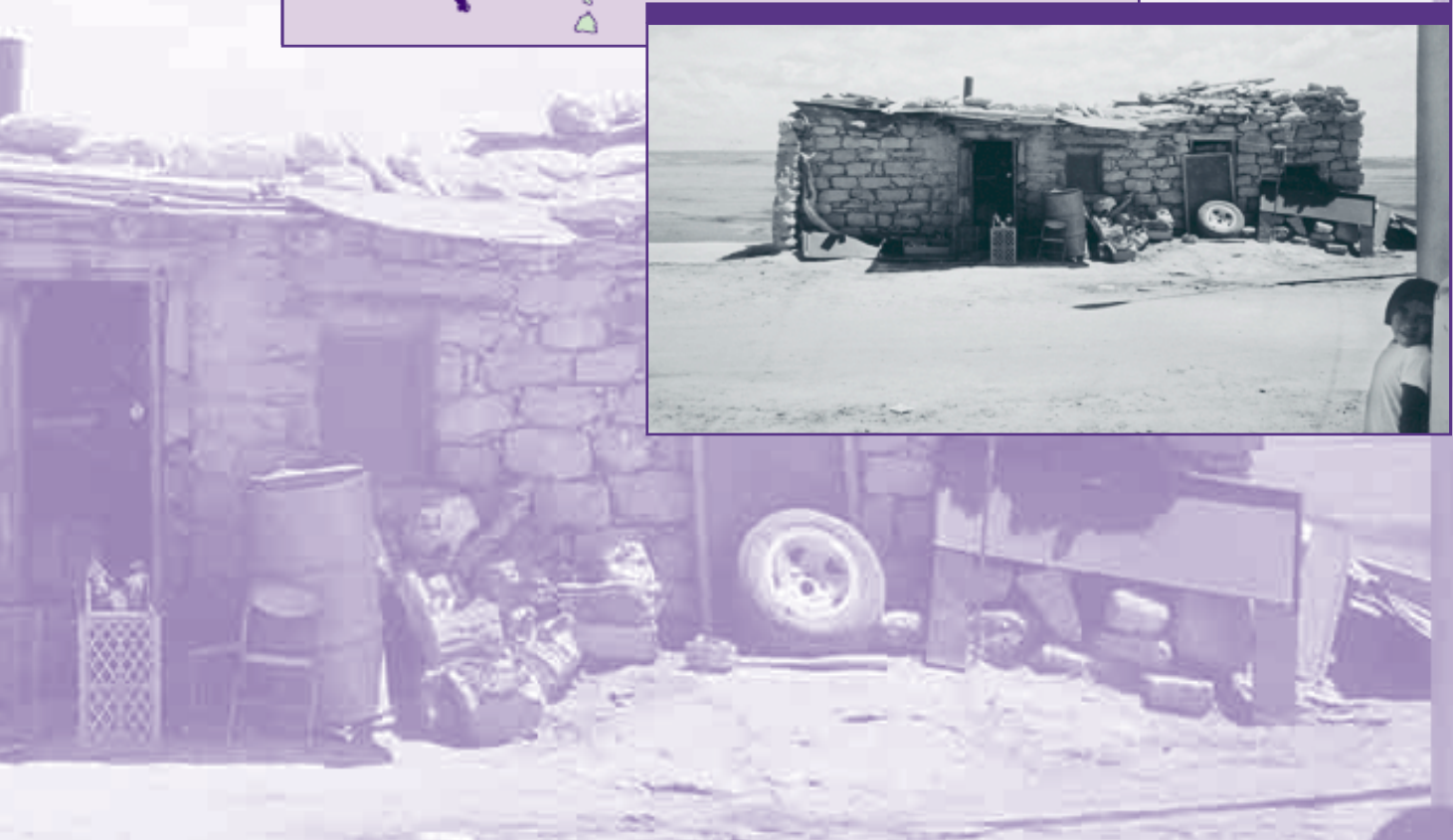
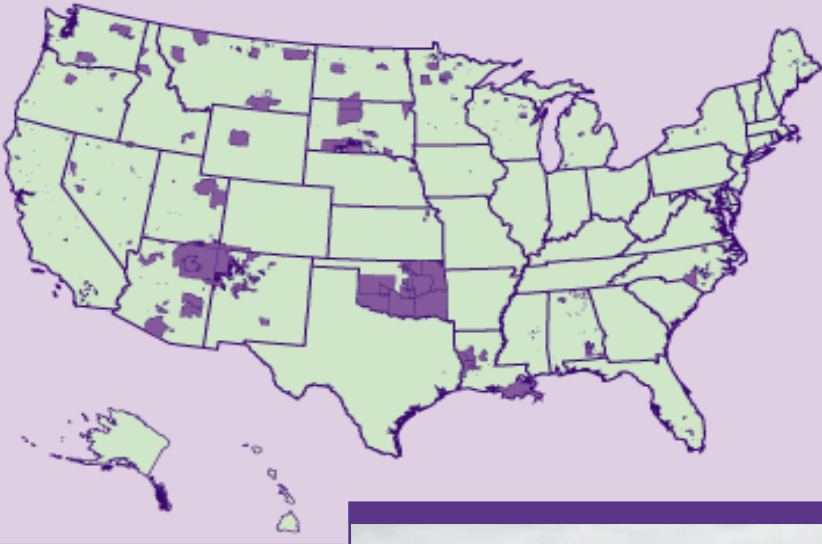


