

THE NONPROFIT'S GUIDE TO
DONOR
SCIENCE
Revolutionize Giving with Data

PRESENTED BY



The future of
fundraising is here,
and it's powered by
Donor Science™

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FOREWORD

The importance of marketing analytics to nonprofits has never been more clear. The perspective provided in the Nonprofit's Guide to Donor Science links the most important concepts in modern fundraising today – how to blend Ai, Machine Learning (ML), and Human Intelligence (HI) to accurately predict donor marketing outcomes. With the ever-increasing complexity of the donor journey, investments in data strategy and advanced analytics that optimize donor experience and engagement have never been more important – or more challenging.

Few organizations have all of the data, technology, and talent that they need today or will need going forward. The practical view taken in the following guide provides a “prescriptive” roadmap for the modern fundraiser to follow.

Bruce Biegel

Senior Managing Partner
Winterberry Group



EXECUTIVE SUMMARY

In today's rapidly evolving philanthropic landscape, nonprofits face a critical turning point. Traditional fundraising methods are no longer sufficient to keep pace with changing donor behaviors and technological advancements.

By embracing innovative approaches like Donor Science™, a groundbreaking approach that leverages advanced data analytics to revolutionize fundraising, nonprofits can not only achieve unprecedented success but also contribute significantly to growing philanthropy as a vital component of the global GDP.

THE NONPROFIT PROBLEM

THE EVOLUTION OF FUNDRAISING

Fundraising has evolved dramatically over the decades, transitioning from community-based activities and door-to-door solicitations to an era where technology plays a crucial role. While commercial organizations have quickly adopted data-driven strategies and innovative technologies, many nonprofits have been slower to embrace these advancements. This delay has left many nonprofits struggling to keep up with the evolving landscape of donor engagement and fundraising, widening the gap between traditional methods and modern approaches. As a result, nonprofits are leaving substantial amounts of money on the table, which hinders their ability to support their constituents effectively and be the best stewards of their limited and precious resources. The missed opportunities in leveraging cutting-edge methods not only impact fundraising success but also the broader mission and sustainability of these organizations. Michael Kulpinsky, Chief Operating Officer at VeraData, sheds light on how their Production Science methodology addresses these challenges:



"At VeraData, we've developed a Production Science methodology that navigates the cost challenges direct marketing presents to our clients. We have perfected the art of streamlining costs, enhancing efficiency and offering state of the art data-driven technology. By leveraging Donor Science, we optimize our output decisions to drive online and offline messaging whether the outcome is digital, production based or both. This ensures that every campaign is both cost-effective and impactful. Our data-driven insights allow us to minimize costs and maximize the reach of fundraising efforts, addressing the critical challenges nonprofits face with rising costs."

THE EVOLUTION OF FUNDRAISING

The first known fundraising campaign was conducted by St. Paul's Cathedral in London, England in 1340. Then in 1490, Johann Tetzel, a German preacher, used printed materials to solicit donations for the Catholic Church, marking the first use of print in fundraising. While fundraising practices have changed over time, the need to constantly evolve remains the same.

THE RISE OF AI & ML TRANSFORM FUNDRAISING

With advanced tech reshaping industries, nonprofits are catching on & catching up with Donor Science.

2024



EMERGENCE OF ONLINE FUNDRAISING

The first online fundraising campaigns began, with the internet opening new avenues for reaching donors globally, culminating in the creation of platforms like GoFundMe and Kickstarter.

1994



INTRODUCTION OF TELEVISED FUNDRAISING

Television was first used for fundraising during a United Nations appeal for the World Health Organization, reaching a large audience and setting a precedent for future tv campaigns.

1948



ESTABLISHMENT OF THE AMERICAN BIBLE SOCIETY

The American Bible Society was one of the first organizations in the United States to use modern fundraising techniques, including direct mail campaigns.

1820



GROWTH OF VIRTUAL EVENTS & CROWDFUNDING

During the COVID-19 pandemic, virtual fundraising events and crowdfunding saw exponential growth, leveraging social media and digital platforms to engage donors remotely.

2020



LAUNCH OF DIRECT MAIL FUNDRAISING

Direct mail became a predominant method for fundraising with the introduction of personalized, targeted mailings to potential donors, revolutionizing donor engagement.

1970



FOUNDING OF THE AMERICAN RED CROSS

Clara Barton founded the American Red Cross, utilizing widespread public appeals and pioneering disaster relief fundraising.

1881



THE INCREASING COMPLEXITY OF FUNDRAISING

Over the years, raising money as a nonprofit has become increasingly challenging. With the proliferation of nonprofits, emerging channels, generational shifts, a cluttered information space, and a growth in cultural and ethnic diversity, cutting through the noise to connect with potential donors has never been more difficult. Nonprofits are competing not only with each other but also with a myriad of other distractions vying for people's attention and resources. Adaptation to these demographic changes is crucial for effective engagement and sustained fundraising success.

THE CONSTRAINED NONPROFIT TEAM

In an increasingly complex world, nonprofit teams remain constrained by limited resources. As organizations rightfully prioritize their cause and mission, there is often little room left for investing in advanced fundraising technologies or strategies. This leaves nonprofits at a disadvantage, as they struggle to keep pace with the ever-evolving best practices and tools that could help them achieve their goals more efficiently and effectively.

