Asian Pacific Islander Nonprofit Economy Report

A Minnesota Study 2006

A summary of the size, scope and impact of nonprofit organizations in Minnesota that serve and are run by members of the Asian Pacific Islander community.
Introduction

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Minnesota’s Asian population nearly doubled and grew faster than the U.S. Asian population from 1990 to 2000, according to U.S. Census 2000 and Minnesota Planning State Demographic Center data (Gail Carlson, Asians in Minnesota, 2000, Minnesota Planning State Demographic Center, March 2002, OSD-02-94). Southeast Asians are currently the largest Asian population group in Minnesota, increasing during 1990-2000 with rapid growth in the Hmong population. Other Asian population groups, such as the Vietnamese, Asian Indians, and Chinese except Taiwanese, also grew substantially during the decade between the two most recent censuses.

Actual population growth data from U.S. Census 2000 varies due to changes in the way race was reported during the last census. As a result, the 2000 data for each race population group is reported as a range, rather than as a specific number. Minnesota’s Asian population was 76,952 in 1990 and ranged between 139,032 and 166,217 in 2000, depending on how individuals chose to report themselves — as a member of a single Asian population group, more than one Asian group, or in combination, either with other races or with one or more other races and one or more other Asian groups.

As the Asian population grew, so did the number of Asian Pacific Islander (API) nonprofit organizations, many of them organized to provide key services to refugees and immigrants and to maintain cultural traditions and language. Amidst such growth, due to a lack of research information, little is known about API nonprofits such as the number of organizations, missions, staffing, financing, programs and services provided, etc.

For this reason, the Minnesota Council of Nonprofits (MCN), in partnership with the Asian Americans/Pacific Islanders in Philanthropy Minnesota Chapter (AAPIP-MN), decided in 2004 to identify and survey API nonprofits. This report, the first of its kind, summarizes the results of this research based on data gathered via an online survey, interviews with executive directors or board presidents, and the analysis of financial data publicly available in Internal Revenue Service (IRS) Forms 990 and 990EZ.
Executive Summary

The Asian Pacific Islander Nonprofit Economy Report provides an overview of nonprofit organizations led by and serving Minnesota’s Asian Pacific Islander (API) communities. The report highlights the number, size, geographic area served, types of services, and funding sources of API nonprofits. In addition, the report summarizes financial data and trends for API nonprofits in Minnesota since 2000.

Overall, this report suggests that more can be done to better understand the contributions made by API nonprofits within API communities and the community-at-large, and to address their concerns in managing and strengthening their organizations to serve APIs, especially their financial situations. As a result of the report findings, the Minnesota Council of Nonprofits (MCN) and Asian Americans/Pacific Islanders in Philanthropy Minnesota Chapter (AAPIP-MN) are making 13 recommendations in three areas: board and executive leadership, relationships among organizations, and philanthropy.

Principal findings

- Research finds that 75 API nonprofits either exceed the $25,000 in annual revenues (the threshold requiring them to report their financial information to the Internal Revenue Service and the Minnesota Attorney General’s Office) or report their financial information voluntarily. Twenty-two of these API nonprofits responded to the MCN online survey during January – June of 2004. Twenty-one of those respondents also multi-year financial data publicly available.
- Most API nonprofits (94 percent) are tax-exempt organizations. The length of time they have been in operation ranges from a minimum of less than a year to a maximum of 33 years. The average number of years in operation is currently 11.6 years.
- The majority of API nonprofits operate in the Twin Cities Metro area, where the largest API communities are established, especially recent immigrants. Many organizations involve or serve several different API ethnic groups as well as serving non-API persons.
- Most API nonprofits reported offering programs and services during 2004. The number of persons served ranged from a high of 55,000 to a low of five—higher numbers reported by arts and culture organizations that offer performances and other cultural events. Organizations providing human services, education, and similar programs were generally in the range of 300 to 4,000 served in 2004.
- API nonprofits play an important role in serving API communities, including high percentages of low income individuals (77 percent) and/or recent immigrants (17 percent).
- API nonprofits, particularly those providing human services, education, and similar programs, obtain their revenues primarily from grants, government contracts, and other charitable contributions. As a result, their finances are vulnerable to volatility in foundation funding and government spending, especially since the 2000 economic recession.
- API nonprofits reported employing an average of 8.4 full-time staff and 7.6 part-time staff. An average of 61.4 volunteers are utilized.
- API nonprofits are largely governed by the leadership of Asian Pacific Islanders on the boards of directors.

API Nonprofit Economy at a Glance

- Number of financially active Minnesota API Nonprofits: 75
- Oldest API organization: Japan American Society of Minnesota incorporated in 1972
- Average revenues of API organizations (FY2004): $355,714
- Average expenses of API organizations (FY2004): $329,015
- Average years in operation: 11.6 years
- Number of languages used in services provided by API nonprofits: 14 languages including American Sign Language, Burmese, Cambodian, Chinese, English, Filipinio Dialects, Hmong, Indonesian, Japanese, Korean, Laotian, Khmer, Thai, and Vietnamese

Teens participate in programs at the Center for Hmong Arts and Talent.
Executive Summary

Recommendations

Board and Executive Leadership

1. Many API nonprofits represent more than one Asian ethnic group and some are working cross-culturally with non-Asian immigrant groups. Nonprofit and philanthropic partners can better understand and appreciate that API nonprofits are operating in a changing landscape and identify appropriate ways to support API nonprofits and boards in navigating change.

2. API nonprofits identified a need to monitor and document external factors in order to inform program design and delivery as well as inform funders of their organization’s work and needs. In addition, API nonprofits need to seek ways to more effectively communicate the types of programs and services available to the community.

3. Nonprofit support organizations, such as MCN, can sponsor workshops and dialogues to work specifically with API nonprofits in identifying issues and needs on building a healthy organization, for example identifying best practices in governance balanced with cultural expectations.

4. Almost all of the participating API nonprofits in this report are located in and serving the metropolitan area. Mapping where API nonprofits are located and providing services in relation to where their constituencies live can benefit the API nonprofit sector as whole. This will help determine if API nonprofits are serving the broader API community and identify changing community needs. Although most API nonprofits are located in the Metro area, some serve in Greater Minnesota. Therefore, it is important to consider the most effective ways to meet the needs of APIs in Greater Minnesota. This links directly to the organizational capacity of many API nonprofits.

