

**MINNESOTA
COUNCIL OF
NONPROFITS**

Nonprofit News

Information and connections for Minnesota's nonprofit sector

Fall 2015

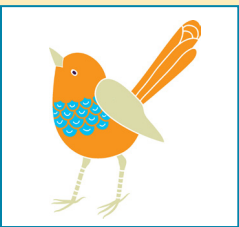
The mission of the **Minnesota Council of Nonprofits** is to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector.



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Equity, Capacity, Collective Impact and Other Shiny Objects and Their Effects on the Nonprofit Sector

Have you heard the story about the bakery making cakes for gluten-free veterans? If you attended the MCN Annual Conference in October, you know about the bakery and you've heard about various issues facing today's nonprofits.



In a rich metaphor about funding streams for the nonprofit sector, keynote speaker Vu Le led the audience through a journey of discovery about many pressing issues facing today's nonprofit sector.

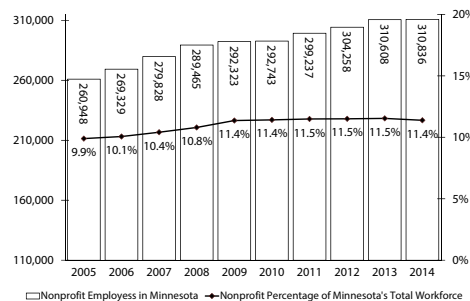
In Le's story, a customer approached a for-profit bakery and asked for a gluten-free cake for veterans. But the customer, without explanation, would only pay for 20 percent of the cake, would only pay for one stick of butter and would not pay for electricity because it doesn't directly impact the veterans who will eat the cake. Another customer loves the bakery's cakes but will only buy one per year, to ensure the bakery doesn't become dependent on one funding stream.

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Nonprofit Workforce Continues to Grow

Since 1994, percentage growth in Minnesota's nonprofit workforce has consistently outpaced both for-profit and government employment growth. Between 1993 and 2014, Minnesota's nonprofit workforce grew 82 percent (from 170,930 to 310,836), while statewide business and government employment grew by just 19 percent (from 2.1 million to 2.5 million). As a result, the nonprofit sector's market share of state employment has expanded from 7.9 percent to 11.4 percent.

While many industries experienced catastrophic employment cuts in the 2008-2009 recession, nonprofit employment continued to grow in each of those years.



At the same time, a consolidation is occurring in the number of nonprofit organizations that have employees. The peak number of nonprofit employers came in 2008 with 3,923, which has shrunk to 3,403 in 2014, a drop of 13 percent. The number of employment locations (some organizations have multiple workplaces) has

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Nonprofit Bits

Succession Planning Survey

In recent years, succession planning has emerged as a critical topic in our sector. There is limited research to help nonprofits understand current trends and best practices in succession planning.

In an effort to better understand the succession planning needs of nonprofits, Hamline University is conducting research on the subject with the goal of compiling toolkits for nonprofits to utilize in their succession planning efforts.

To take part in the survey, which closes December 4, visit <https://svy.mk/1G7QTWq>.

Nonprofits as Desirable Employers: Workforce Issues on the Front Burner

By Jon Pratt, MCN executive director

Public attention on income inequality, including race and gender disparities, has increased political pressure on a wide range of issues that will affect all employers, including nonprofit organizations. MCN members have worked hard to be good employers, demonstrating continued progress over nine biennial editions of the Minnesota Nonprofit Salary and Benefits Survey since 1998.

The following is a roundup of six key employment challenges facing the nonprofit sector, all subject to local, state and federal law changes in the works.

1. Salaries and Wages

The wage gap between nonprofit compensation and government and business compensation continues to shrink slowly, with 2014 average nonprofit wages reaching \$46,904/year (not including hospitals and higher education organizations, also called “meds and eds”). Nonprofit employees (excluding meds and the eds) are paid 5 percent less on average than government employees and 10 percent less than business employees. Minnesota’s August 1 increase in the minimum wage to \$9.00/hour presented special difficulties for some positions (including child care assistants and special services aides), though increased state appropriations have been a help.

2. Health Insurance

98 percent of nonprofit employees covered in the MCN 2014 *Minnesota Nonprofit Salary and Benefits Survey* were offered health insurance, though less than half of the organizations with budgets under \$500,000 offer medical insurance to their employees. Some MCN members have reported smaller increases in health insurance premiums, possibly due to the Affordable Care Act.

