



MINNESOTA COUNCIL  
ON FOUNDATIONS

2010 EDITION

# GIVING IN MINNESOTA

*Giving in Minnesota*  
is produced  
annually by the  
Minnesota Council  
on Foundations  
(MCF) and is the  
most comprehensive  
analysis of charitable  
giving in the state.



In the United States, the year 2008 will be remembered for a collapsing real estate market, declining stock values and bank bailouts. Despite the precipitous economic decline, Minnesotans continued to give generously. Grantmakers, especially, were able to maintain their giving, particularly for growing needs in human services.

## Decline in Giving Mirrors Economic Downturn

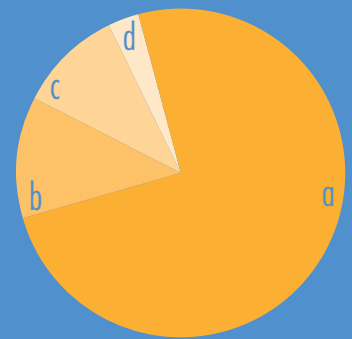
In 2008, individuals, foundations and corporate giving programs in Minnesota gave a total of \$5.4 billion in charitable contributions, a 5-percent decrease from 2007. This overall decline was the result of decreased charitable giving by individuals in

Individual giving in Minnesota decreased 7.7 percent in 2008.

Nationally, individual giving declined 13.7 percent during the same period.

**Figure A: Total Charitable Giving in Minnesota, 2008\***

- a: 74% Individuals
- b: 12% Corporate Foundations & Giving Programs
- c: 10% Private Foundations
- d: 3% Community/Public Foundations



\* Due to rounding, figures do not add up to 100%.

Source: Minnesota Council on Foundations, Giving in Minnesota, 2010 Edition; individual giving data from IRS Statistics of Income, Tax Year 2008.

**Table 1: Change in Charitable Giving in Minnesota, 2005–2008\***

Dollars in millions.

	2005	2006	% Change	2007	% Change	2008	% Change
Total Individual Giving	\$4,529	\$4,353	-3.9%	\$4,353	0.0%	\$4,019	-7.7%
Total Grantmaking	\$1,124	\$1,244	10.7%	\$1,371	10.2%	\$1,421	3.6%
<b>Total Giving</b>	<b>\$5,653</b>	<b>\$5,597</b>	<b>-1.0%</b>	<b>\$5,725</b>	<b>2.3%</b>	<b>\$5,440</b>	<b>-5.0%</b>

\* All values adjusted for inflation to 2008 dollars, using the Consumer Price Index.

Source: Minnesota Council on Foundations, Giving in Minnesota, 2010 Edition; individual giving data from IRS Statistics of Income, Tax Years 2005-2008.

2008 compared to 2007. In light of the economy's dramatic downturn, the decline was not unexpected.

### Individual Giving Drops

The majority of charitable giving in Minnesota — 74 percent of all dollars given — comes from individuals (see Table 1 and Figure A). Individual charitable giving in Minnesota declined to \$4.02 billion in 2008, a 7.7-percent decrease from 2007. Nationally, individual giving declined 13.7 percent during the same period.

### Grantmaking Grows Modestly

Grantmakers contributed 26 percent of total charitable giving in Minnesota in 2008. Foundation and corporate giving in Minnesota totaled \$1.42 billion, an increase of 3.6 percent, from \$1.37 billion in 2007 (see Table 1). Nationally, foundation giving increased 12.3 percent during the same period.

As in previous years, most of Minnesota's total grant dollars paid in 2008 came from a relatively small number of grantmakers. Less than 3 percent of all grantmakers (39) provided about 71 percent of all grant dollars paid (\$1 billion), while approximately 11 percent of all grantmakers (155) accounted for about 88 percent of all grant dollars paid (\$1.25 billion).



# Minnesota Charitable GIVING

## Corporate Grantmakers Give the Most

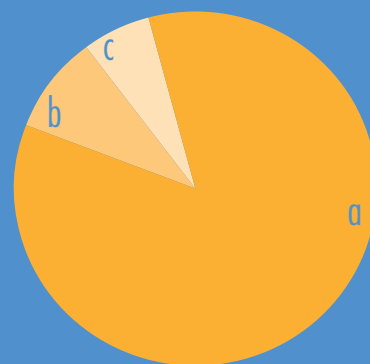
The increase in total grantmaking from 2007 to 2008 was driven by corporate grantmakers, who granted \$669 million in 2008. Although corporate foundations and giving programs make up a small portion of Minnesota grantmakers, historically they have given a large share of the grant dollars.

In 2008 they accounted for 9 percent of grantmakers and gave 47 percent of all grant dollars. Private foundations, the majority of grantmakers in the state, gave 40 percent of the grant dollars paid. As the smallest portion of the state's grantmakers, community/public foundations accounted for 13 percent of the total grant dollars paid (see Figure B and Figure C).