5. API nonprofits report an understanding and appreciation of the need for attention to public policy and advocacy but are focused on direct services as their primary function. Responding organizations confirmed that this is because much of their funding is tied to direct service. This limits the availability of staff to work on public policy efforts. API nonprofits should explore which philanthropies fund public policy efforts and increase their dialogue and networking with public policy funders.

6. Executive directors of API nonprofits tend to be in their first executive director role with an average tenure of 5.6 years. Many API executive directors need increased support for formal training and leadership development that would benefit their skills as effective nonprofit and community leaders. MCN and other nonprofit support organizations should increase their communication to API nonprofits of available training programs.

7. In a changing economy, it is necessary for API nonprofits to aim for increased diversification in revenue streams and consider cash flow management. Increased involvement by the board that reviews financial information and makes key decisions plays a key role in this process.

8. Similar to the nonprofit sector as a whole, many API nonprofits implement evaluations of their programs on an informal basis. API nonprofits need to use their outcomes from program evaluations to help inform policies affecting their constituents. Such information can also be shared with clients, constituents, policy makers, funders, board members and other key stakeholders.

Relationships Among Organizations

9. API nonprofits serve as an important vehicle to build relationships among community leaders and the mainstream community. Philanthropic entities, affiliates and MCN and other nonprofit support organizations can identify ways to convene meetings and partner with API leaders to foster and strengthen relationships and exchange information concerning issues of API communities in Minnesota.

Philanthropy

10. As changing external factors continuously affect API nonprofits, philanthropic entities should consider increasing funds to support building the capacity of API nonprofits.

11. The philanthropic sector needs to increase their awareness of API cultural practices and expectations of nonprofit development and capacity building. They should assist API nonprofits to become aware of capacity building funds and programs that are available.

12. Foundations that fund public policy work can help support API nonprofits on increasing their efforts in addressing public policy issues.

13. Funders can increase communication on the application and decision-making processes. It is important for API nonprofits to continue building relationships with funders and their individual grantmaking areas and priorities. API nonprofits need to understand that funding decisions do not rest solely on the written proposal.
Survey Results

Mission Statements

The first question on the survey asked respondents to provide their nonprofit organization’s mission statement. All 35 respondents did so. Although nearly all of the organizations are engaged in more than one type of program or service activity, the analysis of mission statements revealed that 31 percent of API nonprofits appear to be engaged primarily in offering human services, 26 percent are primarily involved in preserving ethnic arts and culture, 20 percent are largely involved in community building activities, 17 percent mostly in education, and the remaining 6 percent provide legal/advocacy assistance.

(Additional information on programs and services offered and the percent of budgets devoted to them is on page 4)

Organizational Structures

According to the survey data, 33 of the 35 API nonprofits (94 percent) are tax-exempt and incorporated as a 501(c)(3) status nonprofit organization. Of the 35 respondents, 3 organizations (8 percent) operate through a fiscal sponsor. Two of the organizations (6 percent) are affiliates or chapters of national nonprofits serving specifically APIs in the United States, and eight use other definitions, such as income in relation to poverty guidelines, Family Investment Program (MFIP—state poverty program) standards, and various other definitions.

Information on the year API nonprofits received their nonprofit status from the IRS and what year they began operations was not drawn from the report survey. Rather it was collected from the Minnesota Secretary of State’s business database at www.sos.state.mn.us. 32 of the 35 survey respondents had information available on the State’s database. The longest established API nonprofit in Minnesota, Japan American Society of Minnesota, has been in operation 33 years, while the newest established organization has existed for less than one year. The average number of years in operation as a nonprofit for the 32 organizations is 11.6 years. In general, API nonprofits serving predominantly Southeast Asian communities have existed for fewer years than API nonprofits serving other API ethnic groups who have longer established communities in Minnesota. The data shows Southeast Asian serving API nonprofits have increased in number more so than other API nonprofits.

Geographic Areas Served

API nonprofits were asked to identify all of the geographic areas that they provide services. The respondents could choose more than one answer. Many organizations provide services in more than one of the geographic areas. Of the 35 survey respondents, 12 organizations serve in Hennepin County; 11 serve in Ramsey County; 16 serve in the seven-country Twin Cities Metro area; 11 serve Greater Minnesota (outside the metro area); six serve nationwide, and six are international in their scope of operations.

Asian Pacific Islander Ethnic Groups Served

Many API nonprofits involve or serve many different API ethnic groups. Some also serve non-API persons as well. One organization responding to the survey reported serving people representing 23 different API ethnic groups, another indicated 22, and another 19. The range was from a maximum of 23 different API ethnic groups served or involved to a minimum of one. Fifty-seven percent of organizations reported serving or involving Hmong, 46 percent are serving Vietnamese, 43 percent are serving Laotians, 34 percent are serving Cambodians and 34 percent are serving Chinese.

Programs and Services Offered

The survey shows 30 of the 35 (86 percent) API nonprofits offered programs and services during 2004. The remaining five API nonprofits respondents did not offer programs and services in 2004, of which two were start-up organizations that plan to provide programs and services in the future, two did not offer programs or services and one did not respond to this question.

The number of persons participating in programs and services offered by the respondent organizations in 2004 ranged from a high of 55,000 to a low of five. Some of the higher numbers of persons served, however, were reported by arts and culture organizations that offered performances and other cultural events. Organizations providing human services, education, and similar programs were generally in the range of 300 to 4,000 served in 2004. Overall, the average number of persons served with programs and services was 3,881, but this figure is skewed because of the high numbers reported by a few arts and culture organizations.

As might be expected, API nonprofits serve a high proportion of API persons. Thirteen organizations reported 100 percent of the people served are API persons. The average percentage of API persons served by the 28 nonprofits who answered this question was 87 percent. Twenty-four organizations reported serving API children and youth, age 18 and under, with the percentage of total number of persons served ranging from 2 percent to 100 percent of all persons served. The average percentage was nearly 48 percent of all persons served.

