

# MINNESOTA GIVING OVERVIEW

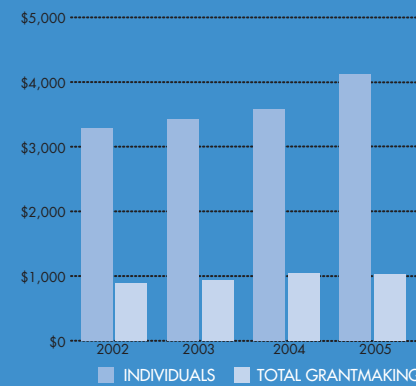
This section provides an overview of trends and patterns in total Minnesota charitable giving by individuals, private foundations, corporate foundations and giving programs, and community/public foundations. Minnesota grantmaking comprises giving in Minnesota and outside the state, including international giving. The overview includes national comparisons.

## TOTAL CHARITABLE GIVING

In 2005, individuals, foundations and corporate giving programs gave a total of \$5.1 billion in charitable contributions, up 4.9 percent from the previous year, compared to a 2004 increase of 12 percent (see Table 1 and Figure A). The significant increase in giving in 2004 was due primarily to the Blandin Foundation's one-time grant of \$20 million and the E.M. Pearson Foundation's spending down of all of its assets through \$30.9 million in grants. Thus, the 4.9-percent increase in 2005 speaks to the stable growth in charitable giving in the state, even without substantial one-time jumps in grantmaking by a few organizations.

Individual charitable giving continued to comprise the highest portion of the state's giving, accounting for 80 percent of the total. The remaining 20 percent represented grantmaking by foundations and corporate giving programs. Private foundations and corporate grantmakers were responsible for 9 percent and 8 percent of all giving, respectively, and community/public foundations accounted for 3 percent (see Figure B).

**FIGURE A: TOTAL CHARITABLE GIVING IN MINNESOTA, 2002-2005\***  
DOLLARS IN MILLIONS



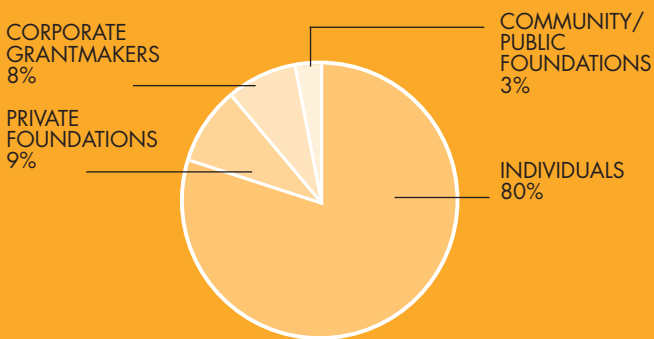
\* Actual dollars.

**TABLE 1: TOTAL CHARITABLE GIVING IN MINNESOTA, 2002-2005\***  
DOLLARS IN MILLIONS

	2002	2003	% Change	2004	% Change	2005	% Change
Total Individual Giving	\$3,289	\$3,433	4.4%	\$3,856	12.3%	\$4,117	6.8%
Total Grantmaking	\$893	\$941	5.4%	\$1,042	10.7%	\$1,022	-1.9%
<b>Total Giving</b>	<b>\$4,182</b>	<b>\$4,374</b>	<b>4.6%</b>	<b>\$4,898</b>	<b>12.0%</b>	<b>\$5,139</b>	<b>4.9%</b>

\* Actual dollars.

**FIGURE B: BREAKDOWN OF TOTAL CHARITABLE GIVING IN MINNESOTA, 2005**



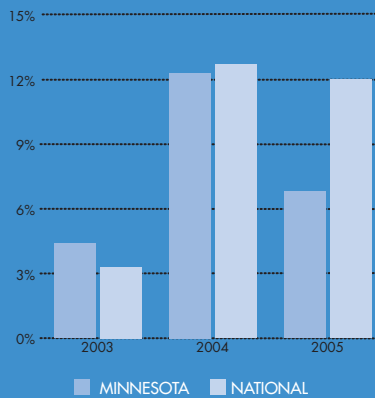
## TOTAL INDIVIDUAL GIVING

Individual charitable giving in Minnesota rose 6.8 percent (3.7 percent in inflation-adjusted dollars), from \$3.86 billion in 2004 to \$4.1 billion in 2005. Nationally, during the same year, charitable giving increased about twice as much (12 percent unadjusted for inflation; 8.7 percent adjusted). The growth in individual giving by Minnesotans in 2005 was significantly lower than in 2004 (see Table 2 and Figures C & D).

