

# Native Bank On ONAC

**Karen Edwards**

**Manager**

**Native Bank On ONAC**

**Citizen of the Choctaw Nation**

[kedwards@oknativeassets.org](mailto:kedwards@oknativeassets.org)



# Native Bank On ONAC and Get Banked Indian Country

## Asset-Building Initiatives of

### Oklahoma Native Assets Coalition, Inc. (ONAC)

Presentation developed by Christy Finsel,  
Executive Director, ONAC, and  
Karen Edwards, Manager, Native Bank On ONAC  
**Oklahoma Native Assets Coalition, Inc. (ONAC)**





The Oklahoma Native Assets Coalition, Inc. (ONAC) is a nonprofit Native asset building coalition that collaborates with Native Nations and other partners to promote and establish Native-led and culturally compatible asset-building programs and initiatives in Native communities. ONAC and partners work together to create greater opportunities for self-determined economic success for tribal citizens.

<https://oknativeassets.org>

# ONAC's Interrelated Asset-Building Programs and Initiatives for Native Nations and Communities

- Founded in Oklahoma as a grassroots coalition in 2001 – became a 501(c)3 in 2014, and has served as a nationwide nonprofit since 2018
- Current Native-specific programs and initiatives include:
  - Provides free training & TA
  - Coordinates two national Native networks: Native Bank On ONAC and the National Native EITC/VITA Network
  - Intermediary funder: Mini-grant program (61 grants awarded to Native partners, since 2014, for a total of \$432,900, in AK, AZ, ME, MN, MT, NC, NV, OK, SD, TX, and WI)
  - Conducts national Native asset building research
  - Offers resource guides: Investor education, Native-specific financial ed for youth, Native women entrepreneurs, providing remote financial education and VITA during the pandemic
  - ONAC directly administers: national Native financial coaching to AIAN registrants; Children's Savings Account; Emergency Savings Account; down payment assistance; and emergency cash assistance programs





# General Need for Safe and Affordable Accounts and Rollout of Native Bank On ONAC

50.5% of American Indians/Alaska Natives are unbanked or underbanked (FDIC, 2017)

ONAC's longer-term interest in securing access to safe and affordable accounts is inspired by the need for financial account options that complement our Native asset-building program strategies

We discovered that there is no one easy solution to creating opportunities for more Native families to get "banked"

Native communities face several issues when "getting banked," such as lack of geographic and other access to financial institutions, online banking, and affordable home internet subscriptions and devices (only 37% of tribal land residents have broadband access, according to the FCC – noted in a 2017 NNI paper); and mistrust of financial institutions

Access to financial institutions has become crucial for Native people to be better able to 1) experience the benefits of greater participation in the financial mainstream, (2) quickly access federal economic stimulus payments and Child Tax Credit payments, and (3) avoid using high-cost alternative financial services

# Native Bank On ONAC Interfaces Well with ONAC's Asset Building Programs and Assistance

- ONAC Native Asset Building Conferences and FDIC-hosted webinars (sharing expertise regarding banking access efforts)
- Distributing Bank On information via the national ONAC EITC/VITA Network, led by Patsy Schramm, Cherokee - [edgpj@aol.com](mailto:edgpj@aol.com) - (networking, sharing asset building expertise, and encouraging the banking of tax returns)
- Promotion of claiming Child Tax Credit (CTC) payments (linked to “getting banked” through webinar trainings and flyers)
- In 2021 and 2022, awarding \$152,500 in grant awards to 15 Native VITA programs to help tribal citizens claim CTC (encouraging VITA partners to recommend direct deposit of both tax refunds and the CTC)
- Launching the Get Banked Indian Country campaign (information on Bank On accounts, stressing desirable account features)
- Providing free financial education and train-the-trainers and providing Bank On information via ONAC grantees (connecting capacity building for Native families and tribal- and Native-led nonprofit partners with banking access)
- Working, when possible, to link Bank On accounts to ONAC seed-funded emergency savings accounts, down payment assistance initiative, financial coaching, Children's Savings Account outreach, and pandemic-related emergency cash assistance (identifying, promoting and integrating banking access and safe and affordable accounts)
- Providing free technical assistance for designing and implementing asset-building programs, such as matched savings accounts or emergency savings accounts (integrating the importance of banking access efforts with asset-building)
- Incentivizing Bank On accounts (promoting interest, confidence, and trust in certified financial accounts, account security, and banking services)

# Partnering With Tribes and Native-Led Nonprofits: Strategizing Ways To Effectively Promote Bank On NAS Certified Accounts in Native Communities