THE UNTAPPED POTENTIAL OF DATA

These challenges are further compounded by the fact that many nonprofits don't know how to use their data effectively. Nonprofits often sit on a wealth of information about their donors, their engagement, and their giving patterns buried in silos of data. However, without the skills or tools to properly analyze and interpret this data, nonprofits are unable to leverage it to support their teams and drive meaningful insights. This untapped potential of data leaves nonprofits at a significant disadvantage in today's data-driven world.

data silos: (n.) a reference to a situation where data is stored in isolated systems or departments within an organization without any means of sharing or integrating the data across the organization where each 'silo' operates independently with its own processes, data management, and access controls

This is where Donor Science™ comes in, transforming these obstacles into opportunities for growth and impact. Donor Science tackles these issues directly by cleaning up data and processes, leveraging Ai and Machine Learning to deliver precise, consistent, and timely guidance.

Addressing the missed opportunities, increased complexity, constrained teams and untapped potential, this advanced approach optimizes direct mail campaigns and countless other fundraising decisions, converting challenges into opportunities.

Without transitioning to modern, data-driven strategies like Donor Science, nonprofits will continue to struggle to sustain or scale with outdated methods in place.



THE DONOR SCIENCE SOLUTION

Imagine a world where your fundraising campaigns are so precisely targeted that you stop wasting money on non-responders. You stop wasting time on an inattentive audience. You stop what we've always been taught is the way to achieve successful donor acquisition and retention and make the move towards something stronger and repeatable. Donor Science represents a significant departure from traditional fundraising methods, offering you a revolutionary blueprint for precision-targeted, hyper-personalized, and profoundly impactful fundraising campaigns.

Your organization has likely grappled with scattered data and fragmented donor profiles, making it challenging to create a cohesive fundraising strategy. With Donor Science, you can transform this chaotic data into clear, actionable insights. For example, we worked with a faith-based nonprofit that experienced a 200% increase in average gift size after implementing our solutions.

By leveraging detailed historic data, advanced behavioral insights, and specialized analytics, Donor Science directly enhances key performance indicators such as response rates, acquisition costs, and average donation amounts. Imagine reducing your acquisition costs while simultaneously increasing your average donation per donor and broadening your profitable universe of donors..

Our 360-degree approach, integrating Ai and ML-driven models with smarter metrics, empowers you to make informed decisions with both broad and granular perspectives. Predict donor behavior with pinpoint accuracy, tailoring outreach strategies to significantly boost engagement and retention.

“It’s the ability to look at data in billions of dimensions in seconds.”

Michael Peterman
Chief Executive Officer, VeraData

For instance, a children's health nonprofit doubled their donor base within a year by applying these strategies, dramatically improving their response rates and average donation amounts. Michael Peterman, CEO of VeraData, encapsulates this transformative power of Donor Science in his own words:



"Donor Science is essentially the combination of more and more data packed with more depth and granularity metabolized through this human-assisted artificial intelligence engine. It's the ability to look at data in billions of dimensions in seconds. It's the ability to understand infinitely complex combinations of variables and identify trends, habits, preferences, in ways that were previously unimaginable."

At its core, Donor Science encompasses **three key steps**:

STEP 1: PLANNING

Our rigorous planning sets us apart from traditional approaches by beginning with the definition of precise, actionable objectives that align with your organization's specific KPIs and goals. Unlike conventional methods that often use generic metrics, we dive deep into identifying and integrating the right data sources, ensuring a comprehensive understanding of your unique requirements.

Through iterative analysis, we layer only the most relevant metrics tailored to drive your fundraising success, focusing on what truly matters. Our process includes an in-depth analysis of your donor landscape, where we segment and scrutinize donor behaviors, preferences, and potential. This thorough approach unearths new findings previously unseen with traditional techniques. The Donor Science difference shines in our behind-the-scenes work. Unlike standard practices that may overlook data quality, we gather data from a variety of sources, meticulously transforming disparate, messy data into streamlined, standardized datasets. This exacting process enhances the quality of your data, making it ready for sophisticated analysis.

Every step in our process is aligned with your overall KPIs and goals, ensuring that data collection, analysis, and application are all geared towards achieving your defined objectives.

This holistic approach sets a strong foundation for the entire fundraising campaign strategy process. Transforming raw data into thoughtful data, we provide a clear, strategic path forward. Our innovative techniques enable us to deliver tailor-made solutions that outperform generic one-size-fits-all approaches. With meticulous planning and deeper analytics, Donor Science reveals the complexities of each donor, giving you access to the variables that truly make a difference.

CASE IN POINT

A prime example of this is our work with a national veterans and first responders charity. Starting from scratch with no historical donor data, we implemented a multi-year Donor Science™-backed acquisition plan. This comprehensive approach featured donor analysis, fundraising strategy, creative development, and fulfillment, resulting in a 3000% increase in revenue over seven years and transforming them into one of the fastest-growing charities in the U.S.

STEP 2: PRESCRIBING

Our use of AI and Machine Learning capabilities go beyond simple predictive analytics. Traditional methods often stop at forecasting future actions, but Donor Science not only forecasts future actions but also advises precise strategies for creating nuanced donor segments as well as the what, where, when and how of the outreach itself. This leads to significant enhancements in your campaigns' 360 metrics—from names mailed to gift size and everything in between.

By exploring extensive datasets, nonprofits uncover intricate patterns in donor behavior and communication preferences. This enables them to make strategic choices that draw in and keep donors more efficiently in a fiercely competitive environment.

“The holy grail of analytics
is prescriptive analytics...”