The total number of Minnesotans claiming charitable contributions on tax returns increased from 896,103 in 2004 to 914,303 in 2005, a 2-percent increase and the highest number since 2002. Of Minnesotans who itemized their tax returns, the proportion who claimed charitable contributions increased from 41.7 percent in 2004 to 42.3 percent in 2005.

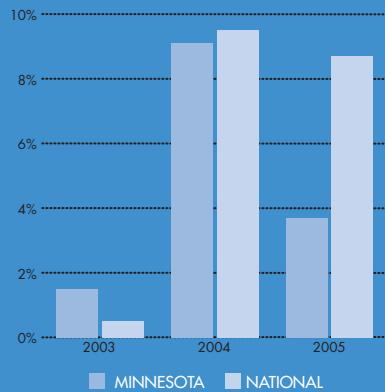
The average contribution per itemized return for Minnesotans in 2005 was \$3,693, a 4.7-percent increase from 2004 (\$3,528) and a 25-percent increase from 2002 (\$2,953). Despite this increase, the average size of contributions by Minnesotans in 2005 remained below the national average of \$4,388, a long-term trend. This difference has traditionally been related to Minnesotans itemizing at a higher rate than the national average, a factor that tends to include more individuals with lower charitable giving levels in the average contribution figure for the state. In 2005, Minnesota ranked fourth in the percentage of state residents itemizing their federal returns (37.4 percent), compared to 30.6 percent nationally. In 2005, Minnesota ranked 21st in the percentage of its residents' adjusted gross income given to charity, down from its 17th-place ranking in 2004.

**FIGURE C: CHANGE IN GIVING BY INDIVIDUALS, MINNESOTA VS. NATIONAL, 2003-2005\***



\* Actual dollars.

**FIGURE D: CHANGE IN GIVING BY INDIVIDUALS, MINNESOTA VS. NATIONAL, 2003-2005\***



\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.07 in 2003.

**TABLE 2: GIVING BY INDIVIDUALS, MINNESOTA VS. NATIONAL, 2002-2005**  
DOLLARS IN MILLIONS

Year	Actual Dollars				Inflation-Adjusted Dollars*			
	Minnesota		National**		Minnesota		National**	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2002	\$3,289		\$169,873		\$3,585		\$185,162	
2003	\$3,433	4.4%	\$175,538	3.3%	\$3,639	1.5%	\$186,070	0.5%
2004	\$3,856	12.3%	\$197,804	12.7%	\$3,972	9.1%	\$203,738	9.5%
2005	\$4,117	6.8%	\$221,516	12.0%	\$4,117	3.7%	\$221,516	8.7%

\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.09 in 2002.

\*\* Information from Foundation Giving Trends: Update on Funding Priorities, 2007 and 2006 Editions, The Foundation Center, New York.

## TOTAL FOUNDATION AND CORPORATE GIVING

After a steady increase from 2002 to 2004, total foundation and corporate grants decreased by 1.9 percent in 2005, from \$1.04 billion in 2004 to \$1.02 billion in 2005 (see Table 3). As stated at the beginning of this section, this decrease is due primarily to the Blandin Foundation's one-time grant of \$20 million and the E.M. Pearson Foundation's spending down of all of its assets through \$30.9 million in grants, rather than to any specific negative impacts on grantmaking in 2005. If the exceptional one-time grantmaking of these two foundations were removed from the totals, grantmaking in Minnesota would have increased by 3 percent between 2004 and 2005 (and stayed flat in inflation-adjusted dollars).

Although Minnesota foundation grantmaking decreased slightly in 2005, total foundation assets rose by 7.3 percent. The number of grantmakers in the state also continued its increase, climbing 2.8 percent from 1,341 in 2004 to 1,378 in 2005.

A more detailed analysis of giving trends and patterns by the top 100 grantmakers in the state is discussed in the subsequent sections of this report.

