



Oklahoma Native Assets Coalition's Children's Savings Account Program Interim Report **Authored by Christy Finsel (Osage), ONAC Executive Director** **May 2017**

The Oklahoma Native Assets Coalition (ONAC) is an American Indian-led nonprofit network of Native people who are dedicated to increasing self-sufficiency and prosperity in their communities. The coalition has existed since 2001, was classified by the Internal Revenue Service as a 501(c)(3) in 2014, and is one of only a handful of Native asset building coalitions in operation within the United States.

ONAC administers a Children's Savings Account (CSA) program that provides a nest egg of savings for Native youth, ages birth to twenty-one, and helps them save for asset purchases, such as post-secondary education. ONAC provides the opening deposit for the youth, plus a piggy bank, certificate, and financial education booklet. Most of the accounts are held through a 529 College Savings Plan, although some of the tribal partners have chosen to have the youth open their accounts at a financial institution (so the youth have experience with depositing their savings at a local bank branch).

Making the Case for Native CSAs

Instilling young people with the habit of saving is proven to have long-term benefits. In *The College Savings Initiative*, a joint project between the Center for Social Development at Washington University in St. Louis and the New America Foundation in Washington, DC, researchers found that “in multivariate analysis, youth who expect to graduate from a four-year college and have an account are about seven times more likely to attend college than youth who expect to graduate from a four-year college but do not have an account.”¹

According to the American Indian College Fund, “only 13% of American Indian students age 25 or older have a college degree-115% below the national level.”² Anecdotally, ONAC has heard from other Native colleagues in Oklahoma that there are scholarship funds available that are not applied for, even though Native youth are eligible applicants. CSAs can help create a pipeline for Native youth to college by helping the youth to think positively about their future and their college plans.

Framework for Native Asset Building

In the ONAC CSA financial education booklet, ONAC recognizes that Native people may think about assets broadly (from a community perspective) and not only as money or individual assets. The coalition also notes that Native communities have been building assets for generations. At the account opening events, the youth are asked to draw assets of value to them, with art supplies provided by ONAC. From

¹ Elliott, W. and Beverly, S. (2010). The Role of Savings and Wealth in Reducing “Wilt” between Expectations and College Attendance. *Journal of Children & Poverty*, 17(2), 165-185. Also available at <https://csd.wustl.edu/Publications/Documents/WP10-01.pdf>.

² *Student Success Stories*, American Indian College Fund, accessed August 14, 2016, at http://www.collegefund.org/success_stories/detail/85.



two of the account opening events, with permission from the parents, ONAC has included the artwork of twelve of the youth in a desk calendar to promote the idea of talking about Native assets throughout the year. ONAC has distributed the calendars to the youth and their families, as well to our partners and other constituents. In the future, ONAC hopes to display the artwork, in an art show, to illustrate the various understandings of assets by Oklahoma Native youth. To support the idea that food security/cultivation is a Native asset, in June 2016, ONAC started distributing organic garden seeds to the Native youth and their families at the account opening events.

Community Partner Engagement

As a Native asset building coalition, ONAC works to increase the capacity of our Native partners to be able to offer sustainable asset building programs. Thus, as part of ONAC's CSA program model, ONAC has formed partnerships with sixteen partners (tribal programs and Native nonprofits). The partners include the Wichita and Affiliated Tribes, United Keetoowah Band of Cherokee Indians, Osage Financial Resources, Inc., Citizen Potawatomi Community Development Corporation, Cherokee Nation Child Support Program, Mvskoke Loan Fund, Ponca Tribe Head Start, Eastern Shawnee Tribe of Oklahoma, Kaw Nation, Ranch Good Days, Inc., Pawnee Tribe Title VI Elderly Meals Program (accounts were opened by grandparents raising grandchildren), BeLieving In Native Generations, Housing Authority of the Seminole Nation, American Indian Resource Center, Inc., the Scholarship Foundation Program of the Muscogee (Creek) Nation, and Osage Nation Financial Assistance Department. The CSA models are customized by each partner to meet local needs.

Grant Support and Outcomes to Date

Since 2014, with funding from the W.K. Kellogg Foundation, First Nations Development Institute (with support of the Ford Foundation), the Osage Nation Foundation, and the Chickasaw Nation, the coalition is administering a CSA program and is working with partners to open a total of 660 CSAs through April 2018. The CSAs are opened youth, served by the thirty-eight federally recognized Oklahoma tribes, ages birth to age twenty-one.³ The accounts may be opened through 529 college savings plans or savings accounts at banks or credit unions of the ONAC partner's choice. The majority of the partners are choosing to open the accounts through the Oklahoma 529 plan due to asset limit protections related to the 529 plan. The tribe or Native nonprofits working with ONAC may put their names on the accounts, as custodians, for the benefit of the children though, to date, none have decided to do so as they do not want to be administratively responsible for the accounts. (In some cases the accounts may be opened for 18 plus years if the child is an infant when their parents open their account). To date, ONAC has also decided to not put its name on the accounts as the custodian. The youth may save for asset purchases, such as post-secondary education or other asset purchases (depending upon the tribes and Native nonprofits preferences and how the accounts are held, either in a 529 college savings plan or at a financial institution). ONAC provides the opening account deposit for the youth, (ranging from \$100 to \$200, depending upon grant funding and our partners) plus a piggy bank with the ONAC logo, certificate celebrating their account, and an ONAC Native-specific financial education booklet.

