

Minnesota Nonprofit Economy Report

A statewide and
regional analysis

2
0
1
8

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.

Report Authors

Kari Aanestad (Director of Advancement, MCN), Jon Pratt (Executive Director, MCN), Corrin Bemis (Research Associate, MCN),

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.

Copyright © 2018 Minnesota Council of Nonprofits All rights reserved. Short sections of text may be quoted without explicit permission, provided that full credit is given to the source. Additional copies of this report can be downloaded from MCN's website at www.minnesotanonprofits.org.



2018 MINNESOTA NONPROFIT ECONOMY REPORT EXECUTIVE SUMMARY

The Nonprofit Economy Report (NPER) 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.

The Nonprofit Economy

For as long as MCN has been compiling this report, nonprofit organizations have played an important role in Minnesota's communities — providing essential services, employing local residents, and improving quality of life through arts and human services to recreation and youth sports. For the past 26 years, the role of nonprofits in the state has experienced continuous growth. Between 1993 and 2018, Minnesota nonprofit employers added 157,135 employees, equating to a 92 percent growth in the nonprofit workforce.

In 2018, the number of nonprofit organizations reporting having at least one employee was 9,127. This number represents nonprofit organizations ranging from the multi-billion dollar Mayo Clinic to small human service based nonprofits in the Northwest region of the state. While the number of new nonprofits has been decreasing in the past five years, this slow down in growth reflects some consolidation between existing organizations. Of course, there is no ideal number of nonprofits.

Between 2017 and 2018, the average annual wage for nonprofit employees fell by 1.4 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.

CONTENTS

- 4** Statewide Analysis
Summary of Impact
- 5** Changes in Dataset
Employees + Employment Locations
- 6** Statewide Analysis
Statewide Employment + Wages
- 8** Statewide Analysis
Age + Income + Revenue
- 10** Statewide Analysis
Distribution of Organizations
- 13** Regional Analyses
Twin Cities Metro Analysis
Northeast MN Analysis
Northwest MN Analysis
Central MN Analysis
Southeast MN Analysis
Southwest MN Analysis
- 19** Appendix
Classification + Data Sources

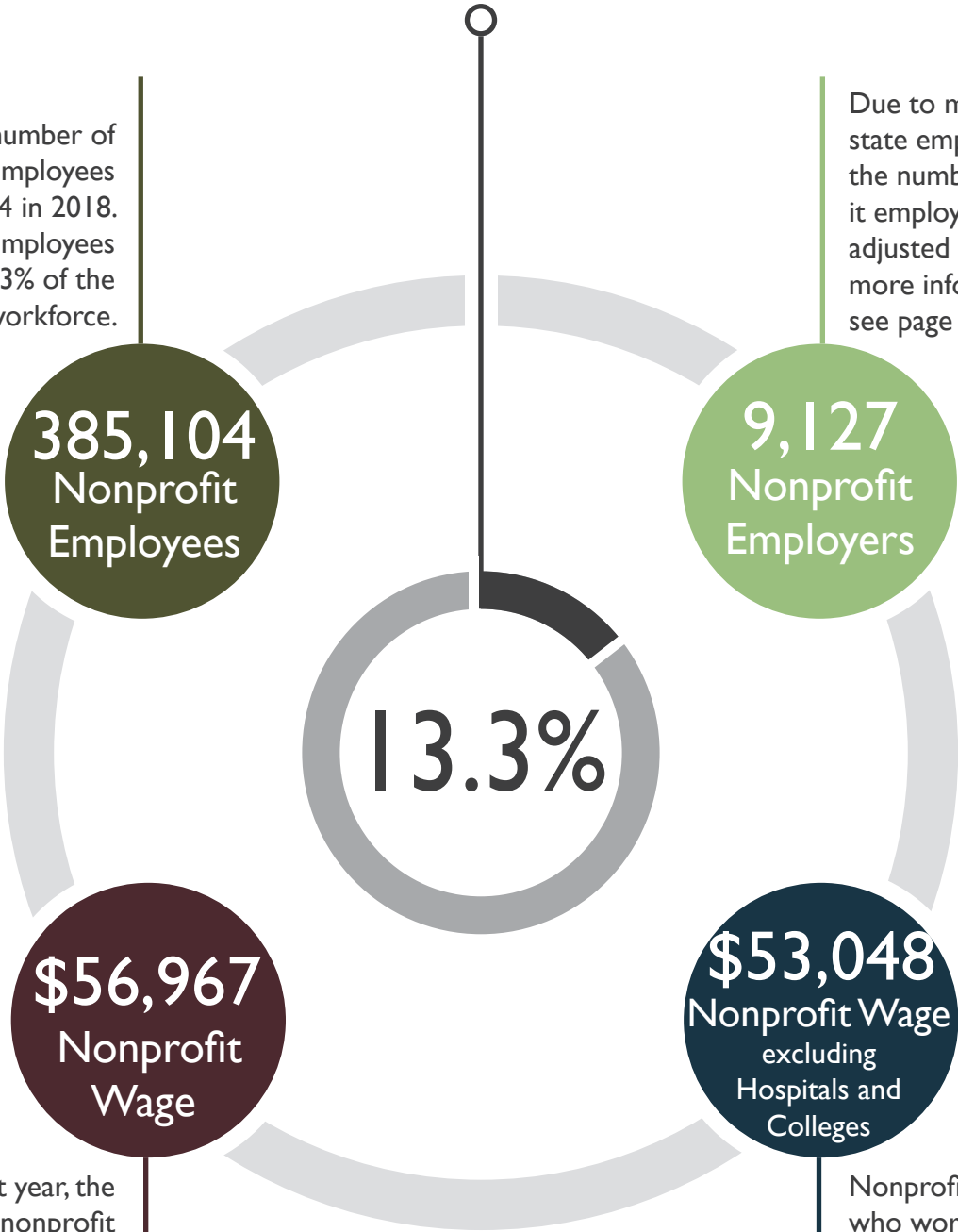


2018 SUMMARY OF NONPROFIT SECTOR'S IMPACT ON STATE ECONOMY

Nonprofit Industry's Share of State's Total Workforce

The number of nonprofit employees was 385,104 in 2018. Nonprofit employees make up 13.3% of the state's total workforce.

Due to more complete state employment data, the number of nonprofit employers has been adjusted for 2018. For more information, please see page 5.



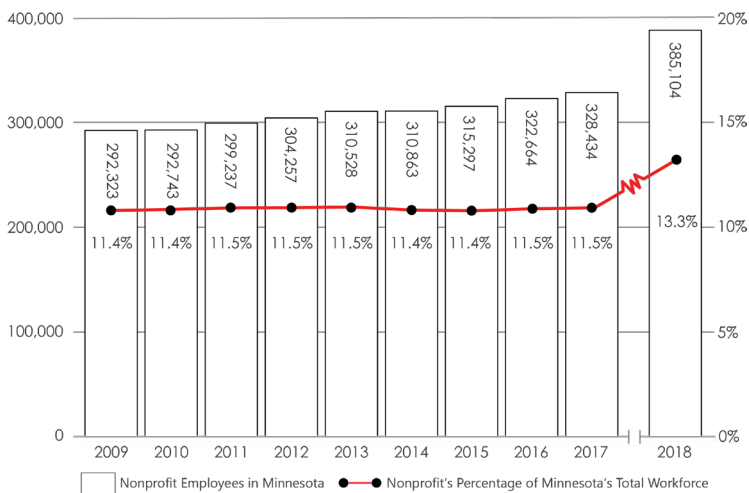
In the past year, the average annual nonprofit wage decreased by 2%. This is likely due to the large number of small nonprofits that are now counted in the dataset.

Nonprofit employees who work for Hospitals or Colleges typically report higher wages than employees in other nonprofit sectors. This was true in 2018 as well.

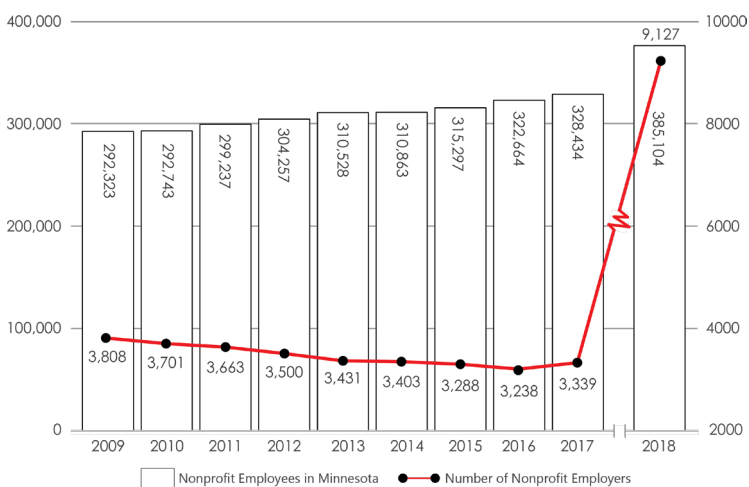


CHANGES IN THE DATA SET BETWEEN 2017 AND 2018

Number of Nonprofit Employees vs. Percent of State's Total Workforce



Number of Nonprofit Employees vs. Number of Nonprofit Employment Locations



Information about a **change** in the Minnesota Nonprofit Economy Report dataset

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. Both before and after 2017, DEED collected data on the number of nonprofit organizations using the Quarterly Census of Employment and Wages (QCEW) program. This program has two indicators of nonprofit status. The first is defined by unemployment insurance reimbursable status and the second is self-reported by employers. Before 2018, DEED only collected data from self-reported employers in the state. Starting in 2018, DEED collected 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 non-profit status of a business.

