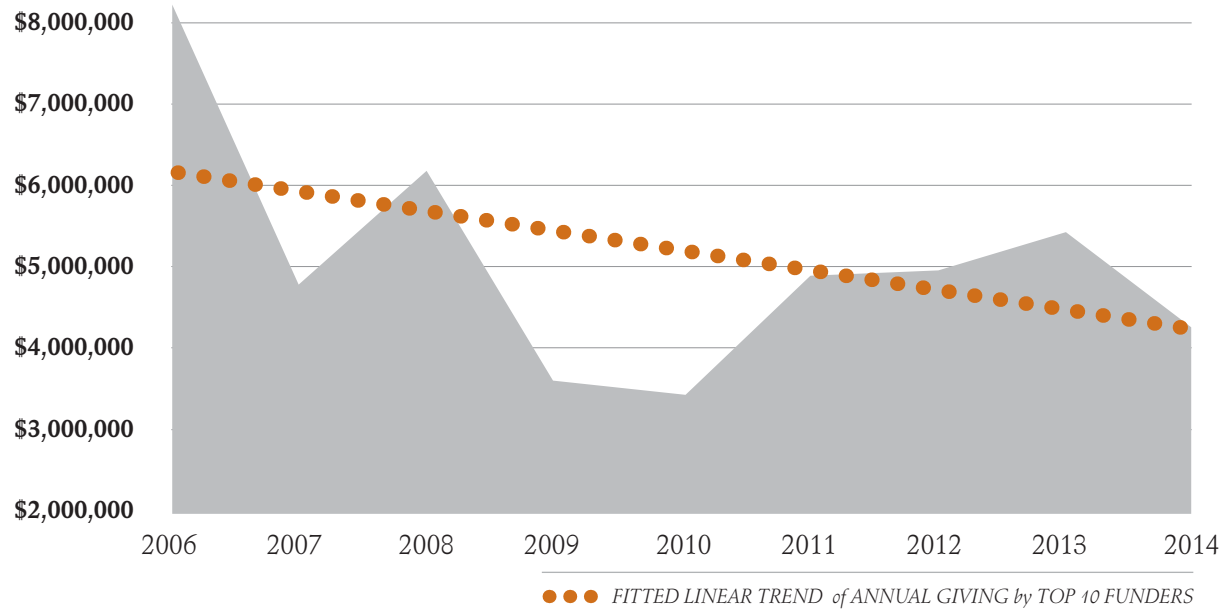
Funding patterns of the top 10 funders of Native American organizations and causes (which account for over 50% of total support) help partially explain the downward trend in overall foundation giving to Native American organizations and causes from 2006 to 2014. First of all, there is a lot of volatility in the annual levels of support by these funders. This could be because of multi-year commitments (which drive swings in annual funding) or other foundation changes that can drive annual levels of support. For example, foundations do pause or lower funding levels when they are restructuring programs or engaged in other organizational planning processes. But generally, there has been a downward trend in annual funding awarded to Native American organizations and causes from the top 10 funders.

In 2006, the average level of giving by the top 10 funders was over $8 million and in 2014 the average overall support dipped by nearly 50% to approximately $4.5 million. In all, six of the 10 largest funders of Native American organizations and causes decreased their levels of support from 2006 to 2014. The only funders that either maintained or increased their level of support to Native American organizations and causes were the Bill & Melinda Gates Foundation, Bush Foundation, Otto Bremer Trust and Rasmuson Foundation. The remaining funders all saw a significant decline in levels of support to Native American organizations and causes from 2006 to 2014. These funders had an average cumulative decline of 61% in giving to Native American organizations and causes from 2006 to 2014.[1]

It is important to note that the number of grants issued by these top 10 funders also generally declined. Some of the biggest declines in the number of grants awarded were by the Ford Foundation, which issued an average of 76 grants from 2006 to 2007, and this number declined by 85% to an average of 12 grants issued between 2013 and 2014. Similarly, the Robert Wood Johnson Foundation issued 37 grants from 2006 to 2007 and only issued an average of 17 grants between 2013 and 2014, a 50% decline. The only funders to see an increase in the number of average grants issued between 2006 and 2014 were the Bill and Melinda Gates Foundation (increasing from an average of 13 grants from 2006 to 2007 to an average of 17 grants from 2013 to 2014) and the Northwest Area Foundation (increasing from 19 grants from 2006 to 2007 to an average of 32 grants from 2013 to 2014).[2]

FIGURE 2.3

Average Annual Level of Giving *by* **Top 10 Funders** | 2006-2014 |



NEW FUNDERS *in* SUPPORT *of* NATIVE AMERICAN ORGANIZATIONS AND CAUSES

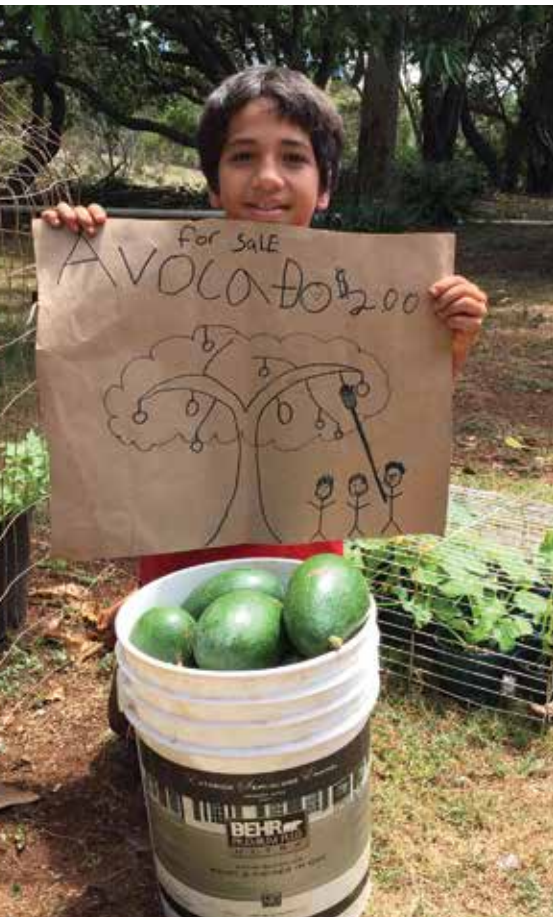
On average, 33 new funders entered the funding landscape in support of Native American organizations and causes annually. But the giving power of these new foundation supporters has not been enough to fill the annual funding decline left by the top 10 foundation supporters.

One bright spot of the data is that it confirms that new relationships between philanthropy and Native causes have developed. This is demonstrated by the fact that new foundation supporters have emerged to support Native American organizations and causes. For example, a total of 265 unique foundations provided grant support to Native American organizations and causes from 2006 to 2007.[3] From 2008 to 2014, a total of 228 new unique foundation supporters entered the funding landscape to provide support to Native American organizations and causes. In other words, 33 new funders entered the funding landscape in support of Native American organizations and causes annually over those seven years.

Although new relationships between philanthropy and Native communities have been formed, it is important to note that the giving power of these new foundation supporters has not been enough to fill the annual funding decline left by the top 10 foundation supporters. In other words, the giving power of these new funders is not at the same capacity as America's largest foundations. New funders that have entered the funding landscape in support of Native American organizations and causes have awarded grants averaging $100,000 compared to the average grant size of roughly $267,000 made by the top 10 foundations.

Significant Grants to Native American Organization and Causes

One other factor that drives both the decline in foundation support and influences funding volatility annually is the award of significant multi-year grants to Native American organizations and causes. Looking at the 30 largest grants made to Native American organizations and causes from 2006 to 2014 (ranging from $1.76 million to $17.5 million), 23 (or 76%) of these significant grants were made prior to 2010. The decline in the award of significant multi-year grants, coupled with the decline in top 10 foundation support and the lower giving power of new funders, all help explain funding declines over time.



In all, unpacking foundation funding patterns highlights the following:

1 | ***The majority of resources in support of Native American organizations and causes is concentrated in the funding portfolios of a small number of foundations.*** Among the top 10 foundation supporters, the overall level of support has been declining over time. At the same time, new foundation supporters have entered the funding landscape but these new supporters do not have the giving capacity to fill in the funding gaps left by the declining support of America's largest foundations.

2 | ***Overall, foundations are less willing to make significant multi-year commitments to Native American organizations and causes.*** In the face of declining resources, the tendency, especially after 2009, has been for foundations to provide more grants for a smaller dollar amount to Native American organizations and causes.

1 To calculate this change in levels of support by top funders, First Nations averaged levels of giving from 2006 to 2007 and from 2013 to 2014. We then averaged the rate of change per foundation funder.
2 To calculate change in levels of grants issued by top funders, First Nations averaged number of grants issued from 2006 to 2007 and from 2013 to 2014 and calculated the rate of change.
3 Given the limited time horizon of our data, it is hard to calculate new funders that emerged to support Native American organizations and causes. But for this analysis, First Nations used 2006 and 2007 as baseline years. We then counted new funders as those that gave from 2008 to 2014, but had not given from 2006 to 2007.

