

2017

Minnesota Nonprofit Economy Report

A statewide and
regional analysis



Twin Cities
Metro Area

Northeast
Minnesota

Northwest
Minnesota

Central
Minnesota

Southeast
Minnesota

South Central/
Southwest
Minnesota

Using this Report

Like every other industry in the United States, the nonprofit sector benefits from having timely information on economic performance. The Minnesota Council of Nonprofits' *Minnesota Nonprofit Economy Report*, published annually for the last seventeen years, provides the most comprehensive nonprofit economic information available in the nation. 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 financial resources 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 – when used together with the *Minnesota Salary and Benefits Survey* and other publications from the Minnesota Council of Nonprofits – has important uses for five distinct audiences:

- **Managers of nonprofit organizations:** planning budgets, evaluating revenue streams and identifying potential partnerships
- **Nonprofit boards of directors:** developing strategic plans, informing board trainings and evaluating staffing and compensation plans
- **Government officials:** understanding nonprofit funding streams and identifying partnership opportunities
- **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.

Data in this report comes from the Minnesota Department of Employment and Economic Development, Quarterly Census of Employment and Wages, with a supplemental map from the US Bureau of Labor Statistics. Additional information about the nonprofit sector is available on the Minnesota Council of Nonprofits (MCN)'s website at www.minnesotanonprofits.org.

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The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 2,100 Minnesota nonprofit organizations. Through its website, publications, workshops and events, cost-saving programs and advocacy, MCN works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.

Hamline University is a private liberal arts college in Minnesota founded in 1854. Hamline's Master of Arts in Nonprofit Management program equips nonprofit leaders with specialized skills through theoretically-sound, practice-focused education.

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2017 Minnesota Nonprofit Economy Report Executive Summary

The Nonprofit Workforce

The Nonprofit Economy Report (NPER) is an annual study by the Minnesota Council of Nonprofits (MCN) in partnership with Hamline University that analyzes public data on nonprofit employers, employment, and wages to understand the role nonprofit organizations play in the state's economy.

Table of Contents

- 4 Statewide Analysis
- 6 Twin Cities Metro Area Analysis
- 7 Northeast Minnesota Analysis
- 8 Northwest Minnesota Analysis
- 9 Central Minnesota Analysis
- 10 Southeast Minnesota Analysis
- 11 South Central/Southwest Minnesota Analysis
- 12 Appendix

employers added 157,181 employees, or a 92 percent growth in their workforce, outpacing overall Minnesota workforce growth of 29 percent.

The number of nonprofit organizations reporting having at least one employee fell by eight percent from 3,640 to 3,339 from 1993 - 2007. This reduction reflects some

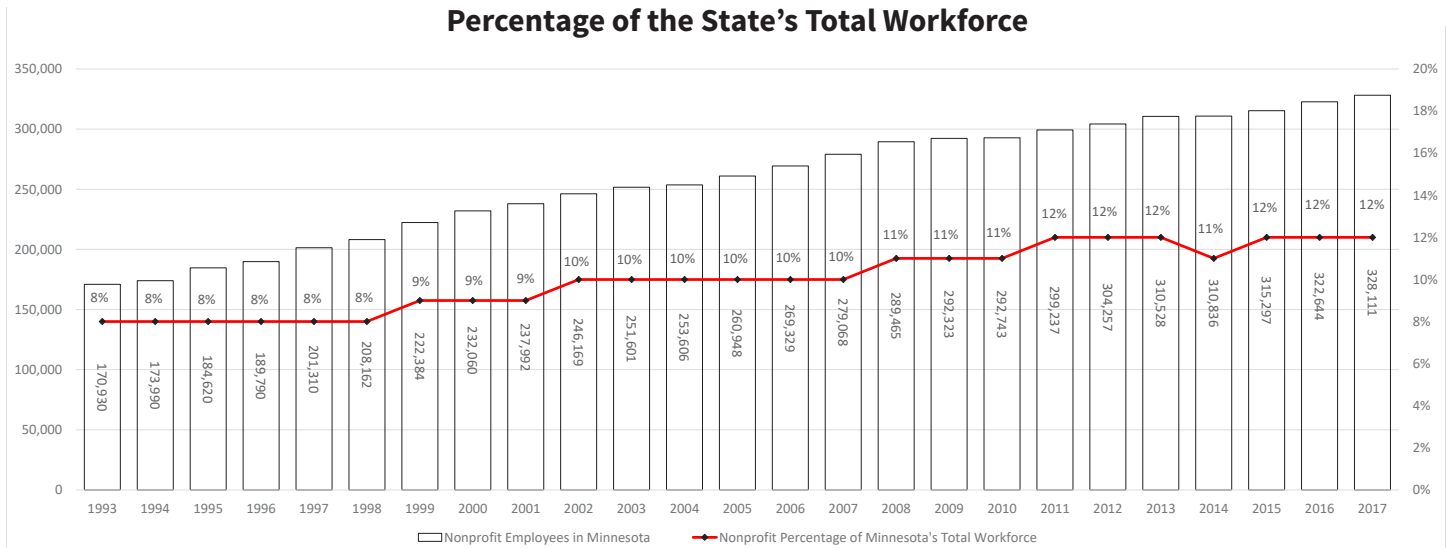
The Nonprofit Economy: 25 Years of Growth

Nonprofit organizations play an important role in Minnesota's communities – providing essential services, employing local residents, and improving the quality of life - from the arts to civic participation, human services, and recreation and youth sports. It is good news that Minnesota's nonprofit sector has experienced 25 years of continuous growth in employment and share of the state's workforce (even during the Great Recession years of 2008-09). From 1993-2017, Minnesota nonprofit

consolidation, though at the same time new organizations have been formed and added to the list of employers. There is no ideal number of nonprofits.

