



# How to Staff Your Nonprofit for Success

A paradigm shift in a volunteer-driven industry



# Nonprofit leaders, the struggle to staff your organization effectively and affordably is real – and it's not your fault.

For decades the message was “don’t spend at all” on operations and staff. The result was staffing models for nonprofits (volunteers only, volunteers + consultant, and volunteers + FTEs) that do not provide all the skills and expertise nonprofits need to effectively serve their constituents, achieve sustainability, and grow.

In this white paper, I share why inadequate staffing is among the top reasons U.S. nonprofits fail in such alarming numbers (nearly 30% fail to exist after 10 years).<sup>1</sup> Then I’ll explain exactly how the traditional staffing models fall short, and how an innovative paradigm for staffing can quickly help your nonprofit gain traction and momentum.

— Vicki Burkhart, CEO & Founder of The More Than Giving Co.

## We've been starving nonprofits.

For many years, the charity watchdogs contributed to the myth that nonprofits should be spending 0% of their funding on professional staffing and operations. Nonprofit sector observers and researchers ultimately coined a name for this counterproductive level of frugality: the Nonprofit Starvation Cycle.<sup>2,3</sup> In a nutshell, when an organization's infrastructure is not funded or "fed" to the degree necessary for it to thrive, it cannot accomplish the work it was founded to do, and it chronically underperforms. The nonprofit itself is actually starving.

Even though the watchdogs have now changed their formula to allow for reasonable investments in staffing, most nonprofits have continued their practice of underspending. They consider it a "badge of honor" to spend 100% of funds raised directly on the mission, even if this results in regularly struggling to accomplish routine operational tasks and ultimately failing to grow their organization.

Yet, the issue of underspending would be easier to address if reluctance to spend was the only issue. Most U.S. nonprofits do, in fact, have small budgets. According to data reported by the National Council of Nonprofits, "97% have budgets of less than \$5 million annually, 92% operate with less than \$1 million a year, and 88% spend less than \$500,000 annually for their work." As many as 20% have operating budgets of \$100,000 or less.<sup>4</sup>

The challenge is that to be truly effective for these organizations, a staffing model must not only be affordable; it must also be extremely resource efficient. It must enable reliable operational execution and allow the nonprofit to tap into essential skillsets and expertise at the right time. Otherwise, the nonprofit will be unable to develop and implement a strategic plan, establish and adhere to sound accounting practices, fundraise effectively and reliably deliver services to constituents.

The takeaway here is that for all nonprofits, but particularly the 92% with smaller revenue streams, it's **essential to spend on staffing but spend effectively**. Unfortunately, as we'll examine next, the three traditional models for staffing nonprofits make it nearly impossible to affordably secure the right skillsets and expertise at the right time.



# The Status Quo: Traditional Nonprofit Staffing Models



Traditional nonprofit staffing models typically rely on volunteers alone or on volunteers supplemented by some combination of FTEs or consultants. Unfortunately for nonprofits on tight budgets, these solutions often prove ineffective. Not only do these models leave many nonprofits struggling to secure the full spectrum of skilled support they need to advance, but these organizations also have difficulty operating effectively day to day.

Let's explore the three most common models of staffing nonprofits and their respective strengths and weaknesses.



## Why a volunteers-only model doesn't work.

Volunteers are indispensable to our nonprofits. However, they often have too little discretionary time to do the heavy lifting required to run an organization and often lack the experience needed to navigate the complex challenges confronting nonprofits today.

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Mission-driven



Deep Nonprofit Expertise



Reliable Operational Execution



“The goal should never be to push volunteers into the roles of paid staff simply to save money.”

**W**hile a small nonprofit is neither a business nor a start-up, it needs to function like both to succeed. That means the skillset of your team must include experience with budgeting, accounting, and fundraising. Your team must also be able to apply nonprofit best practices in order to create key organizational functions in a way that will be scalable as your nonprofit grows.

When nonprofits refuse to spend any money on staffing, volunteers are often placed in roles that they do not have the skills or expertise to fulfill, from board management and crafting a strategic plan, to bookkeeping, writing content, and supporting fundraising.

Even in the case where a volunteer may have the needed skillset, they often do not have the time or flexibility to perform tasks on a routine/regular basis. They do the work “when they have time,” which is understandable. Day jobs and family responsibilities take priority, and should, but this often leaves the nonprofit without support.

