

# Minnesota Nonprofit Economy Report



**2005**



An annual study that describes the role and input of nonprofit organizations in Minnesota's economy, with a statewide and regional analysis.

### Using this Report

Like every other industry in the United States, nonprofit organizations benefit from current economic performance information. For ten years, the *Minnesota Nonprofit Economy Report* has offered the most comprehensive and continuous set of economic information on the nonprofit sector of any state in the country. Minnesota ranks at or near the top in virtually every measure of nonprofit and philanthropic activity. This success is due to substantial donations of time and finances by the people of Minnesota, generous support from Minnesota's business community, and strong partnerships with state and local governments.

The *Minnesota Nonprofit Economy Report*, together with the *Minnesota Salary and Benefits Survey* and other reports published by the Minnesota Council of Nonprofits, have important uses for five distinct audiences:

- **Managers of nonprofit organizations:** planning budgets, strategizing revenue streams, and identifying potential partnerships
- **Nonprofit boards of directors:** developing strategic plans, conducting board trainings, and evaluating staffing and compensation plans
- **Government officials:** understanding partnership capacity and funding streams of the nonprofit sector
- **Donors to nonprofits:** understanding the sources of support and nature of expenditures of nonprofit organizations
- **Economic and community development planners:** incorporating nonprofit employment trends into economic development plans and understanding regional differences and local economies

The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 1,500 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.

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# 2005 Minnesota Nonprofit Economy Report

## Executive Summary

The *Minnesota Nonprofit Economy Report* is an annual study by the Minnesota Council of Nonprofits that describes the role of nonprofit organizations in Minnesota's economy by analyzing nonprofit employment, wage, and financial data. This year's report uses data from 2004, the most current information available.

### Nonprofit Organizations

Between 2003 and 2004, the number of nonprofits with employees in Minnesota increased by almost 80 organizations to 4,818, nearly a 2% increase. This was slightly stronger growth than the state has experienced in recent years.

A majority of nonprofit employers are located in the seven-county Twin Cities metro area. And a majority of nonprofit organizations in our state are engaged in delivering health care and human services.

There are a substantial number of nonprofits in the state, however, that operate without any paid staff. In 2004, there were over 5,900 organizations in Minnesota that reported a minimal level of financial activity, generally more than \$25,000 for the year.

### Nonprofit Employment

Nonprofit employment in the state has experienced strong and sustained growth since the late 1980s. Even after the 2001 recession and during the slow economic recovery that followed, nonprofit employment continued to increase, while total employment in the state actually declined.

In 2004, however, nonprofit employment in the state increased by less than 1% from the previous year, the slowest growth the sector has experienced since the mid-1980s. Nevertheless, there were still well over 250,000 nonprofit employees in the state, accounting for 9.8% of the state's total workforce in 2004.

Almost two-thirds of nonprofit employees in Minnesota work in health care. With increases of more than 3% per year for the last few years, it was growth in health care employment that helped sustain overall employment growth in the sector during difficult economic times. However, between 2003 and 2004, nonprofit employment in health care increased by less than 1%. This slowdown in health care employment is a concern for the nonprofit sector.

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### Nonprofit Wages

In 2004, nonprofits in the state paid \$9.3 billion in wages to their employees. However, the statewide average weekly wage for nonprofit employees (\$704) continued to lag behind the average wage for both government (\$756) and for-profit (\$790) employees. This may be due, in part, to a large number of part-time employees in the nonprofit workforce.

A closer look reveals that the median hourly wage for a full-time nonprofit employee was generally competitive with the median wage for government and for-profit employees in the same industry. Furthermore, in nearly every industry examined, the median wage for a full-time nonprofit employee was sufficient to support a family of four in that region (two adults working full-time, two children).

### Nonprofit Finances

Statewide, nonprofits in Minnesota reported \$23.8 billion in revenues and \$22.4 billion expenditures for the most recently completed fiscal year.

However, two key sources of nonprofit revenue — charitable contributions and government funding — are under pressure. Natural disasters in our country and around the world continue to attract substantial levels of charitable contributions. And recent budget pressures have led to reductions in grants and contracts to nonprofit organizations at the local, state, and federal levels of government in some service areas.

The potential vulnerability to these budget pressures varies among organizations. Smaller nonprofits are more reliant on charitable contributions, whereas larger organizations tend to rely more heavily on program service revenue, which includes government fees and contracts.

Similarly, health care and human service organizations are potentially more vulnerable to reductions in government funding. Other nonprofits — such as arts and environmental organizations — generally rely more on charitable donations, including corporate and foundation grants.



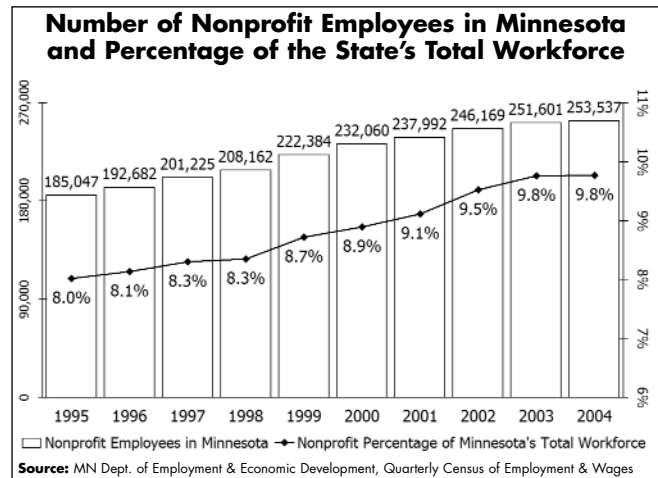
## Statewide Analysis

**Statewide Overview:** The nonprofit sector in Minnesota continued to expand in 2004, with an increase in both the number of nonprofit employers and the size of the nonprofit workforce. However, growth in nonprofit employment, which averaged almost 4% per year for the last decade, slowed significantly in 2004. Nonprofit activity in the state is clearly centered in the seven-county Twin Cities metro area, but the counties of Olmsted (with the city of Rochester), St. Louis (Duluth), and Stearns (St. Cloud) also had a significant nonprofit presence in 2004. The majority of nonprofit employers and employees in the state were engaged in delivering health care and human services.



- In 2004, there were 4,818 nonprofit organizations with at least one employee in Minnesota. This was almost a 2% increase from the previous year.
- The majority of nonprofit employers, 51%, were located in the seven-county Twin Cities metro area in 2004. Northwest Minnesota had the second largest concentration of nonprofits with employees with 13%. The remainder of nonprofit employers were spread evenly throughout the rest of the state with 9% in the Southeast, 9% in the Southwest, 8% in Central Minnesota, and 8% in the Northeast. A definition of the counties included in these regions is provided in the regional profiles that follow.
- There were only small changes in the number of nonprofit employers in the six regions of the state. The Twin Cities experienced the strongest percentage growth, with a nearly 3% increase between 2003 and 2004, while the Northeast experienced the largest percentage decrease, with a 1% decline.

- In 2004, nonprofit employees accounted for 9.8% of the state's total workforce, which was unchanged from the previous year.
- Over the last ten years, nonprofit employment in the state increased an average of nearly 4% a year, while total employment in the state increased about 2% per year. Growth in nonprofit employment leveled off in 2004, but still kept pace with the minimal percentage increase in total employment in the state.
- The distribution of nonprofit employees in the state differed slightly from the distribution of nonprofit employers. In 2004, 52% of the nonprofit workforce was located in the Twin Cities, 18% in the Southeast, 9% in the Northwest, 8% in Central Minnesota, 7% in the Northeast, and 6% in the Southwest.
- Nonprofit employment in these regions experienced only minimal growth between 2003 and 2004, with percentage increases ranging from 0.2% in the Southeast to 1.9% in the Northeast.





## Statewide Analysis

### Nonprofit Organizations, Employers, and Employment by Activity Area in 2004

Activity Area	% of Nonprofit Organizations	% of Nonprofit Employers	% of Nonprofit Employees
Human Services	39%	42%	16%
Health	15%	25%	66%
Education	13%	9%	10%
Public, Societal Benefit	12%	10%	4%
Arts, Culture, and Humanities	11%	6%	2%
Religion-Related and Spiritual Development	4%	4%	1%
Environment and Animals	4%	2%	1%
International and Foreign Affairs	2%	1%	<1%
Mutual/Membership Benefit	1%	1%	1%

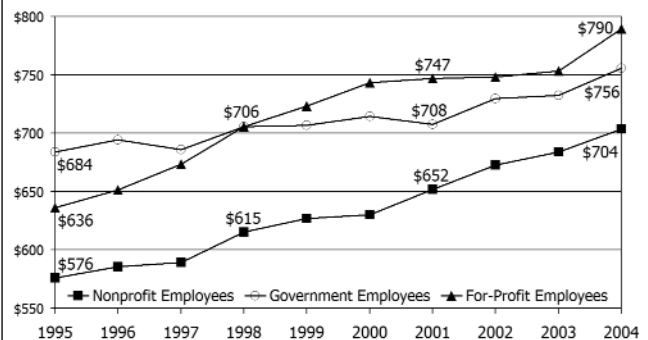
**Source:** Minnesota Attorney General's Office, Charities Division and the MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages.

Notes: The columns may not add up to 100% due to rounding. For the purposes of this table and the analysis on this page, nonprofit employers and employees were recategorized from the NAICS classification system to match the NTEE classification system commonly used to categorize nonprofit organizations. A description of some of the major activity areas in the NTEE classification system is included on Page 5. More information on the NTEE and NAICS classification systems is available in Appendix B.

- In 2004, the greatest percentage of nonprofit organizations in the state were involved in delivering human services, including 42% of nonprofit employers and 39% of financially active charitable organizations in the state. However, human service organizations have fewer employees on average, and so employed only 16% of the nonprofit workforce in Minnesota.
- Health care, which includes hospitals, accounted for another 15% of financially active nonprofit organizations in Minnesota and 25% of the state's nonprofit employers. Health care organizations, however, employed two out of three nonprofit employees in the state.
- Although arts, culture, and humanities organizations accounted for only about 6% of nonprofit employers and 2% of nonprofit employment in the state, this same category accounted for closer to 11% of financially active nonprofit organizations in the state, which included organizations without any paid employees.

- Nonprofit employers in Minnesota paid \$9.3 billion in wages to their employees in 2004. After adjusting for inflation, this represented a nearly 4% increase in the total nonprofit payroll from 2003. The nonprofit sector accounted for 9% of all wages paid in the state in 2004.
- Nonprofit average weekly wages in the state continue to lag behind both government and for-profit wages. In 2004, the average weekly wage for nonprofit employees was \$704, while the average wage for government employees was \$756 and \$790 for for-profit employees.
- In some regions of the state, however, the average weekly wage for nonprofit employees surpassed both government and for-profit employees in 2004. This was true in both Northeast and Southeast Minnesota, two regions where the higher paying health care industry is particularly dominant.
- Nonprofit wages, however, are more competitive than the averages suggest. Across the state, the median hourly wage for a full-time nonprofit employee in a given industry often exceeded the median hourly wage for a full-time government or for-profit employee working in the same industry. In most cases, the median hourly wage for a nonprofit employee was also sufficient to support the basic needs of a family of four in that region.

