



Distributing Emergency Cash Assistance to Tribal Communities: Lessons Learned

**Presented by:
The Oklahoma Native Assets Coalition, Inc.
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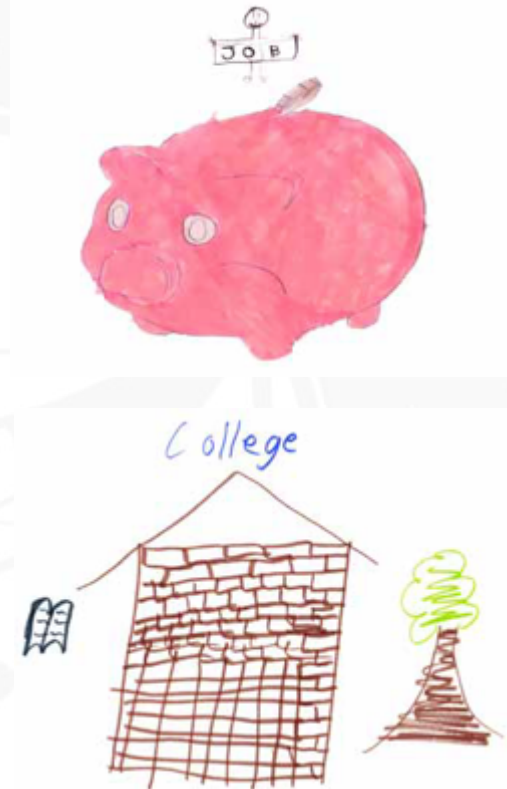
The Oklahoma Native Assets Coalition, Inc. (ONAC) is a Native-led nonprofit that collaborates with Native nations and other interested partners to offer culturally compatible asset-building programs and initiatives in Native communities. The coalition, started in Oklahoma, has existed since 2001, and was classified by the Internal Revenue Service as a 501(c)(3) nonprofit in 2014. While keeping its name, since 2018, ONAC has operated as a national Native-led nonprofit.

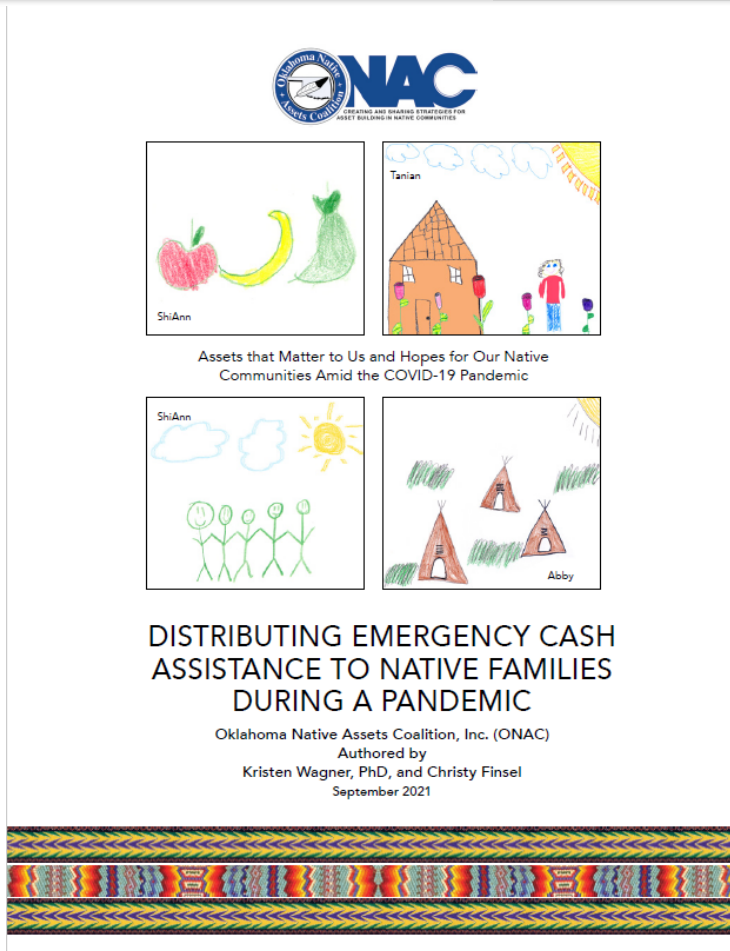
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ONAC's Integrated Asset-Building Programs and Initiatives: Supporting Family Financial Stability

