

5 NATIVE AMERICAN FUNDING FACTS

Many people believe the U.S. government meets the needs of Native Americans under the treaties – including free housing, healthcare, education, and food; freedom from taxes; and receipt of government checks each month. Reality is that federal treaty obligations are underfunded and many Native families are struggling. Here are five facts to know about Native funding in the U.S.

Fact 1: Indian Casino Riches

A “casino payout” occurs when tribes disburse unused profits from Indian gaming to tribal members for their personal use. However, simply operating a casino does not guarantee tribal riches or mean that tribal members receive such payouts. Contrary to popular belief, fewer than 15% of Indian tribes operate prosperous casinos. In addition, only the 567 federally recognized tribes may operate casinos – more than 400 tribes in the U.S. are not federally recognized.

The National Indian Gaming Association reports only 223 tribes in the U.S. operate casinos, and only 73 of them give per capita payouts. In fact, the research shows the casinos need to be within 50 miles of a metro area (with 10,000 or more residents) to be highly profitable. In PWNA’s experience, the rural and remote casinos do not have enough traffic to generate large profits — they do create a few tribal jobs. We also see some tribes that are prospering from gaming assisting other tribes that are struggling economically, but it’s important to remember that even this use of gaming profit is regulated by the federal government.

Fact 2: Government Checks

The Bureau of Indian Affairs (BIA) does not disburse cash to individuals, and contrary to popular belief, the U.S. government does not mail out basic assistance checks to people simply because they are Native American. Many tribal members are veterans or disabled or retired after years of serving as railroad workers, artists and educators, in tribal jobs, or in general labor. These people receive V.A. or disability or social security checks from the government, as would any other American.

Throughout PWNA’s service area, the main forms of governmental aid seem to be energy assistance and food commodities (arising from treaties and connected with loss of reservation lands and natural food sources). TANF is also available for single mothers but often requires them to volunteer for 40 hours a week in a supervised work program, often leading to job placement. Other social programs such as WIC and Food Stamps are available on the reservations; these are the same programs available to all Americans, with allocations made based on demonstrated need.

Fact 3: Free Housing

Although the BIA has a large budget to serve the 567 federally recognized tribes, it is cited as the least effective government agency and the most mismanaged. Apparently, 45% of BIA funding goes to operate 260+ BIA offices across the country. Only 55% of BIA funding is directly used in behalf of the tribes, most of it in the form of contracts, grants, or compacts involving social services, job training, an education “system” (meaning schools, tribal colleges, dorms, and repairs), and some housing improvement, as well as land management, law enforcement, tribal courts, roads and bridges, dams, and irrigation systems. Reportedly, tribes may only self-determine how to use 10-15% of BIA funding.

Although the BIA has assisted Native American families with housing, these homes are not free. It is common for Native families on the reservations to make housing payments to the BIA. Housing and Urban Development (HUD) has also funded some Native housing and home repairs. Still, according to the National American Indian Housing Council, some 90,000 American Indian families are homeless or under-housed, and 40% of on-reservation housing is inadequate.

Fact 4: Native Americans and Taxes

Like all Americans, Native Americans pay federal income tax on any income they earn, including casino earnings. They do not pay state tax for income earned within reservation boundaries.

It is also important to understand that the lack of available jobs on the reservations fuels unemployment of 35% to 85% (varies by reservation) and that 29% of employed Native Americans live below poverty level. It is not for lack of exuberance or effort on the part of Native Americans that these conditions arise. Many of the hardest working folks we know are Native American. Rather, outside business is reluctant to invest in small, remote, and rugged reservation communities and doing so is complex; tribal land is held in trust for the tribes but owned by the federal government, and businesses must comply with federal, state and tribal regulations. As a result, most jobs on the reservations are tribal, government, or state jobs with restrictive and historic budget cuts that limit opportunities for growth.

Fact 5: American Indian Education

Under the treaties, the federal government promised an education for all Native Americans. Some treaties spell out the promise of an education system – essentially meaning secondary schools, not a free ride to college. As such, the BIE operates 283 grade schools serving about 41,000 Native American students. Although the BIE’s mission is to provide quality education opportunities to Indian students, BIE schools are notoriously underfunded and underperforming, with their educational outcomes and graduation rates significantly lower than public schools.

At the college level, Native American students must compete for scholarships along with other Americans. Today more Native American students hope to attend college, but only 17% start college and only 13% have a college degree.