Exacerbating this last factor is the pandemic. Gallup polls have found that from 2017-2021 volunteered time decreased by 8% for households earning \$100,000+/year, and by 12% for households making \$40,000-\$99,999/year.<sup>5</sup>

The goal should never be to push volunteers into the roles of paid staff simply to save money. Your volunteers will make the greatest contributions – and be the most engaged and satisfied – in defined roles that fit their skillset and schedule, while allowing them to make a real difference to the nonprofit.





## Just engaging a consultant may not work either.

Consultants can provide the strategy and the plan, but without the support needed for implementation, the nonprofit is likely to end up in the same place it started.

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“I have become keenly aware that delivering recommendations and a plan are just the first steps... the larger challenge, and what leads to ultimate success, is the implementation of the plan.”

**C**onsultants can assist a nonprofit’s leadership in valuable ways, such as crafting a strategic plan, recruiting the right board members, facilitating capacity and succession planning, and more. However, plans often get shelved or delivered sporadically due to time and staff constraints, which makes them ineffective and a poor investment of resources.

In my own consulting experiences, I have become keenly aware that delivering recommendations and a plan are just the first steps toward helping the nonprofit advance. The larger challenge, and what leads to ultimate success, is the implementation and ongoing maintenance of the plan and recommendations.

To implement a fundraising strategy, you must have someone to prepare the outreach, make the calls, and do regular follow-up. A technology upgrade can only be a change for the better if someone has the time and skillsets to manage an organized rollout, communicate the changes effectively, and bring along users with varying levels of technical aptitude.

The goal of hiring a consultant is to leverage their expertise, and they will be the most valuable to your organization when you have a team in a position to execute on the plan or the recommendations they develop. I therefore rate the affordability of this staffing model as “TBD,” because the consultant’s value is only realized when their recommendations are implemented.





## Why one person can't do it all.

Nonprofits that are progressive enough to recognize their need for reliable staffing and reasonable operating expenses face a different challenge. No single employee, who is all most can afford, can fill all the strategic and operational gaps.

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“I can tell you, firsthand, as an executive director with no additional staffing, I spent most of my time on daily operational details at a cost to the strategic direction of the nonprofits I served.”

**M**ost small nonprofits will dedicate their budget dollars toward one strong hire. This person, typically an executive director, is often left overburdened with day-to-day operational tasks and unrealistic expectations from the volunteer board. They will struggle to focus on the big picture and quickly burn out.

Strictly administrative hires may conquer the daily tasks to keep the organization running smoothly, but lack the broader knowledge needed to direct volunteers, develop operational processes, or manage the directives of the board.

If the goal is to hire staff, you need to have the right combination of high-level management along with the day-to-day operational support. I can tell you, firsthand, as an executive director with no additional staffing, I spent most of my time on daily operational details at a cost to the strategic direction of the nonprofits I served. It was the addition of administrative support that really allowed me to focus on the bigger picture and high-level tasks.

And it was obvious that while I had experience and expertise in many areas, I was not an expert at everything. In my case, I needed support in areas like marketing and IT to effectively advance the organization.

# We need our nonprofits — and we risk losing them.

After a few years, many nonprofits that launched with deep belief and a bold vision find themselves just limping along. They may find themselves thinking things like, “All nonprofits struggle.” or, “We should be okay for the next six months and hopefully, by then, things will work out for the next six.”

The reality is that, while their current staffing model may offer the comfort of familiarity, it is making them vulnerable. Their revenue stream may dry up because no one on their team has the expertise or foresight to diversify it; significant institutional knowledge may walk out the door with one or two pivotal volunteers because it isn't recorded anywhere; a big donor may be lost because there is no manpower for donor acknowledgement and outreach; critical insurance coverage may lapse because paperwork isn't submitted in a timely manner.

Now imagine: What difference would it make for our environment, our children, and our most vulnerable citizens if, instead of failing, these at-risk nonprofits could grow and sustain their wonderful, visionary work over decades?

What if volunteer-driven nonprofits like yours could access just the right amount of expert strategic or administrative help at the precise time you need it to help you reach the next milestone?

The good news is that this support is not only possible – it's available to nonprofits right now.



# The solution is expert fractional staff.

Instead of hiring a limited number of full- or part-time staff members, in the new staffing paradigm nonprofits engage a curated team of experienced professionals who bring the right combination of expertise and skillsets to bear when, where, and how they are needed.

As remote work has become mainstream, fractional staffing has emerged as an innovative solution for people with sought-after skills to share their time and services among various organizations. It enables small to medium-sized organizations to access highly skilled professionals at a fraction of the cost of hiring full-time employees. It's a model frequently seen in the high-tech sector, but it can offer the same benefits to your nonprofit.



