

Navigating Growth

Staffing and Donor Development Challenges
in Vermont's Nonprofit Sector



Executive Summary

Vermont’s nonprofit sector is a vital contributor to community well-being and economic growth, encompassing approximately **6,200 organizations** employing over **70,000 individuals** and generating an estimated **\$8.4 billion** in annual revenue.

6,200	70,000	\$8.4 billion
Organizations	Individuals	Annual revenue

From Burlington and Montpelier to rural Northeast Kingdom communities, 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 Vermont’s nonprofit environment.

Overview of Wisconsin's Nonprofit Ecosystem

6,200

organizations

Scale and Scope

- **6,200 nonprofit** organizations Supporting **70,000** jobs (11% of state employment)
Generating **\$8.4 billion** in annual revenue
- 3 organizations have revenues exceeding \$100 million

55%

organizations have
revenues unde

\$250,000

Organizational Size

55% report annual revenues under **\$250,000**
Fewer than 3 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 **\$3.2 billion**
- Educational organizations produce **\$2.1 billion**
- Human services, environment, and public/ societal benefit organizations generate **\$3.1 billion combined**

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Modest wage growth and high cost of living constrain hiring, particularly for Development Directors and Major Gifts Officers
- Rural nonprofits struggle to attract experienced staff due to geographic isolation and housing shortages

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 seasonal events creates revenue volatility

Government grants and major funders dependencies

Funding Dependencies

Many human service nonprofits depend on state grants, creating vulnerability to budgetary fluctuations

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

Common Good Vermont, the Vermont Community Foundation, and regional philanthropy hubs offer training and tech resources, though adoption varies

Regional Factors Influencing Nonprofit Operations

Aging population

Demographic Considerations

Vermont's median age is one of the highest in the U.S., requiring tailored donor engagement strategies and volunteer recruitment

Low growth and housing crunch

Economic Landscape

Outmigration of younger workers and limited housing stock increase staffing and operational pressures in both urban and rural areas

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

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

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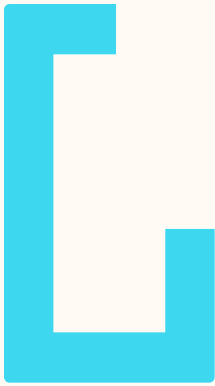


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