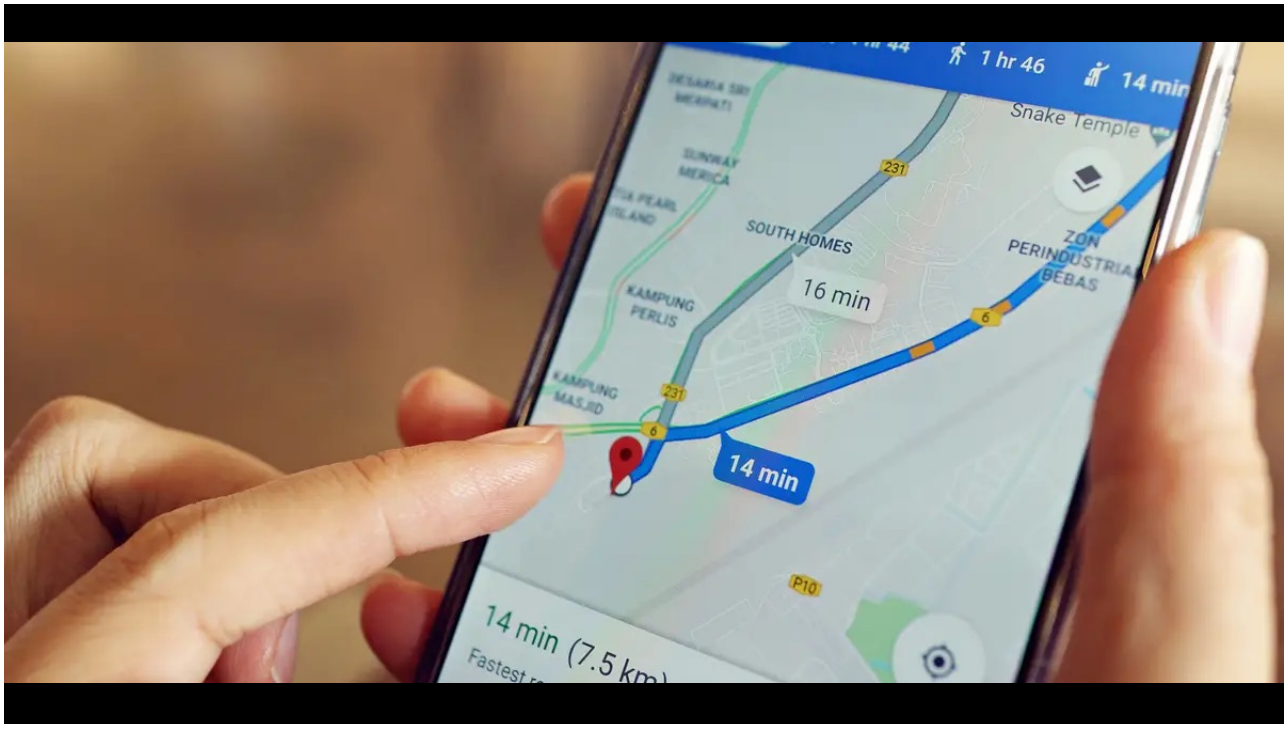
Presenter

- CEO of BWF, the nonprofit service and technology company known for its innovations in elevating philanthropy around the world
- Leader in big philanthropy and an architect of the business of fundraising
- 25+ years in the charitable sector, has led the establishment of data science in fundraising, developed high ROI operational infrastructure, guided fundraising through challenging economic conditions, and crafted authentic approaches to high net-worth giving
- Author of the books "Fundraising Analytics" and "Benefactors"
- Contributor to the books "A Kaleidoscope of Prospect Development" and "Return on Character."
- Chair of the Board of the Giving USA Foundation
- Instructor at the Rice University Center for Philanthropy and Nonprofit Leadership
- Earned the Crystal Apple Award for Teaching Excellence from CASE and the Apra Visionary award for his innovation in applying data science to fundraising

AI and Fundraising
Let's Get *Real*

Josh Birkholz

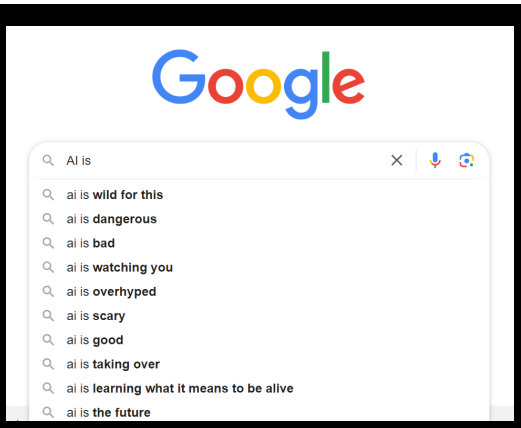


The Economist
Fox News. Now what?
Ukraine's game plan
Why civil wars are lasting longer
A special report on the car industry
APRIL 22ND–28TH 2023
AI