## How it works

In smaller organizations with limited salaried staff, a fractional team is engaged to assist in specific areas needing improvement. For example, a nonprofit engages a fundraising specialist and project manager to enhance their fundraising program. Once the program is up and running, they can disengage the specialist but keep the project manager on, or perhaps add administrative support to ensure the program continues to run smoothly.

In other cases, a very overwhelmed executive director finds relief and greater success with the assistance of a trained nonprofit virtual assistant. By offloading day-to-day administrative tasks, the executive can focus on high-priority projects.

In yet another scenario, a volunteer-only nonprofit needs a full team of professionals, from executive leadership through administrative support, to operate their organization under the guidance of the board.

## Why it works

This model is different in several notable ways.

- ⊕ It expands the bench of nonprofit expertise available to fledgling nonprofits.
- ⊕ It provides a great deal of flexibility, allowing your nonprofit to secure the right support for the right moment – and to modify the team according to the needs of your organization as it grows.
- ⊕ It allows your nonprofit to leverage the power of remote work to your advantage, broadening the opportunity to secure talent no matter where they are located and without the overhead of traditional employees.
- ⊕ Consultants and administrative professionals can partner together seamlessly.
- ⊕ Consultants/strategists who also offer hands-on execution can help to ensure thoughtful strategies are put into practice.

## How it delivers results

Let's consider a health-related nonprofit that had previously experienced limited growth. The organization consisted of a single staff member (executive) with no support staff. Volunteers were handling most functions. Unfortunately, the volunteers were well-intentioned, but unreliable. Those who did step up with some level of expertise, quickly became overwhelmed.

Initially, contract nonprofit consultants were engaged to assist the executive and board in developing a strategic plan. The plan outlined several priorities geared toward moving the group to a level of sustainability. However, only a short time after the strategic plan was complete, the organization lost their only staff member.

The nonprofit subsequently secured a contracted remote team of nonprofit professionals to supplement their volunteers. For a cost less than the salary and benefits of their single employee, their fractional team encompassed all the skills this organization needed in marketing and communications, budget and finance, board development, program development, and fundraising.

In just a year, the organization revised its website, created an email outreach campaign, added six new board members, launched a webinar series, created several new fundraising programs, organized all working documents on a Google drive, and created its first online newsletter.

The takeaway here is that if you want your nonprofit to be sustainable and grow, now is the time to make the change.

|                                | Volunteers-only | Volunteers + Consultants | Volunteers + 1 FT Hire | Fractional Staff |
|--------------------------------|-----------------|--------------------------|------------------------|------------------|
| Affordable                     | ✓               | ?                        | ✓                      | ✓                |
| Mission-driven                 | ✓               | ✓                        | ✓                      | ✓                |
| Deep Nonprofit Expertise       | ✗               | ✓                        | ✗                      | ✓                |
| Reliable Operational Execution | ✗               | ✗                        | ✗                      | ✓                |



## Make the change now.

The More Than Giving Company has been delivering this contracted, fractional staffing paradigm to forward-thinking nonprofits. You, too, can benefit from this new solution.

With 35+ years of experience in the nonprofit world, we know you need a balance of expert strategic guidance, reliable program management, and proactive administrative support to thrive. We design teams with a balance of skills and expertise you need now with the ability to adapt to what your organization will need as it evolves.

We enable you to leverage the power of remote work to your advantage, securing talent on a flexible basis without the overhead of traditional employees. We do the work to identify top performers and put them through our proprietary nonprofit training. Those who excel are certified so you can trust they know nonprofits.

It takes More Than Giving to help volunteer-driven nonprofits succeed. When your volunteer leadership is provided with flexible, affordable, and skilled support, they can successfully execute all aspects of a growing organization. I think you'll be surprised by how quickly you can move past the challenges that have held you back and put your organization on the path to sustainability and impact, because making real impact **is all about the people.**





## About The More Than Giving Co.

Our fractional teams can include high-level project managers and seasoned consultants. This deep bench of experts put decades of nonprofit leadership experience at your service. Their diverse nonprofit backgrounds include education and the arts, health-related and disease-specific organizations, vulnerable populations, and history and preservation.

Only our administrative professionals, known as Nonprofit Virtual Assistants (NPVAs), are Nonprofit Certified™, completing a proprietary nonprofit certification curriculum. NPVAs understand the underpinnings of nonprofit organizations and best practices across the sector. They can hit the ground running and provide proactive suggestions to improve systems and processes.

I invite you to [schedule a complimentary 30-minute consultation](#) with me today. Together, we can identify the precise skillsets you need now and put together a team, from ten hours a month of NPVA support to a fractional team that includes a consultant, project manager, NPVA, and more.

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