3. Retirement Savings

About 80 percent of nonprofit employers in MCN’s 2014 *Minnesota Nonprofit Salary and Benefits Survey* offered a retirement plan, but only 50 percent of nonprofits with budgets below \$500,000 and 19 percent with budgets below \$200,000 did. Minnesota Management & Budget is conducting a study of whether Minnesota should implement a system of state-run Individual Retirement Accounts for people who don’t have a retirement plan on the job. AARP is leading an advisory committee and MCN is a participant of this effort.

4. Overtime Pay for White Collar Employees

The U.S. Department of Labor proposed increasing the threshold to qualify for overtime pay from \$24,008 to about \$50,440 when executive, administrative or professional employees work more than 40 hours per week. There is no exemption for nonprofit organizations as such.

5. Fair Scheduling Rules

In September, the city of Minneapolis proposed a Working Families Agenda, which would require all employers to provide 28 days’ notice of work schedules or pay compensatory time if schedules were changed after that notice. While the proposal received very public pushback from restaurants and retail stores and was withdrawn in October, Minneapolis is a hub of nonprofit employers—16.7 percent of people employed in the city work for a nonprofit, much higher than the 11.4 percent statewide average.

6. Earned Sick Time

The city of Minneapolis also proposed, and then withdrew, an ordinance that would require all Minneapolis employers to provide up to 40 hours sick time per year. 97 percent of nonprofit employees are currently offered sick/vacation time or PTO (while 88 percent of part-time employees have sick/vacation or PTO).

As always, MCN will continue to monitor how issues like these impact nonprofits and the communities they serve as well as provide support and information needed to navigate the challenges that may arise.



Equity, Capacity, Collective Impact and Other Shiny Objects

Continued from page 1

Those from the nonprofit sector see the parallels of the comical story to nonprofit finances where some funders create restricted funding requirements, ask nonprofits to explain their plans for sustainability or request that nonprofits' overhead costs remain exceedingly low. And at the same time, nonprofits are asked why they aren't able to scale up to meet demands of the community.

Le, executive director at Rainier Valley Corps and blogger at nonprofitwithballs.com, addressed the audience of 1,100 nonprofit leaders and allies with humor and a sense of urgency for changes to business as usual.

He began by shedding light on why the nonprofit sector is “so awesome and some stuff we can do differently to make ourselves even more awesomer.” He made a significant disclaimer that he would share only “one dude’s perceptions.” Le didn’t claim to be an expert and explained he loves disagreements on topics of equity, collective impact and capacity building. He said nonprofits, as a sector, are too nice and need to push one another to refine their thinking and actions on these topics.

Moving on from the theme of finances, Le addressed themes of equity and capacity building. He continued with the metaphor of the bakery and described how to bake a chocolate cake. Chocolate is necessary to bake a chocolate cake. However, if a bakery only has chocolate, it can’t make a cake. Thus, chocolate is necessary, but not sufficient, to make this cake.

In the same way, concerning equity, it is necessary to talk about equity; it is necessary to add information about equity on an organization’s website; it is necessary to get training. However, none of these things is sufficient to achieve equity. In order to achieve

equity, nonprofits must be moved to action. Action is necessary. All talk and no action is nothing more than fakequity.

There are many ways nonprofits can achieve equity. Le discussed making organizational procedures less rigid to increase accessibility. For example, if a nonprofit eliminates all job candidates simply because of typos on resumes, it may inadvertently eliminate many immigrant candidates. If an organization requires grant applicants to submit 20-page proposals, it may eliminate volunteer-led nonprofits or nonprofits led by people of color who can’t afford to hire an expensive grant writer. If a nonprofit doesn’t list a salary range on a job description, it may prevent good candidates from applying who don’t have the luxury of time to apply for a job that may not fit her/his salary requirements.

Achieving equity means nonprofits need to take risks, invest in people and listen to communities impacted by their actions.

Through his call to action, Le highlighted a number of other ways that nonprofit

its can build their strengths, improve services and become more equitable. Among these actions, he called on well-funded nonprofits to help under-funded organizations by introducing them to funders or donors (avoid the Nonprofit Hunger Games; presume there is sufficient funding for all good work). Additionally, communities most affected by an issue—not just those with the loudest voice—should be funded to make changes. Nonprofits should lift up foundations that offer multi-year grants and provide unrestricted funding simultaneously for direct service, advocacy and capacity building. Nonprofits must invest in leaders of color and organizations led by communities of color. And nonprofits need to stop talking about “innovation” as though something new is somehow automatically better than something that is proven effective.

Le closed by stating, “We are the ones going out and making things better every single day.” He acknowledged there is urgency in our communities to make change, but that change can happen slowly. Still, nonprofits are building the kind of community where he would like his kids to grow up.

