

# 2 Minnesota 0 Nonprofit 0 Economy 3 Report

Christina Macklin, Policy Analyst  
Jon Pratt, Executive Director

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# Executive Summary

The Minnesota Nonprofit Economy Report is an annual study that describes the role of nonprofit organizations in Minnesota's economy by analyzing nonprofit employment, wage, and financial data. This year's report uses data from 2002, the most current information available.\*

**2002 was a year of growth for the nonprofit economy in Minnesota.** The number of nonprofit organizations with employees grew slightly from 4,610 in 2001 to 4,656 in 2002, a 1% increase. The real growth, however, came in nonprofit employment. **From 2001 to 2002, the nonprofit workforce grew by over 8,300 employees, a 3.5% increase.** During the same period of time, total employment in the state actually declined by 1%.

Between 1993 and 2002, nonprofit employment grew at an average annual rate of 4%, outpacing growth in total employment in the state, which grew an average of 2% per year. **Fueled by the above-average growth in employment, nonprofit employees accounted for 9.5% of the state's total workforce in 2002.**

The size of the nonprofit workforce expanded in every region of the state between 2001 and 2002, even as total employment in many regions experienced a decline.

**Although the greatest number of nonprofit employers were engaged in delivering human services in 2002, the majority of nonprofit employment was in health care.**

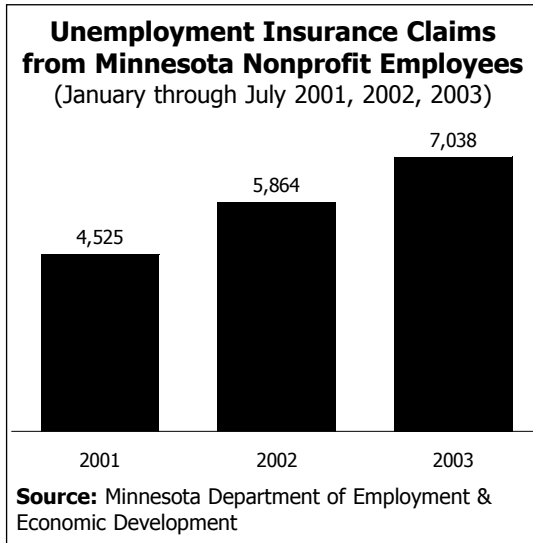
**As employers, nonprofit organizations paid over \$8.2 billion in wages to their employees in 2002, or 8.5% of all wages paid in the state.** After adjusting for inflation, this represents a 7% increase in total nonprofit payroll from 2001.

In 2002, the average weekly wage for a nonprofit employee in the state still lagged behind both for-profit and government wages. However, this may be due to

the large number of part-time employees in the nonprofit workforce.

A closer look revealed that wages for full-time employees were more comparable. **Median hourly wages for full-time nonprofit employees were generally competitive with for-profit wages in the same industry.** In every industry examined, except for child care services, nonprofit employers paid workers a wage sufficient to support a family of four (two adults working full-time, two children).

In 2002, nonprofit organizations employed a significant portion of the workforce in Minnesota, paid livable wages, and contributed to the quality of life in their communities.



**Unfortunately, the story for 2003 and beyond is likely to be different.** Nonprofit organizations often do not immediately feel the full financial impact of a recession. The pressures build as state and local governments cut nonprofit funding in response to deficits, foundations reduce or eliminate grants in response to shrinking assets, and individual contributions fall as the recession hits family budgets.

Although nonprofit organizations find innovative cost-saving measures in response to economic pressures, such as mergers or space-sharing, eventually many find it necessary to lay-off staff, cut back hours, or reduce salaries. **During the first seven months of 2003, over 7,000 Unemployment Insurance claims were filed by nonprofit workers, up by 20% from the same period one year ago.** As the financial fallout from the recession continues to hit nonprofits in 2003 and beyond, future Nonprofit Economy Reports are likely to show a changing nonprofit sector.

- September 2003

\* More information about the data sources used in this report is available in Appendix B.

Established in 1987, the Minnesota Council of Nonprofits (MCN) is a statewide membership association of nonprofit organizations which shares information, provides services, and conducts research to educate its members and the community. MCN has over 1,400 members representing all activity areas, budget ranges, and geographic regions of Minnesota. MCN's mission is to continually inform, involve, strengthen, and increase the capacity and effectiveness of nonprofits and the nonprofit sector in Minnesota.

MCN would like to thank the Minnesota Department of Employment and Economic Development and the Minnesota Attorney General's Office, who provided data used in this report. MCN would also like to thank the foundations and corporations that understand the need for a strong nonprofit sector and have supported MCN: 3M Foundation, ADC Foundation, Blandin Foundation, Otto Bremer Foundation, The Cargill Foundation, The Ford Foundation, The McKnight Foundation, The Minneapolis Foundation, Nash Foundation, Ordean Foundation, Park Nicollet Foundation, Phillips Family Foundation, Qwest Foundation, The Saint Paul Companies Foundation, and Target Foundation.

