

Navigating Growth

Staffing and Donor Development Challenges
in New Hampshire's Nonprofit Sector



Executive Summary

New Hampshire’s nonprofit sector plays a critical role in delivering essential services, creating jobs, and driving regional development. The state is home to approximately **6,800 nonprofit** organizations, employing nearly **84,000 people** and generating an estimated **\$10.4 billion** in annual revenue.

6,800	84,000	\$10.4 billion
Organizations	Individuals	Annual revenue

From Manchester and Concord to the White Mountains and the Seacoast, nonprofits serve communities across healthcare, education, environment, the arts, and social services. Yet, many small to mid-sized nonprofits continue to face major hurdles—particularly in staffing, fundraising strategy, and technology integration. This report examines the core challenges specific to New Hampshire’s nonprofit landscape and offers strategies to address them.

Overview of New Hampshire's Nonprofit Ecosystem

6,800

organizations

Scale and Scope

- **6,800 nonprofit** organizations
- Supporting nearly **84,000 jobs** (12% of total state employment)
- Generating **\$10.4 billion** in annual revenue

3

organizations have
revenues over

\$100 million

Organizational Size

- Over 50% report annual revenues under \$250,000
- A small number of large institutions dominate the revenue landscape, especially in health and higher education

**Significant
contributors
to the sector's
revenue**

Sector Distribution

- Health-related nonprofits generate approx. **\$4.2 billion**
- Educational nonprofits generate around **\$2.3 billion**
- Human services, environmental, and public benefit organizations generate approx. **\$3.9 billion combined**

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Rising wages and a relatively high cost of living in areas like Portsmouth and Hanover limit hiring capacity
- Rural nonprofits in the North Country face even more acute staffing shortages due to geographic isolation
- Development Directors, Grant Writers, and Major Gifts Officers remain difficult to recruit and retain

Lack of IT or data staff

Technological Gaps

- Many organizations operate without dedicated IT or data management staff
- Low CRM adoption limits the ability to track, segment, and personalize donor communications

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Small development teams often lack the capacity for sustained donor stewardship
- Seasonal events and single-source fundraising cause unpredictable revenue streams

Government grants and major funders dependencies

Funding Dependencies

- Many nonprofits rely heavily on state and federal contracts, exposing them to budget fluctuations
- Rural providers especially vulnerable to changes in public grant availability

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Limited budgets restrict investment in fundraising staff, CRM platforms, and campaign support
- Staff are often pulled in multiple directions, limiting attention to strategic donor development

Affordable training and tech solutions

Capacity Building Initiatives

- Resources like the **New Hampshire Center for Nonprofits**, **NH Charitable Foundation**, and **regional grantmakers** offer technical assistance and leadership development
- Yet, adoption of tools and best practices remains uneven, especially among smaller nonprofits

Regional Factors Influencing Nonprofit Operations

Aging population

Demographic Considerations

- With a median age above the national average, New Hampshire nonprofits must tailor outreach to older donors and volunteers
- Engaging younger generations remains a key challenge

Low growth and housing crunch

Economic Landscape

- A slow-growing labor market and rising housing costs make it harder to attract nonprofit staff
- Northern and rural regions are disproportionately affected

Recommendations

Shared staffing models

Collaborative Hiring

Consider shared development staff, grant writing pools, or fractional marketing support through inter-agency partnerships

Use free or discounted tools

Leveraging Technology

- Access deeply discounted software via TechSoup, Google for Nonprofits, and Microsoft for Nonprofits
- Implement CRMs such as Bloomerang, Neon One, or EveryAction to streamline donor engagement and reporting

Stewardship strategies

Enhanced Donor Engagement

- Use segmented communications and personalized outreach to cultivate and retain donors
- Invest in targeted donor upgrade campaigns to increase annual giving

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource

Outsource key functions such as:



Major gifts strategy



Grant writing



Donor communications



Campaign planning



Database and CRM management

Cost Considerations



Hourly rates: **\$85–\$200**



Project fees: **\$3,500–\$10,000**



Retainers often deliver higher ROI than hiring part-time staff

Structure the Relationship for Success

- ✓ Define clear deliverables
- ✓ Begin with a pilot project
- ✓ Assign a point of contact internally
- ✓ Conduct regular reviews to ensure impact



Conclusion

New Hampshire's nonprofit sector is central to the state's health, culture, and economy. But organizations must overcome persistent staffing shortages, technology gaps, and donor retention hurdles to sustain their missions. By embracing outsourcing, modern donor engagement, and collaborative staffing models, nonprofits can adapt and grow in the face of continued change.

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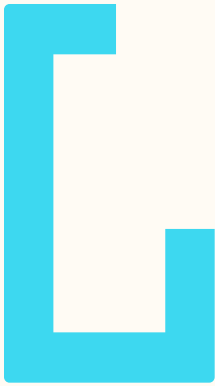


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