The Minnesota Initiative Foundations are six independent, nonprofit philanthropic organizations that serve six geographic regions outside the Twin Cities area. They work to make Minnesota’s rural communities stronger and more prosperous. With programs tailored to the particular social and economic needs of each region, they make grants and loans; establish partnerships with local governments, businesses, and agencies to address problems cooperatively; and promote regional leadership and employee development through workshops and other training.

The Minnesota Initiative Foundations, or “MIFs,” were created in 1986 by The McKnight Foundation, a private family foundation based in Minneapolis, in partnership with citizens of Greater Minnesota. Each MIF reports to a board of directors from its region. The foundations receive support from McKnight and local donors; state, national, and local governments; and other foundations.

Origins

In the early 1980s, declines in the farming and mining economies were stripping rural communities of people, jobs, and hope. At the same time, McKnight’s assets were growing and it wanted to extend some of those new resources to Greater Minnesota.

Believing that the people of rural Minnesota were best positioned to make philanthropic decisions for themselves and their neighbors, McKnight envisioned a regional strategy that would stimulate local giving and encourage local responsibility for the long-term welfare of each region. Such a strategy could help create a philanthropic tradition in Greater Minnesota.

Volunteer steering committees helped set up the Minnesota Initiative Foundations and identify regional priorities. In 1986, McKnight’s directors made a five-year commitment to launch the funds. As the MIFs proved successful, McKnight made further commitments.

McKnight support

Since 1986, McKnight has contributed over $298 million to the Minnesota Initiative Foundations, with specific amounts and timing varying according to needs and strategies. Over the same period, McKnight funding in Greater Minnesota has increased from about 5.5 percent of the Foundation’s annual grant totals to roughly 17 percent today — a significant expansion of McKnight’s giving in rural Minnesota.

Additionally, since 2002 McKnight has provided over $11 million for the MIFs to develop and implement a statewide initiative to help children prepare emotionally, socially, and academically to succeed in kindergarten. Today over 300 communities have been organized into 90 coalitions to help their youngest citizens be ready to learn when they enter kindergarten.

In 2003, the Minnesota Initiative Foundations also began closely collaborating...
The McKnight Foundation

Founded in 1953 by William and Maude McKnight, the Minnesota-based family foundation had assets of approximately $2.2 billion and granted about $87 million in 2016. Program interests include regional economic and community development, Minnesota’s arts and artists, education equity, youth engagement, Midwest climate and energy, Mississippi River water quality, neuroscience research, international crop research, and rural livelihoods.

Mission

The McKnight Foundation, a Minnesota-based family foundation, seeks to improve the quality of life for present and future generations. We use all our resources to attend, unite, and empower those we serve.

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More information is also available at www.GreaterMinnesota.net.

The McKnight Foundation has made 36,682 grants totaling $216 million, and more than 4,800 loans which resulted in more than 47,000 jobs created or retained.

Working with the community

The Minnesota Initiative Foundations touch many aspects of civic life in their regions. Their work can best be described as catalytic.

In human services, the MIFs make grants and occasionally loans to nonprofit or public organizations, such as social service providers and schools. These organizations often work in partnership with local governments, business groups, or religious congregations to improve childcare, family life, English-language instruction, cultural diversity training, youth services, senior services, and other programs.

For business development, the Minnesota Initiative Foundations collaborate with banks, investors, business operators, and local, state, and federal financing programs, such as the Minnesota Department of Employment and Economic Development. Because their structure and philosophy permit risk-taking and encourage innovation, the MIFs often can provide the gap financing that gets a project off the ground.

Unlike many investors, the MIFs consider their investments successful if loan paybacks continuously replenish their revolving loan funds and support administrative costs. Their ultimate investment goal is to strengthen their regions’ economic vitality. They help create and expand businesses with strong prospects for the future and with jobs at a wage level that can support a family.

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Other sources of support

The MIFs raise money from governments, businesses, individuals, and other foundations for programs and general operations as well as for their endowments. Since their inception, they have raised a total of $224 million from sources other than McKnight.

The McKnight Foundation always intended that the Minnesota Initiative Foundations would become self-sufficient. To that end, it has challenged the MIFs to establish endowments and to raise local money to match McKnight’s contributions to their endowments. These endowments provide a financial base that will enable the MIFs to serve their regions long into the future. As of 2017, MIF endowments totaled $301 million and ranged in size from $22.6 million to $60.2 million. Their combined loan funds totaled $69.6 million.

Programs and activities

Each Minnesota Initiative Foundation has its own program that responds to needs specific to its region. Typical categories include:

- human services, such as programs for youth, seniors, families, and emergency needs;
- employment and economic development, including business loans, technical assistance, employee development and training, and business development;
- leadership development; and
- community capacity-building.

Often these programs are linked. For example, grants for childcare and transportation might help low-income people secure education, training, and paid employment. These grants then may complement the MIFs’ economic development loans, which help create new businesses and expand employment opportunities. Over the last 30 years the