

2024

Minnesota Nonprofit Economy Report

**A Statewide and
Regional Analysis**

**MINNESOTA
COUNCIL OF
NONPROFITS**



USING THIS REPORT

Like every industry in the United States, the nonprofit sector benefits from having access to timely information on economic performance. The Minnesota Council of Nonprofits' *Minnesota Nonprofit Economy Report*, published annually for the last twenty years, uses the most comprehensive information available to provide the most detailed annual examination of Minnesota's Nonprofits.

In these pages, readers will see significant differences between the extraordinary nonprofit workforce and those of the business and government sectors. From the dramatic 30 years of nonprofit growth to the unique gender compositions and gender pay equity in nonprofits, this report presents a special focus on one of the most dynamic parts of the state's economy and sits near the top of multiple national rankings of voluntarism, charitable giving, and nonprofit activity. Minnesota nonprofits employ 13 percent of the state's workforce and generated \$108 billion in economic activity in 2023.

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 four distinct audiences:

- **Managers of nonprofit organizations:** putting their own situation in perspective in decision-making and communications with their own board, supporters, and staff
- **Nonprofit boards of directors:** developing strategic plans, informing board trainings and evaluating staffing and compensation plans
- **Government officials and donors to nonprofits:** understanding the unique role and contributions of Minnesota nonprofits and identifying partnership opportunities
- **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, Minnesota's Secretary of State, Minnesota's Attorney General Office, 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.

As a statewide association of more than 2,200 Minnesota nonprofit organizations, MCN works to inform, promote, connect and strengthen individual nonprofits and the nonprofit sector through its website, publications, workshops and events, cost-saving programs, and advocacy.

Report Authors

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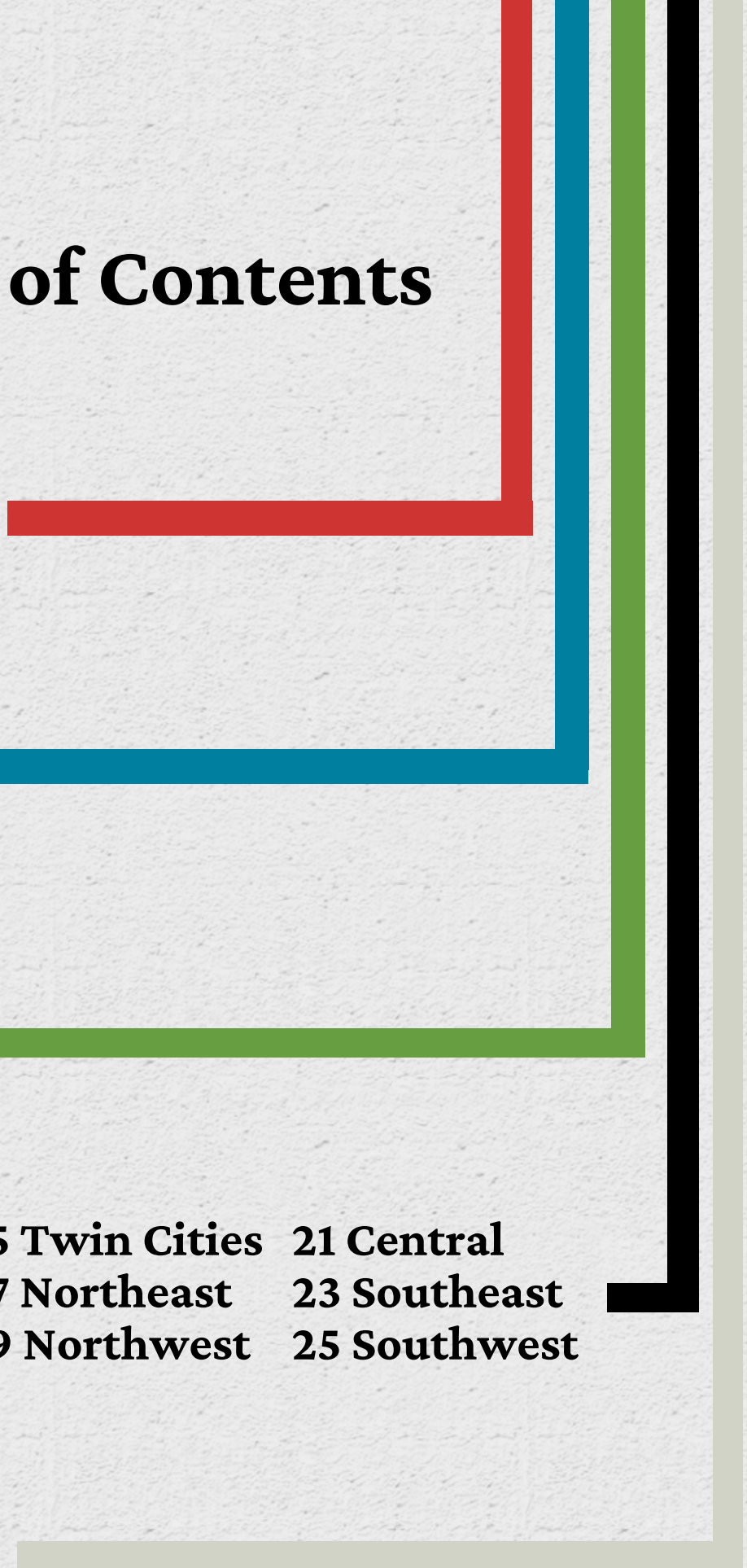
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EXECUTIVE SUMMARY

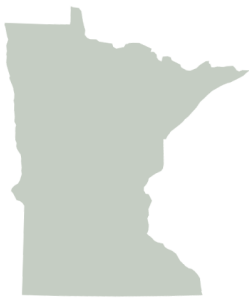


Number of Nonprofits Fluctuates, but Fears of Mass Closings Unrealized

The number of nonprofit employers decreased slightly in 2023, with 8,641 different nonprofit employers reporting at least one employee in 2023. This represents a slight decrease from the 8,805 nonprofit employers in 2021*. Nonetheless, nonprofit employers accounted for 13 percent of the state's workforce in 2023, matching the size of government (also employing 13 percent of the state's workforce); for-profit employers employ the remaining 73 percent. Some industry observers feared the effects of the COVID-19 pandemic would lead to a high number of nonprofits closing, such as a 2021 study reporting as many as one-third of all nonprofits in the U.S. could close in a year ([Charities Aid Foundation of America](#)). Both in Minnesota and nationally, the fears of mass closings remain unrealized. While the aggregate nonprofit sector in Minnesota is showing growth, the number of nonprofits becoming inactive or dissolving is on the rise in Minnesota, and the closing of even one nonprofit can have a significant impact on communities.

Over the past 30 years, nonprofits in Minnesota have shown consistent growth in the number of state-wide nonprofit employees. Between 1993 and 2023, nonprofits added just over 200,000 employees, representing a 120 percent increase of the nonprofit workforce. In comparison, Minnesota's total workforce grew by 30 percent over the same period, meaning that the nonprofit workforce has grown four times faster than the state's workforce as a whole.

***Note:** The methodology used by the Minnesota Department of Employment and Economic Development (DEED) updates the data of past years' findings (i.e. 2022). Because of this, there may be slight discrepancies, decreases, or other fundamental changes within the past years.



EXECUTIVE SUMMARY

Increase in Inactive and/or Dissolving Nonprofits

For the first time in this report series, data was obtained from the MN Attorney General's Office and Secretary of State's Office on organizations who have become inactive and/or have dissolved over the last 10 years. In both datasets there has been an increase since 2020 in the number of nonprofits becoming inactive (due to their failure to submit annual filings to the Secretary of State's Office) and/or dissolved (proactively disclosed to the Attorney General's Office). The most significant change was from 2021 to 2022 with a 35 percent increase in the number of nonprofits becoming inactive. While the exact reasons for this increase are not tracked by the State, this spike is likely explained in part by the following factors:

- There was a 32 percent increase in the number of new nonprofit incorporations from 2020 to 2021, who formed during the height of the pandemic to address increased social challenges but likely found it too difficult to sustain long-term.
- The pandemic significantly disrupted nonprofit operations, with a number of groups overlooking the annual filing requirement in light of urgent priorities.
- Some nonprofit organizations are experiencing significant levels of financial distress as pandemic relief funding has been distributed and expended, and charitable giving has fluctuated.

Gender Pay Parity Closer in Nonprofit Sector Compared to Total Workforce

The vast majority of the nonprofit workforce continues to be female, with 74 percent of employees identifying as female. Newly available data reveals insights on pay equity by gender across all three sectors. Overall female nonprofit workers are paid 94 cents on the dollar of what their male colleagues are paid, which is a significantly smaller gap than Minnesota's for-profit workforce (where females earn 80 cents on the dollar of their male colleagues are paid).

Minnesota Wages Across Sectors Struggle to Keep Pace with Inflation

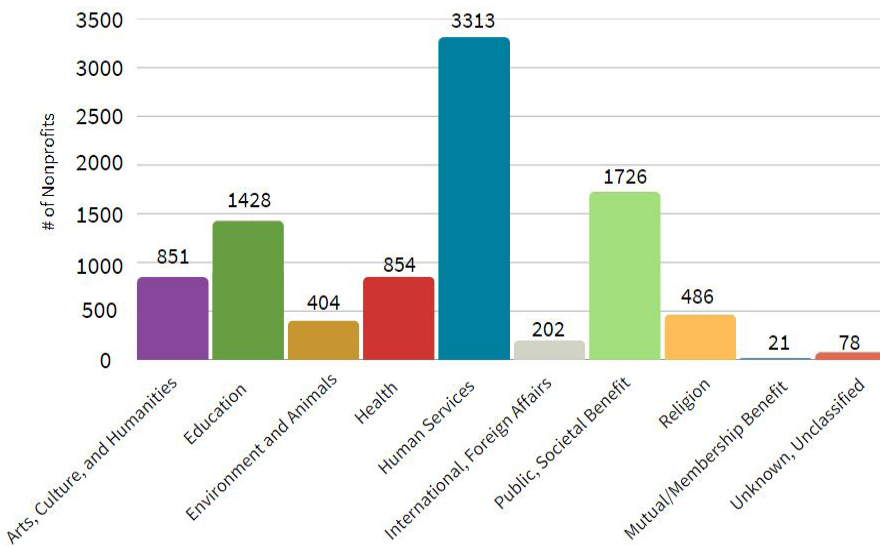
All three sectors (nonprofit, government, and for-profit) saw a drop in inflation-adjusted average annual wages from 2021-2023, reflecting the challenges employers face across sectors in keeping their wages in step with the continued impacts of high inflation. Despite these challenges, the nonprofit sector wages dropped by less compared to wages in other sectors.



MINNESOTA NONPROFIT EMPLOYERS

The nonprofit sector is a strong contributor to Minnesota’s economy — supporting nearly 380,000 jobs and providing essential services to Minnesota’s communities. From food banks to charter schools to theaters and hospitals, nonprofits touch the lives of almost every Minnesotan. In 2023, the number of financially active statewide nonprofit organizations was 8,641, down slightly from the previous year. While there is natural churn in the nonprofit sector with some organizations dissolving and others forming every year, the overall number of nonprofit employers has remained relatively stable over the last five years.

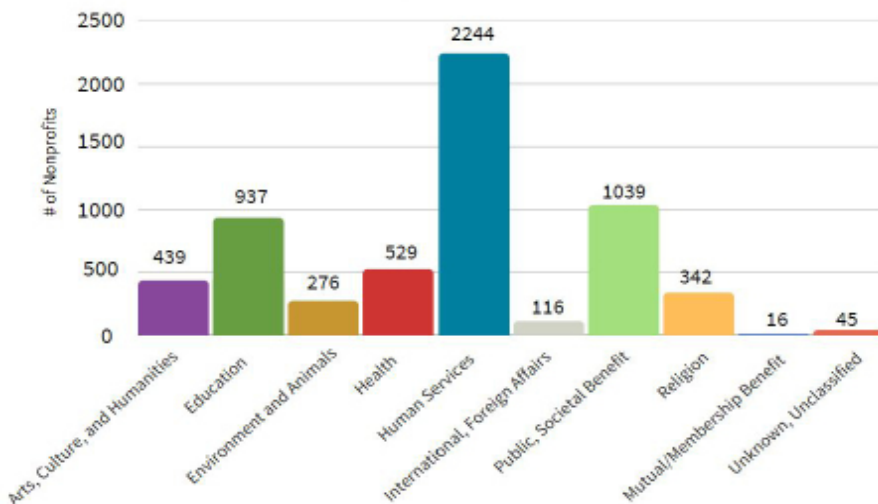
All Minnesota Financially Active Nonprofits by Activity Area, 2024



Over 50 percent of categorized financially active nonprofits deliver either human services or general public and societal benefit activities (definitions in Appendix A).

Minnesota nonprofits operate across multiple activity areas, each of these categories benefits the public in a different way. While the health care field (including hospitals, clinics, and nursing homes) employs the largest number of nonprofit workers, it only constitutes 9.1 percent of employers. Human services (including legal, employment, food and housing, public safety, recreation, and youth services) include the most individual establishments, accounting for 35.4 percent. Public and societal benefit has the second largest number of establishments at 18.4 percent, while education and the arts have 15.3 percent and 9.1 percent respectively.

