UNDERINVESTMENT IN INDIAN COUNTRY:

HOW FEDERAL AND PHILANTHROPIC FUNDING TO NATIVE AMERICANS FALLS SHORT, AND HOW TO FIX IT

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Brookings Metro

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Key takeaways

- After historic investments into Tribal nations, citizens, and communities following the COVID-19 pandemic, recent federal policy actions have slashed funding for Native Americans. These cuts violate the government's trust and treaty obligations and exacerbate critical investment needs in Indian Country.
- Investment into Indian Country can benefit both Native and non-Native Americans; for example, every dollar invested in Tribal Colleges and Universities returns $1.60 in tax revenue and public sector savings.
- Just 0.88% of foundation and corporate philanthropic investment in the U.S. goes to Native-serving causes or organizations, and only 0.51% goes to exclusively Native-serving causes or organizations.
- Policymakers and philanthropy can bolster Tribal investment by better utilizing mandatory congressional funding, making Native-specific federal investment data more accessible, and reforming philanthropic approaches to investing in Native causes.

Executive summary

American Indian and Alaska Native Tribes and communities have seen significant shifts in federal funding in recent years. Sweeping federal laws passed in the wake of the COVID-19 pandemic and recession brought historic levels of funding to Tribal communities in areas such as infrastructure, health, education, clean energy, and economic development.

However, since the start of 2025, the funding landscape has shifted. Unfortunately, rather than move the U.S. closer to meeting the full funding needs of Tribal communities, recent fiscal policy decisions have moved it further away.

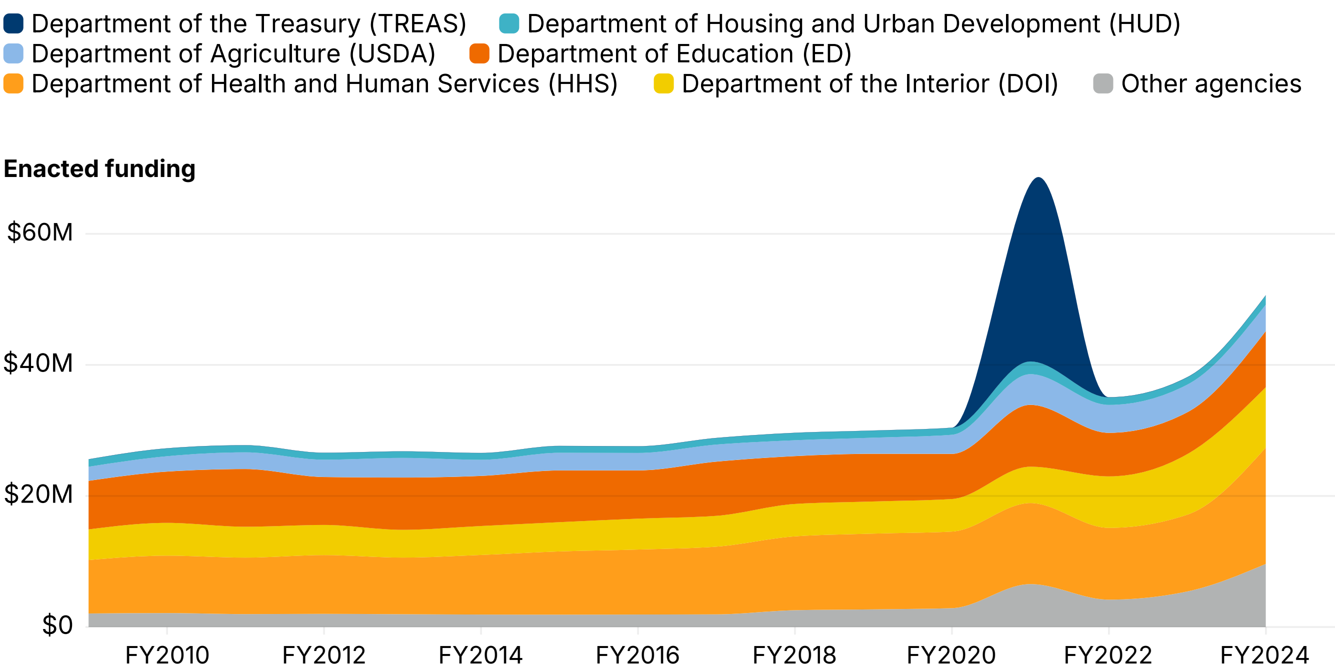
This report provides an overview of recent funding to Indian Country, outlines areas of critical need, and highlights service areas that have recently seen some of the largest funding reductions.

