

Minnesota Latino Nonprofit Economy Report

A summary of the size, scope and impact of nonprofit organizations in Minnesota that serve and are run by members of the Latino community.



Photo courtesy of Nancy Conroy



Introduction

In 2000, the Minnesota Council of Nonprofits (MCN) and Hispanic Advocacy and Community Empowerment through Research (HACER) undertook a research study of Latino nonprofits in Minnesota to address a gap of information regarding the number and type of nonprofits that served the Latino community. The result was the first Latino Nonprofit Economy Report, published in September 2000.

This report is an update of the previous one, and provides a picture of the state of Minnesota's Latino nonprofit organizations by size, location, types of services and funding sources. The report is also designed to examine the impact the nonprofit sector has on Latino communities.

Overall, the Latino population in Minnesota has grown from 132,300 in 2000 to 214,036 in 2008 (U.S. Census Bureau). This is a growth of 62 percent, a slower growth rate than reported in the previous Latino Nonprofit Economy Report in which the Latino population grew 143 percent from 54,290 to 132,300 between 1990 and 2000. These numbers most likely underestimate the actual numbers of the Latino population, since they do not include seasonal and migrant workers who reside in Minnesota.

Latino nonprofit organizations have grown in the past eight years but not at the same rate as the Latino population. In 2000, 82 Latino nonprofits were identified using two directories - the Chicano Latino Affairs Council's "Bilingual Directory" and the Center for Urban and Regional Affairs' "Directory of Nonprofit Organizations of Color in Minnesota." For this report, 120 nonprofits were identified and asked to participate in the research survey. This is a growth rate of 47 percent for the years between 2000 and 2008. It was in 2008 that the recession hit the United States and impacted nonprofits across the country. All three sources of giving (government, foundations and individual contributions) were simultaneously affected and all pulled back on their contributions to nonprofits. Latino nonprofits were not immune to this and many have struggled to remain operational in the past couple years. The impact of this recession on Latino nonprofits will continue to be studied.

The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 2,000 Minnesota nonprofit organizations. Through its Web site, publications, workshops and events, cost-saving programs, and advocacy, MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

Hispanic Advocacy and Community Empowerment through Research (HACER) is a nonprofit, community-based research organization housed within the University of Minnesota's Center for Urban and Regional Affairs (CURA). HACER provides the Minnesota Latino community the ability to create and control information about itself in order to affect institutional decisions and public policy.

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Executive Summary

This report provides an overview of nonprofit organizations that serve the Latino community in Minnesota. The data was collected through a survey that was sent to 120 organizations. The organizations are categorized by size, location, types of services provided and funding sources.

Principal findings

- Fourteen percent of the organizations that responded to the survey were founded between 2001 and 2008.
- 1,278 people are employed by Latino nonprofits as either full-time or part-time employees. The median Latino organization had 7.5 full time staff, 2 part time staff, 30 volunteers and 11 board members.
- Latino organizations provide services in multiple activity areas; the main ones are health and human services related, crime related and legal and education related.
- Together, all responding organizations have a total operating budget of \$44,784,549. Seventy-five percent of organizations rely on grants as their largest source of revenue. In comparison, only 20 percent of all nonprofits in Minnesota reported grants as their largest source of revenue in the December 2009 *Current Conditions Report*. Eighty-six percent of respondents report personnel costs as their highest expenditure, this is similar to the general population for the sector.



Photo courtesy of Mark Hardy

Survey Results



Photo courtesy of Mark Hardy

Types of Latino Nonprofit Organizations

The previous report written in 2000 on this subject split Latino nonprofits into the following four categories:

1. Formal Latino organizations
2. Informal Latino nonprofits
3. Latino programs housed in nonprofit organizations
4. Nonprofits with programs directed to Latin American countries

A “Formal Latino organization” was defined as an organization whose primary mission is to provide services to the Latino community in Minnesota, whose organizational structure includes a board of directors and committees, and who are registered as a charitable organization with the Attorney General’s office. “Informal Latino nonprofits” have the similar goal of providing services to the Latino community in Minnesota, but their structure is primarily grassroots and may include fewer staff members and a lower budget.

