

CANVASSING INDIGENOUS ECONOMICS:  
THE ONEIDA TRUST FUND AS A  
SOCIALLY RESPONSIBLE INVESTMENT MODEL  
FROM PASSIVE RHETORIC TO  
PROACTIVE REALITY

Debra Powless  
January 22, 1994

# INDEX

I.	INTRODUCTION	PAGE 1
II.	DESCRIPTION OF COMMUNITY	PAGE 1
	A) Oneida Tribe of Indians of WI	PAGE 1
	B) Oneida Trust Committee	PAGE 2
III	PROJECT PURPOSE	PAGE 3
IV.	GOALS	PAGE 4
V.	METHODS	PAGE 5
	A) Trust Fund Resource Book	PAGE 5
	B) Socially Responsible Survey	PAGE 7
	C) Oneida Trust Fund	PAGE 8
	D) Socially Responsible Investment	PAGE 10
	1) Social Screens	PAGE 11
	2) Shareholder Activism	PAGE 13
	3) Alternative Investing	PAGE 14
	a) Community Credit Unions	PAGE 14
	b) Direct Investing	PAGE 16
VI.	EXPECTED OUTPUTS	PAGE 17
VII.	ANALYSIS/CONCLUSIONS/RECOMM.	PAGE 19
VIII.	BIBLIOGRAPHY/CHARTS/APPENDICES	PAGE 22

## **I. INTRODUCTION**

The focus of this project is on an intriguing example of alternative economics. The Oneida Trust Fund is a portion of Oneida land claim settlement from 1967 that includes additional tribal contributions of revenue generated by various economic development ventures of the Oneida Tribe of Indians of Wisconsin. The Oneida Trust Fund is designated as a capital and income growth resource for an elderly per capita payment distribution plan. This project serves not only as a research document, but also provides a preliminary model of implementation for further development of the trust fund.

It is my intent to demonstrate how we can broaden the scope of the Oneida Trust Fund by incorporating a component of socially responsible investment strategies while utilizing existing financial markets. I believe that self interest and collective interest can be mutually supportive. By creating the framework of a model that combines both mainstream investing, value oriented investing and community reinvestment vehicles, the achieved outcome will be an increased diversified overall portfolio that will provide for capital growth inclusive of meaningful cultural values.

## **II. DESCRIPTION OF COMMUNITY:**

### **A) Oneida Tribe of Indians of Wisconsin**

The Oneida Tribe of Indians of Wisconsin is a federally recognized tribe located in northeastern Wisconsin. There are currently 11,000 enrolled tribal members of which 60% live on or near the original 65,000 acre reservation. The Oneida Tribe and its individual members own or control a small percentage of the original 65,000 acres of reservation land.

The Oneida Tribe of Indians of Wisconsin exists to protect, maintain and improve the standard of living and

the environment in which the Oneida people live; while maintaining and re-establishing sovereign rights of the Oneida people. The Oneida Tribe's daily operation can best be understood as a local rural unit of government.

There are limited natural resources on the reservation. The land is used primarily for residential and agricultural purposes. The Oneida Tribe operates under a constitution system based on the Indian Reorganization Act of 1934; and in which the General Tribal Council (GTC) consisting of all adult members age 21 years and older comprise the governing body and electorate. The GTC convenes at least semi-annually to conduct business. A nine-member legislative body - the Oneida Business Committee (OBC) is elected every 3 years by the adult population and acts on behalf of the Oneida General Tribal Council when the GTC is not in session.

The tribe conducts an extensive gaming operation and other for-profit business enterprises such as retail stores, a cattle project, a hotel and utilities services. In total, the tribe employs approximately 1,800 full and part-time employees in an elaborate institutionalized infrastructure. They have become one of the major employers in the surrounding area and leader in the overall economic impact of the region.

**B) Oneida Trust Committee**

In a unique arrangement created and governed by the General Tribal Council, an Oneida Trust Committee was created to oversee, as fiduciaries, a land claims

settlement from the United States government. This land claims settlement, also known as the Immigrant New York Claims Docket #75 stemmed from the Stamburg Treaty of 1832 and is the main principle of the Oneida Trust Fund.

In 1974 a historical precedent was set when the GTC adopted a per capita plan to provide payment of interest earned from the original judgment fund as opposed to a total distribution of the fund. This plan was subsequently approved by the Secretary of Interior in 1977. For a period of 18 years the Bureau of Indian Affairs had managed the fund. In 1989 the interest distribution was completed.

In 1990 the GTC approved a plan for elderly payment distribution based on interest earned off the original land claim settlement and additional annual tribal contributions. Further, this plan directed all Oneida Tribal trust assets to be removed from BIA control. The Oneida Trust Committee was delegated the authority to institute an investment process indicative of a mainstream investment principles. Consultants, money managers and an investment policy were put into place to complement the goal of a conservative rate of return portfolio mix between stocks and bonds.

### **III. PROJECT PURPOSE**

Just as an individual has an identity, so does a community. This project is reflective of our culture, our common values, our expressions, shared experiences and hopes for the future.

I will address methods of research investigating the current status of the trust fund portfolio and the capability of trust fund assets to serve the **dual role of income generation and social change**. As fiduciaries representing the best interest of the beneficiaries, it is my purpose to combine a style of financial management which will incorporate the cultural values of the Oneida people and community development.

If no criteria for socially responsible investment and reinvestment is developed and included in the overall strategy for the Oneida Trust Fund, then the fund will be left to utilize mainstream investment practices which are not reflective of community character and does not address the current outflow of capital resources. The financial empowerment of the community is an alternative structure which allows for control over the use and allocation of its resources; simply human, land and capital.

By developing economic self reliance we will then be in a position to network with other entites of similar purpose and value structure to provide a linkage for building collective strength. This network is the SRI movement that is sweeping the country and has the potential for a financial impact on current economic structures in a much larger proportion.

#### **IV. GOALS**

First, as shareholders, it is our goal to communicate to and exert pressure on corporations whose activities are not conducive to pollution control - especially on native lands, and whose commitment to local economies and the well being of communities leaves something to be desired. Second, it is also our goal to develop investment practices that directly benefit enterprises that work explicitly toward the positive social good of communities. Thus, the systems developed in this project will help support and promote these goals.

A third component of the project will focus on micro-lending options for the Oneida community. With the establishment of a community credit union driven by the infusion of tribal dollars, trust fund dollars, employee and tribal membership dollars the potential for true economic revitalization can occur. Off-shoots proposed by a community credit union are A) a revolving loan fund to assist individual entrepreneurs with micro enterprises, B) specific community endowments, and C) adult and youth financial literacy services.

Lastly, as part of the networking effort, this project will provide other indigenous peoples with a frame of reference to utilize when looking at their own ability or desire to invest their financial resources. The Oneida Trust Fund Model can be viewed as a "test case" whereby cultural and community identity are intertwined and then compliment or replace standard financial principles to produce an alternative economic force.

