



## **ANNUAL REPORT**

### **2008 Calendar Year in Review**

## Introduction

Oweesta remains at the forefront of the Native CDFI and asset building movement as it advances and grows into a formidable force for sustainable and systemic change in Native communities. We are very proud of our work and the impact it is having around the country- and people are taking notice. From President Clinton, to members of Congress, to leaders in financial education and community development, Oweesta has become recognized as a key player in advancing the mission to build robust and resilient Native economies. Most importantly, at the local level with our clients, customers and constituents, our reputation is strong and our quality of services is unmatched in the field. In these uncertain economic times, we feel we are providing Native communities with concrete tools and skills to carry them through, allowing them to emerge as strong and economically sovereign peoples.

We are happy to have the opportunity to reflect on the past year and we hope you find this report inspiring and informative as we look toward another year of working to promote economic justice in our Native communities.

## Remarks from the President and CEO

Oweesta has grown into a strong, impactful organization. I don't know if I could have envisioned Oweesta's incredible growth or not when I came on as the executive director eight years ago. There were two things I did know – that CDFIs were the best vehicle for change (economic, systemic, and personal) in Native communities, and that I needed to hire talented staff to work in the field and help grow the organization.

My role over the years has changed. I have gone from providing technical assistance and training, writing some proposals, reports, etc. to being much more the “public face” of Oweesta. On occasion, I still do some technical assistance and training (a role I love). But, in addition to providing high level management of Oweesta, I now am more involved in advocacy and shaping the message to tribes, legislatures and funders. For example, my membership on the board of Northwest Area Foundation has influenced its new goals to develop and promote asset building strategies and improving tribal governance. I serve on Bank of America's National Consumer Advisory Council (NCAC). NCAC is very influential in guiding Bank of America in community development and I am able to provide the Native perspective to a host of ideas and strategies.

I have been the keynote speaker in a number of venues including several regional tribal economic summits, and one venue in particular- the Clinton Global Initiative- deserves special mention. In September, I had the great honor of being invited to join four other panelists, including micro-finance pioneer and 2006 Nobel Peace Prize winner Muhammad Yunus, to discuss Native economic development strategies on **The Global Impact of Rural Innovation** plenary session, part of the Clinton Global Initiative (CGI) annual meeting. CGI was started by former President Bill Clinton and the William Jefferson Clinton Foundation as “... a call for action that brings together a community of global leaders from various backgrounds to devise and implement innovative



solutions to some of the world's most pressing challenges." I was chosen for Oweesta's leadership role in creating sustainable asset building strategies for Native communities across the country. My participation brought a unique perspective to the panel as I highlighted the issue of poverty in Native communities and offered strategies for the future. In addition, Oweesta exhibited at the CGI Exchange forum with NGOs from around the world. Oweesta was the only domestic, Native organization invited to attend the meeting.



We are very excited about this opportunity as it has opened Oweesta up to a much wider audience. We are preparing a commitment for CGI which is a formal declaration of our intent to create change in Native communities through Native CDFI and asset building program development. CGI and the Clinton Foundation have committed to new partnerships with Oweesta in 2009, and we are looking forward to what new opportunities this may bring to showcase our work nationally and globally.

I continue to serve on the board of CFED where I am able to bring the Native perspective to the larger asset building community and continue supporting our growing partnership in various aspects of our work. I also serve on the Honoring Nations Board of Governors which gives me deeper understanding of the diverse and successful programs that are working for positive change in Native communities. This spring, Oweesta engaged in a national dialogue to support Native communities who receive per capita payments, minors' trusts and other types of distribution. I was invited to present information about how to implement financial education programs in these communities in a "Per Capita" forum hosted by Native Nations Institute and National Congress of American Indians in Tucson, AZ. We were happy to take part in national efforts to create awareness of the need for greater financial education among wealthier tribes.

One exciting development this year is a new book created by Opportunity Finance Network (OFN) called *"The NEXT American Opportunity: Good Policies for a Great America"*. I was asked to write a section on Native issues for the Rural Revitalization chapter. I titled it "Native Issues in Rural Revitalization: Policies for Nation Building" and felt this was a great opportunity to extend and explain our existing policy platform in a direct way within a larger framework. A copy of this chapter has been included with this report.

