



GIVING IN MINNESOTA 2022 REPORT

A Comprehensive Look at
Grantmaking in Minnesota



MINNESOTA COUNCIL
ON FOUNDATIONS

Introduction

This year's edition of Giving in Minnesota comes with a recognition of the times we live in. For the 2021 edition, we delayed publishing by several months in order to allow more time for our partners at Candid to collect grantmaking data. Despite this delay, we still ended up reporting on significantly fewer foundations' grantmaking than we had in prior years. We had hoped this backlog in data availability would start to clear up for the 2022 edition, but delays remain as large as ever.

Candid found that, as of September 2022, only about 70% of IRS Form 990s (which make up the majority of their grantmaking data) were available for 2020. Before the pandemic, comprehensive 990 data was available two years after the end of any given year. Now, it takes closer to three years to receive a similar amount of data.

2020 was a year with many seismic shifts in the amount and type of grants made by many foundations; we want to be sure that our reporting accurately reflects those big changes. For that reason, we'll be releasing our look at 2020 Minnesota giving data in 2023, when the full picture is more available.

Instead of including incomplete past grantmaking data, this year's report is fully focused on a survey we conducted with MCF members this year on their grantmaking practices. We're glad to bring these findings to the public and hope they can shed some light on our sector's discussions on issues like general operating support, multi-year grants, and how and which communities receive funding.



► **Chris Oien**

MCF Communications
and Research Specialist





Image: Gabriel Jimenez / Unsplash

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cover: Marcus Spiske / Unsplash

Funder Insights

2022 Grantmaking Practices Survey

If Minnesota philanthropy is going to live up to its aspirations, we must understand and reflect on our own practices, and work together to strengthen the role and impact of our field. In this 2022 Giving in Minnesota report we provide data and insights about the practice of philanthropy in Minnesota. We hope that a wide variety of interested parties will find this useful.

In 2020, we began conducting point-in-time data collection on philanthropic practices in order to learn how philanthropy was responding to COVID and the racial reckoning following the murder of George Floyd. In 2022 we made a shift toward inquiring about how current practice aligns with MCF’s Principles for Philanthropy. We will continue to collect this data regularly in order to provide comparative philanthropic practice data over time. We know that this field-wide self-reflection, tied to principles we all agree to, will help us learn, stretch and grow together, to benefit our communities.



► **Susie Brown**
MCF President

Participating Organizations

Community Foundation	32%
Private Independent Foundation	14%
Private Family Foundation	29%
Corporate Foundation or Giving Program	13%
Other	3%

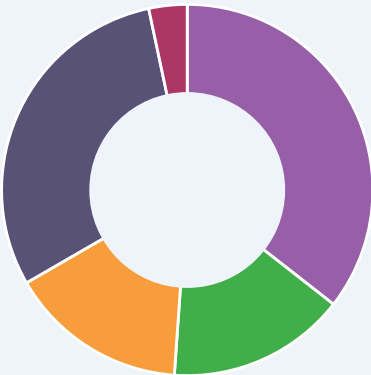




Image: Elaine Casap / Unsplash

Methodology

A 12 question survey was emailed to the executive leadership of all MCF members in June 2022. The survey was open over the summer, with the last responses coming in September. Of MCF's approximately 150 members, we received 66 responses.

Multi-year Funding

Q: Why does multi-year funding matter?

A: Long-term flexible funding allows organizations to allocate resources where they are most needed, making room for innovation, emergence, and impact.

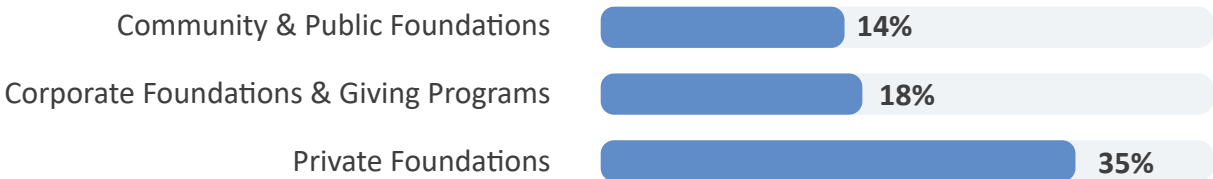
— Trust-based Philanthropy Project

Approximately what percent of your grants are multi-year?



