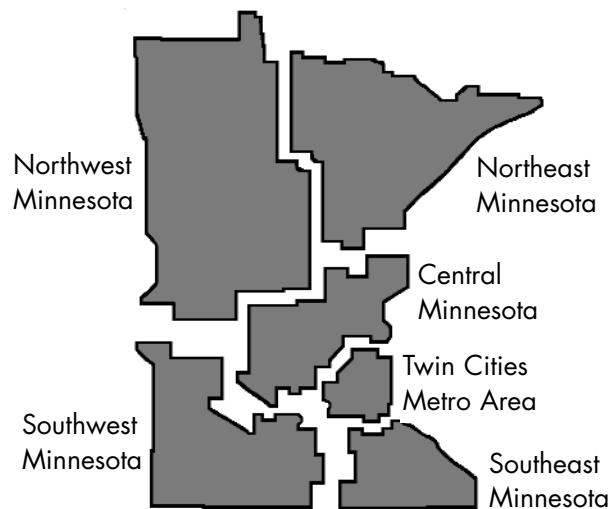


Minnesota Nonprofit Economy Report

A Statewide and Regional Analysis



2007



An annual study that describes the role of nonprofit organizations in Minnesota's economy.

Using this Report

Like every other industry in the United States, the nonprofit sector benefits from having timely information on economic performance. The Minnesota Council of Nonprofits' *Minnesota Nonprofit Economy Report*, published annually for the last twelve years, provides the most current and comprehensive nonprofit economic information available in the nation. 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* – when used together with the *Minnesota Salary and Benefits Survey* and other publications from the Minnesota Council of Nonprofits – has 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

The Authors

Christina Wessel (Minnesota Budget Project Deputy Director) and Jon Pratt (Executive Director)

The Minnesota Council of Nonprofits (MCN) is the statewide association of more than 1,850 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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2007 Minnesota Nonprofit Economy Report

Executive Summary

The *Minnesota Nonprofit Economy Report* is an annual study by the Minnesota Council of Nonprofits that analyzes public data on nonprofit employers, employment, wages and finances to describe the role nonprofit organizations play in the state's economy. This year's report uses data from 2006, the most current information available.

This report pulls the data apart, recognizing that statewide numbers can hide important trends within the regions of the state. For example, the Twin Cities metro area is host to the majority of nonprofit activity in the state, but the nonprofit sector in Southeast Minnesota plays a more dominant role in the economy of its region. Nonprofit activity in the Northeast is heavily concentrated in a single county, while nonprofits in the Northwest are widely distributed throughout the region. Central Minnesota is experiencing the strongest growth in nonprofit activity, while the changes within the Southwest are more subtle.

Nonprofit Employers

Statewide, there were more than 3,600 nonprofit employers in Minnesota in 2006. A single nonprofit employer, however, may have more than one location in the state. In 2006, nonprofit employers operated more than 5,300 nonprofit employment locations throughout Minnesota.

Between 2005 and 2006 there was a decline in the number of nonprofit employers in the state, even as the number of nonprofit employment *locations* continued to increase. This suggests that the nonprofit sector in Minnesota continues to grow, but the growth is mainly driven by existing organizations expanding, rather than by an increase in the number of nonprofits.

The Nonprofit Workforce

In Minnesota, the nonprofit sector plays a particularly strong role in the state's economy. Nationally, according to data from The Johns Hopkins Center for Civil Society Studies, nonprofit organizations employed 7% of the nation's paid employees in 2004. In Minnesota, nonprofits employed 10% of the state's total workforce. In some regions of the state, that percentage was even higher. In 2006, nonprofits employed one out of every five workers in Southeast Minnesota, or 20% of the workforce.

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One reason for Minnesota's sizeable nonprofit workforce is the role health care plays in the state. As a result of state laws and regulatory policies, all health maintenance organizations (HMOs) and most hospitals in Minnesota are incorporated as nonprofit organizations. The health care industry is the largest nonprofit employer in every region of the state, but in Northeast and Southeast Minnesota, the role of the health care industry is particularly dominant.

Nonprofit Wages

In 2006, Minnesota nonprofits paid \$10.8 billion in wages, or nearly 10% of all wages paid in the state. After adjusting for inflation, this represented a 4% increase in the total nonprofit payroll from 2005. Much of the growth in nonprofit wages was driven by the health care industry. Between 2005 and 2006, total payroll for the nonprofit health care industry increased by 7% after adjusting for inflation. During the same period, total inflation-adjusted payroll for the rest of the nonprofit sector declined by 3%.

However, a closer look reveals better news for the nonprofit sector. The median hourly wage for a full-time nonprofit employee was usually competitive with the median wage for government and for-profit employees in the same industry. Furthermore, 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

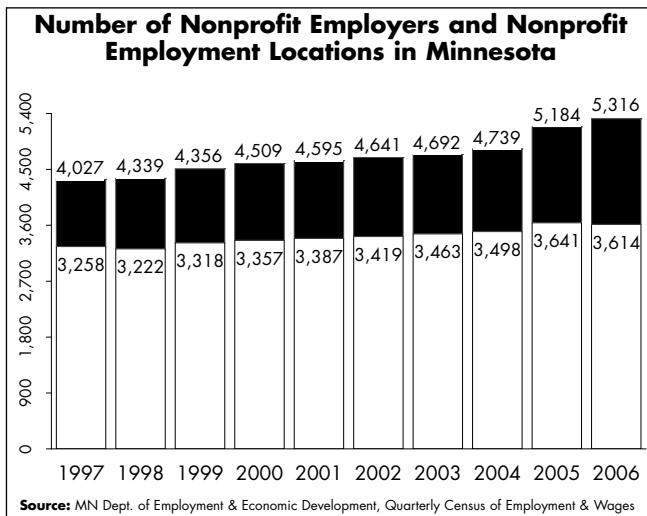
Although much of this report focuses on nonprofit employment, there are a substantial number of nonprofits in the state that operate without any paid staff. Looking at nonprofit finances – revenues, expenditures and assets – captures the economic activity of nonprofits with and without paid staff.

This report examines the finances of about 6,200 charitable organizations in Minnesota – most of the 501(c)(3) and 501(c)(4) organizations that were required to file a return with the IRS. These nonprofits reported \$28.0 billion in revenues, \$26.0 billion in expenses and \$49.1 billion in assets for their most recently completed fiscal year (2005 or 2006). These figures exclude private foundations and thousands of small nonprofits with minimal financial activity.



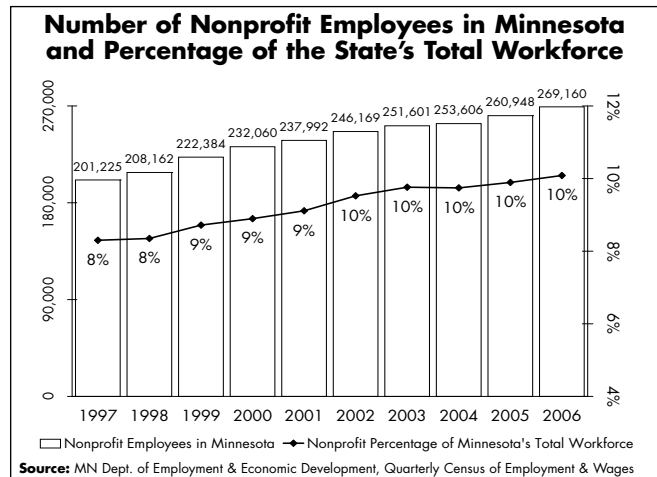
Statewide Nonprofit Employment

Statewide Overview: In 2006, the nonprofit sector in Minnesota continued to play a vital role in the economy of each region of the state, employing one out of every 10 workers statewide. Nonprofit activity continued to expand in Minnesota in 2006, with every region of the state experiencing an increase in the number of nonprofit employment locations and nonprofit jobs. Health care, social assistance and educational services were the largest nonprofit industries, together accounting for 86% of nonprofit employment in the state. Other vital areas of the state's nonprofit economy – such as the arts, culture and humanities – often operate with few paid staff.



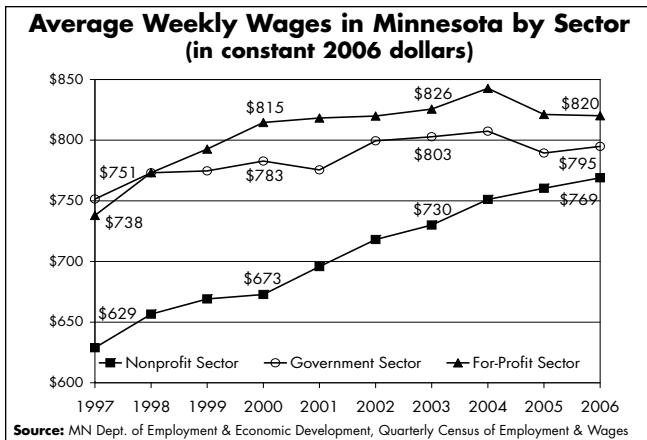
- In 2006, there were just over 3,600 nonprofit employers in Minnesota, a slight decline from the previous year. This was the first drop in the number of nonprofit employers since 1998.
- A single nonprofit employer, however, may have more than one location in the state. In 2006, the 3,600 nonprofit employers in Minnesota operated more than 5,300 employment locations throughout the state. The number of nonprofit employment locations expanded by nearly 3% between 2005 and 2006.
- Just over half, or 52%, of Minnesota's nonprofit employment locations were located in the seven-county Twin Cities metro area in 2006. The remainder were distributed throughout the other five regions of the state, with 13% in Northwest Minnesota, 9% in the Southeast, 9% in the Southwest, 8% in Central Minnesota and 7% in the Northeast.

- In 2006, nonprofit organizations provided close to 270,000 jobs in Minnesota, meaning that one out of every 10 workers in the state was employed in the nonprofit sector.
- Nonprofit employment in Minnesota has grown at a strong pace over the last ten years, increasing an average of 3% per year between 1997 and 2006. This outpaced growth in total employment in the state, which increased an average of only 1% per year during the same period.
- Nonprofit jobs in the state were distributed differently than nonprofit employment locations. More than half of all nonprofit jobs were located in the Twin Cities metro area in 2006. Due to the significant level of health care services in the region, Southeast Minnesota accounted for another 17% of nonprofit jobs. The rest of the nonprofit jobs were distributed with 9% in Northwest Minnesota, 8% in Central Minnesota, 7% in the Northeast and 6% in the Southwest.



