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# INDIGENOUS ENTREPRENEURSHIP IN THE UNITED STATES OF AMERICA

BY JOSEPH QUESNEL



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## EXECUTIVE SUMMARY

Native American entrepreneurship has been growing in leaps and bounds over the last few decades. As in Canada among First Nations, tribal government has often taken the lead in building and cultivating tribe-owned businesses. At first, this tended to be in gaming, particularly casinos. Make no mistake, Native American casinos are big business. Tribal gaming is now is a \$30B industry (from 2015 data), involving over 350 casinos operating on tribal lands in 28 states.

However, among tribes there is a growing realization that there are limits in gaming. There is a real problem of market saturation in certain areas. In other words, there are only so many people interested in gambling in a specific area. Thus, to their credit, many tribes are expanding and diversifying their economic development ventures beyond gambling (and tobacco) and into energy and resource development, as well as other areas. Some Native American tribes are capitalizing on government minority preferences to engage in government contracting. Some geographically-isolated Native American tribes are looking online where some are doing very well in online financial services. Other—usually younger—Native American entrepreneurs are finding opportunities in other digital businesses. Native American and First Nations have one advantage in living together as a community—people are looking out for each other and the good of the tribe, so often revenues from Indigenous-owned ventures funnel into the cost of government or other public services, or gets re-invested in other enterprises to keep the virtuous cycle of money flowing.

Individual entrepreneurship is also exploding, often detached from the reservation. Off-reservation Native Americans are taking a chance and creating businesses, while staying connected to their home reservation and cultural identity. This is important because these communities need to move away from reliance on collective or government-operated ventures.

Both Canada and the United States have similar policy backgrounds when it comes to Indigenous economic development. Both governments engaged in treaty making with their Indigenous communities to sustain peaceful relations and to deal with the imperatives of settling the country. Unfortunately, this treaty relationship engendered a protective relationship between the government and Indigenous communities that had very negative repercussions in the modern context.

Both First Nations in Canada and Native American tribes are operating in a historically-rooted environment that is characterized by native dependency and government paternalism. In both cases, a government department is responsible for handling Indigenous affairs—in the United States it is the Bureau of Indian Affairs (BIA) and in Canada, it is the Ministry of Indigenous and Northern Affairs (INAC). In both countries, the government is responsible for the native communities in a ward-like relationship. This often means in practical terms—and especially for business purposes—that the First Nation or tribe must request permission to engage in activity that would advance economic development. In both countries, this often means delays and extra steps that other ventures not involving Indigenous communities

would not be subject to. Native American entrepreneurs—like their First Nation counterparts—complain about decision making not moving at the speed of business.

Native American entrepreneurs also complain just as much about land ownership restrictions hampering business activity. In the American context, this played out differently because of the *Dawes Act* Allotment period (1887) where land belonging to Native Americans was parcelled out to individual families, but often in a very ineffectual and inefficient way. It is also concealed an intent to distribute un-allotted lands to eager non-Indigenous settlers. The process of dividing up reservation lands only ended in the 1930s and resulted in reservations that were described as “patchwork” because of the different statuses of the lands. This explains why on many reservations there are plots of fee simple lands—owned by both Native American and non-Native American people—mixed in with lands owned by the government. In the Canadian context, there was no comparable experience, so all reserve lands are held in trust by the Crown for the benefit of “Indians.”

Native American lands are largely held in trust. Trust land falls under tribal authority and is not subject to state law. But, there is a limitation to how they can use the trust land and require federal approval when it comes to most actions, including taking out mortgages for homes, building on the land, and renovating existing buildings. Obviously, these restrictions affect business activity, most often negatively. So, like First Nation entrepreneurs, Native American entrepreneurs complain about the inability to pledge land or buildings as security for business loans. They are often forced to rely on personal savings, which is a serious barrier given the socio-economic conditions on most reservations.

Below are six Native American entrepreneurs who speak to the challenges, obstacles, triumphs, and victories of Native American business life. As much as possible, attention was paid to a diverse set of entrepreneurs from different life experiences and regions of the United States.

