

NONPROFIT NEWS

Information and connections for Minnesota's nonprofit sector

MINNESOTA
COUNCIL OF
NONPROFITS

Fall 2019

Fall Census Bureau data illustrates Minnesota's strengths and weaknesses

As the days get shorter and the leaves start to change, data geeks get excited: each September, the United States Census Bureau releases a treasure trove of new data. We at the Minnesota Budget Project dive in to analyze the numbers and see what we can learn about Minnesota's people and economy. This year, as in previous years, we learned that Minnesota ranks well among states when looking at the big picture, but the benefits of our economy are not reaching all Minnesotans.

Nationally, the poverty rate decreased by 0.5 percent compared to the previous year. The official poverty measure changes with family size, and is defined as a household with two adults and two kids living on less than \$25,465 a year.

In Minnesota, 9.6 percent of our neighbors — over half a million Minnesotans — lived in poverty in 2018. While this represents a major comeback since the dismal years of the Great Recession, it is clear that economic growth alone is not enough to make Minnesota a state where everyone can thrive.

Nearly one in ten Minnesotans find that lack of good-paying jobs, challenging transportation obstacles, and other barriers make it hard to afford the essentials, much less get ahead. Minnesota's people of color and indigenous Minnesotans are more likely to face these kinds of roadblocks. That's bad news for the workers and families being left out, and also bad news for our economy as a whole.

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Sometimes foundations don't realize how important they are

By Kari Aanestad, MCN Director of Advancement

Over the past nine months, an unusually high number of large and well-established Minnesota-based foundations have announced changes in the focus of their grantmaking and leadership transitions. A few noteworthy trends have emerged among these changes:

Focus on Equity: A number of private, corporate, and community foundations are working to reframe grantmaking priorities to advance equity in Minnesota. These changes don't necessarily mean a change in the types of nonprofits who receive funding, but rather a focus in how the dollars are used.

Arts: Shifts in funding for arts organizations range from changing the type of funding for arts organizations (operating grants or event sponsorships), where the funding is coming from (private foundation or affiliate corporate arm), or ceasing the funding of the arts altogether.

Leadership Transitions: Leadership transitions have occurred, or will be occurring, marked by the retirement of key foundation personnel and the addition of new leaders in key foundation roles.

So, what is the potential impact of these changes in philanthropic activity on

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

NONPROFIT BITS

Beginning January 1, 2020, the Minnesota Council of Nonprofits will be introducing a new dues schedule with modest increases in most member levels, as well as a new student/jobseeker membership option. Our first increase since 2016, these changes will allow MCN to expand and improve its work to better serve nonprofits through educational offerings, public policy work, sector research, resource creation, and a suite of member benefits designed to save your organization time and money. To learn more about the 2020 dues schedule, please visit www.minnesotanonprofits.org/2020dues.

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Where We Stand

Association health plan underway, nonprofits on the rise, and fostering statewide access to MCN

By Jon Pratt, MCN executive director

MCN's long-term goal of creating an association health plan took a major step forward on October 28, when the Minnesota Commerce Department approved the Master Group Contract. On that day, BenefitsMN began seeking health insurance quotes for nonprofits employers, and by the end of the week over 250 organizations submitted their information.

By partnering with Medica and Gallagher, the plan's exclusive broker, BenefitsMN is able to offer an alternative that will be advantageous for many organizations, and well worth getting a quote to compare its cost and coverage. See page 8 of this newsletter for more information.

Minnesota nonprofit employment reaches 385,000, or 15 percent of the state's workforce

Each year, MCN issues a nonprofit economy report to track the scale and scope of nonprofit activity. Nonprofits are an essential part of a modern market economy, and are proving to be resilient and increasingly competitive employers.

Several of these employers are more highly compensated hospitals and higher education (the "eds and the meds"), so when reporting wage rates, MCN looks at these separately. When excluding hospitals and colleges, average nonprofit annual wages in Minnesota for 2018 were \$53,418 — or 11 percent less than average business wages and just over annual government wages. The wage gap between nonprofits and other employers has been shrinking for the last 10 years — so much so that if hospitals and colleges are included, average nonprofit wages are now greater than average business wages.

There is no Goldilocks' "just right" number of nonprofits. Each year, new organizations are formed (2,500 were incorporated in 2018), while others merge, some dissolve, and many evolve and grow. In 2018, 8,200 Minnesota nonprofits had at least one employee. Stay tuned for the full *Minnesota Nonprofit Economy Report* on MCN's website under Resources & Tools/Sector Research in the coming weeks.