A positive trend for the employees of nonprofits is substantial wage compression, in which the historical gap between nonprofit wages and business and government wages has shrunk (even when large Hospital, College and University employers are removed from the equation).

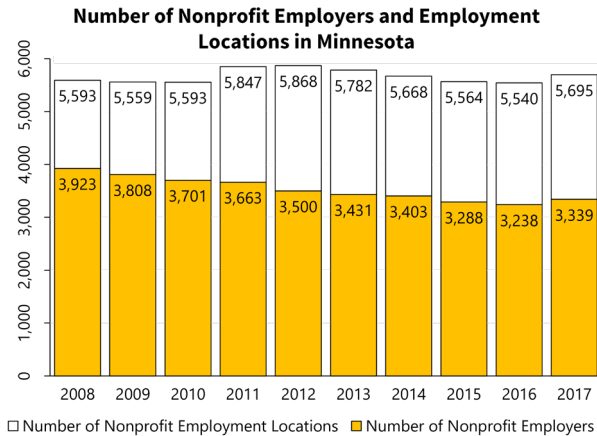
Number of Nonprofit Employees in Minnesota and Percentage of the State's Total Workforce



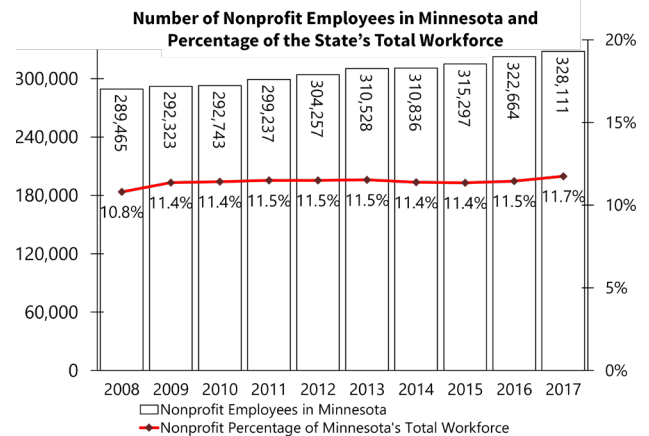


Statewide Nonprofit Employment and Wages

Statewide Overview: The nonprofit sector in Minnesota plays an integral role in the state's economy, employing one out of every nine workers.



- 8 percent were located in Southwest MN,
- 8 percent were located in Southeast MN and
- 7 percent were located in Northeast MN.



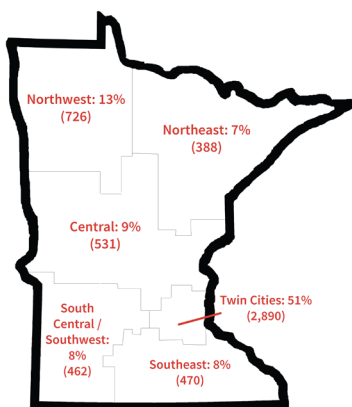
Number of Nonprofit Employers Up Slightly With Employment Locations Steady

The overall number of nonprofit employers in Minnesota has fallen by 15 percent over the last ten years, with a reduction in nine out of the ten years ending with fewer than 3,400 employers in 2017. A single employer may operate more than one location in the state, and the number of nonprofit locations has also been falling, marked by a decline in four of the five years ending with 5,695 employment locations in 2017. Churning is normal across this population of organizations, so that each year a number of nonprofits merge, some dissolve and new organizations start up.

With consistent growth over the past 10 years, more people every year are choosing to partner with their communities through nonprofit work. Minnesota's nonprofit sector accounted for over 328,000 jobs in 2017, making up 12 percent of the state's workforce.

In 2017, more than half, 55 percent, of the state's nonprofit workforce was employed in the Twin Cities Metro Area. Regional breakdowns of nonprofit employees show:

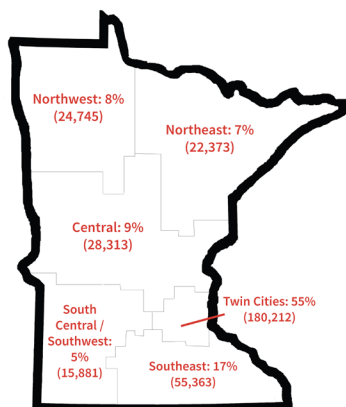
Percentage of Nonprofit Employer Locations by Region



In 2017 more than half of the nonprofits in Minnesota were located in the Twin Cities Metro Area. Regional breakdowns of nonprofit employer locations show:

- 13 percent were located in Northwest MN,
- 9 percent were located in Central MN,

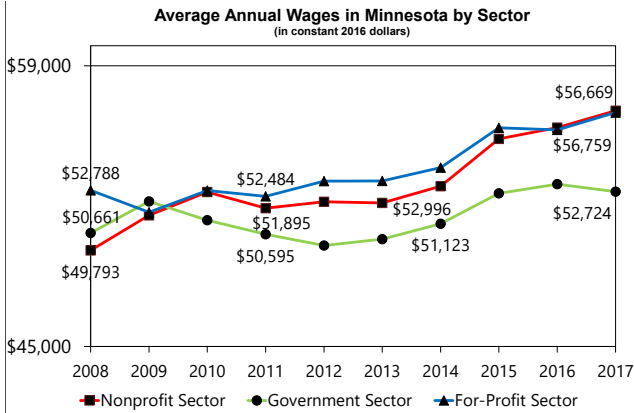
Percentage of Nonprofit Employee Locations by Region



- 17 percent in Southeast MN (where the Mayo Clinic is located),
- 9 percent in Central MN,
- 8 percent in Northwest MN,
- 7 percent in Northeast MN, and
- 5 percent in South Central/Southwest MN.



