



boodleAI

8 Nonprofit Fundraising Ideas (and How Artificial Intelligence Can Improve Them)

Introduction

Big promises are being made about artificial intelligence (AI) and how it will impact our lives. Experts say AI is slowly “edging” its way into daily life, but tectonic changes in transportation, the workplace, and lifestyle have yet to pass. So, when will AI truly “arrive”? In some areas, it already has. One such area generating substantial value is, perhaps surprisingly, the nonprofit space. While nonprofits aren’t historically at the forefront of technological advancement, this sector is quietly becoming an early adopter of AI.

Before exploring the natural pairing of nonprofit fundraising and AI, let’s briefly discuss some definitions. Broadly speaking, **artificial intelligence** is “a system that perceives its environment and takes actions that maximize its chances of success.” Basically, AI is a program that acts and thinks in ways that resemble intelligent humans. A distinct sub-area of AI is **machine learning** (ML), which “gives computers the ability to learn without being explicitly programmed.” Simply put, ML – the most common application of AI – helps computers access and learn from data without human intervention.

The key to successful nonprofit fundraising and AI is teamwork: human fundraisers team up with AI assistants, with each half doing what they do best. First, the AI assistant develops and applies algorithms to ingest, clean, enrich, and then search through large amounts of data in order to recognize patterns and give non-intuitive recommendations. Then, the human fundraiser applies judgment and context to select from those recommendations the right donor and message. **This Human-AI team is the future of nonprofit fundraising.**

The result is a win-win for both sides. Human-AI fundraising teams will produce fewer unwanted “noisy” appeals, and more personable, relatable messages to prospective donors about causes that align with their interests. Thus, Human-AI teams reach the right donors in less time, creating an even greater impact.

How does AI work with common fundraising channels? Why do nonprofits need AI assistants? What’s the benefit of teaming up? Let’s explore **three common fundraising channels and how AI can take each to the next level:**



1. Peer-to-Peer

Peer-to-Peer (P2P) fundraising helps nonprofits unlock the potential of new donors interested in their cause - and fast - through their current donor and supporter networks. Simply put, supporters ask for donations from their networks on a nonprofit's behalf. The benefits are massive: nearly 1/3 of online donations are now made through P2P, it's a year-round fundraising solution, and the most passionate supporters multiply a development team's workforce for little to no extra cost. However, P2P campaigns are usually designed to deliver the same generic fundraising message to as many people as possible, which loses effectiveness over time. In fact, revenues from top peer-to-peer programs are in decline.

How AI Can Help:



AI Fundraising Recruiting: AI assistants can identify the most promising fundraisers among a nonprofit's constituency. One way AI assistants do this is by utilizing the nonprofit's past fundraising campaign data to identify the traits of previously successful fundraisers. Additionally, AI assistants take data points and connections that would be impossible for human fundraisers to match without an unrealistically high investment of time and training.



AI Fundraising Assistants: AI assistants can team up with human fundraisers to discover overlooked potential donors and suggest tailored messaging. This results in P2P campaigns with fewer unwanted messages and with higher success rates because the fundraiser is reaching out to prospects with higher affinity and engaging them with tailored messaging designed to activate that particular prospect.



2. Board Fundraising

Most nonprofits often have a “give or get” requirement for their board members, who, in turn, usually have access to substantial resources and valuable networks. The annual “give or get” allows nonprofits to ask board members to donate outright or ask for donations from their networks. Board members can expend significant time and energy meeting their fundraising requirement if they choose to “get” them. For this reason, rarely do nonprofits receive full access (or full benefit) of their board members’ networks.

How AI Can Help:



AI Fundraising Assistants: Providing AI assistants to board members can supercharge their annual “give or get” efforts by recommending recruitments from their high-value networks.

There are typically 3 friction points board members face in fundraising: 1. Deciding *who* to ask, 2. Figuring out *how* to ask, and 3. Finding the time to make the ask.

AI assistants can reduce these friction points for nonprofit board members by recommending those with similar affinity and propensity to donate in their networks. Once board members decide to engage with a recommendation, the AI assistant generates messaging that resonates – in seconds – for each specific individual. Board members are busy and have limited time. AI assistants can provide them the “answer to the test”: here is who to ask and here is the message how to ask.



3. Capital Campaigns

Capital campaigns are an intense sprint effort by nonprofits to raise a certain amount of money over a period of time. Normally, the fundraising goal is clear and it is for a specific purpose (e.g. a building project). These campaigns often focus heavily on donors with high capacity, which can lead to donor fatigue if the asks are done incorrectly or too often.

How AI Can Help:



AI Data Hygiene: In less time and at lower cost, AI assistants can consolidate, deduplicate, and standardize nonprofit’s email (or direct mail) contact lists better than current methods, which often rely heavily on human-initiated searches and manual edits. AI assistants accomplish this task with the patience of a machine and “learning” over time from feedback provided by the nonprofit. A “cleaner” mailing list decreases cost by reducing duplicate mailings and outreach to inactive addresses.



