

HUD ONAP



National Native Homeownership & Asset Building Summit

November 20-21, 2024

Oklahoma City, Oklahoma



About Us

The **National Finance Economics Collective (NFEC)** is a dedicated group of high school students working to bring comprehensive finance and economics education **to all** youth across the United States.



Shayan Parikh



Aryan Chilakamarthi



Raymond Zhang



Executives



Shayan Parikh
Executive President



Keon Attarha
Executive VP



Emory Yi
VP of Curriculum



Sumehra Mahmud
VP of Marketing



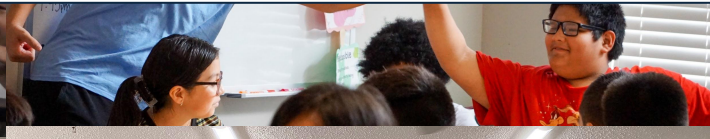
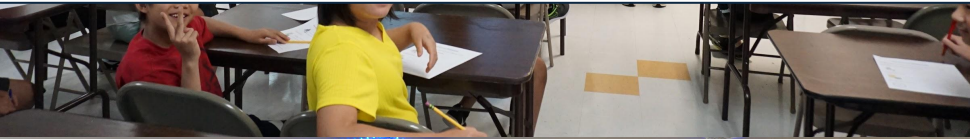
Zachary Zou
VP of Outreach



Ryan Morehead
VP of Operations



Our Impact





Part 1: Income



What is Income?

Income is the money you get for working or doing something. After you get paid, some of that money goes to the government for taxes.

- Different types of income
 - **Salaries**: A salary is a set amount of money that a person gets paid regularly.
 - **Wages**: Wages are the money a person gets paid for the hours they work or the amount of work they do.
 - **Passive**: Income earned without regular effort without needing you to work all the time.
 - **Investment**: Specific ways and things you put your money into with the goal for it to grow as time progresses.
 - **Businesses**: Money earned by providing a good or service is what you get when you sell something or do a job for someone.

As sovereign nations, tribes are exempt from federal income tax, and the income tax paid by non-sovereign individuals can directly support tribal members living on or near reservations.



Investment/Passive Income

Types of investments and passive income sources

- **Stocks:** buying shares/small ownership of a company to share its gains and loses
- **Real estate:** Buying and selling of property for profit (ex. houses and land).
- **Bonds:** Receiving interest payments and return from providing the government with a loan.

Do your research!

Ensure your investments and passive income are **successful**

- **Reliability:** How volatile is its market? Energy?
- **Profit Potential:** Is it a dying industry?
- **Financial History:** Is it going to matter in the future? Cryptocurrency.





Employment Types

3/5



Part-time

Working for less hours than 35 hours per week.

4/5



Self-employed

Individuals work for themselves and can choose their own work hours.

5/5



Full-time

Work usually from 9am-5pm each weekday, adding up to 40 hours weekly.





Career/Business Resources

<https://nativeamericancareercenter.com/>

<https://www.nativeguardiansfoundation.org/programs/career-counseling>

<https://www.bia.gov/service/starting-business>

<https://www.sba.gov/federal-contracting/contracting-assistance-programs/8-a-business-development-program>



Part 2: Budgeting and Planning



Budgeting Overview

Budgeting is the strategic management of finances to reach certain goals and aspirations. A budget can ensure stable financial health that can set up future finance goals.

1

Value

Value budgeting entails spending money firstly on things that are **important** to you.



2

Periodic

Periodic budgeting involves creating a spending structure for a **certain amount of time**.



3

Zero-based

Zero-based plans finances and spending based on **current needs**.



Budgeting Methods

1

Spreadsheet

Create a spreadsheet that can **track** your expenses.



2

Wants v Needs

Determine **what you need** to spend money on and pay for those things first.



3

Envelopes

Use the envelope method: allocate cash to categories, and spend only what's in each envelope.