All Minnesota Financially Active Nonprofits by Activity Area, (Excluding Major Cities), 2024



The distribution of financially active nonprofits by activity area that excludes major cities remains consistent with the statewide picture.

Note: NTEE is the categorization scheme used to describe nonprofit activities, for national taxonomy of exempt entities. A significant percentage of older nonprofits currently lack classification under any NTEE code, accounting for about 16.8 percent of all financially active nonprofits. NTEE codes were first adopted by the IRS for its master file of exempt organizations in 1980, and currently the majority of nonprofits who still don't have an assigned NTEE code were established prior to that date.

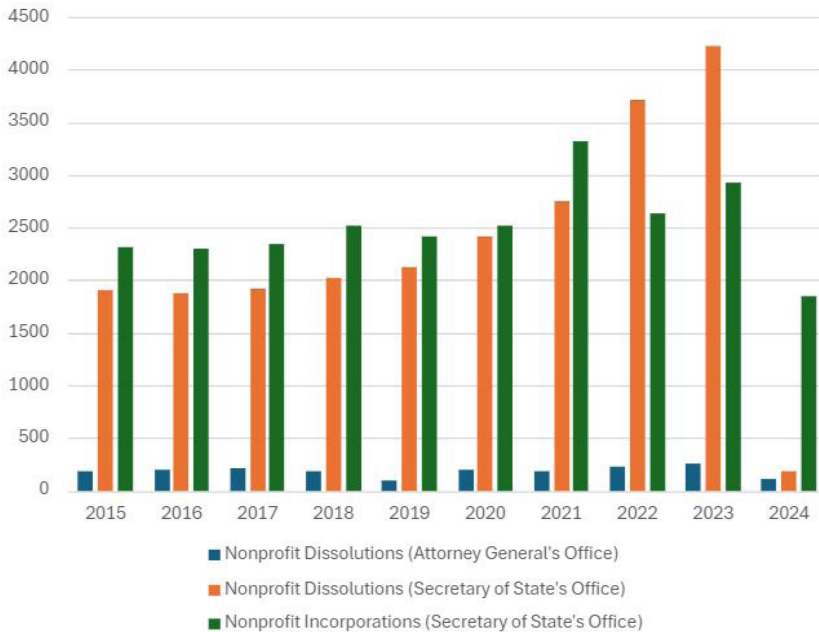


MINNESOTA NONPROFIT EMPLOYERS

Increase in Inactive and/or Dissolving Nonprofits

For the first time in this report series, data was obtained from the MN Attorney General’s Office and Secretary of State’s Office on organizations who have become inactive and/or have dissolved over the last 10 years. In both datasets there has been an increase since 2020 in the number of nonprofits becoming inactive (due to their failure to submit annual filings to the Secretary of State’s Office) and/or dissolved (proactively disclosed to the Attorney General’s Office). The most significant change was from 2021 to 2022 with a 35 percent increase in the number of nonprofits becoming inactive. While the exact reasons for this increase are not tracked by the State, this spike is likely explained in part by the following factors:

of MN Nonprofits Becoming Inactive/Dissolving by Year compared to New Nonprofit Incorporations (YTD 6.30.24)

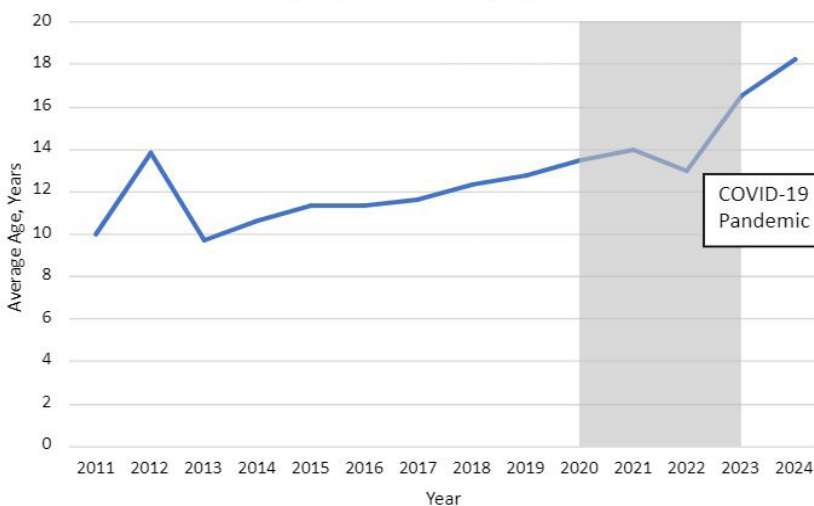


1. The number of new nonprofit incorporations increased by 32 percent from 2020 to 2021 during the COVID-19 Pandemic (March 2020 – May 2023, [World Health Organization](#)). These “COVID organizations” were formed as individuals sought to address heightened societal challenges but likely found it too difficult to sustain long-term.

2. The pandemic significantly disrupted nonprofit operations, with a number of groups overlooking the annual filing requirement in light of urgent priorities.

3. Some nonprofit organizations are experiencing significant levels of financial distress as pandemic relief funding has been distributed and expended, and charitable giving has fluctuated. The spike in the number of inactive nonprofits cannot be entirely explained by the sudden closing of “COVID organizations.” The average age of nonprofits becoming inactive has steadily grown over the last two years (the average age of a nonprofit becoming inactive in 2022 was 13, and the average nonprofit age in 2023 was 16), indicating that more established groups are experiencing distress.

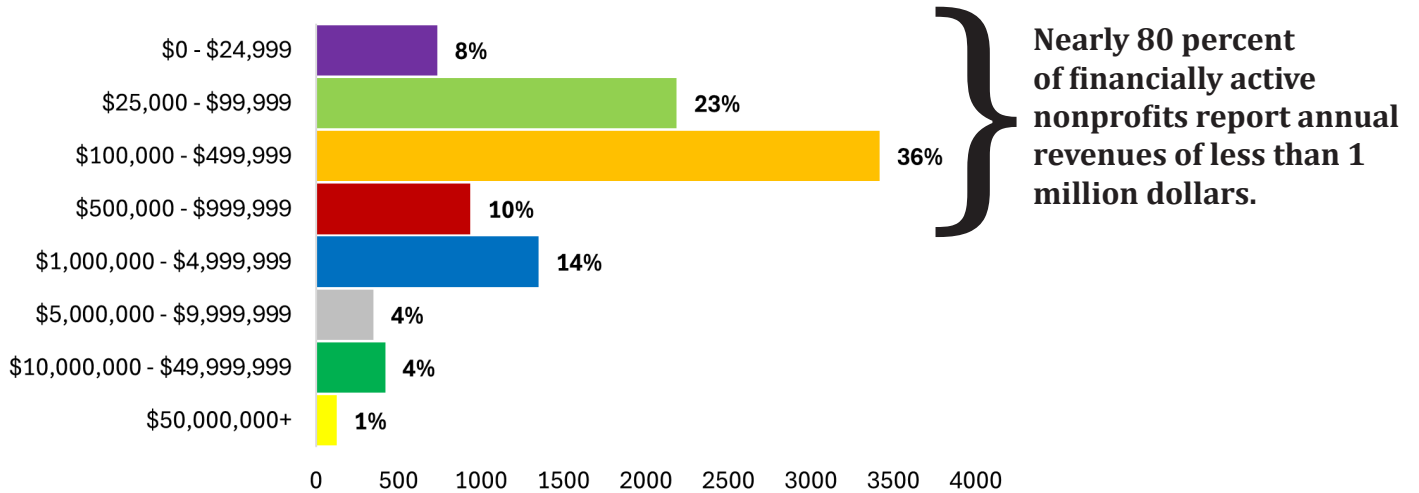
Average Age of Inactive Nonprofits by Year, 2011- 2024 (Weighted Averages)





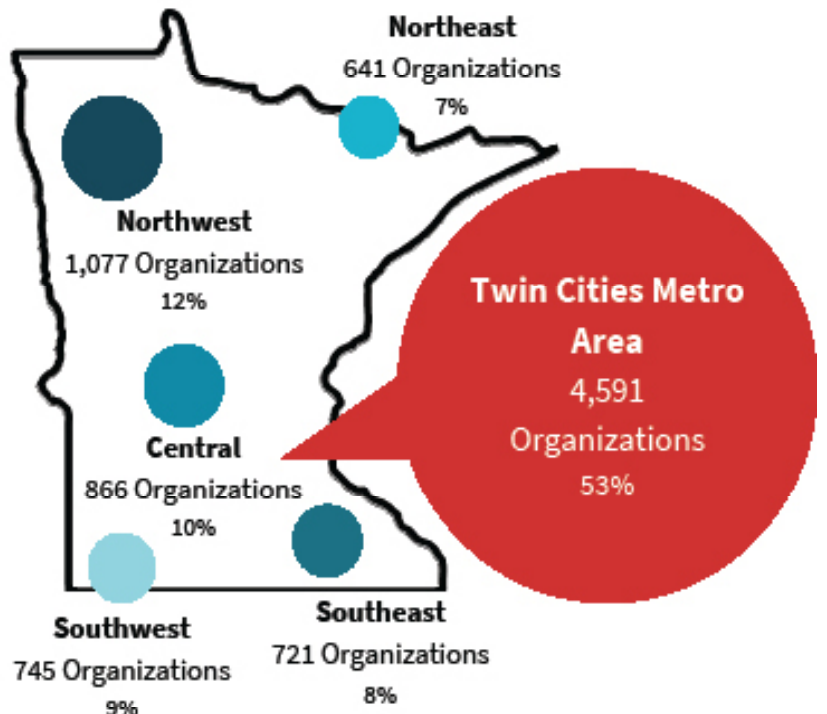
MINNESOTA NONPROFIT EMPLOYERS

Financially Active Nonprofits by Budget Size



A more nuanced view of the mix of organizations in Minnesota’s nonprofit sector is offered by disaggregating organizations based on their annual revenue reported in the IRS Master File of Tax-Exempt Entities. Among financially active nonprofits, 77 percent report annual revenues of less than \$1,000,000. A higher proportion of organizations with smaller operating budgets are found among the arts, religion, environment, and international issues. Organizations with larger annual operating budgets (\$5 million+) are more likely to be found in health and human services, with earned income and government payments as a major source of revenue. For example, the largest nonprofit in Minnesota is the Mayo Clinic based in Rochester, MN, reporting over \$14.4 billion in income in 2023. Both small and large nonprofits occupy pivotal roles in Minnesota’s economy, providing essential services across the state.

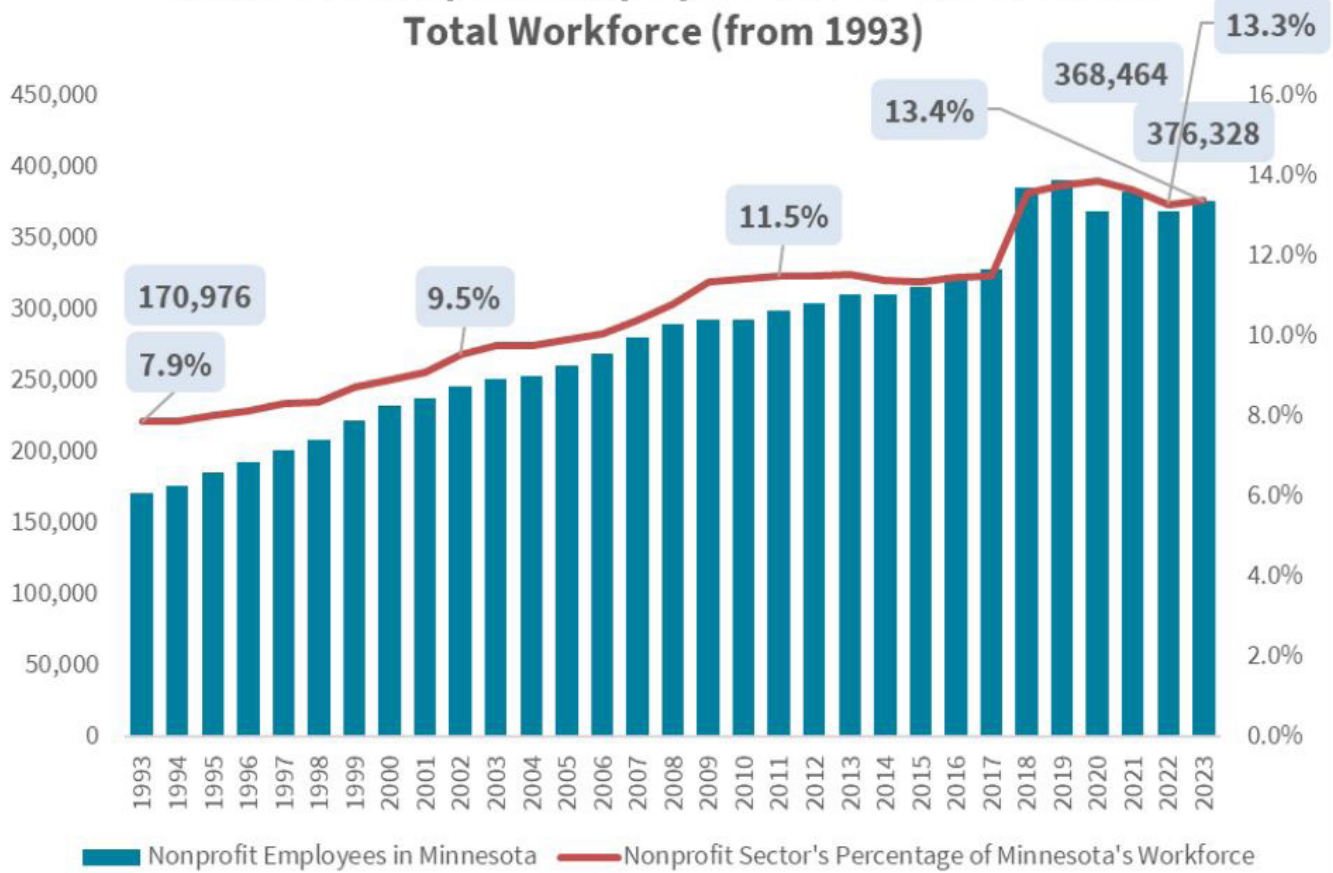
Nonprofit activity and growth rates vary across the six regions of Minnesota. The Twin Cities Metro area is home to over half of Minnesota’s nonprofit employers – along with about 60 percent of Minnesota’s population. The number of nonprofit employers roughly corresponds to each region’s population. Over the last ten years, while the total number of nonprofit employers has increased by approximately 52.5 percent, the distribution of nonprofit activity by region has stayed relatively constant. Looking at regions specifically, we see a slight, uniform decrease ranging from 0.4 and 2.2 percent in difference from 2022.