3 Who Receives *and* Where do Large Foundations Invest?

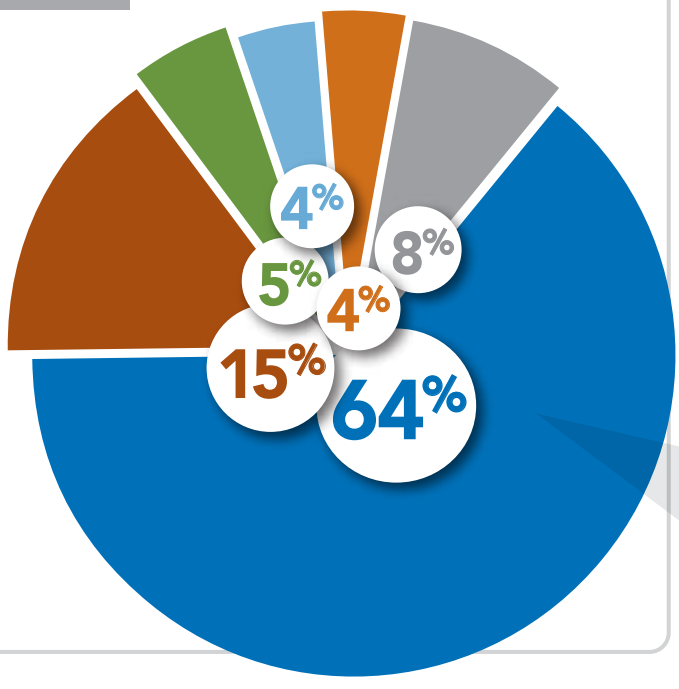
KEY FINDINGS

First Nations Development Institute

Where are large foundation resources being targeted in support of Native Americans? In this chapter, First Nations examined the flow of resources to Native American-controlled organizations and non-Native American-controlled organizations. In sum, we found that the majority of grants are awarded to Native American-controlled organizations but in most years more grant dollars were awarded to non-Native-controlled organizations. We also examine states that receive the largest foundation support and also organizational factors that help predict large foundation support.

Recipient Organization *by* Type | 2006-2014 |

FIGURE 3.1



From 2006 to 2014, a total of 6,972 grants were awarded to a total of 1,638 unique organizations. Over 64% of total grants awarded to Native American organizations and causes were awarded to public charities. Tribal governments and agencies received 15% of the grants awarded in the name of Native American organizations and causes. Eight percent of grants fell under the "other" category and this includes grants awarded to community foundations, schools, coalitions and alliances, non-government organizations, organizational membership associations, and more. Five percent of total grants were awarded to religious institutions, and 4% each were awarded to local and state governments and individual membership associations.[1]

- 64% Public Charities
- 15% Tribal Governments and Agencies
- 8% Other
- 5% Religious Institutions
- 4% Local and State Governments
- 4% Individual Membership Associations

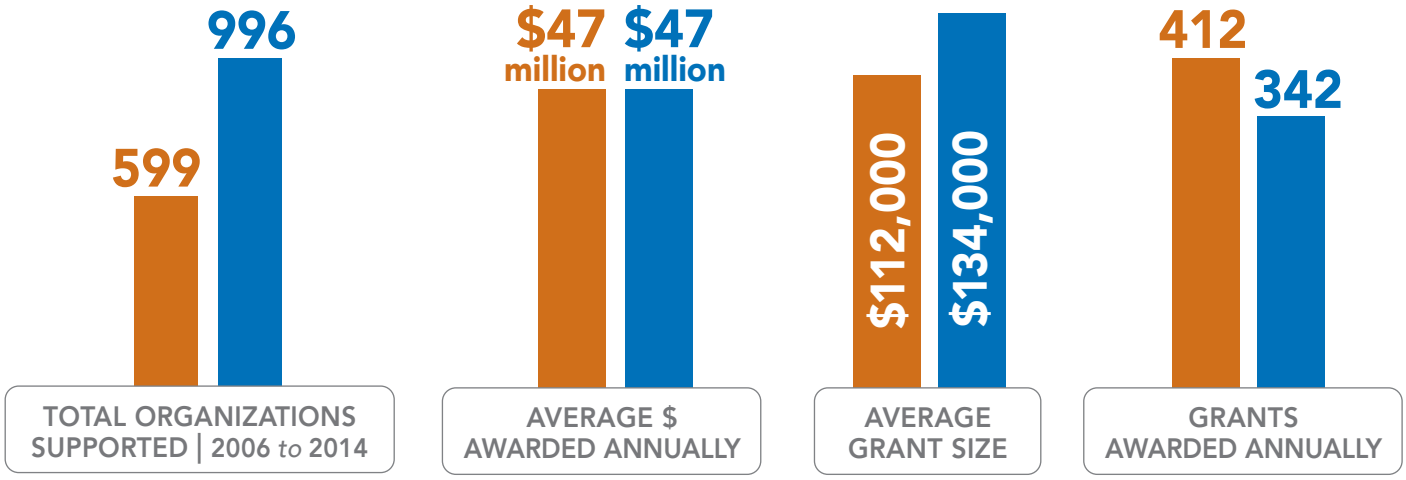
A growing trend within the Native American nonprofit sector has been increasing advocacy and education around providing support to Native American-controlled organizations. Native American-controlled organizations includes support of Native nations and organizations that are mission-focused on serving Native communities and whose board is over 50% Native American. Historically (and this practice continues today), organizations have been created in the name of serving Native American people and communities and in many cases, these Native American-serving organizations (organizations not solely mission focused on serving Native people or communities and board is not predominantly Native American) benefit the most from the acquisition of resources. Often, very few resources or services provided by these organizations reach Native American people or communities. For example, some church groups have created numerous charitable organizations to raise money in the name of improving the lives or well-being of Native American people and communities. These organizations have increasingly come under scrutiny for a variety of reasons, including their lack of transparency in disclosing financials, especially demonstrating funds that actually reach Native communities.[2] ***Today, some of these Native-serving organizations may include Native American people in their services but the extent to which organizational resources directly improve the lives of Native American people is ambiguous at best.***

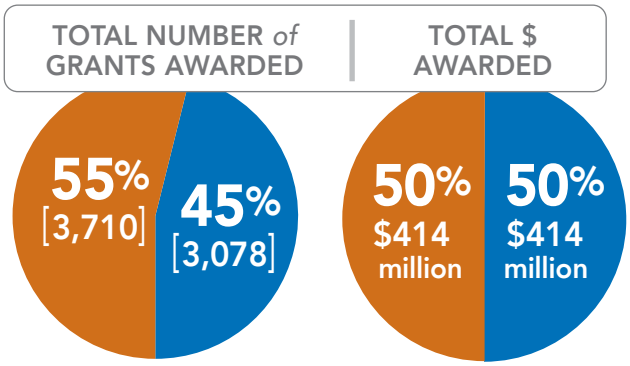
As a result of these predatory practices, Native American-controlled organizations have been advocating for directing increased resources to Native American-controlled organizations as a means for philanthropy to effectively support self-determined development in Native American communities. No doubt this conversation has many perspectives and is not intended to paint non-Native-controlled organizations with a single negative brush as some do valuable work. But from the perspective of most Native American communities and organizations, increased support in the name of Native American people and communities should be going directly to communities and organizations that know and directly serve these individuals.

For this study, First Nations wanted to understand the flow of foundation support reaching Native American-controlled organizations across the United States. Naturally, there is no easy way to gauge this, but a good proxy was for researchers to code each organization that received a grant as Native American-controlled or not. A total of 1,639 unique organizations were in the Foundation Center data, and First Nations researchers coded all organizations by conducting internet searches and examining the following: 1) each organization's board list and if board member tribal affiliation was listed, and 2) each organization's mission and programs if the organization was exclusively focused on serving Native people and communities or not. This helped us assess whether the organization was solely Native American-focused or not. Researchers could not find or identify information on 44 of the recipient organizations, so they were excluded from this analysis.

- Of the total organizations coded, 599 were clearly identifiable as Native- controlled (having a majority Native board and a mission and programs solely focused on serving Native American people or communities). A total of 996 recipient organizations were coded as non-Native American-controlled.[3] Ninety-seven organizations met at least one criteria, 88 were Native-focused without a majority Native American board and nine organizations had a majority Native board but were not specifically Native-focused.

- The majority of grants were awarded to Native-controlled organizations from 2006 to 2014. Fifty-five percent of total grants awarded went to Native American-controlled organizations and 45% of total grants awarded went to non-Native American-controlled organizations.