### Average Weekly Wages in Minnesota by Sector (in constant 2004 dollars)

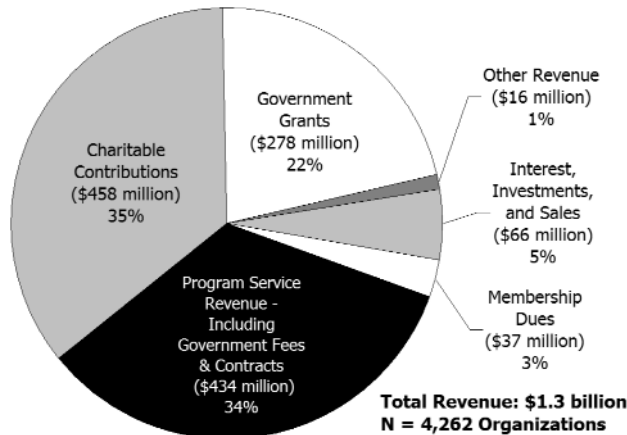


**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



## Statewide Analysis

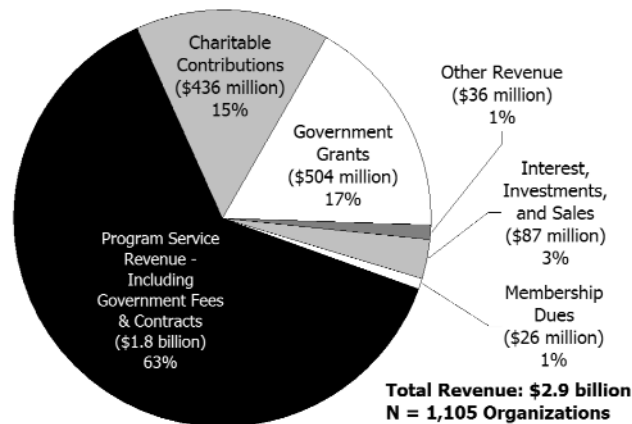
### Revenue Sources for Small Nonprofits (assets under \$1 million)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

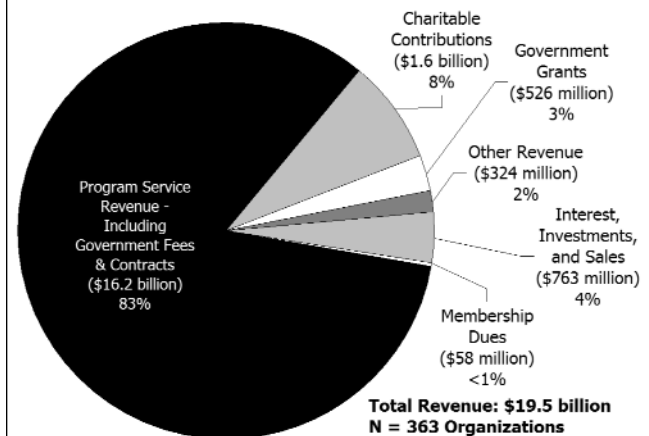
- Nonprofit organizations in Minnesota receive their revenues from four main sources: charitable contributions (which includes corporate and foundation grants), government grants, program service revenue (which includes government fees and contracts), and returns from investments, sales, and special events.
- The mix of nonprofit revenues, however, varies based on the organization's size, with small organizations more reliant on charitable contributions and government grants and larger organizations reporting a higher percentage of earned income (which includes government fees and contracts). The mix of revenues also varies depending on the organization's activity area.
- The Charities Review Council of Minnesota recommends that nonprofits spend at least 70% of their total annual expenses on programs services and no more than 30% on management and fundraising. In 2004, Minnesota nonprofits as a sector exceeded these recommendations, spending 87% of their revenues on program services and only 13% on management and fundraising. These percentages did not vary significantly by the size of the organization.

### Revenue Sources for Medium-Sized Nonprofits (assets from \$1 - \$10 million)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

### Revenue Sources for Large Nonprofits (assets over \$10 million)



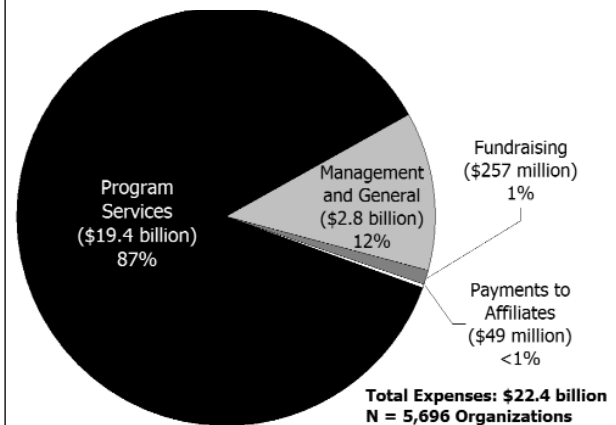
Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.



## Statewide Analysis

- Health organizations in Minnesota reported \$16.9 billion in revenues for the most recent fiscal year: 91% from program service revenue, 4% from charitable contributions, 2% from government grants, and 2% from interest, investments, and sales. These organizations reported \$16.1 billion in expenses: 87% for program services, 13% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in Minnesota reported \$3.1 billion in revenues: 51% from program service revenue, 21% from charitable contributions, 20% from government grants, and 4% from interest, investments, and sales. These organizations reported \$3.0 billion in expenses: 87% for program services, 10% for management and general expenses, and 2% for fundraising.
- Educational organizations in the state reported \$2.4 billion in revenues: 58% from program service revenue, 21% from charitable contributions, 13% from interest, investments, and sales, and 7% from government grants. These organizations reported \$2.1 billion in expenses: 85% for program services, 11% for management and general expenses, and 3% for fundraising.
- Arts, culture, and humanities organizations in Minnesota reported \$558 million in revenues: 45% from charitable contributions, 30% from program service revenue, 12% from interest, investments, and sales, and 10% from government grants. These organizations reported \$471 million in expenses: 80% for program services, 13% for management and general expenses, and 7% for fundraising.
- Environmental and animal-related organizations in the state reported \$114 million in revenues: 41% from charitable contributions, 25% from program services, 15% from interest, investments, and sales, and 13% from government grants. These organizations reported \$115 million in expenses: 84% for program services, 11% for management and general expenses, and 5% for fundraising.
- In 2004, 42% of nonprofits in the state reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues, which was down slightly from 44% reporting a deficit in 2003.

### Expenditures by Nonprofit Organizations Located in Minnesota



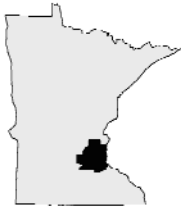
Source: Minnesota Attorney General's Office, Charities Division

Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

### Classifying Nonprofits by Industry or Activity Area

This report uses two methods of classifying nonprofit organizations. Nonprofit employers, employees, and wages are classified using the North American Industry Classification System (NAICS), which is described in detail in Appendix A. Nonprofit financial information is classified using the National Taxonomy of Exempt Entities (NTEE) classification system. The five main activity areas of the NTEE system used in this report are described below.

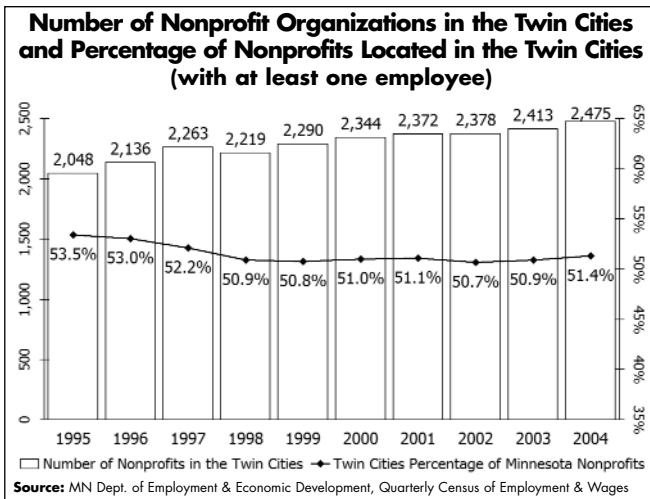
- **Health:** activities include, but are not limited to, hospitals, ambulatory health care, rehabilitative care, public health, nursing care, mental health treatment, substance abuse prevention and treatment, and medical research.
- **Human Services:** activities include, but are not limited to, crime prevention and rehabilitation, abuse prevention, legal services, vocational counseling and rehabilitation, food programs, housing and shelter, disaster preparedness and relief, recreation and sports, youth development, children and youth services, emergency assistance, and centers for specific populations.
- **Education:** activities include, but are not limited to, elementary and secondary schools, vocational and technical schools, higher education, adult education, libraries, educational services, and student services.
- **Arts, Culture, and Humanities:** activities include, but are not limited to, arts education, media and communications, visual arts, museums, performing arts, and historical preservation.
- **Environmental and Animal-Related:** activities include, but are not limited to, natural resources conservation and protection, pollution abatement and control, horticulture, animal protection and welfare, wildlife preservation, veterinary services, and zoos and aquariums.



# Twin Cities Metro Area Analysis

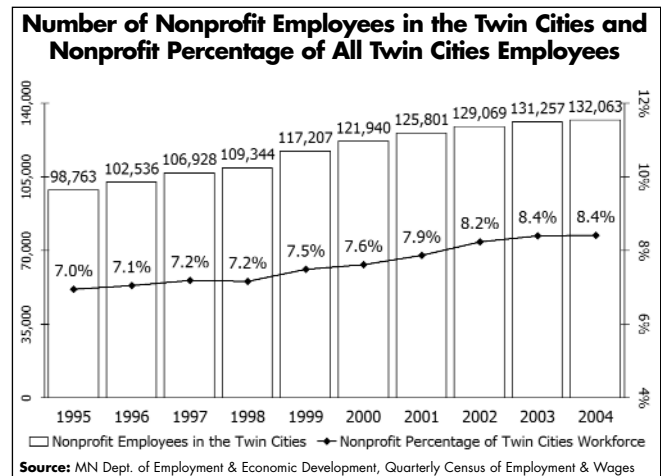
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

**Overview:** With nearly 2,500 nonprofit employers and over 130,000 nonprofit employees, the seven-county Twin Cities metro was home to a majority of the state's nonprofit activity in 2004. Hennepin and Ramsey Counties alone accounted for 42% of all nonprofit employers and 44% of all nonprofit employees in the state. Nonprofit employment in the Twin Cities, however, increased by less than 1% between 2003 and 2004 after growing an average of 4% a year between 1993 and 2003. Nonprofits in the region reported significant financial activity in 2004, with \$14.8 billion in revenues, \$14.0 billion in expenditures, and paying \$5.0 billion in wages to their employees.



- Growth in the region's nonprofit workforce has been leveling off since 2001. Nonprofit employment in the Twin Cities increased only slightly between 2003 and 2004, but percentage growth in total employment in the region was also minimal.
- In 2004, Hennepin County led nonprofit activity in the Twin Cities metro area with 51% of the region's nonprofit employers and 55% of nonprofit employment. Indeed, 29% of the state's total nonprofit workforce was located in this one county.
- Ramsey County was a second area of concentration, with 31% of the region's nonprofit employers and 29% of nonprofit employment. Dakota County was a distant third, with just under 7% of the region's nonprofit employers and 5% of nonprofit employees.
- While Hennepin and Ramsey dominate nonprofit activity in the Twin Cities, nonprofit employment has been growing more rapidly in the other five counties in the region.

- In 2004, there were 2,475 nonprofit organizations with employees in the seven-county Twin Cities metro region, which was nearly a 3% increase from 2003. The region experienced the largest percentage increase in nonprofit employers in the state.
- Although the Twin Cities has been home to at least half of the state's nonprofit employers for the last decade, nonprofits accounted for just 3% of all employers in the region in 2004.
- With over 130,000 employees, nonprofits employed 8.4% of the region's total workforce in 2004. Nonprofit employees in the Twin Cities region accounted for 52% of the state's total nonprofit workforce.
- Between 1993 and 2004, nonprofit employment in the Twin Cities increased an average of nearly 4% each year, well ahead of the percentage increase in total employment which grew an average of 1.5% per year.