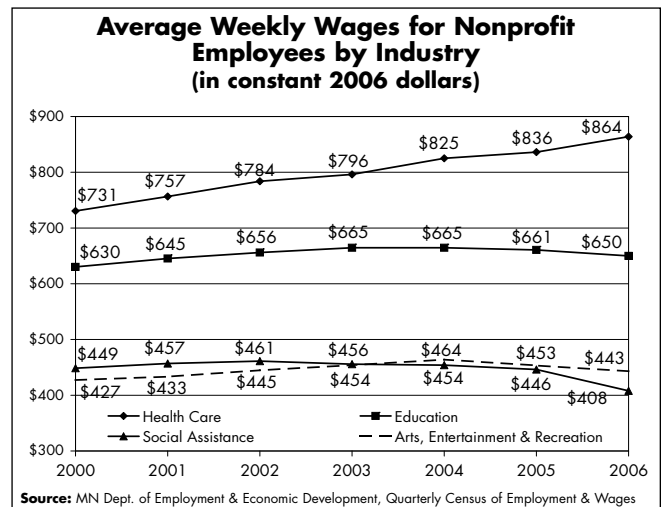


Statewide Nonprofit Wages



- A large segment of the nonprofit sector in Minnesota is involved in delivering health care, which includes ambulatory health care services, hospitals, and nursing and residential care facilities. In 2006, the health care industry accounted for one out of four nonprofit employment locations in the state and employed two out of every three nonprofit workers.
- Social assistance services also comprise a substantial portion of the nonprofit sector in the state. In 2006, 22% of nonprofit employment locations and 10% of nonprofit jobs were involved in delivering activities such as individual and family services; food, housing, emergency and other relief services; vocational rehabilitation services; and child day care services.
- Other important areas of nonprofit activity during 2006 included educational services (with 9% of nonprofit employment locations and 9% of the nonprofit workforce in the state) and arts, entertainment and recreation (with 7% of nonprofit employment locations and 2% of the nonprofit workforce).
- Nonprofit employers paid \$10.8 billion in wages in 2006, or nearly 10% of all wages paid in the state. After adjusting for inflation, this represented a 4% increase in the total nonprofit payroll from 2005. This far outpaced the growth in total payroll experienced by the government and for-profit sectors during the same period.

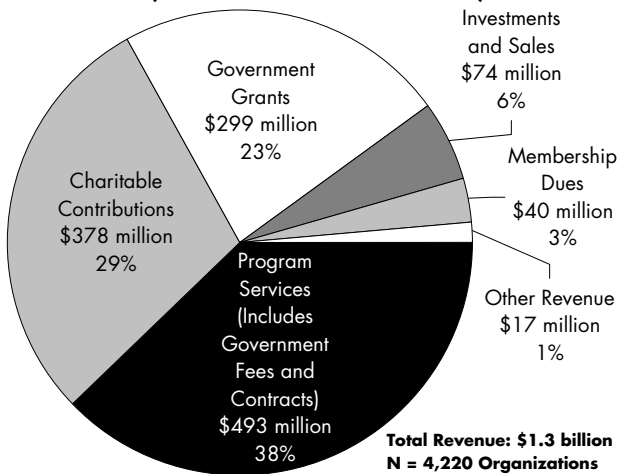
- After adjusting for inflation, average weekly wages in the nonprofit sector have increased steadily over the last decade, even as government and for-profit average weekly wages have fluctuated in recent years. Nevertheless, in 2006, the average weekly wage in the nonprofit sector was still below the average weekly wage for both the government and for-profit sectors.
- Wage trends within the nonprofit sector vary substantially. The health care industry, which accounted for 74% of all nonprofit wages in 2006, has been experiencing consistent growth in average weekly wages. In recent years, most other nonprofit industries experienced minimal growth, or even a decline, in inflation-adjusted wages. Therefore, the wage growth in the health care industry has significantly contributed to the overall increase in nonprofit average weekly wages in the state.
- Although wages between nonprofit industries can vary substantially, nonprofits usually pay their full-time employees a median hourly wage that is competitive for that particular industry, often exceeding 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 is also sufficient to support the basic needs of a family of four in the region where the job was located (with both adults working full-time).





Statewide Nonprofit Finances

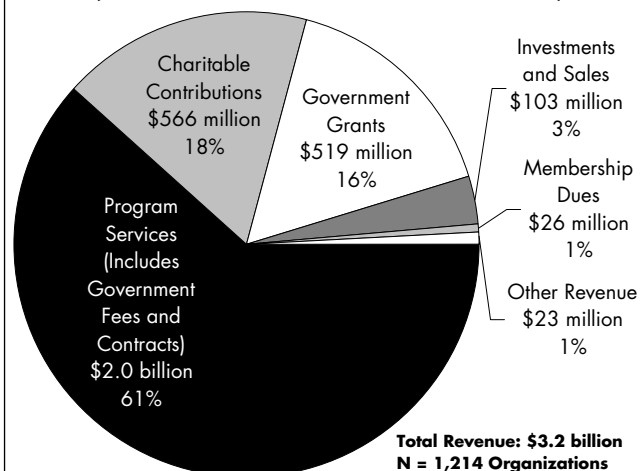
**Revenue Sources for Small Nonprofits
(with assets under \$1 million)**



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

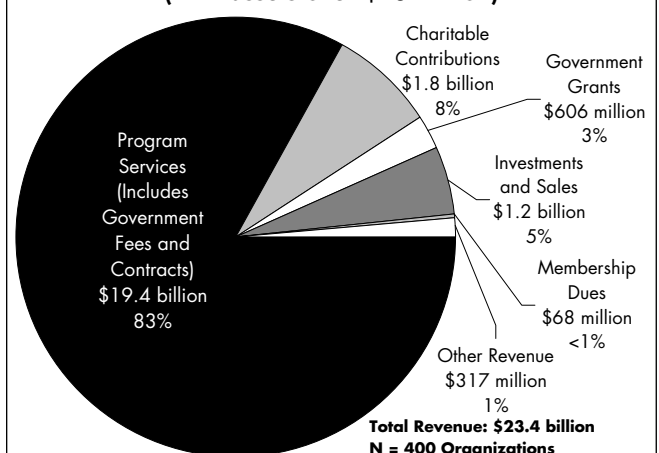
- There are a substantial number of nonprofits in Minnesota that operate without any paid employees. Looking at nonprofit finances — revenues, expenditures and assets — captures the economic activity of nonprofits with and without paid staff. This report analyzes the most recent financial return (from 2005 or 2006) for about 6,200 charitable organizations in the state. The analysis includes most of the 501(c)(3) and 501(c)(4) organizations that were required to file returns with the IRS, but notably excludes private foundations and thousands of small nonprofits with 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 revenues, however, 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)**

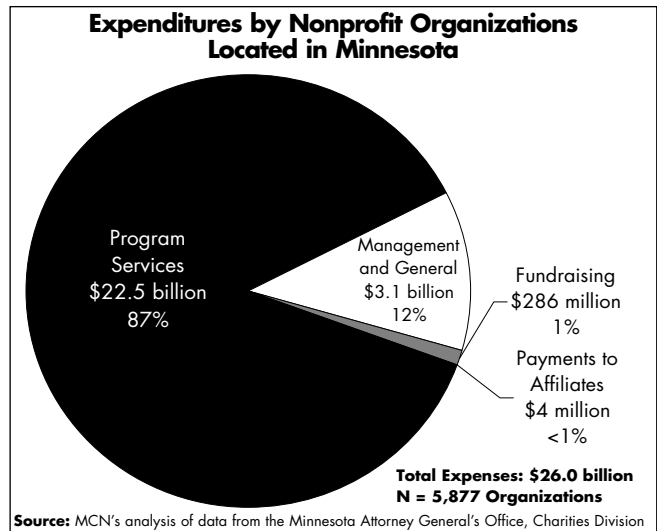


Source: MCN's analysis of data from the Minnesota Attorney General's Office, Charities Division



Statewide Nonprofit Finances

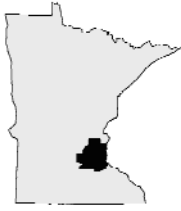
- The Charities Review Council of Minnesota recommends that nonprofits spend at least 70% of their total annual expenses on program services and no more than 30% on management and fundraising. In 2006, nonprofits in Minnesota spent on average 87% of their revenues on program services and 12% on management and fundraising. These percentages did not vary significantly by the size of the organization.
- Nonprofit organizations in Minnesota reported \$49.1 billion in assets, with health organizations (including hospitals and HMOs) holding 52% of these assets and educational organizations (including colleges and universities) holding another 24%.
- Health organizations in Minnesota reported \$20.1 billion in revenues for their most recent fiscal year (90% from program services, 4% from charitable contributions, 2% from investments and sales, and 2% from government grants) and \$18.9 billion in expenses (87% for program services, 12% for management and less than 1% for fundraising).
- Human service organizations reported \$3.5 billion in revenues (59% from program services, 18% from government grants, 17% from charitable contributions and 5% from investments and sales) and \$3.4 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, 16% from charitable contributions, 14% from investments and sales, and 9% from government grants) and \$2.2 billion in expenses (86% for program services, 11% for management and 3% for fundraising).
- Arts, culture and humanities organizations reported \$681 million in revenues (45% from charitable contributions, 26% from program services, 14% from government grants and 12% from investments and sales) and \$553 million in expenses (79% for program services, 14% for management and 7% for fundraising).
- Environmental and animal-related organizations reported \$138 million in revenues (39% from charitable contributions, 28% from program services, 14% from government grants and 14% from investments and sales) and \$129 million in expenses (83% for program services, 11% for management and 6% for fundraising).



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, child 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.

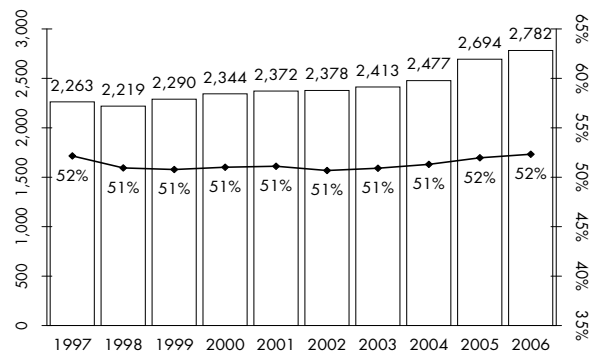


Twin Cities Metro Area Nonprofit Employment

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

Regional Overview: The seven-county Twin Cities metro area is home to the majority of nonprofit activity in the state. In 2006, nonprofits in the region were responsible for more than 141,000 jobs – 9% of total employment in the region – and paid close to \$5.9 billion in wages. Health care, social assistance and educational services are the three largest nonprofit industries, accounting for four out of five nonprofit jobs in the metro area in 2006. Not surprisingly, Hennepin and Ramsey counties are the centers of nonprofit activity in the region, although the other metro counties experienced stronger growth in the number of nonprofit employment locations and nonprofit jobs in 2006.

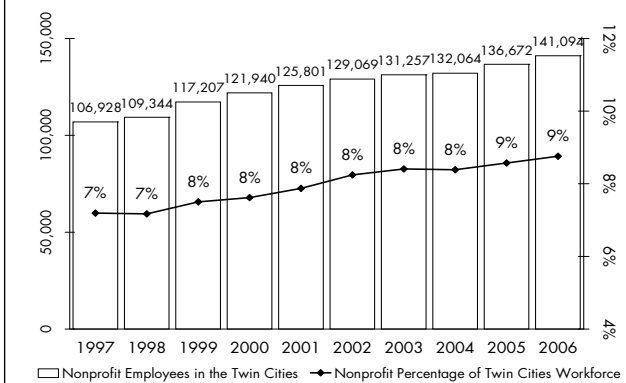
Number of Nonprofit Employment Locations in the Twin Cities and Percentage of All Minnesota Nonprofit Employment Locations



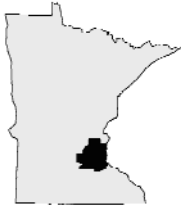
- In recent years, the seven-county Twin Cities metro area has experienced strong growth in the number of nonprofit employment locations. In 2006, there were 2,782 nonprofit employment locations in the Twin Cities, a 3% increase from 2005.
- Although the Twin Cities was home to more than half of the state's nonprofit employment locations in 2006, nonprofits accounted for only 3% of all employment locations in the region.
- The nonprofit sector in the Twin Cities metro area employed 9% of the total workforce in the region, with just over 141,000 nonprofit jobs in 2006. The Twin Cities metro area accounted for 52% of all nonprofit jobs in the state.
- The nonprofit workforce in the Twin Cities metro area has grown every year for the last decade, increasing an average of 3% per year from 1997 to 2006.