Trends in overall federal funding for Native Americans

Real funding for Tribal nations, citizens, and communities remained flat throughout most of the Obama administration and saw only slight growth during most of the first Trump administration. But with the onset of the COVID-19 pandemic and recession in 2020, the federal government significantly grew overall spending levels, including to Indian Country, where spending more than doubled between Fiscal Years 2020 and 2021.

FIGURE 1

Federal funding for programs benefitting Native Americans and Tribal nations, by agency



Source: FY2011-FY2024 Native American Funding Crosscut

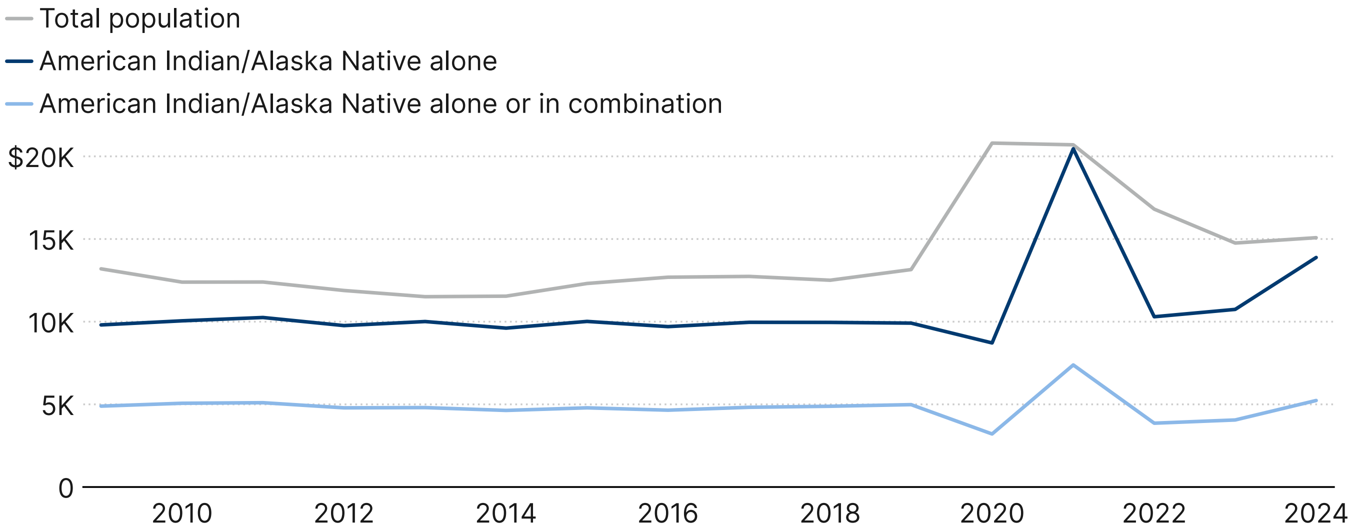
Note: In 2024 inflation-adjusted U.S. dollars, deflated using the GCEGI implicit price deflator (FRED)

As emergency pandemic spending ended, funding for Indian Country reverted to the pre-pandemic inflation-adjusted baseline in FY 2022 and FY 2023. However, between FY 2023 and FY 2024, funding for Indian Country saw another substantial increase, growing by 33% year-over-year. This growth was the result of Congress providing advance appropriations for the Indian Health Service (IHS), as well as new sources of funding for Indian Country from four major federal laws passed during the Biden administration: the American Rescue Plan Act, Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act.