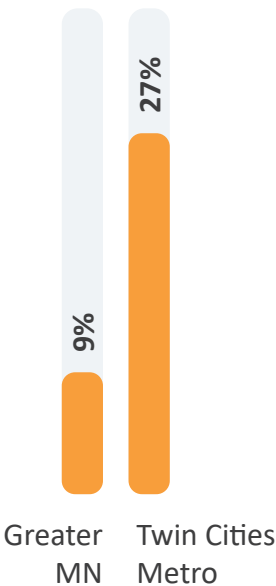
Foundation Type

Average response, shown by foundation type



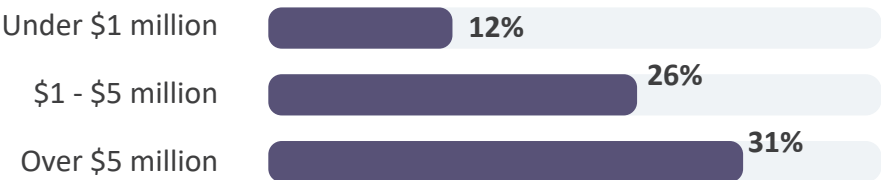
Geographic Location

Average response, shown by the location of each grantmaker



Level of Grants Paid in 2021

Average response, shown by the total dollar amount of each foundation's annual grantmaking



The Pohlاد Family Foundation moved to multi-year grantmaking as we established specific focus areas. For intractable issues such as racial disparities and homelessness, change will take time. We are committed to leaning into the problem and working with the community on long-term solutions. The decision to focus on solving specific issues led us to more longevity in our commitments.

— Susan Bass Roberts, Vice President and Executive Director, Pohlاد Family Foundation

When a funder is clear about the type of work they want to support, it is easier to make multi-year grants. It shows your commitment to the work and helps build a relationship between the nonprofit partner and the funder. For our nonprofit partners, it gives them what they need to do something more long term and they don't have to take the time to fill out our grant proposal every year.

— Colleen O'Keefe, Executive Director, Sauer Family Foundation



General Operating Funding

Q: Why does general operating support matter?

A: General operating support is the working capital nonprofits need to sustain their day-to-day operations. A lack of working capital can prevent organizations from meeting basic operational needs, like payroll and rent. There is strong case to make for grantmakers to provide general operating support.

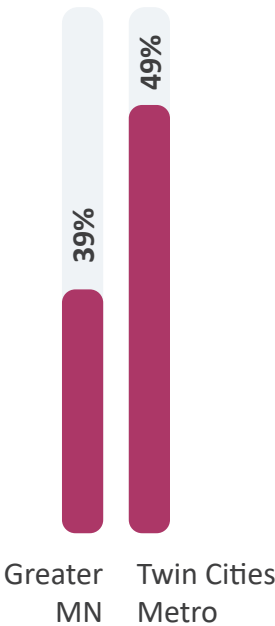
– Grantmakers for Effective Organizations

Approximately what percent of your grants go toward general operating funds?



Geographic Location

Average response, shown by the location of each grantmaker



Level of Grants Paid in 2021

Average response, shown by the total dollar amount of each foundation's annual grantmaking



Pandemic grantmaking forced us to look at what we ask in our grant applications and decide what we really care about. It turns out, if we put out a simplified grant application, we still get great, thoughtful responses from nonprofit partners. And we continue to feel confident in our investments. Post pandemic, we have retained grantmaking simplicities grounded in trust-based philanthropy. This approach shows that we trust and value our relationships with our nonprofit partners.