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A Catalyst for Change in the LGBT Community: PFund Foundation, 2014 Mission Award Winner

PFund Foundation is a 27-year regional community foundation with a mission to be a vital resource and community builder for lesbian, gay, bisexual and transgender (LGBT) communities. In 2014, the Foundation received the Nonprofit Mission Award in Responsive Philanthropy for its work to support underrepresented and marginalized communities.

By providing grants and scholarships, developing leaders and inspiring giving, PFund continues its vision is to be a catalyst for building communities in Minnesota and the Upper Midwest where LGBT people are celebrated and live free from discrimination, violence, invisibility and isolation.



In 2011, PFund convened grantees and partners across the Midwest to learn more about the needs of the communities they aim to serve. As a result of those conversations, PFund created QReach, a community network building and regional assessment project in partnership with LGBT organizations and leaders, donors and funders and allies.

QReach convenes a cohort of 16 organizations consisting of 48 LGBT community leaders from across the Upper Midwest to share learning and build relationships. These organizations are provided with dollars and technical assistance to do local assessments and community engagement projects within their own communities and then share what they learn with each other and with PFund. With face-to-face convenings, 10 local visits and ongoing technical assistance, the 16 cohort partners leave with new tools for community engagement and a stronger context for their leadership within the region.

Through its QReach initiative, PFund is providing an important and much needed framework through programming, convenings, media tools and capturing learnings: helping to build a stronger GLBTA community that has a stronger presence to help those that have further to come. To learn more about the PFund Foundation and its current work, visit pfundfoundation.org.

MCN Member Dues Set for Modest Increase in 2016

Minnesota has one of the most advanced nonprofit sectors in the nation, so it is fitting that MCN is one of the broadest-based nonprofit membership associations in the country. Annual dues from nonprofit organizations are MCN's largest single source of revenue and MCN's best indicator of its level of support from the nonprofit sector. As unrestricted revenue, it is also the most valuable resource to fund nimble responses to issues such as possible government shutdowns, minimum wage changes and adverse media stories. This year, MCN's membership has reached 2,120 nonprofit member organizations, as well as 234 Associate Memberships from businesses and individuals.

For 2016, with minor inflation over the previous three years, the proposed dues adjustment represents a modest rebalancing.

- The 650 smallest organizations (with budgets under \$100,000) will see no increase in dues;
- 1,207 members (with budgets between \$100,000 and \$3 million) will have their dues increase between \$25 and \$50;
- 84 members' dues (with budgets from \$3 - \$5 million) will increase \$75 (9%);
- 78 members' dues (with budgets from \$5-\$10 million) will increase \$100 (10%); and
- The 97 largest organizations, with budgets above \$10 million, will be divided into two groups: \$10-\$20 million and \$20 million and above.

These large nonprofits have a major stake in MCN's work to keep a positive government relations climate for the nonprofit sector and see the value of a somewhat larger investment in MCN's operations. The dollar increase would be the greatest for these two categories, who will also be receiving special communications about this change.

To learn more about MCN's membership dues changes, please visit www.minnesotanonprofits.org/2016-dues or contact John Wurm, MCN's membership and communications director, at jwurm@minnesotanonprofits.org or 651-757-3082.

Let's Support the American Community Survey!

By Susie Brown, MCN public policy director

How do you use census data in your work? At the Minnesota Council of Nonprofits, we use it to understand trends, demographics and community need. This information helps us consider the changing society in which our nonprofit members carry out their work, informs our policy analysis and positions and assists us in considering the need for diverse nonprofit services throughout the state. We know that many nonprofits and foundations, as well as policymakers and our public and business partners, rely on this data to understand Minnesota's realities and make strategic decisions in program development and policy-making.



The American Community Survey (ACS), sometimes called the “long form,” is an important part of the United States Census—and it is currently under threat. The ACS is the nation's only source of comparable, consistent and high-quality data on the demographic, social and economic characteristics of every community in the country. Furthermore, these survey data are available every year, complementing the full-count basic demographic data from the decennial census. ACS data guide the allocation of over \$415 billion in federal aid to states and localities annually to support transportation, housing, health, education, economic development and other needs.

In recent years, Congress has made proposals to change the American Community Survey and reduce its funding in ways that would significantly hamper attempts to allocate resources and address community needs through reliable data. One such proposal would make the ACS voluntary and would leave less populous areas such as towns, small counties, American Indian reservations and Alaska Native villages, urban neighborhoods and rural communities without sufficient or reliable data. For the nonprofit sector and our constituent communities, much is at stake.