³ The 270 ONAC CSAs funded by the W.K. Kellogg Foundation are for children, ages birth to age eight living at 200% of the federal poverty line. The remaining 390 accounts funded by grant funding from First Nations Development Institute and the Osage Nation Foundation have no age or income stipulations.



As of April 18, 2017, ONAC has funded 415 CSAs. Of these, ONAC opened and funded 340 accounts with its partners, plus funded mini grants for an initial thirty-five accounts that were opened by the Wichita and Affiliated Tribes and the United Keetoowah Band of Cherokee Indians, as well as awarded two mini-grants to the Kaw Nation and Ranch Good Days, Inc. for forty more accounts, for a total of 415 accounts. Of the data available to date, 332 accounts were opened through the Oklahoma 529 College Savings Plan; thirty-five were opened at financial institutions, one bank in Anadarko and another in Tahlequah; twenty accounts were funded by ONAC grantee, the Kaw Nation, (the families could choose to open accounts either through the Oklahoma 529 College Savings Plan or at a financial institution of their choice and the tribe did not collect information on the family's choice); eighteen accounts will be funded by ONAC grantee, Ranch Good Days, Inc., through the Oklahoma 529 College Savings Plan; and ten were opened through MOST-Missouri's 529 College Savings Plan. (ONAC opened 529 accounts in Missouri as the Eastern Shawnee Tribe of Oklahoma's seat of government, located in Wyandotte, Oklahoma, is based near the border of Oklahoma and Missouri. The Eastern Shawnee Tribe of Oklahoma has tribal members living in both states who attended their financial education classes. By the parent's opening the accounts in their respective state 529 plans, they receive state tax benefits for contributions they make to their children's accounts. ONAC has board approval to open CSAs in any state in the United States to meet the needs of our constituents as tribal citizens from Oklahoma-based tribes reside in numerous states. The board has also approved for ONAC to open CSAs in other states, with Native communities, if interest from other communities arises. ONAC has designed online account application infrastructure, but has not yet launched that technology). ONAC will fund the remaining 245 accounts through April 2018. As of September 2016, the coalition has secured a lead gift of \$250,000 from the Chickasaw Nation, for ONAC's endowment, to support ONAC's CSA program.

Thus far, 413 of the 415 accounts funded by ONAC were for American Indian youth (one tribal program serves Native and non-Native youth). ONAC did not collect data on the ages, gender, or if their tribal youth were living at or below 200% of the federal poverty line for the twenty-seven accounts opened by the Wichita and Affiliated Tribes during their pilot CSA mini-grant project. ONAC collected the data on ages, gender, and if the tribal youth were living at or below 200% of the federal poverty line for the United Keetoowah Band of Cherokee Indians. The Kaw Nation collected gender and age information but did not collect income information on the twenty Kaw Nation youth who received funding for accounts. ONAC has collected available age, gender, and income information from two of the twenty Cheyenne and Arapaho Tribes youth that ONAC mini-grant awardee, Ranch Good Days, Inc., will work with to open accounts.

Since December 2015, ONAC has collected the following income data on 350 of the 415 accounts we have funded:

- 295 youth living at or below 200% of the federal poverty line
- 55 youth living above 200% of the federal poverty line

Additionally, since December 2015, ONAC collected the following gender data on 370 of the 415 accounts we funded:

- 197 youth identified as boys



- 173 youth identified as girls

ONAC collected age data on 370 of 415 Youth Account Owners as of April 2017. This data is included below. (Please note that in June 2017, accounts will be opened for youth and young adults, ages 16-21, who are participating in the Osage Nation Financial Assistance Department Summer Youth Employment Program. Once their data is collected, ONAC will update the information below).

| Age | Under 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------------|---------|----|----|----|----|----|----|----|----|
| Numbers of youth that age | 16 | 17 | 12 | 34 | 25 | 13 | 23 | 16 | 32 |

| Age | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|---------------------------|----|----|----|----|----|----|----|----|----|----|
| Numbers of youth that age | 21 | 25 | 15 | 28 | 32 | 19 | 15 | 14 | 10 | 3 |

| Age | 19 | 20 | 21 |
|---------------------------|----|----|----|
| Numbers of youth that age | | | |

Given this data, there is evidence that the families desire these accounts even if the youth is a teenager or young adult. While ONAC promotes the idea of starting earlier in saving for college, parents thought it important to still open accounts for older youth/young adults at ONAC account opening events.

