

Minnesota Nonprofit Economy Report



2006



An annual study that describes the role of nonprofit organizations in Minnesota's economy, including both statewide and regional analysis.

Using this Report

Like every other industry in the United States, nonprofit organizations benefit from current economic performance information. The Minnesota Council of Nonprofits' *Minnesota Nonprofit Economy Report*, published annually for the last eleven years, offers the most comprehensive set of economic information on the nonprofit sector of any state in the country. Minnesota ranks at or near the top in virtually every measure of nonprofit and philanthropic activity. This success is due to substantial donations of time and financial resources by the people of Minnesota, generous support from Minnesota's business community, and strong partnerships with state and local governments.

The *Minnesota Nonprofit Economy Report*, together with the *Minnesota Salary and Benefits Survey* and other publications from the Minnesota Council of Nonprofits, have important uses for five distinct audiences:

- **Managers of nonprofit organizations:** planning budgets, evaluating revenue streams, and identifying potential partnerships
- **Nonprofit boards of directors:** developing strategic plans, informing board trainings, and evaluating staffing and compensation plans
- **Government officials:** understanding nonprofit funding streams and identifying partnership opportunities
- **Donors to nonprofits:** understanding the sources of support and nature of expenditures of nonprofit organizations
- **Economic and community development planners:** incorporating nonprofit employment trends into economic development plans and understanding regional differences and local economies

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The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 1,600 Minnesota nonprofit organizations. Through its Web site, publications, workshops and events, cost-saving programs, and advocacy, MCN works to inform, promote, connect, and strengthen individual nonprofits and the nonprofit sector.

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2006 Minnesota Nonprofit Economy Report

Executive Summary

The *Minnesota Nonprofit Economy Report* is an annual study by the Minnesota Council of Nonprofits that describes the role of nonprofit organizations in Minnesota's economy by analyzing nonprofit employment, wage, and financial data. This year's report uses data from 2005, the most current information available.

Nonprofit Employers

There were 3,551 nonprofit employers in Minnesota in 2005. A single nonprofit employer, however, may have more than one location in the state. In 2005, nonprofit employers operated just over 5,100 nonprofit employment locations throughout Minnesota.

Between 2004 and 2005, the number of nonprofit employers increased by less than 2%, but the number of nonprofit employment locations increased by 6%. This suggests that, on balance, growth in the nonprofit sector was mostly the result of existing nonprofits expanding to additional locations rather than any significant increase in the number of nonprofit organizations.

A majority of nonprofit employment locations are in the seven-county Twin Cities metro area, but Olmsted County (with the city of Rochester), St. Louis County (Duluth), and Stearns County (St. Cloud) were also important centers of nonprofit activity in 2005.

The Nonprofit Workforce

In 2005, there were about 257,000 nonprofit jobs in Minnesota. In other words, nearly one out of every ten employees in the state worked for a nonprofit organization. In some regions of the state, the proportion of nonprofit workers was even higher. In 2005, nonprofits employed one out of every five workers in Southeast Minnesota.

Over the last decade, the nonprofit sector has seen strong growth in employment, with its workforce increasing an average of 3% per year. During the same period of time, overall employment in the state increased an average of 1% per year. Growth in nonprofit employment, however, has slowed to 1% per year for the last two years, matching the overall employment growth rate.

The health care industry is the largest employer in the nonprofit sector, accounting for nearly two-thirds of the nonprofit workforce in 2005. Another 10% of the nonprofit workforce was employed in the social assistance industry and 9% worked in educational services.

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Nonprofit Wages

Nonprofits paid \$9.8 billion in wages to their employees in 2005, or 9% of all wages paid in the state.

Total payroll in the state actually experienced a slight decline between 2004 and 2005 after adjusting for inflation. The nonprofit payroll, in contrast, increased by more than 2% after adjusting for inflation. Average weekly wages followed the same trend, with nonprofit wages making ground as inflation-adjusted govern-

ment and for-profit average weekly wages declined.

Even more important than averages, however, are the actual wages workers are earning. A closer look reveals that the median hourly wage for a full-time nonprofit employee was generally competitive with the median wage for government and for-profit employees in the same industry. And in nearly every industry examined, the median wage for a full-time nonprofit employee was sufficient to support a family of four in that region (with two adults working full-time).

Nonprofit Finances

Although much of this report focuses on nonprofit employment, there are a substantial number of nonprofits in the state that operate without any paid staff. Looking at nonprofit finances — their revenues, expenditures, and assets — captures the economic activity of nonprofits with and without paid staff.

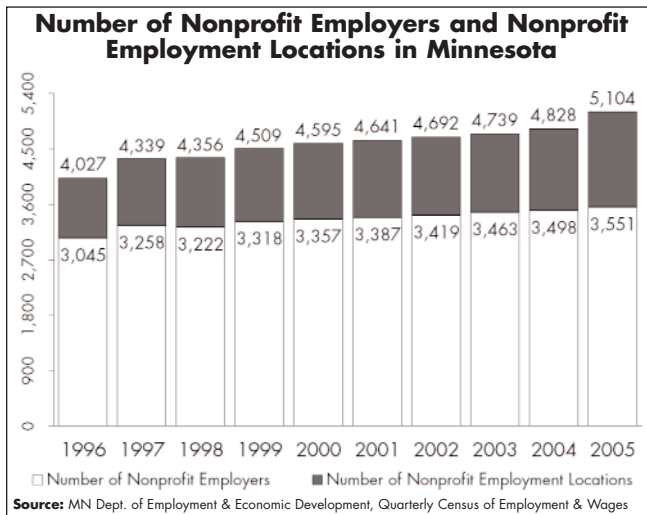
Nonprofits in Minnesota reported \$30.4 billion in revenues and \$28.9 billion in expenditures for their most recently completed fiscal year. This includes about 5,700 charitable organizations in the state — 501(c)(3) and (4) organizations that were required to file returns with the IRS — but notably excludes private foundations and thousands of small nonprofits with only minimal financial activity.

Nonprofits rely on a variety of revenue sources, including charitable contributions, foundation grants, government grants and contracts, program service revenue, membership dues, investments, and sales. The mix of these revenues varies according to the size of the organization, with smaller nonprofits earning more through charitable contributions and government grants and larger nonprofits reporting a higher percentage of program service revenue (which includes government fees and contracts).



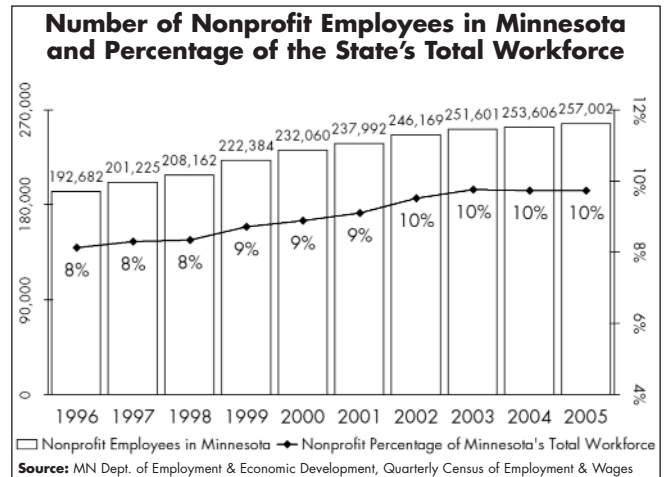
Statewide Nonprofit Employment

Overview: Nonprofits in Minnesota make many important contributions to the state, including providing jobs in their communities. In 2005, nearly one out of every ten workers in the state was employed by a nonprofit, with the sector paying \$9.8 billion in wages. The nonprofit sector in Minnesota continues to play an expanding role in the state's economy. In 2005, every region of the state experienced an increase in the number of nonprofit employment locations, as well as growth in the size of its nonprofit workforce. Nonprofits located in Minnesota reported \$30.4 billion in revenues and \$28.9 billion in expenditures for their most current fiscal year.



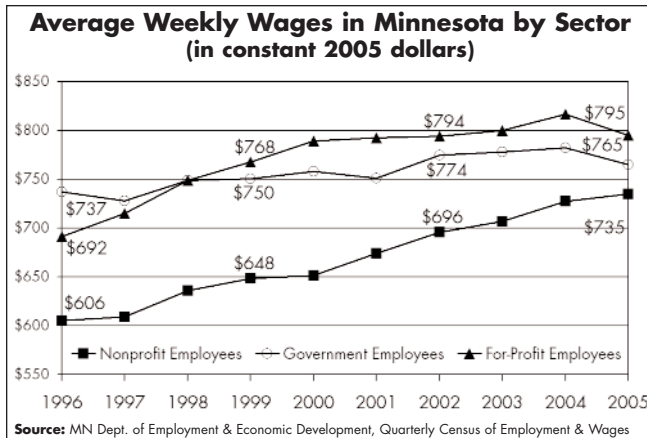
- In 2005, there were 3,551 nonprofit employers in Minnesota, an increase of just under 2% from 2004. A single nonprofit employer, however, may have more than one location in the state. In 2005, nonprofit employers operated 5,104 nonprofit employment locations throughout Minnesota. This represented a 6% increase from the previous year, the most significant increase in nonprofit employment locations the state has experienced since 1997.
- The majority of the state's nonprofit employment locations, 52%, were located in the seven-county Twin Cities metro area. Northwest Minnesota had the second largest concentration of nonprofit employment locations with 13%. The rest of the nonprofit employment locations were spread evenly throughout the remainder of the state, with 9% in the Southwest and Southeast, 8% in Central Minnesota, and 7% in the Northeast.

- In 2005, nonprofit organizations provided 257,000 jobs throughout Minnesota, meaning that about one out of every ten workers in the state was employed by a nonprofit. In Southeast Minnesota, due to the significant presence of the nonprofit health care industry, nonprofits employed one out of every five workers in the region.
- The distribution of the nonprofit workforce in the state differed slightly from the distribution of nonprofit employment locations. In 2005, 52% of nonprofit jobs were located in the Twin Cities, 18% in the Southeast, 9% in the Northwest, 8% in Central Minnesota, 8% in the Northeast, and 6% in the Southwest.
- Between 1993 and 2003, growth in the nonprofit workforce averaged 4% per year, while growth in total state employment averaged just 2% per year. In the last two years, nonprofit employment growth has fallen to 1% per year, about the same as growth in total state employment.



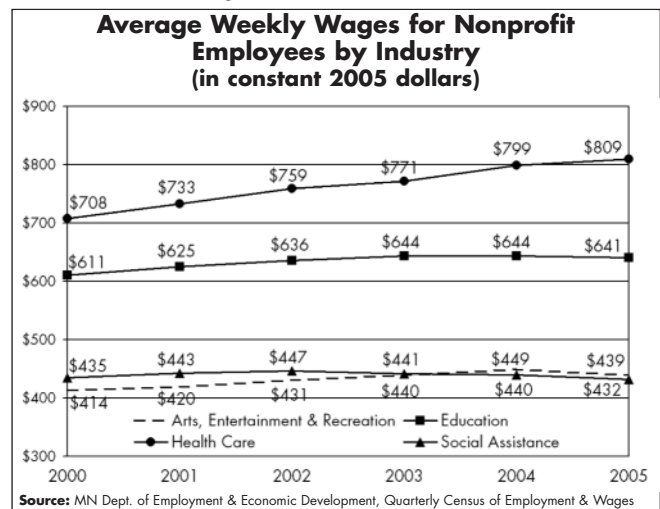


Statewide Nonprofit Wages



- In 2005, 25% of nonprofit employment locations in the state and 66% of nonprofit workers were in the health care industry, which includes ambulatory health care services, hospitals, and nursing and residential care facilities. Health care was the dominant nonprofit industry in every region of the state, employing a low of 56% of the nonprofit workforce in the Twin Cities metro area and a high of 83% of the nonprofit workforce in Southeast Minnesota.
- Although health care comprises a substantial portion of the nonprofit sector in the state, other industries also play a vital role. Social assistance was another major nonprofit industry, accounting for 23% of nonprofit employment locations and 10% of the nonprofit workforce in the state in 2005. Educational services accounted for more than 9% of nonprofit employment locations and 9% of the nonprofit workforce in the state. And arts, entertainment, and recreation accounted for 7% of nonprofit employment locations and 2% of the nonprofit workforce.
- Nonprofit employers in Minnesota paid \$9.8 billion in wages in 2005, or 9% of all wages paid in the state. After adjusting for inflation, this represented a 2% increase in the total nonprofit payroll from 2004. Both the government and for-profit sectors experienced a decline in inflation-adjusted total wages during the same period of time.

