Barriers to and Possibilities for
Financial Education in High Native Enrollment Schools:
The Case of South Dakota
About First Nations Oweesta Corporation

First Nations Oweesta Corporation works to meet the needs of Native communities through economic development and community capacity building. In this research, undertaken in collaboration with the South Dakota State University Extension Service, University of South Dakota Government Research Bureau, and Harvard Project for American Indian Economic Development, First Nations Oweesta focuses on financial education as a key foundation for individual asset building and Native community development. By pointing to opportunities for the implementation of financial education in high Native-enrollment schools, the partners seek to increase financial literacy for Native young people, strengthen Native community revitalization efforts, and support Native nation building and strengthened tribal sovereignty.
Barriers to and Possibilities for Financial Education in High Native Enrollment Schools: The Case of South Dakota

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Preferred Citation

Executive Summary

Learning to use resources wisely and to plan financially for the future are important steps on the road to asset building, wealth creation, and self-sufficiency. They are particularly important skills for Native American youth, who—on average—come from lower income backgrounds than non-Native youth and have more ground to cover to reach financial security.

However, Native students’ scores on national surveys of financial literacy cluster near the bottom of the distribution. This is a further disadvantage: Because Native students are less prepared than their peers to make financial decisions, the goal of financial security is even harder to attain.

Of the three general settings in which youth might receive financial education—at home, through extracurricular activities, and at school—schools offer the greatest promise for broad-based, comprehensive outreach. Yet school-based financial education does not yet have a strong record of success. There are fewer classes than desirable and many of the ideas taught are not gaining traction. Native students face greater social and cultural barriers to their financial educations, especially those students who attend schools with large Native enrollments, many of which are on reservations.

This research addresses those phenomena by looking at high Native-enrollment schools in South Dakota. The qualitative research process reached out to 17 teachers, administrators, community activists, and state education officials to better understand the answers to three questions:

- What are the barriers to the implementation of financial education in high Native-enrollment schools in South Dakota?
- What difficulties (if any) do teachers and administrators face in carrying out South Dakota’s School Board’s mandate that students receive financial literacy as a pre-requisite for graduation from high school?
- Do high Native-enrollment schools face unique barriers due (for example) to geography, community factors, tighter funding constraints, or a lack of relevant financial education resources?

The answers point to four interconnected challenges that high Native-enrollment schools in South Dakota face when implementing financial education classes:

- A community-wide paramount focus on basic needs, which renders discussions about money moot because youth do not feel they or their families have money
- A generational scarcity of financial management experience, which makes it difficult for youth to learn about sound financial practices from their parents and for home-based experiences to backup in-school learning
- Limited reservation-based economic development institutions—especially banks and jobs—which makes it difficult for youth to practice money management
- Resource and expertise shortages in schools, which prevent the further expansion and refinement of personal financial skills classes

Despite these challenges, reservation communities across South Dakota are observing a shift in attitudes about personal finance and financial education. These changes—coupled with a state-mandated graduation requirement for financial education—suggest opportunities for financial education courses in South Dakota’s Native-majority schools to gain a stronger foothold and become more effective. We list several here:
There is an opportunity to improve the financial education of American Indian youth through tribal government policy mandates requiring financial education in all reservation-based schools, especially non-state schools that serve tribal citizens. Tribal mandates can be strengthened with community advocacy for curricular change.

There is an opportunity to improve the financial education of American Indian youth with curricula that meet them where they are economically, engage important issues in the tribal community and in their lives (at all stages), strive for cultural relevance, offer role models, and promote experiential learning.

There is an opportunity to improve the financial education of American Indian youth by expanding their outside the classroom experience through practical engagement with CDFIs. Tribes and their development partners should strive to create and expand local Native CDFIs in order to realize these benefits.

There is an opportunity to improve the financial education of American Indian youth by expanding their outside the classroom experience through growth of the small business sector on Native lands. Adult small business owners should be encouraged to hire community youth, and Native youth themselves should be provided with training and loans for small business start-up.

**Introduction**

Learning to use resources wisely and to plan financially for the future are important steps on the road to asset building, wealth creation, and self-sufficiency. They are particularly important skills for Native American youth, who—on average—come from lower income backgrounds than non-Native youth and have a greater distance to cover to reach financial security.

However, Native students’ scores on national surveys of financial literacy cluster near the bottom of the distribution, which is a further disadvantage. Because Native students are less prepared than their peers to make financial decisions, the goal of financial security is even harder to attain.

