

2020-2021

A Statewide and Regional Analysis of Minnesota Nonprofits

MINNESOTA NONPROFIT ECONOMY REPORT

Northeast
Minnesota

Northwest
Minnesota

Central
Minnesota

Southeast
Minnesota

Southwest
Minnesota

Twin Cities
Metro Area

MINNESOTA
COUNCIL OF
NONPROFITS



USING THIS REPORT

Like every 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 eighteen years, provides the most comprehensive nonprofit economic information available in the nation.

Minnesota ranks at or near the top in nearly 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 and the Internal Revenue Service exempt organizations business master file. Additional information about the nonprofit sector is available on the Minnesota Council of Nonprofits (MCN)'s website at www.minnesotanonprofits.org.

The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 2,200 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.

Report Authors

Kari Aanestad, MCN associate director, Bryson Berry, MCN nonprofit research intern, and Jon Pratt, MCN senior research fellow.

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2020 - 2021 MINNESOTA NONPROFIT ECONOMY REPORT: EXECUTIVE SUMMARY

The Minnesota Nonprofit Economy Report (MNER) is an annual study completed by the Minnesota Council of Nonprofits (MCN). The report uses public data to analyze trends in nonprofit employment and wages. The goal of the report is to understand the role of the nonprofit sector in Minnesota's economy.

Due to the COVID-19 pandemic, this report reviews and analyzes economic and employment trends from 2020 and 2021 simultaneously. The effects of the COVID-19 pandemic and demands for racial justice motivated by the murder of George Floyd have deeply impacted Minnesota's nonprofit sector, economy, and communities. To support pressing needs for real-time information, MCN actively surveyed nonprofits and released six special impact reports from 2020 to 2022 as a complementary report series to the MNER series. Those reports are available on [MCN's website](#).

The Nonprofit Economy

For decades, nonprofit organizations have been serving an important role in Minnesota's communities — providing essential services, employing local residents, and improving quality of life in areas from arts to human services to recreation and youth sports. In addition to providing essential services for Minnesota communities, nonprofit organizations are strong contributors to the state's economy. In 2021 alone, nonprofit organizations:

- Employed 14 percent of the state's workforce;
- Paid \$24 billion in wages; and
- Represented more than 9,000 employer organizations.

Prior to 2020 the nonprofit sector had experienced nearly three decades of continuous growth as a sector. Beginning mid-year 2020, all sectors experienced retraction of the workforce. Between 2019 and 2021 the number of nonprofit employees fell by 22,063, yet nonprofits maintained their relative share of the state's total workforce (nearly 14 percent). Even with the retraction, the overall growth of the nonprofit sector between 1993 and 2021 has been 116 percent.

In 2020 the number of nonprofit organizations reporting having at least one paid employee was 9,236 and in 2021 the number was 9,564. These numbers represent nonprofit organizations ranging from the multi-billion dollar Mayo Clinic to small human service based nonprofits in the Northwest region of the state. Although we would expect the COVID-19 pandemic to have caused the number of nonprofits to decline, there has actually been significant growth. Of course, there is no ideal number of nonprofits.

Between 2020 and 2021, the average annual wage for nonprofit employees increased by 1.3 percent (adjusted for inflation). Although the sector saw a decrease in average wage, nonprofit organizations held their place in between the average annual wages of the for-profit and government sectors.

Nonprofit full-time and part-time employment in Minnesota over the past five years, will full-time employment increasing by 3.7 percent and part-time employment increasing by slightly over one percent. Since 2019, the number of part-time employees grew slightly after the COVID-19 retraction while full-time employment was not able to recover. Employment of full-time and part-time employees showed consistent trends across all regions. The healthcare industry employed the majority of both full-time and part-time nonprofit employees. Food services and and childcare frequently employed the least employees in the workforce.

New Additions to the 2020 - 2021 Report

Included in this report is an analysis of the distribution of and change in full-time and part-time employees from 2017 to 2021. This analysis reviews full-time and part-time employment of four major industries: education, health care, social assistance, and arts, entertainment and recreation.

This report offers an overview of the distribution of nonprofit employees according to age and sex as of 2018, which is the most recent data available from the Minnesota Department of Employment and Economic Development. The distributions of sexes and ages in the nonprofit workforce has changed and may be updated in a future report.



NONPROFIT SECTOR'S IMPACT ON THE STATE ECONOMY

- The number of nonprofit employers has fallen by 189 since 2019, a result of the COVID-19 pandemic.
- The nonprofit sector has increased its share of Minnesota's workforce and still employees roughly one in seven workers.
- The nonprofit sector employs more workers than the government sector, which employs 363,412 workers, but less workers than the for-profit sector.
- From 2020 to 2021, nonprofit average annual wages increased by nearly four percent.
- Excluding hospitals and colleges from average annual wage increases, the change from 2020 to 2021 is three percent.

Number of Nonprofit Employers

9,564

Nonprofit Industry's Share of State's Total Workforce

14%

Number of Nonprofit Employees

369,787

Total Wages to Nonprofit Workers

\$24 billion

Nonprofit Annual Wage

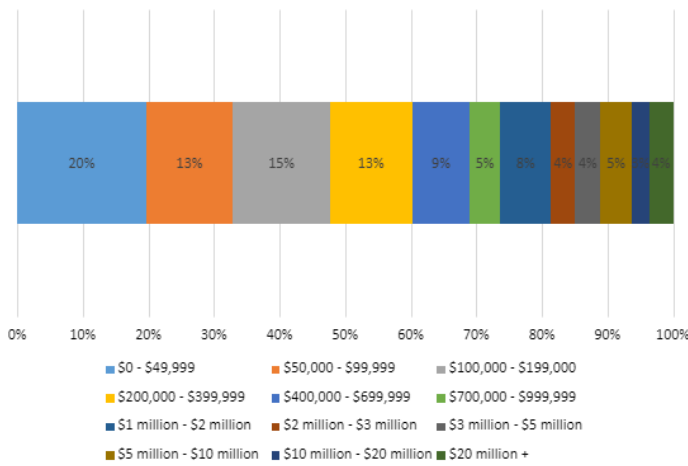
\$64,859



STATEWIDE NONPROFIT SIZE & BREADTH

Statewide Overview: The nonprofit sector in Minnesota plays an integral role in the state’s economy, paying \$24 billion in wages in 2021 and touching the lives of nearly every Minnesotan through a vast array of services and activities.

MN Nonprofits by Budget Size

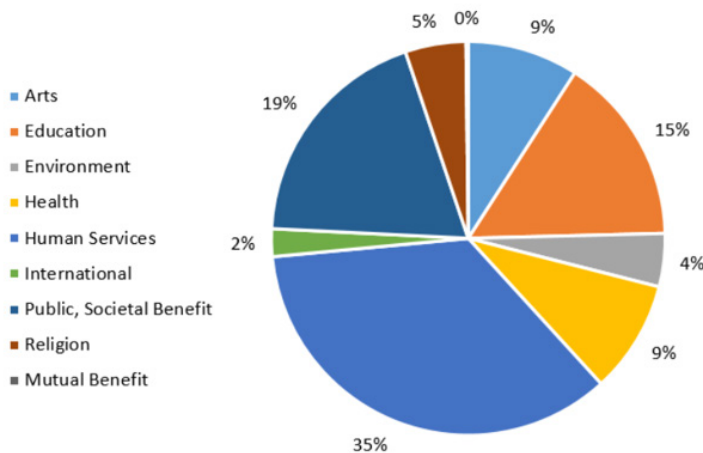


The vast majority of nonprofit organizations in Minnesota have annual operating budgets under \$1 million (74 percent, or 7,544 organizations), and 62 percent are under \$500,000.

Organizations with smaller operating budgets tend to be in the areas of the arts, religion, environment, and international issues.

Organizations with larger annual operating budgets (\$5 million+) tend to be in the areas of health and human services. The largest nonprofit in Minnesota is the Mayo Clinic based in Rochester, MN, reporting over \$11 billion in income in the 2020 filing year (approximately 30 percent of total statewide nonprofit income).

Percent of Statewide Nonprofit Organizations by Activity Area



Human services organizations are the largest percent of nonprofits in Minnesota, representing a broad range of focus areas including: housing and shelter, youth development, food access and nutrition, employment, and recreation.

