



LAKOTA TIWAHE ASSET BUILDING Child Development Account Program

Progress Report October 2011 - February 2013



**ENSURING A BRIGHT FUTURE FOR OUR COMMUNITY BY
INVESTING IN OUR MOST VALUABLE ASSET**

PROGRAM OVERVIEW

Lakota Funds is dedicated to enriching the lives of Pine Ridge Reservation youth through programs that educate and encourage habits of asset building. That is why they launched a unique matched savings program for grade school children, the Child Development Account Program. The first of its kind on an Indian reservation, the program is designed with age appropriate lessons integrated into classrooms and also focuses on building the family core through quarterly meetings and activities.

Once a child has enrolled in the program and opened their savings account, Lakota Funds seeds each Child Development Account with a \$50

deposit and matches the participating families' deposits by a 3:1 ratio. If the child deposits the maximum amount of \$125 each year, Lakota Funds will contribute \$375. The account has the potential to grow to \$4,050 if the child participates the full length of the program. In addition, participating children and families take part in training and education to provide a solid foundation that helps children understand the benefits of savings and how to be responsible for their account.

Enrollment into Lakota Funds Child Development Account Program is open to Kindergarteners and 1st Graders that attend schools located on the Pine Ridge Reservation or

within a 25 mile radius. To qualify for the Child Development Account Program, the gross household income must be within 200% of the Federal Income Poverty Guidelines. Participating children receive monthly financial literacy lessons that are integrated into their regular classroom activities, and participating families attend quarterly financial literacy trainings and family building activities. Participants may deposit up to \$125 each year into the Child Development Account. Up to \$200 per year can be withdrawn for approved qualified expenses, such as educational expenses or medical expenses. Children graduate out of the program once they reach the 8th Grade level.



PROGRAM DEVELOPMENT

Lakota Funds' Child Development Account Program was mobilized in October 2011 through a grant from the Northwest Area Foundation. With the similar Individual Development Account Program in place, the staff at Lakota Funds was able build upon their knowledge and experience to develop policies and procedures for the Child Development Account Program. "We were able to pull some components from our existing IDA program, especially how the accounts would be set up and how to handle the matching," says Doug Patton,

Youth Involvement Specialist at Lakota Funds, who played a critical role in launching the CDA Program.

Lakota Funds further developed their existing partnership with Security First Bank so that participants could open their savings accounts there. With branches in Martin and Rushville, South Dakota, this was one of the only banks located near the Pine Ridge Reservation. With the opening of the Lakota Federal Credit Union, the only federally insured depository institution on the Pine Ridge Reser-

vation, in November 2012, Lakota Funds also made it an option for CDA participants to open their savings account closer to home.

To deliver the age-appropriate financial literacy lessons through classrooms, Lakota Funds worked with consultants to develop a curriculum with age- and grade-specific lessons. The lessons were designed so that teachers of the child participants can deliver them along with regular classroom lessons.

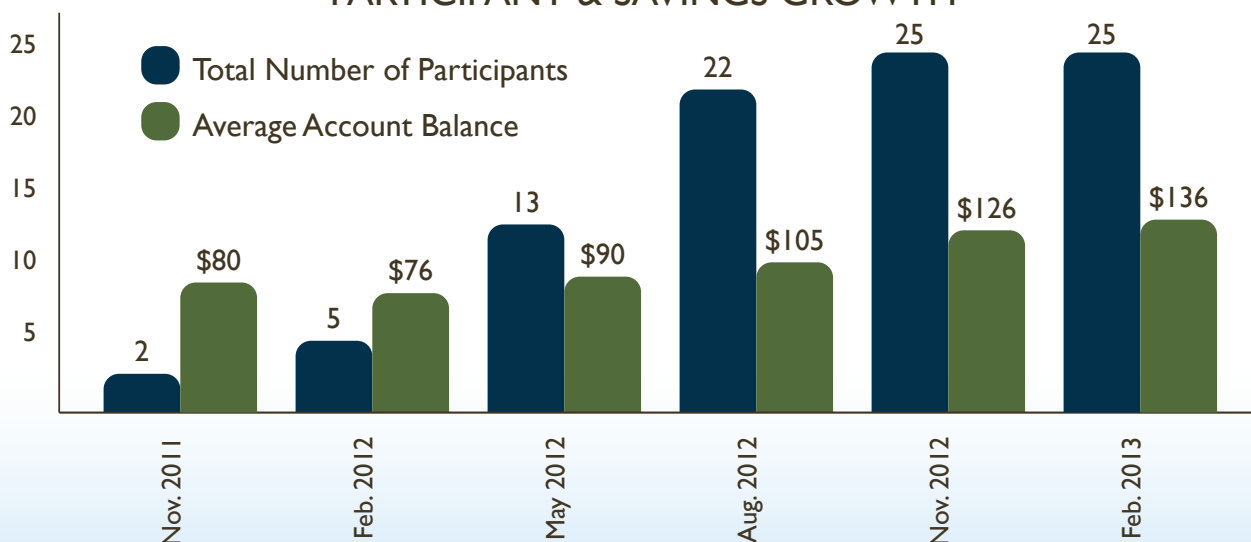
PROGRAM IMPLEMENTATION

Lakota Funds has employed a variety of marketing techniques to spread the word through the community of its CDA program. Personal visits and presentations to teachers and school administration gain program advocates and additional encouragement for students to enroll in the program. Lakota Funds has also strategically coordinated with schools to distribute letters and brochures to parents during Kindergarten registration and other school functions that require parents to attend.