MINNESOTA NONPROFIT EMPLOYEES

Number of Nonprofit Employees vs. Percent of State's Total Workforce (from 1993)



Number of Minnesota nonprofit employees doubled over 30 years, returning to pre-pandemic levels.

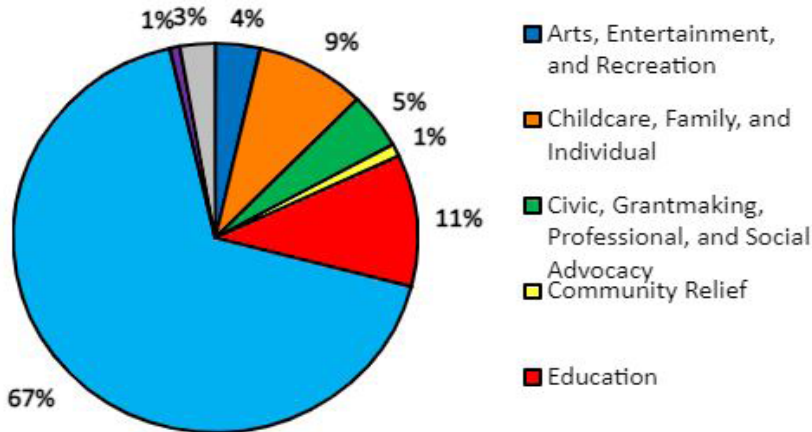
Since MCN began tracking employment data in 1993, the number of statewide nonprofit employees has doubled. From 1993 to 2023, Minnesota nonprofit employers added over 200,000 employees, over 120 percent growth. In comparison, Minnesota's total workforce grew by nearly 30 percent over the same period, meaning that the nonprofit workforce has grown 4 times faster over the last 30 years, reflecting the increasing wellness, culture, information, and overall service economy.

While the Minnesota nonprofit workforce increased from approximately 368,000 employees in 2022 to 376,000 in 2023.



MINNESOTA NONPROFIT EMPLOYEES

Minnesota Nonprofit Employees by Activity Area (2023)

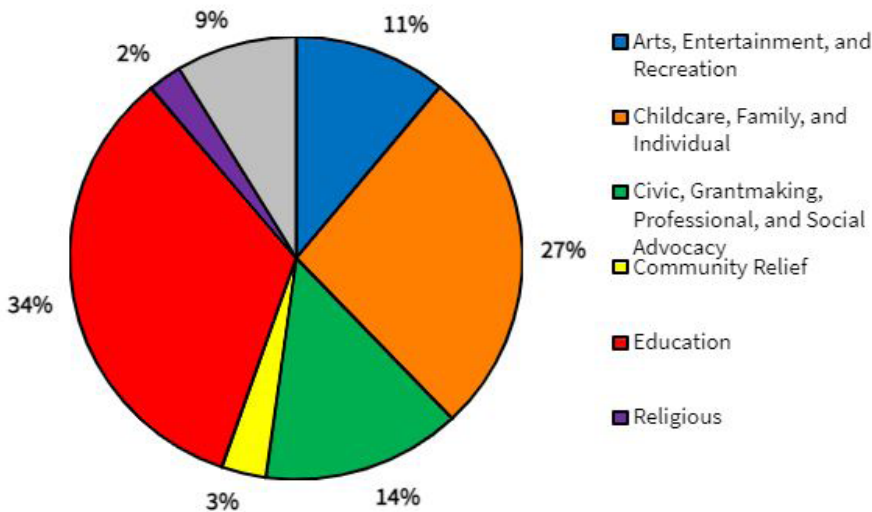


68% of nonprofit workers are health care employees.

The largest share of nonprofit employees works in the health care and education areas -- sometimes called the “eds and the meds.” Within the nonprofit healthcare industry, around 50 percent of employees work within hospitals.

Educational services employ a third of the remaining workforce (excluding health care). Childcare services, family, and individual, including social assistance for children (such as foster care, drug prevention, and life skills training), employ just under 30 percent of non-health care nonprofit employees.

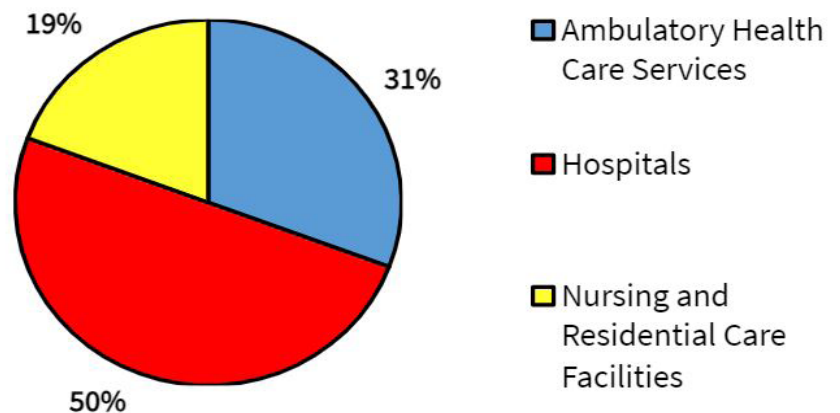
Minnesota Nonprofit Employees by Activity Area, Excluding Health Care (2023)



50% of the healthcare nonprofit employees work in a hospital.

When specifically looking at nonprofit healthcare employees, 50% of this group works for a hospital. The other categories include ambulatory health care services (31%) and nursing and residential care facilities (19%).

Healthcare Nonprofit Employees by Area



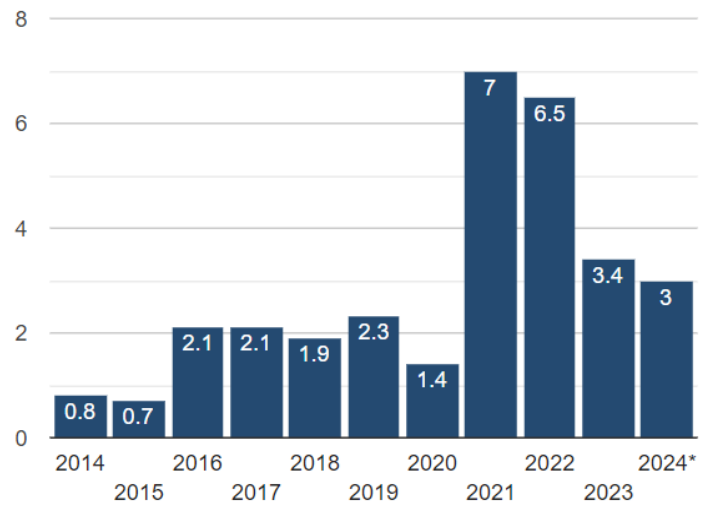


MINNESOTA NONPROFIT EMPLOYEES

2023 Inflation depresses wage gains across sectors, including nonprofits

The annual inflation rate for the United States ranged from 1-3 percent over the past twenty years, but the pandemic years saw significant increases (as high as 8 percent in 2021). While inflation has tapered off in recent years (3 percent in 2024 through July), costs are still significantly higher than they were five years ago ([US Inflation Calculator](https://www.usinflationcalculator.com/inflation/current-inflation-rates/)).

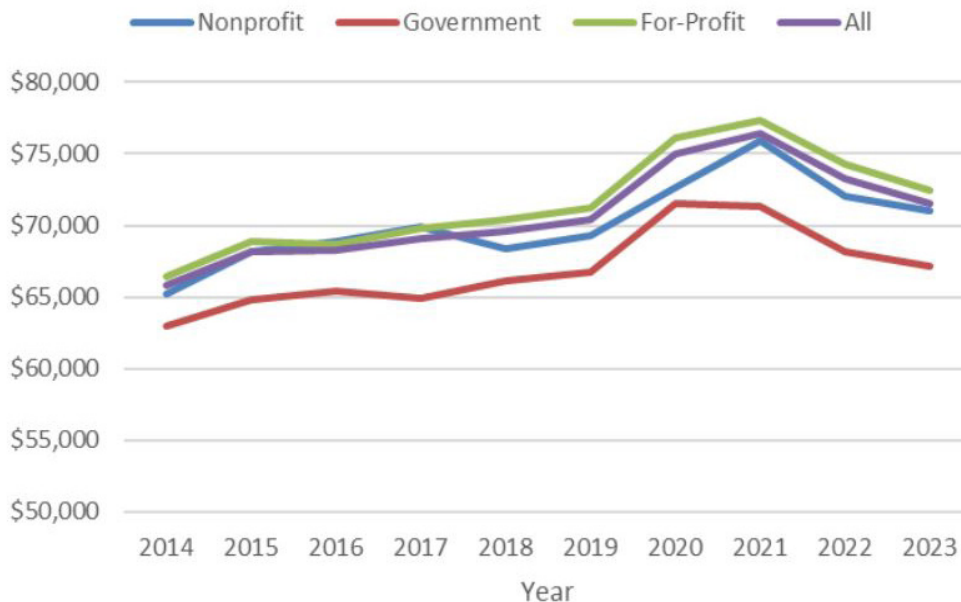
Chart: United States Annual Inflation Rates (2014 to 2024)



Source: <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

As a result, all three sectors (nonprofit, government, and for-profit) saw a drop in inflation-adjusted average annual wages from 2021 through 2023, reflecting the challenges employers face across sectors in keeping their wages in step with the continued impacts of high inflation. In total, nonprofits paid nearly \$26.7 billion in wages during the year of 2023, a slight increase from the previous year, where they paid \$26.5 billion in wages (adjusted for inflation, 2023).