Native American Lands



NATIVE AMERICAN LANDS

Native American Lands Overview

Native Americans are a very diverse group, consisting of members of over 500 tribes in disparate locations across the United States.* But some important commonalities exist, such as the high poverty rates and inadequate housing conditions that so often are endemic to the largely rural Native American lands.

Although Census data are aggregated for geographic areas associated with Native populations, not all Native Americans live on Census-designated American Indian Area, Alaska Native Area, Hawaiian Homeland Area (AIANHH) lands.** Only approximately one million people, or one-quarter of the total Native American population, report living in Native American areas. Additionally, it is essential to keep in mind that Native Americans are, in fact, a minority on AIANHH lands — they make up less than one-fifth of the population, with 65 percent of residents identifying themselves as white. This seeming incongruity occurs because AIANHH lands include large reservation lands in states such as Oklahoma and Alaska where reservation land is not set aside in trust and tribal land is integrated into the general community. Nevertheless, this analysis will attempt to address these complexities and barriers to understanding the conditions facing the Native American population on AIANHH lands.

Native Americans are historically one of the poorest groups in the country, and persistent poverty and inadequate housing conditions continue to be key issues on AIANHH lands nationwide. Solving the problems in these areas is of utmost importance, particularly as both the Native American population and interest in tribal culture and life on the reservation have seen a resurgence since about 1950 and continue to grow rapidly. Some common barriers to the improvement of housing conditions exist across most AIANHH lands. These include the complexity of trust ownership;*** the presumed inability of banks to foreclose on Indian lands held in trust, and lenders' resulting unwillingness to risk making loans to Native Americans; and the scarcity of financial institutions on or near AIANHH lands.¹

Added to these seemingly insurmountable issues of poverty and housing deficiencies are social problems such as substance abuse and a lack of access to quality education. Economic and social differences such as these between Native Americans and non-Indians are most pronounced in tribal areas.² Although, as mentioned above, it is an oversimplification to speak of the population as one homogenous group, some issues are shared generally, if not universally.

* In this report, the term Native American refers to Census-designated American Indians/Alaska Natives and Native Hawaiian/Pacific Islander racial groups. American Indians/Alaska Natives are people having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment. Native Hawaiian or Pacific Islanders are persons having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

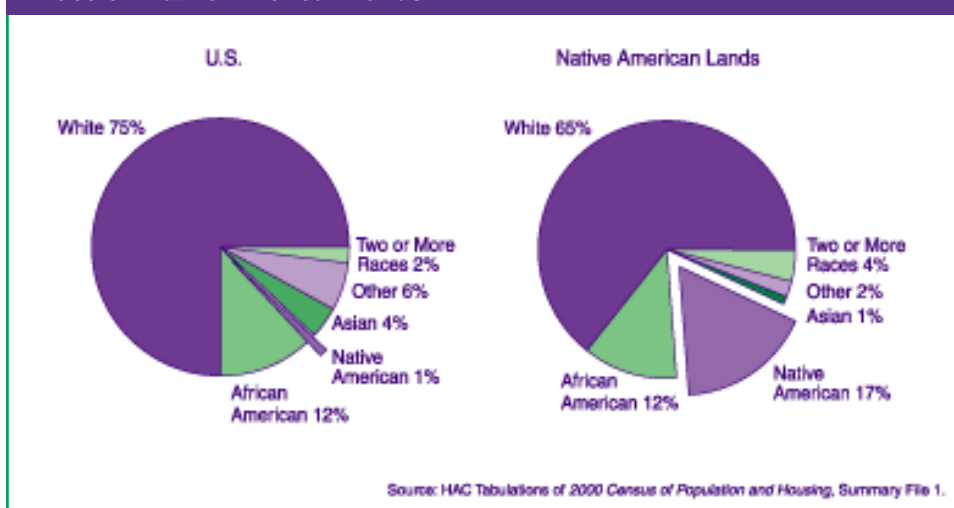
** These areas—collectively called American Indian, Alaska Native, and Hawaiian Homeland (AIANHH) Areas, by the Census Bureau, and called Native American lands in this report for convenience—include Alaska Native Regional Corporations, Alaska Native Statistical Areas, American Indian Reservations, American Indian Off-Reservation Trust Lands, American Indian Tribal Subdivisions, Hawaiian Home Lands, Oklahoma Tribal Statistical Areas, State Designated American Indian Statistical Areas, and Tribal Designated Statistical Areas. For more detailed information on these areas consult Appendix A.



