



**Greater Twin Cities
United Way**
gtcuw.org

March 16, 2021

Dear Members of the House Workforce and Business Development Finance and Policy Committee,

On behalf of Greater Twin Cities United Way, I am writing to express our full support of House File 2019, specifically its creation of a nonprofit resiliency and recovery fund, which would provide critical investment in the nonprofit organizations strengthening community wellness and economic vitality for people across the state.

Based on our work impacting more than 500,000 Minnesotans across the nine-county metro area and our 95 partner service organizations, we know firsthand that nonprofits are well-positioned to identify and address local needs and priorities – especially in response to the pandemic. However, funding shortfalls and a diminished workforce paired with an increased need for services is making it difficult for these organizations to continue operating at the level our communities need to create stability while working toward recovery and ultimately, rebuilding.

Nonprofit organizations are the first line of community support and play a critical role in connecting people to supportive programs, funding and opportunities. United Way's 211 Resource Helpline, which connects people to resources like housing assistance and food, received over 200,000 resource requests for Minnesotans in 2020, a 20% increase compared to 2019. As the overwhelming wave of expanded need hit these organizations over the past year, they rose to the challenge and quickly responded, from organizing massive drive-through food shelves to providing ongoing child care support.

The cost of operating in a pandemic paired with the increased need for resources in our communities meant that many nonprofits – who already operate on thinner margins than for-profit businesses – had to cut budgets, hours and programming to continue operating, even with the support of their philanthropic partners. In 2020 alone, 40% of Minnesota's nonprofit workers filed for unemployment insurance. An important part of our economy, nonprofits employ 13% of our state's workforce.

These cuts in staff, services, and programming have had the greatest impact on Minnesotans of Color, who have also been disproportionately impacted by COVID-19 and are often clients of nonprofit organizations. Sixty percent of Black workers and over 50% of Indigenous workers have filed for unemployment insurance benefits during the pandemic, further widening historic disparities and systemic inequities. Not do only do nonprofits address these disparities directly, but they also act as critical partners within communities to build trusting relationships working closely with, and for, those that they serve.

To continue providing the support communities need during COVID-19 and to accelerate our recovery, Minnesota needs essential services and job creation. An investment in our nonprofits can provide both. Creating a resiliency and recovery fund using federal dollars would be a smart, sustainable, and equitable investment in the well-being of Minnesotans and the future recovery of our state.

Sincerely,

Kristen Rosenberger
Director, Advocacy & External Engagement
Greater Twin Cities United Way