## **V. METHODS**

### **A) Trust Fund Resource Book (Appendix A)**

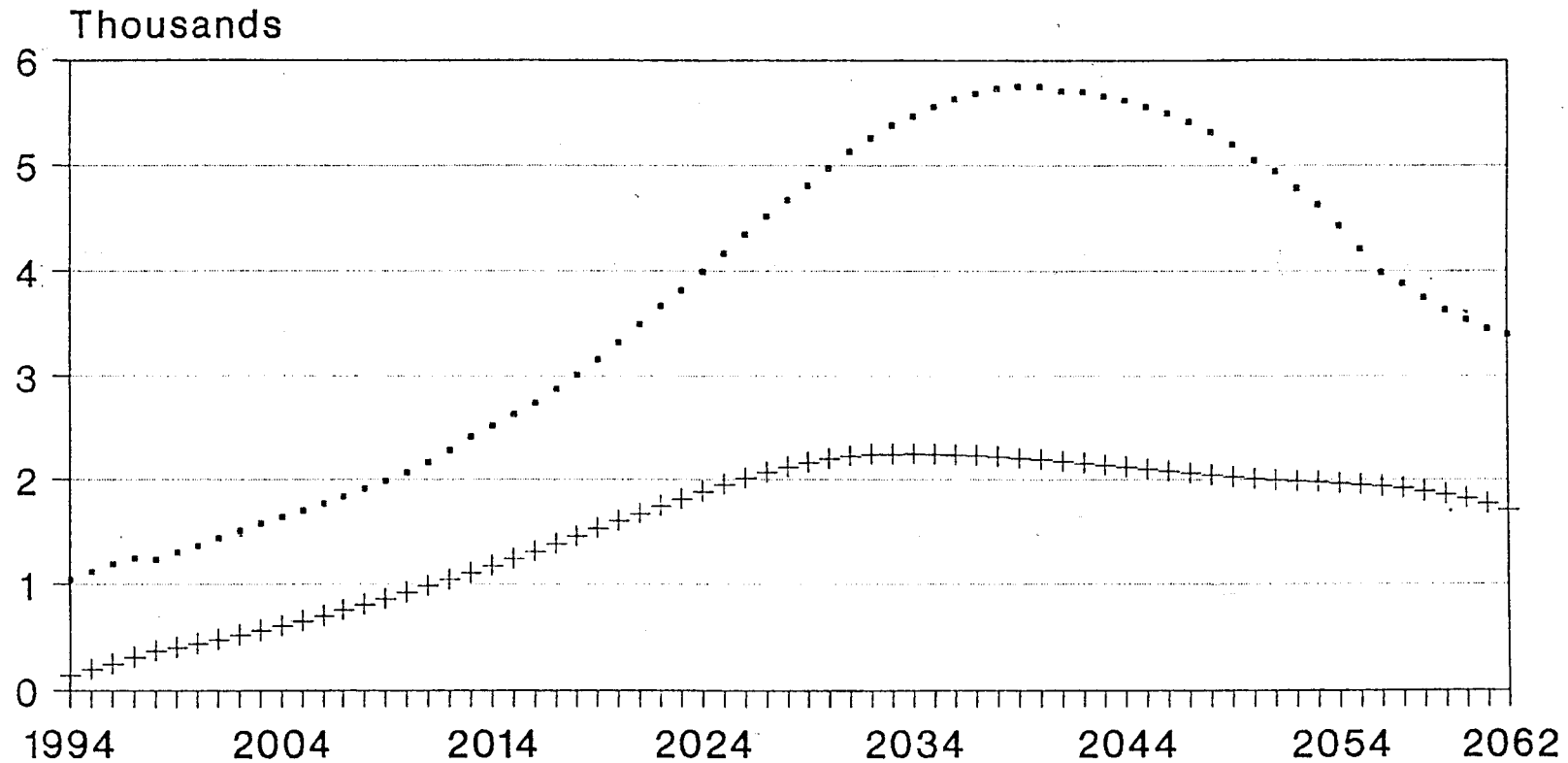
In order to ensure the success of this undertaking, I felt that the main energy and support will be from the general membership of the tribe. Therefore, an overall education and increased understanding of the Oneida Trust Fund, the Trust Committee and the functions therein needed to be communicated. I designed and published a booklet to conceptualize the history of the Oneida Tribe, the creation of the Oneida Trust and the on-going progression which continues to present.

The Stamberg Treaty of 1832 was the basis for the land claims settlement in which 4 million acres of land was illegally taken from the Oneida's. This settlement resulted in a per capita plan for 6,652 enrolled tribal members with a dollar figure of \$1,171,248 in 1974.

The impetus of the per capita plan required the development of a trust agreement between the Oneida Tribe and the Secretary of the Interior of the United States. As a result, a mandate was issued for the formation of the Oneida Trust Committee as the official trustee of the trust fund to administer the final approved trust plan. Upon completion of the 18 year payment schedule, 1975-89, the remaining trust balance was earmarked into the Oneida Elderly Per Capita Payment Distribution Plan geared for implementation in November 1994.

The booklet describes points of the elderly per capita plan documented by the organizing and governing resolutions, and mapped the strategy for a long term investment plan to incorporate SRI principles. I have been able to identify the need to match the growing population of the membership with a strategy for both growth income from our investments and continued tribal capital infusion. For example bar chart 1.1 identifies that the number of senior citizens (over age 65) will drastically increase in the year 2010 and continues to climb through the year 2044. Chart 1.2 identifies the overall growth patterns of the total Oneida membership from 1967 through 1993. Based on blood degree quantum, it is my estimate that the inclusion of new membership numbers will peak in the year 2004.

# SR CITIZENS OVER 65 VS. TRUST FUND VALUE



• POPULATION TREND + TRUST VALUE/\$100000

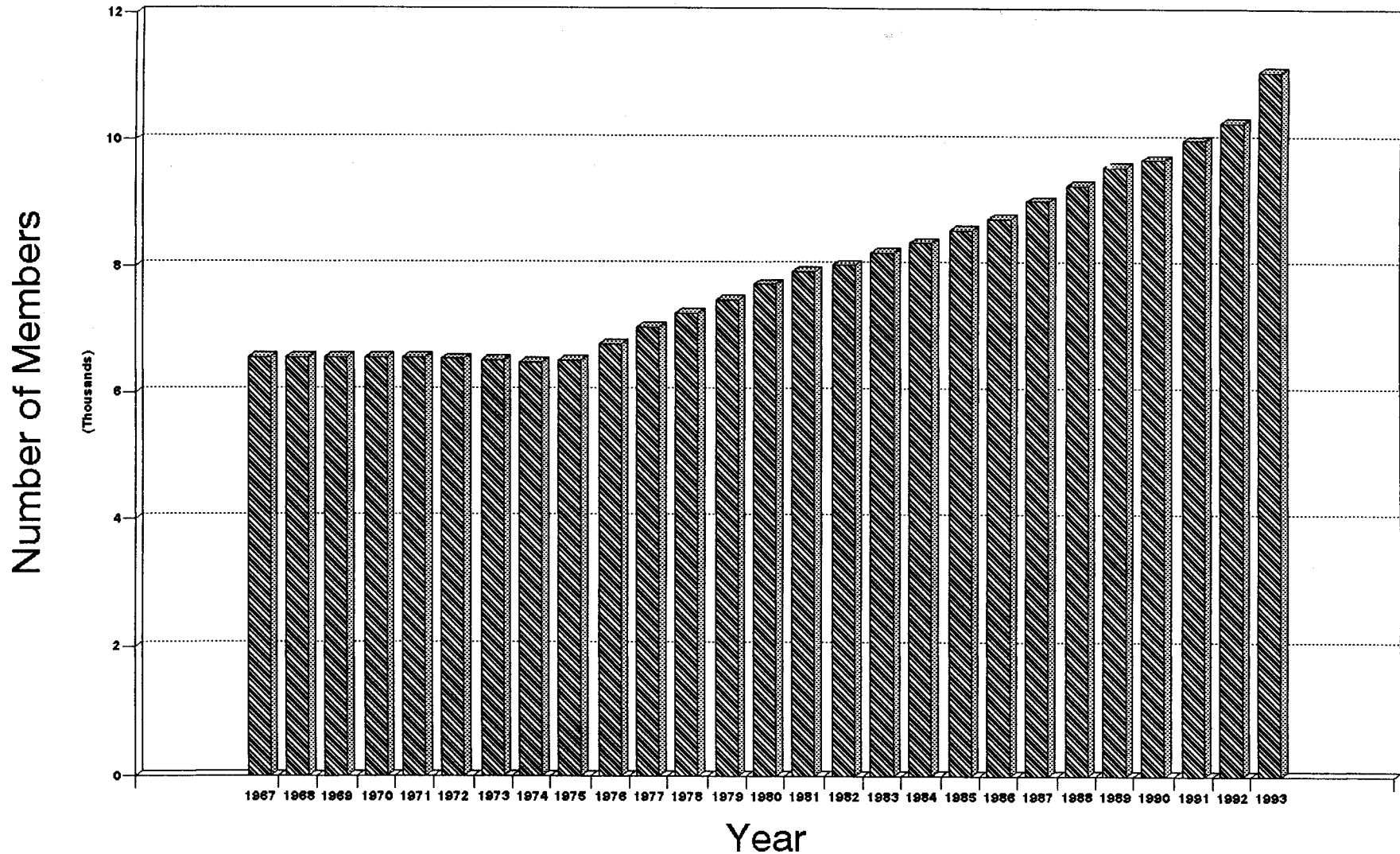
BENEFIT CAPPED AT \$3,350 FROM 2034 - 2054

