

# METHODOLOGY

## DATA COLLECTION AND ANALYSIS

Data on overall giving presented in this report were collected from 1,378 active grantmakers in Minnesota, comprised of 1,174 private foundations, 119 corporate foundations and giving programs, and 85 community/public foundations. Individual giving data were collected from 914,303 individuals and reported in aggregate by the Internal Revenue Service.

Data collection was an ongoing process using multiple sources that included but were not limited to:

- (a) Self-reporting by foundations to the Council on amount of grants paid, grant description, support type and intended beneficiaries.
- (b) Annual 990 tax return forms filed by community/public foundations and 990-PF forms filed by private foundations and company-sponsored foundations, which report total grants, total assets and grant lists at the end of the organization's filing year.
- (c) Individual giving data that provide the total charitable deductions claimed on federal IRS tax forms.
- (d) The Minnesota Council on Foundations' annual grantmaking *Outlook Reports*.
- (e) *Annual Report on Philanthropy* from the Center of Philanthropy and *Foundation Yearbook* and *Foundation Giving Trends* from The Foundation Center, both of which provide a detailed analysis of foundation giving trends and patterns nationally and internationally.

To ensure consistency in each year and the reliability and validity of data presented in the report, the Council delays analysis until grantmakers complete their reporting for the pertinent fiscal year.

Though data were collected from multiple sources, some of these sources have certain limitations:

- (a) The annual 990-PF (Private Foundations) tax returns do not reflect qualifying distributions of administrative expenses and do not provide grantee addresses, so unless the organization is categorized as one in Minnesota, it may not be included in the total figures.
- (b) Data collected from the federal forms filed by individuals do not reflect all individual giving data, since they do not include charitable contributions from individuals who did not itemize their returns.

(c) Information from corporate giving programs is voluntary; a corporation is required only to report contributions made through a corporate foundation if it has one.

## CODING

For the detailed analysis of grantmaking trends and patterns presented in this report (in the Giving in Minnesota Sample Trends section), the Council analyzed data collected from the largest 100 active grantmakers in the state by grants paid. This *Giving in Minnesota* sample consisted of 52 private foundations, 34 corporate grantmakers and 14 community/public foundations, which together accounted for 78 percent of the total grants awarded by all Minnesota grantmakers in 2005.

In previous reports, all grantmakers that awarded \$1 million or more in grants were included in the *Giving in Minnesota* sample for analysis. This year the criteria were changed to include the top 100 grantmakers in the sample, in order to keep the number of grantmakers in the sample consistent across years. To this end, information presented in this report for 2003 and 2004 was recalculated to reflect only the 100 largest grantmakers for each year (and thus the information on 2003 and 2004 grantmaking will differ from information presented in previous reports, when all grantmakers giving over \$1 million were included in the sample).

To analyze the giving trends and patterns in Minnesota over time and to make comparisons nationally, the Council analyzed grants of \$2,000 and more made by the sample, and applied the National Taxonomy of Exempt Entities (NTEE) coding system, which was developed by the National Center for Charitable Statistics (NCCS) in 1987, and the Grants Classification System (GCS), which was developed by The Foundation Center in the late 1980s.

**National Taxonomy of Exempt Entities:** The NTEE is used widely by the IRS and others to classify nonprofit organization activities. The system uses two, three-character, alphanumeric codes to track institutional fields. The universe in the institutional fields is organized into 26 major field (subject) areas, A-Z (see Table 41 and Appendix ix), with subcategories for services, disciplines or types of institutions unique to that field, which the Council categorizes under 10 broader areas (see Table 41).

NCCS modified the NTEE in 1999 by collapsing the original codes by about two-thirds and renaming it the NTEE-CC. For coding purposes, in cases where an organization may have more than one purpose, the code is limited to the one listed

first on a nonprofit's IRS Form 990.<sup>1</sup> The Council coded each grant by the grant description's subject purpose, when available. When no grant de-

scription was provided, the grant was coded based on the recipient organization's primary purpose.

**Grants Classification System:** To further analyze trends and patterns by intended beneficiaries and support type and by state location and geographic service area, the Council applied GCS codes to the sample. This additional coding helped derive an analysis of grantmaking to 27 beneficiary groups (see Table 42), and grantmaking to five major support types and numerous subcategories within the support types.

**TABLE 41: NATIONAL TAXONOMY OF EXEMPT ENTITIES (NTEE)**

Sub-sector	Major Groups Included
Arts, Culture & Humanities	A
Education	B
Environment/Animals	C, D
Health	E, F, G, H
Human Services	I, J, K, L, M, N, O, P
International Affairs	Q
Public Affairs/Society Benefit	R, S, T, U, V, W
Religion	X
Mutual Membership	Y
Unknown/Unclassified	Z

**TABLE 42: GRANTS CLASSIFICATION SYSTEM BENEFICIARY GROUP CODES**

Code	Description
A0	Not specified/general public (grants/organizations that could benefit everyone, not a specific population)
A1, A2, A3, A4	Infants/toddlers, children/youth, children, youth
A5	Adults
A6	Aging
A7	Young adults
D0	Disabilities, people with
D1	Physically disabled
D2	Blind/visually impaired
D3	Deaf/hearing impaired
D4	Mentally disabled
E0	Minorities (grants/organizations that are described as working with ethnic/racial populations, but not a specific group)
E1	Asians/Pacific Islanders
E2	African Americans/Blacks
E3	Hispanics/Latinos
E4	Native Americans/American Indians
E5	Indigenous people
E9	Other racial, ethnic minorities
F0	Women
F1	Infants/toddlers
F2, F3, F4	Girls
F5	Adults, women
F6	Aging
F7	Young adults, female
M0	Men
M1	Infants/toddlers, male
M2, M3, M4	Boys
M5	Adults, men
M6	Aging
M7	Young adults, male
N0	Other named groups (groups that have a commonality that isn't linked to ethnic/racial or minority status)
N1	Military/veterans
N2	Offenders/ex-offenders
N3	Substance abusers
N4	AIDS, people with
N5	Single parents
N6	Crime/abuse victims
N7	Terminal illness, people with
O0	Minorities (groups that are linked through minority status that isn't linked to ethnic/racial)
O1	LGBTQ
O2	Immigrants/refugees
P0	Economically disadvantaged
P1	Homeless
P2	Migrant workers

<sup>1</sup> Romeo, Sheryl. *NTEE-CC Training Guide*. National Center for Charitable Statistics. Washington, D.C.: The Urban Institute, 2003.