Statewide Nonprofit Employment and Wages

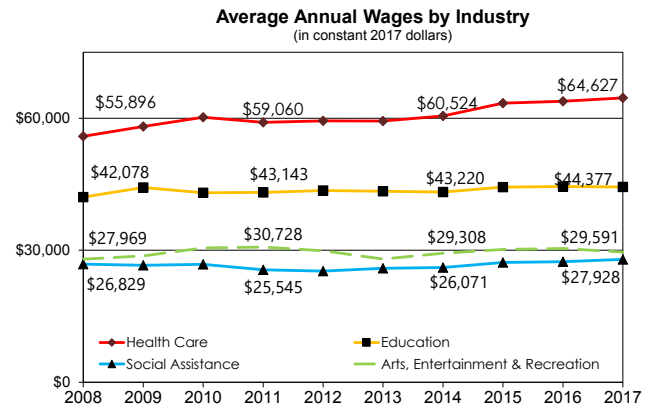


Nonprofit Average Annual Wages Remain Lower than For-Profit, Closely Match Government Wages (Excluding Hospitals and Higher Education)
Employees of hospitals report higher wages and stronger wage growth than is the case for much of the nonprofit sector.

Without hospitals and higher education institutions in the analysis, the wage gap between the nonprofit sector and the for-profit sector remains significant, with nonprofits falling seven percent below for-profits in average annual wages in 2017.

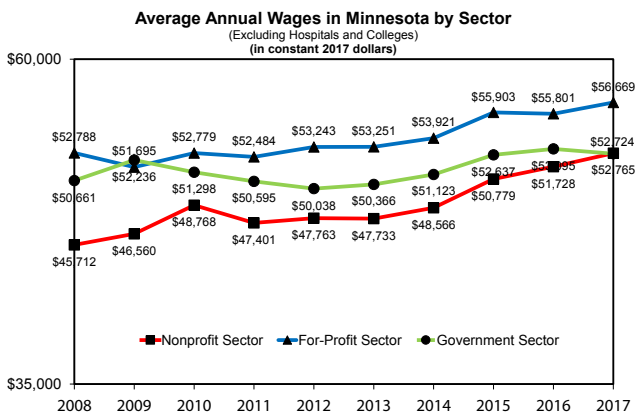
Nonprofit Average Annual Wages Surpass For-Profit Wages

Over time, nonprofit average annual wages have been closing the gap with annual average wages for for-profit and government employees. In 2003, average annual wages in the nonprofit sector were 12 percent below for-profit wages. By 2017, with hospitals and higher education included, nonprofit wages passed for-profit wages. Average annual wages in the nonprofit sector are highest in the healthcare industry, and lowest for vocational rehabilitation services, child care providers, and civic organizations. (Note that not all business compensation is in the form of reported wages but may be profit sharing, stocks, etc. Also, business employees may make greater use of part-time employees, decreasing annual wages.



As the graph above shows, over the last ten years, average nonprofit wages have grown beyond inflation by 15.6 percent for healthcare, 5.7 percent for arts, entertainment, and recreation, 5.4 percent for education, and four percent for social assistance. This compares to an overall Minnesota wage growth across all industries of three percent from 2008-2017.

While the overall nonprofit average annual wage (without hospitals and colleges) is lower than employees of business and government, a different picture emerges when comparing median wages within the same activity area. Nonprofit median wages compare more favorably, and are often higher than for-profit wages, in industry types such as arts and entertainment, health care, individual and family services, child care, and community services.



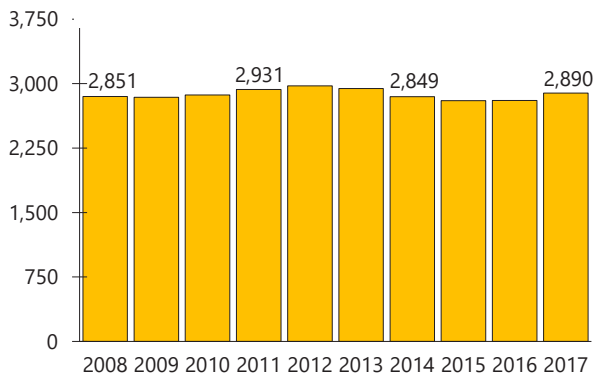


Twin Cities Metro Area Nonprofit Employment

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

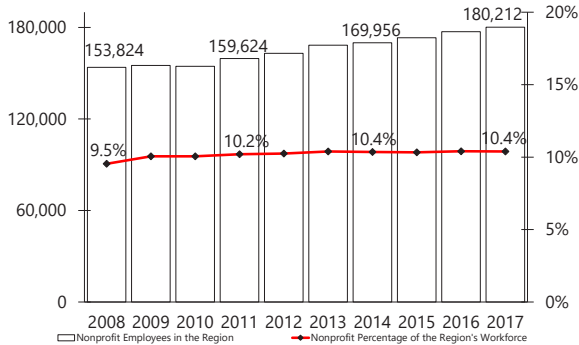
Regional Overview: With nearly 2,900 nonprofit employment locations and over 180,000 nonprofit jobs, the seven-county Twin Cities metro area was home to the majority of nonprofit activity in the state. The number of nonprofit locations, nonprofit employees, and wages have all seen growth since the 2009 recession, but at a slow pace.