ADD \$4.5MM/YR 6 YEARS THEN \$1.5MM/YR.

SOURCE: Oneida Trust Fund Booklet  
July, 1993

# TOTAL ONEIDA MEMBERSHIP

## Number Current Per Year



SOURCE: Oneida Tribal Enrollment Department  
January, 1994

The trust fund has reached the point where interest earned allows for greater flexibility of management style. Therefore, community reinvestment is a viable option for implementation along with the establishment of various trust reserves to meet the various need of the membership.

B) Socially Responsible Investment Survey (Appendix B)

In order to derive the establishment of guiding principles for socially responsible investments, a SRI policy needed to be developed. This value oriented policy would encompass community defined characteristics. Social policy criterion issues needed to be identified by the membership based upon tribal community significance, indigenous community significance and/or issues confronting the macro community.

A survey was commissioned to pose issue and value oriented questions and mailed to 6,002 adult tribal members (approximately .9% undeliverable). The questions in the survey were formed from the universe of social dilemma and were categorized as:

- Investment knowlege (including acceptable risk %)
- Support for SRI in general
- Specific issues for social screens
- Support for shareholder activism
- Support for community reinvestment

A test survey of the Oneida Trust Committee had eliminated certain issues from further pursuit as indicated from committee responses.

The process of identifying issues of importance began with a personal evaluation of beliefs, opinions and values. I then made some assumptions based on the foundations of my

cultural orientation. I also requested further opinion and comment from respondents beholding to topics that I may have overlooked. The results were analyzed and prioritized and serve as the criterion for the Socially Responsible Investment Policy. This approach ensures the support of the general membership by directly soliciting their opinions and sanctions the pursuit of a SRI strategy by the Oneida Trust Committee.

Twelve percent (12%) or 695 tribal members volunteered responses. Findings show strong opinions utilizing SRI screens in the areas of land and environmental, women and minorities, employment and social justice issues. Seventy-three percent (73%) or greater support these social screens. Based on responses for tobacco and gambling which are tribal enterprises, the respondents are divided. Military arms production and animal testing will reflect a lower priority for social screen criteria.

Sixty-three percent (63%) support a shareholder activist strategy, but when asked if respondents would accept a lower financial return vs. a higher social return, comments strongly indicated community reinvestment or "alternative investing" as the most acceptable and preferred investment vehicle for utilization of trust fund revenue. Overall, the survey indicates overwhelming support for a SRI strategy for the trust fund. However, the development of the policy will need to maintain a flexible approach to include the various representative opinions.

C) Oneida Trust Fund

The Oneida Trust Fund has been managed by four managers; two fixed and two equity. Since the funds inception there has been

a steady conservative rate of return. Beginning assets totalled \$1.3 million and as of October, 1993 the value of the fund has risen to \$9.5 million (inclusive of tribal contributions). After the initial distribution of the elderly per capita payment scheduled for November 1994, the value of the fund will drop to \$8.9 million. However, the anticipated FY 94 tribal contribution will increase the fund to approximately \$13.4 million.

On the whole, the portfolio has performed slightly below average. Based on the 1993 performance audit, equity managers outperformed the S&P 500 for certain quarters, but performance compared to other indexes (Wilshire Large Capitalization Value index), both managers lagged behind other similar styled managers. (Chart 2.1)

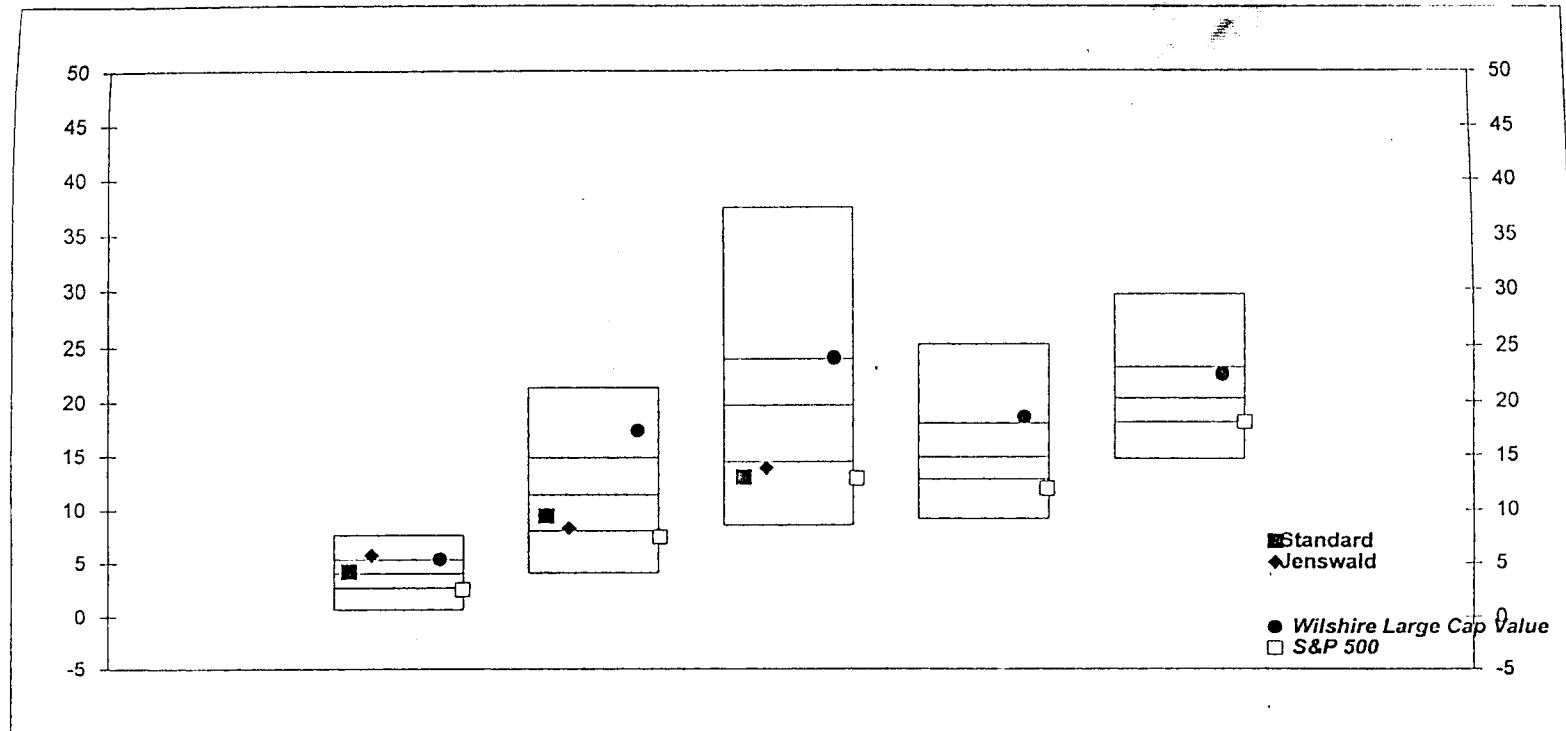
It is important to note that the S&P 500 index did poorly in recent years. Losses suffered by large companies like IBM and RJR pulled the entire index down, thus the benchmark that is used by managers of the Oneida Trust Fund has absorbed those losses into the performance analysis of the fund. Most comparable managers within the universe were able to avoid such losing stocks. (Stevenson, 1993)