Spending on Native Americans tracked generally with overall per capita nondefense spending from FY 2009 to FY 2019. However, that trend changed after the COVID-19 pandemic and recession. While all spending grew significantly in the wake of the pandemic, per capita spending on Native Americans reverted to pre-pandemic levels in FY 2022 and FY 2023, while overall nondefense spending remained significantly above FY 2019 levels. This shows that while overall U.S. spending levels have increased in recent years, that increase hasn't always flowed to Indian Country.

FIGURE 2

Per capita nondefense funding for Native Americans compared to total U.S. population



Source: Brookings analysis of U.S. Census Bureau and Office of Management and Budget data

Note: In 2024 inflation-adjusted U.S. dollars, deflated using the GCEGI implicit price deflator (FRED)

Federal investment for Native Americans continues to fall short of Indian Country's needs. There is no single topline estimate of the shortfall of federal investment compared to overall trust and treaty obligations. However, past efforts have attempted to quantify overall investment needs in specific topic areas and assess how federal funding compares.

For example, the federal government invested $41.5 million in Native American language revitalization in 2024—less than 3% of the government's own estimated annual need of $1.5 billion. The National Tribal Budget Formulation Workgroup (NTBFWG) calculates IHS annual funding needs at $73 billion—over 10 times more than the enacted IHS budget of $7.1 billion in FY 2024.

Philanthropic resources have been inadequate to close the funding gap for Native communities and causes

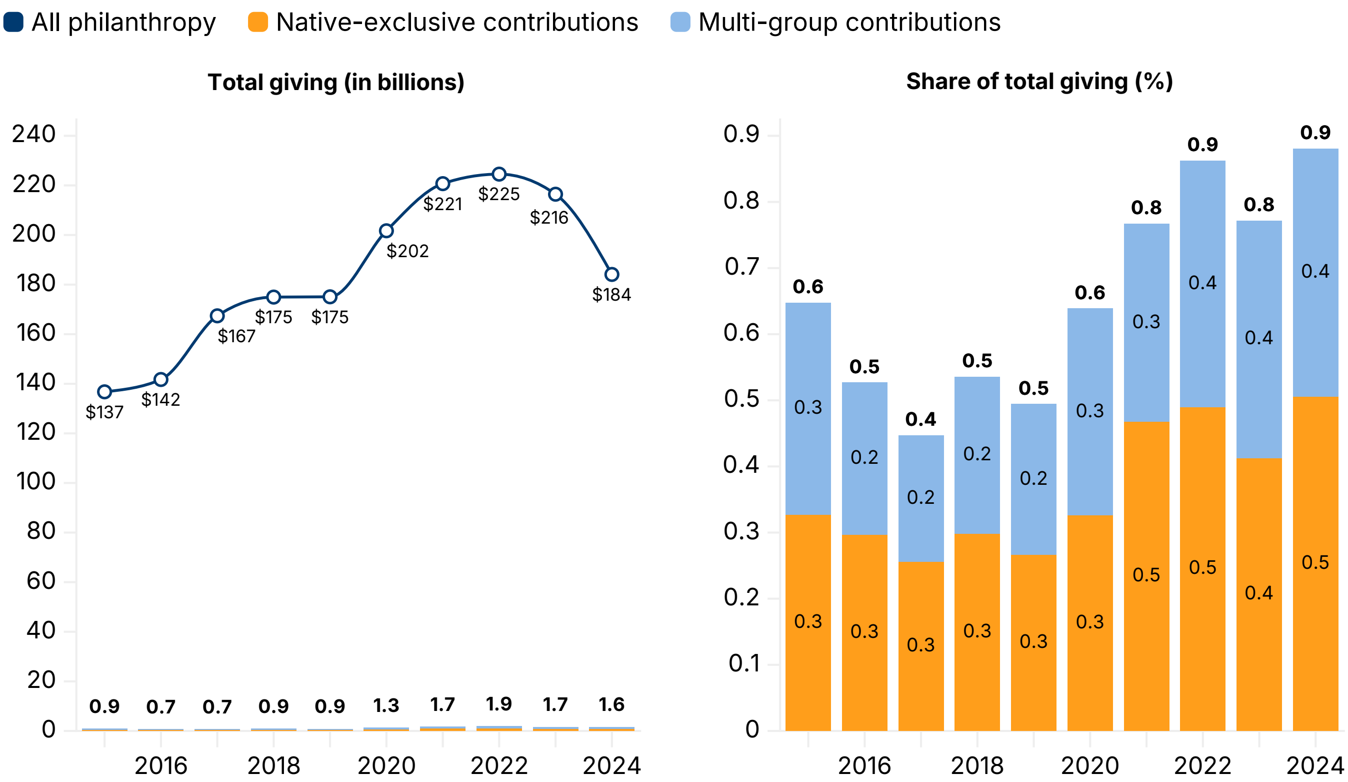
Greater federal investment into Tribal communities is essential; however, it may take years for policy to change sufficiently enough to meet those needs. In the interim, philanthropic funding can help close some of the investment gaps for Tribal nations, citizens, and communities.

