

The PRI Pulse™



A report on the use of Program-Related Investments (PRIs)
by Minnesota private foundations from 1998 to 2016

Headlines



The PRI Pulse is an ambitious research project undertaken by Venn Foundation to learn how Minnesota private foundations have historically used Program-Related Investments (PRIs) from 1998 to 2016. Our goal was to put our own fingers on the state's PRI pulse and then report back the results, providing Minnesota's philanthropic and impact investing communities with high-quality baseline statistics on how PRIs have been used in the past, right at a time when many are discussing how best to utilize them in the future.

Here are the headlines from our research:

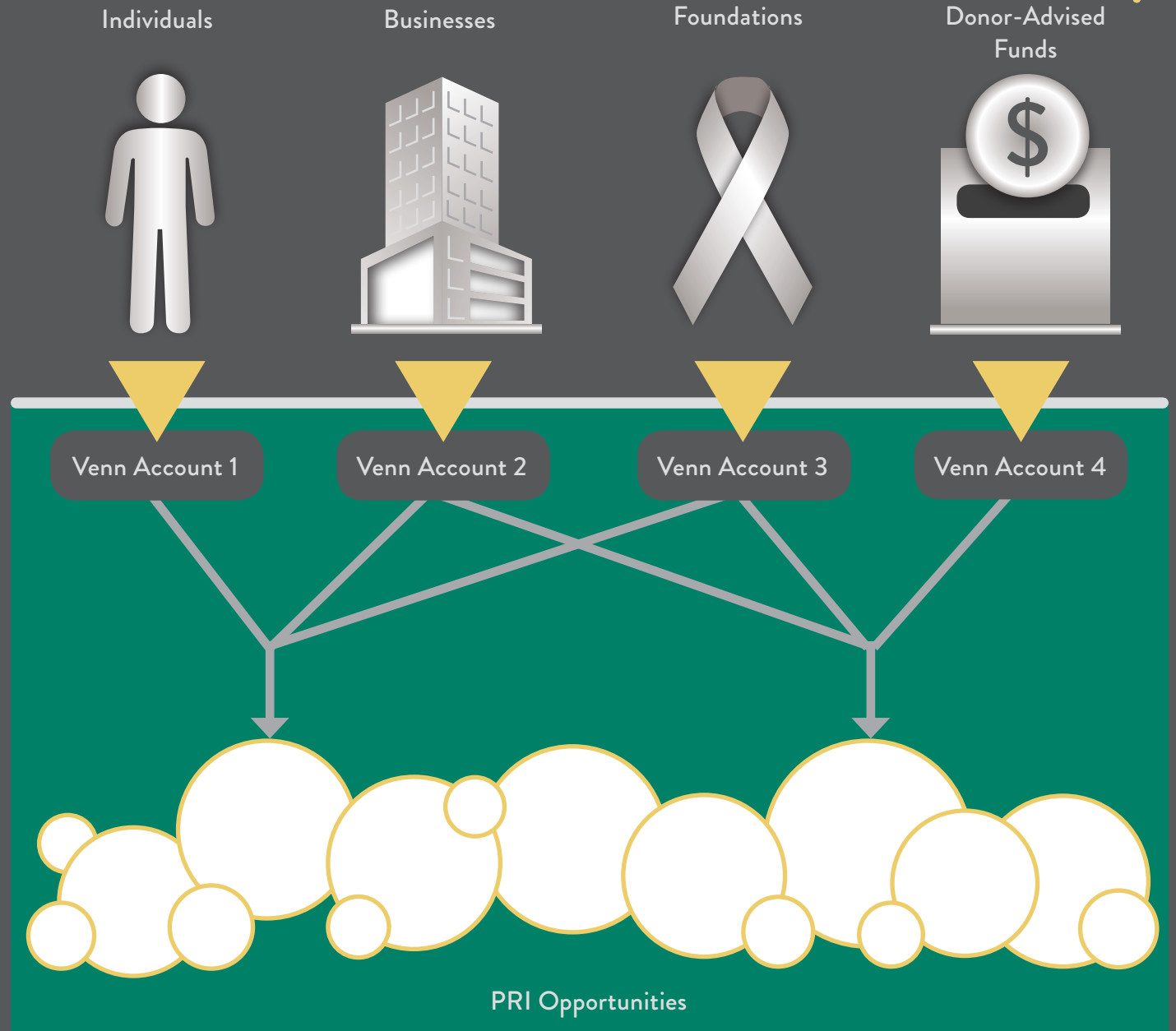
- PRI activity was higher than many expected, but overall PRIs clearly remain underutilized.
- From 1998 to 2016, 39 Minnesota private foundations invested over \$164 million in 554 PRIs.
- Each year, on average, 11 Minnesota private foundations invested \$8.7 million in 29 PRIs.
- Most PRI activity was conducted by a very small group of Minnesota private foundations.
- PRIs comprise a tiny fraction of all private foundation charitable distributions in Minnesota and of overall charitable giving in the state.
- Private foundations in Greater Minnesota conducted a disproportionate share of PRI activity.
- The top three issue areas for PRIs were economic development, human services, and education.

About Venn Foundation



Venn Foundation is a nonprofit public charity on a mission to unleash the full power of Program-Related Investments (PRIs) to advance charitable impact. Our vision is to create a new category of flexible, below-market investment capital that can be directed creatively to projects and organizations across all sectors that are helping advance charitable goals.

By opening a special donor-advised fund called a “Venn Account_{TM}” with Venn Foundation, any individual or organization can recommend that their charitable donations or grants be used by Venn to make PRIs. Venn can syndicate any one PRI among any number of Venn Accounts, which means that any combination of individuals, businesses, private foundations, public charities, or other donor-advised funds can easily combine their charitable resources into one Venn PRI. Any financial returns from these PRIs go back into participating Venn Accounts for donors to redeploy into new PRIs or to grant out as desired. Charitable entities also have options for returning Venn Account dollars back to their own organizational accounts.



Acknowledgements



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Executive Summary



Pioneering private foundations have used Program-Related Investments (PRIs) as a tool for achieving charitable impact since they were first defined in 1969. Yet the catalytic potential of PRIs is just beginning to be fully recognized by mainstream philanthropy, and we find ourselves at the dawn of an exciting era with regard to the creative application of PRIs to many different social and environmental problems.

PRIs are a special type of investment that private foundations make for the primary purpose of advancing their charitable missions and not for a significant purpose of making money. Because of their charitable intent and below-market financial expectations¹, PRIs count toward a private foundation's annual 5% charitable distribution requirement in the year they are made, just like grants. However, unlike with grants, private foundations can use the dollars from successful PRIs over and over again for charitable impact.

PRIs are also incredibly versatile. As long as a PRI is (1) made primarily to advance a private foundation's exempt purpose, (2) structured with concessionary financial terms so that no significant purpose of the PRI is the production of income or appreciation of property, and (3) not designed to influence legislation or political campaigns, then practically anything is possible. PRIs can be structured as any financial instrument and made to any type of recipient, in any industry, at any phase of development, and in any geographic location.

As interest in PRIs has increased in Minnesota, so too has the need for reliable data on the historical use of PRIs in the state. Recognizing this need, Venn Foundation took the lead in conducting this research project on behalf of our local ecosystem. Our goal was and is simply to provide Minnesota's philanthropic and impact investing communities with high-quality baseline statistics on how PRIs have been used in the past, right at a time when many are discussing how best to utilize them in the future.

In order to get the most complete and accurate information possible, our team decided to follow an unprecedented and rigorous methodology, one which involved individually reviewing every Minnesota private foundation's Form 990-PF available in GuideStar (over 20,000 forms) in order to create a comprehensive dataset of all PRIs made from 1998 to 2016. This report serves as the formal presentation of our methodology and findings. With it in hand, you now officially have your fingers on Minnesota's PRI pulse.

MINNESOTA PRI ACTIVITY IN CONTEXT

Number of MN private foundations in 2016	1,634
Number of MN private foundations making at least one PRI from 1998 to 2016	39
Total number of PRIs made by MN private foundations from 1998 to 2016	554
Total dollars invested in PRIs by MN private foundations from 1998 to 2016*	\$164 million
Total granting by MN private foundations and corporate grantmakers from 1998 to 2016	\$23 billion
Total charitable giving by all sources in Minnesota from 1998 to 2016 ²	\$110 billion

** All dollar values presented in this section are adjusted for inflation to 2016 values.*

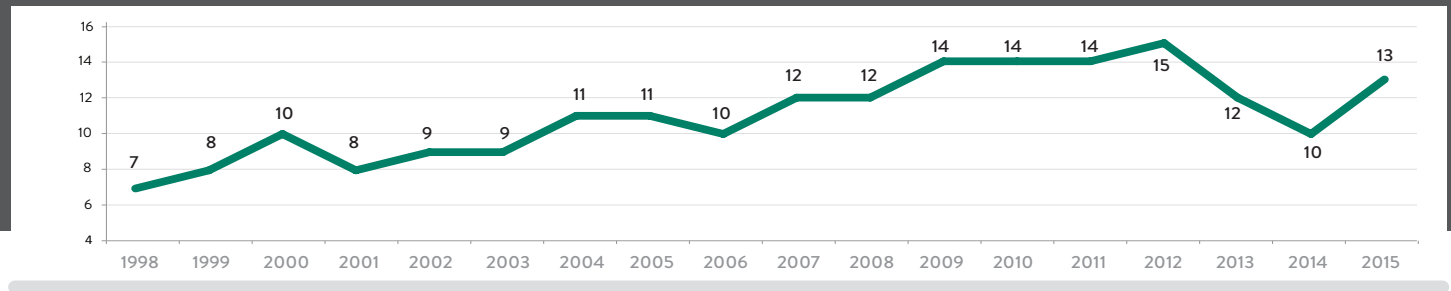


PRI Trends

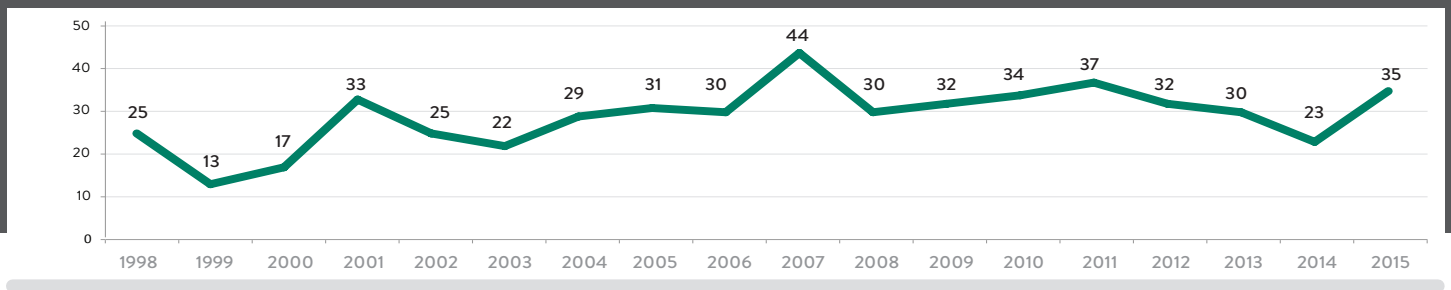
The following three charts show Minnesota's PRI trends over the research period.* While the number of private foundations using PRIs each year increased slightly over the period, the total number of PRIs and the amount of money invested through PRIs each year have remained relatively flat. Each year, on average, 11 Minnesota private foundations invested \$8.7 million in 29 PRIs.

** 2016 data has been removed from these specific graphs and calculations because it is incomplete and could distort the conclusions drawn.*

NUMER OF MN PRIVATE FOUNDATIONS MAKING AT LEAST ONE PRI PER FISCAL YEAR



TOTAL NUMBER OF PRIs MADE BY MN PRIVATE FOUNDATIONS PER FISCAL YEAR



TOTAL PRI DOLLARS INVESTED BY MN PRIVATE FOUNDATIONS PER FISCAL YEAR





Most PRI activity was conducted by a small group of Minnesota private foundations.

- The top eight private foundations with regard to the number of PRIs comprised 20% of the foundations in the dataset but made 79% of the PRIs.
- The top eight private foundations with regard to PRI dollars invested comprised 20% of the foundations in the dataset but invested 74% of the dollars.
- Winds of Peace Foundation made the most PRIs over the period, with 196.
- Otto Bremer Trust invested the most money in PRIs over the period, with nearly \$47 million.
- Over half (54%) of the private foundations in our dataset made three or fewer PRIs during the period.
- Nine private foundations (~25% of the foundations in the dataset) made just one PRI over the period.
- Each year, on average, only 1% of the state's private foundations engaged in any PRI activity.

PRIs comprise a tiny fraction of all private foundation charitable distributions in Minnesota and of overall charitable giving in the state.

- In fiscal year 2014, the total charitable distribution by Minnesota private foundations totaled over \$1.3 billion.
- Out of every \$1,000 charitably distributed by Minnesota private foundations in fiscal year 2014, only \$3 went to PRIs (0.3%) compared to \$904 in grants (90.4%), \$85 for administrative expenses (8.5%), and \$8 for acquisition of direct charitable assets (0.8%).
- Over the entire period, for every \$1,000 granted by Minnesota private foundations and corporate grantmakers, \$7 was invested in a PRI.
- Over the entire period, PRIs accounted for just 0.1% of the \$110 billion in total charitable giving by all sources in Minnesota.

Private foundations in Greater Minnesota were under-represented in the dataset yet conducted a disproportionate share of PRI activity.

- Only 13% of the private foundations in the dataset were located in Greater Minnesota, compared to 23% of the state's overall private foundation population.
- Even though they comprise only 23% of the state's overall private foundation population and hold only 8% of all private foundation assets in the state, private foundations in Greater Minnesota made 47% of all PRIs and invested 19% of the total PRI dollars.

The top PRI issue areas were economic development, human services, and education.

- Economic development accounted for 50% of the PRIs made and 32% of the PRI dollars invested.
- Human services accounted for 19% of the PRIs made and 28% of the PRI dollars invested.
- Education accounted for 17% of PRIs made and 20% of the PRI dollars invested.

Minnesota private foundations made PRIs to all types of recipients, led by nonprofits.

- Nonprofits received 52% of PRIs made and 77% of PRI dollars invested.
- Businesses received 28% of PRIs made and 9% of PRI dollars invested.
- Individuals received 16% of PRIs made and 7% of PRI dollars invested.

As powerful as these statistics are, they are just the beginning. We invite you to explore all of our research findings on the historical use of PRIs by Minnesota private foundations in the full report that follows.

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Foreword



We are a couple of data wonks who have held leadership positions in Minnesota’s philanthropic and nonprofit communities over many years. We are pleased to introduce you to this new research on Program-Related Investments (PRIs) called *The PRI Pulse*.

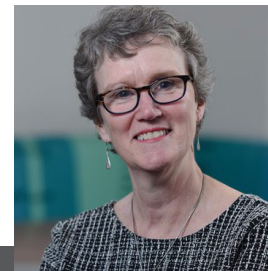
Minnesota has been well served by a tradition of providing high-quality research on its philanthropic and nonprofit communities through the *Giving in Minnesota* publications of the Minnesota Council on Foundations and the *Nonprofit Economy Reports* of the Minnesota Council of Nonprofits. Our commitment to demystifying these sectors and how they work based on solid research and data has helped to inform practitioners, public policy leaders, and community members alike.

Over the years, research by the Minnesota Council on Foundations has focused primarily on the grant making activities of foundations. Very little information has been gathered or reported on PRIs. *The PRI Pulse* fills this gap and is a welcome addition to the range of research currently available about Minnesota’s philanthropic and nonprofit sectors.

As the aspirations of our communities have increased and as our grandest social challenges persist, many philanthropic individuals and organizations are exploring new ways of using charitable capital in addition to grants. PRIs are one of many promising tools. As this research shows, while PRIs remain broadly underutilized by Minnesota philanthropy, they are neither new nor unproven. Since 1998, 39 pioneering Minnesota private foundations have invested \$164 million through 554 PRIs into a variety of recipients and issue areas.

PRIs hold tremendous potential for advancing charitable goals. As Propel Nonprofits knows from experience, having received the second highest number of PRIs over the research period, nonprofit organizations and those they serve can greatly benefit from below-market investment capital when acquiring property, purchasing equipment, growing programs, and launching social enterprises. Less known, however is that PRIs can be used strategically by philanthropists and nonprofits to engage actors across sectors, such as businesses and governments, and to enlist them as allies in the achievement of charitable goals and broader systems change.