“Special Latino Programs” were defined as serving the Latino population but were housed within organizations whose overall mission was to serve the general public, rather than the Latino community specifically.

“Latin American focused organizations” were nonprofits whose missions focused their work on Latinos in Latin American countries. This category in particular could include formal or informal organizations.

This report does not follow these same categories, as it was found that the previous categories had some overlapping in terms of definitions of organization type.

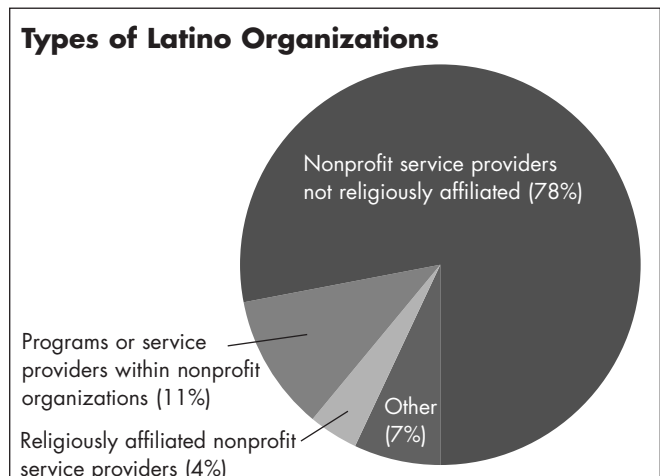
This report uses the following distinctions:

1. Nonprofit service provider, religious affiliate
2. Nonprofit service provider, secular
3. Program or service provider, within a nonprofit organization

A nonprofit service provider that is religiously affiliated is defined as an organization whose mission is not profit-driven, while the organization is connected to a larger religious organization. In some cases, the religious organization may act as the fiscal agent for the nonprofit organization. Alternatively, a secular nonprofit service provider has no religious connections, and does not have a religious organization as act as their fiscal agent.

Programs or service providers within nonprofit organizations are not considered organizations on their own. They provide programs or services specifically to the Latino community, while the nonprofit organization that houses the program is not a Latino-specific organization.

Over three fourths of the respondents to the survey were nonprofit service providers who are not affiliated with a religious organization, or secular nonprofit service providers. Eleven percent of respondents were programs or service providers within nonprofit organizations, four percent were religiously affiliated nonprofit service providers, while seven percent of organizations identified themselves in the other category. These results show that nonprofit service providers who are religiously affiliated are in the minority in Latino nonprofits in Minnesota, while the great majority of the respondents were not affiliated with any religious organization.



Survey Results

Year of Formation of Latino Organizations

The highest percentage, thirty-two percent, of organizations were founded during the 1990's, listing their year of formation between 1991 and 2000. The oldest organization reported its founding date as between the years 1890 and 1900. Only 14 percent of organizations reported founding dates between 2001 and 2008. Within the context of this survey, it appears that the founding of Latino nonprofits has declined after 2000. The years 1971-1980 and 1981-1990 were moderate in terms of nonprofit founding, with 14 and 21 percent of organizations being founded during those years, respectively.

Services provided by Latino Organizations

Most survey respondents (79 percent) provide a combination of services to the Latino community. Of these, forty-eight percent include human services as one of the main areas. The remaining twenty-one percent of respondents reported only one main service area (crime/legal, education, or health).

The organizations were asked to define their purpose using categories that mirror the National Taxonomy of Exempt Entities (NTEE) Codes. These categories were shifted from those used in the previous report to ensure that they were mutually exclusive and unique.

A majority of the organizations, 66 percent, do not charge a fee for any of the services they provide. One organization specified that the fees charged for services are based on a sliding scale. Some organizations reported that a fee is charged only for certain services they provide. Of those nonprofits that charged for services, the categories of services charged for were health services, education and employment services, and legal services.

The number of Latinos served by these organizations is quite high. Including the organizations that reported their scope to be international, approximately 300,000 Latinos benefit from the services of the nonprofits surveyed.

