



**DONORSEARCH**

**Markers of Philanthropy & Leveraging AI  
to Find Your Best Prospects**

# Proud Partner of AFP



**Sarah TeDesco**

Executive Vice President & Co-

Owner

DonorSearch



# TODAY'S DISCUSSION

## Outline of Topics

- Quick Intro to DonorSearch
- Industry Status: Philanthropy & Trends
- Why Major Gifts?
- Markers of Philanthropy
- Maximizing AI to Build Connections
- Key Takeaways & Questions...



# Think About These Questions...

How would you describe the state of the world in 2023?

What have you heard about giving the past few years? Increasing or decreasing?

What has changed in regards to donations for your organization or other organizations?





# DONORSEARCH

Introduction to  
DonorSearch

# DonorSearch

## DonorSearch Values:

**Excellence  
Quality  
Innovation  
Collaboration  
Integrity  
Growth**

## Mission Statement:

**Provide premier donor intelligence data and solutions to nonprofits of all shapes and sizes to strengthen their financial capacity.**



# Leading Innovation for 16 Years

- Still family owned and operated
- We have grown each of the 16 years
- 80 employees in 15 states
- Serving over 10,000+ active clients in 2023
- 40+ CRM integrations
- Active Giving Institute Member
- Processing over 10 million records a month





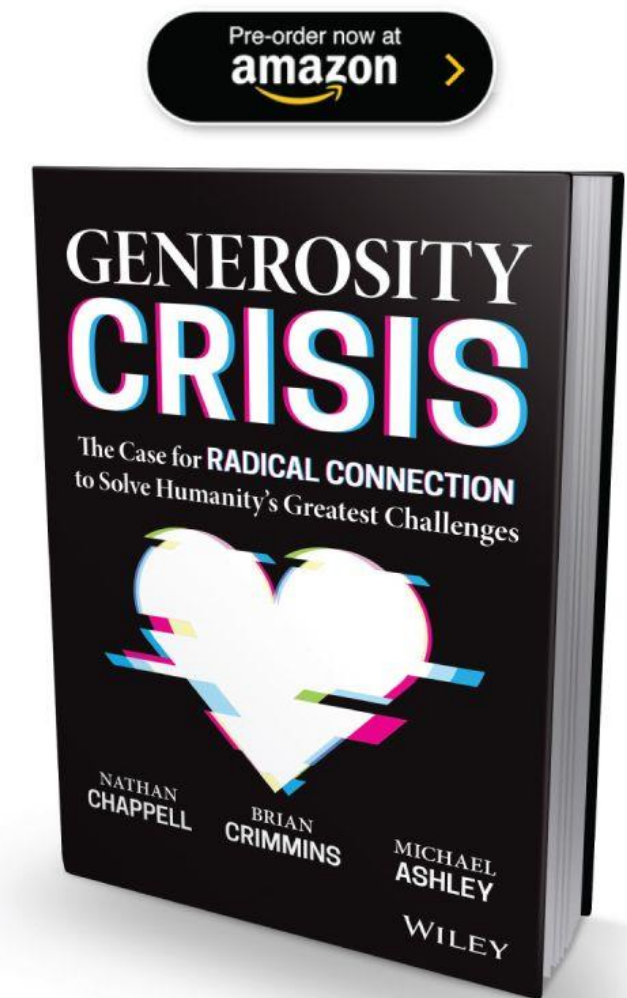
*"An outstanding tool that would be an added benefit for any organization."*





# DonorSearch as Thought Leaders

- **Mastermind Series** - *did you know we've interviewed thousands of thought leaders and given thousand of attendees free CFRE credits?*
- December 2022: "**Generosity Crisis**"
- **Chronicle of Philanthropy:** Why did 20 million households stop giving to charity? "**The Giving Crisis**"



“ We can choose  
to be affected  
by the world  
or we can choose  
to affect the  
world. ”

**Why we do the  
work that we do.**





# DONORSEARCH

State of the  
Industry...

# Remember Those Questions?

How would you describe the state of the world in 2023?

What have you heard about giving the past few years? Increasing or decreasing?

What has changed in regards to donations for your organization or other organizations?





# What Did Bard.google.com Say?

Bard was just updated. [See update](#)

The state of the world in 2023 is complex and challenging. We are facing a number of global issues, including climate change, economic inequality, and political instability. These issues are causing a great deal of suffering and hardship for people around the world.

In terms of giving, there has been some evidence of both increases and decreases in recent years. Overall, giving has remained relatively stable, but there have been some significant shifts in the way people give. For example, there has been a rise in digital giving and a decline in traditional forms of giving, such as direct mail.

In terms of my organization, we have seen a slight decrease in donations in recent years. This is likely due to a number of factors, including the economic downturn and the rise of competing charities. However, we are still able to provide essential services to the people we serve.

Here are some of the changes that have been seen in donations for organizations in general:

- **Increase in digital giving:** People are increasingly giving to charities online, using platforms like PayPal and GoFundMe.
- **Decrease in traditional forms of giving:** As people become more comfortable giving online, they are giving less through traditional channels like direct mail and telemarketing.
- **Rise in corporate giving:** Corporations are increasingly giving to charities, both as a way to give back to the community and to improve their public image.
- **Increase in donor-advised funds:** Donor-advised funds allow donors to make a charitable donation now and then decide how to distribute the money later. This is a popular option for people who want to make a difference but don't want to be tied down to a specific charity.

It is important to note that these are just some of the trends that have been seen in donations in recent years. The specific trends that your organization experiences may vary depending on your location, the type of work you do, and other factors.

Enter a prompt here

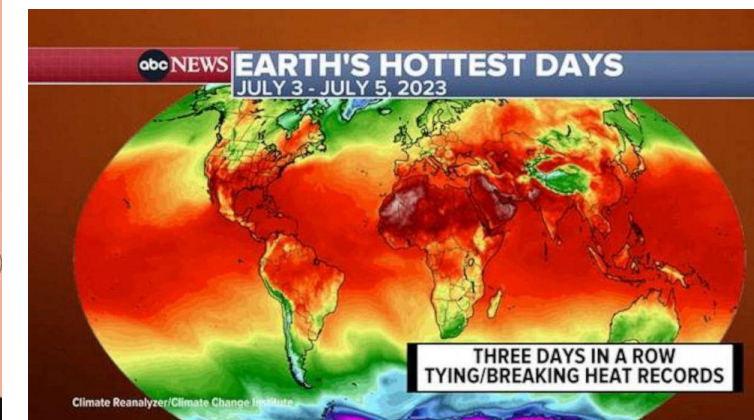
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Macro Matters

## Fed poised to hike rates as markets anticipate inflation endgame

By Howard Schneider

July 26, 2023 5:59 AM EDT · Updated 4 hours ago



# Household Giving Decline

2000



66.2% of American households gave charitable donations



2018



Just 49.6% of U.S. households made a charitable contribution in 2018. That is a drop of almost 17 percentage points