Matt Kaiser
Chief Strategy Officer, VeraData

Prescriptive analytics is the evolution of predictive analytics, incorporating external datasets like economic indicators and social media activities to enrich predictions. Matt Kaiser, Chief Strategy Officer at VeraData, explains the difference between prescriptive and predictive analytics this way:



"The holy grail of analytics is prescriptive analytics, which, simply stated, is the identification of all actions required to yield the best outcome. So, it bridges not only the 'who', which is what predictive is all about, but the what, when, how... which individuals through what channel with what communication format, all of those things. I think as analytics and our capability to harness all of that analytic power evolves, we will move more and more towards prescriptive analytics, which will recommend a series of future marketing strategies targeted to highly responsive audiences across the most impactful mediums, channels & formats."

Providing real-time insights, prescriptive analytics allows for agile decision making for better outcomes. By customizing communications to align with each donor's unique interests and identifying those at risk of disengagement, nonprofits can cultivate stronger bonds and boost the chances of recurring donations, leading to significantly higher retention rates.

To prevail, prescriptive analytics requires comprehensive donor-related data and advanced modeling tools, an endeavor key to Donor Science. This technology marks a significant stride toward modernizing successful fundraising. By analyzing deeper patterns and emerging trends to provide actionable solutions, we optimize each campaign's strategy based on specific donor behavior. The breakthrough results happen when the machine starts to hum. That's when we see organizations achieve new positive CTAs, net revenue, triple-digit growth in their donor lists, and transformational results throughout each level of the donor pyramid. Through prescriptive analytics and Ai-driven insights, you will deliver the right message, to the right people, through the right channel, at the right time.

CASE IN POINT

A children's health nonprofit struggled with re-engaging lapsed donors due to high costs per dollar raised (CPDR) and low average gifts. By implementing Donor Science's Lapsed Reactivation and Ask Array models, we mailed deeper into their inactive audience, reduced costs, and increased the average donation amount. This prescriptive approach led to a 32% reduction in CPDR, an 80% increase in the average gift size, and reactivation of donors who hadn't donated in over five years, significantly expanding their DonorVerse.

