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Council of Economic Advisors Addresses Obstacles and Solutions to Growing Navajo Economy

TWIN ARROWS, ARIZ- During the inaugural meeting of the Council of Economic Advisors held on Friday, July 8, much of the discussion pertained to diversifying the Navajo Nation economy, considering solutions to obstacles affecting the development of small businesses and facilitating an increase in job opportunity.

President Russell Begaye said he is looking to the Council to propose tangible ideas in facilitating the development of small businesses while addressing the high unemployment rate that exists on the Navajo Nation.

The Navajo Nation needs to diversify the economy away from depending on the natural resource industry. In an overview of the Nation's revenue, Chief Operating Officer Robert Joe said that in FY2012, 77 percent of the Nation's general fund budget was dependent on oil, coal and gas resources. Today, that figure is 66 percent.

"We have to diversify the Nation's revenue source. It impacts everyone," he said.

"We have an unemployment rate of about 47 percent and we are facing a decline in revenues from our natural resource industries," said President Begaye. "The Nation is heavily dependent on outside dollars and we need to leverage these dollars to find new ways to create businesses."

The local economy also lacks financial support from community members as many take their paychecks to border towns to get necessities, said Vice President Jonathan Nez.

"We can empower our people by keeping our dollars on the Nation," he said. "We need to reevaluate our spending and consider that 80 percent of our paychecks are spent on outside businesses and much of it within five days."

The meeting hosted an opportunity for small business owners to talk about obstacles they faced in starting a business on the Navajo Nation and also how they were able to create success.



Left to right: OPVP Staff Assistant Juan Massey, Executive Director of the Navajo Nation Washington Office Jackson Brossy, Entrepreneur and business owner Romero Brown, Economic Advisor Al Henderson, Director of Economic Development Crystal Deschinny, President Russell Begaye, OPVP Ambassador and Economic Advisor Peterson Zah, Economic Advisor Mark C. Maletz, Economic Advisor Manley A. Begay Jr., and OPVP Chief Operating Officer Robert Joe.



President Russell Begaye told the Council of Economic Advisors that he expects them to propose tangible ideas in facilitating the development of small businesses while addressing the high unemployment rate that exists on the Navajo Nation.

Mike Nelson owns three Ace Hardware stores on the Navajo Nation and said his endeavors are doing good business. Yet in hindsight, he said, creating legislation to support 'buying Navajo' would have been extremely helpful in facilitating business contracts with the Navajo government.

"I've tried for years to get contracts with the Navajo government and it's a difficult thing to change," he said. "For a Navajo business to succeed, each division director needs to be cognizant of using the private sector and how their business can develop the private sector."

Nelson said the way the government does business needs to change.

"We have to support our own people, instead of making millionaires in Gallup."

Romero Brown started and owns the Denny's restaurant in Chinle. Brown also said the culture of tribal procurement and process for developing small business needs to be changed. He also believes the 'reservation is ripe for economic development'.

Brown said much of the problem in starting a new business on the reservation lies within getting a lease.

"Our people want to come home and start a business but it's hard to get a lease," he said. "The land is a problem. Sometimes we are our worst enemy. Tribal government needs to implement a master plan. To say we're sovereign, we need to have our own bank. We need to streamline the business lease process."

Brown also said the Nation needs proper infrastructure to adequately foster business.



Vice President Jonathan Nez said the local economy lacks financial support from tribal members as many spend their paychecks in border towns.

"Home Depot considered coming to the reservation but the water lines were not adequate," he said. "We need market value on Navajo business so that people will want to come on the reservation."

President Begaye agreed that the Nation needs to start a bank.

"We need to take over our financial institution," he said. "We are positioning ourselves to be a strategy-run nation. We will continue this dialogue and lean on the experience that you, the Economic Council of Advisors, have gained."

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