Purpose of responding organization	Example of responding organization
Arts	No arts organizations replied to survey
Civil Rights/Social Action	Heartland Community Action Agency, Inc.
Community Improvement, Capacity Building & Economic Development	Centro Campesino, Inc.
Crime/Legal	Immigrant Law Center of MN
Education	Aurora Charter School
Employment/Jobs	Hispanic Chamber of Commerce
Environment	None provide direct service related to environment
Food, Agriculture, Nutrition	Main Street Project
Health	West Side Community Health Services
Housing/Shelter	Chicano Latino Affairs Council
Human Services	Comunidades Latinas Unidas en Servicio (CLUES)
International	Resource Center of the Americas
Philanthropy & Volunteers	National Society of Hispanic MBAs
Public Safety	LA-MANO, Inc.
Recreation/Sports	Guatemalan Society of Minnesota
Youth Development	Centro Latino de Carreras Profesionales

Survey Results

Locations of Latino Organizations

A great majority of the respondents to the survey are located in the Twin Cities, with 66 percent of respondents to this question reporting addresses in either Minneapolis or St. Paul. An even greater majority, 79 percent, of the organizations were located within the metropolitan area comprised of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The remaining 21 percent of organizations were located in greater Minnesota, with all of those listing locations in cities with populations over 10,000 people. These findings indicate most Latino nonprofits will be located in the Twin Cities metro area while Latino nonprofits in rural areas are limited.

The services provided by nonprofits participating in this study have a very broad geographic area of influence.

- Twenty-seven organizations reported information on the geographic scope of their operations.
- Seven percent of organizations reported their scope as international, while another seven percent reported a nationwide scope.
- The remaining 85 percent of organizations felt their services affect the state of Minnesota on some level. Of these organizations, 39 percent focused their efforts on the metropolitan area, or specifically Hennepin or Ramsey County (nine percent).

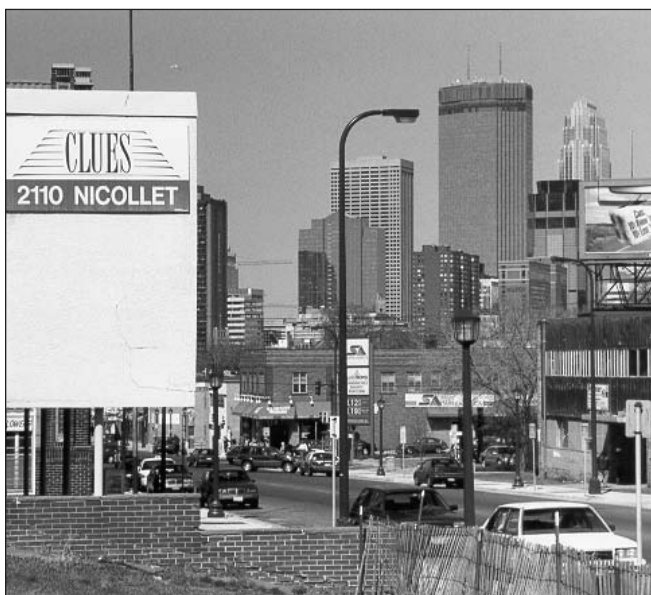


Photo courtesy of Mark Hardy

Staffing of Latino Organizations

The range in number of employees at Latino nonprofits is large.

- Sixty-seven percent had less than 15 full-time employees, while the remaining 33 percent had between 30 and 155 full-time employees. The smallest organization had no full-time employees, and the largest organization had 153. The mean Latino organization had 7.5 full-time staff members.
- The largest number of part-time employees reported by an organization was 250, and the smallest zero. Twenty-three percent of the organizations reported no part-time employees, while 59 percent had less than four. The remaining organizations ranged from four part-time employees to 250.
- The largest board of directors had 26 members, and the smallest had four members. Most of the organizations, 83 percent, had between four and 15 board members, with the average number of board members being 11 per organization.

The survey respondents had a very wide range of volunteer support, with numbers of volunteers ranging from none to almost 4,000. Only 10 percent of organizations reported having no volunteers, and the next smallest number of volunteers was 11. Seventy-one percent of organizations reported having up to 100 volunteers, while the remaining 29 percent had between 100 and 3,878 volunteers. These results demonstrate the importance of volunteers for Latino nonprofits. Even those organizations with a smaller scale operation rely on multiple volunteers to deliver their services.

