



## KEY FINDINGS

### Minnesota Giving Overview<sup>1</sup>

- **Charitable giving increased.** In 2006, individuals and grantmakers gave \$5.2 billion in charitable contributions, an increase of 1.8 percent from 2005.
- **Individual giving decreased.** Individual charitable giving in Minnesota decreased 1.2 percent, from \$4.12 billion in 2005 to \$4.07 billion in 2006.
- **Foundation and corporate giving showed notable increase.** In 2006, Minnesota grantmakers gave a total of \$1.16 billion, an increase of 13.8 percent from 2005.
- **Foundation assets also increased.** Minnesota foundation assets increased to \$17.07 billion in 2006 from \$15.74 billion in 2005, an 8.4-percent increase.

### Grantmaking by Subject Area<sup>2</sup>

**Education, Human Services, and Public Affairs/Society Benefit continued to receive the most grant dollars.** These three subject areas received the largest shares of the state's grant dollars, 26, 22 and 17 percent, respectively.

**Education regained the largest share of grant dollars.** Education's share of Minnesota grant dollars increased from 21 percent (the second-largest share) in 2005 to 26 percent (the largest share) in 2006, surpassing Human Services.

**Shares of grantmaking to Human Services, Arts, and Public Affairs/Society Benefit declined.** The Human Services share dropped from 25 percent to 22 percent, Arts, Culture & Humanities declined from 16 percent to 14 percent, and Public Affairs/Society Benefit declined from 18 percent to 17 percent.

<sup>1</sup> Actual dollars are reported in this summary unless otherwise noted. For inflation-adjusted figures, see the full report at [www.mcf.org/gim](http://www.mcf.org/gim).

<sup>2</sup> Based on the *Giving in Minnesota* sample. See "About This Report."

### Grantmaking by Geographic Service Area<sup>2</sup>

**Grants to Minnesota dropped slightly.** In 2006, 54 percent of grant dollars went to organizations serving Minnesota. This represented a drop of 4 percentage points from 2005.

### Grantmaking by Intended Beneficiary<sup>2</sup>

**Children and Youth received more support.** In 2006 the percentage of grant dollars given to benefit Children and Youth increased to 22 percent from 16 percent in 2005.

### Grantmaking by Support Type<sup>2</sup>

**Most grant dollars go to Program Support.** From 2005 to 2006, the state's grant dollars for Program Support increased from 51 percent to 56 percent, the largest share by Support Type.

**General Support sees notable drop.** The share of Minnesota grant dollars for General Support declined 3 percentage points, from 25 percent in 2005 to 22 percent in 2006.

### About This Report

The Minnesota Council on Foundations has produced *Giving in Minnesota, 2008 Edition* to provide a comprehensive analysis of philanthropy in the state. The 2008 edition features overall giving in 2006, the most recent year for which comprehensive data are available. This summary provides highlights from the full report, which includes information about overall giving by foundations, corporations and individuals in Minnesota, along with detailed grantmaking trends by the *Giving in Minnesota* sample, which is comprised of 100 of the state's largest grantmakers based on grants paid. Although the foundations and corporate giving programs in the sample represented just 7 percent of grantmakers in the state, they gave 81 percent of all Minnesota grant dollars in 2006. Trend analysis focused on the sample's \$815 million given as grants of \$2,000 or more. The full *Giving in Minnesota, 2008 Edition* report can be found at [www.mcf.org/gim](http://www.mcf.org/gim).



## MINNESOTA GIVING OVERVIEW

### Total Charitable Giving Increased Slightly

In 2006, individuals, foundations and corporate giving programs gave a total of \$5.2 billion in charitable contributions, a 1.8-percent increase from 2005 (see Table 1).

Individual charitable giving continued as the highest portion of the state's giving, accounting for 78 percent of the total (see Figure A). The remaining 22 percent represented grantmaking by foundations and corporate giving programs. Private foundations and corporate grantmakers gave 10 percent and 9 percent, respectively, and community/public foundations accounted for 3 percent.