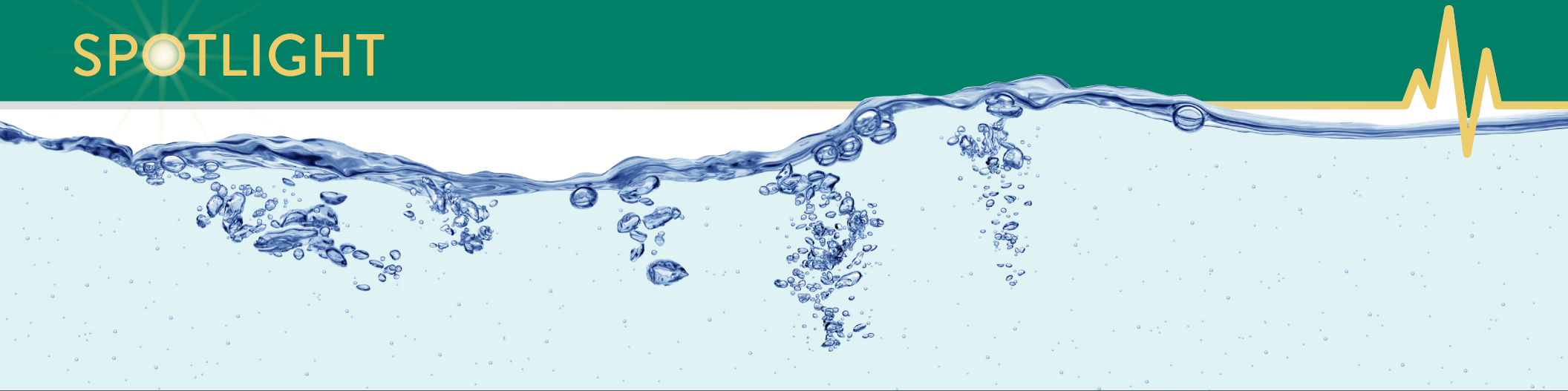
We are pleased to recommend *The PRI Pulse* for your review and as a catalyst for action. It provides a clear analysis of the scope of PRI-making in Minnesota over a 19-year time frame and spotlights case studies that clearly demonstrate the power of PRIs to have an impact far beyond grants. We encourage readers to use this report to learn more about this philanthropic tool and to consider whether PRIs can be of help in advancing their own charitable goals to the betterment of our entire state.



Kate Barr
President and CEO
Propel Nonprofits



Bill King
former President
Minnesota Council on Foundations



Jeanne M. Voigt Foundation & Minnepura Technologies

Each year, billions of gallons of fresh water literally go down the drain due to high levels of Cyanuric Acid (CYA), which is a common chemical added to pool water to make chlorine effective. The issue is that as CYA builds up in the pool over time, the chlorine gradually loses its effectiveness, allowing potentially dangerous bacteria to grow. Today the only way to reduce CYA and keep the pool safe is to regularly replace the water.

Since 2011, start-up company Minnepura Technologies has been using technology discovered at the University of Minnesota to build a better solution. The company's unique filter, which is comprised of natural enzymes and bacteria, can process and remove the CYA without requiring any water be changed.

In the fall of 2016, when the company was at risk of shutting down, Jeanne M. Voigt Foundation (JMVF) made a \$60,000 PRI to Minnepura structured as an unsecured, low-interest loan to support the further development and commercialization of its CYA filter. JMVF's primary purpose for the investment was to protect the environment and preserve natural resources.

Since then, Minnepura has made impressive progress. In partnership with a pool supply company, Minnepura has developed and tested four generations of prototypes for its filter. Based on its learning, the company also found another readily addressable market for its CYA technology, and it now has a multi-year contract in place with a major customer. Minnepura has also partnered with a large multinational chemical company to manufacture its first products and to further develop its core technology for use across many potential applications, including pool water supplies.

While additional obstacles certainly remain to be overcome, with the help of JMVF's PRI, Minnepura finds itself on the path to achieving a systemic environmental impact and hopefully to providing a modest financial return on investment to JMVF. If and when its PRI is repaid, JMVF will be able to put its principal and gains to use again for another charitable project.

Introduction



As the Minneapolis spotlight demonstrates, Program-Related Investments (PRIs) are a powerful tool in the philanthropic toolkit. Since 1969, pioneering private foundations have used PRIs to advance many important causes, from launching the microfinance movement to developing orphan drugs, from providing affordable housing to conserving natural resources. Yet the catalytic potential of PRIs is just beginning to be fully recognized by mainstream philanthropy, and we find ourselves at the dawn of an exciting era with regard to the creative application of PRIs to advance charitable goals.

Over the past two years in Minnesota, a coordinated effort has been underway to mainstream the practice of impact investing, which our local ecosystem and the World Economic Forum define as “an investment approach that intentionally seeks to create both financial return and positive social or environmental impact that is actively measured.”³ Given their unique characteristics, PRIs have an important role to play in achieving this goal.

As interest in PRIs has increased in Minnesota, so too has the need for reliable data on the historical use of PRIs in the state. Recognizing this need, Venn Foundation took the lead in conducting this research project on behalf of our local ecosystem. Our goal was and is simply to provide Minnesota’s philanthropic and impact investing communities with high-quality baseline statistics on how PRIs have been used in the past, right at a time when many are discussing how best to utilize them in the future.

In order to get the most complete and accurate information possible, our team decided to follow an unprecedented and rigorous methodology, one which involved individually reviewing every Minnesota private foundation’s Form 990-PF available in GuideStar (over 20,000 forms) in order to create a comprehensive dataset of all PRIs made from 1998 to 2016. This report serves as the formal presentation of our methodology and findings. With it in hand, you now officially have your fingers on Minnesota’s PRI pulse.



What are PRIs?

Before moving into our PRI research results, it is helpful to cover the basics of PRIs. Program-Related Investments are legally defined in IRS Section 4944 as investments made by a private foundation with the primary purpose of advancing its exempt mission. While PRIs can yield positive and even substantial financial returns, production of income or appreciation of property cannot be a significant purpose of the PRI. Put another way, to be considered a PRI, an investment's financial terms must be somehow "below-market."

Because PRIs are made primarily to advance a charitable purpose, they receive special tax treatment. Most importantly, private foundations count the amount invested in PRIs toward their 5% charitable distribution requirement in the year the PRI is made, just like a charitable grant. Also, when private foundations classify an investment as a PRI, it removes any concern that the investment might otherwise qualify as a "jeopardizing investment," which could result in fines for not exercising reasonable business care and prudence when investing the foundation's assets.⁴

PRIs are incredibly versatile. As long as a PRI is made primarily to advance a private foundation's exempt purpose, structured with below-market financial terms, and not intended to influence legislation or political campaigns, anything is possible. PRIs can be made to any type of recipient entity, including nonprofits, government, and businesses. PRIs can take on any financial form, including equity, loans, convertible debt, and guarantees. And PRIs can be made to organizations in any industry, at any phase of development, and in any geographic location.

Within the context of impact investing, PRIs hold special promise because they are both tax-advantaged as well as concessionary with regard to financial return expectations. PRIs can do things that no other type of capital does and can go where no other type of capital has gone before. PRIs are the "Starship Enterprise" of capital, and Minnesota intends to be the new frontier.

About this Report

As you explore this report, we ask you to keep a few things in mind. First, our research officially covers fiscal years 1998 to 2016. For years 1998-2015, our team was able to individually review over 94% of all tax forms for existing Minnesota private foundations in GuideStar. For fiscal year 2016, however, only 7% of tax forms were available because most private foundations had not yet filed them with the IRS. Despite low form availability, we decided to include in this report all of the 2016 PRIs that we did find because those PRIs are the most current and significant for the reader.

Second, we have made a deliberate effort to present our results in an objective way that encourages readers to be partners in analysis. While we regularly highlight what we believe are key takeaways from the research, we have attempted to do so without editorializing or passing judgement on those takeaways. We ask readers to actively engage with the statistics themselves, to make their own observations, to ask their own questions, and to draw their own conclusions.

Third, this report does not attempt to analyze PRI performance. This is mostly because data on PRI performance is not publicly and consistently available. Additionally, PRIs are purposefully concessionary, and expectations of financial return can vary widely between private foundations and between individual PRIs, which means that comparing PRI financial returns is challenging to do well. It is our opinion that regardless of the outcome of any particular PRI, the private foundations included here have made an important contribution to philanthropy simply by using the tool, and each is worth celebrating because of it.

Fourth, this report does not offer an in-depth look at PRI rules or an instructive guide to private foundations for how to make PRIs. Our goal with *The PRI Pulse* is to present, for the very first time, high-quality baseline statistics on how PRIs have been used in the past in Minnesota, right at a time when many in our state are discussing how best to utilize them in the future. So with that goal in mind, let's get into it.



*Finding PRI “Needles” in the
Minnesota Private Foundation “Haystack”*



The PRI Pulse stands apart from other PRI research projects not only because of its geographic focus on Minnesota private foundations but also because of its uniquely rigorous methodology. To identify past PRI activity, our team individually reviewed over 20,000 IRS Forms 990-PF on GuideStar, representing over 94% of all tax forms for existing Minnesota private foundations from 1998-2015. To our knowledge, this methodology makes *The PRI Pulse* the most thorough and accurate report on a state's historical PRI use in existence today. In this section, we explain the five steps of our research process in detail because it adds weight to the findings that follow.

Process Step

- Step 1: Defined the population of Minnesota private foundations
- Step 2: Identified all of the private foundation tax forms with reported PRIs
- Step 3: Created an initial dataset of all reported PRIs
- Step 4: Reviewed and refined the PRI dataset
- Step 5: Created a dataset of all Minnesota private foundations in FY 2014

“Needles in a Haystack” Translation

- Defined the haystack*
- Found all of the needles in the haystack*
- Cataloged all of the needles*
- Reviewed and revised the catalog*
- Put the haystack and final catalog in context*

About Form 990-PF Form 990-PF is the tax form that all private foundations are required to file annually with the IRS. The information in the form is considered public. Form 990-PF collects a vast array of data from foundations including PRI activity. A blank Form 990-PF can be found online on the IRS website.⁵

About GuideStar To access Forms 990-PF, we used GuideStar's extensive database of nonprofit organizations. GuideStar receives these forms both from the IRS and from organizations themselves. The GuideStar database contains more than 5 million Forms 990 and 990-PF, and new forms are available monthly.⁶



Step 1: Defined the population of Minnesota private foundations

The first step in our research methodology was to define the total population of Minnesota private foundations for each year from 1998 to 2016. While this task may seem straightforward, we had to overcome a number of challenges.

- Each year, new private foundations are created and existing private foundations are disbanded or merged with others.
- An organization's designation as a private foundation or public charity with the IRS can change over time.
- Private foundations can move locations and file their tax forms from different addresses over time.
- Some private foundations are trusts, which are not incorporated entities, so they do not appear in the Minnesota Secretary of State's records.
- It is impossible to differentiate incorporated private foundations from incorporated public charities in the Minnesota Secretary of State's online database.

Considering these challenges, our research team used the following process (sub-steps A-E) for defining the total population of Minnesota private foundations. This process relied primarily on the address provided by the private foundation in each of its Form 990-PF filings to the IRS. We felt this approach was the most accurate way to initially define a foundation's location, especially given that the Form 990-PF instructions say, "The address used must be that of the principal office of the foundation."⁷

A. Exported GuideStar List

Using a GuideStar Pro subscription, on May 10, 2017, we ran a query of GuideStar's database using the Minnesota state geography filter in combination with the Form 990-PF organization filter. This created a list of 1,676 Minnesota organizations with at least one Form 990-PF on record with GuideStar, which we exported to Excel.

B. Reviewed GuideStar List

Our team crosschecked the GuideStar list with the lists produced from similar queries on the Foundation Center's free "Foundation Stats" website⁸, as well as with the then-current online member list of Minnesota Council on Foundations.⁹ We removed duplicate entries and those without an active GuideStar profile with which we could verify the Form 990-PF. We ended up with a list of 1,644 Minnesota private foundations.

C. Created Tracking Spreadsheet

Our team created a spreadsheet to record the status of each of these 1,644 private foundations over the research period 1998-2016. Each foundation had its own row and each year had its own column.

D. Reviewed Forms 990-PF in GuideStar

During the summer of 2017, as our team reviewed the tax documents for each of these 1,644 private foundations in GuideStar, we recorded the years in which the foundation did not exist, the years in which its tax forms were unavailable, the years in which the available tax form was not a Form 990-PF, and the years when the Form 990-PF address was not in Minnesota.

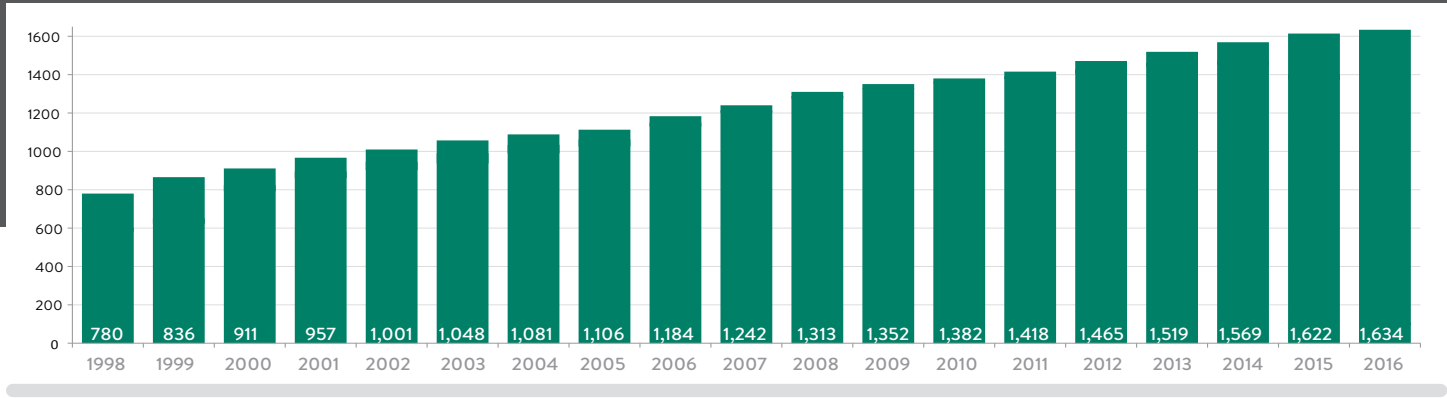
E. Examined Data

As we prepared the data for analysis, we reviewed instances when the Form 990-PF address was not in Minnesota. Before removing a private foundation from the Minnesota population for a given year, we considered the broader context, Minnesota incorporation records, and the location of its charitable activity. Generally, we erred on the side of being overly inclusive.



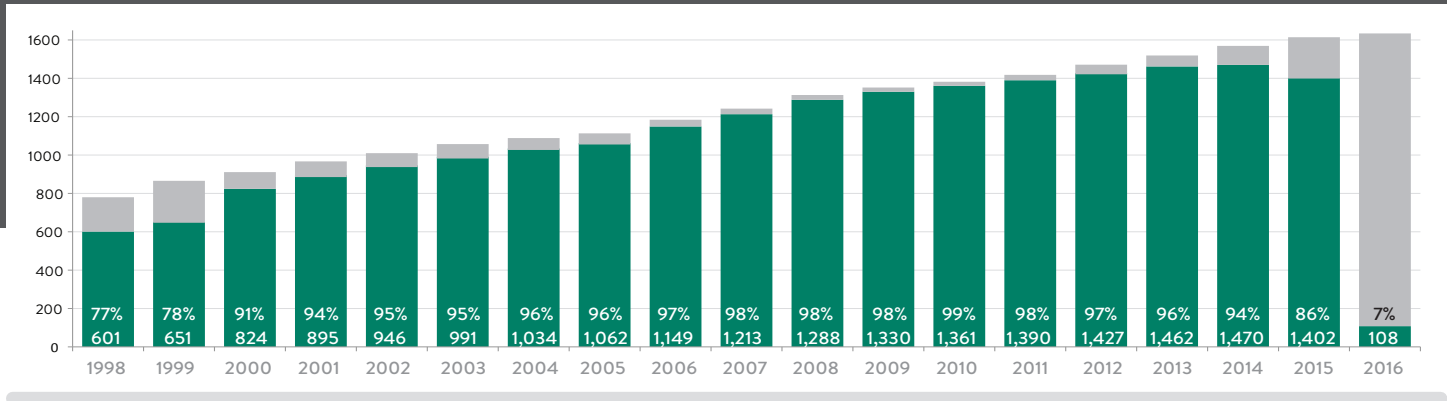
The charts below show (1) the total number of Minnesota private foundations in existence in each fiscal year, and (2) the number of those private foundations with tax forms available in GuideStar for each fiscal year. The key takeaway is that the findings in *The PRI Pulse* are based on a thorough review of tax forms. While our coverage ranged from a low of 77% in 1998 to a high of 99% in 2010, overall we were able to review 94% of all Minnesota private foundation tax documents from 1998 to 2015.

