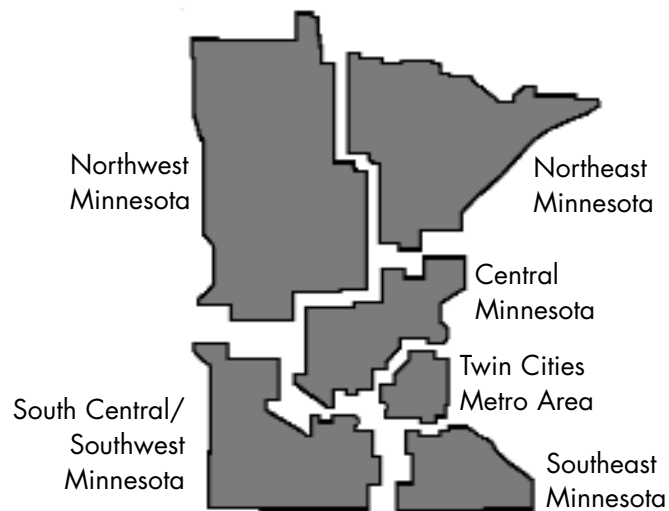


Minnesota Nonprofit Economy Report

A Statewide and Regional Analysis



2009



An annual study that describes the role of nonprofit organizations in Minnesota's economy.

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 thirteen 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*, the *Nonprofit Current Conditions Report* 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

The Authors

Christina Wessel (Minnesota Budget Project deputy director), Jodi Benenson (research intern) and Jon Pratt (executive director)

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

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2009 Minnesota Nonprofit Economy Report

Executive Summary

Nonprofit organizations in Minnesota are a steady source of economic growth in every region of the state, as well as a key partner in delivering public sector services. However, current economic pressures could weaken this critical component of Minnesota's infrastructure.

The *Minnesota Nonprofit Economy Report* is an annual study by the Minnesota Council of Nonprofits (MCN) that analyzes public data on nonprofit employers, employment, wages and finances to describe the role nonprofit organizations play in the state's economy. MCN also produces the *Nonprofit Current Conditions Report*, which surveys member organizations to assess financial and programmatic changes being made during the year. The most recent survey results are available on MCN's Web site, www.mcn.org.

Too soon to measure the impact of the recession

With the nation just beginning to emerge from a deep economic recession, many are asking how the nonprofit sector in Minnesota weathered the downturn. In some ways, it is too soon to tell. This year's report uses data from 2008, the most recent comprehensive information that is available. It may be another year or two until the effects of the recession on nonprofits can actually be measured.

A look back shows that Minnesota's nonprofit sector pushed through the 2001 recession with surprising strength, continuing to experience growth in the number of nonprofit employers and nonprofit jobs. This time around, however, there are more significant pressures on the sector. Continued state government budget deficits have led to significant funding cuts, the crash of stock market has reduced foundation resources and high levels of unemployment have made it difficult for families to maintain charitable contributions.

Nonprofit wages may be falling

There are many ways nonprofits could be responding to the recession that would be difficult to capture with the data used in this report. Nonprofits may be cutting back on the level of services they provide in the community, or reducing benefits, hours or wages for their employees to balance their budgets. There may be a glimpse of that in this report. In 2008, there were an increasing number of nonprofit industries where the median wage fell below the minimum necessary to support the basic needs of a family in that region.

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Nonprofit workforce still growing

Despite the odds, the nonprofit sector still demonstrated its value as a steady source of economic activity in the state in 2008. Since the 2001 recession, employment in the government and for-profit sectors in the state has increased an average of less than one percent per year. Minnesota's nonprofit workforce, however, has grown an average of three percent per year. By 2008, nonprofits employed one out of every nine workers in the state. This same trend held true within all six regions of the state.

Key role of public funding revealed

Nonprofits have long partnered with the public sector to provide critical services and build healthy communities. Unfortunately, it has been difficult to measure the financial contribution government makes to the nonprofit sector because the IRS Form 990 had nonprofits combine most revenue received from government with other program service revenue. For example, for the most current fiscal year (2007 or 2008), nonprofits in Minnesota reported receiving approximately \$1.7 billion in government grants. In addition, these same nonprofits reported \$31 billion in program service revenue, with an unknown portion coming from government fees and contracts.

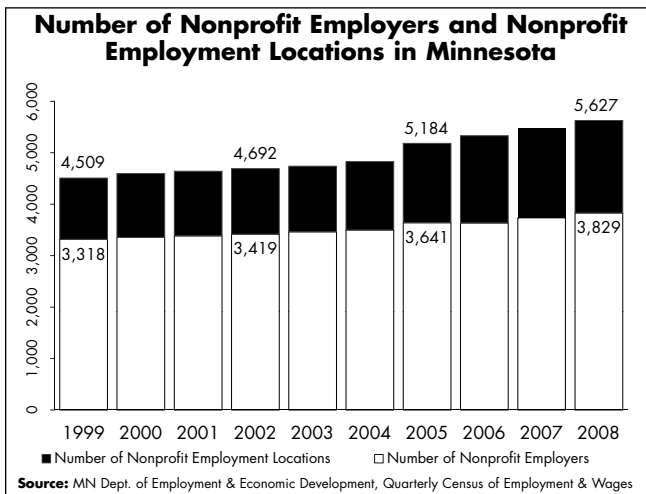
That information gap is beginning to improve. The IRS recently made significant revisions to the Form 990 that nonprofits use to report financial information, allowing us to break program service revenue into more detail. This is a new requirement, so only 12 percent of the nonprofits examined in this report filed the revised form. A preliminary analysis of this new data reveals that at least 55 percent of the program service revenue reported by these organizations came from government grants, contracts and fees. This analysis may actually under-represent the true role of public funding since it only counted revenue that was clearly attributed to a government source.

This new information makes explicit that in addition to foundation grants, charitable contributions and self-generated revenues, nonprofits rely on federal, state and local government for a substantial share of their revenues. Being able to quantify government funding only emphasizes the nonprofit sector's vulnerability during this recession. Government deficits are now at a high-water mark, and nonprofits will face significant funding cuts in the coming months. ❖



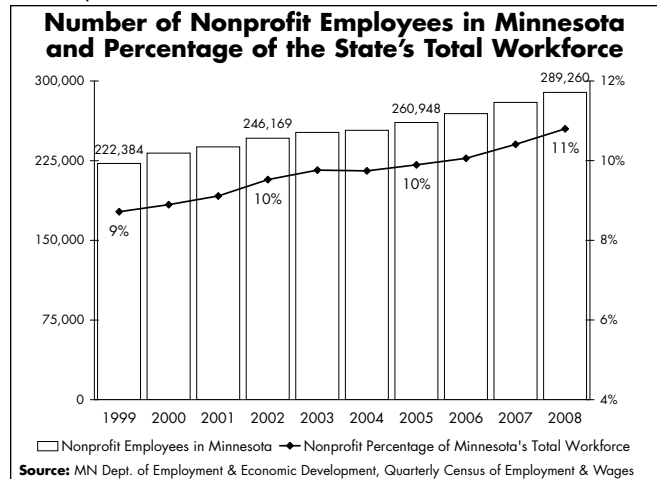
Statewide Nonprofit Employment

Statewide Overview: Despite the deepening national economic recession, the nonprofit sector in Minnesota continued to show steady growth into 2008. There was an increase in both the number of nonprofit employers and the size of the nonprofit workforce. A majority of nonprofit employers and nonprofit workers are located in the Twin Cities metro area, but other regions also benefit from a strong nonprofit economy. The health care industry is the largest single component of the nonprofit sector, accounting for 66 percent of the nonprofit workforce and 74 percent of nonprofit wages.



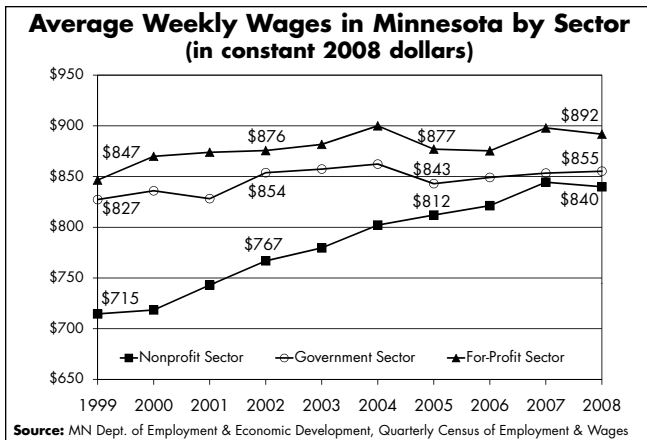
- In 2008, there were just over 3,800 nonprofit employers in Minnesota. A single nonprofit employer, however, may operate in more than one location. In 2008, the 3,800 nonprofit employers operated over 5,600 employment locations in Minnesota. Over the last decade, the number of nonprofit employment locations has increased an average of more than two percent per year.
- In 2008, just over half, or 51 percent, of Minnesota's nonprofit employment locations were located in the seven-county Twin Cities metro area, 13 percent were in Northwest Minnesota, nine percent were in the Southeast, eight percent were in Central Minnesota, eight percent were in South Central/Southwest Minnesota and seven percent were in the Northeast.

- The nonprofit sector provided nearly 290,000 jobs in Minnesota in 2008, employing one out of every nine workers in the state. The nonprofit workforce in Minnesota has grown steadily over the last decade, increasing an average of three percent each year. During the same period of time, the government workforce increased an average of just one percent per year and the for-profit workforce experienced virtually no increase.
- In 2008, more than half of the nonprofit workforce in Minnesota was located in the Twin Cities metro area (53 percent), another 17 percent in Southeast Minnesota (where the Mayo Clinic is located), nine percent in Central Minnesota, eight percent in Northwest Minnesota, seven percent in Northeast Minnesota and six percent in South Central/Southwest Minnesota.