By November 2011, Lakota Funds had enrolled 2 children into the CDA Program. Enrollment numbers gradually increased until reaching its maximum program capacity of 25 participants in September 2012. Since that time, Lakota Funds has been able to maintain maximum capacity. Of the 25 participants, 40% (10) are male and 60% (15) are female. Nearly 50% of families who have child participants in the CDA Program are also involved in other Lakota Funds programs.

The average cumulative savings contributed by participants also steadily increased over time, starting at \$80.00 in November 2011 and growing to \$136.00 in February 2013. To date, participants of the Child Development Account Program have saved a cumulative total of \$3,330.00, and Lakota Funds has matched those deposits with \$9,990.00. This provides a total investment of \$13,320.00 into the education of 25 children on the Pine Ridge Reservation. Currently,

PARTICIPANT & SAVINGS GROWTH





the average savings account balance for program participants is \$532.80. Of the participants, 44% (11) have contributed their maximum annual savings amount.

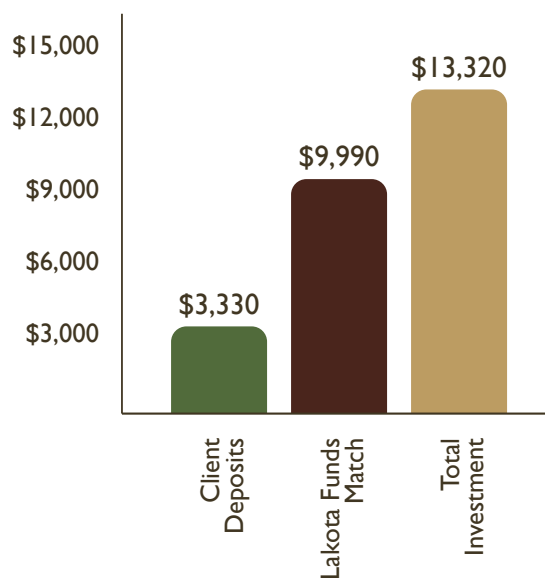
As children enrolled, Lakota Funds worked with the schools that participants attended to put a memorandum of understanding (MoU) in place, enabling teachers to deliver the financial literacy lessons from the CDA curriculum in their classrooms. This was a long process that consisted of multiple meetings with school boards, principals, and teachers at tribal, public, and private schools. “We basically went school to school. Each school has its own policies that we had to adapt to,” says Patton. Currently, the 25 CDA participants attend a total of eight schools, including Batesland School, Lakota Waldorf, Little Wound School, Our Lady of Lourdes, Pahin Sinte Owayawa, Red Cloud School, Rockyford School, and Wolf Creek School. Lakota Funds has MoUs in place with five of the schools, and is progressing on establishing MoUs with the other three.

Lakota Funds had facilitated a total of six family financial trainings that host a variety of activities designed to engage the whole family in a pattern of asset building. Most of the activities are based around handling money and how to apply using money in different situations. Initially, Lakota Funds hosted the family meetings at their training center but has since outgrown that space. They now meet at a local school cafeteria to accommodate the families of the 25 child participants.

Lakota Funds is looking forward to watching how the participating families learn and grow from the Child Development Account Program. The hope is that the Child Development Account Program will instill concepts of wise resource management at a young age and position participants for a future in which higher education and financial success

is obtained by gaining additional support from the family and school system. Children and families will be able to see the rewards of saving as they watch their account grow. In addition, hundreds children who are not enrolled in the program will also be exposed to financial literacy concepts.

CUMULATIVE INVESTMENTS



IMPACT IN THE FAMILY

Denise Red Owl enrolled her son, Presley Red Owl age 7, and grandson, Shaun Jenise age 6, in Lakota Funds’ Child Development Account Program so they could save their way toward a brighter future. Denise is grateful that the Child Development Account program will give her son and grandson the knowledge they need to successfully manage their money as adults. Without this essential knowledge, Denise ended up getting into some financial trouble of her own. Denise has learned from her mistakes and has built her financial management skills through Lakota Funds’ matched savings program and financial literacy classes. Now, she is making a difference for the next generation by emphasizing the importance of wise resource management to her children and grandchildren.

Abigail Haas, a Kindergartener at Red Cloud School in Pine Ridge, South Dakota, enrolled in Lakota Funds’ Child Development Account Program in the late summer of 2012. Abigail’s parents, Steph and Barrett, plan to make annual withdrawals from the account to help pay for school clothes and supplies but will set aside half of the savings for Abigail’s college education. “It will help us all around, and most importantly it will help the girls,” says Steph. The Haas’ also have two other daughters, Sharissa age 10 and Josephine age 2, who they plan to enroll in Lakota Funds programs. In a couple years Sharissa will be eligible for Lakota Funds’ Youth Individual Development Account Program (a matched savings program for high school students), and Josephine will be eligible to enter the Child Development Account Program that Abigail is in now.



DAVEIGH & CANTE WHITE BULL



“Here is a picture of an activity that my daughters did during one of the family meetings that we have for the CDA program. In the picture, Daveigh White Bull is on the left and on the right is Cante White Bull. They both are holding up the pictures that they drew. They were asked to draw where they think money comes from, so Daveigh drew a picture of a bank and a store. My daughter Cante drew a picture of a bank and a piggy bank. Then they were asked to draw where they spend money, and Daveigh drew pictures of Sharps (Common Cents), Chinese Food, Walmart, Dairy Queen, and Reptile Gardens. Cante drew pictures of Little Ceaser, Walmart, and Reptile Gardens.”

–David White Bull, Father of Two Child Development Account Program Participants



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