Of the three general settings in which youth might receive financial education—at home, through extracurricular activities, and at school—schools offer the greatest promise for broad-based, comprehensive outreach. Yet school-based financial education does not yet have a strong record of success—there are fewer classes than desirable and many of the ideas taught are not gaining traction. There may be additional barriers to financial learning for Native students who attend schools with large Native enrollments, many of which are on or near reservations.

What are the explanations for these phenomena? What are the barriers to providing effective financial education to Native youth? Are there opportunities to overcome them?
Study Focus and Methods

In 2008, the First Nations Oweesta Corporation and several partners, including the National Jump$tart Coalition, studied the financial literacy of students in high Native-enrollment schools in South Dakota, Montana, and New Mexico (hereafter the Oweesta-National Jump$tart survey; Anderson et al. 2008). Native youth in the sample had significantly lower financial literacy scores than non-Natives. Study findings also suggested that structural, economic, and cultural factors limit Native students’ access to financial education opportunities or diminish the effectiveness of those activities.

The current study sheds light on these factors. By focusing on high Native-enrollment schools in South Dakota, it seeks to understand the barriers that may be specific to Native students’ financial education and to identify opportunities to influence Native students’ learning. The study’s goal is to inform and influence policy at the tribal, state, and federal levels.

Research Design

Qualitative data were gathered using a structured interview protocol that was vetted for validity, reliability, and coherence with the researchers’ past Indian Country experience. The design consisted of two interview protocols: one for administrators and teachers in high Native-enrollment schools, and one for the state’s elite decision-makers in the areas of government and education.

Each 30-45 minute interview began with questions about the financial realities facing residents of the school district and state. Questions narrowed in focus to address three things: 1) the amount and type of financial education that the school’s students receive; 2) the locus for decision-making about integrating financial education curricula into the school’s course offerings; and 3) the specific barriers to more effective school-based financial education.

The research team identified target schools from the universe of high Native-enrollment schools identified for the 2008 Oweesta-National Jump$tart survey. First Nations Oweesta and South Dakota State University Rural Extension Program staff provided a list of contacts (superintendents, principals, finance and economics teachers, curriculum directors, and community leaders who help make decisions about school financial education curricula) in 23 school districts. Researchers requested interviews with each of these individuals.

Of the 23 school districts contacted, eight responded. These responses created an eight-school sample representing five of the nine reservation areas in the state. Notably, five of the schools are state-funded and operate under general revenue sources. Such schools must adhere to state-mandated curriculum requirements, one of which makes completion of a financial education course a prerequisite for high school graduation. The three other schools are not subject to South Dakota’s education funding-related mandates. They are operated by a tribe, a Native organization, and the Bureau of Indian Education (BIE) in the U.S. Department of Interior and are subject to tribal- or BIE-determined curricular standards.
The project team conducted 13 interview sessions with a total of 15 individuals. Interviewees included eight teachers involved with daily financial education-related courses, three school district superintendents, two high school principals, one curriculum director, and one external curriculum adviser working to build reservation-based financial education programs. Among the teachers, five are employed as Family and Consumer Sciences (FACS) instructors, while the others work in disciplines such as economics or business.

The surveyed administrators and teachers provided quite similar answers to most of the substantive items in the interview protocol. Given the interviewees’ diversity and the consistency in their responses, the project team concluded that analytic findings from the data are representative. The interviews highlight what appear to be clear, consistent barriers to and opportunities for financial education in South Dakota’s high Native-enrollment schools.

To validate the findings, the project team established a list of five “outlier” sources—subject matter experts and government officials familiar with financial education needs. These potential interviewees had significant public policy experience in financial education, made decisions related to education in the state, had experience in the banking or finance world, or were otherwise “at the table” for discussions concerning finance education, training, and outreach in South Dakota. The project team spoke with two of these individuals.

In total, the project team interviewed 17 individuals working across the financial education, administration, and policy spheres in South Dakota.

**Data Analysis Methods**

This project’s qualitative data analysis utilized two standard approaches to interview coding, both supported by the qualitative research literature (Krueger and Casey 2000). In the first, interviews are recorded, transcribed, and evaluated in hard copy using long-table exercises to discover common themes. The second method formalizes the long-table coding approach by using qualitative analysis software (here, NVivo8) to electronically code transcripts and analyze data.5

Using these techniques, the research identified both formal and informal financial education programs present in the sampled schools; barriers to the implementation or expansion of in-school financial education; socio-cultural, political, and other barriers that limit the uptake of financial skills; and some specific opportunities for expanding financial education for Native students.
Findings on Barriers

The research team’s findings address the following research questions:

- What are the barriers to the implementation of financial education in high Native-enrollment schools in South Dakota?
- What difficulties (if any) do teachers and administrators face in carrying out South Dakota’s School Board’s mandate that students receive financial literacy as a pre-requisite for graduation from high school?
- Do high Native-enrollment schools face unique barriers due (for example) to geography, community characteristics, tighter funding constraints, or a lack of relevant financial education resources?