- In 2006, half of all nonprofit employment locations in the Twin Cities metro area were located in Hennepin County, with another 30% in Ramsey County. Nonprofit employment was similarly distributed, with 53% of the region's nonprofit jobs located in Hennepin and another 31% in Ramsey. In 2006, these two counties together accounted for 42% of all nonprofit employment locations in Minnesota and 44% of the state's nonprofit jobs.
- Nonprofit activity has traditionally been concentrated in Hennepin and Ramsey counties, but the five surrounding metro area counties have experienced stronger growth in recent years. Between 2005 and 2006, the number of nonprofit employment locations in Hennepin and Ramsey counties increased by 2% and the size of the nonprofit workforce increased by 3%. The other five counties combined experienced an 8% increase in nonprofit employment locations and a 5% increase in 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 Metro Area

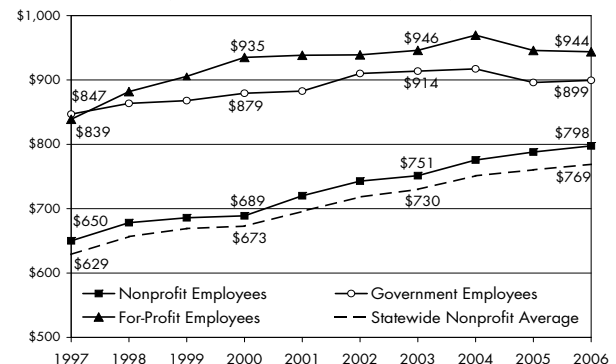
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$20.01 (4%)	\$16.78 (2%)	\$19.69 (1%)
Educational Services	\$20.52 (11%)	\$21.63 (1%)	\$20.65 (46%)
Health Care			
Ambulatory Health Care Services	\$21.40 (11%)	\$19.71 (4%)	\$22.29 (<1%)
Hospitals	\$26.02 (34%)	\$20.01 (<1%)	\$22.00 (4%)
Nursing & Residential Care Facilities	\$14.99 (13%)	\$13.89 (2%)	\$18.25 (1%)
Social Assistance			
Individual & Family Services	\$16.61 (6%)	\$11.56 (1%)	\$25.65 (1%)
Community Food, Housing, Emergency & Other Relief Services	\$15.99 (1%)	\$18.40 (<1%)	NA
Vocational Rehabilitation Services	\$14.71 (3%)	\$18.93 (<1%)	\$24.67 (<1%)
Child Day Care Services	\$12.81 (1%)	\$12.25 (<1%)	NA
Other Services			
Religious Organizations	\$17.53 (1%)	\$15.73 (<1%)	NA
Grantmaking & Giving Services	\$25.03 (1%)	\$26.20 (<1%)	NA
Social Advocacy Organizations	\$17.97 (2%)	\$17.33 (<1%)	\$28.46 (<1%)
Civic & Social Organizations	\$16.09 (3%)	\$15.23 (<1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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 90% of nonprofit employment, 10% of for-profit employment and 53% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

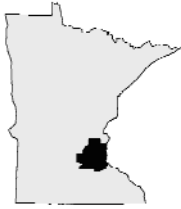
- In 2006, the health care industry accounted for 23% of nonprofit employment locations and 58% of nonprofit jobs in the region. Although health care is the largest nonprofit industry in the Twin Cities metro area, it is not as dominant as it is in other regions.

- Compared to other regions, the Twin Cities area had a higher percentage of its nonprofit workforce employed in educational services (11%) and arts, entertainment and recreation (4%).
- Nonprofit organizations in the Twin Cities metro area paid close to \$5.9 billion in wages in 2006, or 8% of all wages paid in the region. After adjusting for inflation, the total nonprofit payroll in the region increased by more than 4% from 2005. During the same period, total inflation-adjusted payroll for the for-profit sector in the region increased by less than 1%.
- Average weekly wages for the nonprofit sector in the Twin Cities metro area increased slightly between 2005 and 2006 after adjusting for inflation. During the same period, the average weekly wage for the government sector was stagnant and the wage for the for-profit sector declined. Nevertheless, the average weekly wage for the nonprofit sector in the Twin Cities continued to lag behind both the government and for-profit wage.
- With one exception – child day care services – the median hourly wage for a full-time nonprofit employee in the industries examined exceeded the minimum amount 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 2006, each adult needed to earn \$13.19 an hour to meet these costs in the Twin Cities metro area.

**Average Weekly Wages in the Twin Cities by Sector
(in constant 2006 dollars)**



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

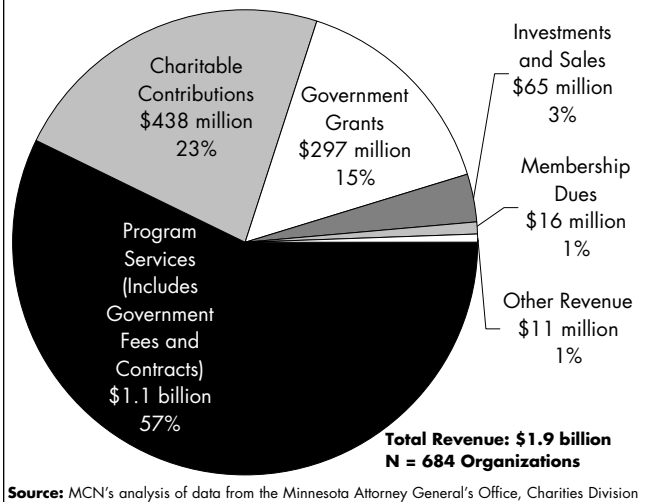


Twin Cities Metro Area Nonprofit Finances

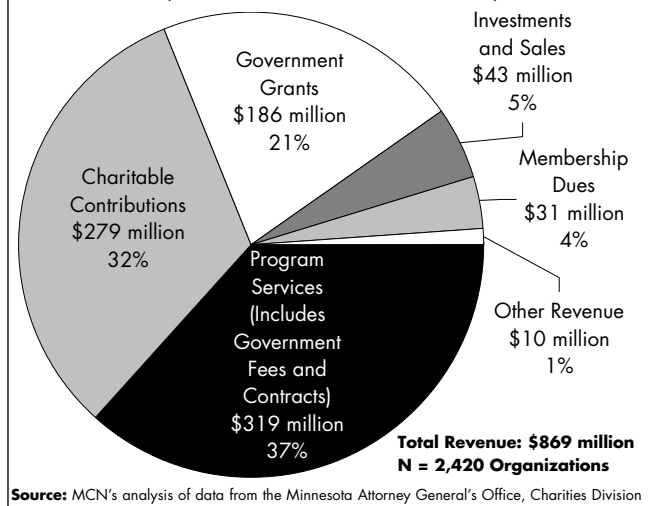
Counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

- Nonprofits in the Twin Cities metro area reported \$17.4 billion in revenues, \$16.2 billion in expenditures and \$30.1 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 95% of the nonprofit revenues in the region, 96% of the expenses and 89% of the assets. Health organizations alone accounted for 66% of nonprofit revenues in the region, 67% of the expenses and 36% of the assets.
- Health organizations in the Twin Cities reported \$11.5 billion in revenues (91% from program services, 4% from charitable contributions, 2% from investments and sales, and 1% from government grants) and \$10.9 billion in expenses (85% for program services, 15% for management and less than 1% for fundraising).
- Human service organizations reported \$2.6 billion in revenues (58% from program services, 20% from charitable contributions, 14% from government grants and 5% from investments and sales) and \$2.5 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)



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



- Educational organizations reported \$1.8 billion in revenues (58% from program services, 17% from charitable contributions, 14% from investments and sales and 10% from government grants) and \$1.5 billion in expenses (86% for program services, 11% for management and 3% for fundraising).
- Arts, culture and humanities organizations reported \$625 million in revenues (44% from charitable contributions, 27% from program services, 13% from government grants and 12% from investments and sales) and \$508 million in expenses (79% for program services, 14% for management and 7% for fundraising).
- Environmental and animal-related organizations reported \$109 million in revenues (41% from charitable contributions, 26% from program services, 15% from investments and sales and 13% from government grants) and \$103 million in expenses (85% for program services, 8% for management and 7% for fundraising).

Note: This analysis includes 3,578 501(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.

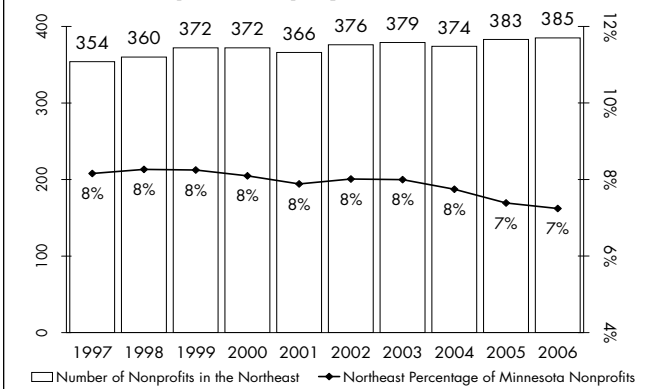


Northeast Minnesota Nonprofit Employment

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

Regional Overview: The seven-county Northeast region is the second largest region in Minnesota in terms of square miles, but nonprofit activity in the region is heavily concentrated in St. Louis County, home to the city of Duluth. Although the Northeast has experienced very little growth in the number of nonprofit employment locations over time, the region's nonprofit workforce has increased an average of 4% per year over the last ten years. In 2006, nonprofits employed 14% of the region's workforce. Although this area of the state was particularly affected by the 2001 recession, strong job and wage growth in the health care industry has helped the nonprofit sector in the Northeast recover.

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

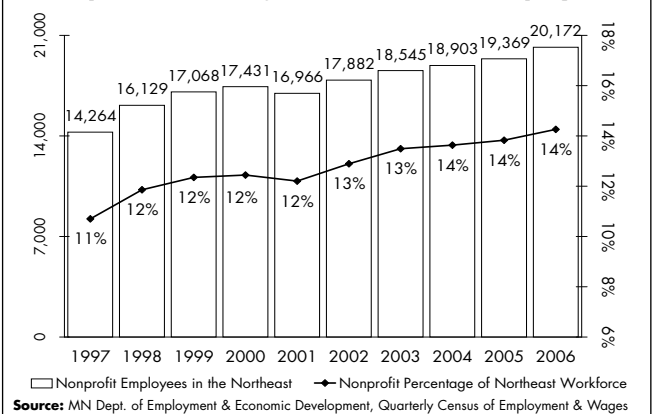


Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

- With just 385 nonprofit employment locations in 2006, the Northeast region had the fewest nonprofit employers in the state. The nonprofit sector in the region experienced virtually no growth in the number of nonprofit employment locations from the previous year.
- Although the Northeast's share of the state's nonprofit employment locations has been declining in recent years, the nonprofit sector is still a very significant presence in this region. In 2006, 14% of the region's workforce was employed by the nonprofit sector – only Southeast Minnesota had a larger concentration of nonprofit jobs.
- Over the last decade, nonprofit employment in the Northeast has increased an average of 4% each year. During the same period, total employment in the region increased an average of just 1% per year.