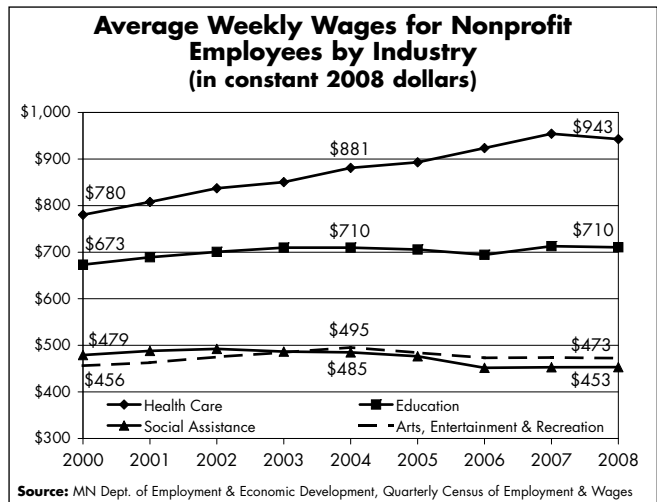


Statewide Nonprofit Wages



- Health care – which includes ambulatory health care services, hospitals, and nursing and residential care facilities – makes up the largest segment of the nonprofit economy. In 2008, these health care industries accounted for 26 percent of nonprofit employment locations in the state, 66 percent of the nonprofit workforce and 74 percent of all nonprofit wages paid in the state.
- The nonprofit sector is also widely associated with providing social assistance, such as delivering individual and family services; food, housing, emergency and other relief services; vocational rehabilitation services; and child day care services. In 2008, 20 percent of nonprofit employment locations and 10 percent of the nonprofit workforce was involved in delivering social assistance in Minnesota.
- Other industries with a large share of the nonprofit economy in 2008 included educational services (nine percent of nonprofit employment locations and nine percent of the workforce) and arts, entertainment and recreation (seven percent of nonprofit employment locations and two percent of the workforce).

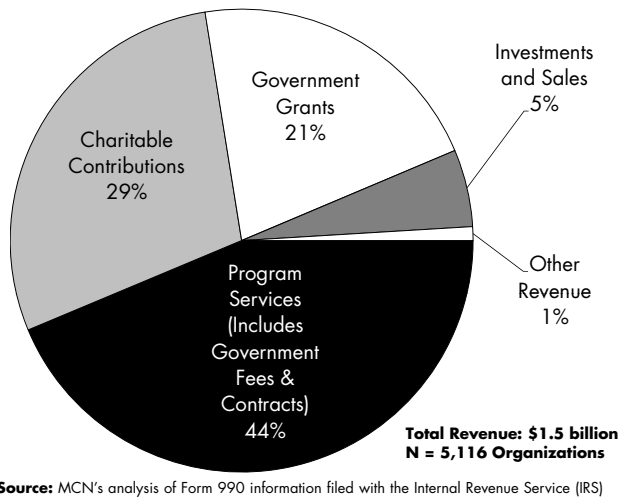
- In 2008, nonprofit employers paid \$12.6 billion in wages, or 10 percent of all wages paid in the state.
- Average weekly wages in the nonprofit sector have been steadily increasing, closing the gap with the government and for-profit sectors. Over the last decade, the nonprofit average weekly wage has increased an average of two percent per year, which was significantly faster than the growth in either the government or for-profit sector.
- Although the growth in nonprofit wages has been driven largely by increases in the health care sector, not all areas of nonprofit health care have experienced growth. After adjusting for inflation, the average weekly wage for an employee working at a nonprofit nursing or residential care facilities has declined one percent a year for the last decade.
- In most cases, the median hourly wage for a nonprofit employee was sufficient to support the basic needs of a family of four in the region where the job is located (with two adults working full-time).





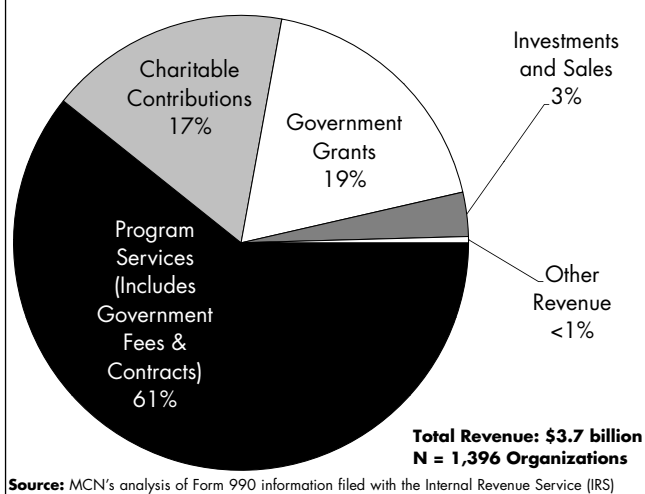
Statewide Nonprofit Finances

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

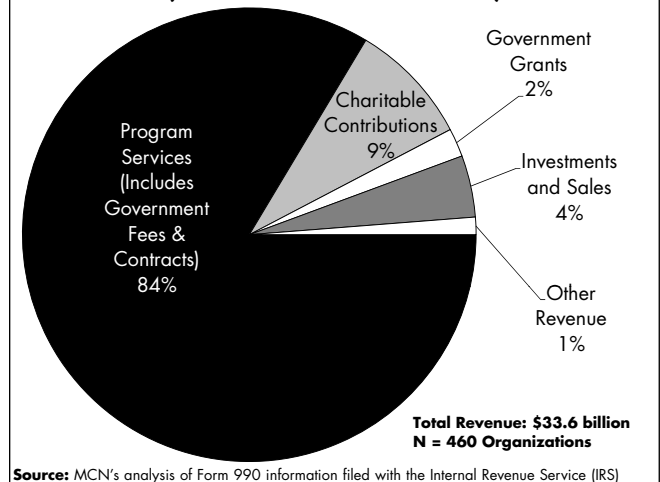


- There are a substantial number of nonprofits in Minnesota that operate without any paid employees, so nonprofit employment data overlooks a substantial portion of the nonprofit sector. Looking at nonprofit finances — revenues, expenditures and assets — captures the economic activity of nonprofits with and without paid staff. This report analyzes the most recent financial return for close to **7,000 charitable organizations in the state**. The analysis includes most of the 501(c)(3) and 501(c)(4) organizations that were required to file a Form 990 return with the IRS, but notably excludes private foundations and thousands of small nonprofits that file a Form 990EZ or are not required to file a return.
- Nonprofit organizations in Minnesota receive their revenues from four main sources: program services (which includes revenue from government fees and contracts), charitable contributions (which includes corporate and foundation grants), government grants, and returns from investments, sales and special events.

**Revenue Sources for Medium-Sized Nonprofits
(with assets between \$1 and \$10 million)**



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





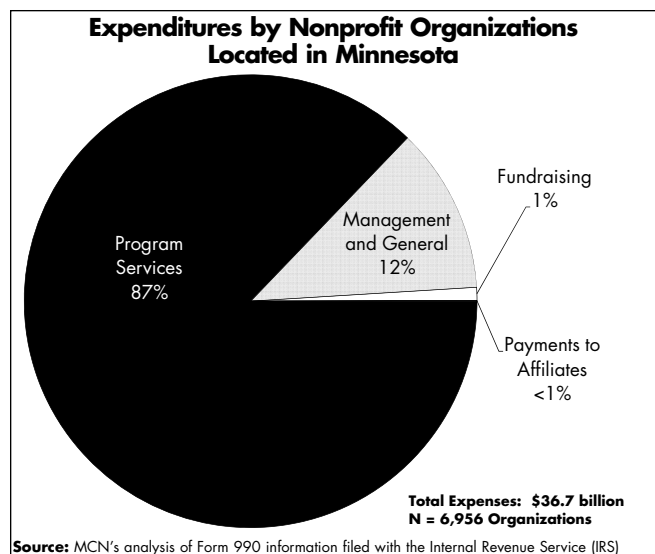
Statewide Nonprofit Finances

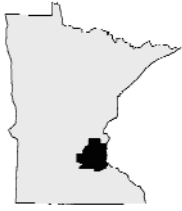
Minnesota Nonprofit Assets, Revenues and Expenses by Selected Activity Areas (most current fiscal year)

		All Minnesota Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets		\$65.6 billion	\$33.6 billion	\$6.8 billion	\$15.7 billion	\$2.4 billion	\$307 million
Revenues	Program Services	80%	89%	59%	61%	32%	25%
	Charitable Contributions	10%	6%	18%	17%	39%	47%
	Government Grants	4%	2%	17%	10%	15%	12%
	Investments and Sales	4%	3%	5%	11%	12%	14%
	Other Revenue	1%	1%	1%	1%	1%	2%
	Total Revenues	\$38.7 billion	\$28.9 billion	\$4.1 billion	\$3.5 billion	\$745 million	\$164 million
Expenditures	Program Services	87%	87%	87%	86%	80%	82%
	Management and General	12%	12%	11%	11%	13%	11%
	Fundraising	1%	<1%	2%	3%	6%	7%
	Total Expenses	\$36.7 billion	\$27.6 billion	\$4.0 billion	\$3.0 billion	\$664 million	\$149 million

Source: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 6,972 501(c)(3) and (c)(4) organizations located in Minnesota that filed a Form 990 financial return with the IRS for fiscal year 2007 or 2008. The financial information does not include all other types of 501(c) organizations, nonprofits that filed Form 990EZ, private foundations that filed form 990PF, some charitable trusts, and nonprofits with minimal financial activity that are not required to file a return with the IRS. More information on these activity areas is available in Appendix A.

- The IRS made significant revisions to the Form 990 for the 2008 fiscal year, including requiring nonprofits to provide more detailed revenue information. The analysis in this report continues to utilize the revenue categories from previous years because only 12 percent of nonprofits included in the analysis had filed the revised 990. However, an analysis of the organizations that did file the revised form revealed that **at least 55 percent of program service revenue came from federal, state or local government sources.**
- The Charities Review Council of Minnesota recommends that nonprofits spend at least 70 percent of their total annual expenses on program services and no more than 30 percent on management and fundraising. In 2008, nonprofits in Minnesota spent on average 87 percent of their revenues on program services and 13 percent on management and fundraising.