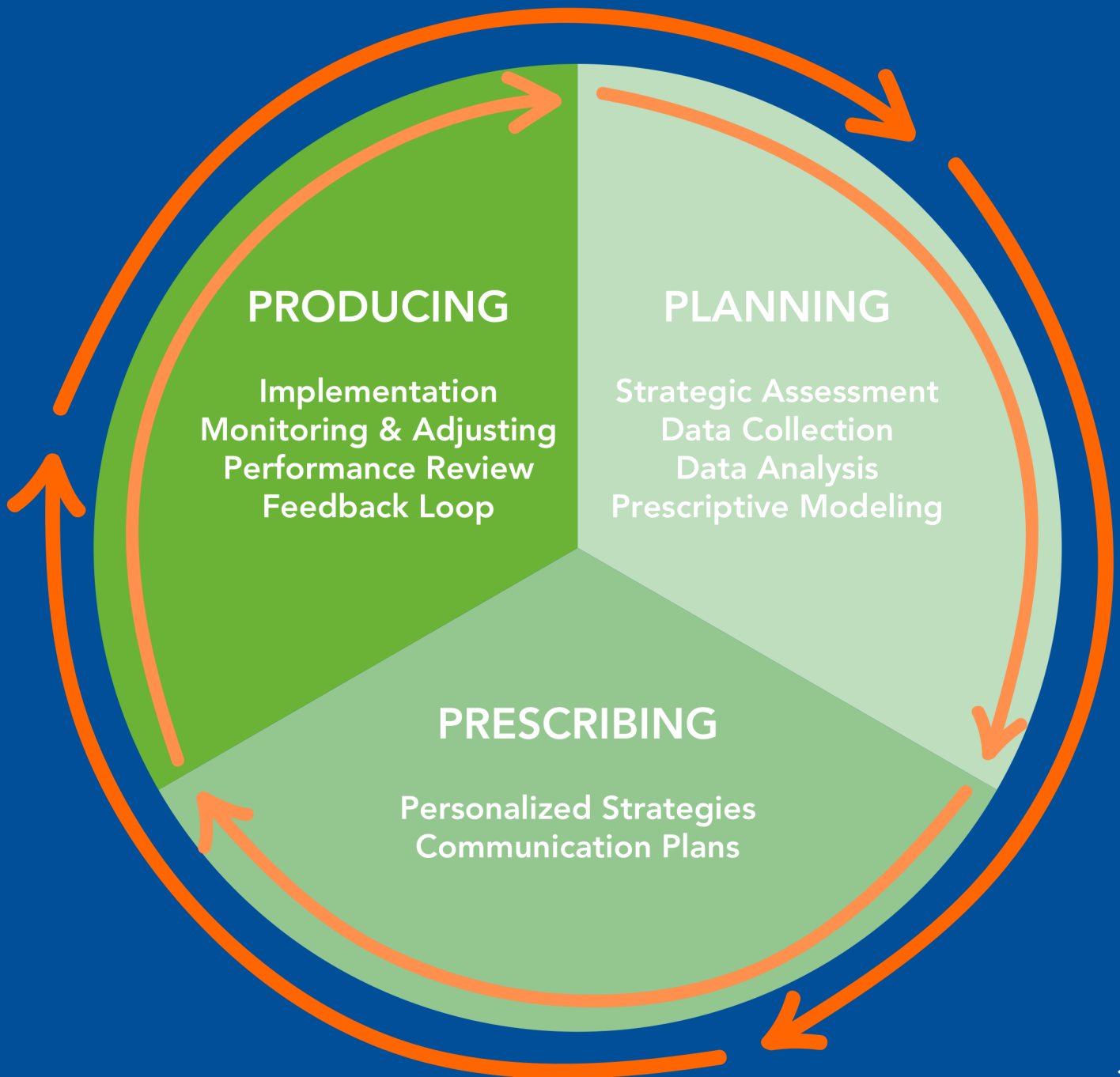
STEP 3: PRODUCING

The results of a Donor Science campaign are not left to chance; they are pre-programmed for success through meticulous preparation and behind-the-scenes expertise. Far beyond simply using donors' names in communications, the production of personalized engagement involves leveraging a broader range of accurate, complete, timely, and consistent data. Traditional methods may overlook granular details, but Donor Science captures and codes this information, to produce prescriptive and productive outputs. This includes not only historic data but also performance metrics like engaged channels, optimal communication frequency, resonant visual graphics, and effective fonts and copy. **With precise, standardized data, we craft campaigns that are finely tuned and customized, striking a meaningful chord with every individual donor.**

Donor Science uses Ai to guide hundreds of fundraising decisions, empowering nonprofits to unlock new audiences and accelerate relationships with their donors. This strategic approach significantly improves metrics such as Cost to Acquire (CTA), which VeraData CEO, Michael Peterman, notes has seen an improvement of 18-32% through our longstanding collaboration with nonprofit service partners. With 17 years of experience, Donor Science has proven to enhance direct mail fundraising campaigns, driving higher engagement and better retention rates.

THE DONOR SCIENCE PROCESS

These advanced techniques allow nonprofits to achieve outcomes that were previously unattainable with traditional methods. Using this comprehensive strategy, we shift from single transactions to sustained donor relationships. Donor Science equips nonprofits to revolutionize their fundraising, fostering enduring and impactful connections within a growing DonorVerse™.



THE DONOR SCIENCE DIFFERENCE

People are more than just numbers on a spreadsheet; their data reveals the underlying motivations and passions that drive their support for nonprofits. You can do more with your data and in a different way. By understanding the heart of giving, with Donor Science nonprofits can make a lasting impact and foster long-term relationships with their supporters in a way they never could before. Anyone can do something with Data, ML and Ai, but Donor Science does it better.

DRIVING WITH DATA

When planning a campaign to boost donor engagement and retention, where do you start? Most begin by gathering data from various sources: donor records, social media interactions, event attendance, email campaigns—the list can go on and on. Initially, this data can feel overwhelming and disorganized. With all this information gathered, it's not enough to have data; it's what you do with it that counts. With Donor Science, we don't just collect data; we dissect, define, and disseminate it to produce models that drive outcomes with transparency and accuracy. Raw data holds immense potential but requires direction to be valuable. Donor Science transforms static information into actionable insights, meticulously analyzing vast amounts of data to identify patterns, correlations, and trends crucial for strategic decision-making. With ongoing assessment, strategies can be adjusted as needed to ensure optimal outcomes. Chief Analytics Officer at VeraData, Svitlana Khayluk explains:



"Our approach to analytics employs advanced machine learning algorithms and statistical modeling techniques to analyze vast datasets with precision. By leveraging these sophisticated methodologies, we uncover latent patterns and predictive trends in donor behavior that others miss..."

"...We create custom donor activation and retention models backed by decades of data insights. Our Machine Learning algorithms continuously learn and adapt to changing donor behavior, optimizing the model's accuracy and impact over time."

CRITICAL STEPS IN DONOR SCIENCE

EXCAVATION

We accumulate extensive datasets from various sources, ensuring we have a comprehensive foundation. To date, we have over 20+ years of structured, standardized data.

DISSECTION

We delve deep into granular data, parsing it into manageable components. This phase involves identifying key metrics and outliers, which are essential for nuanced analysis.

DEFINITION

We then categorize and standardize the data, ensuring consistency and reliability. This step is vital for creating accurate and replicable models. Data standardization is key to unlocking original, deeper intel, allowing us to uncover fresh patterns and new audiences.

DISSEMINATION

Finally, we share these refined insights with our clients, presenting them in a clear, actionable format. This enables organizations to implement strategies with confidence, knowing they are based on robust and precise data.

Donor Science goes beyond merely driving with data; we use it to steer, ensuring you're on the optimal track. Our advanced predictive models don't just forecast donor behavior—they pinpoint precisely which segments hold the highest potential. This data-driven precision sets us apart, enabling you to cultivate stronger, more meaningful donor relationships and achieve sustainable growth. In essence, we convert raw data into a streamlined journey, guiding you toward your destination with clarity and confidence. With Donor Science, you're not just moving forward—you're moving in the right direction.

MOVING WITH ML

When it comes to Machine Learning (ML), imagine Donor Science as an airplane—a sophisticated piece of technology, combining hardware and software. But this plane, no matter how advanced, won't take you from Florida to Tokyo without a skilled crew and essential support systems. To reach your destination, you need a pilot and co-pilot, a cabin crew, ground crew, airports, a control tower, and, crucially, fuel. This comprehensive infrastructure is what transforms a mere airplane into a powerful means of travel. To add to this metaphor, Michael Peterman shares as follows:



“In the realm of fundraising, data is the fuel. At VeraData, we have an abundance of this precious resource. Without data, even the most cutting-edge tech stacks are rendered useless, much like a plane without fuel. You might manage a brief takeoff, but you'll quickly find yourself grounded. With decades of methodically curated data, we possess detailed insights into consumer behavior, donation habits, preferences in packaging, copy, gift amounts, and channel preferences. This data encompasses thousands of demographic, behavioral, psychographic, and transactional data points—some purchasable at a steep price, others simply unavailable elsewhere. Our data science team, the seasoned pilots of this operation, has spent over 17 years collecting, coding, un-biasing, standardizing, and making sense of these idiosyncratic elements. They understand outliers and trends, all within the nonprofit space, with one singular purpose: to enhance fundraising activities. Our Machine Learning data scientists are the most experienced in the world, dedicated solely to fundraising.”