— Lexi Oestreich, Director of Philanthropy & Community Relations, FM Area Foundation

As one part of our grantmaking, the George Family Foundation has a “Sustaining Grant” program — a set of fully vetted and deeply trusted organizations that align with our philanthropic priorities, to whom we make core mission support grants every year for an indefinite period. The George family has been committed to trust-based philanthropy since long before the current and exciting movement in the field to focus on multi-year and general operating grants. GFF has always been moved by the impact of building long-term relationships with grantee-partners, in all of its grantmaking work.

— Sean Malone, President, George Family Foundation

Image: Nathan Dumlao / Unsplash



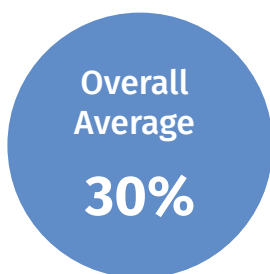
Funding for BIPOC Communities

Q: Why does it matter to fund BIPOC-led organizations?

A: Leaders shape our institutions. They define organizational culture and make decisions that have long-standing and wide-ranging impact on people and communities. It matters, therefore, that these leaders are reflective of and responsive to the diversity of those they employ and serve.

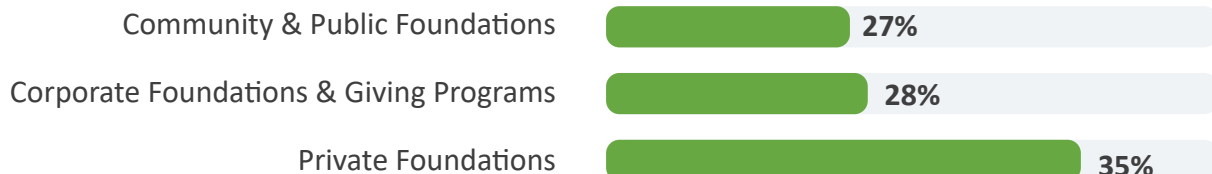
— Minnesota Compass, Wilder Research

Approximately what percent of your grants go to Black, Indigenous, and People of Color-led organizations?



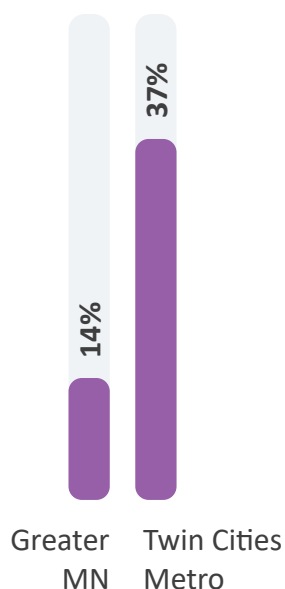
Foundation Type

Average response, shown by foundation type



Geographic Location

Average response, shown by the location of each grantmaker



Level of Grants Paid in 2021

Average response, shown by the total dollar amount of each foundation's annual grantmaking



We believe that organizations based in and led by the communities they serve are best able to support children and families. Tracking and acting on this information is part of our equity journey. Our decision to track the percentage of BIPOC-led organizations we fund elevates it in importance and means that we can focus on improving it. It is part of our funding and evaluation conversations.

*— Denise Mayotte,
Executive Director,
The Sheltering Arms
Foundation*

Philanthropy has too often imposed solutions upon people for problems they didn't even know they had, which can be reflective of a lack of alignment between those making the decisions and those who have the lived experiences and insights to offer the best solutions. At the Foundation we have worked to change this. We don't ask only "who benefits" and "how many people were served." Instead, we also ask, "who set the agenda" and "who said this is a priority" – in short, who informs the work? Those who identify as Black, Indigenous, and People of Color (BIPOC) are in the best place to both inform and form the work to make meaningful contributions in their respective communities.

*— Eric J. Jolly, Ph. D., President and CEO,
Saint Paul & Minnesota Foundation*



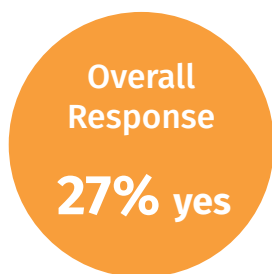
Funding for BIPOC Communities

Q: Why do specific giving programs for BIPOC communities matter?