## Number of Minnesota Grantmakers

In 2005, Minnesota was home to a total of 1,378 active grantmakers, an increase of 2.8 percent from the 1,341 grantmakers in 2004. In 2005, 85 percent of the grantmakers were private foundations (1,174), 9 percent were corporate foundations and giving programs (119), and 6 percent were community/public foundations (85) (see Table 4 and Figure E).

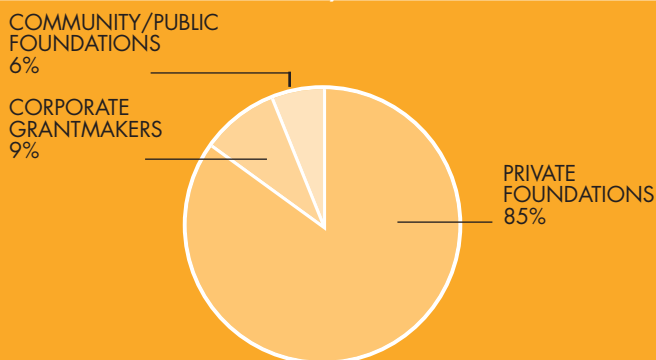
The increase in the number of total grantmakers in the state continues a consistent upward trend since 2001. However, differences exist in the amount of growth for each type of grantmaker. During this time, the number of private foundations has increased 11 percent, while the number of both corporate foundations and giving programs and community/public foundations have increased 20 percent.

**TABLE 3: MINNESOTA GRANTMAKING AT A GLANCE, 2002-2005\***  
DOLLARS IN MILLIONS

	2002	2003	2004	2005
Total Grants Paid	\$893.08	\$941.07	\$1,041.77	\$1,021.79
Total Foundation Assets	\$11,584.70	\$13,456.72	\$14,671.59	\$15,744.92
Number of Grantmakers	1,277	1,296	1,341	1,378

\* Actual dollars.

**FIGURE E: PERCENTAGE OF MINNESOTA GRANTMAKERS BY TYPE, 2005**



**TABLE 4: NUMBER OF MINNESOTA GRANTMAKERS BY TYPE, 1989-2005**

	1989	1991	1993	1995	1997	1999	2001	2002	2003	2004	2005
Private	568	585	605	628	726	862	1057	1092	1115	1150	1174
Corporate	81	81	81	83	85	84	99	104	107	111	119
Community/Public	17	16	18	47	52	61	71	81	74	80	85
Total	666	682	704	758	863	1,007	1,227	1,277	1,296	1,341	1,378

## Total Grants Paid

In 2004, Minnesota grantmaking grew to over \$1 billion for the first time. In 2005, grantmaking again passed this mark, with Minnesota's 1,378 active grantmakers giving a total of \$1.02 billion (see Table 5).

Between 2004 and 2005, the total grants paid in Minnesota decreased 1.9 percent (4.8 percent in inflation-adjusted dollars) (see Figure F). In contrast, the state's grantmaking grew 10.7 percent (7.6 percent adjusted for inflation) between 2003 and 2004 and 5.4 percent (2.5 percent adjusted for inflation) between 2002 and 2003. Nationally, foundation giving rose 5.5 percent in 2005<sup>1</sup>.

The drop in 2005 grants paid stands in contrast to the predictions of increased grantmaking in 2005 made by 80 percent of the Minnesota grantmakers surveyed the previous year (see the Council's 2005 *Outlook Report*). However, as mentioned previously in this report, the decrease is due in large part to a substantial one-time increase in giving in 2004 by the Blandin Foundation and the E.M. Pearson Foundation, rather than a significant decrease in giving by grantmakers as a whole in 2005.

## Grants Paid by Grantmaker Size and Type

Most of Minnesota's total grants paid in 2005 came from a small number of grantmakers (see Table 6), continuing a long-term trend. Slightly less than 10 percent of the grantmakers (129) gave 85 percent of all grants paid (\$863.6 million), and about 2 percent of grantmakers (32) provided two-thirds of all grants paid (\$676.5 million).