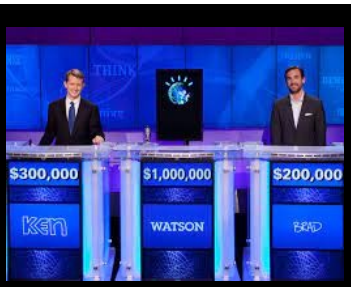
EVERYTHING YOU NEED TO KNOW ABOUT
ARTIFICIAL INTELLIGENCE
Driverless Cars
Medical Marvels
Music Generators
Cybersecurity
Virtual Partners
Drone Swarms
Non-Human Assistants
Personalized Learning
THE EXCITING TECHNOLOGY THAT'S CHANGING EVERYTHING
ARE WE REALLY READY FOR WHAT'S COMING?
The jobs AI is coming for next // The scramble to avoid disaster

EVERYTHING YOU NEED TO KNOW ABOUT
ARTIFICIAL INTELLIGENCE
Driverless Cars
Medical Marvels
Music Generators
Cybersecurity
Virtual Partners
Drone Swarms
Non-Human Assistants
Personalized Learning
THE EXCITING TECHNOLOGY THAT'S CHANGING EVERYTHING
ARE WE REALLY READY FOR WHAT'S COMING?
The jobs AI is coming for next // The scramble to avoid disaster

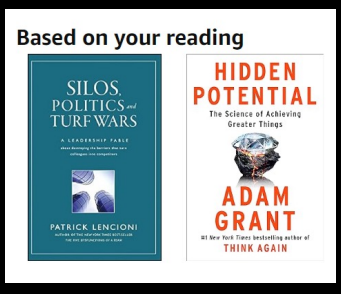
AI pioneers fear extinction
Our creations are as great a threat to humanity as nuclear war or pandemics, say hundreds of experts in call to regulate tech
SEE PAGES 18-19
A.I. 'COULD WIPE OUT HUMANITY'
Threat 'as bad as nuclear war' MUST be tackled, say tech bosses
WEDNESDAY 31 MAY 2023
FAMILY
I refuse to be called grandma - I hate it
AI creators fear the extinction of humanity

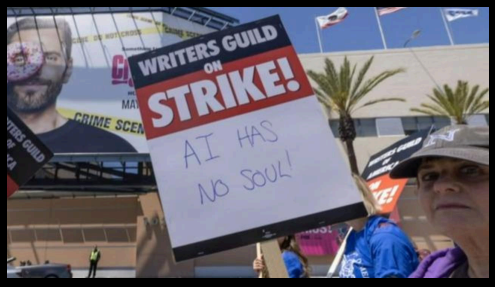

Google
AI is
ai is wild for this
ai is dangerous
ai is bad
ai is watching you
ai is overhyped
ai is scary
ai is good
ai is taking over
ai is learning what it means to be alive
ai is the future

SLASHGEAR
ALWAYS LISTENING.


$300,000
$1,000,000
$200,000
Ken
WATSON
BRAD

Autocorrect has become my worst enema.


Based on your reading
SILOS, POLITICS and TURF WARS
PATRICK LENCIONI
HIDDEN POTENTIAL
The Science of Achieving Greater Things
ADAM GRANT
THINK AGAIN



