



5 FUNDING FACTS

about Native Americans

www.nativepartnership.org/5facts

MYTH VS. REALITY

Many people believe the U.S. government meets the needs of Native Americans through treaty benefits and entitlements.

They perceive Native Americans receive:

- free food
- free housing
- free healthcare
- free education
- government checks each month, just because they are Native American
- income without the burden of taxes

The reality is that federal treaty obligations are often unmet and almost always underfunded, and many Native families are struggling.

Read on to learn the five facts you should know about Native funding in the U.S.



FACT 1: FREE HOUSING

Although the BIA has a large budget to serve the 574 federally recognized Tribes (about \$2.8 billion for 2023), it has been cited as the least effective government agency and the most mismanaged.

About three-fourths of the BIA budget is used on behalf of the Tribes – but not in payouts. Most of it is spent on contracts, grants, or compacts involving social services, job training, school facilities, some housing improvement, and other land concerns and loans. Tribal self-determination and self-governance programs have eclipsed the direct services being provided by the BIA and BIE, which is good news.

Still, about a fourth of BIA funding goes to operate the Office of Indian Services for disaster relief, child welfare, education, Tribal government, reservation roads, general assistance, and Indian Self-Determination; the Office of Justice Services for law enforcement, Tribal courts, and detention facilities on Tribal lands; the Office of Trust Services for management of trust lands, assets, and resources; and the Office of Field Operations with 12 regional offices and 83 agencies that carry out the BIA's mission at the Tribal level. At least 80% of the 5,000 employees are Native or Alaskan Indian.

While 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 68,000 American Indian families are homeless or overcrowded, and 40% of on-reservation housing is considered sub-standard.



FACT 2: 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 Bureau of Indian Education operates 2 colleges – Haskell and SIPI. They also help fund 183 elementary and secondary schools across 64 reservations, serving approximately 46,000 Native students in 23 states. Of these schools, 53 are BIE-operated, and 130 are Tribally operated under BIE grants.

Although the BIE's mission is to provide quality education opportunities to Indian students, the schools they operate are notoriously, and their educational outcomes and graduation rates are 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 for a higher education, yet 19% aged 18-24 start college and only 17% hold a college degree. Lack of funding is a key barrier to higher education.



Learn more about how PWNA is supporting Native American students through the American Indian Education Fund® (AIEF) at www.aiefprogram.org

FACT 3: CASINO RICHES

A “casino payout” occurs when Tribes disburse unused profits from Indian gaming to individual 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, not all Tribes are “casino rich.” Only the 574 federally recognized Tribes are eligible to operate casinos – more than 400 Tribes in the U.S. are not federally recognized.

The National Indian Gaming Commission reports only 244 Tribes in 29 states operate casinos (as of 2022) – less than half of all federally recognized Tribes. Of these, about 45% earn more than \$25 million and 55% earn less than \$25 million. So, roughly 19% of the federally recognized Tribes may earn enough to give payouts to Tribal members, aid other Tribes, and support local communities, but even this is regulated by the federal government.

As with all marketing, research shows that gaming is about location, location, location. Casinos within 50 miles of a metro area with 10,000 or more residents have the potential to be highly profitable – not those located in the remote reservation communities where PWNA works. Even in Rapid City, the average revenue for each gaming facility is about \$2.4 million after operating expenses, so the main benefits are increasing local jobs and state tax revenue.



FACT 4: GOVERNMENT CHECKS

Contrary to popular belief, the Bureau of Indian Affairs (BIA) does not disburse cash to individuals or mail out basic assistance checks to people simply because they are Native American.

Many Tribal members are veterans, disabled, or retired after years of serving as railroad workers, artists, and educators in Tribal jobs or general labor. These people receive veterans, 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 the 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 leading to job placement.

Other social programs such as WIC and SNAP (food stamps) are available on the reservations; these are the same programs available to all Americans, with allocations based on demonstrated need.



FACT 5: NATIVE AMERICANS & 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. However, joblessness is a big factor in reservation communities

Native Americans are unemployed at twice the rate of Whites, and the poverty rate in PWNA's service area is 15% to 54% (varies by reservation). It is not for lack of exuberance or effort on the part of Native Americans that these conditions exist.

Rather, outside businesses are reluctant to invest in small, remote, and rugged reservation communities, and doing so is complex given that Tribal land is held in trust for the Tribes yet owned by the federal government.

This means all businesses and investors must comply with federal, state, and Tribal regulations, which can be a complex web. 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.



Learn more about Native Americans
and how you can be Native Aware® at
www.nativeaware.org

We hope these facts have clarified some of the questions you may have about treaties, casinos, taxes, or government funding for Tribes. We encourage you to continue learning more facts about Indian Country. [Sign up on the PWNA website](#) for regular email updates, and follow us @PWNA4hope on Facebook, Twitter, and Instagram.

Sources:

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Payouts: <https://tribalgovernmentgaming.com/article/big-money/>



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