

# Minors' trust fund study wraps up

## Financial literacy classes to be offered in 2018

By Danielle Frost  
Smoke Signals staff writer

Whether one looks at college athletes turning pro, a person receiving an inheritance or lottery winners, the influx of sudden, substantial wealth can spell disaster in the hands of those who are inexperienced with managing large sums of money.

The same can hold true for young Grand Ronde Tribal members who receive their trust funds, approximately \$100,000 or more, when they turn 21.

Hoping to find ways to help these young adults effectively manage their "21 Money," as it is commonly known, Tribal Council tasked General Manager David Fullerton to have staff assess the current program and develop a plan to help educate youth about their disbursements beforehand.

Planning Director Rick George served as project lead, which included holding a series of community meetings and researching the topic.

"There were a couple of really obvious findings. ... the first being, people want the opportunity to have more financial planning assistance," George said. "They don't feel enough is provided now. People who are now in their late 20s or early 30s, or as they look toward next generations, would like those families to have more opportunities to increase financial literacy. Virtually everyone identified that as being a need."

Beginning in the fall of 2018, Tribal members and families will receive financial literacy education, beginning from the time children are in preschool. Existing staff will be utilized to teach the curriculum, which will be developed by nonprofit group ONABEN, which stands for Our Native American Business Network, with roots in Oregon.

Locally, Grand Ronde Tribal member Bryan Mercier serves on ONA-



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BEN's board of directors.

There also will be a social media component for Tribal members who do not live locally so that they can learn virtually.

George said that a monitoring and assessment program will be developed, with ONABEN's leadership, to help track whether increased financial literacy has been achieved.

According to its website, ONABEN was founded in 1991 by four Oregon Tribes that wanted to "empower aspiring entrepreneurs in their communities and to help grow a private business sector on their Reservations."

Today, the organization has developed a wide range of "culturally specific" business curriculum, programs and personal assistance that focuses on increasing access to financing information and building positive business relationships.

"Our goal is to provide resources that will move community members forward in achieving long-term self-sufficiency and economic stability for themselves and their families," said Veronica Hix, ONABEN executive director. "We believe that community members are motivated by the experiences of other community members, so we will also provide some communications assistance along the way, and develop success stories that will help to market the program over time."

Last spring, a questionnaire was provided to gather input from Tribal members during community outreach meetings. Questions included if they had already received the money or were expecting to receive

it soon, how it was spent, if they would do anything differently now, and if there were any suggestions to improve the Trust program. Those who wanted to have a more in-depth conversation were encouraged to provide contact information so Tribal staff could follow up with them privately.

The first meeting, held last spring in Grand Ronde, included more than 80 people. In addition to the questionnaires, there were breakout sessions with small groups, who talked amongst themselves and brainstormed ideas for improving the program.

Three other meetings were held in Portland, Eugene and Salem. Additionally, about a dozen Tribal members provided George with comments in person, through e-mail or over the phone.

George said that his research found that many Tribes across the United States provide minor trust programs and some that are very wealthy award up to a \$1 million.

"They have seen crisis happen to those who are not ready," he said.

Another consensus reached from the meetings was that the Tribe could improve communicating to members that there are tax requirements involved and offer preparation assistance, George said.

"A lot of people don't know that, a lot get caught up with tax liabilities," he said.

Other groups came up with a list of resources they would like to see provided to each young person, both before and after they receive their funds.

"There are [also] concerns that funds are being provided to Tribal members who are in situations where a large amount of money could contribute to at-risk behaviors," George said. "There is a lot of concern about that. In that vein, the small breakout groups who discussed that issue gave ideas of how to better manage the program."

Recommendations included requiring a high school diploma or GED, extending the age at which funds are provided or staggering the payments.

Other Tribes, with the goal of wanting to prevent tragedies, broke the funding into smaller chunks and put conditions on it. The thinking behind that was sometimes when you are 25, you look at things a little differently than at 18 or 21, George said.

Tribal Council Vice Chair Chris Mercier, who has served for 13 years, said in his blog that the Trust Fund issue has come up several times.

"Right now, I would add that we need more data: I would genuinely be curious to know what percentage

of our new 21s actually 'blow' the money, spend it wisely or somewhere in between," he said. "I am not sure if I buy into this absolute mentality of 'it's their money to do as they please,' because, as mentioned in my blog, do we not have a responsibility to our Tribal members who are ill-equipped to handle this? What if some 21 year old is transferring his money to one of those African bankers, and is open about it? I think it is a far more complicated issue than some would like to acknowledge."

Additionally, George said he advised Tribal Council members that if they want to understand how funds were being used, they need an updated standard.

"If you don't have that, there are no metrics to measure outcomes," George said. "The 1996 ordinance provides the only set of expectations for what council wanted, and why it authorized financial incentives for Tribal members. The intent of council is that funds be used to help Tribal members financially, as they turn 21, with education and similar benefits, and that intent is consistent with its stated goal of self-sufficiency."

Also identified for review is how the programs are administered internally.

"The Tribe is supposed to look at these programs every year," George said. "We identified through the Member Benefits Department where we can do things better."

Plans include revising and updating the website and redoing materials that are sent out regarding the money.

George said he is hopeful that the changes will have a positive effect on Tribal members.

"We don't expect to eliminate unwise use of funds, but if we can help a few families, the impact is big," he said.

Fullerton said that a long-term approach is needed to assess the effectiveness of financial literacy classes.

"It has the opportunity to be a great tool," Fullerton said. "The question is, will the membership engage? It's up to the families to take advantage of it, and it's another tool for the departments here to use, even separate from the 21 Money, and hopefully they see the intended impact. It's a little bit of a leap of faith, hoping people will engage in the process, not only locally but outside the area as well."

Another theme that came out of the meetings and interviews was one of gratitude from Tribal members.

"For those who had used the money to do things such as attend college, buy a car or purchase a house, there is a material understanding of what a benefit it is," George said. "Most people don't have this."

He said he is also hoping the process helps improve communication and outreach with membership as a whole.

"I'm hoping we can identify opportunities to improve effectiveness of internal communication to all members," George said. ■

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