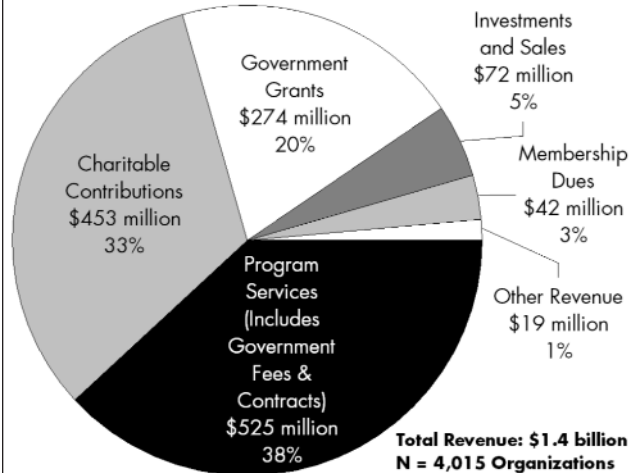
- Although average weekly wages for nonprofit employees have been making steady gains each year, they continue to lag behind both government and for-profit wages. In 2005, the average weekly wage for nonprofit employees was \$735, while the average weekly wage was \$765 for government employees and \$795 for for-profit employees.
- In 2005, nonprofits in the health care industry paid \$7.1 billion in wages, or 72% of all nonprofit wages in the state. Average weekly wages for nonprofit employees in this industry are well above the overall nonprofit average and have been increasing each year. Inflation-adjusted average weekly wages in other major nonprofit industries — including education, social assistance, and arts, entertainment, and recreation — have experienced minimal or negative growth in recent years.
- Nonprofits in many major industries pay their employees competitive wages. Across the state, the median hourly wage for a full-time nonprofit employee in a given industry often exceeded the median hourly wage for a full-time government or for-profit employee working in the same industry. In most cases, the median hourly wage for a nonprofit employee was also sufficient to support the basic needs of a family of four in that region (with both adults working).





Statewide Nonprofit Finances

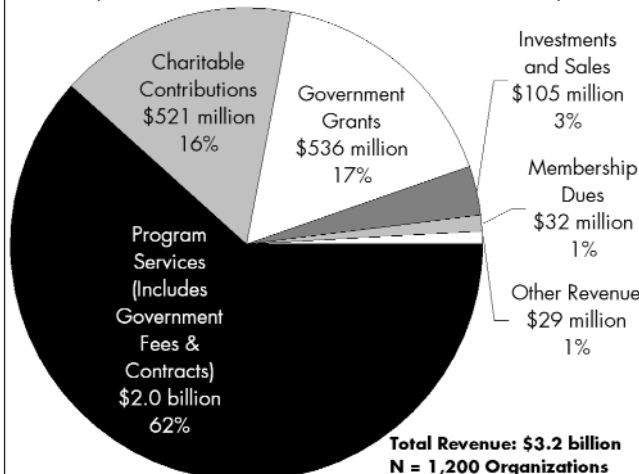
Revenue Sources for Small Nonprofits (with assets under \$1 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

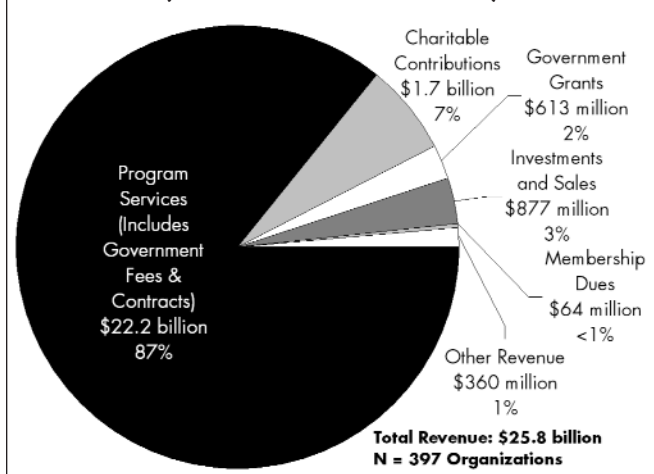
- There are a substantial number of nonprofits in Minnesota that operate without any paid employees. Looking at nonprofit finances — their revenues, expenditures, and assets — captures the economic activity of nonprofits with and without paid staff. This report analyzes the most recent financial returns for about 5,700 charitable organizations in the state. The analysis includes 501(c)(3) and (4) organizations that were required to file returns with the IRS, but notably excludes private foundations and thousands of small nonprofits with only minimal financial activity.
- Nonprofit organizations in Minnesota receive their revenues from four main sources: program services (which includes revenue from government contracts), charitable contributions (which includes corporate and foundation grants), government grants, and returns from investments, sales, and special events.
- The mix of nonprofit revenues varies based on the organization's size, with small organizations raising more from charitable contributions and government grants and larger organizations earning a higher percentage from program service revenue (which includes government fees and contracts). The mix of revenues also varies depending on the organization's activity area.

Revenue Sources for Medium-Sized Nonprofits (with assets between \$1 and \$10 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

Revenue Sources for Large Nonprofits (with assets over \$10 million)



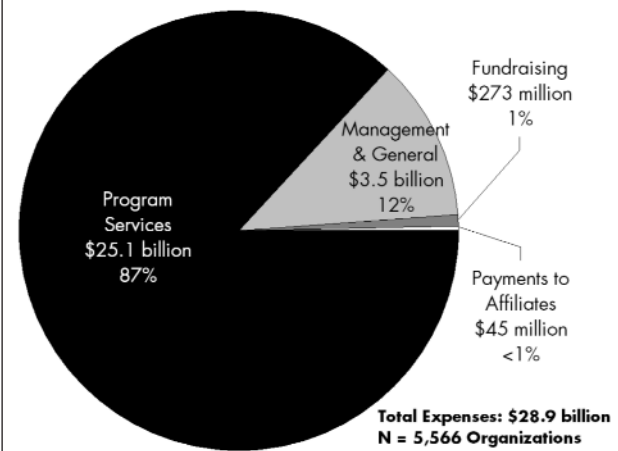
Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division



Statewide Nonprofit Finances

- The Charities Review Council of Minnesota recommends that nonprofits spend at least 70% of their total annual expenses on program services and no more than 30% on management and fundraising. In 2005, nonprofits in Minnesota spent on average 87% of their revenues on program services and 13% on management and fundraising. These percentages did not vary significantly by the size of the organization.
- Nonprofit organizations in Minnesota reported \$48.0 billion in assets, with health organizations (including hospitals and HMOs) holding 51% of these assets and educational organizations (including colleges and universities) holding another 24%.
- Health organizations in Minnesota reported \$22.6 billion in revenues for their most recent fiscal year (92% from program services, 3% from charitable contributions, 2% from government grants, and 2% from investments and sales) and \$21.6 billion in expenses (87% for program services, 13% for management, and less than 1% for fundraising).
- Human service organizations reported \$3.3 billion in revenues (54% from program services, 19% from government grants, 19% from charitable contributions, and 5% from investments and sales) and \$3.3 billion in expenses (87% for program services, 11% for management, and 2% for fundraising).
- Educational organizations reported \$2.6 billion in revenues (59% from program services, 20% from charitable contributions, 10% from investments and sales, and 8% from government grants) and \$2.3 billion in expenses (86% for program services, 11% for management, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$619 million in revenues (42% from charitable contributions, 30% from program services, 15% from government grants, and 9% from investments and sales) and \$544 million in expenses (80% for program services, 13% for management, and 6% for fundraising).
- Environmental and animal-related organizations reported \$120 million in revenues (40% from charitable contributions, 28% from program services, 15% from investments and sales, and 12% from government grants) and \$118 million in expenses (82% for program services, 12% for management, and 6% for fundraising).

Expenditures by Nonprofit Organizations Located in Minnesota

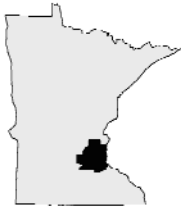


Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

Classifying Nonprofits by Industry or Activity Area

This report uses two methods of classifying nonprofit organizations. Nonprofit employers, employees, and wages are classified using the North American Industry Classification System (NAICS), which is described in detail in Appendix A. Nonprofit financial information is classified using the National Taxonomy of Exempt Entities (NTEE) classification system. The five main activity areas of the NTEE system used in this report are described below.

- **Health:** activities include, but are not limited to, hospitals, ambulatory health care, rehabilitative care, public health, nursing care, mental health treatment, substance abuse treatment, HMOs, and medical research.
- **Human Services:** activities include, but are not limited to, crime prevention and rehabilitation, abuse prevention, legal services, vocational counseling and rehabilitation, food programs, housing and shelter, disaster preparedness and relief, recreation and sports, youth development, children and youth services, emergency assistance, and centers for specific populations.
- **Education:** activities include, but are not limited to, nonprofit elementary and secondary schools, vocational and technical schools, higher education, adult education, libraries, educational services, and student services.
- **Arts, Culture, and Humanities:** activities include, but are not limited to, arts education, media and communications, visual arts, museums, performing arts, and historical preservation.
- **Environmental and Animal-Related:** activities include, but are not limited to, natural resources conservation and protection, pollution abatement and control, horticulture, animal protection and welfare, wildlife preservation, veterinary services, and zoos and aquariums.

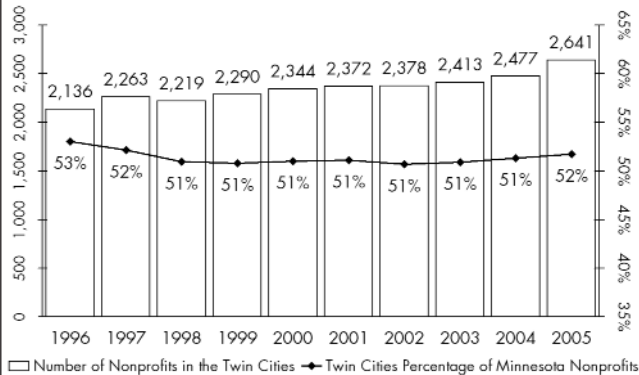


Twin Cities Metro Area Nonprofit Employment

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

Overview: With more than 2,600 nonprofit employment locations and nearly 133,000 nonprofit jobs, the seven-county Twin Cities metro area was home to a majority of the state's nonprofit sector in 2005. Hennepin and Ramsey Counties alone accounted for 42% of the state's nonprofit employment locations and nearly 44% of all nonprofit jobs. The region has just experienced two years of strong growth in the number of nonprofit employment locations, but weak growth in nonprofit employment. Nonprofits in the region reported significant financial activity in 2005, with \$20.7 billion in revenues, \$19.8 billion in expenditures, and paying \$5.3 billion in wages.

Number of Nonprofit Employment Locations in the Twin Cities and Percentage of All Minnesota Nonprofit Employment Locations

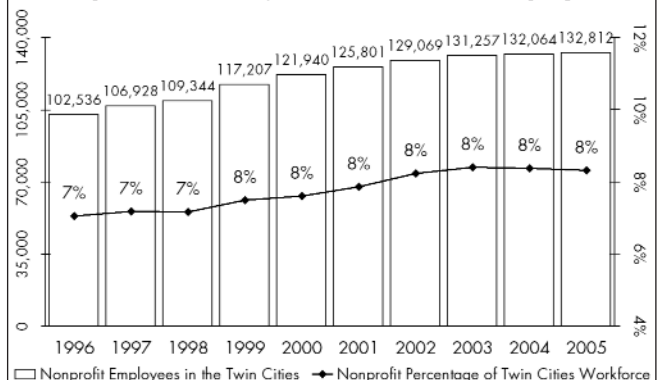


Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

- In 2005, there were 2,641 nonprofit employment locations in the seven-county Twin Cities metro area, which was a 7% increase from 2004. This was the most significant increase the region has experienced since 1994.
- The Twin Cities was home to more than half of the state's nonprofit employment locations in 2005, but nonprofits accounted for only 3% of all employment locations in the region.
- The nonprofit workforce plays a more prominent role in the region. In 2005, nonprofits employed 8% of all workers in the Twin Cities metro area and 52% of all nonprofit workers in the state.
- In 2005, nonprofits were responsible for nearly 133,000 jobs in the Twin Cities, although this was an increase of only about 750 jobs from the previous year.