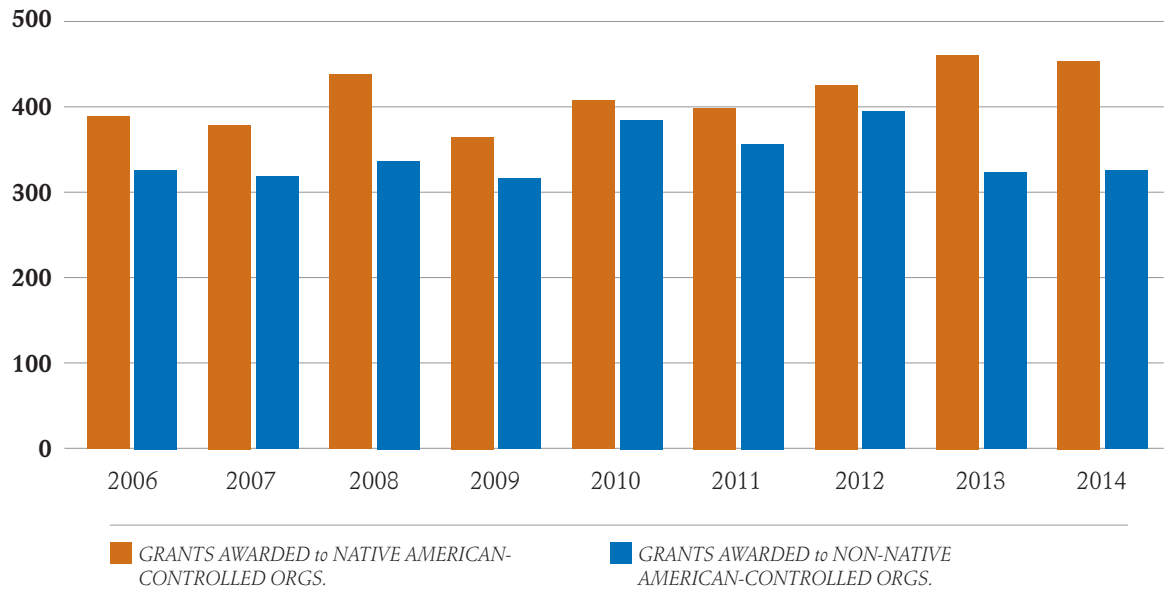




- As noted in Figure 3.2, prior to the Great Recession, large foundations awarded roughly 74 more grants to Native-controlled organizations. Following the Great Recession, large foundations have awarded roughly 58 more grants to Native-controlled organizations annually.
- Looking at the flow of resources from 2006 to 2014, 50% of total grant dollars were awarded to Native American-controlled organizations, averaging $46 million a year. The other 50% of grant dollars awarded went to non-Native American-controlled organizations.

FIGURE 3.2

Annual Foundation Grants Awarded *to* Native-Controlled and Non-Native-Controlled Organizations



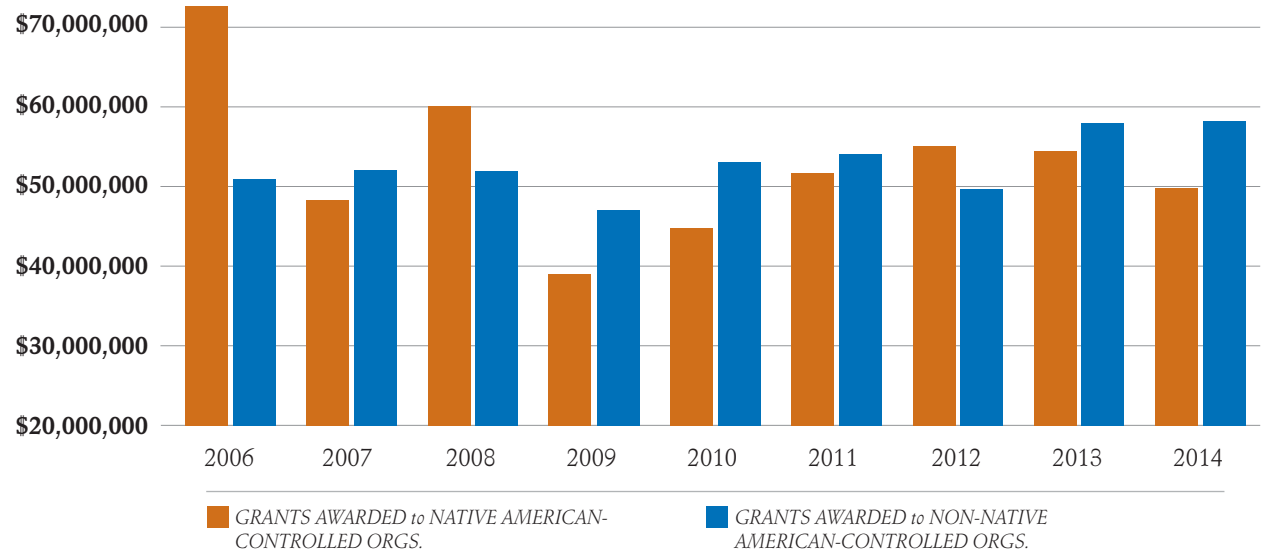
Looking at the flow of grant dollars year over year, there is greater variation in the flow of resources to Native American-controlled and non-Native American-controlled organizations.

- As noted in Figure 3.3, the majority of resources went to Native American-controlled organizations in only three of the nine years under study.
- In 2006, there was an unusually high level of giving to Native American-controlled organizations. Looking at giving from 2007 to 2014, non-Native-controlled organizations received roughly 53% of all grant dollars awarded whereas Native-controlled organizations received about 48% of total grant dollars awarded.
- As noted in Figure 3.3, in almost every year, non-Native-controlled organizations received the lion's share of grant dollars. In six of the nine years, non-Native-controlled organizations received the majority of grant dollars.
- The average grant to Native American-controlled organizations was roughly $112,000 and the average grant to non-Native American-controlled organizations was $134,000 ($22,000 higher).

In other analysis, we also found that the majority of grants totaling $400,000 or greater went to non-Native organizations. Fifty-five percent of all grants of $400,000 or greater went to non-Native American-controlled organizations. In sum, given that the majority of resources annually went to non-Native-controlled organizations, and the majority of large grants went to the same organizations, funding volatility by the philanthropic community has a disproportionate effect on Native-controlled organizations in many years.[4]

FIGURE 3.3

Annual Foundation Dollars Awarded *to* Native-Controlled and Non-Native-Controlled Organizations



Native-controlled nonprofits have long heard criticism from foundations about the difficulty of funding in Native communities. Foundations often note that Native-controlled organizations lack organizational stability, capacity and consistency in programs and services. But we must acknowledge that philanthropic funding plays a significant role (albeit not the only role) in the stability of these organizations. ***What this data makes clear is that Native-controlled organizations are in a catch-22 situation – they can't increase organizational stability, capacity and services without more resources, and philanthropy may not be willing to invest more resources in Native organizations because of perceived instability and risk.*** The findings suggest a need for increased acknowledgment and discussion about this dilemma that Native-controlled nonprofits face as it relates to philanthropic perceptions and hesitancy to invest in Native-controlled organizations.

How has the landscape of RECIPIENT ORGANIZATIONS CHANGED OVER TIME?

How has the arrival of new organizations altered the landscape of recipient organizations? Have more Native American-controlled or non-Native American-controlled organizations emerged over time to receive foundation support in the name of serving Native America?

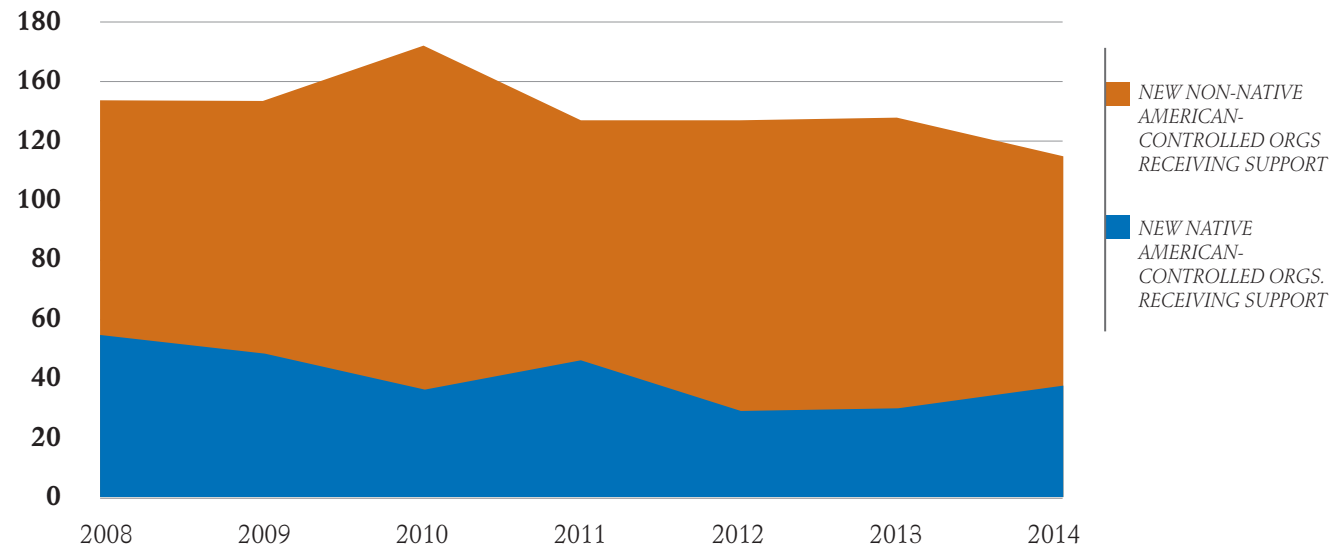
There is no easy way to examine the number of new organizations that emerge on the philanthropic scene over time. One way to at least arrive at a baseline of new arrivals over time is to take recipient organizations that were awarded a grant in 2006 and 2007 and then count how many new unique organizations received grant support from large foundations from 2008 to 2014.