A: If foundations are not targeting funding to specific BIPOC communities with a racial equity lens, then they may be addressing some symptoms of inequality, but they are not doing enough to address the underlying conditions of structural racial injustice.

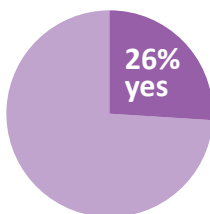
— National Committee for Responsive Philanthropy

Does your organization have specific giving programs for Black, Indigenous, and People of Color-led organizations?

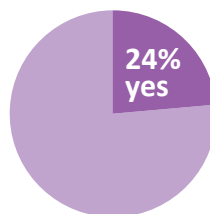


Foundation Type

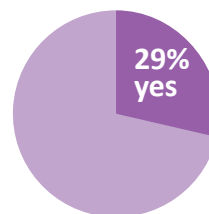
Responses by foundation type



Community
& Public
Foundations



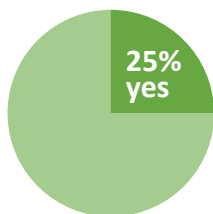
Corporate
Foundations &
Giving Programs



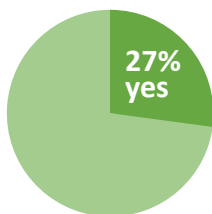
Private
Foundations

Geographic Location

Responses by the location of each grantmaker



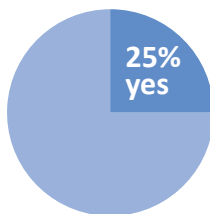
Greater
MN



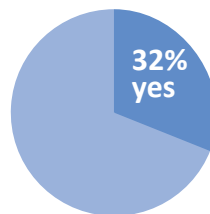
Twin Cities
Metro

Level of Grants Paid in 2021

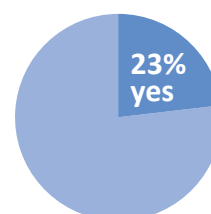
Responses by the total dollar amount of each foundation's annual grantmaking



Under \$1
million



\$1 - \$5
million



Over \$5
million

Over ten years ago, we made a public commitment to devote 40% of our funding to Native-led organizations. We've honored that commitment every year since. This level of intentionality requires some internal processes that are basic but important so that we can track and understand our own funding data. We're very intentional about who our dollars support: both organizational beneficiaries and leadership. We track that data primarily based on grantee self-reporting. Ultimately, we try to align our budget with our values.

*— Kevin Walker, President,
Northwest Area Foundation*

The fundamental nature of philanthropy is not to accept the world as it is, but to use its resources and power to work toward the world as it should be. At UnitedHealthcare we know the importance of centering voices and stories from leaders and communities representative of historically marginalized people doing the work throughout various grantmaking portfolios – not just the “racial and gender equity” portfolios, but across all facets of the work. I'm proud that we are leaning in.

*— Olivia S. Jefferson,
Vice President, Social Responsibility &
UnitedHealthcare Children's Foundation,
UnitedHealthcare*