The interviews identified four important, interconnected challenges that high Native-enrollment schools in South Dakota face when implementing financial education classes: *economies in which the focus on meeting basic needs is paramount; a generational scarcity of financial management experience among tribal citizens; few reservation-based economic development institutions; and resource and expertise shortages in schools.* Understanding these challenges is vital to creating and implementing an effective approach to financial education for Native youth—especially one that is resource savvy, culturally relevant, and strengths-based.

A Paramount Focus On Basic Needs

The communities in which the sampled schools are located are poor. According to a school administrator on the Yankton Sioux Tribe Reservation, “80% [of students receive] free/reduced meals in the school system. There is a high rate of poverty in the community.” A Pine Ridge area principal concurred: “A majority [of people here] are in poverty… students and families struggle to make ends meet.” According to one teacher on the Rosebud Reservation, local American Indian families are “barely hanging on and others are doing fair.” National data back up these statements. Reservation counties in South Dakota are areas of persistent poverty (USDA 2004), and the U.S. Census Bureau’s 2008 Small Area Income and Poverty Estimates again listed three South Dakota reservation counties (Ziebach, Shannon, and Todd) among the top ten poorest in the country.

"The reality is that Indian Country is a ‘cash and carry’ economy.”

Of course, history plays an important role in Indian Country income levels. Forced removal from traditional lands, war, confinement on reservations, coerced attendance at boarding schools, expropriation of natural resources, theft, dam building, tribal termination, and other acquisitive U.S. policies plunged tribes into a near asset-less state for at least a century. These wealth-stripping practices contributed significantly to the poverty many Native communities endure today (see, among others, Adamson 2006; Hicks, et al. 2005; Jorgensen and Morris 2010).
In turn, several current challenges to more effective financial education in South Dakota’s high Native-enrollment schools derive from the effects of historically structured poverty. The most prominent challenge is a community-wide concentration on meeting basic, everyday needs—an orientation that affects the applicability and staying power of financial education in multiple ways.

First, the pressures of meeting basic needs result in a “present-focused” reservation economies, in which there never seems to be enough money now and saving is perceived to be a luxury. An administrator with the South Dakota Governor’s Office for Economic Development notes: “Individual tribal members operating in ‘cash and carry’ are mainly operating in the moment. Low-income individuals are focused on surviving and not planning for the future.”

Worsening the situation, the pressure to meet everyday needs increases the probability that people take on (and then must live with) debilitating debt. According to one financial educator at Cheyenne River, “We don’t have a payday lender per se right here in Eagle Butte, but the payroll deductions [are] as bad… There are some people that only get like a $10 check at the end of two weeks because they have so many payroll deductions.” In other words, automatic deductions for settling debts and other liabilities render even the gainfully employed nearly insolvent on payday. The result, according to a teacher on the Rosebud Reservation, is that “savings is pretty much unheard of.” The weight of the past, not the promise of the future, ends up structuring decision-making.

Finally, an everyday needs focus can make money management seem irrelevant. A teacher on the Yankton Reservation notes, “[Native families] typically [do] not use banks or credit unions, but more cash and when it’s gone, it’s gone.” Certainly, this statement speaks to knowledge gaps and weak institutional infrastructure, which are challenges explored in more detail below. Yet it also suggests that critical needs compete for family resources and quickly exhaust available funds. Such resource depletion may be the only model available to youth as they begin to manage their own money. According to a teacher on the Rosebud Reservation, “when [students] they get money, then they usually spend it, and then when they run out, they don’t have any money.” And as an interviewee from Cheyenne River explained, financial educators are then left “…frustrated because they feel they are teaching people how to manage money who don’t have money.”

In an environment where resources are scarce, extra dollars are hard to come by, and basic needs pressing, there are tremendous practical challenges to teaching about savings, investment, and credit. Significantly, the issue is not that these are foreign or “untraditional” concepts—they simply are perceived as unaffordable or irrelevant in the face of present survival-oriented demands (to put food on the table, pay utility bills, help relatives, pay rent, buy gas, purchase school clothes, and so on). The challenge for financial educators is to take financial education out of the realm of the abstract and into the practical. They must work to present personal financial skills as concepts that have relevance to Native students’ everyday lives.
Generational Scarcity of Financial Management Experience

Another legacy of historically structured poverty is a scarcity of financial management experience across multiple generations—long-term low incomes created few opportunities (and perhaps little incentive) to develop personal finance skills. This makes it difficult for school-based financial education to be backed up by conversations and role modeling at home.