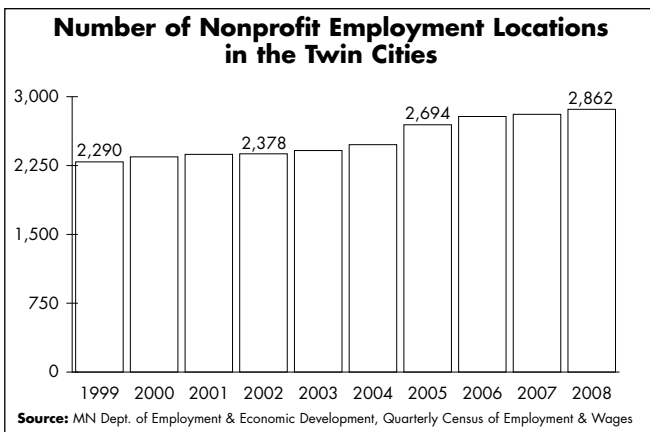




Twin Cities Metro Area Nonprofit Employment

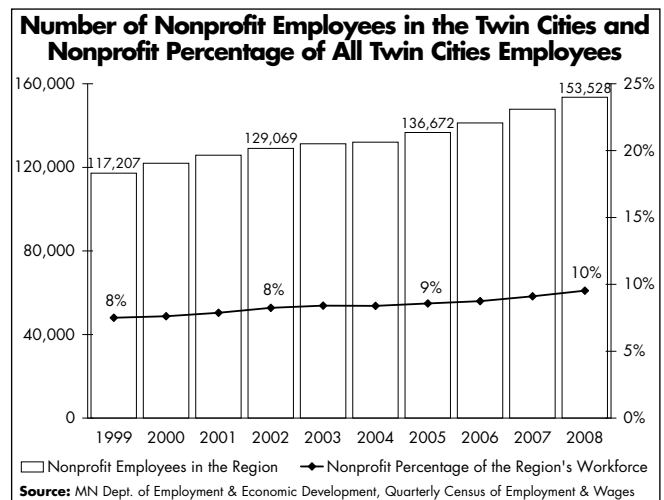
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

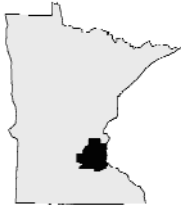
Regional Overview: The seven-county Twin Cities metro area is home to a majority of nonprofit activity in the state. In 2008, there were more than 2,800 nonprofit employment locations and 153,000 nonprofit jobs in this region. Over the last decade, the nonprofit workforce in the Twin Cities metro area grew an average of three percent per year, while the for-profit workforce showed no growth. By 2008, nonprofits employed one out of every 10 workers in the region. More importantly, the median wage for most of these nonprofit jobs was sufficient to support a family of four (with two adults working full-time).



- The Twin Cities metro area was home to a majority of the state's nonprofit employment locations (51 percent) in 2008. Over the last decade, the number of nonprofit employment locations in the region has increased an average of close to three percent per year.
- In 2008, there were more than 150,000 nonprofit jobs in the Twin Cities metro area, or 53 percent of all nonprofit jobs in the state. The nonprofit workforce in the region has been growing an average of three percent per year since 1999. The size of the for-profit workforce in the region, however, was virtually the same size in 2008 as it was a decade earlier.
- As a result of the strong job growth, by 2008, nonprofits employed one out of every 10 workers in the Twin Cities metro area.

- Half of all nonprofit employment locations in the Twin Cities metro area in 2008 were located in Hennepin County. This county was also home to more than half – 54 percent – of all nonprofit jobs in the region and 29 percent of all nonprofit jobs in the state.
- Ramsey County has traditionally been another center of nonprofit activity in the Twin Cities metro area. In 2008, 30 percent of the region's nonprofit employment locations and 30 percent of the region's nonprofit workforce was located in Ramsey County.
- Dakota and Anoka counties, each with more than 7,000 nonprofit employees in 2008, also stand out as major nonprofit centers in the region and in the state.





Twin Cities Metro Area Nonprofit Wages

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

- The nonprofit health care industry is not as dominant in this region as it is in others. In 2008, health care accounted for 23 percent of nonprofit employment locations and 58 percent of the nonprofit workforce.

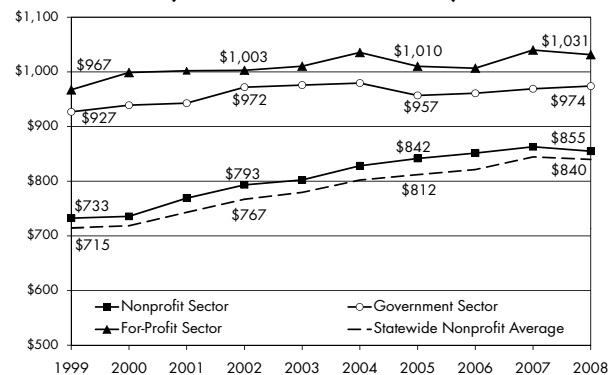
Median Hourly Wages for Full-Time Employees in the Twin Cities Metro Area

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$17.08 (3%)	\$13.96 (2%)	\$16.48 (1%)
Educational Services	\$21.67 (11%)	\$20.34 (1%)	\$25.22 (47%)
Health Care			
Ambulatory Health Care Services	\$23.45 (10%)	\$20.67 (4%)	\$26.41 (<1%)
Hospitals	\$29.88 (35%)	\$22.95 (<1%)	\$22.45 (2%)
Nursing & Residential Care Facilities	\$15.58 (12%)	\$13.43 (2%)	\$19.25 (1%)
Social Assistance			
Individual & Family Services	\$15.75 (6%)	\$11.37 (2%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$16.83 (1%)	\$15.87 (<1%)	NA
Vocational Rehabilitation Services	\$14.02 (4%)	\$16.95 (<1%)	\$25.56 (<1%)
Child Day Care Services	\$12.88 (1%)	\$11.99 (<1%)	\$16.11 (<1%)
Other Services			
Religious Organizations	\$18.19 (1%)	\$13.64 (<1%)	NA
Grantmaking & Giving Services	\$26.06 (1%)	\$24.97 (<1%)	NA
Social Advocacy Organizations	\$16.95 (2%)	\$16.52 (<1%)	\$30.45 (<1%)
Civic & Social Organizations	\$12.43 (3%)	\$11.36 (<1%)	NA

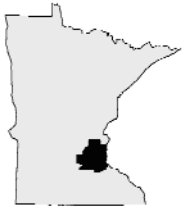
Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represent 90 percent of nonprofit employment, 11 percent of for-profit employment and 51 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- Nonprofit organizations in the Twin Cities metro area paid \$6.8 billion in wages in 2008, or eight percent of all wages in the region. After adjusting for inflation, the total nonprofit payroll in the region has increased an average of five percent per year over the last decade. Government and for-profit wages increased just one percent per year over the same period of time.
- The nonprofit average weekly wage in the Twin Cities metro area did show a slight decline between 2007 and 2008 (after adjusting for inflation). The same decline is also found in for-profit sector average weekly wages. However, it is too early to tell if this one-year change reflects the impact of the recession.
- According to the JOBS NOW Coalition, in 2008, each adult needed to earn \$14.34 an hour to support the basic needs of a family of four (two adults working full-time, two children) in the Twin Cities region. In 2008, all but three industries in the region (vocational rehabilitation services, child day care services, and civic and social organizations) exceeded the minimum amount necessary to meet these costs.

Average Weekly Wages in the Twin Cities by Sector (in constant 2008 dollars)



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



Twin Cities Metro Area Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in the Twin Cities Metro Area

	All Twin Cities Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets	\$41.7 billion	\$15.1 billion	\$5.6 billion	\$12.6 billion	\$2.2 billion	\$223 million
Revenues	Program Services	82%	93%	61%	64%	23%
	Charitable Contributions	9%	3%	20%	15%	49%
	Government Grants	4%	1%	13%	11%	12%
	Investments and Sales	4%	2%	5%	8%	15%
	Other Revenue	1%	2%	1%	1%	2%
	Total Revenues	\$25.5 billion	\$18.1 billion	\$3.0 billion	\$2.3 billion	\$680 million
Expenditures	Program Services	87%	88%	87%	86%	84%
	Management and General	12%	12%	11%	11%	8%
	Fundraising	1%	<1%	2%	3%	8%
	Total Expenses	\$24.4 billion	\$17.5 billion	\$3.0 billion	\$2.1 billion	\$608 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 3,925 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in the Twin Cities metro area for fiscal year 2007 or 2008. More information is available in the appendices.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in the Twin Cities Metro Area

	Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million	
Total Assets	\$544 million	\$2.7 billion	\$38.4 billion	
Revenues	Program Services	43%	56%	86%
	Charitable Contributions	32%	21%	6%
	Government Grants	19%	19%	2%
	Investments and Sales	5%	3%	4%
	Other Revenue	1%	<1%	1%
	Total Revenues	\$999 million	\$2.2 billion	\$22.3 billion
Expenditures	Program Services	83%	86%	88%
	Management and General	13%	12%	11%
	Fundraising	3%	2%	1%
	Total Expenses	\$982 million	\$2.1 billion	\$21.2 billion

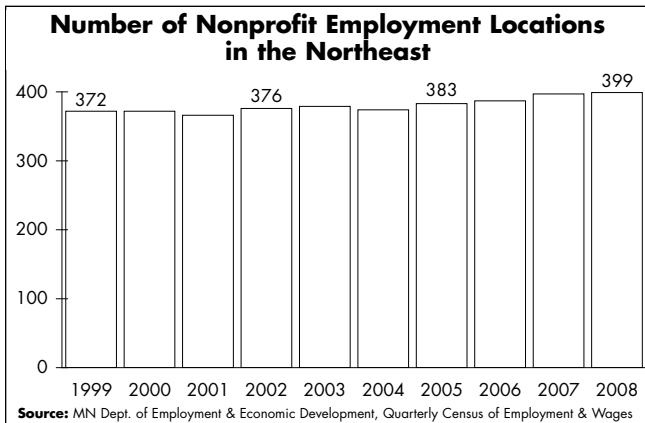
- Nonprofits in the Twin Cities metro area reported more than \$41.7 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were health care organizations (36 percent of total nonprofit assets) and educational organizations (30 percent of total nonprofit assets).
- Revenue sources for nonprofits in the Twin Cities metro area varied considerably depending on the organization's activity area. On average, nonprofit health organizations raised 93 percent of their revenues from program services (including government fees and contracts). Environmental and animal-related nonprofits, on the other hand, raised almost half of their revenues from charitable contributions.