API nonprofits were also asked how they define “low-income.” Seventeen organizations responded with seven indicating they follow federal guidelines, one uses state guidelines, one uses Minnesota Family Investment Program (MFIP—state poverty program) standards, and eight use other definitions, such as income in relation to poverty levels, children receiving free school lunches, etc. Two organizations with international programs defined low income according to income levels in the countries where they are offering programs and services.
**Survey Results**

Of the 21 nonprofit respondents, an average of 77 percent of all people served are low-income. Twenty-two of the 30 organizations also reported serving immigrants and refugees – ranging from 10 to 100 percent of all persons served with the average more than 62 percent. Fifteen nonprofits reported serving newly arrived immigrants – persons in the U.S. less than 12 months. The highest percentage of immigrants served in the 22 API nonprofits was 55 percent and an average of 16.5 percent.

**Types of Programs and Services Offered and Percentages of Budgets Devoted to Them**

API nonprofits were asked to indicate the kinds of programs and services they offer and the percentages of their annual budgets devoted to each. A number of organizations did not provide this information, especially the budget percentages. Six organizations reported having a budget for specific programs and services.

Twenty-five of the 35 organizations reported offering educational programs but only 15 shared the percentage of their budget devoted to this type of program. No organization devoted 100 percent of their effort solely to education. The average percentage of budget for education is 41.0 percent.

Seventeen of the 35 survey respondent organizations reported they provide arts and culture programs but only 11 provided budget percentages. Three of the organizations devoted 100 percent of their budgets to arts and culture. The average percentage of budget for arts and culture activities for the 11 organizations reporting this type of activity was 57.3 percent.

Similarly, 16 of the 35 organizations engage in community building activities but only seven reported the percentage of their overall budgets devoted to this type of activity. One organization devotes 100 percent of its budget to community building. The average for the seven organizations engaging in community building is 41.4 percent of their total budget.

Fifteen organizations reported providing health care or health prevention programs and activities but only eight of them reported percentages of their annual budget for this purpose. None reported devoting their entire budget for health care or health prevention. The average proportion of annual budget spent for these programs and activities was 23.2 percent.

Thirteen organizations reported they provide human services but only seven indicated what percentage of their annual budget is devoted to these activities. No one reported human services as their sole activity. The average percentage of annual budget devoted to human services is 29.7 percent.

Eight organizations reported providing legal services and advocacy activities. Three provided budget details and none devoted all of their effort to this kind of services. The average percentage of budget for legal services/advocacy for the three organizations is 16.7 percent.

Eight organizations provide recreational programs and activities. One organization devotes 100 percent of its budget for this purpose. The five organizations providing budget details averaged 36.0 percent spent for recreational activities.

“Nyob Zoo Xyoo Tshab!” Each year the Hmong New Year Celebration at the RiverCentre draws thousands of Hmong from around the world.
Survey Results

Only one organization indicated they are involved in environmental activities however no budget information was provided.

Nine organizations reported they provided other programs and activities not included in the eight categories provided in the survey. Examples of activities in the “other” category included literacy, elder caregiver, school navigation, gambling prevention, collecting and preserving cultural artifacts and information, elder story telling workshops, support groups, research and policy, and sponsoring Asian American events. One reported spending 100 percent of its annual budget for other programs and activities. The six organizations providing budget details averaged 23.5 percent for other programs and activities.

Languages Other than English Spoken Within Organizations

API nonprofit organizations responding to the survey reported a total of 21 different languages or dialects (e.g., dialects of Filipino and Green and White Hmong) spoken within their organizations. As many as seven different languages or dialects other than English are being spoken within a single organization, for a maximum of seven. The most commonly spoken language was Hmong as reported by 15 organizations. The second most commonly spoken language is Laotian – reported by 12 organizations. Six organizations reported Chinese, Thai, or Vietnamese being spoken within their organizations. Other languages spoken although less frequently included American Sign Language, Burmese (Karen), Cambodian, Danish, Ethiopian, Filipino dialects (Pampangan, Tagalog, Visayan), French, German, Indonesian, Japanese, Korean, Khmer, Norwegian, Oromo, Somali, and Spanish.

Languages Used in Program and Service Delivery

Twenty-seven organizations provided information on the languages spoken when offering their organization’s services. Languages most spoken included Hmong and Laotian (11 responses each), followed by Vietnamese (six responses), and English and Filipino/Filipino dialects (five responses each). Six organizations listed four different languages spoken, two listed three languages, and seven listed two languages. Twenty-four organizations responded to the question about written languages used in offering their organization’s services. Languages most frequently written included Hmong (13 responses), Laotian (seven responses), and Vietnamese (six responses). Three organizations each reported providing written information in Chinese, Filipino and Filipino dialects, and Thai. One organization indicated using seven different languages in its written materials (Cambodian, Chinese, Hmong, Indonesian, Korean, Laotian, and Vietnamese). Another organization prepares information in five different languages, and three organizations indicated using four different written languages in service delivery. The remaining 19 organizations are offering written information in one, two, or three different API languages.

Collaboration and Referral

Survey respondents were asked to list up to five other nonprofits or organizations that they partnered with in 2004. Of the 27 responding, three nonprofits listed more than five collaborators, one listed eight and two others listed seven different organizations. Fifteen organizations listed five partners, five listed four, four listed three and two listed one. Examination of those listed indicates a network among API organizations, as well as linkages with non-API nonprofits.

One survey respondent nonprofit answered the question about organizational referrals in 2004 and indicated six different agencies and organizations to whom they refer clients.

Staffing and Board and Other Volunteers

Nineteen API nonprofits answered the question about number of full-time paid staff (working 35 or more hours per week). The range in the number of full-time paid staff was from one to 47. The three largest organizations (Hmong American Partnership, Lao Family Community of Minnesota, and Vietnamese Social Services of Minnesota) reported currently having 47, 23, and 20 persons working 35 or more hours a week, respectively. The average number of full-time staff in the organizations reporting is 8.4 persons.

Twenty organizations reported current numbers of part-time staff-persons working 34 or fewer hours per week – ranging from one person to 25 persons. The three largest numbers of part-time staff reported
Survey Results

were 25, 22, and 20, respectively. The average number of part-time staff in the 20 organizations reporting was 7.6 persons.

Thirty-four organizations responded to the question regarding their board of directors. The number of board members ranged from four to 25 persons. The average size board was 9.3 members. In addition to one organization with 25 board members, two others had 15-member boards, and four had 12-member boards. Five organizations reported having 11 members on their boards and two had 10 members.