I am looking forward to 2009 and the new opportunities (and challenges) it may bring. We have assembled a great team of people dedicated to our mission and I think the time is right for solidifying our message that Native CDFIs are the best vehicle for economic change in our communities.

### **Remarks from the Vice-President and COO**

In early 2007, Oweesta began a 5-year strategic planning process. We called on key leaders and partners in community economic development to provide their insight and opinions regarding Oweesta's position in the field to help us identify our strengths and weaknesses, and to highlight opportunities to help us chart our course over the next five years.

A key result of this process is a more organized and streamlined organization and an increase in our staff. In early 2008, Oweesta began filling the newly identified positions that are necessary to take us to the next level in our work. I am proud to say that Oweesta has been very successful in recruiting a



number of smart and dedicated people to help us fulfill our mission. We are now a staff of 22 and we are currently trying to fill two additional positions. The people we have brought on board are dedicated to the mission and have a passion for effecting change in their communities.

I believe this is a testament to the importance of our work. In an era of foreclosures, rising prices and severe economic downturn we take great pride in knowing that Oweesta is providing skills and solutions to Native communities that are lasting and will create real change for the future. As I look back on this year and its remaining two months

I am truly heartened by the progress Oweesta has made and the path we have chosen, and as I look toward 2009 and beyond I am energized and excited for the new challenges that lie ahead.

### ***5<sup>th</sup> Annual Native Convening***

A truly exciting event to share is that on December 9-12<sup>th</sup>, Oweesta will again team up with OFN to hold the 5<sup>th</sup> Annual Native CDFI Convening in Albuquerque, NM. The pre-conference Gathering on the 9<sup>th</sup> will provide upwards of 100 Native participants an entire day to discuss important issues surrounding Native CDFIs and asset building program development. In addition, throughout the week, there will be many informative presentations and numerous networking opportunities, including six sessions in the Native CDFIs track, along with sessions in other tracks that will offer relevant learning opportunities for Native CDFIs. And, on the 12<sup>th</sup>, we will hold the Native CDFI Award Ceremony where we will honor the achievements of two Native CDFIs and their leaders with a \$10,000 award. This event is the highlight of our year as we get the chance to bring the Native CDFI community together to network and share ideas and strategies for the future. Given the uncertain economic climate we anticipate an exciting week of discussion!

### ***Consultant Gathering***

Since 2003, Oweesta has been a subcontractor to OFN on the CDFI Fund's Native Communities Financing Initiative (NCFI). That contract officially ended in September; however we are currently anticipating a new Request For Quote (RFQ) from the Fund within the next month that will extend NCFI for another year. We are pleased to report that OFN has officially turned over the reins of this program to Oweesta in full. Therefore, we will bid on this contract as the lead contractor, with OFN as a sub, and we will have all consultants working on NCFI and our other programs under contract with us. This means Oweesta will have a team of close to 100 highly qualified consultants under our management to help us provide training and technical assistance services to Native communities across all three of our programs! This is very exciting for us and we look forward to getting down to work.

Before we began all this new work in earnest with Oweesta at the helm, we felt we needed to bring all the consultants together in one place to discuss the new procedures, processes and systems we are implementing in order to make this transition as easy and efficient as possible for everyone, including our clients. So, for two days in July in Rapid City, we convened a meeting with the consultants, partners, and staff to go over these very important issues. We had great turnout and participants were able to provide feedback from their experiences on the ground and they offered suggestions for improvement and ways we could streamline our operations.

### ***Team Oweesta***

One important capacity building issue we have identified is the need to devise a system that would help highlight the opportunity for cross program integrated technical assistance delivery and a way for consultants to communicate and share what they are doing at the local level with each other. With three different programs all working in Native communities, we were noticing a good amount of client overlap. To address this issue, we worked with our website developers to create a password protected place on oweesta.org where consultants and staff can share information. We call it Team Oweesta! Information that our consultants can find on the site includes a Trainers Toolkit, a TA Toolkit, consultant updates and memos and much more.

### **Administration**

#### ***New office***

It was not too long ago that Oweesta consolidated its Pine Ridge and Michigan offices into one central location in Rapid City. This year, however, we found ourselves bursting at the seams with all the new staff coming on board, and we could not expand any further in the office we were in as we had already taken up the entire top floor. We are proud to report that Oweesta has moved into a much bigger office that even includes a kitchen! We love our new space and have plenty of room to grow if and when it becomes necessary.