# Twin Cities Metro Area Analysis

Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

## Median Hourly Wages for Full-Time Employees in the Twin Cities

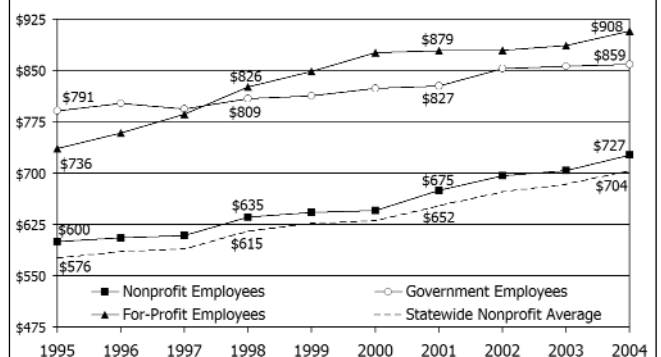
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$19.18 (4%)	\$15.72 (2%)	\$20.43 (1%)
<b>Educational Services</b>	\$19.15 (11%)	\$19.51 (1%)	\$21.40 (45%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$19.85 (10%)	\$18.94 (3%)	\$19.60 (<1%)
Hospitals	\$23.44 (33%)	\$20.85 (<1%)	\$21.41 (6%)
Nursing & Residential Care Facilities	\$14.58 (14%)	\$14.00 (1%)	\$18.49 (1%)
<b>Social Assistance</b>			
Individual & Family Services	\$15.44 (6%)	\$11.20 (1%)	\$24.64 (1%)
Community Food, Housing, Emergency & Other Relief Services	\$15.66 (1%)	\$17.25 (<1%)	NA
Vocational Rehabilitation Services	\$14.25 (3%)	\$23.02 (<1%)	\$24.80 (<1%)
Child Day Care Services	\$12.55 (1%)	\$11.29 (<1%)	\$13.67 (<1%)
<b>Other Services</b>			
Religious Organizations	\$17.62 (1%)	\$13.13 (<1%)	NA
Grantmaking & Giving Services	\$22.36 (1%)	\$26.15 (<1%)	NA
Social Advocacy Organizations	\$16.76 (2%)	\$16.22 (<1%)	\$24.58 (<1%)
Civic & Social Organizations	\$14.97 (3%)	\$15.00 (<1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 89% of nonprofit employment, 9% of for-profit employment, and 53% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

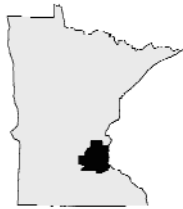
- In 2004, 57% of nonprofit employment in the Twin Cities region was in health care, which includes ambulatory health care services, hospitals, and nursing and residential care facilities. However, the Twin Cities was the only region in the state to have less than two-thirds of its nonprofit employment in health care.

- Compared to other regions in Minnesota, the Twin Cities had a higher percentage of its nonprofit workforce employed in educational services (11% of nonprofit employment and 13% of nonprofit employers), individual and family services (6% of employment and 14% of employers), and arts, entertainment, and recreation (4% of employment and 6% of employers).
- Nonprofit organizations in the Twin Cities paid \$5.0 billion in wages in 2004, or 7% of all wages paid in the region. After adjusting for inflation, total nonprofit payroll in the region increased by 4% over 2003.
- Nonprofit organizations in Hennepin and Ramsey Counties together paid \$4.3 billion in wages in 2004, or 47% of all non-profits wages paid in the state.
- The average weekly wage for nonprofit employees in the Twin Cities lagged well behind average weekly wages for both government and for-profit employees in the region.
- The median hourly wage for a full-time nonprofit employee in most of the industries examined, however, exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$13.05 an hour to meet these costs in the Twin Cities. The exception was child day care services.

## Average Weekly Wages in the Twin Cities by Sector (in constant 2004 dollars)



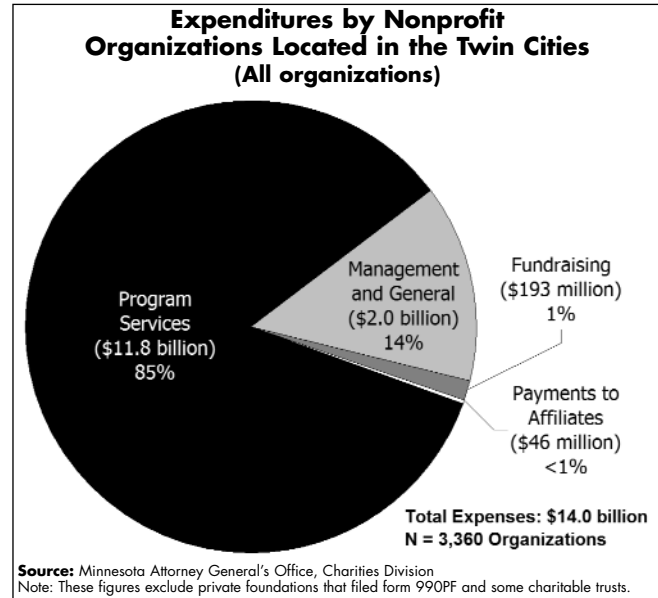
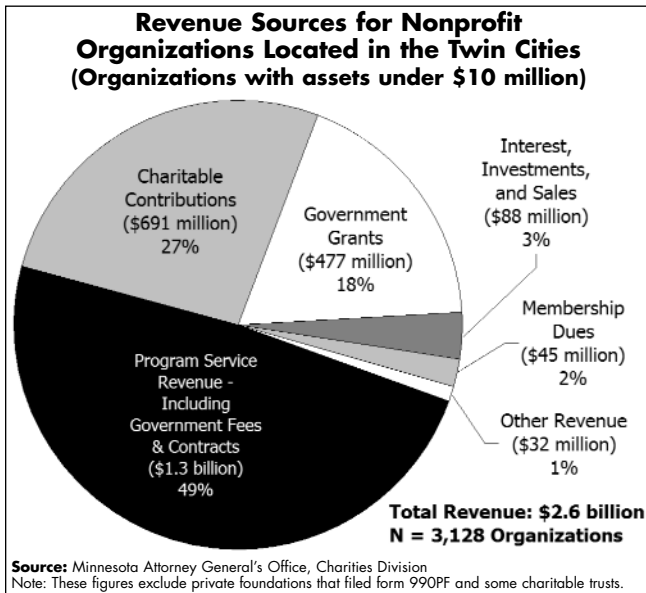
**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



## Twin Cities Metro Area Analysis

Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

- Health organizations in the Twin Cities reported \$9.7 billion in revenues: 92% from program services, 3% from charitable contributions, 2% from government grants, and 1% from interest, investments, and sales. These organizations reported \$9.3 billion in expenses: 84% for program services, 16% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in the region reported \$2.3 billion in revenues: 51% from program service revenue, 25% from charitable contributions, 16% from government grants, and 4% from interest, investments, and sales. These organizations reported \$2.2 billion in expenses: 87% for program services, 11% for management and general expenses, and 2% for fundraising.
- Educational organizations in the Twin Cities reported \$1.6 billion in revenues: 60% from program services, 19% from charitable contributions, 11% from interest, investments, and sales, and 8% from government grants. These organizations reported \$1.4 billion in expenses: 84% for program services, 13% for management and general expenses, and 3% for fundraising.



- Arts, culture, and humanities organizations in the Twin Cities reported \$517 million in revenues: 45% from charitable contributions, 30% from program service revenue, 12% from interest, investments, and sales, and 9% from government grants. These organizations reported \$433 million in expenses: 80% for program services, 13% for management and general expenses, and 7% for fundraising.
- Environmental and animal-related organizations in the region reported \$93 million in revenues: 42% from charitable contributions, 22% from program services, 15% from interest, investments, and sales, and 15% from government grants. These organizations reported \$95 million in expenses: 86% for program services, 8% for management and general expenses, and 6% for fundraising.
- In 2004, 44% of nonprofit organizations in the Twin Cities reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.

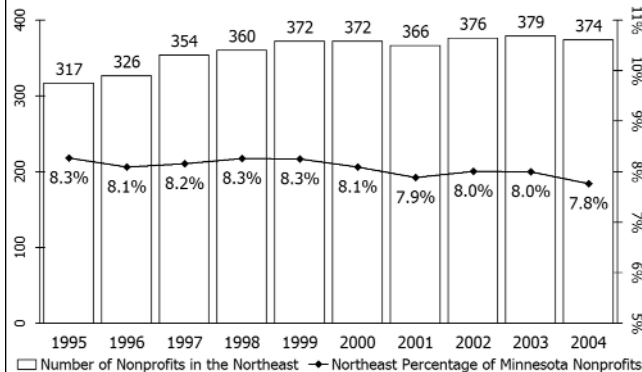


# Northeast Minnesota Analysis

Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

**Overview:** The nonprofit sector in the seven-county Northeast region is characterized by a particularly high concentration of nonprofit activity in the health care industry, which accounted for 26% of nonprofit employers and 77% of nonprofit employees in 2004. After another year of growth, the nonprofit workforce accounted for nearly 14% of total employment in the Northeast. The strong presence of the health care and educational services industries has helped fuel the growth in nonprofit employment. These well-paying industries also contributed to the high average wage for nonprofit employees in the region. St. Louis County, with the city of Duluth, is the focus of nonprofit activity in the Northeast.

**Number of Nonprofit Organizations in the Northeast and Percentage of Nonprofits Located in the Northeast (with at least one employee)**

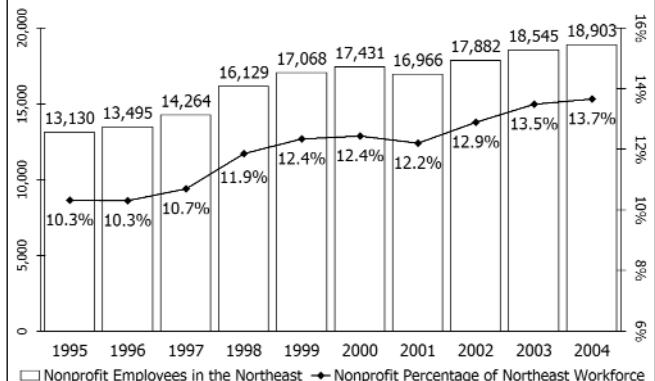


Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

- With just 374 nonprofit organizations with employees in 2004, the Northeast region has the fewest nonprofit employers in the state. The region even experienced a slight decline in the number of nonprofit employers between 2003 and 2004.
- With only minimal changes in the number of nonprofits with employees, the Northeast's share of the state's nonprofit employers has remained steady at around 8% for the last decade.
- In 2004, nonprofits accounted for 4% of the region's employers and employed nearly 14% of the region's total workforce. Both of these percentages were well above the statewide average.
- Over the last decade, nonprofit employment in the Northeast has increased an average of 4% each year, substantially outpacing growth in total employment in the region, which averaged just 1% per year.

- Growth in nonprofit employment in the Northeast slowed in 2004, increasing by 2% from 2003. This was the strongest percentage increase in nonprofit employment in the state.
- In 2004, the majority of nonprofit activity in the Northeast was in St. Louis County (where the city of Duluth is located), with 60% of the region's nonprofit employers and 80% of employees.
- Itasca County, a distant second to St. Louis, was home to 15% of the region's nonprofit employers and employed nearly 9% of the region's nonprofit workforce.
- St. Louis County was also a statewide center of nonprofit activity. In 2004, St. Louis was home to 5% of the state's nonprofit employers, the highest concentration outside of the seven-county Twin Cities metro area. St. Louis County also had the second highest concentration of nonprofit employees outside of the Twin Cities, employing 6% of the state's total nonprofit workforce.

