



WELLS
FARGO

Indian Country's Once-in-a- Seven-Generation Opportunity

Building economic resiliency that sticks



Executive summary

The notion of resiliency is not new to Indian Country. For centuries, tribal communities and individual Native Americans and their families have bobbed and weaved when confronted with severe conditions and immoral treatment. Some did more than survive; they thrived in the face of adversity. Even so, the goal of mastering resiliency has not yet been achieved. While COVID-19 highlighted harsh realities of the disparate treatment of Indian Country, it also surfaced a once-in-a-seven-generation's opportunity to reimagine how Indian Country could position itself — not just for the immediate future but for decades and centuries to come.

The COVID-19 pandemic has magnified the longstanding economic and social inequities facing Native American communities in the U.S. For decades, the citizens of the 574 federally recognized tribes, 326 reservations, and state/statistical areas of Indian Country have faced deep disparities in health, education, and employment opportunities. As a result, Native populations have suffered suboptimal life outcomes.

Over time, however, the narrative of COVID-19 in Indian Country turned into a surprising success story. Public health innovations and rapid rollouts of vaccines transformed Native communities into role models. Their common capacity to adapt and recover from this existential and external threat revealed an underlying resiliency, a concept broadly defined as a community's ability to recover rapidly from external threats and shocks. With the core concept of resiliency now in sharper focus, political and cultural factors unique to Indian Country, including tribal self-

determination, sovereignty, and the cultural priority placed on communal values, can be seen as forming a foundation for securing future economic resiliency. This fundamental attribute of economic resiliency, one shared by robust economies, is a capacity to recover, withstand, or avoid external shocks. To build true resiliency, economies need to evolve along four dimensions: diversification, capacity building, leveraging capital, and partnerships.

Data gaps

Our analysis revealed that a longstanding obstacle to achieving economic resiliency across Indian Country has been a persistent lack of data. The economies of tribal nations differ from mainstream American ones because businesses owned and controlled by tribal governments, not individual tribal entrepreneurs, are the primary drivers and sources of economic activity. Revenue from these businesses, not tax revenues, provides the bulk of funding to tribal governments. Apart from administering justice and regulating the domestic affairs of their citizens, it provides essential services such as housing, infrastructure, health care, education, elder care, and cultural and language preservation.

Tribal governments are primarily funded through grants, investment returns, and distributions from these tribally owned businesses. Tribal governments and the businesses they own are not obliged to disclose financial information (unlike state governments or publicly held companies), so the data and information that investors would typically use to make investment recommendations is not available for Indian Country. Insights derived from

Executive summary (continued)

analysis that financial institutions would rely on to make investment decisions are absent when investors need to draw basic conclusions about the commercial prospects of tribal enterprises. A recent analysis by Wells Fargo revealed, for example, that the economies of many tribal nations and communities are heavily concentrated in industries vulnerable to the impacts of an economic downturn; in particular, gaming and tourism. With severe threats and shocks along the lines of 9/11, the Great Financial Crisis or the COVID-19 pandemic likely to be repeated in some form and with some frequency in the future, a clear key to achieving economic resiliency in Indian Country is diversification.

A digital desert

The pandemic buoyed companies, communities, and economies that successfully leveraged the digital revolution and disproportionately impacted people and places on the wrong side of the digital divide. Retail and other businesses with a strong online presence outperformed those that did not. The exposure of the depth of this digital divide underscored the urgent need for the public and private sectors to work together to provide freer, fairer access to broadband to people and communities left behind. By advancing equity to the digital economy, we can provide more equal access to education, drive opportunities for jobs and entrepreneurship, and connect tribes to the digital world. Broadband access will enable a wave of tech entrepreneurship, build foundations for professional, academic, and social networks, and provide access to digital banking, reducing the number of unbanked tribal households

and helping low-income households apply for government and nonprofit programs.

Fragmented capital landscape

Leveraging capital to drive investments in economically and socially desirable projects is a critical accelerator and amplifier of economic resiliency. Yet the fragmentation of Indian Country's capital landscape — featuring many different types of financial institutions with varying levels of presence and investment ranges and thresholds—has been an obstacle to investment and development. In this paper, we provide an overview of the capital landscape with a focus on exposing gaps that potentially provide opportunities for new players (private equity, venture capital, digital, and neobanks) to pursue, once longstanding barriers to investment have been resolved.

The opportunity set

An urgent need to close these gaps puts tribal nations on a path to new opportunities. These gaps provide a rationale supporting the decision-making framework presented below: to empower traditional and non-traditional stakeholders to effectively prioritize among the profusion of investment and development opportunities projected to open up in tribal communities over the near and long term.

Leveraging the limited data sources available, we designed 10 archetypes of tribal economies. Our intent is to avoid an overly simplistic, one-size-fits-all approach yet surface common challenges and opportunities for promising inter- and intra-tribal partnerships. Starting with a broad universe of opportunities ranging from infrastructure and

resources to manufacturing and construction, consumer goods marketing, and tech and other services, leaders can identify a specific and prioritized set of opportunities. The framework is designed to empower leaders and decision-makers to act on customized recommendations mapped against a given opportunity's resiliency potential, feasibility to implement, and cultural fit.

As with any community or nation, building true economic resiliency in Indian Country demands new ways of thinking to provoke new ways of acting. Tribes can start executing now on high-priority, high-potential opportunities including bridging the digital divide. National banks can start partnering with other capital providers to provide funding and share technology. Governments at all levels (federal, state, and local) can establish public-private partnerships to build out projects. All these constructive actions, taken together, will have the cumulative impact of contributing to a more prosperous, vital, and economically resilient Indian Country.

Overview

Introduction and barriers to economic resiliency in Indian Country: Overview and walkthrough of economic resiliency and the primary challenges facing Indian Country.

Role of capital providers: Review of the capital landscape available to Indian Country, focusing on the gaps and opportunities to better support economic resiliency.

Pathways to progress in Indian Country:

Overview of our three-phase analysis of opportunities for driving economic resiliency in Indian Country and prioritizing what to do through the lens of tribal nations and fit.

Section 1 Resiliency principles and key performance indicators (KPIs): Aligning on key themes and drivers of economic resiliency to lay groundwork for analysis.

Section 2 Baseline and tribal archetypes: Evaluating the current state of tribal nations leveraging a data-driven approach and grouping them into archetypes to simplify recommendations and opportunity prioritization.

Section 3 Prioritization framework and identification of key opportunities: Providing a prioritization framework that can be adapted to various tribes' circumstances and reviewing and highlighting key opportunities for economic resiliency with examples.

Making the changes stick: Recommendations for enabling factors that support and drive economic resiliency by improving self-determination.

Tactical next steps: Summary of conclusions and specific next steps for stakeholders to act on the recommendations put forth in this paper.



Table of contents

Introduction.....	page 8
Data gaps	page 10
A digital desert	page 14
Fragmented capital landscape	page 16
The role of capital providers	page 18
Pathways to progress in Indian Country.....	page 22
Making the change stick.....	page 44
Tactical next steps.....	page 48
Conclusion	page 50
Appendix.....	page 62

Introduction

In December 2018, the bipartisan U.S. Commission on Civil Rights issued a report that laid bare the clear-cut economic, social, and lifestyle disparities that divide Native Americans and Alaskan Natives from their fellow Americans. “Native Americans...rank near the bottom of all Americans in terms of health, education, and employment.... Native Americans have 1.6 times the infant mortality rate of non-Hispanic whites. The life expectancy for Native peoples is 5.5 years less than the national average. Native American students have the lowest high school graduation rates in the nation.... Many reservations [lack] adequate access to clean water, plumbing, electricity, internet, cellular service, roads, public transportation, housing, hospitals, and schools.”¹

The abrupt onset of the COVID-19 pandemic, which raged through Indian Country about a year later, shined a light on those harsh disparities. The Navajo Nation suffered the highest infection rates in the country; New Mexico Native Americans comprised one-tenth of the state’s population but over half its COVID-19 cases; Wyoming Native Americans accounted for less than 3% of the population but over one-third of its cases.² The Centers for Disease Control confirmed that the incidence of COVID-19 cases among American Indian and Alaskan Natives was 3.5 times higher than that of non-Hispanic whites.³

By the spring of 2020, however, a surprising success story was emerging from Indian Country. Native communities had demonstrated a remarkably high degree of resiliency when confronted with a grave public health threat. “Native American tribes, among the hardest-hit by COVID-19, are celebrating a pandemic success story,” reported The Washington Post. The Navajo Nation was 70% vaccinated; 95% of the Blackfeet Nation in Montana had received their first dose. Mississippi, with 70% of its eligible population fully vaccinated, was nearing herd immunity.”⁴ Bolstering these statistics was a deeper realization: that resiliency in one field — public health — forms a foundation for resiliency in another — economic development. The pandemic pulled into focus the overarching goal of economic resiliency.

Economic resiliency defined

What is economic resiliency? It has been defined as an economy’s ability to recover quickly from, withstand, or avoid severe external shocks, along the lines of a global pandemic or a national or international financial crisis. Since economic and societal shocks are nothing new and are bound to increase and continue, building the economic resiliency of Native communities and economies will be even more critical.

1. “Broken Promises: Continuing Federal Funding Shortfall for Native Americans” U.S. Commission for Civil Rights Briefing Report, December 2018.

2. “The COVID-19 Response in Indian Country: A Federal Failure,” The Center for American Progress, Sahir Doshi, Allison Jordan, Kate Kelly, and Danyelle Solomon, June 18, 2020.

3. “CDC data show disproportionate COVID-19 impact in American Indian/Alaska Native populations,” CDC Newsroom, August 19, 2020. <https://www.cdc.gov/media/releases/2020/p0819-covid-19-impact-american-indian-alaska-native.html>.

4. “How Native Americans launched successful coronavirus vaccination drives: ‘A story of resilience,’” Rachel Hatzipanagos, The Washington Post, May 26, 2021.

Like every crisis before it, the pandemic's power to drive economic and social progress is only as strong as the lessons learned from it and the changes implemented in response. To date, despite an outpouring of corporate contributions and pledges to support social and economic justice prompted by the widespread social unrest of 2020, Native American communities have not seen as much investment inflow as other disadvantaged populations. We seek to redress that imbalance here by highlighting the wealth of economic opportunities for investment and value creation that achieving resiliency will bring.

Three barriers to achieving economic resiliency in Indian Country

The pandemic underscored the degree to which three interconnected factors presented nearly insurmountable impediments to economic development and resiliency, for far too long: a lack of data, a lack of access to broadband, and a lack of access to and ability to leverage capital. Taken together, the three form a vicious cycle that has historically undermined potential development and resiliency.

Indian Country faces multiple challenges at a critical inflection point

Indian Country is a multi-faceted land...		...that has faced significant challenges in recent years...		...with opportunity to become more resilient in the future	
574	Federally recognized tribal nations and Alaskan Native villages	5.5 yrs	Lower life expectancy for Native Americans vs. national average	\$10Bn	At least \$10.5Bn directed to Indian Country for pandemic relief through the CARES Act ²
326	Reservations	81%	Of tribal areas have a broadband subscription, vs. 86% national average	\$32Bn	At least \$32.5Bn directed to Indian Country fiscal recovery efforts through ARPA ³
2.6%	Of US population identifies as AI/ AN alone or in combination with another race ¹	12.2 mi	Average distance from tribal reservation center to nearest bank , vs. 4-mile average	\$50M	Committed by Wells Fargo in 2018 for non-profits in AIAN communities

1. According to 2010 Census data

2. Coronavirus Aid, Relief, and Economic Security Act

3. American Rescue Plan Act

Source: National Congress of Indian Americans, "Broken Promises" U.S. Commission for Civil Rights Briefing Report December 2018

Data gaps

Our analysis revealed a deep-seated and longstanding obstacle to achieving economic resiliency across Indian Country: a pervasive lack of data. The National Congress of American Indians (NCAI) has decried the “invisibility to most other Americans [of Native Americans and Alaska Natives] due to an absence of data.” The Congress further stated that this “invisibility is perpetuated by federal and state agencies and policies that leave American Indians and Alaska Natives out of data collection efforts, data reporting and analysis...” The NCAI goes so far as to describe Indian Country as an “‘Asterisk Nation,’ because an asterisk, and not a data point, is often used in data displays when reporting racial and ethnic data due to various data collection and reporting issues, such as small sample size, large margins of errors, or other issues related to the validity and statistical significance of data on American Indians and Alaska Natives.”⁵

In August 2021, the U.S. Census Bureau revealed that the number of people in the U.S. who identified as Native American and Alaska Native had nearly doubled over the previous decade to 9.7 million, up from 5.2 million in 2010. According to the Bureau, the NA/AN population now accounts for 2.9% of all the people living in the U.S. After decades of documented undercounting, the 2020 figures raised hopes in Indian Country that “the numbers really do reflect the diversity that we’re seeing today in the real world and in Indian Country,” as Yvette Roubideaux, a member of the Rosebud Sioux Tribe and director of the

policy research center at the National Congress of American Indians, noted.⁶

This new and improved census data, however, did little to close the data gap on economic and business activities in Indian Country which continues to create multiple challenges for Tribal Nations. There are no market-level studies on the size of the Native American market, measurements of Native American GDP, or estimates of Native American wealth. Tribal communities are, as a result, economically invisible to mainstream investors. Tribal governments derive the bulk of their revenues from distributions by tribally owned enterprises, not from taxes levied on households and businesses. The revenues from cash distributions from tribally owned businesses underwrite such essential services as judicial and law enforcement administration, constructing and reconstructing vital infrastructure, health care, education, elder care, and cultural and language preservation. An ongoing challenge to accessing relevant economic data on tribally owned enterprises is that they are under no obligation to publicly disclose detailed financial information on their return on investments or commercial and business activities. Since this information isn’t public, investors are not able to analyze the “Native American market” at a national level and identify investment opportunities.

5. “The Asterisk Nation,” NCAI Policy Research Center. <https://www.ncai.org/policy-research-center/research-data/data>

6. “Why the jump in the Native American population may be one of the hardest to explain,” Nicole Chavez and Harmeet Kaur, CNN. <https://www.cnn.com/2021/08/19/us/census-native-americans-rise-population/index.html>.

While we respect tribal governments' prerogative to keep their financial information private, there is a precedent of data reporting in Indian Country that respects tribal confidentiality while elevating tribal economic opportunity. An example of this is the revenue reports annually published by The National Indian Gaming Commission ("NIGC"), the federal regulator for tribally owned casinos, for every tribal casino in the U.S. This casino revenue data is aggregated and presented in a way that respects tribal confidentiality while accurately showing overall growth (or declines) in the tribal gaming market nationally. This report is widely read by individuals in the gaming industry, finance, law, and other fields that touch tribal gaming.

If a stakeholder trusted by tribes and investors were to release a similar report summarizing revenues for all industries that tribes are engaged in, with breakouts by industry that respect tribal confidentiality, this form of reporting would show what so many tribes already know but don't have the data to support: that they are legitimate and major economic contributors to their local regions.

The Center for Indian Country Development at the Federal Reserve of Minneapolis is the Federal Reserve System's principal point of contact and key supporter of the Fed's mandate to support economic development in Indian Country.⁷ While the Center has produced very granular data on the Native American Labor Market, an interactive map of Native American Financial Institutions, and some exemplary research on the depth of the digital divide impacting Native Communities, the data produced by the Center to date has yet to paint a complete and accurate portrait of tribal economies.

What data is available does, however, show a troubling lack of economic diversity in those economies. A recent analysis conducted by Wells Fargo, for example, reveals an excessive concentration of tribal revenues derived from industries such as tourism and gaming that

7. <https://www.minneapolisfed.org/indiancountry>.

8. NIGC Press Release August 17, 2021, <https://www.nigc.gov/news/detail/2020-indian-gaming-revenues-of-27.8-billion-show-a-19.5-decrease>

are vulnerable to sharp economic downturns including those following shocks such as 9/11, the global financial crisis, and the COVID-19 pandemic. With similar shocks likely to hit Indian Country over both the near and far term, an ongoing challenge to achieving true economic resiliency in Indian Country clearly remains insufficient economic diversification.

To cite just one recent example, the damage that casino and hotel closings, lockdowns, and the barring of tourist attractions to outsiders did to fragile tribal economies in 2020 underscored the contribution that diversification could bring to Native communities if struck by future shocks. Some communities had not even fully recovered from the financial crisis a decade earlier. A report on tribal gaming revenues released by the National Indian Gaming Commission (NIGC) revealed that gross revenues from gaming for 248 federally recognized tribes across 29 states declined a precipitous 20% in 2020. While some tribal casinos that have reopened are performing better than expected because they are offering fewer amenities and operating with lower expenses, anecdotal data continues to build a strong case for tribal economies to diversify as a means of insulating themselves from future downturns and threats.⁸

While the pandemic exposed the data desert status of Indian Country to fresh scrutiny, we continue to lack a broader view of industries that tribal enterprises engage in, apart from gaming and tourism. While it is possible to collect and aggregate decent data on general revenues from the federal government on grants, government contracts, natural resources, and agriculture, it remains woefully incomplete. Companies and investors make decisions on where to invest based on good data; the lack of data on tribally owned businesses constrains investment, limits growth, and adds unneeded complexity and challenges for tribal nations and their leaders to overcome.

Data gaps (continued)



A noteworthy example of how the low level of economic reporting on the Native American market can impact investment occurred during the pandemic in 2020. The federal government was seeking to determine whether the lending facilities incorporated into the Main Street Lending Program were large enough to accommodate the tribally owned businesses it sought to support. Federal officials were unable to find out how much debt tribally owned enterprises carried on their books, making it hard to determine if the lending facilities they were creating would accommodate debt held by tribes and tribally owned enterprises, namely casinos.

The Office of Native American Affairs within the U.S. Commerce Department is charged with pursuing a wide range of economic development activities in Indian Country. The department's core mission is to "help tribes and their citizens create conditions conducive to business development and to seize opportunities in America and abroad."⁹ These efforts include making grants from the National Telecommunications & Information Administration to develop broadband infrastructure, making data resources available from the Census Bureau to inform tribal policymakers, coordinating overseas market development assistance through the International Trade Administration, and making funding opportunities available through the Economic Development and Minority Business Development agencies.