Engaging all nonprofits, wherever in Minnesota they call home

On October 24-25, MCN for the first time held its annual conference (Challenge of Change) at the Mayo Civic Auditorium in Rochester, featuring two energizing keynotes, 40 breakout sessions, 52 resource exhibitors, two sector awards ceremonies, and 600 participants. Southeastern Minnesota is a hotbed of nonprofit and philanthropic activity, as well as home to the largest nonprofit in the state, at \$11 billion annual revenue. By rotating the annual conference among Rochester, St. Paul, and Duluth, MCN is able to bring Minnesota's largest nonprofit gathering to nonprofit professionals, board members, volunteers, and jobseekers throughout the state.

Geographic access is a major challenge for nonprofits in the U.S. Minnesota is the 12th largest state by total area (land plus water) at 87,000 square miles, and ranks 21st largest state by population at 5.66 million. While the largest population and business center — the state capital and main branch of the University — are all located in the Twin Cities, nonprofits are located in every county in Minnesota. MCN's board and membership remain determined to make MCN resources accessible throughout the state, not just Minneapolis and St. Paul.

By creating six regional offices throughout Minnesota, MCN took a key step towards providing closer connecting points for capacity building and public policy networks. In addition, local in-person educational and networking events and e-Learning offerings now deliver a comprehensive set of opportunities across all regions, as well as nonprofit peers from nearby states. The work continues, though, and we always welcome feedback regarding how we can best serve nonprofits across our great state.

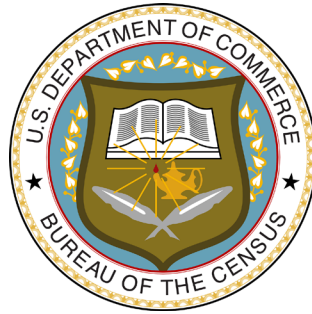


How can Census Bureau data be harnessed to move Minnesota forward?

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White Minnesotans experience lower rates of poverty, while Minnesotans of color have worse outcomes. We know that a history of discriminatory practices in access to opportunity, education, housing, and other policies, going back to our earliest days as a state, means that people of color often face extra hurdles to economic opportunity.

Minnesota needs to be firing on all cylinders and including everyone in order to maximize our state's economic potential. And research shows that diversity in the workforce can play a role in expanding the economy, reducing employee turnover, and supporting economic competitiveness, strength-



ening the case for an economy that includes all of us.

Smart policy investments can help. For example, the Affordable Care Act (ACA) connects people to affordable health insurance coverage so they can go to the doctor when they're sick.

Census data showed a significant improvement in the share of Americans with health insurance after the enactment of the ACA, but the measure is trending the wrong way more recently, as the ACA has been under attack. And we must do more to provide a focused response to ensure communities that face historical and structural barriers are able to fully access the opportunities in the economy.

For more about what the recent Census data tells us about Minnesota and policy ideas that expand opportunity and economic security for all, visit www.mnbudgetproject.org.

Shifts in philanthropy signal a need for renewed focus by nonprofits

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Minnesota nonprofits? Foundation funding accounts for approximately 16 percent of charitable revenue (GivingUSA 2018) and two percent of total nonprofit revenue nationwide (*Nonprofit Quarterly's* Illustrated Nonprofit Economy, 3rd edition). While this may seem like a small piece of the revenue pie, government funding and program fees for larger nonprofit organizations (hospitals and universities) skews the picture for the vast majority of the sector. To better understand the role of foundation funding and the potential impact of big changes, one must look at the revenue profiles of smaller organizations.

Nonprofit organizations with annual operating budgets less than \$5 million make up 90 percent of the nonprofit sector, and one-third of them receive at least 90 percent of their total revenue from contributions, gifts, and grants (data analyzed from 2015 public form 990s on public charities). Charitable revenue, including foundation funding,

accounts for a significant and meaningful source of income for smaller nonprofit organizations and often has other benefits such as social capital, influence, and exposure.

Foundations have the right and responsibility to determine how their grant dollars are invested in communities, and that sometimes means redefining the focus of their philanthropy as our world evolves (hopefully with thoughtful consideration of and equal accountability to the impact they may have on the communities that rely on their partnership and support). The impacts of the current changes are yet to be seen, and it warrants further study in the coming years.