Northeast Minnesota Nonprofit Employment

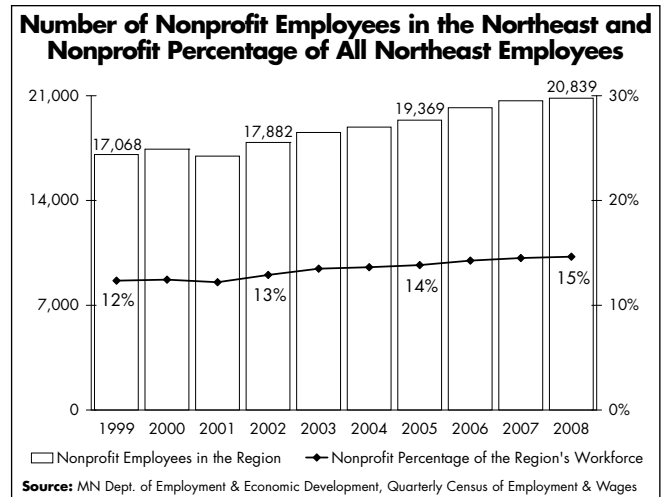
Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

Regional Overview: Northeastern Minnesota, with only seven counties, is still the second-largest region in the state in terms of square miles. Nonprofit activity in the region is heavily concentrated in St. Louis County, home to the city of Duluth. In 2008, this one county accounted for 80 percent of the region's nonprofit workforce, 58 percent of nonprofit employment locations and 84 percent of nonprofit wages. The nonprofit sector in the region has been growing slowly over the last decade, averaging a one percent per year increase in employment locations and two percent per year growth in the nonprofit workforce.



- The Northeast region has the fewest nonprofit employment locations in the state, just seven percent of all nonprofit employers in Minnesota. Over the last decade, the number of nonprofit employment locations in the Northeast has increased an average of just one percent per year.
- The growth in the nonprofit workforce in Northeast Minnesota, however, has outpaced growth in the region's government and for-profit sectors. Over the last ten years, the nonprofit workforce in the Northeast grew an average of two percent per year, while the government workforce grew less than one percent per year and the for-profit workforce actually declined. In 2008, 15 percent of the Northeast region's workforce was employed by the nonprofit sector, which was above the statewide average of 11 percent.

- Nonprofit activity in Northeast Minnesota is heavily concentrated in one area. St. Louis County, where the city of Duluth is located, was home to 80 percent of the nonprofit workforce in the region in 2008. Within St. Louis County, the nonprofit sector employed more workers than the government sector. Additionally, in 2008, St. Louis County accounted for 58 percent of the region's nonprofit employment locations and 84 percent of the region's nonprofit wages.
- Itasca County is a distant second in nonprofit activity in Northeast Minnesota. In 2008, this county was home to 14 percent of the region's nonprofit employment locations, eight percent of the region's nonprofit workforce and seven percent of all nonprofit wages.





Northeast Minnesota Nonprofit Wages

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

- Northeast Minnesota has a high percentage of nonprofit employment in the health care sector. In 2008, 77 percent of the region's nonprofit workforce was employed in one of the three health care industries.

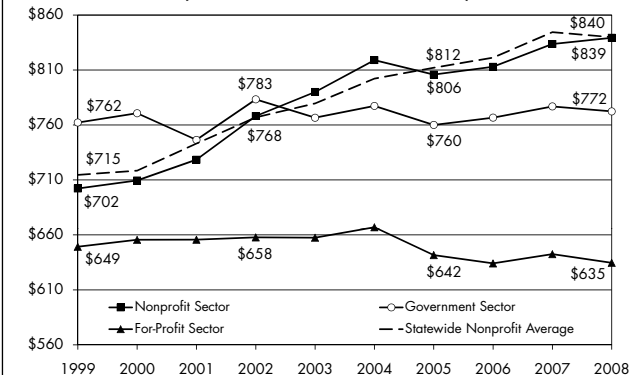
Median Hourly Wages for Full-Time Employees in Northeast Minnesota

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$14.50 (2%)	\$10.04 (2%)	\$13.23 (7%)
Educational Services	\$20.90 (6%)	\$17.54 (<1%)	\$11.25 (36%)
Health Care			
Ambulatory Health Care Services	\$19.00 (20%)	\$17.70 (3%)	NA
Hospitals	\$21.44 (41%)	NA	\$18.42 (7%)
Nursing & Residential Care Facilities	\$12.39 (16%)	\$10.87 (6%)	\$15.29 (3%)
Social Assistance			
Individual & Family Services	\$14.25 (3%)	\$10.60 (2%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$15.10 (1%)	\$14.48 (<1%)	NA
Vocational Rehabilitation Services	\$10.27 (3%)	\$12.37 (<1%)	NA
Child Day Care Services	\$11.08 (1%)	\$9.38 (<1%)	NA
Other Services			
Religious Organizations	\$11.44 (<1%)	NA	NA
Grantmaking & Giving Services	\$21.10 (<1%)	NA	NA
Social Advocacy Organizations	\$13.64 (1%)	\$10.01 (<1%)	NA
Civic & Social Organizations	\$8.59 (3%)	\$9.11 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
 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 represent 97 percent of nonprofit employment, 14 percent of for-profit employment and 52 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- The arts, entertainment and recreation industry also plays an important role in Northeast Minnesota, accounting for 10 percent of all nonprofit employment locations in the region in 2008, the highest percentage in the state.
- In 2008, nonprofits paid \$909 million in wages, or 18 percent of all wages in the region. Over the last decade, after adjusting for inflation, total nonprofit payroll in the Northeast has increased an average of four percent per year. During the same period of time, total government payroll in the region increased less than one percent per year and total for-profit payroll declined slightly.
- According to the JOBS NOW Coalition, in 2008, each adult needed to earn \$12.07 an hour to support the basic needs of a family of four (two adults working full-time, two children) living in the Northeast. Although the majority of the nonprofit industries examined exceeded the minimum amount necessary to support these costs, four industries – vocational rehabilitation services, child day care services, religious organizations, and civic and social organizations – did not meet this basic wage in 2008.

Average Weekly Wages in the Northeast by Sector (in constant 2008 dollars)



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



Northeast Minnesota Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in Northeast Minnesota

		All Northeast Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets		\$5.8 billion	\$5.2 billion	\$242 million	\$151 million	\$56 million	\$20 million
Revenues	Program Services	87%	95%	42%	68%	28%	52%
	Charitable Contributions	4%	1%	20%	7%	39%	34%
	Government Grants	5%	1%	33%	22%	19%	3%
	Investments and Sales	2%	2%	4%	2%	12%	10%
	Other Revenue	1%	1%	1%	1%	2%	2%
	Total Revenues	\$2.3 billion	\$1.9 billion	\$212 million	\$119 million	\$22 million	\$9 million
Expenditures	Program Services	85%	85%	88%	87%	82%	70%
	Management and General	15%	15%	11%	12%	14%	27%
	Fundraising	<1%	<1%	1%	1%	5%	3%
	Total Expenses	\$2.2 billion	\$1.9 billion	\$196 million	\$112 million	\$20 million	\$8 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 553 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in Northeast Minnesota for fiscal year 2007 or 2008. More information on which organizations are included and how the activity areas are defined is available in the appendices.

- Nonprofits in Northeast Minnesota reported more than \$5.8 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were health care organizations (89 percent of total nonprofit assets) and human service organizations (four percent of total nonprofit assets).
- Nonprofit expenditures in the Northeast fell well within the recommended guidelines from the Charities Review Council of Minnesota. In the most recent fiscal year, nonprofits in the region spent, on average, 85 percent on program services and only 15 percent on management and fundraising. Revenue sources for nonprofits, however, varied considerably depending on the size of the organization and the activity area.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in Northeast Minnesota

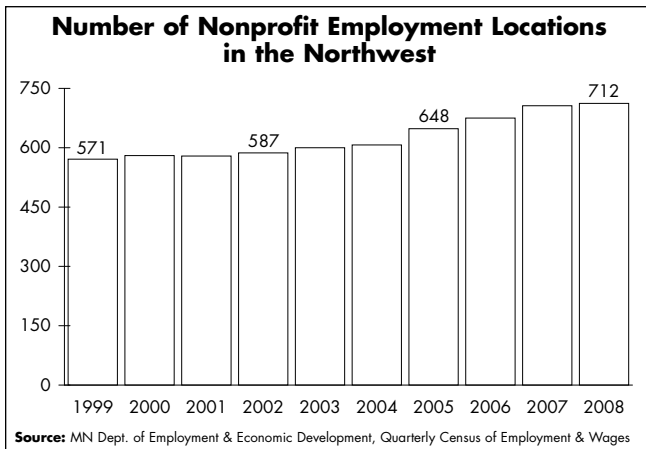
		Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million
Total Assets		\$90 million	\$344 million	\$5.4 billion
Revenues	Program Services	41%	62%	93%
	Charitable Contributions	28%	13%	2%
	Government Grants	23%	19%	2%
	Investments and Sales	6%	4%	2%
	Other Revenue	1%	1%	1%
	Total Revenues	\$86 million	\$319 million	\$1.9 billion
Expenditures	Program Services	84%	87%	85%
	Management and General	14%	12%	15%
	Fundraising	2%	1%	<1%
	Total Expenses	\$81 million	\$304 million	\$1.8 billion