Fixed income portfolio managers have virtually the same flaw. Though manager styles differ, they both have consistently under-performed the Shearson/Lehman/Hutton Corporate & Government Intermediate index. (Chart 2.2) Though performance in the last quarter shows acceptable performance as compared to the benchmarks, time factoring highlights significant areas of weakness.

CHART 2.1

**ONEIDA**

*Equity Manager Returns - Net of Fees*  
**VERSUS BANKERS TRUST VALUE UNIVERSE**

**BT Value Universe**

	3rd QTR	YTD	1 YEAR	2 YEARS	3 YEARS	
5TH	7.63	21.39	37.48	25.17	29.55	
25TH	5.30	14.85	23.89	17.98	23.14	
50TH	4.02	11.45	19.70	14.82	20.30	
75TH	2.70	8.04	14.43	12.82	18.05	
95TH	0.68	4.08	8.57	9.16	14.66	
<b>Managers</b>						
Standard	4.19	9.46	13.02	N/A	N/A	
Jenswald	5.70	8.28	13.81	N/A	N/A	
<b>Style Class</b>						
Wilshire Large Cap Value	5.32	17.30	23.98	18.59	22.50	
<b>Benchmark</b>						
S&P 500	2.50	7.44	12.90	11.96	18.06	

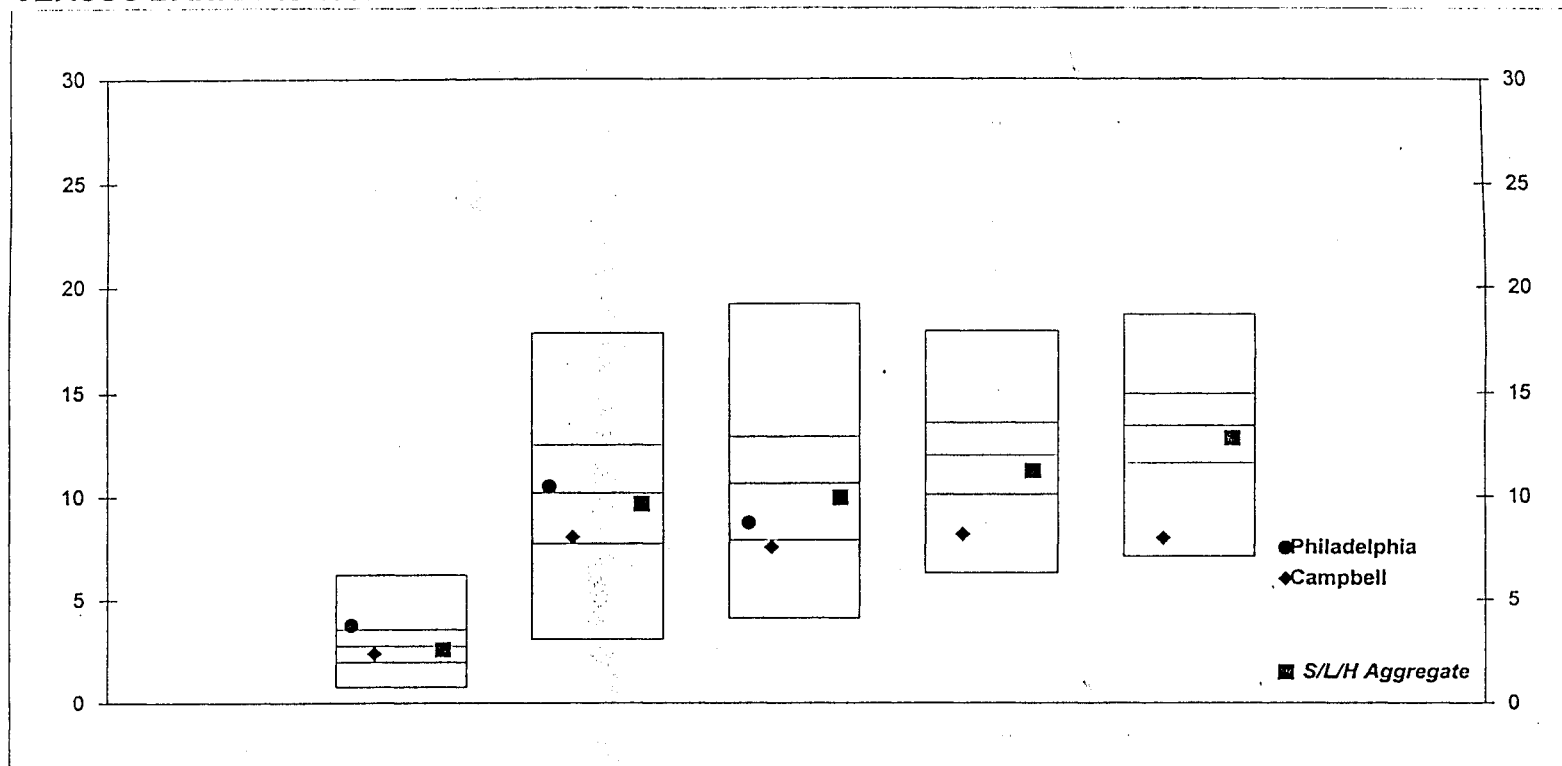
SOURCE: G. Stevenson, December 1993

# ONEIDA

## Fixed Income Manager Returns - Net of Fees

CHART 2.2

### VERSUS BANKERS TRUST FIXED INCOME UNIVERSE AND BENCHMARK



	3rd QTR.	YTD	1 YEAR	2 YEARS	3 YEARS	
5TH	6.23	17.87	19.22	17.95	18.69	
25TH	3.59	12.53	12.91	13.55	14.95	
50TH	2.79	10.20	10.65	12.00	13.40	
75TH	2.00	7.73	7.90	10.11	11.61	
95TH	0.79	3.13	4.12	6.30	7.09	
Manager						
Philadelphia	3.78	10.51	8.75	N/A	N/A	
Campbell	2.40	8.05	7.53	8.16	7.97	
Benchmark						
S/L/H Aggregate	2.61	9.68	9.97	11.25	12.81	

SOURCE: G. Stevenson, December, 1993

Allowing an appropriate timeframe for performance demonstration is a significant factor in the Trust Committee's premise for patience and monitoring. Identification of an appropriate benchmark to measure performance is critical. A strategic plan based on comparison of appropriate indexes and performance auditing will lead to a facilitated process for new manager selection as deemed necessary. The institution of in-house monitoring and staff development should ensure continued success in meeting the fund's goals.

