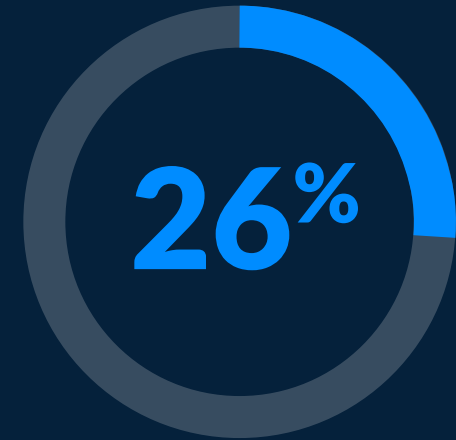




A Nonprofit's Guide to Donor Prospecting This Giving Season

Giving Season is the most important time of the year for nonprofits. Those magical three months, from October through December, account for most of a nonprofit's yearly revenue. Though many think of Giving Tuesday, the Tuesday after Thanksgiving, as a critical moment to solicit donations, this is only the beginning. According to Neon One, **26% of annual nonprofit revenue is raised in December, and 10% of all giving happens in the last three days of the year.**





This time can be both inspiring and rewarding, as the global community comes together to create real and lasting change. People participate in a myriad of ways, whether it be by volunteering, donating goods, supporting fundraising events, or making financial contributions.

That said, even the most organized nonprofits can be strained during Giving Season, as they try to balance everyday responsibilities with executing a compelling, profitable fundraising campaign. You might feel like your staff is being pulled in a dozen directions and there's never enough time. **To relieve some stress, we've put together a guide to help you maximize your resources and make this year's Giving Season your most successful yet.**

Challenges facing nonprofits going into Giving Season

As you approach Giving Season, it might feel like your to-do list is a thousand items long. Nonprofits are often tasked with finding and researching new donors, all while engaging existing ones. Then, on top of everything else, they must **plan and execute a successful Giving Season campaign**. Many organizations also hold fundraising events this time of year, which creates additional work during these already busy months.

To further complicate things, the Great Resignation has left many nonprofits short staffed and experiencing high turnover rates. Existing team members might be battling burnout, or simply feel like they don't have the resources to effectively implement a Giving Season campaign. It might be equally hard to muster enthusiasm from donors. In the wake of the global pandemic and persistent talks of a recession, people are being more cautious with their money. Nonprofits also face growing competition from crowdfunding sites like GoFundMe or Kickstarter, and text campaigns, which put more immediate asks at the forefront of donor's minds.



So how do you create and implement a **successful** Giving Season campaign when your daily responsibilities already consume so much of your bandwidth?

What can you do to **maximize** your time and resources during this incredibly busy time?



Maximizing your prospecting with limited resources

Giving Season is a time to be strategic. With careful preparation, you can do more with the resources you already have and employ technology to offload any cumbersome tasks.

Prioritize high value donors

You often hear the 80/20 rule in fundraising—that 80% of donations come from 20% of donors. But The Fundraising Effectiveness Project has found it's closer to 88% of funds from 12% of donors. These donors are considered “high value” donors and focusing on them can be a **more efficient way** to meet your goals. Many nonprofits consider \$1,000 or up to be a major gift, though that can differ based on the organization's size (some have \$500 or \$5,000 as their threshold). Regardless, you'll want to assign a team member (or board member) to hone in on these donors.

Wealth screening tools can help you identify major prospects, and enable you to search your database to prioritize existing donors that are financially able to make larger contributions to your cause. Consider asking these **high value donors** to fund a specific project that aligns with their interests.

Look to your community for support

During this pivotal time, think about how to **engage your community** to ease the workload. Some of your board members may have large social media followings and can help kick off your campaign by sharing posts with their greater network. Ask volunteers to help stuff envelopes or run the silent auction at a fundraising event. You may have more resources at your disposal you're even aware of. Tap into your community to cut down on costs.