Number of Nonprofit Employment Locations in the Twin Cities Metro Area



The number of Twin Cities nonprofit locations changes little over 10 years.

Number of Nonprofit Employees in the Twin Cities Metro Area and Percentage of Region's Total Workforce



The Twin Cities adds nearly 30,000 nonprofit jobs over 10 years, while the nonprofit sector gains market share.

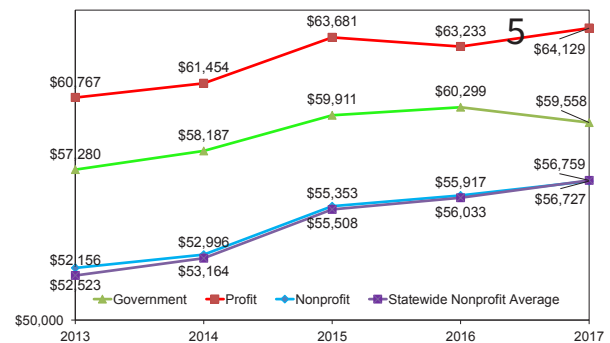
Average Annual Wages for Employees in the Twin Cities Metro

Industry	Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$34,107 (3%)	\$40,971 (2%)	\$36,223 (<1%)
Educational Services	\$45,505 (9%)	\$38,794 (1%)	\$55,324 (48%)
Health Care			
Ambulatory Health Care Services	\$79,457 (14%)	\$65,472 (4%)	NA
Hospitals	\$68,507 (33%)	\$57,708 (<1%)	\$78,733 (3%)
Nursing & Residential Care Facilities	\$32,816 (11%)	\$29,447 (2%)	\$46,429 (<1%)
Social Assistance			
Individual & Family Services	\$30,572 (7%)	\$21,675 (2%)	\$65,338 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$40,358 (1%)	(43,161) (<1%)	NA
Vocational Rehabilitation Services	\$26,751 (24%)	\$40,046 (<1%)	NA
Child Day Care Services	\$28,227 (<1%)	\$23,640 (<1%)	\$63,219 (<1%)
Other Services			
Religious Organizations	\$33,166 (<1%)	\$26,663 (<1%)	NA
Grantmaking & Giving Services	\$70,241 (<1%)	\$60,583 (<1%)	NA
Social Advocacy Organizations	\$44,438 (1%)	\$40,328 (<1%)	\$58,771 (<1%)
Civic & Social Organizations	\$16,891 (3%)	\$20,009 (<1%)	NA

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.

Note: Average annual wage earnings may represent less than full time work.

Average Annual Wage in Twin Cities (in constant 2017 dollars)



Annual wage earnings for nonprofits in the Twin Cities closely match the statewide average for the nonprofit sector.

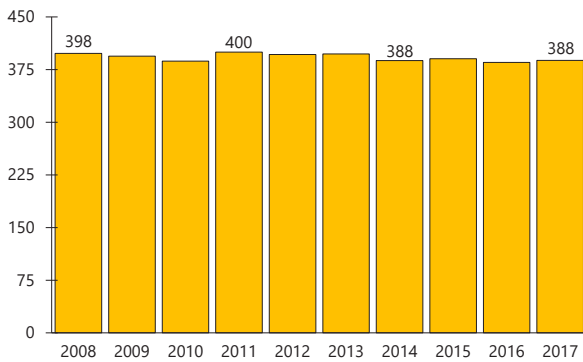


Northeast Minnesota Nonprofit Employment

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

Regional Overview: The seven-county Northeast Region is the second largest region in Minnesota in terms of geographic size, with most of its nonprofit activity is located in its largest county - Saint Louis. The nonprofit sector in the Northeast experienced a fairly stable number of nonprofit locations and relative share of the region's workforce over the past 10 years. Overall average nonprofit wages have grown over the past five years by remained flat this past year.

Number of Nonprofit Employment Locations in the Northeast Minnesota



The number of Northeast Minnesota nonprofit locations varied slightly over 10 years.

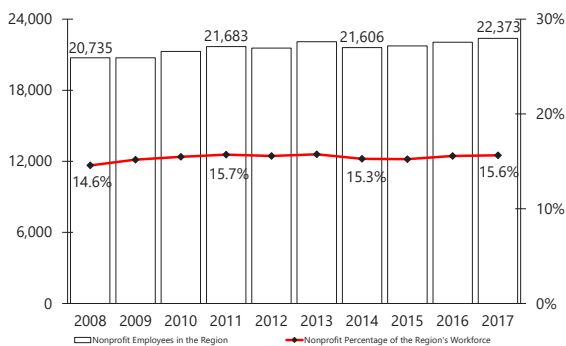
Average Annual Wages for Employees in Northeast Minnesota

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$16,487 (2%)	\$16,757 (2%)	\$29,623 (6%)
Educational Services	\$40,388 (6%)	\$19,091 (<1%)	\$43,063 (37%)
Health Care			
Ambulatory Health Care Services	\$121,603 (10%)	\$44,225 (4%)	NA
Hospitals	\$62,664 (48%)	\$66,394 (1%)	\$50,475 (5%)
Nursing & Residential Care Facilities	\$27,417 (18%)	\$25,580 (7%)	\$33,385 (1%)
Social Assistance			
Individual & Family Services	\$26,656 (4%)	\$17,075 (2%)	\$53,411 (2%)
Community Food, Housing, Emergency & Other Relief Services	\$37,832 (1%)	\$20,922 (<1%)	NA
Vocational Rehabilitation Services	\$18,310 (2%)	\$39,460 (<1%)	\$55,697 (<1%)
Child Day Care Services	\$32,434 (1%)	\$16,503 (<1%)	NA
Other Services			
Religious Organizations	\$22,884 (<1%)	\$33,682 (<1%)	NA
Grantmaking & Giving Services	\$64,865 (<1%)	\$41,515 (<1%)	NA
Social Advocacy Organizations	\$29,825 (2%)	\$21,200 (<1%)	NA
Civic & Social Organizations	\$12,831 (4%)	\$14,153 (<1%)	NA

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.