**Number of Nonprofit Employees in the Northeast and Nonprofit Percentage of All Northeast Employees**



Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



## Northeast Minnesota Analysis

Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

### Median Hourly Wages for Full-Time Employees in the Northeast

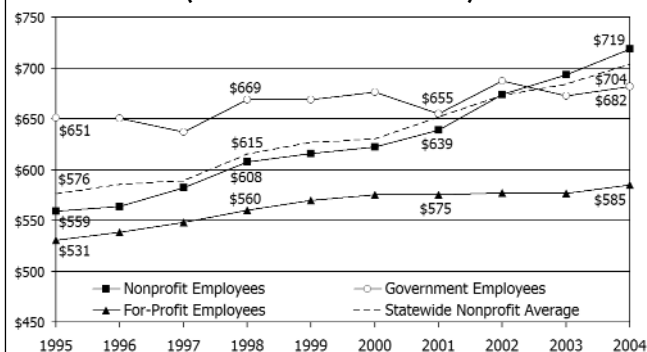
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$14.49 (2%)	\$11.01 (1%)	\$12.51 (6%)
<b>Educational Services</b>	\$16.67 (6%)	\$14.46 (<1%)	\$19.91 (37%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$15.79 (18%)	\$15.30 (3%)	NA
Hospitals	\$17.28 (42%)	NA	\$17.54 (6%)
Nursing & Residential Care Facilities	\$13.23 (18%)	\$11.23 (4%)	\$13.84 (3%)
<b>Social Assistance</b>			
Individual & Family Services	\$14.86 (3%)	\$12.46 (1%)	\$20.80 (2%)
Community Food, Housing, Emergency & Other Relief Services	\$13.09 (1%)	NA	NA
Vocational Rehabilitation Services	\$11.12 (3%)	\$22.96 (<1%)	NA
Child Day Care Services	\$11.00 (1%)	\$8.91 (<1%)	NA
<b>Other Services</b>			
Religious Organizations	\$10.38 (<1%)	NA	NA
Grantmaking & Giving Services	\$19.83 (<1%)	NA	NA
Social Advocacy Organizations	\$15.60 (1%)	\$12.17 (<1%)	NA
Civic & Social Organizations	\$11.91 (3%)	\$10.56 (1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 98% of nonprofit employment, 11% of for-profit employment, and 54% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

- In 2004, the health care industry employed 77% of the nonprofit workforce in the Northeast. Only Southeast Minnesota, with the city of Rochester and the Mayo Clinic, had a higher percentage of its nonprofit workforce in health care.

- Educational services was the second largest nonprofit employer in the Northeast after health care, accounting for 6% of nonprofit employment. Arts, entertainment, and recreation accounted for 12% of nonprofit employers in the region, but less than 2% of nonprofit employment.
- In 2004, nonprofit organizations in the Northeast paid \$706 million in wages, about 16% of all wages paid in the region. After adjusting for inflation, this represented a 6% increase in the total nonprofit payroll from 2003, the strongest percentage increase in the state.
- While the average weekly wage for government and for-profit employees in the region has done little more than keep pace with inflation in recent years, the average nonprofit wage has steadily increased. Due to the high concentration of employment in the higher wage health care industry, in 2004, the nonprofit sector in the Northeast had a higher average weekly wage than both the government and for-profit sectors.
- In all of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.40 an hour to meet these costs in Northeast Minnesota.

### Average Weekly Wages in the Northeast by Sector (in constant 2004 dollars)



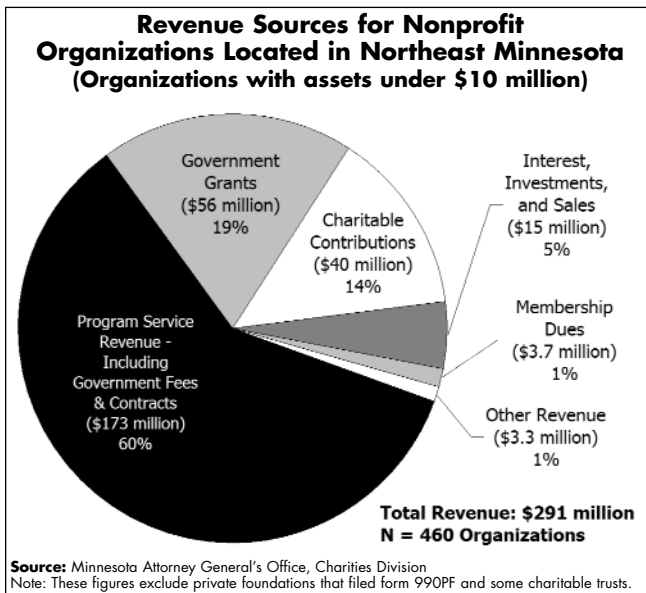
**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



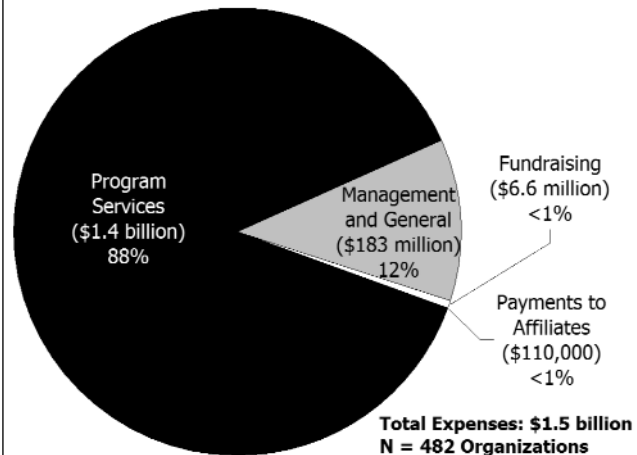
## Northeast Minnesota Analysis

Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

- Health organizations in the Northeast reported \$1.3 billion in revenues in 2004: 94% from program services, 3% from charitable contributions, 2% from interest, investments, and sales, and 1% from government grants. These organizations reported \$1.3 billion in expenses: 88% for program services, 12% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in the region reported \$164 million in revenues: 43% from program service revenue, 34% from government grants, 14% from charitable contributions, and 5% from interest, investments, and sales. These organizations reported \$159 million in expenses: 88% for program services, 10% for management and general expenses, and 1% for fundraising.
- Educational organizations in the Northeast reported \$79 million in revenues: 71% from program services, 18% from government grants, 8% from charitable contributions, and 2% from interest, investments, and sales. These organizations reported \$74 million in expenses: 89% for program services, 9% for management and general expenses, and 2% for fundraising.

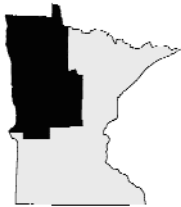


### Expenditures by Nonprofit Organizations Located in Northeast Minnesota (All organizations)



**Source:** Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

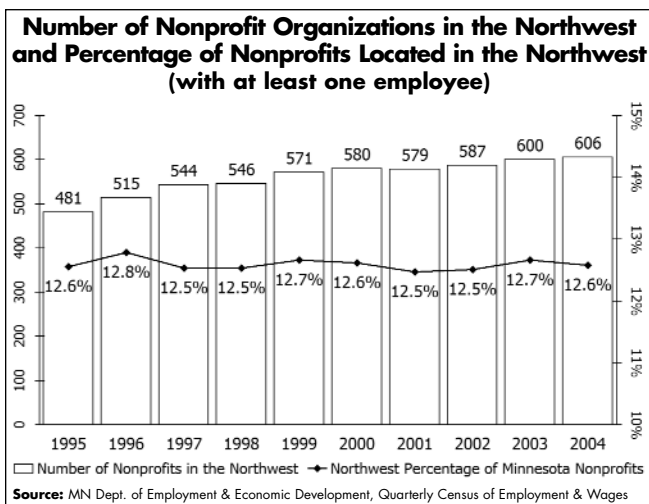
- Arts, culture, and humanities organizations in the Northeast reported \$14 million in revenues: 40% from charitable contributions, 30% from program service revenue, 18% from government grants, and 9% from interest, investments, and sales. These organizations reported \$13 million in expenses: 77% for program services, 18% for management and general expenses, and 4% for fundraising.
- Environmental and animal-related organizations in the region reported \$6.0 million in revenues: 55% from program service revenue, 20% from charitable contributions, 11% from interest, investments, and sales, and 5% from government grants. These organizations reported \$6.7 million in expenses: 66% for program services, 31% for management and general expenses, and 4% for fundraising.
- In 2004, 41% of nonprofit organizations in the Northeast reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.



## Northwest Minnesota Analysis

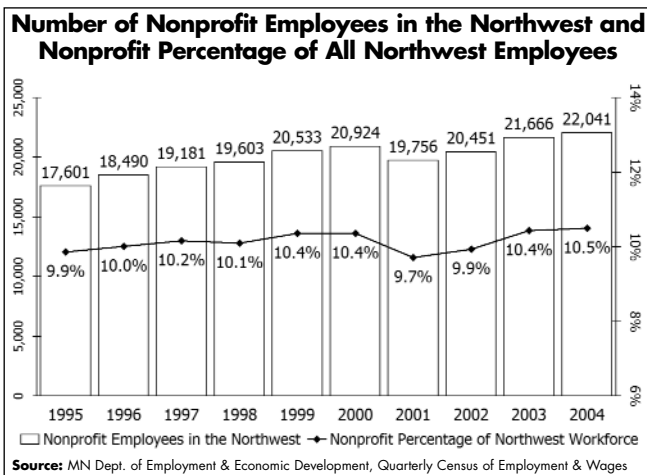
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnomon, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

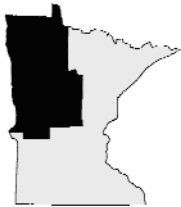
**Overview:** After the Twin Cities, the 26-county Northwest region has the highest concentration of nonprofit employers outside of the Twin Cities. This is likely because the Northwest has more, but smaller, population centers than other regions, each attracting its own grouping of nonprofits. As a result, no single county dominates nonprofit activity in the region. The large number of nonprofit employers in the Northwest, however, has not resulted in a disproportionate share of the state's nonprofit workforce. Nonprofits in the region average just 36 employees per organization, well below the statewide average of 53.



- In 2004, there were 606 nonprofit organizations with employees in the Northwest, accounting for nearly 4% of the region's employers.
- The Northwest region's share of the state's nonprofits with employees has held steady at about 12.5% for the last decade. The Northwest has the second largest concentration of nonprofit employers in the state.
- In 2004, 10.5% of the region's workforce was employed by nonprofits, which was slightly higher than the statewide average.
- As in all other regions of the state, growth in nonprofit employment in the Northwest slowed in 2004, increasing about 2% from 2003 after increasing by 6% the previous year. However, this still outpaced growth in total employment in the region, which increased by just 1% from 2003.

- Over the last decade, nonprofit employment in the Northwest has increased an average of 2.5% each year, which is slightly ahead of the total employment growth for the region, at just under 2% per year.
- Nonprofit organizations in the Northwest are smaller than nonprofits in other regions, averaging just 36 employees for each nonprofit employer.
- Nonprofit activity is widely dispersed in the Northwest. In 2004, 11% of nonprofit employers were located in Crow Wing County (where Brainerd is located), 10% in Otter Tail (Fergus Falls), 9% in Clay (Moorhead), 8% in Beltrami (Bemidji), and nearly 8% in Polk (Crookston and East Grand Forks).
- Nonprofit employment followed a similar pattern, with 14% of nonprofit employees in Clay County, 11% in Otter Tail, 8.5% in Crow Wing, another 8.5% in Polk, and 8% in Beltrami.





## Northwest Minnesota Analysis

Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahanomen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

### Median Hourly Wages for Full-Time Employees in the Northwest

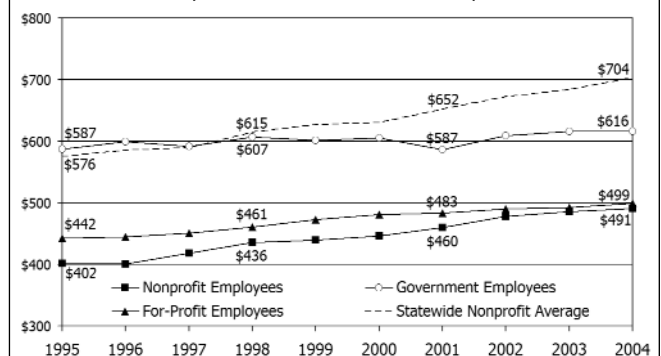
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$10.35 (1%)	\$11.33 (1%)	\$10.62 (6%)
<b>Educational Services</b>	\$17.98 (7%)	\$12.53 (<1%)	\$18.56 (43%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$14.56 (6%)	\$14.60 (3%)	\$20.53 (1%)
Hospitals	\$16.00 (31%)	NA	\$17.31 (7%)
Nursing & Residential Care Facilities	\$11.51 (33%)	\$11.19 (2%)	\$15.64 (3%)
<b>Social Assistance</b>			
Individual & Family Services	\$12.59 (5%)	\$10.40 (1%)	\$16.40 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$11.09 (<1%)	NA	NA
Vocational Rehabilitation Services	\$12.33 (4%)	\$11.58 (<1%)	NA
Child Day Care Services	\$11.68 (2%)	\$8.31 (<1%)	\$17.10 (<1%)
<b>Other Services</b>			
Religious Organizations	\$12.53 (1%)	NA	NA
Grantmaking & Giving Services	\$17.45 (<1%)	NA	NA
Social Advocacy Organizations	\$14.62 (3%)	\$9.98 (<1%)	NA
Civic & Social Organizations	\$10.41 (1%)	\$9.95 (1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 94% of nonprofit employment, 9% of for-profit employment, and 61% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

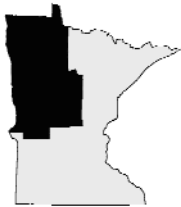
- In 2004, 18% of nonprofit employers in the Northwest were nursing and residential care facilities. This industry was also the largest nonprofit employer, accounting for nearly one-third of the nonprofit workforce in the region.