Invest in technology

CRM software

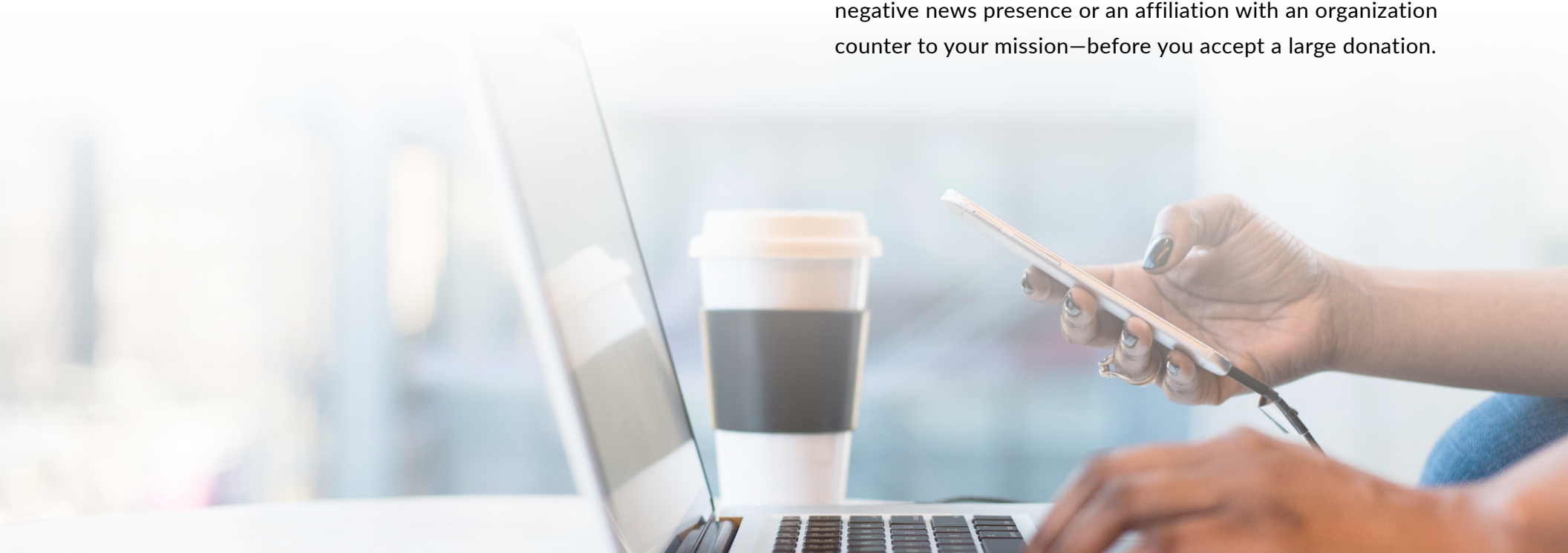
CRM software is a **great option for nonprofits** that have outgrown spreadsheets and want to organize all their donor information in one place. It can automate reporting, create donor groups, identify major potential donors, and integrate with your marketing platform.

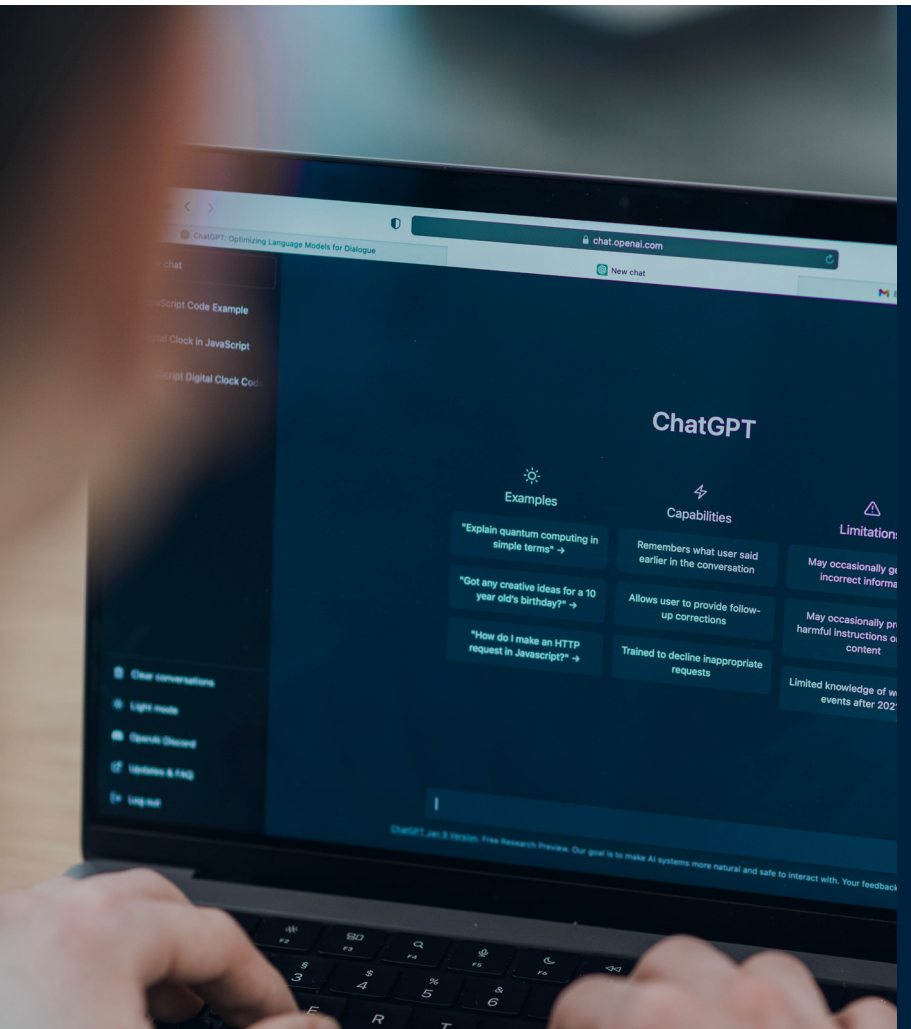
With CRM profiles, you'll be able to see when you've contacted a donor, when they last gave, and set reminders to follow up with them accordingly. It's also great for analyzing data, helping you identify lapsed donors or understand the donor lifecycle of your organization.