Using information from the IRS 990 form, the mean number of employees reported by Latino nonprofits decreased from 85 in 2006 to 80 in 2007 and 22 in 2008. The maximum number of employees reported being 500 in 2006 and 2007, and 37 in 2008 likely distorts this mean calculation. At the time of data collection, many organizations had not yet submitted their 990 forms for 2008, limiting the number of forms that were included in the data set. The organizations for which the 990 was available was greater in 2006 than 2007, which can be attributed to the closing or restructuring of some organizations.

Survey Results

Major Sources of Funding for Latino Organizations

The results of this survey clearly show the importance of grants for Latino nonprofits. The majority of nonprofits surveyed rely mostly on grants for their funding, with 75 percent of the organizations reporting grants to be a major part of their financial structure. Of those organizations, 42 percent rely specifically on government-funded grants. Six percent relied most on individual contributions, and another six percent on dues. The other remaining 13 percent relied on government contracts as the main source of their revenue.

The information on the IRS 990 regarding nonprofit revenue and assets was limited for 2008 due many forms not having been filed at the time of data collection. Therefore, data analysis was conducted using the 2006 and 2007 numbers. Between those two years, the mean total revenue increased from \$3,793,278 to \$4,272,066. This average does not show the wide range in sizes of nonprofits, with the range in total revenue from the smallest to the largest organization being \$31,285,624 for 2006 and \$36,261,490 for 2007. From 2006 to 2007 the mean total assets increased from \$4,588,675 to \$5,763,435, with the range being \$66,046,684 and \$69,207,371 for 2006 and 2007, respectively.

Major Areas of Expenses for Latino Organizations

A majority of organizations, 86 percent, had payroll as their highest expense, with the other 14 percent spending the most on grants and allocations to other organizations or entities.

As has been stated in the previous section, the information on the IRS 990 regarding nonprofit expenses and liabilities was limited for 2008 due to timing of data collection, so analysis was only conducted on the 2006 and 2007 numbers. From 2006 to 2007, the mean total expenses increased slightly from \$3,890,627 to \$4,002,686 and the mean total liabilities increased even less from \$1,518,443 to \$1,544,860. These data show that between the two years studied, the average expenses for Latino nonprofit organizations were fairly stable. When compared to the greater increases in total revenue and total assets, it appears that the organizations are doing well.



Photo courtesy of Mark Hardy

Conclusions

The nonprofit organizations that serve the Latino community in Minnesota can be compared in many ways. This report used size, location, services provided, and funding sources to categorize the organizations that responded to the survey.

The Latino nonprofits have a broad impact, both in number of people served and in types of services provided. Minnesota Latino nonprofits play an important role in the sector and have a positive impact on the Latino community. The number of nonprofits serving Latinos in Minnesota has increased since the last report in 2000 but not at the same rate as the Latino population has grown. The current economic climate will make it challenging for new Latino nonprofits to emerge and for the existing ones to continue to thrive. This is consistent with what the entire nonprofit sector is experiencing in Minnesota and not unique to Latino organizations. Nonprofits are struggling to find sources of revenue as individual contributions, grants from foundations and government grants are all seeing downward trends. The lack of resources hinders the emergence of new nonprofits despite the growing need for the services provided from these. The impact of this recession will be studied in future reports.

Key findings:

- Most respondents were not religiously affiliated, and operated as unique nonprofits rather than programs within another nonprofit.
- Fourteen percent of responding Latino nonprofits were founded since the last reporting 2000.
- Respondents to this survey centered in the Twin Cities metro area, with some focusing on that same geographic area with services provided, while other maintained a global focus
- Services provided were focused around human services, although most organizations provide a combination of services
- Most organizations do not charge a fee for the services they provide, and the number of Latinos who benefit from these organizations is around 50,000 in and near the state of Minnesota
- Most of the nonprofits are small in scale, with the median organization having 7.5 full time employees, 2 part time employees, 11 board members, and 30 volunteers.
- Grants are crucial for Latino nonprofits, and payroll was the highest expense for most.

