INTRODUCTION

The Native Nonprofit Sector and Large Foundation Support

This report examines the state of large foundation giving to Native American organizations and causes from 2006 to 2014. With the Great Recession behind us, and most economic indicators including investment returns exponentially better than prerecession levels, has giving to Native American organizations and causes bounced back to prerecession levels? In other words, what is the current state of foundation giving to Native American organizations and causes?

The general trends highlighted in this report suggest that large foundations remain willing to give grants to Native American organizations and causes but are spreading fewer dollars among a growing pool of grantees. Moreover, data in this report highlights that most resources are going to non-Native-controlled organizations. Finally, we find that new funders have emerged to support Native American organizations and causes, but these new funders cannot fill gaps left by significant declines in support of Native American causes by America’s largest foundations.

What these findings highlight is that it is more important than ever for foundations to evaluate their commitment to equity and inclusion of Native people within philanthropic giving. These findings also highlight the need for Native organizations to continue to draw on existing and new philanthropic partners to demonstrate the great value of investing in Native-led organizations and change.
THE DATA

Data used to inform this report was provided by the Foundation Center and comes from its “Grants” database. Foundation Center Grants data tracks foundation giving from the top 1,000 largest U.S. foundations, coded by issue, population and geographic focus. Tracking of grants awarded to Native American organizations (including Native nations) and causes is based on foundation grant descriptions or related grant information that specifies serving Native Americans or if the recipient organization’s mission explicitly mentions serving Native Americans or Native American communities.

LOSING MOMENTUM: RECENT TRENDS in GIVING to NATIVE AMERICAN ORGANIZATIONS and CAUSES

Large foundations have increased the number of grants awarded to Native American organizations. But the dollars awarded in support of Native American organizations and causes has declined. This suggests that large foundations are splitting fewer resources among more organizations or grants. Moreover, annual giving to Native American organizations and causes is volatile. Funding volatility has implications for the stability of Native-serving organizations, how they are viewed by other funders and charity watchdog organizations and the services they provide to Native communities.

Annual Grant Dollars Awarded to Native American Organizations and Causes | 2006-2014 |

FIGURE 1.1

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TOTAL $ AMOUNT of ANNUAL GIVING  FITTED LINEAR TREND of ANNUAL GIVING
From 2006 to 2014, annual giving by large foundations declined by 29%, totaling a $35 million decline in funding.

On average, foundations gave more to Native American organizations and causes prior to the Great Recession (from 2006 to 2008) when compared to the years after the recession (from 2010 to 2014).

Annual foundation giving to Native American organizations and causes is extremely volatile, experiencing annual spikes and declines.

Annual volatility has real consequences for community organizations. It can lead to instability in predicting revenue, which can then lead to instability in organizational growth, development and programming, as well as other negative organizational outcomes.

Sector-Wide Giving Trends
It is estimated that the top 1,000 foundations gave roughly $9.6 billion more in 2012 than they did in 2006 (a 19% increase from 2006 to 2012). But grant dollars to Native American organizations and causes during this same period of time declined by $27.1 million or by 23%.

What are the consequences of philanthropic volatility for Native American organizations?

- Volatility in foundation funding
- Instability in predicting revenue for organizations
- Instability in organizational growth, development and programming
- Compromised continuity of services, leaving Native communities vulnerable
The number of grants awarded annually showed an upward trend over time, demonstrating that large foundations gave more grants in 2014 than they did in 2006.

Foundations gave 6% more grants, totaling 48 more grants, to Native American organizations and causes in 2014 than they did in 2006.

Sector-Wide Giving Trends

The top 1,000 foundations gave approximately 11% more grants in 2012 than they did in 2006. In real numbers, the top 1,000 foundations awarded roughly 31,000 more grants in 2012 than they did in 2006. Native organizations and causes captured 1/1000th of a percent (.001%) of this increase. That is, the top 1,000 foundations gave over 31,000 more grants and this includes giving 48 more grants to Native American organizations and causes.

In 2012, the share of foundation dollars awarded to Native American organizations and causes decreased to 4/10ths of one percent (.4%). The share of grants going to Native American organizations and causes remained much more consistent over time. On average, 6/10ths of one percent (.6%) of foundation grants made were awarded to Native American organizations and causes.

From 2006 to 2012, the share of total large foundation grants going to Native American organizations and causes remained the same, whereas the share of total grant dollars declined.
Of the top 1,000 foundations in the United States, less than half gave to Native American organizations and causes from 2006 to 2014. From 2006 to 2014, a total of 493 funders provided grant support to Native American organizations and causes. On average, 203 of these funders gave grants to Native American organizations and causes annually.