In 2006 and 2007, a total of 639 unique organizations received large foundation support. A total of 272 were Native American-controlled organizations and 367 organizations were non-Native American-controlled organizations. From 2008 to 2014, new organizations did enter the funding portfolios of large foundations to receive support in the name of serving Native Americans. A total of 996 unique new organizations received support from large foundations from 2008 to 2014. Again, these are organizations that did not receive support in 2006 and 2007. The vast majority of new organizations that received foundation support were non-Native American-controlled organizations. A total of 700 new non-Native American-controlled organizations received foundation support in at least one of the years from 2008 to 2014. Roughly 300 new unique Native American-controlled organizations received foundation support from large foundations from 2006 to 2014.

This data indicates that there are new organizations that enter the landscape vying for resources to serve Native American people and causes. ***However, over 75% of these new organizations are non-Native American-controlled organizations (see Figure 3.4). What this suggests is that non-Native American-controlled organizations are more fluid in their ability to swoop in and out of Indian Country and acquire resources in the name of serving Native American issues or people.*** Moreover, this data tells us that new non-Native American-controlled organizations are more likely to receive foundation support than new Native American-controlled organizations (though of course we don't know the types of organizations that applied for and were subsequently denied funding).

FIGURE 3.4

New Organizations Receiving Funding *to* Support Native American Causes | 2008-2014 |



FOUNDATION INVESTMENT *by* STATE
| 2006-2014 |

Table 3.1 shows the flow of foundation grants and grant dollars from 2006 to 2014 from a geographic perspective. In total, organizations in the top 10 recipient states received about 76% of all grant funds directed to benefit Native causes from 2006 to 2014. Cumulatively, organizations in New Mexico received the most foundation funding at roughly $100 million, $20 million more in grant funds than organizations in the second-leading recipient state, Colorado.

The most grants went to organizations in Minnesota (1,074 grants), California (973 grants) and New Mexico (635 grants). Grants to organizations in Alaska (476grants), Arizona (452 grants) and Colorado (437 grants) rounded out the top six in total grants awarded. This is correlated with Native American population size within states. Most other states only received a fraction of these totals.

Looking at the average grant size, drastic differences exist. For example, the largest average grants were awarded to organizations in Kentucky ($360,000), District of Columbia ($318,000), New Jersey ($317,000) and Indiana ($246,000). Looking at recipients in these states, the data indicates that grants were awarded to both Native and non-Native organizations, including state and federally-recognized tribes and community organizations, as well as religious groups, mainstream universities and other organizations.

TABLE 3.1

States Ranked *by* Grants Awarded
to Native American Organizations and Causes | **2006-2014** |

State	Estimated Annual Giving	Total Grants Awarded	Average Grant Size
NM	$99,900,000	635	$158,000
CO	$79,400,000	437	$182,000
MN	$77,100,000	1,074	$72,000
DC	$70,200,000	221	$318,000
CA	$68,800,000	973	$71,000
AK	$63,300,000	476	$133,000
SD	$46,500,000	394	$119,000
AZ	$41,600,000	452	$93,000
WA	$41,400,000	285	$146,000
NY	$37,700,000	174	$217,000
MT	$31,400,000	318	$99,000
OR	$23,100,000	208	$112,000
IN	$20,400,000	83	$246,000
ND	$19,500,000	87	$225,000
MA	$11,700,000	78	$150,000
HI	$10,700,000	139	$77,000
NE	$9,000,000	56	$161,000
OK	$8,200,000	111	$74,000
TX	$8,000,000	97	$83,000
VA	$6,700,000	39	$172,000
IL	$6,000,000	51	$118,000

CONTINUED...

State	Estimated Annual Giving	Total Grants Awarded	Average Grant Size
UT	$5,700,000	95	$60,000
NC	$5,500,000	58	$95,000
WI	$4,700,000	78	$61,000
MI	$4,400,000	33	$134,000
ME	$3,300,000	65	$51,000
PA	$3,200,000	34	$95,000
MD	$3,000,000	27	$112,000
CT	$2,500,000	12	$209,000
OH	$2,300,000	18	$128,000
MO	$2,300,000	21	$110,000
WY	$2,000,000	15	$134,000
NJ	$1,900,000	6	$317,000
KY	$1,800,000	5	$360,000
FL	$1,200,000	13	$93,000
ID	$1,200,000	21	$58,000
LA	$1,000,000	12	$84,000
NV	$600,000	17	$36,000
GA	$500,000	5	$100,000
MS	$400,000	2	$200,000
AL	$400,000	5	$80,000
AR	$400,000	9	$45,000
TN	$300,000	3	$100,000
NH	$300,000	10	$30,000
IA	$200,000	3	$67,000
DE	$200,000	4	$50,000
RI	$200,000	6	$34,000
SC	$100,000	2	$50,000
VT	$100,000	2	$50,000
KS	$100,000	3	$34,000

WHAT DIFFERENTIATES RECIPIENTS?

Are there organizational characteristics that help us understand why some organizations receive more grants than others? We assessed several characteristics of two groups: 1) the top 37 grant-recipient organizations, all of which received at least 25 grants from 2006 to 2014; and, 2) a random sample of 37 organizations that received between two and 10 grants from 2006 to 2014.[6] More specifically, we wanted to see if older organizations were more likely to receive a grant than younger organizations; if national organizations received more grants than regional or internationally-focused organizations; if there was a difference in levels of support in organizations that had a direct and specific Native American focus compared to those that do not; if those with larger organizational assets received greater foundation support than those that have smaller organizational assets; and if organizations with presence and ranking on charity watchdog sites led to increased level of support from large foundations.

Organizational factors that *DID NOT* help understand who received a grant:

- First Nations assumed older organizations were more likely to receive a foundation grant because funders would be more comfortable funding a well-established organization with a track record. The average founding date of organizations at both the top and bottom of the recipient lists was 1984. Thus, age of organizations tells us very little about why some organizations receive a grant while others do not.
- First Nations expected top grant recipients to have more financial assets as this may signal financial health or stability to funders. However, the median asset holdings for top recipients barely differed, with $2.1 million compared to $2.0 million for those at the bottom of the recipient list.[7]
- First Nations also expected that charitable watchdog rankings of top grant recipients would have predicted receipt of a foundation grant. Yet, there was no substantial difference in charity watchdog rankings in differences in foundation support. Only five of the top recipients and 11 of the bottom recipients had a ranking on GuideStar, and 10 top recipients and only four bottom recipients had a score on Charity Navigator. This finding indicates a lack of representation on watchdog sites for all types of Native organizations seeking foundation funding. The small number of organizations that were ranked lacked distinction between top and bottom recipients, with top recipients averaging 2.2 out of a possible 4 on GuideStar (a "silver" ranking) and 3.1 out of 4 on Charity Navigator, contrasting with bottom recipients averaging 2.1 out of 4 on GuideStar and 2.75 out of 4 on Charity Navigator.

Organizational factors that *DID* help understand who received a grant:

Analysis of top and bottom recipients only differed significantly on indicators of geographic areas served by their organizations (local/regional vs. national) and whether their organizational missions specifically addressed improving Native causes.

- A greater concentration of national-serving organizations were listed on the top grant recipient list (41% of the total) compared to the bottom (27%). This may indicate that foundations prefer to fund nationally-focused organizations that can have a wider geographic impact or diversification in areas served.
- Additionally, organizations with a direct focus on serving Native communities represented 89% of organizations in the top recipient list as opposed to only 51% of the organizations contained in the sample of bottom recipients. This finding suggests that organizations with a more generalized mission of serving a variety of communities are less likely to receive funding for projects specifically contributing to Native causes.

FACTORS THAT *DO NOT* AFFECT RECEIVING A GRANT

VS.