AI Data Analysis and Visualization: AI assistants can analyze, visualize, and segment the results of capital campaigns in real-time, thereby providing feedback on where a nonprofit’s time, attention, and resources should be focused. AI assistants can excel at finding non-intuitive patterns in large datasets; these patterns are hard to find using traditional analysis tools. In addition, AI can enrich a nonprofit’s existing data by appending additional data to make meaningful analysis possible.



AI Fundraising Recruiting: AI assistants can help identify high potential human fundraisers from existing donors or supporter to recruit for the capital campaign effort.



AI Fundraising Assistants: As discussed in the above Board Fundraising section, AI assistants can empower human fundraisers to expand beyond their traditional circle of donors by suggesting new donors to recruit from, then provide tailored messaging that enables fundraisers to make asks easily and with confidence. AI assistants can also suggest the optimal time to make an ask or even who from within a fundraiser’s network can assist with making the ask.



4. Direct Mail

The great grandfather of fundraising, direct mail, is the method of choice for many nonprofits for one simple reason: it works. Although it can be expensive and have a low rate of return relative to cost, an interest by the public in re-engaging with analog outreach has reinvigorated interest in direct mail. Direct mail marketing can create a personal bond with a nonprofit; people like holding a physical object that ties them to a cause they care about. Thus, direct mail can create loyal supporters.

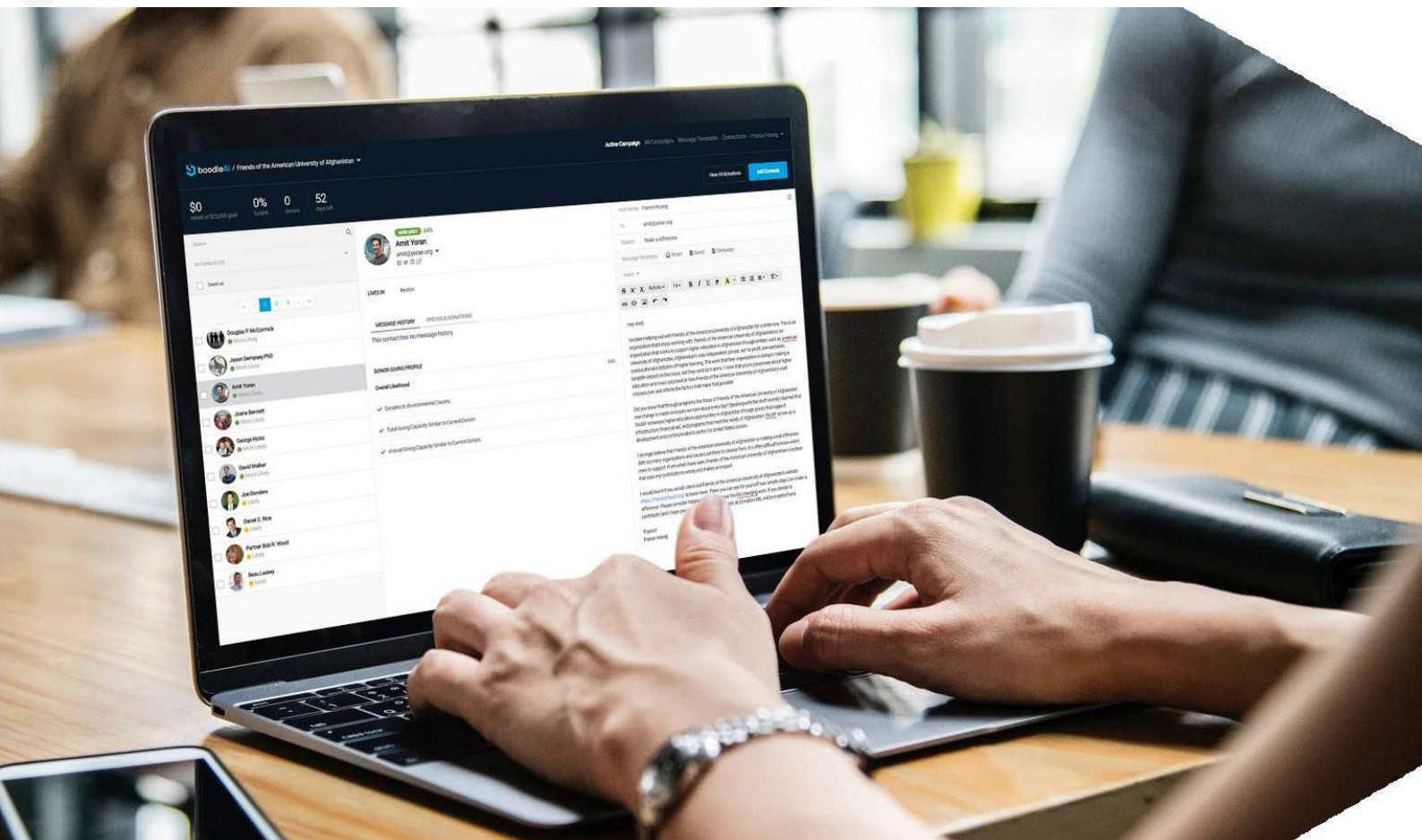
How AI Can Help:



AI Data Hygiene: AI assistants can reduce the cost of direct mail campaigns by cleaning mailing lists faster, cheaper and more accurately than human-centric methods.