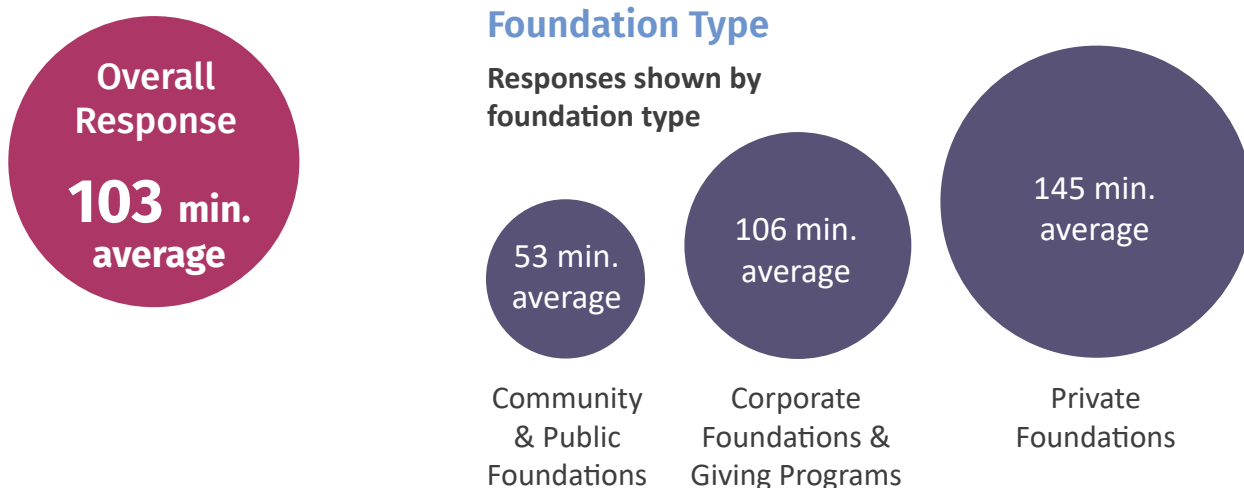
Reporting Time

Q: Why do grantees' reporting requirements and time commitment matter?

A: The cumulative impact of grantmakers' distinct and often laborious application and reporting requirements undermines nonprofit effectiveness, causing grantseekers to devote too much time to seeking funding (often without payoff) and reporting on grants (often without benefit) to the detriment of their mission-based work.

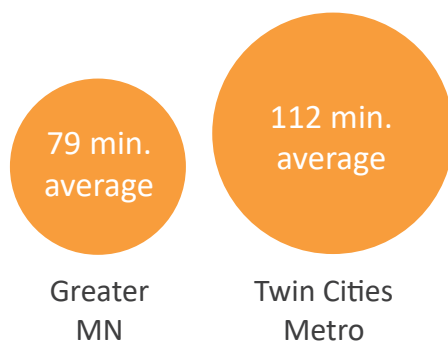
— PEAK Grantmaking

How much time would you estimate it takes a grantee to complete a final report on their use of funds?