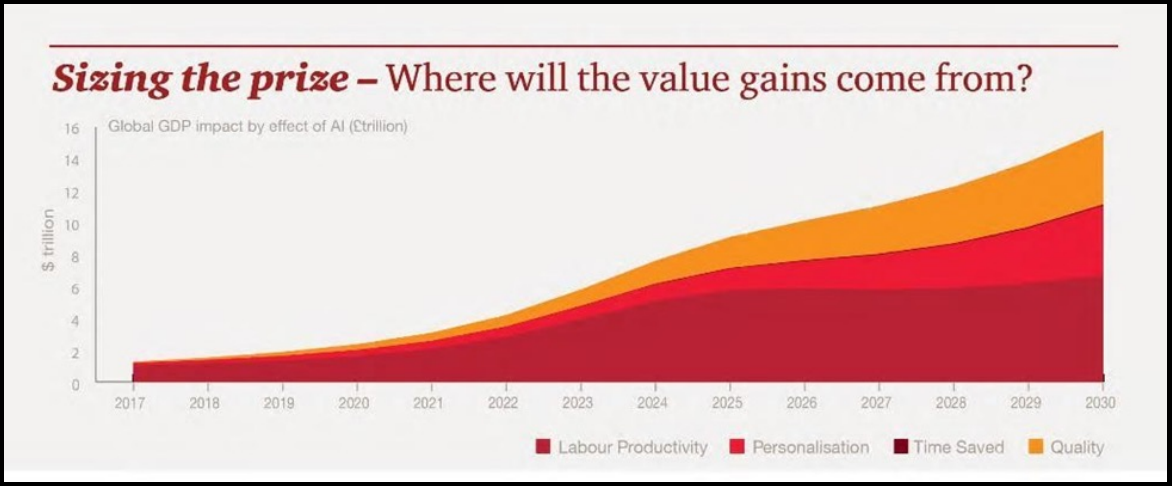
The Internet? Bah!

Hype Alert: Why cyberspace isn't, and will never be, nirvana

By Clifford Stoll

After two decades online, I'm perplexed. It's not that I haven't had a gas of a good time on the Internet. I've met great people and even caught a hacker or two. But today I'm uneasy about this most trendy and oversold community. Visionaries see a future of telecommuting workers, interactive libraries and multimedia classrooms. They speak of electronic town meetings and virtual communities. Commerce and business will shift from offices and malls to networks and modems, pretense of completeness. Lacking editors, reviewers or critics, the Internet has become a wasteland of unfiltered data. You don't know what to ignore and what's worth reading. Logged onto the World Wide Web, I hunt for the date of the Battle of Trafalgar. Hundreds of files show up, and it takes 15 minutes to unravel them—one's a biography written by an eighth grader, the second is a computer game that doesn't work and the third is an image of a London monument. None answers my question, and my search is periodically interrupted by messages like, "Too many connections, try again later."

Won't the Internet be useful in governing? Internet addicts clamor for government reports. But when Andy Spano ran for county executive in Westchester County, N.Y., he put every press release and position paper onto a bulletin board. In that affluent county, with plenty of computer companies, how many voters logged in? Fewer than 30. Not a good omen.



AI Predicted Impact on GDP

- Efficient operation
- More productive staff
- Extend reach of personal connection
- Do things better and faster than before

Source: PWC

What is AI?

Using computers to solve problems and make decisions in ways similar to human intelligence.

Two Categories

1. Predictive AI

Using data to make decisions, predict outcomes, and recommend solutions.

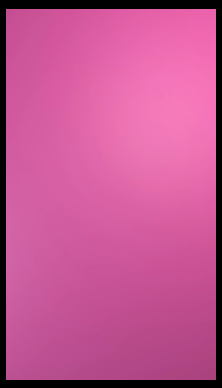
Two Categories

1. Predictive AI

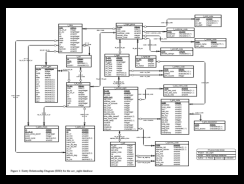
Using data to make decisions, predict outcomes, and recommend solutions.

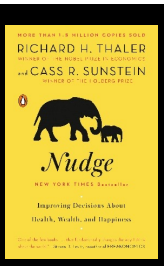
2. Generative AI

Create new content including images, music, text, computer code, etc.



The progression in fundraising





- Look back

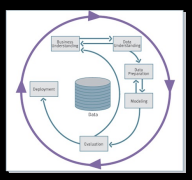
1970s
Distributed development functions, hard to find information

1980s
Prospect research, Early internet

1990s
Campaigns needing prospects, screening, demographic modeling, relational databases