### **Programs**

#### ***1. Institution Development (ID)***

The ID Department added two new staff in 2008 to assist with the increase in demand for our Native CDFI training and technical assistance services. The ID Department conducted over ten trainings and provided hundreds of hours of technical assistance this year. Our contract with the CDFI Fund to do Native CDFI development work ended in September so work has slowed down over the past couple of months; however a new one year contract proposal to continue providing technical assistance to our clients was recently awarded to us so work will begin in full force again.

In addition to the training and technical assistance performed by the ID Department, the ID staff has experienced many other favorable outcomes this year and we asked them to share a few of their perspectives with you.

#### ***From William Guevara, Director, Institution Development Department***

As the former Title VI and interim executive director at the Yurok Indian Housing Authority in California I began my working relationship with Oweesta back in 2002. Oweesta staff made a few trips to the Yurok reservation, the largest and poorest tribe in California, to assist us with creating our organization. Those were the early days of the Native CDFI movement, and I am happy to have seen the changes from both sides of the effort and am very pleased to help Oweesta continue this work today. When I was asked to provide a success story about the ID Department's work I thought back to this time and felt that my recent presentation at a Native Hawaiian conference summed up the excitement communities feel

when presented with the prospect of Native CDFI development. This fall, I was invited by the Council for Native Hawaiian Advance (CNHA) to present “Asset Building Strategies - Native Loan Funds Moving Our Communities” at a plenary session during the 7th Annual Native Hawaiian Convention. CNHA sees Oweesta as changing the landscape in the asset building field in Native communities, growing the capacity of community-based organizations to establish Native CDFIs, and assisting these organizations with creating loan funds for educational tuition, home purchases, and small business start ups. They were very specific when they extended their invitation- they did not want our standard classroom PowerPoint presentation but rather a presentation that included pictures with success stories that would be more appropriate for the 450-600 attendees.



To help develop my presentation, I sent an email blast out to many of our Native CDFIs requesting pictures with stories to help describe the types of impact these organizations can have at the local level. With the contributions of the groups I was able to build a presentation that told the Native CDFI story to many who would hear it for the very first time. I was greeted with the “Aloha Spirit” before beginning to tell of the incredible Native CDFI movement that created asset building opportunities for Native people across the nation. After my presentation, I was approached by many who expressed their excitement that something like this was finally coming to the Islands. Oweesta is currently working with about seven Native Hawaiian organizations that look forward to joining the other Native CDFIs across the country who have success stories to tell.

***From Logan Demaray, Manager, Institution Development Department***

While working as the manager for Institution Development, I have experienced the fulfillment of assisting many Native communities and organizations in need. We do not always have to perform a particularly large task for these groups to recognize how much we help them. Sometimes even the smallest thing such as making a phone call and explaining to a group how we are able to support them makes their day. Many organizations are at a standstill, feel they can’t move forward, and therefore become discouraged in their undertaking. However, once they hear how we can assist them with these particular tasks of CDFI development, they are thrilled and so grateful. It is that gratefulness and how they show us their appreciation by thanking us so earnestly that makes my position at Oweesta so rewarding. For me that is the greatest success today, for myself and for the Institution Development Department at Oweesta.



***From Sarah Gerbing, Specialist, Institution Development Department***

Oweesta was invited to train and to set up a booth at the 34<sup>th</sup> Annual Convention and Trade Show of the National American Indian Housing Council (NAIHC) this past May 12-14, 2008 in Seattle, Washington. Personally, this was an eye-opener into the world of housing development across Indian Country and how Oweesta has the ability to impact such communities. I learned how to effectively spread the mission of Oweesta which broadened my knowledge. In the past several months of working here at Oweesta, my main job has been to do market studies for our clients. Viewing these communities through this lens has highlighted just how important Native CDFIs are. They are able to provide services that off reservation businesses just don’t offer, either because they are located thousands of miles

away from the communities or because they are often pay day lenders. I am happy to bring my skills and attitude to the Institution Development team, and feel that my work here has assisted Oweesta with helping increase the capacity of Native communities to create Native CDFIs.