- After strong gains during the 1990s, growth in the nonprofit workforce in the Twin Cities has slowed in recent years. Nonprofit employment in the region increased only slightly between 2004 and 2005, growing at a slower pace than both government and for-profit employment in the region.
- In 2005, 51% of nonprofit employment locations in the region were in Hennepin County, with another 30% in Ramsey County. The nonprofit workforce was similarly distributed, with 56% of the region's nonprofit jobs located in Hennepin and another 29% in Ramsey. Nearly 44% of all nonprofit jobs in the state were located in Hennepin and Ramsey Counties.
- Other counties in the region also have an active nonprofit sector. In 2005, Dakota County hosted 7% of the region's nonprofit employment locations and 5% of the nonprofit jobs. Anoka County was home to another 5% of the region's nonprofit employment locations and 5% of the nonprofit jobs.

Number of Nonprofit Employees in the Twin Cities and Nonprofit Percentage of All Twin Cities Employees



Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



Twin Cities Metro Area Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in the Twin Cities

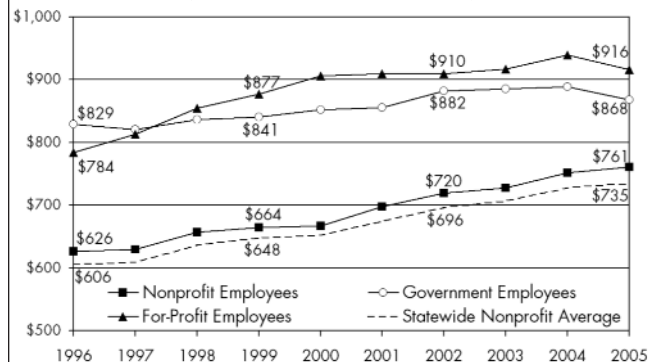
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$19.50 (3%)	\$15.79 (2%)	\$20.45 (1%)
Educational Services	\$20.00 (11%)	\$20.15 (1%)	\$21.50 (45%)
Health Care			
Ambulatory Health Care Services	\$20.13 (9%)	\$19.18 (4%)	\$21.18 (<1%)
Hospitals	\$25.01 (33%)	\$20.55 (<1%)	\$19.65 (6%)
Nursing & Residential Care Facilities	\$14.62 (14%)	\$13.88 (1%)	\$18.62 (1%)
Social Assistance			
Individual & Family Services	\$16.64 (6%)	\$11.50 (1%)	\$25.14 (1%)
Community Food, Housing, Emergency & Other Relief Services	\$15.94 (1%)	\$18.68 (<1%)	NA
Vocational Rehabilitation Services	\$14.44 (3%)	\$19.81 (<1%)	\$23.73 (<1%)
Child Day Care Services	\$12.54 (1%)	\$11.57 (<1%)	\$14.02 (<1%)
Other Services			
Religious Organizations	\$17.96 (1%)	\$15.76 (<1%)	NA
Grantmaking & Giving Services	\$22.95 (1%)	\$25.68 (<1%)	NA
Social Advocacy Organizations	\$16.96 (2%)	\$17.55 (<1%)	\$27.45 (<1%)
Civic & Social Organizations	\$14.72 (3%)	\$14.86 (<1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 88% of nonprofit employment, 10% of for-profit employment, and 53% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

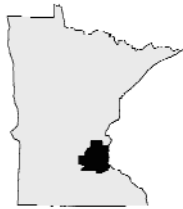
- In 2005, the health care industry accounted for 21% of nonprofit employment locations and 56% of the nonprofit workforce in the region. Nevertheless, this industry was not as dominant for the nonprofit sector in the Twin Cities as it was in other regions.

- The Twin Cities also had a substantial percentage of its nonprofit workforce employed in educational services (11% of nonprofit workers), individual and family services (6%), and arts, entertainment, and recreation (3%). Individual and family services, however, is the only major industry in the region where the nonprofit workforce has experienced strong and consistent growth in recent years. Child day care services, on the other hand, has seen a decline in its nonprofit workforce every year since 2001.
- Nonprofit organizations in the Twin Cities paid \$5.3 billion in wages in 2005, or 7% of all wages paid in the region. Nonprofits in Hennepin and Ramsey Counties together paid \$4.5 billion in wages in 2005, accounting for 46% of all nonprofit wages paid in the state.
- Average weekly wages for nonprofit employees in the Twin Cities increased slightly in 2005. After adjusting for inflation, the average weekly wages for government and for-profit employees actually declined in 2005.
- With one exception — child day care services — the median hourly wage for a full-time nonprofit employee in the industries examined exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$13.05 an hour to meet these costs in the Twin Cities.

Average Weekly Wages in the Twin Cities by Sector (in constant 2005 dollars)



Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

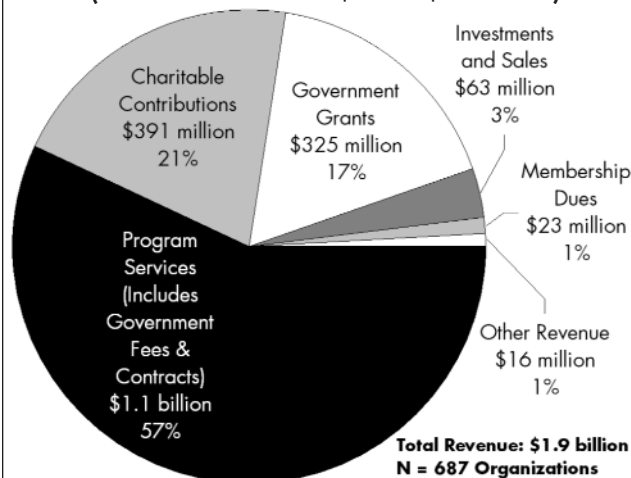


Twin Cities Metro Area Nonprofit Finances

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

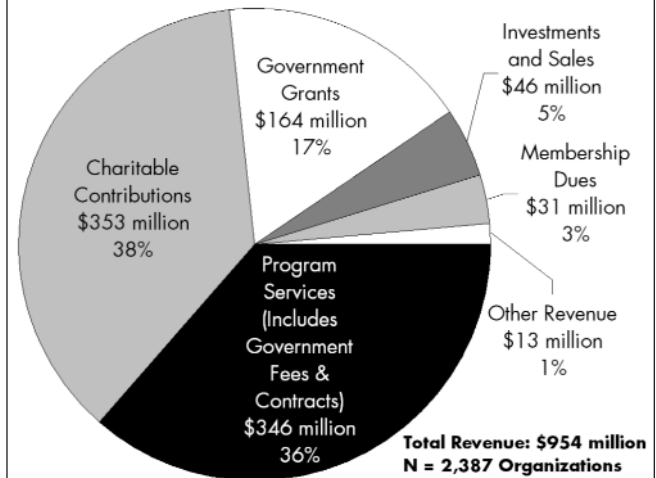
- Nonprofit organizations located in the Twin Cities reported \$20.7 billion in revenues and \$19.8 billion in expenditures for their most current fiscal year. However, 43% of organizations in the region reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. Nonprofits in the Twin Cities reported \$30.7 billion in assets, with health organizations holding 37% of those assets, educational organizations holding 30%, and human service organizations holding 14%.
- Health organizations in the Twin Cities reported \$14.8 billion in revenues (94% from program services, 2% from charitable contributions, 1% from government grants, and 1% from investments and sales) and \$14.3 billion in expenses (85% for program services, 15% for management, and less than 1% for fundraising).
- Human service organizations reported \$2.5 billion in revenues (54% from program services, 21% from charitable contributions, 16% from government grants, and 5% from investments and sales) and \$2.4 billion in expenses (87% for program services, 11% for management, and 2% for fundraising).

Revenue Sources for Medium-Sized Nonprofit Organizations Located in the Twin Cities (with assets between \$1 and \$10 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

Revenue Sources for Small Nonprofit Organizations Located in the Twin Cities (with assets under \$1 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

- Educational organizations reported \$1.7 billion in revenues (61% from program services, 17% from charitable contributions, 11% from investments and sales, and 9% from government grants) and \$1.6 billion in expenses (85% for program services, 12% for management, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$570 million in revenues (42% from charitable contributions, 30% from program services, 15% from government grants, and 9% from investments and sales) and \$501 million in expenses (81% for program services, 13% for management, and 6% for fundraising).
- Environmental and animal-related organizations reported \$96 million in revenues (42% from charitable contributions, 25% from program services, 15% from investments and sales, and 12% from government grants) and \$96 million in expenses (84% for program services, 10% for management, and 7% for fundraising).

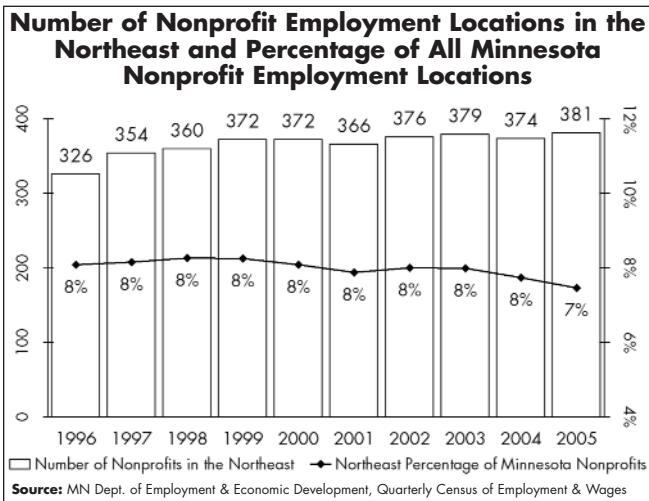
Note: This analysis includes 3,379 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in the Twin Cities region. These figures may also include financial information for some organizations operating in other regions of the state, but with headquarters in the Twin Cities. This financial information does not include all other types of 501(c) organizations, private foundations that filed form 990PF, and some charitable trusts.



Northeast Minnesota Nonprofit Employment

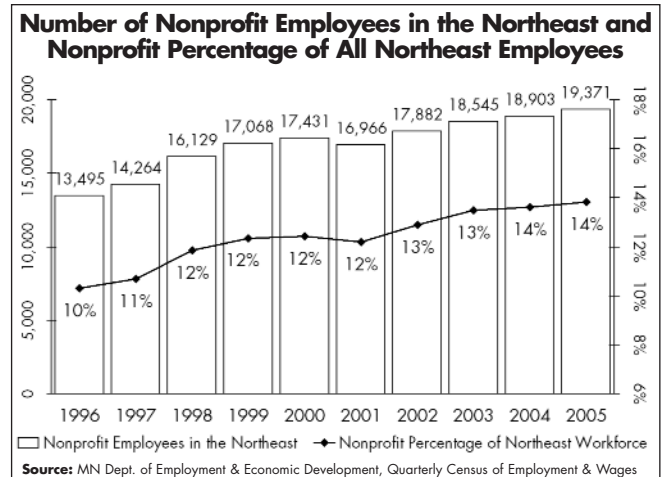
Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

Overview: The story of the nonprofit sector in the seven-county Northeast region is a case of “small, but mighty.” Although the region has the fewest number of nonprofit employment locations and the second-smallest nonprofit workforce in the state, the nonprofit sector still plays a prominent role in the region’s economy, primarily due to the strong presence of the health care industry. In 2005, nonprofits employed 14% of the region’s total workforce (well above the statewide average of 10%) and paid \$736 million in wages (16% of all wages paid in the region). Nonprofit activity in this large region is heavily concentrated in St. Louis County, where the city of Duluth is located.



- With around 380 nonprofit employment locations in 2005, the Northeast region had the fewest nonprofit employers in the state. The number of nonprofit employment locations in the region increased by just 2% from 2004, the slowest growth in the state.
- Although the Northeast could claim only 7% of the state’s nonprofit employment locations in 2005, this small number of nonprofit employers were still a significant presence in the region — 4% of all employment locations in the region were nonprofits. Statewide, 3% of all employment locations were nonprofits.
- In 2005, the region had more than 19,300 nonprofit jobs, which was more jobs than in the manufacturing and construction industries combined. These nonprofit workers accounted for 14% of total employment in the region. This kind of nonprofit presence in a region was only surpassed in Southeast Minnesota, where nonprofits employed 20% of the workforce.