A number of interviewees made this point. A teacher at the Cheyenne River Reservation noted that “some teachers have said it’s hard to teach a kid about a checkbook when they’ve never seen it in use. A lot of parents have never had a checkbook.”16 Two teachers at a BIE school in Ridgeway, SD, said: “[the students] have never seen in their home a good role model of what [effective financial management] is like.”17 Another interviewee added that, for many Native reservation residents, “the concepts of debt and savings are intangible… so they [tribal youth] aren’t exposed to debt and savings practices like other mainstream youth.”18 This lack of exposure presents challenges for educators, who not only must train students in how to use the basic tools of financial management but also must explain what those tools are.

On the up side, the concept of financial education coursework receives general support from parents. Parents “want their kids to be able to succeed financially but most are just now beginning to promote that or make it a priority for their families,” said a State Governor’s Office official.19 A personal finance teacher on the Rosebud Reservation noted: “I’ve had parents come in to parent-teacher conferences, and they’ve talked about the fact that they’re really glad that their son or daughter is in class and that they understand the fact that they do need this training, because it will help them down the road.”20

But parent involvement beyond support for the general notion of financial education is a struggle. One administrator noted that, “there would be [parental] apathy. Whatever we do, I don’t see them getting involved.”21 A BIE school administrator in Ridgeview, South Dakota, echoed this view: “I’m sure they’d be fine with [a financial education program]. We don’t get parent involvement here… We want the parents to sit with [students] and work with [students], but they don’t do that, so our children don’t see any importance in it, because mom and dad don’t think it’s important.”22

Ultimately, the lack of at-home opportunities for student learning and engagement limits financial education. Other research suggests that parent or whole family engagement may be necessary as a complement to in-school instruction (Jorgensen and Mandell 2007). Without it, the ideas, concepts, lessons, and practices simply make less sense.
Limited Reservation-based Economic Development Institutions

Reservation areas in South Dakota lack many fundamental building blocks that support economic development. For one thing, financial intermediaries (banks and other financial institutions) are few and far between. The Report of the Native American Lending Study (US Treasury 2001) found that:

- Only 14 percent of communities on Indian lands have a financial institution in their community.
- Approximately half of these communities have a financial institution nearby, paralleling the fact that approximately half have an easily accessible ATM.
- Six percent of the residents of Indian Lands must travel more than 100 miles to reach the nearest bank or ATM.

These decade-old statistics still describe the situation on many reservations in South Dakota. While some interviewees noted that their communities had one or more banks or credit unions, other communities (such as Oelrichs, near the Pine Ridge Reservation, and St. Francis, on the Rosebud Reservation) have no financial institutions at all.

Worse, the lack of financial institutions on reservations is a self-reinforcing phenomenon. Limited supply (few banking institutions) dampens demand (with limited options, the use of banks becomes an exception rather than the norm). As one teacher on the Yankton Sioux Tribe Reservation notes, “[the] population typically does not use banks or credits unions, but more cash and when it’s gone, it’s gone.” These habits further suppress supply as financial institutions choose not to locate in reservation areas and some existing institutions close.

The other important economic development institution that is in short supply is not a bricks-and-mortar institution, but a socioeconomic one: employment. The American Indian unemployment rate on most South Dakota-based reservations is at least 40-50%.

These high rates are due, in part, to the absence of robust local economies capable of supporting broader economic growth, diverse jobs, and higher wages. School officials serving the Oglala Sioux Tribe and Yankton Sioux Tribe pointed out that most American Indian wage earners living on South Dakota-based reservations are employed at casinos and travel plazas, at federally funded facilities such as clinics and social services offices, and by small or sole proprietor businesses such as ranches. According to a financial educator on the Cheyenne River Reservation, “The majority of [businesses here] that are Native-owned are the ones—they’re not on Main Street—they’re like our quilt makers and jelly makers and caterers and people like that.” The Governor’s Office for Economic Development Official said, “few [tribes] are doing anything in manufacturing,” although a few have had “some initial successes in...areas such as nascent investigations into wind power.” He also added: “These are rural and remote communities, and even the most savvy business person would have a hard time starting a business relying on the local market for profitability/sustainability.”
These circumstances produce few opportunities for reservation-based American Indian youth to engage in practical applications of classroom financial education lessons. Unless they create their own jobs, employment opportunities are sparse. Even when Native students do have jobs, limited access to financial institutions mean that their pay is more often managed in cash than through checking accounts or electronic transactions as is typical in the mainstream. Limited means for moving paychecks beyond cash into accounts-based management options constrain the experience that entire communities have in the areas of financial management. Two teachers at a BIE school in Ridgeway, South Dakota, emphasized this limited institutions theme with their statement, “Students have no concept of having a paycheck, checkbook, or place to spend it.”

