

Strengthening Financial Capabilities for Native American Elders



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Background of AI/AN

- Native Americans are the most economically disadvantaged elderly minority in the United States.
- They die younger than their white counterparts.
- Many elders have poverty-level incomes, lack telephone service, and live without caregivers.



Background of AI/AN (contd.)

- Native Americans aged 65 years or older are projected to increase 3.5 times between 2010 and 2050, from 410,000 to over 1,395,000.
- The median income of AI households in the U.S. was \$44,347 in 2010, compared to a median of \$68,390 for white households.
- 2010 Census: 60% live in metropolitan areas.

Source: Office of Minority Health, n.d.



AI Residence and Demographics

- In 2009, 50% of AI/AN elderly lived in 6 states: CA, OK, AZ, NM, TX, and NC.
- 65 and over (general population): 838,294
- According to [A Statistical Profile of American Indian & Alaska Native Elderly:](#)
Missouri AI/AN population: 27,637
St. Louis County AI/AN population: 1,962
65 and over (AI/AN) in Missouri: 3,014

Source: U.S. Census Bureau 2010 Population Finder; ^{A5}Statistical Profile of American Indian & Alaska Native Elderly, U.S. Department of Health & Human

Services Administration on Aging



Financial Status of AI Elders

- An estimated 20% of AI over the age of 54 have incomes below poverty.
- 47% of elders 55 and over on reservations had incomes below \$10,000 per year in North Dakota alone.
- 40% of rural elders had income between \$7,000 and \$14,999 (Ludtke & McDonald, 2005).

Source: National Resource Center on Aging, 2007; Housing Action Council, 2012



Physical, Mental, and Behavioral Health

- Native Americans experience some of the highest rates of chronic health conditions compared to the overall population.
- Rates of hypertension, diabetes, back pain, and vision loss are greater than older adults in the general population among older Native Americans.

Source: Goins & Pilkerton, 2010



Physical, Mental, and Behavioral Health (contd.)

- Cardiovascular disease, obesity, and hypertension are also prevalent at higher rates among Native elders.
- More than 1 in 5 Native elders are diagnosed with diabetes.

Source: Denny, Holtzman, Goins, & Craft, 2005



AI/AN Elders Status

- Elders preserve heritage and serve as healers, counselors, and leaders.
- Elders are not determined by reaching a certain age.
- An elder is designated when an individual has demonstrated wisdom because of experience gained through life.



AI/AN Elders Status (contd.)

- American Indian children are taught to respect and care for the elders (Dubray & Sanders, 1999).
- Elders are ‘libraries’ of Indian knowledge, history, and tradition.
- Their wisdom is a source of strength in Indian communities.

Source: Poupart, 2000



Native American Elders Status

- “A point of reference: those people who have earned the respect of their own society...we have misused the role of elder through our ignorance and failure to see that not all elders are spiritual leaders and not all old people are elders.”

- Roderick Mark (1985)



AI/AN Definition of Assets

- AIs define assets as money, education, community, family, land, or financial investments.
- Assets can help people achieve their goals, help others in their community, and be handed down from generation to generation.

Source: Black, 2012, Tovar, 2012



Traditional vs. Western Views of Assets

- Experience, observation, and research show that Native Americans are traditionally savers.
- However, emphasis has always been on sharing so it is not uncommon for many to give away much of what they have.
- Money and tangible assets do not always hold significance for Native Americans; rather, land, family, and community are priorities.



Factors that hinder AI/AN from Economic Security

- Few Native communities have engaged in formal discussions of current asset holding and appropriateness of financial asset-building approaches that work best in AI communities.
- Many Native people tend to be hesitant when discussing assets and financial capability with others outside their communities.
- Lengthy and other unnecessary complex processes for loans stifles follow-through.

Source: Indian Country Today, February 2010



Factors that hinder AI/AN Economic Security (contd.)

- Important to consider those who are currently employed and their attitudes towards the future.
- Common knowledge that Americans don't save enough.
- Often because people live from paycheck to paycheck and are cash strapped.
- May not see the need for retirement planning or cannot spare any money currently.



Factors that strengthen AI/AN Economic Security

- History of perseverance, persistence & survival.
- Value family and community. Have always saved, been negotiators, and relentless in a pursuit of a dream or vision.
- Embrace entrepreneurship to find creative solutions to address the economic crisis.
- Tribes have existing model programs to support economic security.



