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Native 8(a) Economic Impact

The Native American Contractors Association (NACA) exists for Tribally-owned businesses, Alaska Native Corporations, and Native Hawaiian Organizations, (“Native-owned businesses”) to collaboratively protect our contracting rights and access to business development through advocacy and education. Our mission is to enrich self-determination through the preservation of government contracting participation based on the unique relationship between Native Americans and the federal government. Specifically, NACA seeks to protect the rights of Native American communities to achieve economic self-sufficiency through government contracting.

Native-owned businesses are unique in their participation in the Small Businesses Administration 8(a) Business Development program. For example, a Tribally owned business, owned by their Tribe, may be supporting tens of thousands of Tribal Members. The Tribes elected leadership works in coordination with the Tribally-owned business to best decide how to support their Tribal Members with the proceeds of their government contracting business. This could be in the form of investments in education, infrastructure, public safety, or direct payments to their Members. This is also the case with Alaska Native Corporations and their shareholders, and Native Hawaiian Organizations and the Native Hawaiian community. Collectively, participation in small business programs has become the second largest economic driver in native communities after gaming.

- Native-owned companies were awarded \$25.34 billion in contracts in Fiscal year 2024 which accounted for 3.98% of government contracting spend showing that this is a significant economic driver for Tribal and Native communities, but it is not out of proportion in the federal contracting marketplace.
- Native-owned companies employ over 100,000 people across all 50 states and internationally through federal contracting. This includes nearly all professions including engineers, construction workers, IT experts, and maintenance workers, etc.
- A significant portion of Native-owned companies’ expertise and focus has been supporting the US military with approximately 65%-70% of contract awards each year going to support Department of Defense operations.

For historical context, a 2021 Minneapolis Federal Reserve’s Center for Indian Country Development (CICD) study, federal contracting to Native-owned companies increased from close to 0% of federal government contracting in the mid-1990s to 2.5% by the end of 2021.¹

¹ <https://www.minneapolisfed.org/article/2022/federal-contractings-expanding-revenue-role-in-indian-country>

Participation by Native-owned companies in the SBA 8(a) Program comprised approximately 47% of all federal contracting by Native communities in 2021.²

Additionally, in the 2024 report published by the CICD, 92.9% of the small business subcontractors engaged by Native-owned businesses were small (Non-Native) businesses local to where the contracted work was performed. Based on Fiscal Year 2022 data, \$1.2B of \$16.6B in prime contracts awarded to Native-owned companies went to small business subcontracts, proving that the SBA 8(a) Program fortifies the entire small business community.³ Further, there are economic benefits to Native American communities. Each year, every Native-owned business must submit a report to the SBA detailing the benefits provided to their communities, which ensures accountability for their participation in the SBA 8(a) Program.

² <https://www.minneapolisfed.org/article/2023/native-entities-and-the-federal-contracting-landscape>

³ <https://www.minneapolisfed.org/article/2024/understanding-native-entity-enterprises-subcontracting-relationships>