

Navigating Growth

Staffing and Donor Development Challenges
in Pittsburgh's Nonprofit Sector



Executive Summary

Pittsburgh's nonprofit sector is a cornerstone of Western Pennsylvania's economy and community development. With more than 5,500 registered nonprofit organizations, employing over 55,000 people, and generating \$6.1 billion in annual revenue, nonprofits play a vital role in healthcare, education, workforce development, arts, and social services.

5,500+

Organizations

55,000

Individuals

\$6.1 billion

Annual revenue

The city benefits from strong philanthropic foundations and anchor institutions, but nonprofits still face challenges: recruiting fundraising staff in a competitive labor market, adapting to changing donor expectations, and sustaining growth with tight operating budgets. This report highlights the staffing and donor development issues shaping Pittsburgh's nonprofit landscape.

Overview of Pittsburgh's Nonprofit Ecosystem

5,500+

organizations

Scale and Scope

- Nonprofits employ more than 55,000 individuals.
- Combined revenue exceeds \$6.1 billion annually.
- Large anchor institutions—including hospitals, universities, and human service providers—dominate revenue and staffing.

66%

organizations have
revenues under

\$250,000

Organizational Size

- About 66% of nonprofits operate with budgets under \$250,000.
- Many smaller organizations remain volunteer-driven, while large healthcare and education nonprofits capture most sector funding.

Significant contributors to the sector's revenue

Sector Distribution

- Healthcare and higher education dominate the revenue landscape, reflecting the presence of UPMC and major universities.
- Human services, housing, and workforce development nonprofits are growing in importance.
- Arts and cultural organizations play a central role in Pittsburgh's identity but face inconsistent funding.

Hiring and Staffing Challenges

Competitive labor market

Talent Acquisition

- Recruiting Development Directors and skilled fundraising staff is difficult due to competition with Pittsburgh's healthcare and education employers.
- Rising costs of living in revitalized neighborhoods add to recruitment challenges.

Lack of IT or data staff

Technological Gaps

- Larger nonprofits use CRMs and advanced analytics, but smaller organizations lag behind.
- Limited staff expertise in digital fundraising hampers donor segmentation and retention.

Donor Development Trends and Challenges

Retention challenge

Donor Engagement

- Donor retention is a persistent issue, as many nonprofits rely heavily on galas, events, and seasonal campaigns.
- Younger donors are more impact-driven and expect digital-first, transparent engagement.
- While Pittsburgh has a strong philanthropic culture, donor dollars are spread thin across thousands of organizations.

Government grants and major funders dependencies

Funding Dependencies

- Many nonprofits depend heavily on government grants, particularly for healthcare and social service programs.
- Major philanthropic foundations—such as the Heinz Endowments, Richard King Mellon Foundation, and Hillman Foundation—play a critical role, but competition for grants is high.

Budget Constraints and Operational Limitations

Tight budgets

Resource Allocation

- Tight budgets restrict investments in CRMs, donor acquisition programs, and professional staff development.
- Staff often wear multiple hats, reducing focus on donor growth and stewardship.

Affordable training and tech solutions

Capacity Building Initiatives

- Organizations such as the Forbes Funds and Grantmakers of Western PA provide training, collaboration, and leadership development.
- Participation remains limited for smaller nonprofits with constrained staff and resources.

Regional Factors Influencing Nonprofit Operations

Aging population

Demographic Considerations

- Pittsburgh's aging population increases demand for healthcare, senior services, and planned giving programs.
- The city is also attracting younger professionals, creating opportunities for digital-first donor strategies.

Low growth and housing crunch

Economic Landscape

- Pittsburgh's transition from manufacturing to a healthcare, education, and tech-driven economy influences donor bases and funding sources.
- Economic disparities between neighborhoods create uneven donor engagement and service demands.

Recommendations

Shared staffing models

Collaborative Hiring

- Develop shared staffing models for grant writers, stewardship managers, and CRM administrators.
- Pool resources among smaller nonprofits to increase hiring competitiveness.

Use free or discounted tools

Leveraging Technology

- Access discounted tools through TechSoup, Google for Nonprofits, and Microsoft Tech for Social Impact.
- Adopt CRMs such as EveryAction, Bloomerang, or Neon One to improve retention and donor engagement.

Stewardship strategies

Enhanced Donor Engagement

- Segment donor communications by age, geography, and giving history.
- Build recurring giving programs to stabilize cash flow.
- Use storytelling, peer-to-peer campaigns, and digital dashboards to engage younger and impact-driven donors.

Strategic Recommendations

Outsourcing Fundraising Services



Know When to Outsource



Grant writing, major donor cultivation and planned giving, appeal campaigns and donor stewardship programs, CRM implementation and training.