NUMBER OF MN PRIVATE FOUNDATIONS BY FISCAL YEAR



NUMBER AND PERCENTAGE OF MN PRIVATE FOUNDATIONS WITH AVAILABLE FORM 990-PF BY FISCAL YEAR

■ Form 990-PF Available
 ■ Form 990-PF Not Available



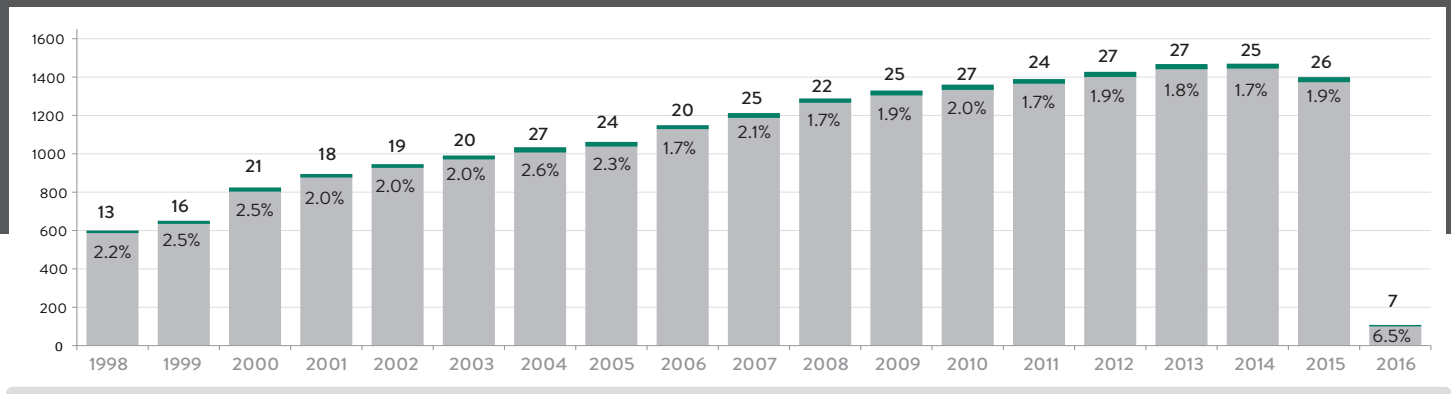


Step 2: Identified all of the private foundation tax forms with reported PRIs

As our research team reviewed each available Form 990-PF for each private foundation in each year of the research period, we looked to see if there was anything reported in Part IX-B of the Form 990-PF, “Summary of Program-Related Investments.” If there was text besides “No,” “None,” “N/A,” or similar responses, then the team interpreted it as reporting PRI activity and marked that particular tax form as one to revisit for more detailed analysis.

NUMBER AND PERCENTAGE OF MN PRIVATE FOUNDATIONS WITH AVAILABLE FORM 990-PF REPORTING PRI ACTIVITY BY FISCAL YEAR

■ PRI Activity Reported
 ■ PRI Activity Not Reported



Step 3: Created an initial dataset of all reported PRIs

Next, our research team revisited every Form 990-PF that had first been flagged for having reported PRI activity in Part IX-B, and we made an initial dataset of every individual PRI that was reported in those forms. This initial dataset included 857 reported PRIs, each of which had a row, as well as a dozen columns of basic information about each PRI.



Step 4: Reviewed and Refined the PRI dataset

Once the initial dataset of all reported PRIs was constructed, our team began an intense process of reviewing and revising it. This included five sub-steps (A-E), which are described below.

A. Looked for Expected PRIs

First, we searched the dataset for PRIs that we expected to find based on our team's prior knowledge of PRI activity by Minnesota private foundations. Most of these expected PRIs were in fact present in the dataset, but some were not. The most significant examples were six investments totaling over \$24 million (unadjusted) made by The McKnight Foundation from 2009 to 2015 in the areas of affordable housing, economic development, and environmental preservation. In speaking with the foundation's staff, we learned that while these investments were primarily made to advance its charitable purpose and had below-market financial terms, McKnight's leadership, with the advice of counsel, chose not to include them in its qualifying distribution. As a result, the foundation did not officially classify these investments as PRIs to the IRS in Part IX-B of the Form 990-PF. Because of this, we decided together not to include these particular investments in the dataset for this report, but it is important for us to recognize here the historical leadership role that The McKnight Foundation has played with regard to charitable, below-market-rate investing both in Minnesota and beyond.

B. Reviewed Reported PRIs with Tax Experts

Originally, our team planned to keep every reported PRI in the dataset in order to avoid introducing subjectivity into the methodology. However, as we reviewed the initial dataset, it quickly became obvious that many PRIs were incorrectly reported and that including all of these incorrect PRIs would dramatically skew our findings. As a result, we engaged two tax experts at Minnesota-based CliftonLarsonAllen, the ninth largest accounting firm in the US, to help us revise the initial dataset. Together, we ended up removing 303 (35%) of the reported PRIs.

REVIEW DECISIONS FOR REPORTED PRIs



We decided to omit reported PRIs for a variety of reasons. The most common was the misclassification of grant distributions as PRIs followed by the improper reporting of traditional endowment investments like normal savings accounts and market-rate mutual funds as PRIs. In our review, we always took into account context clues such as who was completing the form and the foundation's pattern of reporting over multiple years.

C. Invited private foundations to review and comment on their data.

After we reviewed all of the reported PRIs and made decisions about which to include in our dataset, we then reached out proactively to each of the 39 foundations that we had identified as having made at least one PRI during the research period. We shared with them the PRI data we had found in their public tax forms and invited them to give us feedback on that data. This process mostly confirmed our data and provided us with a couple of clarifications. It also gave us more information for fiscal year 2016 than was available at the time in GuideStar.



D. Completed the dataset

For each PRI included in the dataset, our team ultimately entered in over 90 columns of information. Much of this information was drawn from other fields of the Form 990-PF tax form in which the PRI was reported. We also did research on the reported recipients of each PRI. Additionally, we categorized each PRI by issue area, first using the taxonomy promulgated by Foundation Center and then adjusting those categories to best represent our usage statistics.¹⁰

E. Compared Dataset with Foundation Center PRI Database

Because the Foundation Center's PRI Database has been the most commonly used resource for studies on past PRI activity, we wanted see how our dataset compared with it. To do so, on March 22, 2017, we purchased the rights to use Foundation Center's PRI Database for this project. Holding constant the treatment of The McKnight Foundation's investments mentioned above, the Foundation Center (FC) identified 191 PRIs greater than or equal to \$10,000 made by 20 Minnesota private foundations totaling ~\$74 million (unadjusted) for the period 1998-2014. This compared to 455 PRIs greater than or equal to \$10,000 made by 34 Minnesota private foundations totaling \$118 million (unadjusted) in our final dataset over the same period. Only three of the PRIs reported in the Foundation Center's PRI Database were not also found by us in our research of the Form 990-PFs, and only one of the PRIs reported in the Foundation Center's PRI Database was found during our research but then removed from our final dataset.

COMPARISON OF VENN'S PRI DATASET TO FOUNDATION CENTER'S PRI DATABASE

	FC Database	Venn Dataset	Difference	% Increase
Minnesota Private Foundations Included	20	34	+14	170%
Total Number of PRIs	191	455	+264	238%
Total PRI Dollars Invested (unadjusted)	\$74M	\$118M	+\$44M	160%



Step 5: Created a dataset of all Minnesota private foundations in FY 2014

As we completed the first four steps of our process, we realized that in order to truly understand how PRIs fit into the overall landscape of Minnesota private foundation activity, we needed to understand that landscape itself at a deeper level. So we created a separate dataset that included 40 columns of Form 990-PF information for each of the 1,470 Minnesota private foundations with fiscal year 2014 tax forms available in GuideStar. We chose to analyze fiscal year 2014 because it was the most recent year for which over 90% of existing Minnesota private foundations had Forms 990-PF available for review.

Other Notes on Methodology and Terminology

1. PRIs to Individuals

Four Minnesota private foundations in our dataset regularly made PRIs to individuals, most often as educational loans. In most years, these foundations combined all of their individual loans into one PRI line item in Part IX-B on the Form 990-PF and did not include an itemized schedule. To be consistent, our team always listed the aggregated values of these individual PRIs as one PRI. However, if we had been able to consistently treat such PRIs separately in our dataset, it would have had a tremendous impact on many of our findings. For example, in one specific year for one specific foundation, we included one PRI of \$218,000 in our dataset, but we could have listed 74 individual PRIs with an average amount of \$2,946. Fully disaggregating the PRIs we currently have listed for just this one foundation would likely have added another 800+ PRIs to the dataset and changed many of our results.

2. Short-Term PRIs

It is likely that our methodology missed a handful of PRIs that were deployed and then fully returned within the same fiscal year. Because these PRIs have a net neutral impact on the Form 990-PF, foundations may not report them in Part IX-B. During our interview phase, we learned of several such PRIs and included them in our dataset.

3. Adjusting for Inflation

Unless otherwise noted, all dollar values in this report are adjusted to December 2016 values. To adjust for inflation, our team used the Consumer Price Index (CPI) inflation calculator provided by the US Bureau of Labor Statistics.¹¹

4. Chart Terminology

Throughout the report, we make use of the following abbreviations, especially when helpful for formatting purposes:

“MN” for “Minnesota”

“%” for “Percentage”

“#” for “Number”

“Year” or “FY” for “Fiscal Year”

“Foundation” for “Private Foundation”

“M” for “million”

Findings



*Uncovering the Past:
Findings on the Historical Use of PRIs
by Minnesota Private Foundations*

The Landscape: Statistics about Minnesota's overall population of private foundations in 2014

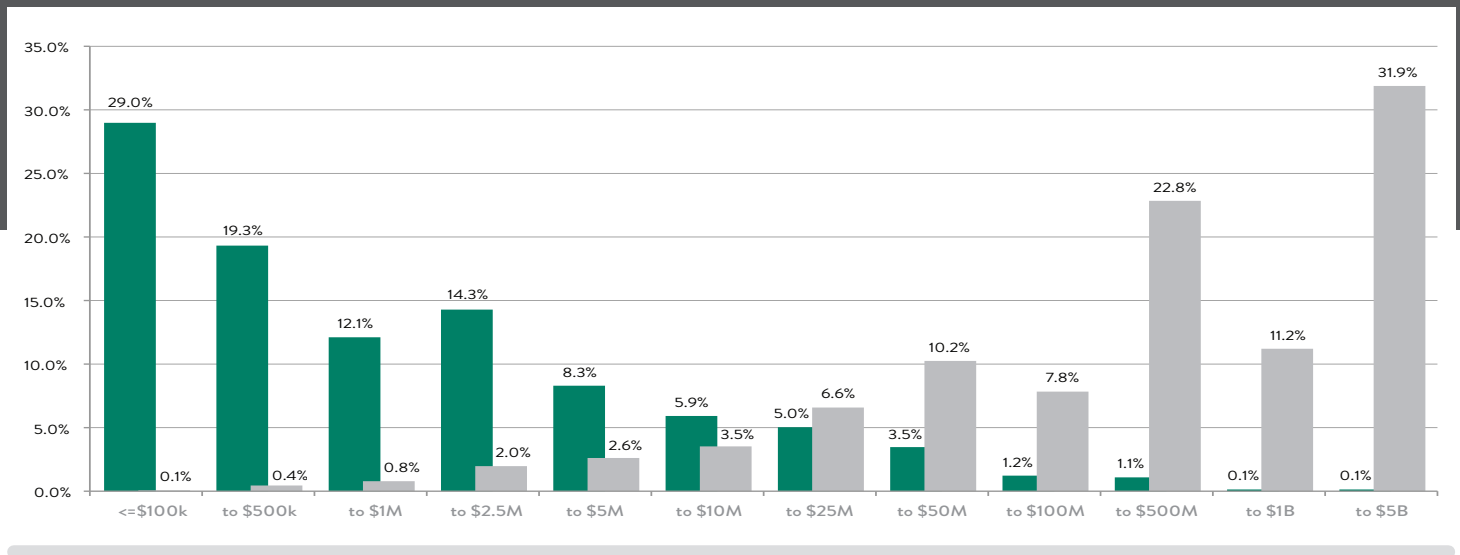


Minnesota Private Foundations by Size

Of the 1,569 Minnesota private foundations that our team identified as existing in fiscal year 2014, 1,470 (94%) had tax forms available for review and are included in this section's landscape data. These 1,470 private foundations together held assets of \$16.7 billion (unadjusted) at the end of fiscal year 2014. The following graph shows the percentage distribution of private foundations based on foundation size (in green) and the percentage distribution of all Minnesota private foundation assets based on foundation size (in grey). "Foundation size" is defined as the fair-market value of the foundation's total assets at the end of the tax year as reported in Form 990-PF, Part II, Line 16, Column (c). Dollar values in this entire landscape findings section are unadjusted for inflation.

% OF MN PRIVATE FOUNDATIONS AND % OF MN PRIVATE FOUNDATION ASSETS BY FOUNDATION SIZE IN FISCAL YEAR 2014

■ % of MN Private Foundations
 ■ % of MN Private Foundation Assets



Key Takeaways:

- As of 2014, 888 private foundations in Minnesota (60%) had \$1M or less in total assets, accounting for 1.3% of all Minnesota private foundation assets.
- As of 2014, 20 private foundations in Minnesota (1.3%) had over \$500M in total assets, accounting for 66% of all Minnesota private foundation assets

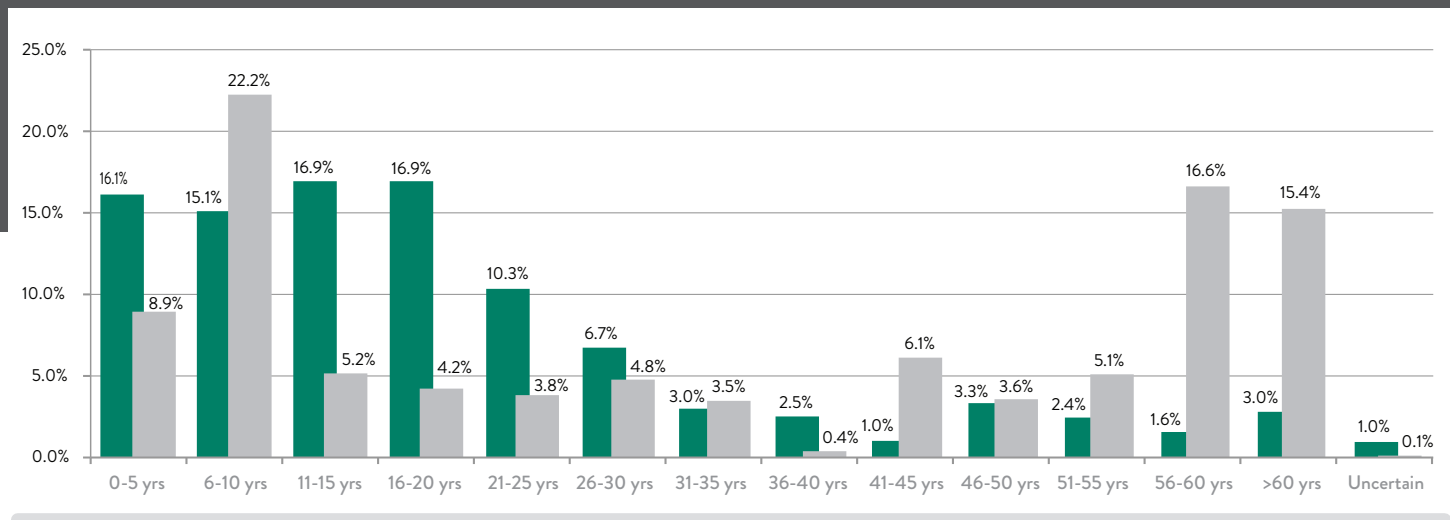


Minnesota Private Foundations by Age

For the 1,470 Minnesota private foundations with fiscal year 2014 tax forms available, the following graph shows the distribution of private foundations based on foundation age in 2014 (in green) and the distribution of private foundation assets based on foundation age in 2014 (in grey). Foundation age is calculated as the difference between 2014 and the private foundation's IRS ruling year provided by GuideStar.

