

Navigating Growth

Staffing and Donor Development Challenges in Pennsylvania's Nonprofit Sector



Executive Summary

Pennsylvania’s nonprofit sector is a cornerstone of economic and social stability, encompassing approximately **62,000 organizations** employing over **790,000 individuals** and generating an estimated **\$140 billion** in annual revenue.

62,000	790,000	\$140 billion
Organizations	Individuals	Annual revenue

Active in urban centers like Philadelphia and Pittsburgh and across diverse rural regions, nonprofits address health, education, housing, human services, and arts. 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 Pennsylvania’s nonprofit environment.

Overview of Pennsylvania's Nonprofit Ecosystem

62,000

organizations

Scale and Scope

- **62,000** nonprofit organizations
- Supporting **790,000** jobs (12% of state employment)
- Generating **\$140 billion** in annual revenue

40

organizations have revenues exceeding

\$100 million

Organizational Size

- **43%** report annual revenues under **\$250,000**
- **40** organizations have revenues above **\$100 million**, mostly hospitals and universities, representing the majority of sector revenue

Significant contributors to the sector's revenue

Sector Distribution

- Health-related nonprofits generate **\$75 billion**
- Educational organizations produce **\$35 billion**
- Human services and public/societal benefit organizations generate **\$30 billion** combined

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- High demand for Development Directors, Major Gifts Officers, and Data Analysts in major metro areas
- Smaller nonprofits struggle to match compensation expectations

Lack of IT or data staff

Technological Gaps

- Many organizations lack IT or data staff
- Limited CRM integration reduces segmentation, personalization, and reporting capabilities

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Retaining mid-level donors is a major challenge, especially in competitive urban philanthropic markets
- Heavy reliance on events creates revenue unpredictability

Government contracts and major funders dependencies

Funding Dependencies

- Human service nonprofits depend heavily on government grants, exposing them to budget risks

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Tight budgets limit investments in professional development, CRM systems, and marketing staff
- Staff often juggle multiple roles, reducing strategic donor focus

Affordable training and tech solutions

Capacity Building Initiatives

- Pennsylvania Association of Nonprofit Organizations, Philanthropy Network Greater Philadelphia, and community foundations offer training and tech discounts, though utilization varies

Regional Factors Influencing Nonprofit Operations

Diverse population

Demographic Considerations

- Growing Hispanic/Latino population (8%) and longstanding Black communities (12%) necessitate culturally competent outreach

Extreme income disparity

Economic Landscape

- Regional economic disparities influence fundraising capacity and service needs

Recommendations

Shared staffing models

Collaborative Hiring

- Explore shared staffing models for grant writing, campaign development, and data management

Use free or discounted tools

Leveraging Technology

- Access TechSoup, Microsoft Tech for Social Impact, and Google for Nonprofits for discounted software
- Implement CRMs like EveryAction, Bloomerang, or Neon One

Stewardship strategies

Enhanced Donor Engagement

- Develop segmented donor journeys with personalized stewardship strategies

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource



Major gifts strategy, grant writing, campaign development, donor communications, and CRM management are ideal outsourcing functions