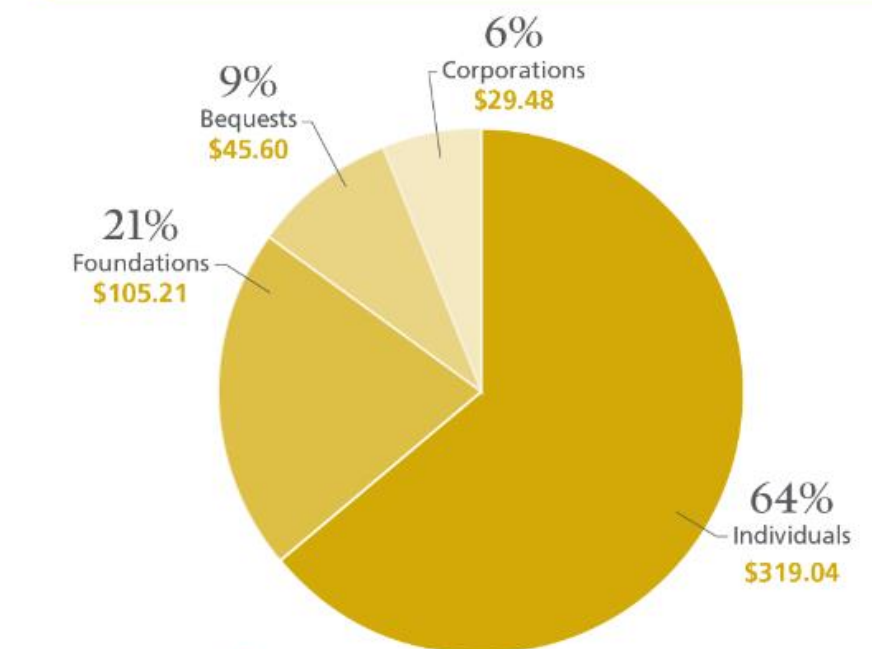
# State of the Industry: 2022 Recap

- **Giving USA: Total U.S. charitable giving declined in 2022 to \$499.33 billion following two years of record generosity,**
- **Total charitable giving has fallen only 3 other times in the last 40 years** in current dollars: in 1987, 2008 and 2009.
- Decreases in giving can **affect the ability of nonprofit organizations to meet needs and fulfill their missions.**
- Stock market drop, S&P dropped 19.6%, inflation and economic uncertainty perpetuated the decrease in charitable giving.
- **Individual giving declined by 13.5%** ...It dropped to 70% of total giving in 2018, which was considered low, and has steadily decreased since then, falling further in 2022 to 64%.

2.5 Million Less Households Gave in 2022

2022 contributions: \$499.33 billion by source of contributions

(in billions for dollars – all figures are rounded)



Giving USA | The Giving Institute | Researched and written by IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY



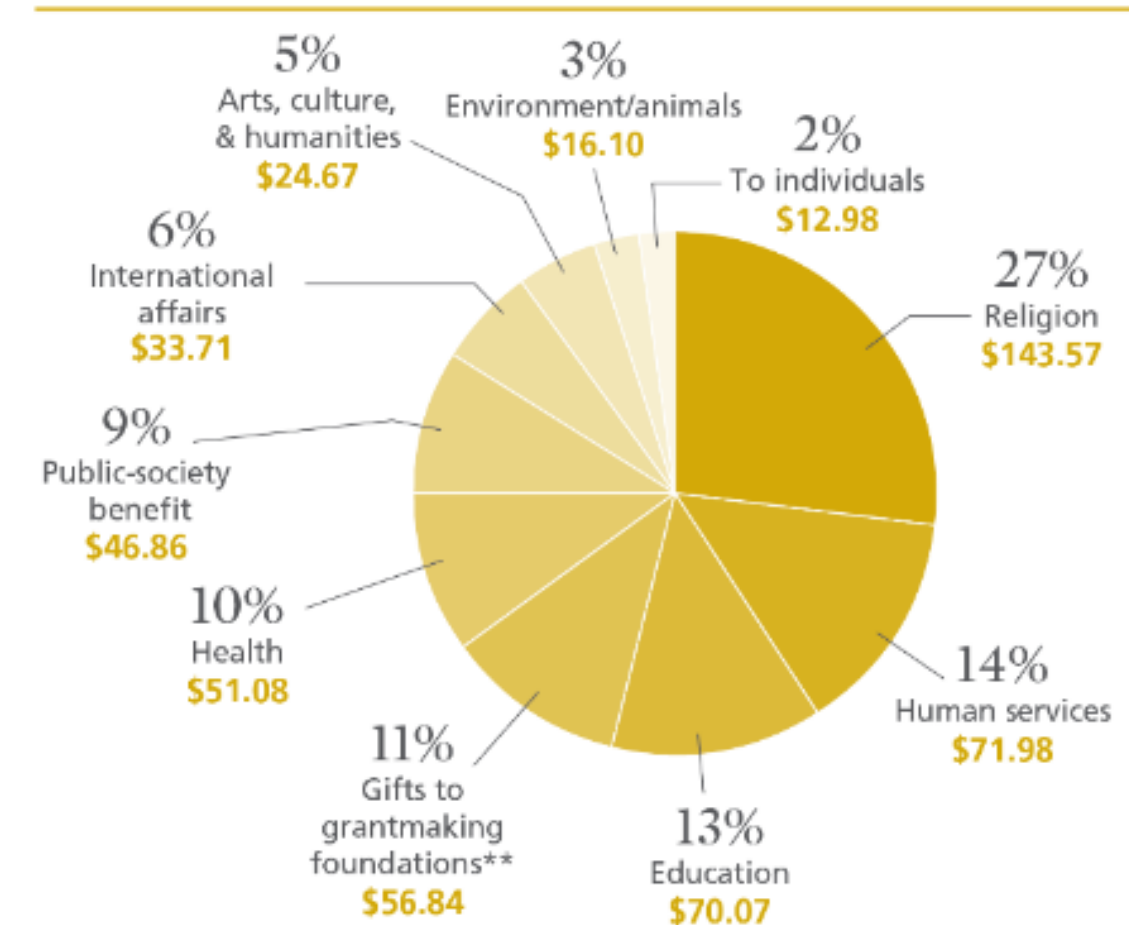


# State of the Industry: 2022 Recap

- **Increase in giving to international affairs** - likely due to the Ukraine War.
- Giving to Religion increased by 5.2%.
- Giving to Education dropped by 3.5% (may slow down due to academic health gifts from Covid).
- Environment and Animals have dropped a bit, but still higher than pre-covid.

## 2022 contributions: \$499.33 billion by type of recipient organization\*

(in billions for dollars – all figures are rounded)



\* Total includes unallocated giving, which totaled -\$28.54 billion in 2022.

\*\* Estimates developed by the Indiana University Lilly Family School of Philanthropy using data provided by Candid.

Researched and written by  IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY
















# Mega Donors

**Scott plans to make unrestricted \$1 million donations to 250 nonprofits..A “new pathway to support for organizations making positive change in their communities.”**



**To apply, the nonprofits must have annual operating budgets larger than \$1 million, but less than \$5 million for at least two of the past five years.**