Cost Considerations



Hourly rates typically range from **\$85–\$200**



Project fees range from **\$3,500–\$10,000**

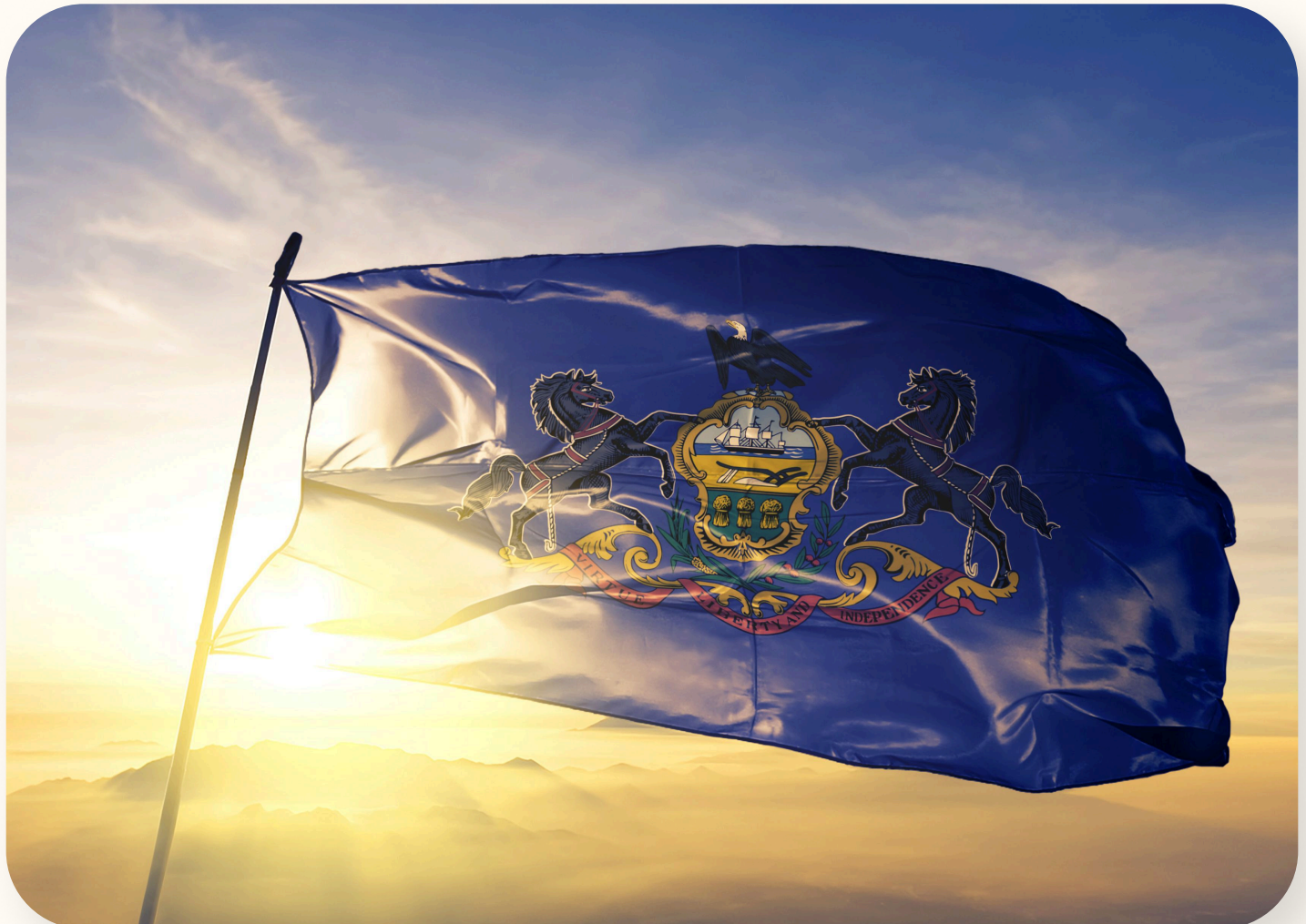


Retainer agreements often deliver higher ROI than internal part-time hires.

Best Practices for Outsourcing



Define clear deliverables and performance goals, start with a pilot engagement, assign a staff liaison and conduct regular reviews.



Conclusion

Pittsburgh's 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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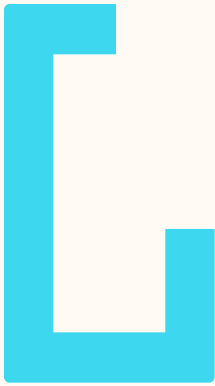


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