

Navigating Growth

Staffing and Donor Development Challenges
in North Dakota's Nonprofit Sector



Executive Summary

North Dakota’s nonprofit sector serves as a cornerstone of community support and civic engagement, comprising approximately **5,000 organizations**, employing more than **42,000 individuals**, and generating over **\$4.5 billion** in annual revenue.

5,000	42,000	\$4.5 billion
Organizations	Individuals	Annual revenue

From Fargo and Bismarck to rural prairie towns, North Dakota nonprofits are essential in areas such as healthcare, education, agriculture, environment, and human services. Yet, many face growing pressure to recruit skilled fundraising staff, adopt modern donor tools, and build consistent giving programs. This report offers a focused look at the core staffing and donor development challenges shaping the nonprofit sector in North Dakota.

Overview of North Dakota's Nonprofit Ecosystem

5,000

organizations

Scale and Scope

- The nonprofit sector employs **42,000 individuals**, about 10% of the state's workforce
- Generates approximately **\$4.5 billion** in revenue annually
- A handful of large healthcare and education nonprofits report annual revenues exceeding **\$100 million**

65%

organizations have revenues under

\$250,000

Organizational Size

- Around **65%** of North Dakota nonprofits report annual revenues under **\$250,000**
- The largest institutions represent a disproportionate share of sector revenue

Significant contributors to the sector's revenue

Sector Distribution

- **Healthcare** dominates the revenue landscape, followed by **education, human services, and community benefit organizations**
- Many nonprofits operate in sparsely populated areas, increasing reliance on volunteers and state/federal funding

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Small labor pools in rural areas and high demand for skilled professionals make it difficult to hire experienced **Development Directors and fundraising staff**
- Rising wages and housing shortages in areas like Fargo also impact recruitment

Lack of IT or data staff

Technological Gaps

- Many nonprofits lack access to CRM tools, dedicated IT support, or staff with data management expertise
- Limited tech infrastructure hinders donor segmentation and long-term engagement efforts

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Small teams often lack the time and systems needed to **retain and upgrade donors**
- Reliance on seasonal or event-based fundraising results in unpredictable cash flow

Government contracts dependencies

Funding Dependencies

- Heavy reliance on **government contracts**, especially for human services and rural healthcare programs
- Budget delays or reductions can severely impact operations

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Many organizations face restrictions on administrative spending, making it hard to invest in **professional development, CRM systems, or consulting support**
- Staff often manage multiple roles, sacrificing focus on development strategy and donor stewardship

Affordable training and tech solutions

Capacity Building Initiatives

Organizations like NDANO (North Dakota Association of Nonprofit Organizations) and the North Dakota Community Foundation offer capacity-building workshops, but adoption and funding remain limited in smaller towns

Regional Factors Influencing Nonprofit Operations

Aging population

Demographic Considerations

- North Dakota has an aging population in many counties, requiring tailored strategies for volunteer recruitment and planned giving
- Younger residents often relocate out of state, making talent retention and succession planning difficult

Regional disparities in funding

Economic Landscape

- The state's economic reliance on agriculture and energy creates regional disparities in funding availability and donor bases
- Some regions lack broadband infrastructure, limiting access to modern fundraising platforms and virtual engagement tools

Recommendations

Shared staffing models

Collaborative Hiring

- Explore shared staffing arrangements for grant writers, CRM managers, or marketing roles
- Pool resources with nearby nonprofits to fund part-time development or stewardship professionals

Use free or discounted tools

Leveraging Technology

- Use affordable software through TechSoup, Google for Nonprofits, and Microsoft Tech for Social Impact
- CRMs like Bloomerang, EveryAction, and Neon One enable automation, segmentation, and donor tracking

Stewardship strategies

Enhanced Donor Engagement

- Segment donor communications by geography, age, and giving history
- Use personalized messaging, handwritten thank-yous, and recurring donation campaigns to deepen relationships

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource

Ideal functions to outsource include:

- ✓ Major donor strategy
- ✓ Grant writing
- ✓ Appeal campaigns
- ✓ CRM implementation

Cost Considerations

- ✓ Hourly rates: **\$85–\$200**
- ✓ Project fees: **\$3,500–\$10,000**
- ✓ Monthly retainers may provide higher ROI compared to internal part-time staff

Structure the Relationship for Success



Define deliverables clearly, begin with a pilot project, appoint a team liaison, and hold regular performance reviews to ensure success.