- The nonprofit workforce in the Northeast increased by more than 2% between 2004 and 2005. This was the fourth straight year where nonprofit employment growth has outpaced total employment growth in the region.
- The majority of nonprofit activity in the Northeast is in St. Louis County (where the city of Duluth is located). In 2005, this county alone accounted for 59% of the region’s nonprofit employment locations and 79% of the region’s nonprofit workforce.
- Itasca County is a distant second in nonprofit activity. In 2005, this county was home to 15% of the region’s nonprofit employment locations and 9% of the region’s nonprofit jobs.
- St. Louis County is not just a regional center of nonprofit activity, but is also a statewide center. In 2005, St. Louis accounted for 4% of all nonprofit employment locations and 6% of all nonprofit workers in Minnesota.





Northeast Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Northeast Minnesota

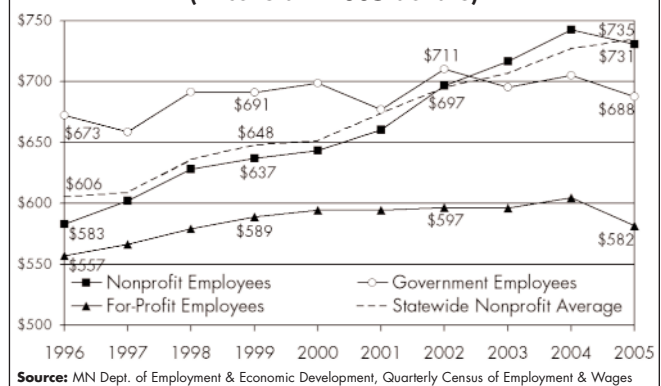
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$14.75 (1%)	\$12.55 (1%)	\$13.27 (6%)
Educational Services	\$18.16 (6%)	\$18.00 (<1%)	\$19.93 (37%)
Health Care			
Ambulatory Health Care Services	\$15.96 (18%)	\$15.74 (3%)	NA
Hospitals	\$18.13 (42%)	NA	\$17.94 (6%)
Nursing & Residential Care Facilities	\$12.59 (18%)	\$11.31 (5%)	\$15.15 (3%)
Social Assistance			
Individual & Family Services	\$14.94 (2%)	\$11.00 (1%)	\$21.29 (2%)
Community Food, Housing, Emergency & Other Relief Services	\$13.44 (1%)	NA	NA
Vocational Rehabilitation Services	\$11.79 (3%)	\$19.23 (<1%)	NA
Child Day Care Services	\$13.25 (1%)	\$8.77 (<1%)	NA
Other Services			
Religious Organizations	\$11.52 (<1%)	NA	NA
Grantmaking & Giving Services	\$23.77 (<1%)	NA	NA
Social Advocacy Organizations	\$16.59 (1%)	NA	NA
Civic & Social Organizations	\$12.42 (3%)	\$11.73 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 98% of nonprofit employment, 12% of for-profit employment, and 54% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

- In 2005, the health care industry employed 78% of the nonprofit workforce in the Northeast. Only Southeast Minnesota, with the city of Rochester and the Mayo Clinic, had a higher percentage of its nonprofit workforce in health care.

- Educational services was a distant second to health care, employing 6% of the nonprofit workforce in the region. Arts, entertainment, and recreation employed less than 2% of the nonprofit workforce, but this industry was responsible for 12% of nonprofit employment locations in the region.
- In 2005, nonprofit organizations in the Northeast paid \$736 million in wages, or 16% of all wages paid in the region. After adjusting for inflation, this represented an increase of just 1% from 2004.
- The average weekly wage for a nonprofit employee has been steadily increasing in the Northeast, growing an average of 3% per year for the last decade. In 2005, however, the growth in total nonprofit wages was not sufficient to keep pace with the increase in nonprofit employment, leading to a decline in the inflation-adjusted average weekly wage for a nonprofit worker in the region. Average weekly wages for government and for-profit employees also declined after adjusting for inflation.
- In all of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.40 an hour to meet these costs in Northeast Minnesota.

**Average Weekly Wages in the Northeast by Sector
(in constant 2005 dollars)**



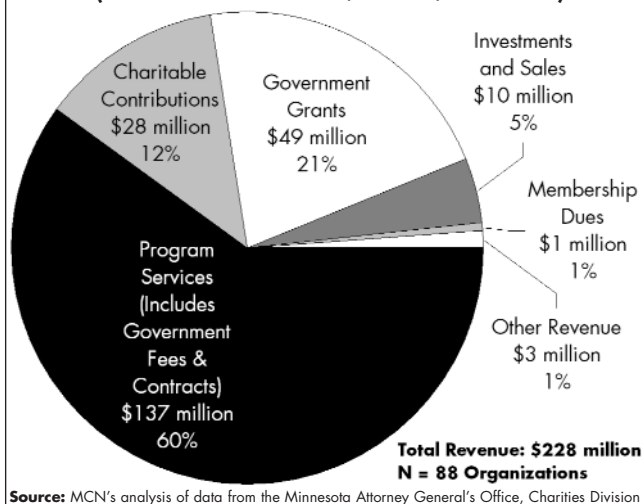


Northeast Minnesota Nonprofit Finances

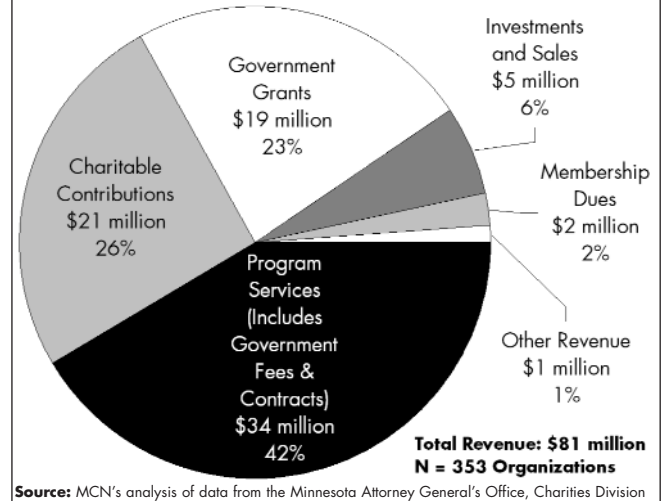
Counties: Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

- Nonprofit organizations located in Northeast Minnesota reported \$1.8 billion in revenues and \$1.7 billion in expenditures for their most current fiscal year. However, 40% of organizations in the region reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. Nonprofits in the Northeast reported \$3.0 billion in assets, with health organizations holding 83% of those assets, human service organizations holding 6%, and educational organizations holding 5%.
- Health organizations in the Northeast reported \$1.5 billion in revenues (95% from program services, 2% from investments and sales, 1% from government grants, and 1% from charitable contributions) and \$1.4 billion in expenses (88% for program services, 12% for management, and less than 1% for fundraising).
- Human service organizations reported \$168 million in revenues (46% from program services, 31% from government grants, 15% from charitable contributions, and 5% from investments and sales) and \$164 million in expenses (87% for program services, 12% for management, and 1% for fundraising).

Revenue Sources for Medium-Sized Nonprofit Organizations Located in Northeast Minnesota (with assets between \$1 and \$10 million)

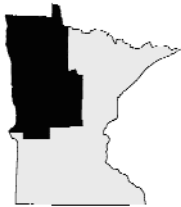


Revenue Sources for Small Nonprofit Organizations Located in Northeast Minnesota (with assets under \$1 million)



- Educational organizations reported \$91 million in revenues (68% from program services, 21% from government grants, 7% from charitable contributions, and 3% from investments and sales) and \$88 million in expenses (89% for program services, 9% for management, and 2% for fundraising).
- Arts, culture, and humanities organizations reported \$15 million in revenues (44% from charitable contributions, 31% from program services, 11% from investments and sales, and 10% from government grants) and \$14 million in expenses (78% for program services, 17% for management, and 4% for fundraising).
- Environmental and animal-related organizations reported \$7 million in revenues (51% from program services, 27% from charitable contributions, 9% from investments and sales, and 5% from government grants) and \$7 million in expenses (68% for program services, 29% for management, and 3% for fundraising).

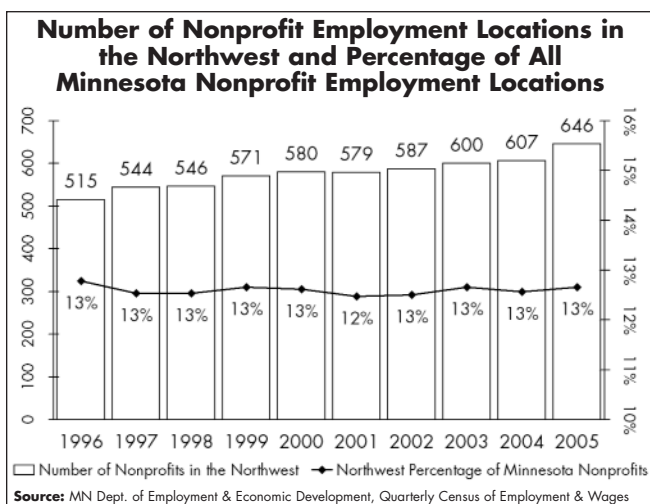
Note: This analysis includes 480 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Northeast Minnesota, but does not include all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts, and some organizations operating in the Northeast with headquarters in another region or outside of the state.



Northwest Minnesota Nonprofit Employment

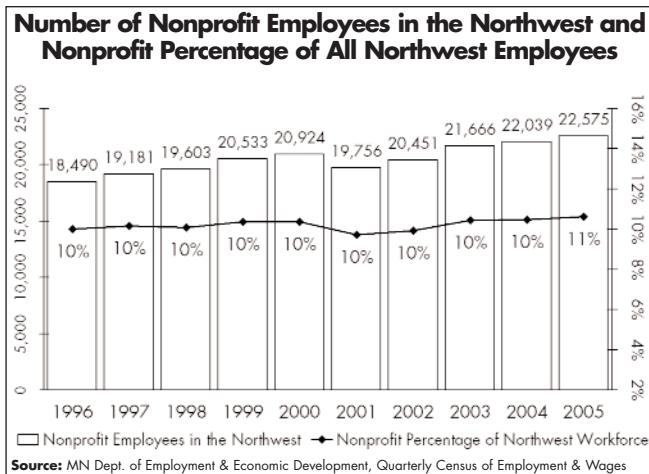
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahanomen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

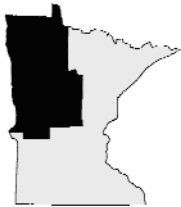
Overview: Outside of the Twin Cities, the 26-county Northwest region has the largest share of nonprofit employment locations in the state. This is likely because the Northwest has more, but smaller, population centers than other regions, each attracting its own grouping of nonprofits. As a result, nonprofit activity in the region is more widely dispersed, with at least five counties acting as regional centers. Nonprofits in the Northwest are also smaller than in most other regions, averaging just 35 workers for each employment location. In 2005, average weekly wages for nonprofit employees in the region surpassed the average weekly wages for for-profit employees for the first time.



- In 2005, there were 646 nonprofit employment locations in Northwest Minnesota, an increase of more than 6% from 2004. Home to 13% of the state's nonprofit employment locations, the region has the largest concentration of nonprofit employment locations outside of the Twin Cities metro area.
- Close to 11% of the region's workforce was employed by nonprofits in 2005, which was slightly higher than the statewide average of 10%. Between 2004 and 2005, nonprofit employment in the region increased by more than 2%, which exceeded the percentage increase in both government and for-profit employment in the region.
- Over the last ten years, nonprofit employment in the Northwest has increased an average of 2% per year, which was below the statewide average for growth in nonprofit employment during that time period.

- Although the Northwest has a large percentage of the state's nonprofit employment locations, its share of the state's nonprofit workforce is closer to the average. As a result, nonprofits in the region are smaller than nonprofits in most other regions, averaging just 35 workers for each nonprofit employment location in 2005, compared to 50 workers in the Twin Cities.
- Nonprofit activity is widely dispersed in the Northwest, reflecting that the region has more, but smaller, population centers than other regions. In 2005, 11% of nonprofit employment locations were in Crow Wing County (where Brainerd is located), 10% in Clay (Moorhead), 10% in Otter Tail (Fergus Falls), 8% in Beltrami (Bemidji), and nearly 8% in Polk (Crookston and East Grand Forks).
- The nonprofit workforce followed a similar pattern, with 14% of the region's nonprofit jobs located in Clay County, 11% in Otter Tail, 9% in Beltrami, 8% in Polk, and another 8% in Crow Wing.





