



**Northland Foundation awarded \$879,900 Federal Grant; a total of \$1.1 Million will go to build the capacity of Northeastern Minnesota Nonprofits**

(September 30, 2009)

Duluth, MN and Washington, DC – Senator Al Franken (D-Minn.) announced that the Northland Foundation’s *Northeastern Minnesota Strengthening Communities Initiative* has been awarded an \$879,900 American Recovery and Reinvestment Act (ARRA) grant. With additional resources contributed by the Northland Foundation, **a total of \$1.1 million will be directed towards capacity-building efforts for the region’s nonprofits.** The funding will support nonprofits that address economic recovery issues such as job training and placement, and connecting people in need with state and/or federal assistance. Sen. Franken requested the grant in August, shortly after taking office.

The overarching goal of the Northland Foundation’s two-year initiative is to better position the participating nonprofits to serve low-income clients secure and maintain employment, earn higher wages, and improve their ability to access state and federal benefits.

“This Initiative will strengthen nonprofit organizations that are assisting people who are struggling to overcome economic challenges. We are extremely grateful to Sen. Franken, Sen. Klobuchar, and Congressman Oberstar who provided critical support to secure federal funding,” said Tom Renier, president of the Northland Foundation.

The current financial crisis and economic meltdown has had a sharp effect on both the revenue streams and demand for services of the 383 nonprofit locations in the seven-county Arrowhead Region. The Minnesota Council of Non-Profits’ June 2009 ‘Nonprofit Current Conditions Report’ indicated that Greater Minnesota nonprofits have seen a 66 percent increase in demand for services, and is demand particular high for those providing food, housing, and employment assistance.

Converging to create a “perfect storm” for nonprofits, revenue streams have dried up. Many foundations have sustained a 20-40% loss in assets which is projected to result in reduced grant-making in 2009 and 2010. Support from individual donors, corporate giving, and government funding have also been harder to come by. In response, nonprofits have cut staff and must “do more with less”; they are harder pressed to meet demand in this difficult economic and funding environment.

The *Strengthening Communities Initiative* is made up of several program components intended to foster innovation and collaboration in order to better serve those in need. Those include

- outreach to nonprofits that address the targeted economic recovery issues;
- trainings for nonprofit leadership;
- organizational assessments and tailored technical assistance with strategic planning, leadership training, financial procedures, and more; and
- competitive grant awards to further build organizational capacity.

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The new *Initiative* expands on the Foundation's longtime work in nonprofit capacity building. Besides the millions of dollars in grants it has awarded over the years, the Foundation also delivers educational events for nonprofits. For example, Northland will host "Charting a Course II: Moving Forward in the New Nonprofit Reality", a one-day convening offered (free of charge) to nonprofit leadership on October 13<sup>th</sup> in Duluth. A similar program last January attracted 200 nonprofit executive staff and board members from across the region.

"The Northland Foundation is a high quality organization that has had a significant impact on northeastern Minnesota," said Sen. Franken. "It was a privilege to support them and I'm thrilled they received this grant. I know that they will make it go a long way toward helping families and communities during these challenging economic times."

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