Please join MCN in supporting the continuation of the ACS and full funding for the 2020 Census. Decisions that are made in Congress now will influence the quality of the 2020 US Census and the ongoing availability of the American Community Survey. We have joined the coalition “Minnesotans for the American Community Survey” in order to spread the word and encourage policymakers to make this a priority. Will you join us? You can learn more or join the coalition at www.minnesotansforacs.org.

The more we know about our communities, the better equipped we'll be to participate in developing the right community solutions. Please join MCN in this effort!

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Nonprofit Awards and Advancements



Kabo Yang is the new executive director at the **Minnesota Women's Consortium**.

Canvas Health hired **Matthew Eastwood** as CEO.

Hammer Residences, Inc. has named **Barbara Brandt** as director of communications and **Tom Gillespie** as the chief program officer.



Sarah Eagle Heart joined **Native Americans in Philanthropy** as the organization's new CEO.

The Minneapolis Foundation welcomed **Jenny Johnson** as philanthropic advisor.



The **United Way of Greater Duluth** and the **United Way of Superior-Douglas County** merged,

forming **Head of the Lakes United Way**.



Minnesota Housing Partnership has hired **Marcus Schmit** as its policy director.

Kristin Giant joined **Call for Justice, LLC** as its program manager.

The American Cancer Society awarded its 2015 Medal of Honor for Philanthropy to **The Richard M. Schulze Family Foundation**.



Hamline University School of Business welcomed **Jeannie Fox** as director of the Nonprofit Management Program.

Minnesota Association of Charter Schools hired **Tom DeGree** as associate director.

The Freshwater Society received the 2015 Environmental Initiative Award for Environmental Education for its Master Water Stewards program.

Mark Wilkening was named executive director at **Bridging**.



Nonviolent Peaceforce named **Marna L. Anderson** as director of development.

Family Service Rochester named **Scott Maloney** as executive director, **April Sutor**, director of innovation and collaboration; and **Kelli DeCook** as director of child and adult welfare.



Ikram Osman joined the **Council on American-Islamic Relations - Minnesota** as chapter coordinator.

In honor of its 75th anniversary, **The Saint Paul Foundation** has awarded Advancing Racial Equity grants to **Ujamaa Place**, **Better Futures**, **Saint Paul Youth Services**, **Penumbra Theatre Company**, **New Star Aviation**, **Genesys Works Twin Cities** and **Dream of Wild Health**.

Submit Your Announcements

Visit MCN's Sector News at www.minnesotanonprofits.org/sector-news. Member organizations are invited to submit your organization's awards, staffing announcements and other news to cswanson@minnesotanonprofits.org.

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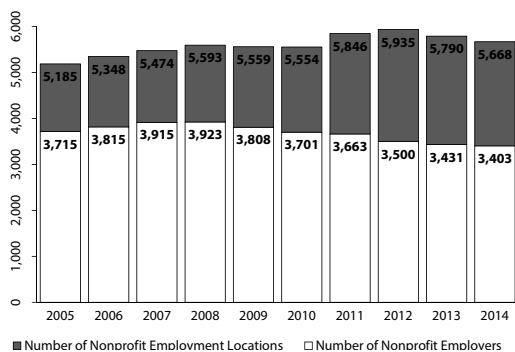
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Nonprofit Workforce Continues to Grow

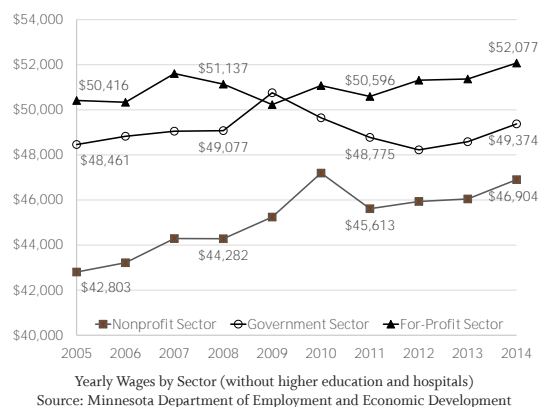
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seen a smaller reduction from its 2012 peak, now at 5,668 locations. While the number of nonprofits with at least one employee has fallen, over 10,000 all-volunteer nonprofit organizations remain active in the state, with 2,214 newly incorporated just in 2014.



As noted in Jon Pratt’s Where We Stand column (Page 2), average nonprofit wages are gradually reducing the gap with

business and government wages. Nonprofit higher education and hospitals have already surpassed average government employee wages. When MCN publishes the final numbers in the Nonprofit Economy Report, data will be presented both as including all nonprofits employees and separately, without hospitals, colleges and universities to clarify trends within the nonprofit sector.



