The Fine Line of Funding in Indian Country

Ken Gordon

When funders move into indigenous communities they tread a very fine line. On one side of the line they have a duty to undertake sufficient investigation to ensure that they properly understand a funding request and their own role in relation to it. On the other side, obtaining the information may conflict with the ability to acknowledge and give appropriate respect to the applicant’s indigenous culture and its bounds.

The line between gathering enough information and respecting the applicant’s culture exists whenever a funder meets an applicant – indigenous or otherwise – and walking this line is made more precarious by the significant power imbalance that exists between funders and grantseekers.

Dangers of the imbalance of power

Prior to being hired by the Potlatch Fund in the U.S., my career in philanthropy and public service was based in New Zealand. At a 2005 philanthropic conference there, I reported on anecdotal evidence of the imbalance between funders and grantseekers. Over the years I have observed many situations where grantseekers had good cause to be disgruntled with their funders and yet this discontent was never communicated to funders. In fact, on many occasions the exact opposite message was conveyed – that is, funders were lauded for behaviors that, in any other circumstance, would have been deemed inconsiderate, rude, or even objectionable. Over the years, I have heard many descriptions of funders: bureaucratic, precious, self-serving, egotistical, fickle, lacking clarity/thought, divorced from the realities of grantseekers’ day-to-day lives, hypocritical, hypercritical, aloof, and the list could go on.

There is a huge risk in conveying these sentiments to funders. Many funders may welcome critique, but the grantseeker can never know for sure how it will be received. If the grantseeker has any inkling that a critique may upset the funding relationship then there is a compelling financial reason to keep the critique private.

While this is not a new finding, it needs to be very much in our minds as we meet grantseekers. We may be doing things that upset and undermine the relationships and the programs being discussed – and, more likely than not, we will not be told if our actions have this effect.

It is my view that this problem compounds the longer we hold these jobs. Years of mainly positive feedback can lead to overconfidence, both about what we know and about how positive the outcomes of our support are. In turn, such confidence can be perceived as arrogance. We can lose the ability to be self-critical. If someone braves our possible wrath with a critique, we can be defensive. We can be off-hand and sometimes even cavalier about the grants we make and the requests we decline. We can forget the reality of the lives of the people we fund.

Craig McFarvey addressed many of these power dynamics in the winter 2006 issue of the Reader. He noted that, “the impact of grantmaking is maximized when the program officer works to promote a culture of learning, rather than knowing.”

It is all too easy for us as funders to assume, rightly or wrongly, that we are knowledgeable about a certain group or project. It is too easy for us to feel we understand the intricacies of one project because we have worked with a similar project. It is too easy for us to think that we understand one community because we have worked with another community that appeared to be similar. And it is almost impossible for us as to ignore the knowledge that we have gained over years of experience. We are rewarded for this knowledge. It increases our fund’s profile, increases our own profiles, and secures or improves our roles.

However, as McFarvey says, having knowledge is not the same thing as being open to knowledge. Even the most knowledgeable funder has things to learn from the grantseekers they work with. Grantmaking can be improved through the simple act of being open to learning. A first step toward that openness is an acknowledgement that in grantmaking there are two asynchronous relationships that operate at the same time. The first one is about power and is clearly out of balance in favor of funders. The second relationship, though, is about knowledge, and this relationship is weighted in favor of grantseekers. Grantseekers know better than a funder ever could, about the reality of their day-to-day operations, the community in which they work, and the needs they are trying to address.

While all these dynamics apply to any funding relationship, I contend that they are even more fraught when combined with the complexities of working with indigenous and/or minority communities.

Power dynamics in funding indigenous communities

In the ten years prior to my move to Seattle I was the CEO of Trust Waikato, one of the largest community foundations
in New Zealand. In that role I had the pleasure of working extensively with both Maori and Pacific Island communities in a concerted bid to increase the funding that Trust Waikato provided to their communities. In my new role at Potlatch Fund I now work with Native American communities in an endeavor to increase their access to philanthropic resources.

In my experience many indigenous and minority communities do not feel comfortable with the processes involved with asking for money. To be fair, other communities can also feel nervous about approaching funders. I have seen hulking rugby players shaking with nerves as they made presentations asking for money. However, my sense is that there is a fundamental difference between the mainstream applicants I have worked with and many of the indigenous and minority-community applicants. The mainstream applicant may well be nervous about the outcome of the meeting, but they know that they have a right to be at the table. Whereas many of the indigenous and minority communities I have worked with do not feel that they even have the right to be at the table.

The old saying that “rich get richer” holds true in the nonprofit world. We are all aware of groups that have immensely successful fundraising strategies. In part these groups succeed because they expect to succeed. The groups are not embarrassed or shy about asking for money. They know the steps to follow, and they expect that their requests will be considered in a positive light.