% OF MN PRIVATE FOUNDATIONS AND % OF MN PRIVATE FOUNDATION ASSETS BY FOUNDATION AGE IN FISCAL YEAR 2014

■ % of MN Private Foundations
■ % of MN Private Foundation Assets



Key Takeaways:

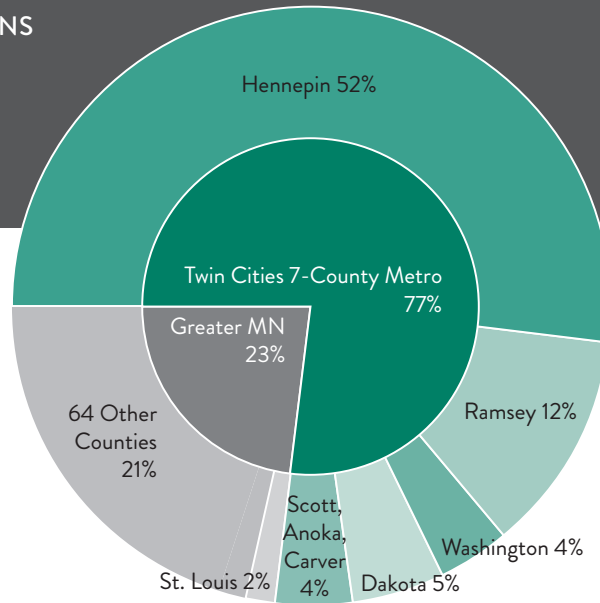
- Over half of Minnesota private foundations existing in 2014 did not exist in 1998, at the beginning of the research period.
- 75% of Minnesota private foundations existing in 2014 were established after 1990.
- The Margaret A. Cargill Foundation, which was founded in 2006, had over \$3B in assets in 2014. Excluding it from the 6-10 year category would drop that category to 4.2% of total private foundation assets from 22.2%.



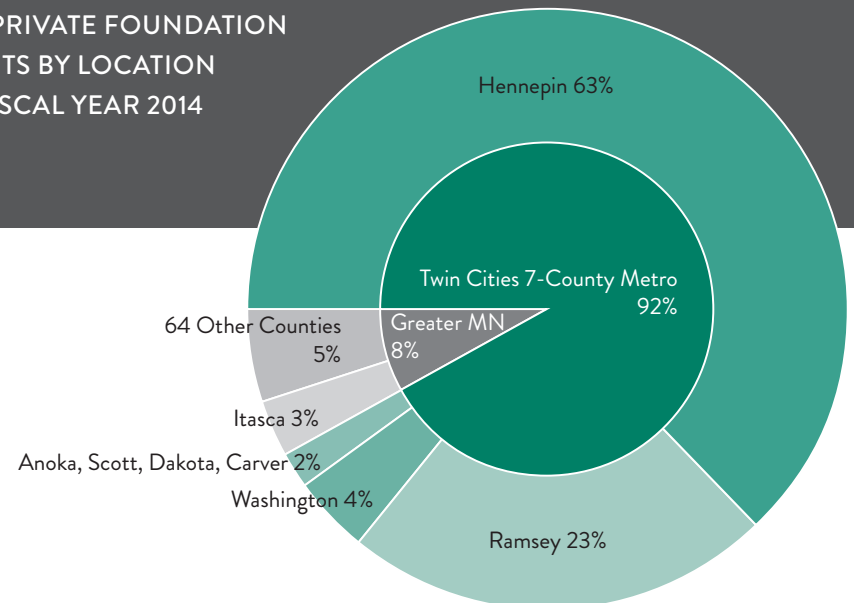
Minnesota Private Foundations by Location

For the 1,470 Minnesota private foundations with fiscal year 2014 tax forms available, the following charts show the distribution of private foundations by location (at left) and the distribution of private foundation assets by location (at right). Location is presented both by region and county, which were determined primarily using the address provided in the private foundation's FY 2014 Form 990-PF. In a limited number of cases, our team used an alternate address from the Minnesota Secretary of State or GuideStar. For reference, Minnesota has 87 counties.

MN PRIVATE FOUNDATIONS
BY LOCATION
IN FISCAL YEAR 2014



MN PRIVATE FOUNDATION
ASSETS BY LOCATION
IN FISCAL YEAR 2014



Key Takeaways:

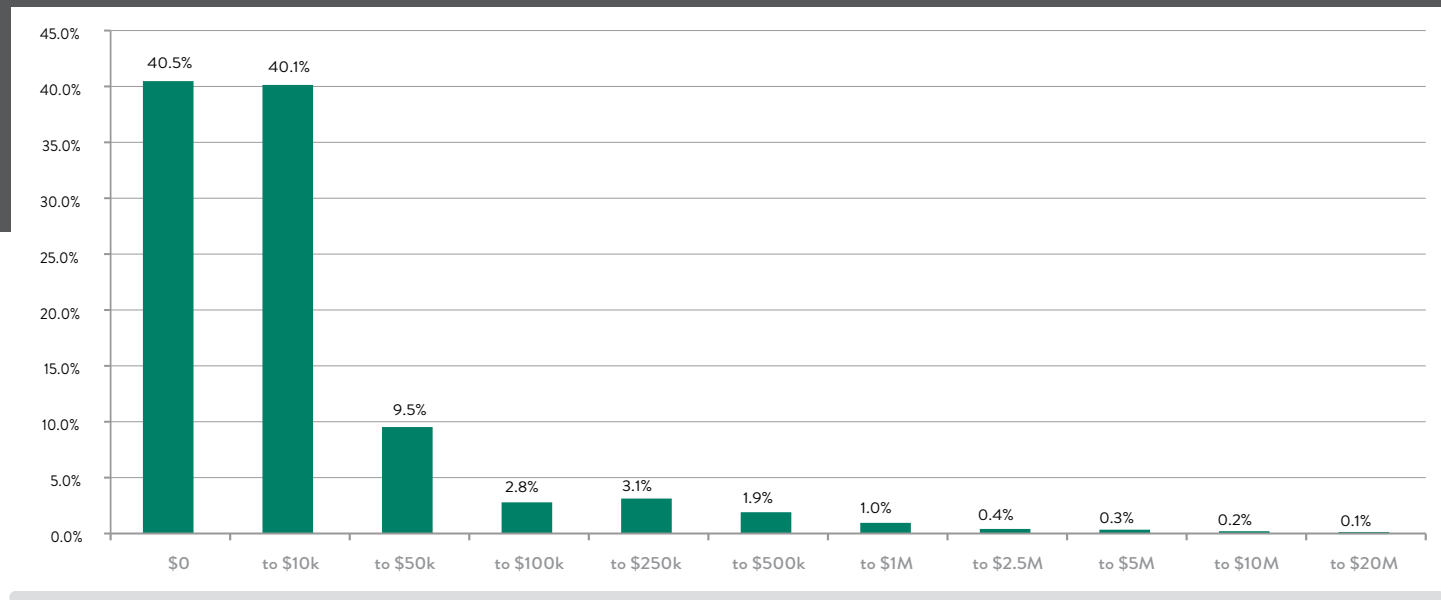
- 77% of Minnesota private foundations and 92% of Minnesota private foundation assets are located in the Twin Cities 7-county Metro area.
- Two counties, Hennepin and Ramsey, are home to 64% of Minnesota private foundations and 86% of Minnesota private foundation assets.
- 15 counties in Minnesota had no private foundations as of 2014.



Minnesota Private Foundations by Charitable Administrative Expenses (CAE)

The IRS allows private foundations to count expenses that are incurred in pursuit of their charitable purposes toward their annual distribution requirement. For the 1,470 Minnesota private foundations with fiscal year 2014 tax forms available, the following chart shows the distribution of private foundations by amount of reported Charitable Administrative Expenses (CAE). The x-axis categories should be read from left to right as “CAE of \$0,” then “CAE \$1 to \$10,000,” then “CAE \$10,001 - \$50,000,” and so forth. Please note that the scale of x-axis categories is not constant. CAE is based on the figure provided by each foundation in Form 990-PF, Part I, Line 24, Column (d).

% OF MN PRIVATE FOUNDATIONS BY AMOUNT OF REPORTED CAE IN FISCAL YEAR 2014



Key Takeaways:

- 40.5% of Minnesota private foundations reported spending no money whatsoever on charitable administrative expenses in fiscal year 2014.
- 80.6% of Minnesota private foundations spent less than \$10k on charitable administrative expenses in fiscal year 2014.
- Considering that expenses associated with PRIs generally count as charitable administrative expenses, transaction costs for PRIs would represent a new expense for most foundations.
- For statistics on the relationship between PRIs and foundation CAE, see page 33.



Charles K. Blandin Foundation & Grand Rapids Economic Development Authority

When the City of Grand Rapids, Minnesota was founded in 1872, it marked the farthest point that steamboats could travel upstream on the Mississippi River. As a result, it became the center of the area's logging industry. At the turn of the 20th century, in a stroke of economic development genius, the city built a dam over the original rapids in order to attract a new paper mill, which Charles K. Blandin purchased in 1916 and grew into a thriving company that still anchors the region today.

In 1941, Mr. Blandin established the Charles K. Blandin Foundation (Blandin Foundation) to reinvest his own wealth back into Grand Rapids and other rural Minnesota communities. Today, it is one of only a handful of foundations in the U.S. focused exclusively on rural communities, and the largest rural-based foundation in Minnesota. One of its priorities has fittingly been economic development. As is the case for many rural cities, today parts of downtown Grand Rapids are in need of renovation to stay vibrant. Yet redeveloping older properties often has hidden costs, which can deter investors. Additionally, many developers struggle to get commercial financing just to acquire a prospective property because most lenders want to see tax-increment financing secured and tenant leases signed before they get involved. But developers cannot move forward with those steps until they have actually purchased the property.

To address this development "Catch-22," Blandin Foundation and the Grand Rapids Economic Development Authority (GREDA), a public entity, created the Downtown Property Acquisition Loan Program. This program enables GREDA to borrow up to \$1 million in PRIs from Blandin Foundation, which GREDA can then relend to developers to buy blighted downtown properties. Once the project attracts commercial financing, the developer repays GREDA, which then repays Blandin Foundation.

The program's first success came right after it was launched in 2007. Four buildings located on the same block in downtown Grand Rapids had long been in decline. Blandin Foundation made a PRI loan of \$624,500 to GREDA, which GREDA lent to a developer to purchase the properties. After only eight months, the developer put all of the pieces in place to retain commercial financing and pay back the loan. Today that downtown block is home to a new credit union and offers some of the nicest office space in the city.

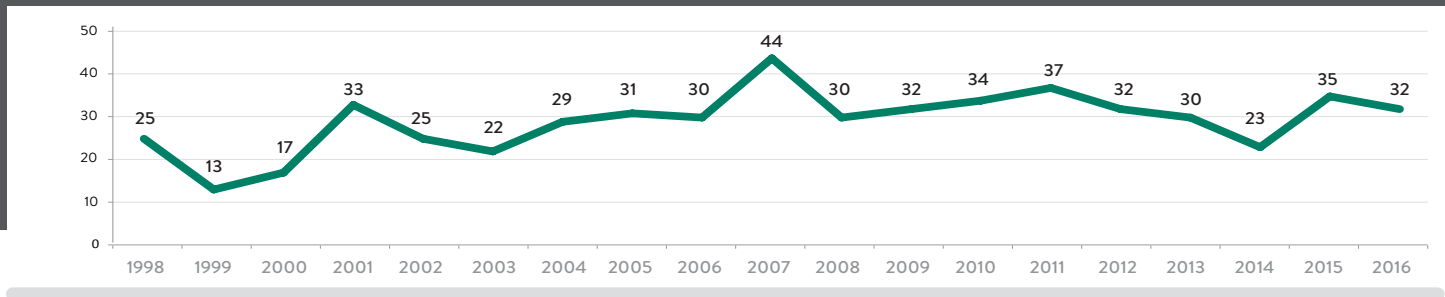
Overall, Blandin Foundation has come to view PRIs as a powerful tool in its toolkit, especially for economic development, because PRIs can do what market-rate capital would not normally do, and if successful, PRIs allow charitable dollars to be reused over and over again. Now that is an idea worth sharing downstream.

PRI Deals: Statistics about the PRIs made by Minnesota private foundations from 1998 to 2016

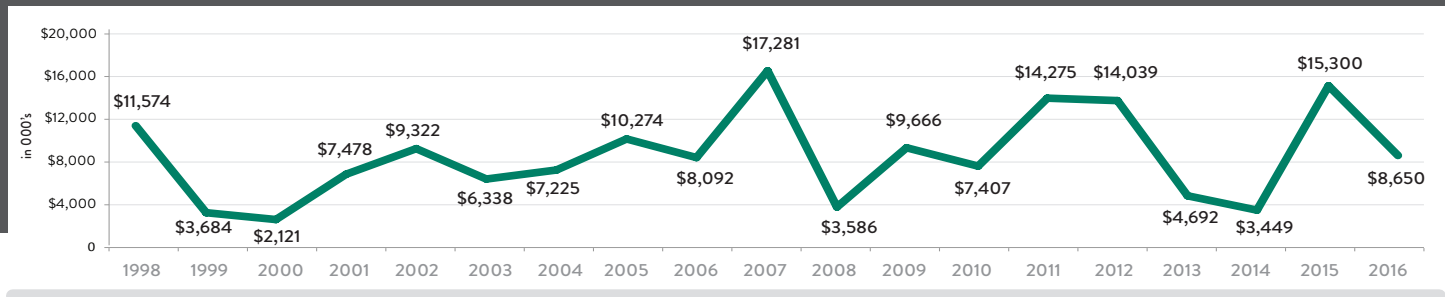
Annual PRI Activity Summary

From 1998 to 2016, Minnesota private foundations collectively invested a total of \$164,460,856 in 554 PRIs. This equates to an average of about \$8.7 million invested in 29 PRIs per fiscal year. The two charts below show (1) the total number of PRIs made by Minnesota private foundations each fiscal year, and (2) the total dollars deployed in PRIs by Minnesota private foundations each fiscal year. Please note that 2016 data is incomplete. All dollar values on this page are adjusted for inflation.

TOTAL NUMBER OF PRIs MADE BY MN PRIVATE FOUNDATIONS PER FISCAL YEAR



TOTAL PRI DOLLARS INVESTED BY MN PRIVATE FOUNDATIONS PER FISCAL YEAR



Key Takeaways:

- There was a sharp albeit temporary decline in the use of PRIs between fiscal years 2007 and 2008, likely due to the economic recession.
- There appears to be more year-over-year variability in the dollars deployed through PRIs compared to the number of PRIs made.
- Year-to-year variability aside, overall use of PRIs appears fairly flat over the research period, perhaps with a slightly increasing trend.



2014 PRI Activity in Landscape Context

Each year, private foundations are required by the IRS to distribute at least 5% of their non-charitable assets for charitable purposes. Private foundations can count five types of disbursements toward meeting this requirement: (1) charitable grant contributions; (2) charitable administrative expenses; (3) PRI distributions; (4) amounts paid to acquire assets used directly in carrying out charitable purposes; and (5) amounts set aside for specific future charitable projects. The charts below show PRI activity alongside the other four types of charitable distribution activities reported by Minnesota private foundations in fiscal year 2014, which collectively equaled about \$1.3 billion (unadjusted). All dollars on this page are unadjusted for inflation, and chart dollar values are rounded to the thousands.

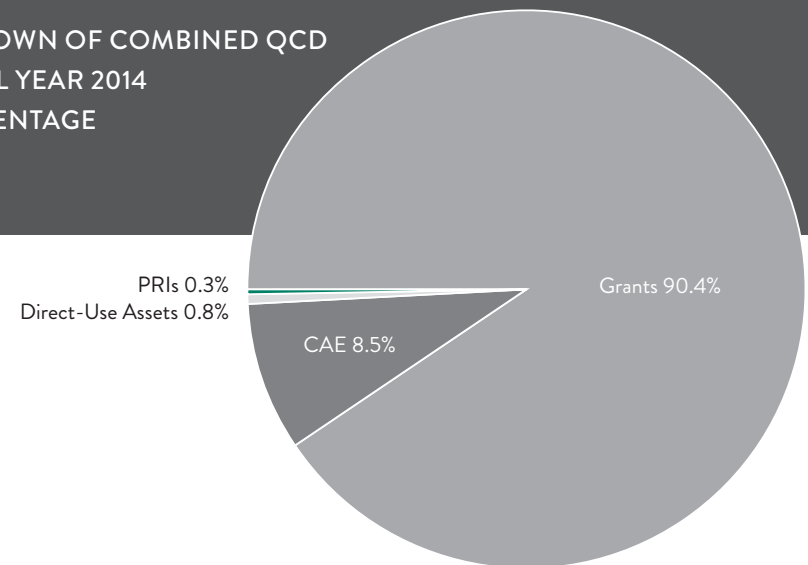
BREAKDOWN OF QUALIFIED CHARITABLE DISTRIBUTIONS (QCD) FOR ALL MN PRIVATE FOUNDATIONS COMBINED IN FISCAL YEAR 2014

Charitable Distribution Activity	Amount	Percentage
1) Grant Contributions	\$1,182,383,000	90.4%
2) Charitable Administrative Expenses (CAE)	\$111,130,000	8.5%
3) PRI Distributions	\$3,348,000	0.3%
4) Acquisition of Direct-Use Charitable Assets	\$10,827,000	0.8%
5) Set-Asides for Charitable Projects	\$8,000	0.0%
Total Charitable Distribution	\$1,307,696,000	100.0%

Key Takeaways:

- Only \$3 of every \$1,000 in qualified charitable distributions made by Minnesota private foundations in fiscal year 2014 went to PRIs.
- PRIs account for only a tiny fraction of the overall charitable distribution activities of Minnesota's private foundations.