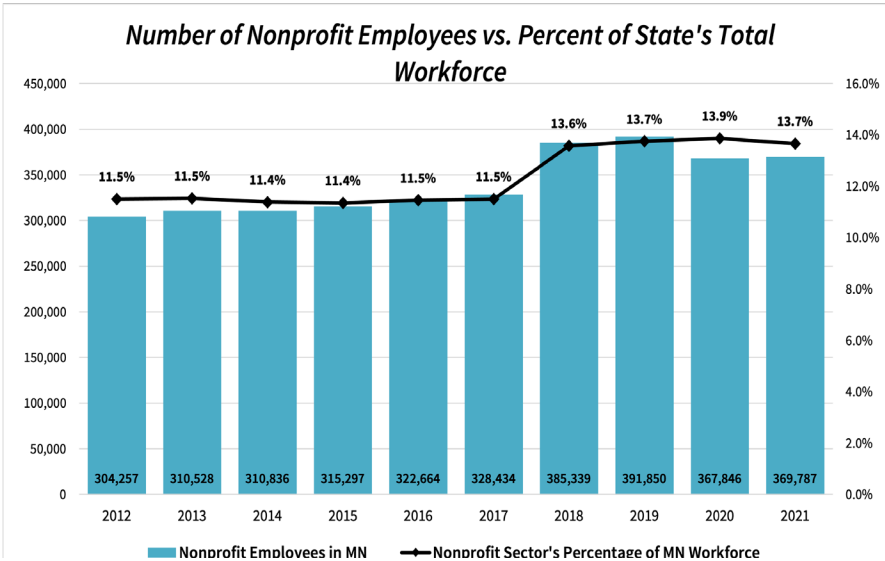
Public and Societal Benefit organizations are the second largest cohort of nonprofits in the state, which includes philanthropy and grantmaking foundations; civil rights and advocacy groups; community improvement; science, social science, technology and research institutes; and more.

Education is the third largest cohort of nonprofits in Minnesota representing charter schools, colleges and universities, and more.

There have not been significant changes in the distribution of nonprofit organizations by activity area when comparing the 2021 data to the past five years.

STATEWIDE NONPROFIT EMPLOYMENT NUMBERS

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

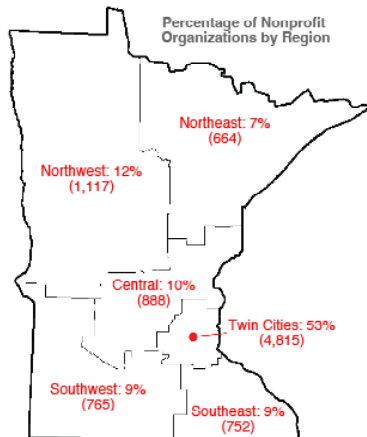


Nonprofit Employees Make Up Almost 14 percent of State's Total Workforce Even With a Massive Decline

From 2019 to 2020, the total number of nonprofit employees fell by 22,063. From 2020 to 2021, there was only a marginal increase of 1,941 employees, showing slight recovery after the peak of the COVID-19 pandemic. The nonprofit sector still remained responsible for nearly 370,000 jobs, making up 13.7 percent of the state's total workforce. This was a fall from the peak 13.9 percent in 2020 that was attained due to job loss in all sectors.

2021 Regional Distributions of Nonprofit Employees and Employer Locations Similar to 2019

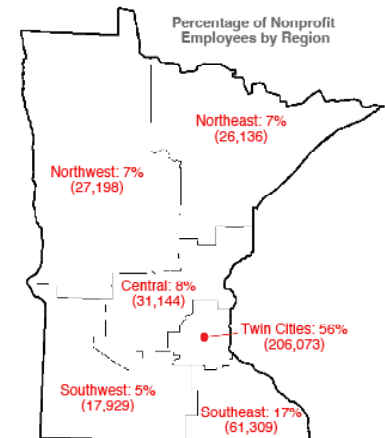
In 2021, 53 percent of the nonprofit employer locations in Minnesota were located in the Twin Cities Metro Area—unchanged from 2019.



Regional breakdowns of nonprofit employer locations show:

- Seven percent in Northeast Minnesota
- 12 percent in Northwest Minnesota
- 10 percent in Central Minnesota
- Nine percent in Southeast Minnesota
- Nine percent in Southwest Minnesota

In 2021, 56 percent of the state's nonprofit workforce was employed in Twin Cities Metro Area, a one percent decrease from 2019.



Regional breakdowns of nonprofit employer locations show:

- Seven percent in Northeast Minnesota
- Seven percent in Northwest Minnesota
- Eight percent in Central Minnesota
- 17 percent in Southeast Minnesota
- Five percent in Southwest Minnesota



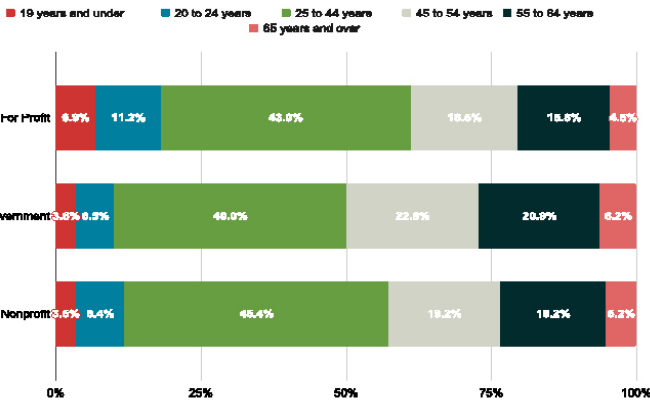
STATEWIDE NONPROFIT AGE AND SEX DISTRIBUTIONS BY SECTOR

Statewide Overview: Minnesota’s nonprofit workforce is nearly 75% female and tends to be younger than government and slightly older than for-profit

Note: This data is from the 2019 Minnesota Nonprofit Economy Report, which is the most recent data available from the Minnesota Department of Employment and Economic Development*.

Statewide Age Distribution by Employment Sector

2018 Data



Nonprofit Sector Skews Older Than For-Profit Sector

Minnesota’s nonprofit employees tend to be older than for-profit employees yet younger than government employees. The majority of nonprofit employees are between 20 and 44 years old. Less than 25 percent of nonprofit sector employees are older than 55.

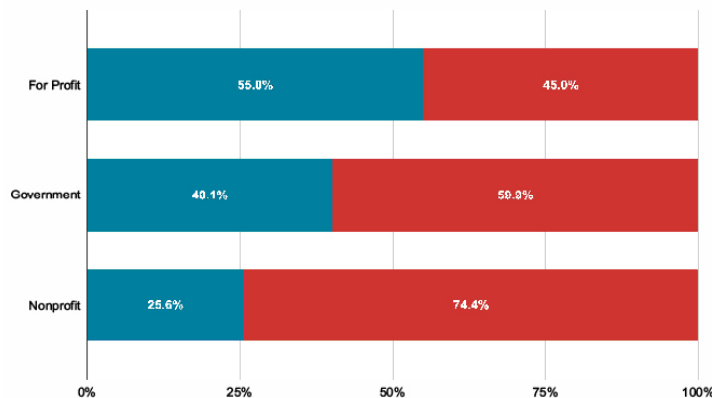
Three Out of Four Minnesota Nonprofit Employees Are Female*

The nonprofit sector employs a higher percentage of females and a lower percentage of males than both the for-profit and government sectors. The majority of workers in the nonprofit and government sectors identify as female, while the majority of workers in the for-profit sector identify as male.

Statewide Sex Distribution by Employment Sector

2018 Data

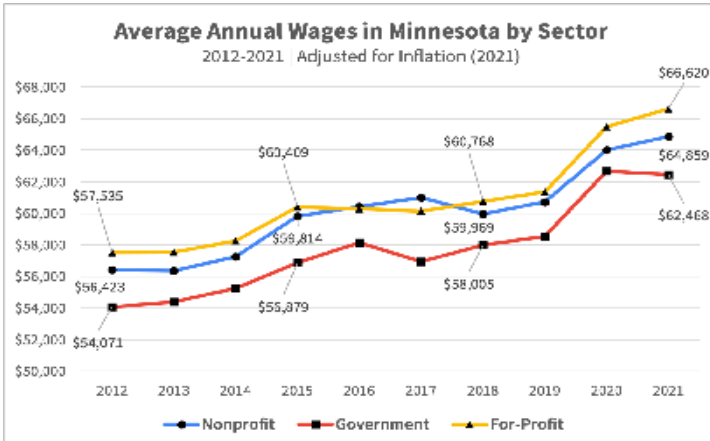
Male Female



* Sex data is provided by the Minnesota Department of Employment and Economic Development. While MCN recognizes the broad spectrum of gender identities that transcends the binary of male and female, this report is unfortunately limited to only including the data that was provided.