Under the auspices of this office, the federal government can improve the quality of economic reporting on Indian Country, thereby enabling investors, lenders, financial institutions, and commercial enterprises seeking to capture the opportunities opening up to justify increasing their

levels of investment while respecting tribal privacy. This would alleviate the status of Indian Country as a data desert by coordinating yearly reporting in conjunction with other agencies including Interior and Treasury. In fact, under the Biden Administration, the Secretary of the Interior Deb Haaland is the first Native American to serve as a cabinet secretary. She is a member of the Pueblo of Laguna.¹⁰ At the Treasury Department, Mohegan Chief Marilynn "Lynn" Malerba is the nation's first Native American U.S. treasurer, and in addition to that role she also serves as the overseer of the new Office of Tribal and Native Affairs within Treasury. She was appointed by President Biden in June 2022.¹¹

The development of this report should be guided by an advisory committee that consists of tribes and accounting and finance companies with a specialization in Native American accounting and finance.

Call to action

We have laid bare the severe challenges raised by limited, weak, or entirely absent data. This adverse situation, however, presents a solid opportunity for the different traditional and non-traditional stakeholder in Indian Country to collaborate and drive a shared data-informed narrative and path forward that will respect tribal confidentiality, attract investment, and increase diversification. Ultimately, a resolution of the data challenge will boost economic resiliency and self-determination for tribes. While some progress has been made toward this goal, it will take a collective effort among multiple stakeholders to move the needle and improve the predicament now faced by Indian Country.

9. <https://www.commerce.gov/bureaus-and-offices/os/olia/native-american-affairs>.

10. [Secretary Deb Haaland | U.S. Department of the Interior \(doi.gov\)](https://www.doi.gov/secretary-deb-haaland)

11. [1st Native American treasurer to push economic development - The Washington Post](https://www.washingtonpost.com/news/indian-tribes/wp/2022/06/1st-native-american-treasurer-to-push-economic-development/)

A digital desert

As the pandemic buoyed companies, communities, and economies that successfully leveraged the digital revolution, it disproportionately impacted people and places on the wrong side of the digital divide. The exposure of this glaring gap underscored an urgent need for the public and private sectors to work together to provide freer, fairer access to broadband to the many millions left behind. As the “Broken Promises Report” highlighted in 2018, the depth of this nation-wide disparity has long been even wider and deeper in Indian country, with over 80% of tribal areas suffering from connectivity below the national average.¹² This lack of access reflects structural realities and anomalies that may soon be addressed through legislative action. The promise that public-private partnerships between local, regional, and national players may start to accelerate the deployment of wireless networks in areas long classified as “digital deserts” means technology may bring new opportunities — for employment, access to capital and financial literacy, higher education, and health care — to thousands of chronically underserved communities in Indian Country.

According to one recent report:¹³ “The barriers to equitable broadband across Indian Country can be broken down into three main categories: jurisdictional issues that complicate infrastructure development on tribal land; a lack of available broadband infrastructure in remote locations where internet providers don’t see a market, and “last mile” connectivity where tribes don’t own their own infrastructure and are therefore subject

to private companies’ rates.” Positive provisions included in the infrastructure bill, signed into law in November 2021, are intended to address all three issues. Though the legislation expressly allocates only \$2 billion to improving access to broadband for Native communities, there may be other opportunities available in the additional \$63 billion allocated to the issue in the broad bill.

Closing the digital divide cutting across Indian Country will provide more equal access to education, drive opportunities for jobs and entrepreneurship, and connect tribes to the digital economy including banking. Within education, more students will be able to participate in virtual learning and gain access to additional virtual references and resources to supplement their core curricula. Better broadband will provide teachers with better access to quality internet and digital resources, maximizing their students’ educational experiences. In terms of jobs and entrepreneurship, broadband will unlock access to online job searches, applications, and remote work capability and encourage a wave of tech entrepreneurship. Closer connection to the digital world will build foundations for professional, academic, and social networks and provide access to digital banking, reducing the number of unbanked tribal households. This access will also reduce the barrier for low-income households to apply for government and nonprofit programs. Finally, better broadband will drive the delivery of telehealth services to clinics and households on remote reservations.

12. “Broken Promises: Continuing Federal Funding Shortfall for Native Americans” U.S. Commission for Civil Rights Briefing Report, December 2018.

13. “NO SIGNAL: Systemic challenges plague broadband development in Indian Country, despite massive influx of spending,” Jenna Kunz, Tribal Business News, June 28, 2021.

81% of tribal areas have broadband connectivity below the U.S. average



Source: ACS 2015 – 2019 Estimates, statista.com
Copyright © 2021 by Boston Consulting Group. All rights reserved.

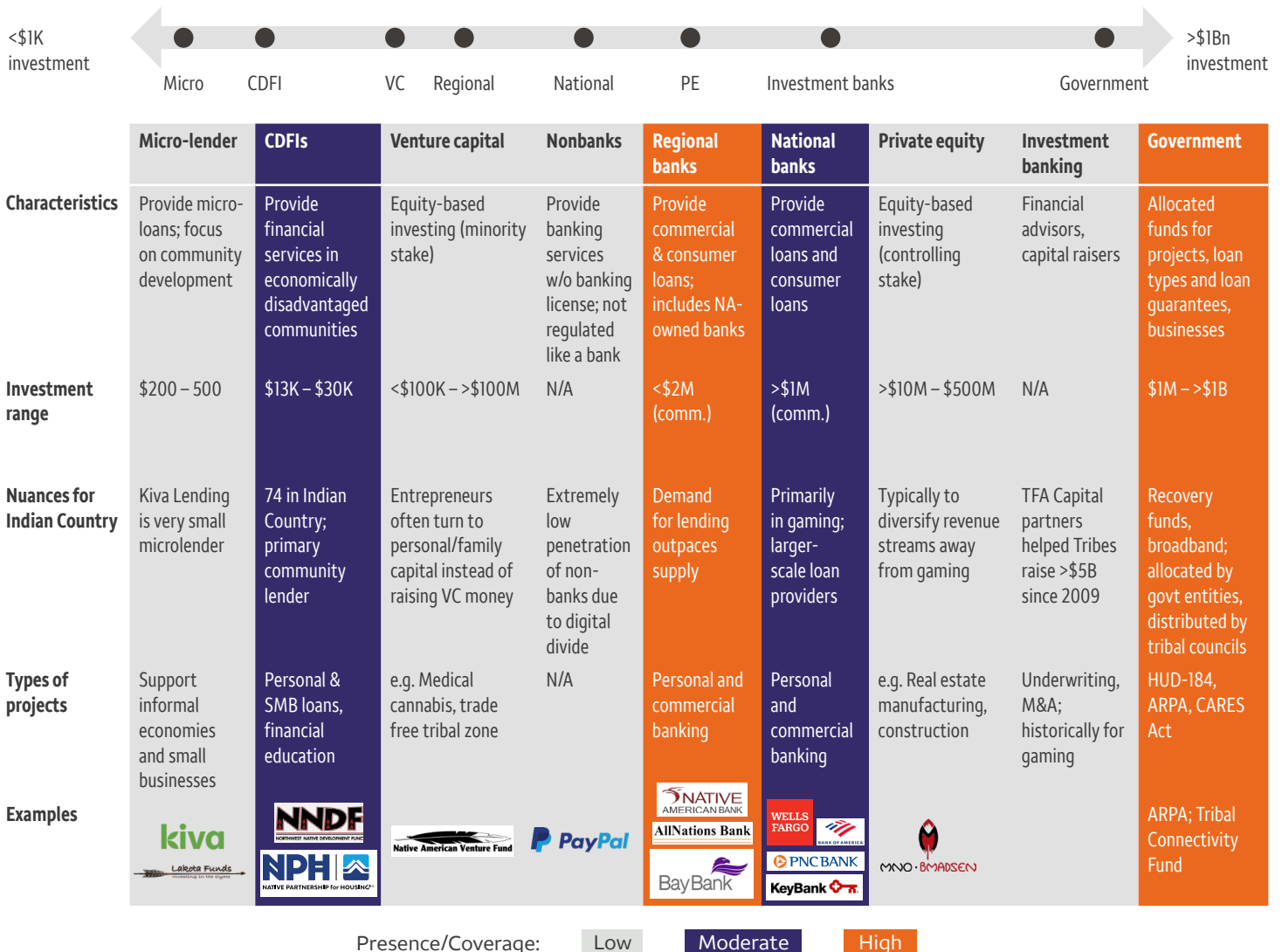
Fragmented capital landscape



Leveraging capital to drive investments in economically and socially desirable projects is clearly a critical accelerator and amplifier of economic resiliency. Yet the fragmentation of Indian Country’s capital landscape — featuring many types of financial institutions offering variable levels of presence and investment ranges and thresholds — has, to date, raised a high bar to investment and development. The capital-providing institutions with historically high-to-moderate presence in Indian Country are the

federal, state, and local governments, national banks, investment banks, Native-owned regional/local banks, and community development financial institutions (CDFIs). Across this cluttered landscape, we have identified critical gaps in support that represent clear opportunities for already engaged and potentially engageable financial institutions to extend credit, invest capital, and provide other resources such as financial literacy programs to more tribal nations and tribally owned enterprises.

Capital landscape differs by type, investment range and volume of capital



Source: Expert interviews; BCG analysis
Copyright © 2021 by Boston Consulting Group. All rights reserved.

The role of capital providers

The federal government has the greatest volume of capital at its disposal, distributed primarily through the Departments of Health, Human Services, and Education. Each department typically has between \$10 million and \$1 billion per year to invest. Funds available through the American Rescue Plan Act and the American Jobs Plan add potential to accelerate capacity building in Indian Country, but resources still must be formally requested and allocated according to a cumbersome process and framework that has been too frequently tied up in red tape.

National banks are the second-largest provider of capital to Indian Country. In addition to funds, they also provide ancillary resources including connections to industry, lobbying power, technical knowledge, technology capabilities, and data. Some national institutions, including Wells Fargo and Bank of America, provide investment banking capabilities to tribally owned commercial enterprises seeking to grow through effective capital raising. Among the many challenges still unresolved, however, is a persistent lack of access to brick-and-mortar bank locations, particularly on or near remote reservations. This lack of access to in-person financial services is too often combined with a lack of technical expertise to frequently deny credit-and-investment-worthy business owners seeking financing. From the banks' perspective, challenges unique to lending to tribal governments include the need to navigate a complex web of legal and regulatory regimes governing the disposition of trust land and sovereign immunity. Many lenders are not well prepared to overcome such complexities,

largely due to insufficient specialized knowledge, experience on banking teams, and a lack of understanding of the business opportunities in tribal communities.

Native-owned regional/local banks hold much less capital than national banks but represent a significant source of capital for non-gaming mid-market businesses. Examples include Chicksaw Community Bank in Oklahoma (\$293 million assets) and Bay Bank, founded by the Oneida Nation in Wisconsin (\$140 million assets). These institutions occupy a unique position of community trust and respect, often boasting closer relationships within Indian Country than national banks. During the pandemic, Native American banks played an important role in tribal communities. They supported tribally owned businesses applying for the Paycheck Protection Program (PPP) at a higher level than their national bank peers. Analysis conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis found that far fewer PPP loans were extended to businesses in Indian Country than to non-Native businesses (due in part to a prohibition on loans to gaming enterprises). The Center highlighted the contribution made by Native American Bank, a Native-owned bank and eligible PPP lender which, within the first few months after the program was launched, made 118 loans totaling \$36.8 million, with 92.3% of the dollar value going to Native entities.¹⁴ It's important to note that the lending power, resources, and areas of expertise of Native-owned regional and local banks are often limited, compared with national banks,

14. "Do lender-access issues limit Paycheck Protection Program relief for tribal employers?" Casey Lozar and Donna Feir, The Federal Reserve Bank of Minneapolis, May 4, 2020.

while their technology may be more obsolete than that of national banks.

CDFIs have the lowest amount of capital resources (an average of \$71 million in assets for minority-led CDFIs¹⁵) but enjoy the greatest access to Native community members, particularly retail customers. These institutions are often very well integrated into the community, are regarded favorably by clients and customers, and offer financial literacy courses, trainings, and micro-loan credit-building opportunities. As lenders of last resort, CDFIs often support tribal members with imperfect credit and may even adopt alternative measures of creditworthiness. Such high-touch but high-risk lending practices, however, may result in higher operating expenses due to the assumption of additional credit risk, a need to write off or write down bad loans, and low or variable revenues and rates of return on investment. CDFIs may also face challenges in absorbing capital, as they may struggle to utilize investment capital effectively to serve pressing community needs. They also may be burdened with high-cost legacy technology that is subject to frequent IT failures. Some successful CDFIs in Indian Country include: the Northwest Native Development Fund and the Native Partnership for Housing, a free-standing CDFI not dedicated to a specific tribe or tribal market that has provided over \$60 million in loans and down-payment assistance in its history.

Other non-bank financial institutions such as private equity, venture capital, neobanks, and micro-lenders currently have limited-to-no virtual or physical presence in Indian Country. Obtaining greater visibility into the opportunities for investment, as mentioned earlier, may serve as a call to action for them to increase their degree of engagement and financial commitment.

The private equity industry, which engages in equity-based investing to acquire controlling stakes in target companies, has traditionally focused on traditional return-on-investment metrics. While the many investment opportunities opening up in Indian Country identified earlier in this paper may not meet the desired thresholds for private equity investment, the industry may in the future become a source of patient capital with the ability to focus on longer-term investment strategies. Private equity advisors can also provide management support to improve the efficiency of tribal businesses.

Venture capital, which engages in equity-based investing to acquire minority stakes in companies, has historically overlooked opportunities in Indian Country. This lack of engagement may be ascribed to a lack of connections combined with minimal comprehension of tribal dynamics. Expanding their investment focus to latent opportunities in Indian Country may provide a path for VC firms to diversify their investment landscapes. Relevance Ventures, a venture capital firm headquartered in Tennessee and led by two members of Virginia's Patawomeck Indian Tribe, has adopted a deliberate strategy that profitably prioritizes investing in Indian Country.

15. "Closing the CDFI Asset Gap," HOPE Policy Institute, April 21, 2020.

The role of capital providers (continued)



Neobanks and payment service providers, including digital and online institutions such as PayPal, provide some banking services without a banking license and are not subject to banking regulation. The primary challenge to be overcome here is the deep digital divide that defines too many tribal areas, jurisdictions, and nations which makes operating there difficult for non-banks. Nevertheless, we see opportunities for innovative native digital companies including Square, Chime, and SoFi to potentially help to accelerate digital adoption in Indian Country, based on better broadband access. Digitization has been identified as presenting the single greatest opportunity for unbanked communities to gain access to the formal financial system.

Micro-lenders, which provide micro-loans (usually in the range of \$200 to \$500) with a focus on community development have traditionally been concentrated in developing nations such as Uganda, Indonesia, Bangladesh, and Honduras. However, within reservations, micro-lenders can support informal economies that provide subsistence living for workers (locksmithing, hair dressing, tire repair, etc.).

Call to action for gaps in funding and role in economic resiliency

The gaps in financing, investment, and capital capacity that we have identified all represent real opportunities to invest in the economic development and resiliency of Indian Country. The government can transcend its traditional role as capital provider to include as one of its primary goals the forging of promising public-private partnerships with banks and non-banks capable of doing more and better business in Indian Country. National banks already extend capital to CDFIs as a way of de-risking and streamlining the process of extending credit and investing capital to enterprises on tribal lands. They could intentionally include the extension of credit to and investments in enterprises in Indian Country as part of their obligations and ability to gain credit under modernized Community Reinvestment Act programs. The private equity and venture capital industries can look to their present low level of engagement as a reason to get more involved. Finally, neobanks and payment service providers can create a virtuous cycle where better access to broadband enables the delivery of financial services to underbanked businesses and communities.

Pathways to progress in Indian Country

A consistent framework for understanding the challenges and opportunities that define Indian Country provides a pathway to progress for enhancing economic resiliency for tribal nations. Each section of this action plan builds on its predecessor to offer a comprehensive model for

defining the drivers of economic resiliency. We identify the areas of greatest need for different tribal archetypes and offer a framework for identifying and prioritizing given opportunities mapped against specific goals, objectives, and needs.



Recommendations developed from a three-part evaluation of tribal resiliency

- 1** Resiliency Principles & KPIs
 - A. Economic diversification
 - % employment across sectors
 - % revenue across sectors
 - % revenue from gaming
 - B. Capacity building
 - % population with college degrees
 - % households with broadband
 - C. Access to capital
 - Median household income
 - Average distance to bank
 - % unbanked and underbanked
 - D. Partnerships
 - Engagement with other tribes
 - Strength of U.S. gov't relationship
 - Partnerships with corp./non-prof.



- 2** Baseline and Tribal Archetypes
 - A. Defining characteristics for archetypes
 - Demographics
 - Income
 - Employment
 - Education
 - Housing
 - Digital Divide
 - Health
 - B. Development of tribal archetypes
 - Running a K-means analysis across the defined characteristics to develop similar groups
 - Evaluate groupings and identify outliers
 - Develop groupings into archetypes

- 3** Prioritization framework and identification of key opportunities
 - A. Narrowing with prioritization schema
 - Resiliency impact – four resiliency principles
 - Feasibility – cost, time, & capabilities
 - Tribal fit – respect of land, culture, & future
 - B. Tailoring opportunities to tribes
 - Mapping of prioritized opportunities against baseline and archetypes
 - Further tailoring of opportunities to specific tribal circumstances
 - C. Identifying key opportunities by category
 - Infrastructure & Resources
 - Mfg, Construction, & Consumer
 - Tech & Services

Copyright © 2021 by Boston Consulting Group. All rights reserved.

