

# FUNDER PERSPECTIVES



## **A Foundation's journey into Indian Country**

By Malcolm Macleod, Johnson Scholarship Foundation

The Johnson Scholarship Foundation ([JSF](#)) has been investing in Indian Country for over 25 years and its grants in support of Indigenous people in the U.S. and Canada exceed \$23 million. This is the story of why and how JSF became a grant maker in Indian Country.

JSF was created in 1991 by Theodore Johnson and his wife Vivian. They were “self-made” and wanted to use their money to help others. Mr. Johnson believed that American Indians “got a raw deal” (his words) and he wanted them to benefit from the Foundation.

Like many Americans, the Johnsons did not have much personal experience with American Indians. They felt that education should be JSF's vehicle to help others. Education had been important in their lives. Both had university degrees and Mr. Johnson had taken a postgraduate degree in business while pursuing his career. Early JSF grants were made to help those in financial need, people with disabilities and American Indians.

Mr. Johnson died in 1993 and was predeceased by Mrs. Johnson. Looking back, the decision by a retired couple in Florida to dedicate part of their Foundation to American Indians was unusual. However, it was eminently logical. The Indigenous peoples of the United States and Canada have fewer opportunities and a lower standard of living than the rest of society. This is a longstanding, systemic problem and would have been of natural interest to people wanting to help others.

The second phase of JSF's American Indian grant making began under Theodore Johnson, Jr, the second President of JSF. He led the Foundation Board on numerous site visits to Indian Reservations to meet with leaders and educators and ask, “how can we help”? The answer to this question was that unemployment, stemming from lack of opportunity, was a central problem on almost all reservations. Business education could help to address this problem.

American Indian educators and leaders have an informed perspective on social and economic issues on reservations and are eager to share their knowledge. Consulting with them and visiting reservations became a basic tenet of JSF's grant making, which continues to this day. JSF also uses American Indian consultants and cultivates its relationships with American Indian nonprofits.

In 1995 JSF launched the Entrepreneurship Scholarship Program, which makes grants to tribal colleges for scholarships to students studying entrepreneurship or business. By the early 2000s almost 30 tribal colleges were participating. In addition, the Foundation offered grants for training of entrepreneurs through Tribal Business Information Centers, tribal college faculty workshops and youth entrepreneurship training.

In the late 1990s the Foundation conceived the idea of a master's degree in Business Administration with a specialty in American Indian Entrepreneurship (MBA- AIE). This was in consultation with tribal colleges, some of which felt that such a program could help them to enhance the capacity of their business faculties. The idea was to design a program that would allow tribal college instructors to continue teaching; they could study at distance during their teaching year and attend on campus with their families during summer.

Deciding which university would be asked to develop and offer the MBA-AIE program was crucial. After considering and visiting several potential candidates JSF selected [Gonzaga University](#) because its senior leadership was aligned with the ideas behind the program and committed to making it work. It is worth noting that JSF had an American Indian Board member who felt that Gonzaga was the best candidate, and this was instrumental in the decision.

The MBA- AIE was first offered in 2001 and continues to the present day. It remains unique and retains the academic rigor of Gonzaga's other MBA degrees. To date there have been 67 graduates. The sitting President of [Fort Peck Community College](#) is an MBA- AIE graduate, as is the Executive Director of the [American Indian Graduate Center](#).

Although the MBA- AIE was originally designed for Tribal College Faculty it has attracted students from diverse occupations who have graduated and made significant contributions to their respective communities. JSF funded the development of the course and, in the early years, offered a full ride scholarship to every student, including summer travel and campus housing for students and families. JSF continues to support MBA-AIE scholarships and is working with Gonzaga to build a \$2 million plus endowment to ensure the program's future.

By 2002 it was apparent that some of JSF's grants were more effective than others. JSF struck a task force to study its American Indian grant-making and report back to the Board with recommendations. The task force was informed by JSF's grantee partners, American Indian educators and business leaders and several consultants. Its activities spanned the years 2003 and 2004 and most of its research was conducted by [First Nations Development Institute](#).

The task force report was adopted by the Board in early 2005 and continues to guide the Foundation's American Indian strategy. It represents the Foundation's first effort to systematically evaluate its programs. The task force and the Board affirmed the basic premise of JSF's American Indian grant- making, even though it found little evidence that eight years of JSF grant- making had assisted economic development on Indian Reservations.

The affirmation of strategy was an act of faith. JSF believed that appropriate, sustainable development on Reservations could only be done by Native people. It also believed in the power of education and in the Native American educators and leaders who were working to effect development and change. Results would follow if JSF stayed the course.

The task force recommended sweeping changes to the Foundation's American Indian grant- making, mainly to simplify it. With limited grant money and a small staff, this program area needed a strict focus.

The number of participating tribal colleges in the Entrepreneurship Scholarship Program was reduced to 10. These 10 would not be funded in perpetuity. Rather, JSF would partner with them to build endowments, which would replace JSF funding for student scholarships and faculty support.

The decision to help tribal colleges to build endowments was a natural outgrowth of the JSF's belief that its grantees know best what to do and how to do it. Endowments were built over several years, with matching funds from JSF and other tribal college donors. Once completed, the endowment is administered by the tribal college according to an agreement with JSF and continues to fund business scholarships and faculty support.

The task force also recommended the elimination of many smaller initiatives. The strategy of reaching Native entrepreneurs more directly was retained but the Foundation would work through specialized nonprofits such as the [Lakota Funds](#) and First Nations Development Institute.