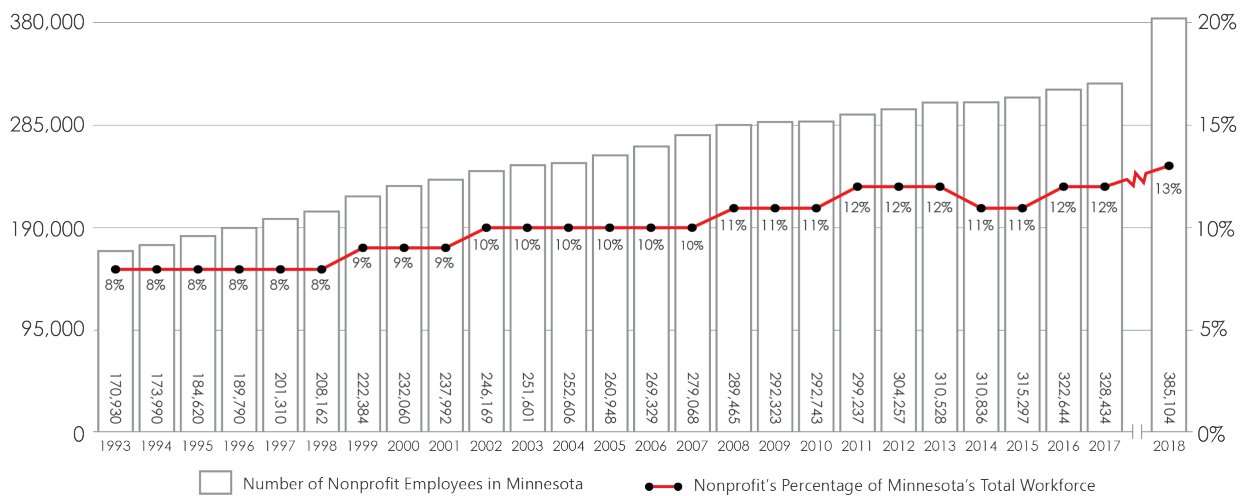
Because the new indicator DEED uses to collect data on the number of nonprofits includes all organizations that failed to self-report in years prior, the 2018 dataset includes a much larger number of nonprofit organizations that tend to have a small number of employees. The graph on the bottom left illustrates this relationship. While the number of nonprofit employers increased by 173 percent between 2017 and 2018, the number of nonprofit employees only increased by 17 percent.



STATEWIDE NONPROFIT EMPLOYMENT NUMBERS

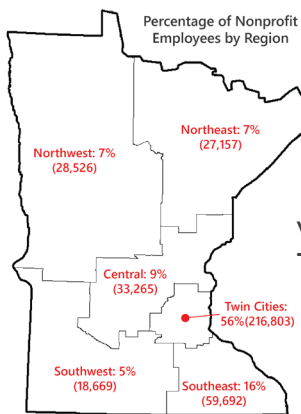
Statewide Overview: The nonprofit sector in Minnesota plays an integral role in the state's economy, employing one out of every eight workers.

Number of Nonprofit Employees in Minnesota vs. Percentage of State's Total Workforce
1993 - 2018

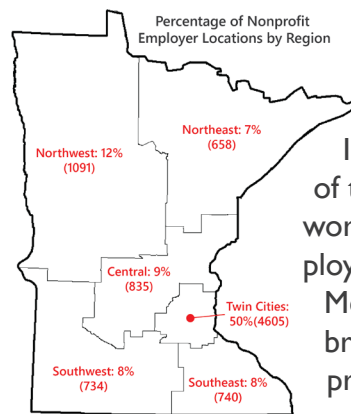


Number of Nonprofit Employees Now Accounts for 13% of State's Economy

With consistent growth over the past 10 years, more people every year are choosing to partner with their communities through nonprofit work. Minnesota's nonprofit sector accounted for over 385,104 jobs in 2018, making up 13.3 percent of the state's workforce.



In 2018, half of the nonprofits in Minnesota were located in the Twin Cities Metro Area. Regional breakdowns of nonprofit employer locations show:



In 2018, 56 percent of the state's nonprofit workforce was employed in the Twin Cities Metro Area. Regional breakdowns of nonprofit employees show:

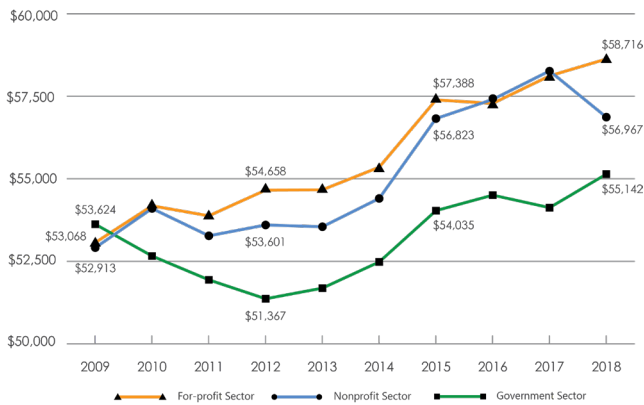
- 13 percent were Northwest MN,
 - 9 percent were Central MN,
 - 8 percent were Southwest MN,
 - 8 percent were Southeast MN and
 - 7 percent were Northeast MN.
- 17 percent in Southeast MN,
 - 9 percent in Central MN,
 - 8 percent in Northwest MN,
 - 7 percent in Northeast MN, and
 - 5 percent in Southwest MN.



STATEWIDE NONPROFIT WAGES BY INDUSTRY + SECTOR

Statewide Overview: The nonprofit sector saw a sharp decline in average annual wages between 2017 and 2018, but maintains its historical spot between the private and governmental sectors.

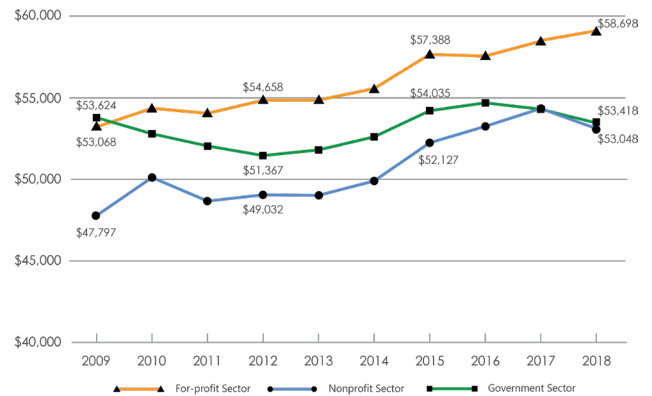
Average Annual Wages in Minnesota by Sector
2009 - 2018 | Adjusted for Inflation (2018 dollars)



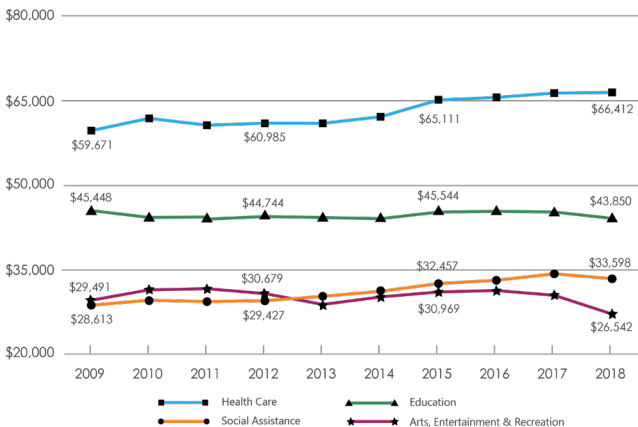
Nonprofit Average Annual Wages Fall Below For-Profit Wages

In 2017, nonprofit average annual wages surpassed for-profit annual wages for the first time. Between 2017 and 2018, nonprofit wages experienced a 1.4 percent decline, likely due to the increased number of small nonprofits in the dataset. Still, nonprofit wages are much higher when hospitals and institutions of higher education are included in the analysis. (Note: not all business compensation is in the form of reported wages but may be profit sharing, stocks, etc.).