**To Date, Scott has given 14B to 1600 NPOs.**

 <p><b>1</b> Bill Gates and Melinda French Gates <b>\$15,000,000,000</b> LOCATION: Medina, Wash. WEALTH SOURCE: Technology TOP CAUSE: Various</p>	 <p><b>2</b> Elon Musk <b>\$5,742,121,740</b> LOCATION: Austin, Tex. WEALTH SOURCE: Technology TOP CAUSE: Various</p>	 <p><b>3</b> Michael Bloomberg <b>\$1,660,000,000</b> LOCATION: New York, N.Y. WEALTH SOURCE: Media TOP CAUSE: Various</p>	 <p><b>4</b> William Ackman and Neri Oxman <b>\$1,200,000,000</b> LOCATION: New York, N.Y. WEALTH SOURCE: Finance TOP CAUSE: Various</p>	 <p><b>5</b> Mark Zuckerberg and Priscilla Chan <b>\$1,049,000,000</b> LOCATION: Palo Alto, Calif. WEALTH SOURCE: Technology TOP CAUSE: Various</p>
 <p><b>6</b> Sergey Brin and Nicole Shanahan <b>\$816,082,370</b> LOCATION: Mountain View, Calif. WEALTH SOURCE: Technology TOP CAUSE: Various</p>	 <p><b>7</b> Jack Dorsey <b>\$764,647,138<sup>1</sup></b> LOCATION: San Francisco, Calif. WEALTH SOURCE: Technology TOP CAUSE: Social Justice</p>	 <p><b>8</b> Denny Sanford <b>\$725,000,000</b> LOCATION: Sioux Falls, S.D. WEALTH SOURCE: Finance TOP CAUSE: Health Care</p>	 <p><b>9</b> Phil and Penny Knight <b>\$700,000,000</b> LOCATION: Hillsboro, Ore. WEALTH SOURCE: Manufacturing; Retail TOP CAUSE: Scientific Research</p>	 <p><b>10</b> Jeff Bezos <b>\$510,700,000</b> LOCATION: Medina, Wash. WEALTH SOURCE: Technology TOP CAUSE: Education</p>
 <p><b>11</b> Patrick and Shirley Ryan <b>\$480,000,000</b> LOCATION: Chicago, Ill. WEALTH SOURCE: Insurance</p>	 <p><b>12</b> Eric and Wendy Schmidt <b>\$382,800,000</b> LOCATION: Atherton, Calif. WEALTH SOURCE: Technology</p>	 <p><b>13</b> Steve and Connie Ballmer <b>\$355,900,000<sup>1</sup></b> LOCATION: Hunts Point, Wash. WEALTH SOURCE: Technology</p>	 <p><b>14</b> Pierre and Pam Omidyar <b>\$332,000,000</b> LOCATION: Honolulu, Hawaii WEALTH SOURCE: Technology</p>	 <p><b>15</b> John and Laura Arnold <b>\$270,000,000</b> LOCATION: Houston, Tex. WEALTH SOURCE: Energy; Finance</p>



# The Unequal United States of America

Economic Policy Institute

**\$1,316,985**

Average annual income of the top 1%

What you need to make to be in the top 1%:

**\$421,926**

**\$50,107**

Average income of everyone else (the bottom 99%)

**26.3X**

The top 1% make 26.3 times more than the bottom 99%

The top 1% take home 21% of all the income in the United States.

1% of the families



21% of the income



# Income Inequality in Virginia

Economic Policy Institute

**\$1,109,984**

Average annual income of the top 1%

**\$62,844**

Average income of everyone else (the bottom 99%)

**17.7X**

The top 1% make 17.7 times more than the bottom 99%

What you need to make to be in the top 1%:

**\$425,144**

The top 1% take home 15.1% of all the income in Virginia.

1% of the families



15.1% of the income






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Why Major Gifts?

# Why Major Gifts?

Major gifts are the largest donations an organization receives. What a major gift looks like for your nonprofit, however, will likely depend on a variety of factors, such as your organization's size, fundraising history, and average donation amount.



**Return on Investment (ROI)**  
*[ri-tərn ɒn in-'ves(t)-mənt]*

A popular profitability metric used to evaluate how well an investment has performed.

Investopedia





# Defining Major Gifts



- Major gifts constitute your organization's **largest** financial contributions
- Have the highest **Return on Investment**
- We NOW see **90-95%** of most fundraising totals come from only **5 or 10%** of donors





# Major Gifts Need Prospect Research

ROI

Table 4: **Using Prospect research is associated with being more likely to meet major gift fundraising goals**

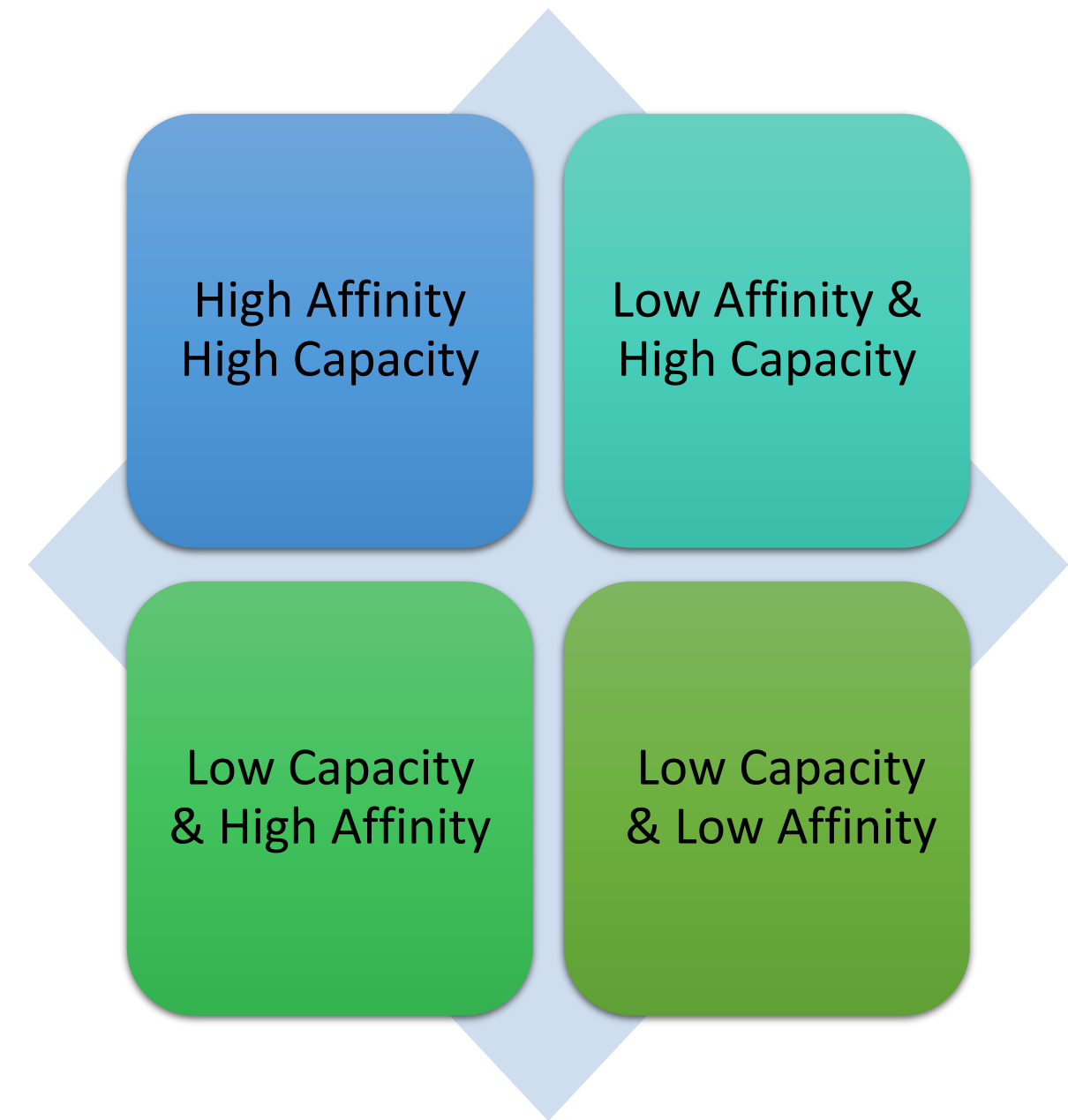
Takes all that used any process consistently and divides into four groups based on whether they use a method of prospect research and meet goals. n = 163