**D) Socially Responsible Investment**

Social investment began as a decision that investments ought to be consistent with social purposes. It has grown into a complex assessment of corporate impact on society. Social investing has emerged as one of the most rapidly growing sectors of investing today. (State Street Bank & Trust)

Social investment performance varies as would any other investment portfolio example one could analyze. Influential factors include the skill of the managers, the objectives and risk level of the portfolio, and the market environment of the period. Opponents of SRI argue that in order to achieve social objectives, you must sacrifice returns.

Although there are no definitive studies, at this point, the evidence so far indicates that there has not been a loss in performance due to social investing strategies. (Progressive Portfolio Services) Chart 3.1 is a sampling of SRI manager performance since 1987 comparing rates of return to benchmarks of the S&P 500 and the Domini Social Index. Although performance of the DSI 400 is variable, the strengths of social investing outweigh its weaknesses.

CHART 3.1

## SAMPLING OF SOCIALLY RESPONSIBLE INVESTMENT MANAGERS VERSUS INDEXES

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Average Annual Rate of Return</u>
<u>Aggressive Growth Managers</u>						
Aggressive growth #1	26.00	8.00	44.20	10.80	84.80	32.10
Aggressive growth #2	5.76	25.79	33.30	9.91	85.21	29.27
<u>Quality Growth Manager</u>						
Quality Growth #1	21.10	8.60	20.90	6.80	49.30	20.40
Quality Growth #2	1.08	12.86	38.55	-0.79	40.90	17.18
Quality Growth #3	4.20	18.10	33.40	-3.20	39.20	17.20
<u>Conservative Equity Managers</u>						
Conservative Equity #1	2.20	17.50	41.60	5.10	22.30	16.89
Conservative Equity #2	2.20	17.20	32.50	1.00	33.30	16.41
<u>Total Return Managers</u>						
Total Return #1	6.50	15.80	28.40	4.70	27.40	16.10
Total Return #2	2.60	11.50	24.90	10.50	20.80	13.80
Total Return #3	6.80	8.30	23.70	7.60	24.80	13.85
<u>Income &amp; Growth Managers</u>						
Income & Growth #1	8.10	11.90	18.80	4.70	20.40	12.60
Income & Growth #2	2.20	14.20	15.90	3.70	21.80	11.30
Income & Growth #3	2.50	13.80	19.20	3.00	16.60	10.80
<u>Income Plus Managers</u>						
Income Plus #1	4.00	8.90	14.20	9.70	16.10	10.50
Income Plus #2	9.90	8.50	9.60	9.00	17.50	10.80
<u>Indexes</u>						
CPI	4.43	4.42	4.65	6.11	3.06	4.53
S&P 500	5.31	16.63	31.56	-3.16	30.42	15.33
Domini Social Index	3.25	15.70	35.63	-4.76	37.81	16.29
Median Balanced	3.90	11.30	20.30	2.60	23.10	11.93

Note: All return numbers are expressed net of commissions but before advisory fees have been deducted.

SOURCE: Progressive Portfolio Services  
A Division of Progressive Asset Management, Inc.

Two possible approaches for SRI in the stock and bond markets consist of an avoidance/reward approach in directing capital and direct communication with corporations identified by social criteria as those needing a change in corporate behavior or societal impact. The draft SRI policy amended is included as Appendix C for specifics. The screening process should work in conjunction with other financial considerations such as; price, risk, market conditions and general health of the institution making for a sound financial investment decision.

1) Social Screens

Once social criteria is established, the potential purchase of corporate shares will be consistently evaluated for compliance. For example, a entity whose corporate conduct or service outcome that has a positive impact on society will be "rewarded" by stock or bond share purchase - or- screened into the portfolio. Conversely, entities with marketable securities who represent a negative or detrimental impact on society would be avoided -or- screened out.

The responsibility of identifying social criteria lies with the Oneida Trust Committee (as client) directing money managers on securities trading by enforcing their investment policy. An alternative option here would be to enlist the services of an established SRI financial advisor or money manager. This option results in the Oneida Trust Fund being party to a subscribed (but perhaps similar) set of social criteria established for investment decisions. The overriding decisive factors are:

- a) whether the OTC is willing to take a proactive role in determining SRI policy and institute in-housing monitoring, and development, or
- b) be passive in their direct involvement in reaching the socially responsible goals.

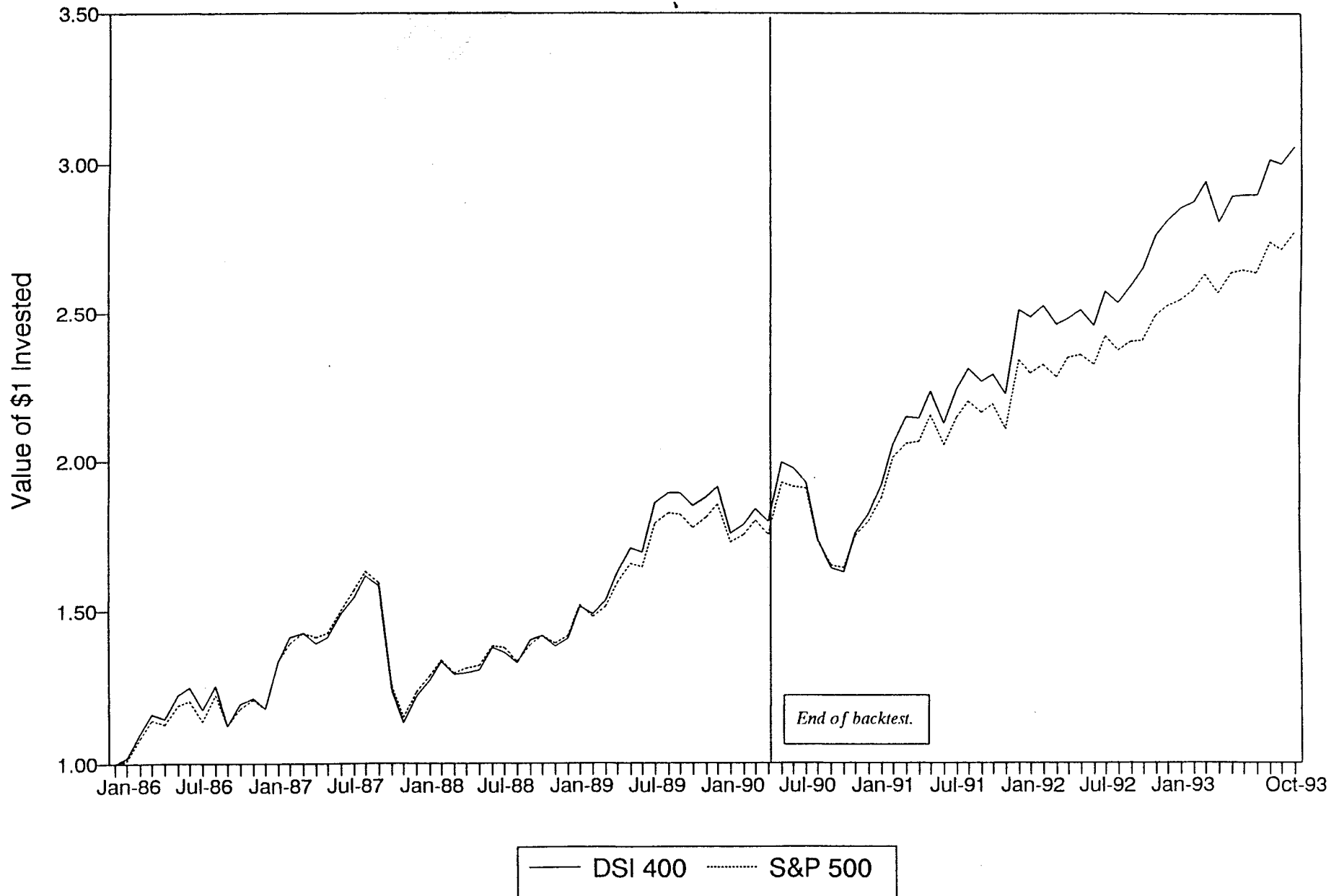
Considerations in the decision making process should include: feasibility, degree of responsibility, cost and staff development.

