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Hello, and welcome to Mission and Markets, a podcast by CAPTRUST, where we explore trends and best practices for endowments and foundations related to mission engagement, fiduciary governance, and investment management, hosted by CAPTRUST. It's Heather Shanahan, Director of the Endowments and Foundations Practice.

Each episode shares research, resources, and recommendations from industry insiders, so your nonprofit can focus on what's most important, the mission.

Heather Shanahan: AI has become a buzzword lately, and in the nonprofit world it's no different. Many practitioners are wondering if they should be looking to adopt AI tools and, if so, which tools and when. Kate Everett Anderson from Blackbaud is here to talk about technology trends the company is seeing in the nonprofit space when it comes to AI to answer some of the most frequently asked questions. Kate is the senior content manager whose work includes bringing together industry experts and original research under the Blackbaud Institute. She came to Blackbaud from a nonprofit background herself, wearing many hats in the arts and culture sector.

Kate, welcome. Let's start with some background about your role at the Blackbaud Institute. What is the Blackbaud Institute? What are you working on? And what can you tell us about AI?

Kate Anderson: Thanks, Heather. I'm excited to be here. One of the ways that we try to make both AI more accessible and generally just industry trends with most innovative technologies more accessible to our customers and the industry at large is through the Blackbaud Institute. So the Blackbaud Institute has been providing free resources and expert insights into leading trends in our industry for over a decade. We've been excited to dive into the world of AI this year with discussions like this one. And we also have a webinar series, Chart Your Course, which is now fully available on demand, that you can check out where we dive into a lot of these things a little bit more.

Kate Anderson: Our goal is just to keep everyone as up to date as possible with how they can make the most impact using technology. Earlier this summer, Blackbaud announced a lot of new AI capabilities across our product portfolio. And so, at the Institute, our function is to give you some background on how these products with Blackbaud and the industry as a whole can be utilized by your nonprofit organization.

Heather Shanahan: Gotcha. I did spend some time on your website, too, so everything's super user friendly, and I poked around to see what types of content that you guys had, so definitely some good things there for nonprofit organizations out there who AI yet, Where do they start? Even just telling people that we had this upcoming podcast, I was like, it's, I don't even know where to start. It's a lot. It's all fresh and new. So what can you tell us?

Kate Anderson: Yeah, I think, part of the reason that we at the Institute wanted to have some conversations around AI at this point is it, like you mentioned, it's this very buzzy kind of talking point right now. Everyone's talking about it, but not necessarily within the fundraising space. So you might hear about a lot of AI capabilities and think, like, how does this actually apply to me?

So, three things that we want to talk about are some AI capabilities that are specific to fundraisers.

So one of those is your donor communications. This is probably the one that people are most familiar with.

So you've probably heard of the acronym GPT and heard it over and over again, and maybe you understand what the acronym means, and maybe you've just become part of, your vocabulary. But if you're wondering, GPT stands for generative pretraining transformer. And essentially this is a category of AI tools.

And what it does is it learns from a set data input and then generates new content based on that knowledge base. So, ChatGPT is the most probably well-known version of that. And it's become really visible and accessible, and a lot of fundraisers are using this kind of AI at this phase. So I think it might be a good entry point to look into.

So GPT tools, like ChatGPT, like Bing AI, can help to generate donor communications, like social media posts, email copy, or even your donor thank you letters. But generative AI also isn't limited to text, and it can extend into images. I come from the arts and culture sector. I think the whole idea of AI-generated imagery is its own world that we can probably talk about for three hours, as well as audio, and it's also moving into video, so there's a lot of discussions there about how this is being created, how it should be used, all of that, that again, could be probably an entire future season of a podcast series. I say all this to say that you might be using things like ChatGPT or Bing AI or these things right now, but you'll start to see more tailored GPT functions coming out that are specific to fundraisers. I want to shout out, there are a few of those, within the 2023 Blackbaud Social Goods Startup Cohort, and that includes Fundraiser.ai, Impact Writer, and B World, who are all members of this year's cohort.

Heather Shanahan: So donor communication from an organization often has a unique tone, maybe partly because the same person tends to write it, but how do you maintain that continuity if you're going to venture into AI to make sure that it still sounds like the voice of the organization?

Kate Anderson: Yeah, that's a really good point because your donors, they know you, they know your language, they resonate with you, you know how to resonate with your donors, and so part of what you want to do is we think of these kind of tools as something that will stop you from that blank page.