- Intermediary funder: Mini-grant program (AI/AN)
- National Native EITC/VITA Network
- Training, TA, and national research
- Prevention of frauds and scams
- Native small business resources
- Financial coaching (basic budgeting/homebuyer education/credit counseling program)
- Native-specific financial education (youth booklet, CSA-related investor education, going remote resources)
- Children's Savings Account program
- Emergency Savings Account program
- Native Bank On ONAC initiative
- Down payment assistance
- ONAC COVID-19 emergency cash assistance program

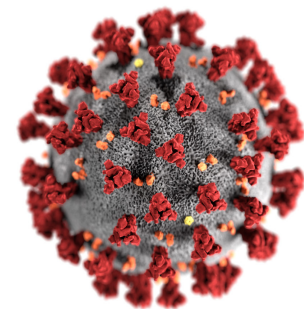




<https://bit.ly/ONACecash>

What Was the Need for Emergency Cash Assistance?

- Native communities were already in need of catch-up for wealth building, have the lowest rates of emergency savings among all population groups, and had the highest rates of death related to COVID-19 among all population groups in the U.S.
- The pandemic was impacting an already marginalized population.
- There were delays from the U.S. federal government with COVID assistance to tribal governments.





Providing Support & Building Infrastructure for Native-Led Cash Distribution Efforts

- In May 2020, with support from the Wells Fargo Foundation, ONAC launched a national emergency cash assistance program to distribute assistance directly to American Indian and Alaska Native families across the U.S. Also, launched financial coaching, as a wrap-around service.
- Hired staff, developed, and launched program in three weeks, with first payment made in early June 2020. This worked as ONAC had trusted relationships with our Native partners.
- In July 2020, the Decolonizing Wealth Project also provided support for this program.
- Both Wells Fargo and DWP helped us to build infrastructure with support that included funding for staff.
- Grateful also to individual and business donors.

Emergency Cash Assistance Overview



SHADED STATES INDICATE WHERE ONAC EMERGENCY CASH ASSISTANCE PAYMENTS WERE DISTRIBUTED

- ONAC distributed assistance to 1,070 Native families, in 28 states, in partnership with 23 tribal governments and other Native-led nonprofit partners.
- \$500 was distributed by check or ACH transfer to each recipient.



Program Model

In this time of crisis, when tribes and Native-led nonprofits were under-resourced and with limited staffing capacity, ONAC determined the most efficient way to deliver funds to families in need was for ONAC to directly administer the program and work with our Native partners on referrals for the assistance.



ONAC's Program Responsibilities

- Fundraised for the emergency cash assistance;
- Generated an online application;
- Selected the tribal partners for referrals;
- Worked with the partners on draft language to use with those referred;
- Distributed the application links, assisted applicants with no Internet or devices to complete the online application (through a manual entry option on ONAC's application backend);
- Processed the applications and directly sent payments to the referred applicants by ACH transfer or check;
- Managed the program database;
- Followed up with those who had uncleared checks until they cleared;
- Connected applicants to available ONAC wrap-around asset building services that support family financial stability; and
- Administered the program evaluation process.



Referring Partner Responsibilities

- ONAC partners were best positioned to identify those most in need of assistance in their communities.
- 23 tribes and Native-led nonprofits identified families in need.
 - Partners included: Native VITA programs, tribal housing authorities, Native CDFIs, tribal social service programs, tribal administrators, etc.
- Given the immense need for assistance in their communities, partners struggled with whom to refer. Here are a few examples of how referrals were selected:
 - lists of clients or tribal citizens who had been calling for assistance
 - clients whose incomes declined due to pandemic effects on their business
 - interactions with clients while preparing tax returns
 - random selection of tribal members



Referring Partners: Thank You!

* Several referred their at-large citizens who reside throughout the country

- The Wichita and Affiliated Tribes (Oklahoma)
- Osage Financial Resources, Inc. (Oklahoma)
- Citizen Potawatomi Community Development Corporation (Oklahoma)
- Chickasaw Nation (Oklahoma)
- White Earth Investment Initiative (Minnesota)
- United Houma Nation (Louisiana)
- Cherokee Nation (Oklahoma)
- Sac and Fox Nation (Oklahoma)
- Seldovia Village Tribe (Alaska)
- Four Directions Development Corporation (Maine)
- Nixyaawii Community Financial Services (Oregon)
- Absentee Shawnee Housing Authority (Oklahoma)
- Lakota Funds (South Dakota)
- Modoc Nation (Oklahoma)
- Tlingit Haida Regional Housing Authority (Alaska)
- Wisconsin Native Loan Fund (Wisconsin)
- Anonymous partners in South Dakota, Nebraska, Oklahoma, North Carolina, and Montana



Addressing Concerns about Frauds and Scams

- To their credit, a number of applicants were wary about frauds and scams. The ability to work with trusted community partners was essential.
- **To build trust in the process, Native community partners were the first point of contact with individuals who were referred for assistance and let them know this was not a fraudulent application.** The partners communicated with those they were referring by phone, email, or letter in the mail, prior to any communication from ONAC, to let them know about the emergency cash program and the fact that they had been referred.