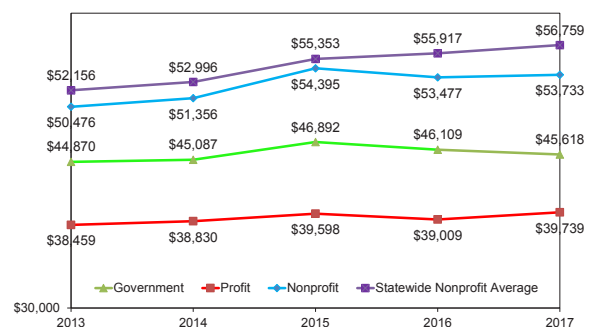
Note: Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in the Northeast and Percentage of the Region's Total Workforce



Northeast nonprofit employment market share is second highest in the state at 15.6 percent.

Average Annual Wage in Northeast MN (in constant 2017 dollars)



Nonprofit employers (including colleges, universities, and hospitals) reported highest annual wages among the employer types.

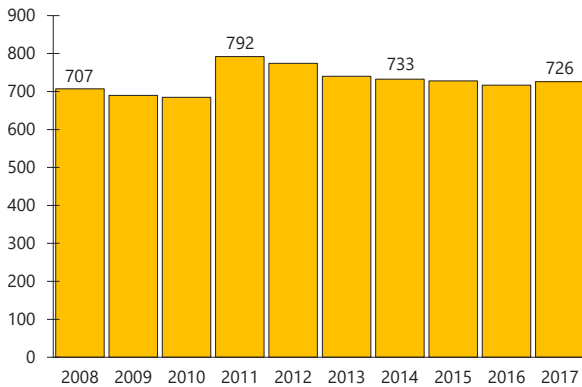


Northwest Minnesota Nonprofit Employment

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

Regional Overview: Northwest Minnesota is the largest geographical region in the state with 26 counties expanding over 28,000 square miles. While the nonprofit sector in the region saw rapid expansion in the early 2000s, the 2007 recession brought this growth to a halt, save for a spike in 2011. Nonprofit employment locations, nonprofit jobs, and nonprofit wages all have grown, but only slightly.

Number of Nonprofit Employment Locations in the Northwest Minnesota



Northwest nonprofit employment locations subject to year to year change.

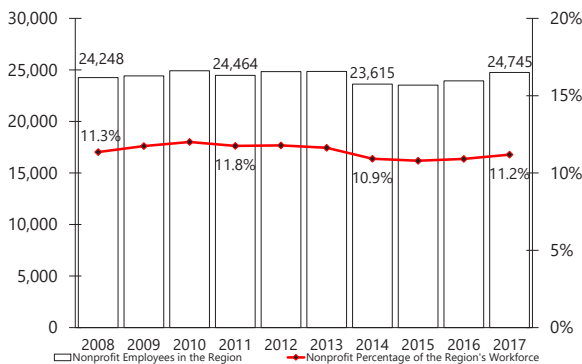
Average Annual Wages for Employees in Northwest Minnesota

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$14,607 (1%)	\$14,429 (1%)	\$27,567 (5%)
Educational Services	\$34,639 (6%)	\$18,828 (1%)	\$41,737 (43%)
Health Care			
Ambulatory Health Care Services	\$77,411 (13%)	\$56,626 (3%)	\$64,982 (1%)
Hospitals	\$52,377 (32%)	\$60,578 (1%)	\$51,842 (5%)
Nursing & Residential Care Facilities	\$29,266 (25%)	\$24,219 (3%)	\$30,967 (2%)
Social Assistance			
Individual & Family Services	\$25,149 (9%)	\$18,867 (2%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$32,597 (1%)	\$26,734 (<1%)	NA
Vocational Rehabilitation Services	\$26,859 (3%)	\$23,648 (<1%)	NA
Child Day Care Services	\$21,184 (1%)	\$15,442 (<1%)	NA
Other Services			
Religious Organizations	\$18,797 (1%)	NA	NA
Grantmaking & Giving Services	\$47,923 (<1%)	\$31,374 (<1%)	NA
Social Advocacy Organizations	\$33,775 (1%)	\$12,611 (<1%)	NA
Civic & Social Organizations	\$11,346 (1%)	\$9,093 (1%)	\$17,288 (<1%)

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.

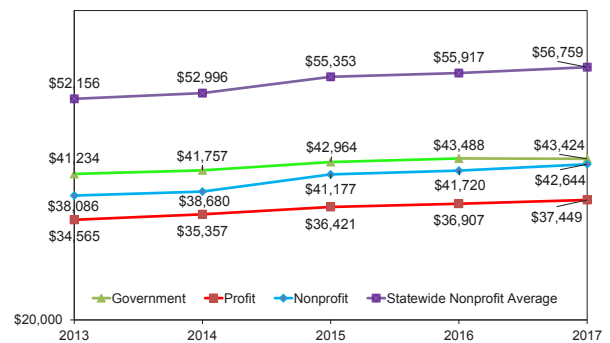
Note: Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in the Northwest Percentage of Total Workforce in the Region

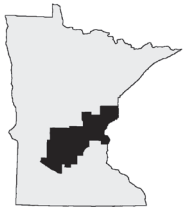


Northwest nonprofit employment numbers reduced slightly from 2010 high but increased in 2017 from previous year.