Members of API nonprofit boards are largely API individuals. Of the 31 responding organizations, only two did not have any API persons on their board. Seven organizations report only API board members. API persons were in the majority on the boards of 29 organizations. The average in terms of API persons versus all board members is nearly 64 percent.

Twenty-nine organizations answered the question about the number of times their board met in 2004. The range in the number of meetings was from zero to 30 times. Another board had met 24 times during 2004 and six boards had met 12 times. On average the organizations reported 8.6 board meetings during 2004.

Twenty-nine nonprofits answered the question about the number of volunteers, other than board members, giving unpaid time to their organizations during 2004. The range in the number of volunteers was from zero to 300. The second largest number of volunteers reported by one organization was 150. Another organization reported 128 volunteers in 2004 and six reported 100 volunteers. The 27 organizations reporting utilizing volunteers involved 61.4 on average.

Finances

Twenty-nine of the 35 API nonprofits responding to the survey provided some current financial information in response to questions about total organizational budgets and total organizational expenses for fiscal years 2003 and 2004 and estimates for fiscal year 2005. In addition to the information provided, publicly available financial information (Internal Revenue Service Information Return Forms 990/990EZ) was reviewed. Data is available for 22 of the 35 responding organizations that responded to the survey for fiscal year 2004. Data for multiple years is available for 21 of the organizations. Additional discussion of the financial situation for 43 API nonprofits in Minnesota with publicly available financial information is on page 10 of this report.

Twenty-five of the 35 API nonprofits operate on a January – December fiscal year. Eight operate on a July – June fiscal year. One operates on a September – August fiscal year and one indicated that they have no budget at present.

Executive Leadership

Twenty-seven API nonprofit respondents were executive directors (EDs) of their organizations. Twenty-six EDs identified themselves as Asian Pacific Islanders. Twenty-one EDs reported their current position as their first ED position. Twenty-two answered the question about the number of years as ED of their current organization. Only four of them had been the ED of their current organization for ten or more years. One said they had been in their current ED position 18 years, one indicated 15 years in the current position, one 13 years, and another 10 years. The average tenure in their current ED position was 5.6 years with 18 EDs having less than 10 years of experience, many of them less than 5 years of experience. Twenty-four EDs reported their total years of experience as EDs – the average was 5.6 years.

EDs were also asked (1) what they regard as their biggest challenge, (2) what they regard as their greatest strength, and (3) what would most help them to be more effective as an ED? Twenty-five EDs answered the challenge question. Seventeen of them indicated finance was their biggest challenge, primarily fundraising and grantwriting. Other issues mentioned included collaboration with other organizations, motivating board members and time management, especially for all volunteer operated organizations.

Answers to the second question about greatest strength varied. Twenty-five EDs responded with most of them indicating more than one strength. Many cited personal skills such as organizing, motivating staff and volunteers, networking, communicating, team building, community organizing and fundraising. Others mentioned personal values, such as commitment to their organization’s mission and/or vision and having a passion for their work. And others mentioned educational background or putting their professional knowledge into practice in a culturally specific way, having first-hand knowledge of the refugee/immigrant experience, and having a variety of previous experiences with other nonprofit organizations and nonprofit boards.

Answers to the third question on what would help EDs be more effective in their role were also varied but the most common single response, from 11 of the 23 EDs, was fundraising. One ED asked for a dialogue between funders and EDs. Others also wanted help with financial planning and grant proposal writing. Other individual responses indicated a need for board/staff training, legal issues for nonprofits, and more training for EDs.
Executive Director Interviews

Executive directors, board presidents or chairs of organization with no paid staff were invited to participate in a follow-up interview. Twenty-seven said they were willing to be interviewed. Interviews could not be scheduled with six organizations. Twenty-one interviews were conducted. Sixteen of the interviews were with executive directors (paid staff); the other five interviews were with board presidents or chairs of organizations without paid staff. The interview information is organized by the major categories of questions asked.

Current Situation

The first category of interview questions solicited the respondents' opinions of the current situation in the API nonprofit community in two areas. First, the most important issues for API nonprofits in Minnesota. Second, identifying unmet API community needs and gaps in programs and services.

Responses to the first question on issues facing API nonprofits largely dealt with funding. Even the larger organizations (in terms of annual budget and number of paid staff) cited ever-tightening budgets as a major issue.

Some Typical Answers About Their Organization’s Current Situation

- “Stuck between what foundations think is too small and too large.”
- “How to stay alive – money is tight. Needs are growing but resources are shrinking.”
- “Difficult to meet foundation guidelines, stay true to mission when chasing grants.”
- “Disparity between funding and needs.”
- “No funding – doing this work as a volunteer.”
- “Building up financial reserves – can’t depend on fees for services, income generation.”

Some other responses to the issues question included:

- “Educating the non-Asian community about Asian communities and cultures.”
- “Capacity building is needed – we can do better in terms of management practices, effectiveness, collaboration for benefit of community.”
- “Challenges for API nonprofits – skills and ability to manage according to mainstream standards – unwritten demand from foundations/corporations – ‘Do things my way’.”
- “Ongoing need for training for nonprofits to be up-to-date on legal, financial matters.”
- “Staffing – hard to get and retain staff, especially Asian Americans.”
- “Volunteer turnover.”
- “Keeping up with changing needs in the API community.”

Fundraising

Executive director, board presidents or chairs were asked additional questions about fundraising – the board’s role in this activity, progress made in their fundraising goal in their most recently completed fiscal year, types of funding sought, number of grant proposals submitted, number of grant proposals funded, total amount of grant and contract monies obtained, sources of grant and contract funding, procedure for follow-up on denied grant proposals, case statements typically used in grant proposals, whether evidence of program or service outcomes and impacts is used in proposals, and who in the organization is responsible for fundraising and grant seeking?

Twenty of the 21 API nonprofit executive directors, board presidents or chairs said their boards of directors were actively involved in various aspects of organizational fundraising. Roles varied, providing advice on possible funding sources, utilizing community connections, identifying specific sources, also serving on fundraising and/or capital campaign committees, and making personal contributions. Several organizations require board members to make personal annual financial contributions to the organization.