Cost Considerations



Hourly rates range \$85–\$200



Projects \$3,500–\$10,000

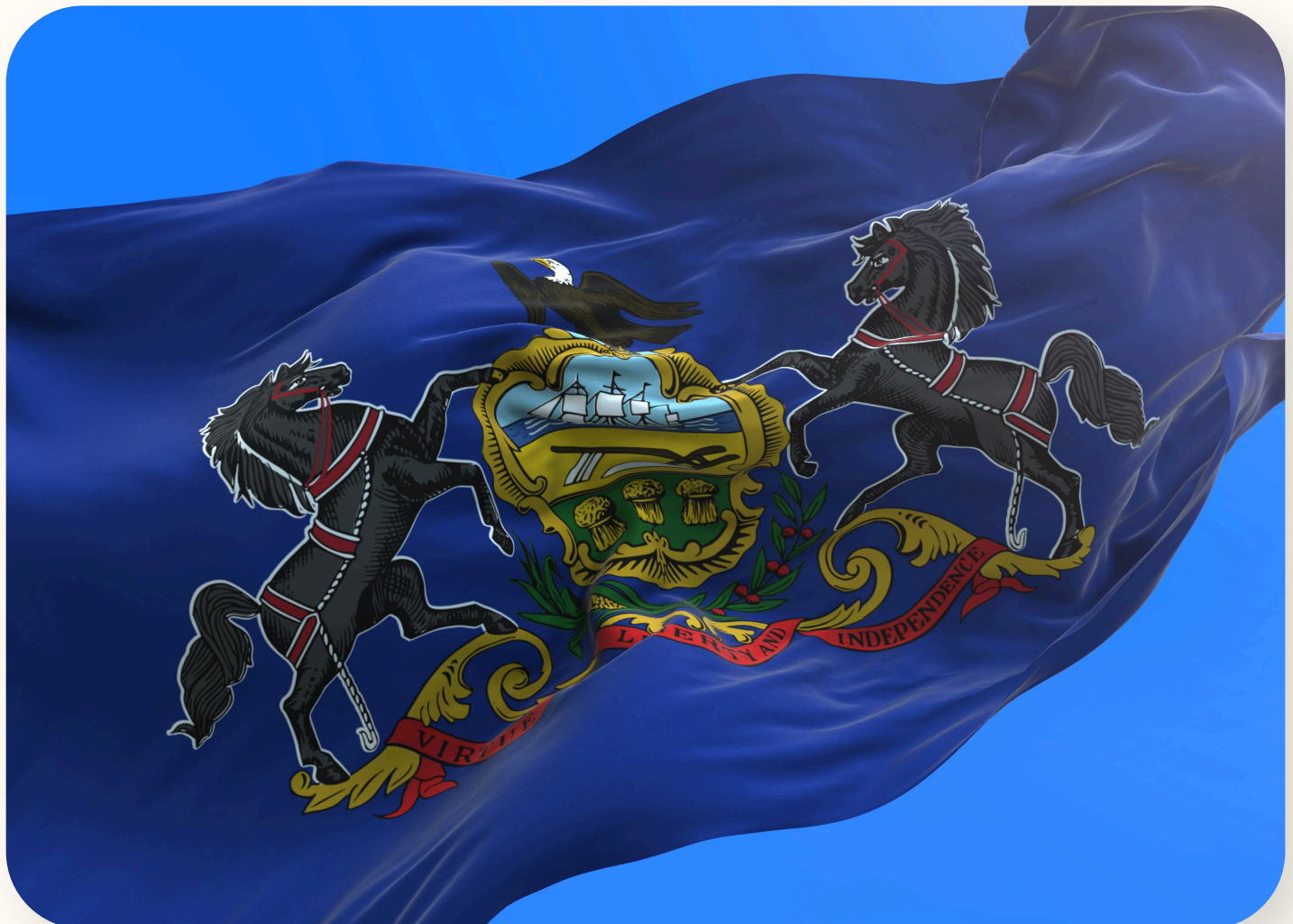


Monthly retainers often more cost-effective than hiring part-time internal staff

Structure the Relationship for Success



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



Conclusion

Pennsylvania nonprofits are vital to **statewide health, education, and economic stability, but staffing shortages, donor development challenges, and operational limitations hinder growth**. Strategic outsourcing and scalable tech adoption empower leaders to achieve greater impact efficiently.

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

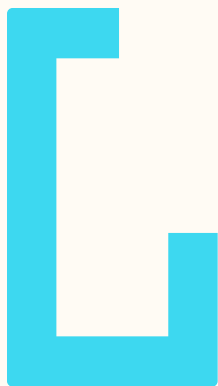


Visit
goharNESS.com

or



Schedule a
meeting [here](#)



 **Harness**