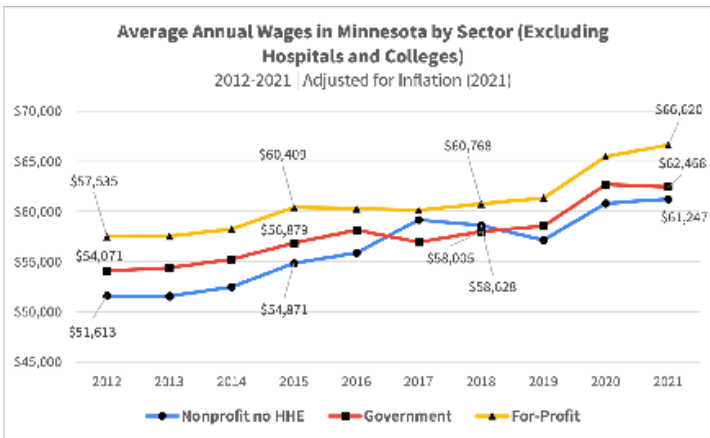
STATEWIDE NONPROFIT WAGES BY INDUSTRY AND SECTOR

Statewide Overview: Statewide nonprofit wages rose between 2019 and 2021 by nearly 7% and maintained their historical spot between the private sector and government.



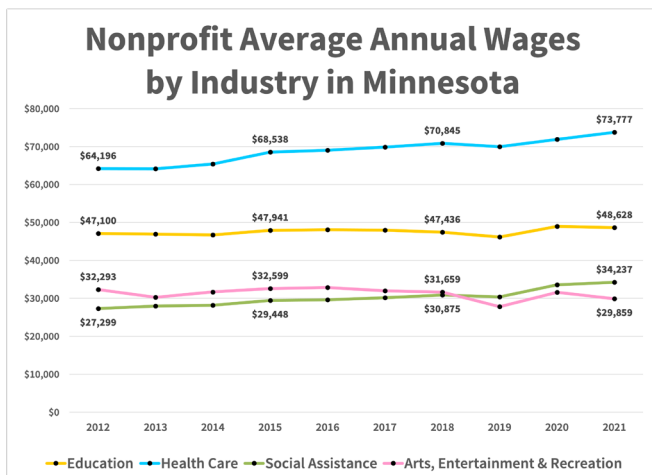
Nonprofit Average Annual Wages Remain Between For-Profit and Government Wages

Nonprofit average annual wages rose above for-profit wages for the first time in 2017. However, after a methodology change adding a larger number of small nonprofits to the dataset, the average annual wage nonprofit wages fell behind for-profit wages again in 2018. Between 2019 and 2021, nonprofit wages experienced a 6.8 percent increase. (Note: not all business compensation is in the form of reported wages, i.e., profit sharing, stocks, etc.).



Nonprofit Average Annual Wages Lower than Government and For-profit After Excluding Hospitals and Colleges

The change in average annual wages when excluding hospitals and colleges is 8.8 percent less than when they are included. When hospitals and colleges are excluded, nonprofit wages fall to over \$5,000 less than for-profit wages in 2021. Additionally, nonprofit wages falls to roughly less than \$1,000 than government wages as well.



Healthcare is Still by Far the Highest Wage Paying Nonprofit Industry

Over the past ten years, nonprofit wages have increased by the most in the social assistance industry, at 25.4 percent when adjusted for inflation. The healthcare industry saw second highest growth annual wages over the last decade at 14.9 percent. Wages for education grew by only 3.2 percent while wages for arts fell by 7.5 percent. In 2021, nonprofit employees in the healthcare industry earned \$25,149 more than the second highest paying industry. Although this is to be expected, it is still quite significant.



TWIN CITIES NONPROFIT EMPLOYMENT

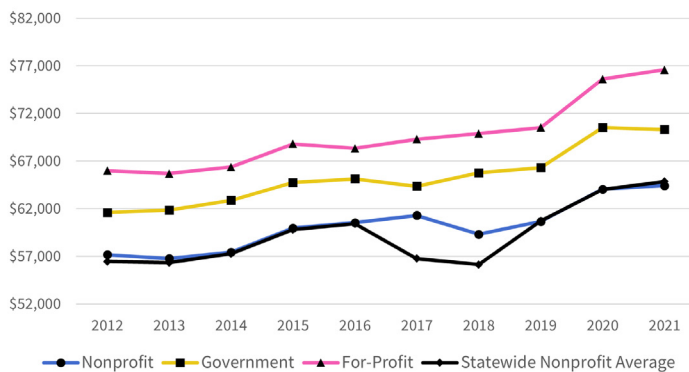
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

Regional Overview: In spite of the COVID-19 pandemic, the Twin Cities Metro area continued to see growth in employment locations and average annual wages. Even still, employment levels fell quite significantly. Although there has been growth from 2012 to 2021, it is clear that the effect of COVID-19 was impactful.

Nonprofit employment locations in the Twin Cities Metro area makes up over 53 percent of total employment locations in Minnesota. Employment locations rose by 3.4 percent from 2020 and 5.6 percent in 2019. Growth in nonprofit employment locations in the Twin Cities was the highest in 2021.

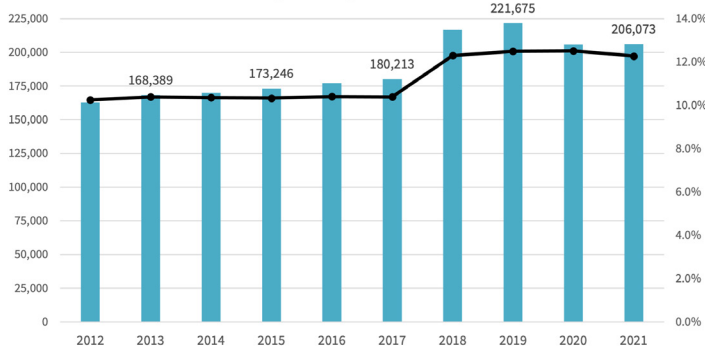


Average Annual Wages in the Twin Cities Metro Area



Nonprofit average annual wages grew the most of any sector in the Twin Cities Metro Area, rising from \$65,990 in 2012 to \$76,584 in 2021. This is a year over year increase of roughly 1.7 percent adjusted for inflation. Average nonprofit wages rose significantly from 2019 to 2020 implying that there was not a significant negative impact of COVID-19 on nonprofit wage rates. Average nonprofit wages in 2021 were \$6,265 higher than government wages, \$12,167 higher than for-profit wages and \$11,725 higher than the statewide nonprofit average wages.

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

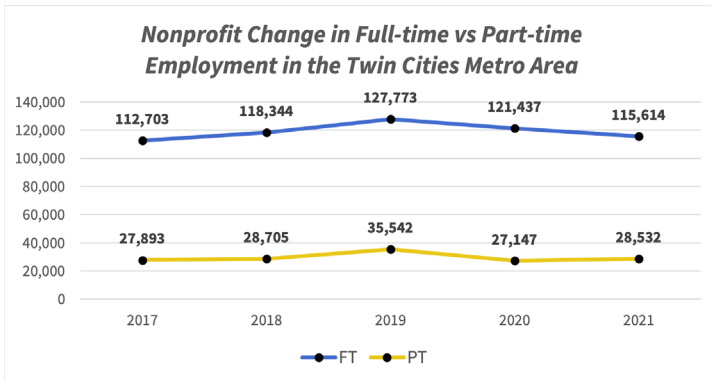


Due to COVID-19, the number of nonprofit employees and the percentage of nonprofit employees that make up the region's total workforce both saw a decline. The total number of nonprofit employees fell from 221,675 in 2019 to 206,073 in 2021. The percentage of nonprofit employees making up the region's total workforce fell from 12.5 percent to 12.3 percent in the same time-frame.