Resources: The Minnesota Council of Nonprofits produces an annual grants directory that features the latest information on the top 120 grantmaking foundations in Minnesota. The *2020 Minnesota Grants Directory* will be released at the annual Minnesota Founda-



tions event, this year held on Thursday, January 16th in St. Paul (with complementary events in Greater Minnesota in the weeks that follow).

Attendees receive a copy of the *2020 Minnesota Grants Directory* at the event, and the directory can also be purchased over the next year (MCN nonprofit members can request a free copy using available publication vouchers). To learn more about Minnesota Foundations events in your region, visit: www.minnesotanonprofits.org/MNFoundations.

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Nonprofit leaders demonstrate how value-driven storytelling draws attention to drives impact

In an ever-changing economy, and a turn toward equity in the fundraising landscape, we asked two storytellers at MCN member organizations how their organizations remain adaptable and grounded in their ability to tell stories and represent the communities from which they grew.

“We listen to the people we trust and that’s why it’s important to me and my staff to tell the stories of Muslim women in as many ways as we can,” Nausheena Hussain, Executive Director of Reviving the Islamic Sisterhood of Empowerment (RISE) says.

RISE started in 2015 when Hussain and a group of Muslim women realized there wasn’t a space for Muslim women to gather other than home, work, or the mosque. Now, the staff of five works to “address a lack of representation and the corresponding inequities they observed, and bridge the gap between faith and storytelling, leadership development, and advocacy.”

RISE is looked to as an important voice for Muslim women and as a model for the sector as a whole. From offering anti-racism workshops, hosting ally trainings, and honoring and featuring “Muslim Sheroes of Minnesota” in communications, RISE has equipped a new generation of women to be advocates and storytellers in their own right.

“We are not our own separate community. We are an identity” Hussain said. “For the past four years we have been working hard, and it feels like the next election is an opportunity for us to show up for ourselves and our allies. And, I am excited to see how we do that in the coming months.”

Like Hussain and RISE, Andrea Duarte-Alonso, a Lead for America Fellow at Southwest Initiative Foundation

(SWIF), is a storyteller and activist who believes stories rooted in community make people pay attention.

Duarte-Alonso, grew up in Worthington, Minnesota and is an alumna of St. Catherine University. As an undergraduate, she got the opportunity to work on a project she titled “Stories from Unheard Voices,” funded by the Jay and Rose Phillips Foundation. Her current role at SWIF is rooted in her storytelling project.

“I called the project Stories from Unheard Voices because I’ve grown up hearing these stories my whole life,” she says. “My parents, who are Mexican immigrants, and other community members were always telling me stories. It’s not that these stories are untold, it really is that they are unheard. People are telling them, we just need to learn to listen.”

At SWIF, Duarte-Alonso is supported in continuing to tell the stories of Southwest Minnesota. She also understands that to change the narrative around immigrant populations in an often hostile environment that sees immigrants only in an economic framework, she needs to investigate the history of the area both through her work with SWIF and in her own storytelling.

“Communities are starting to literally look different than they used to,” she says. “I am spending my time learning as much as I can about this area, first with indigenous people, to agriculture, to processing plants, everything. I need to understand what history is already here.”

“I see these stories I’m telling and learning about through my work at SWIF as becoming history and archives for the community,” she says.

Agendas and Action

Let's Dazzle!

By Marie Ellis, MCN public policy director

Have you ever heard of a “do-nothing” legislative session? As in, the Legislature won't get anything done this session? I'm not a fan of the phrase, because even when big, eye-catching things aren't happening at the State Capitol, the things that *are* happening affect us all. The 2020 Legislative Session is likely to be one that is a “less dazzling” session. Doesn't have quite the same ring to it, though.

Next year will be a bonding year, and while there may not be any major budget fights, it's still critically important. Bonding projects are all over the state, and are pretty dazzling on their own. So why do people think 2020 will be a less dazzling session? Well, here are no state-level elections in 2019—the members of the 2020 Legislature will be the same as the members of the 2019 Legislature. And we've got a split legislature with Republicans controlling the Senate and Democrats controlling the House, which makes it harder for either side to move large initiatives.

But still, laws will be created, repealed, and amended. There will be conversations and action on critical issues directly related to our sector, like nonpartisan redistricting of congressional and legislative districts, voting rights, paid family and medical leave, taxes on nonprofits, and more. Parts of our sector are likely to participate in conversations about affordable insulin, gun ownership, energy, the environment, criminal justice reform, a gas tax, marijuana legalization, and whether restructuring the Department of Human Services would help the state better meet Minnesota's needs.

