

# NATIVE PROFIT

*With Foundation Encouragement, a New Generation of American Indians is Trodding the Path of "Micro-Enterprise"*

By Richard J. Margolis

**M**y grandchildren, you are living in a new path. In the future your business dealings with the whites are going to be very hard. Try to make a mark for yourselves. Learn all you can."

—Sitting Bull, addressing an assembly of Sioux schoolchildren, circa 1887

Sitting Bull's misgivings were well-founded. The new economic path he envisioned for his people proved largely unnegotiable. Paved with capitalist intentions, it became strewn with tribal tears.

The trail featured all manner of improbable schemes instigated from outside the reservation. Plans for massive industrialization and instant prosperity fell of their own weight. None of the investors seemed schooled in perseverance—not the public agencies, not the private corporations, not even the charitable foundations. Expecting quick results, they did not hesitate to abandon laggard projects, leaving the Indians to clean up the debris.

Sometimes the Indians would appear to get lucky. A big company might discover oil or coal on a reservation and make a deal with the tribe. Or some half-forgotten claim against the government—for stolen lands, for lost fishing rights—would finally get settled in the courts.

Millions of dollars could be involved, yet the money never seemed to make a permanent difference. No one tied a string around it; no one thought to invest it for the greater good of the tribe. Instead, with the blessings of Congress and the Bureau of Indian Affairs, the income was routinely dissipated through per-capita distributions—so many dollars to each tribal member.

Impatience, then, with the tardy gratifications of economic development, has afflicted Indians and non-Indians alike. In consequence, there is virtually no private sector on Indian



*FORGING NEW PATHS: One of Rebecca Adamson's early projects involved students at Little Wound School, left, in Kyle, South Dakota. Adamson, above right, and vice president Sherry Salway were presented tribal jackets for their work with the Lakota Fund.*

reservations today. Government remains the dominant employer, poverty the reigning industry, welfare the surfeit means of support.

Now a new generation of Native Americans is again testing the entrepreneurial path, hoping to regain a measure of the independence they were forced to give up more than a century ago. Part capitalist and part tribalist, today's leaders may be wiser than their predecessors. Certainly they are wari-er, and more reflective, in their business dealings with whites. The pace of advancement now seems quintessentially Indian: one step at a time.

This is an account of how one non-profit, no-nonsense enterprise, the First Nations Financial Project (FN), is renewing the struggle. In the beginning, FN's talented founder, Rebecca L. Adamson—a 38-year-old Eastern Cherokee who grew up in Akron, Ohio—appeared to have little to offer the tribes beyond her own dreams and diligence. In the long run, those have proved sufficient.

Their efforts are changing the way policymakers in Washington think about Indians, even the way Indians think about themselves. The notion of "progress" as applied to life on the reservations is being redefined. So, too, are the attitudes of philanthropy. Almost singlehandedly, it seems, First Nations has rekindled the foundations' sputtering faith in the future of Indian tribes.

#### "Micro-care"

One way to sum up the organization's assault on tribal poverty is with a shibboleth of the Third World: "micro-enterprise." The business of micro-enterprise, to update Calvin Coolidge's famous dictum, is small business. Its success in developing communities is measured less in terms of pipelines and factories than in new 7-Eleven stores and filling stations. As Adamson puts it, "We begin before the beginning." ment to percolate from the bottom up, inch by inch and insight by insight. What Adamson and her staff bring to

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FROM PIPEDREAMS to profit: A shining example of First Nations' approach to micro-enterprise is the Navajo Weavers' Association. Left, FN lobbyist Theresa Carmody, with some of their hand-loomed wares produced in Ramah, New Mexico.



the process is a watchful eye, a steadfast attention to the minutiae of economic progress. Call it "micro-care."

FN is itself a fair example of non-profit micro-enterprise. Its core staff of five operates from a little house in Falmouth, Virginia, an hour south of Washington. Three other staffers work in the field, where much of the action occurs. At any given time, First Nations is involved in a dozen or so reservation projects, all locally conceived. FN plays midwife to them—and then, over the long haul, nurse and god-

mother as well. (All but one staff member is female.)

To be sure, the organization has had its own supporting angels, a group of foundations whose support has permitted its budget to increase almost 20-fold. Names like General Mills, Eastman Kodak and American Can grace the corporate list, alongside philanthropic lights like Rockefeller, Carnegie, Ford and MacArthur.