Unfortunately, Native-serving grants account for a disproportionately small share of total giving in the United States. This analysis finds that just 0.88% of foundation and corporate philanthropic funding in 2024 was classified as serving Native communities or causes (inclusive of grants that also served other populations). Contributions to Native-exclusive groups and causes account for an even lower share: In 2024, just 0.51% of foundation and corporate philanthropic funding went to grants that Brookings could confirm served exclusively Native communities.

In no year have Native Americans received philanthropic investment at a rate commensurate with their population share, which ranges from 1% to 2.7% in Census Bureau estimates. That shows that the philanthropic sector continues to fail to meet the investment needs of Indian Country.

FIGURE 3

Multi-group vs. native-exclusive philanthropic funding to Indian Country, relative to total U.S. giving



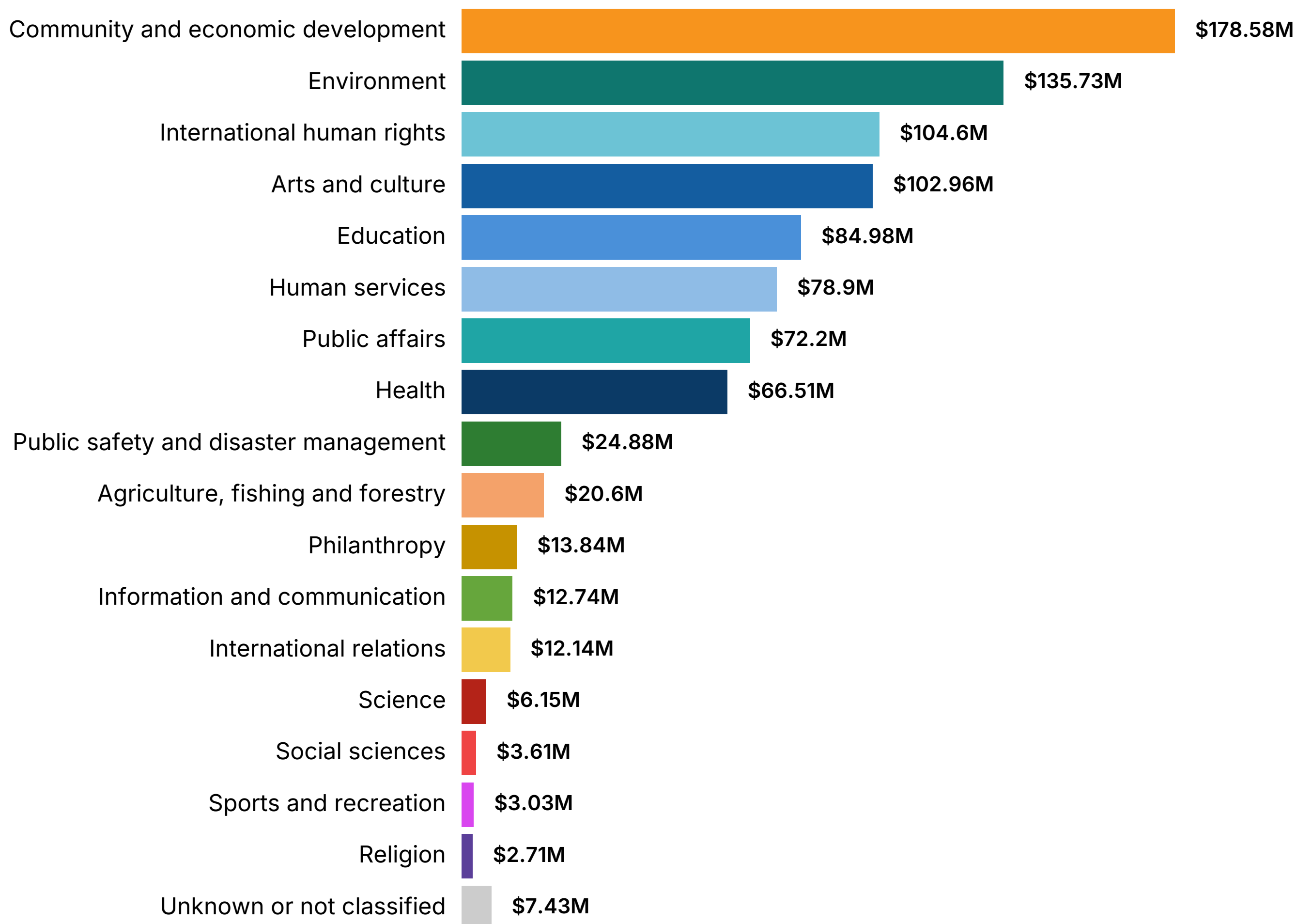
Source: Brookings Metro analysis of Candid data