Average Annual Wage in Northwest MN (in constant 2017 dollars)



Northwest nonprofit average annual wages reach \$42,644, 14 percent higher than for-profit wages and 18 percent less than government in 2017.

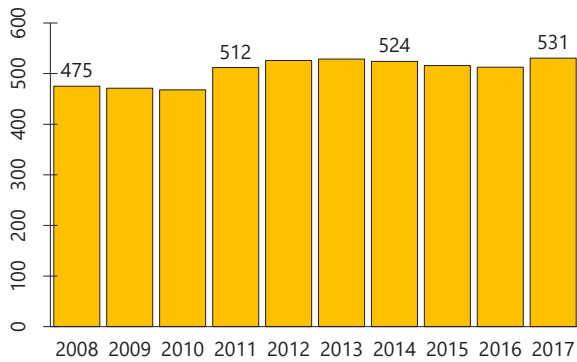


Central Minnesota Nonprofit Employment

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

Regional Overview: The Central Minnesota region may be a distant third in the state in terms of the size of the nonprofit workforce and the number of nonprofit employment locations, but the nonprofit sector in this region has experienced the strongest growth in the state in both categories since 2007. Its number of nonprofit employment locations and the size of its nonprofit workforce are growing faster than any other region.

Number of Nonprofit Employment Locations in Central Minnesota



Central Minnesota nonprofit employment locations grew by 12 percent over 10 years.

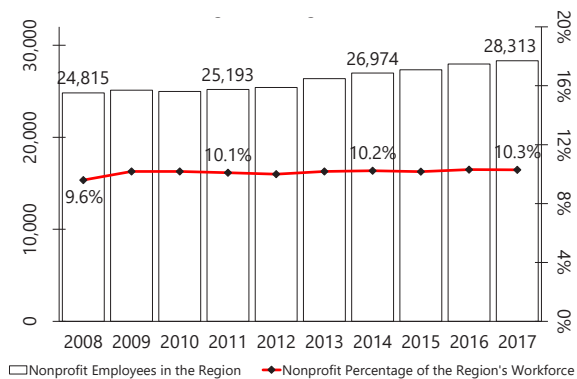
Average Annual Wages for Employees in Central Minnesota

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$14,861 (1%)	\$13,389 (1%)	\$45,798 (<1%)
Educational Services	\$42,228 (4%)	\$33,587 (1%)	\$44,423 (48%)
Health Care			
Ambulatory Health Care Services	\$81,111 (17%)	\$50,053 (5%)	NA
Hospitals	\$56,948 (36%)	\$53,017 (<1%)	\$61,628 (8%)
Nursing & Residential Care Facilities	\$32,825 (22%)	\$23,739 (4%)	\$38,368 (<1%)
Social Assistance			
Individual & Family Services	\$29,304 (5%)	\$18,152 (2%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$26,719 (<1%)	\$24,397 (<1%)	NA
Vocational Rehabilitation Services	\$23,002 (3%)	\$33,182 (<1%)	NA
Child Day Care Services	\$19,630 (1%)	\$17,640 (1%)	NA
Other Services			
Religious Organizations	\$23,306 (1%)	\$30,186 (<1%)	NA
Grantmaking & Giving Services	\$54,555 (<1%)	NA	NA
Social Advocacy Organizations	\$27,998 (2%)	\$23,020 (<1%)	NA
Civic & Social Organizations	\$15,729 (2%)	\$9,804 (1%)	NA

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.

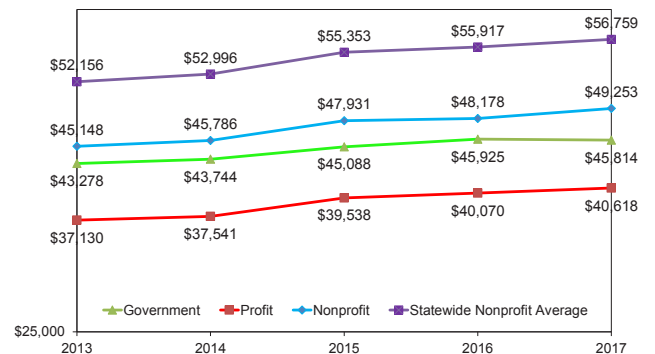
Note: Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Central MN and Percentage of the Region's Workforce



The number of nonprofit employees in Central Minnesota grew by nearly 14 percent over 10 years.

Average Annual Wage in Central MN (in constant 2017 dollars)



Average weekly wages for Central Minnesota nonprofits increased 9 percent over 10 years.

