

Navigating Growth

Staffing and Donor Development Challenges
in Little Rock's Nonprofit Sector



Executive Summary

Little Rock’s nonprofit sector is a core driver of community well-being, encompassing approximately 3,800 organizations that employ over 33,000 individuals and generate an estimated \$5.6 billion in annual revenue.

<div>3,800</div> <div>Organizations</div>	<div>33,000</div> <div>Individuals</div>	<div>\$5.6 billion +</div> <div>Annual revenue</div>
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Nonprofits in Little Rock and the broader Central Arkansas region address a range of community needs, from health and education to poverty alleviation and civic development. 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 Little Rock’s nonprofit environment.

Overview of Little Rock's Nonprofit Ecosystem

3,800

organizations

Scale and Scope

The **Little Rock–North Little Rock–Conway MSA** hosts roughly **3,800 nonprofit** organizations, supporting over 33,000 jobs and generating approximately **\$5.6 billion** in total annual revenue.

10

have revenues exceeding

\$100 million

Organizational Size

- An estimated **42%** of nonprofits report annual revenues under **\$250,000**.
- Fewer than **10** organizations have revenues above **\$100 million**, yet these large institutions represent a significant share of total sector revenue.

Significant contributors to the sector's revenue

Sector Distribution

- **Health-related nonprofits** (including hospitals and health foundations) contribute approximately **\$2.2 billion**.
- **Educational organizations** (including private schools, colleges, and foundations) generate **\$1.1 billion**.
- **Human services and public/societal benefit organizations** produce around **\$900 million** combined.

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Nonprofits compete in a regional labor market where demand for **Development Directors, Fundraising Managers, and Grant Writers** exceeds supply, particularly for smaller organizations.
- Limited salary budgets and benefits packages restrict access to experienced professionals in these critical roles.

Lack the resources

to hire dedicated IT or data specialists.

Technological Gaps

- Many nonprofits lack funding for full-time IT staff or data analysts.
- Only a minority report confidence in **data analysis, donor segmentation, or CRM usage**, despite routine collection of donor and service recipient data.

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Retaining and upgrading donors is a significant challenge for nonprofits with small fundraising teams.
- Without modern CRM systems or automation, organizations often struggle to build **personalized donor journeys** that foster loyalty and increased giving

State, federal, and local grants dependencies

Funding Dependencies

A substantial portion of Little Rock's human service nonprofits rely on state, federal, and local grants, leaving them vulnerable to policy or budgetary shifts.

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Tight budgets restrict investments in **professional development, CRM tools, and strategic fundraising platforms.**
- Staff frequently wear multiple hats, which stretches capacity and limits strategic focus on growth and donor stewardship.

Affordable digital and operational solutions

Capacity Building Initiatives

Programs through the **Arkansas Nonprofit Alliance, Arkansas Community Foundation**, and partnerships with **TechSoup** help nonprofits access affordable digital and operational solutions

Regional Factors Influencing Nonprofit Operations

Diverse population

Demographic Considerations

Little Rock has a large African American community (~42% of city population) and growing Hispanic/Latino populations, influencing program design, outreach, and cultural responsiveness initiatives.

High housing and living costs

Economic Landscape

Arkansas' low median wages and high poverty rates create additional pressure on nonprofits to provide essential services while operating under tight budgets.

Recommendations

Shared staffing models

Collaborative Hiring

- Explore **shared staffing models**, particularly for grant writing, marketing, and data analysis roles.
- Consider **regional hiring collaboratives or shared service agreements** through nonprofit alliances to attract and retain top talent.

Use free or discounted tools

Leveraging Technology

- Access **Microsoft's Nonprofit Tech Acceleration Program**, **Google for Nonprofits**, and **TechSoup** for discounted software, cloud tools, and CRM systems.
- Automate donor outreach with platforms like **Bloomerang**, **Kindful**, or **Little Green Light** to improve donor retention and engagement.

CRM solutions, Stewardship strategies

Enhanced Donor Engagement

- Invest in CRM solutions to segment donors, personalize communications, and track retention and upgrade metrics.
- Prioritize stewardship strategies, including personalized thank-you calls, impact reports, and targeted upgrade asks to increase donor lifetime value.

Leadership development Upskill staff

Capacity Building

- Participate in trainings and workshops offered by the Arkansas Nonprofit Alliance, Arkansas Community Foundation, and local university-based nonprofit centers.
- Encourage board development and volunteer leadership training to enhance operational capacity without adding full-time staff.

Conclusion

Little Rock's nonprofit sector is vital to regional stability and social progress, but small and mid-sized organizations face consistent growth barriers due to hiring constraints, limited donor development capacity, and tight operating budgets. By leveraging **partnerships, scalable technology solutions, and outsourced services**, nonprofits can enhance sustainability and thrive in an increasingly competitive philanthropic landscape.

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 help with **major gifts, grant writing, or digital fundraising.**
- You're launching a 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

Engage specialists to build and manage a strong grant pipeline, increasing funding success.

Campaign Strategy

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

Donor Communications

Use freelancers to create effective **emails, appeals, and impact reports** that drive donor action.

Database Management (CRM) & Reporting

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

Digital Fundraising

Outsource **digital ad management, email automation, and peer-to-peer fundraising campaigns** to professionals with proven track records.

How to Vet Providers

1

Request samples of work, performance metrics, and references.

2

Ensure cultural alignment with your mission and donor base.

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

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

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

Arkansas Nonprofit Alliance Consultant Directory

Association of Fundraising Professionals – Arkansas Chapter

Cost Considerations

\$75–\$200

per hour

Consultants often charge \$75–\$200/hour depending on expertise.

\$3,000 –\$10,000

Project-based contracts

Project-based contracts for strategy or grant writing range from \$3,000–\$10,000.

**Fundraising support
for much less than a
part time employee**

Monthly retainers are often more affordable than hiring a part-time staff member internally.

Tip

Remember to budget for necessary software subscriptions to maximize outsourced deliverables.

Structure the Relationship for Success

- ✓ Define clear deliverables, timelines, and reporting expectations.

- ✓ Start with a short-term pilot project to assess fit and quality.

- ✓ Assign an internal liaison for effective communication.

- ✓ Hold regular performance reviews to ensure goals are met and strategies adjusted as needed.

For more information and a free assessment,

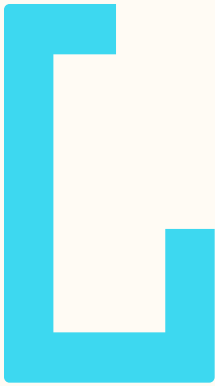


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