Home Ownership as Asset Accumulation

- Native Americans have had a nomadic lifestyle historically, so moves to urbanization in the 20th century left many unprepared.
- Money became important for survival; therefore, employment became necessary.



Home Ownership as Asset Accumulation (contd.)

- Cultural barriers existed and still do, such as the disparity in the definition of “home”.
- The white culture’s logical flow of job – money – home was not in Indian logic, which was instead cultural, spiritual and traditional ties to land, family, and community.



Home Ownership as Asset Accumulation (contd.)

- Unlike their white counterparts who view a home as something to own, to AIs, home may mean a neighborhood, a community, or the reservation.
- Anecdotal evidence suggest that the concept of owning a home was so foreign to some AI that they couldn't grasp the idea that they could get out of the commitment by selling the house.



Home Ownership as Asset Accumulation (contd.)

- Urban housing, often designed for a single family, does not necessarily fit with the lifestyle of those who live with extended family.
- Money for a down payment, building good credit, supporting a mortgage, taxes, and maintenance are just the start of considerations for would-be homeowners.



Home Ownership as Asset Accumulation (contd.)

- Evidence suggests that AIs have a higher rate of rejection on loans than other cultures, partially due to high debt-to-income and bad credit or no credit.
- Those applying for loans may not be able to access culturally-attuned loan officers who can explain the process or advocate for them.

Methods of Savings





Anecdotal Evidence: Homeownership

- AI elders in urban area;
- Worked two jobs to save money;
- Saved money in jars, socks, under bed;
- Senior service counseling in home ownership;
- Relationship with loan officers; and
- My role as elder care provider.



Home Ownership as Asset Accumulation (contd.)

- Issues often undocumented or unnoticed can also keep AI from owning homes.
- Dependency and addiction stifle opportunities of employment and create caution on the part of lenders, thus limiting chances for ownership opportunities.
- Gaps in work history have to be accounted for and often hurt applicants.



Home Ownership as Asset Accumulation (contd.)

- Many Native Americans, particularly those who are now elders, did not grow up understanding dollar value.
- Native Americans' emphasis on extended family as the basic social unit may be a barrier.
- Economic barriers also exist for Native American home ownership.



Strengthening AI/AN Economic Landscape

- Communities and individuals take control of their assets.
[First Nations Development Institute](#)
- Tribes taking control of mortgages (BIA pilot study)
- Provide financial advisor to analyze various sources of income throughout their life.
- Minnesota Indian estate planning project.



Land Ownership

- For Indian people, the concept of land ownership has historically been fraught with contradiction.
- The idea that land could be bought and sold was philosophically and spiritually incomprehensible.
- Something innately sacred, something that is shared in common by all people.

Source: The Message Runner, Vol. 4



Land as Asset Accumulation

- Indian land is considered a valuable asset in Indian culture .
- Land can be used for financial security to vulnerable populations.
- Not unlike home ownership, it is vital to own land and profit from it – profit monetarily but also psychologically and traditionally.
- It is important for future generations to keep the land in the family.



Estate Planning Vignette

- Mortgage paid;
- Transfer of ownership;
- Probate;
- Children's involvement; and
- Outcome: property stays in family.



AI/AN Entrepreneurs

- Research with Native American women entrepreneurs shows that there is growth in the area of small businesses.
- These women were able to overcome hardships and achieve various levels of success through hard work, inspiring mentors, and family support.
- Key to their success was education: night classes, and professional development.



Future Direction for strengthening FC

- Could an intentional program be designed then to give guidance with business plans to ensure a more consistent pattern of success in whatever business field is chosen? How would this affect AIs as they age and reach retirement?



Direction continued

- Is it possible that education is lacking in this area as well?
- How could financial planning change the economic status of elders?
- Perhaps guidance on estate planning for guaranteed family ownership of the land and any related assets would be a key to retaining land assets for those yet to come.



Direction for Asset Capability for Future (contd.)

- How can home ownership be a viable solution to building assets for AI, if started early enough? What would this look like?
- How can the land benefit the people beyond its current uses? What monetary advantages could be gained for elders through the land?
- It would be good to examine how traditional views of assets mesh with Western views.

Questions

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