BREAKDOWN OF COMBINED QCD IN FISCAL YEAR 2014 BY PERCENTAGE



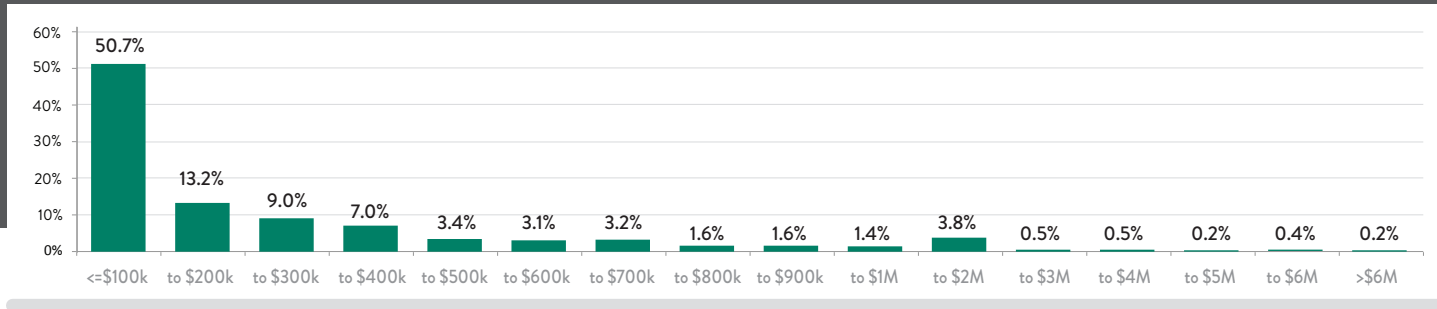
- By far, Minnesota private foundations made most of their charitable distributions in the form of grant contributions.



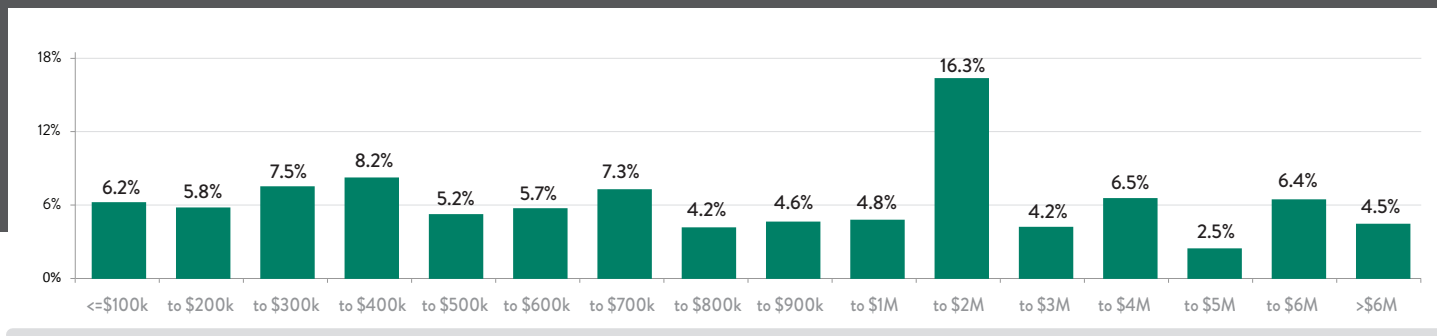
PRI Activity by Deal Size

The two charts below show (1) the distribution of PRIs by deal size and (2) the distribution of PRI dollars by deal size. The x-axis categories should be read from left to right as “Deal sizes less than or equal to \$100,000,” then “Deal sizes of \$100,001 to \$200,000,” then “Deal sizes \$200,001 to \$300,000,” and so forth. Please note that the scale of the x-axis categories changes at \$1 million and that all dollars in these charts and calculations are adjusted for inflation.

PERCENTAGE OF PRIs BY DEAL SIZE



PERCENTAGE OF PRI DOLLARS BY DEAL SIZE



Key Takeaways:

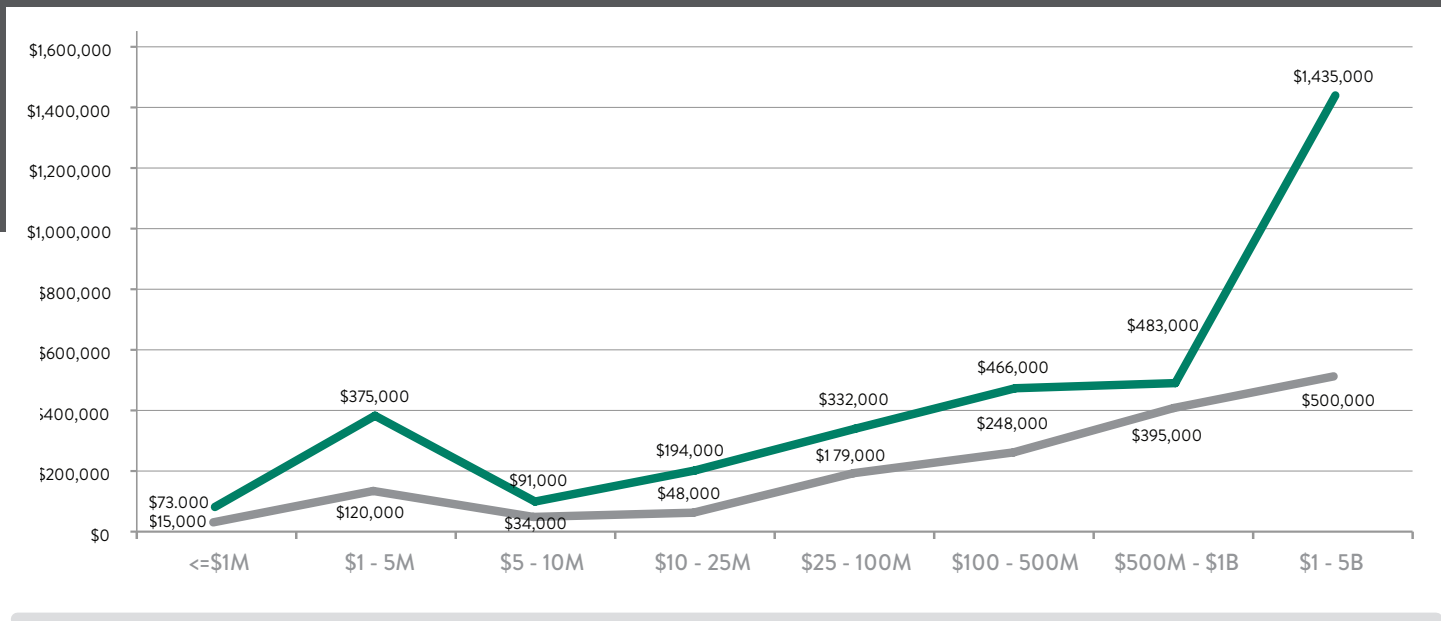
- Over half of all PRIs made were for amounts less than or equal to \$100,000.
- Roughly 94% of all PRIs were made for amounts less than or equal to \$1 million, together accounting for 60% of PRI dollars deployed.
- About 6% of all PRIs made were for amounts greater than \$1 million, together accounting for 40% of PRI dollars deployed.

PRI Deal Size by Foundation Size

The chart below shows how the average and median PRI deal size changes as the size of the originating private foundation grows. In this chart, foundation size is defined as the foundation's total assets at the beginning of the fiscal year in which the PRI was made as defined in Part II, Line 16, Column (a) of the Form 990-PF. All dollars are adjusted for inflation. Average and median values are also rounded to thousands.

AVERAGE AND MEDIAN PRI DEAL SIZE BY FOUNDATION SIZE

— Average PRI deal size
— Median PRI deal size



Key Takeaways:

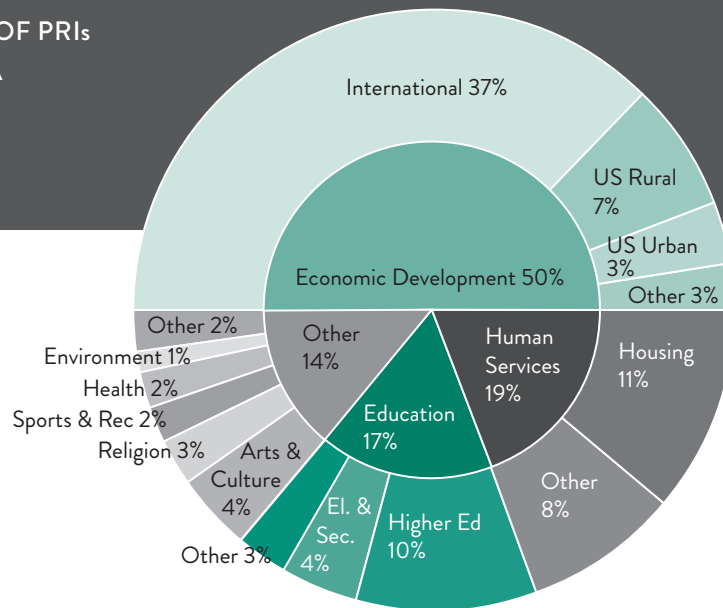
- The average and median PRI deal size both generally increase with foundation size.
- For more information on how the total number of PRIs and dollars deployed through PRIs change as foundation size grows, see page 31.



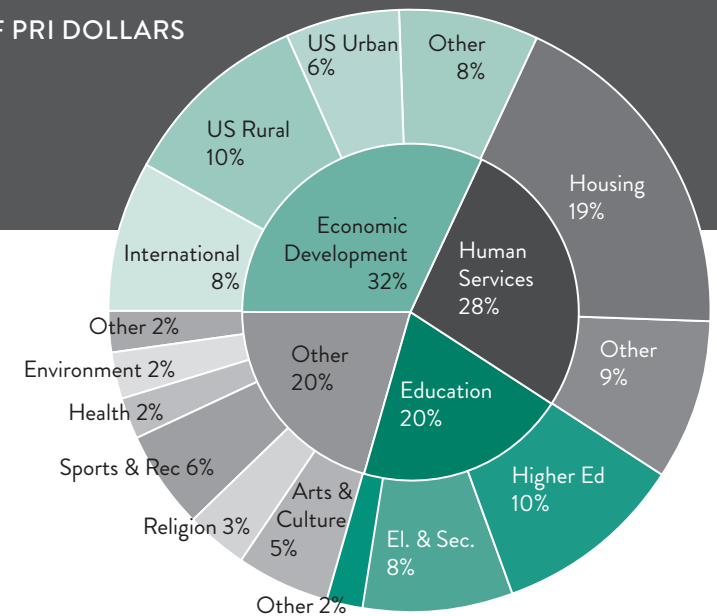
PRI Activity by Issue Area

The two charts below show (1) the percentage of PRIs made by issue area, and 2) the percentage of PRI dollars deployed by issue area. PRIs were initially categorized into issue area using the taxonomy promulgated by Foundation Center, and then adjusted into final categories to best most clearly present our findings. Categories with under 5% of PRIs were made into sub-categories and combined under “Other.” For calculation purposes, all dollars were adjusted for inflation.

PERCENTAGE OF PRIs BY ISSUE AREA



PERCENTAGE OF PRI DOLLARS BY ISSUE AREA



Key Takeaways:

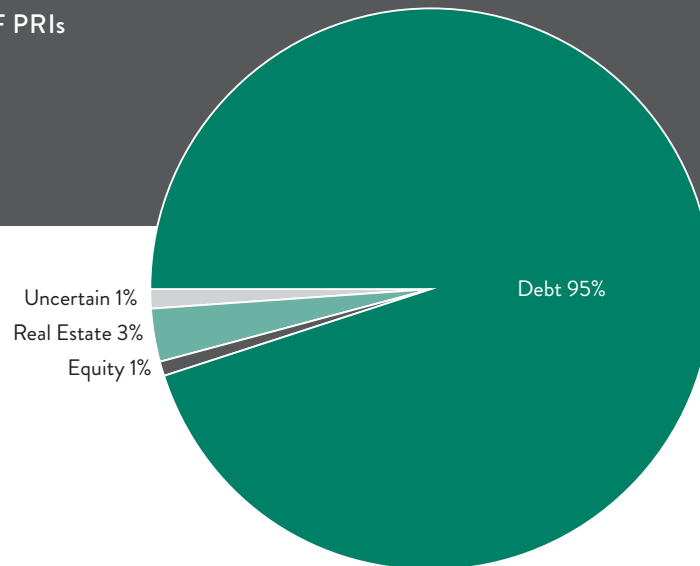
- Both PRIs and PRI dollars were used most often to support economic development, human services, and education.
- If we had been able to disaggregate PRIs made as educational loans to individuals, as described on page 11, the first chart would have shown a huge share of PRIs going to education, but the second chart would have remain unchanged.



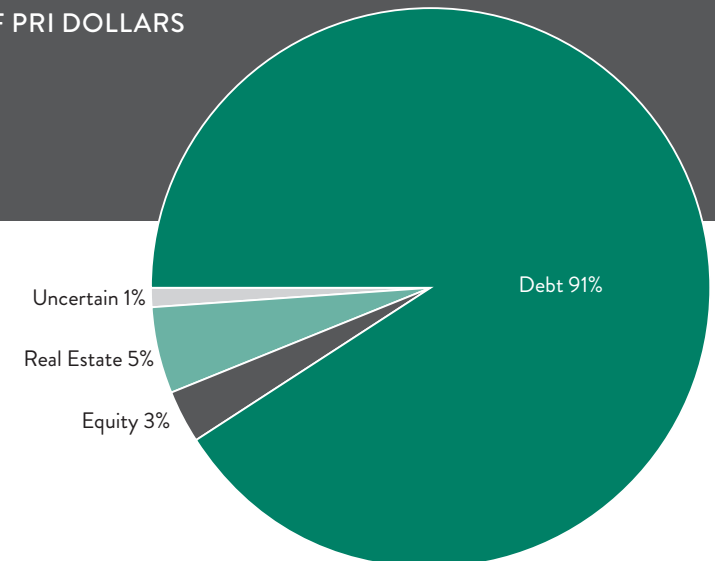
PRI Activity by Asset Type

PRIs are a flexible tool. As long as no significant purpose of the investment is the production of income or appreciation of property, PRIs can assume any financial structure and terms. The two charts below show (1) the percentage of PRIs by asset type, and (2) the percentage of PRI dollars by asset type. Please note that while “asset type” is not a defined field in Form 990-PF, most foundations provide reliable insight into the asset type of each PRI in the Part IX-B description. Nonetheless, some uncertainty remains and is reflected below. All dollars are adjusted for inflation.

PERCENTAGE OF PRIs
BY ASSET TYPE



PERCENTAGE OF PRI DOLLARS
BY ASSET TYPE



Key Takeaways:

- Debt is by far the most common asset type for PRIs both in terms of number of PRIs and PRI dollars deployed.
- Equity is the least common asset type for PRIs both in terms of number of PRIs and PRI dollars deployed.
- Real estate appears more common than equity. However, we learned that it can be unclear whether a particular real estate purchase should be considered a PRI or direct-use charitable asset. It is possible that some PRIs in our dataset should have been reported as direct-use charitable assets and not PRIs.



Winds of Peace Foundation & Jose Alfredo Zeledon Cooperative

When representatives of the Winds of Peace Foundation (Winds of Peace) first made their way to the Jose Alfredo Zeledon (JAZ) coffee cooperative in San Juan del Rio Coco in Nicaragua in 2005, the small rural community there had little room in which to hold a formal meeting. They also largely lacked access to schools and financial credit. What they did have was a dynamic, visionary leader and a shared determination to develop their local economy through the cooperative.

Recognizing the potential of the community, Winds of Peace took a risk and made a \$25,000 PRI directly to JAZ structured as a one-year, low-interest loan, which the farmers in the cooperative used as working capital to plant and maintain their fields during the harvest cycle. The entire loan was repaid with interest and on time.

Since its first PRI in 2006, Winds of Peace has made 6 PRIs to JAZ for a total of \$200,000. Over time, the JAZ cooperative has made full use of the credit to develop economically. It established a cooperative store where farmers buy their seed, fertilizers, and other materials. The store also offers a formal meeting space for the community. Strategically, JAZ has even encouraged its members to diversify into new activities like beekeeping, so that the community is not dependent only on coffee production.