FACTORS THAT *DO* AFFECT RECEIVING A GRANT

Average Age of Organization in Years

TOP RECIPIENTS	BOTTOM RECIPIENTS
30	**30**

Organizational Assets Size

TOP RECIPIENTS	BOTTOM RECIPIENTS
$2.1 million	**$2.0 million**

Charity Watchdog Rankings

TOP RECIPIENTS	BOTTOM RECIPIENTS
Not many organizations represented on lists	*Not many organizations represented on lists*

Nationally-Focused Organization[8]

TOP RECIPIENTS	BOTTOM RECIPIENTS
41% of recipients had a national focus rather than a local or regional focus	**27**% of recipients had a national focus rather than a local or regional focus

Native-Focused Mission

TOP RECIPIENTS	BOTTOM RECIPIENTS
Organizations with a direct focus on serving Native communities represented **89**% of organizations in the top recipient list	**51**% of the organizations contained in the sample of bottom recipients had a direct Native community focus

In sum, this data highlights that in most years non-Native American-controlled organizations receive a greater share of philanthropic grant dollars and larger average grants when compared to Native American-controlled organizations. The data also shows that foundations are willing to award slightly more grants to Native American-controlled organizations but provide them smaller dollar awards. Although Native American-controlled organizations are working to initiate and deliver innovative programs to empower and build local communities, a large amount of the limited philanthropic support is being diverted to non-Native American-controlled institutions. In fact, our data suggests that funding to non-Native-controlled organizations remained relatively constant from 2006 to 2014. The outcomes of support to these types of organizations are relatively unknown and at best ambiguous. The data also highlights that funding to Native-controlled organizations has been the most volatile year over year. The data notes that Native-controlled organizations are the most vulnerable when it comes to funding levels annually.

Cumulatively, these findings suggest that Native American-controlled organizations are the most vulnerable in terms of predicting foundation support. These organizations receive the least amount of foundation grant dollars and funding to these organizations seems the most volatile and overall on the decline. While non-Native American-controlled organizations may do exceptional work, more critical conversations should occur related to philanthropic equity between these two types of organizations. This raises real questions as it relates to issues of funding and recipient equity, not to mention continuing patterns of colonization. This highlights the continued need for more education and advocacy on giving to Native American-controlled organizations.

1 These are merely estimates of giving. First Nations noticed several coding errors and tried to correct them when encountered. It is important to note that tribal governments and agencies include other tribally-charted organizations like tribal colleges and tribal museums.
2 For example, see CNN. "U.S. Indian School's Fundraising Letters Sent to Millions Signed by Fictitious Kids," November 17, 2014. http://www.cnn.com/2014/11/17/us/south-dakota-indian-school-fundraising-investigation/index.html.
3 First Nations and outside researchers code the data to ensure coder reliability. It is important to note that classifying some organizations was extremely difficult. Where board tribal affiliation was not listed, but mission was focused on Native Americans, researchers conducted a Google search for board members to determine if the boards of director were over 50% Native American. Finally, there were a number of religious-affiliated organizations that did not list a board but rather opted to list an advisory committee (or some variation of advisors). In cases where a religious organization was clearly an independent nonprofit, a determination was made about its individual organization and board of directors. If a local organization was not independent, for example, a local branch of a larger religious institution, these organizations were classified as not having a majority Native board (even if listing a council of advisors). A handful of organizations were no longer operating and if a determination of board of directors could not be made, these organizations were excluded. Finally, a number of grants were made to divisions of the federal government including health facilities run by Indian Health Services (IHS). If a health facility was run by the tribe, this was classified as Native-controlled (and naturally independent determinations were made by independent health facilities). If the facility was run by the federal government (like an IHS facility), the organization was labeled as not having a majority Native board.
4 Grants over $400,000 are 18% of total grants in the dataset. In six of the nine years under study, non-Native-controlled organizations received the lion's share of these significant grants annually. Native controlled-organizations received more grants of $400,000 or greater in only three of the nine years.
5 West Virginia is not included and did not receive any grants for Native American organizations and causes.
6 There were 651 organizations that received at least two and no more than 10 grants with a Native-focus from 2006 to 2014. Each organization was assigned a unique number and we used a random number generator to select 37 organizations for comparison to the top 37 recipients. Note: tribal governments were skipped if randomly selected since they differ significantly from organizations in the list of top 37 recipients.
7 For this analysis, we looked at public rankings listed on two of the most prominent and well-respected watchdog websites, Charity Navigator and GuideStar.
8 First Nations did examine signification multi-year grant support to both national and local/regional Native American controlled organizations. In most every year, significant grant support was split 50/50 between these two types of organizations. We did not investigate these dynamics among non-Native American-controlled organizations.

4 Duration and Focus *of* Grants
to Native American Organizations and Causes

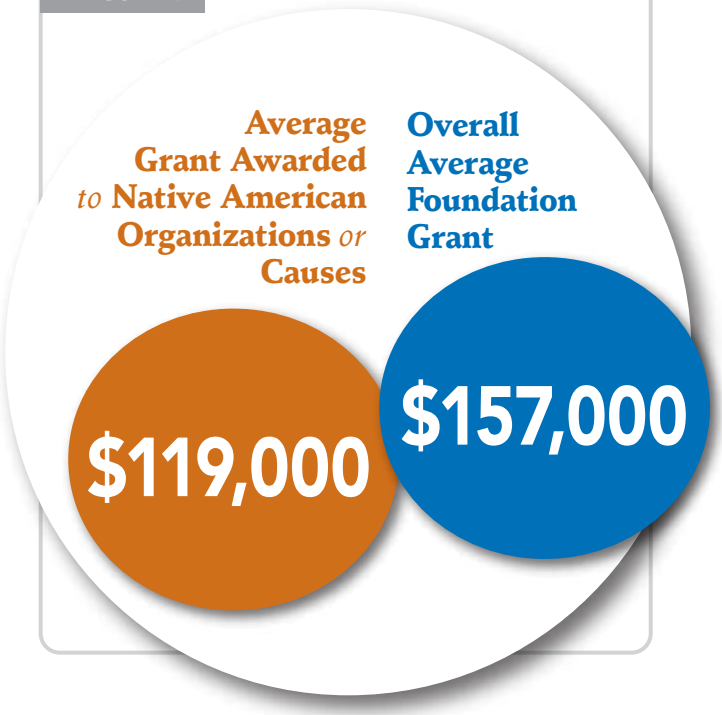
KEY FINDINGS

First Nations Development Institute

First Nations examined the size, length and common areas of funding to Native American organizations and causes by large foundations from 2006 to 2014. We found that the overall average grant awarded by large foundations was larger than the average grant awarded to Native American organizations and causes, and the average duration of grants awarded to Native organizations and causes was 12 months. Moreover, we found that most grant funds were tied to programmatic support, especially in areas of education, health, arts and culture, and community and economic development.

Average Grant Size
| 2006-2012 |

FIGURE 4.1



From 2006 to 2012, the average annual grant awarded to Native American organizations and causes was $119,000. In comparison, the average grant made by large foundations from 2006 to 2012 was $157,318. The average grant to Native American organizations and causes was almost 25% less than other grants made by large foundations (or $38,000 less in real dollars).[1]

Excluding the three grants of $10 million or greater (one for $17.5 million and two in the $10 million range), the average annual grant declines to $113,374 from 2006 to 2014. Given that mathematical averages are sensitive to outliers in the data, another way to find a central tendency of giving to Native American organizations and causes is to look at the median. From 2006 to 2014, the median grant size to Native American organizations and causes was $40,000, demonstrating that when removing outliers, grants to Native American organizations and causes tend to be relatively small.

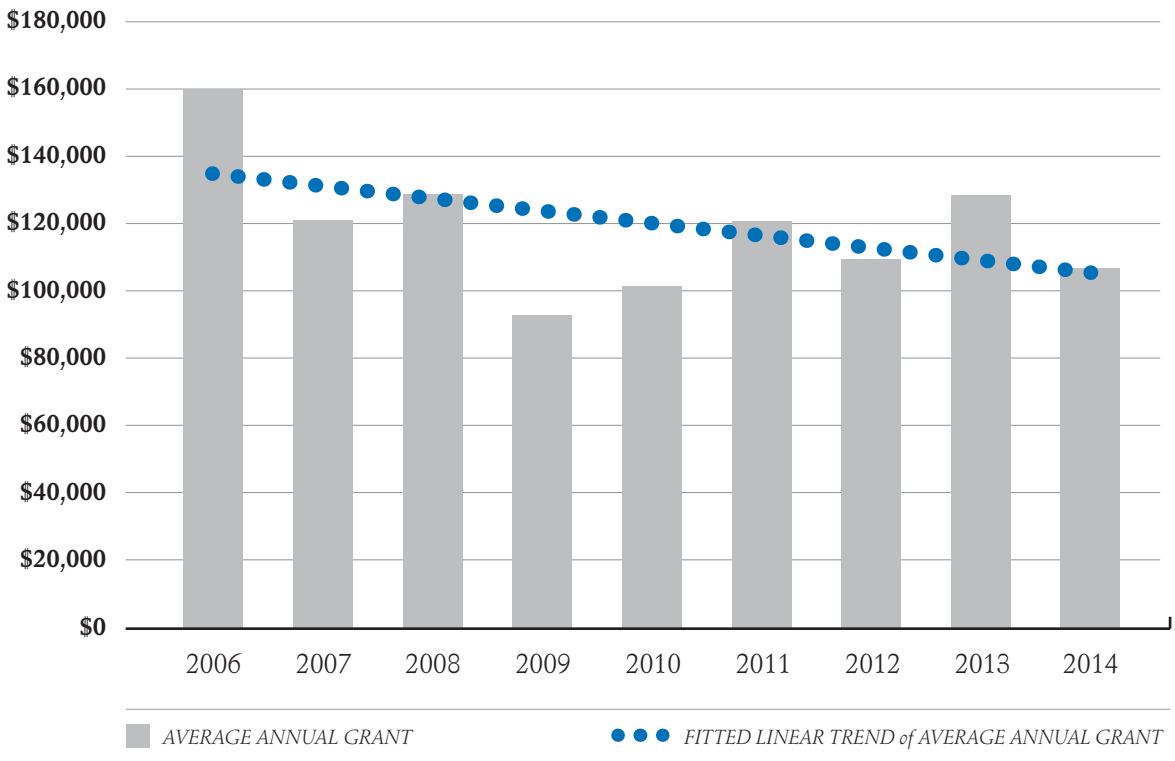
There was an overall annual downward trend in the average size of grants awarded to Native American organizations and causes over time.