**TABLE 5: MINNESOTA GRANTS PAID, 1988-2005**  
DOLLARS IN MILLIONS

Year	Actual Dollars		Inflation-Adjusted Dollars*	
	Amount	% Change	Amount	% Change
1988	\$264.00		\$435.60	
1990	\$313.70	18.8%	\$467.41	7.3%
1992	\$365.80	16.6%	\$508.46	8.8%
1994	\$390.50	6.8%	\$515.46	1.4%
1995	\$461.00	18.1%	\$590.08	14.5%
1997	\$613.00	33.0%	\$747.86	26.7%
1998	\$630.00	2.8%	\$756.00	1.1%
1999	\$764.90	21.4%	\$894.93	18.4%
2000	\$810.10	5.9%	\$915.41	2.3%
2001	\$920.03	13.6%	\$1,012.03	10.6%
2002	\$893.08	-2.9%	\$973.46	-3.8%
2003	\$941.07	5.4%	\$997.53	2.5%
2004	\$1,041.77	10.7%	\$1,073.02	7.6%
2005	\$1,021.79	-1.9%	\$1,021.79	-4.8%

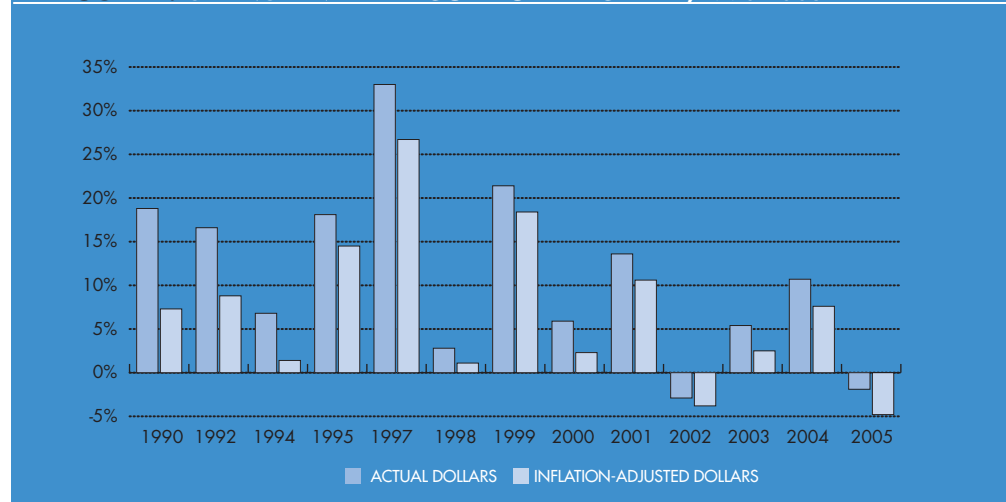
\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.65 in 1988.

**TABLE 6: MINNESOTA GRANTMAKING BY GRANTMAKER SIZE, 2005\***

Total Grants Paid	Number of Grantmakers	% of Total	Grants Paid	% of Total	Assets	% of Total
Over \$5 million	32	2.3%	\$676,457,267	66.2%	\$8,750,528,592	55.6%
\$1-\$5 million	97	7.0%	\$187,162,015	18.3%	\$4,363,594,669	27.7%
<b>Subtotal</b>	<b>129</b>	<b>9.4%</b>	<b>\$863,619,282</b>	<b>84.5%</b>	<b>\$13,114,123,261</b>	<b>83.3%</b>
\$500,000-\$999,999	85	6.2%	\$59,677,083	5.8%	\$917,050,829	5.8%
\$250,000-\$499,999	121	8.8%	\$43,574,165	4.3%	\$737,118,002	4.7%
\$100,000-\$249,999	188	13.6%	\$29,659,152	2.9%	\$465,602,695	3.0%
\$50,000-\$99,999	195	14.2%	\$13,979,509	1.4%	\$228,506,354	1.5%
\$25,000-\$49,999	191	13.9%	\$7,105,822	0.7%	\$134,617,535	0.9%
Under \$25,000	469	34.0%	\$4,175,653	0.4%	\$147,901,800	0.9%
<b>Total</b>	<b>1,378</b>		<b>\$1,021,790,666</b>		<b>\$15,744,920,476</b>	

\* Includes program-related investments.