- The majority of nonprofit activity in the Northeast is located in St. Louis County, the largest county in the region and home to the city of Duluth. In 2006, this county alone accounted for 58% of the region's nonprofit employment locations and 80% of the region's nonprofit jobs. St. Louis County also experienced the strongest growth in nonprofit employment in the region in 2006, increasing 5% from the previous year.
- In 2006, St. Louis County accounted for 4% of all nonprofit employment locations in the state and 6% of all nonprofit jobs.
- Itasca County – with the regional center of Grand Rapids – is a distant second in nonprofit activity in the Northeast. In 2006, Itasca was home to 14% of the region's nonprofit employment locations and 8% of the region's nonprofit jobs. Itasca, however, was the only county in the region to experience a decline from the previous year in both the number of nonprofit employment locations and nonprofit jobs.

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



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



Northeast Minnesota Nonprofit Wages

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

Median Hourly Wages for Full-Time Employees in Northeast Minnesota

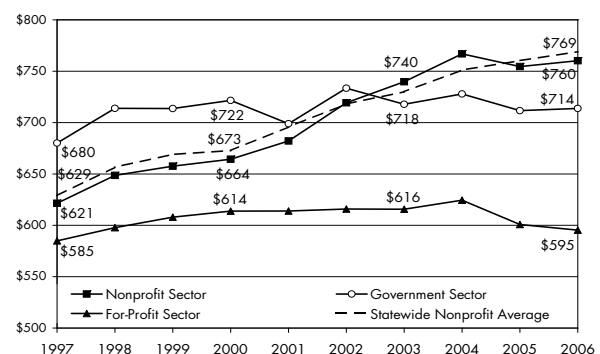
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$15.18 (2%)	\$13.36 (1%)	\$11.93 (6%)
Educational Services	\$14.47 (6%)	\$18.91 (<1%)	\$18.51 (37%)
Health Care			
Ambulatory Health Care Services	\$15.99 (18%)	\$14.99 (3%)	NA
Hospitals	\$18.53 (42%)	NA	\$18.37 (6%)
Nursing & Residential Care Facilities	\$13.24 (18%)	\$11.27 (5%)	\$16.00 (3%)
Social Assistance			
Individual & Family Services	\$15.79 (3%)	\$11.06 (1%)	\$18.43 (2%)
Community Food, Housing, Emergency & Other Relief Services	\$13.97 (1%)	NA	NA
Vocational Rehabilitation Services	\$10.17 (3%)	\$10.75 (<1%)	NA
Child Day Care Services	NA	\$10.28 (<1%)	NA
Other Services			
Religious Organizations	NA	NA	NA
Grantmaking & Giving Services	\$18.32 (<1%)	NA	NA
Social Advocacy Organizations	\$17.16 (1%)	NA	NA
Civic & Social Organizations	\$11.72 (3%)	\$11.46 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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 97% of nonprofit employment, 12% of for-profit employment and 54% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

- The nonprofit sector in the Northeast has a particularly high concentration of workers employed in the health care industry. In 2006, 78% of the nonprofit workforce in the Northeast was employed in health care. Only Southeast Minnesota has a greater percentage of its nonprofit workforce in health care.

- Educational services was the second largest nonprofit industry in the Northeast, accounting for 6% of nonprofit jobs in 2006. The arts, entertainment and recreation industry employed 2% of the nonprofit workforce, but accounted for a significant 11% of nonprofit employment locations in the region.
- In 2006, nonprofit organizations in the Northeast paid \$797 million in wages, or 17% of all wages paid in the region. After adjusting for inflation, this represented a 5% increase from 2005. The nonprofit health care industry alone paid \$691 million in wages in the Northeast in 2006, or 15% of all wages paid in the region.
- The average weekly wage in the nonprofit sector far exceeded the average weekly wage in both the government and for-profit sectors in the Northeast. However, removing nonprofit health care from the calculation causes the average weekly wage for the nonprofit sector to fall from \$760 to \$455 in 2006.
- 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 2006, each adult needed to earn \$10.21 an hour to meet these costs in Northeast Minnesota. Vocational rehabilitation services was the only exception.

Average Weekly Wages in the Northeast by Sector (in constant 2006 dollars)



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

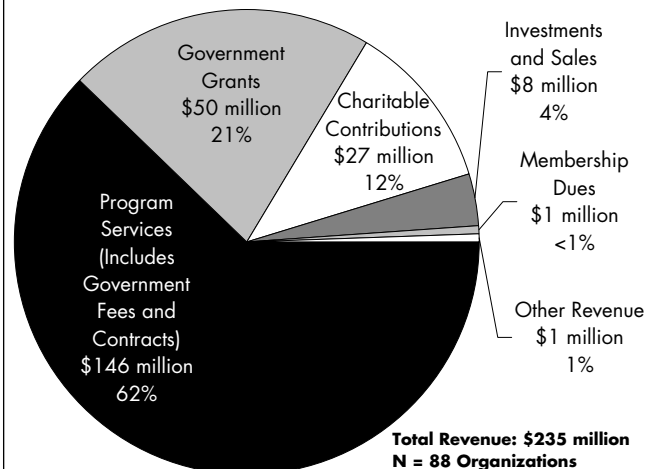


Northeast Minnesota Nonprofit Finances

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

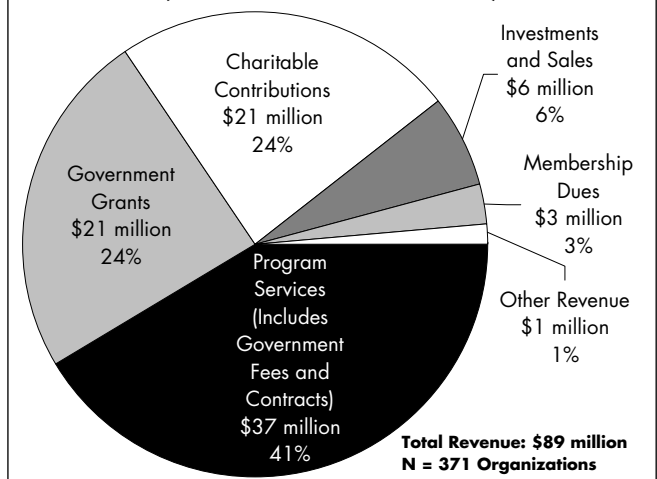
- Nonprofits in Northeast Minnesota reported \$1.8 billion in revenues, \$1.7 billion in expenses and \$3.8 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 99% of the nonprofit revenues in the region, 99% of the expenses and 96% of the assets. Health organizations alone accounted for 82% of nonprofit revenues in the region, 82% of the expenses and 86% of the assets.
- Health organizations in the Northeast reported \$1.5 billion in revenues (95% from program services, 2% from investments and sales, 1% from charitable contributions and 1% from government grants) and \$1.4 billion in expenses (87% for program services, 13% for management and less than 1% for fundraising).
- Human service organizations reported \$186 million in revenues (42% from program services, 36% from government grants, 14% from charitable contributions and 5% from investments and sales) and \$181 million in expenses (87% for program services, 11% for management and 1% for fundraising).

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



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

- Educational organizations reported \$95 million in revenues (74% from program services, 18% from government grants, 5% from charitable contributions and 3% from investments and sales) and \$90 million in expenses (86% for program services, 12% for management and 2% for fundraising).
- Arts, culture and humanities organizations reported \$17 million in revenues (41% from charitable contributions, 28% from program services, 15% from government grants and 11% from investments and sales) and \$15 million in expenses (74% for program services, 20% for management and 6% for fundraising).
- Environmental and animal-related organizations reported \$7 million in revenues (54% from program services, 22% from charitable contributions, 9% from investments and sales, and 6% from government grants) and \$8 million in expenses (67% for program services, 31% for management and 2% for fundraising).

Note: This analysis includes 504 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Northeast Minnesota, but excludes 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.

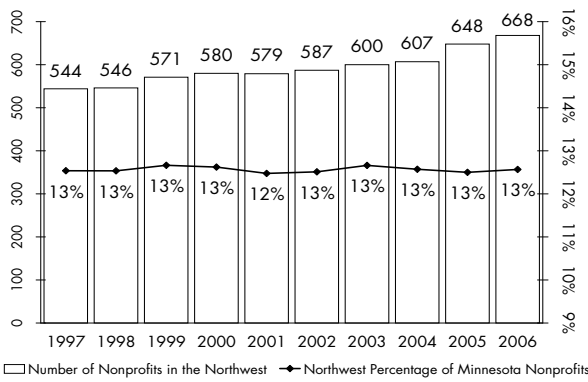


Northwest Minnesota Nonprofit Employment

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

Regional Overview: The Northwest, comprising 26 counties and more than 28,000 square miles, has the largest share of nonprofit employment locations outside of the Twin Cities metro area. The nonprofit sector in the Northwest is characterized by dispersion. The region has a large number of population centers that, though small in size, each attract their own cluster of nonprofits. Between 2005 and 2006, the nonprofit sector in the Northwest experienced growth in the number of nonprofit employment locations and nonprofit employment, although inflation-adjusted average weekly wages for the sector fell slightly for the second year in a row.

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

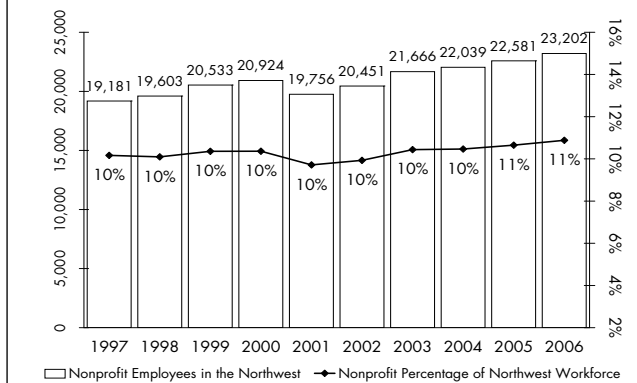


Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

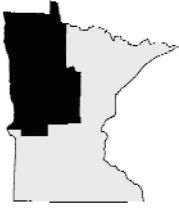
- In 2006 there were close to 670 nonprofit employment locations in Northwest Minnesota, an increase of 3% from 2005. With nearly 13% of the state's nonprofit employment locations, the Northwest region has the largest concentration of nonprofit employment locations outside of the Twin Cities metro area.
- Nearly 11% of the region's workforce was employed by the nonprofit sector in 2006, which was slightly higher than the statewide average of 10%.
- Although the Northwest has the second largest share of the state's nonprofit employment locations, the number of nonprofit jobs in the region is closer to average. As a result, nonprofits tended to be smaller than nonprofits in most other regions, averaging just 35 workers for each nonprofit employment location in 2006, compared to 51 workers per location in the Twin Cities metro area.