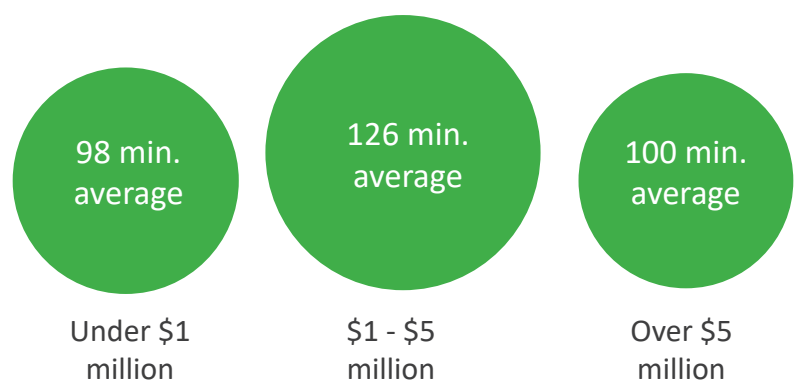
Geographic Location

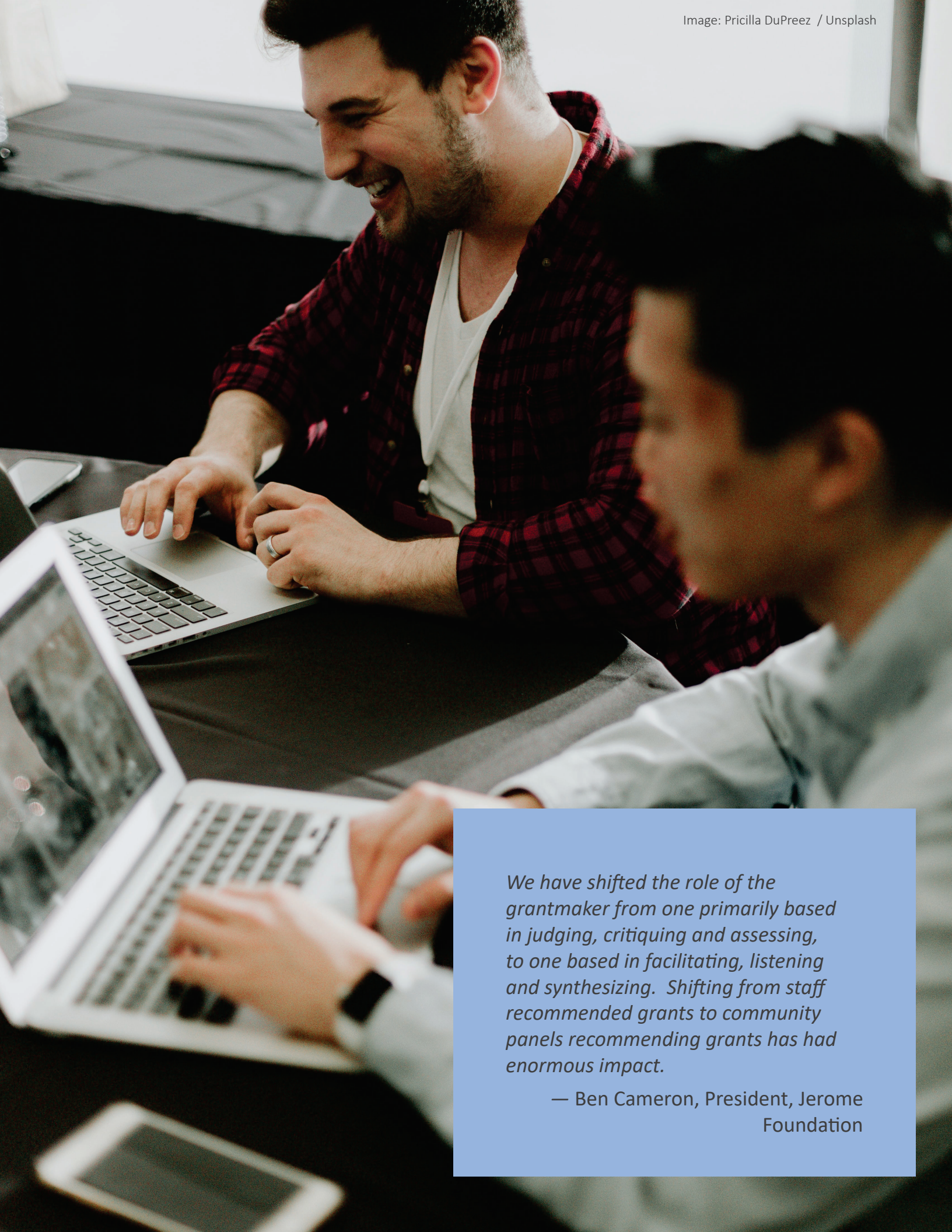
Responses shown by the location of each grantmaker



Level of Grants Paid in 2021

Responses shown by the total dollar amount of each foundation's annual grantmaking



A photograph of two men sitting at a desk, working on laptops. The man in the foreground is wearing a red and black plaid shirt over a white t-shirt and is smiling while looking at his laptop. The man in the background is wearing a light blue shirt and is also looking at his laptop. The image is slightly blurred, giving it a candid, professional feel.

We have shifted the role of the grantmaker from one primarily based in judging, critiquing and assessing, to one based in facilitating, listening and synthesizing. Shifting from staff recommended grants to community panels recommending grants has had enormous impact.

— Ben Cameron, President, Jerome Foundation

Community Engagement

Q: Why does partnership with the community matter?