### Total Individual Giving Down

Individual charitable giving in Minnesota decreased 1.2 percent, from \$4.12 billion in 2005 to \$4.07 billion in 2006 (see Table 2). Nationally, during the same period, charitable giving was 0.3 percent higher.<sup>3</sup>

The total number of Minnesotans claiming charitable contributions on tax returns decreased slightly (less than 1%) from 914,303 in 2005 to 913,460 in 2006. Of all Minnesotans who filed tax returns, the proportion who claimed charitable contributions decreased from 37.4 percent in 2005 to 35.7 percent in 2006.



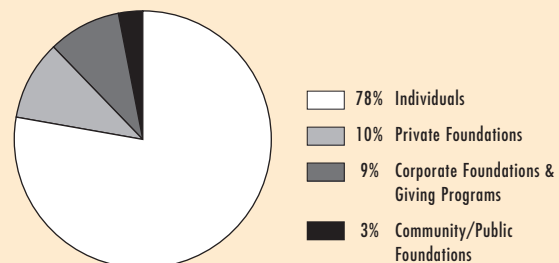
The average contribution per itemized return for Minnesotans in 2006 was \$3,652, a 1-percent decrease from 2005 (\$3,693). The average size of contributions by Minnesotans in 2006 remained below the national average of \$4,403, a long-term trend. This difference has traditionally been related to Minnesotans itemizing at a higher rate than the national average. In 2006, Minnesota ranked 19th in the percentage of its residents' adjusted gross income given to charity, higher than its 21st-place ranking the previous year.

**Table 1: Change in Charitable Giving in Minnesota, 2003–2006**

|                         | 2003           | 2004           | % Change     | 2005           | % Change    | 2006           | % Change    |
|-------------------------|----------------|----------------|--------------|----------------|-------------|----------------|-------------|
| Total Individual Giving | \$3,433        | \$3,856        | 12.3%        | \$4,117        | 6.8%        | \$4,068        | -1.2%       |
| Total Grantmaking       | \$941          | \$1,042        | 10.7%        | \$1,022        | -1.9%       | \$1,163        | 13.8%       |
| <b>Total Giving</b>     | <b>\$4,374</b> | <b>\$4,898</b> | <b>12.0%</b> | <b>\$5,139</b> | <b>4.9%</b> | <b>\$5,231</b> | <b>1.8%</b> |

Dollar figures in millions.

**Figure A: Total Charitable Giving in Minnesota by Type, 2006**



**Table 2: Giving by Individuals, Minnesota vs National, 2003–2006**

| Year | Minnesota |          | National  |          |
|------|-----------|----------|-----------|----------|
|      | Amount    | % Change | Amount    | % Change |
| 2003 | \$3,433   |          | \$175,538 |          |
| 2004 | \$3,856   | 12.3%    | \$197,804 | 12.7%    |
| 2005 | \$4,117   | 6.8%     | \$221,516 | 12.0%    |
| 2006 | \$4,068   | -1.2%    | \$222,110 | 0.3%     |

Dollar figures in millions.

<sup>3</sup>Foundation Yearbook: Facts and Figures on Private and Community Foundations, Foundation Center, 2008 edition.

## Grantmakers Give Nearly 14 Percent More

### Total Grants Paid

After a slight decrease from 2004 to 2005 (due to several large one-time contributions in 2004), total Minnesota foundation and corporate grantmaking increased by 13.8 percent in 2006, from \$1.02 billion in 2005 to \$1.16 billion in 2006 (see Table 3). Nationally, foundation giving rose 7.1 percent in 2006.<sup>3</sup>

### Number of Minnesota Grantmakers

In 2006, Minnesota was home to 1,398 active grantmakers, an increase of 1.4 percent from 2005. In 2006, 85 percent of the grantmakers were private foundations, 9 percent were corporate foundations and giving programs, and 6 percent were community/public foundations (see Figure B).

### Grants Paid by Grantmaker Size and Type

Most of Minnesota's total grants paid in 2006 came from a small number of grantmakers. Less than 3 percent of grantmakers (35) provided 69 percent of all grants paid (\$801 million), and 10 percent of the grantmakers (143) accounted for 86 percent of all grants paid (\$1 billion).