- Hospitals were the second largest employer in the region, with another 31% of nonprofit employment, but just 3% of nonprofit employers.
- Outside of health care, the largest nonprofit industries in the Northwest were individual and family services (12% of nonprofit employers) and arts, entertainment, and recreation (10% of nonprofit employers). Together, however, these two industries only accounted for 6% of nonprofit employment in the region.
- Nonprofit organizations in the Northwest paid \$563 million in wages in 2004, or 10% of all wages paid in the region. After adjusting for inflation, total nonprofit payroll increased 3% over 2003.
- In 2004, average weekly wages for nonprofit employees in this region continued to lag far behind government wages, but closed in on the average weekly wage for the for-profit sector.
- When looking at the median hourly wage for a full-time nonprofit employee, every industry examined exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.05 an hour to meet these costs in the Northwest.

### Average Weekly Wages in the Northwest by Sector (in constant 2004 dollars)



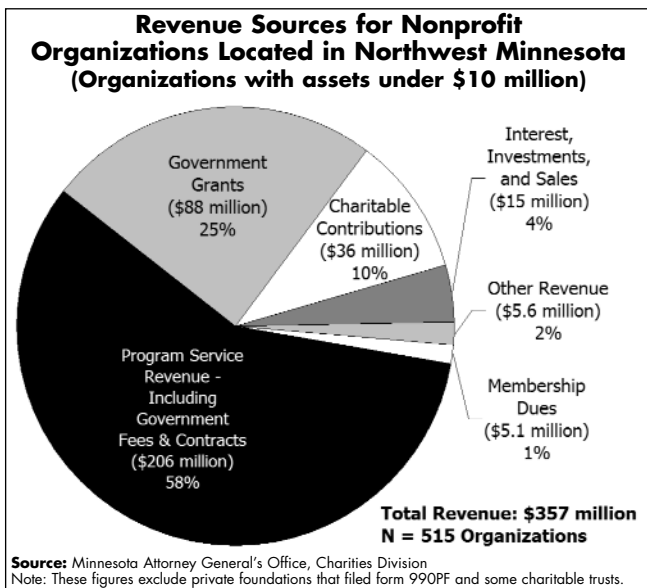
**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



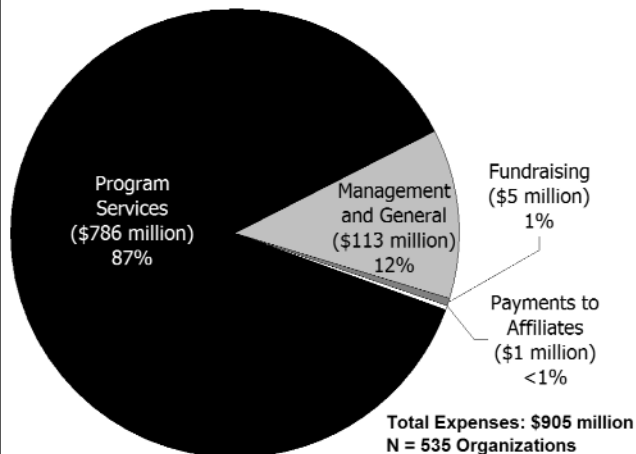
## Northwest Minnesota Analysis

Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahanomen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

- Health organizations in the Northwest reported \$679 million in revenues in 2004: 95% from program services, 2% from interest, investments, and sales, 1% from government grants, and 1% from charitable contributions. These organizations reported \$649 million in expenses: 87% for program services, 12% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in the region reported \$176 million in revenues: 48% from program service revenue, 36% from government grants, 9% from charitable contributions, and 4% from interest, investments, and sales. These organizations reported \$172 million in expenses: 89% for program services, 11% for management and general expenses, and 1% for fundraising.
- Educational organizations in the Northwest reported \$23 million in revenues: 37% from government grants, 28% from charitable contributions, 12% from program services, and 12% from interest, investments, and sales. These organizations reported \$19 million in expenses: 77% for program services, 20% for management and general expenses, and 2% for fundraising.



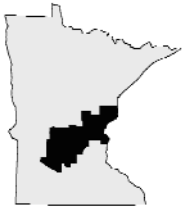
### Expenditures by Nonprofit Organizations Located in Northwest Minnesota (All organizations)



**Source:** Minnesota Attorney General's Office, Charities Division  
**Note:** These figures exclude private foundations that filed form 990PF and some charitable trusts.

- Arts, culture, and humanities organizations in the Northwest reported \$7.6 million in revenues: 44% from charitable contributions, 23% from program service revenue, 17% from government grants, and 11% from interest, investments, and sales. These organizations reported \$7.2 million in expenses: 77% for program services, 17% for management and general expenses, and 7% for fundraising.
- Environmental and animal-related organizations in the region reported \$5.5 million in revenues: 36% from charitable contributions, 32% from program service revenue, 17% from government grants, and 9% from interest, investments, and sales. These organizations reported \$4.8 million in expenses: 82% for program services, 15% for management and general expenses, and 3% for fundraising.
- In 2004, 40% of nonprofit organizations in the Northwest reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.

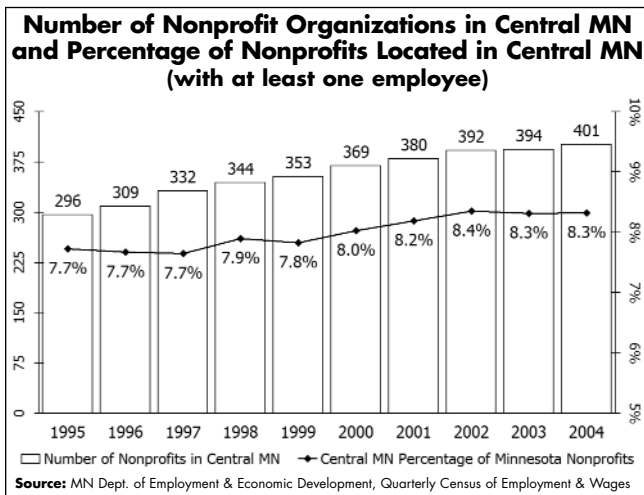




## Central Minnesota Analysis

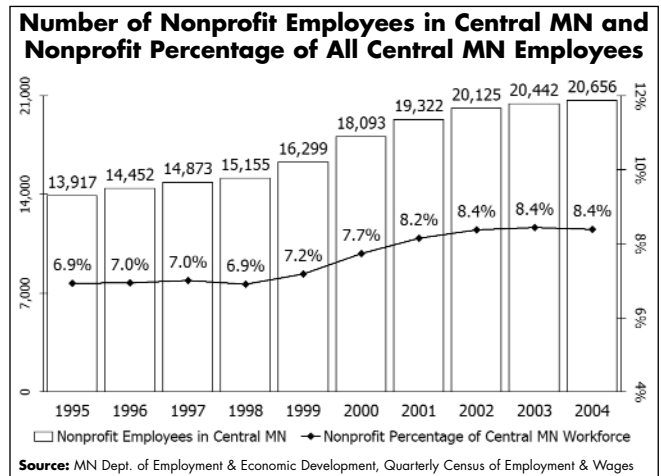
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

**Overview:** With its close proximity to the Twin Cities and its own major regional population center, it is surprising that there is not more nonprofit activity in the 13-county Central Minnesota region. Instead, in 2004, just 8% of the state's nonprofit employers and 8% of the state's nonprofit employees were located in Central Minnesota. In turn, these nonprofits accounted for only 2% of the total employers in the region, the lowest percentage in the state. Likewise, nonprofit employees accounted for just over 8% of the region's workforce, well below the statewide average. Nonprofit activity in the region was centered in Stearns County, where most of the city of St. Cloud is located.



- In 2004, there were 401 nonprofit organizations with employees in Central Minnesota, which was about a 2% increase in nonprofit employers from the previous year.
- The Central region's share of the state's nonprofit employers has remained close to 8% for the last decade. Nonprofits, however, accounted for just 2% of the total employers in Central Minnesota, the lowest percentage in the state.
- In 2004, nonprofits employed 8.4% of the total workforce in Central Minnesota, one of the lowest percentages in the state, and well below the statewide average of 9.8%.
- Over the last decade, Central Minnesota experienced the strongest percentage growth in nonprofit employment in the state, increasing an average of 4.5% each year. This was nearly twice as fast as growth in total employment in the region.

- Between 2003 and 2004, nonprofit employment in Central Minnesota slowed substantially, increasing by just 1%. Growth in total employment in the region was closer to 2% for the same period of time.
- In 2004, Stearns County, where most of the city of St. Cloud is located, accounted for 24% of the nonprofit employers in Central Minnesota and about 38% of the region's nonprofit employment.
- Sherburne and Wright Counties, which lie between St. Cloud and the Twin Cities, each hosted about 10% of the region's nonprofit employers, but only 6% and 8% of nonprofit employment, respectively.
- Chisago and Mille Lacs Counties had fewer nonprofit employers, but employed a larger percentage of the region's nonprofit workforce, 12% and 9%, respectively.





## Central Minnesota Analysis

Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

### Median Hourly Wages for Full-Time Employees in Central Minnesota

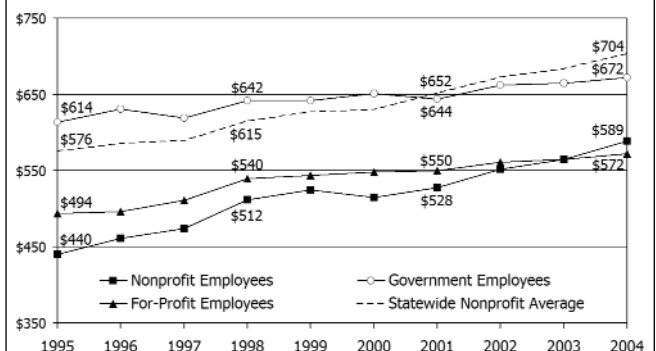
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$16.14 (1%)	\$12.54 (2%)	\$11.97 (7%)
<b>Educational Services</b>	\$15.25 (7%)	\$12.57 (<1%)	\$19.30 (45%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$15.25 (8%)	\$17.06 (3%)	\$18.17 (<1%)
Hospitals	\$18.83 (36%)	\$13.92 (<1%)	\$19.54 (10%)
Nursing & Residential Care Facilities	\$13.85 (28%)	\$11.05 (3%)	\$17.34 (2%)
<b>Social Assistance</b>			
Individual & Family Services	\$14.39 (3%)	\$10.83 (1%)	\$16.87 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$14.15 (1%)	\$13.83 (<1%)	NA
Vocational Rehabilitation Services	\$11.35 (5%)	\$17.62 (<1%)	NA
Child Day Care Services	\$11.52 (2%)	\$9.26 (1%)	NA
<b>Other Services</b>			
Religious Organizations	\$13.00 (1%)	NA	NA
Grantmaking & Giving Services	\$14.35 (3%)	NA	NA
Social Advocacy Organizations	\$14.89 (2%)	\$15.28 (<1%)	NA
Civic & Social Organizations	\$11.76 (1%)	\$10.10 (1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 96% of nonprofit employment, 10% of for-profit employment, and 64% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

- In 2004, 72% of nonprofit employment in Central Minnesota was in health care, which includes ambulatory health care services, hospitals, and nursing and residential care facilities. These same industries accounted for 29% of nonprofit employers in the region.