MN Average Annual Wages by Sector (2023 USD)

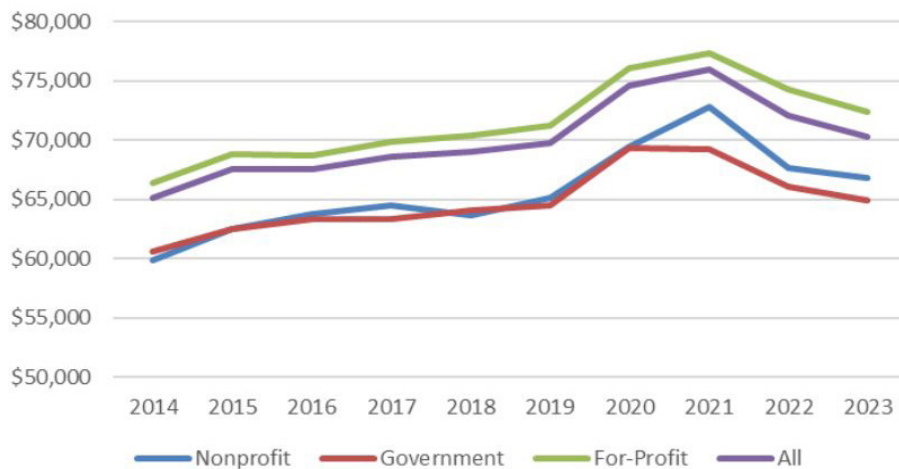




MINNESOTA NONPROFIT EMPLOYEES

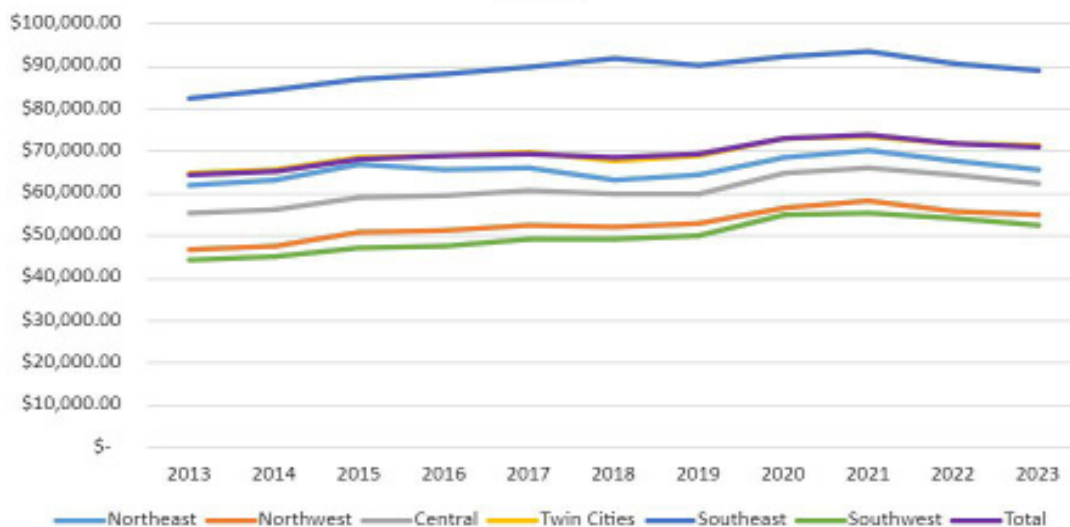
The dominant size and pay scales of hospital, college and university employers tend to overwhelm nonprofit averages, yet has also demonstrated that historical wages gaps can be overcome. When comparing across sectors, nonprofit wages have historically been substantially less than for-profit wages. However, these wage gaps have been shrinking over the last 30 years, and nonprofit wages in the past five years have surpassed average government wages for government employees, a key factor in the competition for talent.

MN Average Annual Wages by Sector, Excluding Hospitals & Higher Education (2023 USD)



Comparing average annual wages for nonprofit employees across regions of Minnesota reveals that nonprofit average annual wages in the Southeast region of MN are the highest because of Mayo Clinic on the regional nonprofit economy. Average nonprofit annual wages in the Twin Cities are the second highest, likely due to higher costs of living and tighter job market.

Minnesota Nonprofit Average Annual Wages by Region (2023 USD)*



*Wages have been adjusted for inflation.

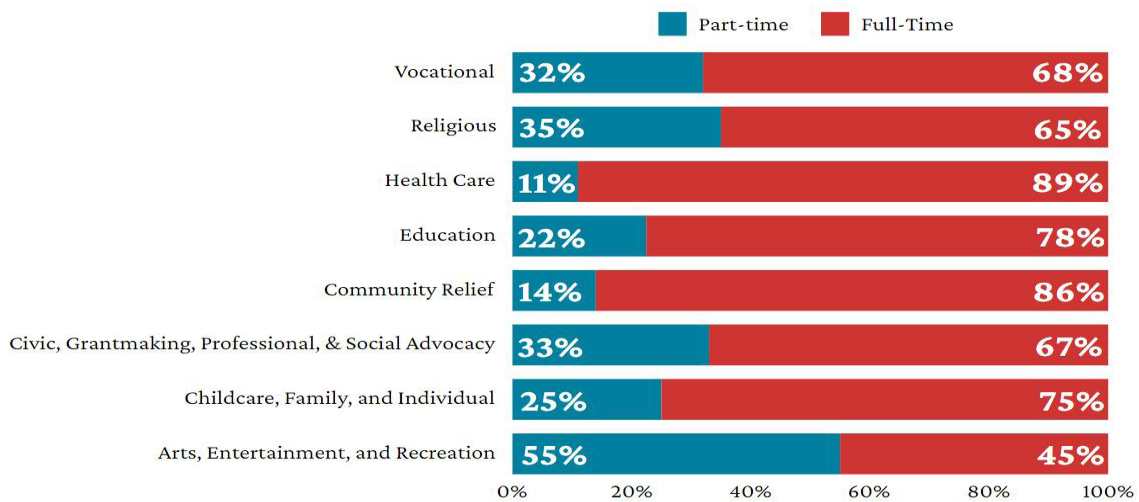


MINNESOTA NONPROFIT EMPLOYEES

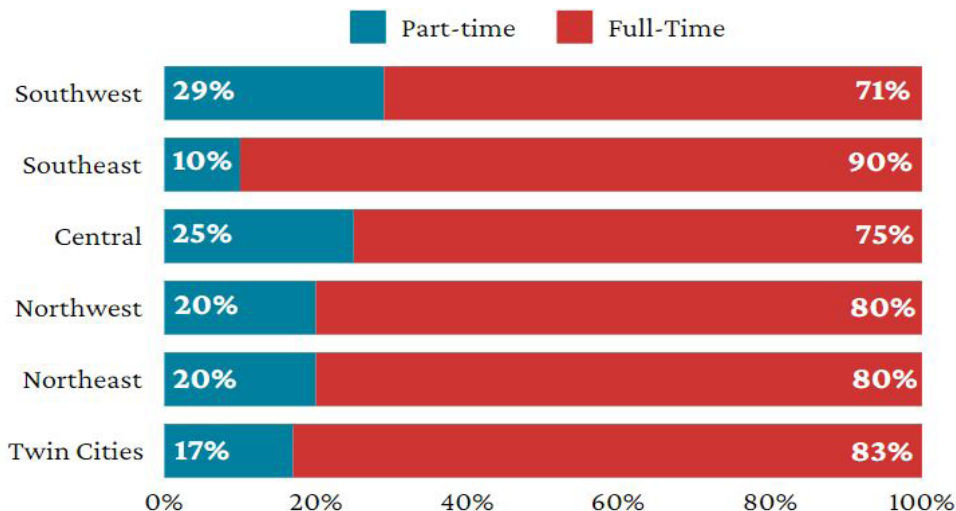
82 percent of nonprofit workers work full time

Full-time versus part-time status can be an important factor in explaining average wages. 82 percent of the Minnesota nonprofit employees work full-time – at least 30 hours per week. A similar share of employees works full-time in the government sector. However, only 71 percent of the for-profit sector works full-time -- meaning that there can be a much more substantial hourly wage gap between nonprofit and for-profit employees than is implied in the average annual wage.

Part-Time and Full-Time Nonprofit Workers by Activity Area (2023)



Part-Time and Full-Time Nonprofit Workers by Region (2023)



*Activity Areas are adapted from NAICS Codes, rather than NTEE codes, so totals and categories may be slightly different than in other sections.

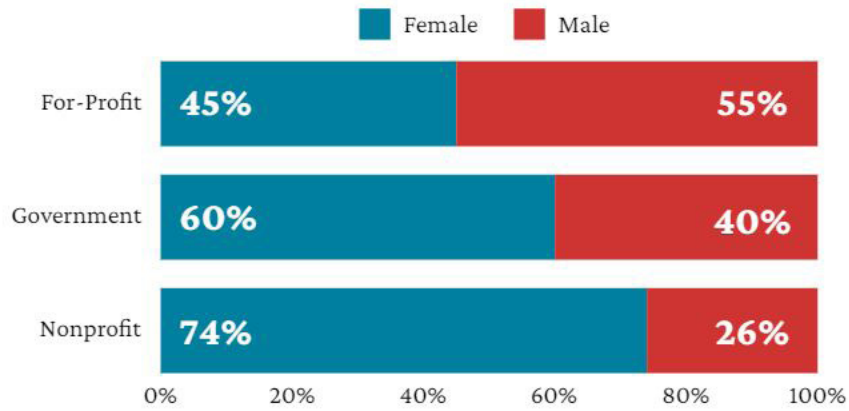


MINNESOTA NONPROFIT EMPLOYEES

74 percent of the nonprofit workforce is female

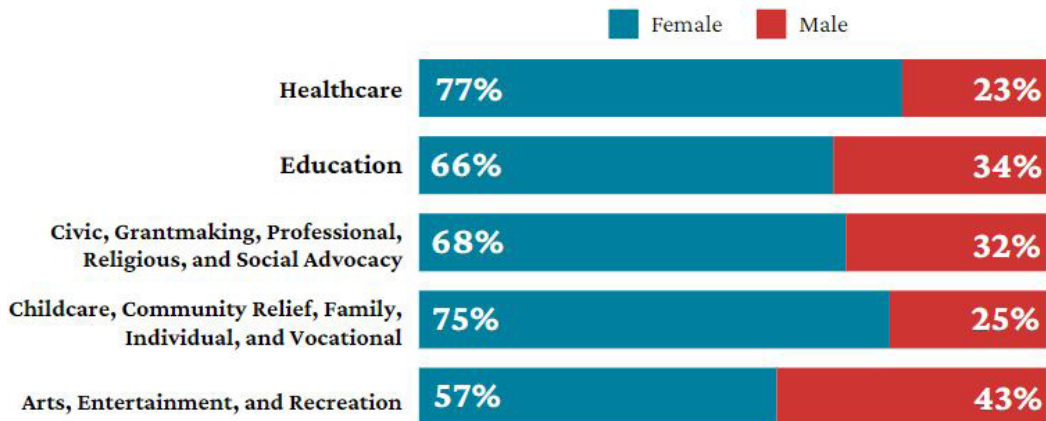
Minnesota has a long history of higher female participation in its workforce than national averages, with female Minnesotans now comprising 51 percent of all employees in the state. Comparing the three employer types, the nonprofit sector employs the highest percentage of female workers (74 percent) than both the for-profit (45 percent) and government sectors (60 percent).

Gender Distribution by Sector (2023)



Among employees in Minnesota’s nonprofit sector, females outnumber males in each of these five activity areas (Healthcare; Education; Civic, Grantmaking, Professional, Religious, and Social Advocacy; Childcare, Community Relief, Family, Individual, and Vocational; Arts, Entertainment, and Recreation).

Gender Distribution of Nonprofit Sector by Activity Area (2023)*



Note: Sex data is provided by the Minnesota Department of Employment and Economic Development based on QCEW reporting. MCN recognizes the broad spectrum of sexual and gender identities that transcend the binary of male and female. However, until a change is made at the federal or state agency level, this report series is limited to existing data reporting categories.

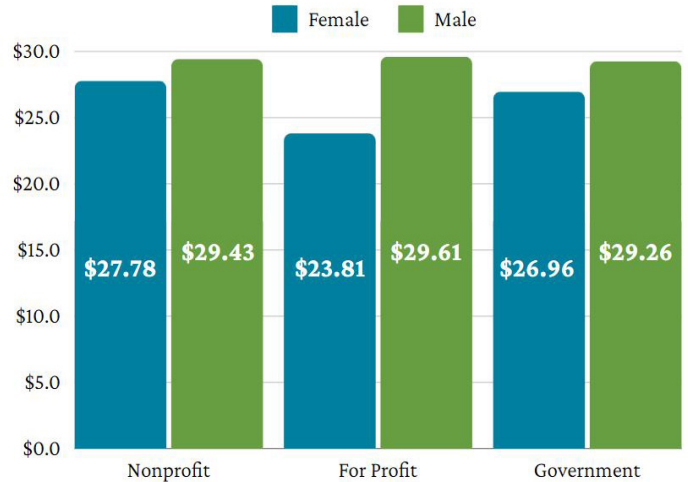
*Activity Areas are adapted from NAICS Codes, rather than NTEE codes, so totals and categories may be slightly different than in other sections.



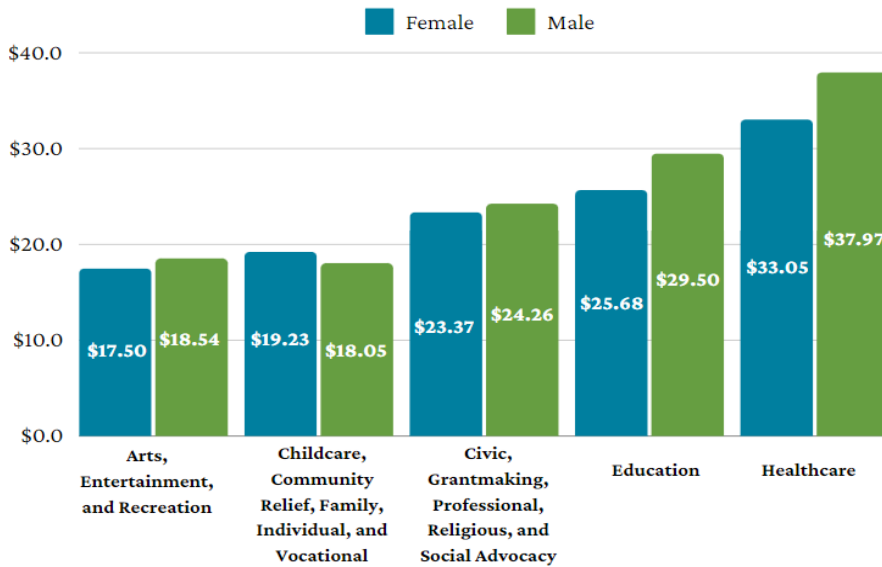
MINNESOTA NONPROFIT EMPLOYEES

Remarkable workforce differences show up between the sectors when examined through a gender lens. While historic patterns of lower wages for female employees is long documented, it is important to report on the wage differential between females and males by sector of the economy. Throughout the total Minnesota workforce, female workers' weighted median annual wages* are 85.5 percent of their male colleagues'. In comparison, in the rest of the United States females' median annual wages are 84 percent of their male colleagues'.

