Navigating Growth

Staffing and Donor Development Challenges in Missouri's Nonprofit Sector

⊞ Harness

Executive Summary

Missouri's nonprofit sector is a vital contributor to community well-being and economic development, encompassing approximately **32,000 organizations** employing over **350,000 individuals** and generating an estimated **$65 billion** in annual revenue.

32,000	**350,000**	**$65 billion**
Organizations	Individuals	Annual revenue

Active in urban centers like St. Louis and Kansas City as well as rural communities, nonprofits address health, education, human services, arts, and economic mobility. 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 Missouri's nonprofit environment.

Overview of Missouri's Nonprofit Ecosystem

32,000

organizations

Scale and Scope

- **32,000** nonprofit organizations
- Supporting **350,000** jobs (9% of state employment)
- Generating **$65 billion** in annual revenue

20

organizations have revenues exceeding

$100 million

Organizational Size

- **48%** report annual revenues under **$250,000**
- Fewer than **20** organizations have revenues above **$100 million**, yet these represent a major share of sector revenue

Significant contributors to the sector's revenue

Sector Distribution

- Health-related nonprofits generate **$28 billion**
- Educational organizations produce **$18 billion**
- Human services and public/societal benefit organizations generate **$19 billion** combined

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Competition for Development Directors, Major Gifts Officers, and Grant Writers is strong in St. Louis and Kansas City
- Smaller organizations struggle to match urban compensation expectations

Lack of IT or data staff

Technological Gaps

- Many lack dedicated IT or data staff
- Limited CRM integration restricts donor segmentation, personalization, and performance reporting

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Retaining and upgrading mid-level donors is a common challenge, particularly for organizations with small fundraising teams
- Heavy reliance on events creates revenue volatility

Government contracts and major funders dependencies

Funding Dependencies

- Human service nonprofits depend heavily on government grants, creating vulnerability to policy and budget shifts

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Tight budgets limit investments in CRM systems, strategic marketing, and staff development
- Staff frequently juggle multiple roles, reducing strategic donor acquisition and stewardship capacity

Affordable training and tech solutions

Capacity Building Initiatives

- The Missouri Nonprofit Association, local United Ways, and community foundations provide training and affordable tech programs, though adoption varies

Regional Factors Influencing Nonprofit Operations

Diverse population

Demographic Considerations

- Growing Hispanic/Latino populations (5%) and significant Black communities (12%) require culturally responsive outreach

Extreme income disparity

Economic Landscape

- Urban-rural disparities create varying fundraising environments and service demands across the state

Recommendations

Shared staffing models

Collaborative Hiring

- Explore shared staffing models for grant writing, campaign strategy, and data analytics

Use free or discounted tools

Leveraging Technology

- Utilize TechSoup, Microsoft Tech for Social Impact, and Google for Nonprofits for software savings
- Implement CRMs like Bloomerang, Neon One, or EveryAction for donor management and automation

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 CRM management are ideal outsourcing areas

Cost Considerations

✔ Hourly rates range $75–$175
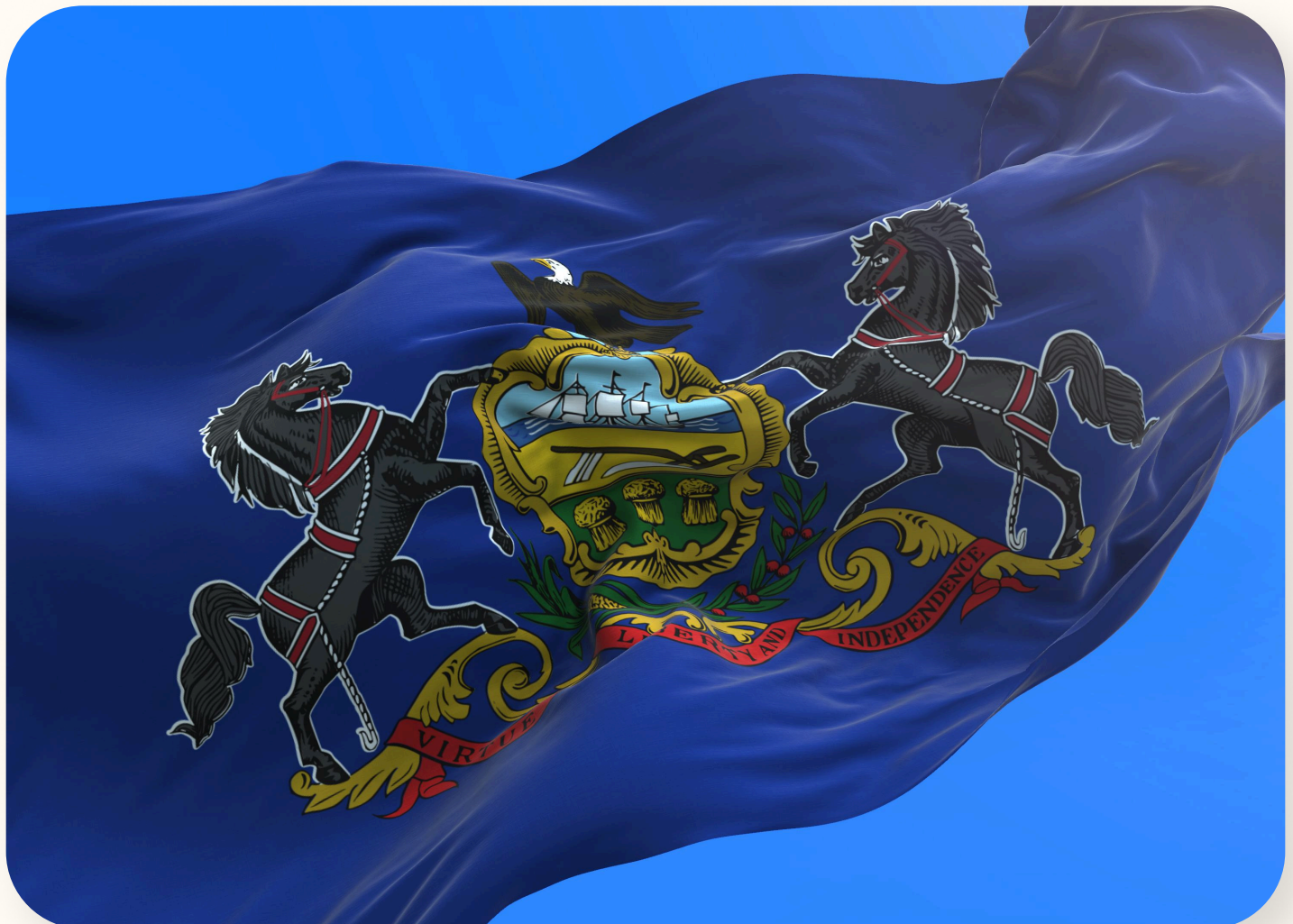
✔ Projects typically cost $3,000–$8,000

✔ Monthly retainers often yield higher ROI than part-time internal hires

Structure the Relationship for Success

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

Conclusion

Missouri nonprofits are essential to **community resilience and economic growth, but staffing constraints, donor development challenges,** and **operational limitations hinder growth**. Strategic outsourcing and tech adoption empower leaders to maximize mission impact.

For full-service fundraising, marketing, and donor growth support
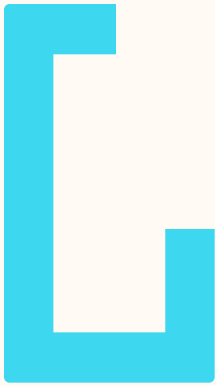
Visit goharness.com	**or** Schedule a meeting here

Harness