- Outside of health care, the largest nonprofit industries in Central Minnesota were individual and family services (10% of nonprofit employers) and arts, entertainment, and recreation (8% of employers). Educational services, however, had the second largest number of nonprofit employees in the region with just over 7% of the nonprofit workforce.
- In 2004, nonprofits in Central Minnesota paid \$633 million in wages, or about 8% of all wages paid in the region. After adjusting for inflation, total nonprofit payroll increased by 5% from the previous year.
- For the first time, the average weekly wage for nonprofit employees in this region surpassed the average weekly wage for the for-profit sector. However, nonprofit wages remained lower than average weekly wages for government employees in the region.
- In all but one of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$11.53 an hour to meet these costs in Central Minnesota. The exception was nonprofit employees working in vocational rehabilitation services.

### Average Weekly Wages in Central MN by Sector (in constant 2004 dollars)



**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

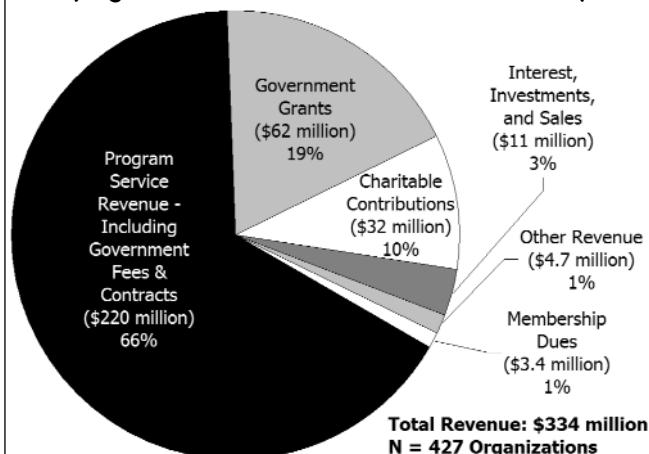


## Central Minnesota Analysis

Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

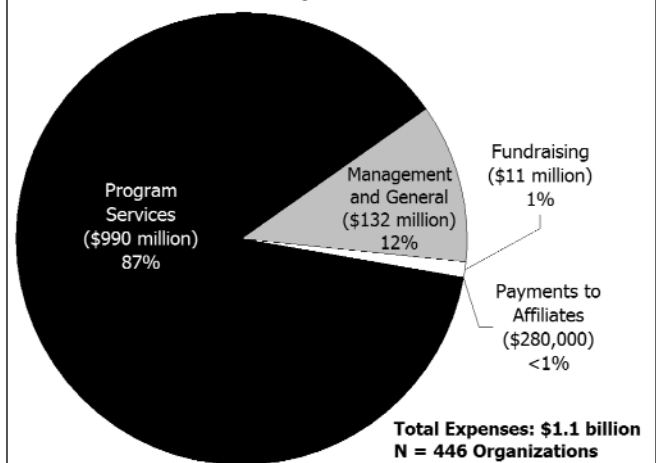
- Health organizations in Central Minnesota reported \$925 million in revenues in 2004: 93% from program service revenue, 3% from interest, investments, and sales, 2% from charitable contributions, and 1% from government grants. These organizations reported \$857 million in expenses: 87% for program services, 12% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in the region reported \$164 million in revenues: 53% from program service revenue, 31% from government grants, 9% from charitable contributions, and 3% from interest, investments, and sales. These organizations reported \$160 million in expenses: 88% for program services, 10% for management and general expenses, and 2% for fundraising.
- Educational organizations in the region reported \$89 million in revenues: 77% from program services, 12% from charitable contributions, 8% from government grants, and 3% from interest, investments, and sales. These organizations reported \$84 million in expenses: 88% for program services, 9% for management and general expenses, and 3% for fundraising.

### Revenue Sources for Nonprofit Organizations Located in Central Minnesota (Organizations with assets under \$10 million)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

### Expenditures by Nonprofit Organizations Located in Central Minnesota (All organizations)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

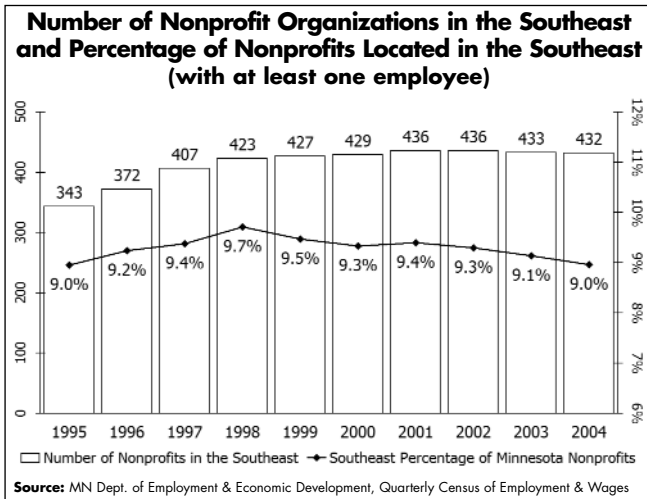
- Arts, culture, and humanities organizations in Central Minnesota reported \$5.9 million in revenues: 36% from charitable contributions, 24% from program service revenue, 19% from government grants, and 13% from interest, investments, and sales. These organizations reported \$5.2 million in expenses: 79% for program services, 15% for management and general expenses, and 7% for fundraising.
- Environmental and animal-related organizations in the region reported \$3.6 million in revenues: 49% from charitable contributions, 32% from program service revenue, 13% from interest, investments, and sales, and 3% from government grants. These organizations reported \$3.5 million in expenses: 79% for program services, 14% for management and general expenses, and 6% for fundraising.
- In 2004, 42% of nonprofit organizations in Central Minnesota reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.



# Southeast Minnesota Analysis

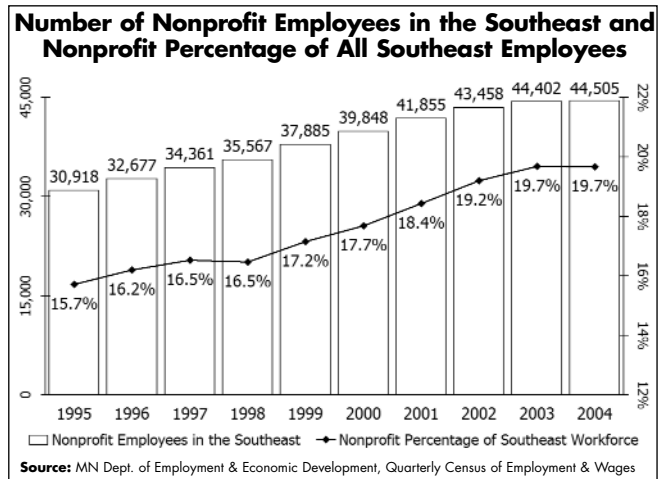
Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

**Overview:** The nonprofit sector in the 11-county Southeast Minnesota region is dominated by the health care industry, which accounted for 30% of nonprofit employers and 83% of the nonprofit workforce in the region in 2004. The concentration of nonprofit activity in health care has been a driving force behind the strong growth in nonprofit employment in the region over the last decade. In 2004, however, growth in the nonprofit workforce in the region slowed substantially. Nevertheless, nonprofits continued to play an unusually important role in the economy of Southeast Minnesota in 2004, employing nearly 20% of the region's total workforce and paying \$2.0 billion in wages.



- Nonprofit employment in the Southeast has experienced strong growth in past years, averaging 4% per year for the last decade. In 2004, however, growth in nonprofit employment stalled in the Southeast, with a net increase of about 100 employees from 2003. Total employment in the region also experienced minimal growth, increasing just 0.4% over 2003.
- Nonprofits in the Southeast were the largest in the state, averaging 103 employees per organization in 2004. This was nearly twice the average size of nonprofits in the Twin Cities.
- In 2004, 30% of the region's nonprofit employers and more than two-thirds of the nonprofit workforce were located in Olmsted County (home to the city of Rochester). Indeed, nonprofits employed 35% of the county's total workforce. Olmsted County was not only a regional center of nonprofit activity, but also one of the centers for the state, employing 12% of the total nonprofit workforce in Minnesota.

- In 2004, there were 432 nonprofit organizations with employees in the Southeast region, which represented virtually no change from the previous year.
- Growth in the number of nonprofit employers in the Southeast has leveled off in recent years, which has meant that the Southeast region's share of the state's nonprofit employers has been falling, dropping to 9.0% in 2004.
- In 2004, nearly 20% of the region's workforce was employed by nonprofit organizations, the highest percentage of any region in the state.
- After the Twin Cities, Southeast Minnesota has the largest nonprofit workforce in the state with just over 44,500 employees. This represents almost 18% of the state's total nonprofit workforce.





## Southeast Minnesota Analysis

Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

### Median Hourly Wages for Full-Time Employees in the Southeast

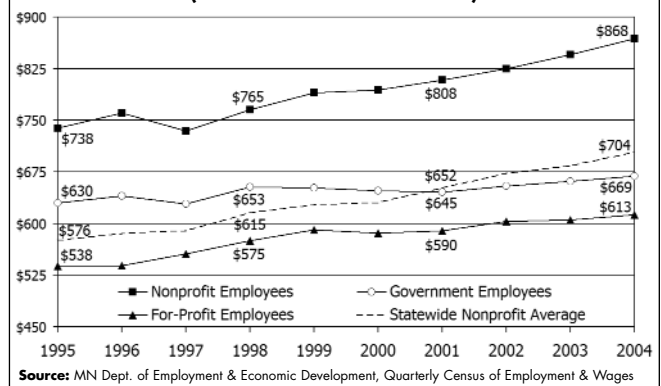
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$13.91 (1%)	\$13.02 (2%)	\$15.01 (5%)
<b>Educational Services</b>	\$21.23 (8%)	\$17.94 (<1%)	\$19.06 (47%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$21.72 (45%)	\$16.49 (3%)	NA
Hospitals	\$22.72 (25%)	NA	\$13.70 (3%)
Nursing & Residential Care Facilities	\$12.98 (13%)	\$12.18 (2%)	\$14.37 (3%)
<b>Social Assistance</b>			
Individual & Family Services	\$14.80 (3%)	\$11.98 (<1%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$14.39 (<1%)	\$15.12 (<1%)	NA
Vocational Rehabilitation Services	\$11.66 (2%)	NA	NA
Child Day Care Services	\$8.10 (1%)	\$9.85 (<1%)	NA
<b>Other Services</b>			
Religious Organizations	\$10.68 (<1%)	\$17.86 (<1%)	NA
Grantmaking & Giving Services	\$20.63 (<1%)	NA	NA
Social Advocacy Organizations	\$13.39 (1%)	\$21.94 (<1%)	NA
Civic & Social Organizations	\$16.01 (1%)	\$11.97 (1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 99% of nonprofit employment, 8% of for-profit employment, and 58% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

- In 2004, the major health care industries — ambulatory health care services, hospitals, and nursing and residential care facilities — employed 83% of the nonprofit workforce in the Southeast. This was the highest percentage in the state.

- In Southeast Minnesota, nonprofit employment in health care was distributed differently than in other regions, with a significantly higher percentage of the workforce in ambulatory health care services (45%), but a comparatively smaller percentage employed in nursing and residential care facilities (13%).
- In 2004, nonprofits employers in the Southeast paid \$2.0 billion in wages, or 25% of all wages paid in the region, the highest percentage in the state. In Olmsted County alone, nonprofit employers paid \$1.6 billion in wages, which accounted for 43% of the total wages paid in the county.
- Due to the concentration of nonprofit employment in the higher wage health care industries, average weekly wages for nonprofit employees in the Southeast were well above average weekly wages for both government and for-profit employees.
- In all but two of the industries examined, the median hourly wage for a full-time nonprofit employee exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.84 an hour to meet these costs in the Southeast. The exceptions were median hourly wages for nonprofit employees working in child day care services and religious organizations.