The sections of this framework break down as follows:

- 1 Resiliency principles and key performance indicators (KPIs):** clearly defining what we mean by economic resiliency and why it is important through a set of core principles.
- 2 Baseline and tribal archetypes:** evaluating conditions and circumstances across tribal nations; developing a data-driven, expert-informed perspective on how to frame and tailor similar types of situations to tribes to precisely refine recommendations.
- 3 Prioritization framework and identification of key opportunities:** developing a consistent framework for prioritizing and mapping them to meet specific tribal nations' needs; categorizing the most impactful opportunities in Indian Country

1 Resiliency principles and key performance indicators (KPIs)

The concept of resiliency as an attribute that enables systems, communities, and societies to rapidly recover from shocks dates back to the early 1970s when it first emerged in the fields of biology and ecology.¹⁶ In a recent white paper,¹⁷ Boston Consulting Group isolated six characteristics of resilient governments that help them to prepare for, withstand, and adapt to future disruptions and external shocks: prudence, modularity, redundancy, diversity, embeddedness, and adaptiveness. In an era of recurrent economic crises, extreme weather events, terrorist attacks, and global pandemics, economies clearly need to become more resilient.

We define economic resiliency as an attribute that encompasses not just a capacity to anticipate, prevent, or avoid shocks, but to leverage their negative impacts to achieve positive progress. The Nobel Prize-winning economist Paul Romer is widely credited with coining the phrase “a crisis is a terrible thing to waste.”¹⁸ Just as Native American communities innovated new ways to advance public health in the face of the severe shock of a global pandemic, those same communities were ultimately seen as possessing an innate capacity to promote initiatives that over the long term will empower them to emerge stronger and better than ever. That is economic resiliency in action.

In the context of Indian Country, we see a strong connection between building economic resiliency and tribal self-determination. In 1975, Congress enacted the Indian Self-Determination and Education Assistance Act. The Act empowered Indian tribes to assume greater autonomy

and with it the responsibility for programs and services previously administered on their behalf by the Secretary of the Interior through contractual agreements. The Act assured Indian tribes’ paramount involvement in the direction of services provided by the federal government, in an attempt to target the delivery of those services to the needs and desires of the local communities.¹⁹ In the spirit of the Act, Indian tribes must retain the autonomy, opportunity, and responsibility to achieve economic resiliency on their own terms.

Economic resiliency means advancing an economy according to four core principles:

1. Diversification: balancing revenue sources and investments (tribal nations that diversify away from gaming as their only source of revenue), focusing uncorrelated industries and sectors.

2. Capacity building: developing the infrastructure and other enabling elements of nation-building and self-governance, a capability often closely correlated with economic diversification.

3. Leveraging capital for growth and resiliency: funding required for short (less than a year) and longer-term investments (greater than a year), including access to multiple capital sources, volumes, rates, and terms.

4. Partnerships: collaborating within and with other tribes and external partners to enable access to other resources and paths to risk mitigation.

16. “Resilience and Stability of Ecological Systems,” C. S. Holling, *Annual Review of Ecology and Systematics*, vol. 4: 1–23 (November 1973).

17. “Building a Resilient Government,” Daniel Acosta, Matthew Mendelsohn, Jaykumar Patel, Martin Reeves, Lucie Robieux, and Wenjing Pu. Boston Consulting Group, September 8, 2021.

18. “A Terrible Thing to Waste,” Jack Rosenthal, *The New York Times Magazine*, July 31, 2009.

19. <https://www.bia.gov/regional-offices/great-plains/self-determination>.



Principle 1: Economic diversification

Economic diversification requires balancing an economy across multiple sectors and sources of revenue. These sectors and sources need to be uncorrelated (a construction company building both a casino and an attached hotel represents vertical integration, not diversification) for true diversification to take place. Economic diversification creates stabler streams of revenue, protects against volatility in financial markets, and positively impacts different stakeholder groups within tribes.

By pursuing a diversity of opportunities, Indian Country can increase employment across all sectors, enhance, and multiply revenue streams flowing to businesses and tribal governments, all while shifting the proportion of revenues derived from a single source: gaming. Native American communities and nations can pursue opportunities for economic diversification by increasing investment and activity in three areas: infrastructure and resources; manufacturing, construction, and consumer; and technology and services.

Infrastructure and resources

Building out broadband infrastructure will address the lack of connectivity to new markets that many Native communities currently suffer, helping to increase the efficiency of existing and new businesses while fostering greater innovation and entrepreneurship in tribes and partnerships with other tribes. Tribes can develop more sustainable energy sources from microgrids and better energy storage, helping them to

achieve energy sovereignty and self-sufficiency. Tribes can also harness natural gas as a low-cost energy source to power greenhouses to grow local, healthy produce. As an example: The Ho-Chunk Nation, formerly known as the Winnebago Tribe, developed sustainable energy through its economic development corporation, Ho-Chunk Inc. Established in 1994 in Winnebago, Nebraska, with one employee, Ho-Chunk, Inc. has since grown to over 1,000 employees with operations in 24 states and 10 countries. The tribally owned enterprise has been installing wind turbines and solar panels on the reservation since 2007. Ho-Chunk today has boosted and diversified its revenue streams.²⁰

Manufacturing, construction, and consumer

Establishing full-service tribal construction companies increases skilled job opportunities and generates revenue by implementing both internal and external projects, competing for government contracts and other non-tribal projects. As an example: the Chenega Corporation, an Alaska Native Corporation, performs government contract work around the world with over 250 federal contracts. Tribes can produce, package, and market sustainable foods leveraging traditional practices like bison meat; they can invest in and develop retail complexes featuring Native businesses and clothing designers alongside larger brands.

20. "Deploying Clean Energy on the Winnebago Reservation," The U.S. Department of Energy Office of Indian Energy. <https://www.energy.gov/sites/prod/files/2020/12/f81/Byrnes-Ho-Chunk-Inc-Solar.pdf>.

Technology and services

Tribes can invest in developing enterprise technology as a path to engaging more deeply in the digital economy. For example, Twelve Clans, Inc., the sovereign wealth fund of the Ho-Chunk Nation, stands at the forefront of investing in enterprise technology. In 2017, the fund invested in Slack Technologies, a proprietary business communications platform. It exited its investment shortly before the company went public in 2019, earning the Tribe a substantial return on investment.²¹

An additional area of investment is building new and improving current health care assets and facilities including local hospitals and clinics. Greater investment may provide opportunities to establish pharmaceutical research centers and manufacturing facilities which can function as magnets for attracting medical talent and health care-related businesses. The tribal nations of Indian Country can invest in the construction of new and improved schools across education levels while enhancing core curriculum and opportunities for tribal members.



21. <https://12-clans.com/portfolio>.

Principle 2: Capacity building

The United Nations defines capacity building as the process of developing and strengthening the skills, instincts, abilities, processes, and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world.²² It requires investment in capabilities and infrastructure that, while they may not drive short-term economic value, they are needed to drive longer-term value for the benefit of the community as a whole.

Among the challenges communities face when focusing on capacity building is adopting a longer-term mindset. Tribal leaders often face internal tensions between the need to make long-term investments in growth while delivering adequate returns on capital to shareholders within their elected terms. They also face comparable conflicts between the imperative to address the acute needs of individual tribal members and households and the need to make longer-term investments that may yield exponentially higher payouts with a longer-term time horizon.

Tribes with access to significant gaming revenues may find it politically palatable to draw on that single source of income to provide per capita payments to members. A path of greater resistance but longer-term value might require the complex coordination of collective decisions about how to invest for the benefit of the entire community. Per capita payments are popular with voters and difficult to discontinue. Infrastructure buildouts, however, will yield greater and more stable revenues over the long term.

We identify the following opportunities for Indian Country to build capacity:

Education: Given the lack of sufficient tax base, seeking capital investment beyond traditional sources to strengthen and build schools helps to circumvent the bureaucracy associated with tax spending which defers payouts on these investments. Strengthening and building schools can help boost the rate of high school graduates in Native populations from 82% at present, compared to the national average of 88%. Human capital development is an under-researched area in tribal communities; encouraging Native youth to consider careers in finance, business, and accounting would enhance economic resiliency and diversification over a longer term.

Workforce development: Focusing on preserving culture and growing practical and valuable skills of tribal members through investing in topics such as STEM education, financial literacy, and skill-based apprenticeship programs enrich the population. Pushing for equal opportunities and pay for women will also uplift tribal workforce.

Governance: Opportunities include creating long-term economic plans, engaging in the White House Council, developing inter-tribal partnerships, and developing global partnerships.

22. <https://www.un.org/en/academic-impact/capacity-building>.

Hospitals and health care facilities: The Indian Health Service provides care to over 2.2 million Native Americans but has consistently struggled with underfunding, resulting in inferior health care outcomes for Indian Country compared with non-Native Americans. We see an opportunity for tribes to invest in upgrading existing facilities with new capabilities (telehealth services) and building better health care facilities including clinics and hospitals.

As an example, the Eastern Band of Cherokee Indians in North Carolina decided years ago to opt out of the U.S. government-run Indian Health Service and assume complete control of its health care. Through self-governance, the tribe adopted an integrated care model designed by Alaska Natives that assigns a team of doctors to each patient to improve health outcomes. The tribe used its gaming revenues from Harrah's Cherokee Casino Resort to open a 20-bed state-of-the-art facility in 2015 and an 18-bed mental health clinic in 2020. The hospital has since performed in the top quartile for blood pressure control and blood sugar control and has helped to level the diabetes rate in the community.²³



23. "How The Eastern Cherokee Took Control Of Their Health Care," Katja Ridderbusch, Kaiser Health News, July 22, 2019. <https://khn.org/news/how-the-eastern-choerokee-took-control-of-their-health-care/>.

Principle 3: Leveraging capital for growth and resiliency

The primary factors restricting Native American consumers' ability to leverage capital is a lack of proximity to financial institutions including bank branches and ATMs, combined with an inability to obtain a credit score or a mainstream HUD-guaranteed mortgage (U.S. Department of Housing and Urban Development). Native American business owners have a hard time obtaining financing from banks and often need to fall back on personal and family savings or using other assets as collateral to fund startups and business expansion in addition to Small Business Administration loans. Finally, tribal communities and governments need better access to direct lending, grants, or investments from capital-providing institutions including government agencies, banks, CDFIs, private equity and venture capital, and microfinance groups. The capacity to leverage capital may also include gaining better access to tax credits combined with an ability to issue tribal tax-exempt bonds.

There are multiple examples of improved leveraging of capital across Indian Country:

- Native American Bank (NAB)²⁴ aims to serve all Native people, communities, governments, and enterprises across the country. It is the only Native American-owned nationwide financial institution and provides affordable and flexible banking and financial services. Over 95% of NAB's loans are made in Indian Country. Over the past five years, NAB made loans totaling \$128 million to support projects with native entrepreneurs and communities.
- The Lakota Fund²⁵ was established in 1983 with the goal of bringing capital to Pine Ridge Indian Reservation in a culturally appropriate and sustainable way. It established a micro-loans program for small business development to provide loans of \$1,000 or less for microenterprises and loans of \$1,000 to \$20,000 for small businesses. Many loans have supported the informal economy on the reservation (locksmithing, hairdressing, etc.) and have been distributed according to Native values. For example, children have been welcome at financial education training sessions, with food commonly shared. Since inception, the Lakota Fund has issued over 1,250 loans totaling over \$17.5 million. It has helped create or expand nearly 850 businesses on or near the reservation.
- The People's Bank of Seneca²⁶, based in Missouri, is majority owned by the Eastern Shawnee Tribe of Oklahoma. The Tribe purchased stock in the bank when it was founded in 1996 and gradually increased its holdings until it attained majority ownership of the bank. The bank has five branches and provides personal banking and commercial banking services to community members in Missouri.
- The Woodlands Bank, owned by the The Mille Lacs Band of Ojibwe Indians in Minnesota, received approval in 1996 from state and federal banking authorities to purchase the First State Bank in Onamia and change its charter from a state to a national one. These approvals paved the way for the first Native American-owned bank holding company in the U.S. and the only Native American-owned bank in Minnesota, with seven banking locations.

24. <https://nativeamericanbank.com/about-us/>.

25. <https://lakotafunds.org/about/>.

26. <https://www.peoplesbankofseneca.com/about-us>.



Principle 4: Partnerships

Inter-tribal partnerships provide compelling opportunities for tribes looking to scale their investments and generate returns from larger projects. For tribes that have capital but insufficient expertise in a given area, partnerships add the ability to build specialized knowledge while branching out to new areas. Other challenges to the building of promising partnerships include legal systems that vary from tribe to tribe. Such differences can impede inter-tribal partnerships that would otherwise bring different stakeholders and entities from various tribes together with the goal of expanding their resource base, sharing a resource, or promoting mutual benefit. For example, in 2004, the Four Fires Coalition formed a joint venture to develop the Marriott Residence Inn in D.C. by leveraging \$43 million of gaming revenues to fund the investment. This represented a significant tribal investment in non-gaming enterprises. By combining resources, the tribes minimized risk and built upon each other's diverse business experiences. The success of the venture created a positive precedent for similar future investments.²⁷

Other examples include connecting a Native-owned bank to a Native-owned construction company to provide lending to benefit the tribe on both sides of the transaction. External partnerships (with non-tribal entities) can provide direct funding, mentoring, data/resource sharing, syndication with Native-owned banks, and development assistance by leveraging other business connections. An example of an external educational partnership is collaboration between the University of Arizona and the Pascua Yaqui Tribe. The two struck a five-year agreement in 2021 to help tribal members reach their higher education goals. Among the agreement's goals are developing a micro-campus on the Pascua Yaqui Reservation, offering programs in indigenous governance, and developing scholarship and financial aid offerings for tribal members.

Bringing it all together

For over 50 years, the Mississippi Band of Choctaw Indians has been a driver of economic opportunity in Neshoba County, Mississippi, elevating the region from one of the most impoverished in the U.S. into a major economic engine in the state. The tribe currently employs thousands of Natives and non-Natives in multiple, thriving enterprises. Using this success as a model, tribal nations possess the potential to unlock vast opportunities given the proper resources and capabilities for action.

27. "Marriott International Partners With Four Native American Tribes to Launch Unprecedented Economic Partnership," Hospitality Net press release, March 5, 2005. <https://www.hospitalitynet.org/news/4022395.html>.

In 2010, Wisconsin's Ho-Chunk Nation undertook a \$10 million investment to upgrade the Wazee Area Wastewater Treatment Plant in Black Falls, WI, originally constructed in 1996. The decision to invest in infrastructure was made with an eye toward long-term growth in diverse sectors: the plant was designed to accommodate 30 years of expected future growth in the area including a casino expansion, a single- and multifamily subdivision, a community center, and possibly a school. The nation used a combination of debt funded by income from commercial businesses,

in addition to securing state funds from the Clean Water Fund Loan, a program offered by the Wisconsin Department of Natural Resources. The project also incorporated a partnership with the nearby Jackson Correctional Institution, a state-run facility. Because the usage is shared between the nation and the state, the state agreed to pay for a share of operation and maintenance costs, leading to financial savings for the nation.²⁸



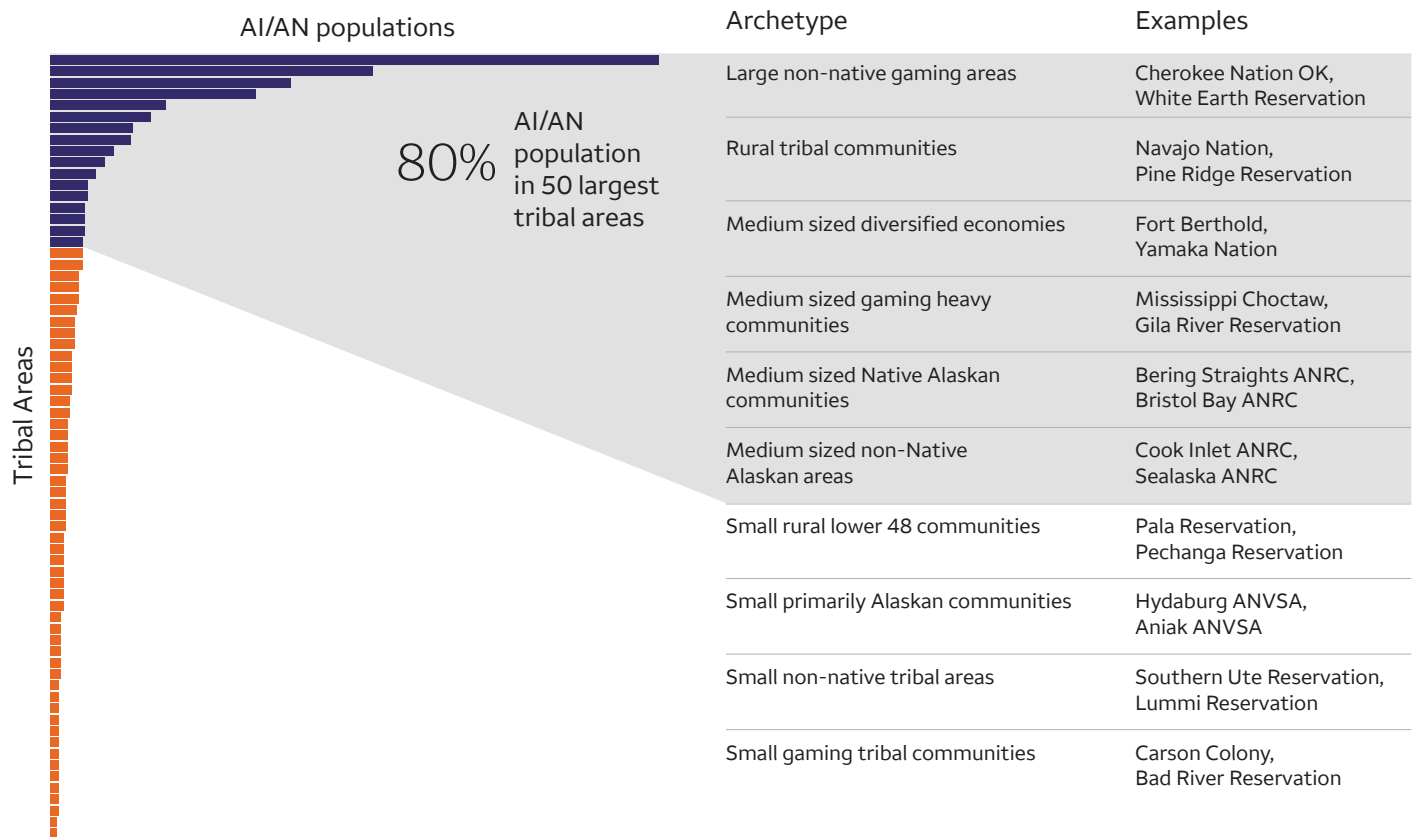
2 Baseline and tribal archetypes

Our goal in establishing a set of tribal archetypes was to evolve an analysis broad enough to avoid being overly prescriptive when making recommendations at the individual tribal level yet sufficiently granular to avoid simplistic recommendations that ignore the variety of Indian Country. It's important to note that a paucity of robust economic data is endemic to Native communities and presents a significant obstacle to present and future economic development and resiliency. That said, we drew on three sources of reasonably reliable statistics including data from the Bureau of Indian Affairs, Wells Fargo, and the 2010 Census which provided a baseline of federally recognized tribes, tribal population figures, and tribal revenues by category, although at present it is over a decade old. We also drew on private business data taken from a 2012 Business Survey, in addition to reservation-based census data drawn from the more recent 2015–2019 Census.