Average Annual Wages in Minnesota by Sector
Excluding Hospitals and Colleges
2009 - 2018 | Adjusted for Inflation (2018 dollars)



Average Annual Wages in Minnesota by Industry
2009 - 2018 | Adjusted for Inflation (2018 dollars)



Nonprofit Wages Remain Lower than For-Profit, Closely Match Government (Excluding Hospitals and Higher Education)

Employees of hospitals report higher wages and stronger wage growth than is the case for much of the nonprofit sector. Without hospitals and higher education institutions in the analysis, the wage gap between the nonprofit sector and the for-profit sector remains significant, with nonprofits falling 11 percent below for-profits in average annual wages.

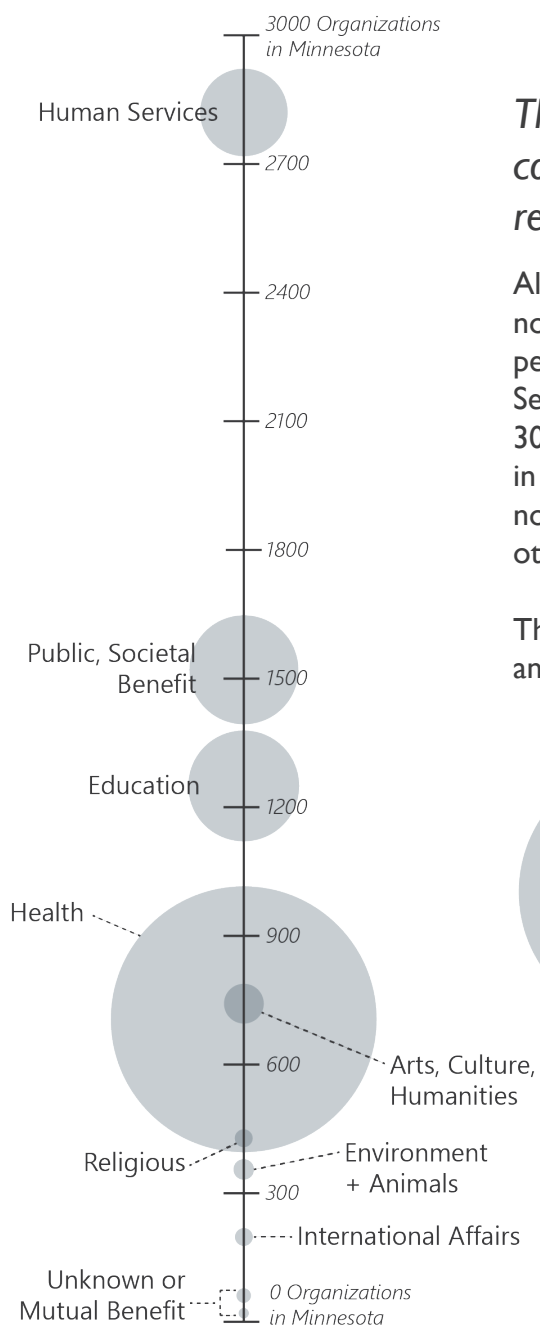
Over the past ten years, average nonprofit wages have grown beyond inflation by 11.3 percent for healthcare and 17.4 percent for social assistance. Wages for arts, entertainment, and recreation and education fell by 10 and 3.5 percent respectively. While the overall nonprofit average annual wage (without hospitals and colleges) is lower than for-profit and government wages, a different picture emerges when comparing median wages within the same activity area. Nonprofit median wages are often higher than for-profit wages, in industries such as arts and entertainment, health care, individual and family services, child care, and community services.



STATEWIDE NONPROFIT INCOME + REVENUE

Statewide Overview: The nonprofit sector in Minnesota plays an integral role in the state's economy, generating around \$86.4 billion in income in 2018.

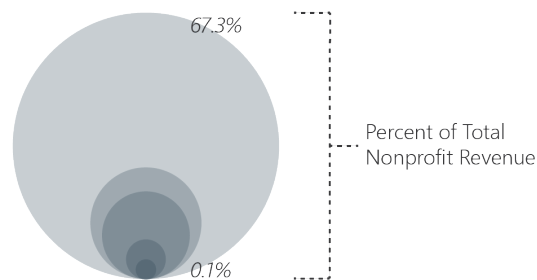
Percent of Total Nonprofit Income per Industry vs. Number of Organizations per Industry



The size of nonprofit industries does not necessarily correlate with its percentage of total nonprofit revenue.

Although the Health industry only accounts for 9.1 percent of nonprofit organizations in Minnesota, this industry generates 67 percent of nonprofit revenue. On the other side, although Human Services organizations account for 35 percent of nonprofits (almost 3000 organizations), they only generate 7 percent of total revenue in Minnesota nonprofit sector. Of the top ten income generating nonprofits in Minnesota, five are health-related organizations. The other five do not report their industry affiliation.

These five organizations account for 42% of total nonprofit income and 62% of total income for health-related nonprofit organizations.



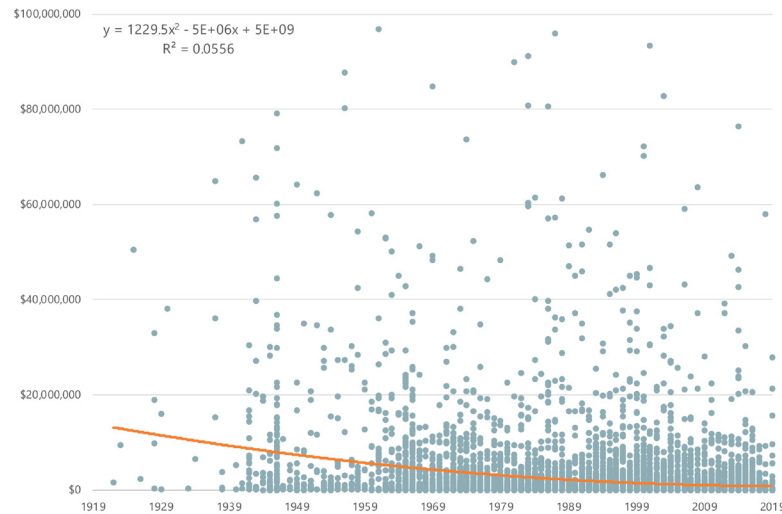


STATEWIDE AGE OF ORGANIZATIONS VS. REPORTED INCOME

Statewide Overview: The nonprofit sector in Minnesota added over 100 new establishments in 2018. This number is down more than 50% from 2017.

Age of Nonprofit Organization vs. 2018 Reported Income (Shows Nonprofits w/income less than \$100 Million)

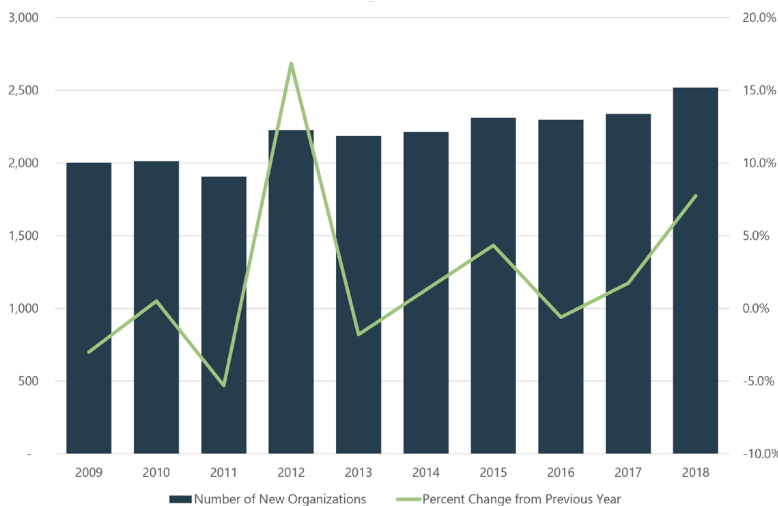
There is a correlation between the age of a nonprofit organization and its reported income.



The median reported income of nonprofit organizations in Minnesota increases with the median age of nonprofits. Because of their average smaller size and lack of time to grow, nonprofits that were established recently, in the past 10 or 20 years, have lower reported incomes. This relationship could also be explained by older nonprofit organizations merging with or acquiring other nonprofit organizations over time, which can increase reported income.

Year of Establishment for Currently Listed Nonprofits + Percent Change from Previous Year

The number of nonprofits with a recent year of establishment has been increasing.