The increase in grantmaking from 2007 to 2008 was driven by corporate grantmakers – who are small in number but large in share of dollars given.

**Figure B: Percentage of Minnesota Grantmakers by Type, 2008**

- a: 85% Private
- b: 9% Corporate
- c: 6% Community/Public



Source: Minnesota Council on Foundations, Giving in Minnesota, 2010 Edition.

**Table 2: Minnesota Grantmaking at a Glance, 2005-2008\***

Dollars in millions.

	2005	2006	2007	2008
Total Grants Paid	\$1,021.79	\$1,162.86	\$1,371.10	\$1,421.06
Total Foundation Assets	\$15,744.92	\$17,066.66	\$19,549.71	\$17,298.11
Number of Grantmakers	1,378	1,398	1,429	1,467

\* All values adjusted for inflation to 2008 dollars, using the Consumer Price Index.

Source: Minnesota Council on Foundations, Giving in Minnesota, 2010 Edition.

There were 1,467 active grantmakers in the state in 2008. Eighty-five percent of the grantmakers were private foundations (1,241), 9 percent were corporate foundations and giving programs (134) and 6 percent were community/public foundations (92) (see Figure B). The total number of grantmakers in the state grew slightly, by 2.7 percent from 2007.

### Foundation Assets Decline Steeply

The effect of the economic downturn was clearly reflected in the change in grantmaker assets in 2008. Minnesota foundation assets declined to \$17.30 billion in 2008 from \$19.55 billion in 2007, an 11.5-percent decrease (see Table 2). This is the largest single-year asset decline since 1994. Without

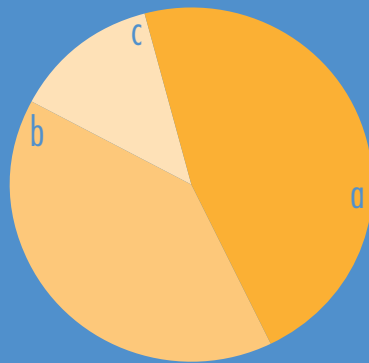
the first-time addition of the Margaret A. Cargill Foundation's \$2.12 billion in assets, the decline would have been much steeper – 22.4 percent – in 2008.

Asset declines were experienced by all grantmaker types, but they varied in severity. Community/public foundations' assets decreased most dramatically, by 26.4 percent. Corporate grantmakers' assets and private foundations' assets both declined by 8.3 percent.

Declines in foundation assets in one year can lead to lower grantmaking a year or more in the future. Foundations typically base their grant levels on a one- to three-year average of past asset performance.

**Figure C: Minnesota Grant Dollars Paid by Grantmaker Type, 2008**

- a: 47% Corporate
- b: 40% Private
- c: 13% Community/Public



Source: Minnesota Council on Foundations, Giving in Minnesota, 2010 Edition.

# Overview of GIVING

Each year, MCF completes an in-depth analysis of giving data from a sample of 100 of Minnesota's largest grantmakers by grants paid. In 2008, MCF coded and analyzed 27,500 grants of \$2,000 or more. These totaled \$962.5 million, or 68 percent of all grantmaking in the state. The giving trends about subject areas, geography, beneficiaries and types of grants are based on the sample data.

### Human Services and Education Receive Most

Consistent with previous years, human services, education, and public affairs/society benefit received the largest shares of Minnesota's grant dollars in 2008, at 26 percent, 25 percent and 15 percent, respectively. In 2008, the human services subject area displaced education as the category receiving the

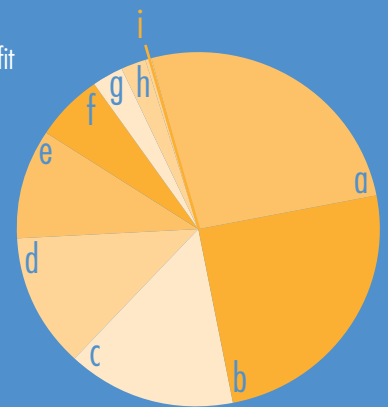
largest share of overall grant dollars (see Figure D).

Overall, grantmaking by the *Giving in Minnesota* sample grew just 1 percent from 2007 to 2008. The environment/animals and human services subject areas experienced the fastest growth in giving, at 21 percent and 8 percent, respectively (see Table 3). Giving to four subject areas – education; religion; arts, culture and humanities; and public

Human services displaced education as the top subject area – only the third time education hasn't been number one since 1976.