We formed the archetypes based on the four pillars of economic resiliency outlined above: diversification, leveraging capital, capacity building, and partnerships. Key indicators of diversification included the proportion of the population employed by a specific industry. When measuring access to and leveraging capital, we looked at median household income, distance to the nearest bank branch, and percentage of the population that remains underbanked. With regard to capacity building, we explored the potential as a function of the percentage of the population with a bachelor's degree and/or with a broadband subscription. In terms of partnerships, we looked at the degree and history of engagement with other tribes, the strength of the relationship with the federal government, and existing partnerships with external corporate and non-profit organizations.

Of the ten archetypes, six described larger population tribes and four smaller population tribes. These six larger tribal archetypes cover roughly 80% of the Native American population.

AI/AN Populations are connected into a small number of tribal areas



Note: 80% of AI/AN populations that live within tribal areas
 Source: 2015 – 2019 Census Estimates; BCG Analysis
 Copyright © 2021 by Boston Consulting Group. All rights reserved.

The archetypes varied according to total population, the number of tribal areas, the percentage of American Indian and Alaskan Natives within the population, and percentage of revenues reliant on gaming.

Archetypes by Tribal Area

Archetypes	Description					Potential Opportunities
	Tribal Areas	Total Population	% AI/AN	Economic Indicators	Gaming	
Large population rural communities	2					<ul style="list-style-type: none"> Sustainable energy + carbon credits Broadband development Voice for land
Large population non-native areas	6					<ul style="list-style-type: none"> 14 types of taxes Zoning plans
Medium population non-native areas	18					<ul style="list-style-type: none"> Special economic zones 14 types of taxes
Medium population developing communities	24					<ul style="list-style-type: none"> Recreation & hospitality Skills apprenticeships Special economic zones
Small rural lower 48 communities	69					<ul style="list-style-type: none"> Sustainable energy Housing and developments
Small primarily Alaskan communities	52					<ul style="list-style-type: none"> Inter-tribal partnerships Reduce taxes via trusts
Small non-native areas	67					<ul style="list-style-type: none"> Housing & developments Investment funds
Small gaming communities	104					<ul style="list-style-type: none"> Inter-tribal partnerships Investment funds

N/A

Low

Moderate

Moderately High

High

Note: Subset of 342 tribal areas with sufficient data; Economic indicators include median household income, % uninsured, access to broadband, educational attainment etc.
 Source: 2015 – 2019 census estimates; BCG Analysis
 Copyright © 2021 by Boston Consulting Group. All rights reserved.

Large Non-Native Gaming Areas conformed to one tribal archetype. Within this archetype’s environment, the percentage of American Indian and Alaskan natives within the population averages 10%. Such tribes have gaming-intensive economies and low unemployment, while their most critical challenges are the need to diversify their economies. Within a second archetype,

Rural Tribal Communities, American Indian and Alaskan Native populations average 92% of the total. These economies derive a much lower proportion of revenue from gaming and suffer from higher unemployment rates, low access to broadband, and low average household income. Resilience efforts should focus on leveraging capital and capacity building.

3 Prioritization framework and identification of key opportunities

Prioritization of opportunities and matching

Before digging into the full scope of available opportunities for tribes, it's important to establish a structured way to analyze and prioritize them. To that end, we created a framework to assist tribal leaders in determining which opportunities are optimal for their tribes.

A structured approach is critical, because with new funding available, the already lengthy list of potential efforts that tribal leaders could pursue grows even longer. A robust prioritization tool can cut through the clutter to focus on driving economic resiliency for the long-term common benefit of the community.

Prioritization schema consists of 8 criteria for assessing resiliency opportunities

Category	Criteria for assessment	Description
Resiliency impact (50% weighting)	1. Economic diversification	Balance of economic undertakings
	2. Access to capital	Level that increases access to capital
	3. Capacity building	Level of strengthening of nation building abilities
	4. Partnerships	How strengthens ties while not decreasing self-determination
Feasibility to implement (40% weighting)	5. Cost	Estimated initial and ongoing investment needed to implement
	6. Time	Relative time commitment to implement
	7. Capabilities	Level of ability needed to implement
Tribal fit (10% weighting)	8. Cultural match <ul style="list-style-type: none"> • Respect of land • Honor of ancestors • Relationship alignment • 7 generations alignment 	How sustainable and how well aligned to culture and future aspirations

Copyright © 2021 by Boston Consulting Group. All rights reserved.

The framework assesses opportunities by exploring three weighted categories: resiliency potential, feasibility, and cultural fit. First, resiliency potential refers to how much impact a particular opportunity could have on a tribal economy's long-term development; it comprises 50% of the weighting for evaluating opportunities. The second factor, feasibility to implement, assesses the challenges inherent in a given opportunity for a tribe to implement





it successfully and comprises 40% of the weighting for evaluating opportunities. The third category, cultural fit, assesses how well aligned an opportunity is with tribal values. Tribal fit accounts for 10% of the weighting for evaluating opportunities. For example, developing broadband ranks highly within resiliency potential and cultural fit but has feasibility hurdles to overcome.

We designed a basic three-point scoring rubric across each of these eight factors to support consistent quantitative assessment of opportunities. In all cases, “1” indicates a negative assessment, “3” indicates a positive assessment, and “2” indicates a moderate assessment. Within each category, we input preset thresholds for ranking the opportunity under consideration.

For example, we set the default threshold for ranking an opportunity’s impact on economic diversification at 1 if the potential revenue effect on diversification is <\$5 million. As different tribes display different needs and baselines, this \$5 million threshold may fall closer to a 2 or a 3, depending on circumstances. We recommend that tribal leaders adjust these thresholds as they see fit.

Opportunity deep dive | Broadband development

Description

Relevance	Archetype:	Relevant to all, but especially those with rural land areas			
	About:	Closing the digital divide by building broadband infrastructure			
Key points about opportunity		<ul style="list-style-type: none"> >20% of people on tribal lands lack broadband access at home Government funding exists, including a ~\$1B Tribal Connectivity Fund within the American Jobs Plan 			
How to implement	Key steps to implement:	<ul style="list-style-type: none"> Submit a single application for all tribal entities, or Collaborate regionally as tribal partners to close regional gaps 			
	Principles engaged in implementation:	 Diversification	 Capital Access	 Capacity building	 Partnership
Case study	TBD				

Evaluation

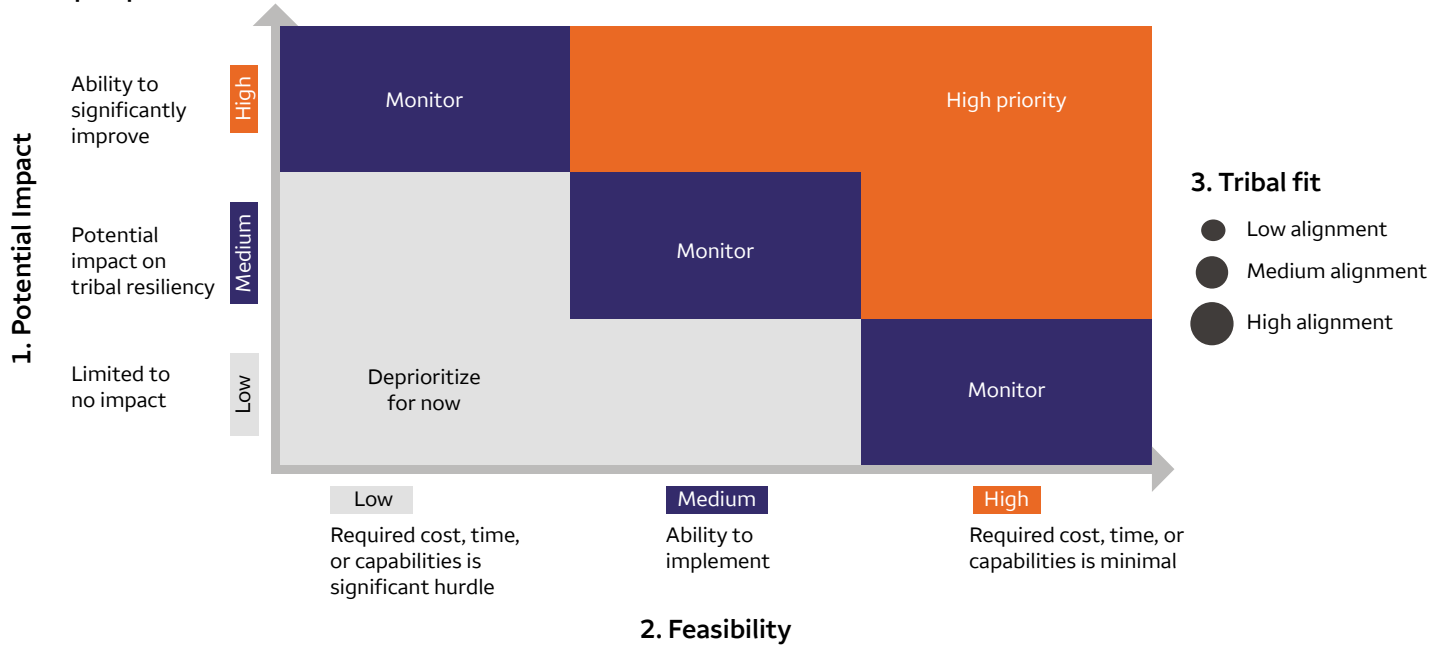
Resiliency potential 50%	Economic diversification 1 Access to capital 2 Capacity building 3 Partnership 4
Feasibility to implement 40%	Cost 5 Time 6 Capabilities 7
Fit for the tribe 10%	Cultural match 8

Source: Commerce.gov, Expert interviews, Benton Institute for Broadband and Society
 Copyright © 2021 by Boston Consulting Group. All rights reserved.

After assessing individual opportunities, further comparison is made easy by plotting opportunities along a 3x3 matrix.

Tribal leaders should prioritize opportunities through assessment across three dimensions

Initial perspective



Copyright © 2021 by Boston Consulting Group. All rights reserved.

Importance of understanding and mapping opportunities to tribal nuances

It's necessary to additionally evaluate these opportunities against the contexts of individual tribal nations and their unique characteristics and circumstances. It's important to impose firm guidelines to prevent customization and breakdown to the single-tribe level. We are driving toward a sweet spot by analyzing the most significant factors determining a particular opportunity's feasibility and fit. Thinking of this in terms of tribal archetypes surfaces key differentiators that make the underlying analysis and decision-making framework more inclusive, efficient, and effective.

Putting the framework into action

One example of achieving effective prioritization by mapping opportunities to a tribal archetype is the Navajo Nation's 2010 upgrade of its government and law enforcement facilities. After tribal authorities identified an urgent need for new courtrooms, a correctional facility, police headquarters, and more efficient office space for prosecutors and probation officers, the Nation sought outside funding sources and partners (including KeyBank) to leverage their investment in ways that supported tribal sovereignty and self-determination. Based on their newly enhanced financial capacity and liquidity, the Nation funded an historic \$60 million investment initiative while taking on minimal debt. By striking an optimal balance between high positive impact, high feasibility, and good tribal fit, the Navajo Nation turned the transaction into an attractive opportunity for internal and external investors, benefiting both current and future tribal generations.

Identifying key opportunities for economic resiliency

For tribes to pursue opportunities for commercial development, retail and commercial banking that focus on tribal opportunities should meet tribal needs on different levels. Customer and client segmentation should encompass Native individuals/households, Native businesses, Native financial institutions, and tribal governments. With greater leveraging of capital, opportunities open up to support infrastructure and resource development, manufacturing and construction, consumer, tech, education, health, and services, further bolstering tribes' economic resiliency. Throughout this section, we'll provide an overview of these opportunities — highlighting their benefits and providing examples — while providing further detail in the Appendix.

Infrastructure and resources

Opportunities to support tribes within the infrastructure and resources sector focus on food and water, energy, housing, and other natural resources. These opportunities support new and existing businesses, diversify tribes' economies, and contribute to self-sufficiency. Focusing on this sector can spur sustainable growth for tribes and elevate quality of life for tribal members.

Broadband: The opportunity to build out broadband on tribal lands is of high priority, as it addresses the deep digital divide that many tribes face while improving access to banking, education, entrepreneurship, and financial markets. Taken together, all these resources potentially increase capital flow and opportunities in Native communities. To create more widespread access to broadband, banks can make loans to or partner with tribal construction companies to buildout infrastructure. Banks

may also leverage existing relationships with national, regional, or local telecom providers to expend additional efforts. Jemez Pueblo recently completed the Jemez Pueblo Tribal Network Broadband Project, providing free high-speed internet to government offices and 500 homes, enabling students and workers to thrive in a virtual environment. The Pueblo leveraged a combination of federal CARES Act funding, state relief funding, and private grants to fund the \$4.8 million project.²⁹ Encouraging more tribes to leverage such funding for broadband buildout would help more tribal members learn and work more effectively in a virtual environment.

Sustainable energy and microgrids: An additional significant opportunity is facilitating sustainable energy development by funding hydro, solar, and wind development and microgrid research and implementation. In doing so, we can provide more sustainable energy to tribal facilities, community centers, homes, schools, and government buildings. Sustainable energy and microgrid development create good steady jobs on reservations, build expertise in sustainable energy development, attract important external investments, and help Native communities achieve energy sovereignty. Private- and public-sector lending is critical to reconfigure buildings to run on microgrids and to develop sustainable energy resources. An example of this opportunity in action is the Winnebago Tribe's Ho-Chunk Inc, which has invested in installation of wind turbines and solar panels and generated \$250,000 in cost savings on their reservation since 2007. Leveraging matching grants from the Department of Energy, they've installed 280kW of sustainable energy in the form of wind turbines and solar PV panels, and offset an estimated 27% of energy usage.³⁰

29. "Jemez Pueblo connects to high-speed internet," Theresa Davis, Albuquerque Journal, March 7, 2021.

30. "Deploying Clean Energy on the Winnebago Reservation," The U.S. Department of Energy Office of Indian Energy. <https://www.energy.gov/indianenergy/ho-chunk-inc-2018-project>.

Tribes can diversify and increase resiliency through a myriad of opportunities

Infrastructure and resources		Manufacturing, construction, & consumer		Tech and services	
Infrastructure	Natural resources	Manufacturing and construction	Recreation, retail, and hospitality	Tech and other services	Education, human services, and health care
Broadband development	Greenhouses for produce	Construction companies	Retail investments	Tech investments	Health care facilities
Build out broadband infrastructure to address digital divide, increasing access on tribal lands	Convert natural gas into energy to grow and sell greenhouse produce	Setup full-service tribal construction companies that design and build facilities	Develop retail complexes that include Native small businesses and designers of clothing, etc.	Use funds to invest in high-potential technologies, whether serving Indian Country or beyond	Build clinic and hospital facilities, increasing health care access
Sustainable energy	Resource extraction	Sustainable foods	Eco-tourism	Tribal tech platforms	School buildings
Achieve energy sovereignty through hydro, solar, wind, +	Extract available resources, and do so with tribal member workforce (e.g., copper, coal, uranium)	Leverage traditional practices to create and market food products (e.g., bison meat)	Use remote locations (when applicable) to attract tourism, providing recreation in nature	Drive development of software serving tribal needs, selling to other tribes and partners	Construct early, elementary, middle, and high school education facilities unique to community
Water infrastructure	Diversified investments	Resource processing	Culture tourism	Special economic zones	Community centers
Build out water projects, including wastewater treatment systems, that enable other businesses	Invest or collaborate with other tribes to invest in sustainable resource efforts	Integrate further in the value chain, manufacturing raw resources (e.g., natural gas)	Support pueblos in using unique culture and local artists to drive tourism	Develop designated economic zones that incentivize businesses and create manufacturing jobs	Build central gather spaces for community events and activities
Housing & developments	Agricultural resources	Modular home solutions	Restaurant chains	Tribal “passport” service	Rehab centers
Build housing, commercial and other developments, increasing capacity	Grow, harvest, or raise agricultural products on own land, at scale with members as workers	Design and manufacture local modular housing, creating skills, jobs, and housing options	Build on food trends for fast casual, health, sustainable foods with traditional foods (e.g., Owamni)	Operationalize service packages that simplify benefits and pathway for corporations to work with tribes	Meet needs of community on path to rehabilitation and health
Microgrids and storage	Carbon credit programs	Native unions	Hotels and resorts	Native fintech	Tribal colleges and trade
Develop self-sustaining energy system, along with energy storage, increasing energy independence	Engage in carbon credit programs to sell to buyers	Create tribal coalitions/ unions or partnerships with existing unions for trades work (e.g., iron working)	Build and/or invest in hospitality facilities, especially building on current assets	Partner with tribal-run bank to invest in fintech products customized for tribal communities	Equip community members with both trade skills and other higher education, partnering with others
Roads and physical access	Rethink leasing	Gov’t mfg SBA 8(a)’s	Online native goods retail	Indigenous media	Courts and judiciary
Connect remote areas of tribal lands, increasing access	Consider alternatives to leasing (e.g., conduct agricultural activity at tribal level instead)	Engage in gov’t contracting, specifically within light manufacturing	Establish multi-tribally owned online marketplace for native goods/businesses	Develop mass scale Native-owned and operated news, television, social media etc. company	Establish facilities that house legal administration, corrections, etc. that are customized to needs

Manufacturing, construction, and consumer

Within manufacturing, construction, and consumer, we see an opportunity to develop current industries and bring new businesses to tribes. This offers increased revenue and enriched job opportunities for tribes and individuals. Building these industries will set the stage for resilience now and in the future, as these industries grow to become more integral to tribes.