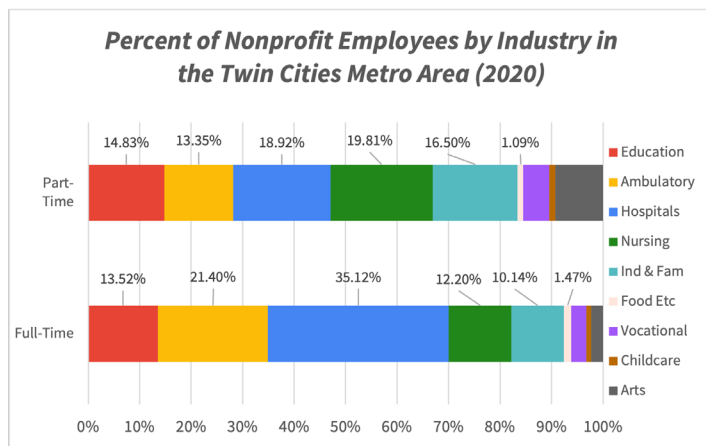


TWIN CITIES NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

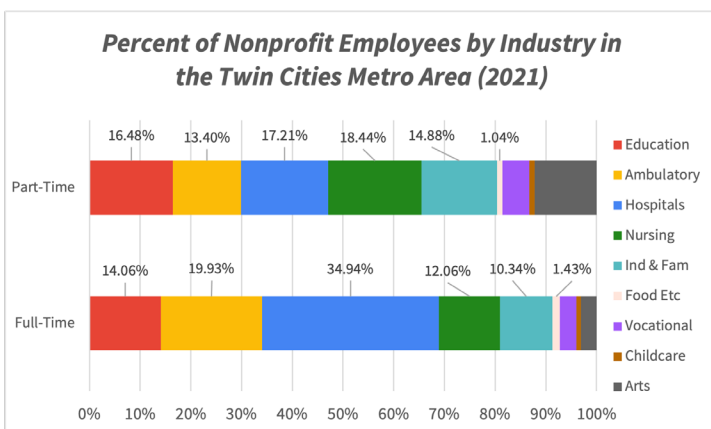
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington



Over 5 years the number of full-time employees fell but the number of part-time employees rose slightly. Looking more closely at the years affected by COVID-19, from 2019 to 2021, full-time employment fell by 9.5 percent. Part-time employment fell by 19.7 percent in this same timeframe. However, unlike full-time employment, between 2020 and 2021, part-time employment began to rise. Full-time employment dominates part-time employment yet it seems that it was easier for part-time employees to re-enter the job market post COVID-19.



In 2020, the nursing industry made up 19.8 percent of all part-time workers in the Twin Cities. Hospitals made up the second highest percentage of workers at 18.9 percent. Food services employed the smallest number of workers, making up only 1.1 percent of the total nonprofit employment in the region. Hospitals employed 35.1 percent of all full-time nonprofit employees in the Twin Cities. Ambulatory services employ the second highest number of workers at 21.4 percent. The lowest employing industry is childcare at less than 1 percent.



In 2021, the highest and lowest employing industries remained mostly the same. However, childcare became the lowest employing nonprofit industry for both full-time and part-time workers. Many of the healthcare industries saw a decline in the number of workers employed from 2020 to 2021. Full-time employment fell for hospitals, nursing and ambulatory services. Total employment rose in the Arts and education. Nonetheless, healthcare remains the dominant employing nonprofit industry in the Twin Cities.

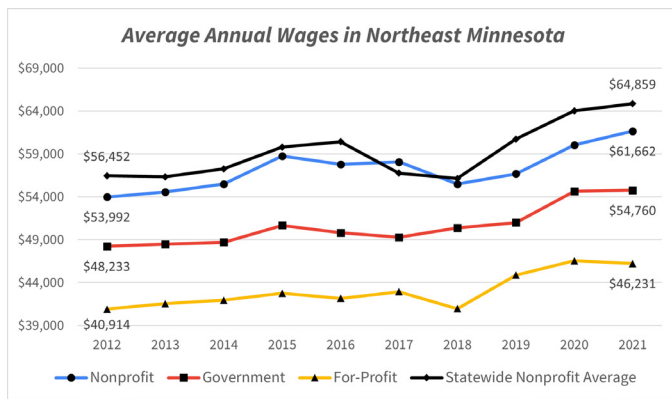


NORTHEAST NONPROFIT EMPLOYMENT

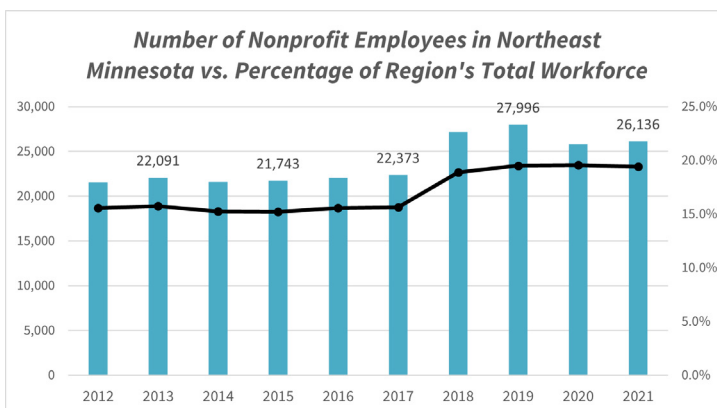
Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

Regional Overview: The Northeast has the lowest number of nonprofit establishments in Minnesota and employs the second lowest number of employees. Even with such low numbers, this region has still seen some relatively significant growth over the last two years.

Nonprofit employment locations in the Northeast region make up roughly 7 percent of all nonprofit locations in Minnesota. The number of employment locations has remained relatively stagnant. From 2019, there was a 1.1 percent increase in locations, but a 0.3 percent decrease from 2020.



Nonprofit average annual wages showed higher growth than other sectors in the Northeast region. From 2012 to 2021, nonprofit average annual wages increased by 14.2 percent. Similarly to the Twin Cities Metro Area, wages in every sector grew from 2019. The only sector that saw a decline in average wages was the for-profit sector, falling by 0.7 percent from 2020 to 2021. The statewide nonprofit average annual wage has been higher in the Northeast region since 2018.

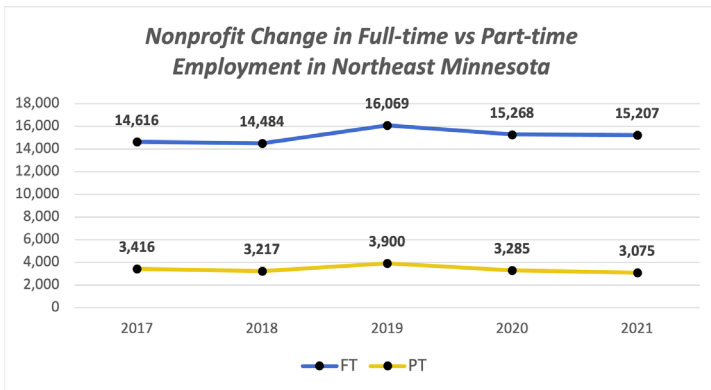


The Northeast lost 2,194 nonprofit jobs from 2019 to 2020. However, the region added 334 jobs 2020 to 2021. This region has seen some slight recovery since the beginning of the COVID-19 pandemic. In 2021, nonprofit employees made up 19.4 percent of the region's total workforce.

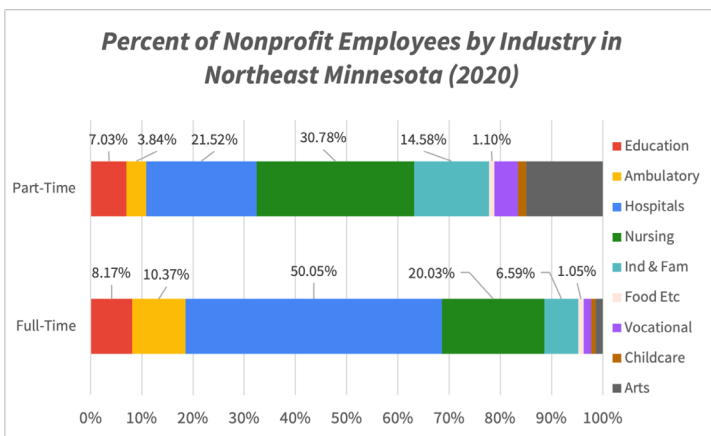


NORTHEAST NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

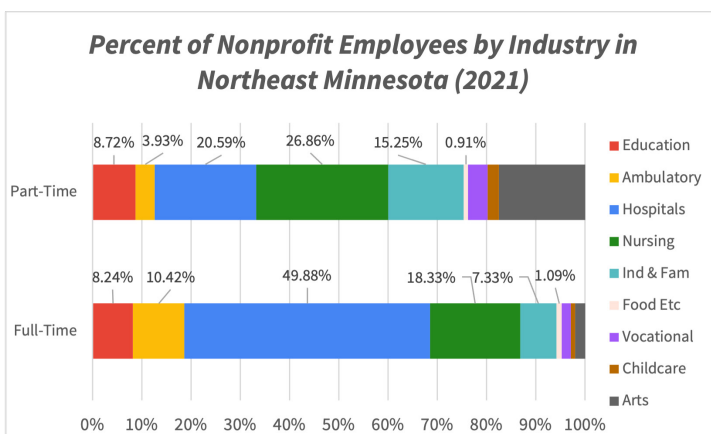
Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis



Since 2017 the number of full-time and part-time nonprofit employees remained relatively static. Both full-time and part-time employment rose until 2019 and then fell slightly, likely as a result of the COVID-19 pandemic. Although full-time employment saw a decrease of roughly 862 employees from 2019 to 2021, employment numbers are actually higher than in 2017.