## **2. Financial Education & Asset Building**

2008 saw tremendous growth for Oweesta's Financial Education and Asset Building (FEAB) Department. Our staff of four – Director Joanna Donohoe, Managers Jaci Ree and Noorie Brantmeier and Specialist Adrienne Brave Heart – along with a cadre of about 30 consultants, have worked diligently to deliver training, technical assistance and outreach services to help our clients institutionalize sustainable financial education and asset building programs in their communities.



Our core FEAB products and services revolve around providing training and technical assistance utilizing the *Building Native Communities (BNC)* financial curriculum series in the areas of financial education, Individual Development Accounts (IDAs) and Earned Income Tax Credit (EITC) outreach and free tax preparation. It has been an exciting and jam-packed year for our FEAB team. Here are some highlights:

### **Curriculum Update**

Much has changed in the world since the *BNC* was developed back in 2001. Therefore, to bring it up to date Oweesta is in the beginning stages of updating the curriculum to bring it in line with the current financial education landscape. We have a few funders on board with the development and hope to have it completed in the spring of 2009. And in a new twist on the *BNC*, we are working with initiatives in Canada, Alaska and Hawaii to customize the *BNC* materials to reflect their cultures and unique needs. In addition, Oweesta and NAIHC have partnered to update the *Pathways Home: A Native Guide to Homeownership* curriculum also due for release next spring.

### **Native Financial Skills Initiative (NFSI)**

In September 2008, we concluded the CDFI Fund sponsored Native Financial Skills Initiative utilizing the *BNC* financial education curriculum series. Over the course of two years, NFSI offered eight three-day instructor training sessions and ongoing, customized technical assistance designed to help Native CDFIs, tribes, and other Native organizations start, implement, and sustain financial education programs in their communities. Overall, there were 225 participants trained from 92 organizations. Of the 92 organizations that participated in NFSI trainings, 85 became active in the receipt of over 1630 follow up hours of technical assistance. Among those 85 organizations, 33 programs are operational and 34 programs are in the pipeline. In conjunction with the ID and Enterprise & Entrepreneurship Development (EED) departments we have submitted a proposal to the CDFI Fund (mentioned earlier) to provide ongoing technical assistance to participants of this program. To illustrate the effectiveness of the NFSI program, we have attached two stories from NFSI participants we would like to share with you.

### **Native Individual Development Accounts**

In July 2008, Oweesta took over the Native Individual Development Account Initiative (NIDAI) as the lead contractor through the CDFI Fund in partnership with CFED and First Nations Development Institute. This one-year contract is underway and provides technical assistance for previous NIDAI clients and a

series of “Intro to Native IDA” workshops. Four introductory workshops called “Does Your Native Community Need an IDA Program” will be conducted by the end of December.

### **Other Native Asset Building Efforts**

In addition to the trainings that are part of the NSF and NIDA contracts, and to take advantage of outreach opportunities at national and regional venues, we developed a new integrated asset building workshop presentation to showcase examples of Native communities that have offered a range of financial education and asset building programs to help their residents achieve their financial goals. In 2008, we delivered close to fifteen of these workshops in venues across the country.

FEAB and FNDI partnered to conduct a financial education survey of NIGA leadership and held a financial education workshop at its Annual Conference in San Diego, CA in April. We also presented the findings at another financial education workshop at NIGA’s Mid-Year Conference in Albuquerque last month.

Thanks to ongoing support from Citigroup, Annie E. Casey Foundation and the Internal Revenue Service, Oweesta expanded its efforts to promote EITC outreach and free tax preparation services in Native communities. As a result, we saw strong growth in the number of free tax preparation sites serving Native communities across the country. In 2008, Oweesta targeted its technical assistance services to the Pine Ridge Indian Reservation, an area identified as a community with one of the highest uptake of Refund Anticipation Loans (RALs) in the country. We are working with the Pine Ridge Indian Chamber of Commerce to convene a local EITC Coalition to expand free tax preparation services to citizens of the Oglala Sioux Tribe. We are also pursuing additional grant funding from the Internal Revenue Service’s new VITA match program to support a coalition of Native VITA sites across South Dakota. This would create a peer networking group and a mechanism for Oweesta to match in-kind contributions and expand volunteer training opportunities at each of the five sites across the state.