Northwest Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Northwest Minnesota

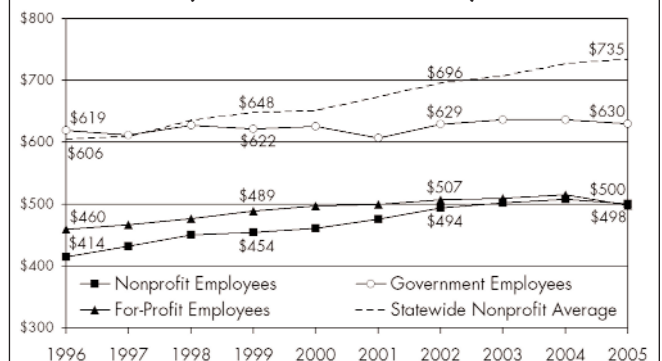
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$12.32 (1%)	\$12.02 (1%)	\$10.98 (6%)
Educational Services	\$16.49 (7%)	\$14.90 (<1%)	\$18.95 (43%)
Health Care			
Ambulatory Health Care Services	\$14.98 (6%)	\$15.06 (4%)	\$21.39 (1%)
Hospitals	\$16.53 (32%)	NA	\$18.01 (7%)
Nursing & Residential Care Facilities	\$11.69 (32%)	\$10.44 (3%)	\$15.53 (3%)
Social Assistance			
Individual & Family Services	\$12.34 (5%)	\$10.50 (1%)	\$14.17 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$13.23 (<1%)	NA	NA
Vocational Rehabilitation Services	\$12.12 (4%)	\$10.36 (<1%)	NA
Child Day Care Services	\$12.10 (1%)	\$9.01 (<1%)	\$17.59 (<1%)
Other Services			
Religious Organizations	\$12.71 (1%)	NA	NA
Grantmaking & Giving Services	\$19.71 (<1%)	NA	NA
Social Advocacy Organizations	\$14.88 (3%)	\$10.00 (<1%)	NA
Civic & Social Organizations	\$11.37 (1%)	\$10.07 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 94% of nonprofit employment, 10% of for-profit employment, and 60% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

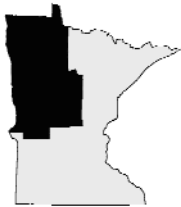
- In 2005, 18% of nonprofit employment locations in Northwest Minnesota were nursing and residential care facilities. This industry also offered the most nonprofit jobs, accounting for nearly one-third of the nonprofit workforce in the region.

- Hospitals employed another 32% of the nonprofit workforce in Northwest Minnesota, but the industry accounted for only 4% of nonprofit employment locations in the region.
- Outside of health care, individual and family services (with 13%) and arts, entertainment, and recreation (with 9%) accounted for the largest share of the nonprofit employment locations in the Northwest. Together, however, these two industries only employed about 7% of the nonprofit workforce in the region.
- Nonprofits in the Northwest paid \$587 million in wages in 2005, or 10% of all wages paid in the region. After adjusting for inflation, the total nonprofit payroll increased by 1% from 2004.
- Inflation-adjusted average weekly wages for nonprofit employees have been slowly increasing in the Northwest, surpassing for-profit wages in 2005. This milestone was achieved even though nonprofit, for-profit, and government average weekly wages all actually declined in 2005 after adjusting for inflation.
- In all of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.05 an hour to meet these costs in the Northwest.

Average Weekly Wages in the Northwest by Sector (in constant 2005 dollars)



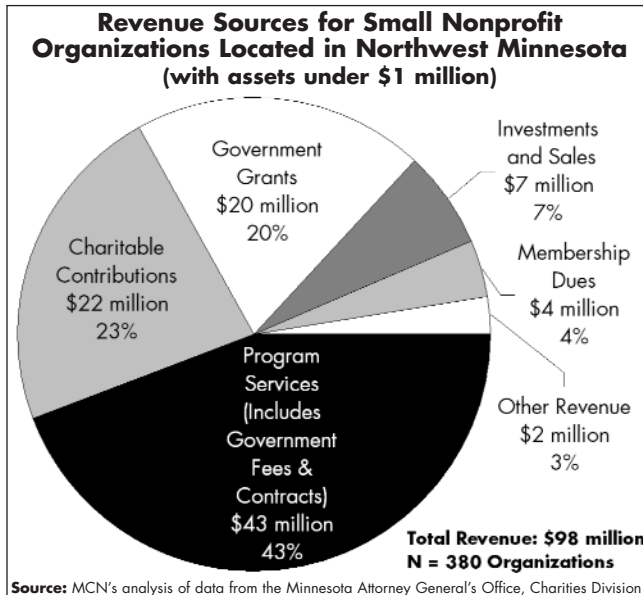
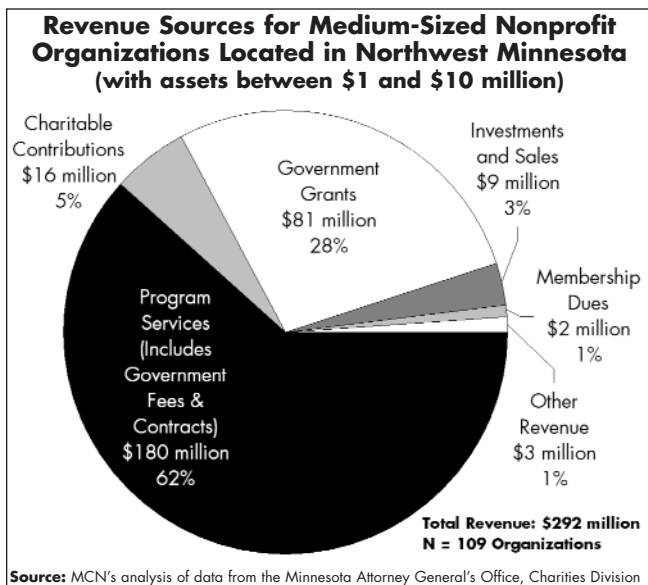
Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages



Northwest Minnesota Nonprofit Finances

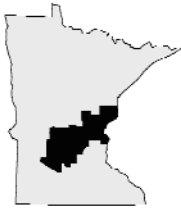
Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnomens, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena, Wilkin

- Nonprofit organizations located in Northwest Minnesota reported \$1.0 billion in revenues and \$993 million in expenditures for their most current fiscal year. However, 35% of organizations in the region reported a deficit for the fiscal year. Nonprofits in Northwest Minnesota reported nearly \$1.4 billion in assets, with health organizations holding 66% of those assets, human service organizations holding 13%, and educational organizations holding 4%.
- Health organizations in Northwest Minnesota reported \$766 million in revenues (94% from program services, 2% from investments and sales, 1% from government grants, and 1% from charitable contributions) and \$729 million in expenses (87% for program services, 12% for management, and less than 1% for fundraising).
- Human service organizations reported \$199 million in revenues (47% from program services, 37% from government grants, 8% from charitable contributions, and 5% from investments and sales) and \$194 million in expenses (87% for program services, 11% for management, and 1% for fundraising).



- Educational organizations reported \$27 million in revenues (41% from government grants, 30% from charitable contributions, 12% from program services, and 10% from investments and sales) and \$21 million in expenses (74% for program services, 23% for management expenses, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$8 million in revenues (47% from charitable contributions, 21% from program services, 18% from government grants, and 10% from investments and sales) and \$8 million in expenses (75% for program services, 19% for management, and 6% for fundraising).
- Environmental and animal-related organizations reported \$7 million in revenues (33% from program services, 30% from charitable contributions, 14% from government grants, and 15% from investments and sales) and \$6 million in expenses (84% for program services, 14% for management, and 2% for fundraising).

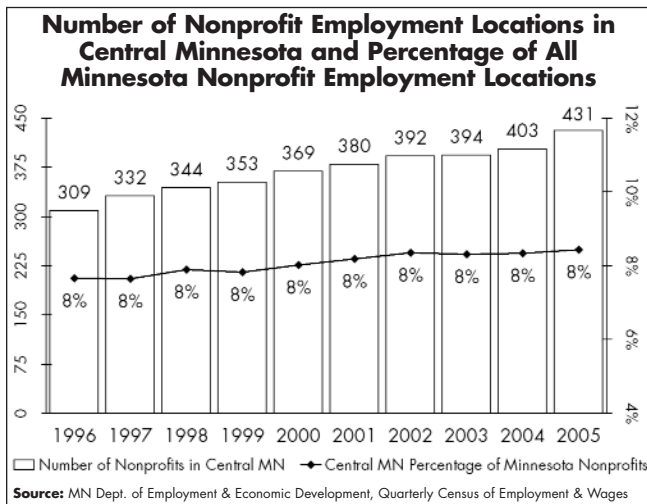
Note: This analysis includes 522 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Northwest Minnesota, but does not include all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts, and some organizations operating in the Northwest with headquarters in another region or outside of the state.



Central Minnesota Nonprofit Employment

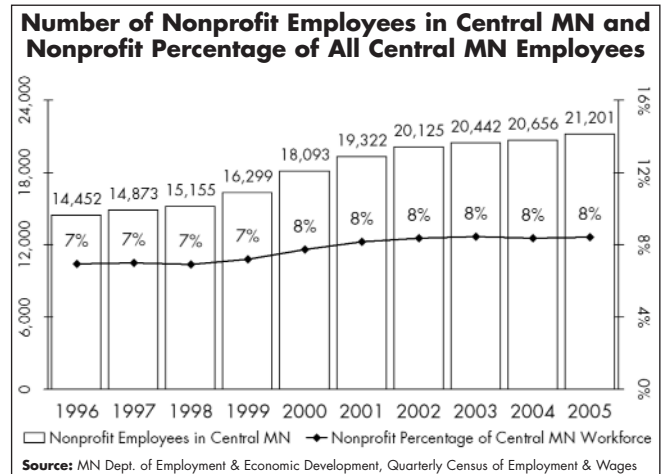
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

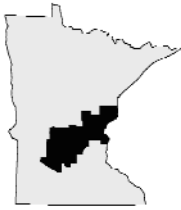
Overview: Despite its close proximity to the Twin Cities and having its own major regional population center (St. Cloud), the 13-county Central Minnesota region does not stand out as an area of nonprofit activity in the state. In 2005, the region hosted just 8% of the state's nonprofit employment locations and 8% of the state's nonprofit jobs. The nonprofit sector in Central Minnesota, however, has been expanding. Between 2004 and 2005, the number of nonprofit employment locations increased by 7% and the nonprofit workforce grew by nearly 3%. Over the last decade, nonprofit employment in Central Minnesota increased an average of more than 4% each year.



- In 2005, there were 431 nonprofit employment locations in Central Minnesota, with nonprofits accounting for just 2% of all the employment locations in the region. The number of nonprofit employment locations in the region, however, increased by 7% between 2004 and 2005, one of the largest percentage increases in the state.
- Despite the strong growth in the number of nonprofit employment locations, Central Minnesota's share of the state's nonprofit employment locations did not increase substantially in 2005, remaining at 8%. Only Northeast Minnesota has a smaller share of the state's nonprofit employment locations.
- Central Minnesota also experienced growth in the size of the nonprofit workforce. Between 2004 and 2005, nonprofit employment in the region grew at a faster rate than both for-profit and government employment, increasing by nearly 3%.

- There were 21,200 nonprofit jobs in the region in 2005. Over the last decade, nonprofit employment in Central Minnesota has increased an average of more than 4% per year, the strongest percentage growth in the state for that period.
- In 2005, nonprofit employees accounted for more than 8% of the total workforce in Central Minnesota. Although this percentage has been gradually increasing, the region continues to fall below the statewide average of 10%.
- Stearns County, where most of the city of St. Cloud is located, was home to 26% of the region's nonprofit employment locations and 38% of the region's nonprofit workforce.
- Sherburne and Wright Counties, which lie between St. Cloud and the Twin Cities, were each home to another 10% of the nonprofit employment locations in Central Minnesota, and 10% and 8% of the region's nonprofit jobs, respectively.