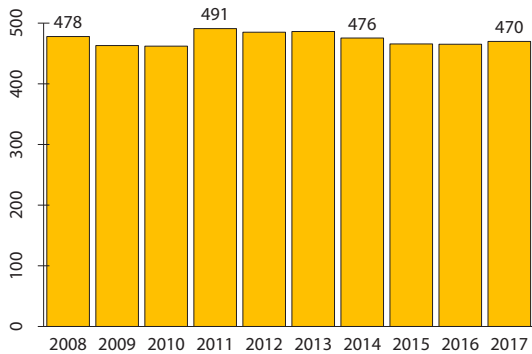


Southeast Minnesota Nonprofit Employment

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

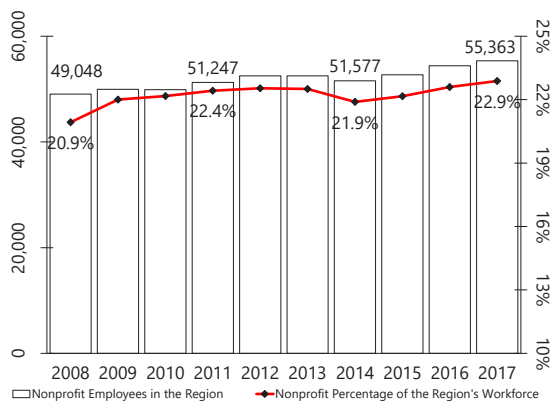
Regional Overview: The 11-county region of Southeast Minnesota, home to the city of Rochester, is internationally recognized for its healthcare facilities, with the highest average nonprofit wages and highest nonprofit share of the workforce.

Number of Nonprofit Employment Locations in Southeast Minnesota



Number of Southeast Minnesota nonprofit employment locations fluctuated but grew over 10 years.

Number of Nonprofit Employees in Southeast MN and Nonprofit Percentage of all Employees in the Region



Southeast Minnesota nonprofit employees make up the largest percentage of nonprofit employees overall workforce, growing 13 percent over the last 10 years.

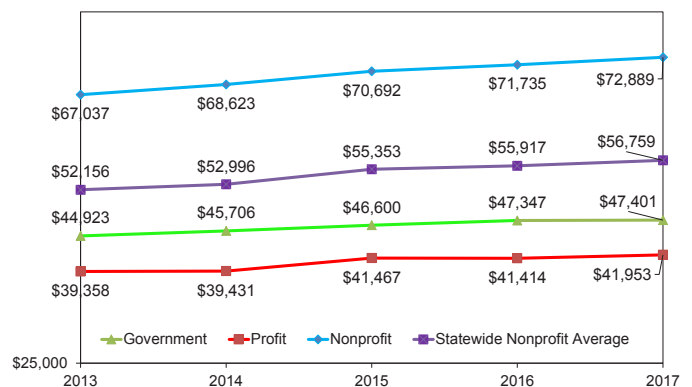
Average Annual Wages for Employees in Southeast Minnesota

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$17,190 (1%)	\$14,904 (1%)	\$43,089 (4%)
Educational Services	\$47,201 (7%)	\$20,859 (<1%)	\$44,247 (50%)
Health Care			
Ambulatory Health Care Services	\$97,709 (48%)	\$48,378 (3%)	\$42,892 (<1%)
Hospitals	\$66,642 (26%)	NA	NA
Nursing & Residential Care Facilities	\$28,256 (10%)	\$25,706 (4%)	\$31,031 (2%)
Social Assistance			
Individual & Family Services	\$23,688 (3%)	\$18,980 (1%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$30,432 (<1%)	\$39,966 (<1%)	NA
Vocational Rehabilitation Services	\$27,762 (1%)	\$36,270 (<1%)	NA
Child Day Care Services	\$20,950 (1%)	\$20,059 (1%)	NA
Other Services			
Religious Organizations	\$25,517 (<1%)	NA	NA
Grantmaking & Giving Services	\$52,040 (<1%)	\$36,255 (<1%)	NA
Social Advocacy Organizations	\$37,272 (1%)	\$22,538 (<1%)	NA
Civic & Social Organizations	\$9,833 (1%)	\$8,612 (1%)	NA

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.

Note: Average annual wage earnings may represent less than full time work.

Average Annual Wage in Southeast MN (in constant 2017 dollars)



A strong hospital and college sector results in the highest average nonprofit wages in the state.

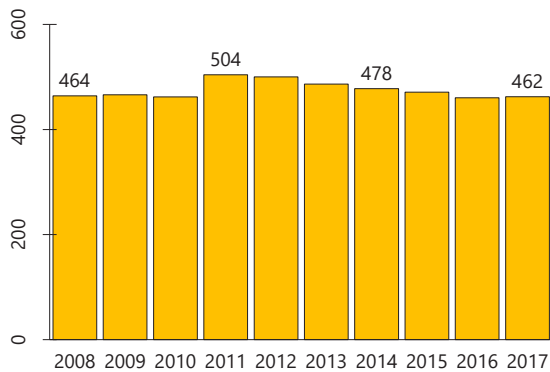


South Central/Southwest Minnesota Nonprofit Employment

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

Regional Overview: The nonprofit sector in the 23-county South Central/Southwest region of Minnesota is by some measures one of the smallest in the state. The region has the smallest nonprofit workforce in the state and one of the smaller nonprofit employment locations. Both of these measures have grown since the 2007 recession, but slowly.

Number of Nonprofit Employment Locations in South Central/Southwest Minnesota



The number of South Central/Southwest nonprofit locations changes little over 10 years.