Agribusiness and sustainable foods: Bolstering sustainable foods production within Native communities provides yet another opportunity to positively impact resilience. We can enable tribes to create businesses around traditional food products using sustainable production techniques such as cornmeal, local maple syrup, or wild rice. Producing these foods offers opportunities to scale agricultural production by combining conventional, traditional, and regenerative food practices. This contributes to food sovereignty, promotes health in native populations, and provides additional and new revenue streams for tribes. Opening up the ability to leverage capital in this space is the most important way to scale sustainable food production. Recently, Native Green Grow (NG2) has served as an example of a successful sustainable food initiative in North Dakota by the Mandan, Hidatsa and Arikara Nation. NG2 uses natural gas that was formerly being flared from nearby oil wells to power climate-controlled greenhouses to sustainably grow produce. Supporting initiatives like these would positively impact tribes' economic resiliency.

Construction tied to other major infrastructure builds: Boosting construction contracting offers another way to improve resiliency. By establishing tribal construction companies and positioning them to win contracts, tribal revenues can be increased while providing jobs and skills

to tribal members. The federal government offers programs intended to help American Indian and Alaskan Native contractors procure government contracts; increasing the number of tribal companies that take advantage of these programs is important. Doing so will enable more Native businesses to build experience and open doors to more government and non-government contracts and partnerships. This can be accomplished by leveraging contacts across industries to facilitate partnerships with Native and non-native contractors. Additionally, providing direct financing and investments for tribal construction companies, while facilitating the hiring of tribal members will grow resilience within tribes. An example of a player in this space whose efforts are potentially scalable and replicable is the Alaska Native Chenega Corporation, which performs government contract work around the world with over 250 federal contracts.

Tech, education, health, and services

Tech, education, health, and services initiatives significantly increase the quality of life and opportunities that tribal members experience. Taking advantage of both business development and educational opportunities in these spaces can help drive growth for tribes long into the future. Creating healthy, well-educated populations with access to tech and other resources will play a large role in resiliency.

Health care facilities: Building new and improving existing clinics and hospital facilities provides an important path to enhance historically poor access to health care. These efforts will boost health equity for Natives and help to prevent disease and improve quality of life. We can bolster this sector by diverting investment and lending to tribal construction companies to build better facilities and to educational institutions to promote medical education. Additionally, large

corporate and governmental partners of tribes can leverage relationships with large health care providers to improve health care access to tribal communities. Recently, Bank of America provided a \$250,000 grant to Washington State University Spokane's Native American Health Sciences program, which will be used to build the nation's first indigenous-developed and instructed clinical simulation space in the Center for Native American Health. It will be run by Native American instructors in medicine, nursing, pharmacy, and allied health, and its curriculum will tackle health disparities for tribal communities and develop a diverse future workforce with Native American representation.

Education and STEM funding: Pushing STEM funding and education initiatives while expanding access to higher education programs and programs focused on developing business capabilities offers another pathway to progress. Training more engineers, improving schools and higher educational facilities, and providing more opportunities for educational advancement will fortify Native communities. A highly skilled workforce leads to increased external investment, higher graduation rates, and higher employment rates which all clearly correlate with lower poverty rates. Wells Fargo recently partnered with American Indian Graduate Center to offer Wells Fargo Scholarships for Undergraduate American Indian and Alaska Native Students and the Wells Fargo American Indian Scholarship. Such support across all levels of education will deliver vast improvements for Native education.



Making the change stick

Self-determination is one of the most constructive factors and unique to Indian Country; it can bolster the long-term economic resiliency of tribal nations. Achieving true self-determination, however, requires the establishment of effective governance practices. We define governance as the system by which a tribe operates and the mechanisms by which its leaders and people are held to account. Effective governance rests on a foundation of sound decision-making, accountability, and control. Making such changes stick over the long haul requires all relevant stakeholders to effectively integrate these factors to make these hoped-for changes stick.

Among the many obstacles that have impeded tribal leaders' ability to achieve more effective self-determination is a diversity of governance structures across nations. In the wake of the Indian Reorganization Act of 1934, some tribal nations formed governments by electing members to governing councils based on a formal constitution, while others fell back on the more traditional and informal process of elders choosing leaders. In some cases, these structural issues are exacerbated by the need for tribal leaders to focus on immediate and longstanding issues impacting their constituents at the expense of longer-term planning.

Regardless of governance structure, leaders often face pervasive political pressure to focus on short-term, faster-return initiatives to the detriment of investing for longer-term growth. One example is the frequent decision by leaders to return revenues directly to individuals through per capita distributions when other investments may deliver greater value. Tribal leaders have frequently resorted to outsourcing financial investment decisions to external parties due to a lack of internal expertise. Finally, a paucity of good data has prevented more common and effective information-sharing and coordination among and between tribes, leading to a pervasive failure to address issues common across Indian Country.

Multiple factors can help better enable economic resiliency

Leadership and capabilities	Governance	Align with culture Define strategic values unique to tribal culture, and set guidelines to ensure activities align	Hire within Create contracting rules for some % of SME's and workers on projects to be tribal members	Procurement policy Set guidelines for % of vendors to also be AI/AN-owned	Leadership limits Tighten policies conducive to long-term growth (e.g., term limits, impeachment)	Lobbying Lead as voice for change in DC, influencing for tribes and on relevant issues (e.g., climate change)	Fail forward Design mechanism that instills fail forward approach to new ventures / investments
	Strategic	Strategic planning Conduct strategy effort, outlining long-term tribal economic plan	Vertical integration Keep higher share of product's end value by engaging along value chain, potentially using M&A	Data creation Build out database on members and tribal area population	White House Summit Engage in White House Council on Native American Affairs	Inter-tribal partnerships Develop coalitions and partnerships across tribes for collective benefits	Go global Partner with USDA, SBA, and EXIM to sell or partner globally
	Workforce development	Women entrepreneurship Invest dollars and effort in equality for women, as earners of >50% income ³	Science and engineering Partner with American Indian Science and Engineering Society for k-12 STEM	Financial literacy Strengthen education on finance and develop finance ambassador programs	Language programs Preserve languages from elders and strengthen education for youth on culture and history	Skills apprenticeships Create jobs and long-term skill in electrical, firefighting, construction, +	Culture via food Setup traditional food systems, creating jobs, and replacing unhealthy options at schools, hospitals, etc.
	Financial	Recovery funding Apply for government funding through ARPA, AJP, SSBCI1, the CARES Act, etc.	Investment fund Increase share of revenue going to investment fund for long-term plans	Other funding Work to capture DOE, BIA, USDA, philanthropic, other sources of funds	Loan guarantees Capture advantages of loan guarantee through CDFIs, SBA, EXIM, or others	New Markets Tax Credits Attract private investments to compound other funds through CDFI Fund program	Efficient funding use Seek funding for efforts that don't double up or inhibit receiving other funding for same purpose
Services-related	Legal	Eminent domain Acquire infrastructure and other assets on tribal land to operate	Treaty recognition Press into historically neglected treaties, following recent traction	Zoning plans Plan for future by creating clear zoning law for development long into the future	Trusts to cut tax Convert land, buildings, assets into trusts, balancing potential need to use new land as collateralizable asset	14 types of taxes Increase use of combinations of taxes tribes have ability to impose (e.g., tobacco, fuel)	Per cap policy Set limits on % of types of income for per cap, to ensure higher plowback ratio for economic development

Not exhaustive

1. American Rescue Plan Act, American Jobs Plan, State Small Business Credit Initiative. 2. Small Business Administration. 3. Women bring ~2/3 of dollars into tribal communities (Tinhorn Consulting)
Copyright © 2021 by Boston Consulting Group. All rights reserved.

Three best practices can put Indian Country on a better path toward more effective governance:

1. Embrace generational thinking

The Seventh Generation Principle states that the decisions tribes make today should result in a sustainable world seven generations in the future. This principle aligns decisions today with the strategic vision of the tribe in the future. Tribal leaders can take a longer-term view when evaluating investment opportunities, accounting not just for current cash flows but later payoffs. Embracing generational thinking presents the clearest path to achieving more effective governance.

2. Adopt a hybrid model of investors

Many tribes choose to build investment strategies by hiring external talent as opposed to creating their own internal financial group. One drawback to the employment of external advisors is that they may focus on generating short-term returns to boost their chances of being retained as investment advisors. A better practice that effectively balance short and longer-term financial considerations is to adopt a hybrid model that provides an integrated team of external and internal advisors working together to make sound financial decisions. This recommendation, when incorporated with the Seventh Generation Principle, elevates decisions to invest in community education and financial literacy programs to produce home-grown tribal talent.

Example: A First Nation in Canada found a creative way to marry long-term thinking with its citizens' interest in receiving immediate payments. The nation owns a development corporation that operates multiple nation-owned enterprises. Most profits from the corporation are reinvested in the enterprises, invested elsewhere for long-term benefit, or used to support operations and social services. However, 10% of profits are distributed annually to citizens in the form of a dividend based solely on business performance. The corporation acts like a public corporation, distributing regular payments to shareholders. It also emulates public companies in annually publishing its financial results, so citizens can evaluate performance and draw links between the size of the company's annual profits and fluctuations in the amount of their dividend.

Example: The Oneida Tribe in Wisconsin formed the Oneida Trust Funds, an investment fund overseen by the Oneida Trust Committee. The stated investment objective is to achieve longer-term income and growth across its various funds to support community priorities including per capita payments to the elderly, higher education, language revitalization and general welfare. The tribe also works closely with external financial advisors to shape an investment strategy that effectively marries short- and longer-term goals and objectives. In 2011, the Trust Committee decided to allocate 5% of the fund to real estate, resulting in the selection of financial firms Cornerstone, Heitman, and UBS to invest for longer-term growth.

Example: The Against Malaria Foundation has distributed malaria nets in over 40 countries with an annual funding of \$35 million and relying on the input of nine board members. It partners with corporate sponsors, local organizations, and volunteers in each country for on-the-ground support and to track impact. It convenes a Malaria Advisor Group composed of experts who identify high impact areas and advise the fund on allocations. The foundation leverages a Finance and Audit Committee to minimize the misuse of funds. In both cases, nations created a strong coalition bound by a common goal to achieve significant impact — a compelling model for Indian Country.

3. Form inter-tribal coalitions

Many tribal nations in Indian Country face similar obstacles to social, political, and economic development. Yet a persistent lack of coordination and a common voice has hindered their collective ability to direct national attention to addressing common challenges. This lack of coordination is exacerbated by a lack of rigorous data collection to aggregate information across tribes. The National Congress of American Indians, founded in 1944, strives to be the unified voice of tribal nations, yet we see additional opportunities for collaboration. Tribes can form geographically based inter-tribal coalitions to make joint investments in infrastructure. They can also share data-collection methods to establish a common reporting framework for data collection and meet regularly to share expertise between elders and decision makers. Tribes can also promote mutually beneficial business partnerships and economic development that leverage the scope and scale available to multiple as opposed to individual tribes. They can form cooperatives to increase volumes and purchasing power. Adopting such tactics will require leaders to work with external partners towards the common goal of bolstering economic resiliency across Indian Country.

Example: The Confederated Tribes of the Grand Ronde Community of Oregon and the Confederated Tribes of Siletz Indians have jointly owned a 15.7-acre property in Keizer, Oregon, since 2002. The ownership of Chemawa Station was transferred to the two tribes by the Federal Highway Administration under the Indian Self-Determination Act. After securing funding, construction began in 2019 to create a development with a gas station, quick service restaurant, and additional tenants.

Example: The Lakota Fund is a CDFI serving the Oglala Lakota Oyate people living on the Pine Ridge Reservation in South Dakota. The first intertribal loan in history was conducted in 2005 when the Oneida Tribe of Wisconsin Trust Committee approved a three-year loan to the Lakota Fund. Three years later, success of the loan spurred the Wisconsin Trust Committee to renew the loan for another three-year period. This investment, along with others by external parties, have helped the Lakota Fund improve living outcomes in South Dakota.

Tactical next steps

The ability to drive change in Indian Country is no longer limited to the comparatively small number of decision-makers who historically wielded influence and authority; it rests now and in the foreseeable future in the hands of a broader stakeholder group. Regardless of which stakeholder group individuals fall into, they can take stock of their role and figure out what they can do. Whether a tribal member or leader deeply entrenched in the community, or an individual contributor feeling empowered to raise awareness in the workplace, individuals can identify the positive overlaps between their strengths and the needs of the group to determine where, how, and when to drive maximum impact. The answer will be different for everyone even within a given group. Yet each contribution, no matter how small, adds to the cumulative and collective project of building economic resiliency.

Tribes

A critical first step is to conduct a thorough evaluation of the tribe's current state and map it to one of the ten archetypes. This will plot performance against key characteristics to identify gaps (e.g., broadband access, educational attainment) and other tribes that may share comparable circumstances and potential opportunities for knowledge-sharing. The next step is to leverage the prioritization framework to determine the best set of opportunities to pursue from the set of available options. Tribal members and leaders can identify and evaluate opportunities against the factors of resiliency potential and feasibility to implement, while taking into account other factors such as

cultural fit and conformity with tribal values. Once they have identified and prioritized a set of opportunities, tribes may conclude that some projects cannot be completed absent external support. Tribes can then identify external partners capable of supporting execution (e.g., a broadband provider), offering an ability to form coalitions (e.g., another tribe fitting the same archetype), and qualifying as potential sources of funding and investment. Lastly, tribes can put their action plans on paper (with short-, medium-, and long-term steps) and start. Achieving a few quick wins in the early phases of execution can serve as proof-of-concept to sustain momentum for longer-term change.

National banks

Given the significant amount of capital and non-capital resources at their disposal, national banks can take steps in both the short and long term to advance economic resiliency of these traditionally underserved and underbanked communities. Acting in their traditional roles as commercial lenders, retail lenders, mentors/partners, and advocates on behalf of their clients and customers, banks can evaluate the broader circumstances of their customer base and consider which new products and services would help meet the needs of these traditionally disadvantaged populations. In the short term, banks can upskill Native CDFIs by establishing a rotation program for finance executives. Over the longer haul, they can provide investments tied directly to broadband or infrastructure buildouts and/or establish long-term technology-sharing programs to assist CDFIs in upgrading from legacy technology. Banks with a strong

penetration in tribal communities can facilitate discussions between other capital providers (such as private equity and venture capital) and tribal communities to help with equity investments which is sorely needed in tribal communities.

Governments

Governments at the national, state, and local levels have a significant role to play in Indian Country. Beyond simply providing funding, they can take on the role of coordinator between tribal agencies and authorities and public and private sector organizations and companies. For example, government agencies and authorities could in the short term (e.g., 1–2 years) partner with tribal agencies and authorities to coordinate plans to build broadband infrastructure in rural areas. State, local, and federal government agencies could partner with cell-service and telecom providers to distribute hotspots to rural communities, thereby improving internet and broadband access. They can launch digital literacy

programs aimed at equipping Native Community members with the skills needed to leverage the internet to best meet their needs. In the medium-term (e.g., 1–3 years), agencies and authorities can jumpstart the buildout of a permanent broadband solution by forging public-private partnerships with firms in the telecom industry and local tribal leaders, to expedite permitting and cut through the red tape now hampering a more comprehensive network buildout. Over the long haul (e.g., 3+ years), government agencies and authorities can ensure that these broadband assets will be maintained and that fund is sufficient to cover repairs and upgrades. The federal government may also have a role to play in the development of national economic and business reporting on tribal communities. These reports could help banks, mainstream investors, and others understand the Native American market, and this research can justify investments of time and capital in tribal opportunities.



In conclusion



Building the long-term economic resiliency of Indian Country requires focused and concentrated action on many fronts, including the adoption of best governance practices, investing in the collection of better economic data, the construction and reconstruction of critical infrastructure, focusing on broadband and the development of diversified industries, and embracing holistic generational thinking. The data and analysis put forth in this paper confirms and affirms the critical importance of achieving economic resiliency as a financial, cultural, and societal value with deep roots in Native communities. It forms a framework and an action plan to guide renewed investment in and focus on an historically disadvantaged set of societies. Using this framework, a broad range of stakeholders, including tribal leaders, authorities, nations, banks, and non-Native government agencies, can navigate a spectrum of opportunities to execute on the highest-value ideas with the greatest cultural fit, feasibility, and priority. Finally, tribal nations are equipped to establish more effective governance mechanisms to ensure that these changes can be sustained over the long term.

A Path Forward

Wells Fargo's Banking Inclusion Initiative (BII) — A model for change

A real-life example of a national bank addressing an economic resiliency and advancement opportunity is Wells Fargo's Banking Inclusion Initiative (BII). The BII was launched in May 2021 and is a 10-year commitment to help unbanked individuals gain access to affordable, mainstream and digitally enabled transactional accounts. The initiative primarily focuses on Black and African American, Hispanic, and Native American/Alaska Native families. They account for more than half of America's seven million+ unbanked households, as well as those who are underserved.