		Meets major gift fundraising goals		Totals
		“Almost every year” or Sometimes	Seldom or Never	
Consistent use of a process to identify major gift prospects	Uses prospect research	84%	16%	100%
	Does not use prospect research	65%	35%	100%



# Affinity GPS

**Be efficient at organizing your donors so you spend time with the right people.**



# True Shape of Philanthropy



- How do you know them when you see them?
- Who are at the top of your donor pyramid?
- *Who do you decide to spend time with?*





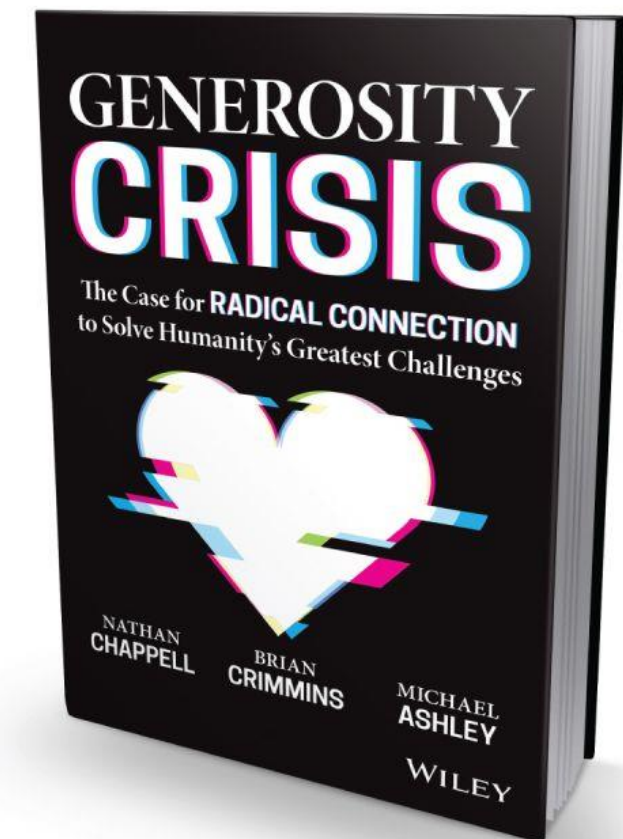
# Connection is More Important Than Ever!

Building relationships is  
not about transactions –  
it's about connections.

Michelle Tillis Lederman

quotefancy

Pre-order now at  
[amazon](#)





# DONORSEARCH

Markers of  
Philanthropy

# Major Gift Characteristics

WHAT  
DO  
YOU  
THINK?



# The DonorSearch Study

The following information that will be discussed during this presentation was pulled from a study that DonorSearch conducted.

- We looked at **5 billion dollars** in known charitable giving to over **400** nonprofit organizations.
- The donors were analyzed to determine what factors made someone more or less likely to give.





# Predictive Markers for Major Gift Donors



1: Giving to YOU  
(Internal Giving)



2: Giving to OTHERS  
(External Giving)



3: Foundation  
Trustees



4: Political Giving



5: Real Estate



6: Business  
Affiliations  
(SEC, Privat Cos)



# Can We Do More?



Better technology, more data, and a charitable giving decline.





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Getting Started with  
AI Technology

# Transform The Way We Fundraise...

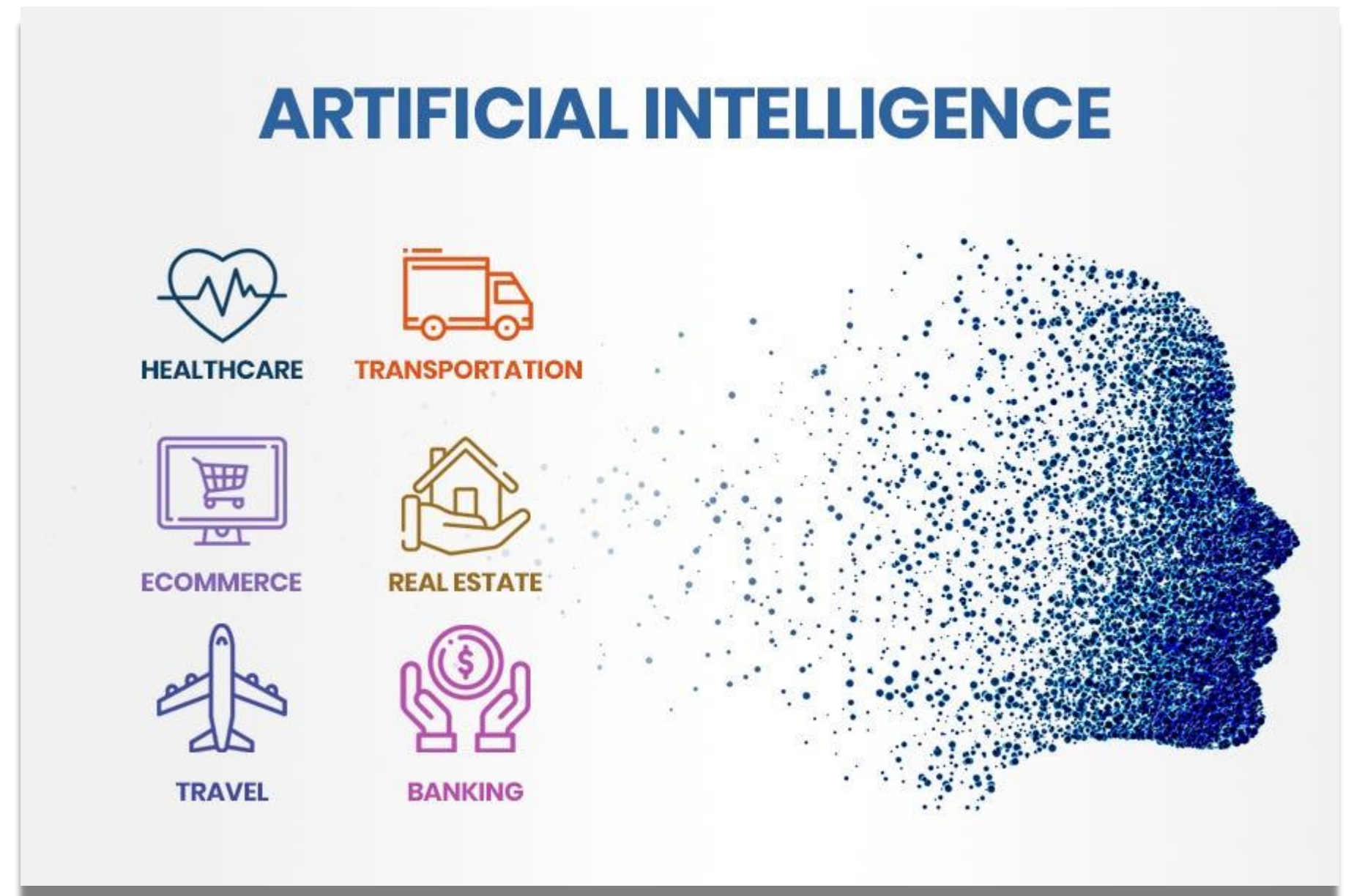
Artificial intelligence is the simulation of human intelligence processes by machines, especially computer systems.