If the 2020 session is a little less dazzling than other years, that means there is even more space for your nonprofit's work to stand out! Now is a great time to introduce your organization's legislators and other elected officials to the work that you do. If you provide direct services, invite them to tour your space and learn more about why the work you do is needed. If the work isn't tied to a space, ask them to meet for coffee in the district. Your goal is to make them (more) aware of the issues faced by the people you serve or the impact of your work. No need to reinvent the wheel, your message to elected officials is very similar to your message to funders and volunteers.

Hmm, I just remembered that Vu Le's Nonprofit AF blog (www.nonprofitaf.com) puts “reinvent the wheel” in a list of 19 irritating jargon phrases, and awesome new sayings you should use instead. So, of course what I meant to say was: No need to redevelop the theory of relativity, your message to elected officials is very similar to your message to funders and volunteers.

What are you waiting for? Dazzle your elected officials with the great work you do every day! Whether your organization advocates or not, they will be making decisions that affect your work, your community, and your issues. Make sure they're thinking about you when they make those decisions.



Bonding 101

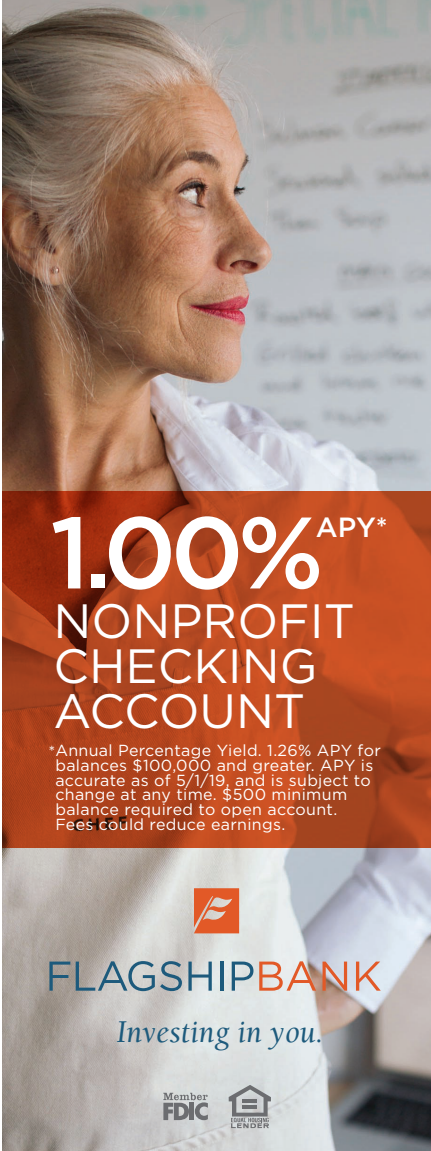
The state passes a two-year budget every, well, two years, so the budget for fiscal year 2020 (July 1, 2019 – June 30, 2020) was set during the 2019 legislative session. In even numbered years like 2020, the Legislature focuses on bonding (infrastructure, as opposed to services) projects, like roads and bridges, affordable housing, transit, public university buildings, community centers, sewer improvements, etc. There is often a supplemental budget passed in even years also, especially if the economic forecast predicts a budget surplus.

To remember what is funded by bonding, remember that it is tangible things. So the budget might pay to subsidize costs for transit riders, while bonding would pay for a new station or new rails to be laid down. There is no requirement that the Legislature pass a bonding bill.

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Nonprofit News and Advancements



Andrew Swammi was named senior vice president, manager of nonprofit banking at Western Bank.

North Anoka County Emergency Foodshelf named Steve Jaffee executive director.

David Bruns was named central purchasing manager at the Animal Humane Society.



Nate Dorr was promoted to vice president for advocacy at the Northwest Minnesota Foundation.



Angela Steward-Randle was named director of human resources at Neighborhood House.



Maria Duron Steffel was named director of finance at Neighborhood House.

Semcac welcomed Doug Grout as their new executive director.



Elizabeth Crippen Allen has been promoted to vice president, community partnerships at TPT - Twin Cities PBS.



Sarah Crumrine has joined TPT - Twin Cities PBS as audience engagement manager. Previously, Sarah served as communications coordinator at the Minnesota Council of Nonprofits.

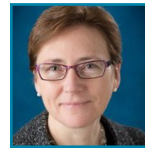


Ashley Booker joined Planned Parenthood North Central States as vice president of education and outreach.