The work Winds of Peace has done with JAZ has had ripple effects in neighboring communities. In fact, JAZ has become somewhat of a model for other cooperatives in the territory, which look to JAZ for advice and example. JAZ has even served as an intermediary on behalf of other cooperatives with respect to other PRIs from Winds of Peace.

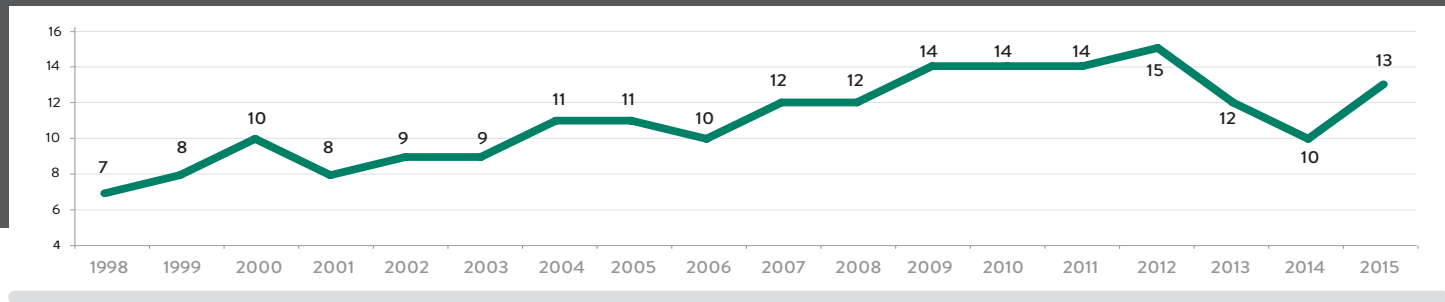
Since 1998, Winds of Peace has made 187 PRIs totaling over \$11.7 million to organizations in Nicaragua, often directly to rural cooperatives like JAZ. Despite having a PRI portfolio that many would consider to be higher risk, Winds of Peace reports being in arrears on less than 2% of its loan principal. It came as a bit of a surprise to the Winds of Peace that it had made the most PRIs of all Minnesota private foundations during this study period. “We simply have found that PRIs work well for us and our goals, and so we make use of them,” said their Executive Director, “We’re amazed that PRIs are not more frequently utilized. We certainly would encourage others to consider PRIs as well.”

PRI Makers: Statistics about the Minnesota private foundations that made PRIs from 1998 to 2016

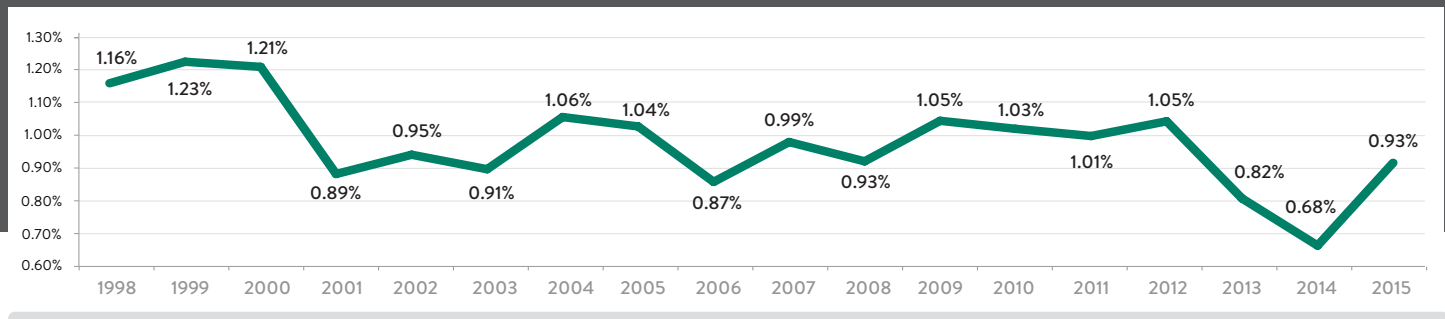
Annual PRI Participation Summary

The two charts below show the number and percentage of existing Minnesota private foundations with available Forms 990-PF that made at least one PRI in each fiscal year of the research period. Please note that, as can be seen in detail on page 7, the total number of existing Minnesota private foundations with tax forms available changes significantly over the research period from a low of 601 in 1998 to a high of 1,470 in 2014. 2016 data is excluded here because it is incomplete and would distort the charts.

NUMER OF MN PRIVATE FOUNDATIONS MAKING AT LEAST ONE PRI PER FISCAL YEAR



PERCENTAGE OF MN PRIVATE FOUNDATIONS WITH AVAILABLE TAX FORMS MAKING AT LEAST ONE PRI PER FISCAL YEAR



Key Takeaways:

- The number of Minnesota private foundations making at least one PRI in a given fiscal year has generally been increasing over the research period.
- The percentage of Minnesota private foundations with available tax forms making at least one PRI in a given fiscal year has remained mostly flat, or even declined slightly, signaling that the private foundation population has grown faster than the use of PRIs over time.



Annual PRI Activity by Foundation Name

The tables on the next two pages show each of the 39 Minnesota private foundations that our team identified as having made at least one PRI during the research period, along with the number of PRIs each foundation made each fiscal year (page 27) and the total dollars each foundation deployed through PRIs each fiscal year (page 28). These lists have been sorted highest to lowest based on the total number of PRIs made and the total PRI dollars deployed by each foundation over the entire research period. All dollar values below and in these tables have been adjusted for inflation, rounded to thousands, and presented in thousands (000's).

Please note that, in most cases, blank cells in the following two tables indicate that a particular private foundation definitively did not make a PRI in that particular fiscal year, as determined by our research methodology. However, our team also left cells blank when we simply were not able to review a Form 990-PF for that private foundation in that fiscal year. This is especially relevant for fiscal year 2016 data since our research phase concluded before a number of these listed private foundations had submitted their 2016 tax forms.

Key Takeaways for Page 27

- Winds of Peace Foundation made the most PRIs during the research period, with 196.
- The top 8 private foundations (~20%) account for ~79% of all the PRIs made during the research period.
- Over half (54%) of the private foundations in our dataset made three or fewer PRIs during the period. Nine (~25%) made just one PRI during the period.

Key Takeaways for Page 28

- Otto Bremer Trust deployed the most dollars in PRIs during the research period, approximately \$46,762,000.
- The top 8 private foundations (~20%) account for ~74% of all the PRI dollars deployed during the research period.
- If the six charitable investments that were made by The McKnight Foundation from 2009-2015 but not officially reported as PRIs (see page 9) had been included in the dataset, then The McKnight Foundation would have invested the second highest dollar amount in PRIs with over \$33 million.

Findings: PRI Makers (continued)



NUMBER OF PRIs MADE PER FISCAL YEAR BY FOUNDATION NAME

Foundation Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total	%
Winds of Peace Foundation	4	5	5	6	3	6	5	7	9	11	13	12	15	19	15	17	12	17	15	196	35.4%
Otto Bremer Trust	15			20	14	7	7	7	8	9	3	1		2	1	1	1	5	11	112	20.2%
Ida C. Koran Trust	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		36	6.5%
Northwest Area Foundation							4	7	3	6		1								21	3.8%
A. H. Zeppa Family Foundation									3	5		5	2	4	1					20	3.6%
Adams Educational Fund, Inc.	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		18	3.2%
Harlan R. Thurston Foundation		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		17	3.1%
American Finnish Workers Society Educational Trust			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		16	2.9%
Charles K. Blandin Foundation		1	2		1			1		3	2	1	3	1						15	2.7%
Carl and Eloise Pohlrad Family Foundation											1	3	3		2	1		2		12	2.2%
Wallestad Foundation						2	5	2					1	1	1					12	2.2%
Klick Foundation												1	1	1	1	2	1	1	3	11	2.0%
MGR Foundation					1		1		1	3	3				1					10	1.8%
Better Way Foundation		1	1	1	1	1														5	0.9%
RJW Foundation			2													1	2			5	0.9%
HRK Foundation										1	1	1				1				4	0.7%
Teddy Bear Park Foundation								1	1	1	1									4	0.7%
Veritas Foundation													1	1		1	1			4	0.7%
Margaret A. Cargill Foundation														1	2					3	0.5%
Sid and Carol Verdoorn Family Foundation													1	1	1					3	0.5%
The Mortenson Family Foundation												1	1			1				3	0.5%
3M Foundation																		1	1	2	0.4%
George Family Foundation				1														1		2	0.4%
Jeanne M. Voigt Foundation																			2	2	0.4%
McNeely Foundation										1	1									2	0.4%
Open Door Foundation		1	1																	2	0.4%
Phadoris Wallestad Foundation						1	1													2	0.4%
Soar Foundation														1	1					2	0.4%
Sundance Family Foundation								1									1			2	0.4%
The Emmerich Foundation Charitable Trust	1	1																		2	0.4%
Cafesjian Family Foundation, Inc.																		1		1	0.2%
Frey Foundation															1					1	0.2%
Prospect Creek Foundation							1													1	0.2%
The Labrador Foundation																		1		1	0.2%
The McKnight Foundation	1																			1	0.2%
Thrivent Financial for Lutherans Foundation												1								1	0.2%
Toro Foundation			1																	1	0.2%
W.G. Christianson Foundation	1																			1	0.2%
Weyerhaeuser Family Foundation, Inc.																		1		1	0.2%
Grand Total	25	13	17	33	25	22	29	31	30	44	30	32	34	37	32	30	23	35	32	554	100%

Findings: PRI Makers (continued)



PRI DOLLARS INVESTED PER FISCAL YEAR* BY FOUNDATION NAME

Foundation Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total	%
Otto Bremer Trust	\$3,352			\$6,084	\$6,025	\$4,820	\$2,819	\$1,371	\$3,162	\$3,600	\$1,070	\$280		\$910	\$210	\$1,040	\$1,030	\$4,590	\$6,400	\$46,762	28.4%
Northwest Area Foundation							\$2,772	\$4,367	\$877	\$4,888		\$280								\$13,183	8.0%
Carl and Eloise Pohlad Family Foundation											\$45	\$5,218	\$1,045		\$588	\$1,040		\$4,915		\$12,851	7.8%
Winds of Peace Foundation	\$105	\$921	\$250	\$603	\$120	\$229	\$403	\$363	\$390	\$325	\$462	\$445	\$1,253	\$1,158	\$1,240	\$1,240	\$832	\$992	\$969	\$12,299	7.5%
Sid and Carol Verdoorn Family Foundation													\$1,293	\$5,350	\$5,250					\$11,893	7.2%
Charles K. Blandin Foundation		\$1,859	\$870		\$2,660			\$92		\$2,558	\$489	\$168	\$798	\$123						\$9,617	5.8%
Ida C. Koran Trust	\$328	\$228	\$382	\$354	\$240	\$363	\$431	\$495	\$662	\$458	\$541	\$523	\$600	\$446	\$446	\$434	\$446	\$544		\$7,921	4.8%
Margaret A. Cargill Foundation														\$3,752	\$4,023					\$7,775	4.7%
The McKnight Foundation	\$7,350																			\$7,350	4.5%
Teddy Bear Park Foundation							\$3,200	\$1,964	\$1,737	\$27										\$6,928	4.2%
A. H. Zeppa Family Foundation								\$672	\$2,952			\$762	\$693	\$466	\$325					\$5,870	3.6%
3M Foundation																		\$2,040	\$1,000	\$3,040	1.8%
Harlan R. Thurston Foundation		\$139	\$126	\$144	\$125	\$127	\$112	\$136	\$218	\$210	\$215	\$217	\$179	\$157	\$114	\$107	\$90	\$96		\$2,511	1.5%
Klick Foundation												\$392	\$165	\$173	\$789	\$155	\$457	\$27	\$161	\$2,320	1.4%
Wallestad Foundation						\$262	\$500	\$197					\$280	\$213	\$845					\$2,296	1.4%
Veritas Foundation													\$737	\$744		\$218	\$52			\$1,751	1.1%
George Family Foundation				\$137														\$816		\$953	0.6%
Cafesjian Family Foundation, Inc.																		\$922		\$922	0.6%
RJW Foundation			\$25													\$359	\$513			\$896	0.5%
Soar Foundation														\$769	\$42					\$811	0.5%
HRK Foundation											\$345	\$336	\$77			\$25				\$783	0.5%
Thrivent Financial for Lutherans Foundation													\$747							\$747	0.5%
McNeely Foundation										\$432	\$201									\$634	0.4%
MGR Foundation					\$100		\$64		\$118	\$95	\$183				\$53					\$612	0.4%
The Mortenson Family Foundation												\$280	\$275			\$52				\$607	0.4%
Phadoris Wallestad Foundation						\$491	\$64													\$555	0.3%
Better Way Foundation		\$250	\$96	\$97	\$8	\$11														\$462	0.3%
W.G. Christianson Foundation	\$368																			\$368	0.2%
Adams Educational Fund, Inc.	\$35	\$36	\$47	\$42	\$27	\$20	\$16	\$8	\$15	\$9	\$9	\$13	\$12	\$16	\$9	\$8	\$7	\$3		\$334	0.2%
Open Door Foundation		\$215	\$56																	\$270	0.2%
The Labrador Foundation																		\$249		\$249	0.2%
Toro Foundation			\$240																	\$240	0.1%
American Finnish Workers Society Educational Trust			\$29	\$16	\$17	\$14	\$25	\$21	\$14	\$17	\$2	\$6	\$1	\$3	\$1	\$14	\$16	\$6		\$204	0.1%
Jeanne M. Voigt Foundation																			\$120	\$120	0.1%
Frey Foundation															\$105					\$105	0.1%
Weyerhaeuser Family Foundation, Inc.																		\$100		\$100	0.1%
The Emmerich Foundation Charitable Trust	\$37	\$36																		\$73	0.0%
Sundance Family Foundation								\$25									\$5			\$30	0.0%
Prospect Creek Foundation							\$19													\$19	0.0%
Grand Total	\$11,574	\$3,684	\$2,121	\$7,478	\$9,322	\$6,338	\$7,225	\$10,274	\$8,092	\$17,281	\$3,588	\$9,666	\$7,407	\$14,279	\$14,039	\$4,692	\$3,449	\$15,300	\$8,650	\$164,461	100%

* Dollar values are adjusted for inflation, rounded to thousands, and presented in thousands (000's).



PRI Activity by Foundation Type

Private foundations are often classified as “corporate,” “family,” and “independent” foundations. While these categories are not legally defined or reported to the IRS on Form 990-PF, many foundations themselves use these identifiers, as does the field of philanthropy in general. To define these terms for this project, we started with the definitions provided by the Foundation Center in its Philanthropy Classification System¹² and arrived at the following:

- “Corporate foundations” are private foundations associated with and whose funds are derived primarily from a for-profit corporation. A corporate foundation may maintain close ties with the for-profit corporation, but it is officially a separate and independent organization.
- “Family foundations” are private foundations whose funds are derived from members of a single family. Family members often serve as officers or board members of the foundation and have a significant role in grantmaking decisions. Family foundations are self-identified.
- An “independent foundation” is a private foundation managed by its own trustees or directors and that is not a corporate or family foundation.

To apply these terms to the private foundations in our dataset, we first looked at how each foundation identified itself in its name, its online presence, and its Form 990-PF. We also reviewed existing classifications on the Minnesota Council on Foundations¹³ membership page and in the “Foundation Stats” resource offered by Foundation Center.¹⁴ Finally, we also gave each private foundation in our dataset an opportunity to review and correct our designation.

The table below breaks down (1) the number of PRI-making Minnesota private foundations, (2) the number of PRIs, and (3) the dollars deployed in PRIs into these three categories. All dollars are adjusted for inflation.