Note: 2024 dollars, deflated using the GCEGI implicit price deflator (FRED)

Our analysis shows the average grant to Native-exclusive causes in 2024 was $111,200. Notably, the median 2024 grant is significantly below that average: just $20,000. This means that half of all awards made to Native recipients and causes were less than $20,000, indicating a relatively small number of organizations are receiving most of the funding going to Native causes.

FIGURE 4

Foundation and corporate philanthropic funding to Native American causes by subject area, 2024



View the full interactive graphic here

Source: Brookings analysis of Candid data

Note: In 2024 inflation-adjusted U.S. dollars, deflated using the GCEGI implicit price deflator (FRED)

The subject areas for grants to Native communities and causes have changed over the past decade. From 2015 through 2017, health and education services was by far the most significant area for Native-exclusive grants. Since then, investments in community and economic development, environmental causes, education, and human/civil rights advocacy have become significantly more common. This represents a contrast to federal investment, in which health- and education-related spending through the Department of Health and Human Services and the Department of Education continue to represent the largest source of federal investment into Indian Country.

Framework for estimating investment need in Indian Country

Past research provides guidance for developing a replicable approach for estimating investment need in different topic areas across Indian Country. While different analyses of investment need vary in their specific approach, they share some common characteristics. Based on those past efforts, this analysis finds three major steps that are common across nearly all efforts to estimate investment need in Indian Country, and can form the basis of future investment needs research:

1. Develop an estimate of baseline need based on best-available Native and non-Native comparisons.
2. Track historic federal investment over time to develop an estimate of cumulative unmet need.
3. Complement estimates with qualitative interviews to assess unique Native American needs.

Ideas for strengthening funding for Native Americans

Brookings and others have proposed a variety of ideas to scale up funding for Native Americans to meet the full investment needs of Tribal communities. Policymakers and philanthropic actors can take three broad steps toward bolstering investment into Tribal communities:

- Make greater use of mandatory funding in congressional support for Native Americans.
- Make data about federal investment into Tribal nations, citizens, and communities more accessible.
- Reform philanthropic approaches to investing in Native causes.

Tribal nations, citizens, and communities have had to contend with both sustained underfunding and significant variance in funding levels over time. As this analysis shows, there remains a critical need to increase overall levels of federal and philanthropic support for Tribal nations, citizens, and communities. Policymakers should act quickly to reverse harmful funding cuts affecting Native Americans, and philanthropic leaders should begin scaling up their investments into Native communities and causes.