# 20+ Yrs. of AI Acceleration in For-Profits

“AI helps us to accelerate the search process, save time and money and think outside of the box. Because it involves machine learning, the AI system improves its knowledge over time and the predictions usually get better.”



# What is Your Relationship With AI?

Do you interact with AI in your daily life?



Do you use AI at work?



# Questions For You...

Do you interact with AI  
in your daily life?



everyday

Do you use AI at work?



2019: Nonprofit-specific AI is reaching less than 23% of nonprofits





# How Do We FEEL About AI?

The State of Artificial Intelligence in the Nonprofit Sector, 2019



**75%** believe AI makes their life easier



**73%** of nonprofits believe AI innovation aligns with their beliefs



**83%** People believe there needs to be an ethical framework in place before wider adoption



**52%** of people are afraid of AI



# Ways NPOs are Using AI at Work

- **Prospect and Screening, Predicting behavior**
- Direct Online Giving - Facebook can make recommendations
- Automate Routine Tasks - schedule meetings, analyze data
- Keep In Touch with Donors - chat bots
- Personalize Outreach and Donation Appeals
- Detect Fraud - setup algorithms to detect fraud



“AI Will Not Replace You,  
People Using AI Will”

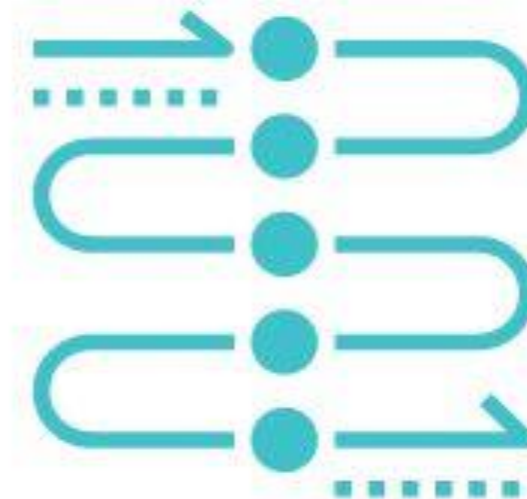


# Pinpoint Major Gifts With AI

Focus on  
Giving Levels



Dynamic  
Scoring



Break Down  
Silos of Data

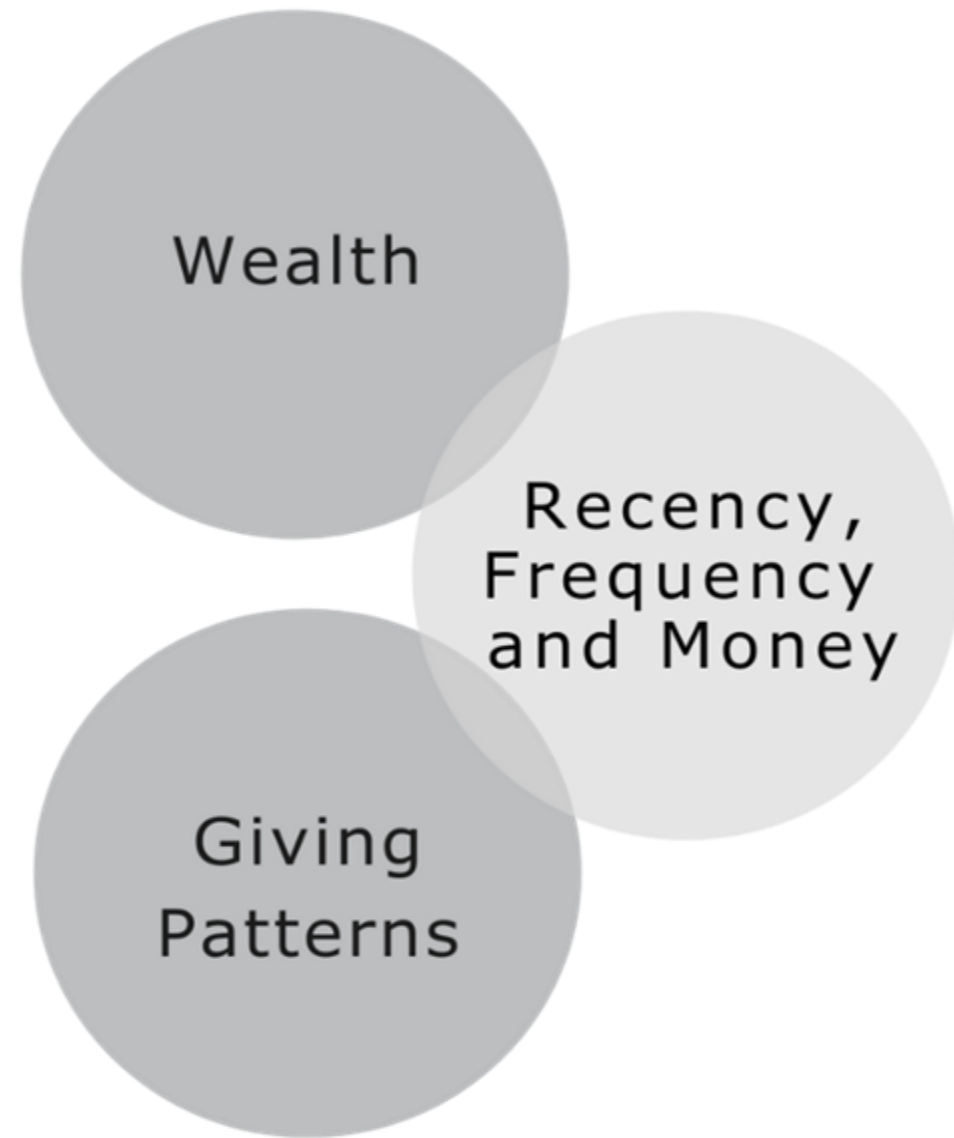


Engagement,  
Experiential,  
Philanthropic and  
Wealth Data



# Path to Acceleration

## Standard Models



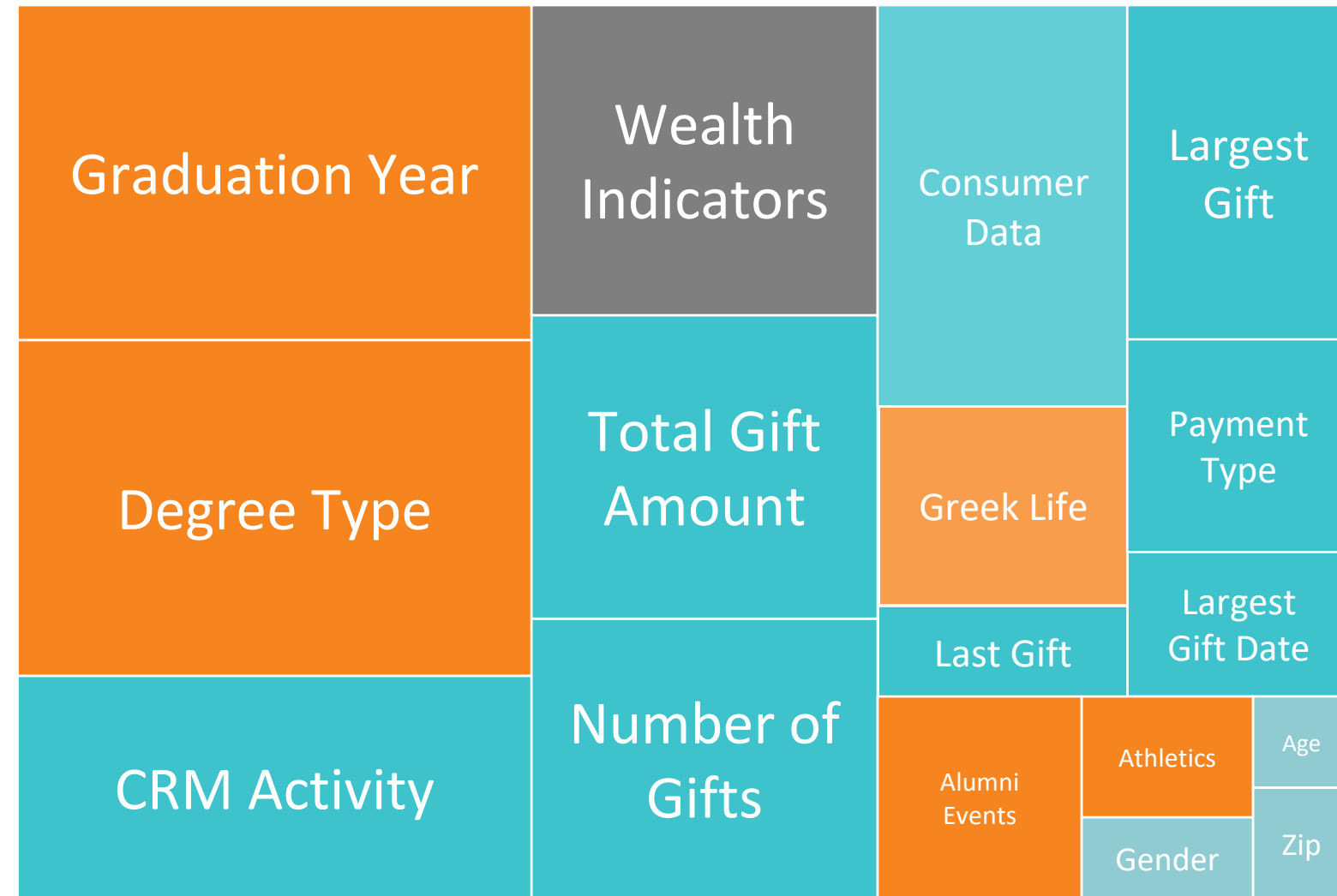
## Machine Learning Models





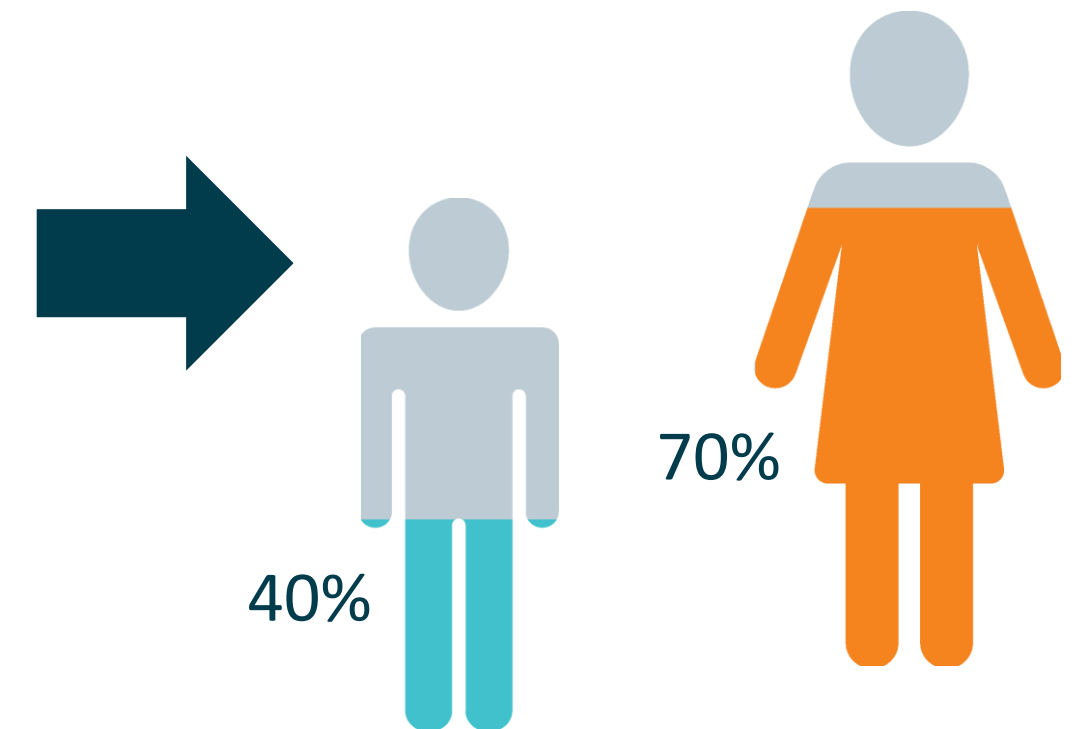
# Calculating Engagement

Characteristics of donors & non-donors are quantified

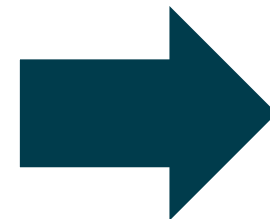
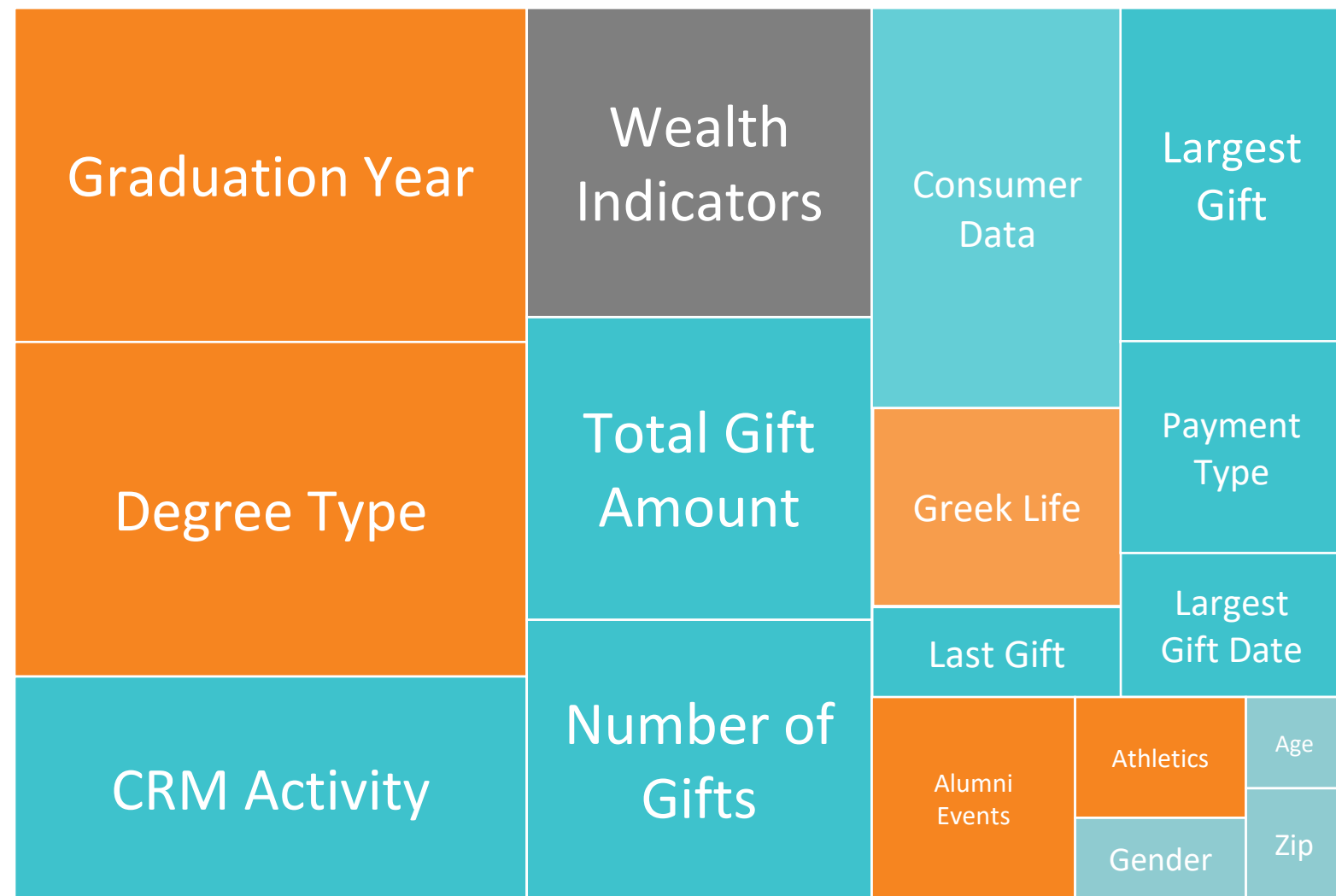


