

Data for Action

New Jersey's Nonprofit Sector

Spotlight Brief No. 1 | September 2025

Nonprofits are a vital part of life in New Jersey, touching every community through food banks, health clinics, arts organizations, and youth programs. The state's more than 41,000 nonprofits employ about 340,000 people—roughly one in ten private-sector workers—spend over \$56 billion annually and rely on millions of volunteer hours. However, rising demand, workforce shortages, and limited funding continue to strain many organizations, particularly those led by and serving communities of color (Center for Nonprofits, 2025; Building Movement Project, 2022, 2024). Still, nonprofits are adapting by diversifying revenue, strengthening reserves, and improving compensation to attract and retain staff. Their ongoing efforts toward equity and innovation remain central to the resilience and well-being of New Jersey's communities.

- **Nonprofits are central to New Jersey's economy**, employing roughly 10% of private-sector workers and generating \$56+ billion annually.
- **Service demand continues to outpace funding**, with 77% of organizations seeing rising need in 2024 but only 52% reporting more resources.

- **Workforce shortages remain widespread**, as 84% of nonprofits report persistent vacancies, particularly in direct service, fundraising, and operations roles.
- **Nonprofits are adapting through innovation**, from diversifying revenue and benchmarking pay to shortening hiring cycles and strengthening reserves.
- **Building equity and resilience is a growing priority**, especially for organizations led by and serving communities of color, which continue to face systemic funding inequities.

NEW JERSEY'S NONPROFIT SECTOR AT A GLANCE

New Jersey's Nonprofit Sector at a Glance



41,000+ nonprofits



340,000 employees
(~10% of private-sector jobs)



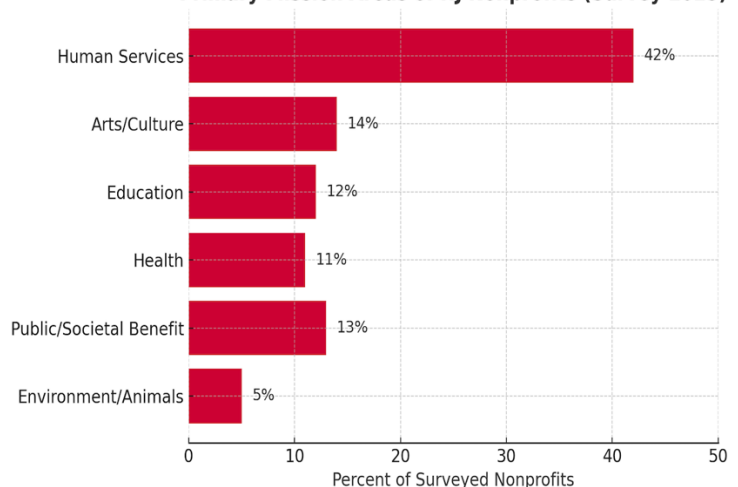
\$56B+ spent annually



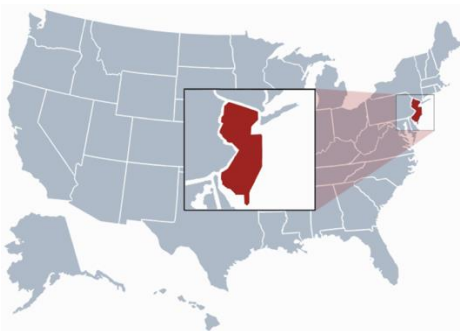
1.4–1.9M volunteers
106M hours of service

Source: NJ Center for Nonprofits

Primary Mission Areas of NJ Nonprofits (Survey 2025)