**Additional copies of this report can be downloaded from our website at [www.mncn.org/nper.htm](http://www.mncn.org/nper.htm).**

**In 2002, there were nearly 4,660 nonprofits with employees in Minnesota.** This was only a 1% increase from 2001, however, and the number of nonprofit employers still falls short of the high of 4,682 in 2000.

**Just over half (51%) of Minnesota's nonprofits with employees were located in the seven-county Twin Cities metro area in 2002.** The rest were distributed evenly throughout the state. Thirteen percent of nonprofit employers were located in the Northwest, 9% in the Southeast, 9% in the Southwest, 8% in Central Minnesota, and 8% in the Northeast.\*

The Twin Cities was the only region to see a decline in the number of nonprofit employers from 2001 to 2002. **Every other region saw growth, with the largest increase in Central Minnesota, where the number of nonprofits with employees increased by 4% between 2001 and 2002.**

Although the overall number of nonprofit employers in the state did not increase much, nonprofit employment experienced another year of strong growth. **From 2001 to 2002, the nonprofit workforce grew from 237,388 to 245,705, an increase of over 8,300 employees, or 3.5%.** During the same period of time, for-profit employment in Minnesota declined by 1.8%.

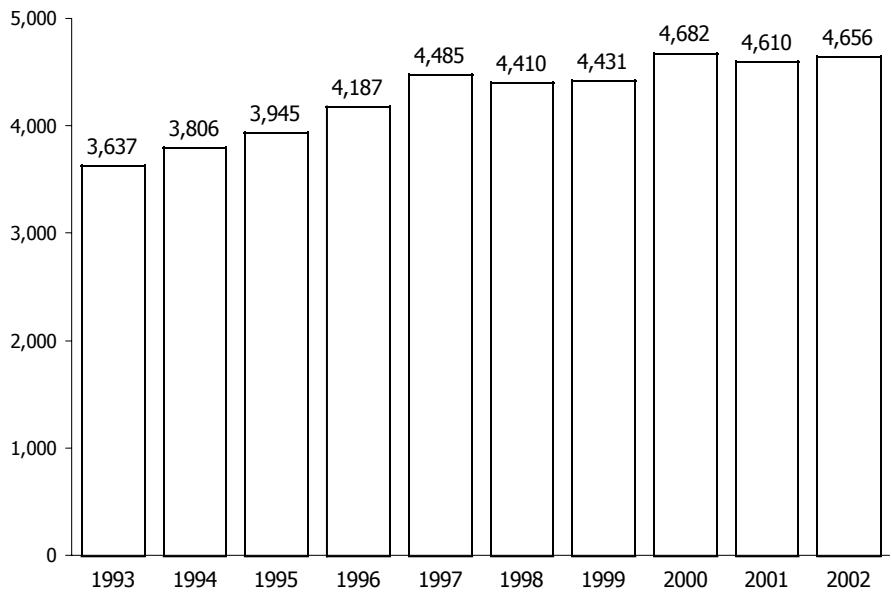
Most of the growth in nonprofit employment between 2001 and 2002 came in the health care industry, specifically in hospitals and nursing and residential care facilities, which together saw an increase of over 5,000 employees.

Between 1993 and 2002, nonprofit employment grew at an average annual rate of 4%, outpacing growth in total employment in the state, which grew by an average of 2% per year.

**Fueled by this above-average growth in employment, in 2002, nonprofit employees accounted for 9.5% of the state's total workforce.** Government employees (local, state, and

*(continued on page 4)*

## Number of Nonprofit Organizations in Minnesota (with at least one employee)

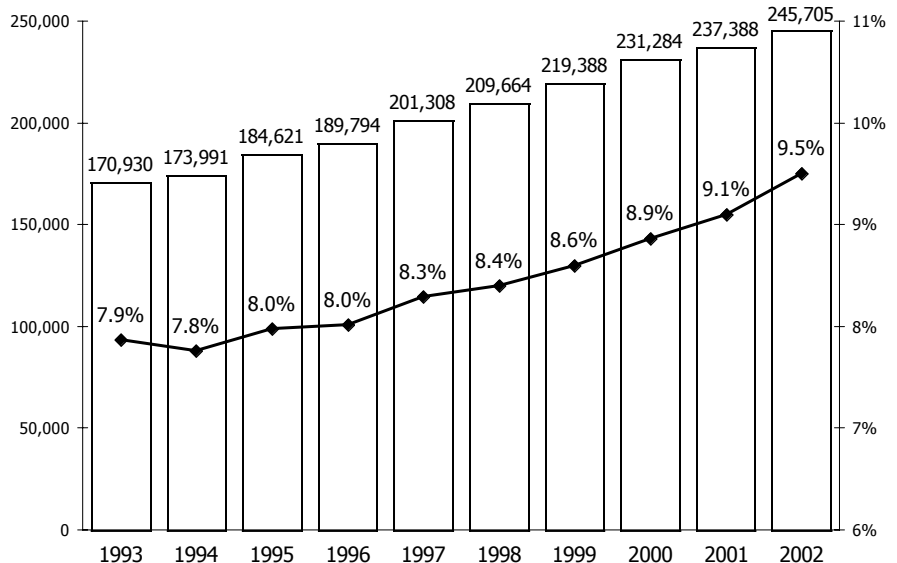


Source: MN Department of Employment & Economic Development, Covered Employment and Wage Program