On average, grants made to Native American organizations and causes had a 12-month duration.[2] Although there has been a tremendous amount of research acknowledging the need for multi-year funding to improve the health, growth and effectiveness of nonprofits, most grants awarded to Native American organizations and causes were still only 12 months in length.[3]

In sum, what this data demonstrates is that from 2006 to 2012, the average size of grants awarded to Native American organizations and causes declined and continued to be for a single year of support.

FIGURE 4.2

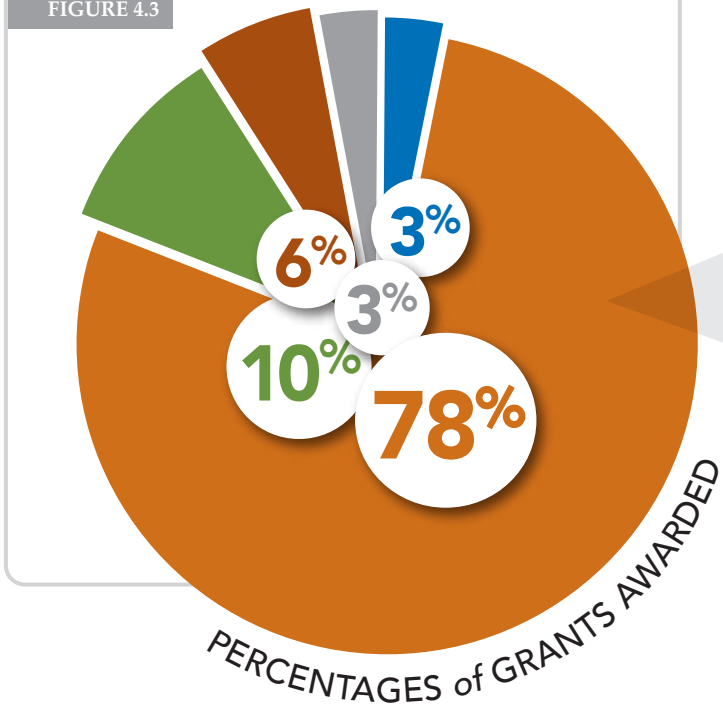
Average Annual Grant Amount *to* Native American Organizations and Causes | 2006-2014 |



SIZE *of* GRANTS
to NATIVE AMERICAN ORGANIZATIONS AND CAUSES

Range *of* Grants Awarded
to Native American Organizations and Causes
| 2006-2014 |

FIGURE 4.3



From 2006 to 2014, only 6% of all grants awarded to Native American organizations and causes were over $350,000. In total, 78% of grants awarded were $100,000 or less. More specifically, 13% of grants awarded were for $10,000, and 65% ranged between $10,001 and $100,000.

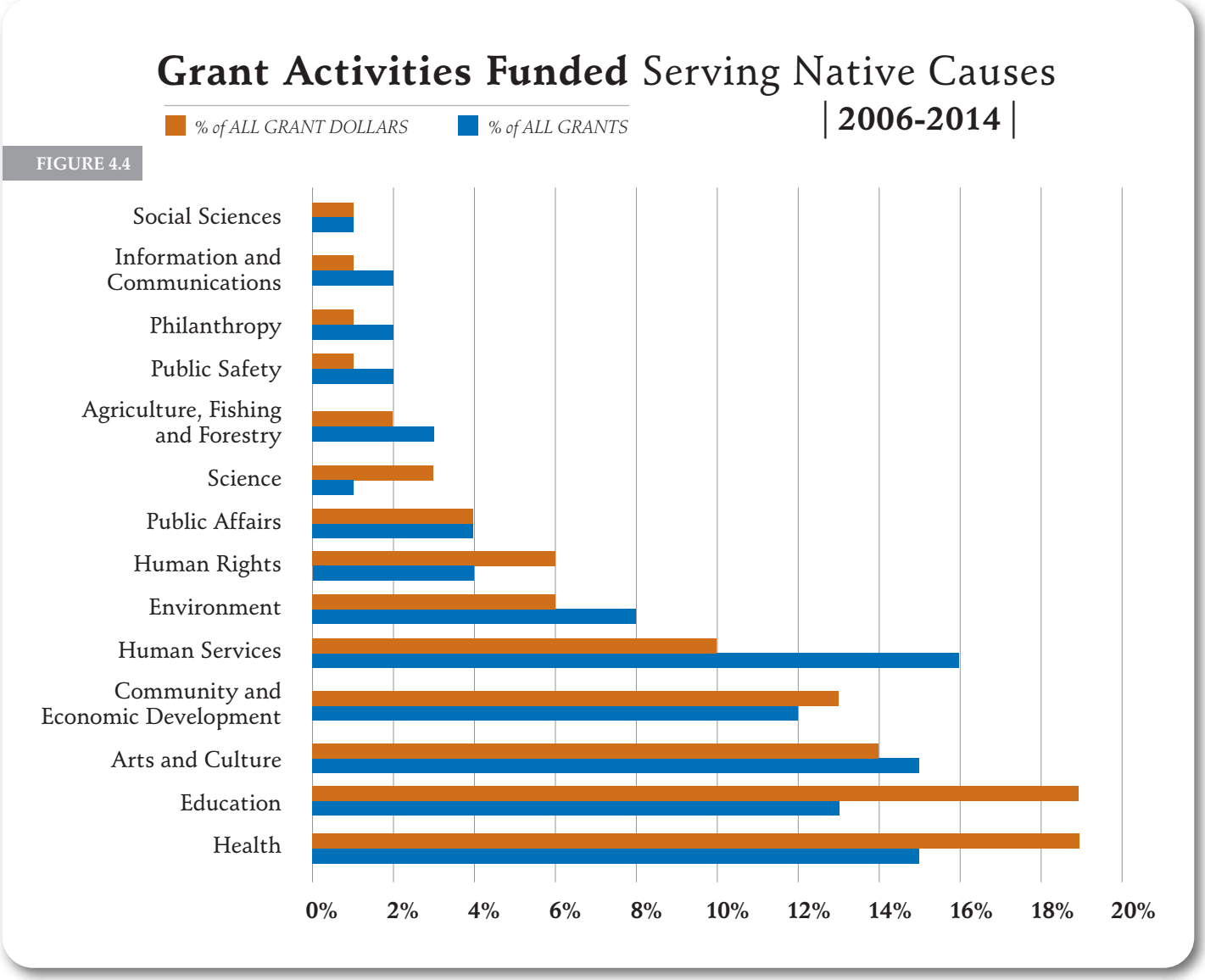
GRANT AMOUNT RANGES

78%	$100,000 or Less
10%	$100,001–$200,000
6%	$200,001–$350,000
3%	$350,001–$500,000
3%	> $500,000

WHAT DO FOUNDATIONS INVEST IN?

First Nations used the Foundation Center's taxonomy coding scheme to group grants awarded by primary grant activity.[4] Grant dollars were most commonly given to causes supporting health and education. Collectively, these two categories received 38% of all grant dollars – about $318 million between 2006 and 2014. Other types of grant activities that received substantial funding included arts and culture ($114 million), community and economic development ($107 million), and human services ($88 million). In total, these five activity categories shared nearly three-quarters of all grant dollars given to Native American organizations and causes.[5]