The industry that hired the most part-time workers in 2020 was nursing, employing 30.8 percent of part-time nonprofit employees in the Northeast. Hospitals employ 21.5 percent of the part-time workforce. Food services employs 1.1 percent of the workforce, the lowest percentage of part-time employees in the Northeast. Hospitals employ the highest percentage of full-time nonprofit employees in the Northeast, employing 50.1 percent of the workforce. Nursing falls far second in nonprofit employment, employing 20 percent of full-time workers. Childcare and food services employ the lowest number at roughly a percent each.



The highest employing industries in 2020 made up a smaller percentage of the total workforce in 2021. Hospitals and nursing saw a decline in full-time and part-time employment numbers. Social assistance industries also saw a decline in employment. Part-time and full-time employment in education both increased. Childcare employs the lowest percentage of part-time employees, employing 0.93 percent of the workforce. Food services employs only 0.92 percent of the full-time workforce.

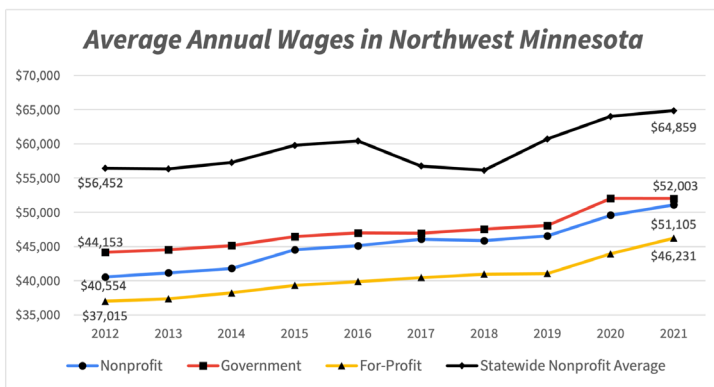


NORTHWEST NONPROFIT EMPLOYMENT

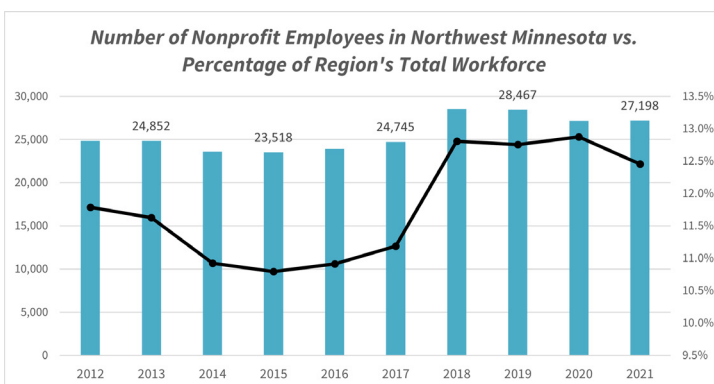
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

Regional Overview: The Northwest has the second highest number of nonprofit employment locations in Minnesota. However, the region has seen low growth rates in terms of employment in the last decade.

Nonprofit employment locations in the Northwest make up about 12 percent of all nonprofit employment locations in Minnesota. This number of locations is a 1.4 percent increase from 2020, again showing that the nonprofit sector was able to add employment locations in spite of the COVID-19 pandemic.



Nonprofit average annual wages in the Northwest are the lowest of any sector. However, from 2012 to 2021, the wage growth seen by this sector was 26.0 percent which is the highest of any region. In 2021, nonprofit wages were \$4,874 less than for-profit wages, \$898 less than government wages and \$13,754 less than the statewide nonprofit average.

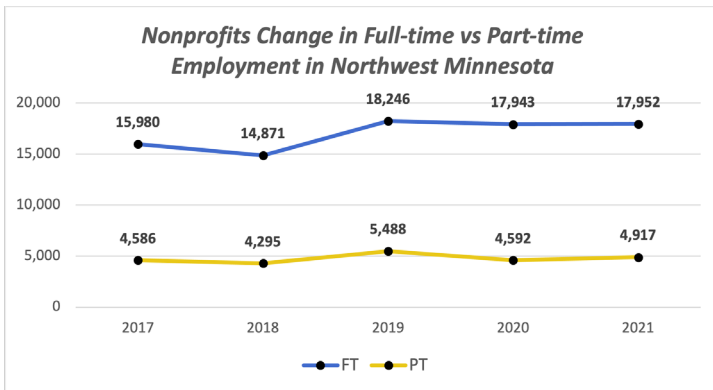


The Northwest lost 288 jobs from 2019 to 2020, but managed to add 19 new jobs from 2020 to 2021. Though this is not a significant increase, it does show the the region was able to see some growth after the pandemic. However, there was quite a sharp fall in the percentage of nonprofit employees that make up the region's total workforce, falling from 12.9 percent in 2020 to 12.5 percent in 2021.

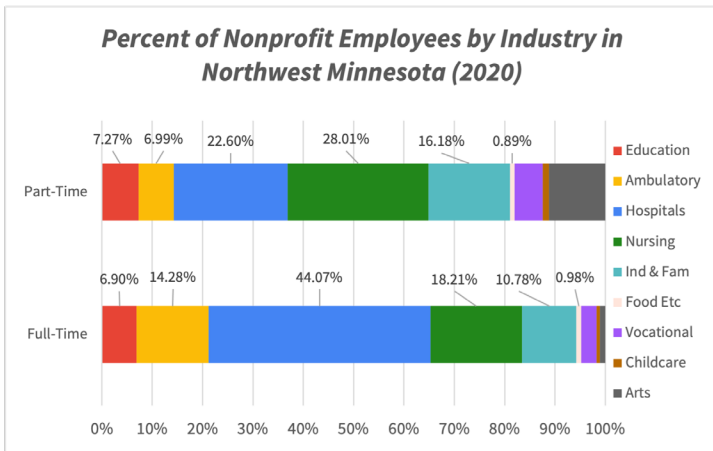


NORTHWEST NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

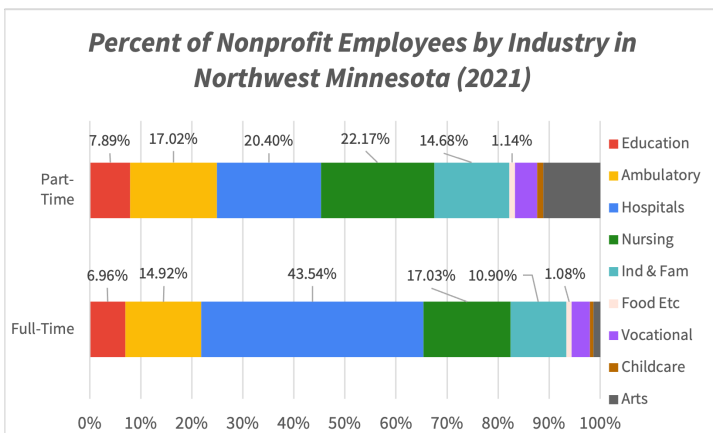
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin



From 2017 to 2021, the number of full-time and part-time employees increased. Full-time employment rose by 12.3 percent while part-time employment rose by a lower 5.7 percent. From 2019 to 2021, full-time and part-time employment in the Northwest remained relatively stable. Other than hospitals, every other industry in the Northwest saw some increase in full-time and part-time employment which may account for the relatively small decline in employment levels.



In 2020, the nonprofit full-time and part-time employment in the Northwest was dominated by the healthcare industry. Nursing and hospitals make up 28 percent and 22.6 percent of the regions part-time workforce respectively. Hospitals, nursing, and ambulatory services employ a combined 76.6 of the Northwest’s full-time employees. Food services employs the lowest number of part-time workers at 0.89 percent whereas the childcare industry employs the lowest number of full-time workers, making up just 0.66 percent of the workforce.



In 2021, the trends from 2020 did not change very much. Healthcare still accounted for the majority of full-time and part-time employment in the region. Ambulatory services employed more part-time workers, now responsible for 17 percent of all part-time employees. Individual and family services employed the next highest amount of full-time and part-time workers, making up 10.9 and 14.7 percent of the workforce in the region respectfully.