Machine Learning and Donor Science are akin to the pilot and co-pilot in our metaphorical airplane. It ensures that every piece of data is not just utilized but optimized for the journey. While others may rely on basic ML algorithms, Donor Science leverages sophisticated Machine Learning to unlock hidden patterns within vast datasets.

This advanced analysis not only reveals valuable intelligence but also drives hyper-personalized donor engagement. Our unique approach goes beyond standard practices, we provide a truly transformative experience for both nonprofits and their donors.

Donor Science and Machine Learning work in tandem to guarantee that every piece of data is not just utilized but optimized for the journey. It's the difference between having a plane and having a plane that can safely and efficiently take you to your destination. With our extensive data repository and our unparalleled expertise in Machine Learning, Donor Science doesn't just elevate your fundraising efforts—it revolutionizes them.

ADVANCING WITH Ai

Artificial intelligence (Ai) isn't just a shiny new tool—it's comparable to having a Ferrari parked in your driveway. As Matt Kaiser aptly puts it:



"Everybody talks a lot about the fact that, 'Oh, we have Ai.' But what they don't realize is that you need the individual that has fluency and an understanding of how to navigate and leverage all that intelligence in a meaningful way in order to really be able to deliver on all the things that Ai enables us to deliver on."

Imagine this... You have a Ferrari, the pinnacle of automotive engineering, but without the skills to drive it, it's just an idle machine. Similarly, Ai is powerful and transformative, but without human intelligence (HI) to guide it, its potential remains untapped. Handing the keys to Ai experts is like putting Mario Andretti behind the wheel, unlocking its true capabilities to revolutionize the way nonprofits engage and retain donors.

With Donor Science, the magic happens when Ai and HI work in harmony. Our experts are not just tech-savvy—they are fluent in the language of Ai, understanding its intricacies and potentials that allows us to harness Ai's power to drive donor engagement and retention on a whole new level.

THE DONOR SCIENCE SYNERGY

In the realm of Donor Science, the integration of artificial intelligence (Ai) and human intelligence (HI) creates a powerful synergy that enhances fundraising efforts. Together Ai and HI ensure that fundraising initiatives are not only efficient and data-driven but also empathetic and strategically sound, ultimately leading to more successful and sustainable donor relationships.

Ai

HI

PATTERN RECOGNITION

Identifies complex donation patterns and trends, enabling targeted fundraising strategies

PRESCRIPTIVE ANALYTICS

Recommends actionable steps to optimize donor engagement and increase contributions

PERSONALIZED ENGAGEMENT

Customizes communication with donors based on their preferences and past interactions

DATA-DRIVEN INSIGHTS

Provides actionable insights from vast datasets to optimize donor outreach and retention efforts

AUTOMATED PROCESSES

Streamlines repetitive tasks, allowing more time for strategic planning and relationship building

EMOTIONAL CONNECTION

Builds deep, meaningful relationships with donors through empathy and genuine interaction

ETHICAL JUDGEMENT

Ensures fundraising practices adhere to high ethical standards, fostering trust and integrity

CREATIVE THINKING

Innovates unique fundraising campaigns that capture donor interest and participation

PERSONAL RELATIONSHIPS

Maintains strong, long-term connections with donors, enhancing loyalty and support

STRATEGIC PLANNING

Develops comprehensive, forward-thinking strategies to sustain and grow donor engagement

Over the next five years, the human understanding and intimacy with Ai will grow exponentially. While Ai technology will continue to evolve, the real movement will come from our proactive ability to harness and apply it effectively, setting new standards for innovation and impact. Lindsay Marino Long, Vice President of Donor Engagement and Retention at Faircom shares this:



"Getting to know our donors on a truly personal level has completely transformed how we approach fundraising. With Donor Science, we've moved beyond just numbers and data; we've discovered the real stories and passions that drive our supporters. This insight has allowed us to create campaigns that genuinely resonate and build lasting connections, making every interaction meaningful."

Fundamentally, Donor Science with Ai is not just about having advanced technology at our fingertips; it's about knowing how to drive that technology to its fullest potential. The future of fundraising lies in this symbiotic relationship between Ai and HI, where human intelligence amplifies the capabilities of artificial intelligence, driving nonprofit organizations toward unprecedented success.

“They chose growth,
and they’ve seen
increased revenue
and lowered attrition
rates since.”