## 2002 Distribution of Nonprofit Employers and Employees by Region

Region	Nonprofit Employers	Nonprofit Employees
Twin Cities	2,356	128,959
Northeast	372	17,888
Northwest	583	20,445
Central	390	20,032
Southeast	437	43,198
Southwest	422	14,617

## Number of Nonprofit Employees in Minnesota and Percentage of the State's Total Workforce



Legend: □ Nonprofit Employees in Minnesota    ◆ Nonprofit Percentage of Minnesota's Total Workforce

Source: MN Department of Employment & Economic Development, Covered Employment and Wage Program

\* For a definition of the counties included in each region, please see the regional profiles.



## Nonprofit Organizations and Employment by Activity Area in 2002

Activity Area	% of Employers	% of Employees
Human Services	38%	15%
Health	24%	65%
Public, Societal Benefit	15%	6%
Education	9%	9%
Arts, Culture, and Humanities	6%	2%
Religion-Related, Spiritual Development	3%	1%
Environment and Animals	2%	1%
International, Foreign Affairs	2%	1%
Mutual/Membership Benefit	1%	1%
Other	1%	<1%

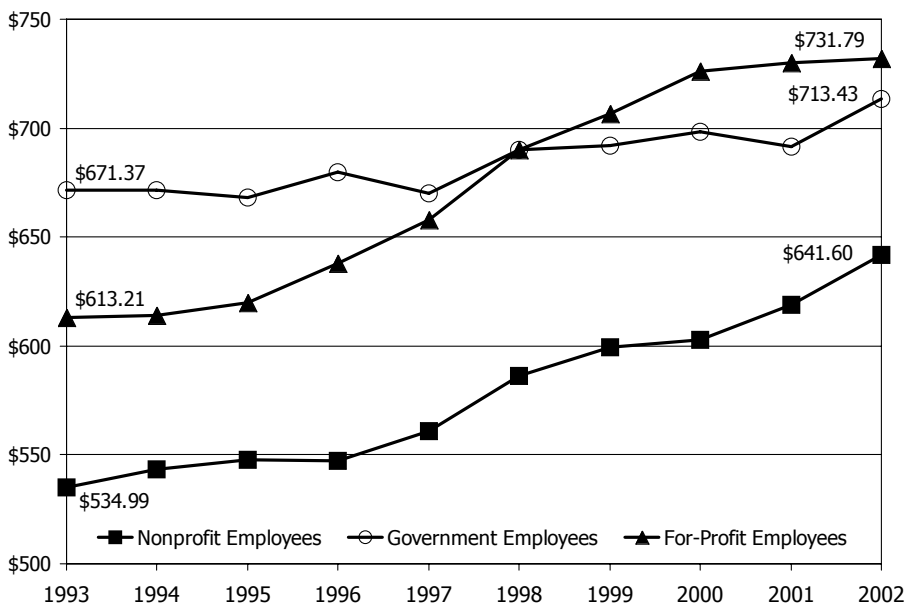
**Source:** MN Department of Employment & Economic Development, Covered Employment and Wage Program  
 Note: Nonprofit organizations are grouped according to the NTEE-CC classification system. For more information, please see Appendix B.

federal) accounted for 14.4% of the workforce, and for-profit employees made up the remaining 76.1% of the state's workforce.

**In 2002, nonprofit employment was concentrated in the Twin Cities metro, where 53% of the nonprofit workforce was found, whereas 61% of total state employment was in the metro area.** Another 18% of nonprofit employees were located in Southeast Minnesota, 8% in the Northwest, 8% in Central Minnesota, 7% in the Northeast, and 6% in the Southwest.

**As in the past, the greatest percentage of nonprofits with employees, 38%, were involved in delivering human services.** Another 24% of nonprofit employers were in the health care industry. And 15% were involved in delivering services that were of public or societal benefit, including human rights organizations, research institutions, and grantmaking foundations.

## Average Weekly Wages in Minnesota by Sector (in constant 2002 dollars)



**Source:** MN Department of Employment & Economic Development, Covered Employment and Wage Program

While human services accounted for the largest segment of nonprofit employers, **nearly two-thirds of nonprofit employees, 65%, worked in the health care industry.** Human services was a distant second, employing 15% of nonprofit workers. The third largest activity area was education, accounting for 9% of nonprofit employment.

**In 2002, nonprofit employers in Minnesota paid \$8.2 billion in wages to their employees,** or 8.5% of all wages paid. After adjusting for inflation, this represents a 7% increase in total nonprofit payroll from 2001.

From 1993 to 2002, after adjusting for inflation, average weekly wages for nonprofit employees grew at an average annual rate of 2.0%, while overall average weekly wages grew an average of 1.8% per year.

**Nonprofit average weekly wages, however, continue to lag behind both government for-profit wages.** In 2002, the average weekly wage for a nonprofit employee was \$642 per week, while the average wage for a for-profit employee was \$732, and \$713 for a government employee.