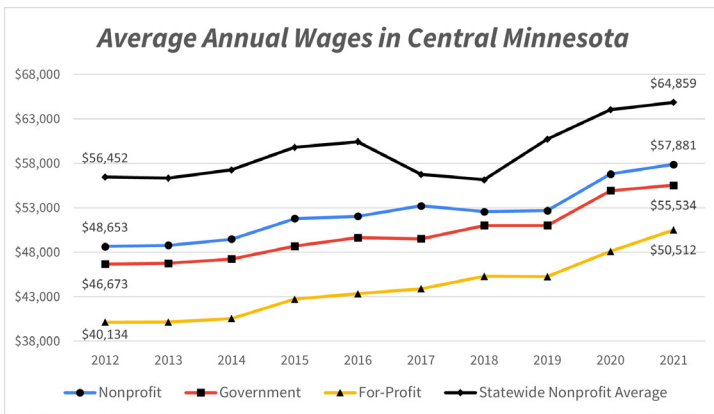


CENTRAL NONPROFIT EMPLOYMENT

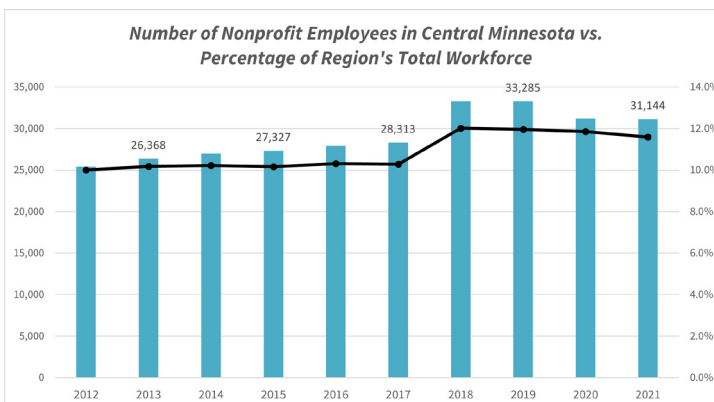
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

Regional Overview: Central Minnesota has had growth in the number of nonprofit employment locations since 2019, but total employment has fallen for both full-time and part-time employees. Still, nonprofit average annual wages fall above government and for-profit wages while continuing to rise.

Nonprofit employment locations in the Central region make up about 10 percent of all nonprofit employment locations in Minnesota. From 2019, there was a 6.1 percent increase in employment locations and in 2020 the increase was only 1.8 percent. The continues to show a trend in growth of nonprofit employment locations across the state.



Nonprofit average annual wages grew by 19 percent from 2012 to 2021. Average annual wages in 2021 for nonprofits in Central Minnesota were \$2,347 higher than the government sector and \$7,369 higher than the for-profit sector. However, the statewide nonprofit average annual wages were \$6,978 higher than in Central Minnesota.

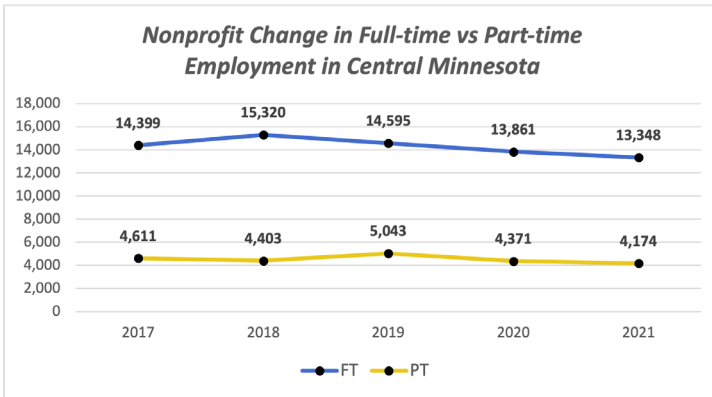


The Central region lost 2,060 jobs from 2019 to 2020. It lost an additional 81 jobs from 2020 to 2021. The number of nonprofit employees in Central Minnesota make up 11.8 percent of the region's total workforce. The Central region employs the third most nonprofit employees of any region in Minnesota.

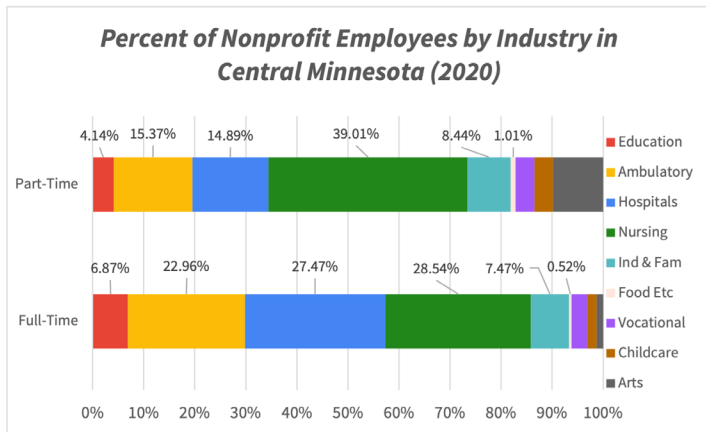


CENTRAL NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

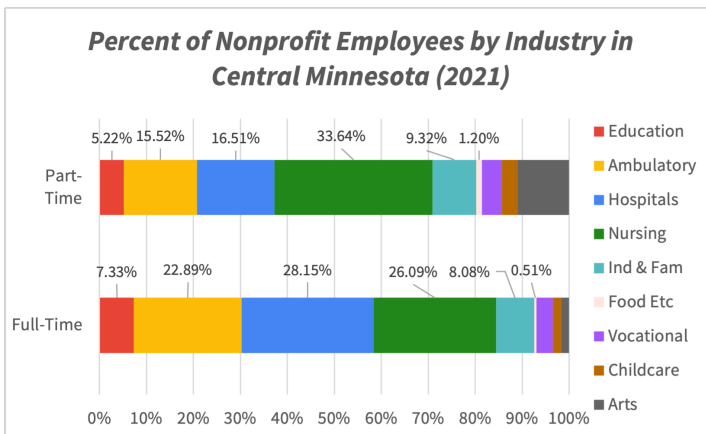
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright



From 2017 to 2021, the number of full-time employees in Central Minnesota decreased by 1,051 while the number of part-time employees only decreased by 437. Full-time nonprofit employment was on a decline since 2018 but part-time employment only started to fall after the COVID-19 pandemic. Part-time employment only declined slightly because healthcare services is the highest employing industry in the Central region and that industry experienced very little retraction in the workforce.



In 2020, the majority of the part-time employment in Central Minnesota was dominated by the nursing industry. Nursing made up almost 40 percent of the region's total part-time employment. Healthcare makes up roughly 70 percent of total part-time employment. After healthcare, individual and family services and the arts. The industry that employs the lowest percentage of part-time employees is food services, employing 1 percent of the total workforce. Full-time employment in the region was also dominated by the healthcare industry. Food services makes up the smallest number of full-time employment at only 0.52 percent.



In 2021, nursing comprised 33.6 percent of all part-time employment in the Central region. This is a nearly 6 percent decline from 2020. Even still, the healthcare employed the majority of part-time and full-time employees. The arts and education industries saw a slight increase in the percentage of total full-time and part-time workers employees. Food services employed the lowest percentage of full-time and part-time employees, at 0.51 and 1.2 percent respectively.

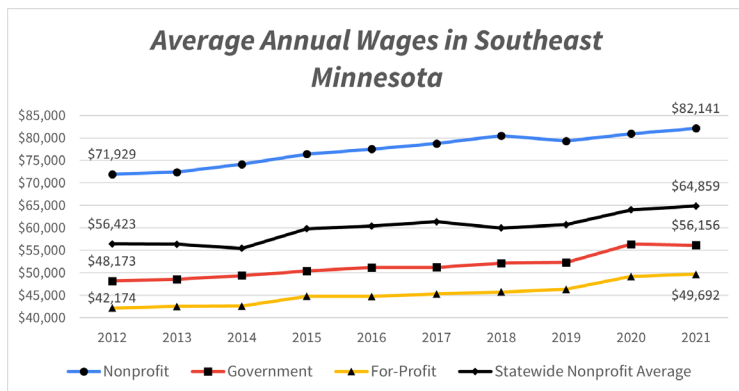


SOUTHEAST NONPROFIT EMPLOYMENT

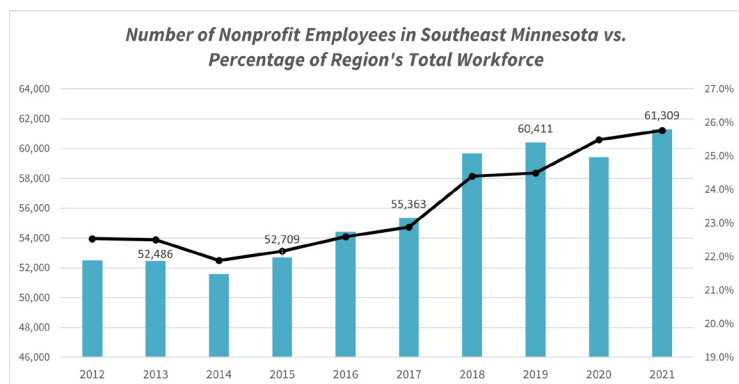
Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

Regional Overview: While the number of nonprofit employment locations has not changed much since 2019, the number of nonprofit employees continued to rise in 2020 and 2021.