\*140 fields, ~1000 ML Features

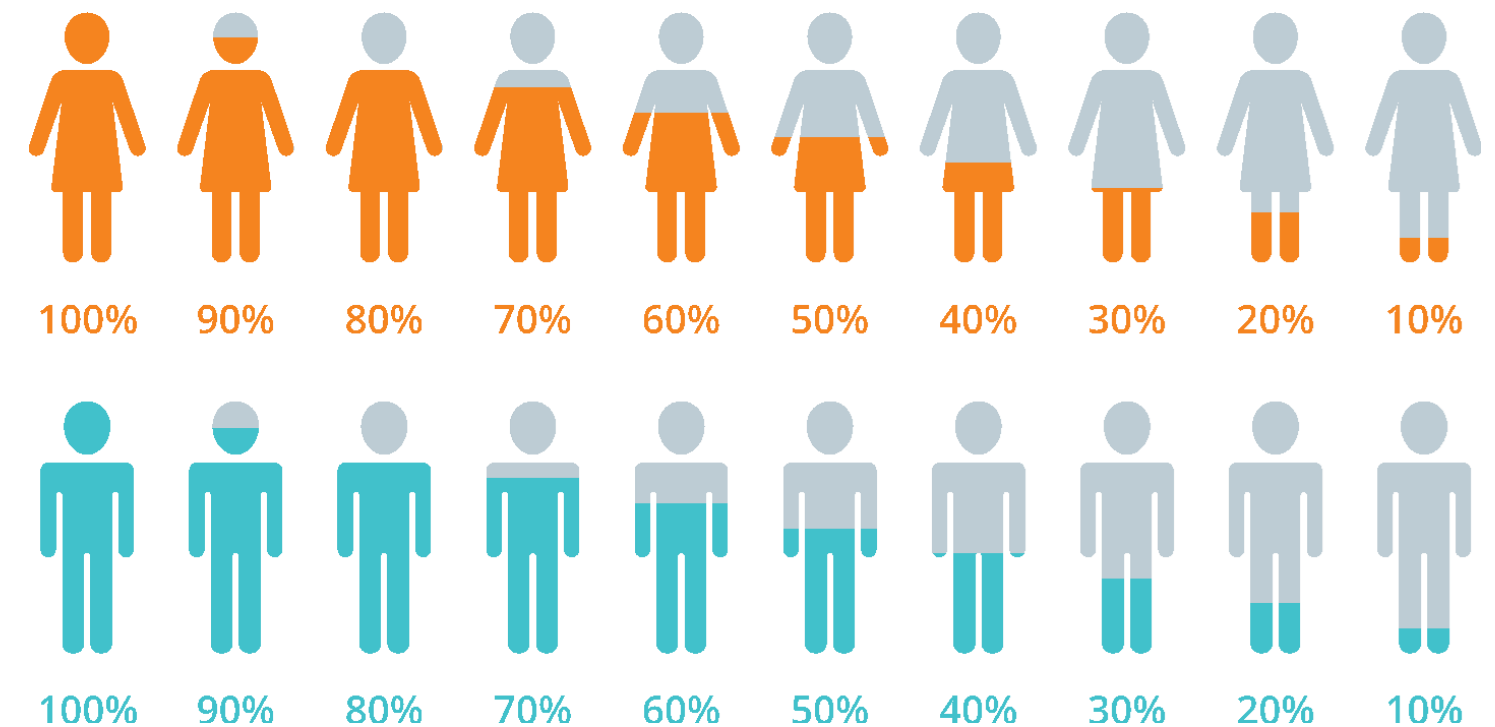
All alumni are scored based on similarities with donors