## SIX LEADERS

### Ben Chavis

***"The best influence in my life has been poverty."***

Ben Chavis, 60, is unique in that he comes from a Native American community that has a different relationship with the federal government. The Lumbee Tribe of North Carolina did not originally sign a treaty with the USA and has fought with the federal government over the implications of official recognition. They were recognized as Indian by the state government and by the federal government in 1956. However, that recognition did not include eligibility for federal program funding for federally-recognized tribes. Due to this "limbo" status, the Lumbee communities spread over three counties do not have "reservations" in the sense of land held in trust for the Lumbee. Also, the Lumbee own their land outright. This has meant that the housing situation is different for the Lumbee and they are more entrepreneurial than many other tribes.

Chavis is most known for his pioneering work in advancing Indian charter schools, particularly in California. He turned a charter school in Oakland, California into a top scorer on student outcomes. Chavis is perhaps less known for his business activities, focusing on real estate, cattle raising, and other ventures. Chavis said he received his entrepreneurial sense from growing up in poverty where he had to turn anything into a business to survive. Chavis believes that the wardship status of Indian reservations and the government dependency it breeds is one of the greatest obstacles facing Native American entrepreneurs. This dependency and paternalism does not allow Native Americans to control their destiny.

Perhaps due to his Lumbee heritage or perhaps also due to his "hard knocks" background, Chavis holds views that are contrary to the orthodoxy on Native American issues. His views stress the dignity and independence of Native American tribes and individuals in getting ahead. He believes reservation

life itself is contrary to the growth of capitalism on reserves and that American Indians should own their own land and not live on reservations set aside for them. He believes that Native Americans should have more faith and optimism in their ability to adapt and survive. He believes the money Indian tribes from the BIA should instead be distributed to individual tribe members.

### April Tinhorn

***"In working with tribal communities, it's all about relationships."***

April Tinhorn, 43, is a Native American of mixed heritage who has made a success in the consulting business. She was born and raised on the Hualapai reservation near the Grand Canyon in Arizona. Her consulting firm—Tinhorn Consulting LLC—focuses on helping clients, many of whom are Native Americans, develop their business websites and improve their image. Her work with Native Americans has taught her that cultivating relationships with tribes and clients is essential.

Of course, Tinhorn is a great example of a young Native American entrepreneur focusing on an online-focused business that is not dependent on the geographic restraints of many reservation economies and breaks away from the trap of casinos and government contracting. Tinhorn received an outside education, is computer and technology savvy, ambitious and focused on building new business relationships.

Tinhorn also said she benefited from strong maternal role models growing up. Her work involving many contacts is probably due to her insatiable curiosity, and her obvious craving for reading and knowledge. This mentality sounds like it has certainly helped her cultivate a business based on customer service and relationships.

## Chad Germann

***"You need to figure out a way to be valuable to others."***

Chad Germann, 45, of the Mille Lacs Band of Ojibwe Tribe of Minnesota, has found a way to tap into the existing tribal casino industry. Germann is the founder and CEO of Red Circle, a full-service advertising agency with over 17 years of experience in the hospitality and gaming industries. Working with local Native American casino clients at first, they have grown to work with more than 100 Native American casinos over the years, and are currently active with about 25 Native American casino clients across the United States.

Germann said he had strong formative influences growing up. His parents instilled in him and his siblings a strong work ethic and sense of the importance of education. In particular, Germann's grandparents developed in him a sense of the need for adaptation and integration into the "white man's world" to survive.

While in university, his studies and communications seemed to have placed him on a trajectory towards teaching at college, but the arrival of his own family sent him along a path of going directly into the workplace. Germann focused on helping mainly tribal casino clients improve their marketing and communications efforts. Being tech-savvy, Germann also helped his casino clients through the development of unique software that was designed to help casinos perform better and understand their clientele better.

## Reanna Aguino

***"Work hard, don't give up, and always keep looking for opportunities."***

Reanna Aguino, 38, is a Pueblo business leader from New Mexico. She is a quintessential business leader who has literally risen throughout the ranks of her company Tsay Corporation, starting as a secretary and ending up now as president of Tsay Professional Services, one section of the tribal company.

Her Indigenous community Ohkay Owingeh has diversified well beyond its traditional casino and hotel developments. However, the Tsay Corporation has now expanded beyond gaming and the hospitality industry into federal contracting, a reality that is becoming more common for many tribal communities across the United States. Established in 1994, Tsay Corporation is based in New Mexico and works with federal government clients in the areas of construction, public works, facilities support, and janitorial supports.