Source: Minnesota Department of Employment and Economic Development

Wage Stagnation and Racial Disparities Lead List of Concerns from Census Data

Despite increased productivity, wages for American and Minnesota workers are stagnating. In fact, many Minnesota workers don’t earn enough to support a family and struggle to pay for basic needs like housing, child care and transportation. Many in the nonprofit sector see the challenges faced by working Minnesotans in their communities every day.

A recent Minnesota Budget Project report, “State of Working Minnesota 2015,” takes a closer look at Minnesota’s wage trends and growing income inequality, as well as racial disparities in the labor market that are preventing more Minnesota workers from reaching economic security.

Similarly, new census data show that incomes and poverty rates in America scarcely changed from 2013 to 2014, even as the economy has begun to recover from the Great Recession. In 2014, roughly 47 million Americans had incomes at or below the poverty line, which is currently \$24,250 for a family of four. Minnesota workers also are not benefitting from the economic growth they help create; census data shows inflation-adjusted incomes for median Minnesota households did not improve in 2014 compared to the prior year.

The most stark findings in the census report: when adjusted for inflation, household incomes for black Minnesotans have dropped a stunning 20 percent since the Great Recession began. Addressing Minnesota’s abysmal racial disparities in economic opportunity must be one the state’s top priorities.

With a tightening labor market now and a worker shortage on the horizon, Minnesota can’t afford to keep qualified people of color from reaching their full potential in the workforce.

One bright spot in the census data was the dramatic decline in the number of Americans without health insurance, thanks to key provisions in the Affordable Care Act and an improving economy. The census also showed the federal Earned Income Tax Credit is another powerful factor in families working at low wages being able to make ends meet, proving that smart public policies work.

Policymakers can ensure that Minnesotans’ hard work pays off, and build a strong economic future for all, by improving job quality standards, increasing opportunities for Minnesotans to get good jobs that make full use of their skills and supporting lower-wage workers as they climb into the middle class. Examples of policies that expand opportunity include making child care affordable for more families and boosting incomes through an expanded Working Family Tax Credit.

Because of their experience in communities, it’s essential that nonprofit voices are part of the debate of how best to strengthen Minnesota’s workforce and ensure a bright economic future. Find recent reports on these data and more at www.mnbudgetproject.org and the Minnesota Budget Project’s blog, www.MinnesotaBudgetBites.org.

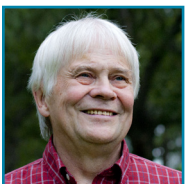
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Unsung Heroes Recognized for Service to Others

Four Minnesotans were recognized at the first-ever Virginia McKnight Binger Unsung Hero Awards ceremony during the 2015 MCN Annual Conference in St. Paul on Thursday, Oct. 1. In partnership with The McKnight Foundation, MCN selected individuals who have had a significant impact on their community and the state of Minnesota, doing so without any expectation of recognition or credit.

Emerging from a collection of over 140 nominations, Tom Johnson of St. Paul, Wilbur Neushwander-Frink of Mankato, Mary Powell of Shoreview and Robianne Schultz of Perham were selected to receive the award, named in honor of The McKnight Foundation's former chair and president, Virginia McKnight Binger.



Tom Johnson is a client advocate at Mental Health Minnesota, where he helps individuals with mental illness maintain independence and begin the road to recovery and wellness.

After his son was diagnosed with schizophrenia, Tom devoted his life

to supporting individuals with mental illness and to fighting the stigma that mental illness carries.

"I needed to fight the stigma," he said. "And I need to support those dealing with the illness."



Wilbur Neushwander-Frink is a playwright who leads two theater groups for individuals with disabilities.

She collaborates with the actors to write plays about issues the actors want to explore, saying, "Their stories motivate me to continue the work of social justice through thick and thin."



Mary Powell is the president of the board of directors at the Center for Engaging Autism, an organization she cofounded to help meet the needs of families living with autism.

Mary discovered a serious lack of resources after her son was diagnosed with autism and spent her career

ensuring autism resources were available to all families.

"Something had to be done to understand autism spectrum disorders and to develop programs that would support children and their families," she said.



Robianne Schultz is the state's American Cancer Society Cancer Action Network lead volunteer. In this role, she helps advocacy volunteers talk with elected officials about cancer fighting policy.

After being diagnosed with breast cancer 14 years ago, Robianne was unable to work. She began to volunteer and soon discovered her passion to advocate on behalf of cancer survivors across the state.

"There are so many excuses as to why you may not want to volunteer," she said, "but getting to help people that are your neighbors and community members is wonderful."