Unfortunately, practical experience is exactly what students need to complement classroom teaching. The 2006 National Jump$tart survey noted that opportunities to “make it real” are correlated with stronger youth financial literacy outcomes (Mandell 2006). In Indian Country, the 2008 Oweesta-National Jump$tart survey indicated that “making it real” includes having a job in the formal employment sector, where a young worker can experience first-hand the flow of wages and taxes and the decisions necessary to steward income (Anderson et al., 2008).

Resource and Expertise Shortages in Schools

The state of South Dakota now requires every graduating senior (class of 2010 onward) who attends a state-accredited or state general fund-sponsored school to have at least one semester of financial education. Administrators and teachers interviewed by the research team identified this requirement as the single most important motivator for changed practices. Many said their schools previously offered elements of personal finance in related courses but that the state mandate pushed them to emphasize personal finance even more. As a teacher on the Cheyenne River Reservation explained, the state mandate pushed her school to shift “more from offering economics to personal finance. We made it more personalized. It became more checkbook and income tax, that kind of thing, rather than the economy, larger picture. We made it a little more ‘smaller picture.’” The mandate also prompted some districts to be more aggressive in adopting financial education curricula. One representative teacher comment noted that, “the mandate created that personal finance class…we always had that [element] in our…Family and Consumer Sciences classes at our high school…and now we have just made it into a class for seniors.”

Teachers and school administrators are generally in favor of strengthening financial education. Speaking specifically about teacher reaction to the stand-alone course in her high school, one teacher commented, “The teachers are very supportive. They allow students extra time if needed with the FACs (family and consumer sciences) teacher…[and] would like to see the program expanded.” In fact, one administrator noted that teachers would “like to see more and to offer another personal finance class in addition to the current economics class which includes both economics and personal finance.”
Despite these positive incentives and attitudes, however, the practical difficulties of making space in the school day, hiring qualified teachers, and finding fiscal resources are significant challenges to the expansion of school-based financial education.

No Child Left Behind (NCLB) obligations are a leading cause of concern for school administrators and teachers. Because NCLB emphasizes reading, writing, and mathematics over topics such as financial education and economics, schools have less time during the day to devote to financial education, making program growth difficult. The interviewee from the South Dakota Governor’s Office for Economic Development noted, “NCLB trumps other classes or educational priorities. Adding one more thing to a teacher’s workload that doesn’t meet the NCLB criteria would just strap the teacher’s ability to perform on their core duties.”

A teacher from Rosebud concurred:

People’s jobs are on the line a lot of times from one year to the next, especially with No Child Left Behind…I see a lot of times that there is concern about [the curriculum] committee reaction to something…so I think sometimes that kind of holds us back and them back [from more aggressively supporting financial education in the schools].

In sum, the amount of financial education that schools offer their students is determined by a resource tradeoff: how much school time and teacher effort can be expended on financial education given that these same resources are in demand for meeting NCLB benchmarks? As one interviewer noted in her summary of a discussion with teachers working on the Cheyenne River Sioux Reservation, “The major barrier for [this school] is time and staff. The teachers are stretched very thin right now and it is quite hard for them to take on another class.”

Scarcities of human and financial resources also affect high Native-enrollment schools’ capacities to expand financial education. According to the former director of South Dakota’s Native education programs, “Attracting good personnel—good teachers—to the reservations in South Dakota is very difficult. This is particularly the case for specialized subjects such as math [and] science and technical subjects like economics and finance.” The cost of hiring skilled professionals is high, and schools in South Dakota—which consistently rank among the lowest in state funding in the United States—struggle to pay competitive wages. The rurality and remoteness of many high Native-enrollment schools only exacerbate the problem.