- Promote desirable account features, including affordability, free direct deposit, free bill pay, and online and mobile banking (when available)
- Reveal the high cost of using ‘alternative banking services’ (see next slide)
- Provide assurance that account deposits are safe, being FDIC or NCUSIF insured (as opposed to some FinTechs not partnered with banks)
- Encourage tribal departments and nonprofits to promote Bank On accounts for tribal programs related to employment, commerce, housing, tax preparation, tribal youth, elders, etc., and have “banking days” at tribal colleges
- Stress the benefits of having free direct deposit when receiving tribal paychecks, tax refunds, unemployment benefits, Social Security, and any tribal government or other government payments
- When tribes express support for Bank On certified accounts to us, we encourage them to convey that support to local financial institutions
- ONAC has found that focusing only on single-purpose events such as teaching a financial education class that promotes banking or hosting an in-person or online event for assisting a tribal citizen to open a bank account, does not work as well as when Bank On account openings are connected to ONAC-provided incentive deposits, or ONAC-provided seed-funded emergency savings accounts (\$300 per family), or the embedding of Bank On account information into ONAC’s online an emergency cash assistance application so that families may receive an ACH transfer of the \$500 assistance payment directly into their new bank account. Promoting banking access and “getting banked” seems to work better when accomplished in concert with practical applications; concrete connections between being “banked” and building assets.
- ONAC provides grant funding to tribes and Native-led nonprofits through incentive payments to Bank On account holders (i.e. \$25 to \$100 per Bank On account, shortly after accounts are opened). ONAC does not require tribes or Native nonprofits to administer matching deposit programs if they are not interested – since matched savings accounts are expensive and time consuming to administer. Given the considerable number of unbanked and underbanked Native peoples in Indian Country, we instead recommend that funders award grant funding to tribes, or Native-led nonprofits, that work with their chosen financial institutions (or the communities’ choice) to administer the funding of an initial incentive payment to those in their community opening Bank On certified accounts.



## An Important Message for Tribal Leaders and Native Families: Average Costs Of Banking & 'Alternative Banking'

- The average checking account costs a consumer **\$150 per year** (based on averaged monthly maintenance fees, and 2 averaged overdraft fees)\*\*
- The average cost for people who do not have a bank account, but use prepaid cards that feature direct deposit is **\$196.50 per year\*\***
- The average cost of not having a bank account jumps to **\$497.33 per year** if a person's prepaid card doesn't offer direct deposit\*\*
- People who deal only in cash face average costs of **\$198.83 per year** for check cashing and money order charges (the product typically used for paying bills)\*\*
- People who have no bank account or prepaid card with direct deposit pay an additional **\$182.03 per year**, on average, just to access their money from payers\*\*
- The average payday loan borrower pays fees of **\$520** for an initial loan of \$375 (this relates to a typical rolled-over payday loan that is taken out to make ends meet)\*

\*Bill Fay, staff writer, online Debt.org article

\*\*Nerd Wallet: a personal finance web site, in the article: "The Cost of Being Unbanked: Hundreds of Dollars a Year; Always One Step Behind"



# Selected ONAC Online and Hard Copy Messaging to the Unbanked and Underbanked

- Early on: steps for claiming EIPs
- Flyers created for local banks to provide information about their Bank On account opening procedures and available incentives
- Spreading knowledge of FDIC and Federal Reserve statistics about AI/AN/NH unbanked and underbanked; and providing a link to FDIC's financial institution search tool
- Specifics about Bank On accounts with a link to CFE's interactive map of financial institutions in the US that offer Bank On accounts
- A flyer promoting Bank On and preferable account features to look for when opening a savings or checking account
- Sharing Information on how to claim CTC payments; specifics about the CTC and GetCTC.org portal, and connecting claimed credits to financial accounts
- Sharing specific information on what to do if you want to receive the CTC by direct deposit

<https://bit.ly/ONACGetBanked>

[https://bit.ly/AccountFeatures\\_ONAC](https://bit.ly/AccountFeatures_ONAC)

<https://bit.ly/ClaimCTC>

# Contacts and Additional Information

ONAC Executive Director:

Christy Finsel (Osage)

[cfinsel@oknativeassets.org](mailto:cfinsel@oknativeassets.org)

405-720-0770

Native Bank On ONAC Manager:

Karen Edwards (Choctaw)

[kedwards@oknativeassets.org](mailto:kedwards@oknativeassets.org)

620-218-2759

Native Bank On ONAC page: <https://bit.ly/ONACBankingAccess>