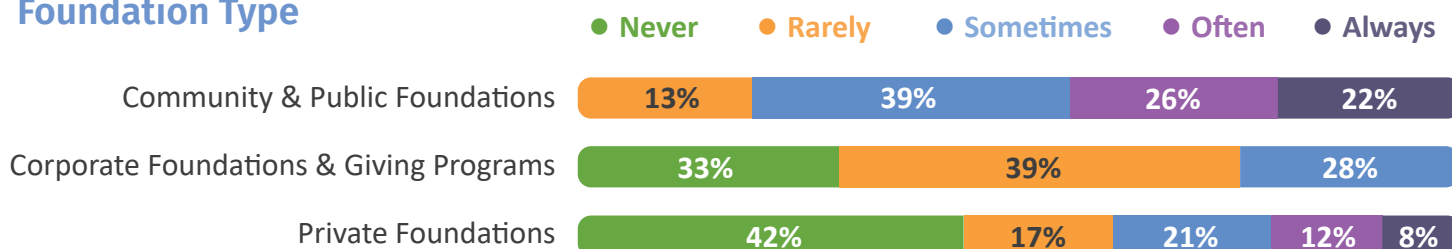
A: The work [of philanthropy] is bigger than any one of us and therefore requires many of us working together. Authentic relationships—when people come together to share themselves and their knowledge—creates space for mutual learning and transformative action.

— Nexus Community Partners

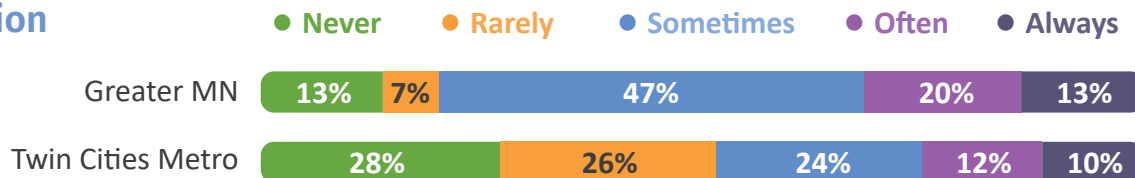
How often are the communities you serve involved in designing grant programs and selecting grantees?



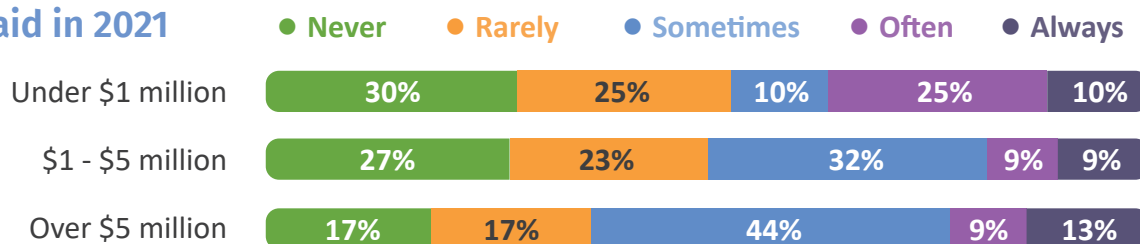
Foundation Type



Geographic Location



Level of Grants Paid in 2021



A participatory grantmaking process strengthens our work because it includes the voices and opinions of those affected in the community. Our nonprofit partners greatly appreciate this avenue for inclusive community decision making; and various nonprofits have been involved in the process when they are not applying to a grant round. We've learned it's important to emphasize listening and to compensate participants for their time.

— Anna Wasescha, President, West Central Initiative





MINNESOTA COUNCIL
ON FOUNDATIONS

#WeAreMCF

The Minnesota Council on Foundations (MCF) is an association of grantmakers working to advance prosperity and equity through connecting, strengthening and mobilizing the field of philanthropy in Minnesota.

The organization's 150 members represent grantmaking throughout the state, providing millions of dollars and non-financial resources to nonprofits annually. Members include family and independent private foundations, community foundations, grantmaking public charities, and corporate foundations and giving programs.

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