# Nonprofit Finances in Minnesota

Nonprofits in Minnesota receive their revenues from four main sources: charitable contributions, government grants, program service revenue (which includes government fees and contracts), and returns from investments, sales, and special events.

**Overall, in 2002, charitable organizations in Minnesota received 79% of their revenues from program services (including government fees and contracts), 12% from charitable contributions, 6% from government grants, and 1% from investments and sales.\***

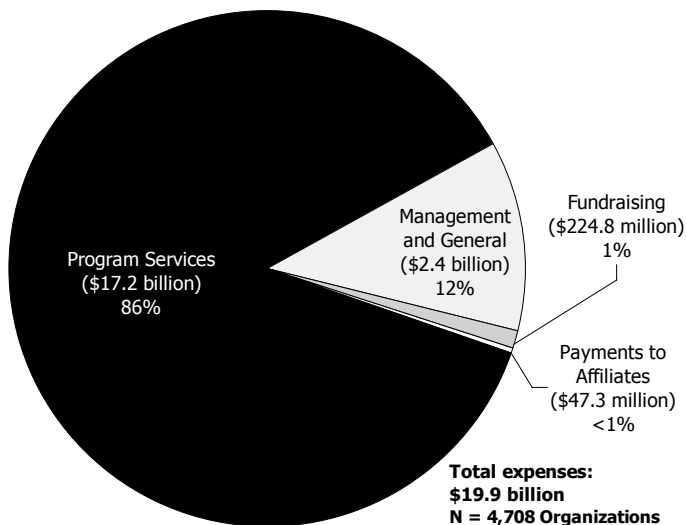
However, the mix of revenue sources varies based on organization size, with small organizations more reliant on contributions (which includes public support and government grants) and larger organizations reporting a higher percentage of earned income (which includes government contracts).

Standards issued by the Charities Review Council of Minnesota recommend that charities spend at least 70% of their total annual expenses on program services and no more than 30% on management and fundraising. **In 2002, Minnesota nonprofits spent 86% of their revenues on program services and only 14% on management and fundraising.** These percentages did not vary by the size of the organization.

In 2002, 41% of nonprofits reported a deficit for the fiscal year, meaning their expenses for the year exceeded revenues. However, 92% reported positive net assets or fund balances at the end of the year. **Charitable organizations in Minnesota reported a total of \$34.0 billion in assets.**

\* Financial information for charitable trusts and private foundations that filed form 990PF are excluded from our analysis of nonprofit finances.

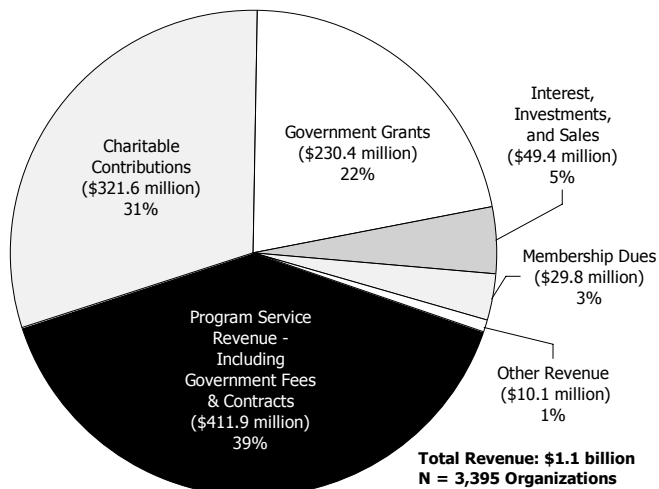
## Expenditures by Nonprofit Organizations



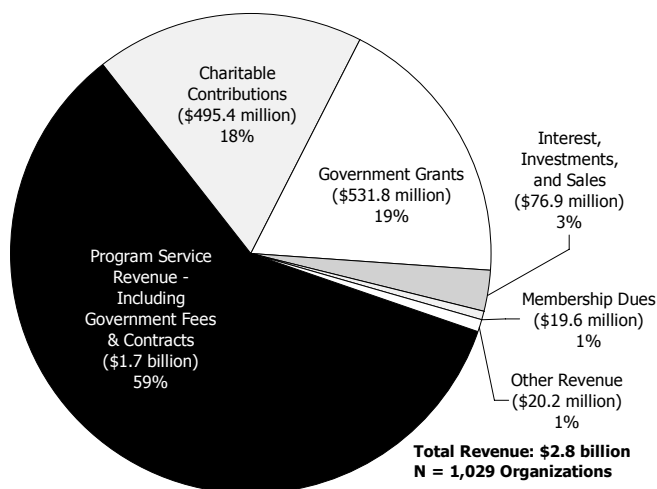
**Source:** Minnesota Attorney General's Office, Charities Division  
 Note: These figures include nonprofits that filed Form 990 or 990EZ, but do not include charitable trusts and private foundations that filed form 990PF.