4

50/30/20

Allocate a set percent of income to the major categories of needs, wants, and savings.



Fixed vs Variable Expenses

Fixed expenses are consistent and predictable costs that occur regularly, such as:

1. **Rent or Mortgage:**
Your housing cost.
2. **Insurance:**
Car, home, or life insurance payments.
3. **Loan Payments:**
Regular payments on money taken out of the bank.

Variable expenses change from month to month based on usage or choice, such as:

1. **Groceries:**
Weekly food purchases.
2. **Transportation:**
Fuel, public transport, or ride-sharing costs.
3. **Utility Bills:**
Home bills (water & energy).

Cash Flow

Cash flow refers to the movement of money **in and out of your budget**. It's important to understand cash flow to ensure you have enough money to cover your expenses.

You always want a **positive cash flow** for both your income and your business.

Maintaining a positive cash flow is a result of not spending money on unneeded items.

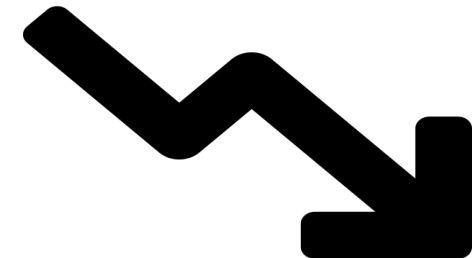
Positive

When your income exceeds your expenses, leaving you with extra money.



Negative

When your income exceeds your expenses, leaving you with extra money.





Part 3: Savings and Investing



Savings

Saving is crucial because it provides financial security, enabling you to handle unexpected expenses and avoid debt.

Additionally, saving helps achieve both long and short-term goals.



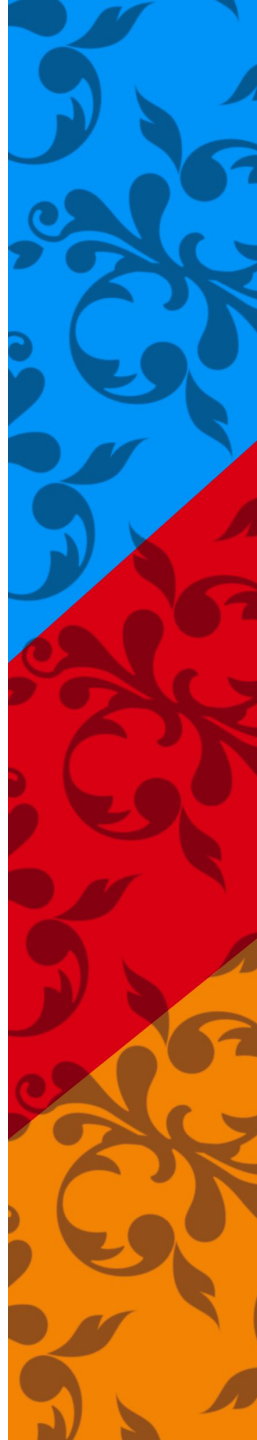
What are some savings methods?

Automated Savings

Automated savings is when you set up **automatic** transfers of your paycheck or income to a savings account.

This automatic savings technique ensures you **always save a portion of your paycheck** instead of using all of it at once, for future expenses, emergencies, and future financial goals.

Built to require very little effort after the set-up process.



Avoiding Impulse Spending

Avoiding impulse purchases has benefits towards your money goals.

1. **Prevents unplanned purchases**, allocating that money towards more important purchases like bills and debts
2. Improves financial discipline by **building beneficial habits** that can aid in setting yourself up for success in the future
3. One of the easiest ways to save for more important things rather than your current impulses that you might end up regretting later

Avoiding impulses builds spending discipline, choosing to only spend money on things that are needs over things aren't always necessary.

Wise Investments

Making well-informed decisions about investing your money into real estate, stocks, bonds, or retirement accounts can have a sizeable impact on your **finances in the long run**.