Acknowledgements

The Minnesota Council of Nonprofits (MCN) and Hispanic Advocacy and Community Empowerment through Research (HACER) wish to thank the individuals and organization who participated in the survey (see attached list in the appendix). Thank you also to the Center for Urban and Regional Affairs (CURA) for their support through a grant that allowed us to hire a research assistant for this project.

Methodology

The list of potential respondents was compiled using the list from the previous survey in 2000 as the base, and additions were found using the Chicano Latino Affairs Council Directory, as well as a directory of nonprofits serving populations of color that was published by the Center for Urban and Regional Affairs.

The survey was originally created in a paper form, with consultation from a researcher at MCN. The questions were designed to mirror the previous survey, as well as coordinate with the surveys done by MCN with nonprofits serving the Somali and Asian and Pacific Islander communities.

Once the survey was created in a paper version, it was also designed as an online survey. The format of some questions was changed to fit the online design, but the content and response options were maintained for all questions.

The paper survey was mailed on August 8, 2008 to the list of 120 potential respondents with a bilingual (Spanish/English) cover letter explaining the goals of the survey and a postage paid response envelope. In the letter, respondents were told about the online option to completing the survey.

The survey period was initially scheduled to be closed on August 22, but was extended. The eventual closing of the survey period was on October 22, 2008.

For surveys that were returned to sender, an alternate address was determined so the survey could be re-sent. The survey was re-sent to potential respondents twice. In some cases, alternate addresses could not be found. All available phone numbers linked to the nonprofits were contacted via telephone twice in the case of an unanswered number or message that was not responded to. The efforts in contacting the organizations lead to some responses to the survey, some necessity of re-sending the survey, and some verification of nonprofits no longer at the listed number.

Site visits were conducted for the nonprofits that had not responded by phone or mail. These visits resulted in some responses, as well as some verification of nonprofits no longer being located at the given address.

Organizations were assumed to be defunct if they were not at the listed location, they could not be reached via phone, email, or mail, and there was no record on the Internet providing information that could reach the nonprofit.

Survey results from both paper and online versions were compiled for data analysis.

Directory

The following organizations were contacted about the survey. The asterisk (*) indicate that organization was included in the survey responses.

Academia Cesar Chavez* St. Paul	Casa Guadalupe St. Paul	Comunidades Latinas Unidas en Servicio* St. Paul	Guatemalan Society of Minnesota* Roseville
ACENTOS Minneapolis	Casa Guadalupe (Church of St. Boniface) Cold Spring	Contacto Latino Marshall	HACER* Minneapolis
Adelante Cultural Center Duluth	Centro Minneapolis	Create Minneapolis	Headwaters Foundation for Justice Minneapolis
Adelante Project Mendota Heights	Centro Campesino* Owatonna	Cristo El Redentor (Iglesia Luterana) St. Paul	Headwaters International Minneapolis
The Advocates for Human Rights* Minneapolis	Centro Cultural de Fargo/Moorhead Moorhead	Discapacitados Abriendose Caminos South St. Paul	Heartland Community Action Agency, Inc.* Willmar
Alliance of Chicanos, Hispanics, and Latin Americans (ACHLA) Rochester	Centro de Salud Minneapolis	Ecuadorianos en Minnesota St. Paul	Highland Mac-Groveland Family Center (now Neighborhood House West) St. Paul
Amazonas Minneapolis Minneapolis	Centro Latino de Carreras Profesionales* Edina	El Arco Iris Center for the Arts St. Paul	Hispanic Academic Support Systems (HASS) St. Paul
Amigos de las Americas Minneapolis	Centro Legal, Inc.* St. Paul	El Colegio Charter School Minneapolis	Hispanic Battered Women's/Children's Program Crookston
ARC Greater Twin Cities* St. Paul	Chicano Latino Affairs Council* St. Paul	El Fondo de Nuestra Comunidad of the St. Paul Foundation St. Paul	Hispanic Chamber of Commerce of Minnesota* Minneapolis
Archdiocese of St. Paul and Minneapolis St. Paul	Chicano Latino American Student Association Mankato	Esperanza Para Mujeres Gaylord	Hispanic Health Network Minneapolis
Asociacion de Bolivianos en Minnesota Minneapolis	Chicano Latino Employment Opportunities St. Paul	Faith Temple St. Paul	Hispanic Mathematical Association of Minnesota C/O St. Paul Technical College Golden Valley
Aurora Charter School* Minneapolis	Chicano Latino Learning Resource Center Minneapolis	First Step Willmar	Hispanic Ministry Coordinating Team (Archdiocese of Mpls/St. Paul) St. Paul
Aztlán Cultural Organization Sturgeon Lake	Chicano Latino Youth Leadership Institute (Gustavus Adolphus College) St. Peter	Fountain Centers Albert Lea	Hispanic Orphans Project for Education St. Paul
Baker Community Center St. Paul	Children's Home Society of Minnesota St. Paul	Fraternidad Cultural Mejicana Forest Lake	Hispanic Pre-College Project St. Paul
Bethel Spanish Baptist Church Sunfish Lake	Chilean American Society Minneapolis	Guadalupe Alternative Program St. Paul	
BIHA Minneapolis	The Columbia Support Group of Minnesota Minneapolis	Guadalupe Project* Moorhead	
Casa de Esperanza St. Paul			