## Revenue Sources for Nonprofits by Size of Organization

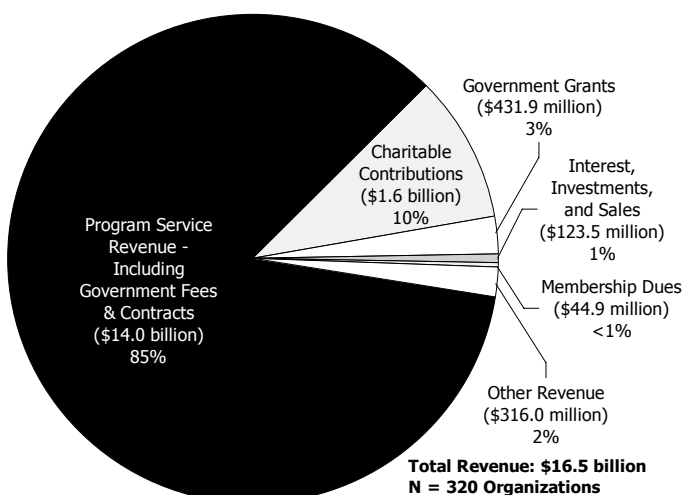
### Small Organizations (assets under \$1 million)



### Medium Organizations (assets from \$1 - \$10 million)



### Large Organizations (assets over \$10 million)

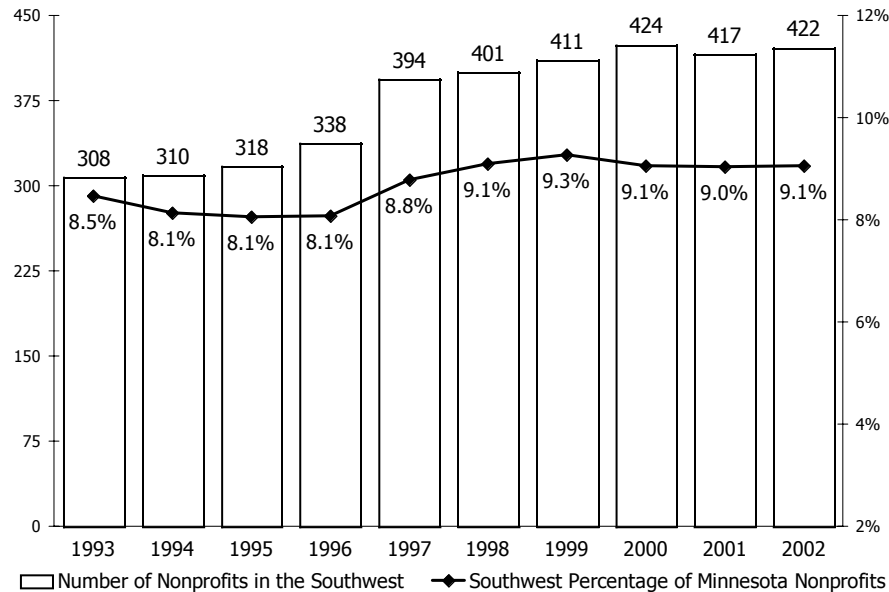


**Source:** Minnesota Attorney General's Office, Charities Division  
 Note: These figures include nonprofits that filed Form 990 or 990EZ, but do not include charitable trusts and private foundations that filed form 990PF.



# Nonprofit Economy in Southwest Minnesota

## Number of Nonprofit Organizations in the Southwest and Percentage of Nonprofits Located in the Southwest (with at least one employee)



Source: MN Department of Employment & Economic Development, Covered Employment and Wage Program

In 2002, there were over 420 nonprofit organizations with employees in Southwest Minnesota. This was only a 1% increase from 2001. However, during the same period of time, the total number of employers in this region grew by less than 1%.

As in every region, the real growth in the nonprofit sector in the Southwest was in its workforce. **Between 2001 and 2002, the number of nonprofit employees grew from 13,947 to 14,617, an increase of nearly 5%.** During the same period of time, total employment in the Southwest actually declined.

Between 1993 and 2002, nonprofit employment in the Southwest grew at an average annual rate of 4%, outpacing total employment, which grew an average of less than 2% per year.

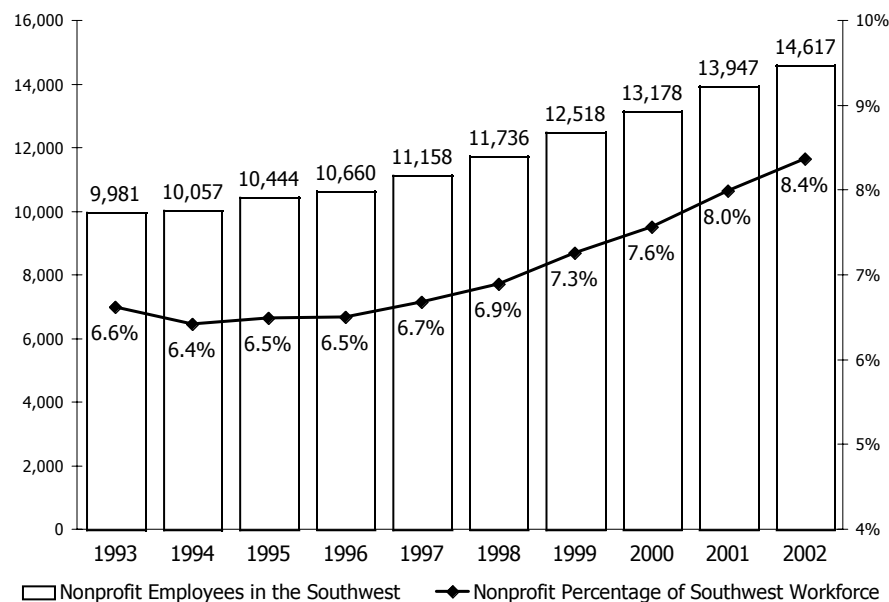
This steady growth in nonprofit employment has meant that the nonprofit share of the region's workforce has been increasing. **In 2002, nonprofit organizations employed over 8% of the Southwest region's total workforce.**