Central Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Central Minnesota

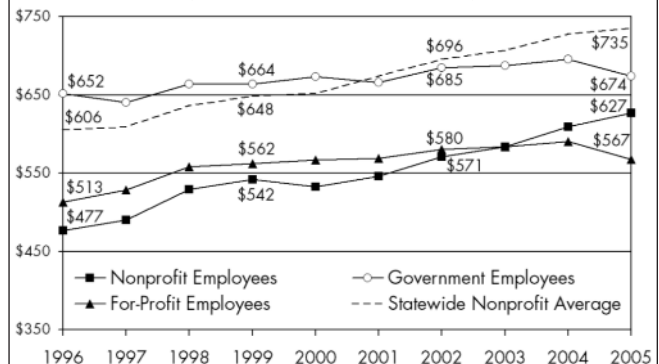
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$17.80 (1%)	\$12.73 (2%)	\$12.31 (7%)
Educational Services	\$20.02 (8%)	\$13.09 ($<1\%$)	\$19.06 (46%)
Health Care			
Ambulatory Health Care Services	\$15.77 (8%)	\$17.01 (4%)	\$19.90 ($<1\%$)
Hospitals	\$18.90 (35%)	NA	\$19.83 (10%)
Nursing & Residential Care Facilities	\$13.81 (27%)	\$10.92 (3%)	\$18.22 (1%)
Social Assistance			
Individual & Family Services	\$14.76 (3%)	\$10.42 (1%)	\$17.00 ($<1\%$)
Community Food, Housing, Emergency & Other Relief Services	\$13.55 (1%)	\$14.75 ($<1\%$)	NA
Vocational Rehabilitation Services	\$11.08 (6%)	\$17.56 ($<1\%$)	NA
Child Day Care Services	\$11.87 (2%)	\$9.28 (1%)	NA
Other Services			
Religious Organizations	\$13.94 ($<1\%$)	NA	NA
Grantmaking & Giving Services	NA	NA	NA
Social Advocacy Organizations	\$15.04 (2%)	\$15.50 ($<1\%$)	NA
Civic & Social Organizations	\$12.55 (1%)	\$10.36 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 94% of nonprofit employment, 11% of for-profit employment, and 65% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

- In 2005, 29% of nonprofit employment locations and 71% of nonprofit workers in Central Minnesota were in the health care industry, which includes ambulatory health care services, hospitals, and nursing and residential care facilities.

- Other major nonprofit industries in Central Minnesota included individual and family services (10% of nonprofit employment locations), arts, entertainment, and recreation (8% of employment locations) and educational services (7% of employment locations). Educational services also employed the second largest number of nonprofit workers in the region, with 8% of the nonprofit workforce.
- In 2005, nonprofits in Central Minnesota paid \$691 million in wages, or about 9% of all wages paid in the region. After adjusting for inflation, the total nonprofit payroll increased by nearly 6% from the previous year.
- While nonprofit average weekly wages in the region increased between 2004 and 2005, inflation-adjusted average weekly wages for government and for-profit employees actually declined during the same period.
- In all but one of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$11.53 an hour to meet these costs in Central Minnesota. The exception was nonprofit employees working in vocational rehabilitation services.

Average Weekly Wages in Central MN by Sector (in constant 2005 dollars)



Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

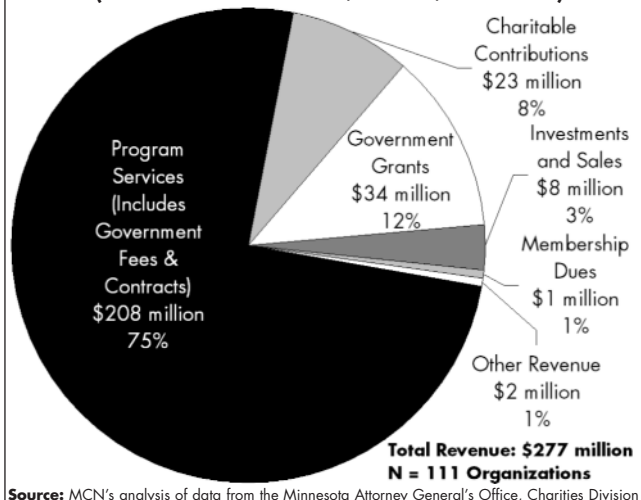


Central Minnesota Nonprofit Finances

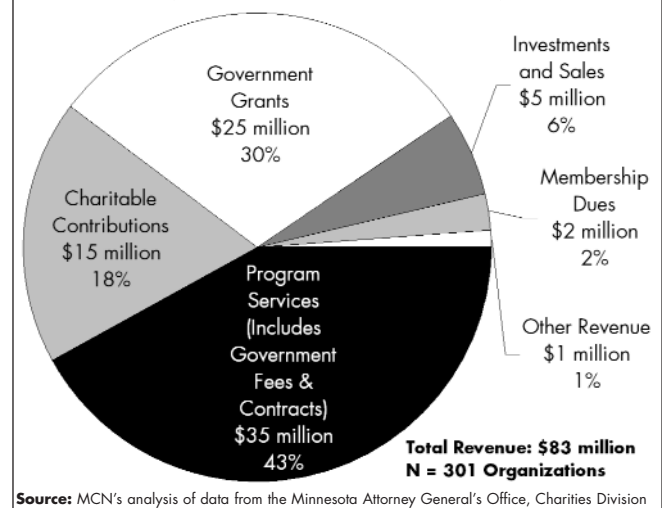
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

- Nonprofit organizations located in Central Minnesota reported \$1.3 billion in revenues and \$1.2 billion in expenditures for their most current fiscal year. However, 36% of organizations in the region reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. Nonprofits in Central Minnesota reported \$1.9 billion in assets, with health organizations holding 67% of those assets, human service organizations holding 13%, and educational organizations holding 11%.
- Health organizations in Central Minnesota reported \$985 million in revenues (94% from program services, 2% from investments and sales, 1% from charitable contributions, and 1% from government grants) and \$919 million in expenses (88% for program services, 12% for management, and less than 1% for fundraising).
- Human service organizations reported \$174 million in revenues (56% from program services, 28% from government grants, 11% from charitable contributions, and 4% from investments and sales) and \$168 million in expenses (88% for program services, 11% for management, and 1% for fundraising).

Revenue Sources for Medium-Sized Nonprofit Organizations Located in Central Minnesota (with assets between \$1 and \$10 million)



Revenue Sources for Small Nonprofit Organizations Located in Central Minnesota (with assets under \$1 million)



- Educational organizations reported \$102 million in revenues (71% from program services, 19% from charitable contributions, 7% from government grants, and 3% from investments and sales) and \$89 million in expenses (87% for program services, 10% for management, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$5 million in revenues (34% from charitable contributions, 27% from program services, 22% from government grants, and 11% from investments and sales) and \$5 million in expenses (79% for program services, 16% for management, and 5% for fundraising).
- Environmental and animal-related organizations reported \$4 million in revenues (43% from charitable contributions, 36% from program services, 16% from investments and sales, and 1% from government grants) and \$4 million in expenses (76% for program services, 19% for management, and 5% for fundraising).

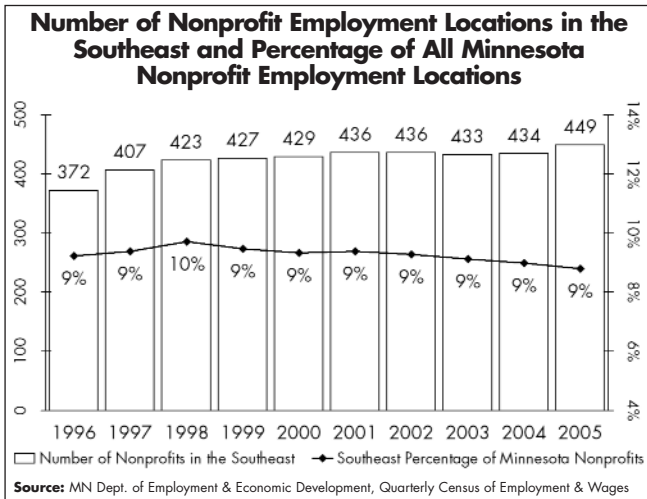
Note: This analysis includes 444 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Central Minnesota, but does not include all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts, and some organizations operating in Central Minnesota with headquarters in another region or outside of the state.



Southeast Minnesota Nonprofit Employment

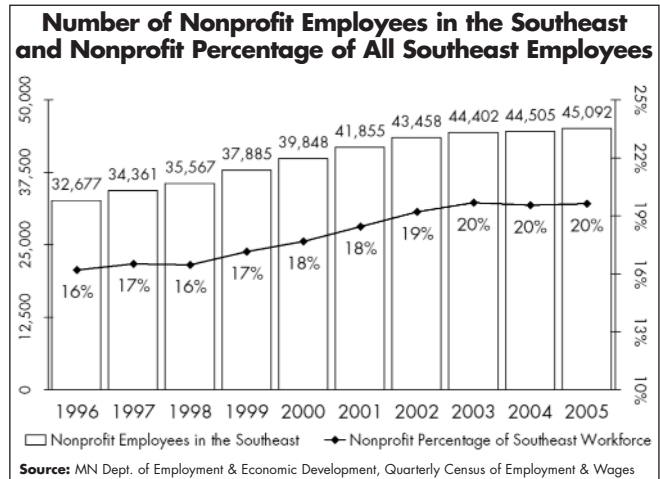
Counties: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

Overview: Southeast Minnesota, with Rochester as its regional center, enjoys international recognition for its health care facilities — and the implications for the nonprofit sector in this 11-county region have been significant. Although the health care industry is the largest nonprofit employer in every region of the state, in Southeast Minnesota four out of every five nonprofit workers was employed in a hospital, in a nursing or residential care facility, or was providing ambulatory care services in 2005. The nonprofit sector plays a more prominent role in Southeast Minnesota than in any other region in the state, employing 20% of the region's total workforce and paying \$2.1 billion in wages in 2005.



- In 2005, the number of nonprofit employment locations in the Southeast region grew to nearly 450. This 3% increase from the previous year represents the first substantial growth in the number of nonprofit employers the region has experienced since 1998. Growth in the total number of employment locations in the region has followed a similar pattern.
- Although the Southeast experienced an increase in the number of nonprofit employment locations in 2005, the region's share of the state's nonprofit employment locations continued to decline, falling slightly below 9%.
- With more than 45,000 employees, Southeast Minnesota has the largest nonprofit workforce in the state outside of the Twin Cities. The Southeast region covers a relatively small geographic area of the state, but accounted for 18% of all nonprofit jobs in the state in 2005.

- The nonprofit workforce also plays a significant role in the region's overall employment picture. In 2005, one out of every five workers in the region was employed by a nonprofit organization. In Olmsted County, where Rochester is located, one out of every three workers in the county was employed by a nonprofit.
- The nonprofit workforce in Southeast Minnesota has been experiencing very modest growth in recent years, adding fewer than 600 jobs between 2004 and 2005. Growth in total employment in the region has also slowed significantly since the late 1990s.
- In 2005, nearly one-third of the region's nonprofit employment locations and more than two-thirds of the region's nonprofit jobs were located in Olmsted County. Nonprofits in this county alone employed 12% of all nonprofit workers in the state, making Olmsted not only the regional center of nonprofit activity, but also a major center for the state.