2000s
Analytics: predictive modeling, segmentation, capacity analysis

2010s
Data science established, influence of behavioral economics, early AI

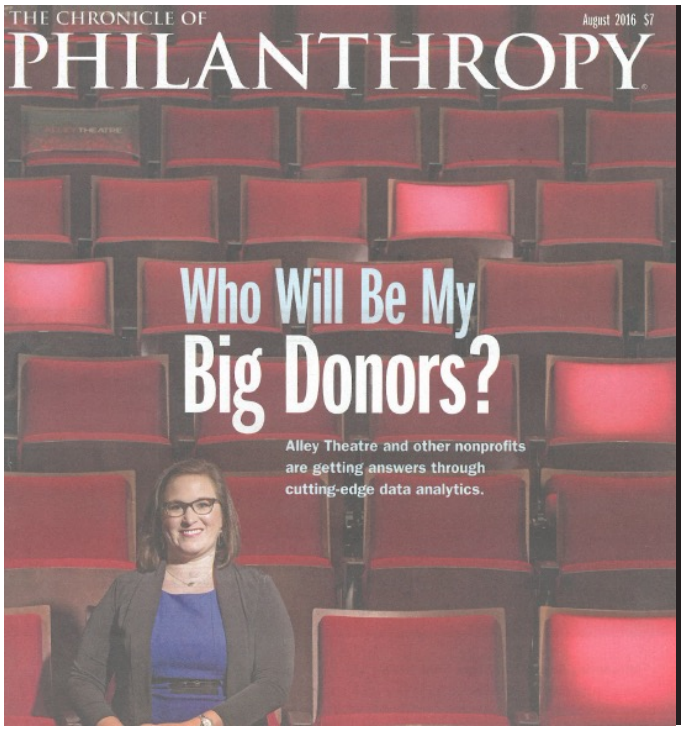


Current Fundraising Applications

- Generative Content
- Marketing Automation
- Prospect ID
- Constituent Perception
- Business Simulation
- Donor Journey Mapping
- Action Recommendation
- Task Wizard

Early Modeling a Forerunner to Predictive AI

From FairIsaac To MIT



Static Modeling gave way to Automated Modeling

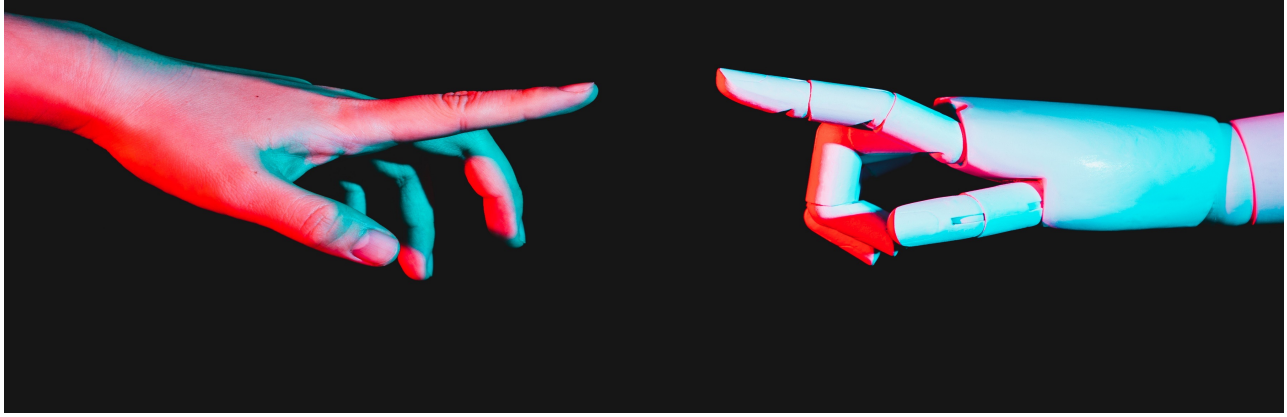
21

Automation gave way to Machine Learning

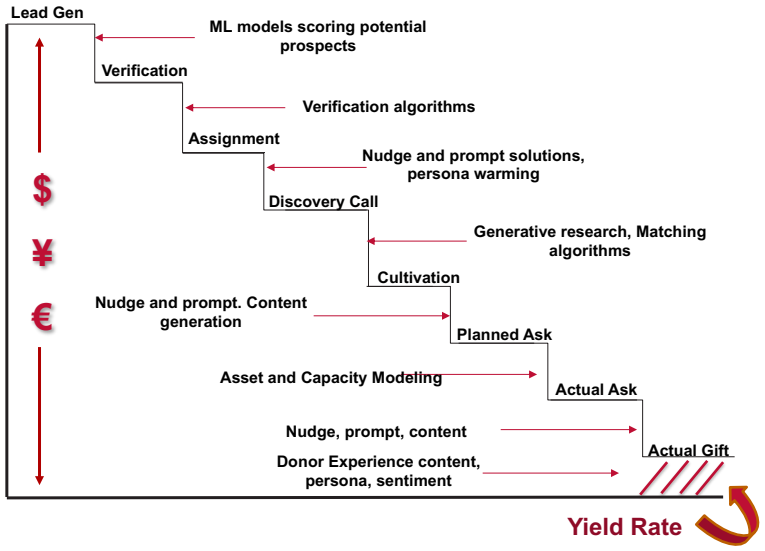
Both commonly referred to as "AI" or "Automation"

Static	Dynamic	AI
Snapshot in time	Formula is fixed but data changes	Formula and data changes as the machine "learns"

Nudging. Prompting. Conditions.