### **3. Enterprise & Entrepreneurship Development (EED)**

Enterprise & Entrepreneurship Development is a new department at Oweesta in 2008. It is staffed by Tracey Fischer, Director, Kellie Jewett, Manager, and Kaitlin Cramer, Specialist. The impetus for developing this department came out of our Native CDFI development work over the years. It became apparent there was a need for a concerted effort in these communities to broaden the larger entrepreneurship development environment, including providing the legal infrastructure to support businesses and business owners and the linkages and synergies of tribal business with private citizen business.

The first accomplishment of this department was to develop the Native Enterprise & Entrepreneurship Development (NEED) Initiative program and curriculum. Based on the seven sector NEED Model, the NEED Initiative is a training and technical assistance program that was part of our contract with the CDFI Fund (mentioned earlier) which came to a close in September. More than a traditional entrepreneurship development system training program, the NEED Initiative is part of a comprehensive training and technical assistance program designed to assist Native communities with identifying the "ingredients" needed to develop entrepreneurs and enterprises and then provide them with a "recipe" for creating an effective





enterprise/entrepreneurship development system.

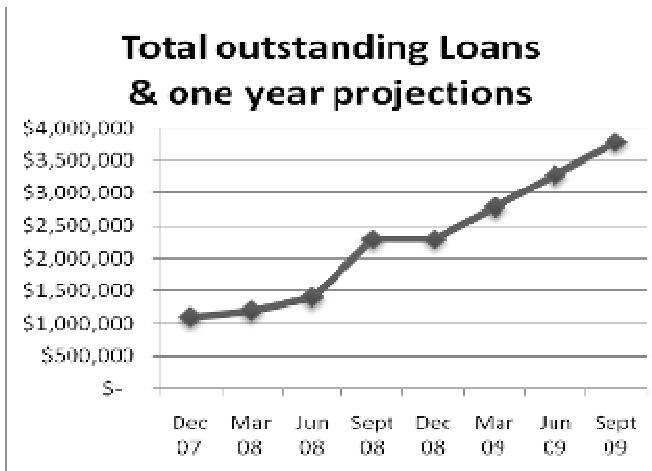
We conducted three trainings this year to 27 groups and provided technical assistance on topics that ranged from Uniform Commercial Codes and appropriate curriculum to success coaching and incubation. We have a new contract proposal under consideration by the CDFI Fund (also mentioned earlier) that will allow us to continue technical assistance to our clients and we expect a new contract next year from the CDFI Fund to hold another round of trainings.

#### 4. Lending & Capitalization

David Fleming, Oweesta's new lending and capitalization manager, put together the following summary of our lending program in 2008.

##### Lending

- December 2007 Oweesta had \$1,100,000 in outstanding loans.
- September 2008 Oweesta has \$2,290,000 in outstanding and committed loans.
- We made 8 loans in 2008 totaling over \$1,000,000
- September 2009 we anticipate a total of \$3,780,000 in total outstanding loans or an additional \$1,490,000.



There are 16 total loans to 10 different organizations in 7 states.

Our average loan amount is \$143,125 with an average interest rate of 3.5%.

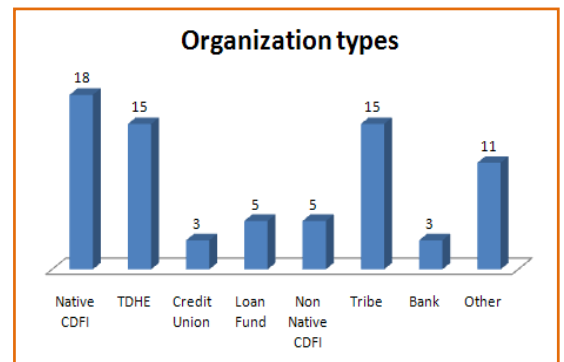


86% of our loans are in certified Native CDFI's and the remaining are in other Native financial institutions.

Recent risk rating classifies 80% of our portfolio as Good or Excellent with two organizations on a watch status but they are not in any serious trouble.

To determine where loan demand exists in Native communities, Oweesta conducted a lending study. 55 respondents from across the nation completed the survey. A final report is expected to be available by December and we anticipate conducting this study bi-annually.

We have also expanded our impact data collection tool and are receiving annual borrower feedback reports. We anticipate that our increased impact and demand analysis will provide investors and stakeholders with a greater amount of quality information.