**Average Weekly Wages in the Southeast by Sector  
(in constant 2004 dollars)**



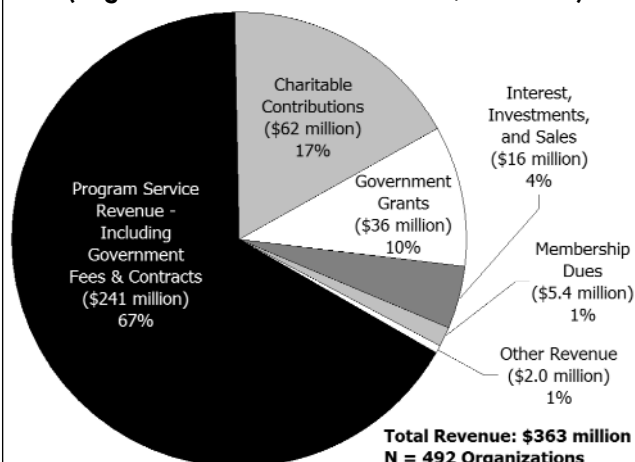


## Southeast Minnesota Analysis

Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

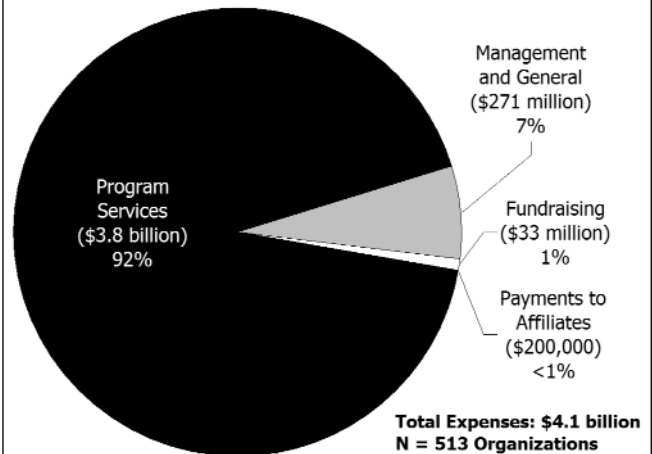
- Health organizations in the Southeast reported \$3.8 billion in revenues in 2004: 86% from program services, 6% from charitable contributions, 5% from government grants, and 3% from interest, investments, and sales. These organizations reported \$3.6 billion in expenses: 93% for program services, 6% for management and general expenses, and 1% for fundraising.
- Human service organizations in the region reported \$205 million in revenues: 68% from program service revenue, 14% from government grants, 12% from charitable contributions, and 4% from interest, investments, and sales. These organizations reported \$192 million in expenses: 90% for program services, 9% for management and general expenses, and 1% for fundraising.
- Educational organizations in the Southeast reported \$414 million in revenues: 56% from program services, 28% from interest, investments, and sales, 12% from charitable contributions, and 3% from government grants. These organizations reported \$315 million in expenses: 86% for program services, 11% for management and general expenses, and 3% for fundraising.

### Revenue Sources for Nonprofit Organizations Located in Southeast Minnesota (Organizations with assets under \$10 million)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

### Expenditures by Nonprofit Organizations Located in Southeast Minnesota (All organizations)



Source: Minnesota Attorney General's Office, Charities Division  
Note: These figures exclude private foundations that filed form 990PF and some charitable trusts.

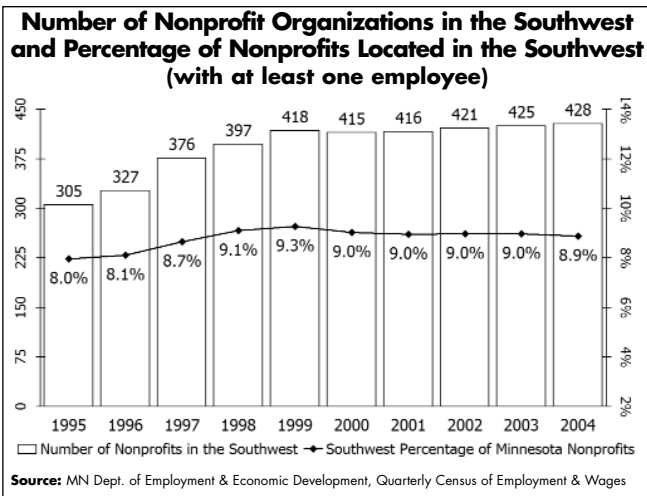
- Arts, culture, and humanities organizations in the Southeast reported \$8.6 million in revenues: 42% from charitable contributions, 28% from program service revenue, 13% from government grants, and 11% from interest, investments, and sales. These organizations reported \$7.4 million in expenses: 74% for program services, 22% for management and general expenses, and 5% for fundraising.
- Environmental and animal-related organizations in the region reported \$4.5 million in revenues: 42% from charitable contributions, 40% from program service revenue, 7% from interest, investments, and sales, and 5% from government grants. These organizations reported \$4.1 million in expenses: 77% for program services, 18% for management and general expenses, and 5% for fundraising.
- In 2004, 34% of nonprofits in the Southeast reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.



## Southwest Minnesota Analysis

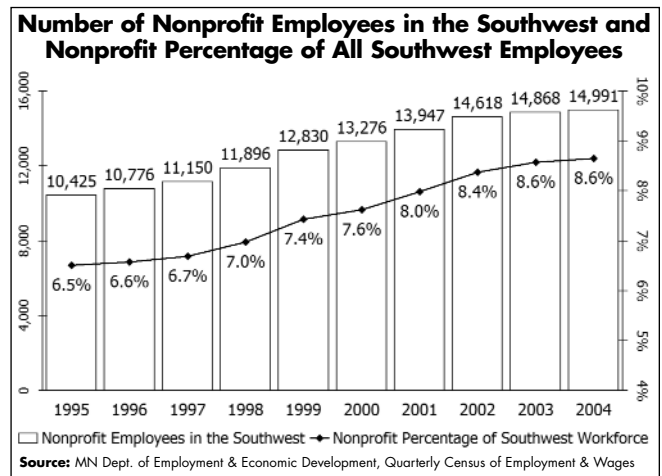
Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

**Overview:** Nonprofit activity in the 23-county Southwest Minnesota region is more dispersed than in most other regions of the state. Although Blue Earth County (with the city of Mankato) was the largest center of nonprofit activity in the region in 2004, several other counties also had a significant nonprofit presence. The nonprofit workforce in the Southwest was also the smallest in the state. With fewer than 15,000 employees, nonprofits accounted for less than 9% of the total workforce in the region in 2004. However, nonprofit employment increased slightly between 2003 and 2004, even as total employment in the region fell for the third year in a row.



- In 2004, there were 428 nonprofit organizations with employees in Southwest Minnesota, representing a small increase from the previous year. Nonprofits accounted for just over 3% of the region's total employers.
- The Southwest region's share of Minnesota's nonprofit employers has remained stable at close to 9% in recent years.
- In 2004, 8.6% of the region's workforce was employed by nonprofit organizations, which was below the statewide average.
- With just under 15,000 employees, the Southwest region had the smallest nonprofit workforce in Minnesota, accounting for just 6% of the nonprofit employees in the state.
- Nonprofit employment in the Southwest region increased slightly between 2003 and 2004, while total employment in the region showed a negligible decline for the third year in a row.

- Over the last 10 years, nonprofit employment in the Southwest increased an average of 4% each year, well ahead of the growth in total employment for the region, which averaged just 1% per year.
- Nonprofits in the Southwest are smaller than nonprofits in other regions, averaging 35 employees per organization.
- In 2004, the largest center of nonprofit activity in the Southwest was Blue Earth County (where the city of Mankato is largely located), which accounted for 14% of the region's nonprofit employers and 25% of the region's nonprofit employees.
- Other counties in the Southwest with a significant nonprofit presence included Brown County (9% of nonprofit employers and 10% of nonprofit employment), Lyon (9% of employers and 5% of employees), Martin (4% of employers and 6% of employees), Nicollet (4% of employers and 7% of employees), and Nobles (8% of employers and 4% of employees).





## Southwest Minnesota Analysis

Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

### Median Hourly Wages for Full-Time Employees in the Southwest

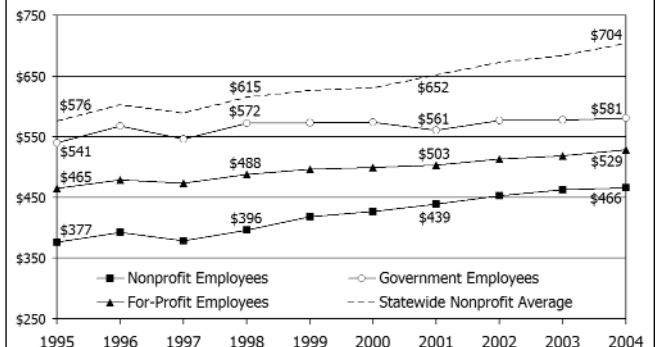
Industry	Full-Time Median Hourly Wage by Sector (% of sector employment in the region)		
	Nonprofit	For-Profit	Government
<b>Arts, Entertainment &amp; Recreation</b>	\$12.52 (1%)	\$12.03 (1%)	\$12.06 (1%)
<b>Educational Services</b>	\$20.32 (7%)	\$17.98 (<1%)	\$19.28 (44%)
<b>Health Care</b>			
Ambulatory Health Care Services	\$15.72 (5%)	\$14.18 (4%)	NA
Hospitals	\$16.21 (28%)	\$23.43 (<1%)	\$18.32 (12%)
Nursing & Residential Care Facilities	\$12.47 (34%)	\$11.59 (3%)	\$12.92 (4%)
<b>Social Assistance</b>			
Individual & Family Services	\$12.99 (2%)	\$10.99 (1%)	\$16.30 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$11.21 (2%)	NA	NA
Vocational Rehabilitation Services	\$12.00 (10%)	\$13.05 (<1%)	NA
Child Day Care Services	\$8.46 (1%)	\$8.31 (<1%)	NA
<b>Other Services</b>			
Religious Organizations	\$13.92 (1%)	NA	NA
Grantmaking & Giving Services	\$16.77 (1%)	NA	NA
Social Advocacy Organizations	\$16.23 (4%)	\$18.98 (<1%)	NA
Civic & Social Organizations	\$12.28 (3%)	\$9.71 (1%)	NA

**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2004  
**Notes:** "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 97% of nonprofit employment, 10% of for-profit employment, and 59% of government employment in the region in 2004. More extensive descriptions of these industries are available in Appendix A.

- As in every region of the state, health care was the largest nonprofit industry in the Southwest, accounting for one-third of nonprofit employers and two-thirds of nonprofit employment in 2004.

- Vocational rehabilitation services, however, was the second largest nonprofit employer in the Southwest, accounting for 10% of the nonprofit workforce in the region.
- Other major nonprofit industries in the region included individual and family services, which accounted for 12% of nonprofit employers, and arts, entertainment, and recreation, with another 11% of nonprofit employers.
- In 2004, nonprofit organizations in the Southwest paid \$363 million in wages, or nearly 8% of all wages paid in the region. After adjusting for inflation, total nonprofit wages in 2004 increased by about 1% from 2003, the smallest percentage increase in the state.
- Average weekly wages for nonprofit employees in the Southwest continued to lag behind average weekly wages for both government and for-profit employees.
- In most of the industries examined, the median hourly wage for a full-time nonprofit employee exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$9.70 an hour to meet these costs in the Southwest. The exception was child day care services, with a median wage of \$8.46 an hour.