Of the total \$1.16 billion granted in 2006, 46 percent was given by private foundations, 42 percent by corporate foundations and giving programs, and 12 percent by community/public foundations (see Figure B).

Although corporate foundations and giving programs make up a small percentage of Minnesota grantmakers, they account for a disproportionately high percentage of the total grants paid. Specifically, corporate grantmakers comprised 9 percent of all grantmakers but gave 42 percent of all grant dollars in 2006. While private foundations made up the vast majority of grantmakers (85 percent), they accounted for just 46 percent of the grant dollars paid. Community/public foundations represented 6 percent of the grantmakers in 2006 and paid 12 percent of the total grant dollars.

## Foundation Assets

Minnesota foundation assets grew to \$17.07 billion in 2006 from \$15.74 billion in 2005, an 8.4-percent increase (see Table 3). Nationally, foundation assets grew 11.6 percent.<sup>3</sup>

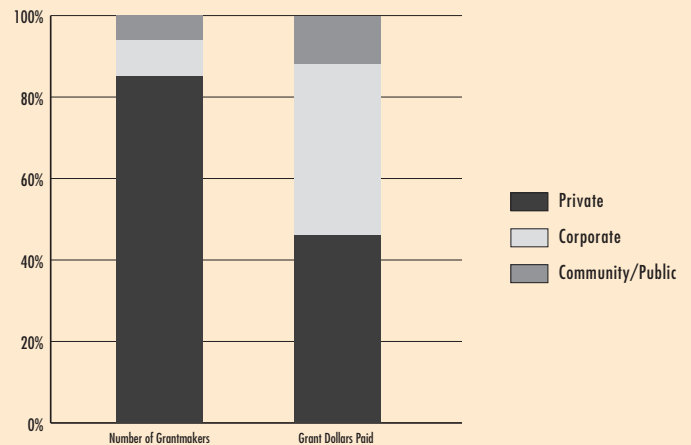
Foundations typically base their future giving on a one- to three-year average of past asset performance. Therefore, it may be several years for asset decreases or increases to be fully reflected in grant levels.

**Table 3: Minnesota Grantmaking at a Glance, 2003–2006**

|                         | 2003        | 2004        | 2005        | 2006        |
|-------------------------|-------------|-------------|-------------|-------------|
| Total Grants Paid       | \$941.07    | \$1,041.77  | \$1,021.79  | \$1,162.86  |
| Total Foundation Assets | \$13,456.72 | \$14,671.59 | \$15,744.92 | \$17,066.66 |
| Number of Grantmakers   | 1,296       | 1,341       | 1,378       | 1,398       |

Dollar figures in millions.

**Figure B: Number of Grantmakers and Grant Dollars Paid by Grantmaker Type**



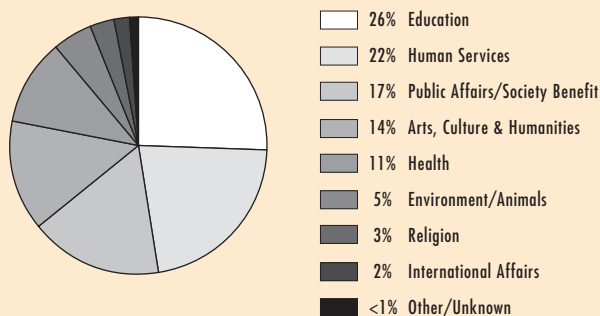
## GRANTMAKING BY SUBJECT AREA<sup>2</sup>

In 2006, the *Giving in Minnesota* sample gave a total of \$815 million in grants of \$2,000 and above to the eight subject areas covered in the report. As in previous years, Education, Human Services and Public Affairs/Society Benefit received the largest shares of grant dollars (see Figure C).

Education regained the highest share position (26 percent) in 2006, an increase from 21 percent (the second-largest) in 2005 (see Table 4). The Human Services share decreased from 25 percent in 2005 (the largest share) to 22 percent (the second-largest) in 2006. Public Affairs/Society Benefit, with a 17-percent share in 2006, continued as third-largest.