**FIGURE F: CHANGE IN MINNESOTA GRANTS PAID, 1990-2005**



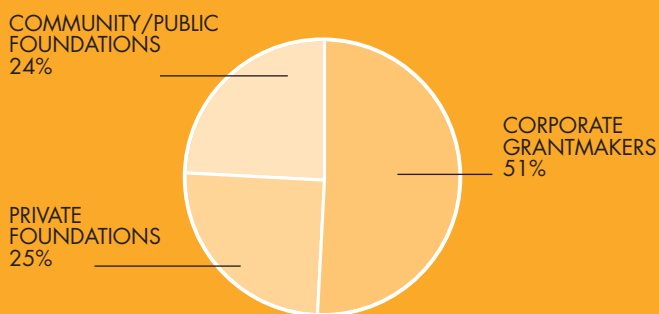
<sup>1</sup> *Foundation Yearbook*, 2006 Edition, The Foundation Center.

Of the 23,020 grants given in 2005, corporate grantmakers made just over half of these grants, while private foundations and community/public foundations accounted for about one-fourth each (see Figure G).

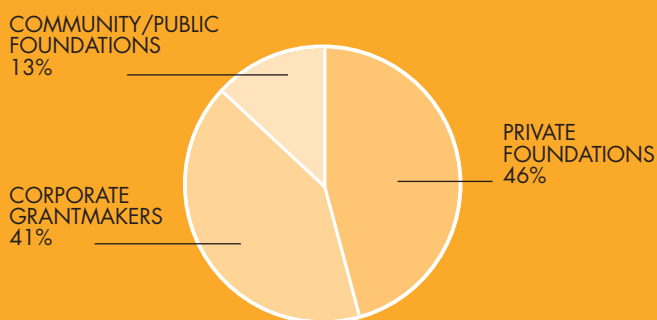
Of the \$1.02 billion in grants paid in 2005, 46 percent was given by private foundations, 41 percent by corporate foundations and giving programs, and 13 percent by community/public foundations (see Figure H).

Although corporate foundations and giving programs make up a small percentage of Minnesota grantmakers, they provided a significantly higher proportion of the total amount of grants paid in 2005, continuing a long-term trend. Specifically, corporate grantmakers comprised 9 percent of all grantmakers but gave 41 percent of all grants paid. While private foundations make up the vast majority of grantmakers (85 percent), they accounted for just 46 percent of the grants paid, due to the fact that the majority of private foundations are small family foundations making \$50,000 or less in annual grants. Community/public foundations represented 6 percent of the grantmakers in 2005 and paid 13 percent of the total grant dollars.

**FIGURE G: NUMBER OF GRANTS MADE BY GRANTMAKERS IN THE GIVING IN MINNESOTA SAMPLE BY GRANTMAKER TYPE, 2005**



**FIGURE H: MINNESOTA GRANTS PAID BY GRANTMAKER TYPE, 2005**



From 2004 to 2005, the total amount of grants paid decreased for all three grantmaker types (see Table 7 and Figure I). Private foundations experienced the largest decline in grantmaking (-8.3 percent), followed by corporate grantmakers (-1.7 percent) and community/public foundations (-1.4 percent).

**Private foundation** grantmaking decreased from \$508 million in 2004 to \$466 million in 2005.

This 8-percent drop reflects, in large part, a return to previous giving levels after an anomalous spike in 2004 giving by the Blandin Foundation and E.M. Pearson Foundation.

**Corporate grantmaking** declined slightly from \$431 million in 2004 to \$424 million in 2005, following steady increases since 2002. While many of the state's corporate foundations and giving programs increased their grants paid substantially in 2004, most saw their giving stay relatively flat in 2005.

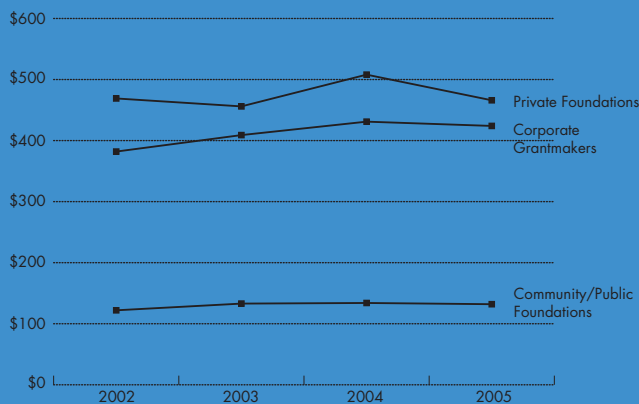
**Community/public foundations** also saw a slight drop in their grantmaking, from \$134 million in 2004 to \$132 million in 2005, following a slight increase (0.4 percent) the previous year.