PRI ACTIVITY BY FOUNDATION TYPE	Foundation Type	# of PRI-Makers	% of PRI-Makers	# of PRIs	% of PRIs	PRI Dollars	% of PRI Dollars
	Corporate	3	7.7%	4	0.7%	\$4,027,000	2.4%
	Family	21	53.8%	92	16.6%	\$50,126,000	30.5%
	Independent	15	38.5%	458	82.7%	\$110,308,000	67.1%
	Totals	39	100.0%	554	100.0%	\$164,461,000	100.0%

Key Takeaways:

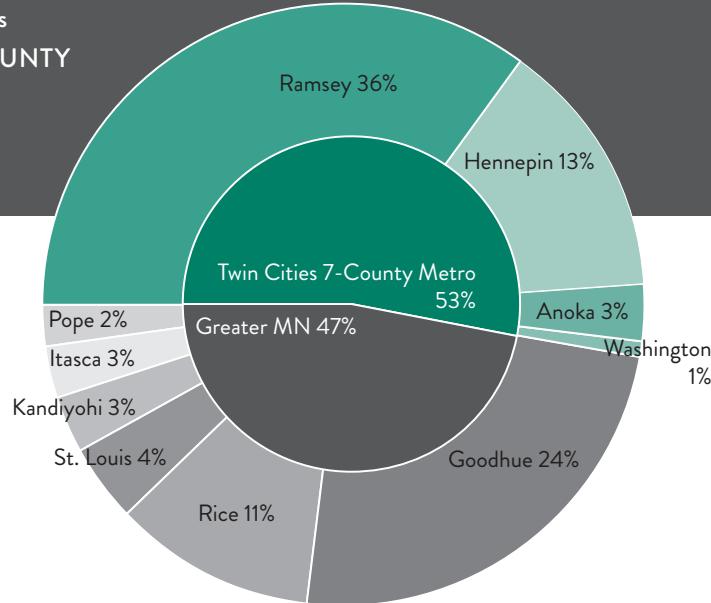
- Only 3 corporate foundations made one or more PRIs during the research period. 3M Foundation led the category with two PRIs totaling \$3,040,000.
- Independent foundations conducted the most PRI activity during the research period, making 82.7% of PRIs and deploying 67% of PRI dollars.
- More than half of Minnesota private foundations making at least one PRI during the research period were family foundations, but family foundations accounted for only 16.6% of PRIs and 30.5% of the PRI dollars deployed.



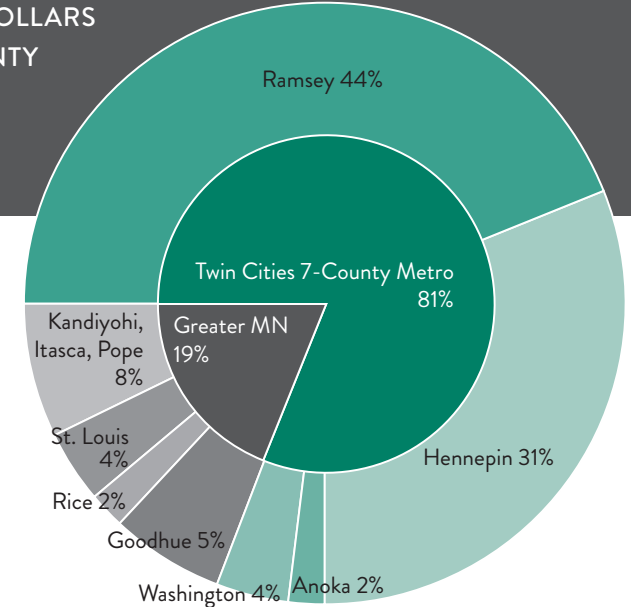
PRI Activity by Foundation Location

The two charts below show the distribution of PRIs and PRI dollars by the location of the originating private foundation in the year the PRI was made. Foundation location is presented both by region and county, which were determined primarily using the address provided in the private foundation’s Form 990-PF for the year the PRI was made. In a limited number of cases, we used an alternate address from the Minnesota Secretary of State and the foundation’s GuideStar profile.

PERCENTAGE OF PRIs BY FOUNDATION COUNTY



PERCENTAGE OF PRI DOLLARS BY FOUNDATION COUNTY



Key Takeaways:

- Private foundations located in two Twin Cities counties, Ramsey and Hennepin, made half of all PRIs and deployed 75% of all PRI dollars.
- While only five private foundations in our dataset (13%) were located in Greater Minnesota in the year they made a PRI, these foundations made 47% of all PRIs and deployed 19% of all PRI dollars.

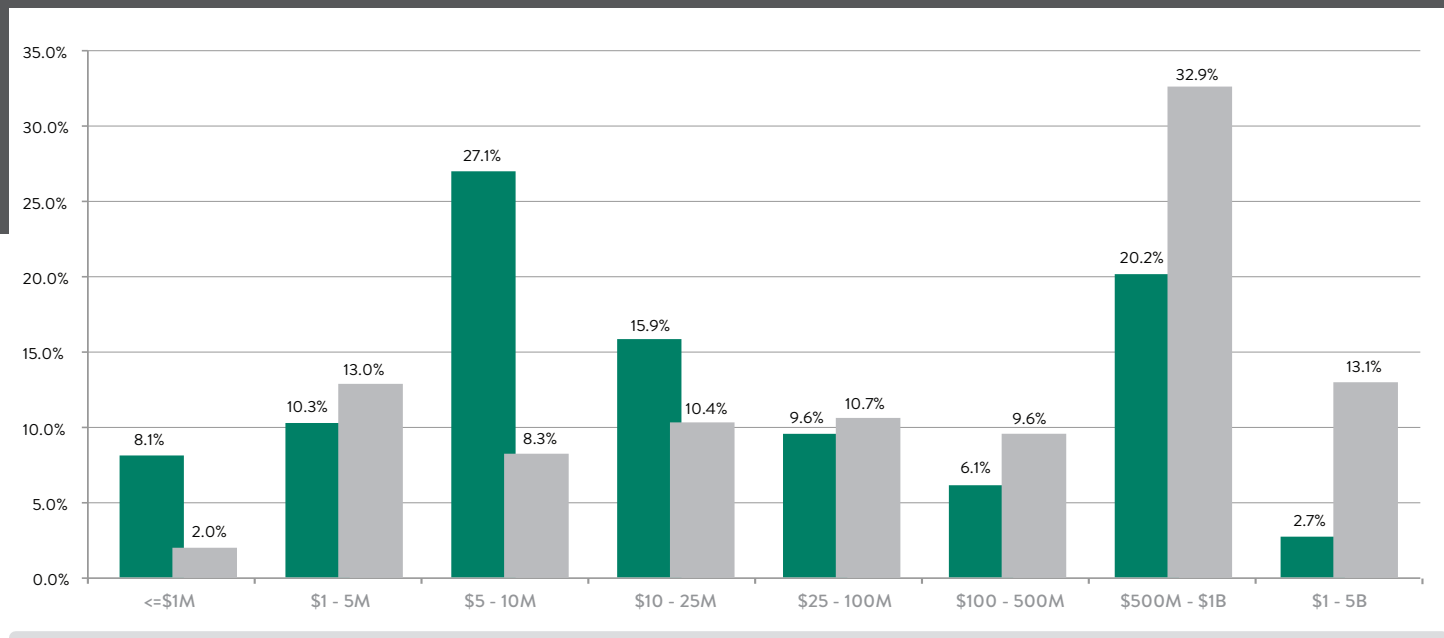


PRI Activity by Foundation Size

The graph below shows the percentage distribution of PRIs (in green) and PRI dollars (in grey) based on the size of the originating private foundation in the year the PRI was made. In this chart, a private foundation's size is defined as the book value of its total assets at the beginning of the tax year in which the PRI was made as reported in Form 990-PF, Part II, Line 16, Column (a). All dollars are adjusted for inflation.

PERCENTAGE OF PRIs AND PERCENTAGE OF PRI DOLLARS BY FOUNDATION SIZE

■ % of PRIs
■ % of PRI Dollars



Key Takeaways:

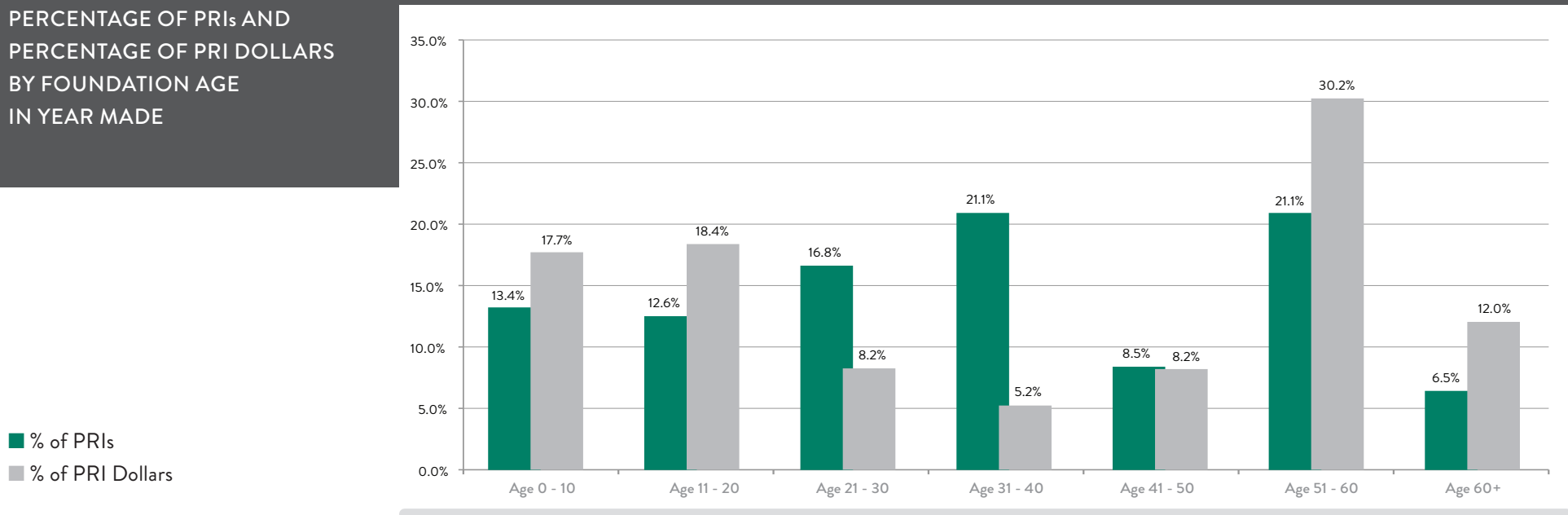
- Minnesota private foundations of all sizes made PRIs.
- Nearly half of all PRIs (~46%) were made by private foundations with \$10 million or less in assets.
- Nearly half of all PRI dollars (~46%) were deployed by private foundations with over \$500 million in assets.



PRI Activity by Foundation Age

The graph below shows the percentage distribution of PRIs (in green) and PRI dollars (in grey) based on the age of the originating private foundation in the year the PRI was made. With a few exceptions, foundation age is calculated as the difference between the fiscal year in which the PRI was made and the private foundation's IRS ruling year provided by GuideStar. All dollars are adjusted for inflation.

PERCENTAGE OF PRIs AND PERCENTAGE OF PRI DOLLARS BY FOUNDATION AGE IN YEAR MADE



Key Takeaways:

- Overall, the distribution of PRIs and PRI dollars by age is fairly even, meaning private foundations of all ages are using the tool.
- One reason for this fairly even distribution is that over our 19-year research period, a private foundation that makes PRIs regularly would appear in 2-3 different age categories.

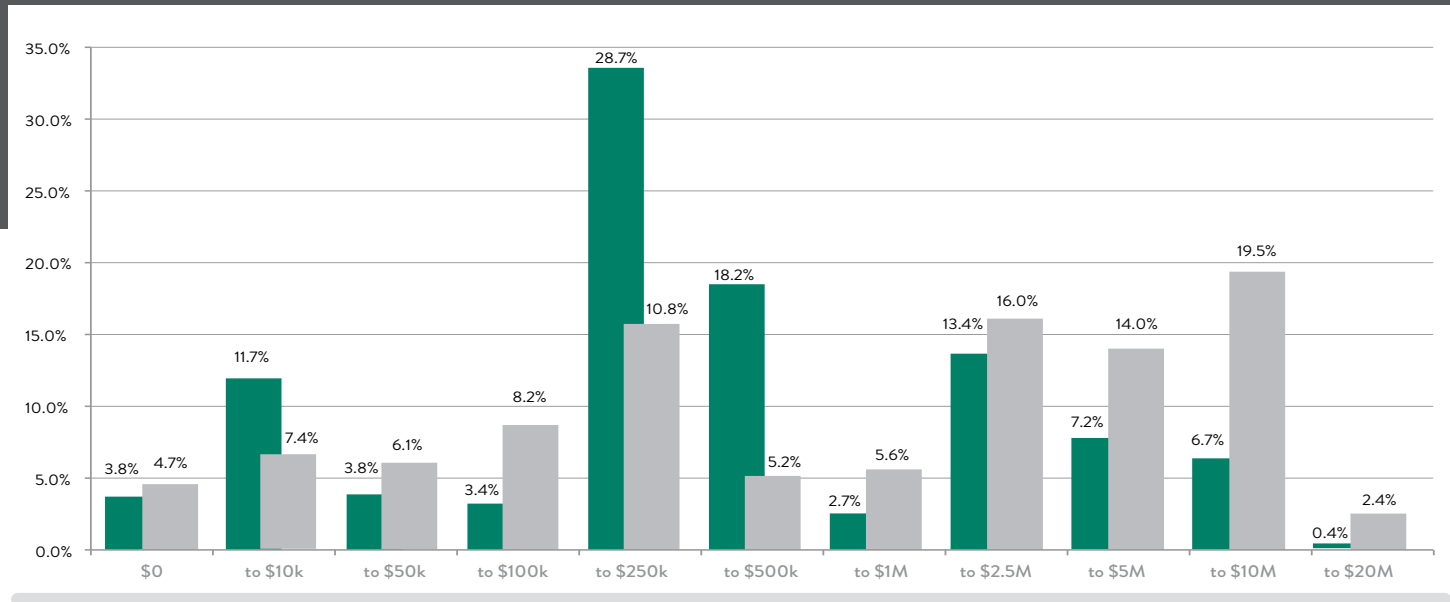


PRI Activity by Foundation Charitable Administrative Expenses

The graph below shows the percentage distribution of PRIs (in green) and PRI dollars (in grey) based on the amount of Charitable Administrative Expenses (CAE) reported by the originating private foundation in the year the PRI was made. The x-axis categories should be read from left to right as “CAE of \$0,” then “CAE \$1 to \$10,000,” then “CAE \$10,001 - \$50,000,” and so forth. Please note that the scale of x-axis categories is not constant. CAE is based on the figure provided by each foundation in Form 990-PF, Part I, Line 24, Column (d). All dollars are adjusted for inflation.

PERCENTAGE OF PRIs AND
PERCENTAGE OF PRI DOLLARS
BY FOUNDATION CAE
IN YEAR MADE

■ % of PRIs
■ % of PRI Dollars



Key Takeaways:

- Over 77% of PRIs and 74% of PRI Dollars originated from private foundations reporting more than \$100,000 in CAE.
- While 80% of all MN private foundations reported less than \$10,000 in CAE in 2014, only 15% of PRIs and 12% of PRI Dollars originated from foundations reporting less than \$10,000 CAE.



3M Foundation & Closed Loop Fund

As more and more companies work to reduce their environmental footprints, demand for recycled materials as inputs into manufactured products has increased. Unfortunately, in recent years, the supply of recycled materials has not kept pace with this growing demand, and major companies report not being able to source enough of the materials they need. A big part of the problem is a lack of recycling infrastructure caused by a shortage of capital at the municipal level.¹⁵

Enter the Closed Loop Fund, a \$100M investment fund established in 2015 to provide low-cost debt capital to recycling infrastructure projects around the country. Investors in the fund include major corporations such as Walmart, Coca-Cola, PepsiCo, Procter & Gamble, Johnson & Johnson, and Unilever. Minnesota-based 3M also participated with a commitment of \$5 million over five years using PRIs through the 3M Foundation. By the end of 2016, 3M Foundation had invested a total of \$3 million in Closed Loop Fund with PRIs, making 3M Foundation the clear leader in PRI use among Minnesota's corporate foundations.

Just two years from its launch, Closed Loop Fund is already making a meaningful impact. Through 2016, the fund reports having diverted 98,500 tons of material from landfills; reduced 232,000 tons of greenhouse gas emissions; and conveyed ~\$533,000 worth of economic benefit to municipalities. Minneapolis-based Eureka Recycling is one of the fund's early investees.¹⁶

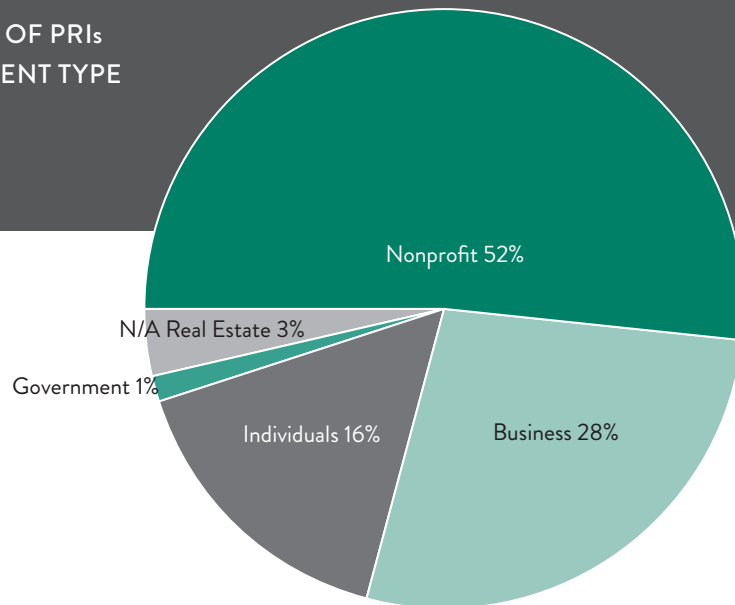
With regard to financial return, 3M Foundation and its co-investors have modest expectations; they aspire only to get their original investment principal back in 5-10 years so that they can reuse it...proof that recycling isn't just good for product materials, but for charitable dollars too.