Southeast Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Southeast Minnesota

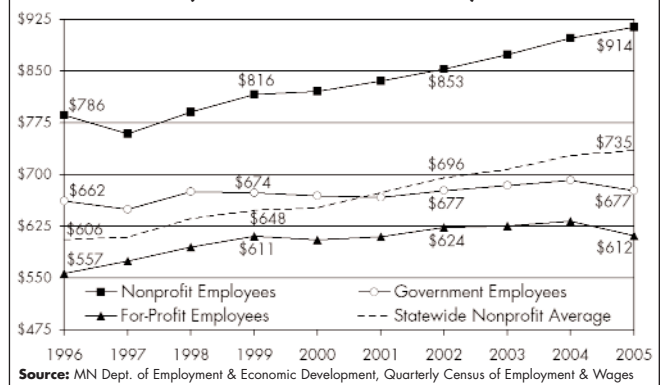
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13.64 (1%)	\$13.94 (2%)	\$15.73 (5%)
Educational Services	\$21.78 (8%)	\$18.43 (<1%)	\$19.47 (47%)
Health Care			
Ambulatory Health Care Services	\$18.94 (46%)	\$17.19 (3%)	NA
Hospitals	\$17.89 (25%)	NA	\$21.54 (3%)
Nursing & Residential Care Facilities	\$12.99 (13%)	\$11.74 (3%)	\$14.97 (3%)
Social Assistance			
Individual & Family Services	\$13.86 (2%)	\$12.69 (<1%)	\$15.99 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$14.25 (<1%)	\$18.22 (<1%)	NA
Vocational Rehabilitation Services	\$11.89 (1%)	NA	NA
Child Day Care Services	\$9.35 (1%)	\$10.42 (<1%)	NA
Other Services			
Religious Organizations	\$12.97 (<1%)	\$19.57 (<1%)	NA
Grantmaking & Giving Services	\$22.11 (<1%)	NA	NA
Social Advocacy Organizations	\$15.44 (1%)	\$21.63 (<1%)	NA
Civic & Social Organizations	\$15.20 (1%)	\$13.12 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 99% of nonprofit employment, 9% of for-profit employment, and 58% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

- Health care is an unusually dominant industry in Southeast Minnesota. In 2005, the major health care industries — ambulatory health care services, hospitals, and nursing and residential care facilities — employed 83% of the nonprofit workforce in the Southeast, the highest percentage in the state.

- In 2005, nonprofits employed 78% of all the health care workers in Southeast Minnesota, a much larger percentage than in any other region. Nonprofit health care jobs alone outnumbered government (federal, state, and local) jobs in the region.
- Nonprofit employers in the Southeast paid \$2.1 billion in wages in 2005, or 26% of all wages paid in the region. Nonprofits paid \$1.7 billion in wages in Olmsted County alone, which represented 44% of the total wages paid in the county.
- Due to the concentration of nonprofit employment in the higher wage health care industries, average weekly wages for nonprofit employees in the Southeast were well above average weekly wages for both government and for-profit employees. In 2005, after adjusting for inflation, average weekly wages for both government and for-profit employees actually declined, while nonprofit wages continued to increase.
- In all but one of the industries examined, the median hourly wage for a full-time nonprofit employee exceeded the minimum necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$10.84 an hour to meet these costs in Southeast Minnesota. The exception was nonprofit employees working in child day care services.

Average Weekly Wages in the Southeast by Sector (in constant 2005 dollars)



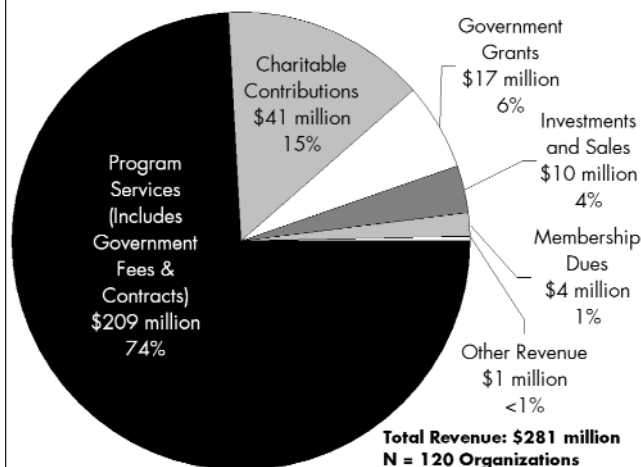


Southeast Minnesota Nonprofit Finances

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

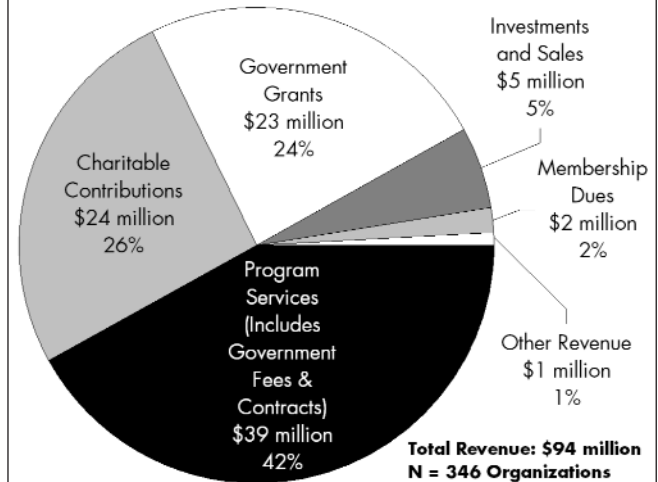
- Nonprofit organizations located in Southeast Minnesota reported \$4.7 billion in revenues and \$4.4 billion in expenditures for their most current fiscal year. However, 34% of organizations in the region reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. Nonprofits in Southeast Minnesota reported \$9.8 billion in assets, with health organizations holding 81% of those assets, educational organizations holding 15%, and human service organizations holding 2%.
- Health organizations in the Southeast reported \$4.1 billion in revenues (86% from program services, 6% from charitable contributions, 5% from government grants, and 3% from investments and sales) and \$3.8 billion in expenses (94% for program services, 6% for management, and 1% for fundraising).
- Human service organizations reported \$209 million in revenues (70% from program services, 13% from government grants, 11% from charitable contributions, and 4% from investments and sales) and \$197 million in expenses (90% for program services, 9% for management, and 1% for fundraising).

Revenue Sources for Medium-Sized Nonprofit Organizations Located in Southeast Minnesota (with assets between \$1 and \$10 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

Revenue Sources for Small Nonprofit Organizations Located in Southeast Minnesota (with assets under \$1 million)



Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division

- Educational organizations reported \$404 million in revenues (59% from program services, 20% from charitable contributions, 13% from investments and sales, and 4% from government grants) and \$321 million in expenses (86% for program services, 11% for management, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$13 million in revenues (59% from charitable contributions, 17% from program services, 13% from government grants, and 5% from investments and sales) and \$10 million in expenses (75% for program services, 22% for management, and 4% for fundraising).
- Environmental and animal-related organizations reported \$5 million in revenues (41% from program services, 29% from charitable contributions, 14% from investments and sales, and 11% from government grants) and \$5 million in expenses (79% for program services, 16% for management, and 5% for fundraising).

Note: This analysis includes 505 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Southeast Minnesota, but does not include all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts, and some organizations operating in the Southeast with headquarters in another region or outside of the state.

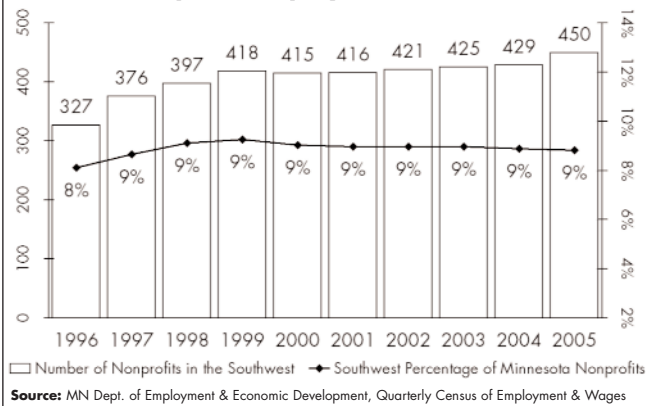


Southwest Minnesota Nonprofit Employment

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

Overview: With fewer than 15,500 employees, the nonprofit workforce in the 23-county Southwest region is the smallest in Minnesota, accounting for just 6% of nonprofit employment in the state. Between 2004 and 2005, however, the nonprofit sector in the region experienced unusually strong growth in several areas, including employment locations, the size of the nonprofit workforce, and total nonprofit wages. Nonprofit activity in the Southwest is more dispersed than in most other regions of the state. Although Blue Earth County (with the city of Mankato) was the largest center of nonprofit activity in the region in 2005, several other counties also had a significant nonprofit presence.

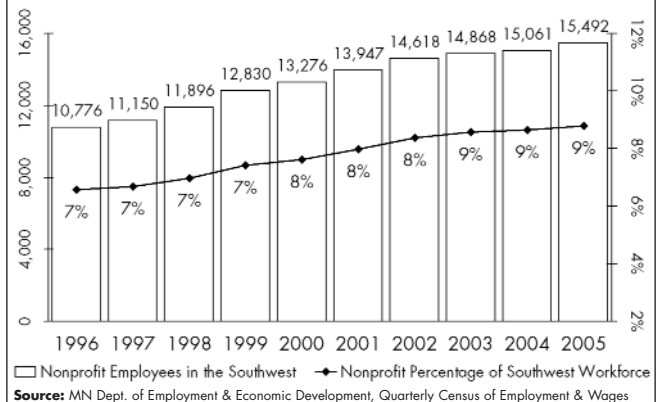
Number of Nonprofit Employment Locations in the Southwest and Percentage of All Minnesota Nonprofit Employment Locations



- In 2005, there were 450 nonprofit employment locations in Southwest Minnesota, reflecting a 5% increase from the previous year. This is the first time the Southwest has experienced a sizeable increase in the number of nonprofit employment locations since the late 1990s.
- Southwest Minnesota, like the Northwest region, comprises a substantial number of counties with small population centers. Unlike in the Northwest, however, this has not resulted in a larger share of the state's nonprofit employers. In 2005, only 9% of the state's nonprofit employment locations were located in the Southwest, compared to the 13% located in the Northwest.
- In 2005, 9% of the region's workforce was employed by nonprofit organizations, which was below the statewide average. However, the nonprofit workforce in the region grew by 3% from 2004, one of the strongest percentage increases in the state.

- With fewer than 15,500 employees in 2005, the Southwest region has the smallest nonprofit workforce in Minnesota. Combining an average number of nonprofit employment locations with a below-average sized workforce resulted in nonprofits that were smaller than organizations in other regions, averaging just 34 workers per employment location. Statewide, nonprofit organizations averaged 50 workers per employment location.
- In 2005, the largest center of nonprofit activity in the Southwest was Blue Earth County (where the city of Mankato is largely located), which accounted for 13% of the region's nonprofit employment locations and 26% of the nonprofit workforce.
- Other counties in the Southwest with a significant nonprofit presence included Brown County (8% of nonprofit employment locations and 10% of nonprofit jobs), Lyon (9% of employers and 4% of jobs), Martin (4% of employers and 7% of jobs), Nicollet (5% of employers and 8% of jobs), and Nobles (8% of employers and 4% of jobs).

Number of Nonprofit Employees in the Southwest and Nonprofit Percentage of All Southwest Employees





Southwest Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Southwest Minnesota

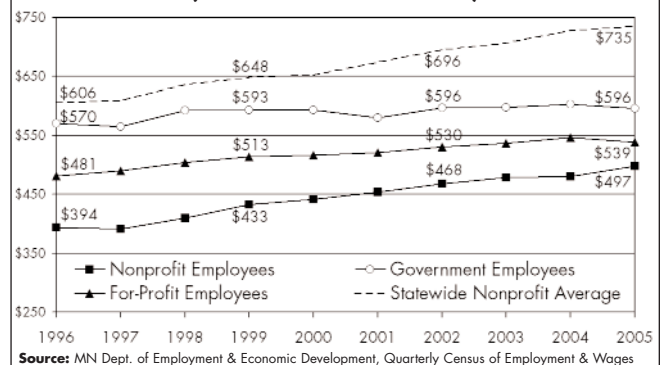
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$13.74 (1%)	\$12.69 (1%)	\$12.06 (1%)
Educational Services	\$19.62 (7%)	\$17.95 (<1%)	\$19.59 (44%)
Health Care			
Ambulatory Health Care Services	\$16.24 (6%)	\$14.70 (3%)	\$22.97 (<1%)
Hospitals	\$16.94 (28%)	\$18.60 (<1%)	\$18.56 (11%)
Nursing & Residential Care Facilities	\$12.40 (33%)	\$11.51 (3%)	\$14.17 (3%)
Social Assistance			
Individual & Family Services	\$13.94 (2%)	\$10.58 (1%)	\$16.60 (<1%)
Community Food, Housing, Emergency & Other Relief Services	NA	NA	NA
Vocational Rehabilitation Services	\$12.18 (10%)	\$14.28 (<1%)	NA
Child Day Care Services	\$9.72 (1%)	\$9.02 (<1%)	NA
Other Services			
Religious Organizations	\$14.35 (1%)	NA	NA
Grantmaking & Giving Services	\$16.31 (1%)	NA	NA
Social Advocacy Organizations	\$16.74 (4%)	\$17.36 (<1%)	NA
Civic & Social Organizations	\$12.69 (3%)	\$9.42 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2005
Notes: "NA" indicates either that the sector did not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. The selected industries represented 95% of nonprofit employment, 10% of for-profit employment, and 60% of government employment in the region in 2005. More extensive descriptions of these industries are available in Appendix A.