*** While ownership of some Native American land is unrestricted, other Native American lands are restricted land, held in trust by the United States government. Tribal trust lands may be leased to individuals by the tribes, but ownership of the lands remains with the tribe.

FIGURE 6.1

Race on Native American Lands



A recent report on American Indian housing stresses that the varying needs in the 508 inhabited Tribal Areas nationwide require varying economic development strategies.³ An extensive 1996 report on Native American housing, conducted by the Urban Institute and funded by HUD, highlighted differences in Native American groups based on three broad characteristics: internal resources, integration, and institutional/cultural differences. The internal resources of a particular AIANHH land include both the human resources and natural resources that are present. Education levels vary, as does access to valuable resources such as good soil for agriculture or the presence of oil or coal on tribal lands. Not surprisingly, both types of resources can have powerful impacts on an area's well-being.

Integration differentiates Native American lands that are remote, isolated, and poor and those that are in or near urban areas, which tend to have larger numbers of non-Indians residing on them. The Native American population on lands that fall into this second category tends to be less dependent on government employment and to have fewer very low-income residents.⁴ A significant majority of the Tribal Areas, however, fall into the first category.

Institutional and cultural differences play an important role, as well. Each tribe is autonomous and unique, with differences in the capacities of tribal bureaucracies and various cultural characteristics. Additionally, in some areas, the federal government has prescribed forms of tribal government that may be inconsistent with the existing culture.⁵

Social Characteristics

According to the 2000 Census, 2.9 million people report their race as Native American alone.* As mentioned previously, while this report concentrates on AIANHH lands, it is important to note that Native Americans do not make up the majority population there, due to the way these lands are defined. In fact, only 32 percent of the Native American population, or 910,468 people, reside on AIANHH lands. However, Native American lands have a proportionately larger multi-racial population than the nation, as greater than 3.5 percent of the AIANHH population indicate that they are of two or more races compared to 2.4 percent nationally (Figure 6.1).

* The Census 2000 data on race and AIANHH populations are not directly comparable with data from earlier censuses.





While more “prone to economic distress,” the Native American population is “more family oriented” than non-Native Americans.⁶ Indeed, on Native American lands, slightly more grandparents live in households with one or more of their grandchildren than in the general population. More interesting, though, is the fact that on AIANHH lands, 56.6 percent of family households that include a grandparent and a child under the age of 18 have grandparents acting as caregivers for their grandchildren. This is true in only 42 percent of households that include a grandparent and a child under the age of 18 in the total U.S. population. Whether or not this is attributable to a stronger emphasis on family in Native American communities, such families often act as important social support networks. Slightly fewer households on Native American lands are made up of nonfamily members or of householders living alone — 28.8 percent on AIANHH lands, as compared to 31.9 percent nationwide.

Education is a significant problem for the Native American population on AIANHH lands. Approximately one-third of the Native American population 25 years old and over on AIANHH lands do not have high school diplomas compared to under 20 percent for the nation as a whole. Higher education levels are low as well. The number of Native Americans on AIANHH lands with bachelors degrees or higher is three times lower than the national level.