However, even though 9% of the state's nonprofit employers were located in the Southwest in 2002, the region only hosted 6% of the state's nonprofit employees. Nonprofits in this region averaged less than 35 employees per organization, the lowest average in the state.

### Counties included in the Southwest region:

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

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



Source: MN Department of Employment & Economic Development, Covered Employment and Wage Program

**The largest center of nonprofit activity in the Southwest in 2002 was Blue Earth County, where the city of Mankato is located.** This county accounted for nearly 15% of nonprofit employers in the region and 24% of nonprofit employment.

Lyon (Marshall), Nobles (Worthington), and Brown (New Ulm) counties each hosted an additional 8% of the region's nonprofit employers. Brown County, however, was home to 10% of the nonprofit workforce, while Lyon and Nobles each hosted another 5% of employees.

**In 2002, nonprofit organizations in Southwest Minnesota paid nearly \$328 million in wages to their employees, or 7% of all wages paid in**

# Nonprofit Economy in Southwest Minnesota

the region. After adjusting for inflation, this was an increase in total nonprofit payroll of 8% from 2001.

In 2002, the average weekly wage for a nonprofit employee in the Southwest was \$431, while the average weekly wage for a for-profit employee was \$489, and \$550 for a government employee.

Median hourly wages for full-time nonprofit employees in one area with significant nonprofit employment, health care, exceeded for-profit wages, but were still lower than government wages. **In general, median hourly wages for full-time nonprofit employees in most of the industries examined were competitive with for-profit wages.**

In every industry examined, except for child care, the median hourly wage for full-time nonprofit employees exceeded the minimum wage necessary to support the basic needs of a family of four (two adults working full-time, two children) in the Southwest. According to the JOBS NOW Coalition, in 2002, each adult needed to earn about \$9.13 an hour to meet these costs.

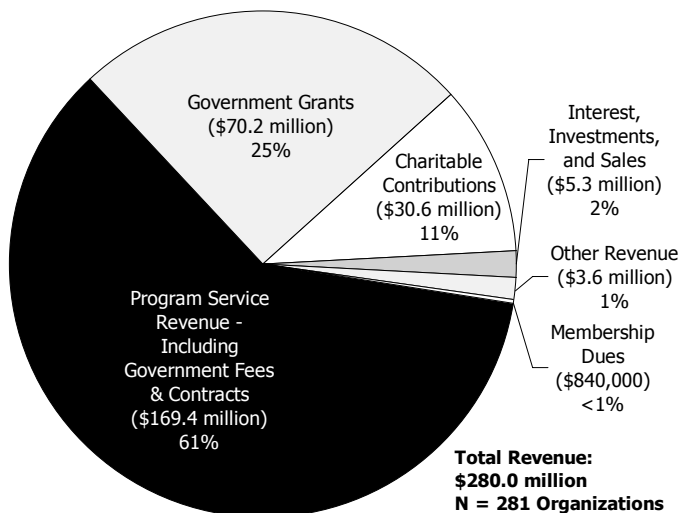
**Nonprofits in the Southwest, excluding charitable trusts and private foundations, reported \$922 million in assets, although 33% reported a deficit for the fiscal year.**

## Median Hourly Wages for Full-Time Employees in Southwest Minnesota

Industry	Full-Time Median Hourly Wage		
	Nonprofit	For-Profit	Government
<b>Arts &amp; Entertainment</b>	\$13.06	\$13.20	\$22.55
<b>Educational Services</b>	\$15.05	\$17.11	\$19.20
<b>Information</b>	na	\$16.66	\$14.82
<b>Health Care</b>			
Ambulatory Health Care Services	\$14.89	\$13.87	\$19.70
Hospitals	\$14.38	na	\$18.06
Nursing & Residential Care Facilities	\$11.48	\$10.70	\$14.14
<b>Social Assistance</b>			
Individual & Family Services	\$13.50	\$10.45	\$16.51
Community Food, Housing, Emergency & Other Relief Services	na	na	na
Vocational Rehabilitation Services	\$12.00	\$13.72	na
Child Day Care Services	\$8.06	\$8.02	na
<b>Professional Services</b>	\$17.98	\$14.42	\$22.16
<b>Other Services</b>			
Religious Organizations	\$13.06	na	na
Grantmaking & Giving Services	\$13.94	na	na
Social Advocacy Organizations	\$15.72	\$16.83	na
Civic & Social Organizations	\$11.78	\$9.35	na
Business, Professional, Labor & Political Organizations	\$18.77	\$16.40	\$16.48
<b>Retail Trade</b>	na	\$12.05	na