Figure C: Minnesota Grantmaking by Subject Area, 2006



Environment/Animals share of Minnesota grant dollars increased from 4 percent in 2005 to 5 percent in 2006. The Arts, Culture & Humanities share decreased from 16 percent in 2005 to 14 percent in 2006. The portions going to Health, International Affairs and Religion stayed the same (11 percent, 2 percent, and 3 percent, respectively) from 2005 to 2006.

### Subject Area by Grantmaker Type

In 2006, corporate grantmakers provided the largest share of grants to Arts, Culture, & Humanities, Education, and Public Affairs/Society Benefit.



Private foundations were the top grantmaker type for Environment/Animals, Health, Human Services and International Affairs. Shares for Public Affairs/Society Benefit were comparable for private foundations (42 percent) and corporate grantmakers (46 percent). Religion received the smallest share of its funding from private foundations (22 percent).

Community/public foundations gave Religion's largest share, representing just under half (49 percent) of that category's grantmaking. These foundations gave International Affairs 33 percent of its grant dollars. The community/public foundations had the smallest amount of giving in the sample; thus, they contributed the lowest share of grant dollars to the other six subject areas.



Table 4: Minnesota Grantmaking by Subject Area, 2004–2006\*

|                                | 2004          |       | 2005          |       | 2006          |       |
|--------------------------------|---------------|-------|---------------|-------|---------------|-------|
|                                | Grant Dollars | Share | Grant Dollars | Share | Grant Dollars | Share |
| Arts, Culture & Humanities     | \$122,429,009 | 15%   | \$117,553,667 | 16%   | \$110,884,863 | 14%   |
| Education                      | \$201,822,549 | 25%   | \$153,362,207 | 21%   | \$212,124,997 | 26%   |
| Environment/Animals            | \$26,487,516  | 3%    | \$29,176,433  | 4%    | \$36,907,193  | 5%    |
| Health                         | \$85,740,580  | 11%   | \$76,484,558  | 11%   | \$90,639,314  | 11%   |
| Human Services                 | \$171,988,588 | 22%   | \$178,785,790 | 25%   | \$182,927,769 | 22%   |
| International Affairs          | \$7,940,851   | 1%    | \$15,407,950  | 2%    | \$15,869,024  | 2%    |
| Public Affairs/Society Benefit | \$138,013,007 | 17%   | \$131,131,594 | 18%   | \$138,107,722 | 17%   |
| Religion                       | \$36,428,686  | 5%    | \$23,379,252  | 3%    | \$26,934,703  | 3%    |

\* Inflation-adjusted dollars based on Consumer Price Index, where \$1.00 in 2006 equals \$1.07 in 2004.

## Comparisons to National Grantmaking

In 2006, Education received the largest share (26 percent) of Minnesota grant dollars, and Human Services received the second largest (22 percent). At the national level, Education and Health tied for first, each with a 23-percent share.

Public Affairs/Society Benefit ranked third in Minnesota (17 percent) and nationally (15 percent).

The greatest differences between Minnesota and national grantmaking were in Human Services and Health. Although Minnesota grantmakers devoted 22 percent of their grant dollars to Human Services, the national share was 14 percent. Conversely, Health received a 11-percent share in Minnesota, compared to 23 percent nationally.<sup>3</sup>

## GRANTMAKING BY GEOGRAPHIC SERVICE AREA<sup>2</sup>

In 2006, grantmakers in the Giving in Minnesota sample gave 54 percent of their grant dollars to organizations serving Minnesota, with the Twin Cities Metro Area receiving 32 percent, and Greater Minnesota and Minnesota Statewide each receiving 11 percent (see Figure D).

The share of Minnesota grant dollars that stayed in the state declined by 4 percentage points, from 58 percent in 2005 to 54 percent in 2006.

Minnesota grantmakers increased their share to Areas Outside Minnesota by 1 percentage point, from 28 percent in 2005 to 29 percent in 2006. National giving increased to 14 percent in 2006 from 10 percent in 2005.



## GRANTMAKING BY INTENDED BENEFICIARY<sup>2</sup>

The General Public/Unspecified Beneficiary group received the most grant dollars in 2006. Minnesota grantmakers continued to devote their second-highest level of support to Children and Youth; in 2006 the percentage of grant dollars increased to 22 percent from 16 percent in 2005.