Schools that lack trained financial educators and cannot afford to purchase specialized course materials must rely on others to provide resources. Administrators and teachers on the Cheyenne River Reservation cited the importance of Four Bands Community Fund (a Native Community Development Finance Corporation, or CDFI) in this regard; it provides educators, educational materials, and educator training. Teachers around the state noted that free Wells Fargo, Jump$tart, and South Dakota State University Extension Office materials (especially 4-H materials) are used in their classrooms either as primary or supplementary teaching elements; in two or three cases, teachers noted that these materials were the only materials used for financial education. Some teachers also used stock market games—one specifically mentioned is offered by Black Hills State University—to strengthen financial literacy. In a few cases, interviewees noted that these free materials were superior to texts they had reviewed and, in the case of materials provided by Four Bands Community Fund, were more culturally appropriate and more effective in high Native-enrollment schools. Nonetheless, it is reasonable to imagine that programming could be improved if there were more financial resources to support it.
Opportunities

A community-wide paramount focus on meeting everyday needs, a generational scarcity of financial management experience, limited opportunities to engage with the institutions that provide financial management experience, and resource and expertise shortages in schools are four major barriers to effective financial education for Native students in South Dakota’s high Native-enrollment schools.

Yet the interviews that highlighted these challenges also pointed to opportunities for strengthened programming, increased in-community traction for financial education, and improved outcomes. Promising options include expanding the reach of curriculum requirements, focusing on the ways financial literacy can help Native families meet basic needs, making use of culturally appropriate approaches to teach financial education, expanding out-of-classroom teaching and learning, and engaging partners (such as local CDFIs).

Tribal Government Financial Education Curriculum Requirements

As noted, the state of South Dakota now requires every graduating senior (class of 2010 onward) who attends a state-accredited or state general fund-sponsored school to have at least one semester of financial education. Evidence from teachers and administrators at state-funded schools suggest that the requirement has been a powerful incentive for changed practices.

But the requirement does not apply to private, tribal, and BIE schools, and they have been less prone to create stand-alone financial education courses. More commonly, these schools include financial education in the curriculum by integrating elements of financial education into business, economics, and family and consumer science courses. It is unclear if this approach is as comprehensive or effective as a full course. For example, administrators and teachers at the BIE school in the sample noted that the school’s consumer math courses would be similar to a personal finance course, but “according to the state of South Dakota, they probably aren’t.”

A reasonable next step would be for tribal government policy to complement state policy on financial education. Data from the interviews with teachers, administrators, and state officials suggest that the time is ripe for such mandates. Across the 17 interviews, there was nearly universal agreement that tribal councils—when directed to attend to financial education matters— are supportive of the concept of building more financial education elements into school curricula. Representative of a host of comments, one teacher at a tribally operated school on the Rosebud Reservation noted, “I think [the tribal council] would be supportive if we told them the importance of it and we felt it was necessary…I’m sure they would be there to help support financially or with personnel; whatever’s needed.”
A caveat to this recommendation is that state policy worked through its tie to state funds, a mechanism that is unavailable to most tribal governments. The most promising means of pressure for change may be the advocacy movement composed of teachers, school administrators, parents, and community organizations that have become active in Native communities across the state. It has already convinced many tribal officials that financial education equips future leaders and that teaching financial skills is a component of successful community and economic development strategies. Similar advocacy could convince key non-state school officials of the wisdom in abiding by tribal policy mandates concerning financial education.

There is an opportunity to improve the financial education of American Indian youth through tribal government policy mandates requiring financial education in all reservation-based schools, especially non-state schools that serve tribal citizens. Tribal mandates can be strengthened with community advocacy for curricular change.

**Socio-economically and Culturally Congruent Financial Education**

One key to creating strong financial education programs in high enrollment Native schools is to develop curriculum that reflects students’ lived experiences—which requires adapting curricula to reservation economies and community culture.

In terms of economic reality, describing financial education as a means of asset building—a future-oriented, theoretical construct—is virtually meaningless to Native youth living in poverty. If Native youth, their families, and their communities are focused on making ends meet in the face of competing basic needs, financial education needs to address that reality. If financial education can first be framed as a way to help Native families live better now, it meets Native youth where they are, not where they ideally might be. It makes financial education relevant to their situations and, by truly helping people see the usefulness of what’s being taught, lays the groundwork for later lessons about asset building. As a teacher on the Rosebud Reservation noted, “the challenge is trying to get it so that they understand it.” Concepts like credit management and budgeting may be good places to start, so that students can understand the immediate usefulness of financial education to the world they experience: that it’s not just about saving and asset building, but about money management and doing more now with what you have.