Source: NJ Center for Nonprofits, 2025 Annual Survey

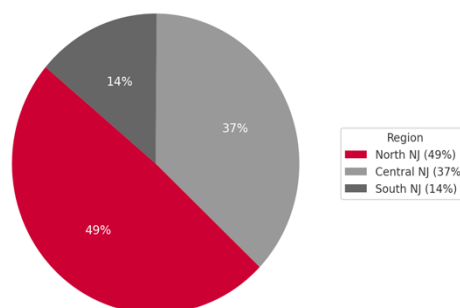


New Jersey's nonprofits serve communities in diverse ways, and the latest survey data help show just how varied the sector is. Human services organizations make up the largest group of nonprofits, accounting for 42% of respondents to NJ Center for Nonprofits Annual Survey (2025). Arts and culture groups follow at 14%, with education (12%), health (11%), and public or societal benefit organizations (13%) also playing important roles. A smaller but meaningful share of organizations in the state focus on the environment and animals (5%). Taken together, these numbers highlight the wide range of missions that nonprofits take on to improve the quality of life across the state, underscoring nonprofits' essential role in every community.

Where nonprofits are located, and the resources they have, also shape their impact. Nearly half of the organizations surveyed in NJ Center for Nonprofits 2025 Annual Survey are based in northern New Jersey (49%), with 37% in central and 14% in southern parts of the state. Budgets range from very small—less than \$50,000 a year (14%)—to very large, with about 6% managing more than \$20 million annually.

Many of New Jersey's nonprofits fall somewhere in between these numbers, with almost one-third reporting budgets between \$500,000 and \$4.99 million. This mix of size and geography shows how nonprofits across the state operate at different levels of operational capacity, but all contribute to meeting community needs in meaningful ways. Nonprofits in urban centers often face the highest demand for services but also the steepest competition for funding and staff. Meanwhile, smaller and rural organizations play an equally vital role in addressing local needs, often with far fewer financial and human resources.

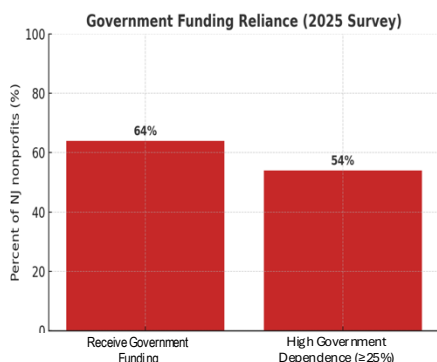
Where NJ Nonprofits are Based (by Primary Office, 2025)



Source: NJ Center for Nonprofits, 2025 Annual Survey

Government funding reliance.

Nearly two-thirds (64%) of New Jersey nonprofits receive federal funding, either directly or through the state. For more than half of these nonprofit organizations (54%), government dollars make up at least a quarter of their budgets.



Source: NJ Center for Nonprofits, 2025 Annual Survey

State of charitable giving (U.S.).

Charitable giving broadly in the U.S. reached \$592.5 billion in 2024—an increase of 6.3% before inflation (3.3% after adjusting for inflation), according to Giving USA 2025, reflecting steady growth in overall generosity in the country.

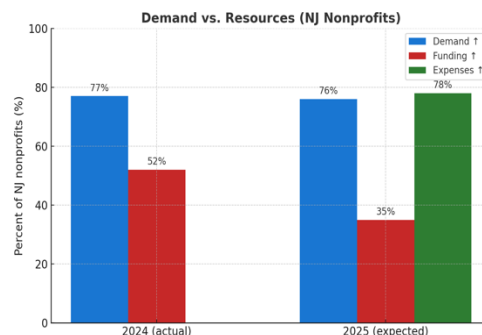
\$592.5B

Charitable Giving in the U.S. (2024)

+6.3% (nominal) | +3.3% (real, inflation-adjusted)

Source: Giving USA, 2025

Demand vs. resources. In 2024, most nonprofits (77%) saw demand for their services rise, but just over half (52%) reported more funding to meet that need. Looking ahead, 76% expected demand to grow in 2025, and 78% anticipated higher expenses—yet only 35% expected their funding to increase.