The John D. and Catherine T. MacArthur Foundation is among the new faithful. In three years it has con-

tributed \$579,000 to First Nations and its projects. "We always had a lot of sympathy for Indians," explains James M. Furman, the foundation's executive vice-president, "but it was hard to evaluate their proposals. We didn't know enough. With First Nations the task is easier. They're right out front in the struggle for self-sufficiency. We think of them as partners."

The Northwest Area Foundation in St. Paul is another strong supporter. According to Bobbie Henry, program officer for FN, "Micro-enterprise is something everyone in the foundations has been trying to get their arms around. But there was very little tribal funding, maybe because the foundations lost so much money with earlier schemes that failed. They were badly burned."

First Nations is not the only organization that promotes tribal development. At least one other—the Seventh Generation Fund—has worked along similar lines. But Adamson and her staff are unique in the minute care they take and the resources they commit. Economic enterprise is the sole item on their agenda. "We think First Nations has come up with a workable approach," Henry says. "They're able to span both worlds—theirs and ours."

### Smoking Pipe-dreams

FN's projects are as varied as the tribes. They range from the traditional to the experimental, from a rug-weavers' cooperative on the Navajo reservation in New Mexico to a start-up loan plan for small entrepreneurs—the Lakota Fund—on the Pine Ridge reservation in South Dakota.

Not every FN undertaking enjoys success. A bookstore at the Oglala Lakota College on Pine Ridge is barely breaking even. A Winnebago corn cannery in Nebraska, after years of struggle, finally and literally collapsed: the roof caved in during a snowstorm.

Still, most of the ventures seem to be taking hold. They are engendering cash and hope on the reservations.



It is probably true, as one admirer of First Nations has observed, that "the staff can take an exotic-sounding pipe-dream and turn it into a dull but successful business." The Navajo Weavers' Association of Ramah, New Mexico, offers a case in point. It consists of some 40 women whose dream has been to sell their hand-loomed rugs, pillows and wall hangings on the open market. First Nations has been helping them since 1985.

Ramah is not famous for its commercial weavers, but the women there had to do something fast. The hard times that customarily plagued the reservation had been made harder still by deep federal cuts in tribal assistance and welfare. Hoping for the best, the women dusted off their looms, formed an association and asked First Nations for sales and marketing advice.

The staff's response was typical: it began before the beginning. Because many of the weavers lacked technical skills, First Nations arranged for basic instruction in sheep-shearing, wool-gathering, carding and designing.

Then, because the new association showed signs of unraveling, FN called in an expert on nonprofit organizations. He was Robert J. Desiderio, a former dean of the University of New Mexico law school and co-author of *Planning, Tactics and Organization*, a two-volume opus on tax-exempt groups and their problems.

"Desiderio volunteered his services," says Sherry A. Salway, FN's vice-president and Adamson's second in command, and has been "enormously helpful." One way Desiderio helped was to demonstrate the advantages of quality control. He showed the weavers how to form a "standards committee" that could review each member's handiwork before it went to market.

### Relieve From Poverty

In time, micro-care began to pay off. The weavers' work improved, and so did their sales. Now, more than two



THE LAKOTA FUND helps small entrepreneurs get started on the Pine Ridge reservation in Kyle, South Dakota. Above, Director Gerald Sherman leads board of managers meeting. Below, typical Navajo "hogan" or home.

*"Put away the compelling urges to indulge your desires for things that will disappear like fog before the morning sun," Ben Quigno urged his tribe.*



years after the initial cry for help, a First Nations staffer is studying the Navajo rug market. The Ramah weavers have given intern Lori Lea Pourier a finicky list of questions to ask museum curators and trading post proprietors, e.g.: Where is the best place to sell a rug? What are the major consumer preferences in thickness, fineness and edges? Which dyes and colors do customers prefer? What are the pros and cons of commercially processed wool versus handspun? Such queries make up the warp and woof of micro-enterprise. For the weavers they could ultimately spell a relieve from poverty.

In addition to local projects, FN's staff has assigned itself quite a few other chores. From Falmouth headquarters it publishes a smartly edited quarterly newsletter, *Business Alert*, which goes to some 1,200 tribal and government officials. *Business Alert* supplies technical information on economic development that to many Indian leaders would not otherwise be available.