Many organizations reported having annual fundraising goals, generally aligned with their projected operating budgets for the next fiscal year. Fundraising goals ranged from $70,000 in the most recent fiscal year to a three-year capital campaign goal of $5.5 million. Annual operating expense goals ranged between $70,000 and $750,000.

In terms of the types of funding sought, 13 API nonprofits had sought general operating funds during their most recently completed fiscal year, 15 had sought program or project funding (including government contracts), five had sought capacity building funds, and eight had applied for capital funding. One organization was funded entirely by individual sponsors for educational scholarships.

The number of grant proposals submitted in the most recent fiscal year varied widely – from only one to over 100. Six organizations had submitted 10 or less; others reported submitting 15, 20 to 30, 30 – 35, 44, 50, 50 – 60 and 60 – 70 grant proposals per year.

The percentage or proportion of grant proposals funded also varied widely. One organization obtained 100 percent in renewals of existing sources while others reported successfully obtaining one grant out of 25 proposals submitted, another two out of 44, another two out of 50, another two out of five, and another two out of six. Other nonprofits reported their funding success in terms of percentages ranging from 10 to 15 percent success in getting grants out of proposals submitted (one out of 10 or 15) to 50 percent (one out of two).

Five nonprofits reported obtaining grant dollars in the most recent fiscal year in amounts ranging from $10,000 to $250,000. One reported funding 90 percent of their most recent annual budget with grant dollars.

Ten interviewees said they follow up on grant refusals but nearly all indicated they did not receive information that was useful in helping
Executive Director Interviews

them improve their success rate. In addition to tailoring grant proposals to foundation or corporate guidelines, executive directors, board presidents or chairs justified their organization’s appeal by citing the uniqueness of audience and/or program, effectiveness of delivery, and meeting specific immigrant needs. Thirteen respondents recognized the need to provide evidence of achieving program outcomes and impacts and client satisfaction, especially when applying for funding to continue existing programs and services. One interviewee also mentioned providing client testimonials.

Seventeen respondents answered a question about who in their organization was responsible for fundraising and grantwriting. Eight interviewees did the fundraising and grantwriting themselves, in five organizations this responsibility was assigned to a staff member, and four organizations hired an external consultant or contract grantwriter.

Staffing

Most of the API nonprofits, especially those delivering human services, need bi-lingual or multi-lingual staff to effectively serve clients. Most interviewees reported having bi-lingual or multi-lingual staff members. Arts and culture organizations are least likely to report having or needing bi-lingual or multi-lingual staff.

Most organizations reported recruiting relatively small numbers of new volunteers for service delivery – generally less than 10 annually. A few mentioned recruiting API college students but also cited the need to provide stipends to help them finance their education. The need for direct service volunteers in API nonprofits to be bi- or multi-lingual may limit the success of volunteer recruitment efforts.

Board Development

Nearly all of the interviewees said they proactively seek potential board members and other volunteers who are Asian and who represent the API communities they serve. Several report their organizational by-laws require an API majority on their boards of directors.

Important qualities that executive directors and board presidents/chairs look for in prospective board members are a strong passion for the organization’s mission, essential skills, e.g., financial, legal, business management, etc., and community connections leadership within API communities. Two executive directors mentioned using a “grid” or matrix in recruiting and selecting board members in order to obtain a cross-section of important skills and community connections.

Organizational Development

Executive directors, board presidents or chairs were asked if their nonprofit had a strategic plan or a fundraising plan. Eighteen interviewees said their organization has a current strategic plan and they and their board of directors use it to guide important organizational decisions. Three API nonprofits did not currently have a strategic plan.

Sixteen reported also having a fundraising plan to guide their efforts to obtain financial support. Five organizations do not currently have a formal fundraising plan.

Marketing/Public Relations

Interviewees were asked what their organizations do to market their programs and services to members of the API communities that they serve, as well as what kinds of public relations activities they carry out to inform the community at large. Although executive directors, board presidents, chairs reported a wide variety of marketing and public relations activities, only one organization has a formal marketing plan and only one has prepared a public relations plan.

Ten organizations prepare and distribute brochures about their programs and services to reach those needing their assistance. Nine organizations said they rely on their reputation and word of mouth in their respective communities as their primary means of marketing their programs and services. Nine organizations have Web sites and eight utilize networking and collaboration with other organizations in their respective API communities to make connections to prospective clients for their programs and services. Four organizations use direct mailings and direct mailings and four use e-mail for outreach. One organization holds an annual open house event.

In terms of recent public relations activities and efforts, 12 executive directors, board presidents or chairs prepare annual reports. Two nonprofits were also placing this information on their Web sites. Several said they also use annual reports as part of their grant seeking efforts. Ten organizations reported using the Asian and mainstream media – newspapers and radio – for publicity and eight publish newsletters. Eight organizations participate in community events, such as Asian festivals and community forums, and three also said they set up displays and exhibits at such events. Seven organizations hold annual meetings or other special events of their own. Four executive directors, board presidents or chairs also reported speaking about their organizations and organizational activities at public events.

A Hmong girl creates artwork with the Center for Hmong Arts and Talent.
Program or Service Evaluation

Because so many foundations and government agencies emphasize the importance of program and service evaluation, executive directors, board presidents or chairs were asked questions on this topic. Interviewees were asked if funders require them to evaluate their programs and services, if they have systems in place for keeping records on people served and outcomes, and whether they had recently evaluated program or services and customer satisfaction. EDs also were asked who carried out evaluation efforts, what were the results, how information was used, and whether they or their staff members had formal training in program evaluation methods.

Fourteen of the 21 interviewees said they are required to evaluate their programs and services by funding sources, especially government agencies. Nineteen nonprofits reported having systems in place to keep records on program participants and services provided and fifteen collect data on client (customer) satisfaction with their programs and services.

Fifteen interviewees reported their organizations had carried out one or more program evaluations during the most recent fiscal year. Evaluations were conducted by various individuals including executive directors (5), staff (7), consultants (7), and volunteers (1). Fifteen executive directors, board presidents or chairs reported using program evaluation and customer satisfaction information to improve operations, as well as using findings to strengthen proposals.