FIGURE 4.4



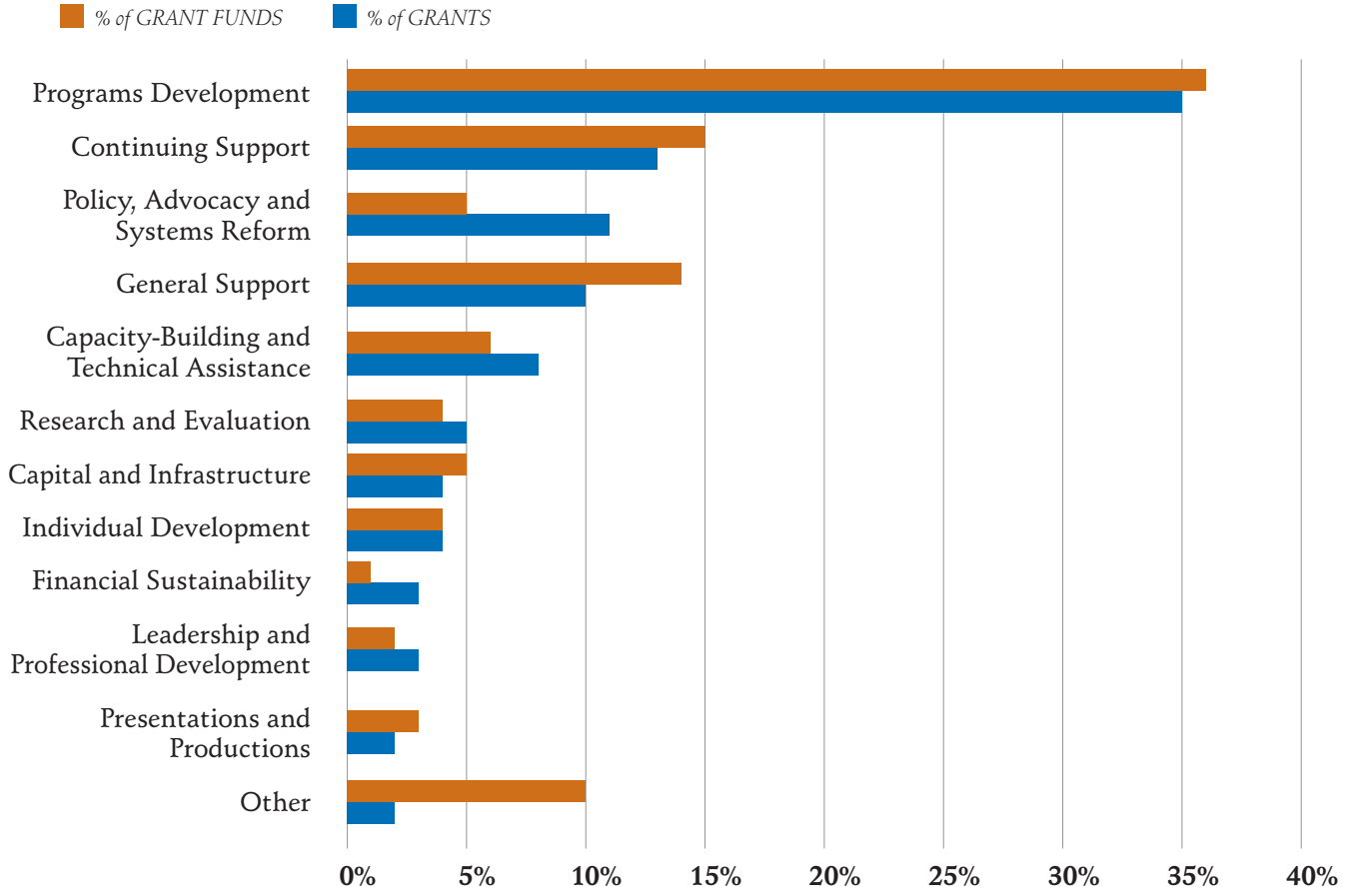
Though initiatives focused on improving education and health received the most grant dollars, projects serving arts and culture (15%, 999 grants) and human services (16%, 1,116 grants), were awarded at the highest rate between 2006 and 2014. This data demonstrates that arts and culture and human services grants are frequently awarded at a smaller dollar value than awards in health and education.

First Nations also used the Foundation Center's taxonomy to examine types of support provided by large foundations. Foundations strongly prefer to provide grants to Native American organizations and causes when those grant funds are directly tied to supporting programmatic activities. From 2006 to 2014, 35% of all grant dollars and 36% of all grants awarded to Native American organizations and causes were tied to programmatic support (including program development, curriculum development, pilot programs and program expansion).[6] These awards at least doubled all other types of support. Moreover, the other top areas where foundations directed financial resources were for ''continuing support," which the Foundation Center defines as "support provided for the same purpose as in the previous year or years, or support renewed for another year or years."[7] "Continuing support" grants are not multi-year grants as organizations have to reapply for continuing support grants. Grant funds for "continuing support" accounted for 15% of all grants and, similarly, 13% of all grant funds. The third-highest support area noted in the Foundation Center data was for general support, which made up roughly 14% of all grants and 10% of grant funds. Policy and advocacy efforts accounted for 5% of all grants and 11% of all grant funds. Other top areas to receive foundation funding hovered around 5% of total grant dollars and total funds.

FIGURE 4.5

Types *of* Grant Support Awarded *to* Native Communities | 2006-2014 |

NOTE: Some grants fund multiple types of support so the cumulative % will total more than 100%.



Overall, what this data documents is that foundations had a significant preference to support efforts directly tied to programmatic initiatives. Program support was nearly double other types or areas of support. Foundations may be drawn to support program work for a variety of reasons. This may be the request of the recipient organizations; foundations may view program work as a "safer investment" given that grant funds are tied to program or service delivery; or this is just reflective of larger foundation trends that prefer programmatic support versus other types of support.

General operating funds still remain underfunded when compared to the larger nonprofit sector. Only about 14% of all grants, and 10% of all grant funds, are directed to general operating support for Native American nonprofits or similar organizations working on Native American causes. Hicks and Jorgensen (2004) remind us that the lack of investment in general operating support can lead to administrative burden and less flexibility in using funds for organizational (and community) needs and priorities. The overreliance of programmatic support can have an effect on the overall financial strength of an organization and can drive organizations to "mission creep" in their continued search for programmatic funds.[8]

Research by the National Committee for Responsive Philanthropy has documented that general operating support accounts for about 16% of total foundation giving. Grants to Native American organizations and causes fall short of this sector-wide average. This begs the question of why large foundations are less willing to provide general operating support to Native organizations and causes. The lack of general operating support has real consequences for organizations serving Native causes. For example, the lack of general operating support would theoretically have a negative effect on stability, impact and growth of organizations. Additional research is needed to understand the lack of investments of operating support in Native American organizations and causes and the extreme consequences of this underinvestment in already vulnerable institutions.

1 The overall average foundation grant was calculated as a function of total foundation giving.
2 Important to note is that roughly 25% of the grant records had no grant duration listed (either there was no data or there was a -1 or 0 entry).
3 For more discussion on the benefits and need for multi-year funding, see National Committee for Responsive Philanthropy (NCRP), *Criteria for Philanthropy at Its Best: Benchmarks to Assess and Enhance Grantmaker Impact* (2009).
4 To explore Foundation Center's classification coding for grant activity, visit http://taxonomy.foundationcenter.org/subjects.
5 Grant activities supporting international relations, sports and recreation and religion were not included in the chart as they received minimal grants and grant dollars.
6 The Foundation Center dataset allows for up to five types of support strategies to be selected per grant, with no designation for "primary" type. Also important to note is that many grant records contained no support strategy leading to missing data for many grant records. Nonetheless, the data presented incorporates grants identified as directed toward multiple types of support and will total more than 100%. "Other" category in chart includes the following support strategies areas: product and service development, regranting, outreach, network-building and collaboration. These areas individually received less than 2% or less in terms of percent of grants and percent of funds, so were grouped as "other." One exception was outreach, which received 7% of grants as a support strategy but only 1% of grant funds but was still included as "other."
7 Please see http://taxonomy.foundationcenter.org/support-strategies for Foundation Center's definitions for different types of support categories.
8 Sarah Hicks and Miriam Jorgenson, *Philanthropy in Indian Country: Who Is Giving? Who Is Receiving?* (St Louis: Washington University, 2005);

Toward a More Equitable System *of* Philanthropy:

A View from Indian Country

Conclusion

First Nations Development Institute

The data in this report reveals some startling trends relating to philanthropic support of Native American organizations and causes. With grant dollars awarded to Native American organizations and causes in decline, how do we start to initiate change and develop a more equitable system of philanthropy?

First, it must be acknowledged, that inequities and exclusion do exist in philanthropy. At its heart, philanthropy is about the distribution of resources, which means philanthropy is about power. Recognizing this, further examination of how philanthropy continues to exclude (intentionally or not) people, communities and voices is needed.

Second, Native communities must continue to have hope that the accumulation of data about philanthropy and the Native nonprofit sector will spark change. Values around hope and resilience have always been core to the nonprofit sector in Native communities. These values have continued despite scarce resources in local communities. In Native communities, Indigenous knowledge and value systems continue to spark innovation with the goal of building a self-determined, Native-led future.

Following the civil rights movements of the 1960s and 1970s, Native communities looked for and created community development models to decrease dependence on the federal government and provide relief to overburdened and underfunded tribal governments. The emergence of nonprofits in Native communities was a means to initiate new community and social development methods and frameworks that put Native people themselves in the driver's seat of local development.

This was a revolutionary idea in that it was a direct reversal of nearly 500 years of colonial rule in which federal Indian policy further entrenched Native people and communities into cycles of dependency and despair. Almost 50 years have passed since this movement emerged to lift up the formal charitable sector in Native communities with the hope and fervor of Native community survival. Today community programs are creating systemic change in the face of declining philanthropic investment. The possibilities for these communities would increase further with more equitably resourced philanthropic support.