Economic Characteristics

Workers in Native American areas are disproportionately dependent on government employment. While only 14.6 percent of the employed general population works for federal, state, and local governments, a full

18.9 percent of employed people on AIANHH lands hold government jobs. There is also a greater dependence on income from Social Security, Supplemental Security, and public assistance on Native American lands than in the rest of the country. Of the 2,016,734 households reported in AIANHH areas in Census 2000, 27 percent receive Social Security, 5.6 percent receive Supplemental Security, and 5.4 percent receive public assistance income. For the country, the portion of the households receiving these supports is 25.7 percent, 4.4 percent, and 3.4 percent, respectively. Additionally, the proportion of households having income from earnings is slightly less on Native American lands — 78.1 percent, as opposed to 80.5 percent of total U.S. households.

Low-income households are particularly prevalent on Native American lands. Approximately 15.8 percent of all U.S. households bring in less than \$15,000 in income, and the case is even more extreme on AIANHH lands, where 21.9 percent of households face this undue hardship. The difference in income distribution is even more exaggerated on the other side of the income continuum, however. While 12.3 percent of all U.S. households earn \$100,000 or more, the figure is approximately half that (6.4 percent) on Native American lands.

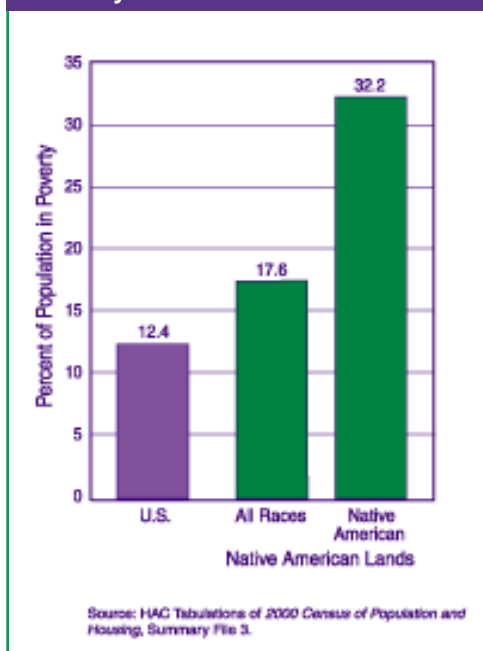
In concert with low incomes, poverty is a persistent and significant problem for the Native American population, particularly the segment of the population

The Impact of Gaming

Gaming on Native American lands has received much press in recent years, but the success and ensuing positive economic impact has been felt in only a very small number of areas. Contrary to the common popular perception, the majority of tribes are not getting wealthy from the gaming industry. Only a few of the Tribal Areas where it has been tried have been successful, and most areas have not attempted involvement in the industry. According to a study quoted in the *Assessment of American Indian Housing Needs* report for HUD, there were only 81 “active Indian gaming operations” in 1992 — and more than 30 percent of the net income from all of these sites went to one tribe in Connecticut, while nearly half of it went to just two states (California and Connecticut).⁷ The gaming industry holds meaningful prospects for only a very small percentage of the American Indian population, but it does create an important distinction between those few areas that have experienced economic growth as a result of it, and the many that remain untouched by the industry.

FIGURE 6.2

Poverty on Native American Lands



living on AIANHH lands. While the national percentage of individuals living below the poverty level is 12.4 percent, nearly one-third of Native Americans on AIANHH lands live in poverty (Figure 6.2).

Buffalo County, South Dakota, has the unenviable distinction of being the poorest county in the nation, with 56.9 percent of its population living below the poverty level. It is also home to the Crow Creek Indian Reservation. In fact, five of the ten poorest counties in the country are in South Dakota, and all five contain AIANHH lands. This pattern of poverty is found across the country. On nearly 64 percent of the AIANHH lands, poverty rates are higher than the national average, with poverty rates as high as 86.2 percent, as found on the Big Lagoon Rancheria in California.

Housing Characteristics

Poor housing conditions frequently go hand in hand with the high poverty rates characteristic of many, though not all, Native American communities. Although lack of decent housing is a common problem, even here, differences between AIANHH lands are strong and important to understand. For instance, whereas household crowding is much higher in Alaska and in the Arizona/New Mexico region, it is in Oklahoma where affordability problems are highest.⁸

As is common in rural areas (the population of AIANHH lands is predominantly nonmetro), housing ownership rates are high on AIANHH lands — seven of