Minnesota Median Wages by Gender (2023)



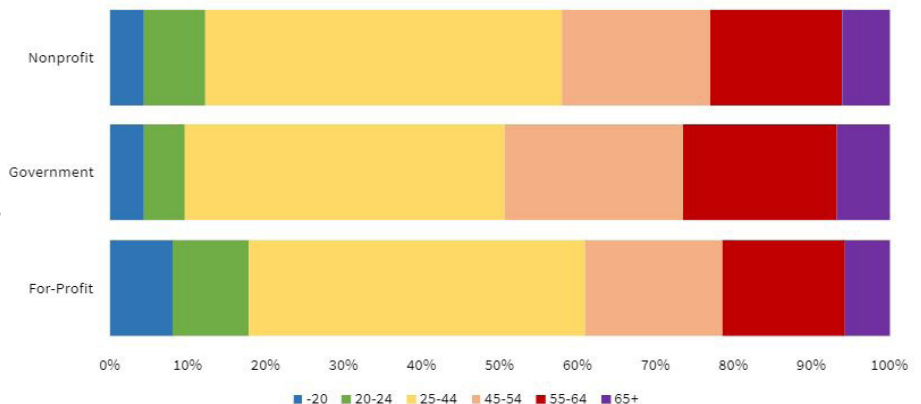
Minnesota Wages by Activity and Gender (2023)



Minnesota's median annual wages across sectors tends to be higher than other states, and Minnesota ranks 21st overall in gender wage equity for the workforce as a whole [National Women's Law Center, 2024]. Most of the pay gap by gender in Minnesota is attributable to compensation of for-profit employees.

While the nonprofit and for-profit sectors are similar in age distribution, the governmental sector skews slightly older than both. The majority of nonprofit workers are between 25-44.

Percent of MN Workers Per Age Group By Sector (2023)



A note on data limitations: The dataset used to analyze pay differentials by gender in Minnesota contains only information on hours worked, average annual wage, gender, activity area, sector, and geography; the dataset does not include information about other variables that can impact pay, such as length of tenure, educational attainment, professional background, and more.



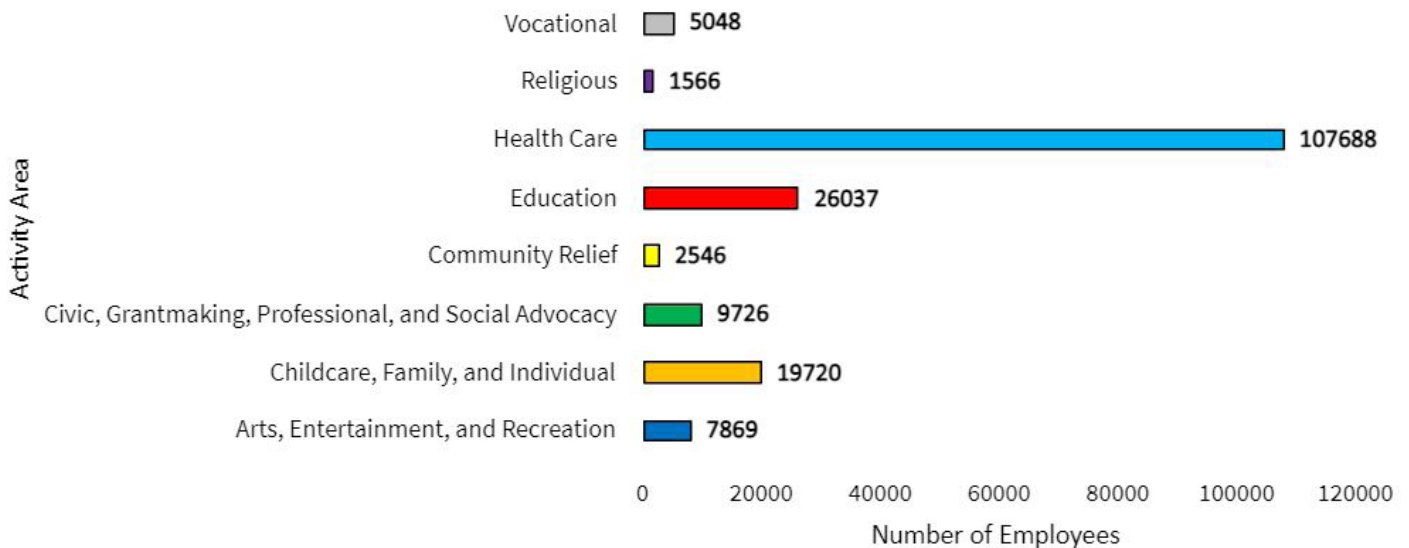
TWIN CITIES REGION

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



With 4,592 organizations, the Twin Cities Metro Area is home to over half of Minnesota's nonprofits. The Metro Area is also the most densely populated region of Minnesota, with diverse communities and needs. The Twin Cities has 212,261 nonprofit employees across its organizations, around 56 percent of the statewide nonprofit workforce.

Twin Cities Nonprofit Employees by Activity Area (2023)



A little less than half of the state's nonprofit health care employees work in the Twin Cities. The Twin Cities is also home to large education and individual, family, and childcare sectors, employing most of the total workforce for each sector. Twin Cities nonprofits generated over \$65 billion in economic activity in 2023.

Nonprofit: 73.1% Female

Government: 59.3% Female

For-Profit: 45.8% Female

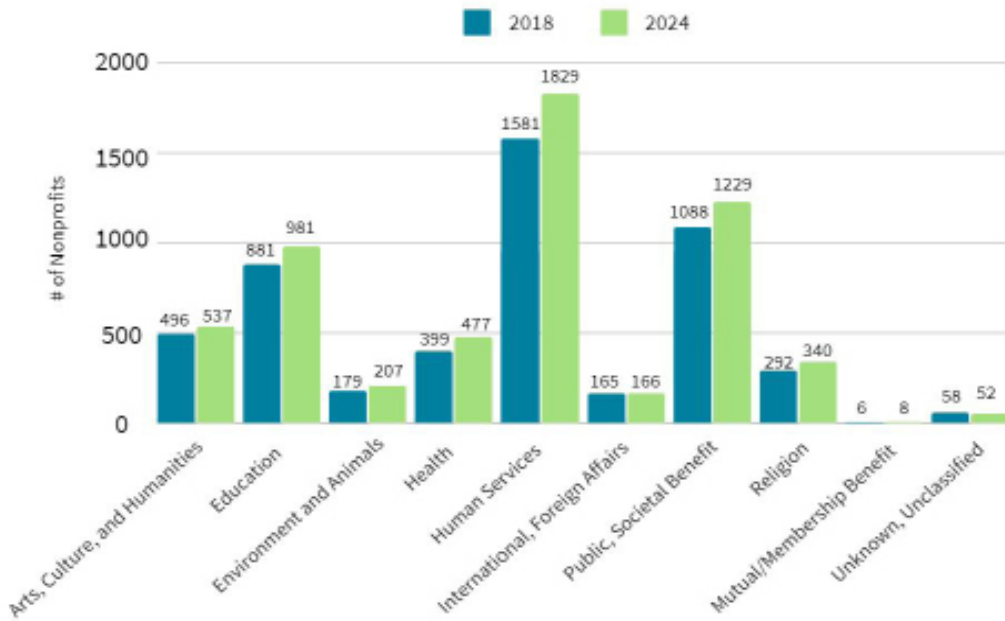
Total Workforce: 50.9% Female



TWIN CITIES REGION

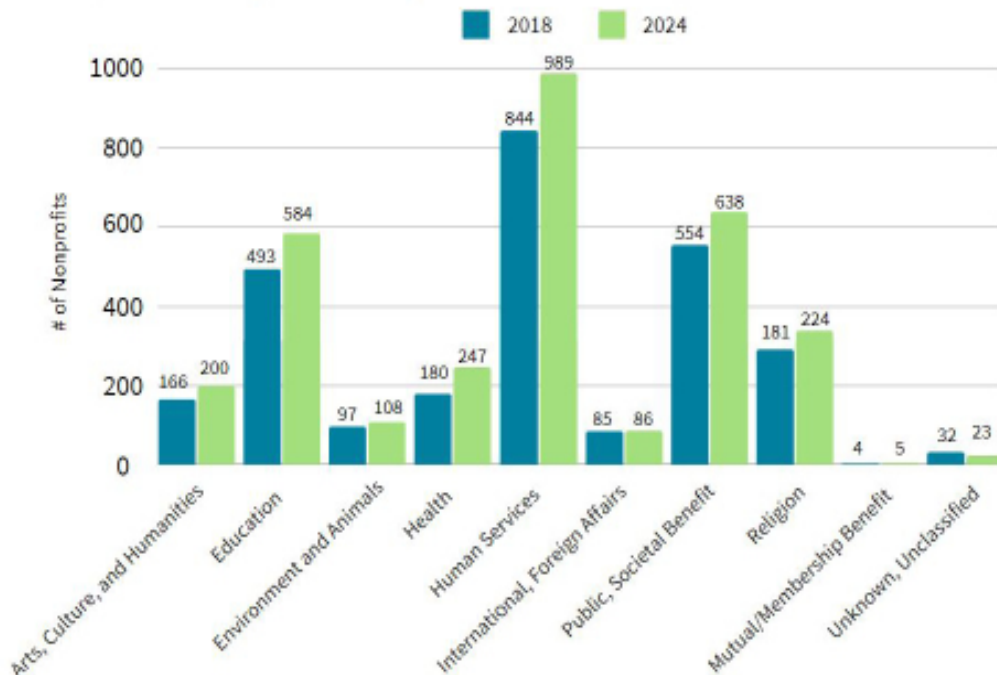
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

Financially Active Nonprofits by Activity Area, Twin Cities 2018 vs. 2024



The graphs above and below show the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes Minneapolis and St. Paul to better understand the numbers without major cities. Both graphs show a consistent pattern of growth across all activity areas over the past 6 years.

Financially Active Nonprofits by Activity Area, Twin Cities (Excluding Minneapolis & St. Paul) 2018 vs. 2024





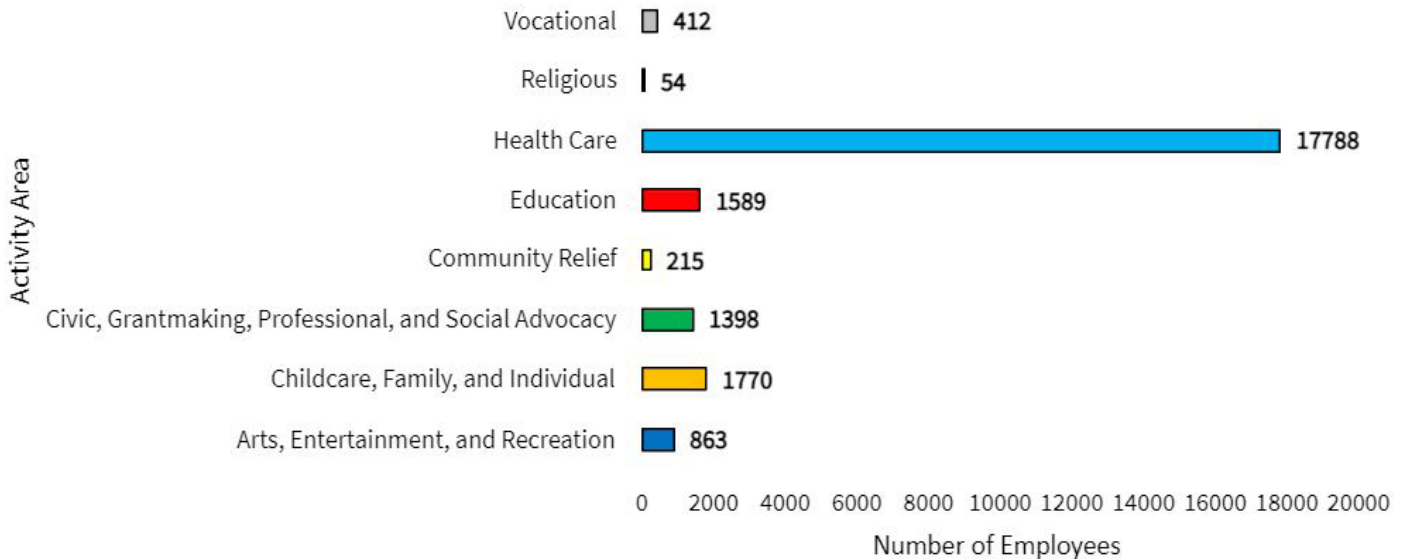
NORTHEAST REGION

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



The seven-county Northeast Region is the second largest region in Minnesota in terms of geographic size, with most of its nonprofit activity located in its largest county - Saint Louis. The Northeast is the least densely populated region and has the lowest number of nonprofit establishments in Minnesota. Despite this, the region has the second highest share of its total workforce at 19.0 percent, and the 26,219 nonprofit workers make up 7.0 percent of total Minnesota nonprofit employees. Nonprofits in the Northeast Region generated \$4.5 billion in economic activity in 2023.