Lastly, socially responsible investment performance needs to be measured and compared to an appropriate index. The Domini Social Index 400 is a market-capitalization weighted common stock index made up of 400 publicly traded U.S. corporations that have passed multiple social screens. The DSI 400 was created in 1990 by Kinder, Lydenberg, Domini & Co. and then back tested to 1986 to socially screen the S&P 500. The resulting 250 companies conforming to their screens were combined with another 150 comparable firms within the industry that had notably strong social performance to make up the index. (Kinder, Lydenberg & Domini)

The DSI 400 exhibits a little more volatility and a higher overall financial return (approximately 2%). Chart 3.2 shows the value of the dollar in the DSI 400 outperforming the S&P 500 by approximately 7% for the year of 1991. This appears to be a continuous trend.

# DSI 400 vs. S&P 500

## Including 1/86-4/90 Backtest



SOURCE: Kinder, Lydenberg & Domini, Inc.  
October 1993

## 2) Shareholder Activism

Understanding that reward/avoidance alone does not by itself have the optimal long term social impact desired, as other market investors will purchase shares where conscious investors will not. Hence, a shareholder "activist" strategy will be enlisted to compliment the social screens.

Shareholder activism can be defined as using your rights as a shareholder to directly communicate your social concerns to companies. This type of approach heavily emphasizes networking with other shareholders and/or community watchdog groups or organizations and relies on up-to-date industry information.

As currently employed, shareholder activism has consisted of letter writing campaigns, media exposure/pressure, submission of resolutions urging support for a corporate behavioral change, initiating or formally supporting proxy resolutions to be acted upon by a corporate board of directors. Shareholder activists may attend board of directors meetings to voice their concerns or attain majority shares to increase executive influence. A sample proxy is included in Appendix D-1. Invoking this type of strategy would leave the role of the money managers would be more reactive to shareholders interests and directives.

In November, 1993, the Oneida Trust Committee took a stand against the James Bay II Project and Hydro-Quebec by passing a resolution against its policies (Appendix D-

2). The proposed dam would environmentally and socially displace members of the Cree and InnuIt Nations, as well as cause indefinite long term damage to the site's natural state.

3) Alternative Investing

Moving from existing financial makets to direct investment is the premise behind alternative investing. It is here where the greatest social return for dollars invested can be achieved. There are numerous successful models of direct investment vehicles across the country and the options available can be left to the imagination.

Since the Trust Agreement provides the opportunity for assets of the Oneida Trust Fund to be utilized in owning or operating a business, there are two possible avenues for trust fund alternative investments; 1) a community based financial institution, and 2) direct or philanthropic investing.