Research shows that the early periods of Native charitable sector development were met with philanthropic support and encouragement, which increased over time from 1989 to 2000.[1] In fact, Native American organizations found support from some of the largest foundations and much of this support continues today.

Why has the philanthropic community at large stopped or slowed its support for Native-led change? There are many possible reasons. More business-oriented approaches in philanthropy have shaped a focus on rapid and performance-based societal changes for renewed or increased grant funding.

There has also been an increase in what some have termed the "philanthropic industrial complex," in which foundation staff have assumed they have the right answers to complex local and structural social challenges. This has further excluded community-based organizations, limiting their agency and knowledge. These foundation-led approaches have targeted "easy wins" and interventions rather than challenging entrenched and historical inequalities.[2] Moreover, there continues to be a lack of knowledge about Native people and communities and a lack of Native representation within the philanthropic sector. These and other factors continue to limit visibility and knowledge of Natives people and communities.

Regardless of the cause of philanthropic decline in Native-led change, how do we turn the tide and make a more inclusive system of philanthropy that includes Native people, communities and knowledge systems? This is a complex question, but there are some mensurable steps foundations may take to ensure greater Native inclusion.

RECOMMENDATIONS

Invest *in* NATIVE-LED CHANGE

To change practice, Indian Country needs an increasing number of funding partners to invest in Native community-based organizations. Moreover, Native communities need renewed commitments from some old partners, which include America's largest foundations. There needs to be more alignment of Native communities and the funding portfolios of foundations.

Part of investing in Native-led change requires understanding that change may look different in Native communities. This means the issues Native people and communities face, as well as solutions, may differ from those of other communities. But the solution is not to let fear and lack of knowledge detour philanthropy from supporting the innovative community-led work occurring in Native communities.

Foundations may have to consider creating designated funds and programs that target Native communities and causes. No doubt, the work of Native communities fits within the existing funding priorities of foundations, but all too often, Native communities are still not represented in these funding portfolios. As a result, designated funding and programs may be needed as mechanisms to guide increased inclusion and equity for Native people (at least in the short-term).

Increase Native Representation *in* PHILANTHROPY

Studies documenting employee and boardroom diversity (foundation or otherwise) note that diversity increases perspectives, leads to stronger community connections and partnerships, and increases access to opportunities and resources. Therefore, actively working to increase Native employment within foundations and the number of Native people on foundation boards can increase connection, understanding and partnership between Native communities and philanthropy.

A newly formed Native American Program Officer group has identified less than 40 Native American individuals working in roughly 11 philanthropic institutions (as program officers or in other senior leadership positions). Of these, only four are CEOs. The most current research on foundation board diversity notes that Native Americans account only for 5/100^{ths} of one percent (.05%) of total foundation board members.[3] This data makes clear that there needs to be greater Native representation within the philanthropic community.

Increasing representation of Native people in philanthropy may not be the short or easy answer to increasing connection to Native communities. Native program officers and board members have cited their own feelings of isolation and silence within philanthropy. But increasing the number of Native people in philanthropy, and authentically including their voices and knowledge, can have long-term benefits for both philanthropy and Native communities.

Increase Knowledge *in* Philanthropy *of* NATIVE PEOPLE, ISSUES *and* COMMUNITIES

Forthcoming research by First Nations Development Institute and Frontline Solutions notes that individuals working in philanthropy have very little knowledge of Native American communities and issues. In fact, the knowledge of individuals in philanthropy most mirrors knowledge of Native people among the general public. Under the "Reclaiming Native Truth" project, co-led by First Nations and Echo Hawk Consulting, we found that the average American citizen knows very little factual information about Native American people. For example, over 50% of the general public think that Native Americans receive government benefits such as free education, or other "Indian Money" that is not available to other U.S. citizens. This and other stereotypes are rampant among all levels of American society. False and stereotypical knowledge is reinforced by education systems, popular culture and media who have either excluded or falsely depicted (either romanticized or villainized) Native people and their histories.

For practice to change, philanthropy and Native community leaders can work together to overcome these knowledge gaps and provide more accurate representations of Native people in philanthropy and beyond.

Listen, Learn *and* Act

Philanthropy can move to be inclusive of Native American ideas, frameworks, creativity and knowledge systems. To do this, there must be a willingness to listen and learn from Native people and community practices. The willingness to listen and learn helps develop trust and partnership over time and allows individuals to learn how history and other circumstances have informed current situations in Native communities. Listening and learning also allows Native community practitioners to inform philanthropy about how their methods and practices were developed and have changed over time. Part of listening and learning acknowledges that Native people are experts in creating interventions that are culturally relevant and responsive to community needs. Listening and learning are fundamental steps in ensuring that investments in Native communities are transformational rather than transactional.

EVALUATE INVESTMENT POLICIES *and* MAKE *a* COMMITMENT *to* Socially Responsible Investing

In February 2017, the nine-member Seattle City Council voted unanimously to end the city's relationship with a banking institution because the bank was involved in financing the Dakota Access Pipeline. This came after momentum was built by water protectors and individuals advocating to stop construction of the Dakota Access Pipeline on the Standing Rock Sioux Reservation. Activists documented and released the names of financers of this pipeline, which included 15 major financial institutions. With this new information, activists started a movement calling for the divestiture of assets from the financial institutions that were supporting disruption and contamination of Standing Rock lands.[5]

In similar actions, foundations can look at their banking institutions and their investment portfolios to ensure their investments are not furthering Indigenous oppression and colonization.[6]

Long-Term Changes *Require* Long-Term Commitment

Improving health and well-being is a slow process because they involve indicators that do not change rapidly. Changes to health and rates of poverty or income, for example, will not happen over a single year or two-year grant period. Indian Country needs more foundations to develop long-term partnerships with Native communities and organizations. Strategies to eliminate poverty, improve health or change food ecologies require a long-term commitment to change.

Commitments include funding and other long-term indicators of partnership and collaboration. It has only been in the last 45 years that Native people have started to defy federal control (or colonialism) and engage in self-guided and self-determined methods of community and economic development. That is a short time horizon. It will take time to turn the tide and reverse centuries of colonization and improve Native community, economic, health and overall well-being. This will take a commitment for long-term change from philanthropy.

Current Foundation Partners *can be* ADVOCATES

Peer networks matter in philanthropy and new research commissioned by the William and Flora Hewlett Foundation suggests that foundation peers are the most consulted and trusted sources of information for other foundation staff and board members.[7] Given the marginal number of Native people in foundations and on foundation boards, Native communities need current supporters to advocate and encourage their peer institutions and colleagues to invest in Native communities. This includes lifting up why current investors support Native communities and calling on their peer institutions to also invest in Native communities.

National Affinity Groups *as* Allies *to* RAISE AWARENESS

The Council on Foundations, Independent Sector and other affinity groups can play an important role in collaborating with Native communities. These organizations play a huge role in disseminating information, convening and elevating conversations in philanthropy. Affinity groups cannot forget about Native voice as they engage in their important work at local, regional or national levels.

In reviewing agendas for philanthropy's largest conferences (including Grantmakers for Effective Philanthropy, Council on Foundations and Independent Sector), only one organization has featured Native American presenters on panels. While there is no shortage of sessions on diversity, Native Americans still struggle to be included on the agendas of these national platforms. These organizations can collaborate with Native communities to elevate the Native voice and recognition, and host organizations should consider how their own practices can lead to exclusion. These kinds of changes will go far in expanding whose voices are heard in national forums.

These methods to change practice are just a few steps in the overall goal of creating more inclusive systems and greater opportunities in philanthropy. Working toward these objectives can be a counter to the decline in funding for Native American organizations and causes documented throughout this report. As Native communities are included, strategies will continue to grow and evolve. Nonetheless, there is a lot of work to be done to expand inclusion and equity for Native American communities within philanthropy.

1 Sarah Hicks and Miriam Jorgensen, "Philanthropy in Indian Country: Who Is Giving? Who Is Receiving," in *Meeting of the Association for Research on Nonprofit Organizations and Voluntary Action, Los Angeles, California*, 2004.
2 Peter Buffett, "The Charitable-Industrial Complex," *New York Times* 26, no. 7 (2013).
3 D5 Coalition, "State of the Work: Inspiration and Ideas for Advancing Diversity, Equity, & Inclusion in Philanthropy," 2016, www.d5coalition.org.
4 Kris Putnam-Walkerly and Elizabeth Russell, *The Road to Achieving Equity: Findings and Lessons from a Field Scan of Foundations That Are Embracing Equity as a Primary Focus* (Putnam Consulting Group, 2016).
5 For more information see http://www.defunddapl.org/defund.
6 First Peoples Worldwide, *Investors and Indigenous Peoples: Trends in Sustainable and Responsible Investment and Free, Prior, and Informed Consent* (Fredericksburg: First Peoples Worldwide, 2007), http://www.firstpeoples.org/uploads/InvestorsAndIPs.pdf.
7 Harder + Company and Edge Research, *Peer to Peer: At the Heart of Influencing More Effective Philanthropy*, 2017.

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