Although government agencies and foundations require nonprofits to evaluate programs and services, a sizable number of API nonprofit executive directors, board presidents or chairs have not been formally trained in program evaluation methods. Six reported having had some training but 10 had not been trained. A few reported that the government agency had provided training. One executive director said he received helpful information by searching the Internet.
Summary of Financial Records
(from reviews of IRS Information Return Form 990 and Form 990 EZ, available to the public)

Seventy-five organizations had publicly available financial data for the previous 5 years, from fiscal year 2000 – 2004, using financial data available at Guidestar (www.guidestar.org) and from the Minnesota’s Attorney General’s office charities database. Twenty-nine percent (22 of 75 financially active nonprofits) participated in the survey.

Overall, there was steady growth in the API nonprofit sector. From 2000 to 2004, the number of financially active API nonprofits grew from 45 nonprofits to 75 nonprofits. Also during that time, API nonprofits experienced steady growth in revenues and expenses. 2003 saw a substantial reduction in funding for many API nonprofits, as Minnesota state and county government budgets were cut, but the number of financial active nonprofits was steadily growing (63 nonprofits).

(Note: As of the writing of the report, financial data was not yet available for some organizations for 2004. We were not able to determine if these organizations were inactive or if there is a delay in reporting for fiscal year 2004.)

Multi-year financial data was available for 21 of the 22 API nonprofit survey respondents with financial data (IRS Form 990s or 990EZs) online at www.guidestar.org and/or in the Minnesota State Attorney General’s Office Charities Database.

Financial data generally available on nonprofit organizations includes (1) total revenues, (2) total expenses, (3) excess or deficit of total revenues versus total expenses, and (4) fund balances at the end of each fiscal year. In addition, IRS Form 990s and 990EZs also provide breakdowns of revenues and expenses.

Perhaps the most immediate observation when examining financial data for API nonprofits in Minnesota is the volatility in their financial situation from year to year. Very few organizations have experienced a steady increase in revenues and fund balances from fiscal year to fiscal year. Many nonprofits, especially those providing human services, education, and similar activities, exhibit wide swings in their finances. Without financial reserves (net assets/fund balances at the end of fiscal years), many would be in severe financial difficulty and some already are.

Whether API nonprofits have experienced more, the same, or less financial volatility in the past five or six years is beyond the scope of the research conducted for this report. What is evident is that they are, especially the organizations engaged primarily in providing human services, education, and the like, largely dependent on charitable contributions, grants, and government contracts as their major sources of revenue. Unlike mainstream organizations, API organizations report much less program service revenues and serve a low income constituency unlikely to afford substantial client fees. This situation, especially post-9/11 with the subsequent economic downturn and reductions in government social service programs, appears to be contributing to making it very difficult for them to maintain financial stability. This situation is reflected in the responses to the executive director interviews, citing financial concerns and the difficulty of fundraising, seeking grant dollars, and building up financial reserves is by far their major concern. This situation is particularly critical for the API nonprofits that primarily serve immigrants and low-income persons, including many that have arrived from Southeast Asia within the past 12 months.

Average Revenues and Expenses of API Nonprofits Over 5 Years

N = the number of nonprofits with financial data available in the given year.

[Graph showing average revenues and expenses over 5 years]

Asian Pacific Islander Nonprofit Economy Report
Methodology

The Asian Pacific Islander Nonprofit Economy Report research was conducted in three phases: (1) an online survey inviting all non-religious API nonprofits to participate; (2) collecting and analyzing recent financial records of API nonprofits in Minnesota; and (3) one-on-one interviews with executive directors, board presidents or chairs who agreed to a voluntary interview in the survey.

Phase 1: The Survey

In order to focus the research on API nonprofits in Minnesota, organizations were defined as API nonprofits if they met all or most of the following criteria: (1) their mission statement indicated they serve the API community as a whole or a specific API ethnic group; (2) they are API-governed – the majority of the board members are API persons; (3) they are API-led – the executive director or board president/chair is a member of an API community; (4) the constituency is primarily API; and (5) the staff is primarily API.

API nonprofit organizations in Minnesota that met most or all of these criteria were identified via searches of several databases: the Minnesota Council of Nonprofits’ database; the Minnesota Attorney General’s Charities Database; the Minnesota Secretary of State’s online corporate name database; the Guidestar online database; the University of Minnesota’s Center for Urban and Regional Affairs (CURA) “Communities of Color” database; and the Wilder Foundation’s “New American Collaborative” database.

From all of these sources an initial list of 349 API nonprofits in Minnesota was assembled. In order to focus on nonprofits that met the defined API criteria, religious groups and organizations such as churches were eliminated from the initial list. Subsequently, 291 API nonprofit organizations remained. This list of names and addresses was used to send the initial mailing about the survey. Many pieces from this mailing were returned, indicating organizations had moved and likely no longer exist.

The survey was primarily conducted online, although respondents were offered the option of completing the survey on paper (a copy of the survey was sent in the initial mailing) and either faxing or mailing it to MCN. An invitation letter indicating the survey was available online was sent to the list of API nonprofits about two weeks prior to the survey opening alerting them survey and the importance of their participation.

A substantial number of the survey packets mailed initially were returned due to incorrect addresses. When a forwarding address was provided or was learned via phone calls, the survey packet was re-mailed. However, no information could be found for many organizations that had been originally identified on the mailing list. A second mailing of the survey packet was sent to the purged list and a third mailing (a reminder card) was also mailed to non-respondents.

Members of AAPIN-MN contributed to the outreach efforts by attempting to contact non-respondents from the list of 75 API nonprofits with financial data available encouraging them to participate in the survey for the report.

Phase 2: Compilation and Analysis of Financial Data

In the meantime, an effort was made to identify API nonprofits that had received a minimum of $25,000 annually in contributions and therefore are required by federal law to file Internal Revenue Service (IRS) Form 990 or Form 990EZ and by Minnesota law to also file these forms with the Minnesota Attorney General’s office. This search was conducted in www.guidestar.org where IRS Form 990s or Form 990EZs are publicly available in PDF format and in the Minnesota Attorney General’s Charities Database that summarizes financial data annually for nonprofit organizations. This search resulted in a list of 75 API nonprofits in Minnesota that had financial information publicly available. Subtracting the 22 survey respondents left 43 non-respondent API nonprofits that have financial information that could be analyzed and compared with the organizations that did respond. The financial data was recorded in spreadsheets for analysis.