Nonprofit employment locations in the Southeast region make up about 8.3 percent of all nonprofit employment locations in Minnesota. The Southeast region saw no change in the number of employment locations from 2020 to 2021 but did see a 1.2 percent increase from 2019 to 2020. Even with no change in employment locations, the number of employees still saw change.



Southeast average annual wages grew significantly between 2012 and 2021, from \$71,929 to \$82,141, an increase of roughly 12.6 percent. Nonprofit wages in the Southeast region are the highest of any region in Minnesota. The wages are \$17,282 higher than the statewide nonprofit average. The most dominant industry in the Southwest region is healthcare, which is responsible for the majority (82 percent) of the number of nonprofit employees in the region.

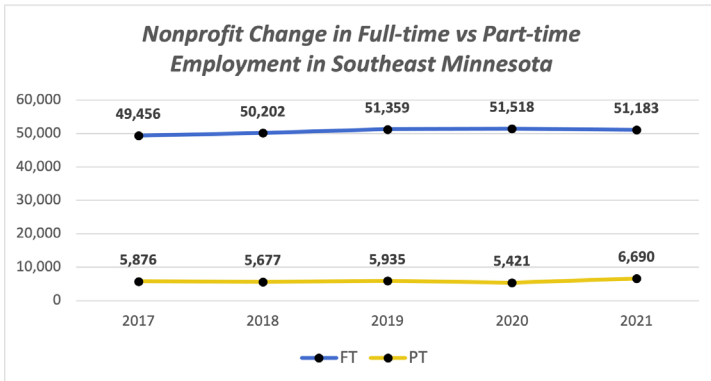


The Southeast region has seen the highest amount of growth in number of nonprofit employees of any region in Minnesota other than the Twin Cities Metro Area. From 2012 to 2021 the Southeast added 8,797 jobs. From 2019 to 2020, the number of jobs declined by 980 jobs but from 2020 to 2021 the number of jobs increased by 1,878.

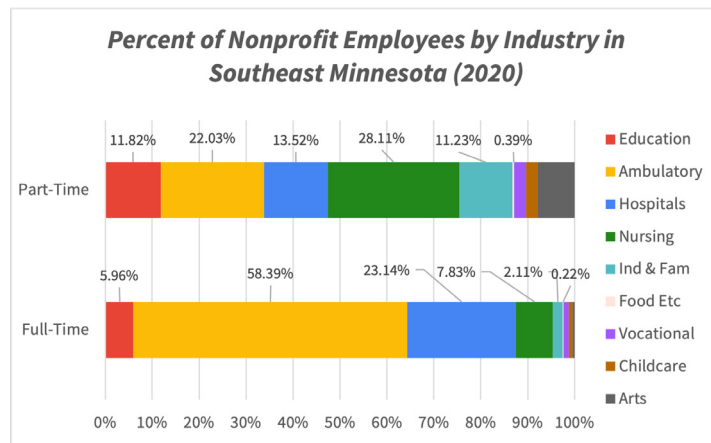


SOUTHEAST NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

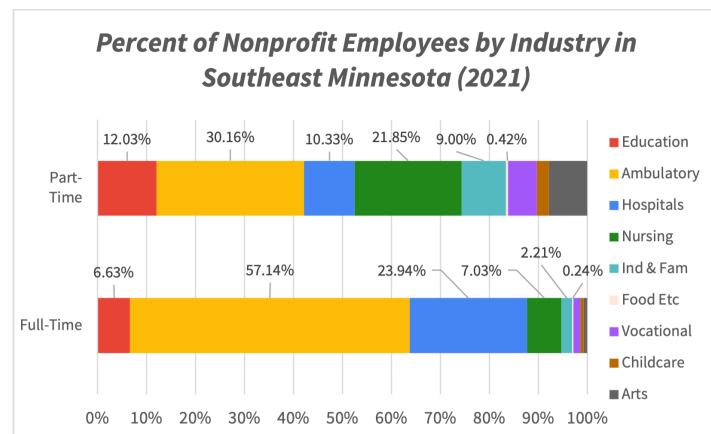
Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona



From 2017 to 2021, the number of full-time and part-time employees have increased. Full-time employment remained relatively stable, only rising by 3.5 percent over those 5 years. Part-time employment rose significantly at 13.9 percent from 2017 to 2021. The majority of this increase happened between 2020 and 2021, where Southeast nonprofits added 1,269 part-time employees. The majority of this growth happened in the health care industry.



Southeast part-time employment in 2020 is mostly made up by the healthcare sector, employing nearly 64 percent. The nursing industry employs 28 percent of the part-time workforce and the ambulatory industry employees 22 percent. Hospitals make up 13.5 percent of the region's total workforce. After the healthcare industry, education and individual and family services both employ roughly 11 percent of the total part-time workforce in the Southeast. Food services only employs 0.39 percent of the part-time workforce, the lowest of any industry. Full-time employment looks drastically different. Roughly 60 percent of all full-time workers in the Southeast worked in ambulatory services. Hospitals make up a larger portion of the total full-time workforce. But all other industries make up less of than total full-time workforce.



In 2021, the ambulatory and education industries employed a larger percentage of part-time workers than in 2020. Hospitals, nursing and individual and family services employed less. Food services continued to employ the lowest percentage of the part-time workforce at 0.42 percent. Full-time employment in the region was still mostly made up workers in the healthcare sector.

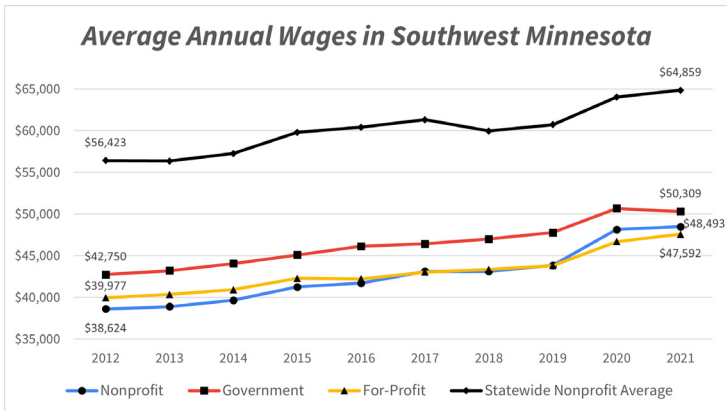


SOUTHWEST NONPROFIT EMPLOYMENT

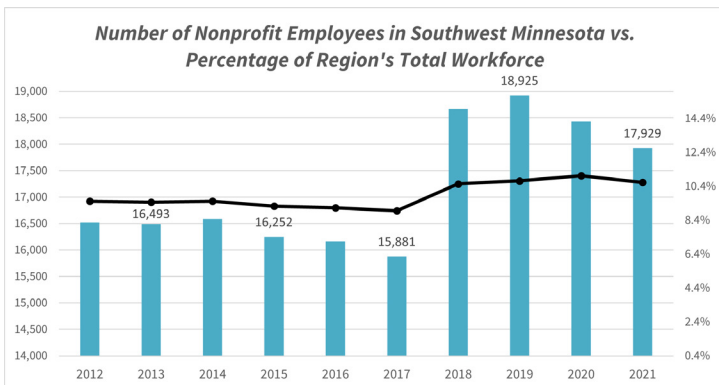
Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Fairbault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

Regional Overview: Nonprofit employment locations in the Southwest have grown slightly from 2019 to 2021. Employment levels, however, have been on a continuous trend of decline. Even still, nonprofit average annual wages have seen some growth.

Nonprofit employment locations in the Southwest region make up 8.49 percent of all nonprofit employment locations in Minnesota. The number of employment locations rose by 17 from 2019 to 2020 and by 13 from 2020 to 2021. Like most other regions, Southwest Minnesota was also able to create additional jobs even during the COVID-19 pandemic.



Nonprofit average annual wages in the Southwest region are the lowest in all of Minnesota, although from 2012 to 2021 the wages grew by 25.6 percent, which is some of the highest growth in the entire state. In 2021, nonprofit average annual wages fall squarely between government and for-profit average annual wages. Southwest wages are \$16,366 below the statewide nonprofit average.