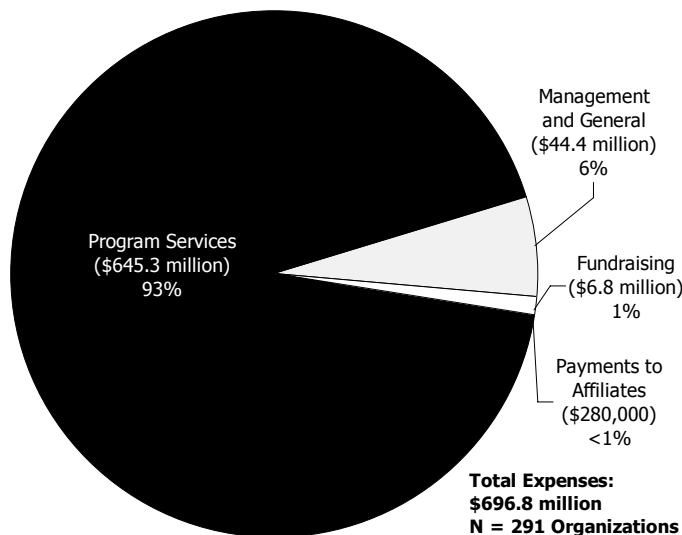
**Source:** MN Dept. of Employment & Economic Development, Enhanced Wage Records, 2nd Quarter 2002  
**Notes:** Full-time is defined as working 35 hours or more per week, or over 454 hours during the quarter. "NA" indicates either that the sector does not have any employees in that industry or that the information for that category was suppressed for reasons of privacy. These particular industries were selected because they usually include a large number of nonprofit employees. More extensive descriptions of these industries and are available in Appendix A.

## Revenue Sources for Nonprofit Organizations in Southwest Minnesota (Organizations with assets under \$10 million)



**Source:** Minnesota Attorney General's Office, Charities Division  
**Note:** These figures include nonprofits that filed Form 990 or 990EZ, but do not include charitable trusts and private foundations that filed form 990PF.

## Expenditures by Nonprofit Organizations in Southwest Minnesota



**Source:** Minnesota Attorney General's Office, Charities Division  
**Note:** These figures include nonprofits that filed Form 990 or 990EZ, but do not include charitable trusts and private foundations that filed form 990PF.

## Appendix A

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### North American Industry Classification System (NAICS) Definitions

A more complete definition of each of these classifications is available at [www.census.gov/epcd/naics02/def/](http://www.census.gov/epcd/naics02/def/).

**Ambulatory Health Care Services (NAICS 621)** - Industries in this subsector provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services. This category includes: physicians' offices, mental health practitioners, dentists, chiropractors, optometrists, physical, occupational and speech therapists, family planning centers, outpatient mental health and substance abuse centers, medical and diagnostic laboratories, and home health care services.

**Arts & Entertainment (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.

**Business, Professional, Labor, Political & Similar Organizations (NAICS 8139)** - This industry group comprises establishments primarily engaged in promoting the interests of their members. Examples include business associations, professional organizations, labor unions, and political organizations. However, religious organizations, social advocacy organizations, and civic and social organizations are classified elsewhere.

**Child Day Care Services (NAICS 6244)** - This industry comprises establishments primarily engaged in providing day care of infants or children.

**Civic & Social Organizations (NAICS 8134)** - This industry comprises establishments primarily engaged in promoting the civic and social interests of their members. Examples include alumni associations, ethnic associations, scouting organizations, student clubs, and social senior citizens' associations.

**Community Food, Housing, Emergency & Other Relief Services (NAICS 6242)** - Community food service establishments are primarily engaged in the collection, preparation, and delivery of food for the needy. Community housing service establishments provide short-term emergency shelter, transitional housing for low-income individuals and families, volunteer construction or repair of low-cost housing, or repair of homes for elderly or disabled homeowners. Emergency and other relief service establishments are primarily engaged in providing food, shelter, clothing, medical relief, resettlement, and counseling to victims of domestic or international disasters or conflicts.

**Educational Services (NAICS 611)** - Industries in this subsector provide instruction and training and a wide variety of subjects through specialized establishments, such as schools, colleges, universities, and training centers.

**Grantmaking & Giving Services (NAICS 8132)** - This industry comprises grantmaking foundations and charitable trusts, as well as establishments primarily engaged in raising funds for a wide range of social welfare activities.

**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.

**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.

**Information (NAICS 51)** - This sector comprises establishments engaged in producing and distributing information and cultural products; providing the means to transmit or distribute these products as well as data or communications; and processing data. The main components are the publishing industries, the motion picture and sound recording industries, the telecommunications industries, internet services providers, data processing industries, and information services industries.