Phase 3: Interviews with API Nonprofit Organization Executive Directors or Board Presidents/Chairs

All 27 API nonprofit executive directors, board presidents or chairs that had indicated on the survey they were willing to be interviewed were contacted. One board president did not want to be interviewed, the contact information was incorrect for another organization, and interviews could not be scheduled with four nonprofits due to scheduling conflicts, so a total of 21 interviews were conducted.

The purpose of the interview was to gain additional detailed information on individual organizations collected via the survey. The set of questions posed to Executive Directors or board presidents consisted of (1) their perspectives on the current state of the API nonprofit sector in Minnesota, (2) staffing, (3) board development, (4) organizational development, (5) marketing/public relations, (6) fundraising, and (7) program or service evaluation.
Acknowledgements

Preparation of this report is made possible due to funding by the Minnesota Council of Nonprofits (MCN) in partnership with the Minnesota Chapter of Asian Americans/Pacific Islanders in Philanthropy (AAPIP-MN) and the voluntary cooperation of Asian Pacific Islander (API) nonprofit organizations, specifically the executive directors or board presidents who responded to the survey and agreed to be interviewed. Given the financial pressure many nonprofits operate under and valuable staff time, their contribution is highly appreciated.

The research committee of the API Nonprofit Economy Report who assisted the development of the report includes Claire Chang of The Saint Paul Foundation, Joan Fawcett of the St. Francis Foundation, Kayva Yang, Consultant, Jon Pratt, Executive Director of the Minnesota Council of Nonprofits, and Bao Yang, Leadership Program Coordinator of the Minnesota Council of Nonprofits.

MCN and AAPIP-MN are also grateful to Marilyn Grantham, Research Fellow, for undertaking the research effort, gathering and summarizing survey and financial data, and writing the final report. Marilyn is a doctoral student in Evaluation Studies, Department of Educational Policy and Administration, College of Education and Human Development, University of Minnesota.

Directory

Financially active API nonprofits in Minnesota

ACTS of St. Paul
1010 University Ave Ste 226
St. Paul, MN 55104
Executive Director: Krystal Vujongyia
651-645-1331

Aid to Southeast Asia, Inc.
1316 Fourth St. SE
Minneapolis, MN 55414
President: Steven A. Sherlock
612-378-9491

Asian Media Access, Inc.
3028 Oregon Ave. S.
St. Louis Park, MN 55426
Director: Ange Hwang
612-376-7715

Asian Pacific Cultural Center
1101 North Snelling Ave.
St. Paul, MN 55108
Director: Ly Vang
612-724-3066

Asian Pacific Tobacco-Free Coalition of Minnesota, Inc.
417 University Ave.
St. Paul, MN 55103
Director: Ngia Huyh
651-224-6570

Asian Women United of Minnesota
1954 University Ave. W., Ste. 4
St. Paul, MN 55104-3460
Director: Pamela Yang
651-646-2118

Association for the Advancement of Hmong Women in Minnesota
4403 E. Lake St.
Minneapolis, MN 55406-2339
Beginning in March 2006 this organization’s address will be:
1101 North Snelling Ave.
St. Paul, MN 55108
Director: Ly Yang
612-724-3066

Center for Asians & Pacific Islanders
3702 E. Lake St., #200
Minneapolis, MN 55406
Director: Vea Phan Nelson
612-721-0122

Center for Chinese Cultures
255 Roselawn Ave., Ste. 51
Maplewood, MN 55117
Director: Lousa Li
651-487-5905

Central Minnesota Korean American Cultural Society
219 St. Charles Ave.
St. Charles, MN 55972-1017
Treasurer: Barbara Ames
507-922-5811

China Services Ventures
2303 Doswell Ave.
St. Paul, MN 55108
President: Paul E. Ostosdal
651-645-5974

Chinese American Association of Minnesota
PO. Box 582584
Minneapolis, MN 55448
Director: Pei Shan
612-582-4454

Cultural Society of Filipino Americans
PO. Box 2773
St. Paul, MN 55102
Treasurer: Anthony Winick
952-894-5552

Friends of China
14833 57th St. N.
Stillwater, MN 55082
President: Loren Steele
651-430-2391

Hmong American Family, Inc.
27 Empire Dr., Ste. 208
St. Paul, MN 55101
Director: Kau Xiong
651-815-7499

Hmong American Institute for Learning (HAIL)
593 N Croatto St.
St. Paul, MN 55104
Director: Bryan Thao-Worra

Hmong American Mutual Assistance Association, Inc.
1130 N 7th St.
Minneapolis, MN 55411-4095
Director: Daobay Ly
612-374-2694

Hmong American Partnership
1075 Arcada St.
St. Paul, MN 55106-3213
Director: William Yang
651-495-9160

Hmong Cultural Center and Resource Center
995 University Ave. W., Ste. 214
St. Paul, MN 55104-4785
Director: Txong Pao Lee
651-917-9937

Hmong Folk Art
3670 Northome Rd
Wayzata, MN 55391
President: Sy Yang Lo
952-473-3444

Hmong Folk Art
925 Payne Ave., Ste. B
St. Paul, MN 55101
Director: Eng Herr
651-778-8937

Hmong Nature Research Center
3300 Penn Ave. N.
Minneapolis, MN 55412
Director: Xin Xai Her
612-588-1919

* organization is now defunct.