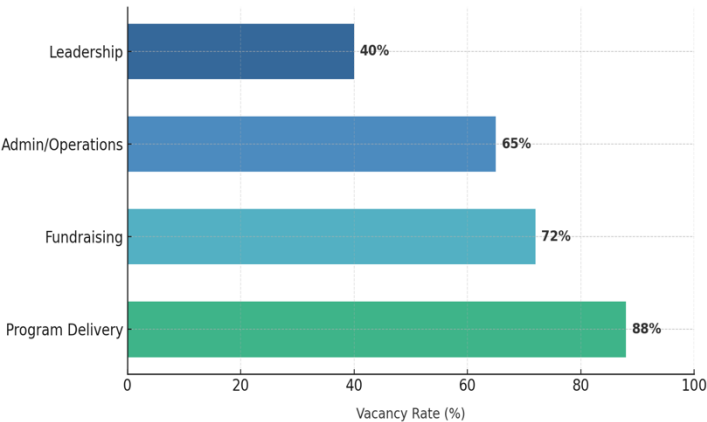
Source: NJ Center for Nonprofits, 2025 Annual Survey

THE WAY FORWARD - As New Jersey's nonprofit sector continues to navigate rising service demands and workforce shortages, nonprofit organizations face pressure to do more with fewer resources. In 2024, over three-quarters of nonprofits in the state reported higher demand for services, yet barely half experienced any increase in funding (Center for Nonprofits, 2025). This ongoing imbalance between needs and resources has forced many nonprofits to rethink staffing, operations, and funding models.

According to the National Council of Nonprofits' 2023 Workforce Survey, nearly 84% of nonprofits nationwide noted persistent vacancies—especially in terms of direct services, fundraising, and program management roles (National Council of Nonprofits, 2023). Many organizations also report that wage competition, burnout, and limited pipelines for qualified workers have made recruitment and retention increasingly difficult. These challenges have broader implications for organizational sustainability and service delivery, particularly in communities that rely most heavily on nonprofit support.

To remain resilient, nonprofits across New Jersey are adopting a range of adaptive strategies: revisiting compensation structures, strengthening leadership pipelines, investing in professional development, and expanding partnerships with public agencies and philanthropy. Others are diversifying revenue through social enterprise, fee-for-service models, or more intentional donor engagement. As New Jersey nonprofits face rising workforce and funding challenges, the table below summarizes several actionable strategies identified across national and state data sources—intended to help organizations strengthen staffing, fund diversity, and develop long-term resilience.

Nonprofit Workforce Vacancies by Function - New Jersey, 2024



Source: National Council of Nonprofits, 2023

Recommendation (Action)	Intended Impact
Benchmark Compensation and Titles	Attract and retain skilled staff by offering competitive pay aligned with New Jersey labor market benchmarks (New Jersey Department of Labor & Workforce Development, 2024).
Diversify Revenue	Reduce overreliance on government funds; create financial resilience through donor programs, fee-for-service pilots, and recurring giving programs and initiatives (New Jersey Center for Nonprofits, 2025).
Shorten Hiring Cycles	Address high vacancy rates (83.8% of orgs reporting shortages) and reduce service delivery disruptions (National Council of Nonprofits, 2023).
Strengthen Reserves and Equity	Increase financial sustainability (3–6 months+ cash reserves); reduce inequities for BIPOC-led, community-serving, and grassroots nonprofit organizations (National Council of Nonprofits, 2023).

Sources:

Building Movement Project. (2022, February). Race to lead: A report on nonprofit executives of color. Building Movement Project.

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Giving USA Foundation. (2025, June). Giving USA 2025: U.S. charitable giving grew to \$592.50 billion in 2024, lifted by stock market gains. Giving USA.

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National Council of Nonprofits. (2023). New Jersey nonprofit workforce shortages report.

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New Jersey Department of Labor & Workforce Development. (2024). Occupational employment and wage estimates, New Jersey