Northwest Minnesota Nonprofit Employment

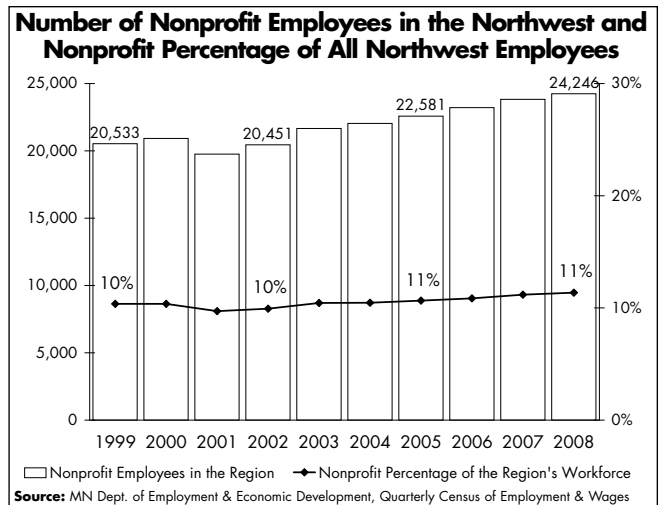
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnomon, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

Regional Overview: Nonprofit activity in the 26-county Northwest region is widely dispersed. In 2008, at least six counties (Crow Wing, Clay, Otter Tail, Beltrami, Polk and Douglas) could claim a substantial share of the region's 700 nonprofit employment locations and 24,000 nonprofit jobs. The nonprofit sector in Northwest Minnesota has been experiencing solid growth in recent years. Although the size of the nonprofit workforce in the region declined during the 2001 recession, since then the workforce has been increasing an average of three percent per year.



- Thirteen percent of the state's nonprofit employment locations were located in the Northwest region in 2008, the largest concentration outside of the Twin Cities. Over the last decade, the number of nonprofit employment locations in the Northwest has increased an average of nearly three percent per year. Only Central Minnesota experienced stronger growth over the same period.
- In 2008, the nonprofit sector in the Northwest employed 11 percent of the region's total workforce, the same as the statewide average. Since 2001, the end of the last recession, the nonprofit workforce in the region has increased an average of three percent per year. During the same period of time, the for-profit workforce in the region increased an average of just one percent per year and the government workforce declined slightly.

- Nonprofit activity is widely dispersed in the Northwest, reflecting that the region has more, but smaller, population centers than other regions. In 2008, 11 percent of nonprofit employment locations were in Crow Wing County (where Brainerd is located), 10 percent in Clay County (Moorhead), 10 percent in Otter Tail County (Fergus Falls), nine percent in Beltrami County (Bemidji), seven percent in Polk County (Crookston and East Grand Forks) and seven percent in Douglas County (Alexandria).
- The nonprofit workforce in the region followed a slightly different pattern, with 15 percent of the region's nonprofit jobs in Clay County, 10 percent in Otter Tail, nine percent in Crow Wing, nine percent in Beltrami, eight percent in Polk and just four percent in Douglas.





Northwest Minnesota Nonprofit Wages

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

- In 2008, the largest nonprofit industry in Northwest Minnesota was nursing and residential care facilities, accounting for 18 percent of nonprofit employment locations and 29 percent of the nonprofit workforce.

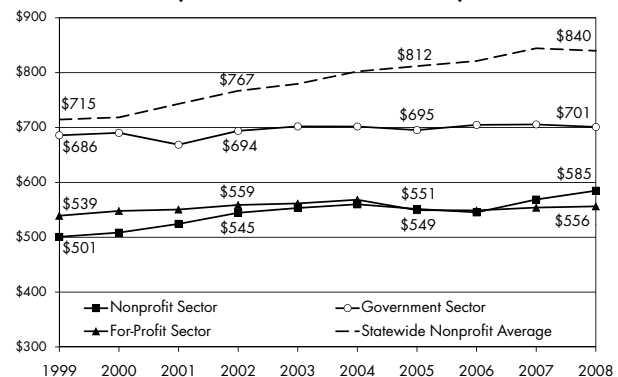
Median Hourly Wages for Full-Time Employees in Northwest Minnesota

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$10.01 (1%)	\$10.20 (1%)	\$11.21 (5%)
Educational Services	\$16.82 (7%)	\$14.91 (<1%)	\$20.89 (43%)
Health Care			
Ambulatory Health Care Services	\$17.39 (9%)	\$16.41 (4%)	\$22.97 (1%)
Hospitals	\$17.71 (31%)	NA	\$17.88 (6%)
Nursing & Residential Care Facilities	\$11.58 (29%)	\$10.16 (3%)	\$12.75 (2%)
Social Assistance			
Individual & Family Services	\$11.94 (7%)	\$10.22 (1%)	\$16.31 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$11.77 (<1%)	\$8.54 (<1%)	NA
Vocational Rehabilitation Services	\$12.22 (4%)	\$10.24 (<1%)	NA
Child Day Care Services	\$9.55 (1%)	\$9.50 (<1%)	\$16.93 (<1%)
Other Services			
Religious Organizations	\$12.64 (1%)	NA	NA
Grantmaking & Giving Services	\$17.84 (<1%)	\$16.91 (<1%)	NA
Social Advocacy Organizations	\$15.50 (2%)	\$10.83 (<1%)	NA
Civic & Social Organizations	\$10.00 (1%)	\$9.11 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
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 represent 93 percent of nonprofit employment, 11 percent of for-profit employment and 58 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- Since 2001, the end of the last recession, there has been virtually no increase in nonprofit employment in nursing and residential care services in the region. Over the same period of time, nonprofit employment in ambulatory health care services has increased an average of 10 percent per year and individual and family services industry increased an average of 12 percent.
- Nonprofits in the Northwest paid \$737 million in wages in 2008, or 11 percent of all wages in the region. Over the last decade, after adjusting for inflation, total nonprofit payroll in the region has increased an average of nearly four percent per year, while total government payroll increased about two percent per year and total for-profit payroll increased one percent per year.
- In all but three of the industries examined, the median hourly wage for a full-time nonprofit employee exceeded the minimum amount 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 2008, each adult needed to earn \$11.36 an hour to meet these costs in Northwest Minnesota.

Average Weekly Wages in the Northwest by Sector (in constant 2008 dollars)



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



Northwest Minnesota Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in Northwest Minnesota

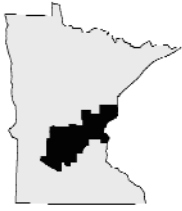
	All Northwest Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets	\$1.9 billion	\$1.2 billion	\$289 million	\$73 million	\$24 million	\$33 million
Revenues	Program Services	79%	94%	47%	15%	22%
	Charitable Contributions	6%	1%	12%	27%	54%
	Government Grants	10%	1%	35%	46%	13%
	Investments and Sales	3%	2%	4%	6%	10%
	Other Revenue	1%	1%	1%	5%	<1%
Total Revenues	\$1.3 billion	\$944 million	\$259 million	\$35 million	\$10 million	\$7 million
Expenditures	Program Services	86%	86%	87%	72%	78%
	Management and General	14%	14%	12%	25%	19%
	Fundraising	<1%	<1%	1%	2%	2%
	Total Expenses	\$1.2 billion	\$907 million	\$254 million	\$31 million	\$9 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 733 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in Northwest Minnesota for fiscal year 2007 or 2008. More information on which organizations are included and how the activity areas are defined is available in the appendices.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in Northwest Minnesota

	Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million	
Total Assets	\$124 million	\$382 million	\$1.4 billion	
Revenues	Program Services	42%	60%	91%
	Charitable Contributions	25%	8%	3%
	Government Grants	24%	28%	2%
	Investments and Sales	7%	3%	3%
	Other Revenue	2%	1%	1%
	Total Revenues	\$119 million	\$313 million	\$874 million
Expenditures	Program Services	83%	87%	85%
	Management and General	15%	13%	14%
	Fundraising	2%	1%	<1%
	Total Expenses	\$116 million	\$301 million	\$829 million

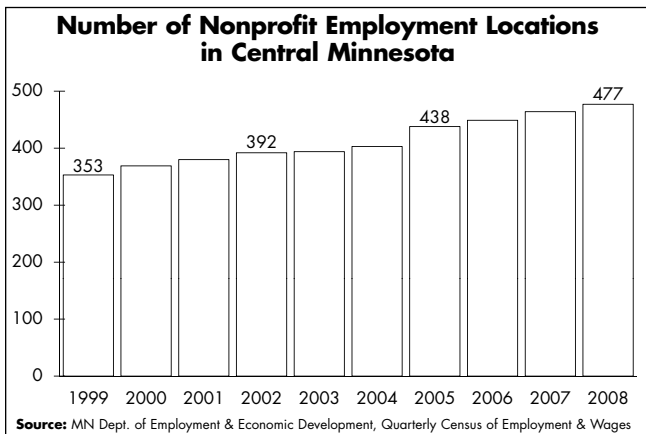
- Nonprofits in Northwest Minnesota reported more than \$1.9 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were health care organizations (64 percent of total nonprofit assets) and human service organizations (15 percent of total nonprofit assets).
- On average, nonprofit expenditures in the Northwest fell within the guidelines from the Charities Review Council of Minnesota. Nonprofits in two sectors – education and arts, culture and humanities – spent a higher percentage on management and fundraising than other types of nonprofits in the region. This is probably because these organizations relied more heavily on charitable contributions. Their spending levels still fell within the guidelines.