Lori Moon
VP of Strategy and Insights, VeraData

THE CASE FOR DONOR SCIENCE

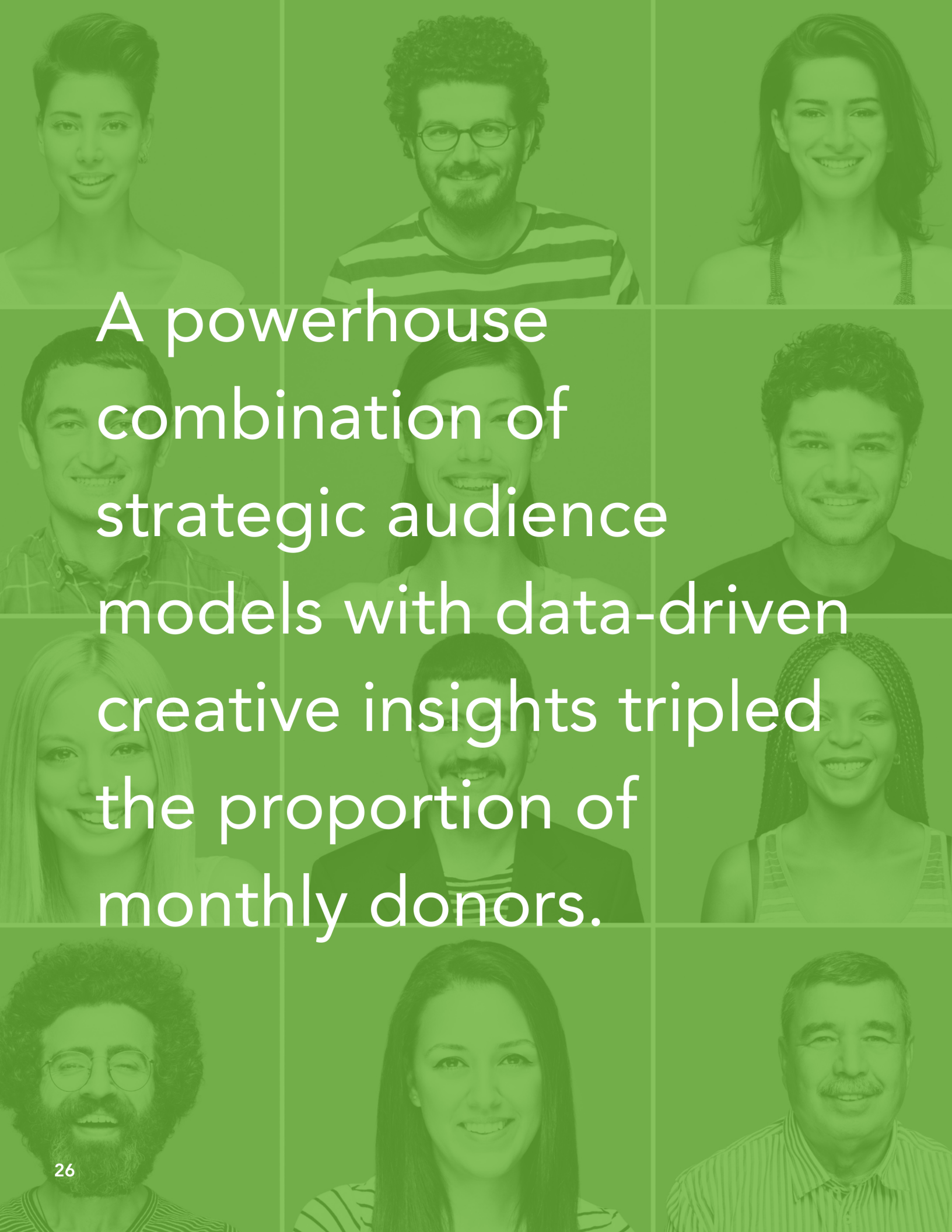
Adopting Donor Science is essential for the survival and growth of nonprofits. Without moving into a more modern approach, nonprofits risk falling behind, losing donors, and missing opportunities for sustainable growth and impact. Moreover, by integrating Donor Science into their strategies, nonprofits can play a pivotal role in enhancing the economic impact of philanthropy, contributing to its growth as a significant component of GDP. Donor Science stands out by delivering real wins for a variety of use cases. Lori Moon, VP of Strategy and Insights at VeraData, shares an example of how Donor Science produces results for a nonprofit:



“VeraData’s Descriptive Analytics Summary (DAS) audits a client’s fundraising program by analyzing five years of donor lifecycle history and projecting scenarios for the next three years.

For example, a client considered cutting acquisition mail volume to save costs. Using the DAS, we demonstrated that reducing acquisition would likely decrease both revenue and donor numbers, while maintaining efforts would result in stagnation. However, a targeted growth strategy involving an increase of 100,000 mail pieces projected significant rises in revenue and donor retention. The client chose growth and has since seen increased revenue and reduced attrition.

Our data-driven approach shows that strategic investments can lead to sustainable growth. By providing tailored scenarios, we empower organizations to make informed decisions that align with their long-term goals, demonstrating that sometimes, the smart play involves strategic investment rather than cost-cutting.”



A powerhouse
combination of
strategic audience
models with data-driven
creative insights tripled
the proportion of
monthly donors.

CASE STUDY 1

Use Data-Driven Strategies to Triple the Number of Sustainer Donors in Acquisition

Our client was an early adopter of the monthly donor model, partnering with us to expand their community of supporters. Through strategic tweaks to their creative coupled with the application of a monthly donor model, we established a robust, predictable revenue stream that empowered them to transform lives globally.

THE CHALLENGE

Our client attempted to expand their monthly donor pool, balance income, and make revenue projections. However, initial efforts showed slow sustainer adoption, prompting the need for a new strategy.

THE SOLUTION

We initiated an ensemble of models over a one-year series of mailings that started with a two-step approach: 1) targeting those inclined to be monthly donors and 2) tailoring the amount and placement of the ask.

THE OUTCOME

Powered by Donor Science, at the end of a 12-month period, 7% of newly acquired donors signed up as a monthly giver.

THE SUCCESS

- More than Tripled the Growth Rate of the Sustainer File
- Advanced a Larger and More Predictable Revenue Source

Using Ai technology
shakes up the status quo.
By digging deeper into
your data and viewing your
program from all angles,
you can grow your mission
smartly and efficiently.