Another way to improve the situational relevance of financial education for Native students is to bring issues and individuals prominent in the community into the financial education process. One teacher at a high Native-enrollment school near the Rosebud Reservation decided to “tap in more with what the tribe is doing” and use those discussion issues to make her financial education course more engaging for students. Teachers at a school on the Cheyenne River Reservation, after talking extensively about presentations made by the Four Bands Community Fund, suggested that a class where “people [from the community] would come in and speak [to the students]” would be valuable, and that a focus on community members as educators would allow “new role models [to be] perpetuated.” (Notably, identifying role models is also a way to overcome generational scarcity of financial management experience—the positive role models might not be in youths’ homes, but they would now know where to find them.)
Some high enrollment Native schools have adopted and had success with full curricula that aim to be culturally congruent. Another teacher on the Rosebud Reservation noted that she uses *Building Native Communities: Financial Skills for Families* (BNC), a curriculum developed by First Nations Development Institute, First Nations Oweesta Corporation, and the Fannie Mae Foundation. BNC builds on traditional Native understandings of saving and planning, showing that they are not in opposition to mainstream financial education concepts. Text imagery (quilt blocks, preserving food, and the circle of life) reinforces the concept of holding the entire community together through responsible saving and spending practices.44

On the Cheyenne River Reservation, Four Bands Community Fund has begun providing training and materials for school teachers. The materials can be custom-tailored to the needs of the particular teacher and grade, and the end result can be a stand-alone personal finance course or a math, science, or reading class that integrates culturally congruent financial management principles.45

Almost all teachers noted the importance of experiential pedagogies, both inside and outside the classroom. Beyond-the-classroom experiences are discussed below. Here we simply note that in-classroom experiences often can be created through partnerships, like the partnership between the schools at Cheyenne River and Four Bands Community Fund. Many other partnerships are less extensive, but nonetheless bring real world activities into the classroom setting. For example, one teacher on the Rosebud Reservation—lacking insurance businesses in his community—partners with an insurance agent in Valentine, Nebraska, to provide experience filling out real insurance applications. Teachers on the Cheyenne River and Yankton Sioux Tribe Reservations bring officials from local banks, credit unions, and CDFIs into the classroom to teach and conduct exercises that amplify course content.

Significantly, these efforts do not need to be (and perhaps should not be) confined to high school students. At Cheyenne River, Four Bands is working with the tribal government and area schools to implement a life-long financial skills curriculum. While evaluation evidence is as-yet outstanding, theory and experience suggests that socio-economically and culturally relevant, experiential, and age-appropriate education has the best chance of success.46

There is an opportunity to improve the financial education of American Indian youth with curricula that meet them where they are economically, engage important issues in the tribal community and in their lives (at all stages), strive for cultural relevance, offer role models, and promote experiential learning.
Financial Infrastructure Development and Support of Native CDFIs

Since the early 2000s, the Community Development Financial Institution (CDFI) Fund of the U.S. Department of Treasury has been providing start-up funding, training, and technical assistance for the creation of CDFIs on Indian lands. Several South Dakota-based tribes have started down this path or have had pre-existing institutions (such as the Lakota Fund) certified as CDFIs so that they can offer even more services. CDFIs typically provide credit counseling, financial education, and small business development support (including loans for business start-up or expansion) tailored to the local Native community. In other words, CDFIs offer many of the same interactions a bank would except for savings and checking accounts. However, many have strong connections with local banks and credit unions and create pathways from their programs and services to those of banks.

Because is it more difficult to practice financial skills or even have them make sense where interactions with mainstream financial institutions are few, Native CDFIs can become a valuable adjunct to classroom-based financial education for Native students. As they are established and grow, they can promote trust in and provide experience with financial services institutions. They do this through demonstration effects as adults engage with their programs. If their programming includes education, training, and lending programs for youth, Native CDFIs can become directly involved in providing relevant, practical financial education that reinforces classroom work.

There is an opportunity to improve the financial education of American Indian youth by expanding their outside-the-classroom experience through practical engagement with CDFIs. Tribes and their development partners should strive to create and expand local Native CDFIs in order to realize these benefits.
Increasing Entrepreneurship and Alternative Lending Products

As mentioned above, many Native-owned reservation-based businesses are not large corporations but sole proprietorships borne of tribal citizen entrepreneurship. This means that the best opportunities for youth to gain experience with earning and managing money are to work for entrepreneurs or to become entrepreneurs themselves—and that programming in support of entrepreneurship is a critical means of enhancing Native students’ out-of-class financial skills training.

Entrepreneurship programming for both adults and youth should include training in business start-up and operation (writing a business plan, conducting market analysis, securing a loan, managing inventory, estimating costs, paying taxes, etc.) and a business loan fund. Adult programming should include information about how to engage youth employees as the business grows. Youth programming should be tailored to address the kinds of businesses students truly could operate on their own; initial loan values also would be more modest.