# Dynamic Likelihood Scores



Score is assigned based on the number of commonalities with alumni donors

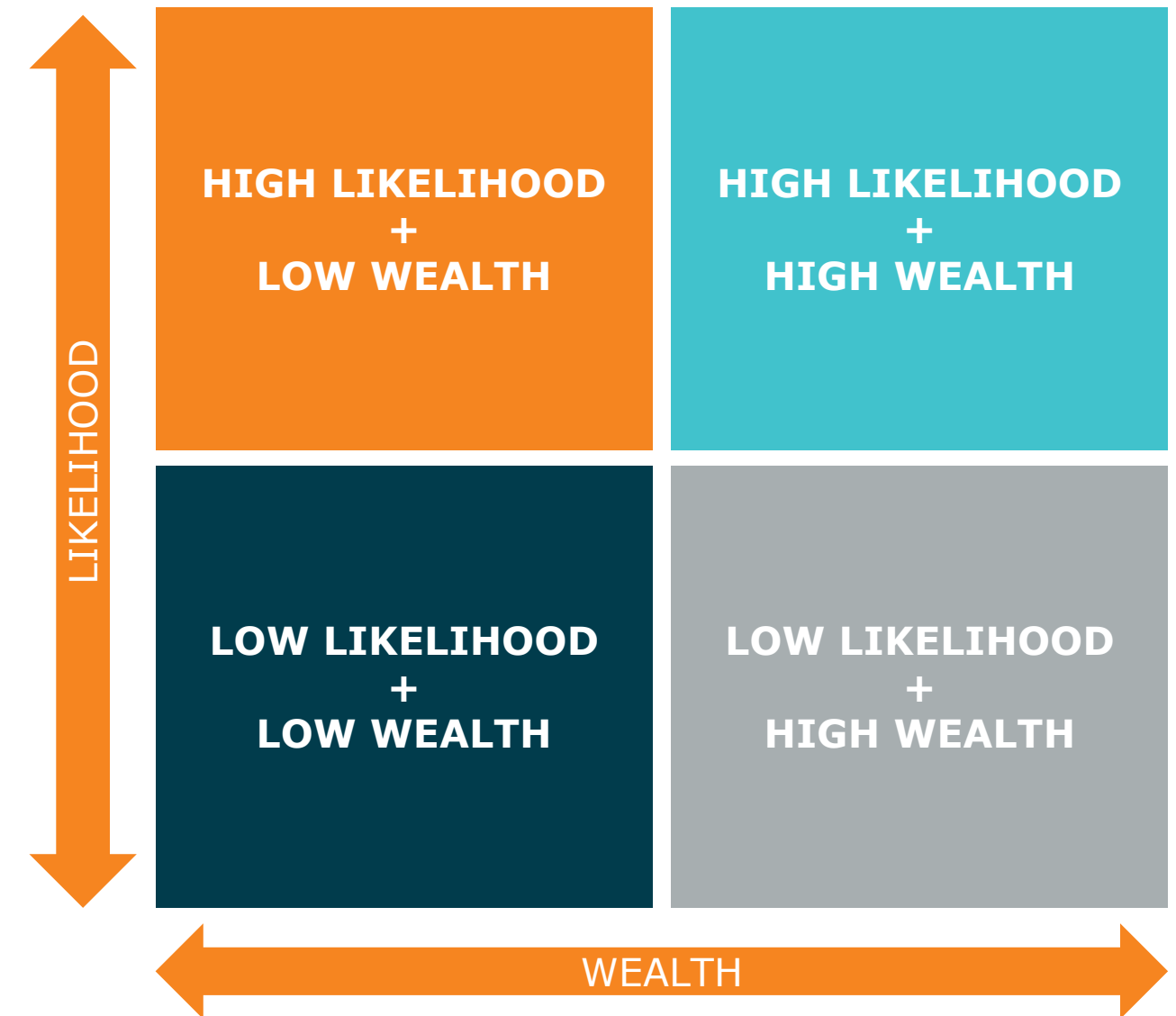


All alumni are re-scored regularly based on updates to their data



# Likelihood Segmentation

- CRM Summary Data
- CRM Transaction Data
- Experiential Data (Alumni, Clinical, Special Events)
- Wealth, Demographic and Consumer Data
- DYNAMIC-ML Scoring
- Social Media
- Disparate Algorithms



# MAXIMIZING MAJOR GIFTS

## Coupling AI With Repeatable Processes



### **Major Gift Discovery Calls**

- Referrals from physicians/care providers
- High DSA ratings based on engagement, not yet a donor

### **Major Gift Portfolio Review and Refresh**

- Reprioritize based on DSA
- Physician referral, engagement
- Identify new prospects for MG Strategy

### **Major Gift Philanthropic Interest**

- Reprioritize based on DSA
- Philanthropy Key Words

### **Major Gift Events and Visits**

- Reprioritize based on DSA
- Efficiently plan based on Geographical Regions







Your Nonprofit's  
Donor Data



### DonorSearch Data

- ▶ Giving patterns and behavior
- ▶ Wealth and giving capacity details
- ▶ Volunteering history and other engagement behavior
- ▶ Demographic characteristics
- ▶ Social media activity



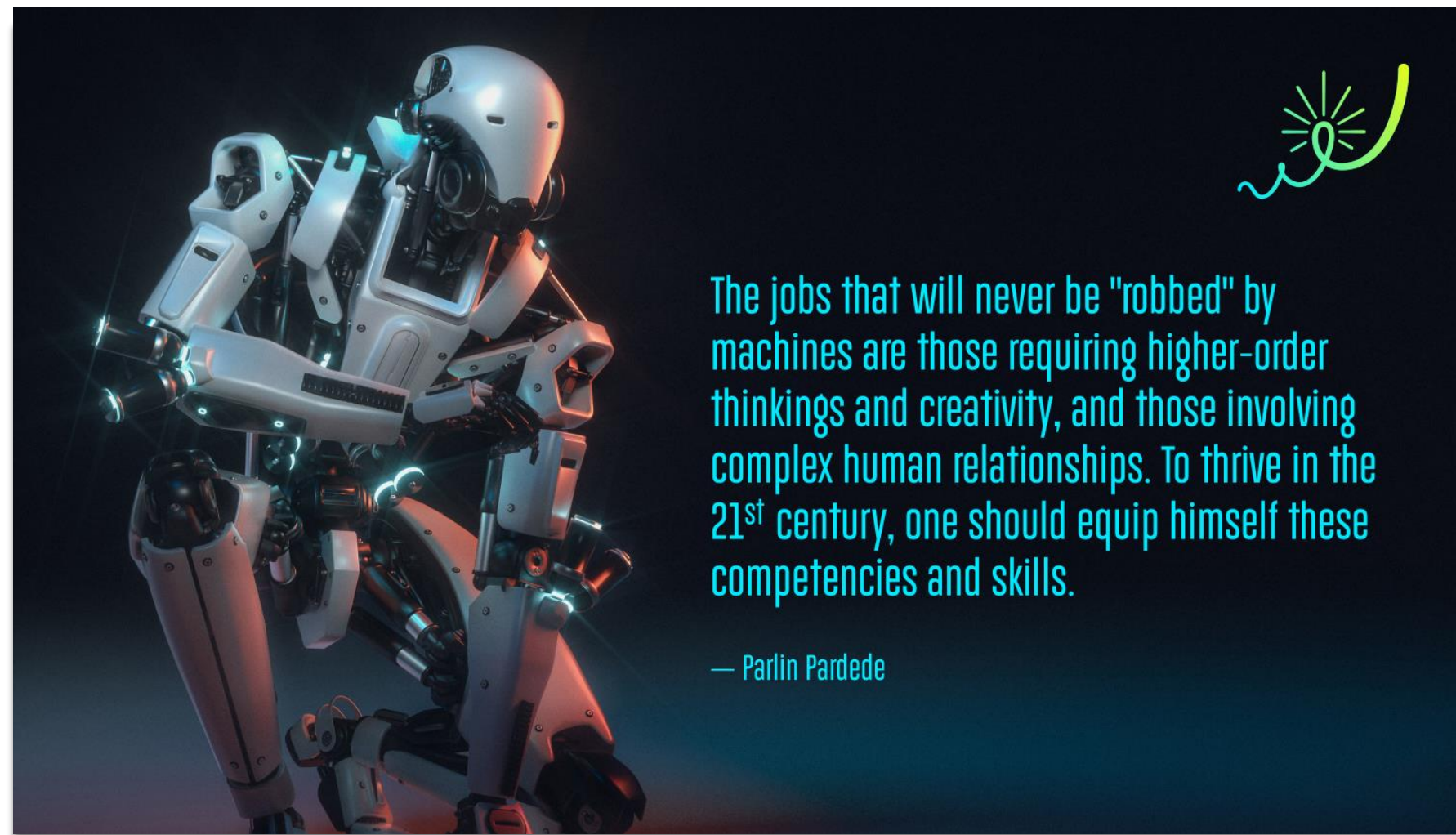
DonorSearch Ai Predictive  
Modeling



### Specific Predictions About Individual Prospects

- ▶ Use these insights to build strong relationships with your donors and prospects!





## Developing Strong Relationships & Connections

Maximizing technology to get you to the donors who can and will make a difference

Responsible AI will be key

2035...What will the impact be in 2035?



# TODAY'S DISCUSSION

- We are in the middle of a technological revolution and a changing fundraising landscape.
- The 6 data markers of philanthropy are a strong foundation, but we can do more with more data and AI technology.
- Identify current donors that should be a major gift prospect using the 6 markers and engagement with your organization.
- Create agile workflows and add new donors that will be a perfect fit to add to your major gift portfolio based on new engagement and changing interactions.
- There is no substitute for personal connections to enhance major gift experiences for all donors to grow giving.





# Questions?

## Thank You

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