Stephanie Rosenbaum was named executive director of the Bemidji Symphony Orchestra.

Christie Larson was named executive director of the Southern Valley Alliance for Battered Women.

Keith Parker joined Great River Greening as executive director.



Amy Grimm joined WomenVenture as director of operations and client services.

The Minneapolis Foundation welcomed Chris Beach as senior vice president of philanthropic services.

Rhonda Otteson joined the Minnesota Coalition for the Homeless as executive director.



Morshed (Mo) Alam was named senior vice president and chief financial officer at Ecumen.

Submit Your Announcements

MCN member organizations are invited to submit your organization's awards, staffing announcements, and other news to jwurm@minnesotanonprofits.org. MCN cannot guarantee that all announcements will make it into *Nonprofit News*.

2019 Nonprofit Mission Award Recipient for Anti-Racism Initiative: The Diversity Council

The Diversity Council began in 1989 as Building Equality Together, when the leadership of Rochester Public Schools recognized the need to combat racism and discrimination in the city's schools. Since that time, the Diversity Council has served as a catalyst and convener, creating environments that allow every person the opportunity to reach their full potential.

The council's work is focused on transforming organizations, empowering adults and youth to act as changemakers, equipping and mobilizing nontraditional leaders, and galvanizing equity work in the region.

While Rochester is deeply diverse and moderately integrated, access to information, services, and civic voice remain largely inequitable in the city and region for marginalized populations.

The Diversity Council's current initiatives are focused on community engagement and education around issues of equity and inclusion, including:

1. Allies & Advocates (community-based), and its partner programs, Bystander to Upstander (college/university) and StandUp Students (K-12), is interactive scenario-based training that prepares participants for real-life encounters, teaching practical interventions and tactics to interrupt hate and bias.
2. The RACE: Are We So Different Exhibit of the Science Museum of Minnesota has been in Rochester for six months. Diversity Council has spearheaded the exhibition and related programming and has now assumed ownership of the 450-square-foot interactive display.

3. The Human Library of Southeastern Minnesota allows people to check out human "books" for a unique learning experience. Personal stories are one of the most effective ways of learning, and research has demonstrated that personal contact is also one of the most effective ways of breaking down stereotypes and prejudices.



Community members take part in The Human Library of Southeastern Minnesota

In 2018, more than 5,800 people participated in the Diversity Council's equity initiatives, with thousands more connecting with them through traditional and social media.

As a result of the organization's continuous journey towards nurturing equity and inclusivity for all in Rochester and surrounding communities, the Minnesota Council of Nonprofits was pleased to present the nonprofit with the 2019 Mission Award for Anti-Racism Initiative.

Learn more about the Diversity Council, and their continuous journey towards the creation of truly equitable and inclusive community experiences for all in Rochester and the surrounding region, at www.diversitycouncil.org.



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Enrollment for new association health plan now open to Minnesota nonprofits

Minnesota nonprofit employers searching for comprehensive, affordable health coverage now have a new option.

BenefitsMN, an association health plan (AHP) developed by the Minnesota Council of Nonprofits (MCN), has opened enrollment of a new health insurance option for Minnesota-based nonprofit organizations. The new AHP — the first exclusively for 501(c) nonprofits in Minnesota — harnesses the group-bargaining power of the state's more than 3,000 nonprofit organizations with paid staff to provide options for comprehensive health care coverage.

The creation of BenefitsMN came in response to hundreds of inquiries received by MCN from nonprofit organizations across the state over the organization's 30-plus years of existence. BenefitsMN



was formed to first explore, then implement, a carefully vetted option of high-quality, affordable health plans.

BenefitsMN health insurance coverage will be available to MCN member nonprofits based in Minnesota with two or more eligible employees starting on January 1, 2020, offering:

- Four high-quality plan options in five networks
- Attractive rates for a majority of MCN members
- Access to benefits administration and enrollment resources
- A full suite of voluntary benefits options

“MCN members have asked about a nonprofit association plan for medical insurance benefits for twenty years,” said Jon Pratt, executive director of MCN. “With this launch, we have cracked one part of the health care nut to strengthen our members’ viability and increase their capacity to serve all Minnesotans.”

Thank you, members! Ultimately, it is because of your engagement that we are able to provide these attractive, high-quality plan options. With BenefitsMN, we aim to build a long-term, sustainable AHP that increases the vitality of Minnesota’s nonprofit sector.

To request information to learn more about the plans, please visit www.BenefitsMN.org.