### Average Weekly Wages in the Southwest by Sector (in constant 2004 dollars)



**Source:** MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

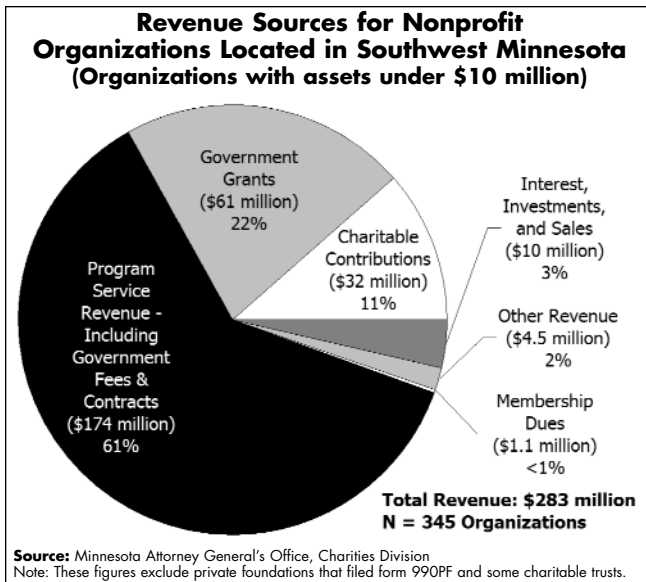




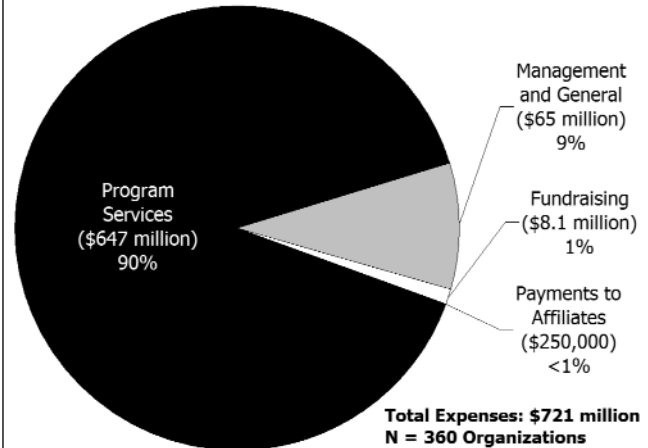
## Southwest Minnesota Analysis

Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

- Health organizations in the Southwest reported \$406 million in revenues in 2004: 94% from program services, 2% from charitable contributions, 1% from government grants, and 1% from interest, investments, and sales. These organizations reported \$391 million in expenses: 89% for program services, 11% for management and general expenses, and less than 1% for fundraising.
- Human service organizations in the region reported \$119 million in revenues: 41% from program service revenue, 40% from government grants, 12% from charitable contributions, and 4% from interest, investments, and sales. These organizations reported \$112 million in expenses: 90% for program services, 9% for management and general expenses, and 1% for fundraising.
- Educational organizations in the Southwest reported \$205 million in revenues: 50% from charitable contributions, 43% from program services, 4% from interest, investments, and sales, and 3% from government grants. These organizations reported \$199 million in expenses: 93% for program services, 5% for management and general expenses, and 3% for fundraising.



### Expenditures by Nonprofit Organizations Located in Southwest Minnesota (All organizations)



**Source:** Minnesota Attorney General's Office, Charities Division  
**Note:** These figures exclude private foundations that filed form 990PF and some charitable trusts.

- Arts, culture, and humanities organizations in the Southwest reported \$4.9 million in revenues: 52% from charitable contributions, 22% from government grants, 14% from program service revenue, and 6% from interest, investments, and sales. These organizations reported \$4.5 million in expenses: 65% for program services, 27% for management and general expenses, and 8% for fundraising.
- Environmental and animal-related organizations in the region reported \$1.1 million in revenues: 37% from charitable contributions, 27% from program service revenue, 25% from interest, investments, and sales, and 1% from government grants. These organizations reported \$790,000 in expenses: 68% for program services, 17% for management and general expenses, and 15% for fundraising.
- In 2004, 40% of nonprofit organizations in the Southwest reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues.

# Appendix A

## North American Industry Classification System (NAICS)

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**Ambulatory Health Care Services (NAICS 621)** – Industries in this subsector provide health care services to ambulatory patients, including physicians' offices, mental health practitioners, dentists, optometrists, physical, occupational and speech therapists, family planning centers, outpatient mental health and substance abuse centers, medical and diagnostic laboratories, and home health care services. In 2004, this industry accounted for 8.4% of nonprofit employers and 15.8% of nonprofit employees statewide.

**Arts, Entertainment & Recreation (NAICS 71)** – This sector includes establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests. In 2004, this industry accounted for 7.8% of nonprofit employers and 2.3% of nonprofit employees statewide.

**Child Day Care Services (NAICS 6244)** – This industry comprises establishments primarily engaged in providing day care of infants or children. In 2004, this industry accounted for 3.3% of nonprofit employers and 1.0% of nonprofit employees statewide.

**Civic & Social Organizations (NAICS 8134)** – This industry comprises establishments engaged in promoting the civic and social interests of their members, including alumni associations, ethnic associations, scouting organizations, student clubs, and social senior citizens' associations. In 2004, this industry accounted for 4.9% of nonprofit employers and 2.3% of nonprofit employees statewide.

**Community Food, Housing, Emergency & Other Relief Services (NAICS 6242)** – Community food service establishments primarily collect, prepare, and deliver food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for the low-income, volunteer construction or repair of low-cost housing, or repair of homes for elderly or disabled homeowners. Emergency and other relief service establishments primarily provide food, shelter, clothing, medical relief, resettlement, and counseling to victims of domestic or international disasters or conflicts. In 2004, this industry accounted for 3.0% of nonprofit employers and 0.8% of nonprofit employees statewide.

**Educational Services (NAICS 611)** – Industries in this subsector provide instruction and training through specialized establishments, such as schools, colleges, universities, and training centers. In 2004, this industry accounted for 9.8% of nonprofit employers and 9.3% of nonprofit employees statewide.

**Grantmaking & Giving Services (NAICS 8132)** – This industry comprises grantmaking foundations and charitable trusts, as well as establishments primarily engaged in raising funds for a range of social welfare activities. In 2004, this industry accounted for 3.7% of nonprofit employers and 0.7% of nonprofit employees statewide.

**Hospitals (NAICS 622)** – Industries in this subsector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients. Hospitals may also provide outpatient services as a secondary activity. In 2004, this industry accounted for 2.1% of nonprofit employers and 31.9% of nonprofit employees statewide.

**Individual & Family Services (NAICS 6241)** – This industry comprises establishments primarily engaged in providing nonresidential social assistance services for children and youth, such as adoption and foster care, drug prevention, life skills training, and positive social development. In 2004, this industry accounted for 12.8% of nonprofit employers and 4.6% of nonprofit employees statewide.

**Nursing & Residential Care Facilities (NAICS 623)** – Industries in this subsector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. Examples include nursing care facilities, residential mental health facilities, and community care facilities for the elderly. In 2004, this industry accounted for 14.9% of nonprofit employers and 18.0% of nonprofit employees statewide.

**Religious Organizations (NAICS 8131)** – This industry comprises churches, religious temples, monasteries, and establishments primarily engaged in administering an organized religion or promoting religious activities. In 2004, this industry accounted for 3.4% of nonprofit employers and 0.7% of nonprofit employees statewide.

**Social Advocacy Organizations (NAICS 8133)** – This industry comprises establishments primarily engaged in promoting a particular cause or working for the realization of a specific social or political goal to benefit a broad or specific constituency. These organizations may solicit contributions or offer memberships to support these goals. In 2004, this industry accounted for 6.9% of nonprofit employers and 2.1% of nonprofit employees statewide.

**Vocational Rehabilitation Services (NAICS 6243)** – This industry comprises establishments engaged in providing services such as job counseling, job training, and work experience to unemployed and underemployed persons, persons with disabilities, and persons who have a job market disadvantage because of lack of education, job skill, or experience. In 2004, this industry accounted for 4.0% of nonprofit employers and 3.4% of nonprofit employees statewide.

## Appendix B

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### **Quarterly Census of Employment and Wages**

The Quarterly Census of Employment and Wages (QCEW), a cooperative endeavor between the U.S. Department of Labor's Bureau of Labor Statistics (BLS) and the Minnesota Department of Employment and Economic Development (DEED), is a virtual census of Minnesota employers, covering 97% of nonagricultural employment and wage data in Minnesota. Covered employment includes private sector employees, as well as state, county, and municipal government employees insured under the Unemployment Insurance (UI) Act and federal employees who are insured under separate laws. Religious congregations, proprietors, the self-employed, railroad workers, family farm workers, full-time students working for their school, elected government officials, and those working on a commission-only basis are excluded. Total wages include gross wages and salaries, pay for vacation and other paid leave, tips and other gratuities that are reported to the employer, bonuses (including severance pay), stock options, some sickness and disability payments, and the cash value of meals and lodging. This report uses QCEW data to analyze 501(c)(3) nonprofit employers, employees, and wages. For more information, visit [www.deed.state.mn.us/lmi/tools/qcew/about.htm](http://www.deed.state.mn.us/lmi/tools/qcew/about.htm).

The QCEW program classifies employers using the North American Industry Classification System (NAICS). In order to classify nonprofit employers and employees by activity area for some of the analysis in the report, the NAICS codes were converted into the National Taxonomy of Exempt Entities — Core Codes (NTEE-CC) using guides available from the National Center on Charitable Statistics. For more information on the NTEE-CC classification system, please visit <http://nccs.urban.org/ntee-cc/index.htm>.

### **Enhanced Wage Records**

The median wage data used in this report is from the Department of Employment and Economic Development (DEED). DEED merges data from the Quarterly Census of Employment and Wages (QCEW) program (described above) from 3rd quarter of 2004 with Unemployment Insurance (UI) Wage Records for the same quarter. UI records contain individual level employment and wage data on all employees and employers covered under the UI program. Merging these data sets enables DEED to determine an individual employee's wages as paid by a unique employer during that quarter. In order to be included in the analysis, each employee needed to have earnings in the 2nd and 4th quarter with the same employer as the 3rd quarter. This report uses the data to examine median hourly wages, or the mid-point in the range of wages, by region for full-time employees in selected industries. Full-time is defined as working 35 hours or more per week, or over 454 hours during the quarter.

### **Attorney General's Office, Charities Division**

The Minnesota Attorney General's (AG) office has the primary responsibility for regulating, enforcing, and supervising charitable organizations and charitable trusts. This report uses data provided by the AG's office on charitable organizations exempted under IRS subsection 501(c)(3) — and a small number exempted under subsections (c)(4) through (c)(19) — that filed a Form 990 or 990EZ. Private foundations filing form 990PF and certain charitable trusts are excluded from the analysis because they are operationally distinct. Certain other organizations that are exempt from filing with the Attorney General's Office are also not reflected in the data, including organizations that do not employ paid staff and do not plan to receive more than \$25,000 in total contributions; religious organizations that do not file a Form 990 federal return; certain educational institutions; organizations that limit solicitations to persons who have a right to vote as a member; organizations that solicit contributions for a single person specified by name; and private foundations that did not solicit contributions from more than 100 persons during the year. In most cases, this report uses financial information reported for the fiscal year that closed in 2004. However, for a small percentage of the organizations, 26%, fiscal year 2003 was the most current financial information available.

### **JOBS NOW Coalition, *The Cost of Living in Minnesota***

In *The Cost of Living in Minnesota*, the JOBS NOW Coalition calculates the wage necessary for a family to cover its basic needs, looking at a variety of family compositions as well as geographic differences. The "basic needs budget" constructs a realistic budget by measuring the actual costs of meeting basic needs for food, housing, healthcare, childcare, clothing, and transportation in 2004. The budget does not include any money for entertainment, vacation, eating out, emergencies, retirement, or education. *The Cost of Living in Minnesota* uses the thirteen economic development regions to examine geographic differences, while this analysis uses the six planning regions. Therefore, to determine the appropriate wage for the Northwest, Southwest, and Central planning regions, the unweighted budgets of the economic development regions within these planning regions were averaged together to determine the basic needs budget. *The Cost of Living in Minnesota* report and budget calculator are available online at [www.jobsnowcoalition.org](http://www.jobsnowcoalition.org).



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