Directory

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Hispanos En Minnesota St. Paul	La Victoria/Urban Ventures Leadership Foundation Minneapolis	Minnesota OIC State Council St. Paul	Project SUCCESS Minneapolis
Hispanos en Minnesota Willmar Willmar	Las Hermanas St. Paul	Mira Gallery Minneapolis	Puerto Rican Cultural Club St. Paul
Hmong and Chicano/Latino Education Enrichment Program St. Paul	LatinoCreative.com Minneapolis	Motivation, Education and Training (MET) Moorhead	Red de Proteccion Winona
Iglesia de Dios Pentecostal M.I. Rosa de Saron St. Paul	Latino Economic Development Center* Minneapolis	Mujeres Latinas en Accion Minneapolis	Resource Center of the Americas* Minneapolis
Immigrant Law Center of Minnesota (Oficina Legal)* St. Paul	Longfellow-Seward Way to Grow Minneapolis	Mujeres Unidas Moorhead	Riverview Economic Development Association* St. Paul
Instituto de Arte y Cultura Minneapolis	Main Street Project, The (Raices Project)* Minneapolis	National Society of Hispanic MBAs (Mpls-St. Paul Chapter)* Minneapolis	Sagrado Corazon de Jesus Minneapolis
La Escuelita Minneapolis	Mano a Mano International Partners* Mendota Heights	Neighborhood House* St. Paul	Saludando Salud (Region 9 Development Commission) Mankato
La Familia Guidance Center* St. Paul	Midwest Migrant Education Resource Center (MMERC, part of Hamline University)* St. Paul	Neighborhood Service Center Waseca	Society of Hispanic Professional Engineers Mankato
La Iglesia Todos Los Santos Minneapolis	Migrant Health Service, Inc.* Moorhead	Our Lady of Guadalupe Church St. Paul	Society of Our Lady of Guadalupe St. Paul
LA-MANO (Latin American-Mexican American Association for Networking and Opportunity, Inc)* Mankato	Migrant Legal Services (now Southern Minnesota Regional Legal Services)* St. Paul	Partnership Academy Charter School Richfield	St. Catherine Adelante Latina Program St. Paul
La Oportunidad, Inc Minneapolis	Minnesota Hispanic Aids Partnership Minneapolis	Persona Hispana Minneapolis	Teatro del Pueblo, Inc. St. Paul
La Prensa de Minnesota, Latino Communications Network Minneapolis	Minnesota Hispanic Bar Association St. Paul	Peruvian Association of Minnesota Golden Valley	United Migrant Opportunity Services (UMOS)* St. Cloud
La Puerta Abierta United Methodist Church St. Paul	Minnesota Hispanic Business Institute Columbia Heights	Philips Community Initiatives for Children Minneapolis	West Side Community Health Services, Inc. (La Clinica)* St. Paul
La Raza Student Cultural Center Minneapolis	Minnesota Hispanic Education Program St. Paul	Pillsbury House Minneapolis	
		Plainview Migrant Council Plainview	
		Primera Iglesia Evangelica Bautista Minneapolis	



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