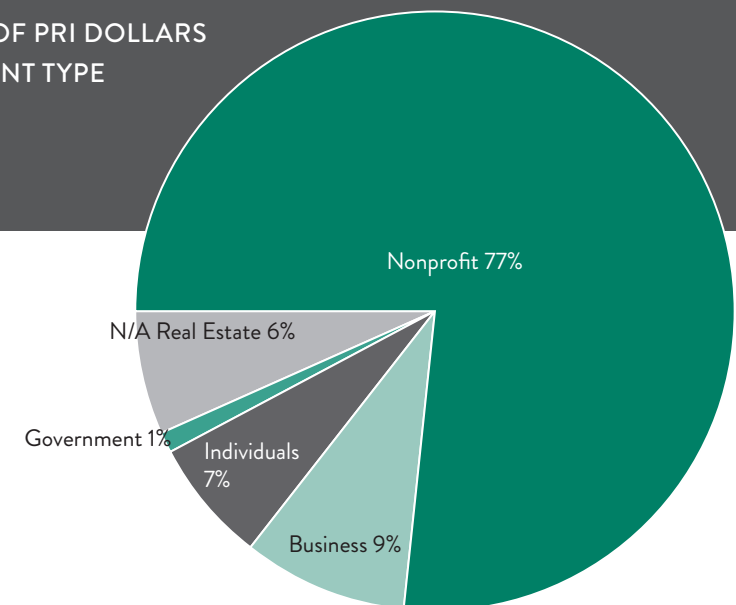
PRI Activity by Recipient Type

One of the most common questions people ask about PRIs is who receives them. The two charts below answer this question and show (1) the percentage distribution of PRIs among each type of recipient, and (2) the percentage distribution of PRI dollars among each type of recipient. All dollars are adjusted for inflation.

PERCENTAGE OF PRIs
BY PRI RECIPIENT TYPE



PERCENTAGE OF PRI DOLLARS
BY PRI RECIPIENT TYPE



Key Takeaways:

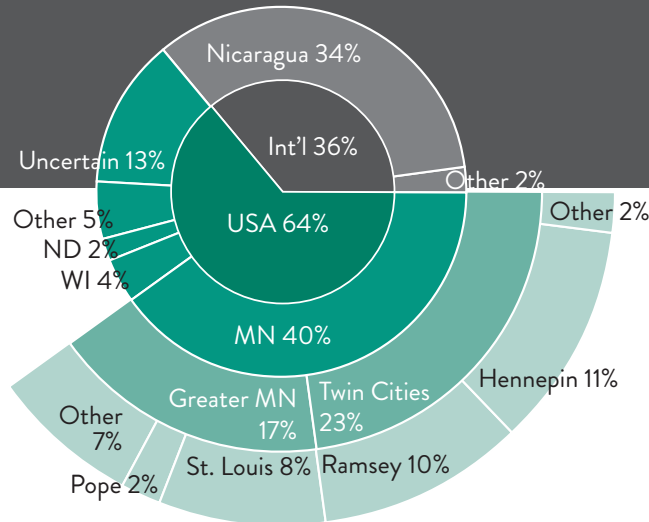
- Nonprofits were the leading recipient of PRIs, with 52% of all PRIs and 77% of all PRI dollars.
- Businesses were the second highest recipient of PRIs, with 28% of all PRIs and 9% of all PRI dollars.
- If we had been able to disaggregate PRIs made as educational loans to individuals, as described on page 11, the first chart would have shown a huge share of PRIs going to individuals, but the second chart would have remain unchanged.



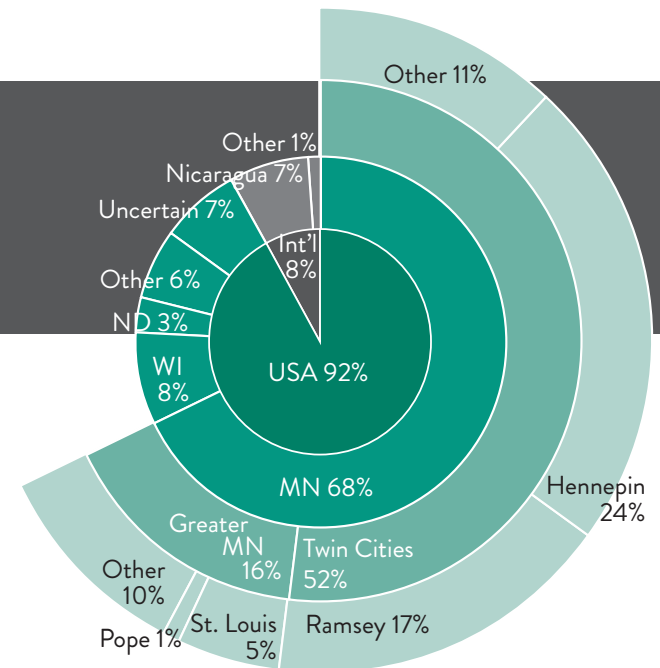
PRI Activity by Recipient Location

The two charts below show the distribution of PRIs and PRI dollars by the most current location of the PRI recipient. Forms 990-PF do not require that the address of the PRI recipient be included. As a result, we always used the most current address of the recipient that we could find using GuideStar profiles, state business records databases, and recipient websites. We also gave each private foundation in our dataset an opportunity to review and correct this information. All dollars are adjusted for inflation.

PERCENTAGE OF PRIs BY PRI RECIPIENT LOCATION



PERCENTAGE OF PRI DOLLARS BY PRI RECIPIENT LOCATION



Key Takeaways:

- Overall, 40% of PRIs went to recipients located in Minnesota, 23% to Twin Cities based recipients and 17% to Greater Minnesota recipients.
- Overall, 68% of PRI dollars went to recipients located in Minnesota, 52% to Twin Cities based recipients and 16% to Greater Minnesota recipients.
- Nearly two out of five PRIs made by Minnesota private foundations were directed to international recipients, accounting for 8% of all PRI dollars.
- Our team could not determine state location details for organizations and individuals that received 13% of the PRIs and 7% of PRI dollars.



Top 13 PRI Recipients in Minnesota

The two tables below list the 13 Minnesota-based organizations that received (1) the greatest number of PRIs from Minnesota private foundations over the research period, and (2) the most PRI dollars from Minnesota private foundations over the research period. The number 13 was chosen as the cut-off for this list simply because it was a natural breakpoint in the data for number of PRIs. All dollars are adjusted for inflation.

TOP 13 MINNESOTA PRI RECIPIENTS BY NUMBER OF PRIs

Recipient Name	Number of PRIs
Zeitgeist Arts, LLC	7
Propel Nonprofits (Formerly Nonprofits Assistance Fund)	6
Community Reinvestment Fund, Inc. (CRF)	5
Aeon	4
Artspace Projects, Inc.	3
Duluth Festival Opera	3
Grand Rapids Economic Development Authority	3
Greater Minnesota Housing Fund	3
Itasca Economic Development Corporation	3
Metropolitan Economic Development Association (MEDA)	3
Model Cities of St. Paul, Inc.	3
Neighborhood Development Center (NDC)	3
Northeast Ventures Corporation	3

TOP 13 MINNESOTA PRI RECIPIENTS BY PRI DOLLARS

Recipient Name	Amount
Southwest Christian High School	\$10,600,000
The American Swedish Institute	\$7,568,036
The Good Acre	\$4,068,582
RAIN Source Capital, Inc.	\$3,890,000
Artspace Projects, Inc.	\$3,737,500
Propel Nonprofits (Formerly Nonprofits Assistance Fund)	\$3,332,500
Metropolitan Economic Development Association (MEDA)	\$3,060,000
Minnesota Diversified Industries, Inc.	\$3,009,000
Community Reinvestment Fund, Inc. (CRF)	\$2,955,000
Greater Minnesota Housing Fund	\$2,685,000
Unitarian Universalist Congregation of Duluth	\$2,044,409
Twin Cities Habitat for Humanity	\$2,030,000
Northside Home, LLC	\$1,886,600



The Labrador Foundation & Level Up Academy

When board members of The Labrador Foundation (TLF) learned that a pioneering third grade teacher in a Twin Cities metro school district had taken it upon himself to build an entire classroom centered on personalized learning, digital technology, and game-based teaching methods, they were captivated. And once they saw the impact it was having on student outcomes, they asked whether it might be possible to build an entire elementary school using those innovative approaches.

Working with a number of partners, TLF helped lay the groundwork for what would become Level Up Academy, a Minnesota charter school. From the beginning, TLF's grant dollars played an important role, helping fund the process from planning to approval. By spring of 2015, the school had secured an authorizer and was ready to launch for the 2015-16 school year. There was just one problem. The school still had no building.

In May, with less than four months to go before the first day of school, the administration found a promising space in a church that had been recently vacated by a rapidly growing congregation. However, the facility did not meet the code requirements for charter school occupancy. The sprinkler system, kitchen, and parking lot all needed to be upgraded, and quickly, if the school was to open at the start of the new school year.

With no time to spare, the school approached several potential lenders to finance the renovation. But none were willing to take on the risk of lending to a new charter school with no history of enrollment. Faced with the possibility of a postponed launch and a major loss of momentum, TLF stepped in at the last minute and made a PRI to Level Up Academy, ultimately funding \$243,908 in construction costs for the school on an eight-year, interest-bearing loan. The project was completed just two days before the school welcomed its first students.

Over the past two years, the school has seen its enrollment grow and has made its annual payments to TLF in full and on time. TLF is proud of Level Up Academy's progress and of the role it played. The foundation's president explained, "Our approach evolved to fit the needs of the initiative at each stage. At first we were a grantor. But when the market would not provide financing, we stepped up and became a lender. The PRI was instrumental in bringing this vision to fruition."

Conclusion



As the impact investing movement has gained momentum in Minnesota, interest in PRIs has grown. Yet very little research has ever been done about PRIs in the state, and to this point, the absence of quality data about PRIs has been an impediment to their diffusion. To some, PRIs come across as an urban legend; everyone has heard stories about PRIs but few have actually experienced one directly.

Recognizing the need to demystify PRIs, Venn Foundation undertook this ambitious research project to learn how PRIs have been used historically by Minnesota private foundations from 1998 to 2016. Our goal was to put our own fingers on the state's PRI pulse and then report back the results, providing the entire philanthropic ecosystem in Minnesota with high-quality baseline statistics on how PRIs have been used in the past, right at a time when many are discussing how best to utilize them in the future.

So what then have we learned? The big takeaway for us is that in the context of all charitable activity undertaken by Minnesota's private foundations over the last two decades, PRIs have been a niche tool used only by a small group of pioneering private foundations. And although \$164 million is a meaningful amount of money, in terms of the \$23 billion (adjusted) that Minnesota private foundations and corporate grantmakers have distributed for charitable causes since 1998, it could be considered a rounding error.

Nonetheless, this report also shows that important groundwork has already been laid for the widespread adoption of PRIs. Thanks to the leadership of the 39 private foundations included in this report, PRIs cannot be written off as some new tool without a track record. Indeed, Minnesota now has 554 case studies and pilot projects that it can point to, learn from, and emulate as it moves forward. Whether through educational loans to individuals or equity investments in a recycling infrastructure fund, these leading foundations have demonstrated the wide variety of ways that PRIs can be used to advance charitable goals.

Overall, these leading foundations also appear satisfied with their PRIs and plan to continue making more in the years ahead. In an informal survey collected as part of our research process, to which 15 Minnesota private foundations (~40% of the dataset) responded, 80% said they were very or somewhat satisfied with both the charitable impact and financial results of their past PRIs. 80% also reported that they were very or somewhat likely to make a new PRI within the next two years.

Yet systemic barriers remain. In the same survey, when asked about what keeps more foundations from making PRIs or from doing so more regularly, 87% identified limited staff/board capacity and experience with PRIs as a key challenge. One respondent elaborated, "It requires a broad range of skills to identify, scope out, negotiate, and close a PRI. It also requires a huge amount of time." Another explained, "It was expensive from a staff time and legal fees standpoint. We might do more of these if we could make it less expensive." Making it easier for private foundations to use PRIs is important for increasing adoption.

Even before capacity constraints, however, come knowledge barriers. 73% of survey respondents also pointed to a general lack of awareness about PRIs as a reason for low utilization. One private foundation explained, "It is important that everyone reading the report understands how little is known about PRIs and how they work. In our case, we actually did not even realize we were doing this type of investment. Our accountant reported we were, and it was the reason we were included. During the process, we educated ourselves and confirmed that our information was being correctly reported. Now we look forward to doing even more PRIs in the future."



Given the importance of information, it is clear that more and ongoing research on PRIs is necessary. Our hope is that this report will spark a renewed interest in PRIs and hopefully lead to many other related studies. There certainly is no shortage of opportunities for more PRI research. Here are some of our initial ideas:

- Ask different questions of our existing dataset.
- Apply this same methodology again to Minnesota private foundations in future years to create a living, longitudinal dataset.
- Apply this same methodology to other states.
- Look deeper into the specific terms of the PRIs in this dataset as well as their impact and financial performance.
- Expand the scope of the research to include community foundations and/or Community Development Financial Institutions (CDFIs).

If one of these research ideas interests you, please reach out to us. We are open to sharing our experience and resources with research partners who share our goal of unleashing the full power of PRIs to advance charitable impact.

In the end, we hope that this report has left you with a sense not only for what has been done in the past with PRIs by Minnesota private foundations, but also for what is possible. We invite you to join us in picking up this promising tool and applying it to the charitable problems you care most about. In so doing, we are confident that we will together move PRIs from the margins of philanthropy to the mainstream.



¹ In this report, we regularly state that PRIs must be made with “below-market” or “concessionary” financial terms. We use this terminology because it quickly and accurately captures what is articulated in Treasury Regulations Section 53.4944-3 with regard to the second test of a PRI, “In determining whether a significant purpose of an investment is the production of income or the appreciation of property, it shall be relevant whether investors solely engaged in the investment for profit would be likely to make the investment on the same terms as the private foundation.” In essence, the clearer it is that a for-profit investor would not make the investment on the same terms as the private foundation (i.e. the more “below-market” or “concessionary” the financial terms of the investment), the more clear it is that the investment under analysis meets the second PRI test. We do recognize that there exists some legal ambiguity and debate about what terms in what contexts qualify PRIs as meeting the second PRI test.

² “Total granting by MN private foundations and corporate grantmakers from 1998 to 2016” and “Total charitable giving in Minnesota by all sources from 1998 to 2016” were calculated using statistics provided by the Minnesota Council on Foundations in their series of reports entitled “Giving in Minnesota,” which were routinely published from 1976 to 2014. Dollar values for these calculations were carefully adjusted for inflation to 2016. The most recent data provided in this series of reports was for fiscal year 2012. Reasonable, conservative estimates were made for fiscal years 2013 through 2016 based on prior year data and trends.

³ “From the Margins to the Mainstream: Assessment of the Impact Investing Sector and Opportunities to Engage Mainstream Investors.” World Economic Forum. September 2013.

⁴ “Private Foundations: ‘Jeopardizing Investments’ Defined.” IRS. Web. January 6, 2018.

<<https://www.irs.gov/charities-non-profits/private-foundations/private-foundation-jeopardizing-investments-defined>>

⁵ “Form 990-PF.” IRS. Web. January 6, 2018. <<https://www.irs.gov/pub/irs-pdf/f990pf.pdf>>

⁶ “FAQs: Form 990.” GuideStar. Web. January 6, 2018. <<http://www.guidestar.org/GenericPage.aspx?path=/rxg/help/faqs/form-990/index.aspx#faq1947>>

⁷ “Instructions for Form 990-PF.” IRS. Web. January 6, 2018. <<https://www.irs.gov/pub/irs-pdf/i990pf.pdf>>

⁸ “Foundation Stats.” Foundation Center. Web. May 30, 2017. <<http://data.foundationcenter.org/>>

⁹ “Members.” Minnesota Council on Foundations. Web. May 30, 2017. <<https://mcf.org/members>>

¹⁰ “Philanthropy Classification System.” Foundation Center. Web. January 6, 2018. <<http://taxonomy.foundationcenter.org/subjects>>



¹¹ “CPI Inflation Calculator.” United States Bureau of Labor Statistics. Web. December 1, 2018. <https://www.bls.gov/data/inflation_calculator.htm>

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