- Between 2005 and 2006, nonprofit employment in the region increased by 3%, while total employment increased by less than 1%. Over the last decade, however, growth in nonprofit employment in the region has averaged closer to 2% per year, only slightly higher than growth in total employment during that time.
- Nonprofit activity is widely dispersed in the Northwest, reflecting that the region has more, but smaller, population centers than other regions. In 2006, 10% of nonprofit employment locations were in Crow Wing County (where Brainerd is located), 10% in Otter Tail County (Fergus Falls), 10% in Clay County (Moorhead), 9% in Beltrami County (Bemidji) and 8% in Polk County (Crookston and East Grand Forks).
- The nonprofit workforce in the region followed a slightly different pattern, with 15% of the region's nonprofit jobs located in Clay County, 10% in Otter Tail, 9% in Beltrami, 8% in Polk and another 8% in Crow Wing.

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



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



Northwest Minnesota Nonprofit Wages

Counties: Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnomon, 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

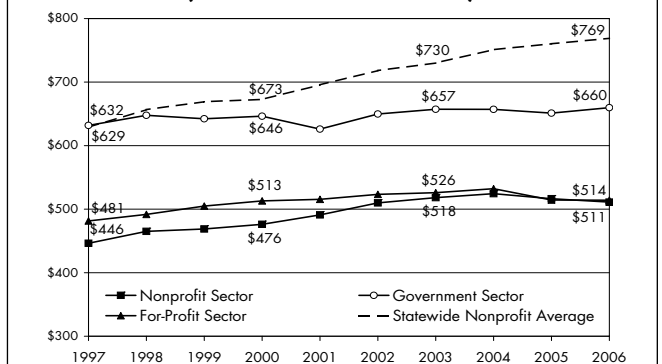
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$12.30 (1%)	\$12.51 (1%)	\$11.71 (6%)
Educational Services	\$17.63 (7%)	\$14.91 ($<1\%$)	\$19.26 (43%)
Health Care			
Ambulatory Health Care Services	\$15.79 (6%)	\$15.75 (4%)	\$19.99 (1%)
Hospitals	\$17.14 (32%)	NA	\$18.66 (6%)
Nursing & Residential Care Facilities	\$12.05 (30%)	\$10.59 (3%)	\$15.04 (3%)
Social Assistance			
Individual & Family Services	\$12.22 (6%)	\$10.11 (1%)	\$16.11 ($<1\%$)
Community Food, Housing, Emergency & Other Relief Services	\$12.34 ($<1\%$)	NA	NA
Vocational Rehabilitation Services	\$12.29 (4%)	\$10.74 ($<1\%$)	NA
Child Day Care Services	\$11.60 (1%)	\$9.02 ($<1\%$)	\$16.07 ($<1\%$)
Other Services			
Religious Organizations	\$13.11 (1%)	NA	NA
Grantmaking & Giving Services	\$22.72 ($<1\%$)	NA	NA
Social Advocacy Organizations	\$15.41 (3%)	NA	NA
Civic & Social Organizations	\$13.87 (1%)	\$10.91 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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 60% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

- In 2006, 18% of nonprofit employment locations in Northwest Minnesota were nursing and residential care facilities. This industry was also the second largest nonprofit employer, accounting for 30% of the nonprofit jobs in the region.

- Hospitals were the largest nonprofit employer in the Northwest in 2006, accounting for 32% of all nonprofit jobs in the region, but only 4% of nonprofit employment locations.
- Outside of health care, the largest nonprofit industries in the Northwest were individual and family services (13% of nonprofit employment locations and 6% of jobs) and arts, entertainment and recreation (9% of nonprofit employment locations and 1% of jobs). Educational services accounted for only 4% of nonprofit employment locations, but 7% of the nonprofit workforce.
- Nonprofits in the Northwest paid \$617 million in wages in 2006, or 10% of all wages paid in the region. After adjusting for inflation, total nonprofit payroll increased by 2% from 2005.
- Although average weekly wages for the government sector increased between 2005 and 2006, inflation-adjusted average weekly wages for both the nonprofit and for-profit sector declined slightly for the second year in a row.
- When looking at the median hourly wage for a full-time nonprofit employee, every industry examined 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 2006, each adult needed to earn \$10.27 an hour to meet these costs in the Northwest.

Average Weekly Wages in the Northwest by Sector (in constant 2006 dollars)



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

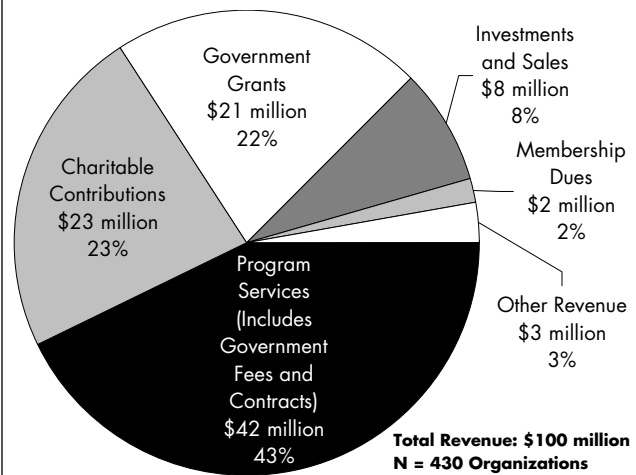


Northwest Minnesota Nonprofit Finances

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

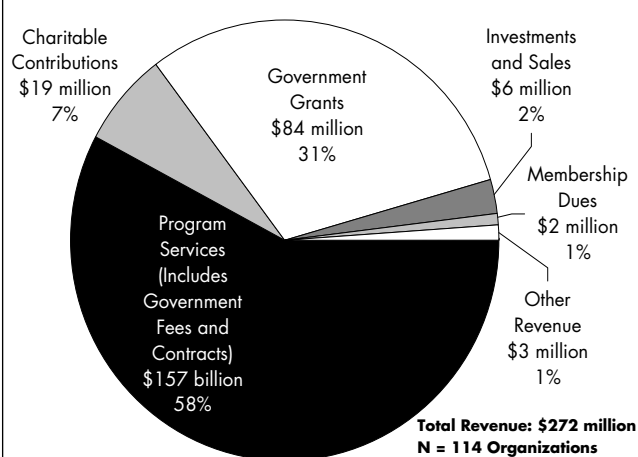
- Nonprofits in Northwest Minnesota reported \$1.1 billion in revenues, \$1.1 billion in expenses and \$1.5 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 96% of the nonprofit revenues in the region, 96% of the expenses and 85% of the assets. Health organizations alone accounted for 73% of nonprofit revenues in the region, 74% of the expenses and 65% of the assets.
- Health organizations in Northwest Minnesota reported \$819 million in revenues (92% from program services, 3% from charitable contributions, 3% from investments and sales, and 1% from government grants) and \$781 million in expenses (87% for program services, 13% for management and less than 1% for fundraising).
- Human service organizations reported \$205 million in revenues (47% from program services, 37% from government grants, 8% from charitable contributions and 6% from investments and sales) and \$198 million in expenses (88% for program services, 11% for management and 1% for fundraising).

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



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

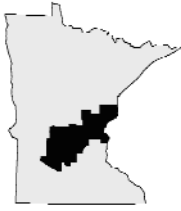
Revenue Sources for Medium-Sized Nonprofit Organizations Located in Northwest Minnesota (with assets between \$1 and \$10 million)



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

- Educational organizations reported \$27 million in revenues (44% from government grants, 25% from charitable contributions, 12% from program services and 9% from investments and sales) and \$23 million in expenses (77% for program services, 21% for management expenses and 2% for fundraising).
- Arts, culture and humanities organizations reported \$8 million in revenues (45% from charitable contributions, 23% from program services, 13% from investments and sales, and 12% from government grants) and \$8 million in expenses (75% for program services, 18% for management and 6% for fundraising).
- Environmental and animal-related organizations reported \$7 million in revenues (48% from charitable contributions, 21% from program services, 15% from government grants and 12% from investments and sales) and \$6 million in expenses (85% for program services, 13% for management and 2% for fundraising).

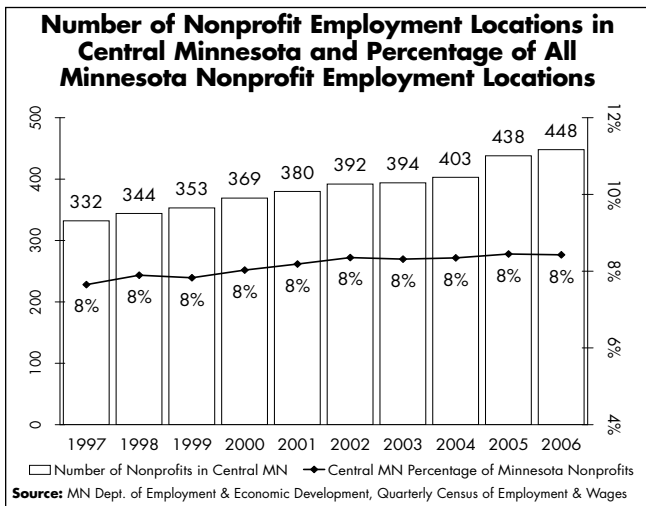
Note: This analysis includes 606 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Northwest Minnesota, but excludes all other types of 501(c) organizations, private foundations that filed form 990PF, some charitable trusts and some organizations operating in the Northwest with headquarters in another region or outside of the state.



Central Minnesota Nonprofit Employment

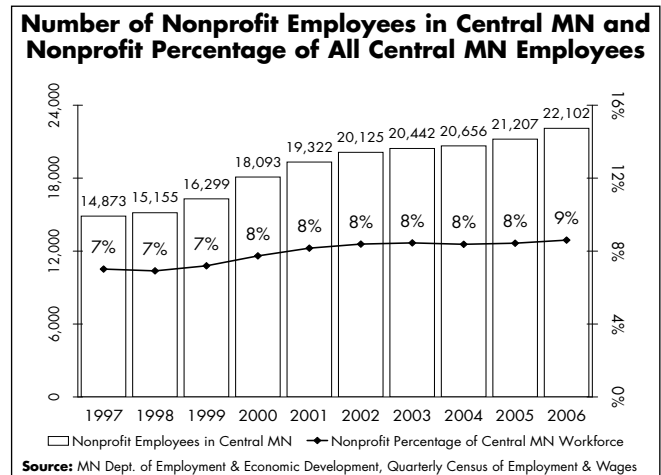
Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright

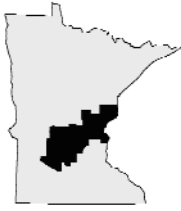
Regional Overview: Despite their close proximity to the Twin Cities and the presence of a major population center, the 13 counties of Central Minnesota were home to just 8% of the state's nonprofit employment locations and 8% of nonprofit employment in 2006. The nonprofit sector in Central Minnesota may be comparatively small, but it is characterized by strong growth. Over the last ten years, the number of nonprofit employment locations in the region has increased an average of 3% per year and the size of the nonprofit workforce has increased an average of 5% per year – the strongest percentage growth in the state over that period.