CASE STUDY 2

Optimize Your Acquisition Efforts for Exponential Gains

While current acquisition KPIs were within industry benchmarks, this client was hungry for more growth. Delving deep into their data, VeraData unearthed more impactful insights, like long-term value. Then, armed with an Ai Strategic Campaign Projections tool, they more than doubled their client's DonorVerse of viable lists.

THE CHALLENGE

With only Cost to Acquire (CTA) as a measure of success, their new donor campaigns were limited by only analyzing upfront giving.

THE SOLUTION

VeraData course-corrected and innovated by combining Ai-led list brokerage and Acquisition Modeling. Their team analyzed 2 years of prior data, refined merge/purge processes, and identified list attribution sources to uncover long-term value prospects and further expand their DonorVerse.

THE OUTCOME

Leveraging Donor Science, their mailable universe expanded from 18 to 40+ lists, reduced CTA from \$1.64 to \$1.39, and boosted profitable prospects from 5MM to 14MM.

THE SUCCESS

- 9M New Donor Prospects Identified
- 22 New Donor Lists Identified that Held Solid Prospects
- 15% Decrease in Cost to Acquire

A pair of hands, one larger and one smaller, are shown holding a coin. The hands are positioned as if presenting the coin. The background is a solid green color, and the entire image has a semi-transparent green overlay. The text is white and centered over the image.

There isn't always one
single solution to
fundraising and
donation growth.
A full suite of Donor
Science-powered
strategies led this client
to sustainable growth in
donors and dollars.

CASE STUDY 3

Donor Growth Accelerates with Comprehensive Analytically-Driven Fundraising Solutions

Our client needed to build awareness of their work among potential donors and increase their fundraising. Feeling stunted by a limited audience, they reached out to us with one goal: to grow their DonorVerse in order to deliver on their mission at scale.

THE CHALLENGE

At an unsustainable cost-to-acquire, this client was committed to growth but lacked mission awareness and was puzzled over the real reason for their stagnation.

THE SOLUTION

Donor Science devised multifaceted strategies, from modeling their house files and lapsed donors for reactivation to acquisition models to a second touch campaign (ReMail™), culminating in impactful solutions.

THE OUTCOME

Our approach prioritized acquiring more donors at a lower cost, expanding the DonorVerse™ with Donor Science. We reduced cost-to-acquire from \$32 to \$11, and increased average gift, leading to a sixfold revenue surge.

THE SUCCESS

- 200% Growth in Average Gift
- 4x Increase in Donor File Size
- 65% Decrease in CTA

IMPLEMENTING DONOR SCIENCE

A modern world calls for modernization. Staying ahead requires more than just keeping up—it demands a complete shift in strategy. A nonprofit's success hinges on the ability to innovate and adapt. Old school methods can no longer sustain new world progress. This is where Donor Science comes into play. It's time to revolutionize your approach to fundraising and donor engagement. Here's how you can start:

SHIFTING YOUR MINDSET: EMBRACE THE REVOLUTION

The traditional methods that nonprofits have relied upon for years are no longer sufficient. Using only an RFM model, relying on a single metric like Response Rate or CTA and ignoring channel attribution simply doesn't work. Sticking to the status quo is not just stagnation—it's regression. The ecosystem of donor engagement has evolved dramatically, and it's time to catch up or be left behind. Donor Science is not just a buzzword; it's a revolutionary approach that redefines how you understand and interact with your donors. Imagine harnessing the power of advanced analytics to not just meet but exceed your fundraising goals. This is the big idea that will propel your nonprofit forward, giving you the edge to make a significant impact.

DON'T WAIT: THE TIME TO ACT IS NOW

Every moment you delay in adopting Donor Science is a missed opportunity to deepen your connection with your supporters and move your fundraising efforts forward. The competitive nature of the nonprofit sector means that those who act swiftly and decisively will reap the rewards. Hesitation is costly; the longer you wait, the more ground you lose. Implementing Donor Science isn't just an option—it's a necessity. The urgency is real, and the stakes are high. Your nonprofit's future depends on the decisions you make today.

NEXT-LEVEL PERSONALIZATION: BRING IT ALL TOGETHER

This is where Donor Science reveals even greater potential. **All the meticulous planning, data segmentation, and standardization efforts converge to create a personalized experience for each donor.** Imagine having the ability to identify patterns and preferences with incredible accuracy, allowing you to tailor your engagement strategies to individual donors. This next-level personalization is not just about recognizing donors by name—it's about understanding their motivations, predicting their behaviors, and crafting messages that resonate on a personal level. This deep connection transforms casual donors into loyal advocates, driving sustained growth and support for your cause.

It's time to break free from outdated practices and embrace the transformative potential of Donor Science. Shift your mindset, act with urgency, and unlock the power of next-level personalization. Your nonprofit's success and impact depend on it. The future is now—seize it.

MASTERING DONOR SCIENCE A CHECKLIST FOR DATA-DRIVEN SUCCESS

EMBRACE DATA-DRIVEN DECISION MAKING

- Switch to Data-Driven Strategies
- Plan Targeted Campaigns

USE PERSONALIZED DONOR ENGAGEMENT

- Refine Donor Segmentation
- Personalize Messages

FOCUS ON IMPROVED DONOR RETENTION

- Identify Attrition Factors & Tailor Strategies
- Monitor Donor Satisfaction

ENHANCE CAMPAIGN PERFORMANCE

- Analyze & Adjust Campaigns
- Optimize Continuously

INCREASE RESOURCE EFFICIENCY

- Allocate Resources Strategically
- Embrace Modern Strategies

FUTURE-PROOF YOUR FUNDRAISING

- Stay Updated with Tech Advances
- Adapt to Trends & Innovations

MEASURE IMPACT ACCURATELY

- Set Clear Metrics
- Track Donor Journey

REVEAL GROWTH POSSIBILITIES

- Map Fundraising Ecosystem
- Craft Hyper-Personalized Blueprints

“When you think about what the computational speed or ability will be in 10 years, we'll be in the Age of Quantum...”