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

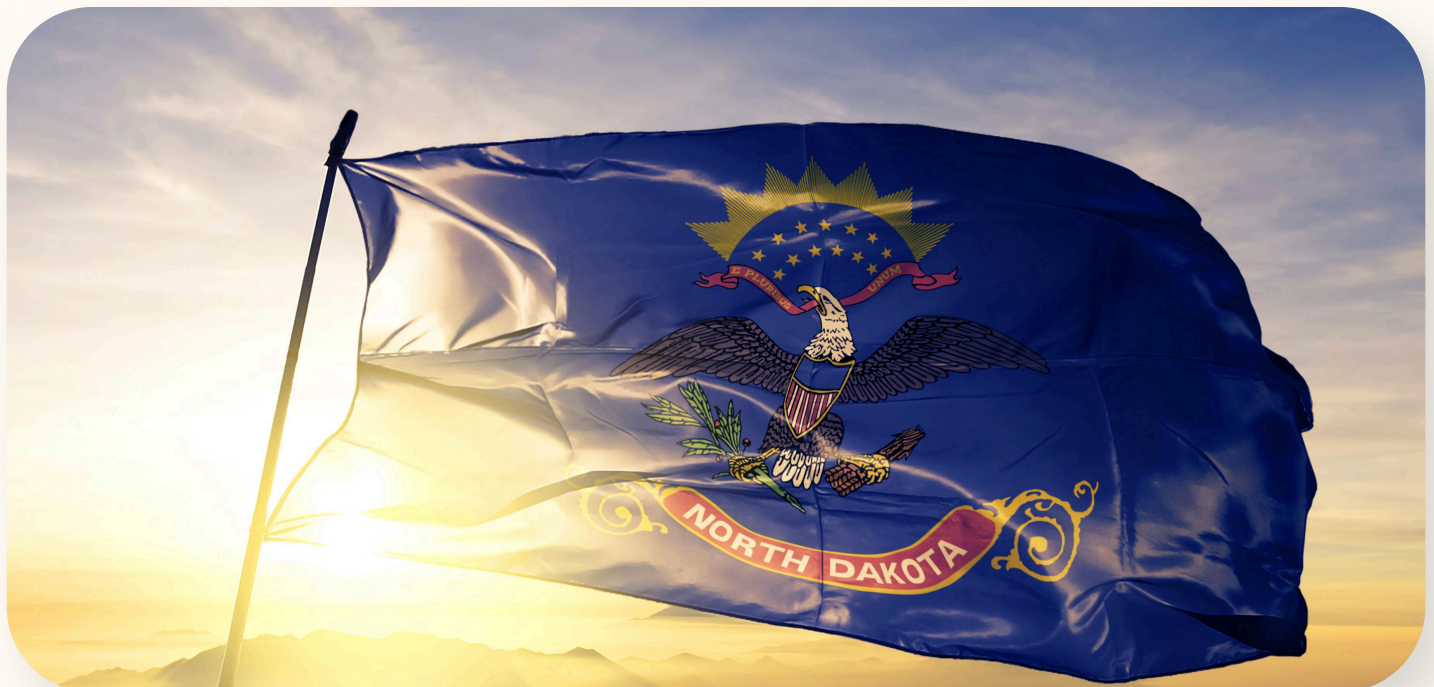


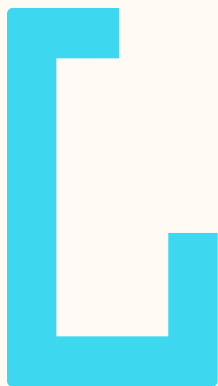
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