Tsay's federal contracting business has now grown to a point where it provides about 75 percent of the tribe's annual revenue.

Aguino identifies her mother as a chief formative influence on her life, as well as those of her sisters. Describing her mother as a "go-getter," she said she has always valued hard work and sacrifice to get what she wants. Educated at university in accounting, she started her work life as a co-ordinator of an outdoor Pueblo arts and crafts show where she learned about networking and building relationships. After working at a non-profit consortium that dealt with the state's Pueblo communities, she started her work at her community's tribal-owned company. Over the last eight years, she has been developing several major federal contract projects. Their clients have been principally with the United States military.

Aguino encountered a barrier with the land restrictions faced by Native American reservations. Being unable to secure the land as collateral, the company initially faced difficulties in obtaining the necessary capital.

She said strength is found in the good relations with the Pueblo community. Native Americans have a strong sense of solidarity and sharing -- Native American communities should learn from that and use it in building businesses.

## Jessica Mehta

***"You have to do what it takes to make it on your own."***

Jessica Mehta, 36, is a Cherokee entrepreneur from Oregon. Her life journey has been filled with challenges. Her parents met through a prison encounter and Mehta had to deal with mental health and addiction issues in her family. Despite that, her love of reading and writing took her to university, where she began to nurture her writing into a professional career.

After travelling overseas after university, she decided to try professional editing and writing as a job in Costa Rica. From there, she discovered that she could make a six-figure salary in those services. After returning to Oregon, in 2013, she founded her company, MehtaFor. After starting her business, she produced four books of poetry, two novels, and one book about professional writing.

Although admitting she did not have many positive influences in her life, she said her positive and "go getter" attitude is what has motivated her.

She got in touch with her Native American roots at university and now works on motivating other Native American entrepreneurs, especially in writing or the arts.

## Terrie Brigham

***"We had to deal with the reality of running a business both on and off the reservation..."***

Terrie Brigham, 46, is a Native American entrepreneur and business leader from Oregon. Brigham used her family's long history and career in fishing the Columbia River and turned it into a successful business venture. Brigham Fish Market in Cascade Locks, Oregon is very much a family business and Brigham, as manager of the market, is only one part of the effort to get the business off the ground.

Brigham's family is from the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). The reservation is a union of three tribes: the Cayuse, Umatilla, and Walla Walla.

Brigham recalled fishing on the river since she was eight years old, as do her siblings and parents. Many members of her tribal community fish on the river system for food and immediate needs. However, the thought of a commercial fishing venture did not enter the picture until the government opened the summer months for commercial fishing. From there, the Brigham family pooled their personal savings and retirement savings plans together to establish their business that dealt with all aspects of the fishing operation. After educating herself at college and university in Oregon, Brigham settled on this industry.

Brigham said they were challenged in learning how to operate a business on a reservation, given the tax exemption issues involved. She believes strongly that other Native American entrepreneurs need to come up with solid business plans before embarking on their venture. She credited her tribe for providing seminars to tribal members on business, including finance and building a good business plan. Brigham said Native American entrepreneurs need to have a realistic sense of what they are getting into before starting a business.

## COMMONALITIES AND ANALYSIS

The Indigenous entrepreneurs and business leaders profiled had a variety of backgrounds. Unlike the Canadian profile subject, they did not universally encounter adversity in their backgrounds. The exceptions are Ben Chavis from North Carolina and Jessica Mehta from Oregon (who had a more common background involving criminality, addiction and mental illness in the family).

Chavis, however, is from a part of rural North Carolina that is poorer on average. In that instance, both backgrounds were motivators for improving one's station in life. Chavis was clear that poverty "forced" him into business. However, it is entirely possible the profiles here are atypical of many Native American entrepreneurs and business leaders.

One commonality among most of the entrepreneurs profiled is the presence of positive role models in their lives, principally coming from family. Germann, Aguino, and Tinhorn and others had families that promoted the value of hard work and the importance of education. In the case of Aguino and Tinhorn, they had strong maternal influences that encouraged them to be "go getters" in life. Jessica Mehta deserves great credit and praise for making a great business success out of herself despite a turbulent past.