**TABLE 7: CHANGE IN MINNESOTA GRANTMAKING BY GRANTMAKER TYPE, 2002-2005\***  
DOLLARS IN MILLIONS

	2002	2003	% Change	2004	% Change	2005	% Change
Private	\$469	\$456	-2.9%	\$508	11.5%	\$466	-8.3%
Corporate	\$382	\$409	7.1%	\$431	5.5%	\$424	-1.7%
Community/Public	\$122	\$133	8.9%	\$134	0.4%	\$132	-1.4%
<b>Total</b>	<b>\$973</b>	<b>\$998</b>	<b>2.5%</b>	<b>\$1,073</b>	<b>7.6%</b>	<b>\$1,022</b>	<b>-4.8%</b>

\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.09 in 2002.

**FIGURE I: GRANTMAKING BY GRANTMAKER TYPE, 2002-2005**  
DOLLARS IN MILLIONS\*



\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.09 in 2002.

## Foundation Assets

Minnesota foundation assets grew to \$15.7 billion in 2005 from \$14.7 billion in 2004, a 7.3-percent increase (4.2 percent adjusted for inflation), which was slightly less than the 9-percent increase the previous year (see Table 8 and Figure J) and similar to the national average of 7.1 percent<sup>2</sup>. Since growth in a foundation's assets in one year can lead to an increase in the foundation's grantmaking a year or more in the future, the increase in Minnesota assets in 2004 and 2005 could be an indication of increases in grant dollars in a few years.

## Grantmaking by Congressional District

Foundations and corporate givers in Congressional District 5, which includes Minneapolis and surrounding suburban areas, made the most grants (\$537 million) in the state in 2005, followed by Congressional District 4 (\$240 million), which covers St. Paul and its surrounding suburbs (see Table 9). The remainder of the districts each made less than \$100 million in grants. Congressional District 7, which covers most of the western side of the state, made the smallest amount of grant dollars, at \$8.5 million.

Congressional District 5, Congressional District 3 (suburban Hennepin County) and Congressional District 4 had the most grantmakers housed in their areas (383, 329 and 276, respectively). Congressional Districts 5 and 4 were home to the foundations with the highest total assets (\$5.7 billion and \$4.5 billion, respectively), followed by Congressional District 1 (\$2.2 billion), which extends across southern Minnesota.

**TABLE 8: MINNESOTA FOUNDATION ASSETS, 1988-2005**  
DOLLARS IN BILLIONS

Year	Actual Dollars		Inflation-Adjusted Dollars*	
	Amount	% Change	Amount	% Change
1988	\$3.21		\$5.30	
1990	\$3.30	2.8%	\$4.92	-7.2%
1992	\$4.66	41.2%	\$6.48	31.7%
1994	\$4.88	4.7%	\$6.44	-0.6%
1995	\$6.22	27.5%	\$7.96	23.6%
1997	\$8.20	31.8%	\$10.00	25.7%
1998	\$9.12	11.2%	\$10.94	9.4%
1999	\$10.57	15.9%	\$12.37	13.0%
2000	\$12.10	14.5%	\$13.67	10.6%
2001	\$11.36	-6.1%	\$12.50	-8.6%
2002	\$11.58	1.9%	\$12.62	1.0%
2003	\$13.46	16.2%	\$14.27	13.0%
2004	\$14.67	9.0%	\$15.11	5.9%
2005	\$15.74	7.3%	\$15.74	4.2%