- In 2006, there were close to 450 nonprofit employment locations in Central Minnesota, a 2% increase from 2005. Only Northeast Minnesota had a smaller share of the state's nonprofit employment locations.
- The number of nonprofit employment locations in Central Minnesota, however, has been growing steadily over the last decade, increasing an average of 3% per year between 1997 and 2006. Over that period, Central Minnesota experienced the strongest growth in nonprofit employment locations of any region in the state.
- In 2006, nonprofit employees accounted for 9% of the total workforce in Central Minnesota, which was slightly below the statewide average of 10%. Between 2005 and 2006, however, nonprofit employment in the region grew at a faster rate than both for-profit and government employment, increasing by 4%.

- Over the last decade, nonprofit employment in the region has experienced the same strong growth as the number of nonprofit employment locations. Between 1997 and 2006, nonprofit employment in Central Minnesota grew an average of nearly 5% per year, faster than any other region in the state.
- In 2006, Stearns County, where most of the city of St. Cloud is located, accounted for 26% of the region's nonprofit employment locations and 39% of the region's nonprofit jobs.
- Wright and Sherburne counties, which lie between St. Cloud and the Twin Cities metro area, were also centers of nonprofit activity in the region in 2006. Wright County was home to 11% of the region's nonprofit employment locations and 9% of the nonprofit jobs. Sherburne County hosted 10% of nonprofit employment locations and 9% of the nonprofit jobs. Chisago County had fewer nonprofit employment locations (6%), but employed a larger percentage of the nonprofit workforce (11%).





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

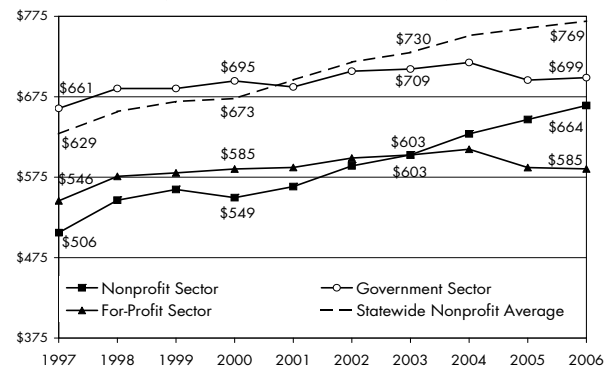
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$17.30 (1%)	\$13.10 (2%)	\$12.94 (7%)
Educational Services	\$21.18 (8%)	\$12.54 (<1%)	\$19.36 (46%)
Health Care			
Ambulatory Health Care Services	\$16.09 (9%)	\$17.70 (4%)	NA
Hospitals	\$19.41 (35%)	\$16.06 (<1%)	\$20.13 (10%)
Nursing & Residential Care Facilities	\$14.35 (26%)	\$12.11 (3%)	\$18.97 (1%)
Social Assistance			
Individual & Family Services	\$14.42 (4%)	\$10.87 (1%)	\$18.40 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$13.89 (1%)	\$14.68 (<1%)	NA
Vocational Rehabilitation Services	\$10.84 (6%)	\$17.70 (<1%)	NA
Child Day Care Services	\$11.53 (2%)	\$10.45 (1%)	NA
Other Services			
Religious Organizations	\$14.52 (<1%)	NA	NA
Grantmaking & Giving Services	\$15.59 (3%)	NA	NA
Social Advocacy Organizations	\$15.85 (2%)	\$14.81 (<1%)	NA
Civic & Social Organizations	\$12.42 (1%)	\$9.98 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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 97% of nonprofit employment, 11% of for-profit employment and 65% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

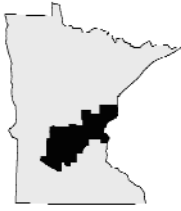
- In 2006, 70% of nonprofit employment and 30% of nonprofit employment locations in Central Minnesota were in the health care industry, which includes ambulatory health care services, hospitals, and nursing and residential care facilities.

- In 2006, nonprofits in Central Minnesota paid \$763 million in wages, or 9% of all wages paid in the region. After adjusting for inflation, the total nonprofit payroll increased by 7% from the previous year, the strongest growth in payroll in the state.
- While inflation-adjusted average weekly wages for the government and for-profit sector in the region have not changed substantially since 2000, inflation-adjusted average weekly wages for the nonprofit sector increased by 3% per year over that time.
- The strong growth in nonprofit average weekly wages in Central Minnesota has been driven by the health care industry. After adjusting for inflation, the average weekly wage for the nonprofit health care industry has been increasing every year since 2000, reaching \$771 in 2006. The inflation-adjusted average weekly wage for the rest of the nonprofit sector in the region has been declining since 2002, falling to \$419 in 2006.
- Despite the declining average wages, 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 in most industries examined (two adults working full-time, two children). According to the JOBS NOW Coalition, in 2006, each adult needed to earn \$12.00 an hour to meet these costs in Central Minnesota. The exceptions were nonprofit vocational rehabilitation services and child day care services.

Average Weekly Wages in Central MN by Sector (in constant 2006 dollars)



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

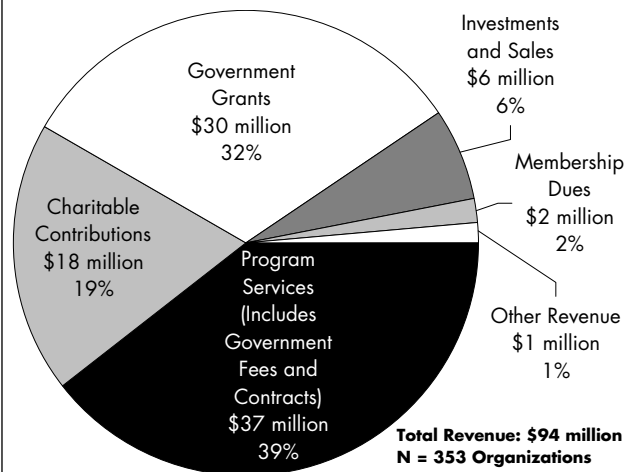


Central Minnesota Nonprofit Finances

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

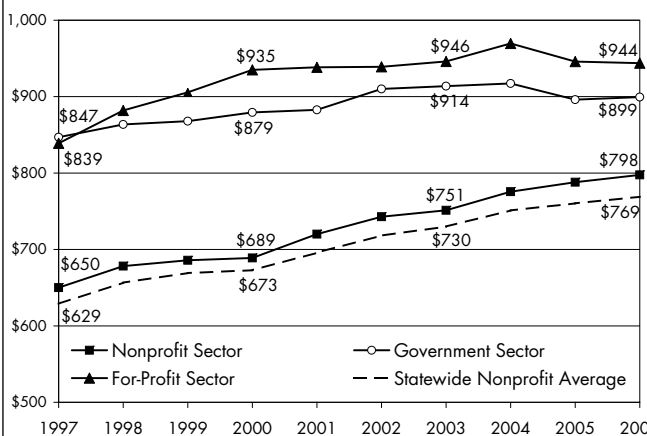
- Nonprofits in Central Minnesota reported \$1.5 billion in revenues, \$1.4 billion in expenses and \$2.0 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 97% of the nonprofit revenues in Central Minnesota, 98% of the expenses and 93% of the assets. Health organizations alone accounted for 78% of nonprofit revenues in the region, 78% of the expenses and 68% of the assets.
- Health organizations in Central Minnesota reported \$1.2 billion in revenues (94% from program services, 3% from investments and sales, 2% from charitable contributions and 1% from government grants) and \$1.1 billion in expenses (88% for program services, 12% for management and less than 1% for fundraising).
- Human service organizations reported \$181 million in revenues (55% from program services, 28% from government grants, 10% from charitable contributions and 4% from investments and sales) and \$173 million in expenses (88% for program services, 11% for management and 1% for fundraising).

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



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

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



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

- Educational organizations reported \$111 million in revenues (70% from program services, 15% from charitable contributions, 8% from government grants and 6% from investments and sales) and \$98 million in expenses (88% for program services, 10% for management and 3% for fundraising).
- Arts, culture and humanities organizations reported \$6 million in revenues (31% from charitable contributions, 30% from program services, 20% from government grants and 13% from investments and sales) and \$6 million in expenses (79% for program services, 15% for management and 4% for fundraising).
- Environmental and animal-related organizations reported \$4 million in revenues (44% from charitable contributions, 35% from program services, 13% from investments and sales and 2% from government grants) and \$4 million in expenses (77% for program services, 18% for management and 5% for fundraising).

Note: This analysis includes 521 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Central Minnesota, but excludes 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.

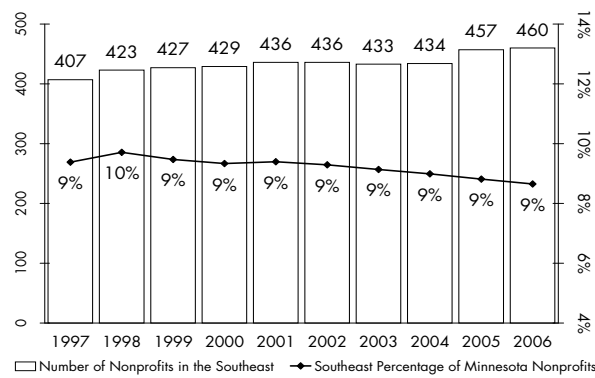


Southeast Minnesota Nonprofit Employment

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

Regional Overview: The 11-county region of Southeast Minnesota, home to the city of Rochester, enjoys international recognition for its health care facilities. In 2006, 86% of all hospital and ambulatory health care jobs in the region were nonprofit. As a result, the nonprofit sector plays a more prominent role in Southeast Minnesota than in any other region in the state. In 2006, nonprofits employed one out of every five employees in the region – the highest percentage in the state – and paid \$2.3 billion in wages. Nonprofits in Southeast Minnesota reported substantial assets – \$10.6 billion – largely due to the presence of the Mayo Clinic and several large private colleges and universities.

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

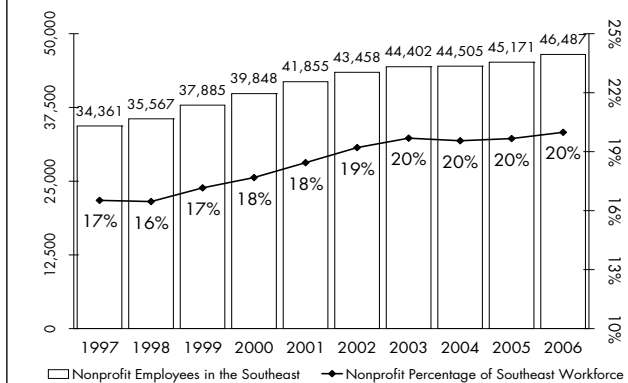


Source: MN Dept. of Employment & Economic Development, Quarterly Census of Employment & Wages

- In 2006, there were 460 nonprofit employment locations in Southeast Minnesota, which represented a small increase from the previous year. Over the last ten years, the Southeast has experienced below average growth in the number of nonprofit employment locations compared to the other regions in the state.
- Nonprofits in the Southeast were the largest in the state, averaging 101 employees per nonprofit employment location in 2006 – nearly twice the average size of nonprofits in the Twin Cities.
- The nonprofit workforce in Southeast Minnesota has increased an average of 3% per year for the last decade, but the region is more notable for the size of the nonprofit workforce. In 2006, there were nearly 46,500 nonprofit jobs in the region, which was the largest nonprofit workforce outside of the Twin Cities metro area. In 2006, 17% of all nonprofit jobs in the state were located in Southeast Minnesota.