For instance, it includes a column called "Off Wall Street," which in plain English instructs readers in the mysteries of investment securities. The column's author, Gelvin Stevenson, is a Cherokee from Oklahoma, a First Na-

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tions board member and a former editor of *Business Week*. He holds a Ph.D. in economics.

The staff also keeps a parental eye on one of its favorite creations, a \$264,000 scholarship program at Yale University's School of Management (SOM), courtesy of the Carnegie Corporation. Next spring four Indian graduate students will complete SOM's two-year master's program in public administration and finance, with a second cadre tentatively scheduled to arrive in September.

Finally, FN maintains a "policy and advocacy" office in Washington, where Theresa Carmody, a member of the Seneca tribe, works to win friends and influence lawmakers. In the summer of 1986 First Nations, together with the Saginaw-Chippewa tribe of Mt. Pleasant, Michigan, scored a signal triumph in Congress.

The problem was a familiar one: per capita distribution of windfall revenues. At issue was the disposition of \$7 million, the bulk of an award made to the tribe as compensation for stolen lands and broken treaties dating back to 1807. As usual, the Bureau of Indian Affairs (BIA) intended to divide the spoils individually, apportioning equal amounts to each resident of the reservation and to many off-reservation relatives as well—about 4,000 persons in all.

But tribal leaders wanted no part of the plan. They had watched a similar, \$16-million award get squandered. As Kim Sawmick, a young tribal planner in economic development, remembers the melancholy results, "People spent the money in just a few days. They used it to pay their bills or to buy television sets and things like that. The furniture stores had a field day but the tribe had nothing to show for it."

#### **Self-determination**

Hoping to prevent a repeat fiasco, the tribe and First Nations pressed Congress to pass a measure that would preserve the \$7 million for tribal use. The issue was more than money; it ran to questions of Indian dependency versus self-determination.

Some in the Saginaw-Chippewa tribe brooded about the past: they wanted to honor their forebears, the people who had suffered first from the loss of land. Others worried about the future: they wanted to husband the tribe's resources for the benefit of generations to come.

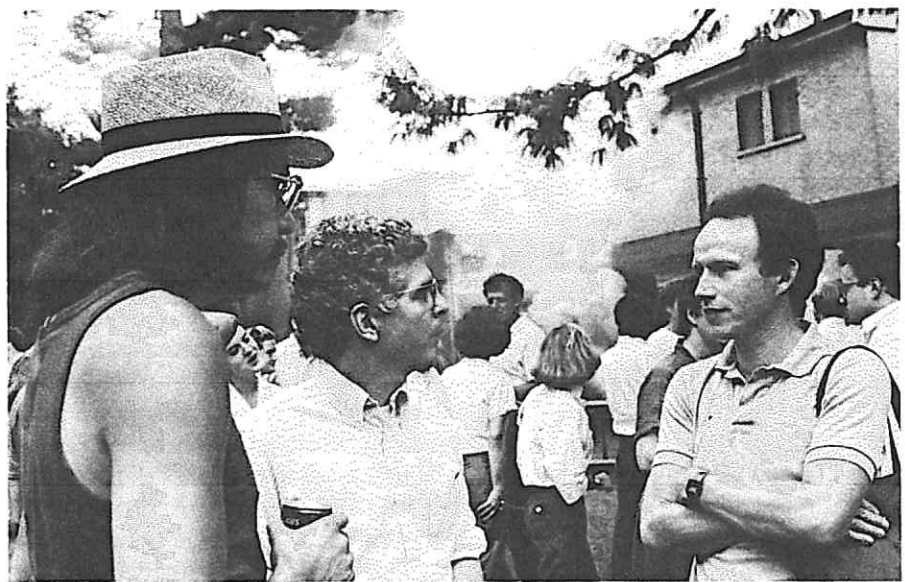
Those themes and others were eloquently evoked in testimony given by

the late Ben Quigno, a Saginaw-Chippewa elder, to the Senate Select Committee on Indian Affairs. The BIA's plan, he warned, "would insure our continued dependency and take away our tribe's last and best opportunity to become self-sufficient." He speculated on what "our ancestors, who guided their lives by . . . caring and sharing," might advise the present generation of Saginaw-Chippewas: "Think not about yourselves; put away the compelling urges to indulge your desires for things that will disappear like fog before the morning sun."

On June 30, 1986, Congress gave Quigno and the tribe what they wanted: a measure establishing an "Investment Fund" to be administered by and for the Saginaw-Chippewas.