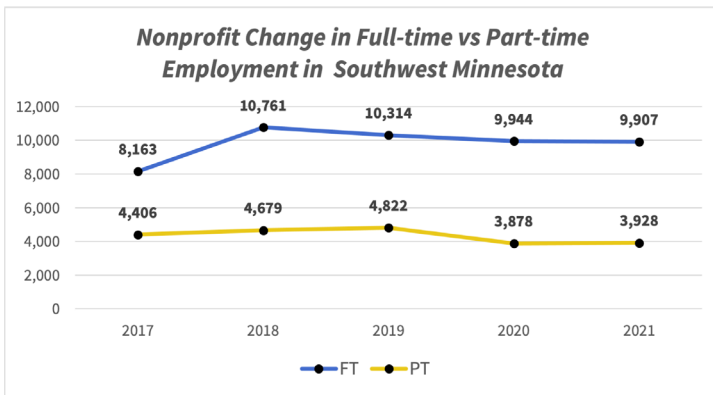


Total employment in the Southwest region declined in both 2020 and 2021. From 2019 to 2020, the number of employees fell by 497. The number of nonprofit employees showed a similar decrease (499) between 2020 and 2021. The number of nonprofit employees in the Southwest make up 10.6 percent of the region's total workforce.

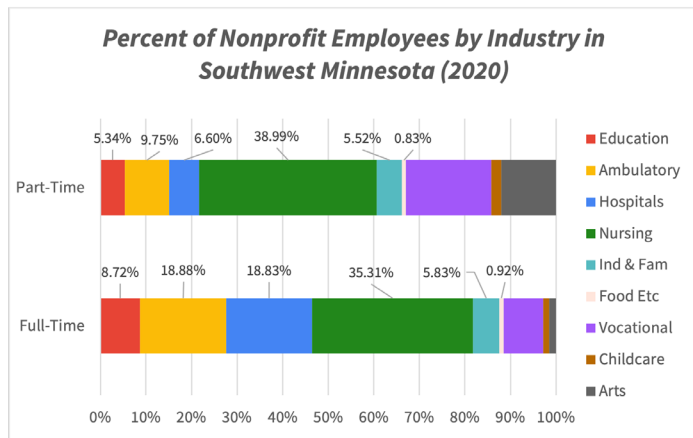


SOUTHWEST NONPROFIT FULL-TIME AND PART-TIME EMPLOYMENT SUMMARY

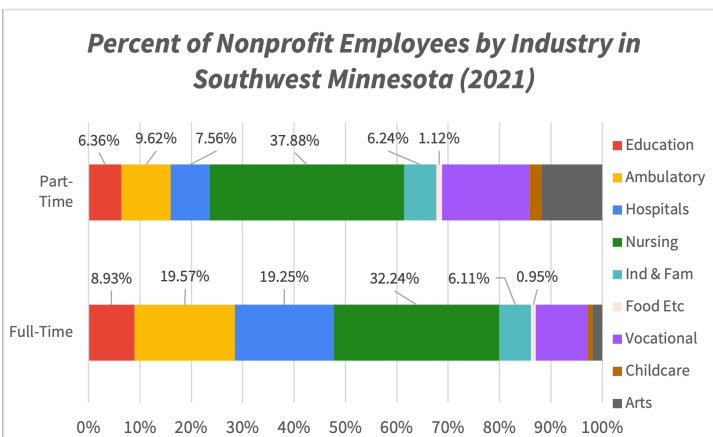
Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Fairbault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine



From 2017 to 2021, the number of full-time nonprofit employees decreased and the number of part-time nonprofit employees increased. Full-time employment rose by 21.4 percent and part-time employment fell by 10.9 percent. Although full-time employment saw an increase over 5 years, since 2018 the number of employees has been decreasing steadily. Conversely, part-time employment only began to fall after the COVID-19 pandemic. Both saw slight increases in employment from 2020 to 2021.



In the Southwest, 2020 nursing employed the majority of both full-time and part-time workers. 39 percent of part-time workers in the region are in the nursing industry and 35 percent of full-time workers are as well. The vocational industry employs 18.7 percent of all part-time employees. This is the highest of any region. Ambulatory and hospitals employ 9.8 and 6.6 percent of the region's part-time employees respectively. However, both industries employ a higher percentage of full-time employees (roughly 19 percent each) in the Southwest. Food services employs the lowest percentage of full-time and part-time employees in the region.



In 2021, Nursing employs 37.8 percent of the total part-time workforce and 32.2 percent of the full-time workforce. This is a decrease from nursing's composition of the workforce in 2020. Hospitals, the education industry, and individual and family services saw an increase in their percentages of the total part-time workforce. Full-time employment distribution also changed, with education, ambulatory services, hospitals, individual and family services and food services all accounting for a larger percentage of the total workforce.



APPENDIX A: 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 A CONTINUED: NATIONAL TAXONOMY OF EXEMPT ENTITIES (NTEE)

This report also uses NTEE codes for the analysis of the distribution of nonprofits by industry across geography and by population. The Internal Revenue Service (IRS) developed the NTEE system to support analysis of data by types of nonprofit organizations and their activities. The NTEE code is a four digit code used to classify an exempt organization in terms of its primary exempt activity. The NTEE classification system divides the universe of nonprofit organizations into 26 major groups under the following 10 broad categories:

Arts, Culture, and Humanities - A

Educational Institutions and Related Activities - B

Environment and Animals - C, D

C - Environmental Quality, Protection and Beautification

D - Animal-Related

Health - E, F, G, H

E - Health-General and Rehabilitative

F - Mental Health, Crisis Intervention

G - Diseases, Disorders, Medical Disciplines

H - Medical Research

Human Services - I, J, K, L, M, N, O, P

I - Crime, Legal-Related

J - Employment, Job-Related

K - Food, Agriculture and Nutrition

L - Housing, Shelter

M - Public Safety, Disaster Preparedness and Relief

N - Recreation, Sports, Leisure, Athletics

O - Youth Development

P - Human Services-Multipurpose and Other

International, Foreign Affairs and National Security - Q

Public, Societal Benefit - R, S, T, U, V, W

R - Civil Rights, Social Action, Advocacy

S - Community Improvement, Capacity Building

T - Philanthropy, Voluntarism and Grantmaking Foundations

U - Science and Technology Research Institutes, Services

V - Social Science Research Institutes, Services

W - Public, Society Benefit-Multipurpose and Other

Religion-Related, Spiritual Development - X

Mutual/Membership Benefit Organizations, Other - Y

Unknown, Unclassified - Z



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 2020/2021 in this report may differ slightly from what was reported in the 2020/2021 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 2019 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.

Changes to the Data Set Between 2017 and 2018

Between 2017 and 2018, the Minnesota Department

of Employment and Economic Development (DEED) altered the method used to collect data on the number of nonprofit organizations that report having at least one employee. Before 2018, DEED only collected data from self-reported employers in the state. In 2018, DEED started collecting data from all nonprofits that have unemployment insurance reimbursable status. DEED has found that this number is likely much closer to the actual number of nonprofit organizations in the state because 1) this method is more consistent with Bureau of Labor Statistics (BLS) methods and 2) it is a stronger reflection of the nonprofit status of a business.

Because the new indicator DEED uses to collect data on the number of nonprofits includes all organizations that failed to self-report in years prior, the 2018 dataset includes a much larger number of nonprofit organizations with a small number of employees. Therefore, the change in the dataset has had a substantial effect on the number of reported nonprofit employment locations since 2018, but less of an effect on the number of nonprofit employees.

Nonprofit Organizations' Financial Information

The financial information used for this report was compiled from data obtained from the Internal Revenue Service (IRS) exempt organizations business Masterfile extract. The report uses Form 990 financial reports filed by charitable organizations exempted under IRS subsection 501(c)(3). The report excludes financial information from nonprofit organizations exempted under IRS subsection 501(c)(4) through (c)(19), nonprofits filing Form 990EZ, private foundations filing Form 990PF, and certain charitable trusts. Some organizations with physical operations in Minnesota, but with headquarters outside of the state, may not be captured in this analysis. 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 have less than \$25,000 in gross receipts, and churches and other religious organizations that are not required to file a Form 990 federal return. This report analyzes the financial data for 10,246 organizations filing from an address located in Minnesota. Only nonprofits that reported an income were included in the dataset.



2314 University Avenue West, Suite #20
St. Paul, Minnesota 55114

www.minnesotanonprofits.org

Phone: 651-642-1904

Fax: 651-642-1517