Applied to the Major Gift Pipeline



24

Deep Dive Example: Discovery Attainment

Business Problem:

Most identified prospects are unqualified, taking up space in portfolios, and distracting productive efforts.

- Slack in portfolios is poor stewardship of gift officer time
- Issues of prospect willingness and officer-effect

Ideal Outcome

Prospects are qualified and disqualified quickly so the most likely and able prospects are getting the most attention from gift officers.

Solutions

Most common to date

- Set expectations of time, attempts, and channels
- Sunsetting / auto-removal
- Large scale warming through marketing treatments
- Safety nets

Additional opportunities with AI

- Discovery and cultivation assist software nudge the interaction and prompt the text.
- Targeted warming based on ML sentiment and interest segment targeted to each constituent. Potentially using AI generated content.
- Ready flow of new names auto assigned post disqualification.

Matching

Donor Persona to Fundraiser Persona

Deep Dive Example: Campaign Portfolio Management

Business problem

Need to reach all highly ranked prospects and cultivate them to a bold invitation to participate in the campaign.

Ideal Outcome

Gift Officers are engaged, prospects feel seen, reach of the team is maximized, campaign meets and exceeds targets.

Solutions

Most common to date

- Regular portfolio clean-up based on qualitative review
- Activity metrics based on industry norms
- Motivating each other to perform
- Extending reach through adding staff

Additional Opportunities with AI

- Predictive analytics aligned to campaign priorities and donor likelihoods informing portfolio maintenance.
- Alignment-matching algorithms for prospects and officers (emerging)
- Metrics defined by dynamic measurements of success with calibrated scorecard weighting.
- Process modeling / cost-basis for optimal staff allocation.

CHAT GPT

runway

OpenAI Codex

MIDJOURNEY
All about Imagination

Generative AI in Engagement

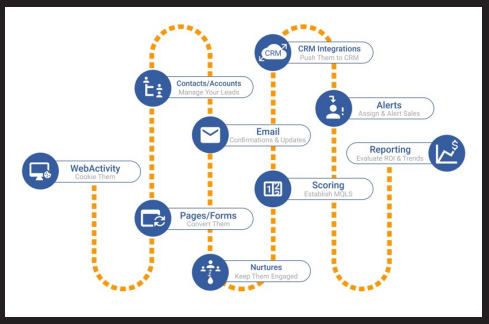
Marketing and communications content

Mass personalization integration

Mass Customization

Building the Base of Support

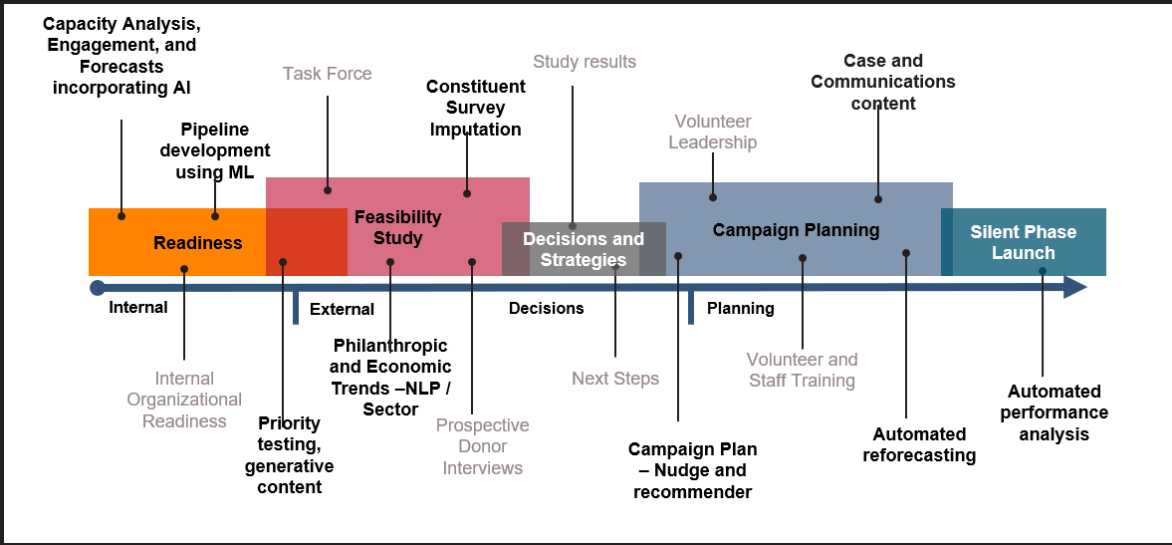
- Creating dynamic segments and personas
- Marketing automation ranking and workflows
- Source and journey management