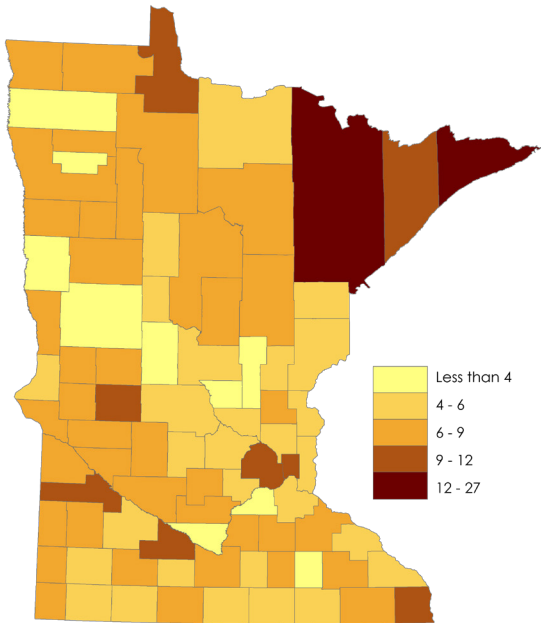


The number of nonprofits established in 2018 was almost 8 percent higher than the number established in 2017. This is the second highest jump in new nonprofits established in the past 10 years. The largest percent change was between 2011 and 2012. This large increase in the number of new nonprofits between 2011 and 2012 could be explained by the cycle of the 2008 recession. The jump in newly established organizations corresponds with an upturn in the national economy.



DISTRIBUTION OF NONPROFIT ORGANIZATIONS

Number of Nonprofits per County for every 5000 Residents



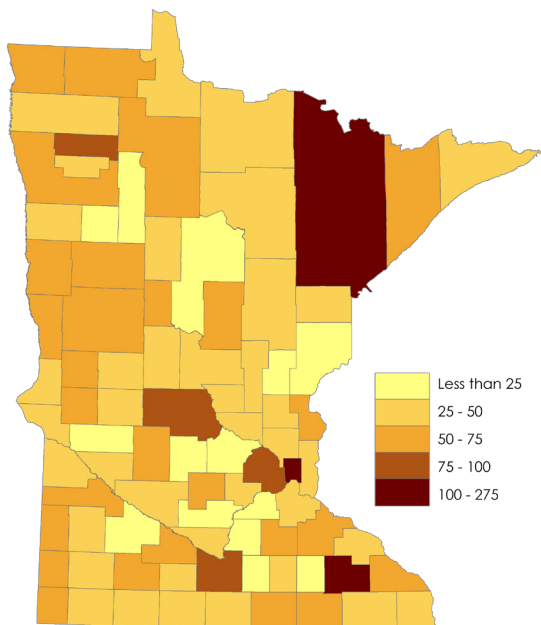
Population as a Measure of Distribution

One way to look at Minnesota's nonprofit sector is by general distribution across the state and relative to each county's population density. Population is only one demographic aspect of communities, and distribution of nonprofits relative to population size is not necessarily an indicator of gaps or surpluses of nonprofit services.

Number of Nonprofit Organizations

While the number of nonprofit organizations per resident varies dramatically between counties, the Twin Cities region has the largest number of nonprofits and the Northeast region of the state has the largest number of nonprofits **per resident**. Most counties in the state have between three and seven nonprofit organizations for every 5000 residents living in the county.

Number of Nonprofit Employees by County for every 1000 Residents



When looking at geographic distribution alone, Hennepin and Ramsey Counties have the highest number of nonprofit organizations, but have the 4th and 5th largest number of nonprofits per 5000 residents. These two counties fall behind Cook County, St. Louis County, and Pope County when the number of nonprofits is divided by number of residents.

Number of Nonprofit Employees

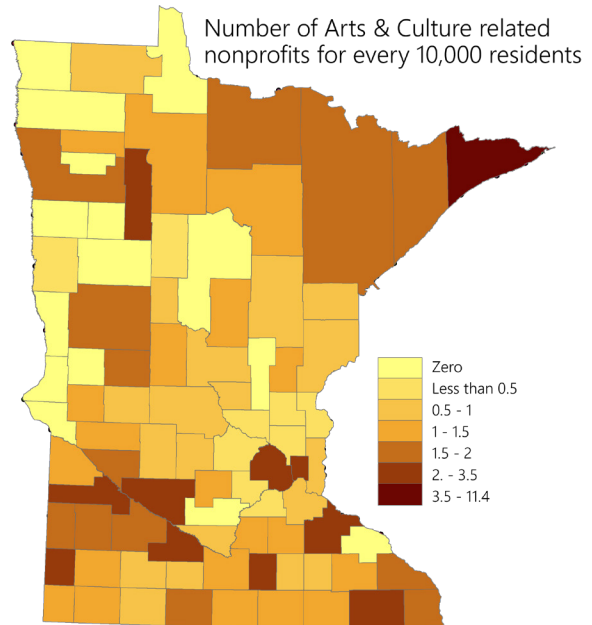
As with number of nonprofit organizations, Hennepin and Ramsey County have the greatest number of nonprofit employees. When divided by the number of residents in the state, Olmsted County, home to the Mayo Clinic, has the great number of nonprofit employees **per resident** and St. Louis County falls right behind with the second greatest number **per resident**.



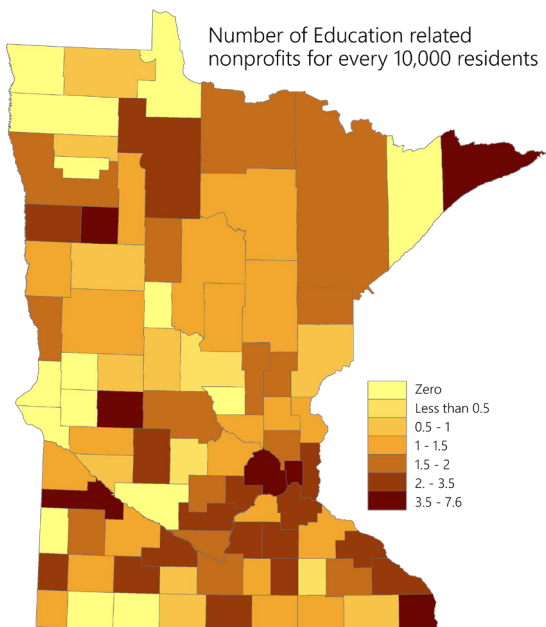
DISTRIBUTION OF NONPROFIT ORGANIZATIONS BY INDUSTRY

Distribution of Nonprofits by Industry Reveal Varying Rates Across Counties

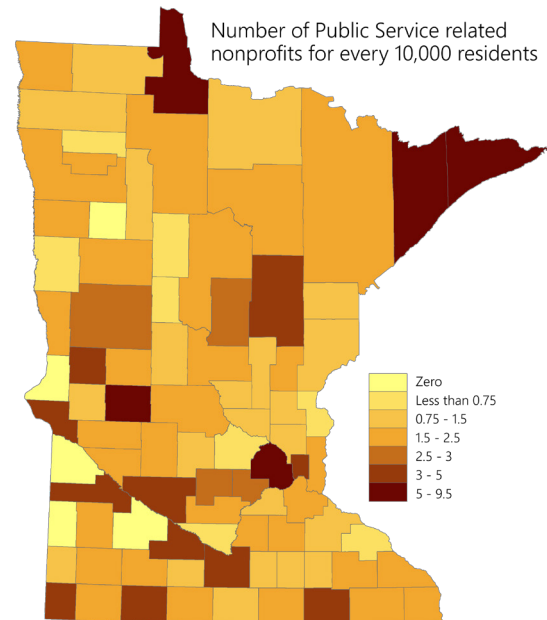
In the following maps, population is used to measure the amount of nonprofit service per county. It is used in the analysis to identify the ratio of nonprofit organizations per resident for every sector, including Arts & Culture, Education, Public Service, Health, Environmental, Region, and Human Services. Population is not the only way to measure the need for a type of nonprofit in a region and is only one demographic aspect of Minnesota counties. It does not reveal the complete story of each county, but it can help identify places where there are high or low ratios of a type of nonprofit per resident.



The Northwest and West Central regions of the state have lower ratios of Arts & Culture related nonprofits per resident. Many of the counties in these regions do not have any organizations in this industry.

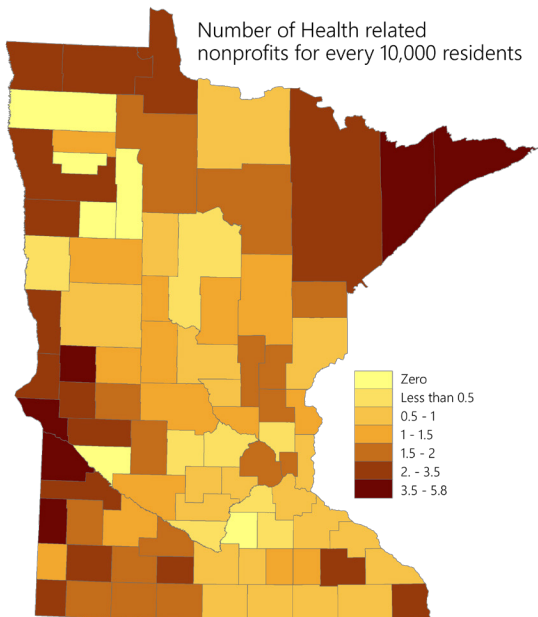


The Northwest and West Central regions of the state also have lower ratios of Education related nonprofits per resident. While this industry is more prevalent throughout the state, some counties still do not have any Education related organizations.

