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FOR IMMEDIATE RELEASE

Lakota Funds Gearing up to Meet Needs of Growing Reservation Businesses

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Kyle, South Dakota – July 3, 2014 – Lakota Funds, a community loan fund, based in Kyle, South Dakota, is taking steps to build its internal capacity to serve the needs of growing and larger businesses on the Pine Ridge Reservation. The one-year process, supported partially with funding from the Citi Foundation, will increase awareness of business financing solutions on the reservation and ultimately impact the creation or expansion of 30 businesses and the creation of 25 jobs.

“Lakota Funds has done an excellent job at serving sole proprietors, and our lending program has supported the start up of hundreds of small businesses on the reservation. Those businesses are growing, and there are still many larger businesses that continue to face barriers in accessing capital,” says Tawney Brunsch, Executive Director of Lakota Funds. “We are taking steps now so that we can provide responsible and effective financing solutions for businesses that are looking to take their operations to the next level.”

The project stemmed from market research commissioned by Lakota Funds in late 2012, which revealed the need for substantial amounts of capital in excess of \$100,000 by at least 25 reservation-based businesses. The study showed that many seasoned Native businesses do not expand because they cannot obtain loans from mainstream banks in the area. Regional lenders that were interviewed as part of the study confirmed that lack of knowledge and concerns with lien enforceability deter them from lending to businesses on the reservation.

“Our research tells us there is an unmet need for larger business loans here on the reservation. While we have increased our loan limit to meet that need, we are also taking additional steps so that we can better serve that type of client,” says Brunsch. Specifically, Lakota Funds is improving internal policies and procedures, developing and implementing a marketing strategy, and providing a series of trainings that will enhance the skills of staff.

“The implementation of our marketing strategy will help us to broaden our reach within our service area and target a new segment within the market. With a staff more well-versed on the issues larger businesses face and policies to support the needs of new and different clients, we expect to increase not only our own organizational sustainability but also the stability of our reservation economy,” says Brunsch.

While sole proprietorships play an important role in economic development, larger businesses also bring many benefits to the communities in which they are located. As a business grows, it typically adds on staff and creates employment opportunities within the community. Employees at larger companies have the opportunity to “move up the corporate ladder” with the potential of gaining management experience. Larger businesses are also



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more likely to offer benefits that help local residents build assets in the form of retirement programs or investments.

“This is an exciting new development for Lakota Funds, but in the bigger picture it is evidence that there is real economic progress being made on the Pine Ridge Reservation. That is something we can all celebrate,” says Brunsch.

Since its inception over 25 years ago, Lakota Funds has disbursed over 900 loans totaling \$7.2 million, resulting in the creation of 1,415 jobs and nearly 500 businesses on or near the Pine Ridge Indian Reservation.

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About Lakota Funds

Lakota Funds, a Native community development financial institution (CDFI) established more than 25 years ago, has played a vital role in improving the quality of life for the Oglala Lakota Oyate by placing capital with new and growing businesses, providing customized business development services, and educating adults and youth on financial management concepts. Lakota Funds' mission is to promote economic sustainability on the Pine Ridge Reservation and geographic service area, through business loans, technical assistance, and wealth building education for families and businesses.