Northeast Nonprofit Employees by Activity Area (2023)



Nonprofit: 75.2% Female

Government: 55.4% Female

For-Profit: 41.0% Female

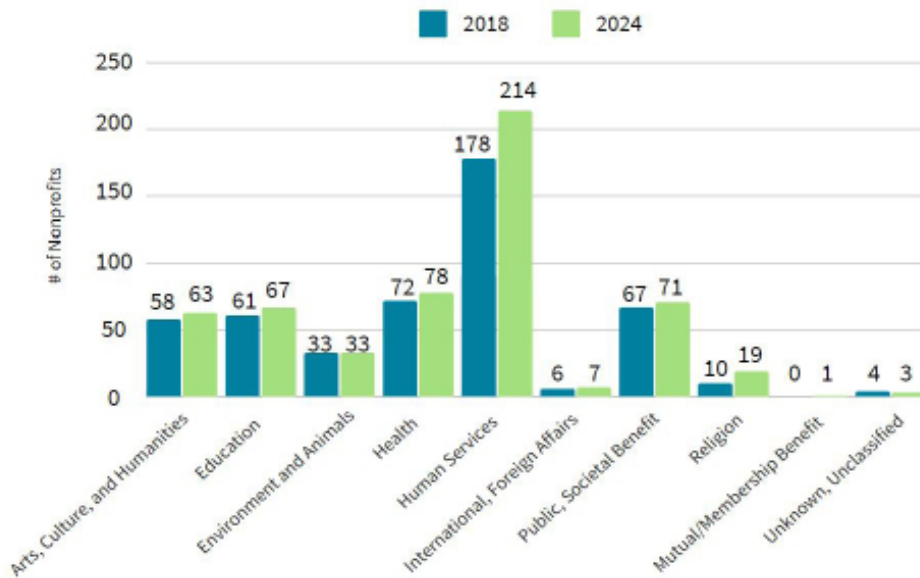
Total Workforce: 49.7% Female



NORTHEAST REGION

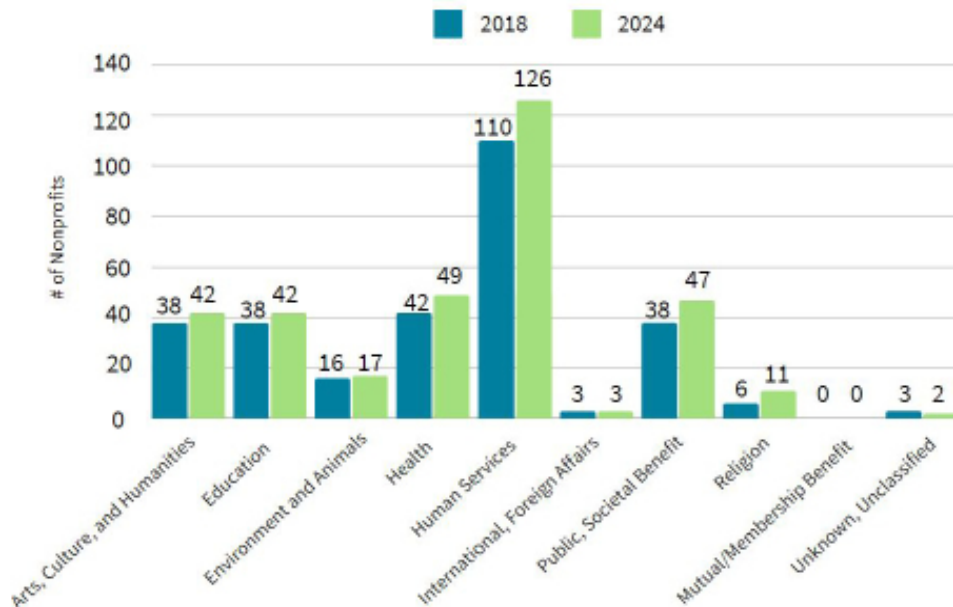
Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

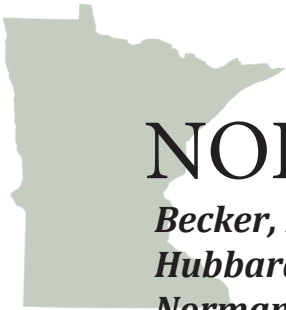
**Financially Active Nonprofits by Activity Area, Northeast
2018 vs. 2024**



The graphs above and below show the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes Duluth to better understand the numbers without the major city in the Northeast region. Both graphs show a consistent pattern of growth across all activity areas over the past 6 years. When nonprofits based in Duluth are excluded from the analysis, the distribution of financially active nonprofit organizations by activity area roughly parallels the total regional picture. Approximately 39% of nonprofits in this region are based in Duluth, reflecting a robust sector serving rural communities throughout.

**Financially Active Nonprofits by Activity Area, Northeast
(Excluding Duluth), 2018 vs. 2024**





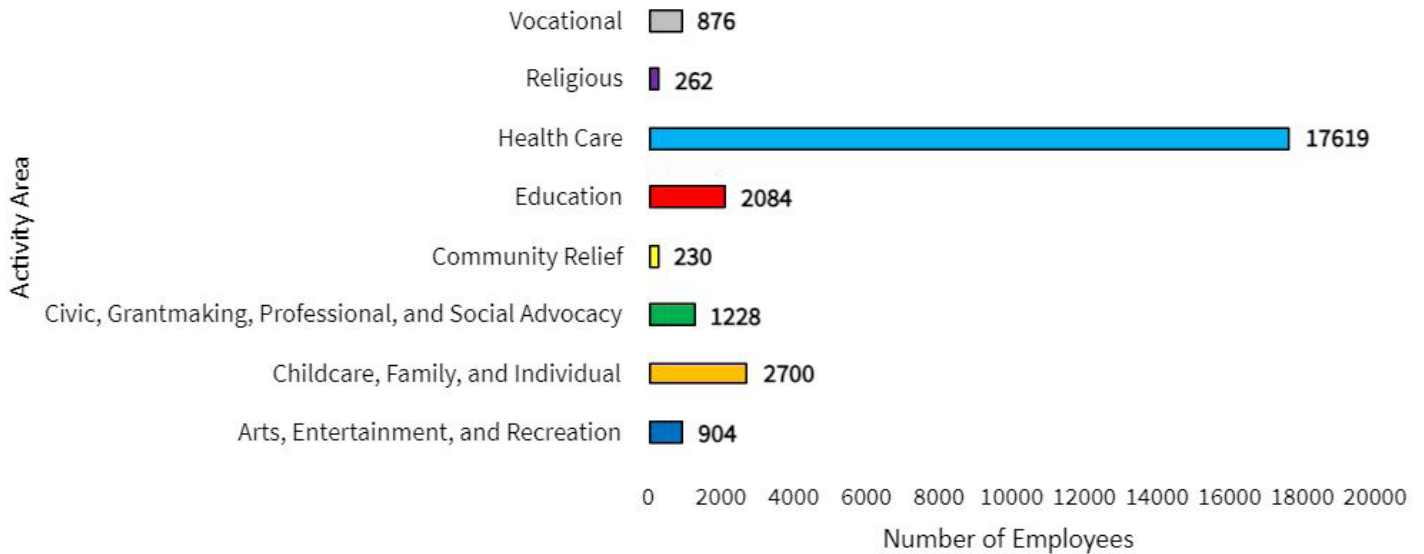
NORTHWEST REGION

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



The Northwest Region is the largest geographic region in Minnesota and has the second highest number of nonprofit organizations at 1,077, 12.4 percent of Minnesota's total nonprofits. The Northwest is home to 7.4 percent of Minnesota's nonprofit employees, just above the number of employees in the Northeast. Nonprofits in the Northwest Region generated \$3.1 billion in economic activity in 2023.

Northwest Nonprofit Employees by Activity Area (2023)

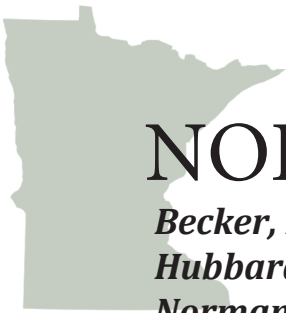


Nonprofit: 77.8% Female

Government: 61.3% Female

For-Profit: 43.7% Female

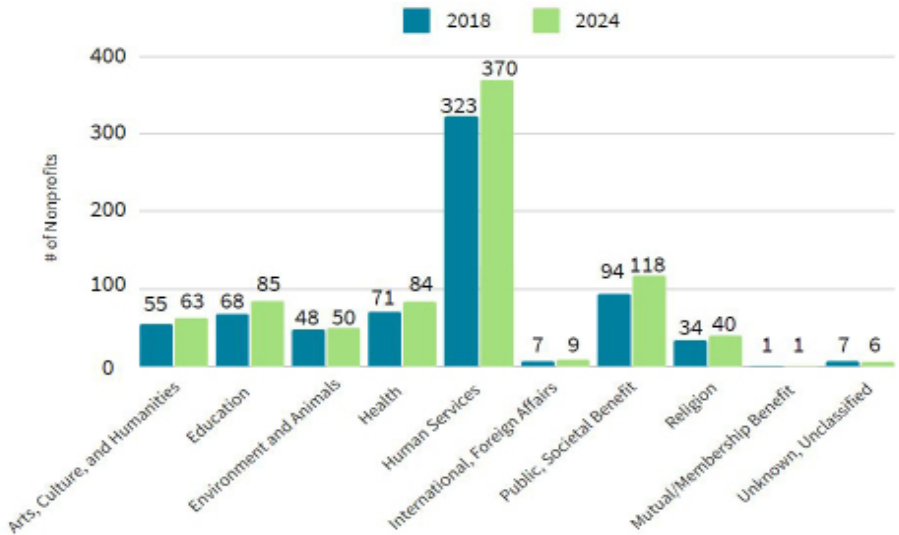
Total Workforce: 51.7% Female



NORTHWEST REGION

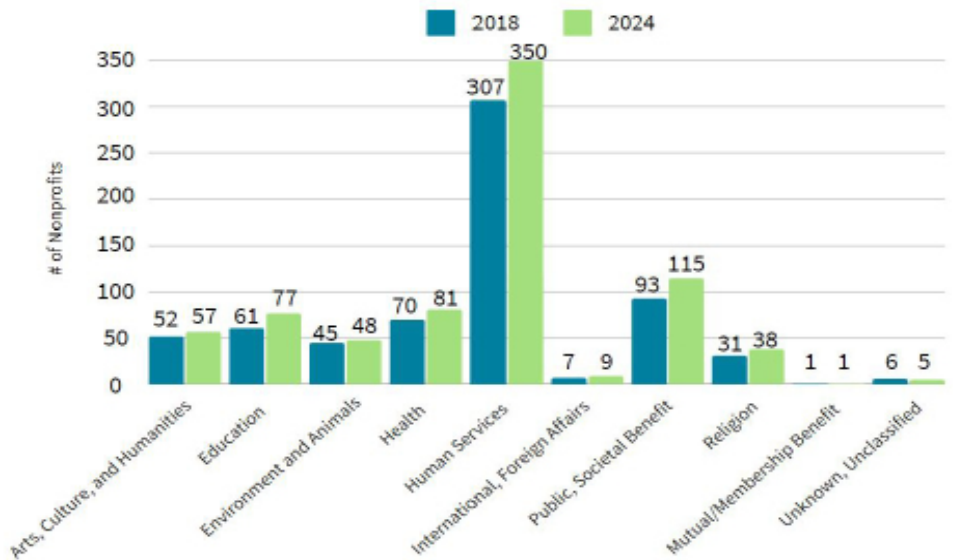
Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

**Financially Active Nonprofits by Activity Area, Northwest
2018 vs. 2024**



The graphs above and below show the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes Moorhead to better understand the numbers without the major city in the Northwest region. Both graphs show a consistent pattern of growth across all activity areas over the past 6 years. When nonprofits based in Moorhead are excluded from the analysis, the distribution of financially active nonprofit organizations by activity area roughly parallels the total regional picture. Approximately 5% of nonprofits in this region are based in Moorhead, reflecting a robust sector serving rural communities throughout.

