

Navigating Growth

Staffing and Donor Development Challenges in Colorado's Nonprofit Sector



Executive Summary

Colorado’s nonprofit sector is a vital contributor to community well-being and economic growth, encompassing approximately **23,000 organizations** employing over **200,000 individuals** and generating an estimated **\$40 billion** in annual revenue.

23,000	200,000	\$40 billion
Organizations	Individuals	Annual revenue

From Denver and Boulder to Colorado Springs and rural mountain regions, nonprofits address health, education, environment, arts, and human services. However, 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 Colorado’s nonprofit environment.

Overview of Colorado's Nonprofit Ecosystem

23,000

organizations

Scale and Scope

- **23,000** nonprofit organizations
- Supporting **200,000 jobs** (7% of state employment)
- Generating **\$40 billion** in annual revenue

15

organizations have revenues exceeding

\$100 million

Organizational Size

- **47%** report annual revenues under **\$250,000**
- Fewer than **15** organizations have revenues above **\$100 million**, yet these account for a significant share of sector revenue

Significant contributors to the sector's revenue

Sector Distribution

- Health-related nonprofits generate **\$17 billion**
- Educational organizations produce **\$10 billion**
- Human services, environment, and public/ societal benefit organizations generate **\$13 billion** combined

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- High cost of living in metro areas constrains hiring, particularly for Development Directors and Major Gifts Officers
- Rural nonprofits struggle to attract experienced staff due to geographic limitations

Lack of IT or data staff

Technological Gaps

- Many lack IT or data staff
- Limited CRM adoption restricts donor segmentation, personalization, and performance tracking

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Small teams struggle to retain and upgrade mid-level donors
- Heavy reliance on events creates revenue volatility

Government contracts and major funders dependencies

Funding Dependencies

- Many human service nonprofits depend on government grants, creating vulnerability to budgetary changes

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Tight budgets limit investments in professional development, CRM systems, and strategic fundraising tools
- Staff often juggle multiple roles, reducing strategic focus on donor growth and stewardship

Affordable training and tech solutions

Capacity Building Initiatives

- Colorado Nonprofit Association, local United Ways, and community foundations offer training and discounted tech programs, though adoption varies

Regional Factors Influencing Nonprofit Operations

Diverse population

Demographic Considerations

- Growing Hispanic/Latino population (22%) necessitates culturally competent outreach and programming

Extreme income disparity

Economic Landscape

- High housing costs in Denver-Boulder increase operational and staffing pressures

Recommendations

Shared staffing models

Collaborative Hiring

- Explore shared grant writer pools, outsourced development strategy, or marketing roles across organizations

Use free or discounted tools

Leveraging Technology

- Utilize TechSoup, Microsoft Tech for Social Impact, and Google for Nonprofits for affordable software
- Implement CRMs like Bloomerang, Neon One, or EveryAction to automate donor engagement

Stewardship strategies

Enhanced Donor Engagement

- Prioritize segmented communications, personalized stewardship calls, and targeted upgrade campaigns

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource



Major gifts, grant writing, campaign strategy, donor communications, and database management are ideal functions to outsource

Cost Considerations



Hourly rates range \$85–\$200



Projects typically cost \$3,500–\$10,000



Retainers often yield higher ROI compared to part-time hires

Structure the Relationship for Success



Define deliverables, start with a pilot project, assign an internal liaison, and conduct regular performance reviews



Conclusion

Colorado nonprofits are essential to **economic resilience and community stability, but staffing shortages, technology gaps, and donor development challenges limit growth**. Strategic outsourcing and tech adoption enable leaders to focus on mission and impact.

For full-service fundraising, marketing, and donor growth support

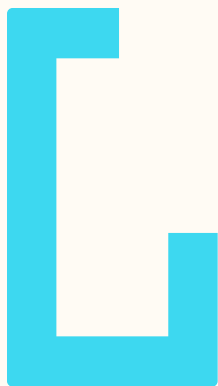


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