AI Data Analysis and Visualization: AI assistants can increase the effectiveness of direct mail campaigns by analyzing, visualizing and segmenting nonprofit mailing lists so the highest quality addresses are targeted.





5. Email Campaigns

Email is mainly used to reinforce other fundraising channels such as capital campaigns or Peer-to-Peer fundraisers. The challenge with email is breaking through the noise; email recipients ignore spam and organizations who rely too heavily on bulk email may even find themselves “blacklisted” by service providers. Sadly, fundraising emails sent directly from nonprofits have a low response rate – on average, only one in 1,250 emails sent directly from a nonprofit leads to a donation.

How AI Can Help:



AI Fundraising Assistants: One in four emails leads to a donation when sent from a fundraiser to a peer. With an AI assistant, human fundraisers can avoid spam folders and generic email templates through tailored email messages for specific prospects in their networks. This “person-to-person” approach increases the odds that a message will activate a potential donor and accelerate the nonprofit’s fundraising mission.



AI Data Hygiene: AI assistants can help nonprofits consolidate and deduplicate email distribution lists faster, cheaper, and easier than manual methods, thereby reducing duplicate messages that may annoy recipients and lead to spam flaggings.



AI Data Analysis and Visualization: AI assistants can analyze, visualize and segment a nonprofit’s email distribution lists in ways that would otherwise be difficult or impossible. This allows nonprofits to send tailored messages to specific segments, increasing the odds of success.



6. Crowdfunding

Crowdfunding campaigns call upon internet visitors to support a nonprofit's cause. Often, nonprofits set a goal to be raised and "gamify" the process. For example, donors might receive unique rewards for donating certain amounts. Crowdfunding campaigns are typically done in conjunction with email fundraising campaigns. In some cases, the campaign goes viral and blows past their goal. More often, crowdfunding generates less funding than anticipated.

How AI Can Help:



AI Data Analysis and Visualization: AI assistants can help nonprofits better understand their donors and the donations they receive through crowdfunding campaigns. Who donates? How much? When do they donate? Who should receive follow-up engagement? What kind of engagement should it be and when? AI assistants answer to these questions for nonprofits, often providing insights that are not obvious or intuitive.



7. Gala Events

Formal events like galas can increase donor engagement for nonprofits. These types of events are great because they strengthen the donor's sense of loyalty while offering multiple channels to generate funding: ticket sales, sponsorships, entertainment, raffles, and auctions. A nonprofit can bring in a significant amount of funding in just one night. However, putting this all together is difficult and finding the right guests to invite is often taxing for development teams.

How AI Can Help:



AI Data Hygiene: Faster and cheaper than manual methods, AI assistants can consolidate and deduplicate contact lists for an event or gala for nonprofits, which reduces wasted effort and confusion during the planning process.



AI Fundraiser Recruiting: AI assistants can identify and recruit the most promising committee members, table hosts and invitees from among nonprofit's constituency, often identifying recruits that would otherwise go unnoticed.



AI Fundraising Assistants: Using previous attendance and donation data, an AI assistant can determine the characteristics of individuals most likely to respond to an invite. Working together, AI assistants and human fundraisers can then better identify and recruit attendees from the organizer's networks than either could alone.





8. “A-thons”

“A-thons” - a rapidly growing subcategory of events - hone in on the benefit of group activity. Nonprofits can generate both awareness and funding from hosting large a-thon type events--whether it is a walk, 5k, team race, dance, or a variety of other activities. Funds are raised through participant fees and fundraising goals. However, upfront costs can be substantial.

How AI Can Help:



AI Data Hygiene: AI assistants can consolidate and deduplicate nonprofit contact lists in the beginning planning stages of “a-thon” events, which optimizes the human fundraiser’s early efforts and provides clearer focus for outreach.



AI Fundraiser Recruiting: AI assistants can identify and recruit the most promising event organizers and fundraisers from a nonprofit’s constituency.



AI Fundraising Assistants: AI assistants can determine the characteristics of an individual most likely to respond to an event invite. Armed with this “persona”, AI assistants then work side by side human fundraisers to identify and recruit participants.



THE KEY TAKEAWAY IS THIS:

successful nonprofit fundraising is found at the intersection of receptive donors and effective outreach. **Teams of human fundraisers and AI assistants can find that intersection more intelligently, quickly, and cost-effectively.**

AI assistants in the nonprofit sector are poised for rapid development in the coming years. Nonprofits will increasingly turn to the powerful teaming of motivated human fundraisers with AI assistants for the acceleration of their missions. The AI revolution will take time to reach all aspects of our society, but it is already generating substantial value where we might need it most: charitable giving.