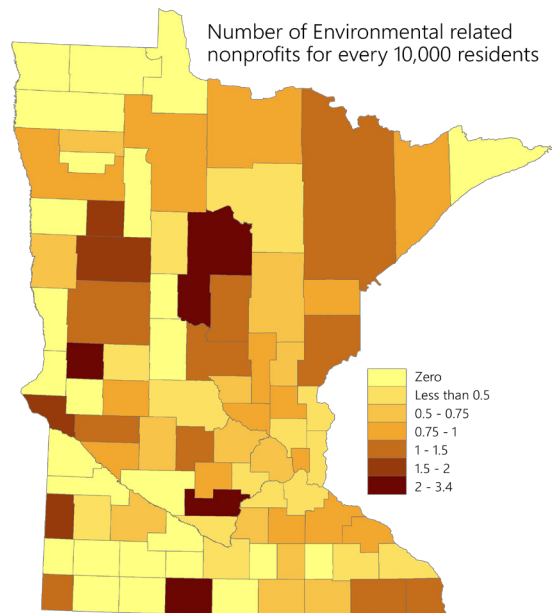


Public Service related nonprofits are spread out across the state of Minnesota. In general, the southern part of Minnesota has greater numbers of public service organizations per resident.

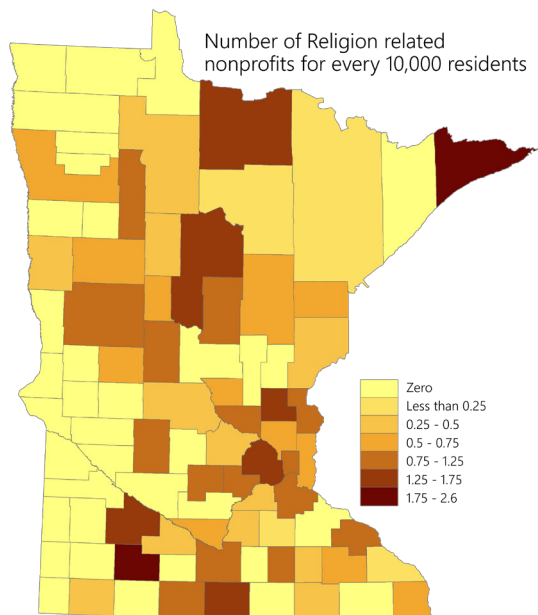
DISTRIBUTION OF NONPROFIT ORGANIZATIONS BY INDUSTRY



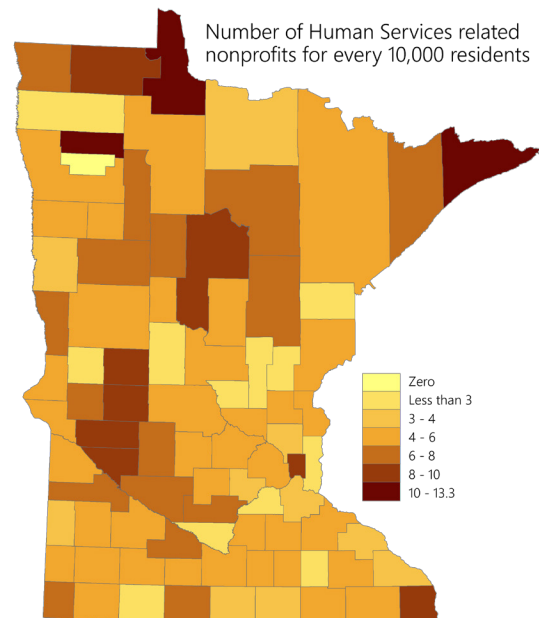
The Central and Southeastern portions of the state generally has lower ratios of Health related nonprofits per resident. The exception to this is Olmsted County, home to the Mayo Clinic.



26 counties across Minnesota do not have any Environmental related nonprofits. In total, the number of Environmental nonprofits in Minnesota is very small.



The Northwest and West Central regions of the state have lower ratios of Religion related nonprofits. Many of the counties in these regions do not have any organizations in this industry.



Human Service related nonprofits are spread out across the state of Minnesota. In general, the northern part of Minnesota has greater numbers of human service organizations per resident.



TWIN CITIES NONPROFIT EMPLOYMENT

COUNTIES: ANOKA, CARVER, DAKOTA, HENNEPIN, RAMSEY, SCOTT, WASHINGTON

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

Number of Nonprofit Employment Locations in the Twin Cities Metro Area

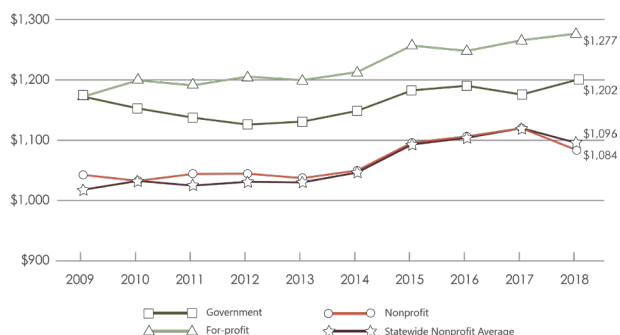


Average Annual Wages for Employees in the Twin Cities Metro (2018)

Industry	Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$31,563 (3.53%)	\$47,306 (1.95%)	\$36,256 (0.58%)
Educational Services	\$44,921 (10.82%)	\$40,430 (1.00%)	\$58,921 (47.93%)
Health Care			
Ambulatory Health Care Services	\$79,827 (14.19%)	\$66,359 (4.18%)	NA
Hospitals	\$69,523 (28.41%)	\$59,044 (0.02%)	\$81,459 (2.78%)
Nursing & Residential Care Facilities	\$34,208 (10.54%)	\$30,786 (2.10%)	\$48,601 (0.59%)
Social Assistance			
Individual & Family Services	\$28,338 (9.21%)	\$22,118 (1.95%)	\$66,893 (0.56%)
Community Food, Housing, Emergency & Other Relief Services	\$42,332 (1.11%)	\$36,509 (0.01%)	NA
Vocational Rehabilitation Services	\$27,895 (3.00%)	\$60,834 (0.02%)	NA
Child Day Care Services	\$28,971 (0.76%)	\$24,559 (0.77%)	\$57,752 (0.03%)
Other Services			
Religious Organizations	\$33,893 (0.53%)	\$21,860 (0.01%)	NA
Grantmaking & Giving Services	\$70,286 (0.76%)	\$117,185 (0.02%)	NA
Social Advocacy Organizations	\$45,132 (1.42%)	\$47,358 (0.02%)	\$59,062 (0.01%)
Civic & Social Organizations	\$20,602 (2.88%)	\$15,536 (0.17%)	NA

The number of nonprofit locations in the Twin Cities region has been stable for the past decade. With 4,605 organizations in the region, Twin Cities nonprofits make up over half of the organizations in Minnesota.

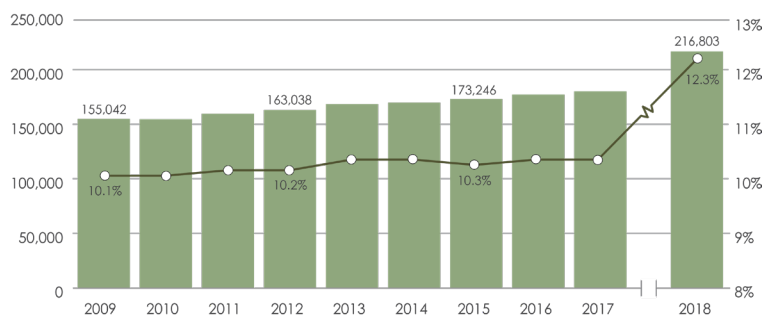
Average Weekly Wages in Twin Cities (In constant 2018 dollars)



Weekly wage earnings for nonprofits in the Twin Cities closely match the statewide average for the nonprofit sector. Between 2017 and 2018, nonprofit wages in the area fell by 3% and are now 10% lower than government wages and 15% lower than for-profit wages.

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

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



The Twin Cities added 61,761 nonprofit jobs over 10 years, while the nonprofit sector gained market share.