Central Minnesota Nonprofit Employment

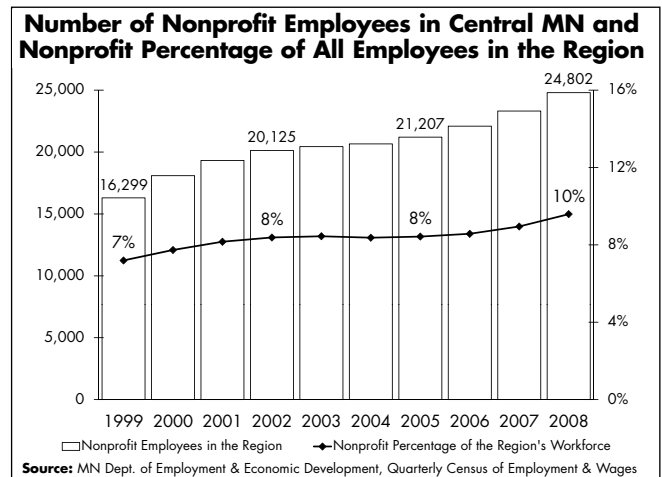
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

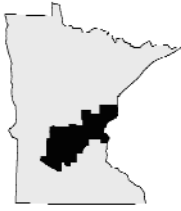
Regional Overview: The story of the nonprofit sector in the Central Minnesota region is growth. Over the last decade, the nonprofit sector in this region has experienced the strongest growth in the state in the number of nonprofit employment locations (an average of three percent per year) and the size of the nonprofit workforce (an average of five percent per year). After adjusting for inflation, total nonprofit wages have increased an average of seven percent per year for the last decade. The highest concentration of nonprofit activity is in Stearns County, where most of the city of St. Cloud is located.



- Over the past decade, the number of nonprofit employment locations in Central Minnesota has increased an average of more than three percent per year, the strongest growth rate in the state. As a result, the number of nonprofit employment locations in the region had increased to nearly 480, or eight percent of all nonprofit employment locations in the state.
- The size of nonprofit workforce in Central Minnesota has also been increasing rapidly, growing an average of five percent per year over the last decade, the strongest growth rate in the state. During the same period of time, the government workforce in the region increased an average of two percent per year and the for-profit workforce grew just one percent per year. By 2008, the nonprofit sector had grown to account for one out of every ten workers in the region.

- Stearns County, where most of the city of St. Cloud is located, is the largest center of nonprofit activity in the region. In 2008, Stearns County accounted for 25 percent of the region's nonprofit employment locations and 38 percent of the region's nonprofit workforce.
- In 2008, Chisago County, which lies to the north of the Twin Cities metro area, accounted for another seven percent of the region's nonprofit employment locations and 12 percent of the region's nonprofit workforce in 2008. Wright and Sherburne counties, which lie between St. Cloud and the Twin Cities metro area, were also centers of nonprofit activity in Central Minnesota in 2008. Combined, these counties accounted for nearly 21 percent of nonprofit employment locations and 16 percent of the nonprofit workforce in the region.





Central Minnesota Nonprofit Wages

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

- In 2008, 72 percent of nonprofit workers and 31 percent of nonprofit employment locations in Central Minnesota were in health care – ambulatory health care services, hospitals, and nursing and residential care facilities.

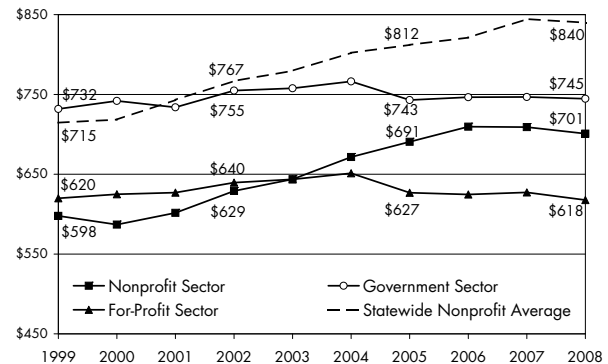
Median Hourly Wages for Full-Time Employees in Central Minnesota

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$12.69 (1%)	\$9.12 (2%)	\$12.30 (7%)
Educational Services	\$18.51 (7%)	\$13.06 (<1%)	\$21.07 (46%)
Health Care			
Ambulatory Health Care Services	\$19.44 (9%)	\$18.29 (4%)	NA
Hospitals	\$20.04 (35%)	\$12.16 (<1%)	\$18.06 (9%)
Nursing & Residential Care Facilities	\$13.96 (27%)	\$10.95 (3%)	\$20.31 (1%)
Social Assistance			
Individual & Family Services	\$12.50 (5%)	\$10.20 (1%)	\$19.97 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$13.47 (<1%)	\$12.85 (<1%)	NA
Vocational Rehabilitation Services	\$11.20 (6%)	\$13.41 (<1%)	NA
Child Day Care Services	\$10.84 (2%)	\$9.52 (1%)	NA
Other Services			
Religious Organizations	\$12.58 (1%)	NA	NA
Grantmaking & Giving Services	\$15.83 (<1%)	NA	NA
Social Advocacy Organizations	\$13.85 (2%)	\$12.56 (<1%)	NA
Civic & Social Organizations	\$8.94 (1%)	\$9.44 (1%)	NA

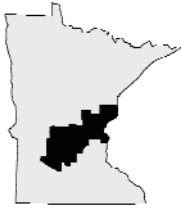
Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
 Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represent 97 percent of nonprofit employment, 12 percent of for-profit employment and 64 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- Nonprofits in Central Minnesota paid \$904 million in wages, or 10 percent of all wages in the region. Over the last decade, total nonprofit wages have increased an average of seven percent per year, after adjusting for inflation. Over the same period of time, total government wages increased an average of two percent per year and for-profit wages increased one percent per year.
- In recent years, growth in average weekly wages in the nonprofit sector in Central Minnesota has slowed. After adjusting for inflation, nonprofit wages have declined an average of one percent per year for the last two years.
- The trend in slowing wage growth is also visible when looking at median wages for full-time nonprofit workers. According to the JOBS Now Coalition, in 2008 each adult needed to earn \$13.09 an hour to meet the costs necessary to support the basic needs of a family of four (two adults working full-time, two children). In 2008, six of the thirteen nonprofit industries examined did not meet this minimum median wage. Typically, in any region, only two or three industries fail to exceed the basic needs wages.

Average Weekly Wages in Central MN by Sector (in constant 2008 dollars)



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



Central Minnesota Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in Central Minnesota

		All Central Minnesota Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets		\$2.5 billion	\$1.8 billion	\$277 million	\$253 million	\$17 million	\$12 million
Revenues	Program Services	85%	94%	57%	68%	41%	34%
	Charitable Contributions	6%	2%	12%	14%	30%	43%
	Government Grants	5%	1%	25%	13%	22%	3%
	Investments and Sales	3%	2%	4%	5%	5%	19%
	Other Revenue	1%	1%	1%	<1%	1%	1%
	Total Revenues	\$1.7 billion	\$1.3 billion	\$203 million	\$132 million	\$7 million	\$5 million
Expenditures	Program Services	86%	87%	87%	86%	80%	82%
	Management and General	13%	13%	11%	11%	15%	14%
	Fundraising	1%	<1%	1%	3%	4%	3%
	Total Expenses	\$1.6 billion	\$1.2 billion	\$197 million	\$121 million	\$7 million	\$5 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 661 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in Central Minnesota for fiscal year 2007 or 2008. More information on which organizations are included and how the activity areas are defined is available in the appendices.

- Nonprofits in Central Minnesota reported more than \$2.5 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were health care organizations (71 percent of total nonprofit assets) and human service organizations (11 percent of total nonprofit assets).
- On average, nonprofit expenditures in Central Minnesota fell within the recommended guidelines from the Charities Review Council of Minnesota. In the most recent fiscal year, nonprofits in the region spent 86 percent on program services and only 14 percent on management and fundraising. Revenue sources for nonprofits, however, varied considerably depending on the size of the organization and the activity area.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in Central Minnesota

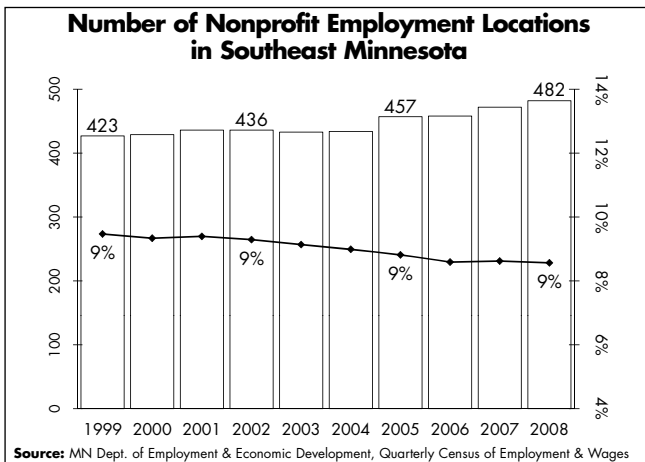
		Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million
Total Assets		\$108 million	\$356 million	\$2.1 billion
Revenues	Program Services	37%	75%	91%
	Charitable Contributions	20%	8%	5%
	Government Grants	33%	14%	<1%
	Investments and Sales	7%	3%	3%
	Other Revenue	1%	<1%	1%
	Total Revenues	\$120 million	\$279 million	\$1.3 billion
Expenditures	Program Services	85%	86%	87%
	Management and General	12%	13%	12%
	Fundraising	2%	1%	1%
	Total Expenses	\$117 million	\$270 million	\$1.2 billion



Southeast Minnesota Nonprofit Employment

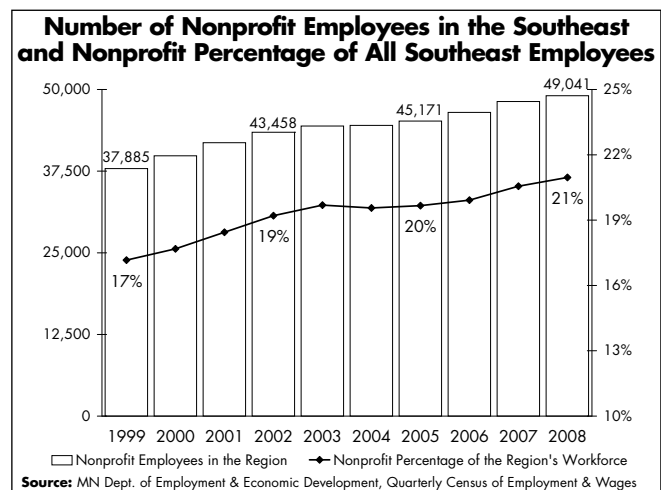
Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

Regional Overview: The 11-county region of Southeast Minnesota enjoys international recognition for the health care facilities located in Rochester. As a result, the nonprofit sector plays a particularly prominent role in this region. In 2008, nonprofits employed one out of every five workers in the region – the highest percentage in the state. That percentage was even higher in Olmsted County, where Rochester is located. In 2008, nonprofits employed one out of every three workers and paid half of all wages in the county. Nonprofits in the region reported substantial assets for the current fiscal year – \$12.1 billion.