Most of the entrepreneurs and business leaders profiled used a part of their Native American experience in their business ventures. Reanna Aguino used the tribal experience of federal contracting to her advantage. Her tribal community from New Mexico wanted to expand beyond the casino and gaming industry dependence common on so many Native American reservations. Aguino's business leadership focused on finding major federal government contracts, which she succeeded at in obtaining contracts with the U.S. military. Chad Germann used the Native American experience with the casino and gaming industry to create a business venture that focuses on the communications and marketing needs of tribal casino clients. Not only that, he designed a software solutions for tribal casinos to better meet their customer's needs.

Similarly, April Tinhorn started a consulting firm that focused on the website needs of a mainly Native American clientele. Drawing upon her experience with Native American cultures and values, she focused on using those values to build better relationships with those Native American clients. Finally, Brigham of Oregon tapped into her tribal community's connection to fishing to build a business venture. Not only did that allow her to tap into existing Native American customers but also honour and preserve her tribes cultural traditions of fishing.

Mehta did not specifically focus on a Native American angle to her business. However, in her writing workshops and her desire to pass along business know-how, she has focused on advancing budding Native American entrepreneurs. Chavis, of course, was completely influenced by his Lumbee roots throughout his life. However, his real estate and other business ventures did not specifically deal with tribal matters. His Native American activism was more reserved for his work on charter schools.

This reveals that Native American entrepreneurs are not finding their Native American ancestry a problem in their business ventures, but something that can be tapped into. This also suggests these entrepreneurs and business leaders know where their communities have strengths and advantages and are using that. Not surprisingly, the younger Native American entrepreneurs are increasingly tech and computer savvy and are utilizing that to find new markets and new business ideas. This often means that these entrepreneurs are looking beyond the reservation and are looking beyond the traditional industries that have come to define Native American communities, such as casinos and other gaming, as well as federal contracting.

In terms of barriers and obstacles, financing continues to represent the largest challenge for Native American entrepreneurs, especially if their business is located on reservation land. The Brigham family had to pour all their life savings into the business, but were also lucky enough to

obtain a government loan. Aquino was very clear in mentioning the restrictive land ownership around reservations as a major obstacle. She was unable to use the land as collateral so she was very limited in the ability to access credit. Chavis is adamant that the land restrictions are part of the entire dependency created by the reservation system. The system itself, he said, was contrary to capitalism, which of course would act against our private sector entrepreneurs.

While it is certainly clear that there are reservation-based entrepreneurs that are doing well and finding opportunities, one wonders how much more entrepreneurial initiative could be unleashed if the reservation system was changed or slowly abandoned over time. It is also worthy of mention that many Native American entrepreneurs—and including some prominent ones here profiled—are finding opportunity outside the reservation. They are staying in touch with their Indigenous cultural identity while working outside the very restrictive reservation system.

## CONCLUSION

The six Indigenous entrepreneurs and business leaders profiled are succeeding here in spite of a reservation climate that is not conducive to business creation and expansion. They are by and larger younger and are finding business opportunities outside the reservation. Many of them, to their great credit, are using existing things that Native Americans are good at and known for to build new business opportunities, such as in areas of marketing, federal contracting projects, and improving tribal casinos. These Native American entrepreneurs are innovative and smart and savvy. All the while, they are proud of their Native American ancestry and connection. In many cases, they use that connection to build their business. However, they are all discovering that the world outside the reservation is where much of the business opportunity is located.

Despite life obstacles and the absence of substantive efforts to change the economy-killing aspects of the reservation system, it is clear good family values and strong positive role models are important. Judging from these profiles, one can see that these influences were important in steering these budding business leaders in the right direction towards a life of purpose and contribution and giving back to their communities.

One hopes that the federal government will work with Native American tribal communities and governments to change the reservation system and open these communities to new and emerging Native American entrepreneurs. There is encouraging evidence from these profiles (e.g. the business seminars offered in Brigham's tribal community) that tribes are adapting to the new reality. One very positive trend is that tribal communities are working together and sharing resources to make all tribal-based businesses succeed for everyone. However, for individual entrepreneurship and non-band-owned initiatives, there is much work to be done by all the players.

These younger tribal members are knowledgeable of the outside world, they are internet-savvy, and are eager to find new opportunities. For now, tribal governments need to work on helping these emerging entrepreneurs or they will seek opportunities elsewhere.