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MCN and AAPIP-MN are also grateful to Marilyn Grantham, Research Fellow, for undertaking the research effort, gathering and summarizing survey and financial data, and writing the final report. Marilyn is a doctoral student in Evaluation Studies, Department of Educational Policy and Administration, College of Education and Human Development, University of Minnesota.
Directory

Financially active API nonprofits in Minnesota

Hmong United International Council of Minnesota, Inc.
1010 University Ave. W., Ste. 224
St. Paul, MN 55104
Director: Neng Lee
651.776.8326

Humanitarian Services for Children of Vietnam
2965 Spring Lake Rd.
Prior Lake, MN 55372-2339
President: Charles DeNel
952.447.3502

Indian Music Society of Minnesota (INSOM)
P.O. Box 581846
Minneapolis, MN 55458-1846
President: Ravi Ravichandran
651.631.0796

Indigenous Asian Ministries
5437 Queen Ave. S.
Minneapolis, MN 55410
President: Conrad L. Knudson
612.927.9812

J.A.C.L. - Twin Cities Chapter
4609 Brice Ave.
Edina, MN 55424
President: Cheryl Hirth-Dulas
612.925.2429

Japan America Society of Minnesota
43 Main St SE
Eh-131 Riverside
Minneapolis, MN 55414-1029
Director: Darryl Magree
612.627.9357

Korean Culture Camp, Inc.
56 Blake St.
St. Paul, MN 55104-4911
Director: Elaine Eskildt
651.645.6941

Korean Institute of Minnesota
P.O. Box 8094
St. Paul, MN 55108
Director: Rev. Sung Chul Park
651.647.5466

Korean Quarterly
P.O. Box 6789
St. Paul, MN 55108
Managing Editor: Martha Vickery
651.771.8164

Korean Service Center
630 Cedar Ave. S., Ste. B1
Minneapolis, MN 55454
Director: Yoos Ju Park
612.342.1344

Lao Advancement Organization of America (LAOA)
2648 W. Broadway Ave.
Minneapolis, MN 55411
Director: Khaos Lixuyam
612.302.9590

Lao Assistance Center of Minnesota
503 Irving Ave. N Ste 100A
Minneapolis, MN 55405-1297
Director: Sunny Chanthavong
612.374.4967

Lao Family Community of Minnesota
320 University Ave. W.
St. Paul, MN 55103-2015
Director: Ying Yang
651.221.0069

Lao Veterans of America in Minnesota, Inc.
757 Milton St. N.
St. Paul, MN 55104-1530
Director: Chong Bae Vang
651.488.2800

Lao Women Association
503 Irving Ave. N., Ste. 100
Minneapolis, MN 55405-1297
Director: Phounhong Visayvong
612.374.4966

Laujun Society
277 University Ave. W., Ste. 205
St. Paul, MN 55104
Interim Executive Director: Kao Lee
651.644.2446

Minghua Chinese School
P.O. Box 4175
Roseville, MN 55104
Director: Jennifer Yee Lin
612.337.7376

Minnesota Chinese Dance Theater
2139 Stanford Ave.
St. Paul, MN 55105
Chair: Yusan Lui
651.698.6775

Minnesota Japanese School, Inc.
P.O. Box 38558
Bloomington, MN 55428
Chair: Aki To
612.895.1929

Mothers Association for Korean Americans (MAKA)
12 Island Rd.
North Oaks, MN 55127
Co-President: Patricia O'Neill
651.482.9981

Mu Performing Arts
2700 NE Winter St., Ste. 1A
Minneapolis, MN 55413-2945
Co-Directors: Stephanie Lein Walsh and Rick Shomi
612.824.4804

National Qigong Chi Kung Association - USA, International Qigong Alliance
811 E. Boundary St.
Ely, MN 55731
Director: Rebecca Kali
218.235.0250

North Central Chinese Christian Winter Conference
P.O. Box 14912
Minneapolis, MN 55414
Director: Joshua Huang
612.518.2753

Outreach Asia, Inc.
5608 Benton Ave.
Edina, MN 55436-2206
Director: Mike Peck
952.922.8536

Pangea World Theater
711 W. Lake St., Ste. 101
Minneapolis, MN 55408
Director: Meena Natarajan
612.822.0015

Partnership for Education of Children in Afghanistan
P.O. Box 201542
Bloomington, MN 55420
Chair: Hemet Janetkhan
651.457.0256

Philippine Center of Minnesota
1850 3rd St. SW
New Brighton, MN 55123-3358
Director: Nannette Beltran
651.639.8753

Philippine Scholars
3139 Hillcrest Dr. NE
 Fridley, MN 55432-5827
Director: Dr. Gary King
763.571.7696

Philippine-Asian Missions, Inc.
P.O. Box 20144
Bloomington, MN 55420-7627
Director: Michele Thron
651.427.6027

Philippine-Minnesotan Medical Association, Inc.
P.O. Box 25815
Woodbury, MN 55125
President: Dr. Bernard Quebral
651.739.4416

Ragamala Music & Dance Theater
4511 Pillsbury Ave.
Minneapolis, MN 55419
Co-Founder: Rance Ramirez
612.824.1968

South Asian Society for Atherosclerosis and Thrombosis
Box 609 UHMC
University of Minnesota
Minneapolis, MN 55455
Director: Dr. Sundh H. R. Rao
612.626.2717

Southeast Asian Community Council
555 Girard Terr., Ste. 1A
Minneapolis, MN 55405
Director: Daut Le
612.342.1530

Southwest Asian Ministry
105 University Ave. W.
St. Paul, MN 55103-2028
Director: Joan Regal
651.293.1261

Southeast Asian Refugee Community Home (SEARCH)
1421 Park Ave., Ste. 4
Minneapolis, MN 55404
President: Hoang K. Tran
612.673.9388

Tibetan American Foundation of Minnesota
1096 Raymond Ave.
St. Paul, MN 55108
Director: Jigme T. Payphi
651.917.9556

Tibetan Education Action
3131 Girard Ave. S., Ste. 2
Minneapolis, MN 55408
Board Member: Nancy Dadak
612.823.4255

Twin Cities Tai Chi Chuan
2242 University Ave. W.
St. Paul, MN 55114-1888
Director: Raymond Hayward, Jr.
651.767.0267

Union Gospel Mission Asian Ministries
1010 Snelling Ave. N.
St. Paul, MN 55108-2705
Director: Kato Nong
612.223.2399

United Lao Movement for Democracy in Minnesota
P.O. Box 6426
St. Paul, MN 55106
Director: Nha Zong Thao
612.292.0774

US-China Peoples’ Friendship Association
P.O. Box 7051
St. Paul, MN 55107-2849
President: Barbara Harrison
952.894.5743

Vietnam Center
1159 University Ave. W.
St. Paul, MN 55104
Chair: Vyen Pham
651.733.5316

Vietnamese Social Service
1159 University Ave. W. #1
St. Paul, MN 55104
Executive Director: Van Pham
651.644.1317

Please note: This directory is not a complete listing of API organizations. It includes only currently financially active API nonprofits in Minnesota. Some informal and small organizations with annual revenues of less than $25,000 are not listed.