Pandemic-Related Financial Needs

Applicants who responded to these questions reported that they were in need of assistance due to:

- Job loss
- Reduction of hours at place of employment
- Furlough
- Care for an ill family member
- Need for Internet service for children to complete school lessons at home

Meeting Community Needs During Time of Crisis

Recipients shared intentions to use the funds for a variety of expenses (a number listed more than one use):

- Groceries (60%)
- Rental and mortgage payments (51%)
- Utilities (64%)
- Health care expenses (8%)
- Student loan payments (.9%)
- Burial expenses (2%)
- Internet service for children to participate in and complete school work at home (22%)



Value of Assistance Without Conditions

- Recipients repeatedly asked about the expectations of the funding, including when and how much needed to be repaid, what they were allowed to use the funds for, and if they had to provide any documentation to prove their need. **When they were assured that none of this information was required, that the funds were being provided with no conditions or follow-up, the response was pure surprise and gratitude. “Someone had their back.”**
- From a programmatic standpoint, simplifying the eligibility process by not requiring documentation of need allowed funds to be distributed more quickly. Also, by not tracking spending, or giving permission for custodial-controlled expenses, ONAC was able to avoid administrative costs that would have reduced the number of families it could serve with the funds raised for this program.



Cash Distribution Challenges, Including the Digital Divide

Many Native families:

- resided in rural areas, some were under tribal COVID curfews (to try to curb the spread)
- had limited to no Internet service and older devices that did not allow for them to complete online applications (this was a primary challenge for many elders)
- no stable mailing address and no bank account
- no email address or limited access to email

Solutions: Accessing account applications online: simple applications, no two-step verification codes, customized applications with manual entry options, phone number staffed by a human, outreach partners able to go to someone's porch to reach them.

Unbanked and Underbanked Divide

- 50.5% of American Indians and Alaska Natives are unbanked and underbanked (FDIC, 2017).
- ONAC had to address this unbanked divide when distributing payments; provided Bank On information for tribal citizens that were not already banked.



Get Banked Indian Country: An Initiative of Native Bank On ONAC

Native Bank On ONAC, a program of the Oklahoma Native Assets Coalition, Inc. (ONAC), is launching an expanded initiative that seeks to improve access to, and utilization of, financial services in or near Native communities across the U.S. According to 2017 FDIC data, 50.5% of American Indians and Alaska Natives are unbanked and underbanked and are not taking full advantage of the money-saving services and wealth building tools available at banks and credit unions. Native Bank On ONAC has created the **Get Banked Indian Country** initiative in hopes of increasing the number of tribal citizens that choose to open affordable checking and savings accounts that will safely hold their paychecks, child tax credits, income tax refunds, savings, etc.

Native Bank On ONAC advocates for the use of low-fee, secure, and attractive financial accounts, such as **Bank On certified accounts**, offered by the banks and credit unions that serve Native communities.

Bank On account features required for National Account Standards certification include:

- Low fees and no hidden fees
- A checking or checkless checking account that offers a no-fee debit or prepaid card
- Zero dollars to a maximum of \$25 required as an opening deposit
- Free direct deposit and bill pay services

What are the average costs of banking and "alternative banking"? Not utilizing Bank On certified accounts and using alternative financial services costs tribal citizens more in service fees per year. **Consider the following costs:**

- Bank On accounts cost account owners a maximum of **\$60 a year** in service fees
- The average non-Bank On checking account costs a consumer **\$150 per year** in fees
- The average cost for using prepaid cards instead, with direct deposit, is **\$196.50 per year**
- That average cost jumps to **\$497.33 per year** if the prepaid card has no direct deposit
- People who deal only in cash face average service costs of **\$198.83 per year**
- Unbanked consumers without direct deposit pay an average of **\$182.03 per year in service fees just to access their money.**
- The average payday loan borrower pays **\$520 (with fees) for an initial loan of \$375**

Get Banked Indian Country hopes to increase the number of Native-owned and Native-serving financial institutions that offer FDIC insured Bank On certified (or comparable) accounts. Through **Get Banked Indian Country**, ONAC approaches financial institutions – especially those that Native communities trust and already work with – to encourage them to become Bank On certified, and provides Bank On certified (or comparable) account information and opening account incentives for new account owners. **To learn more about Native Bank On ONAC, go to https://oknativeassets.org/our_work/Native-Bank-On-ONAC.**

Searching for an FDIC-insured bank in your area? Go to: <https://banks.data.fdic.gov/bankfind-suite/bankfind>.