One positive trend in the data reveals that new funders have emerged to support Native American organizations and causes. But there has been a slight decrease in the annual number of funders supporting Native American organizations and causes over time. At the same time, new foundation supporters have entered the funding landscape but these new supporters do not have the giving capacity to fill in the funding gaps left by the declining support of America’s largest foundations.

The concentration of giving to Native American organizations and causes is in the portfolios of a relatively small number of funders. The top 10 foundations supporters account for over 50% of total annual giving to Native American organizations and causes.

1 | The majority of resources in support of Native American organizations and causes is concentrated in the funding portfolios of a small number of foundations. Among the top 10 foundation supporters of Native American organizations and causes, the overall level of support has been declining over time. At the same time, new foundation supporters have entered the funding landscape but these new supporters do not have the giving capacity to fill in the funding gaps left by the declining support of America's largest foundations.

2 | Large foundations are less willing to make significant multi-year commitments to Native American organizations and causes. In the face of declining resources, the tendency, especially after 2009, has been for foundations to provide more grants for a smaller dollar amount in support of Native American organizations and causes.
**Funding Patterns of the Top 10 Foundation Supporters**

- Funding patterns of the top 10 funders of Native American organizations and causes (which account for over 50% of total support) help partially explain why we see a downward trend in overall foundation giving to Native American organizations and causes from 2006 to 2014. Support by six of the 10 largest funders of Native organizations and causes has declined by almost 50% from 2006 to 2014.

**Average Annual Level of Giving by Top 10 Funders | 2006-2014**

![Graph showing a fitted linear trend of annual giving by top 10 funders.]

**New Funders in Support of Native American Organization and Causes**

- One bright spot of the data highlights that new foundation supporters have emerged to support Native American organizations and causes.

- Although new relationships between philanthropy and Native communities have formed, it is important to note that the giving power of these new foundation supporters has not been enough to fill the annual funding decline by the top 10 foundation supporters. *New funders that have entered the funding landscape in support of Native American organizations and causes have awarded grants averaging $100,000 compared to the average grant size of roughly $267,000 made by the top 10 foundations.*

- One additional factor that has contributed to the decline in foundation support, and influenced funding volatility annually, is the decrease in significant multi-year grants awarded to Native American organizations and causes. Looking at the 30 largest grants made to Native American organizations and causes from 2006 to 2014 (ranging from $17.5 million to $1.76 million), 76% of these significant grants were made prior to 2010. After 2010, larger grants in support of Native American organizations and causes became rare.
WHO RECEIVES and WHERE DO LARGE FOUNDATIONS INVEST?

In most years, non-Native American-controlled organizations receive a greater share of philanthropic grant dollars and larger average grants when compared to Native American-controlled organizations. The data also shows that foundations are willing to award more grants to Native American-controlled organizations but provide them smaller dollar awards. Although Native American-controlled organizations are working to initiate and deliver innovative programs to empower and build local communities, a large amount of the limited philanthropic support is being diverted to non-Native American-controlled institutions. In fact, our data suggests that funding to non-Native-controlled organizations remained relatively constant from 2006 to 2014 whereas support to Native-controlled organizations showed greater volatility. This suggests that Native-controlled organizations are the most vulnerable when it comes to funding levels annually.

From 2006 to 2014, a total of 6,972 grants were awarded to a total of 1,638 unique organizations. Over 64% of total grants awarded to Native American organizations and causes were awarded to public charities.

Native-Controlled versus Native-Serving: Who Receives the Greatest Support?

We wanted to understand the flow of foundation support reaching Native American-controlled organizations across the United States. To do this, First Nations coded each organization that received a grant as Native American-controlled or not. Native American-controlled organizations includes support of Native tribes and organizations that are mission-focused on serving Native communities and whose board is over 50% Native American. All other organizations were categorized as Native-serving. There may be many Native-serving organizations that do valuable work but from the perspective of many Native American communities and organizations, increased support in the name of Native American people and communities should be going directly to communities and organizations that know and directly serve these individuals.
• Of the total organizations coded, 599 were clearly identifiable as Native-controlled (having a majority Native board and a mission and programs solely focused on serving Native American people or communities). A total of 996 recipient organizations were coded as non-Native American-controlled.