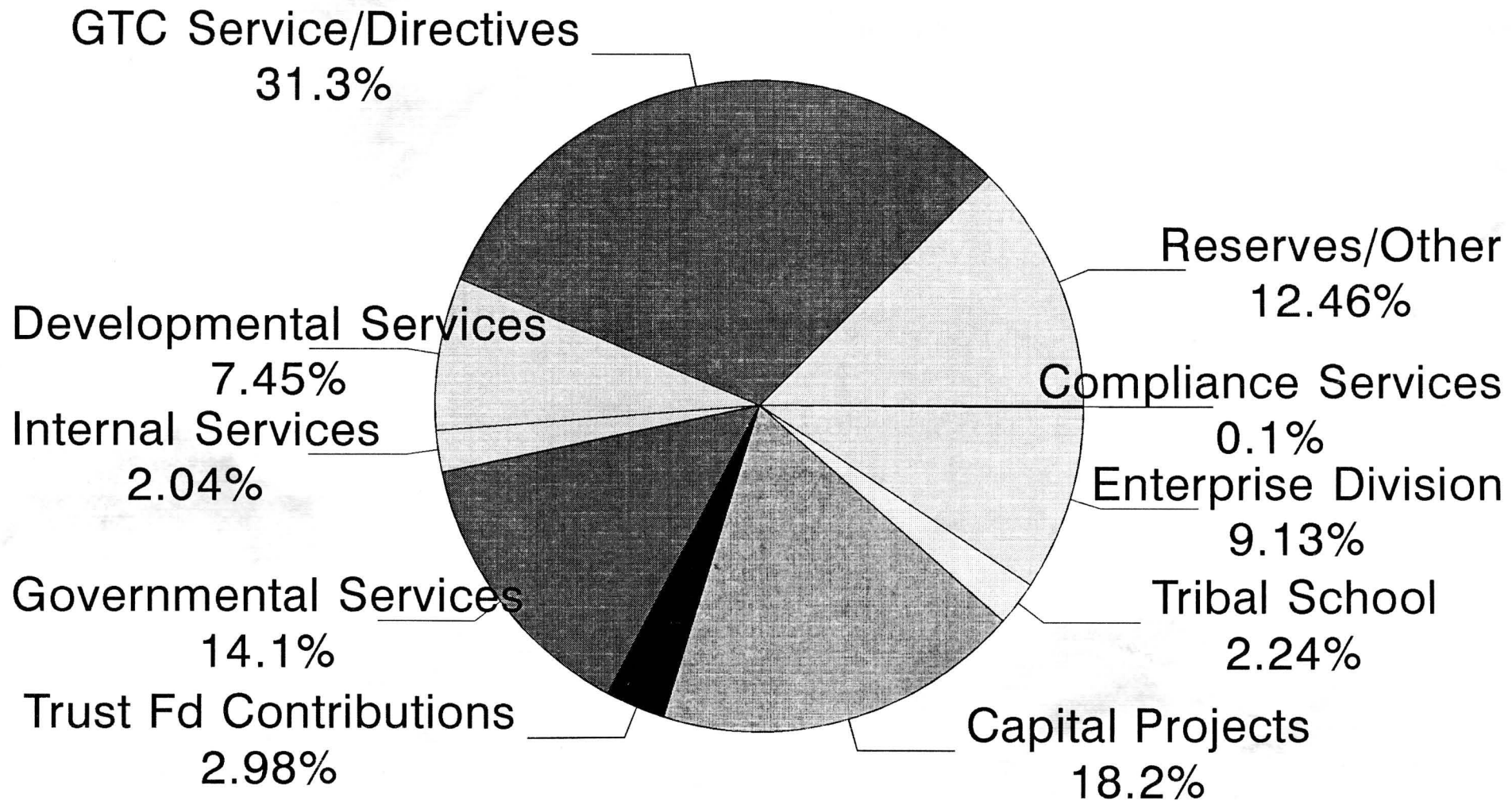
a) Community Credit Unions

The economic pattern of the Oneida community can consistently be described as income generation through enterprise development, federal and state grants-in-aide, or specific project funding from outside resources. Chart 4.1 graphically represents the budget allocation format for tribal expenditures in FY 94. This allocation model is indicative of the outflow of tribal dollars into surrounding bordertowns. Because the majority of tribal dollars are allocated to progam entities

# ONEIDA TRIBE OF INDIANS OF WISCONSIN

## FY 94 Budget Allocation

---



whose purpose is to meet the needs of the membership, little opportunity exists to fully maximize, on a financial level, tribal dollars generated. The exception would be the enterprise division which provides limited opportunity for community residents to purchase goods from a tribal entity.

At best, profits generated from tribal enterprises exhibit a turn-over rate of no more than twice within the current reservation economy. According to the 1994 tribal budget booklet, the projected economic impact of the Oneida Tribe to surrounding communities represents \$94,806,187.00 (FY 94 Budget-Oneida Tribe of Indians of Wisconsin). In addition, all tribal assets and community resident assets are currently held in local off-reservation banks. This situation leaves economic diversification and empowerment virtually impossible.

Within the tribal infrastructure, a Community Developmental Services Division serves a mission to diversify the reservation economy. This approach has basically consisted of supporting incentives to bring established businesses onto the reservation for employment and profit generation.

Plans are underway to institute a Private Sector Initiative Program which prescribes to assist the tribal entrepreneur through business plan development, technical assistance, management guidance and **locating outside funding assistance**. Case-in-point, the thrust of this

initiative will serve in a technical support capacity, rather than in financial support which is where the greatest actual remedy for internal community empowerment lies.

The development of a credit union with an infusion of initial operating capital from trust fund dollars followed by tribal assets and individual deposits could create the economic recycling the community needs. Local ownership and control would facilitate community empowerment as each depositor has a vested interest in the success of the operation. Rather than relying on the traditional systems of referral to outside (usually government funded) resources, it is the common bond of the community that utilizes its own financial resources.

Savings, checking, micro-enterprise lending programs, a personal revolving loan fund and mortgage financing could be the major functions of the credit union. All of these services are currently filtered into the off-reservation community. The course of economic return becomes minimal due to the risk criteria imposed by traditional banks, especially due to the tax status of reservation lands.

## 2) Direct or Philanthropic Investment

Direct investment activities in Indian (or minority) banks, credit unions, loan funds or specific project initiatives can be considered to meet the trust

funds social criteria goals. An annual set-aside fund could be maintained with a defined selection process instituted.

Currently, this provides the best avenue to invest informally without governmental regulations, but through carefully screened procedures designed to make traditionally hard to obtain capital available for such endeavors. Lower financial returns and a higher risk level would be compromised for a higher social impact.

## **VI. EXPECTED OUTPUTS**

By instituting the above mentioned investment strategies the Trust Fund fiduciaries will be able to manipulate their current investment plans to include a style of investing that not only puts money to use in something that offers profitable returns, but also actively supports and promotes a higher quality of life, welfare, and social relations in society.

By diligently pursuing the social investing component of the Trust Fund model, the trust fund fiduciaries will become involved directly with corporations and will be in the forefront of creating a positive social change which can be nurtured and appreciated by the corporate worker, sensitive to the resources utilized, consumers and the global market. They also develop networks with other shareholders and groups with similar values to strengthen the movement to social responsibility in the market place. Lastly, they can also be utilized as a frame of reference in the development of a social agenda in the national political arena. Collective interests can become mutually supportive.

This project demonstrates by deriving a comparison analysis, that money and morality can be mixed -- that to maximize return on investment or the pursuit of profit does not have to result in unrestrained and destructive greed. Trust Fund fiduciaries will be able to compare rates of return (including costs of investing) between traditional styles and socially responsible styles given the equal or near equal levels of risk, economic conditions within the market and styles and savvy of money managers utilized.

This project also provides the Oneida General Tribal Council a full and comprehensive understanding of the Oneida Trust Fund, from its inception including its purpose, current disposition and plans for the future. GTC members will gradually increase their understanding of the benefits of saving money for their future security, the tribes security and the benefits to diversifying the economic impact base of the community. As their position on the learning curves continues to rise, the potential for expanded social, ethical and environmental values will infiltrate their personal and business lives that will benefit individuals, families, the community and the future generations. The circle of cultural value-based cohesiveness will begin to close.

With the development of an alternative investing approach of micro-lending into the Oneida community, individual entrepreneurs will have capital access that has not been available to them before. Ultimately, the individual entrepreneur will cause dollars generated by the tribe to be turned over within the community, rather than leaving the community and its ripple effect will create a substantial level of economic well being that has not been enjoyed by Oneida people in previous years, as well as being advantageous to the economic region as a whole.

Oneida community members and entrepreneurs will also benefit from a direct sense of ownership in the community and tribal operations if they are allowed access to some of the capital the tribe is accumulating. This opportunity will empower Oneida, individually and collectively and will lead to a strengthened moral, ethical and cultural based cohesiveness that is currently lacking in the community.

## **VII. ANALYSIS/CONCLUSIONS/RECOMMENDATIONS**

Socially Responsible Investing is a way of using our principles to invest our principle. Within our our native culture, the fundamental basis of our existence has always included the values of equality and respect among all human beings and other living creatures within the natural world.

