

# I. Executive Summary

Minnesota has large and vibrant nonprofit and philanthropic sectors. When nonprofits and foundations partner to tackle urgent issues in the state, they can achieve tremendous success – especially when they use public policy advocacy and engage affected constituencies directly in the problem-solving process. Yet, very few funders in the state use these strategies to effect long-term change. Pressing problems, including stark racial disparities, threaten the economic health of the state and its residents. For example, 61 percent of African American children live in poverty, compared to 8 percent of white children. The workforce is aging, and not enough youth are completing college to meet the employment needs of the state. These and other challenges demand bold and immediate action.

This report demonstrates the impact such action can accomplish. It found that a sample of local and state organizations and their allies leveraged millions of dollars in foundation resources to secure more than \$2 billion in benefits for Minnesotans. NCRP studied 15 organizations that worked with underrepresented constituencies<sup>1</sup> in Minnesota on a range of issues, including poverty, worker issues, education, access to health care, affordable housing, transit, immigration and civil rights. These organizations used a variety of strategies to achieve change, including working in coalitions, mobilizing affected communities, partnering with policymakers, conducting research, reaching out to the media and employing legal strategies. The report examined the groups' accomplishments over a five-year period (2004–2008):

- > For impacts that could be quantified, the aggregate monetary benefit of the groups' accomplishments was more than \$2.28 billion.

- > For every dollar invested in their advocacy and organizing work (\$16.5 million total), the groups garnered \$138 in benefits for Minnesota communities.
- > Foundations provided critical support to these successes, contributing \$11.5 million, or 70 percent of all funding for advocacy and organizing among the nonprofit sample.

These numbers and equally important non-quantifiable impacts benefit all of Minnesota, strengthening its social fabric and helping government and the private sector serve residents and their communities better. They also translate into concrete improvements in people's lives. For example:

- > Students of color and immigrants gained access to college;
- > Formerly incarcerated people improved their job opportunities, increasing individual earning potential and economic benefits to their communities;
- > People living with mental illnesses and their families received greater support and access to care, thus enabling them to lead more productive and fulfilling lives;
- > Workers secured increased wages and better working conditions; and,
- > Lower-income residents accessed affordable housing and public transit.

Nonprofit groups also brought thousands of people into the policy process and civic life, such as individuals from low-wealth communities; people living with developmental disabilities; African Americans, Native Americans, Latinos, other people of color and

immigrants; lesbian, gay, bisexual, transgender and questioning (LGBTQ) residents; senior citizens; students and other youth; individuals and families living with mental illnesses; people living with HIV/AIDS; formerly incarcerated people; women and girls; and other historically disenfranchised populations.

Strategic foundation support for these efforts enabled their success. Funders exercised leadership in a variety of ways, both individually and collectively, to leverage their grantmaking and help nonprofits achieve demonstrable community benefit. These impacts will continue to aid Minnesota communities well into the future. Yet, the state still faces many pressing challenges. Nonprofit organizations need sustained resources and capacity to respond effectively. Minnesota grantmakers can build on the many positive philanthropic strategies already underway in the state to achieve even more powerful impact.

Funders new to this work, as well as those already on the path, can use this report to engage their peers, trustees and donors. Foundations can make a measurable difference by partnering with effective grassroots and statewide nonprofits to advocate and organize for long-term, meaningful change. Especially in times

of economic crises, grantmakers with decreased assets can do the most good for communities in need, address Minnesota's challenges and growing racial disparities, and achieve the greatest return on their investments by following these recommendations:

1. Increase the percentage of grant dollars devoted to advocacy, community organizing and civic engagement.
2. Engage board members and donors in dialogue about how advocacy and organizing can help a grantmaking institution achieve its long-term goals.
3. Strengthen peer learning and strategizing about advocacy and organizing.
4. Engage nonprofit partners in strategic planning and grantmaking process of foundations.
5. Apply a racial equity lens to grantmaking.
6. Provide general operating support and multiyear grants.