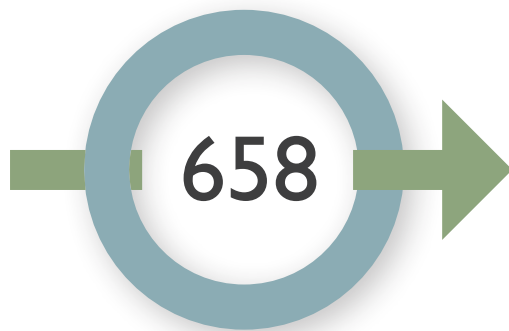


NORTHEAST NONPROFIT EMPLOYMENT

COUNTIES: AITKIN, CARLTON, COOK, ITASCA, KOOCHICHING, LAKE, ST. LOUIS

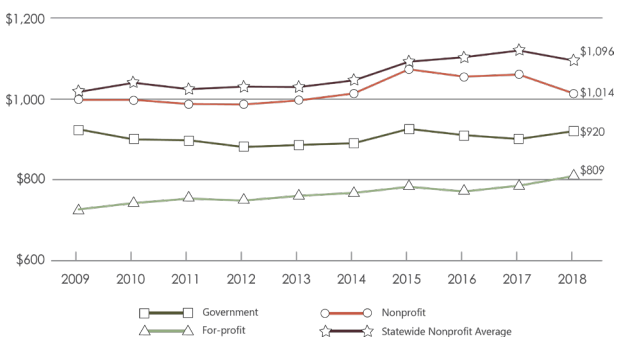
Regional Overview: The seven-county Northeast Region is the second largest region in Minnesota in terms of geographic size, with most of its nonprofit activity is located in its largest county - Saint Louis. The nonprofit sector in the Northeast experienced a fairly stable number of nonprofit locations and relative share of the region's workforce over the past 10 years. Overall average nonprofit wages fell by 2 percent this year.

Number of Nonprofit Employment Locations in Northeast, Minnesota



The number of nonprofit locations in the Northeast region has been stable for the past decade. With 658 organizations in the region, Twin Cities nonprofits make up 7 percent of the organizations in Minnesota.

Average Weekly Wages in Northeast, Minnesota (In constant 2018 dollars)



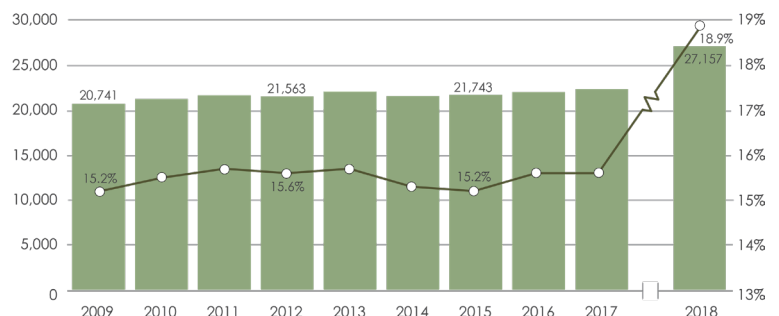
Weekly wage earnings for nonprofits in Northeast, Minnesota fall below the statewide averages for the nonprofit sector, but are still 10 percent higher than government wages and 25 percent higher than for-profit wages. Between 2017 and 2018, nonprofit wages in the area fell by 2 percent.

Average Annual Wages for Employees in Northeast, Minnesota (2018)

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$18,121 (2.94%)	\$16,721 (1.33%)	\$30,747 (2.94%)
Educational Services	\$38,804 (6.48%)	\$14,403 (0.23%)	\$46,250 (36.88%)
Health Care			
Ambulatory Health Care Services	\$119,228 (8.74%)	\$47,478 (3.59%)	NA
Hospitals	\$64,094 (45.19%)	\$172,060 (0.02%)	\$52,668 (4.54%)
Nursing & Residential Care Facilities	\$28,817 (16.98%)	\$26,510 (6.74%)	\$34,452 (1.47%)
Social Assistance			
Individual & Family Services	\$24,507 (4.99%)	\$16,976 (1.27%)	\$56,058 (2.08%)
Community Food, Housing, Emergency & Other Relief Services	\$35,700 (0.67%)	NA	NA
Vocational Rehabilitation Services	\$19,093 (2.28%)	\$23,599 (0.04%)	\$58,222 (0.14%)
Child Day Care Services	\$22,179 (0.67%)	\$18,072 (0.26%)	NA
Other Services			
Religious Organizations	\$27,927 (0.29%)	\$27,316 (0.01%)	NA
Grantmaking & Giving Services	\$64,670 (0.44%)	NA	NA
Social Advocacy Organizations	\$32,009 (1.75%)	NA	NA
Civic & Social Organizations	\$14,317 (3.17%)	\$11,043 (0.39%)	NA

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Northeast, Minnesota vs. Percentage of Region's Total Workforce



The Northeast added 6,416 nonprofit jobs over 10 years, while the nonprofit sector gained market share.

NORTHWEST NONPROFIT EMPLOYMENT

COUNTIES: BECKER, BELTRAMI, CASS, CLAY, CLEARWATER, CROW WING, DOUGLAS, GRANT, HUBBARD, KITTSOON, LAKE OF THE WOODS, MAHNOMEN, MARSHALL, MORRISON, NORMAN, OTTER TAIL, PENNINGTON, POLK, POPE, RED LAKE, ROSEAU, STEVENS, TODD, TRAVERSE, WADENA, WILKIN

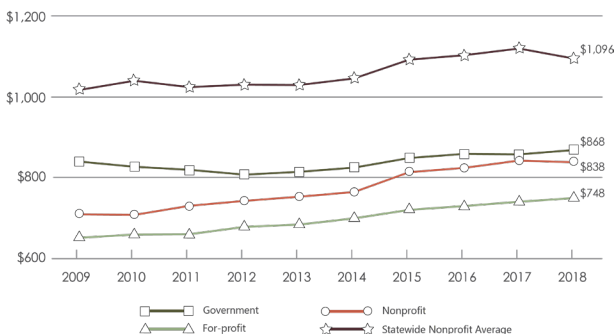
Regional Overview: Northwest Minnesota is the largest geographical region in the state with 26 counties expanding over 28,000 square miles. While the nonprofit sector in the region saw rapid expansion in the early 2000s, the 2007 recession brought this growth to a halt, save for a spike in 2011. Nonprofit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

Number of Nonprofit Employment Locations in Northwest, Minnesota



The number of nonprofit locations in the Northwest region has been stable for the past decade. With 1,091 organizations in the region, Northwest nonprofits make up 12 percent of the organizations in Minnesota.

Average Weekly Wages in Northwest, Minnesota (In constant 2018 dollars)



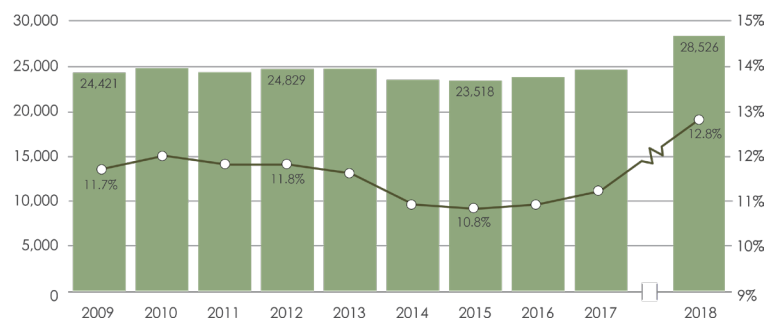
Weekly wage earnings for nonprofits in Northwest, Minnesota fall below the statewide averages for the nonprofit sector and government wages in the Northwest, but are still 12 percent higher than for-profit wages. Between 2017 and 2018, nonprofit wages in the area grew by 2 percent.

Average Annual Wages for Employees in Northwest, Minnesota (2018)

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13,041 (2.64%)	\$15,463 (0.99%)	\$28,246 (4.94%)
Educational Services	\$33,229 (6.55%)	\$22,668 (0.46%)	\$43,668 (43.02%)
Health Care			
Ambulatory Health Care Services	\$87,606 (11.87%)	\$54,223 (3.06%)	\$67,239 (1.14%)
Hospitals	\$52,295 (33.96%)	\$213,873 (0.03%)	\$54,188 (5.41%)
Nursing & Residential Care Facilities	\$30,262 (21.71%)	\$25,200 (3.67%)	\$33,869 (1.63%)
Social Assistance			
Individual & Family Services	\$26,549 (9.12%)	\$18,205 (1.34%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$31,135 (0.69%)	\$32,514 (0.01%)	NA
Vocational Rehabilitation Services	\$27,146 (2.89%)	\$28,543 (0.02%)	NA
Child Day Care Services	\$21,903 (0.80%)	\$15,135 (0.26%)	NA
Other Services			
Religious Organizations	\$18,715 (0.76%)	NA	NA
Grantmaking & Giving Services	\$48,691 (0.45%)	NA	NA
Social Advocacy Organizations	\$29,802 (1.37%)	\$25,225 (0.04%)	NA
Civic & Social Organizations	\$11,369 (2.33%)	\$8,952 (0.88%)	\$17,099 (0.05%)

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Northwest, Minnesota vs. Percentage of Region's Total Workforce



The Northwest added 4,105 nonprofit jobs over 10 years, while the nonprofit sector gained market share.