The BII provides an example of how specific operating model, partnership, and new strategies and approaches can be implemented to benefit communities. Wells Fargo is teaming with national and community organizations to help more people access low-cost banking services and take meaningful strides in addressing economic disparities in diverse communities. The initiative focuses on increasing access to affordable products and digital solutions, making financial education accessible, and building financial capability and continued engagement. Wells Fargo is also leading a National Unbanked Task Force to develop solutions.

Increasing access to affordable products and digital solutions

Wells Fargo has taken multiple actions, among these is supporting Black-owned Minority Depository Institutions, by offering access to a dedicated relationship team to help strengthen

their institutions, and increasing investment in the Credit Builders Alliance which provides a low-cost, credit building consumer loan program. It is also increasing awareness of its Clear Access BankingSM product (a low-cost, no overdraft fee account) and piloting new strategies with the Cities for Financial Empowerment Fund and local Bank On coalitions to overcome barriers to banking access. Lastly, it is working with financial technology firms such, as MoCaFi, to help provide banking services to unbanked individuals

Addressing community needs

Wells Fargo is working with Operation HOPE to introduce HOPE Inside centers in select branches within diverse and LMI neighborhoods. Through HOPE Inside, HOPE financial coaches provide free financial education and one-on-one financial coaching to community members. It collaborated with HBCU Community Development Action Coalition to launch a financial wellness initiative for college students of color called Our Money Matters. Lastly, it is redesigning 100 Wells Fargo branches in low- to moderate-income neighborhoods to better meet community needs, including branches serving Indian Country.

Lead a National Unbanked Task Force

Recognizing that national banks cannot solve the problem alone and that trust remains a barrier, Wells Fargo has collaborated with other leaders who have grassroots connections in the communities they want to reach. It has convened representatives from diverse organizations such as the NAACP and the NCAI (National Congress of American Indians), with multiple individuals on the Task Force specifically focused on Indian Country.

Taken altogether, Wells Fargo's Banking Inclusion Initiative is a bold, multi-faceted commitment that is well positioned for enduring impact. It serves as an example and inspiration for how banks of all sizes can leverage their positions within the financial industry to drastically bolster economic resiliency within Indian Country.

Closing the digital divide

Just as the pandemic buoyed companies, communities, and economies that successfully leveraged the digital revolution, it deepened adverse impacts on people and places on the wrong side of the digital divide. This underscored an urgent need for the public and private sectors to work together to provide freer, fairer access to broadband to those millions left behind.

The decisive depth of the digital divide — the distance between digital “haves” and “have-nots” — was showcased during the pandemic. As the “Broken Promises Report” highlighted, this cleavage had long been wider and deeper in Indian country, with over 80% of tribal areas currently suffering connectivity below the national average.³¹ This pervasive lack of access reflects structural realities and anomalies that may be addressed through legislative action. The promise that public-private partnerships between local, regional, and national players may start to accelerate the deployment of wireless networks in areas long classified as “digital deserts” means technology may bring new opportunities — for employment, access to capital and financial literacy, higher education, and health care — to thousands of chronically underserved communities in Indian Country.

According to one recent report:³² “The barriers to equitable broadband across Indian Country can be broken down into three main categories: jurisdictional issues that complicate infrastructure development on tribal land; a lack of available broadband infrastructure in remote locations where internet providers don't see a market,

and “last mile” connectivity where tribes don't own their own infrastructure and are therefore subject to private companies' rates.” Positive provisions included in the infrastructure bill passed by the U.S. Senate, currently being considered by Congress, are intended to address all three issues. While current legislation expressly allocates only \$2 billion to improving access to broadband for Native communities, there may be other opportunities available in the additional \$63 billion allocated to the issue in the broad bill.

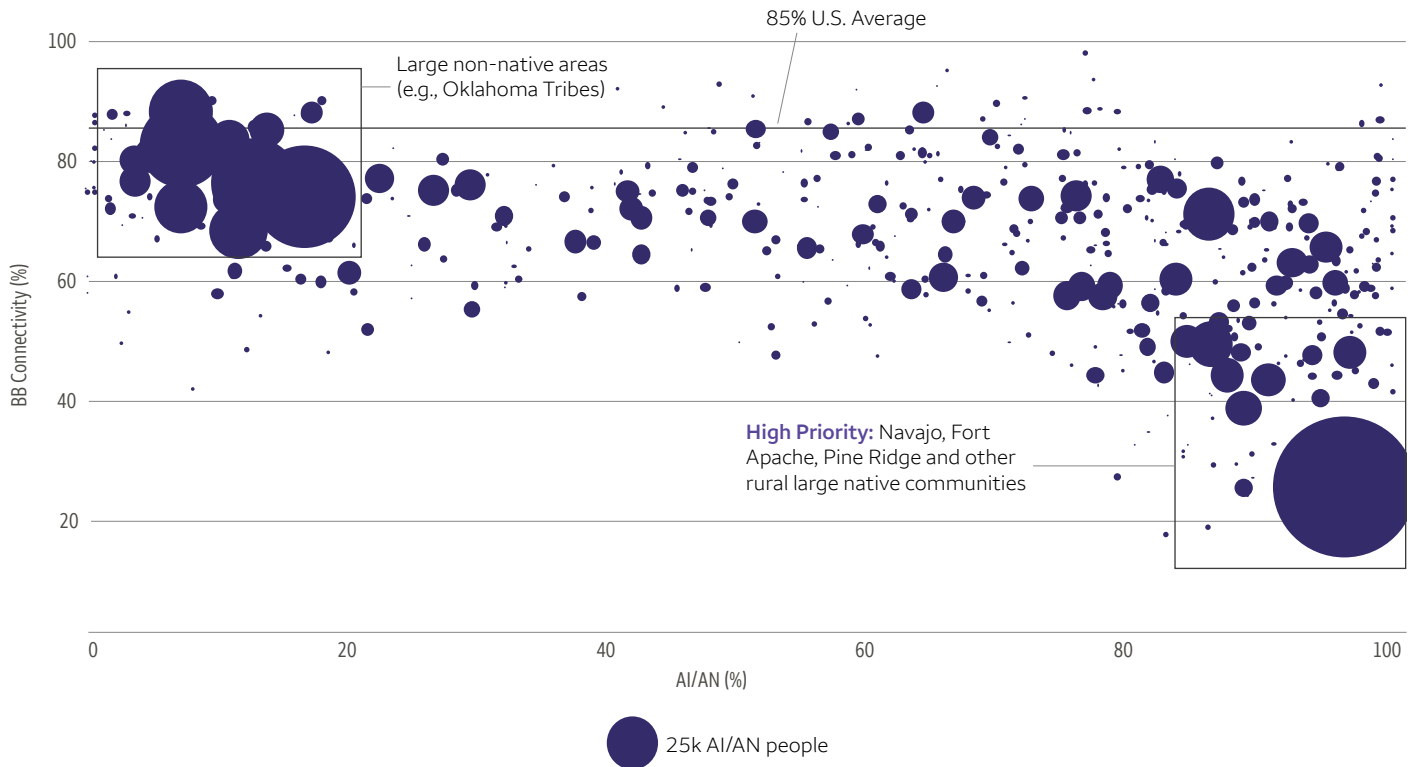
By closing the stark digital divide present in Indian Country, we can access benefits within three major categories: providing equal access to education for students, driving opportunities for jobs and entrepreneurship, and connecting tribes to the digital world, including banking. Within education, we can ensure that all students are able to participate in virtual school and can access additional virtual references and resources to supplement their schooling. Broadband will also provide all teachers access to quality internet and digital resources, maximizing students' educational experience. In terms of jobs and entrepreneurship, broadband will unlock access to online job searches and applications and remote work capability. Wide broadband access will also encourage a wave of tech entrepreneurship. Connection into the digital world will build foundations for professional, academic, and social networks and provide access to digital banking, reducing the number of unbanked tribal households. This access will also reduce the barrier for low-income households to apply for government and nonprofit programs.

We can also observe these benefits and the coupled costs in terms of the opportunity analysis framework presented. Within the framework, developing broadband capabilities scores “positive” (1) for both resiliency potential and cultural fit. Within the feasibility assessment, it scores a 2. Our overall score for this opportunity is a 1, making this a highly prioritized opportunity carry potential for big impact.

31. “Broken Promises: Continuing Federal Funding Shortfall for Native Americans” U.S. Commission for Civil Rights Briefing Report, December 2018.

32. “NO SIGNAL: Systemic challenges plague broadband development in Indian Country, despite massive influx of spending,” Jenna Kunz, Tribal Business News, June 28, 2021. **53**

81% of tribal areas have broadband connectivity below the U.S. average



Source: ACS 2015 – 2019 Estimates, statista.com
 Copyright © 2021 by Boston Consulting Group. All rights reserved.

Within economic resiliency, broadband development achieves positive scores across all four of our assessment dimensions: economic diversification, leveraging capital for growth and resiliency, capacity building, and partnerships. Broadband boosts economic diversification as it expands potential investments and jobs across industry and can increase small business activity. It increases the ability to leverage capital by mobilizing digital banking and other services, but we must note that it requires education to turn this leverage into action. Broadband also helps with capacity building by increasing education, connectivity, resource building, government services, and other capacity. Broadband supports partnerships naturally as it requires teaming to develop and maintain while expanding tribes’ reach. It is critical to vet partners to ensure alignment with values.

Our feasibility assessment found that broadband held a “moderate” feasibility along the three dimensions of cost, time, and capabilities. Though there is significant funding to this effect through the American Jobs Plan, there may be a need to find additional funding beyond AJP to fully implement broadband development. Additionally, there will be added ongoing costs to maintain once it’s in place. Similarly, broadband development is likely to require a significant time commitment from leadership of stakeholders involved. This time includes project development, managing relationships between stakeholders, and maintenance once the initial work has been done. The fit with capabilities is scored as moderate but depends on the effort of all stakeholders involved. Though the current capabilities of tribes are likely limited within highly technical aspects, there is an opportunity to build that capability throughout the project.

Within cultural fit, broadband development scores as moderate for respect of land and positive for honor of ancestors and seven generations alignment. In terms of respect of land, broadband capacity can help drive more efficient uses of resources such as smart grids. There is, however, potential for some negative effects, as installation may require land to be disturbed. Broadband has the potential to increase the quantity, quality, and reach of education and culture preservation for tribes, positively impacting honor of ancestors. However, we must be cognizant that increasing digital may reduce collectivism. Broadband scores positive with seven generations alignment, as it has the ability to boost capacity and access to education. This access and impact depend on the quality of implementation, so we must take care to put the best solution in place.

As we address the accessibility, lack of infrastructure, affordability, and adoption of internet usage on tribal lands, we can consider a few immediate next steps. We need to leverage the \$1 billion that the American Jobs Plan earmarked to support broadband access for tribes, determine a plan forward for applying for federal funding, and identify beneficial partnerships to implementation. Maximizing government funding will potentially include combining funding from other bills or from other outside source such as banking partners. We can also design a strategy for applying for funding which can mean submitting a single application for all tribal entities, collaborating regionally as tribal partners to apply, applying as single tribes, or a combination. Lastly, identifying partners must look for alignment of values and dedication to longer-term maintenance commitments to ensure that the divide remains closed.

Partnerships across five areas are required to close the digital divide

Area	Role	Accessibility	Affordability	Adaptation/Usability
Project management (PMO)	Organize project timelines, keep project on track	<div style="background-color: #2c3e50; color: white; padding: 2px;">Navajo Nation Telecommunications Regulatory Commission</div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #e67e22; color: white; padding: 2px;">ConnectHomeUSA</div> <div style="background-color: #e67e22; color: white; padding: 2px;">ConnectHomeUSA</div> </div>		
Technology, infrastructure, and delivery	Provide and manage the hardware for accessible connectivity	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #2c3e50; color: white; padding: 2px;">National providers: AT&T, Comcast</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Cherokee Connect</div> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #2c3e50; color: white; padding: 2px;">Tribally owned providers</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Tribal public schools</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Tribal public schools</div> </div>		
Financing	Provide the funding and funding vehicles for initial development, ongoing maintenance and operations	<div style="background-color: #2c3e50; color: white; padding: 2px;">Affordable Connectivity Program: \$14.2B towards reducing monthly service costs for families</div> <div style="background-color: #2c3e50; color: white; padding: 2px;">Tribal Connectivity Fund: \$2B</div> <div style="background-color: #2c3e50; color: white; padding: 2px;">Commercial loan from national bank</div>		
Policy	Support the ongoing affordability/adaption programs	<div style="background-color: #2c3e50; color: white; padding: 2px;">EducationSuperHighway</div> <div style="background-color: #e67e22; color: white; padding: 2px;">Navajo Nation Telecommunications Regulatory Commission</div>		
Advocacy, education, and research	Support needs assessments and ongoing iterations of deployed solutions	<div style="background-color: #e67e22; color: white; padding: 2px;">National Congress of American Indians</div> <div style="background-color: #e67e22; color: white; padding: 2px;">National Tribal Telecommunications Association</div>		

■ Potential partner/funding source ■ Could leverage

The six funded programs will address different, but potentially overlapping, broadband needs

	Potential for tribes		Direct to tribes	Potential for tribes		
	\$42.5B	\$2.8B	\$2B	\$1B	\$14.2B	\$2B
	State grants for infrastructure	Digital Equity Act	Tribal Connectivity Fund	Middle Mile Infrastructure	Affordable Connectivity Program	Rural Utilities Service-Broadband
Program Purpose	Close access gap for “unserved” and “underserved” locations + “community anchor institutions”	Address equitable concerns regarding digital divide for “covered populations”	General assistance for Tribal broadband access	Extend middle mile (MM) capacity to reach last-mile providers and enhance network resilience by reducing points of failure	Indefinite extension of the Emergency Broadband Benefit (EBB) program to close affordability gap on long-term basis	For loans and grants to deploy broadband to unserved locations in rural areas
Fund flow	Through DOC to states based on distribution formulas	To DOC for deployment via two programs (one through states, one directly by DOC)	To DOC for deployment (additional \$2B on top of \$1B existing funding)	To DOC for deployment	To FCC for deployment (\$30 per household subsidy)	To USDA for deployment

Copyright © 2021 by Boston Consulting Group. All rights reserved.

Deep dive: Major federal funding available to Indian Country

Tribal nations have historically turned to the U.S. Government as a source of funding, leveraging resources such as loans, grants, and contracts from different departments to achieve tribal objectives. Traditionally, the Bureau of Indian Affairs (BIA) bears the primary responsibility for providing federally recognized tribes with federal services and funds. However, other departments such as the Department of Health and Human Services, Department of Housing and Urban Development, Department of Education, and Department of Agriculture also play a role in maintaining the welfare of Indian Country. At this unique point in the COVID-19 pandemic, tribes have once-in-a-century levels of funding available to them. This funding is incremental to what tribes can typically access from the government and represents potential for at least \$53 billion in incremental funds. To maximize impact, tribes should avoid

short-termism and instead take advantage of this historic increase in federal funding to build economic resiliency for the long term. This paper will detail the three sources of funding available as well as additional considerations for ensuring an effective use of funds.

Coronavirus Aid, Relief, and Economic Security Act (CARES): \$10.5 billion

The CARES Act was passed in March 2020 and featured a total bill size of \$2.2 trillion, with \$10.5 billion allocated to Indian Country for pandemic relief. Of this, \$8 billion was provided via Coronavirus Relief Funding and the remaining \$2.5 billion from other sources within the bill. The use of funds includes necessary expenditures incurred due to the pandemic, expenses not already covered by the budget approved on 3/27/20, and expenses incurred from 3/1/20 to 12/31/21. Most funding was allocated based on population via U.S. Census Bureau data, and distributions were mostly completed by summer 2020. The purpose of the

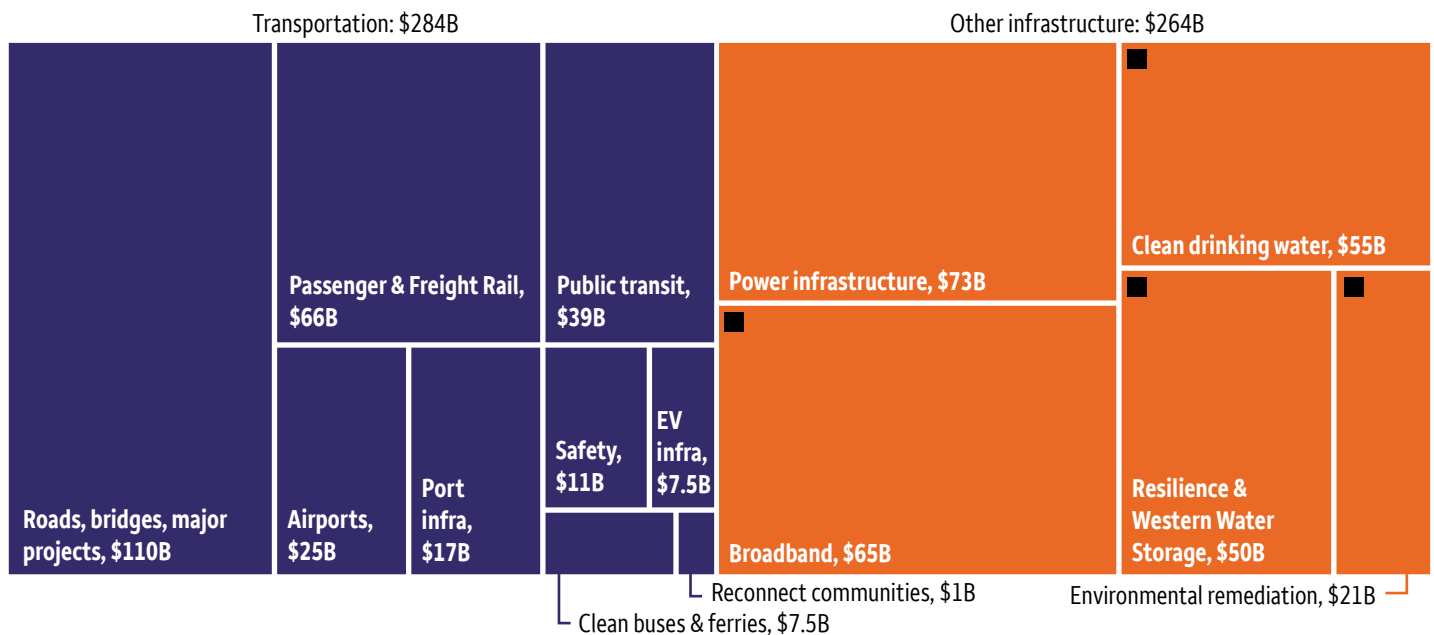
funding was to provide immediate and direct relief to combat the impacts of the COVID-19 pandemic.

