

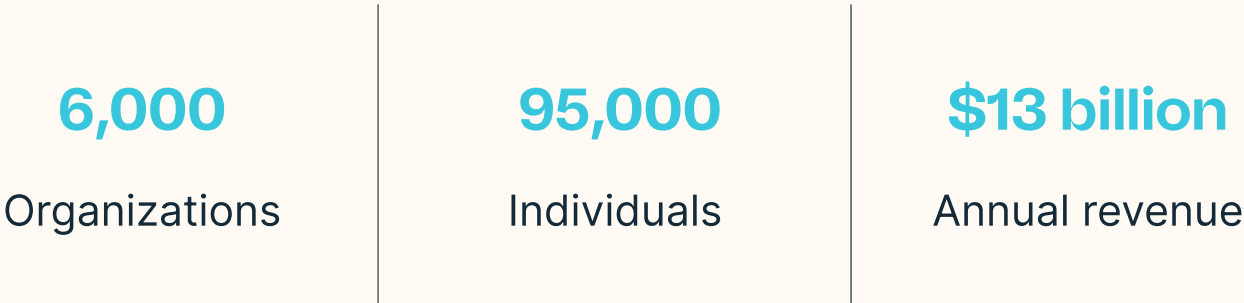
# Navigating Growth

Staffing and Donor Development Challenges  
in Maine's Nonprofit Sector



# Executive Summary

Maine’s nonprofit sector is a vital engine of community service and economic support, with approximately **6,000 nonprofit organizations**, employing more than **95,000 people**, and generating an estimated **\$13 billion in annual revenue**.



From Portland and Augusta to remote towns in Aroostook and Washington counties, Maine’s nonprofits serve in healthcare, education, environment, arts, and social services. However, small to mid-sized organizations face persistent difficulties hiring fundraising staff, implementing donor management systems, and maintaining long-term donor engagement. This report provides insight into the key challenges impacting Maine’s nonprofit ecosystem and practical strategies to help overcome them.

# Overview of Maine's Nonprofit Ecosystem

**6,000**

organizations

## Scale and Scope

- **6,000 nonprofit** organizations
- Supporting over **95,000 jobs** (approximately 16% of the state's total employment)
- Generating **\$13 billion** in annual revenue

**60%**

organizations have  
revenues under

**\$250,000**

## Organizational Size

- Nearly **60%** of Maine nonprofits operate on annual budgets under **\$250,000**
- A small number of hospitals and educational institutions drive a large share of total sector revenue

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

## Sector Distribution

- Health-focused nonprofits account for over **\$5.1 billion**
- Educational institutions generate approx. **\$2.8 billion**
- Human services, the arts, environmental, and public benefit organizations account for about **\$5.1 billion combined**

# Hiring and Staffing Challenges

## Competitive labor market

### Talent Acquisition

- Modest wages and a high cost of housing in southern Maine constrain hiring
- Remote nonprofits in Down East and northern regions struggle to attract qualified staff
- Development and donor relations roles are often difficult to fill and harder to retain

## Lack of IT or data staff

### Technological Gaps

- Many organizations still rely on spreadsheets and manual data management
- Limited adoption of CRM systems hampers donor tracking and targeted engagement
- A lack of dedicated data or tech staff slows digital fundraising advancement

# Donor Development Trends and Challenges

## Retention challenge

### Donor Engagement

- Organizations report difficulty converting one-time or event-based donors into repeat supporters
- Seasonal campaigns drive spikes in giving but don't translate to consistent revenue
- Limited follow-up capacity weakens long-term donor loyalty

## Government grants and major funders dependencies

### Funding Dependencies

- Many human services and rural nonprofits rely heavily on government contracts and state funding
- Budget delays and policy shifts increase financial instability and planning difficulty



# Budget Constraints and Operational Limitations

## Tight budgets

### Resource Allocation

- Budgets often do not allow for full-time development staff or CRM investment
- Staff frequently wear multiple hats, limiting time for fundraising strategy and stewardship

## Affordable training and tech solutions

### Capacity Building Initiatives

- Resources like the **Maine Association of Nonprofits**, **Maine Community Foundation**, and **AFP Northern New England Chapter** provide training and grant support
- However, many small organizations struggle to find time or staff to implement best practices consistently

# Regional Factors Influencing Nonprofit Operations

## Aging population

### Demographic Considerations

- Maine has the oldest median age in the U.S., requiring tailored donor and volunteer strategies
- Younger donor engagement and volunteer pipelines remain underdeveloped

## Rural dispersion and workforce shortages

### Economic Landscape

- Nonprofits in northern and rural areas face declining populations and labor shortages
- Housing shortages and lack of broadband access further limit growth potential

# Recommendations

## Shared staffing models

### Collaborative Hiring

- Consider shared development roles between rural nonprofits or across coalitions
- Establish shared back-office or grant writing support through regional networks

## Use free or discounted tools

### Leveraging Technology

- Access discounted tools through TechSoup, Microsoft Tech for Social Impact, and Google for Nonprofits
- Implement CRMs like **Bloomerang**, **Neon One**, or **EveryAction** to streamline donor engagement and tracking

## Stewardship strategies

### Enhanced Donor Engagement

- Develop personalized stewardship plans for major and recurring donors
- Launch donor upgrade campaigns with segmented messaging
- Improve retention with consistent check-ins, digital content, and thank-you outreach



# Strategic Recommendations

## Outsourcing Fundraising Services



# Know When to Outsource

Functions ideal for outsourcing include:

- ✓ Major gifts and donor strategy
- ✓ Campaign development
- ✓ Grant writing and reporting
- ✓ Digital communications
- ✓ CRM/database setup and management

## Cost Considerations

- ✓ Hourly rates: **\$85–\$200**
- ✓ Projects typically range **\$3,500–\$10,000**
- ✓ Retainers often provide greater consistency and better ROI than part-time hires

# Structure the Relationship for Success



Start with a trial or pilot



Assign a point of contact internally



Establish performance benchmarks and conduct regular check-ins



# Conclusion

Maine's nonprofits are indispensable to the state's communities—from its cities to its most rural regions. Yet, limitations in staffing, infrastructure, and donor strategy persist. By embracing outsourcing, strengthening technology adoption, and developing collaborative staffing models, Maine nonprofits can improve sustainability, deepen donor relationships, and maximize mission impact.

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

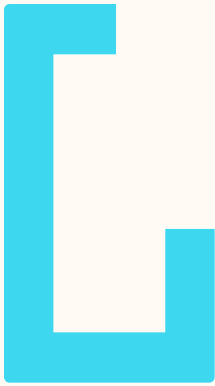


Visit  
[goharNESS.com](https://goharNESS.com)

or



Schedule a  
meeting [here](#)



 **Harness**