**Financially Active Nonprofits by Activity Area, Northwest
(Excluding Moorhead) 2018 vs. 2024**





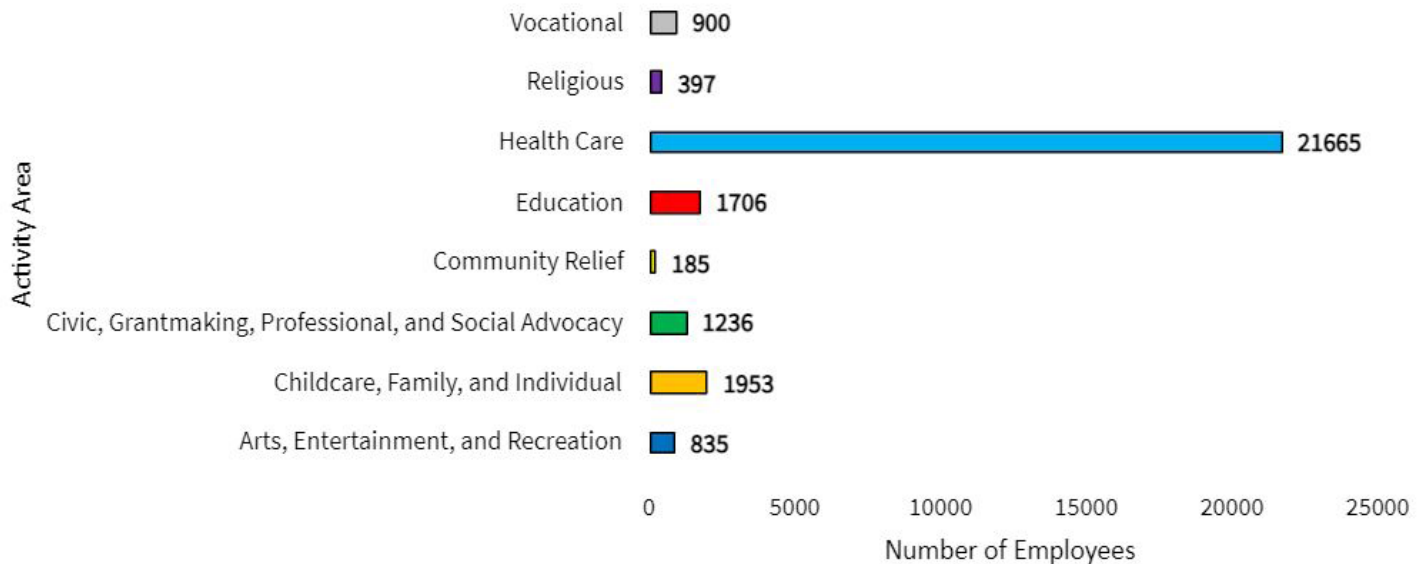
CENTRAL REGION

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



The Central region of Minnesota has the third highest number of nonprofits in the state, and employs the third highest number of nonprofit workers, after the Twin Cities region and the Southeast. Nonprofits in the Central Region generated \$4.5 billion in economic activity in 2023.

Central Nonprofit Employees by Activity Area (2023)



Nonprofit: 79.4% Female

Government: 63.0% Female

For-Profit: 43.3% Female

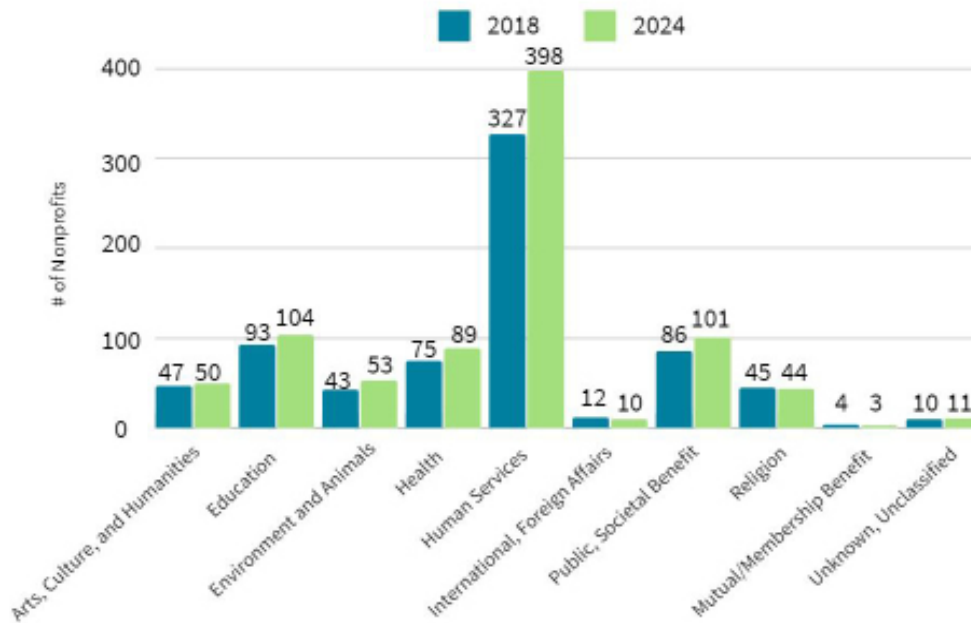
Total Workforce: 50.7% Female



CENTRAL REGION

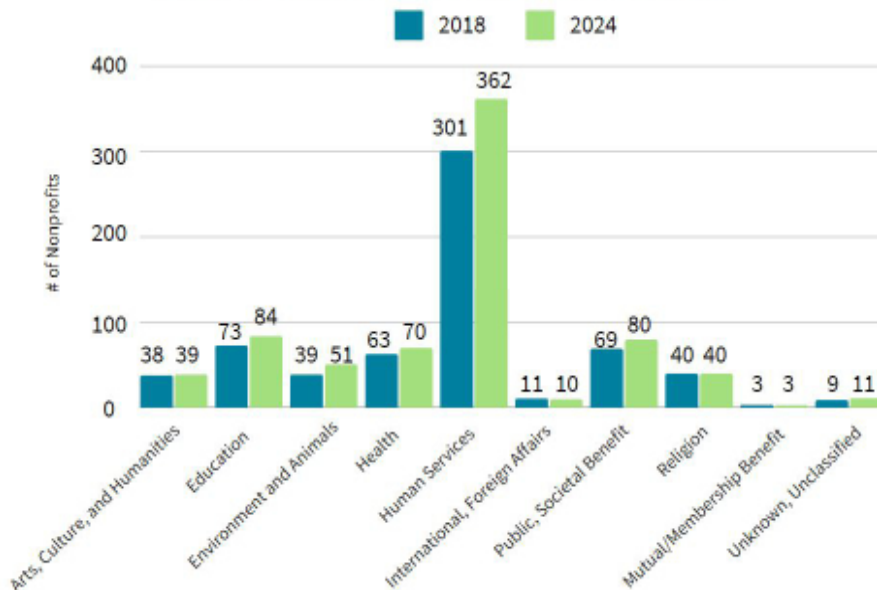
Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

Financially Active Nonprofits by Activity Area, Central 2018 vs. 2024



The graph above shows the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes St. Cloud to better understand the numbers without the major city in the Central region. Both graphs show a consistent pattern of growth across all activity areas over the past six years. When nonprofits based in Moorhead are excluded from the analysis, the distribution of financially active nonprofit organizations by activity area roughly parallels the total regional picture. Approximately 14% of nonprofits in this region are based in St. Cloud, reflecting a robust sector serving rural communities throughout.

Financially Active Nonprofits by Activity Area, Central (Excluding St. Cloud), 2018 vs. 2024





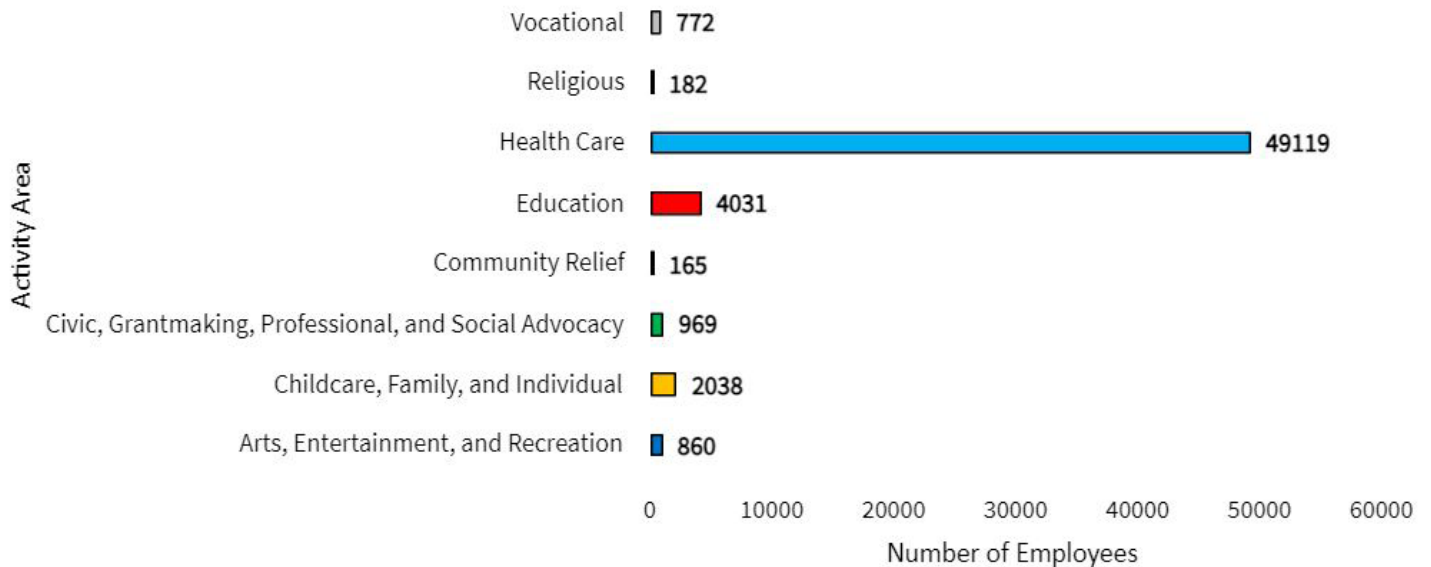
SOUTHEAST REGION

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



The Southeast employs 21.8 percent of Minnesota’s health care workers. Without health care, the highest activity area is education. Nonprofits in the Southeast Region generated \$29.7 billion in economic activity in 2023.

Southeast Nonprofit Employees by Activity Area (2023)



Nonprofit: 68.9% Female

Government: 60.0% Female

For-Profit: 43.6% Female

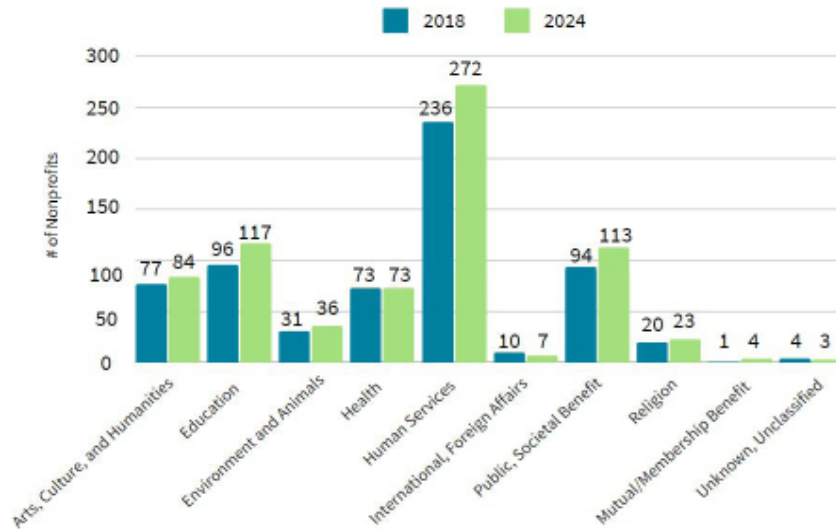
Total Workforce: 52.2% Female



SOUTHEAST REGION

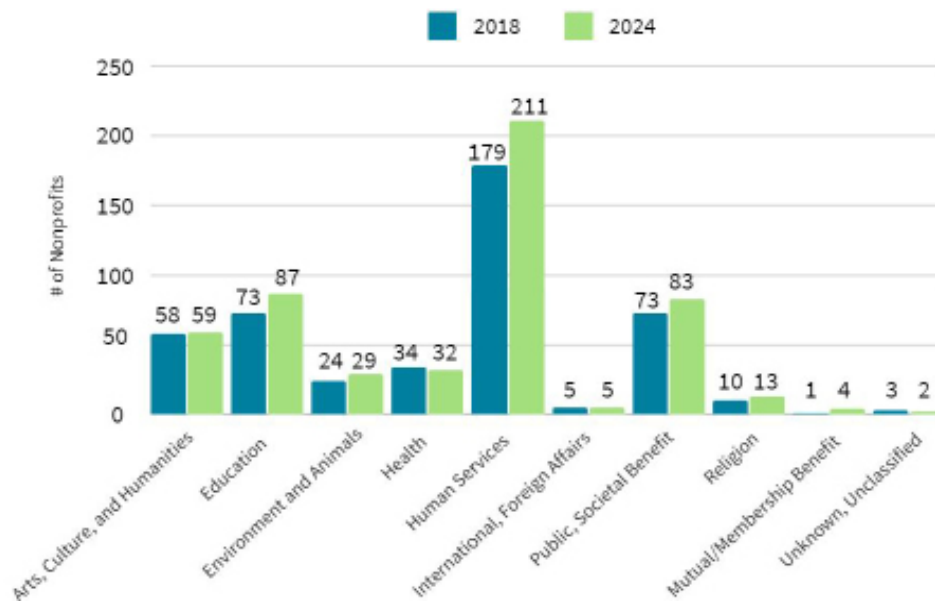
Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

**Financially Active Nonprofits by Activity Area, Southeast
2018 vs. 2024**



The graphs above and below show the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes Rochester to better understand the numbers without the major city in the Southeast region. Both graphs show a consistent pattern of growth across all activity areas over the past 6 years. When nonprofits based in Rochester are excluded from the analysis, the distribution of financially active nonprofit organizations by activity area roughly parallels the total regional picture. Approximately 28% of nonprofits in this region are based in Rochester, reflecting a robust sector serving rural communities throughout.