Practical Solutions: Providing Native Asset-Building Programs During a Pandemic

- Several banks were offering account opening applications through their drive-through, with social distancing inside branches, and via online account applications. **Need various account opening options to meet needs of unbanked citizens; fintech is not a cure-all.** Sometimes, we were on the phone with participants, researching and offering options for nearby financial institutions.
- **ONAC also offered an option for a referring partner to provide a list of names and addresses of those referred so that ONAC could mail checks to recipients without requiring them to complete an online application.**
- **In some cases, need option for prepaid card,** such as when have large unbanked population, no nearby financial institution, and a small village with one grocery store that cannot cash 500 emergency cash assistance checks during a two-week period.



Managing Community Expectations: Emergency Cash Assistance Distribution Lessons Learned

- **No press releases when limited funding.** Given the great need for assistance, if press releases are sent noting funding went to some, but not all families in a community, the tribe referring individuals and the entity administering the program can be inundated with calls for more assistance and frustrated community members wondering why they did not receive assistance.
- **When there is limited funding, some discretion about communications can help nonprofits with fewer staff members to still carry out their programmatic tasks without raising expectations from the community that cannot be met.** There were instances when referring partners did not want to be named, as they did not want to receive calls from community members. In those cases, ONAC noted general information about referring partners in the notification of award letters.
- **By not publicizing that financial assistance is going out in a particular tribal community, those receiving the assistance are less likely to be targeted by those interested in accessing funds that were not meant for them.** Discretion also helped protect recipients from predatory behaviors by those outside of the tribal community.

Other Lessons Learned

- **Provide an option to speak with a program staff member if questions arise while completing an online application or inquiring about the payment.** Chat features that inform applicants that they will be back in touch electronically in 24 to 48 hours do not work well for individuals impacted by the digital divide and using older devices.
- **Follow-up letters should be provided with payment.** Notification of award should be provided to recipients either by email or in hardcopy with a check to confirm that they have been approved to receive funds, the timeline they can expect to receive it, and any additional information about the program that is needed.

Research considerations:

- ONAC only collected minimal personal financial information from the applicants during a crisis **and did not ask them to participate in a larger Native asset building research project.**
- There was **no tracking of their expenditures** with the funding.
- **ONAC did not exploit the applicants vulnerability in applying for assistance during a pandemic by requiring them to participate in ONAC wrap-around services, as a condition of participation in the project.** The wrap-around services were purely voluntary.



Emergency Cash Assistance and Reparation Payments

What is the connection between distribution of emergency cash assistance and reparation payments?

Lessons learned from the emergency cash assistance program may inform the distribution of future reparation payments in Native communities. Thus far, reparations payments have yet to be widely distributed in Indian Country. Partnership with tribal programs and Native-led nonprofits can support efforts to provide funds to even the hardest-to-reach individuals.



Ongoing Challenges

- **Emergency cash assistance in Native communities is still needed!** Prices on products and services have risen, yet household income continues to decline in many Native households due to unemployment and underemployment related to the ongoing pandemic.
- **Requests for financial coaching have tripled** in the past several months with some individuals noting that their savings are depleted. A number of registrants are expressing interest in basic budgeting and credit counseling.
- **In addition to the pandemic, some Native communities have been experiencing multiple levels of crisis due to natural disasters** such as fires, floods, and drought. Costs associated with these crises will only further erode the economic security and well-being of Native families.



How to Support ONAC's Work

- Join ONAC email distribution group by emailing Christy Finsel at cfinsel@oknativeassets.org.
- Assist ONAC in connecting to others interested in financially supporting this work.
- Help spread the word about the Get Banked Indian Country Initiative <https://bit.ly/ONACGetBanked> and ONAC financial coaching resources available to tribal citizens <https://bit.ly/ONACCoaching>.
- Help ONAC provide funding for additional emergency cash assistance in Native communities: <https://give.classy.org/COVIDONAC>.

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