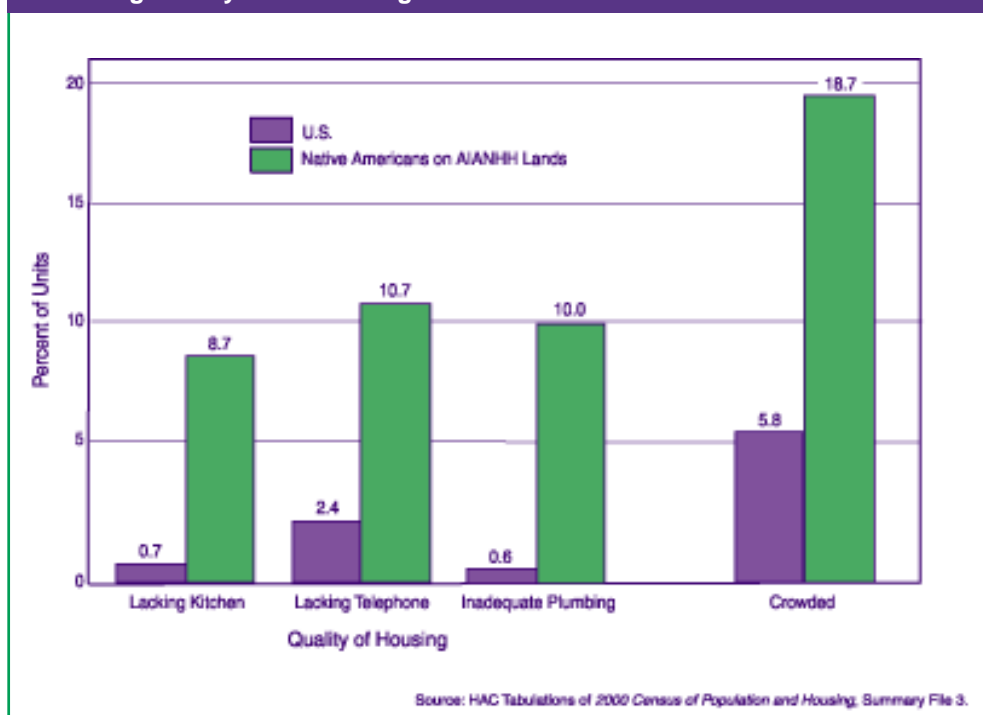
every ten occupied housing units are owner-occupied. Native American homeownership rates in these areas are comparable at 69 percent. This statistic may be misleading due in part to HUD’s mutual self-help program. Most persons who occupy mutual self-help homes do not yet have titles to them, but the Census Bureau believes that many mutual self-help occupants possibly identified themselves as homeowners. If mutual self-help occupants are excluded, the homeownership rate for Native Americans on tribal lands would likely drop to significantly lower levels.⁹

Single-unit, detached housing is by far the most widespread type of housing structure in the country as a whole, and particularly in nonmetro counties, where many Native American lands are located. Mobile homes account for 14.8 percent of all housing units on AIANHH lands, almost double the nationwide percentage. Among Native Americans, 18 percent of occupied housing units on AIANHH lands are mobile homes. Mobile homes are often the most feasible form of housing in poor and remote areas, as many Native American lands are, where few contractors or developers are present, building supply stores are distant, and site-built housing is prohibitively expensive. Mobile homes, however, are much less prevalent among Native Hawaiians and Pacific Islanders as there are very few mobile homes on the islands of Hawaii.

Cluster housing is the name attached to one of the main forms of housing on reservations. Cluster housing is single-unit detached government-assisted rental housing, for the most part, that has been built in small clusters. Cluster housing was first built by HUD in the 1960s and was meant to provide “modern housing and utilities in a cost-effective manner.”¹⁰ Even though people on many Native American lands were accustomed to living on their own pieces of land, perhaps with gardens and animals, many moved into cluster housing to have access to better housing and modern utilities, which were far more difficult to supply to more spread out housing. Now, cluster housing is often referred to as a “reservation ghetto,”¹¹ complete with drug and crime problems.¹² One long-time resident of cluster housing on the Pine Ridge Reservation in South Dakota commented that, “Government houses just tore the families apart. We talk so much about our way of life, the ‘Indian-ness’ in us...but we don’t have that when they put us in these cluster homes.”¹³ In research conducted by the Urban Institute, Native Americans on tribal lands were questioned about serious problems they had with their rental housing. The single most reported serious problem was “too close to neighbors,” which was marked by 23 percent of respondents.¹⁴

