

Navigating Growth

Staffing and Donor Development Challenges
in Grand Rapids' Nonprofit Sector



Executive Summary

Grand Rapids' nonprofit sector is robust and community-driven, encompassing approximately 5,300 organizations that employ over 50,000 individuals and generate an estimated \$8.2 billion in annual revenue.

5,300

Organizations

50,000

Individuals

\$8.2 billion

Annual revenue

Nonprofits in Grand Rapids play a vital role in addressing regional social needs and enhancing economic stability. However, many small to mid-sized organizations face persistent challenges in hiring qualified development staff, adopting modern technology, and maintaining strong donor relationships. This report explores these challenges with insights tailored to Grand Rapids' nonprofit landscape.

Overview of Grand Rapids' Nonprofit Ecosystem

5,300

organizations

Scale and Scope

The **Grand Rapids–Kent County** area hosts roughly **5,300 nonprofit** organizations, supporting over 50,000 jobs and generating around **\$8.2 billion** in total annual revenue.

15

have revenues exceeding

\$100 million

Organizational Size

- An estimated **40%** of nonprofits report annual revenues under **\$250,000**.
- Fewer than **15** organizations have revenues above **\$100 million**, yet these large institutions represent the majority share of total sector revenue.

Significant contributors to the sector's revenue

Sector Distribution

- **Health-related nonprofits** (e.g. Spectrum Health foundations, health clinics) contribute approximately **\$3.5 billion**.
- **Educational organizations** (including private colleges and education foundations) generate **\$2.1 billion**.
- **Human services and public/societal benefit nonprofits** produce around **\$1.4 billion** combined.

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Nonprofits compete in a tight labor market, especially for experienced **Development Directors, Grant Writers, and Fundraising Managers**.
- Smaller organizations often struggle to offer competitive salaries and benefits, limiting access to seasoned professionals.

Lack the resources

to hire dedicated IT or data specialists.

Technological Gaps

- Many nonprofits lack resources for dedicated IT staff or data analysts.
- Only a minority feel confident in their **data analysis, donor segmentation, or CRM capabilities**, despite routine donor data collection.

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Retaining and upgrading donors remains a challenge for organizations with small fundraising teams.
- Without modern CRM tools or automation, nonprofits struggle to create **personalized donor journeys** that drive loyalty and increased giving.

State, federal, and local grants dependencies

Funding Dependencies

A significant portion of Grand Rapids' human service nonprofits depend heavily on state, local, and foundation grants, leaving them vulnerable to shifts in funding priorities.

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Budget limitations prevent investments in **professional development, CRM platforms, and advanced fundraising tools.**
- Staff frequently wear multiple hats, which stretches capacity and limits strategic focus.

Affordable digital and operational solutions

Capacity Building Initiatives

Programs through the **Johnson Center for Philanthropy (Grand Valley State University)**, **Michigan Nonprofit Association**, and partnerships with organizations like **TechSoup** help nonprofits adopt affordable technology and operational solutions.

Regional Factors Influencing Nonprofit Operations

Diverse population

Demographic Considerations

- Grand Rapids' increasing Hispanic/Latino population (~16% in Kent County) and growing immigrant communities influence program design and outreach.
- Nonprofits are adapting services to be more culturally responsive and linguistically accessible.

High housing and living costs

Economic Landscape

Rising housing costs, inflation, and regional wage pressures create financial strains on nonprofit operations and staffing budgets.

Recommendations

Shared staffing models

Collaborative Hiring

- Explore shared **staffing models** for grant writing, marketing, and database management roles.
- Consider **regional hiring collaboratives through local nonprofit networks** to attract and retain top talent.

Use free or discounted tools

Leveraging Technology

- Utilize Microsoft's Nonprofit Tech Acceleration Program, Google for Nonprofits, and **TechSoup** for discounted software and CRM solutions.
- Automate donor outreach with platforms like **Bloomerang**, **Kindful**, or **Little Green Light**.

CRM solutions, Stewardship strategies

Enhanced Donor Engagement

- Invest in lightweight CRM systems to segment donors, personalize outreach, and track engagement trends.
- Prioritize stewardship strategies to increase donor lifetime value and advocacy.

Leadership development Upskill staff

Capacity Building

- Engage in workshops and resources offered by the Johnson Center for Philanthropy, Michigan Nonprofit Association, and local community foundations.
- Encourage board development and volunteer leadership training to increase organizational capacity without adding new full-time staff.

Conclusion

Grand Rapids' nonprofit sector is a cornerstone of community well-being and economic development. However, small and mid-sized organizations continue to face growth hurdles related to hiring bottlenecks, limited donor development resources, and tight operating budgets. By leveraging **regional partnerships, scalable technology solutions, and outsourced services**, nonprofits can enhance their sustainability and thrive in an increasingly competitive environment.

Organizations like goharness.com provide full-service fundraising, marketing, and donor engagement support for a fraction of the cost of hiring a part-time employee. Their team delivers **people, tech, and strategy**, enabling nonprofit leaders to focus on mission and impact—not just operations.



Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource

Outsourcing is a smart option when...

- You need expertise in **major gifts, grant writing, or digital fundraising.**
- You're launching a new campaign or event and lack internal bandwidth.
- Your organization has budget constraints but requires **expert-level deliverables.**

Types of Fundraising Functions to Outsource

Grant Writing & Research

Hire specialists to expand your grant pipeline and increase success rates.

Campaign Strategy

Engage consultants to develop structured roadmaps for **annual giving, digital fundraising, or capital campaigns.**

Donor Communications

Leverage freelancers to craft **emails, appeals, and impact reports** to deepen donor relationships.

Database Management (CRM) & Reporting

Use external support to clean, segment, and maintain your CRM for improved targeting.

Digital Fundraising

Engage professionals to run **email automation, digital ads, and peer-to-peer fundraising campaigns**.

How to Vet Providers

1

Request samples, performance metrics, and references.

2

Ensure alignment with your mission, brand, and donor base.

Platforms to consider if not hiring a full-service partner:

[Catchafire.org](https://www.catchafire.org)

[Upwork](https://www.upwork.com)

Michigan Nonprofit
Association
Consultant
Directory

Association of
Fundraising
Professionals –
West Michigan
Chapter

Cost Considerations

\$75–\$200

per hour

Hourly rates range from \$75–\$200/hour.

\$3,000 –\$10,000

Project-based contracts

Project-based engagements run \$3,000–\$10,000 depending on scope.

Fundraising support for much less than a part time employee

Monthly retainers are often more affordable than hiring a part-time internal staffer.

Tip

Always budget for required fundraising software or CRM subscriptions to maximize ROI.

Structure the Relationship for Success

- ✓ Define clear deliverables and timelines.
- ✓ Start with a short-term project to assess fit and quality.
- ✓ Assign an internal liaison for effective communication.
- ✓ Hold regular performance reviews to ensure outcomes and alignment.

For more information and a free assessment,

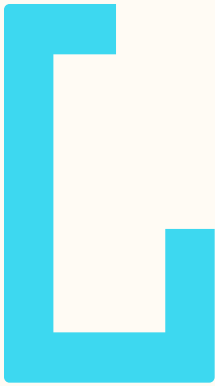


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