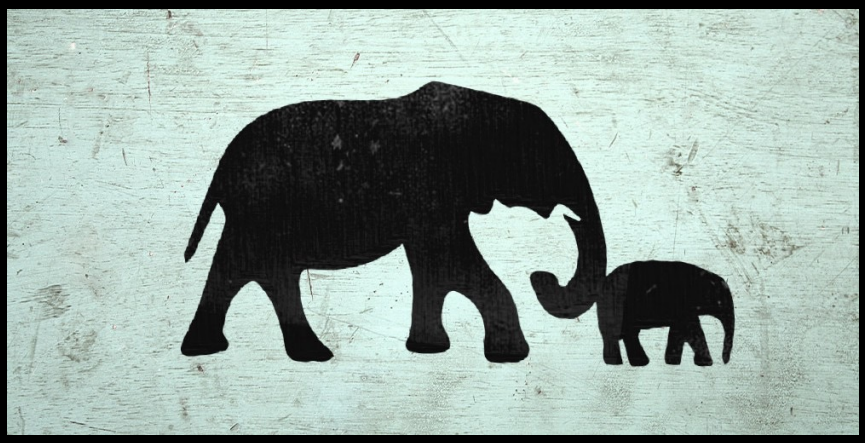
- Integrating personas with microsites
- Dynamic content generation or alignment
- Sentiment / engagement analysis and imputation

Efficiencies

Campaign Planning Applications



Additional Thoughts



Libertarian Paternalism – A healthy relationship with AI

Use AI for ideas, to find faster or better ways of doing things, to get you started, or assist you along the way. **You still make your own choices.**

Ethical Use

- Privacy and Security
- Accountability and Transparency
- Inclusion and Bias
- Ethics and Compliance
- Human Learning and Impact

FundraisingAI

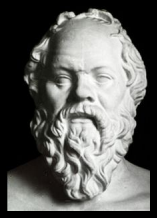
Fundraising.AI is a fully independent collaborative that exists to understand and promote the development and use of Responsible AI for nonprofit fundraising.

AI for Good Global Summit 2023

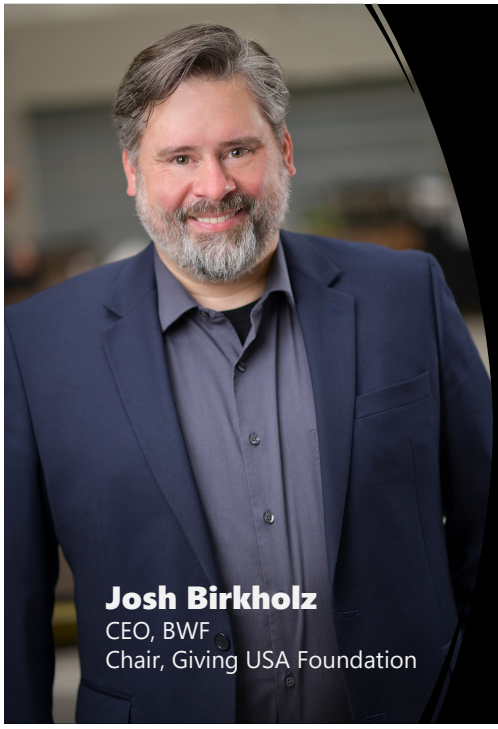
The Wheel is Yours

"The secret of change is to focus all of your energy, not on fighting the old, but building the new"

- Socrates



What are your thoughts?



Josh Birkholz
CEO, BWF
Chair, Giving USA Foundation

Q&A

Additional Questions

- jbirkholz@bwf.com
- nathan@stelter.com
- jen.lennon@stelter.com
- www.stelter.com

Webinar Resources

- Recording
- Presentation handouts
- www.stelter.com/webinars