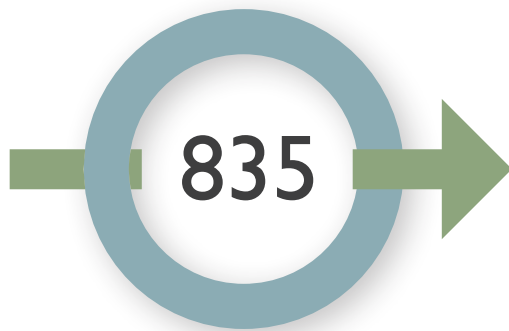


CENTRAL NONPROFIT EMPLOYMENT

COUNTIES: BENTON, CHISAGO, ISANTI, KANABEC, KANDIYOHI, MCLEOD, MILLE LACS, PINE, RENVILLE, SHERBURNE, STEARNS, WRIGHT

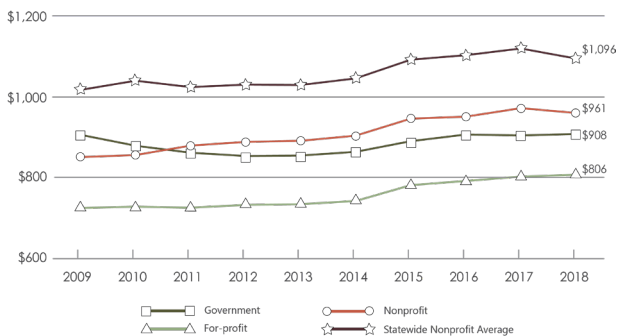
Regional Overview: The Central Minnesota region may be a distant third in the state in terms of the size of the nonprofit workforce and the number of nonprofit employment locations, but the nonprofit sector in this region has experienced the strongest growth in the state in both categories since 2007.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

Number of Nonprofit Employment Locations in Central, Minnesota



The number of nonprofit locations in the Central region has been stable for the past decade. With 835 organizations in the region, Twin Cities nonprofits make up 9 percent of the organizations in Minnesota.

Average Weekly Wages in Central, Minnesota (In constant 2018 dollars)



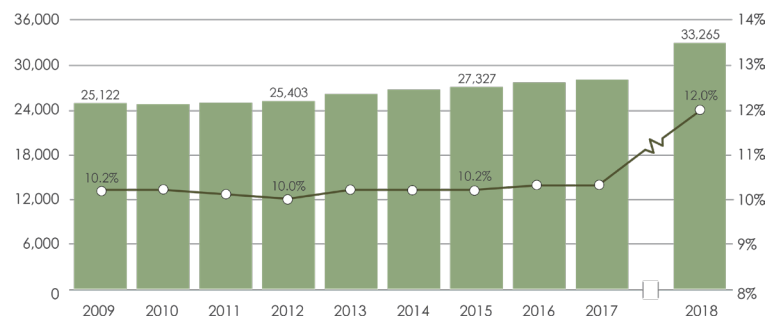
Weekly wage earnings for nonprofits in Central, Minnesota fall below the statewide averages for the nonprofit sector, but are still 6 percent higher than government wages and 19 percent higher than for-profit wages. Between 2017 and 2018, nonprofit wages in the area fell by 1.4 percent.

Average Annual Wages for Employees in Central, Minnesota (2018)

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13,049 (2.22%)	\$14,008 (1.25%)	\$46,595 (0.15%)
Educational Services	\$44,002 (6.77%)	\$16,591 (0.35%)	\$45,765 (48.36%)
Health Care			
Ambulatory Health Care Services	\$81,864 (17.85%)	\$49,041 (4.25%)	NA
Hospitals	\$57,639 (34.02%)	\$27,590 (0.07%)	\$65,383 (6.52%)
Nursing & Residential Care Facilities	\$33,567 (20.08%)	\$25,188 (3.45%)	\$58,928 (0.14%)
Social Assistance			
Individual & Family Services	\$30,512 (4.67%)	\$18,470 (1.70%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$25,730 (0.53%)	NA	NA
Vocational Rehabilitation Services	\$24,654 (3.12%)	\$39,072 (0.01%)	NA
Child Day Care Services	\$19,070 (1.14%)	\$18,590 (0.59%)	NA
Other Services			
Religious Organizations	\$26,961 (0.80%)	NA	NA
Grantmaking & Giving Services	\$56,204 (0.27%)	NA	NA
Social Advocacy Organizations	\$28,789 (1.57%)	NA	NA
Civic & Social Organizations	\$15,331 (2.22%)	\$10,593 (0.54%)	NA

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Central, Minnesota vs. Percentage of Region's Total Workforce



The Central region added 8,143 nonprofit jobs over 10 years, while the nonprofit sector gained market share.

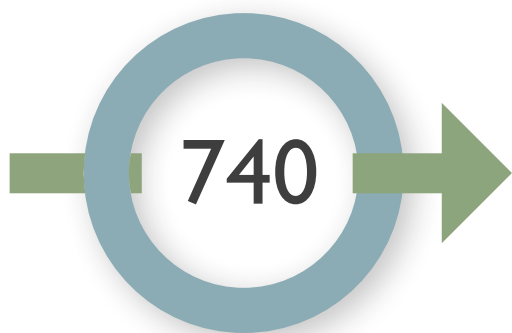


SOUTHEAST NONPROFIT EMPLOYMENT

COUNTIES: DODGE, FILLMORE, FREEBORN, GOODHUE, HOUSTON, MOWER, OLMSTED, RICE, STEELE, WABASHA, WINONA

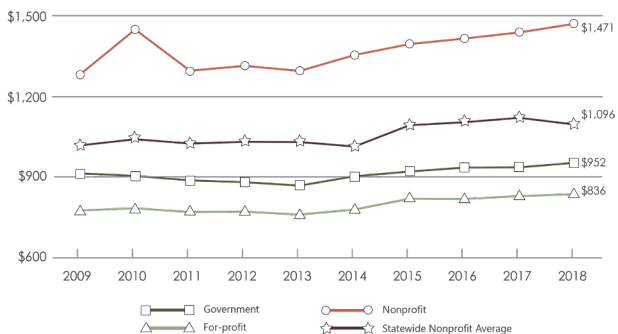
Regional Overview: The 11-county region of Southeast Minnesota, home to the city of Rochester, is internationally recognized for its healthcare facilities, with the highest average nonprofit wages and highest nonprofit share of the workforce.

Number of Nonprofit Employment Locations in Southeast, Minnesota



The number of nonprofit locations in the Southeast region has been stable for the past decade. With 740 organizations in the region, Twin Cities nonprofits make up 8 percent of the organizations in Minnesota.

Average Weekly Wages in Southeast, Minnesota (In constant 2018 dollars)



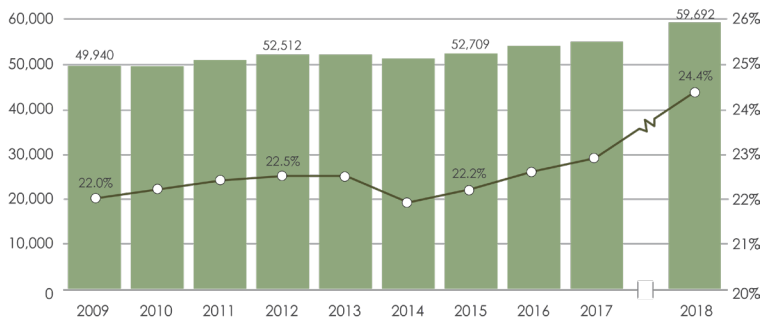
Weekly wage earnings for nonprofits in Southeast, Minnesota are the highest in the state. They are 34 percent higher than the statewide average, 55 percent higher than government wages and 76 percent higher than for-profit wages. Between 2017 and 2018, nonprofit wages in the area rose by 5 percent.

Average Annual Wages for Employees in Southeast, Minnesota (2018)

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$20,861 (1.15%)	\$13,671 (1.28%)	\$44,268 (4.34%)
Educational Services	\$46,522 (7.15%)	\$14,017 (0.21%)	\$46,104 (49.73%)
Health Care			
Ambulatory Health Care Services	\$105,050 (46.82%)	\$46,907 (3.00%)	\$47,393 (0.22%)
Hospitals	\$71,474 (24.13%)	NA	NA
Nursing & Residential Care Facilities	\$28,873 (10.64%)	\$26,874 (3.07%)	\$32,677 (2.10%)
Social Assistance			
Individual & Family Services	\$24,870 (2.81%)	\$19,417 (1.41%)	NA
Community Food, Housing, Emergency & Other Relief Services	\$33,339 (0.25%)	NA	NA
Vocational Rehabilitation Services	\$28,724 (1.34%)	NA	NA
Child Day Care Services	\$21,301 (0.95%)	\$20,674 (0.55%)	NA
Other Services			
Religious Organizations	\$23,840 (0.20%)	NA	NA
Grantmaking & Giving Services	\$45,851 (0.16%)	NA	NA
Social Advocacy Organizations	\$36,373 (0.59%)	NA	NA
Civic & Social Organizations	\$10,848 (1.09%)	\$8,454 (0.50%)	NA

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Southeast, Minnesota vs. Percentage of Region's Total Workforce



The Southwest added 9,752 nonprofit jobs over 10 years, while the nonprofit sector gained market share.