FIGURE 6.3

Housing Quality and Crowding on Native American Lands



Crowding is a common problem throughout Native American lands and has implications far beyond the obvious lack of space and privacy. Nationwide, approximately 6 percent of households have more than one person per room and are considered crowded (Figure 6.3). However, crowding rates among Native American households on AIANHH lands are triple the national rates as 19 percent of American Indian and Alaska Native households and 24 percent of Hawaii Natives/Pacific Islanders live in crowded housing conditions. A recent National American Indian Housing Council (NAIHC) study determined that 33 percent of all households on Native American reservations are crowded and linked domestic crowding and the substandard housing conditions that often accompany it to increased incidences of tuberculosis, pneumonia, gastrointestinal disorders, head lice, conjunctivitis, hepatitis, and various other infectious diseases that are easily transmitted in crowded spaces. Lower educational attainment among children and social problems like alcoholism, domestic violence, and child abuse and neglect are also associated with severely crowded living conditions.¹⁵

Like crowding, affordability is a more serious issue in some Native American communities than in others. Overall, on AIANHH lands, 18.4 percent of homeowners are cost burdened. This means that they are

spending over 30 percent of their households' income for housing each month. Renters are far more in danger of having affordability problems, as 31.6 percent of renters on Native American lands are cost-burdened.

Among the more dramatic instances of housing inadequacy in Native American lands is the prevalence of units lacking adequate plumbing. Nationwide 4 percent of Native Americans live in housing units lacking adequate plumbing. However, 10 percent of Native American households residing on AIANHH lands lack adequate plumbing — 10 times the national level.

One primary factor exacerbating the low quality of housing on trust lands is a lack of financing for affordable homeownership opportunities. For decades a plethora of legal, socio-economic, and cultural constraints have severely curtailed the level of residential financing on trust lands. This problem is highlighted in a 1999 General Accounting Office report investigating mortgage lending on trust lands. The report states that between 1992 and 1996 a total of only 91 conventional mortgage loans were originated on trust lands. Furthermore, 81 of these were between just two tribes: the Oneida of northeastern Wisconsin and the Tulalip of northeastern Washington.¹⁶ Another recent study identified 17 factors contributing to banks' and savings and loans' historical avoidance of reservation lending,

including cultural and legal barriers as well as the trust status of much reservation land.¹⁷

A further examination of lending patterns among Native Americans reveals they experience high levels of loan denials. Home Mortgage Disclosure Act data from 1998 indicated that Native Americans experienced the highest rates of home purchase loan denials (47 percent) and lowest levels of loan originations (36 percent) of any racial group nationwide. These rates are even more profound in nonmetropolitan areas where the denial rate for Native Americans was 62 percent and the origination rate was 24 percent.¹⁸

Addressing the Needs

While housing problems are still severe on many AIANHH lands, some inroads are being made. HUD's 1996 Native American Housing Assistance and Self Determination Act (NAHASDA) eliminated several separate programs and created a block grant program in their place. With this additional flexibility, some tribes have already seen positive results using these block grant funds to partner with other programs. Additionally, one of the newest and most prominent homeownership programs dedicated solely for Native Americans is the HUD Section 184 loan guarantee program. Instituted under the Housing and Community Development Act of 1992, Section 184 authorizes HUD to operate an Indian home loan guarantee program that is meant to stimulate access to private financing for Native Americans. Under the program, HUD guarantees loans made by private lenders to Native American families, tribes, and Indian housing authorities for construction, acquisition, and

rehabilitation of single-family homes.¹⁹ Section 184 is currently the most widely used product to encourage private lending on restricted lands. As of August 31, 2002, \$96,519,251 in guaranteed Section 184 loans had been made, with 300 loans (worth \$45,978,907) made in Alaska alone.²⁰

Another federally subsidized homeownership finance source for Native Americans is the USDA Rural Development (RD) programs. The majority of RD's housing finance efforts for Native Americans fall under its Section 502 program, which provides direct homeownership loans for low-income families in rural areas. RD loan origination rates among Native Americans are similar to other agencies offering federally subsidized housing assistance. In fiscal year 1999, 241 Section 502 direct loans were made to Native American households. Of these, 38 were located on trust lands.²¹

Although there is still much to be done, particularly for those living in the deepest poverty and in the worst housing conditions on AIANHH lands (Section 184 is largely helpful to more moderate-income Native Americans, those who can afford to purchase a home), the past decade has seen changes that hold the promise of future improvements.

While circumstances vary drastically from one AIANHH land to another, the following case study of the Pine Ridge reservation in South Dakota provides a telling example of the many issues discussed above, such as poverty, substandard housing conditions, and lack of access to credit, but also of the important local efforts being undertaken to combat these difficulties.