Many (but by no means all) indigenous and minority groups approach funding from a different place: some see their need for external funding as itself a failure; some see the needs that their requests aim to meet as poor reflections on their communities; some see the funding process itself reinforcing much of the racism that has kept them disadvantaged and needing support in the first place.

These dynamics can be invidious. The J R McKenzie Trust in New Zealand found that Pacific Island groups had stopped submitting grant requests because the requests were so often declined. The declined requests demoralized the Pacific Island applicants, made them feel undeserving, and led to a loss of Mana (esteem, prestige, pride).

From what I could see, these New Zealand Pacific Island groups had a funding success ratio that was similar to that of many other groups. However, mainstream and Pacific Island grantseekers had completely different reactions to having their applications declined. The mainstream grantseekers saw a decline as part of the funding process. They started working on the next request; the decision was a challenge to be overcome. The Pacific Island groups, on the other hand, took the decisions personally and to heart, and this, in turn, led to fewer grant requests in subsequent years.

A story

Switching gears, I want to tell about a specific situation from my New Zealand grantmaking experience. Over the course of about a year, a single member of a particular indigenous group deliberately defrauded the group of a significant amount of money from several funders. On the surface it looked as though the group itself was implicit in the fraud. One funder’s reaction was to threaten to sue the group as a whole for the return of funds. I have to say that at first I jumped to the same conclusion, in part because initially I could not find anyone in the group who could give me a straight answer about what had gone wrong.

The case attracted significant media attention, with lengthy articles and television news stories about both the fraud and the group. My own board was not immune to the controversy, and they wanted me to sort out the mess.

To this end, I found myself on a crisp clear morning sitting in a very humble (and cold – the electricity had been turned off) meeting room across the table from three incredibly nervous-looking representatives of the group. Their heads were bowed and they were clearly ashamed of what had occurred. With me was one of my staff who was fluent in the indigenous language. The meeting started with a formal prayer, asking the Creator to help to guide the meeting. My staff member then spoke at length in the indigenous language. In his introduction he detailed the links that existed between the group and our board.

The instruction that I had from my board was to protect our interests, see if I could get the money back, and keep us from receiving more negative media attention.

In the discussion that followed, we learned that the group member who committed the fraud had manipulated another susceptible and vulnerable member into signing all manner of documents and clearing out all the group’s funds. The group managed to keep the doors open because a few members were giving up the proceeds from their own small pensions. To make matters worse, the member who committed the fraud had run up significant debts in the group’s name, and now creditors were suing to recoup their losses.
It was clear in the telling that the group and its members were the greatest victims of this fraud. It was also clear to me that from the time they discovered the fraud, they had done everything right. They contacted the police, they pushed through the police's initial reluctance to become involved in what was clearly a messy situation, and they made every effort to ensure that needed documents were found and retained. At the same time, however, in the public domain they were clearly seen as guilty by association.

I was also very aware that I was privileged to be hearing them tell the story. I was being let into a personal recounting of their individual and collective failings. This is rare. I have spent much time since wondering what allowed this openness. Meeting in their space helped. Having an indigenous person who knew their language helped. Honoring the prayers and the informal connections that existed helped. However, another important factor was my own admission that something had gone on that I did not understand.

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When Native communities have entered the grantseeking world they often have been left feeling diminished and demoralized by both the process and the outcome. Even when Native groups have been successful, the conditions placed on the grants have sometimes exacerbated their sense of disempowerment through the process.

As funders, we must approach entering Indian Country with an awareness of this context and with an attitude of genuine, respectful inquiry. Without these, there is, first of all, a strong likelihood that negative cycles will be reinforced and, secondly, it is very likely that we will miss out on a much more nuanced picture.

It needs to be acknowledged that there are many funders who are working hard to try to improve their effectiveness in Indian Country. There are also a growing number of Native-led and Native-focused funds.

Nonetheless, funders and Native communities can sometimes just simply fail to connect. Recently Potlatch Fund hosted a funders' tour to a local Indian reservation. The Native community we visited showed the funders only the good things happening there. I suspect that many funders walked away from the tour thinking that this was a healthy community with relatively few needs. We did not see the bigger picture of interlocking needs -- concerns that many funders would rate as high priorities. We did not see the extreme need because showing it to us would have reflected poorly on the Elders in the community.

Moving to create a funding environment that is genuinely respectful of the knowledge that exists within Native communities is a good first step to developing the culture of learning advocated by McGarvey, and it is this attitude of learning that might eventually allow a fuller picture to be seen. Over time, this deeper understanding should also lead to more effective grantmaking and to stronger, more resilient Native communities.

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