The share of grant dollars to benefit Native Americans/American Indians decreased from 3.2 percent to 2.6 percent between 2005 and 2006. Giving to Asians/Pacific Islanders decreased by half a percentage point from 0.9 percent to 0.4 percent. The share of grant dollars remained stable for Hispanics/Latinos and African Americans/Blacks.

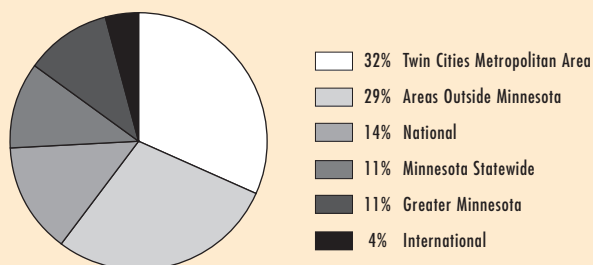


## Beneficiary Trends by Grantmaker Type

Giving by private foundations to Children and Youth and Adults increased in 2006 (15 percent and 13 percent, respectively). From 2005 to 2006 private foundations decreased their share of grant dollars going to Native Americans/American Indians (from 2.8 percent to 1.5 percent).

Corporate foundations and giving programs increased their giving to Children and Youth from 24 percent in 2005 to 31 percent in 2006. The percentage they gave to this category exceeded that given by private foundations and community/public foundations (15 percent each).

**Figure D: Minnesota Grantmaking by Geographic Service Area, 2006\***



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

Community/public foundations were the only grantmaker type to decrease their share of grant dollars for the Adults beneficiary group between 2005 and 2006 (from 9.0 percent to 8.3 percent). Community/public foundations increased funding to Poor/Economically Disadvantaged groups (from 2.6 percent in 2005 to 3.6 percent in 2006) and Native American groups (0.6 percent to 1.9 percent). Grantmaking to Asians/Pacific Islanders decreased from 3.0 percent in 2005 to 0.4 percent in 2006, a decrease of more than \$2 million.

## GRANTMAKING BY SUPPORT TYPE<sup>2</sup>

Grantmakers in the *Giving in Minnesota* sample continued to devote the largest share of their grant dollars to Program Support, giving 56 percent in 2006 compared to 51 percent in 2005. The share of grant dollars for General Support declined 3 percentage points between 2005 and 2006, from 25 percent to 22 percent (see Figure E).

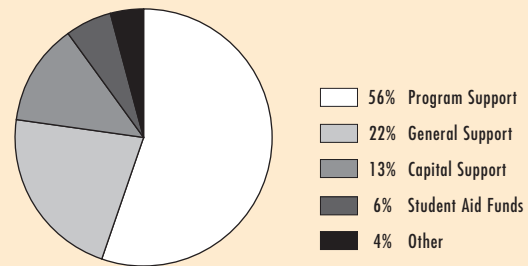
### Support Type Funding by Grantmaker Type

Private foundations increased their funding of Program Support in 2006, devoting more than half (54 percent) of their grantmaking to that category, up from 51 percent in 2005. Private foundations also increased their Capital Support from 14 percent in 2005 to 16 percent in 2006. In contrast, private foundations decreased their funding of General Support by 3 percentage points, from 24 percent in 2005 to 21 percent in 2006, and support for Student Aid fell from 9 percent in 2005 to 7 percent in 2006.

Corporate foundations increased their Program Support grants from 52 percent in 2005 to 62 percent in 2006. Offsetting this increase, General Support decreased from 26 percent in 2005 to 20 percent in 2006, and Capital Support decreased from 15 percent in 2005 to 10 percent in 2006.

Community/public foundations continued to increase the percentage of funding devoted to General Support, from 31 percent in 2005 to 37 percent in 2006. This 37 percent matched the share given to Program Support, which decreased from 48 percent in 2005. Community/public foundations increased the percentage given to Student Aid Funds (6 percent in 2005 and 8 percent in 2006).

Figure E: Minnesota Grantmaking by Support Type, 2006\*



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



Photos courtesy of Blue Cross and Blue Shield of Minnesota Foundation (photographer Scott Streble) and The Saint Paul Foundation.



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