First Nations could share credit for that victory, but the staff's work was just beginning. Now the tribe required another sort of assistance. A leadership untutored in high finance would need training and expert advice; an inexperienced tribal council would need help in choosing reliable institutions to manage the tribe's investments.

Adamson responded by obtaining a



COURTESY OF THE CARNEGIE CORP., First Nations scholarship program helps Indian graduate students like Russell Red Elk, left, and John Apple, right, study public administration and finance at Yale's School of Management.

\$50,000 grant from the Charles Stewart Mott Foundation in Flint, Michigan, to help pay for trainers and consultants. She also introduced the tribe to Carol Oman, who headed a financial consulting firm in Virginia. Oman would eventually interview scores of investment-management candidates. "She did all the homework," says Kim Sawmick. "We couldn't have done it without her."

The money, meanwhile, was safely collecting interest in a local bank, and making its presence felt in unexpectedly useful ways. For instance, the bank, for the first time in memory, began offering affordable mortgages to Indian home-buyers of modest means. "It's amazing what money can do," Sawmick marvels. "I think we're getting some respect now."

In sum, the Saginaw saga contains most of the elements that make First Nations unique. It started with a successful policy push in Washington; it continued with a micro-care feast back on the reservation, including generous helpings of technical assistance, training, foundation support and expert counsel from professionals.

The process relied in about equal parts on meticulous planning and profound patience. Its romance was in the details. As Adamson has observed, "Development is the tedious job that remains after the rhetoric of revolution and independence has been spent."

She is in a position to know. A pragmatist of the Eighties, she began her career as a grassroots organizer in the rhetorical Seventies, working for the Denver-based Coalition for Indian-Controlled School Boards.

The job took her into communities throughout the West, wherever Indian parents and their children challenged white-dominated school systems. What Adamson saw there radically changed her perspective on the Indians' plight and compelled her to search for fresh remedies.

On her first foray into the New York

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foundation world, she came up empty-handed. After a successful stint with a grass-roots Indian organization in North Dakota, she again knocked on foundation doors. This time she scored. "Ford gave me my first \$20,000," she says, "and with that I was able to get another \$25,000 from the people at Joint Foundation Support." Adamson was off and running. Over the next seven years she would parlay the initial \$45,000 into an \$800,000 annual operating budget.

Many foundations that started as skeptics stayed as converts. In her missionary work, Adamson applies the same patience to philanthropists that she practices on the tribes: "It's like growing a garden. First you plant the seed. Then you cultivate. You have to keep going back and going back."

There remains in First Nations today something of the old militance—not in its rhetoric but in its insistence on preserving Indian culture even as it spreads the blessings of white capitalism. At the organization's board meeting in Falmouth last August, both goals were much in evidence.

Birgil Kills Straight, the chairman, carried sagebrush and sweet grass plucked from the Pine Ridge reservation. He also brought along two Lakota medicine men. Working quickly, the three erected a "sweat lodge," a kind of Indian spiritual sauna, in the

woods behind the little house that serves as FN's national headquarters.

Inside the house, technicians were busy installing a fancy, \$16,000 computer system. The list of tribes and programs demanding attention had noticeably lengthened, and the hard-pressed FN staff needed all the help it could get. New technology might smooth the way; ancient ritual might deepen the resolve.

Outside, members of board and staff squeezed into the little hut of brush and branches, atop which someone had draped a Mickey Mouse blanket to hold in the steam. The ceremony that followed included individual prayers offered to the Spirit World.

As usual, Adamson had organizational worries. Tribal requests for help arrived almost daily and the staff's responsibilities were already vast and far-flung, reaching as far south as the Rio Grande (the Kickapoos of Eagle Pass, Texas), as far north as the Aleutians (the Alaskan Natives of Kodiak Island).

Now, characteristically, Adamson found herself fretting about the hazards of institutional success, the subtle erosions that could transform a fresh crusade into a stale bureaucracy. In the sweat lodge that morning she prayed for guidance.

The tribal dilemmas that Adamson and her staff hope to solve remain deep and obstinate. Surely their solution demands a special measure of faith on the part of Indians and non-Indians alike, both in the efficacy of free enterprise and in the capacity of the tribes to take hold.

In the long and agonizing aftermath of defeat and colonization, Indians self-sufficiency now seems a difficult but achievable goal. First Nations and the tribes are making progress the old-fashioned way—by earning it. □

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