**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.

**Professional Services (NAICS 541)** - The distinguishing feature of this subsector is the fact that most of these industries have production processes that are almost wholly dependent on worker skills. Human capital is the critical input; equipment and materials are not of major importance. Examples include lawyers, accountants, architects, engineers, and public relations firms.

**Religious Organizations (NAICS 8131)** - This industry comprises churches, religious temples, and monasteries, as well as establishments primarily engaged in administering an organized religion or promoting religious activities.

**Retail Trade (NAICS 44-45)** - Industries in this sector include establishments that sell merchandise, generally without transformation, and attract customers using methods such as advertising, point-of-sale location, and display of merchandise. This sector includes both store and nonstore retailers.

**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.

**Vocational Rehabilitation Services (NAICS 6243)** - This industry comprises establishments primarily engaged in providing services such as job counseling, job training, and work experience to unemployed and underemployed persons, persons with disabilities, and persons who have a job market disadvantage because of lack of education, job skill, or experience.

## Covered Employment and Wage Program

The Covered Employment and Wages (CEW) program is 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). The CEW program is a virtual census of nonagricultural employment and wage data in Minnesota. "Covered" employment refers broadly to 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. The data encompasses about 97% of nonfarm employment in Minnesota. Religious congregations, however, are exempt from the UI Act and are not included in this data. 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. In Minnesota, only currently taxable income is reported. This report uses CEW data to analyze nonprofit employers, employees, and wages. It is important to note that the CEW data does not include nonprofit organizations that have no employees. For more information on the CEW data, please visit the DEED website at <http://data.mnwf.org/lmi/es/help/202desc.htm>.

The CEW data classifies employers using the North American Industry Classification System (NAICS). In order to classify nonprofit organizations by activity area, the NAICS codes were converted into a coding system better suited for understanding the nonprofit sector, the National Taxonomy of Exempt Entities - Core Codes (NTEE-CC), using guides available from the National Center on Charitable Statistics. For more information on the NTEE-CC classification system, please visit <http://nccs.urban.org/ntee-cc/index.htm>.

## Enhanced Wage Records

The median wage data used in this report is relatively new data available from the Department of Employment and Economic Development (DEED). It merges Covered Employment and Wages (CEW) program data (described above) from 2nd quarter of 2002 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 1st and 3rd quarter with the same employer as the 2nd quarter. This report uses the data to report median wages, or the mid-point in the range of wages, by region for full-time employees in selected industries.

## Attorney General's Office

The Minnesota Attorney General's (AG) Office has the primary responsibility for regulating, enforcing, and supervising charitable organizations and charitable trusts. Every nonprofit with over \$25,000 in financial activity must file an annual report with the AG's office each year. This report uses data provided by the Attorney General's Office on charitable organizations exempted under IRS subsection 501(c)(3) that filed a Form 990 or 990EZ and private foundations exempt under subsection 501(c)(3) that filed Form 990PF. A small number of organizations exempted under subsections 501(c)(4) through (c)(19) that filed Form 990 or 990EZ are also included. The most current information for each nonprofit organization was used. In most cases, the most current information for an organization was for the fiscal year that ended in 2002 (57%). However, for a smaller percentage, 43%, data filed in 2001 was the most current available. Because private foundations and charitable trusts are operationally distinct from nonprofits, they are excluded from the analysis. Certain other organizations that are exempt from filing with the Attorney General's Office are also not reflected in the data. These include organizations that do not employ paid staff and do not plan to receive more than \$25,000 in total contributions; religious organizations that do not file a Form 990 federal return; certain educational institutions; organizations that limit solicitations to persons who have a right to vote as a member; organizations that solicit contributions for a single person specified by name; and private foundations that did not solicit contributions from more than 100 persons during the year.

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

In their 2003 report, *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, healthcare, childcare, clothing, and transportation in 2002. The budget does not include any money for entertainment, vacation, eating out, emergencies, retirement, or education. In order to assess the quality of nonprofit wages, this report uses the hourly wage necessary for a family of four (two adults working full-time, two children) to meet its basic needs. *The Cost of Living in Minnesota*, however, uses the thirteen economic development regions to examine geographic differences, while this report uses the six planning regions. For the Twin Cities, Northeast, and Southeast, the planning regions and economic development regions are identical, so the basic needs wage is taken directly from the report. However, in order to determine the appropriate wage for the other three regions (Northwest, Central, Southwest), multiple economic development regions needed to be combined. Therefore, the unweighted budgets of the economic development regions within the planning region were averaged together to determine the basic needs wage. *The Cost of Living in Minnesota* is available online at [www.jobsnowcoalition.org](http://www.jobsnowcoalition.org).



Minnesota Council of Nonprofits  
2314 University Avenue West, Suite 20  
Saint Paul, MN 55114  
Tel: 651-642-1904 800-289-1904 Fax: 651-642-1517  
info@mncn.org www.mncn.org

Twin Ports Area Nonprofit Coalition  
424 West Superior Street, Suite 500  
Duluth, MN 55802  
Tel: 218-726-4887 Fax: 218-726-4885