Alternative and small business lending can be supported by Native CDFIs—and also by more modest (less formal) micro-lending institutions. International development efforts have demonstrated the strength of providing very small loans to communities and individuals in fiscal poverty as a strategy that can make a substantial difference and impact. Some early efforts with micro-lending in Indian Country had checkered records, but both the institutional and attitudinal landscape are different now. As financial education and economic development strategies take hold and become more successful, these alternative lending models may become workable, particularly for youth lending.

There is an opportunity to improve the financial education of American Indian youth by expanding their outside the classroom experience through growth of the small business sector on Native lands. Adult small business owners should be encouraged to hire community youth, and Native youth themselves should be provided with training and loans for small business start-up.
References


End Notes

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2 The reservation areas represented are Pine Ridge, Rosebud, Cheyenne River, Yankton, and Flandreau Santee Sioux. Those not represented are Crow Creek, Lower Brule, Standing Rock, and Sisseton-Wahpeton.


4 These schools are Flandreau Indian School, which is located in Flandreau, SD, and is operated by the Flandreau Santee Sioux Tribe for its young citizens; St. Francis Indian School, which is located in St. Francis, SD, is operated by a Native organization, and serves the Rosebud Sioux Tribe community; and Tiospaye Topa, which is located in Ridgeview, SD, is operated by the BIE, and serves the Oglala Sioux Tribe community. All three schools have the option of a stand-alone personal finance course. Some have exercised this option and others have not.

5 This analytic framework most closely resembles the work of Strauss and Corbin (1990, 1998) and Creswell and Brown (1992) and is detailed in a simplified fashion by Creswell (2007, 64-68).

6 Interview, director, Office of Tribal Government Relations, South Dakota Governor’s Office for Economic Development, 15 April 2010.

7 Interview, superintendent, Andes Central School District, Yankton Sioux Tribe Reservation, 26 May 2009.


9 Interview, family and consumer sciences (FACS) teacher, Todd County High School, Rosebud Reservation, May 2009.


12 Interview, teacher, Andes Central High School, Lake Andes, SD, 18 May 2009.

13 Interview, teacher, St. Francis Indian School, St. Francis, SD, May 2009.

14 Interview, teacher, Eagle Butte High School, Eagle Butte, SD, 1 June 2009.


16 Interview, teacher, Eagle Butte High School, Cheyenne River Reservation, Eagle Butte, SD, May 2009.

17 Interview, teachers, Tiospaye Topa High School, Ridgeview, SD, 1 June 2009.

18 Interview, director, Office of Tribal Government Relations, South Dakota Governor’s Office for Economic Development, 15 April 2010.

19 Interview, teacher, Todd County High School, Rosebud Reservation, May 2009.

20 Interview, principal, Timber Lake High School, Timber Lake, SD, 15 June 2009.

21 Interview, teachers, Tiospaye Topa High School, Ridgeview, SD, 1 June 2009.

22 Interview, high school principal, Pine Ridge Reservation, 18 May 2009.


26 See the tribe-by-tribe files for the 2000 Census, available http://factfinder.census.gov/home/aian/sf_aian.html (accessed 3 June 2010); estimates that consider discouraged workers (those who have withdrawn from the labor force) as well as individuals actively seeking work are even higher.


28 Interview, director, Office of Tribal Government Relations, South Dakota Governor’s Office for Economic Development, 15 April 2010.

29 Interview, teachers, Tiospaye Topa High School, Ridgeview, SD, 1 June 2009.


31 Interview, teacher, Eagle Butte High School, Cheyenne River Reservation, Eagle Butte, SD, May 2009.


33 Interview, teacher, Lake Central High School, Yankton Sioux Tribe Reservation, Lake Andes, SD, 18 May 2009.

34 Interview, high school principal, Pine Ridge Reservation, 18 May 2009.

35 Interview, director, Office of Tribal Government Relations, South Dakota Governor’s Office for Economic Development, 15 April 2010.

36 Interview, teacher, St. Francis Indian School, St. Francis, SD, May 2009.

37 Interviewer summary, interview with teachers on the Cheyenne River Sioux Reservation, May 2009.

38 Interview, former Director of Indian Education, State of South Dakota, March 2010.

39 Interview, teachers, Tiospaye Topa High School, Ridgeview, SD, 1 June 2009.

40 Interview, teacher, St. Francis School, Rosebud Reservation, St. Francis, SD, May 2009.

41 Interview, teacher, St. Francis School, Rosebud Reservation, St. Francis, SD, May 2009.


43 Interview, teacher, Cheyenne River Reservation, Eagle Butte, SD, May 2010.

44 Interview, teacher, Todd County High School, Rosebud Reservation, May 2009


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