JSF continued to develop scholarship programs for students studying entrepreneurship or business and expanded its focus to include “off reservation” institutions that serve large numbers of American Indian students. The decision to fund students attending institutions off the reservation was not made lightly. There are thousands of American Indian students attending such institutions and JSF decided that its role was to help them to educate themselves rather than dictate where they should study.

JSF has made grants for business scholarship programs for American Indian students at [Northern Arizona University](#) in Flagstaff and [Heritage University](#) on the Yakima Reservation in Washington state. It has also helped to endow both of those programs.

With matching funds from other donors, JSF has also helped the [American Indian College Fund](#) to build two endowments. The first one provides scholarships for business, entrepreneurship and tribal administration students to pursue 4-year degrees. The second provides scholarships for students of tribal colleges not otherwise served by the Foundation. The American Indian College Fund administers these endowments and selects the scholarship recipients, according to an agreement with JSF.

JSF is currently making grants to 11 tribal colleges and universities that serve American Indians and continues to help many of them to build endowments.

In 2018 JSF welcomed 2 new colleges to the Entrepreneurship Scholarship Program, [Fort Lewis College](#) and [Southwest Indian Polytechnic Institute](#). JSF has plans to take on at least 2 more colleges partners this year and more in 2020. The Entrepreneurship Scholarship Program has grown to include an annual convening of current grantee partners, endowed institutions, business leaders and educators.

Since the task force report in 2005 JSF has included the indigenous people of Canada and changed its name for this area of grant making from “American Indian” to “Indigenous Peoples”. Canadian grant making has included grants to the Martin Family Initiative, which was founded by the Right Honorable Paul Martin, Jr. – a former Canadian Prime Minister – and has proved to be an able and effective partner.

Although business education is the core of its strategy, JSF will opportunistically make other grants when they support its goal of assisting reservation economies and employment opportunities. It has repeatedly invested in training and educational projects at the [Center for American Indian Economic Development](#) in Flagstaff, Arizona, [First Peoples Fund](#) and the Lakota Funds in Pine Ridge, South Dakota, and at other Community Development Financial Institutions and the [Native CDFI Network](#). It funded grants to connect tribal colleges with CDFIs to deliver business training to entrepreneurs. JSF also supports American Indian Business Leaders, a nonprofit dedicated to the empowerment of business students by engaging students in business learning activities beyond traditional academic methods.

The Foundation will also make grants for non-business education, where it believes that such grants will assist economic activity and development. For example, JSF is presently making grants at Dalhousie University in Canada to support a program designed to increase the number of Indigenous people participating in health professions such as medicine, dentistry, nursing, physiotherapy etc.

The Foundation continues to evaluate the results of its grantmaking. In 2013 First Nations Development Institute conducted a study of the impact of the Gonzaga MBA- AIE program, *Investing for Growth: Supporting*

*the Next Generation of American Indian Leaders*. The report concluded that alumni from this program are helping tribal governments succeed and promoting economic development on Indian Reservations.

First Nations also stated that the MBA-AIE “is successfully supporting the next generation of American Indian leaders...to guide community economic change for years to come in Indian Country.” See also, *Close Encounters: Lessons from an Indigenous MBA Program*, by Dr. Dan Stewart and Dr. Molly Peppers and published in 2011 in the Journal of Management Education.

Evaluations have also produced evidence that graduates from the Entrepreneurship Scholarship Program are contributing to the economic life of Reservations. A study of the graduates of Oglala Lakota College, an early participant which completed a JSF endowment in 2009, found that the graduation rates of scholarship recipients were dramatically higher than average and that over half of these graduates either started a business or were employed in a leadership position.

The Foundation’s experience and research is consistent with a finding of the Harvard Project on American Indian Economic Development in 2007 that Native economies were growing at a more rapid rate. Grants made by JSF have assisted the people and institutions behind this growth. These people are unsung heroes, who work tirelessly, with faith and passion. They include tribal college presidents and faculty members, nonprofit leaders and workers, educators, business and other leaders on and off Reservations. We are proud to have them as our partners.

After JSF’s first 25 years we can summarize 5 lessons we have learned about philanthropy in Indian Country:

1. For private foundations created to “do good” in society, Indian Country offers compelling opportunities for grant making. There are nonprofit organizations working in virtually every field of social, economic and educational endeavor, who would make good use of grants.
2. Humility and curiosity are useful for grant makers and this is especially true in Indian Country. JSF is more effective when it defers to the knowledge and experience of grantees and potential grantees.
3. There is no substitute for visiting the reservations and meeting the people. This helps a grant maker to learn and understand and to form relationships with the people and organizations who do the work. These are among the most interesting and beautiful places in the world.
4. Site visits, convenings and research introduce grant makers to people who can consult for a foundation or serve on a its board. JSF is fortunate and privileged to have Sherry Salway Black, an enrolled member of the Oglala Sioux tribe from the Pine Ridge Reservation, as its vice president. Similarly, Rick Williams, also an enrolled Oglala Sioux and the retired President of the American Indian College Fund, manages the Tribal College Entrepreneurship program and consults on aspects of JSFs Indigenous grantmaking. JSF’s relationship with Sherry and Rick greatly enhance its grant making ability.
5. JSF’s experience with Indigenous grantmaking has emphasized the value of time. JSF grantees are working to overcome problems that have existed for hundreds of years. Effective grantmaking requires long-term strategies and multiyear grants.
6. JSF was created to be a perpetual foundation. It will strive to build upon what it has learned and improve. In the words of Joseph Marshall III, an historian and writer and member of the Sicangu Lakota Tribe, JSF will “keep going.”