- In 2008, there were over 480 nonprofit employment locations in the Southeast. Over the last decade, the number of nonprofit employment locations in the region has increased an average of just one percent per year.
- The nonprofit workforce in the Southeast region has shown stronger growth. Over the last decade, the number of nonprofit jobs in the region has increased an average of three percent per year. In 2008, 17 percent of all nonprofit jobs in the state were located in Southeast Minnesota.
- With more than 49,000 employees, the Southeast region has the largest nonprofit workforce outside of the Twin Cities. In 2008, one out of every five workers in the region – or 21 percent – was employed by a nonprofit.

- In 2008, 68 percent of the region's nonprofit workforce was located in Olmsted County, home to the city of Rochester and the Mayo Clinic. In 2008, the 33,400 nonprofit jobs in Olmsted County also accounted for 12 percent of all nonprofit jobs in the state, making Olmsted not only the regional center of nonprofit activity, but also a major center for the state.
- Other counties in the Southeast with a significant nonprofit presence in 2008 included Winona (11 percent of nonprofit employment locations and seven percent of nonprofit jobs), Rice (11 percent of nonprofit employment locations and six percent of nonprofit jobs), and Goodhue (10 percent of nonprofit employment locations and four percent of nonprofit jobs).





Southeast Minnesota Nonprofit Wages

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

- Health care dominates Southeast Minnesota. In 2008, the health care industry accounted for 32 percent of nonprofit employment locations, 84 percent of nonprofit jobs and 91 percent of nonprofit wages in the region.

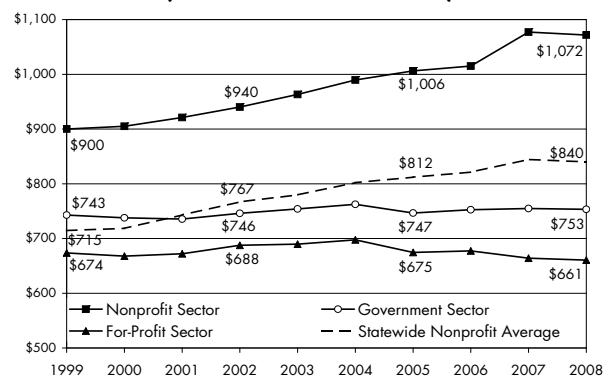
Median Hourly Wages for Full-Time Employees in Southeast Minnesota

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$12.98 (<1%)	\$10.11 (1%)	NA
Educational Services	\$22.39 (8%)	\$15.30 (<1%)	\$21.52 (47%)
Health Care			
Ambulatory Health Care Services	\$22.59 (46%)	\$18.58 (3%)	\$14.85 (<1%)
Hospitals	\$19.44 (26%)	NA	\$22.54 (3%)
Nursing & Residential Care Facilities	\$12.31 (12%)	\$11.31 (3%)	\$13.20 (3%)
Social Assistance			
Individual & Family Services	\$12.00 (2%)	\$10.35 (1%)	\$29.93 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$12.53 (<1%)	\$17.90 (<1%)	NA
Vocational Rehabilitation Services	\$11.72 (1%)	\$11.22 (<1%)	NA
Child Day Care Services	\$9.96 (1%)	\$10.00 (<1%)	NA
Other Services			
Religious Organizations	\$11.41 (<1%)	\$19.33 (<1%)	NA
Grantmaking & Giving Services	\$19.37 (<1%)	NA	NA
Social Advocacy Organizations	\$13.07 (1%)	\$15.00 (<1%)	NA
Civic & Social Organizations	\$9.28 (1%)	\$9.68 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
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 represent 99 percent of nonprofit employment, 10 percent of for-profit employment and 53 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- Nonprofit employers in the Southeast region paid \$2.7 billion in total wages in 2008, nearly 30 percent of all wages paid in the region. In Olmsted County alone, nonprofits paid \$2.2 billion in wages, which accounted for 80 percent of all wages paid in the county.
- Over the last decade, total nonprofit wages in the region have been increasing an average of five percent per year (after adjusting for inflation). During the same period of time, total wages for the for-profit sector showed no growth after adjusting for inflation.
- According to the JOBS NOW Coalition, in 2008, each adult in a family of four needed to earn \$12.33 an hour to support the basic needs of that family (two adults working full-time, two children) in Southeast Minnesota. In 2008, six of the thirteen nonprofit industries examined did not meet this minimum median wage. In the recent past, only one or two industries had failed to reach this threshold in Southeast Minnesota. Low wages are not unique to the nonprofit sector – in all but one of these industries, the corresponding for-profit wage also failed to meet the threshold.

Average Weekly Wages in the Southeast by Sector (in constant 2008 dollars)



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



Southeast Minnesota Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in Southeast Minnesota

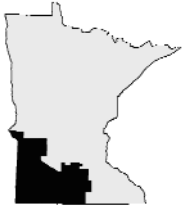
		All Southeast Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets		\$12.1 billion	\$9.8 billion	\$232 million	\$1.9 billion	\$47 million	\$13 million
Revenues	Program Services	70%	72%	72%	57%	19%	45%
	Charitable Contributions	18%	19%	12%	13%	49%	39%
	Government Grants	4%	4%	11%	4%	22%	8%
	Investments and Sales	7%	5%	4%	25%	9%	7%
	Other Revenue	<1%	<1%	1%	1%	1%	2%
	Total Revenues	\$7.0 billion	\$6.1 billion	\$254 million	\$539 million	\$18 million	\$6 million
Expenditures	Program Services	87%	88%	90%	86%	77%	82%
	Management and General	12%	12%	9%	11%	18%	14%
	Fundraising	1%	1%	1%	3%	5%	4%
	Total Expenses	\$6.4 billion	\$5.7 billion	\$249 million	\$397 million	\$14 million	\$5 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 603 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in Southeast Minnesota for fiscal year 2007 or 2008. More information on which organizations are included and how the activity areas are defined is available in the appendices.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in Southeast Minnesota

		Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million
Total Assets		\$105 million	\$447 million	\$11.6 billion
Revenues	Program Services	58%	75%	70%
	Charitable Contributions	20%	13%	19%
	Government Grants	14%	8%	4%
	Investments and Sales	6%	3%	7%
	Other Revenue	1%	<1%	<1%
	Total Revenues	\$143 million	\$355 million	\$6.5 billion
Expenditures	Program Services	86%	89%	87%
	Management and General	13%	10%	12%
	Fundraising	1%	1%	1%
	Total Expenses	\$140 million	\$344 million	\$5.9 billion

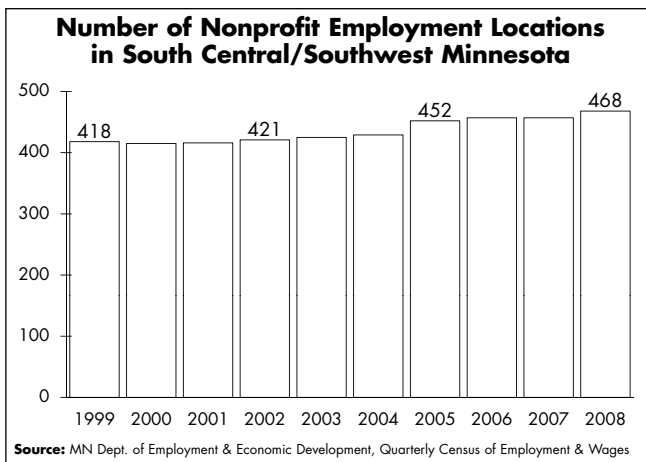
- Nonprofits in Southeast Minnesota reported more than \$12.1 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were health care organizations (81 percent of total nonprofit assets) and educational organizations (15 percent of total nonprofit assets).
- Nonprofits in the arts, culture and humanities in Southeast Minnesota spent, on average, a higher percentage on management and fundraising expenses than other types of nonprofits in the region. This is probably because close to half of their revenues came from raising charitable contributions. On average, however, their spending levels still fell within the guidelines from the Charities Review Council of Minnesota.



South Central/Southwest Minnesota Nonprofit Employment

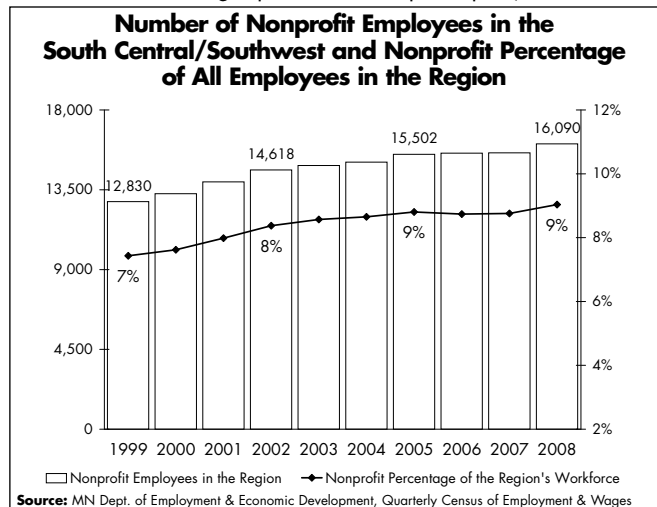
Counties: Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

Regional Overview: The nonprofit sector in the 23-county South Central/Southwest region of Minnesota has been showing similar signs of economic growth as other regions of the state. Over the last decade, nonprofit employment has increased an average of three percent per year and total nonprofit inflation-adjusted wages have been increasing five percent per year. The growth has been even more pronounced in Blue Earth County, where the city of Mankato is largely located. In this regional center of nonprofit activity, the nonprofit workforce has increased an average of six percent per year since the 2001 recession.