Wise investment decisions **save yourself from making unnecessary choices** with money. It allocates that money into more forward-thinking returns that can **build financial stability** in the present and in the coming times.

When you make smart investment choices, you potentially save yourself spending money on vehicles that will lose you money (declining stocks, cryptocurrency).

Investing

Investing is putting your money into something, like stocks, bonds, or real estate, with the goal of making more money over time.

Stocks

1. Represents a small ownership in a company.
2. Your investment grows or decreases as the company grows or decreases.
3. One of the most popular ways to invest.
4. Medium to high risk involved.
 - a. You could make or lose a lot of money.

Bonds

1. A type of loan you give to the government, and they pay you back with interest.
2. Considered a safer investment than stocks, but has lower returns.
3. Money goes to government spending programs.

Mutual Funds

1. A pool of money from many investors used to buy a variety of stocks, bonds, or other investments.
2. Managed by professionals.
 - There is still risk.
3. Offers diversification, which spreads out risk.



Part 4: Building Assets



Assets

Resources or items of value owned or controlled by an individual, group, or organization, used to generate economic, cultural, or social benefits.

Assets in Native Communities:

1. Tangible Assets:
 - a. Land, natural resources (e.g., minerals, timber, water)
 - b. Tribal enterprises
 - c. Infrastructure (buildings, roads, utilities)

2. Financial Assets:
 - a. Trust funds, investments, savings accounts
 - b. Federal funding and grants
 - c. Tribal tax revenues

3. Intangible Assets:
 - a. Cultural heritage and traditions
 - b. Knowledge and skills within the community
 - c. Sovereignty and treaty rights



How can we grow these assets?



Diversify Revenue Streams

1. Start with Existing Resources: Use land, natural resources, and existing tribal enterprises to create additional revenue streams.
2. Develop New Businesses: Launch tribal-run businesses like convenience stores, hotels, small manufacturing operations, or community service providers. These businesses create consistent income and employment opportunities.

The Benefits

1. Strengthen sovereignty and self-determination
2. Economic growth and sustainability
3. Creation of social wealth (Western and Indigenous)
4. Preservation of culture

Economic Sovereignty

1. **Attract Outside Businesses:** Use sovereignty to offer tax exemptions or incentives for businesses to set up on tribal land.
2. **Create Tribe-Specific Regulations:** Develop tribal policies that encourage investment and economic development. Create regulations tailored to community growth, such as offering grants for tribal entrepreneurship or establishing business-friendly zones.
3. **Tribal Investment Funds:** Establish a sovereign wealth fund that reinvests asset income into new ventures, public works, or educational initiatives for the tribe.

The Benefits

1. Economic Diversification & Stability
2. Job Creation
3. Revenue Generation
3. Knowledge Transfer

Financial Literacy

1. **Offer Financial Literacy Workshops:** Provide community workshops to teach essential financial skills such as budgeting, saving, and understanding credit.
2. **Support Higher Education:** Offer scholarships and funding opportunities for tribal members to pursue degrees in business, economics, and finance.
3. **Teach Business Skills:** Set up entrepreneurship programs that provide hands-on learning for community members who want to start or scale their own businesses. Include training on managing finances, business plans, and securing loans.
4. **Partner with NFEC:** Work with us to integrate financial education into schools or in community workshops. We encourage financial literacy from a young age to build sustainable wealth in future generations.



Part 5: Accessing Resources



Career/Business Resources



[NATIVE AMERICAN
CAREER CENTER](#)



[Starting a Business |
Indian Affairs](#)



[Career Counseling](#)



[8\(a\) Business
Development
program | U.S. Small
Business
Administration](#)

Homeownership Resources



[Indian Housing - HUD's Office of Native American Programs \(ONAP\) | HUD.gov](#)



[Mortgage Assistance for Tribes and Individuals | Indian Affairs](#)



[Housing Program | Indian Affairs](#)

A few words from



Sumehra Mahmud
VP of Marketing





Q&A Session





Thank You!