- The nonprofit sector also plays a significant role in the region's overall employment picture. In 2006, one out of every five workers in the region was employed by a nonprofit organization. In Olmsted County, where the city of Rochester is located, more than one out of every three workers in the county was employed by the nonprofit sector.
- In 2006, 30% of the region's nonprofit employment locations and 68% of the region's nonprofit jobs were located in Olmsted County. Nonprofit activity in the rest of the Southeast was widely dispersed between the remaining ten counties, with Winona and Rice counties having slightly more activity than the others.
- Olmsted County is not only a regional center of nonprofit activity, but also a major center of nonprofit jobs in the state. For example, Olmsted was home to nearly 32,000 nonprofit jobs in 2006, which was more than twice the number of nonprofit jobs in all of Southwest Minnesota.

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



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



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

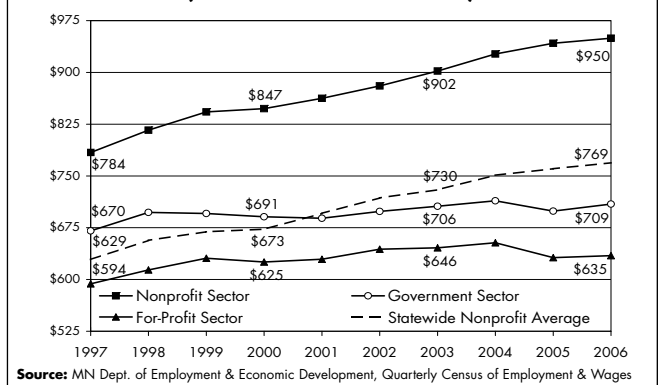
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$15.22 (<1%)	\$14.22 (2%)	\$16.14 (5%)
Educational Services	\$22.07 (7%)	\$19.93 (<1%)	\$19.79 (47%)
Health Care			
Ambulatory Health Care Services	\$23.86 (45%)	\$17.47 (3%)	NA
Hospitals	\$24.98 (26%)	NA	\$21.06 (3%)
Nursing & Residential Care Facilities	\$13.64 (13%)	\$11.70 (3%)	\$15.90 (3%)
Social Assistance			
Individual & Family Services	\$14.00 (3%)	\$12.09 (<1%)	\$19.64 (<1%)
Community Food, Housing, Emergency & Other Relief Services	\$15.62 (<1%)	\$12.46 (<1%)	NA
Vocational Rehabilitation Services	\$12.61 (1%)	NA	NA
Child Day Care Services	\$9.65 (1%)	\$10.65 (<1%)	NA
Other Services			
Religious Organizations	\$11.60 (<1%)	\$22.25 (<1%)	NA
Grantmaking & Giving Services	\$22.64 (<1%)	NA	NA
Social Advocacy Organizations	\$16.07 (1%)	\$21.60 (<1%)	NA
Civic & Social Organizations	\$16.79 (1%)	\$12.50 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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 57% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

- Health care is clearly the dominant industry in Southeast Minnesota. In 2006, the major health care industries – ambulatory health care, hospitals, and nursing and residential care facilities – employed 84% of the nonprofit workforce in the region, the highest percentage in the state.

- Educational services was the second largest nonprofit industry in the Southeast, accounting for 11% of nonprofit employment locations and more than 7% of nonprofit employment in 2006.
- Nonprofit employers in the Southeast paid \$2.3 billion in wages in 2006, or 27% of all wages paid in the region. In Olmsted County alone, nonprofit employers paid \$1.8 billion in wages, which accounted for 45% 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 are well above the average weekly wages for both government and for-profit employees. And nonprofits in the region have experienced strong wage growth. Over the last decade, inflation-adjusted average weekly wages in the nonprofit sector have increased 2% per year, more than twice the rate of growth in government and for-profit average weekly wages over the same period.
- In all but one of the industries examined, the median hourly wage for a full-time nonprofit employee in the region 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 2006, each adult needed to earn \$11.06 an hour to meet these costs in Southeast Minnesota. The exception was nonprofit child day care services.

Average Weekly Wages in the Southeast by Sector (in constant 2006 dollars)



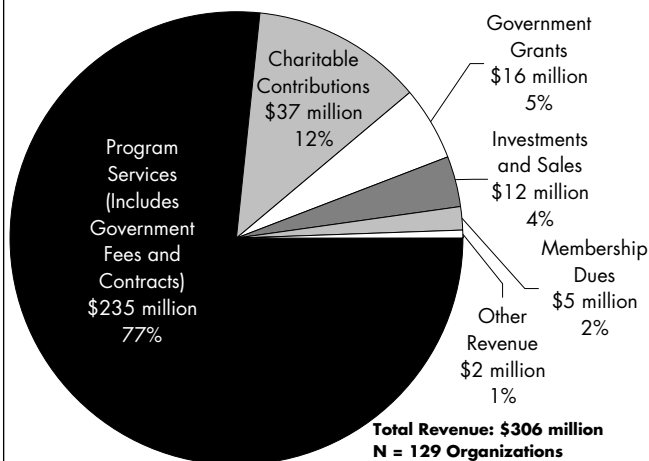


Southeast Minnesota Nonprofit Finances

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

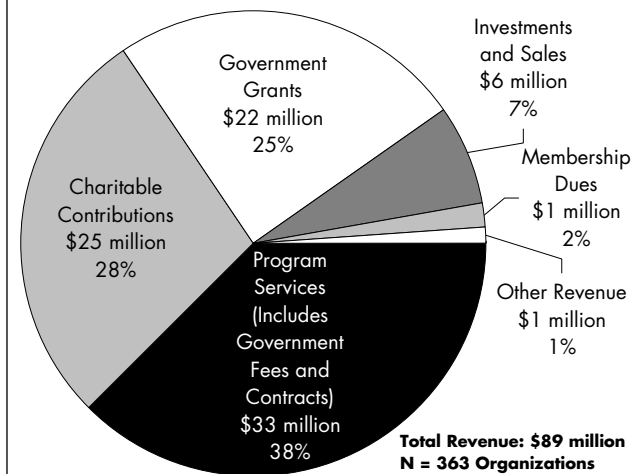
- Nonprofits in Southeast Minnesota reported \$5.4 billion in revenues, \$4.9 billion in expenses and \$10.6 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 99% of the nonprofit revenues in the region, 99% of the expenses and 98% of the assets. Health organizations alone accounted for 86% of nonprofit revenues in the region, 88% of the expenses and 80% of the assets.
- Health organizations in the Southeast reported \$4.6 billion in revenues (84% from program services, 7% from charitable contributions, 4% from government grants and 4% from investments and sales) and \$4.3 billion in expenses (93% for program services, 7% for management and 1% for fundraising).
- Human service organizations reported \$218 million in revenues (70% from program services, 12% from charitable contributions, 11% from government grants and 4% from investments and sales) and \$208 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

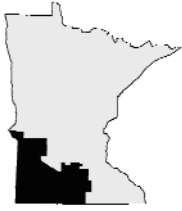
Revenue Sources for Small Nonprofit Organizations Located in Southeast Minnesota (with assets under \$1 million)



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

- Educational organizations reported \$447 million in revenues (58% from program services, 23% from investments and sales, 14% from charitable contributions and 4% from government grants) and \$343 million in expenses (87% for program services, 10% for management and 3% for fundraising).
- Arts, culture and humanities organizations reported \$17 million in revenues (67% from charitable contributions, 14% from program services, 9% from government grants and 7% from investments and sales) and \$10 million in expenses (76% for program services, 20% for management and 4% for fundraising).
- Environmental and animal-related organizations reported \$5 million in revenues (37% from program services, 34% from charitable contributions, 13% from investments and sales, and 10% from government grants) and \$5 million in expenses (80% for program services, 16% for management and 4% for fundraising).

Note: This analysis includes 563 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Southeast Minnesota, but excludes 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.

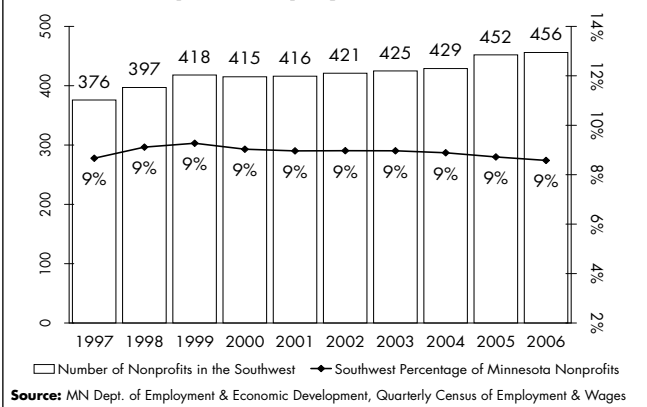


Southwest Minnesota Nonprofit Employment

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

Regional Overview: The nonprofit sector in Southwest Minnesota is by some measures the smallest in the state, accounting for 9% of all nonprofit employment locations in the state and just 6% of all nonprofit jobs in 2006. Nonprofit activity in this large 23-county region is more dispersed than in most other regions of the state. Blue Earth County (with the city of Mankato) was the largest center of nonprofit activity in the Southwest in 2006, but many other counties in the region shared a significant nonprofit presence. Growth in the region's nonprofit sector slowed substantially in 2006, with virtually no increase in the number of nonprofit employment locations or nonprofit jobs from the previous year.

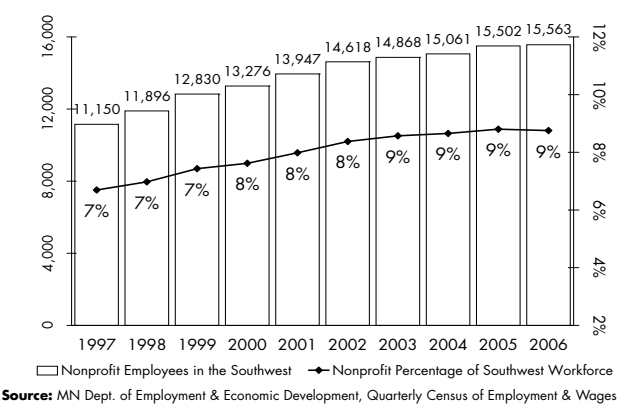
Number of Nonprofit Employment Locations in the Southwest and Percentage of All Minnesota Nonprofit Employment Locations



- In 2006, there were 456 nonprofit employment locations in Southwest Minnesota, a small increase from the previous year. Nonprofits accounted for close to 4% of the region's total employment locations.
- Southwest Minnesota, covering more than 14,300 square miles of the state, comprises a substantial number of counties with small population centers. Unlike Northwest Minnesota, however, this has not resulted in a larger share of the state's nonprofit employment locations. In 2006, only 9% of the state's nonprofit employment locations were in the Southwest, compared to the 13% located in the Northwest.
- In 2006, 9% of the region's workforce was employed by the nonprofit sector, which was slightly below the statewide average of 10%. Nonprofit employment in the region experienced virtually no increase from the previous year.