Innovation in Addressing Gaps and Championing Community Assets

ONAC has championed culturally-relevant CSA models that build community assets. Program innovations include:

- Wichita and Affiliated Tribes administered a Wichita SummerSmart Youth Program where, in addition to building tribal pride through teaching Wichita history and culture and promoting good health practices, they offered savings accounts for the interns and youth participants as well as financial education classes. During the program, with the grant funds, they opened 27 Children's Savings Accounts (including 4 accounts for their youth interns). The children learned about tribal presidents, aboriginal homelands of the Wichita and Affiliated Tribes, traditional foods such as corn, and their language. They were introduced to a wide variety of physical activities such as dodgeball, kickball, and other sports. They were also provided nutrition classes by their Food Distribution staff. A banker came and discussed with them the importance of saving money, and the children noted the things they would like to save for in the future. Wichita and Affiliated



Tribes President, Terri Parton, also held a discussion with the youth to reemphasize the importance of saving for things that they wanted and needed.

As an expansion of their pilot project, on December 8, 2016, President Terri Parton hosted an ONAC CSA account opening event at the Wichita and Affiliated Tribes community center in Anadarko, Oklahoma. 30 accounts were opened that night. The Wichita and Affiliated Tribes, hosted the CSA event at the tribal community center (complete with Christmas cookies and punch). The accounts were available to tribal youth, first-come, first serve. The tribe sent letters to eligible tribal members to alert them to this opportunity. During the event, ONAC worked with the parents and grandparents to open the accounts. Several youth participated in the art project and a few children took home art supplies to work further on a piece of art that illustrates their understanding of Native assets. President Parton greeted each family and added the children's names to the certificates celebrating their account.

- The Mvskoke Loan Fund held a CSA opening event that coincided with a Muscogee (Creek) Movie Night at the Dome (where the tribe shows a full length children's movie). They opened 116 Children's Savings Accounts with Muscogee (Creek) parents/guardians through the Oklahoma 529 College Savings Plan. Building from Indigenous teachings that assets are not only money, the Mvskoke Loan Fund invited a Muscogee (Creek) artist, Daniel Wind III, to display his work. Muscogee college students volunteered to work with the youth attendees on artwork that the youth created to express their understandings of assets. The youth drew pictures of their families, homes, flowers and trees, food, and a person graduating and getting a job.
- The Eastern Shawnee Tribe of Oklahoma opened a total of 50 ONAC Children's Savings Accounts for youth enrolled in a financial education program they provided, as well as for children who attend their Early Childhood Learning Center. They held a Family and College Savings Plan Night at their Early Childhood Learning Center. During that event, they scheduled storytelling, a Native arts project, supervised playtime, and dinner. Chief Glenna Wallace attended the event to support tribal staff and to encourage the parents and youth to deposit more funds in the account over the years.

Scalability and Replicability

In Oklahoma, among the CSA partners, there is interest in 450 more accounts than ONAC has the funding to support. Additionally, there is interest in Native CSAs around the country from other Native communities.

ONAC is in a position to scale this CSA project nationally. The ONAC board has approved for ONAC to open CSAs for any Native youth residing in the United States and its territories. The coalition has designed an online CSA application system to provide the coalition with the mechanism to open accounts with Native families in any state.

ONAC believes this CSA program is replicable. The coalition has shared information about the CSA models nationally via our newsletter and by presenting information about the program at national convenings. Also, in regard to replicability, ONAC has worked with child support contacts to explore



alternatives to forgiveness of state assigned child support arrears as such forgiveness it is not allowed in Oklahoma due to the wording of the state constitution. This gap in arrears forgiveness and CSA development in Oklahoma, led ONAC, with the Cherokee Nation Office of Child Support Services, to arrive at an alternative option that tribally-administered child support programs may want to offer their clients. To add extra incentive for parents served by the Cherokee Nation Office of Child Support Services to deposit funds into their children's accounts, they will offer the custodial and noncustodial parents, who have establishment and enforcement cases, an offer for private mediation. If both parties are willing, and the non-custodial parent owes a custodial parent money, in order to work a good obligation, the non-custodial parent may deposit money into the CSA for the benefit of their child. This reduces the non-custodial parent's debt, and helps the child to have a bigger nest egg of savings. This ONAC CSA model, with an added debt reduction component, may be a replicable model for other tribally administered child support programs.

Contact

For further information about ONAC and the CSA program, contact Christy Finsel, ONAC Executive Director, at cfinsel@oknativeassets.org. ONAC's website address is www.oknativeassets.org.

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