- In 2008, eight percent of the state’s nonprofit employment locations were located in South Central/Southwest Minnesota. The number of nonprofit employment locations in the region has increased an average of just one percent per year over the last decade, which was below the statewide average.
- The nonprofit sector in South Central/Southwest Minnesota employed nine percent of the region’s total workforce in 2008, slightly below the statewide average of 11 percent. Over the last decade, the nonprofit workforce in the region increased an average of three percent per year. During the same period of time, the government workforce in the region increased an average of just one percent per year and the for-profit workforce did not experience any growth.

- The largest center of nonprofit activity in the region is Blue Earth County, where the city of Mankato is largely located. In 2008, this county was home to 13 percent of the region’s nonprofit employment locations and 31 percent of the nonprofit workforce. Since 2001, the end of the last recession, the nonprofit workforce in the county has increased an average of six percent per year.
- Other counties in the region with a significant nonprofit presence in 2008 included Brown County (nine percent of nonprofit employment locations and 10 percent of nonprofit jobs), Lyon County (nine percent of nonprofit employment locations and four percent of nonprofit jobs) and Nicollet County (six percent of nonprofit employment locations and eight percent of nonprofit jobs).





South Central/Southwest Minnesota Nonprofit Wages

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

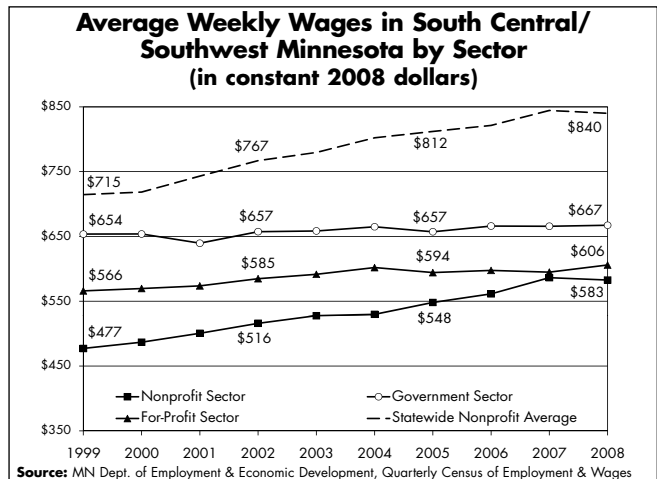
- In 2008, health care was the largest nonprofit industry in South Central/Southwest Minnesota, accounting for 67 percent of the nonprofit workforce and 34 percent of nonprofit employment locations.

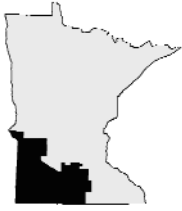
Median Hourly Wages for Full-Time Employees in South Central/Southwest Minnesota

Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$11.48 (1%)	\$9.71 (1%)	NA
Educational Services	\$20.79 (7%)	\$15.27 ($<1\%$)	\$20.20 (43%)
Health Care			
Ambulatory Health Care Services	\$16.12 (6%)	\$15.50 (3%)	\$17.11 ($<1\%$)
Hospitals	\$16.67 (30%)	\$19.51 ($<1\%$)	\$18.97 (12%)
Nursing & Residential Care Facilities	\$11.70 (31%)	\$11.05 (4%)	\$12.59 (2%)
Social Assistance			
Individual & Family Services	\$12.71 (2%)	\$10.55 (1%)	\$18.37 ($<1\%$)
Community Food, Housing, Emergency & Other Relief Services	\$9.62 (1%)	NA	NA
Vocational Rehabilitation Services	\$12.91 (11%)	\$12.76 ($<1\%$)	NA
Child Day Care Services	\$9.00 (1%)	\$8.54 ($<1\%$)	NA
Other Services			
Religious Organizations	\$13.78 (1%)	NA	NA
Grantmaking & Giving Services	\$16.57 (1%)	NA	NA
Social Advocacy Organizations	\$13.81 (4%)	\$20.00 ($<1\%$)	NA
Civic & Social Organizations	\$8.49 (2%)	\$8.59 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 4th Quarter 2008
 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 represent 98 percent of nonprofit employment, 11 percent of for-profit employment and 58 percent of government employment in the region in 2008. More extensive descriptions of these industries are available in Appendix A.

- Since the end of the 2001 recession, some nonprofit industries in the region have experienced strong growth. The number of nonprofit jobs in child care services has increased an average of 10 percent per year, vocational rehabilitation by eight percent per year and ambulatory health care services by six percent per year.
- In 2008, nonprofit organizations in South Central/Southwest Minnesota paid \$488 million in wages, or nine percent of all wages paid in the region. Over the last decade, inflation-adjusted total nonprofit payroll in the region increased an average of five percent per year. During the same period of time, both government and for-profit payroll increased by just one percent per year.
- In all but three of the industries examined, the median hourly wage for a full-time nonprofit employee in 2008 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 2008, each adult needed to earn \$10.96 an hour to meet these costs in the region.





South Central/Southwest Minnesota Nonprofit Finances

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

Assets, Revenues and Expenses by Selected Activity Areas for Nonprofits in South Central/Southwest MN

		All South Central/ Southwest Nonprofits	Health	Human Services	Education	Arts, Culture and Humanities	Environmental and Animal-related
Total Assets		\$1.6 billion	\$581 million	\$173 million	\$788 million	\$22 million	\$5 million
Revenues	Program Services	72%	94%	58%	45%	17%	10%
	Charitable Contributions	16%	2%	12%	41%	42%	26%
	Government Grants	7%	1%	26%	4%	29%	57%
	Investments and Sales	4%	1%	3%	10%	9%	6%
	Other Revenue	1%	1%	1%	<1%	3%	2%
	Total Revenues	\$1.1 billion	\$563 million	\$181 million	\$324 million	\$8 million	\$6 million
Expenditures	Program Services	88%	88%	88%	92%	69%	77%
	Management and General	10%	12%	11%	5%	24%	19%
	Fundraising	1%	<1%	<1%	2%	7%	4%
	Total Expenses	\$1.0 billion	\$525 million	\$175 million	\$279 million	\$7 million	\$6 million

Source for both tables: MCN's analysis of Form 990 information filed with the Internal Revenue Service (IRS). This analysis includes 497 501(c)(3) and (c)(4) organizations that filed a 990 financial return from an address located in Central Minnesota for fiscal year 2007 or 2008. More information on which organizations are included and how the activity areas are defined is available in the appendices.

- Nonprofits in South Central/Southwest Minnesota reported more than \$1.6 billion in assets for the most current fiscal year (either 2007 or 2008). The activity areas in the region with the largest assets were educational organizations (49 percent of total nonprofit assets) and health organizations (36 percent of total nonprofit assets).
- Revenue sources for nonprofits in the region varied considerably depending on the activity area. The largest revenue source for health nonprofits was program services, which includes government fees and contracts (94 percent). For environmental and animal-related organizations, the largest revenue source was government grants (57 percent). And arts, culture and humanities organizations raised 42 percent of their revenues from charitable contributions.

Assets, Revenues and Expenses by Size of Organization for Nonprofits in South Central/Southwest Minnesota

		Small: Assets under \$1 million	Medium: Assets between \$1 and \$10 million	Large: Assets over \$10 million
Total Assets		\$83 million	\$289 million	\$1.2 billion
Revenues	Program Services	36%	66%	77%
	Charitable Contributions	19%	13%	17%
	Government Grants	34%	17%	1%
	Investments and Sales	8%	3%	4%
	Other Revenue	2%	1%	1%
	Total Revenues	\$75 million	\$229 million	\$793 million
Expenditures	Program Services	84%	87%	90%
	Management and General	14%	12%	9%
	Fundraising	2%	1%	1%
	Total Expenses	\$74 million	\$211 million	\$721 million

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.

National Taxonomy of Exempt Entities (NTEE)

This report uses the NTEE for the analysis of nonprofit finances.

Health – activities include, but are not limited to, hospitals, ambulatory health care, rehabilitative care, public health, nursing care, mental health treatment, substance abuse treatment, HMOs 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, child and youth services, emergency assistance and centers for specific populations.

Education – activities include, but are not limited to, nonprofit 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.

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 2007 may differ slightly from what was reported in the *2008 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 2008 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 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.

Financial Information

The financial information used for this report was compiled from data obtained from the Minnesota Attorney General's (AG) office and the National Center for Charitable Statistics (NCCS). The report uses Form 990 financial reports filed by charitable organizations exempted under IRS subsection 501(c)(3) and (c)(4). The report excludes financial information from nonprofit organizations exempted under IRS subsection 501(c)(3) 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 6,972 organizations filing from an address located in Minnesota. We attempted to use financial information reported for the fiscal year that closed in 2008. However, for 46 percent of the organizations, fiscal year 2007 was the most current financial information available. In addition, in 2008, the IRS made significant revisions to Form 990. For this report, it was necessary to combine data from organizations filing different versions of the form. It was possible to successfully bridge both revenue and expenditure data from the two forms. In this analysis, 88 percent of the organizations filed an old Form 990, and 12 percent filed the revised form.

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, health care, child care, clothing and transportation in 2008. The budget does not include any money for entertainment, vacation, eating out, emergencies, retirement or education. *The Cost of Living in Minnesota* report and budget calculator are available online at www.jobsnowcoalition.org.



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