Donor prospecting tools

Donor prospecting tools can help **save time and energy** by streamlining your donor research. These tools give you access to a vast well of public information. Screen high value prospects by searching their income, employment history, capacity to give, and education level.

Nexis® for Development Professionals, for example, offers Donor Profiles that organize all of this key donor prospecting information into one view. When dealing with high value donors, consider using additional due diligence software like Nexis Diligence+ which can assess donor risk factors—like a negative news presence or an affiliation with an organization counter to your mission—before you accept a large donation.





Use AI resources

Artificial Intelligence tools are **increasingly popular**, as they can help analyze and interpret large amounts of data and allow your team to communicate more efficiently. Consider AI-powered workflow management systems for data entry and list processing—two tasks that are easy to automate.

Instead of fielding questions from donors about your web site or donation forms, you may want to employ chatbots to provide real time fundraising assistance. In addition, some employees prefer to **use a Generative AI tool** to write first drafts of tweets, emails, or social media captions.

Building a donor prospecting workflow

According to The Nonprofit Times, in 2022 the US nonprofit community raised \$3.1 billion on Giving Tuesday alone. Despite many challenges facing this sector, these months are still a **massive opportunity** for your nonprofit. That's why it's essential to streamline donor research. The faster you identify prospective donors, the faster you'll reach your fundraising goals.

Prospect research made easy

It's important to create a donor prospecting workflow to stay on top of your donor research, especially at this crucial time of year. First, you'll want to collect as much information as possible on your prospect and then segment your donors into groups.

Consider who your high-value donors are connected to, and if there are any opportunities to **expand your donor pool**. Finally, a solid due diligence tool can help you research any risk factors, preventing issues before they arise.

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Researching donors

When researching prospective donors, it can sometimes feel like you're drowning in a sea of information. The sheer **volume of data** out there is overwhelming, and it can be difficult to even know where to begin, especially when you have other tasks that need your time and attention. That's why using a donor research software is crucial. These tools not only help screen donors, but you can apply filters to dig deeper, getting a fuller picture of them, or set automated alerts to circle back with an ask.

For example, a tool like Nexis for Development Professionals can connect the dots across 45,000+ sources, drawing on 86 billion public records*, to **bring all this information into a single view**. In Donor Profiles, you'll access public and private data to gain insights regarding their career, philanthropic history, interest, location, and propensity to give. This allows you to get a complete picture of a prospect while filtering out any extraneous data that could make your research take more time.

Segmenting donors

So, you've researched existing and prospective donors...now what? **Creating your own donor profiles** using a tool like Nexis for Development Professionals allows you to connect millions of data points across news, business, and legal sources to create a comprehensive picture of a donor. You can then use those donor profiles to segment donors based on things like income, education, interests, donation history, gift size, interests, or location.

This becomes important during donor outreach because it allows you to personalize your asks. For example, it wouldn't make sense for you to invite out of town supporters to an in-person event, but they might like to join a livestream event to support the cause. Segmenting donors also saves time—you can **communicate with segments** as one entity, personalizing your communications without having to send each message individually.