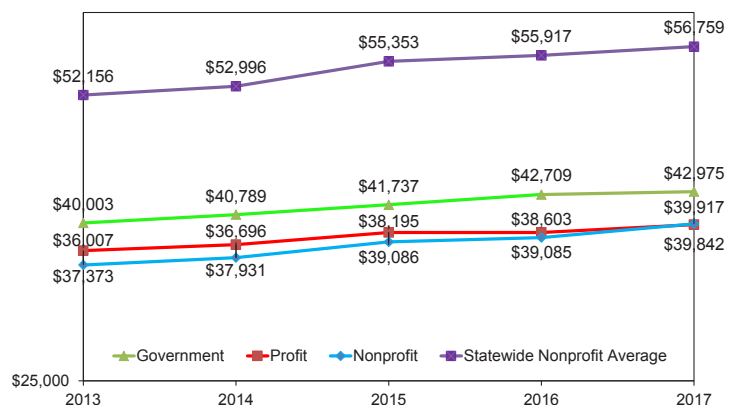
Average Annual Wages for Employees in South Central/Southwest Minnesota

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13,759 (1%)	\$11,952 (1%)	\$31,109 (1%)
Educational Services	\$38,882 (8%)	\$26,377 (1%)	\$41,416 (45%)
Health Care			
Ambulatory Health Care Services	\$58,145 (11%)	\$49,391 (5%)	\$35,881 (<1%)
Hospitals	\$72,701 (22%)	\$53,152 (<1%)	\$54,035 (11%)
Nursing & Residential Care Facilities	\$26,412 (29%)	\$24,008 (4%)	\$26,939 (2%)
Social Assistance			
Individual & Family Services	\$24,406 (6%)	\$20,307 (1%)	\$51,520 (1%)
Community Food, Housing, Emergency & Other Relief Services	\$24,281 (1%)	\$26,026 (<1%)	NA
Vocational Rehabilitation Services	\$18,689 (14%)	\$25,244 (<1%)	NA
Child Day Care Services	\$22,131 (1%)	\$15,207 (<1%)	NA
Other Services			
Religious Organizations	\$17,041 (1%)	\$17,703 (<1%)	NA
Grantmaking & Giving Services	\$46,021 (1%)	\$40,904 (<1%)	NA
Social Advocacy Organizations	\$31,931 (2%)	\$12,785 (<1%)	NA
Civic & Social Organizations	\$10,718 (2%)	\$7,324 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2017

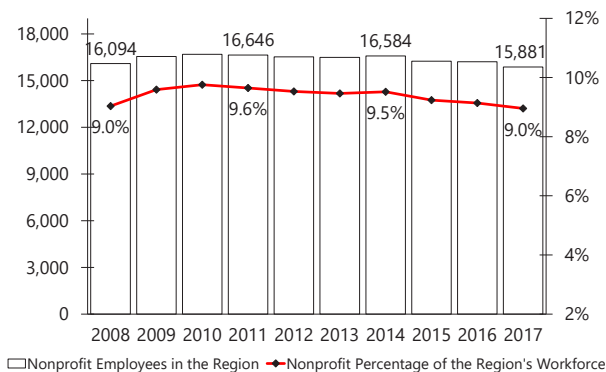
Note: Average annual wage earnings may represent less than full time work.

Average Annual Wage in South Central/Southwest MN (in constant 2017 dollars)



Nonprofit average weekly wages grow by 7 percent over 10 years in constant 2017 dollars.

Number of Nonprofit Employees in South Central/Southwest MN and Nonprofit Percentage of all Employees in the Region



The percentage of the nonprofit workforce in South Central/Southwest Minnesota is the smallest in the state at 9 percent.

Appendix A

Nonprofit Classification Systems

North American Industry Classification System (NAICS)

This report uses the NAICS for the analysis of nonprofit employers, employees and wages.

Ambulatory Health Care Services (NAICS 621) –

provide health care services to ambulatory patients, and include 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.

Arts, Entertainment & Recreation (NAICS 71) –

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.

Child Day Care Services (NAICS 6244) –

establishments primarily engaged in providing day care of infants or children.

Civic & Social Organizations (NAICS 8134) –

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.

Community Food, Housing, Emergency & Other Relief Services (NAICS 6242) –

Community food service establishments primarily collect and deliver food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for low-income people, volunteer construction 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.

Educational Services (NAICS 611) – establishments that provide instruction and training through specialized establishments, such as schools, colleges, universities and training centers.

Grantmaking & Giving Services (NAICS 8132) –

grantmaking foundations and charitable trusts, as well as establishments primarily engaged in raising funds for a range of social welfare activities.

Hospitals (NAICS 622) – provide medical, diagnostic and treatment services that include physician, nursing and other health services to inpatients. Hospitals may provide outpatient services as a secondary activity.

Individual & Family Services (NAICS 6241) –

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.

Nursing & Residential Care Facilities (NAICS 623) –

provide residential care combined with nursing 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.

Religious Organizations (NAICS 8131) –

churches, religious temples, monasteries and establishments primarily engaged in administering an organized religion or promoting religious activities.

Social Advocacy Organizations (NAICS 8133) –

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.

Vocational Rehabilitation Services (NAICS 6243) –

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 skills or experience.

Appendix B

Data Sources

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 percent of nonagricultural employment and wage data in Minnesota. 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, employment locations, employees and wages. Each year, DEED provides new data for the most current year and revised data for the previous year. Therefore, data for 2017 may differ slightly from what was reported in the *2016 Minnesota Nonprofit Economy Report*. Information on the number of nonprofit employers is only available at the state level, so regional analysis focuses on the number of nonprofit employment locations. This report uses the Consumer Price Index (CPI-U) to adjust total payroll and average weekly wages for inflation.

Enhanced Wage Records

The median wage data used in this report is from the Minnesota Department of Employment and Economic Development (DEED). DEED merges data from the QCEW program (described above) from the 4th quarter of 2016 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 3rd and the following 1st quarter with the same employer as in the 4th quarter. This report uses the data to examine median annual wages, or the mid-point in the range of wages, by region for employees in selected industries.



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