*This chart displays what types of organizations responded to the survey*

##### Capitalization

Oweesta has awarded four grants to Native organizations under a pilot program called the “South Dakota Native Financial Education Grant”. These grants were for \$2,000 each and were funded by the Federal Home Loan Bank of Des Moines.

### **5. Research, Policy and Advocacy**

In 2008, Oweesta continued its important work advocating for Native CDFIs and asset building programs as the best and most effective vehicle for creating lasting economic change in Native communities. As discussed earlier, Elsie Meeks, our president and CEO, wrote a chapter for OFN’s new policy book that, according to Jonathan Fanton, President of the MacArthur Foundation and a funder of the publication, will “... help educate public officials and policymakers at every level of government, members of the public, and all who participate in our country’s financial and credit markets about the important role of CDFIs and the valuable contributions they are poised to make in the years ahead”. A copy of this chapter is included for your information.

#### **Native Financial Education Coalition (NFEC)**

We continued to lead the Native Financial Education Coalition which today serves more as a forum where we can broaden the reach of our financial education advocacy message. An important accomplishment of the NFEC in 2008 was hosting the 4<sup>th</sup> Annual Policy Briefing to commemorate Financial Literacy Month last April. Remarks were heard from John Hope Bryant who is the Vice Chair of the President's Council on Financial Literacy and Founder/CEO of Operation HOPE, Dan Iannicola Deputy Assistant Secretary at the U.S. Department of the Treasury and the Office of Financial Education, and Allison Binney, Chief Counsel and Staff Director Senate Indian Affairs Committee.

#### **Native CDFI Research Project**

Oweesta was awarded a grant from the CDFI Fund to complete an analysis of the Native CDFI market as part of a larger multi-faceted research program. Oweesta partnered with FNDI/NARC in this effort and used the CDFI Fund CIIS data, as well as Oweesta’s Native Financial Institution Database, NCFI evaluation data and further interviews and casework. We presented the findings at a meeting in DC in June and the report was well received. Selected findings from the report include:

- Loan funds, banks, and credit unions serving Native communities may be younger than those serving other communities and therefore may need more start up support and technical assistance.
- Nearly 50% of all the Native financial institutions in the dataset we analyzed have attended a Native Communities Financing Initiative (NCFI) training facilitated by Oweesta
- 85% of all Native financial institutions have received some form of funding or developmental service supported by the CDFI Fund
- A lesson learned was the need to “grow customers” in Native communities through means such as providing financial education and credit repair to clients to help them become credit worthy
- A promising practice is the provision of intensive, ongoing technical assistance to loan clients which seems to be particularly important in some Native communities where there are few experienced borrowers.

We are preparing a final public copy to be released at the Native Convening in December with media outreach included.

### **Native Financial Education Research Project**

Based on the national Jump\$tart survey and with a grant from the National Council on Economic Education, Oweesta and its partners- the Jump\$tart Coalition for Personal Financial Literacy, the University of SD Government Research Bureau and the Harvard Project on American Indian Economic Development- took an in depth look at the financial education of Native youth by examining the largest sample of Native high school students ever surveyed regarding financial skills.

The report, *Deepening Our Understanding of Financial Education of Native Youth*, was released in October and looked at surveys of Native-serving schools in MT, SD and NM. Selected findings of the report show that 93% of Native students received a failing score on the questions asked in the survey (compared to 78% of non-Native students) and they scored lower in all five financial literacy categories including income, money management, spending, savings and credit. However, the report also identifies several strategies for change such as implementing culturally appropriate curricula in Native schools and increasing opportunities for Native youth to manage money and take responsibility for financial decisions. Calls to action include building strong Native CDFIs and developing asset building strategies such as financial education, Individual Development Account (IDA), and EITC programs. To view the entire report you can visit [www.oweesta.org/youthreport2008](http://www.oweesta.org/youthreport2008). We have included a Fact Sheet for your information.

### **Challenges**

Challenges that lie ahead for us in 2009 and beyond including being able to keep up with the demand for our services and sustaining it with appropriate funding. Given the changes in the banking industry and the reality that foundations are seeing their portfolios shrink, we will need to work extra hard to maintain the necessary level of funding and staffing to keep momentum in the field going. In addition, finding the appropriate person for our development manager position has proved challenging but we continue to advertise and are hopeful we will find the right person in the coming months.