

Navigating Growth

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



Executive Summary

New Jersey's nonprofit sector is a foundational pillar of both its economy and community resilience, encompassing approximately **38,000 organizations**, employing nearly **340,000 individuals**, and generating over **\$50 billion** in annual revenue.



From Newark and Jersey City to smaller shore and rural communities, nonprofits across New Jersey work to improve healthcare, education, the environment, and human services. But many face mounting pressure as they struggle to hire skilled fundraising talent, manage donor relationships effectively, and integrate essential technologies. This report dives into the evolving landscape of nonprofit staffing and development in the Garden State.

Overview of New Jersey's Nonprofit Ecosystem

38,000

organizations

Scale and Scope

- Nonprofits support **340,000 jobs** (approx. 9% of New Jersey's workforce)
- Collectively generate over **\$50 billion** in revenue
- More than a dozen large organizations report revenues exceeding **\$100 million**

60%

organizations have
revenues under

\$250,000

Organizational Size

- **60%** of nonprofits report annual revenues under **\$250,000**
- The top 2% account for a large share of the sector's total revenue

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

Sector Distribution

- **Healthcare** nonprofits dominate with billions in revenue annually
- **Education, human services, and environmental** organizations also represent significant portions of the nonprofit landscape

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Rising wages, high cost of living, and limited flexible work options impact recruitment—particularly for roles like **Development Directors** and **Major Gift Officers**
- Urban areas compete with New York and Philadelphia talent markets, while rural and coastal areas struggle with housing shortages and commutes

Lack of IT or data staff

Technological Gaps

- Many organizations lack dedicated data or CRM staff
- Limited donor segmentation and personalization tools hinder fundraising efficiency

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Small development teams find it difficult to retain mid-level donors or convert event attendees into recurring supporters
- Heavy reliance on fundraising events creates significant seasonal income fluctuations

State and federal contracts dependencies

Funding Dependencies

- Many nonprofits in education and human services depend heavily on **state contracts** or **federal grants**
- Delays or cuts to public funding can trigger staffing or program reductions

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Limited overhead restricts investment in systems like CRMs, donor software, and staff training
- Employees wear multiple hats, leaving little time for proactive fundraising strategies

Affordable training and tech solutions

Capacity Building Initiatives

Resources exist through organizations like NJ Center for Nonprofits, Council of New Jersey Grantmakers, and regional funder collaboratives—but usage is uneven

Regional Factors Influencing Nonprofit Operations

Aging population

Demographic Considerations

With a growing population of retirees, donor engagement strategies need to address both aging donors and next-gen philanthropists

Regional disparities in funding

Economic Landscape

Affordability, urban sprawl, and outmigration of younger workers put pressure on nonprofit workforce pipelines—particularly in South Jersey and inland counties

Recommendations

Shared staffing models

Collaborative Hiring

Explore shared staffing models for roles like grant writing, digital marketing, and development strategy

Use free or discounted tools

Leveraging Technology

- Use platforms like TechSoup, Microsoft for Nonprofits, and Google Ad Grants
- Implement CRMs such as Bloomerang, Neon One, or EveryAction to streamline fundraising

Stewardship strategies

Enhanced Donor Engagement

- Develop segmented donor lists
- Prioritize personalized outreach, stewardship calls, and upgrade campaigns for long-term retention

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource

Ideal functions to outsource include:

- ✓ Major gifts
- ✓ Campaign strategy
- ✓ Donor communications
- ✓ CRM implementation

Cost Considerations

- ✓ Hourly rates: **\$85–\$200**
- ✓ Project fees: **\$3,500–\$10,000**
- ✓ Retainer models often outperform part-time hires in ROI and consistency

Structure the Relationship for Success



Define outcomes clearly, start with a pilot engagement, assign internal liaisons, and maintain regular check-ins and performance reviews.

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

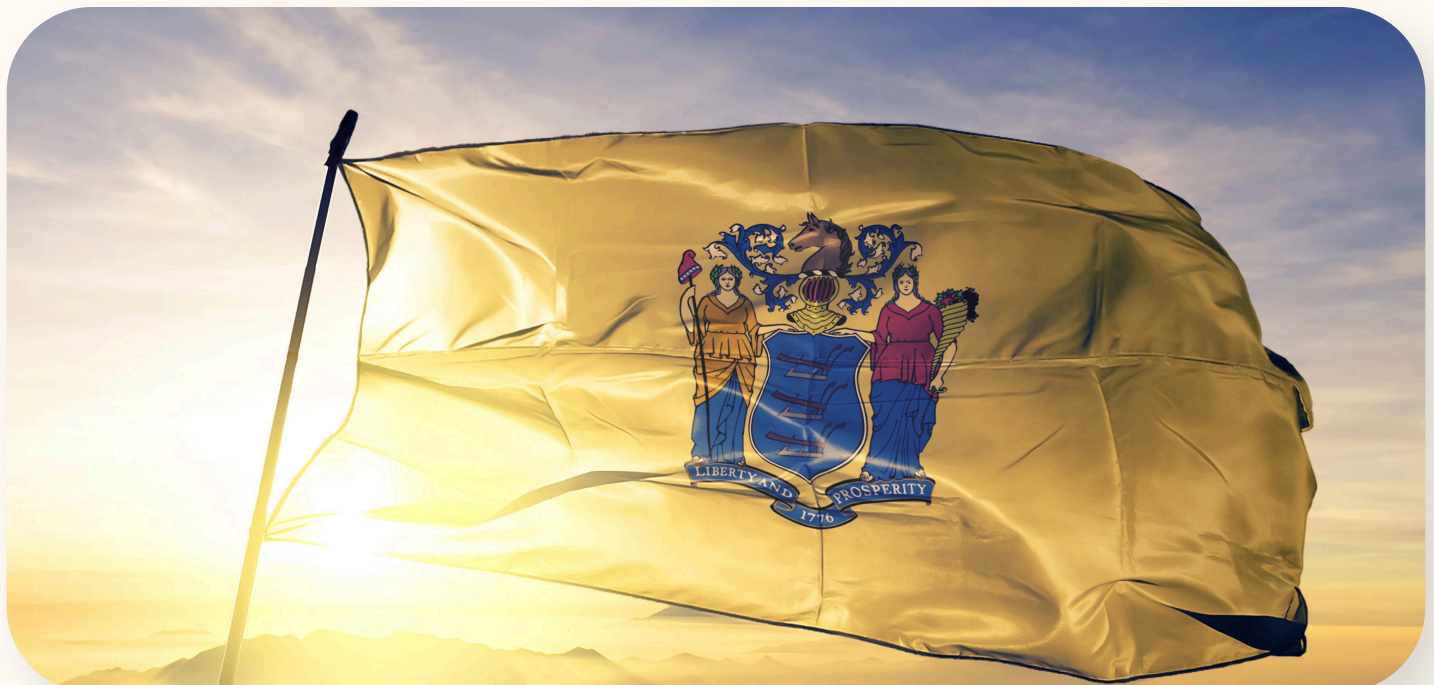


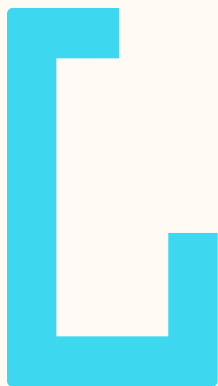
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