American Rescue Plan Act (ARPA): \$32.5 billion

The American Rescue Plan Act was passed by Congress in March 2021 and consisted of a \$1.9 trillion stimulus bill. Of this total, \$32.5 billion was allocated to Indian Country, representing the largest single influx of cash to Indian Country in the history of the U.S. It consists of ~\$20 billion from the Fiscal Recovery Fund and \$12.5 billion from other sources (including \$500 million via the State Small Business Credit Initiative to tribal governments for tribally owned and tribal member-owned small businesses). Funds can be used for a number of different purposes including those related to public health, infrastructure (broadband, water, sewer, etc.), addressing COVID-19 impacts (e.g., to tribal business revenue) and providing premium pay to essential workers. Some funding is being pushed down through traditional channels while other funding must be applied for.

The following exhibits explain the current state of the IJJA, noting that it is subject to change with further legislation.

49% of the \$550B new spending in IJJA¹ is for infrastructure, with some funding explicitly included for tribal communities



■ Explicitly includes funds for Tribal communities

1. Infrastructure Investment and Jobs Act

Source: The White House: UPDATED FACT SHEET: Bipartisan Infrastructure Investment and Jobs Act, August 2, 2021, BCG analysis

Copyright © 2021 by Boston Consulting Group. All rights reserved.

Detail: At least \$12.3B in IJA is relevant to tribal development efforts

Category	Major spending	Potential
Water infrastructure	\$2.5B to fully fund all currently-authorized Indian Water Rights Settlements. Provides \$2.5B for the Department of Interior to complete all currently-authorized Indian water rights settlements. The legislation also allows these funds to meet funding requirements for settlements for grant programs administered by the Bureau of Reclamation or Bureau of Indian Affairs.	\$2.5B
	\$1.8B to Indian Health Services Sanitation Facilities Construction. \$1.8B from the Water Working Group will be added to 1.7B from the Resiliency Working Group, for a combined total of \$3.5B in IHS sanitation facilities. This will help connect communities and residences to drinking and sewer water systems.	\$1.8B
Resiliency	\$1B for the FEMA Building Resilient Infrastructure and Communities (BRIC) Program. This is a pre-disaster mitigation program, supporting states, local communities, tribes and territories undertaking hazard mitigation projects to reduce the risks they face from disasters and natural hazards.	\$1.5B
Environmental	\$1.5B equally distributed over 5 years for State and Tribal Assistance Grants: Brownfields. This section would provide significant investment into the Brownfields program to help communities, States, Tribes and other assess, safely clean up, and sustainable reuse contaminated properties <ul style="list-style-type: none"> • It provides \$1.2B for the Brownfields competitive grants while raising grant caps for half of the competitive grant funding under this section (\$600 million) • The remaining \$300 million has been dedicated for Brownfields categorical grants to support the development and progress being made under state-led Brownfields efforts. All state cost share requirements for this section have been waived. 	\$3.5B
	\$3.5B available for 5 years for the Remedial account within the Hazardous Substance Superfund. This section would allow the Environmental Protection Agency to invest in clean-ups and continue moving forward on remedial actions for Superfund sites. This section also waives the state cost-share requirements and encourages the Administrator to consider the unique needs of Tribal communities with Superfund sites, without changing the process for prioritizing Superfund clean-up sites.	
Broadband	\$2B Tribal Broadband Connectivity Program	\$2.0B

Relevant dollars = \$12.3B

In addition to broadband, tribes should pursue development capitalizing on funding in these four area

Copyright © 2021 by Boston Consulting Group. All rights reserved.

Since related legislation continues to evolve quickly, tribes should monitor these potential sources of continued historic levels of funding closely and have a plan in place for how to effectively use the funds. Tribes should keep in mind these four principles to maximize long-term impact:

Build tribal capabilities: Tribes should develop the knowledge and capacity to handle the influx of government funds. This involves developing internal capacity within the tribe or partnering with external organizations to build skills for grant writing, federal reporting, project management, etc.

Focus on long-term value: Tribes should focus on building long-term value through myriad ways. This may involve improving existing infrastructure (e.g., adding telehealth services to a current health care facility) instead of gambling on new, unproven opportunities. This could also mean setting aside some initial funding for expected future maintenance costs instead of putting all funding into the capital investment upfront. (For example, spend \$25 million now and set aside \$5 million for expected maintenance costs instead of spending all \$30 million immediately with no funding plans for the future).

Be flexible: Tribes should consider flexible methods of putting capital to work including investing funds that are not immediately needed (e.g., buying one-year certificates of deposit until funds are needed for a project in year two).

Leverage the power of combination: Not all funding needs to come from the federal government. To the extent feasible, tribes should combine government funds with tribal resources, bank investments, loan guarantees, and other sources of capital to create larger investments for important initiatives.

Additional backup

We can also focus on broader, non-banking-specific challenges driving unbanked sectors to support economic development efforts. These opportunities aim to enable tribes' development by improving structural conditions driving unbanked populations. Within this subset of opportunity, we can develop the leadership and capabilities within Native communities by driving optimization within governance, strategy, and workforce development. Additionally, we can improve services-related capabilities for tribal leaders, organizations, or members by including efforts within financial and legal frameworks.

Leadership and capabilities

Strategic: Within strategic opportunities, our main objectives are to help position tribes for success within geopolitical, business, and technological spheres. Tactically, we can align strategy of tribal activities with tribal values, hire for tribal projects from within the tribe, procure goods from American Indian/Alaskan

Native vendors, adjust leadership policies to foster growth, lobby in Washington, D.C., and systemically encourage new ventures and investments. The goal is to set up tribes for long-term, sustainable success in these spheres.

Example: Marriott Residence Inn D.C., developed as a joint venture between the Forest County Potawatomi Community, the Oneida Tribe of Indians of Wisconsin, the San Manuel Band of Mission Indians, and the Viejas Band of Kumeyaay Indians (the Four Fires Partnership). The partnership leveraged gaming revenues to invest \$43 million to build the hotel which opened in 2005.

Governance: Governance can enable measures to focus on structuring commerce, leadership, and business within tribes in a way that promotes growth. Opportunities to execute here include creating long-term economic plans, vertically integrating within industries, building out database on tribal members and tribal area population, engaging with White House Council, developing inter-tribal partnerships, and developing global partnerships (U.S. Trade and Development Agency, Small Business Administration, and the Export-Import Bank of the United States).

Example: The Winnebago Tribe pooled 20% of gaming profits for investment fund, enabling the creation of Ho-Chunk Inc., an economic development corporation. Ho-Chunk Inc. currently has \$400 million in projected revenue.

Workforce development: Within workforce development, we are focused on both preserving culture and growing practical and valuable skills of tribal members. Key opportunities here include investing in women's equality and entrepreneurship, fostering STEM education (e.g., partnering with American Indian Science and Engineering Society), strengthening financial literacy with education, establishing language and culture preservation programs, creating skill-based apprenticeship programs, and creating a sustainable and healthy food culture.

Example: Native Green Grow (NG2) is a food sovereignty initiative in North Dakota by the Mandan, Hidatsa, and Arikara Nation. NG2 uses natural gas that was formerly being flared from nearby oil wells to power climate-controlled greenhouses to sustainably grow produce.

Services

Financial: To enable tribes within the financial sphere, we can leverage various types of funding and financial advantages and further optimize strategy for use of finances. To do so, facilitating tribal stakeholders to apply for government recovery funding (e.g., ARPA, CARES Act, etc.) and other funding (DOE, BIA, etc.) is a critical factor. Seeking funds strategically, to not inhibit receiving other funds or doubling up on certain efforts is important to consider in this process as well. Beyond this, boosting revenue going to long-term investment funds, taking advantage of loan guarantees (through CDFIs, the Small Business Administration, the Export-Import Bank, etc.), and leveraging private investments to augment other funds are important ways we can further enable tribes financially.

Example: KeyBank and Navajo Nation agreed on a \$60 million governmental infrastructure loan, with a number of agreements in place to respect Navajo sovereign immunity. This set precedent and opened up other loan/credit opportunities for Navajo Nation.

Legal: We are also able to strategically use both legislation and treaties currently in place and establish new legislation to nurture development. Opportunities here include acquiring and operating assets on tribal land (invoking eminent domain), reinforcing historically neglected treaties, creating clear zoning laws to foster future development, converting land and assets into trusts to cut taxes and boost asset base, increase use of 14 types of taxes tribes may impose (e.g., tobacco, fuel, etc.), limiting per capita payments to ensure higher plowback ratio, and invoking sovereign immunity to clear the way for beneficial developments.

Example: Citizen Potawatomi Nation created Iron Horse Industrial Park, a Foreign Trade Zone offering cost-saving opportunities for outside companies due to exemption of customs duties and federal excise taxes, which only apply when goods leave the zone.

Enabler opportunities

Resiliency enablers that support economic development efforts

Leadership and capabilities	Governance	Align with culture Define strategic values unique to tribal culture, and set guidelines to ensure activities align	Hire within Create contracting rules for some % of SMEs and workers on projects to be tribal members	Procurement policy Set guidelines for % of vendors to also be AI/AN-owned	Leadership limits Tighten policies conducive to long-term growth (e.g., term limits, impeachment)	Lobbying Lead as voice for change in DC, influencing for tribes and on relevant issues (e.g., climate change)	Fail forward Design mechanism that instills fail forward approach to new ventures / investments
	Strategic	Strategic planning Conduct strategy effort, outlining long-term tribal economic plan	Vertical integration Keep higher share of product's end value by engaging along value chain, potentially using M&A	Data creation Build out database on members and tribal area population	White House Summit Engage in White House Council on Native American Affairs	Inter-tribal partnerships Develop coalitions and partnerships across tribes for collective benefits	Go global Partner with USTDA, SBA, and EXIM to sell or partner globally
	Workforce development	Women entrepreneurship Invest dollars and effort in equality for women, as earners of >50% income ³	Science and engineering Partner with American Indian Science and Engineering Society for k-12 STEM	Financial literacy Strengthen education on finance and develop finance ambassador programs	Language programs Preserve languages from elders and strengthen education for youth on culture and history	Skills apprenticeships Create jobs and long-term skill in electrical, firefighting, construction, +	Culture via food Setup traditional food systems, creating jobs, and replacing unhealthy options at schools, hospitals, etc.
Services-related	Financial	Recovery funding Apply for government funding through ARPA, AJP, SSBCI1, the CARES Act, etc.	Investment fund Increase share of revenue going to investment fund for long-term plans	Other funding Work to capture DOE, BIA, USDA, philanthropic, other sources of funds	Loan guarantees Capture advantages of loan guarantee through CDFIs, SBA, EXIM, or others	New Markets Tax Credits Attract private investments to compound other funds through CDFI Fund program	Efficient funding use Seek funding for efforts that don't double up or inhibit receiving other funding for same purpose
	Legal	Eminent domain Acquire infrastructure and other assets on tribal land to operate	Treaty recognition Press into historically neglected treaties, following recent traction	Zoning plans Plan for future by creating clear zoning law for development long into the future	Trusts to cut tax Convert land, buildings, assets into trusts, balancing potential need to use new land as collateralizable asset	14 types of taxes Increase use of combinations of taxes tribes have ability to impose (e.g., tobacco, fuel)	Per cap policy Set limits on % of types of income for per cap, to ensure higher plowback ratio for economic development

Not exhaustive

1. American Rescue Plan Act, American Jobs Plan, State Small Business Credit Initiative. 2. Small Business Administration. 3. Women bring ~2/3 of dollars into tribal communities (Tinhorn Consulting)
Copyright © 2021 by Boston Consulting Group. All rights reserved.

Appendix

Appendix 1: Economic resiliency opportunities

Infrastructure and resources

Broadband: The opportunity to leverage federal infrastructure funding to build out broadband on tribal lands ranks as one of the highest priorities because infrastructure development addresses the deep digital divide that too many tribal communities face which itself raises barriers to banking for rural reservations. Additionally, infrastructure development provides ancillary opportunities to expand access to education (particularly as institutions embrace a hybrid personal/virtual model), entrepreneurship, and financial markets. Taken together, all these resources potentially increase capital flow to Native communities.

However, notable challenges to implementing broadband in Native communities have arisen in the past. Currently available broadband offerings tend to be extremely slow or too expensive for most tribal members. Typical broadband data also obscures the need for broadband, because historically FCC maps have lacked a level of detail that unassailably demonstrates the urgent need for broadband in Native areas. FCC maps are divided into blocks, and if at least one person within a given block is sufficiently served, the area shows up as covered. The net result is that some blocks in tribal areas falsely register as covered.

Broadband providers also must cope with numerous financial and regulatory obstacles to providing reliable service in many rural areas, with Indian Country representing a particularly thorny

set of challenges. Historically, major broadband providers have prioritized covering urban areas with denser populations over rural tribal lands because they see a higher potential return on their investment in the infrastructure required. Regulatory obstacles have further discouraged providers from offering new or expanding existing coverage on tribal lands. The process of gaining permission for such development is lengthy and cumbersome, requiring engagement with multiple regulatory and legal bodies, including the Bureau of Indian Affairs in addition to each tribal nation's own legal and regulatory authorities.

To create more widespread access to broadband across Indian Country, banks can make loans to or partner with tribal construction companies to fund the buildout of the required infrastructure on reservations. Additionally, banks may partner with tribes to leverage existing relationships with national, regional, or local telecom industry providers to expend additional efforts to overcome these obstacles and capture this opportunity. Further, banks could play important roles in connecting the dots between these organizations with local tribal leadership (e.g., telecom authorities within tribal nations).

Example: Jemez Pueblo recently completed their Jemez Pueblo Tribal Network Broadband Project, which provided high-speed internet to government offices and 500 homes. This project enabled tribal members to work from home and learn from home as the pandemic perpetuated virtual school and work. The Pueblo leveraged a combination of federal CARES Act funding, state relief funding, and private grants to fund the \$4.8 million project. Jemez retains ownership of the network, allowing them to dictate the speeds and service that they deliver. Encouraging more tribes to leverage such funding for broadband buildout would help more tribal members learn and work more effectively in a virtual environment.

Sustainable energy and microgrids: An additional significant opportunity is in facilitating sustainable energy development on tribal reservations by funding hydro, solar, and wind development and microgrid research and implementation. These investments possess the potential to positively impact energy use across Indian Country, providing more sustainable energy to tribal facilities, community centers, homes, schools, and government buildings. Sustainable energy and microgrid development create good steady jobs on reservations, build expertise in the fast-growing sustainable energy development field, attract important external investments, and put Native communities further along the path to achieving true energy sovereignty and independence.

On the downside, however, challenges and obstacles continue to block the path to implementation. The rural, isolated locations of many tribal lands make renewable energy and transmission infrastructure development logistically and financially complex. Furthermore, regulations and legal rulings governing the disposition of assets held in trust can present seemingly insurmountable barriers to outside investment. Tribal governments are not typically well represented at the local, state, and federal levels, where agency approvals for energy infrastructure developments are typically managed. Federal Indian trust land is subject to federal regulations (e.g., the Environmental Protection Act) on top of other permitting processes not required on private land. As a result of this complex legal and regulatory environment, established frameworks for permitting, siting, and contracting of broadband is unduly complex and lengthy.

Increasing the leveraging of capital, however, provides a potential linchpin to removing some of the obstacles that currently hamstring development. Private- and public-sector lending

to tribal governments, for example, offers the potential to reconfigure government buildings and local businesses to run on microgrids.

Example: The Winnebago Tribe provides a recent example of a successful sustainable energy implementation through Ho-Chunk Inc. Ho-Chunk has invested in installation of wind turbines and solar panels and generated \$250,000 in cost savings on their reservation since 2007. Leveraging matching grants from the Department of Energy, they've installed 280kW of sustainable energy in the form of wind turbines and solar PV panels and offset an estimated 27% of energy usage.

Land use: Optimizing land use also provides an opportunity to boost economic resilience in tribal areas. Constructing new and reconstructing existing water facilities, housing, and commercial developments, improving roads and physical access, and developing resource extraction opportunities all can improve physical access to tribal lands, enable business, augment quality of life, and increase tribal revenues.

In the past, the remote and rugged landscape that defines much of Indian Country has raised logistical and financial hurdles for developers. Gaining legal permission to launch new developments can be difficult, particularly when the planned development is to take place on land held in trust. Tribal members may apply for long-term housing leases, but developments need to be completed within a three-to-five-year threshold. In too many cases, that arbitrary time horizon is insufficient to get the project off the ground. Additionally, some tribal lands are subject to rights including grazing ones which enables veto power over development.

An inability to leverage capital further limits development on reservations along other dimensions. Lending institutions may decline to back projects to develop on Native land, due to real and perceived potential limits to achieving a reasonable return on investment. Obtaining financing can be further complicated by the fact that certain issues must be resolved in tribal

rather than U.S. courts. Bank and financial service industry lending to fund tribal resource extraction and construction companies for development can help address some of these challenges and push such initiatives forward.

Example: The Land Buy-Back Program for Tribal Nations provided \$1.9 billion in the form of a Trust Land Consolidation Fund to help tribes purchase back land with fractionated interests. Land allotments of this type may have hundreds or thousands of individual owners which makes it difficult or impossible to use the land in any advantageous way. Purchasing land back helps tribes solve the issue of having “checkerboard” land, with areas of tribal-owned land interspersed with fractionated or otherwise privately owned land. Consolidating the land settles issues of jurisdiction and allows tribes to better use their land to their own advantage.