SOUTHWEST NONPROFIT EMPLOYMENT

COUNTIES: BIG STONE, BLUE EARTH, BROWN, CHIPPEWA, COTTONWOOD, FARIBAULT, JACKSON, LAC QUI PARLE, LE SUEUR, LINCOLN, LYON, MARTIN, MURRAY, NICOLLET, NOBLES, PIPESTONE, REDWOOD, ROCK, SIBLEY, SWIFT, WASECA, WATONWAN, YELLOW MEDICINE

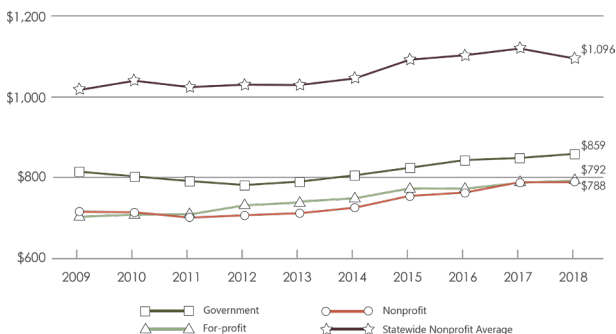
Regional Overview: The nonprofit sector in the 23-county South Central/Southwest region of Minnesota is by some measures one of the smallest in the state. The region has the smallest nonprofit workforce in the state and one of the smaller nonprofit employment locations. Both of these measures have grown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

Number of Nonprofit Employment Locations in Southwest, Minnesota



The number of nonprofit locations in the Southwest region has been stable for the past decade. With 734 organizations in the region, Southwestern nonprofits make up 8 percent of the organizations in Minnesota.

Average Weekly Wages in Southwest, Minnesota (In constant 2018 dollars)



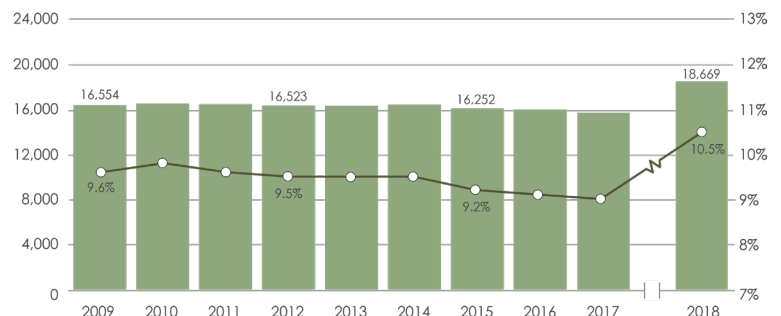
Weekly wage earnings for nonprofits in Southwest, Minnesota fall 28 percent below the statewide averages for the nonprofit sector and 8 percent below government wages. They are very similar to for-profit wages in the region. Between 2017 and 2018, nonprofit wages in the area rose by 2.6 percent.

Average Annual Wages for Employees in Southwest, Minnesota (2018)

Industry	Average Annual Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13,663 (3.09%)	\$12,288 (0.78%)	\$31,720 (1.30%)
Educational Services	\$37,952 (7.26%)	\$31,821 (0.51%)	\$42,740 (45.45%)
Health Care			
Ambulatory Health Care Services	\$56,560 (15.34%)	\$49,702 (4.00%)	\$35,363 (0.29%)
Hospitals	\$76,133 (19.80%)	NA	\$56,816 (11.45%)
Nursing & Residential Care Facilities	\$27,213 (27.17%)	\$25,353 (3.89%)	\$28,553 (1.85%)
Social Assistance			
Individual & Family Services	\$26,288 (5.31%)	\$16,746 (1.07%)	\$53,178 (0.56%)
Community Food, Housing, Emergency & Other Relief Services	\$29,882 (0.57%)	NA	NA
Vocational Rehabilitation Services	\$19,830 (10.78%)	\$37,878 (0.02%)	NA
Child Day Care Services	\$20,011 (1.08%)	\$15,080 (0.42%)	NA
Other Services			
Religious Organizations	\$18,012 (1.26%)	NA	NA
Grantmaking & Giving Services	\$48,827 (1.15%)	NA	NA
Social Advocacy Organizations	\$29,799 (1.67%)	\$6,965 (0.01%)	NA
Civic & Social Organizations	\$10,589 (2.31%)	\$7,426 (0.47%)	NA

Notes: "NA" indicates either that the sector did not have any employees in the industry or that the information for the category was suppressed for reasons of privacy. Average annual wage earnings may represent less than full time work.

Number of Nonprofit Employees in Southwest, Minnesota vs. Percentage of Region's Total Workforce



The Southwest added 2,115 nonprofit jobs over 10 years, while the nonprofit sector gained market share.



APPENDIX A

NONPROFIT CLASSIFICATION SYSTEMS

North American Industry Classification System (NAICS)

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

Ambulatory Health Care Services (NAICS 621)

Provide health care services to ambulatory patients, and include physicians' offices, mental health practitioners, dentists, optometrists, physical, occupational and speech therapists, family planning centers, outpatient mental health and substance abuse centers, medical and diagnostic laboratories and home health care services.

Arts, Entertainment & Recreation (NAICS 71)

Establishments that are involved in producing, promoting or participating in live performances, events or exhibits intended for public viewing; establishments that preserve and exhibit objects and sites of historical, cultural or educational interest; and establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby and leisure-time interests.

Child Day Care Services (NAICS 6244)

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

Civic & Social Organizations (NAICS 8134)

Establishments engaged in promoting the civic and social interests of their members, including alumni associations, ethnic associations, scouting organizations, student clubs and social senior citizens' associations.

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

Community food service establishments primarily collect and deliver food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for low-income people, volunteer construction of low-cost housing, or repair of homes for elderly or disabled homeowners. Emergency and other relief service establishments primarily provide food, shelter, clothing, medical relief, resettlement and counseling to victims of domestic or international disasters or conflicts.

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

Grantmaking & Giving Services (NAICS 8132) – Grantmaking foundations and charitable trusts, as well as establishments primarily engaged in raising funds for a range of social welfare activities.

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

Individual & Family Services (NAICS 6241)

Establishments primarily engaged in providing nonresidential social assistance services for children and youth, such as adoption and foster care, drug prevention, life skills training and positive social development.

Nursing & Residential Care Facilities (NAICS 623)

Provide residential care combined with nursing or other types of care as required by the residents. Examples include nursing care facilities, residential mental health facilities and community care facilities for the elderly.

Religious Organizations (NAICS 8131) – Churches, Religious temples, monasteries and establishments primarily engaged in administering an organized religion or promoting religious activities.

Social Advocacy Organizations (NAICS 8133)

Establishments primarily engaged in promoting a particular cause or working for the realization of a specific social or political goal to benefit a broad or specific constituency. These organizations may solicit contributions or offer memberships to support these goals.

Vocational Rehabilitation Services (NAICS 6243)

Establishments engaged in providing services such as job counseling, job training and work experience to unemployed and underemployed persons, persons with disabilities and persons who have a job market disadvantage because of lack of education, job skills or experience.



APPENDIX A

NATIONAL TAXONOMY OF EXEMPT ENTITIES

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 2017 may differ slightly from what was reported in the *2016 Minnesota Nonprofit Economy Report*. Information on the number of nonprofit employers is only available at the state level, so regional analysis focuses on the number of nonprofit employment locations. This report uses the Consumer Price Index (CPI-U) to adjust total payroll and average weekly wages for inflation.

Enhanced Wage Records

The median wage data used in this report is from the Minnesota Department of Employment and Economic Development (DEED). DEED merges data from the QCEW program (described above) from the 4th quarter of 2016 with Unemployment Insurance (UI) Wage Records for the same quarter. UI records contain individual level employment and wage data on all employees and employers covered under the UI program. Merging these data sets enables DEED to determine an individual employee's wages as paid by a unique employer during that quarter. In order to be included in the analysis, each employee needed to have earnings in the 3rd and the following 1st quarter with the same employer as in the 4th quarter. This report uses the data to examine median annual wages, or the mid-point in the range of wages, by region for employees in selected industries.

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 10,187 organizations filing from an address located in Minnesota. Financial information reported for the fiscal year that closed in 2018 was used in the analysis when available (representing 72 percent of organizations in the dataset). On occasion financial information for the most recently completed fiscal year was used, which included fiscal years 2017 and earlier (representing 28 percent of organizations in the dataset).



2314 University Avenue West, Suite 20, Saint Paul, MN 55114
Tel: 651-642-1904 Fax: 651-642-1517
www.minnesotanonprofits.org

Central Chapter
St. Cloud

Tel: 320-403-3376

Northeast Chapter
Duluth

Tel: 218-206-5711

Northwest Chapter
Mankato

Tel: 218-407-5202

West Central Chapter
Fargo/Moorhead

Tel: 218-443-6864

South Central/South-
west Chapter

Mankato

Tel: 507-469-2217

Southeast Chapter
Rochester

Tel: 507-884-4728