Michael Peterman
Chief Executive Officer, Vera Data

THE FUTURE OF FUNDRAISING

As we look ahead, the future of fundraising is inextricably linked to the power of Donor Science. By embracing data-driven strategies, nonprofits can cultivate deeper, more meaningful relationships with their donors, creating a virtuous cycle of engagement, loyalty, and impact. Donor Science enables nonprofits to stay ahead of the curve, adapt to emerging trends, and continuously refine their approaches for maximum effectiveness.

Michael Peterman shares his vision for the future of Donor Science:



"So 10 years from now, it's hard to imagine... When you think about what the computational speed or ability will be in 10 years, we'll be in the Age of Quantum, billions of times faster than the microprocessors that we have today. It's the second half of the Moore's Law chessboard. We'll see things and know things at such scale. Looking at all of the current trends of what Donor Science is accomplishing even today, I think it means the fulfillment of our mission of growing philanthropy as a component of GDP. It means connecting people with donors and advocates in a more tailored way that connects them to all of these missions, in ways that we just simply haven't been able to accomplish as of yet."

The potential for Donor Science to transform the philanthropic landscape is limitless. As Ai and Machine Learning capabilities continue to advance at an unmatched pace, nonprofits need to harness these technologies in order to not be left behind. With the global adoption of Ai in the Nonprofit and Social Impact sector growing at an incredible rate, now is the time to be part of the growth curve.

Combining Ai with human intelligence to automate and optimize the fundraising process by continuously learning from donor interactions with an ongoing feedback loop, "Project Perry" will provide the ultimate donor experience through personalized and timely engagement, ensuring our partners stay ahead in driving impactful change. Stay tuned for what's coming next.

The journey ahead is not just about keeping pace with technological advancements but leading the charge towards a more dynamic and responsive philanthropic sector. Together, we can shape a future where technology and human compassion work hand in hand to create lasting change.

GET MORE & RAISE MORE

With Donor Science, VeraData clients experienced 27% growth in individual giving in 2023, while overall charitable giving by individuals declined by an inflation adjusted 13.4%.



27%

Charitable Giving Non-Profit Sector, VeraData Clients

-13.4%

Charitable Giving Non-Profit Sector, Individuals*

CONCLUSION

The Donor Science paradigm represents a monumental shift in how nonprofits approach, engage, and retain donors, ultimately enabling them to achieve their life-changing missions more efficiently and effectively. Not merely a trend or a passing fad, Donor Science is imperative for nonprofits seeking to thrive in an increasingly complex and competitive landscape. By embracing the principles and practices of Donor Science, nonprofits can unlock new levels of success, build enduring donor relationships, and accelerate their impact on the world. As Michael Peterman explains:



"It's what we've been planning for since 2007. We've been challenging our clients and agency partners to think differently about what data will be able to do for us one day. We instilled that data-driven mentality across our organizations. We've built our onboarding processes, our platforms, our data layouts, all in anticipation of being able to continuously grow this ecosystem and support what I'll refer to as human-assisted Ai decision-making."

We invite you to join us on this transformative journey. Together, we can harness the power of Donor Science to create a new era of philanthropy—one that is data-driven, deeply personal, and unwaveringly focused on meaningful, measurable impact.

The future of fundraising is here, and it is powered by Donor Science.

ABOUT VERADATA

At the heart of VeraData beats a powerful vision that ignites hope, transforms lives, and revolutionizes philanthropy. We believe in harnessing the boundless potential of data, artificial intelligence and Machine Learning to usher in an era of unprecedented giving, where the world is changed one donation at a time. In this fast-paced digital age, we recognize the need to transcend traditional approaches and embrace the infinite possibilities offered by our discipline of Donor Science. We understand that the true power of data lies not in its complexity, but in its ability to connect, amplify, and inspire. We believe that knowledge is power; when we provide non-profits with both information and tools, we better prepare them to amplify their impact, deliver on their mission and achieve outcomes that improve lives. As the creators of the discipline of Donor Science, we fuse cutting-edge Ai and Machine Learning with a deep understanding of donor behavior and preferences providing NGOs with strategic insights and actionable data-driven solutions. We delve deep into the intricacies of donor motivations and preferences, enabling non-profits to navigate the changing donor landscape with precision and purpose. When nonprofits are equipped to make better-informed decisions, strategically allocate resources, and develop tailored campaigns, they can focus on what really matters. Advanced technologies are the key that unlocks actionable insights and fuels the growth of both dollars and donors. Fused with the right data, parsed by human experience to decipher truth from fiction in the artifacts, VeraData's superpower is unleashed. We are on a transformative journey to revolutionize the decision-making process, drive donor engagement, and create a better world. We transcend traditional fundraising practices and embrace innovative strategies that adapt to changing donor expectations.

Our goal is to unlock the full potential of philanthropy, make an enduring impact, and create a future where NGOs can maximize their influence and drive positive change on a global scale.

Join the fundraising revolution.
Learn more about **Donor Science**.
www.veradata.com