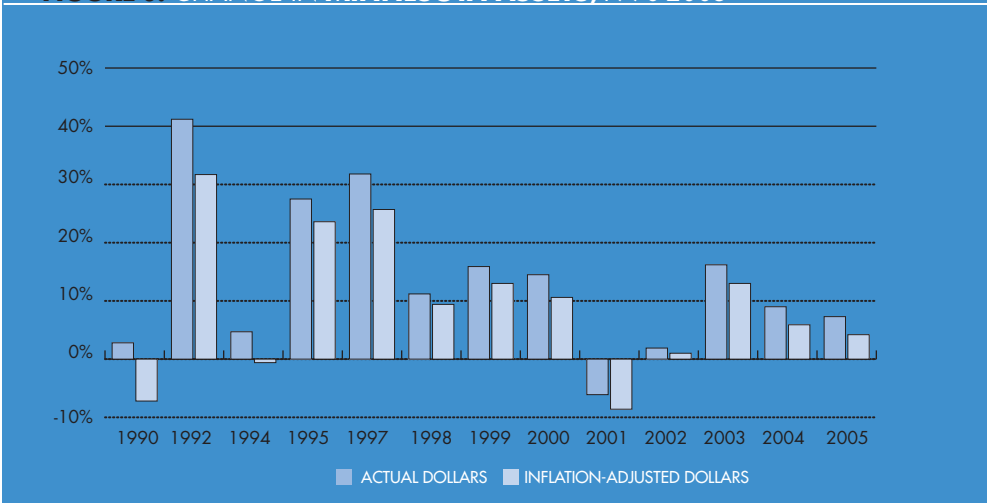
\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2005 equals \$1.65 in 1988.

**TABLE 9: MINNESOTA GRANTMAKING BY CONGRESSIONAL DISTRICT, 2005\***

District	Number of Grantmakers	Grants Paid	Assets
1	86	\$28,456,853	\$2,227,729,343
2	77	\$25,556,488	\$124,017,911
3	329	\$98,711,838	\$1,121,594,757
4	276	\$240,418,203	\$4,457,105,604
5	383	\$537,059,693	\$5,763,859,035
6	56	\$44,337,241	\$981,230,947
7	68	\$8,517,139	\$191,781,725
8	62	\$23,034,786	\$679,839,525

\* Grants paid include some grantmaking by grantmakers who are located outside of Minnesota but give the majority of their funds within Minnesota.

**FIGURE J: CHANGE IN MINNESOTA ASSETS, 1990-2005**



<sup>2</sup> Foundation Yearbook, 2006 Edition, The Foundation Center.

### Top Five Minnesota Grantmakers

Minnesota's five largest grantmakers in 2005<sup>3</sup>:

1. The McKnight Foundation  
\$90,710,176  
Private foundation
2. General Mills Foundation & Corporation  
\$53,331,232  
Corporate foundation and giving program
3. Medtronic Foundation & Corporation  
\$40,865,798<sup>4</sup>  
Corporate foundation and giving program
4. The Saint Paul Foundation<sup>5</sup>  
\$38,074,453  
Community foundation
5. Cargill Foundation & Cargill Incorporated<sup>6</sup>  
\$36,285,000  
Corporate foundation and giving program

*For a list of the top 50 Minnesota grantmakers by grants paid in 2005, see Appendix ii.*

### Top Five Minnesota Grant Recipients

The following Minnesota nonprofit organizations received the largest total grant dollars from Minnesota's 100 largest grantmakers in 2005<sup>7</sup>:

1. Greater Twin Cities United Way  
\$17,976,015  
Philanthropy: community fund and federated giving programs
2. Minnesota Public Radio  
\$9,346,246  
Arts, Culture & Humanities
3. Bush Leadership Fellows Program  
\$8,122,850  
Public Affairs/Society Benefit: Multipurpose
4. Greater Minnesota Housing Fund  
\$7,005,000  
Housing/Shelter
5. Family Housing Fund (Minneapolis & St. Paul)  
\$6,661,500  
Housing/Shelter

<sup>3</sup> To maintain consistency across years, dollar amounts include cash contributions only; neither in-kind nor non-cash contributions are included. Information based on available grant lists. Target Foundation & Corporation reported combined cash and in-kind contributions of \$147 million, but didn't provide a separate cash contribution total and, thus, is not included.

<sup>4</sup> Includes corporate foundation's grant dollars but not corporate giving program grants.

<sup>5</sup> Includes the Minnesota Community Foundation, J. Paper Foundation and A.F. Paper Foundation.

<sup>6</sup> Includes foundation and corporate grants but not business unit contributions.

<sup>7</sup> Includes only grants of \$2,000 and larger.