- As in every region of the state, health care was the largest nonprofit industry in the Southwest, accounting for nearly one-third of nonprofit employment locations and two-thirds of the nonprofit workforce in the region in 2005.

- Outside of health care, individual and family services (with 11% of nonprofit employment locations) and arts, entertainment, and recreation (with 10%) supplied the most nonprofit employment locations in the region in 2005. The industries with the most nonprofit workers included vocational rehabilitation services (with 10% of the nonprofit workforce) and educational services (with 7%).
- In 2005, nonprofit organizations in the Southwest paid \$401 million in wages, or 8% of all wages paid in the region. After adjusting for inflation, total nonprofit wages in the region increased by more than 6% from the previous year, the largest percentage increase in the state in 2005.
- Average weekly wages for nonprofit employees in the Southwest continued to lag behind average weekly wages for both government and for-profit employees. In 2005, however, after adjusting for inflation, average weekly wages for nonprofit employees increased, while average weekly wages for both government and for-profit employees fell from 2004.
- In all of the industries examined, the median hourly wage for a full-time nonprofit employee met or exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2004, each adult needed to earn about \$9.70 an hour to meet these costs in Southwest Minnesota.

Average Weekly Wages in the Southwest by Sector (in constant 2005 dollars)

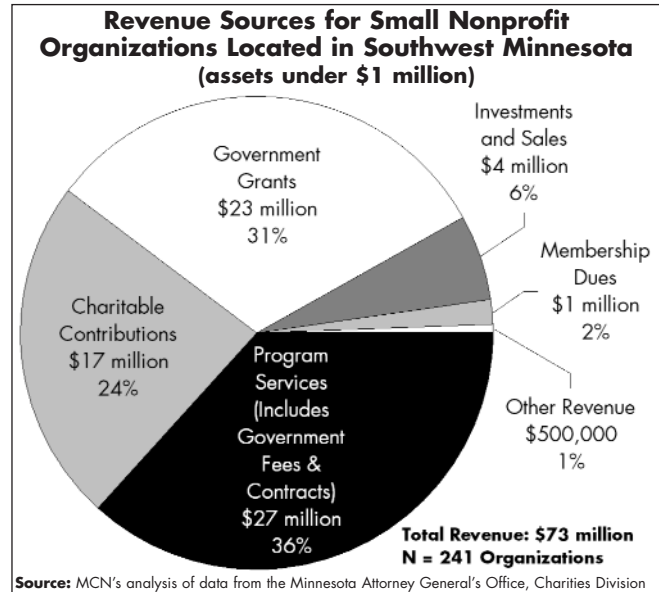
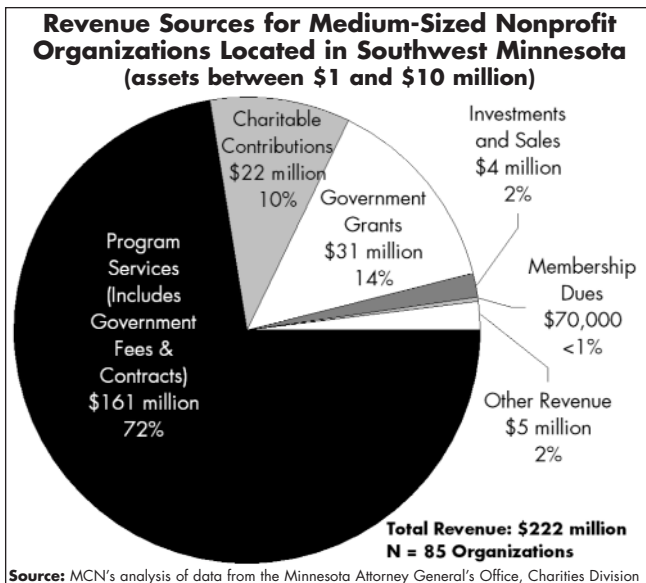




Southwest Minnesota Nonprofit Finances

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

- Nonprofit organizations located in Southwest Minnesota reported \$730 million in revenues and \$697 million in expenditures for their most current fiscal year. However, 37% of organizations in the region reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. Nonprofits in the Southwest reported \$1.0 billion in assets, with health organizations holding 45% of those assets, educational organizations holding 38%, and human service organizations holding 13%.
- Health organizations in the Southwest reported \$459 million in revenues (94% from program services, 3% from charitable contributions, 1% from government grants, and 1% from investments and sales) and \$440 million in expenses (89% for program services, 11% for management, and less than 1% for fundraising).
- Human service organizations reported \$128 million in revenues (44% from program services, 36% from government grants, 12% from charitable contributions, and 3% from investments and sales) and \$123 million in expenses (90% for program services, 9% for management, and 1% for fundraising).



- Educational organizations reported \$122 million in revenues (72% from program services, 18% from charitable contributions, 5% from investments and sales, and 5% from government grants) and \$115 million in expenses (91% for program services, 5% for management, and 3% for fundraising).
- Arts, culture, and humanities organizations reported \$7 million in revenues (53% from charitable contributions, 26% from government grants, 12% from program services, and 5% from investments and sales) and \$5 million in expenses (67% for program services, 27% for management, and 7% for fundraising).
- Environmental and animal-related organizations reported over \$1 million in revenues (53% from charitable contributions, 24% from program services, 17% from investments and sales, and 1% from government grants) and \$1 million in expenses (63% for program services, 19% for management, and 17% for fundraising).

Note: This analysis includes 347 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Southwest Minnesota, but does not include all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts, and some organizations operating in the Southwest with headquarters in another region or outside of the state.

Appendix A

North American Industry Classification System (NAICS)

Ambulatory Health Care Services (NAICS 621) – Industries in this subsector 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. In 2005, this industry accounted for 9% of nonprofit employment locations and 16% of the nonprofit workforce statewide.

Arts, Entertainment & Recreation (NAICS 71) – This sector includes 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. In 2005, this industry accounted for 7% of nonprofit employment locations and 2% of the nonprofit workforce statewide.

Child Day Care Services (NAICS 6244) – This industry comprises establishments primarily engaged in providing day care of infants or children. In 2005, this industry accounted for 3% of nonprofit employment locations and 1% of the nonprofit workforce statewide.

Civic & Social Organizations (NAICS 8134) – This industry comprises 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. In 2005, this industry accounted for 5% of nonprofit employment locations and 2% of the nonprofit workforce statewide.

Community Food, Housing, Emergency & Other Relief Services (NAICS 6242) – Community food service establishments primarily collect, prepare, and deliver food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for low-income people, volunteer construction or repair 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. In 2005, this industry accounted for 3% of nonprofit employment locations and 1% of the nonprofit workforce statewide.

Educational Services (NAICS 611) – Industries in this subsector provide instruction and training through specialized establishments, such as schools, colleges, universities, and training centers. In 2005, this industry accounted for 9% of nonprofit employment locations and 9% of the nonprofit workforce statewide.

Grantmaking & Giving Services (NAICS 8132) – This industry comprises grantmaking foundations and charitable trusts, as well as establishments primarily engaged in raising funds for a range of social welfare activities. In 2005, this industry accounted for 4% of nonprofit employment locations and 1% of the nonprofit workforce statewide.

Hospitals (NAICS 622) – Industries in this subsector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients. Hospitals may also provide outpatient services as a secondary activity. In 2005, this industry accounted for 2% of nonprofit employment locations and 32% of the nonprofit workforce statewide.

Individual & Family Services (NAICS 6241) – This industry comprises establishments primarily engaged in providing nonresidential social assistance services for children and youth, such as adoption and foster care, drug prevention, life skills training, and positive social development. In 2005, this industry accounted for 12% of nonprofit employment locations and 5% of the nonprofit workforce statewide.

Nursing & Residential Care Facilities (NAICS 623) – Industries in this subsector provide residential care combined with either nursing, supervisory, 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. In 2005, this industry accounted for 15% of nonprofit employment locations and 18% of the nonprofit workforce statewide.

Religious Organizations (NAICS 8131) – This industry comprises churches, religious temples, monasteries, and establishments primarily engaged in administering an organized religion or promoting religious activities. In 2005, this industry accounted for 3% of nonprofit employment locations and 1% of the nonprofit workforce statewide.

Social Advocacy Organizations (NAICS 8133) – This industry comprises 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. In 2005, this industry accounted for 7% of nonprofit employment locations and 2% of the nonprofit workforce statewide.

Vocational Rehabilitation Services (NAICS 6243) – This industry comprises 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 skill, or experience. In 2005, this industry accounted for 4% of nonprofit employment locations and 3% of the nonprofit workforce statewide.

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% of nonagricultural employment and wage data in Minnesota. Covered employment includes private sector employees, as well as state, county, and municipal government employees insured under the Unemployment Insurance (UI) Act and federal employees who are insured under separate laws. Religious congregations, proprietors, the self-employed, railroad workers, family farm workers, full-time students working for their school, elected government officials, and those working on a commission-only basis are excluded. 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. For more information about the QCEW, visit www.deed.state.mn.us/lmi/tools/qcew/about.htm.

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 2004 may differ slightly from what was reported in the *2005 Minnesota Nonprofit Economy Report*. Information on the number of nonprofit employers is only available at the state level, so regional analysis focuses on the number of nonprofit employment locations. This report uses the Consumer Price Index (CPI-U) to adjust total payroll and average weekly wages for inflation.

Enhanced Wage Records

The median wage data used in this report is from the Minnesota Department of Employment and Economic Development (DEED). DEED merges data from the Quarterly Census of Employment and Wages (QCEW) program (described above) from the 3rd quarter of 2005 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 2nd and 4th quarter with the same employer as the 3rd quarter. This report uses the data to examine median hourly wages, or the mid-point in the range of wages, by region for full-time employees in selected industries. Full-time is defined as working 35 hours or more per week, or over 454 hours

during the quarter. In some cases, where a single firm has a significant number of employees in a particular industry, the records for that firm have been excluded from the analysis to protect the privacy of the firm.

Attorney General's Office, Charities Division

The Minnesota Attorney General's (AG) office has the primary responsibility for regulating, enforcing, and supervising charitable organizations and charitable trusts. This report uses data provided by the AG's office on charitable organizations exempted under IRS subsection 501(c)(3) and (c)(4) that filed a Form 990 or 990EZ. Nonprofit organizations exempted under IRS subsection 501(c)(5) through (c)(19), private foundations filing form 990PF, and certain charitable trusts are excluded from analysis in this report. Some organizations with physical operations in Minnesota, but with headquarters outside of the state, may not be captured here. 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 5,685 organizations filing from an address located in Minnesota. In most cases, this report uses financial information reported for the fiscal year that closed in 2005. However, for 33% of the organizations, fiscal year 2004 was the most current financial information available. When necessary, incomplete financial information for organizations has been supplemented with data from the Internal Revenue Service (IRS) or Guidestar (www.guidestar.org).

JOBS NOW Coalition, *The Cost of Living in Minnesota*

In *The Cost of Living in Minnesota*, the JOBS NOW Coalition calculates the wage necessary for a family to cover its basic needs, looking at a variety of family compositions as well as geographic differences. The "basic needs budget" constructs a realistic budget by measuring the actual costs of meeting basic needs for food, housing, health care, child care, clothing, and transportation in 2004. The budget does not include any money for entertainment, vacation, eating out, emergencies, retirement, or education. *The Cost of Living in Minnesota* uses the thirteen economic development regions to examine geographic differences, while this report uses the six planning regions. Therefore, to determine the appropriate wage for the Northwest, Southwest, and Central planning regions, the unweighted budgets of the economic development regions within these planning regions were averaged together to determine the basic needs budget. *The Cost of Living in Minnesota* report and budget calculator are available online at www.jobsnowcoalition.org.



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