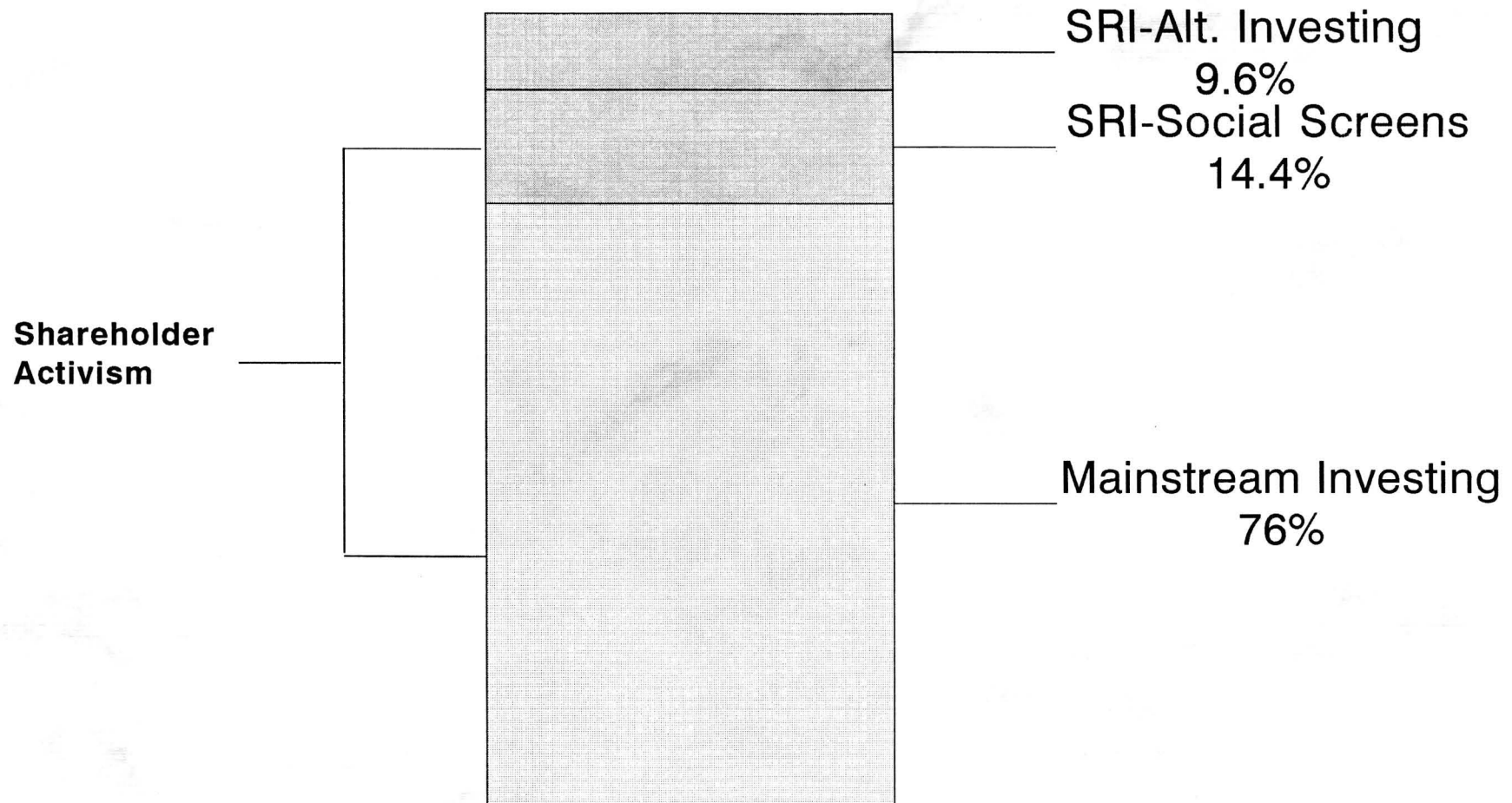
As we have embraced systems of economic principles and business development for the benefit of our people and community, we are conscious of how our financial actions impact the rest of society and the world. Given that notion, it is our responsibility to educate the membership of the Oneida people in the purpose of the Oneida Trust Fund and in the intent to incorporate the representative social and environmental values into a SRI model that is lucrative and meaningful.

In Chart 5.1, a proposed trust allocation model for the Trust Fund is based on the current value of \$9.5 million. Initially, approximately 9.6% (\$1 million) of the trust fund will be allocated into an SRI-Alternative investment strategy; 14.4% (\$1.5 million) into SRI-social screens, and the remaining 76% (\$7 million) of the trust fund will fall under mainstream investment styles, but will be subject to shareholder activist proxy resolutions and Trust

# PROPOSED TRUST ALLOCATION MODEL

9.5 Million

CHART 5.1



Committee resolutions, as deemed necessary. By pursuing this model representation, the Oneida Trust Committee's social agenda for the Trust Fund is met while maintaining a comfort level and learning curve by the designed asset allocation.

The lines of communication between the general membership and the Oneida Trust Committee have been opened. The Oneida Trust Committee has taken a pro-active position and the general membership have communicated their support through the SRI survey instrument. The survey has identified the need for on-going communication, education and heightened awareness of the membership in order to infuse the value oriented characteristics of the community into the criterion established for management of the fund. This education will require the continued development of communication systems.

We have made the decision to consider our financial decisions and practices as an extension of ourselves. We are approaching the issue of SRI with as much understanding as we can to protect the resources of our people. The financial resource in this instance is the Oneida Trust Fund. While we had previously utilized mainstream investment practices to allow the fund to grow to its current state, we believe that our resources need to be reflective of who we are as shareholders within a system of finance that allows and rewards social change.

As I have demonstrated, the concept of social change can indeed be achieved within the financial world. In utilizing SRI screens we can avoid supporting companies whom we see as falling short of responsible behavior. While that alone will not produce the anticipated change, our actions themselves make a statement to others and to the company. Those same actions can be statements of support and encouragement to companies who do make the effort to

act responsible and produce quality goods and services in the marketplace.

Communication and understanding of what our investment values are needs to be conveyed. Our actions - whether avoidance or support will mean nothing on Wall Street if we do not narrate our position. Utilizing existing information sources and developing and nurturing networks of other like minded entities is one feasible avenue. Creating a dialogue with corporations offering rational challenges to improve social responsible change is another. Hence, the cumulative effect will be the most invigorating task we can undertake to ultimately benefit the micro and macro community.

Finally, this project can provide other indigenous peoples with a frame of reference to utilize when looking at their own ability or desire to invest resources. The Oneida Trust Fund can be viewed as a "test case" whereby foresight and vision will be intermingled with standard traditional business practices that are increasingly becoming unacceptable to produce a better alternative. Native people can begin their pursuit of profitable returns with social responsibility on a clear path and hopefully can avoid the pitfalls of mainstream market principles.

As traditional native beliefs predominantly focus on good social principles and respect for natural systems as the norm, the accessibility to a positive socially acceptable alternative of a created system (Wall Street Money Markets) is a natural attraction. Developing networks of indigenous peoples in the northern hemisphere on socially responsible investing could create an incredibly dynamic economic force that corporate America cannot ignore.

## BIBLIOGRAPHY

1. Kinder, Peter D., Steven D. Lydenberg & Amy L. Domini. Domini Social Index 400. KLD, Inc., Cambridge, MA, October 31, 1993.
2. Progressive Portfolio Services. A Division of Progressive Asset Management, In. Investing for Social Responsibility. Oakland, CA. Date unknown.
3. State Street Bank & Trust. Investing for Good. Boston, MA Date unknown.
4. Stevenson, Gelvin. Oneida Tribe of Indians of Wisconsin Performance Evaluation, Bronx, NY, December 28, 1993.
5. FY 94 General Tribal Council Proposed Budget, Oneida Tribe of Indians of WI, October, 1993.

## CHARTS

- 1.1 Senior Citizens over age 65, Oneida Trust Fund Booklet, 7/93.
- 1.2 Total Membership, Oneida Tribal Enrollment Department, 1/94.
- 2.1 Equity Manager Returns - Net of Fees, Gelvin Stevenson, 12/93.
- 2.2. Fixed Income Manager Returns - Net of Fees, Gelvin Stevenson, 12/93.
- 3.1 Sampling of SRI Managers vs. Indexes, Progressive Portfolio Services. Date unknown.
- 3.2 DSI 400 vs. S&P 500, KLD, INC., 10/93.
- 4.1 FY 94 Budget Allocation, Oneida Tribe of Indians of Wisconsin 1/94
- 5.1 SRI Trust Fund Model, Skenandore/Powless 1/94

Oneida Reservation Map