• Figure 3.2 shows that the majority of large foundation grants were awarded to Native American-controlled organizations from 2006 to 2014. Fifty-five percent of total grants awarded went to Native American-controlled organizations and 45% of total grants awarded went to non-Native American-controlled organizations. In all years under investigation, large foundation awarded more grants to Native American-controlled organizations compared to non-Native-controlled organizations.

• Looking at the flow of resources from 2006 to 2014, 50% of total grant dollars were awarded to Native American-controlled organizations, averaging $46 million a year. The other 50% of grant dollars awarded went to non-Native American-controlled organizations.

• In 2006, there was an unusually high level of giving to Native American-controlled organizations. Looking at giving from 2007 to 2014, non-Native-controlled organizations received roughly 53% of all grant dollars awarded, whereas Native-controlled organizations received about 48% of total grant dollars awarded.

• Figure 3.3 notes that in almost every year, non-Native-controlled organizations received the lion’s share of grant dollars. In six of the nine years, non-Native-controlled organizations received the majority of large foundation grant support.

• The average grant to Native American controlled organizations was roughly $112,000 and the average grant to non-Native American-controlled organizations was $134,000 ($22,000 higher).
Native-controlled nonprofits have long heard criticism from foundations about the difficulty of funding in Native communities. Foundations often note that Native-controlled organizations lack organizational stability, capacity and consistency in programs and services. But we must acknowledge that what plays a significant role (albeit not the only role) in the stability of these organizations is philanthropic funding. This data makes clear that Native-controlled organizations are in a catch-22 situation – they can’t increase organizational stability, capacity and services without more resources, and philanthropy may not be willing to invest more resources in Native organizations because of perceived instability and risk.

**How Has The Landscape of Recipient Organizations Changed Over Time?**
How has the arrival of new organizations altered the landscape of recipient organizations? Have more Native American-controlled or non-Native American-controlled organizations emerged over time to receive foundation support in the name of Native Americans? There is no easy way to examine the number of new organizations that have emerged on the philanthropic scene over time. But one way to at least arrive at a baseline of new arrivals is to take recipient organizations that were awarded a grant in 2006 and 2007 and then count how many new unique organizations received grant support from large foundations from 2008 to 2014.

The vast majority of new organizations that received foundation support were non-Native American-controlled organizations. A total of 700 new non-Native American-controlled organizations received foundation support in at least one of the years from 2008 to 2014 in the name of supporting Native American people or causes. Roughly 300 new unique Native American-controlled organizations received foundation support from large foundations from 2006 to 2014.

This data highlights that there are new organizations that enter the landscape vying for resources to serve Native American people and causes. However, over 75% of these new organizations are non-Native American-controlled organizations.

Non-Native American-controlled organizations are more fluid in their ability to establish interests in and out of Indian Country and acquire resources in the name of serving Native American issues or people. Moreover, this data tells us that new non-Native American-controlled organizations are more likely to receive foundation support than new Native American-controlled organizations (though of course we don’t know which types of organizations that applied for and were subsequently denied funding).

From 2006 to 2012, the average annual grant awarded to Native American-controlled organizations and causes was $119,000. In comparison, the average grant made by large foundations from 2006 to 2012 was $157,318. The average grant to Native American organizations and causes was almost 25% less than other grants made by large foundations (or $38,000 less in real dollars). The median grant size to Native American-controlled organizations and causes was $40,000.

The average grant to Native American-controlled organizations and causes was for 12 months. This is despite the fact that there has been a tremendous amount of research acknowledging the need for multi-year funding to improve the health, growth and effectiveness of nonprofits.
From 2006 to 2014, only 6% of all grants awarded to Native American-controlled organizations and causes were over $350,000. In total, 78% of grants awarded were $100,000 or less. More specifically, 13% of grants awarded were for $10,000, and 65% ranged between $10,001 and $100,000.

From 2006 to 2014, 35% of all grant dollars and 36% of all grants awarded to Native organizations and causes were tied to programmatic support (including program development, curriculum development, pilot programs and program expansion).

Foundation funding most commonly focused on education, health, projects serving arts and culture, and human services.

General operating support remained underfunded when compared to the larger nonprofit sector. Only about 14% of all grants, and 10% of all grant funds, were directed to general operating support for Native American nonprofits or similar organizations working on Native American causes. Research by the National Committee for Responsive Philanthropy documents that general operating support accounts for about 16% of total foundation giving. Grants to Native organizations and causes fall short of this sector-wide average. The lack of general operating support has real consequences for organizations serving Native causes, including a direct effect on organizational stability, impact and growth.
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