**Financially Active Nonprofits by Activity Area, Southeast
(Excluding Rochester) 2018 vs. 2024**





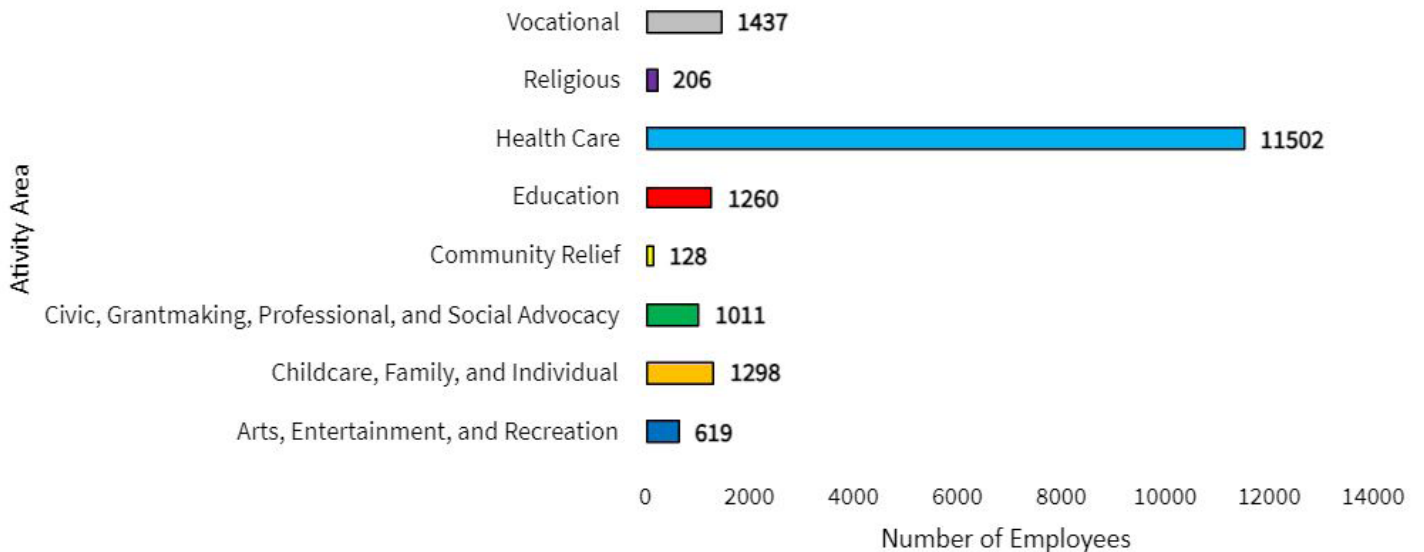
SOUTHWEST REGION

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



The Southwest employs fewer educational workers than other sectors, and instead has a larger sector of vocational work. Nonprofits in the Southwest Region generated \$1.9 billion in economic activity in 2023.

Southwest Nonprofit Employees by Activity Area (2023)



Nonprofit: 79% Female

Government: 62% Female

For-Profit: 45% Female

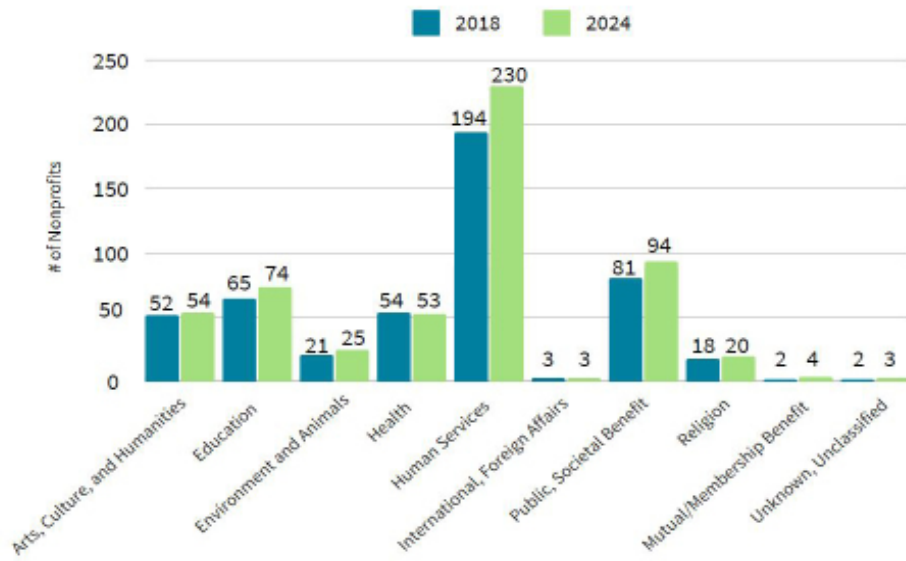
Total Workforce: 51% Female



SOUTHWEST REGION

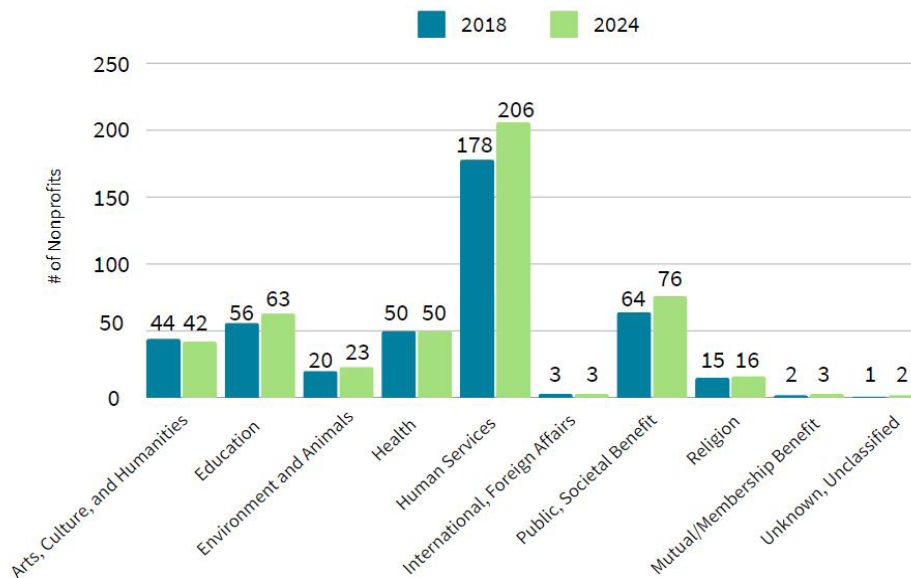
Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Fairbault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan, Yellow Medicine

**Financially Active Nonprofits by Activity Area, Southwest
2018 vs. 2024**



The graphs above and below show the comparison between financially active nonprofits in 2018 and 2024. The graph below excludes Mankato to better understand the numbers without the major city in the Southwest region. Both graphs show a consistent pattern of growth across all activity areas over the past 6 years. When nonprofits based in Mankato are excluded from the analysis, the distribution of financially active nonprofit organizations by activity area roughly parallels the total regional picture. Approximately 14% of nonprofits in this region are based in Mankato, reflecting a robust sector serving rural communities throughout.

**Financially Active Nonprofits by Activity Area, Southwest
(Excluding Mankato) 2018 vs. 2024**





APPENDIX A: North American Industry Classification System (NAICS)

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

Ambulatory Health Care Services (NAICS 621) – Provide health care services to ambulatory patients, and include physicians’ offices, mental health practitioners, dentists, optometrists, physical, occupational and speech therapists, family planning centers, outpatient mental health and substance abuse centers, medical and diagnostic laboratories and home health care services.

Arts, Entertainment & Recreation (NAICS 71) – Establishments that are involved in producing, promoting or participating in live performances, events or exhibits intended for public viewing; establishments that preserve and exhibit objects and sites of historical, cultural or educational interest; and establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby and leisure-time interests.

Child Day Care Services (NAICS 6244) – Establishments primarily engaged in providing day care of infants or children.

Civic & Social Organizations (NAICS 8134) – Establishments engaged in promoting the civic and social interests of their members, including alumni associations, ethnic associations, scouting organizations, student clubs and social senior citizens’ associations.

Community Food, Housing, Emergency & Other Relief Services (NAICS 6242) – Community food service establishments primarily collect and deliver food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for low-income people, volunteer construction of low-cost housing, or repair of homes for elderly or disabled homeowners. Emergency and other relief service establishments primarily provide food, shelter, clothing, medical relief, resettlement and counseling to victims of domestic or international disasters or conflicts.

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

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

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

Individual & Family Services (NAICS 6241) – Establishments primarily engaged in providing nonresidential social assistance services for children and youth, such as adoption and fostercare, 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.

Simplified categories used in this report include:

Health Care: NAICS 621, 622, and 623

Arts, Entertainment, Recreation: NAICS 71

Community Relief: NAICS 6242

Education: NAICS 611

Vocational: NAICS 6243

Religious: NAICS 8131

Individual, Family, and Childcare: NAICS 6241 and 6244

Social Advocacy, Grantmaking, Civic, Professional: NAICS 8132, 8133, and 8134



APPENDIX A: North American Industry Classification System (NAICS)

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) began using 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 was developed by the National Center for Charitable Statistics and 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

Health - E, F, G, H

E - 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 2021/2022 in this report may differ slightly from what was reported in the 2021/2022 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. For the first time in an MNER report, the QCEW is used to analyze demographic data. The gendered data is limited; many survey respondents instead have annual salaries that must be converted to some measure of hourly wage for the data, and there are limited sample sizes of male and female workers. Additionally, regional workers are counted by employer location, so workers who are employed by statewide employers are not counted in regional breakdowns.

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 2022 with Unemployment Insurance (UI) Wage Records for the same quarter. UI records contain individual level employment and wage data on all employees and employers covered under the UI program. Merging these data sets enables DEED to determine an individual employee's wages as paid by a unique employer during that quarter. In order to be included in the analysis, each employee needed to have earnings in the 3rd and the following 1st quarter with the same employer as in the 4th quarter. This report uses the data to examine median annual wages, or the mid-point in the range of wages, by region for employees in selected industries.

Changes to the Dataset Between 2017 and 2018

Between 2017 and 2018, the Minnesota Department of Employment and Economic Development (DEED) altered the method used to collect data on the number of nonprofit organizations that report having at least one employee. Before 2018, DEED only collected data from self-reported employers in the state. In 2018, DEED started collecting data from all nonprofits that have unemployment insurance reimbursable status. DEED has found that this number is likely much closer to the actual number of nonprofit organizations in the state because 1) this method is more consistent with Bureau of Labor Statistics (BLS) methods and 2) it is a stronger reflection of the nonprofit status of a business. Because the new indicator DEED uses to collect data on the number of nonprofits includes all organizations that failed to self-report in years prior, the 2018 dataset includes a much larger number of nonprofit organizations with a small number of employees. Therefore, the change in the dataset has had a substantial effect on the number of reported nonprofit employment locations since 2018, but less of an effect on the number of nonprofit employees.

Changes to the Dataset between the 2022-2023 Report and 2024 Report

Between the 2022-2023 Minnesota Economy Report and this present report, DEED improved their methodology for collecting and filtering data following changes to the QCEW data collection and processing made in 2021. DEED's refinement in methodology resulted in 4 percent of employees and establishments who had previously been identified as nonprofits being re-coded as government or for-profit, which explains variances between the numbers reported in MCN's 2022-2023 report and the present report.



APPENDIX B: Data Sources

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 10,072 organizations filing from an address located in Minnesota. Only nonprofits that reported an income were included in the dataset.

Inactive and/or Dissolved Data

Data on inactive nonprofits was obtained from the Minnesota Secretary of State's Office. In the absence of a specific expiration date, the "renewal due date" was used as a proxy for inactive nonprofit organizations' date of inactivity. The vast majority of nonprofits (99 percent) did not have a listed expiration date and so the proxy was used. Organizations become inactive if they fail to file their annual reporting requirements with the Secretary of State's Office. A limitation of the data is that it does not indicate whether the groups have since been reinstated. Data on nonprofit organizations who have dissolved was obtained from the Minnesota Attorney General's Office.



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