Manufacturing, construction, and consumer

Agribusiness and sustainable foods: Bolstering the agribusinesses and sustainable foods sector within Native communities provides yet another opportunity to positively impact resilience and there are multiple recent examples of this driving value for tribes. Doing so involves drawing on resources like natural gas to help grow produce sustainably in greenhouses and on tribes’ own land. Tribes also can create businesses based on traditional or cultural food products. These products, such as cornmeal, local maple syrup, or wild rice, are produced using sustainable and traditional practices. Producing food products offers opportunities to scale agricultural production by combining conventional, traditional, and regenerative food practices. Such measures contribute to food sovereignty, promote health in native populations, and provide additional and new revenue streams for tribes.

Again, certain obstacles and barriers must be overcome to expand access to these important opportunities. Historically, tribes have had limited rights to hunting and fishing on lands held for them in trust. Tribal members must apply for permits to hunt and fish in the same system as

non-tribal people which has acted as an obstacle to the growth and development of Native sustainable food production. Additionally, tribes have historically suffered from little-to-no access to credit for purchasing the equipment to scale agribusiness. Part of the problem is that land held in trust is difficult to put up as collateral for capital, resulting in potential capital providers’ historical reluctance to engage with each tribe’s unique legal system.

Opening up the ability to leverage capital is by far the most important way to mitigate these challenges. Greater capital access would unlock investment in supplies and tools to scale agribusiness and sustainable food production while adding Native food education to curricula to enrich local culture.

Example: Recently, Native Green Grow (NG2) has served as an example of a successful food sovereignty initiative in North Dakota by the Mandan, Hidatsa, and Arikara Nation. NG2 uses natural gas that was formerly being flared from nearby oil wells to power climate-controlled greenhouses to sustainably grow produce. Supporting initiatives like these would positively impact tribes’ economic resiliency.

Construction tied to other major infrastructure builds: Boosting construction contracting offers yet another way to improve resiliency. By establishing tribal construction companies and positioning them to win contracts, tribal revenues can be increased while providing jobs and skills to tribal members. While the federal government provides programs intended to help American Indian and Alaskan Native contractors procure government contracts, these programs have thus far faced challenges in achieving their desired outcome. First, not all eligible companies end up winning government contracts, as the number of contracts awarded to American Indian/Alaskan Native firms has so far been insignificant. Second, many contracts set aside to fulfill these initiatives have been awarded to a small subset of Alaska Native Corporations, leaving other firms owned by tribal entities behind.

Third, business relationships between Native and non-native contractors have not been strong enough to forge promising partnerships among and between them.

Addressing such challenges will require government authorities to take steps to position a larger set of tribal construction companies to win both government and non-government contracts. Doing so will enable more Native businesses to build the track records and resumes required to grow to a scale that government and non-government contractors want to work with. This can be accomplished by leveraging contacts across industries to facilitate partnerships with Native and non-native contractors. Additionally, providing direct financing and investments for tribal construction companies, while facilitating the hiring of tribal members will grow resilience within tribes.

Example: An example of a player in this space whose efforts are potentially scalable and replicable is the Alaska Native Chenega Corporation which performs government contract work around the world with over 250 federal contracts.

Transportation services: Another focus area for advancing resiliency lies in the transportation services sector. Developing transit systems that connect tribal and non-tribal communities improves physical access to and from tribal lands, boosting tourism and providing opportunities to other tribal businesses. Historically, substandard road and transportation conditions have contributed to higher rates of vehicle accidents and delays while limiting access to education, health care, and other vital services. Taken together, poor transportation has been a significant obstacle to economic growth.

Among the many challenges that efforts to improve and expanding transportation services have faced in the past include poor coordination among transportation providers, especially when attempting to connect areas spanning multiple layers of jurisdiction. From a funding perspective,

the Tribal Technical Assistance Program, which aims to educate and train tribal members and governments in transportation best practices, has been a classic case of good intentions hindered by minimal funding. Currently less than \$1 million is available annually to serve more than 500 tribes. Clearly additional funding and lending opportunities must be brought to bridge a transportation divide at least as deep as the higher-profile digital divide. Boosting lending to tribally owned construction companies to develop transit systems, while leveraging current funding to maximize availability of transportation education and trainings for tribes, is required.

Example: The federal government recently announced the Tribal Transit Program for 2021 which offers funding for expenses relating to public transit projects for tribes. This program has been in effect since 2014. Enabling more tribes to leverage this funding will help boost tribes' capacity and resiliency.

Tech, education, health, and services

Health care facilities: Building new and improving existing clinics and hospital facilities provides an important path to enhance historically poor access to health care. While boosting health equity for Natives will help to prevent disease and improve quality of life, achieving health equity on Native lands has historically faced myriad challenges. For starters, remote, rural locations tend to suffer from shortages of medical personnel. Consistent underfunding for services including the Indian Health Services has forced clinic and hospital administrators to limit the services offered at their facilities. To confront these issues, it is important to divert investment and lending to tribal construction companies to build better facilities and to educational institutions and organizations to promote STEM and medical education. Additionally, large corporate and governmental partners of tribes can leverage relationships with large health care providers to improve health care access to tribal communities.

Example: Recently, Bank of America provided a \$250,000 grant to Washington State University Spokane's Native American Health Sciences program as part of its commitment to advance racial equity and economic opportunity. The money will be used to build the nation's first indigenous developed and instructed clinical simulation space in the Center for Native American Health, which will be run by Native American instructors in medicine, nursing, pharmacy, and allied health. The curriculum is designed to tackle health disparities for tribal communities and develop a diverse future workforce with Native American representation.

Education and STEM funding: Pushing STEM funding and education initiatives while expanding access to higher education programs and programs focused on developing business capabilities offers another pathway to progress. Training more engineers while improving schools and higher educational facilities and opportunities for educational advancement will fortify Native communities. A highly skilled workforce leads to increased external investment, higher graduation rates, and higher employment rates. All clearly correlate with lower poverty rates.

Across Indian Country, educational challenges tend to start early as lack of sufficient early childhood education negatively impacts achievement and attainment from a young age. Cultural attitudes have also been influenced by negative associations with school rooted in past discriminatory practices. Between the 1860s and 1960s, Native children were removed from their homes and forced into boarding schools aimed at eradicating their cultural and tribal identities, leading to deep intergenerational trauma culminating in a frequently negative outlook toward school. Adding to these challenges, schools in Native areas tend to be woefully underfunded, leading to a legacy of weakness in both curricula and facilities.

To address these challenges, institutions and capital providers should invest in proven organizations such as the American Indian Science and Engineering Society to increase access to resources for STEM programs in local schools and colleges, allocate funds toward scholarships, and invest in improvements in school facilities and programs.

Example: Wells Fargo recently partnered with American Indian Graduate Center to offer Wells Fargo Scholarships for Undergraduate American Indian and Alaska Native Students and the Wells Fargo American Indian Scholarship. Such support across all levels of education will deliver vast improvements for Native education.

HUBZones: There is also an opportunity to take advantage of the HUBZone policies in place. Seeking HUBZone certifications for small tribal businesses positions those businesses to win government contracts set aside for the program. This leads to an increase in tribal revenue, job creation, and skills development for tribal members and business growth for tribal members and businesses.

The HUBZone program targets 3% of federal prime contracts to be awarded through HUBZone-certified companies, though this target has yet to be met since its creation in 1998. The contracts awarded to HUBZone companies tend to total lower than this target. Leveraging connections to help HUBZone companies win government and other external contracts would help boost small tribal businesses and the tribes and members connected with them.

Appendix 2: Opportunity prioritization framework walkthrough deep dive

The framework assesses opportunities across eight factors that fall into the following three weighted categories: resiliency potential, feasibility, and cultural fit. First, resiliency potential refers to how much impact a particular opportunity could have on an economy's long-term economic development. This potential comprises 50% of the weighting for evaluating opportunities and covers the most important set of factors for stratifying opportunities to focus on, monitor closely, or potentially deprioritize. We assessed different factors' impact on resiliency by looking at their likely impact on economic diversification, leveraging capital for growth and resiliency, capacity building, and their potential to promote partnerships of clear benefit to the community that would not compromise the principle of tribal self-determination.

The second factor, feasibility to implement, assesses the challenges inherent in a given opportunity for a tribe to implement it successfully. It comprises 40% of the weighting for evaluating opportunities. The main components of feasibility assessment are required cost, time commitment to implement, and alignment with current capabilities. While some opportunities may seem exciting with massive upside potential (e.g., light manufacturing of electric vehicle parts, acquiring tech companies to build tribal software programs), some tribes may lack the resources required to produce high-quality outputs. In light of a factor's feasibility, tribes need to select opportunities that are likely to produce a high or at least reasonable return on investment.

The third category, cultural fit, assesses how well aligned an opportunity is with tribal values. Tribal fit accounts for 10% of the weighting for evaluating opportunities. The tribal fit dimension focuses on opportunities that are well matched with respect to land, honoring ancestors, relationship alignment, and seven generations alignment. All these factors speak to how sustainable and well aligned a given opportunity may be to cultural, social, and future aspirations. While some opportunities may possess high potential and be comparatively easy to implement, they may be antithetical to core tribal values.

Appendix 3: Deep dive on role of national, large banks

As institutions with significant capital resources and non-capital resources (influence, connections, lobbying power), national banks can catalyze change in multiple ways as commercial lenders, retail lenders, mentors/partners, and advocates.

Role: Commercial lenders

National banks already participate in commercial lending in Indian Country but have traditionally focused on the gaming sector, leaving non-gaming sectors to be served by smaller, Native-owned banks. In addition, the Great Recession further dampened already depressed lending in Indian Country, as federal regulators tightened collateral and loan requirements. Myriad challenges deepen this dynamic. First, trust land cannot be used as collateral in loans since the U.S. government has trust responsibility for Indian assets. Second, tribes are federally recognized as sovereign governments which operate separately from state and federal governments. Sovereign immunity limits a lender's rights to redress in the event of a breach of contract. Depending on the tribe, codified commercial laws and regulations may be insufficient or even nonexistent, particularly in secured transaction law.³¹ Even among tribes that have adopted a

version of the secured transaction code, there is little consistency (e.g., some model theirs based on Article 9 of the Uniform Commercial Code, others use state law). High turnover on tribal councils and loss of expertise further destabilizes governance and may impact assessments of management and the stability of leadership when lending decisions are made. Finally, establishing trust presents a significant challenge because the equation cuts both ways: tribal leaders and governments find it particularly difficult to trust large banks who are unfamiliar with tribal culture and customs. At the same time, tribally owned businesses may be apprehensive dealing with large national banks and often choose a smaller Native-owned bank as their primary lender even when that bank cannot meet their financial needs.

But as more government funding makes its way into and around reservations, thereby catalyzing large-scale infrastructure projects throughout Indian Country, more banks may step up to the plate as commercial lenders to tribal nations for a series of non-gaming projects prioritized for community impact, long-term sustainability, and resiliency. Example projects include:

1. Broadband development: leveraging upcoming federal infrastructure funding to help close the digital divide by laying down broadband, thus increasing internet access reservation-wide.

2. Carbon credit programs: engaging in the carbon market through carbon sequestration with tailored opportunities for different types of land (soil, forest, prairie, etc.).

3. Governmental infrastructure: including an opportunity to develop governmental capacity on reservations by funding governmental infrastructure, including courtrooms, police headquarters, and the headquarters of public sector agencies and authorities.

Role: Retail lender

Abundant opportunities exist for national banks to more deeply and effectively engage with Indian Country on the retail lending side as well. National banks can play a role in making everyday banking more accessible to Native Americans, 16.3% of whom were unbanked as of 2019. Without access to mainstream financial services, Native Americans face challenges in establishing credit histories, obtaining affordable credit, and improving financial literacy. Most challenges facing the unbanked population are structural. For example, physical access to banks in Indian Country is limited, with an average distance of 12.2 miles from tribal reservation center to the nearest bank (compared with a four-mile national average). Access to broadband is limited, and 18% of tribal residents do not have access to broadband (compared with 6% non-tribal residents). Credit files for reservation residents are more likely to be thin and credit scores are likely to be lower on average than those of nearby off-reservation populations. Overall, there are low levels of financial literacy, as evidenced by an 87% fail rate of a financial literacy test among Native youth versus 62% nationwide.

Opportunities abound for national banks to increase access to retail banking in Indian Country. These opportunities may, in turn, increase banks' exposure to a thus far largely untapped market. Higher levels of engagement would enable banks to improve their mode of addressing unbanked individuals in Indian Country and convert unbanked individuals into customers. Four opportunities this paper will discuss are improving marketing and communication, addressing accessibility and suitability, filling product gaps and features, and reducing banking fee complexity.

33. Secured transaction law covers the creation and enforcement of a security interest (lien).

1. Marketing and communication:

Many unbanked individuals are unaware of existing low-cost, overdraft-free accounts. National banks could take action to raise awareness through national campaigns, advertising low-cost products, and targeted marketing campaigns and partnerships with prominent Indigenous community members.

2. Accessibility and suitability:

Many traditional distribution channels are not tailored for the physical, cultural, and economic conditions of Indian Country. Tailoring distribution strategies to best fit life in Indian Country could increase access to that market and engage Native Americans in banking. Tactics include partnering with local restaurants, retailers, grocery shops to create banking centers, expanding digital services, and developing apps better suited to low/volatile incomes.

3. Filling product gaps and features:

The unbanked are more likely to be lower income individuals with fluctuating incomes. As such, products marketed to this segment should make it easier, not harder, for these individuals to access capital. National banks could provide thoughtful features such as instant access to funds from a check deposit and courtesy overdrafts, since hefty overdraft fees and a complex deposit-withdrawal process deter lower income people from having bank accounts. Banks could also provide earlier access to wages, increasing the value proposition of having a bank account, and auto-advances (an alternative to courtesy overdraft in which interest is charged but is preferable to an overdraft fee).

4. Reducing banking fee complexity:

A barrier to banking for many unbanked individuals is the perception that banking policies are complex, minimum balance amounts are too high, and fees abound. Banks could reduce the cost of having a bank account by lowering monthly minimums, waiving monthly maintenance fees, waiving overdraft fees, and

providing free online bill pay options and no-fee ATM for tribal members.

Role: Partnerships

Partnerships are another significant area of opportunity for engaging national banks. Specifically, national banks could partner with CDFIs and Native-owned banks to offer four things: funding, syndication, mentorship programs, and data/tech sharing. National banks are well connected institutions with technical resources that many smaller, Native-owned financial institutions cannot access. In the interest of building economic resiliency, national banks should go beyond simply offering investments, deposits, and grants to Native-owned financial institutions. They could also offer technical assistance to enable these smaller institutions to build internal capacity. However, the issue is complicated by the fact that Native-owned CDFIs in most urgent need of funding and technical assistance may be difficult to identify due to a lack of rigorous data collection or standardized reporting across entities.

National banks could deposit funds in Native-owned banks to increase their immediate lending power. They could also engage in loans, equity investments, and/or grants for CDFIs. Regarding syndication, national banks can support smaller Native-owned banks catering to businesses in need of a larger loan than they can provide alone when business leaders are unwilling to seek national banks for support. Through mentorship, national banks could build long-term relationships by partnering as a mentor organization and sharing expertise via training or accelerator and incubator programs. Lastly, national banks could engage in data and tech sharing by white-labeling and sharing national banks' sophisticated technology such as underwriting systems. This would help Native-owned banks and CDFIs build their capacity as lenders without requiring them to make a significant technology investment they could not otherwise afford.

Role: Advocates

The final opportunity that national banks can leverage is serving as advocates within the financial community. National banks possess national brand and lobbying power, making them potentially influential advocates bolstering service to marginalized communities.

By capitalizing on their existing marketing and lobbying resources, national banks can:

- 1) partner with Native American advocacy organizations such as the Native American Finance Officers Association and the National Congress on American Indians;
- 2) push for usage of more accessible, alternate measures of creditworthiness outside of traditional FICO scores such as utility payments, phone bills, and rental history;
- 3) develop scholarship funds for Native American youth, and
- 4) add tribes to their Community Reinvestment Act strategies.

The challenge for national banks to keep in mind, however, is balancing financial investment and human resources across different priorities with high need (e.g., Indian Country, Black, Latinx).

Call to action for banks

All banks can play a role in contributing to the economic resiliency of Indian Country. Their contributions, as mentioned above, do not need to be financial in nature. These opportunities illustrate a variety of ways for banks to increase their contributions. Regardless of which approach(es) a national bank chooses, success will depend on fostering an understanding of Indian history and culture, partnerships with tribes, and dedication of resources to support Indian Country over the long run.

About us

Supporting Native businesses

For more than 60 years, Wells Fargo has been a proud supporter of Native American and Alaska Native communities, and we continue to be the leading provider of capital and financial services to tribes and tribal-owned enterprises.

Wells Fargo has banking relationships with 4 out of 10 federally recognized tribes in the U.S. We have committed \$3 billion in credit and hold \$3.9 billion in deposits for tribal governments and tribally owned enterprises nationally, banking more than 400 Native American and Alaska Native tribal entities in 25 states. No matter the size of your business, our bankers have extensive experience working with tribal governments, tribal-owned enterprises and native-led nonprofit organizations to help you meet your goals.

To learn more: visit wellsfargo.com/nativecommunities

Commercial Banking

Wells Fargo Commercial Banking provides market-leading solutions, industry expertise, and insights to help enable our clients' growth and success, enhancing the communities we serve.



Middle Market Banking products and services are provided by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is a bank affiliate of Wells Fargo & Company. Wells Fargo Bank, N.A. is not liable or responsible for obligations of its affiliates.

Deposits held in non-U.S. branches, subsidiaries or affiliates are not FDIC or CDIC insured. Deposit products offered by Wells Fargo Bank, N.A. Member FDIC.

Wells Fargo Middle Market Banking, 420 Montgomery St., San Francisco, CA 94104.

© 2022 Wells Fargo Bank, N.A. All rights reserved.