

# NATIVE 8(a) WORKS

FOR AMERICA



- COMPETITIVE
- EXCEPTIONAL VALUE
- OPPORTUNITIES FOR ALASKANS

## FACT SHEET:

# NATIVE ENTERPRISE PARTICIPATION IN THE SBA 8(A) PROGRAM

## A History of 8(a)

The Small Business Administration's (SBA) 8(a) Business Development Program was a result of the Civil Rights Era of the 1960s.

Congress recognized that minorities, women, veterans and other small and disadvantaged individuals did not have equal access to the federal marketplace, and special access to government contracts was a key way for the government to open that door.

- In 1958, Congress created the 8(a) program in an attempt to give small and disadvantaged businesses greater economic opportunities. One way for businesses to build capacity was to start with the federal government as a customer. Thus, the 8(a) program was built to allow these businesses specialized access to government procurement opportunities.
- In the 1980s, in recognition of the dire economic and social situations that the Tribes were facing, Congress provided for their entrance into the SBA 8(a) business development program that would afford access to federal contracting.
- Alaska Native Corporations (ANCs) were provided similar entry to the program in 1988
- In 2002, Native Hawaiian Organizations (NHOs) were also included into the 8(a) program.

## Tribes, ANCs and Native Hawaiian Organizations (NHOs) Differ Significantly from Other 8(a) Businesses:

- Congress has long recognized – and the courts upheld – that it can legally distinguish between Native American and non-Native American contracting opportunities. This authority comes from the unique status of Indian tribes under Federal law and the plenary power of Congress to legislate on behalf of federally recognized Tribes and ANCs.
- Regarding ANCs, the statutory language in ANCSA at 43 U.S.C. 1626(e)(4)(A) specifically states: “Congress confirms that Federal procurement programs for tribes and Alaska Native Corporations (ANCs) are enacted pursuant to its authority under Article I, Section 8 of the United States Constitution.”
- Native Enterprise 8(a)s have a communal ownership and therefore a communal responsibility.
- They are not investor-owned 8(a) firms that benefit one or two people. Instead, they are Native government and community-owned and controlled firms that were created to support and sustain entire communities and cultures.
- Their net profits support Native government functions, social and cultural programs, education, employment and training, and economic development in some of the most economically challenged parts of the world.

# NATIVE 8(a) WORKS

Learn more at [www.native8aworks.org](http://www.native8aworks.org).

---

## Congress Should Continue to Support Native Participation in the SBA 8(a) Program

- While living standards, health and educational levels among Native Americans, have improved over the past quarter century, Native people continue to face enormous socio-economic challenge. For example:
- American Indians have a 40 percent higher infant death rate compared to whites, are twice as likely to die from diabetes and are 20 percent more likely to have heart disease.<sup>1</sup>
- Indian poverty exceeds twice the national average.<sup>2</sup>
- Alaska Natives suicide rate is over three times the national average, while the homicide rate is five times.<sup>3</sup>
- Incomes of Alaska Natives are 50 to 60 percent lower than other Alaskans.<sup>4</sup>
- The president of Alaska's largest Native organization told Congress in 2009 that life in rural Alaska remains one of challenge:

"We live and work in what is to most business people the most remote corner of America, in one of the harshest climates in the world, with a history of extreme prejudice and discrimination against our people, a history of wariness towards a people who in many great cases literally spoke a different language than most business people in America, a history of exclusion from genuine business opportunities, and a history of no business history with mainstream large economies in America."

– Julie Kitka, Alaska Federation of Natives"

While there has been success by some in the program, Native enterprises still represent less than 1.3 percent of the federal contracting awards. And 8(a) awards represent less than one-tenth of 1 percent of federal contracting awards. With that, Native enterprises have been able to provide many benefits back to their people, including job training, educational scholarships and financial assistance.. Participation in the program has allowed opportunity to thousands of Native people where there was none before.

The 8(a) program is working as intended, by providing economic opportunity to those that are less fortunate, and deserves continued Congressional support.

<sup>1</sup> Indian Health Service

<sup>2</sup> J Taylor-2000 US Census; National Congress of American Indians

<sup>3</sup> Alaska Department of Health and Social Services

<sup>4</sup> Institute of Social and Economic Research