- Over the last decade, nonprofit employment in the Southwest has increased an average of 4% per year. During the same period, total employment in the region increased an average of just 1% per year.
- With close to 15,600 employees in 2006, the Southwest region had the smallest nonprofit workforce in Minnesota, accounting for just 6% of all nonprofit jobs in the state.
- In 2006, the largest center of nonprofit activity in the Southwest was Blue Earth County (where the city of Mankato is largely located), with 13% of the region's nonprofit employment locations and 27% of the region's nonprofit jobs.
- Other counties in the Southwest with a significant nonprofit presence included Brown County (8% of nonprofit employment locations and 10% of nonprofit jobs), Lyon County (9% of nonprofit employers and 4% of nonprofit jobs) and Nicollet County (6% of nonprofit employers and 8% of nonprofit 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

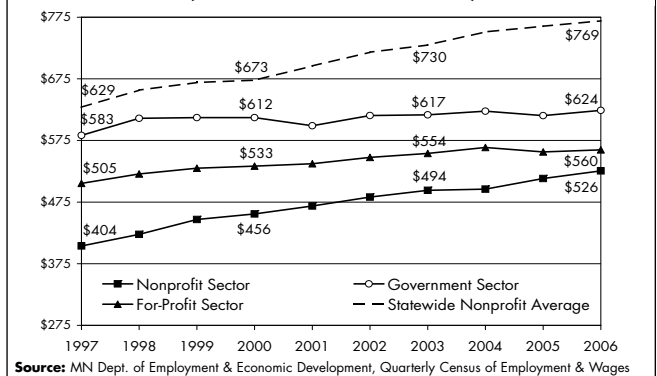
Industry	Full-Time Median Hourly Wage by Sector (% of the sector's total employment in the region)		
	Nonprofit	For-Profit	Government
Arts, Entertainment & Recreation	\$14.35 (1%)	\$13.26 (1%)	\$12.34 (1%)
Educational Services	\$19.79 (7%)	\$13.44 ($<1\%$)	\$19.44 (43%)
Health Care			
Ambulatory Health Care Services	\$17.62 (6%)	\$15.74 (3%)	\$23.56 ($<1\%$)
Hospitals	\$19.45 (29%)	\$19.56 ($<1\%$)	\$18.85 (12%)
Nursing & Residential Care Facilities	\$12.74 (31%)	\$12.20 (3%)	\$15.04 (3%)
Social Assistance			
Individual & Family Services	\$15.84 (2%)	\$10.77 (1%)	\$16.96 ($<1\%$)
Community Food, Housing, Emergency & Other Relief Services	\$13.03 (2%)	NA	NA
Vocational Rehabilitation Services	\$12.71 (10%)	\$14.48 ($<1\%$)	NA
Child Day Care Services	\$10.00 (1%)	\$9.49 ($<1\%$)	NA
Other Services			
Religious Organizations	\$15.10 (1%)	NA	NA
Grantmaking & Giving Services	\$16.37 (1%)	NA	NA
Social Advocacy Organizations	\$17.47 (3%)	\$18.07 ($<1\%$)	NA
Civic & Social Organizations	\$13.77 (3%)	\$9.93 (1%)	NA

Source: MN Dept. of Employment & Economic Development, Enhanced Wage Records, 3rd Quarter 2006
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, 10% of for-profit employment and 60% of government employment in the region in 2006. More extensive descriptions of these industries are available in Appendix A.

- In 2006, 67% of nonprofit jobs in Southwest Minnesota were in health care, which includes ambulatory health care, hospitals, and nursing and residential care facilities. The health care industry accounted for 32% of nonprofit employment locations.

- Outside of health care, in 2006 the industries in the region with the largest number of nonprofit employment locations included individual and family services (with 11% of nonprofit employment locations) and arts, entertainment and recreation (with 9%). The industries in the region with the largest nonprofit workforce included vocational rehabilitation services (with 10% of nonprofit jobs) and educational services (with 7%).
- In 2006, nonprofit organizations in the Southwest paid \$425 million in wages, or 8% of all wages paid in the region. After adjusting for inflation, total nonprofit payroll in the region increased by 3% from 2005.
- Average weekly wages for the nonprofit sector in the Southwest continued to lag behind average weekly wages for both the government and for-profit sectors in 2006. However, the average weekly wage for the nonprofit health care industry was \$588 in 2006, which was higher than the average weekly wage for the for-profit sector (\$560 in 2006).
- In all of the industries examined, the median hourly wage for a full-time nonprofit employee 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 2006, each adult needed to earn \$9.72 an hour to meet these costs in the Southwest.

**Average Weekly Wages in the Southwest by Sector
(in constant 2006 dollars)**



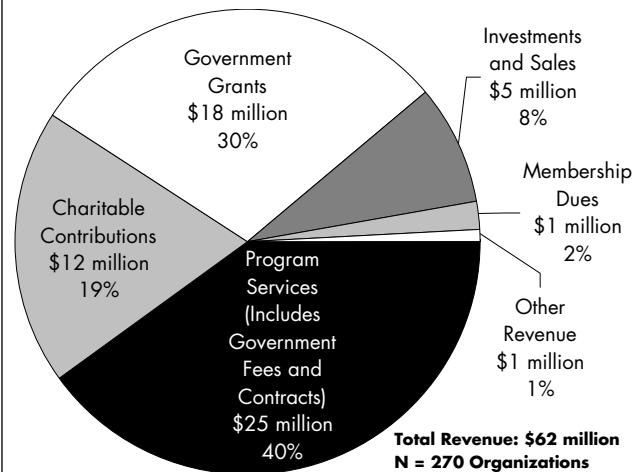


Southwest Minnesota Nonprofit Finances

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

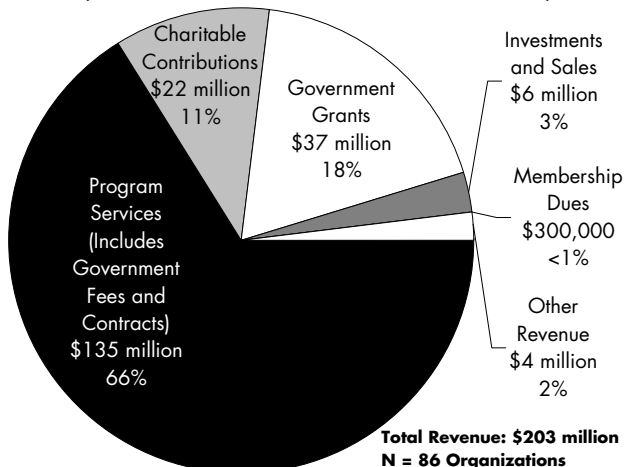
- Nonprofits in Southwest Minnesota reported \$766 million in revenues, \$731 million in expenses and \$1.0 billion in assets for the most current fiscal year.
- The five activity areas detailed below accounted for 98% of the nonprofit revenues in Southwest Minnesota, 99% of the expenses and 98% of the assets. Health organizations alone accounted for 59% of nonprofit revenues in the region, 59% of the expenses and 41% of the assets.
- Health organizations in the region reported \$448 million in revenues (96% from program services, 2% from charitable contributions, 1% from investments and sales, and 1% from government grants) and \$431 million in expenses (90% for program services, 10% for management and less than 1% for fundraising).
- Human service organizations reported \$159 million in revenues (52% from program services, 31% from government grants, 10% from charitable contributions and 3% from investments and sales) and \$153 million in expenses (89% for program services, 10% for management and 1% for fundraising).

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



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

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



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

- Educational organizations reported \$135 million in revenues (71% from program services, 18% from charitable contributions, 6% from government grants and 5% from investments and sales) and \$125 million in expenses (91% for program services, 6% for management and 3% for fundraising).
- Arts, culture and humanities organizations reported \$7 million in revenues (46% from charitable contributions, 24% from government grants, 16% from program services and 8% from investments and sales) and \$6 million in expenses (65% for program services, 29% for management and 6% for fundraising).
- Environmental and animal-related organizations reported over \$5 million in revenues (68% from government grants, 17% from charitable contributions, 7% from program services and 6% from investments and sales) and \$5 million in expenses (78% for program services, 18% for management and 4% for fundraising).

Note: This analysis includes 400 501(c)(3) and (4) organizations that filed a 990 or 990EZ financial return from an address located in Southwest Minnesota, but excludes 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 2006, this industry accounted for 10% of nonprofit employment locations and 17% of nonprofit jobs 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 2006, this industry accounted for 7% of nonprofit employment locations and 2% of nonprofit jobs statewide.

Child Day Care Services (NAICS 6244) – This industry comprises establishments primarily engaged in providing day care of infants or children. In 2006, this industry accounted for 3% of nonprofit employment locations and 1% of nonprofit jobs 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 2006, this industry accounted for 5% of nonprofit employment locations and 2% of nonprofit jobs 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 2006, this industry accounted for 3% of nonprofit employment locations and 1% of nonprofit jobs statewide.

Educational Services (NAICS 611) – This industry comprises establishments that provide instruction and training through specialized establishments, such as schools, colleges, universities and training centers. In 2006, this industry accounted for 9% of nonprofit employment locations and 9% of nonprofit jobs 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 2006, this industry accounted for 3% of nonprofit employment locations and 1% of nonprofit jobs 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 2006, this industry accounted for 2% of nonprofit employment locations and 32% of nonprofit jobs 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 2006, this industry accounted for 12% of nonprofit employment locations and 5% of nonprofit jobs 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 2006, this industry accounted for 14% of nonprofit employment locations and 17% of nonprofit jobs 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 2006, this industry accounted for 3% of nonprofit employment locations and 1% of nonprofit jobs 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 2006, this industry accounted for 6% of nonprofit employment locations and 2% of nonprofit jobs 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 skills or experience. In 2006, this industry accounted for 4% of nonprofit employment locations and 4% of nonprofit jobs 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 2005 may differ slightly from what was reported in the *2006 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 2006 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 in this analysis. Certain other organizations that are exempt from filing with the Attorney General's Office are also not reflected in the data, including organizations that do not employ paid staff and have less than \$25,000 in gross receipts, and churches and other religious organizations that are not required to file a Form 990 federal return. This report analyzes the financial data for close to 6,200 organizations filing from an address located in Minnesota. This report attempts to use financial information reported for the fiscal year that closed in 2006. However, for 42% of the organizations, fiscal year 2005 was the most current financial information available. When possible, missing or incomplete financial information has been supplemented with data obtained from the Internal Revenue Service (IRS), the Economic Research Institute (www.eri-nonprofit-salaries.com) 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 2006. The budget does not include any money for entertainment, vacation, eating out, emergencies, retirement or education. *The Cost of Living in Minnesota* uses the state's thirteen economic development regions to examine geographic differences, while this report uses the state's 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. *The Cost of Living in Minnesota* report and budget calculator are available online at www.jobsnowcoalition.org.



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