**Figure D: Minnesota Grantmaking by Subject Area, 2008\***

- a: 26% Human Services
- b: 25% Education
- c: 15% Public Affairs/Society Benefit
- d: 12% Arts, Culture & Humanities
- e: 10% Health
- f: 6% Environment/Animals
- g: 3% Religion
- h: 2% International Affairs
- i: <1% Other/Unknown



\* Due to rounding, figures do not add up to 100%.

Based on grants of \$2,000 or more made by a sample of 100 of the largest grantmakers in Minnesota.

Source: Minnesota Council on Foundations, *Giving in Minnesota*, 2010 Edition.

**Table 3: Minnesota Grantmaking by Subject Area, 2007-2008\***

	2007		2008	
	Grant Dollars	Share	Grant Dollars	Share
Arts, Culture & Humanities	\$122,448,040	13%	\$117,066,287	12%
Education	\$255,425,673	27%	\$242,765,883	25%
Environment/Animals	\$46,284,777	5%	\$56,088,812	6%
Health	\$99,937,719	10%	\$100,934,205	10%
Human Services	\$231,764,725	24%	\$249,980,529	26%
International Affairs	\$19,964,109	2%	\$20,744,492	2%
Public Affairs/Society Benefit	\$145,709,195	15%	\$144,099,593	15%
Religion	\$32,406,573	3%	\$30,671,898	3%

Photo on next page courtesy of PFund Foundation and 20% Theatre Company (Blythe Davis, photographer).

\* All values adjusted for inflation to 2008 dollars, using the Consumer Price Index. Based on grants of \$2,000 or more made by a sample of 100 of the largest grantmakers in Minnesota. Source: Minnesota Council on Foundations, *Giving in Minnesota*, 2010 Edition.

affairs/society benefit — each declined between 1 and 5 percent.

### **Grantmaker Types Support Different Areas**

As in the previous two years, in 2008 private foundations provided the largest shares of grant dollars given to environment/animals (65 percent), international affairs (62 percent),

health (46 percent) and human services (43 percent).

Corporate grantmakers accounted for the largest shares of grant dollars given to education (57 percent), arts, culture and humanities (51 percent), and public affairs/society benefit (51 percent), following the trends from 2006 and 2007. Notably, corporate grantmakers' share of contributions to international affairs increased to 21

percent in 2008, from 13 percent in 2007 and 4 percent in 2006.

Continuing a long-term trend, community/public foundations contributed the largest share of grant dollars to religion (49 percent), which is due in part to donor-advised giving. Community/public foundations do not lead in other areas because they account for just 13 percent of overall giving in the state.

### **Giving to Minnesota and Beyond**

Just over \$500 million — 52 percent of the sample total — was given to organizations serving Minnesota in 2008: 32 percent went to the Twin Cities metropolitan area, 11 percent went to Greater Minnesota, and 9 percent went statewide. Giving within Minnesota declined. Funding for organizations serving Minnesota statewide declined the most — by 13 percent from 2007.

The share of grant dollars given to national organizations increased to 14 percent. International giving increased in 2008, although the share remained flat year-over-year at 4 percent.

### **Children and Youth Benefit**

Only 53 percent of the grants could be coded to a specific beneficiary group. Of those, the largest share of dollars went to organizations that serve children and youth — 23.1 percent.

### **Program Support Stays Highest**

Minnesota grantmakers continued to devote the largest share of their grant dollars — 55.9 percent, or \$470 million — to program support. The share for general operating support increased slightly in 2008, to 22.6 percent. Giving for capital support declined in 2008, from \$127.2 million to \$103.6 million.



# Giving

# TRENDS

## About This Report

Each year, the Minnesota Council on Foundations (MCF) produces *Giving in Minnesota*, the most comprehensive analysis of charitable giving in the state. The 2010 edition features information on overall giving in 2008, which includes data from the fiscal years of Minnesota foundations and corporate giving programs that end between June 1, 2008, and May 31, 2009. This is the most recent time period for which complete data are available. This summary provides highlights from the full report, which can be viewed online at [www.mcf.org/gim](http://www.mcf.org/gim).

The complete report includes information about overall giving by foundations, corporations and individuals in Minnesota, along with detailed grantmaking trends from a sample of 100 of the state's largest grantmakers based on grants paid. The sample is made up of 51 private foundations, 34 corporate foundations and giving programs, and 15 community/public foundations. Although they represent just 7 percent of all grantmakers in Minnesota, these 100 accounted for approximately 82 percent of all grant dollars paid in the state. To report on grantmaking trends in Minnesota, MCF analyzed 27,488 grants of \$2,000 or more made by the sample, totaling \$962.5 million.

*Cover photo courtesy of Tiwahe Foundation (Tim Francisco, photographer); back page photo courtesy of Southern Minnesota Initiative Foundation.*



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100 Portland Avenue South, Suite 225  
Minneapolis, Minnesota 55401-2575

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