Perhaps most importantly, segmenting donors and personalizing your asks is known to help **increase donor retention rates**. This is incredibly efficient in the long run, as it is ten times more expensive to attract a new donor than to keep an existing one. Segmenting donors builds a stronger, more personal connection to your organization, and allows both existing and prospective donors to feel seen.



Refine your data

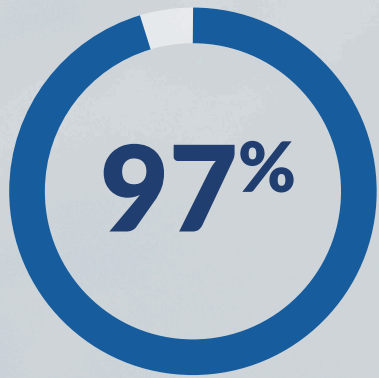
Inaccurate data can waste time and lead to missed opportunities. Be sure to **update your CRM** to remove duplicate profiles and lapsed donors from your records. You'll also want to validate donor financial information, contact information, and employment information for all existing and prospective donors so you can make timely, appropriate asks. There's nothing worse than not being able to reach an important donor or asking for too little simply because you don't have the correct financial information on file.

Do your due diligence

No one wants to think of the worst-case scenario: that your nonprofit might be offered a donation from a less than desirable source. While rare, this can and does happen, and can leave your organization vulnerable to bad press or even legal action. Prospect research is just the beginning—you'll want to follow up and do your donor due diligence for major gifts **using due diligence software like Nexis Diligence+**.

Accepting donations comes with specific risks for nonprofits, since donors need to align with your mission and values. This includes accepting donations from companies with a low ESG ranking, or even worse, from a sanctioned organization. You'll also want to screen any prospective board members to check their criminal record for anything that might be a red flag (embezzlement, for example). A comprehensive due diligence tool can assess ESG impact for most major companies, search court records and criminal records, and sanctioned business and watch lists. Ideally you want a software with access to global lists, like OFAC and FBI lists in the US, and HM treasury in the UK.





Use storytelling to connect with prospective donors

When you do eventually reach out to donors with an ask, remember that storytelling is a powerful tool to connect them to your cause.

97% of donors cite **impact** as the reason they give, so you'll want to show them how their contributions make a difference in the community you serve. Most organizations have hundreds of inspiring stories to share, but it's best to focus on one or two personal accounts that exemplify what donations can do.

Did your scholarship program help a twelfth grader afford college or another opportunity they might've missed out on? How did your food bank help a family struggling during the pandemic? What does your arts nonprofit mean to an underfunded school? Creating social media content around these stories, or simply sharing with a prospective donor, can help your donors connect to your cause on a profoundly human level.

Your Ultimate Donor Prospecting Checklist for Giving Season

Now that you know the ins and outs of donor prospecting, here's a quick recap:

- ✓ **Prioritize high value donors.** Remember the 80/20 rule, which says 80% of funds come from 20% of donors. Focusing on major donations will help you reach your goals faster.
- ✓ **Engage your community.** Whether it be stuffing envelopes or visiting a high value donor, spreading out tasks among community members is helpful during this hectic time.
- ✓ **Invest in technology like donor prospecting tools, CRM software, and AI assistants.** There are so many tools out there to help you with more mundane tasks, so automate whatever you can.
- ✓ **Build a donor prospecting workflow.** Before you approach donors, you need to do your research. Follow these steps to gather information and start thinking strategically.
 - Research donors
 - Segment donors, identifying any high potential donors
 - Make sure your CRM is up to date
 - Do your due diligence
 - Personalize your asks
- ✓ **Hone in on your message.** Donors want to feel connected to your cause. Use storytelling to share first person narratives and be transparent about how the funds are being spent.
- ✓ **Put your plan into action.** Come up with a detailed schedule for Giving Season, outlining your campaign. Whether you're approaching donors in person, throwing an event, or creating content for social media, staying organized and on task is essential.

Take Your Donor Prospecting to the Next Level With Nexis for Development Professionals

Giving Season is one of the most exciting and stressful times of the year. That's why it's important to start early and use every resource available to your nonprofit, whether it be your volunteers, board members, AI tools or a comprehensive donor research platform like Nexis for Development Professionals. With careful planning, you'll be able to build on the prior year's campaign and mobilize donors for the future.

Learn more about giving with Nexis for Development Professionals

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