You really just need to take a blank page and turn it into a starting point or an outline, or start to draft a thank you letter that might just get you a little bit out of the standard language that you might use year to year, then you can start there, but then that's when the human element comes in.

You have to have oversight on anything that you are producing with AI. It's not going to take over for you. So it's, I think as good as AI gets, I, I might be taking this back in 10 years, but I don't think it could ever replicate being able to create that kind of human voice.

And I think anyone who's used these tools knows that. But what it can do is get you out of a rut. And I think, especially when it comes to things like data communications, if your donors

are hearing the same thing repeated from you year after year and you go, you know what, I think for this year-end campaign I want to do something a little bit different,

Heather Shanahan: that's where using something like a generative AI tool can help you break that up.

Yeah. That makes sense. what about the thing that I would say I did not hold dear, in my nonprofit experience, was grant writing. It's such a specific type of writing, you know, it's pretty technical as you try to loop in statistics and tell your story well, what's the application opportunity there with

Kate Anderson: Yeah, I think that's a big one and one that anyone who writes grants, as someone who has written many grants, I think, would be relieved to have off their plate in a way. You have your mission statement down. You have all of the standard language down.

You might be applying for 10 different grants to fund the same program that you're just really hoping you can tailor to that specific grantmaker to help them understand how they can help you make your impact.

Heather Shanahan: And so, I think that AI comes in as a way of helping to bridge the gap between this kind of standard language that you're drawing from.

Kate Anderson: You know exactly what you need to say. Hopefully the applications that you're applying for are all pretty straightforward. AI can help you do that tailoring to that grantmaker and bring it together into a compelling story while saving you time on having to go through every single grant application and make sure that you're doing that.

Of course, then comes in the oversight. You, of course, don't want to put in a grant application that you've not reviewed by any means, but AI can help cut down on the staff time of writing grant applications for 10 different grants, and help you be more thoughtful about each of those so that you can really use, we think about what's something that only your human brain can do, which is make sure that you're doing it as thoughtfully as possible.

Heather Shanahan: That makes sense. Any other applications that you're seeing out there?

Kate Anderson: Yeah. So one that has been around for a long time, but one that I think we're really excited to see expanding is donor prospecting. So. This is where we've seen a lot of growth, and we're really able to use tools like Blackbaud has our Prospect Insights, which helps users to identify the best prospective givers for their organization and best targets for gifts, and we also have some revenue-optimized donation forms that are going to be utilizing AI, that recommend the most strategic amount to ask donors, and that helps you maximize your revenue and just generally, again, it adds a certain amount of automation and efficiency, that allows you to really, once you connect with those donors, you're able to have all the information you need in order to make that really deep and meaningful connection and then move forward with them and forge that relationship.

Heather Shanahan: Makes sense. So I guess in the next question, then, throughout all of this, I think some people are resistant to the idea of using AI and where this goes, and am I going to work my way out of a job? And the answer you consistently hear is, no, but, it would free you up to do other things.

Yeah. How do you reconcile that in the nonprofit space?

Kate Anderson: Yeah, I think we've talked about this a little bit with grant writing, but I think anyone who has ever been involved in a nonprofit, you never have enough time, you never have enough resources, you're always looking for new funding opportunities. And so AI offers that automation aspect.

And again, this is something that we're seeing come up more and more in conversations about content creation through AI. But it really extends across all of these different capabilities. So one thing I wanna touch on, and this is not specific to AI, but it is something that kind of relates to this adoption of new and innovative technologies, is this community that you can call citizen developers, which this is a term that's been around for a while, but this refers to people who may not have a background in coding, but are learning how to use no- and low-code tools to automate their workflows and get things done more efficiently. So for example, I'm someone I have no background in coding, but there are tools out there that would allow me to skip the gap between coding and that automation.

One example of that when it relates to AI is our partners at Microsoft are developing tools that allow you to draw a picture of an app, and it will actually build that app for you, which is incredible. And so you think about all these little everyday tasks that you as a nonprofit worker want to accomplish, what can you automate that allows for you to then do, again, I keep saying this kind of thoughtful human work that goes into things.

Heather Shanahan: Yeah. Yeah. So, this can be scary. I wonder what should organizations be looking for, to protect data, to protect themselves, what's important to consider?

Kate Anderson: So there are a few things that you want to think about. There are not these, especially in the United States, we don't have a federally mandated, like here are the guidelines around AI that we are all going to follow. But there are globally recognized principles that you want to make sure that the tools that you're using are, are utilizing and make sure that they are developed within these different principles and parameters.

So we call these the trustworthy AI principles. There are seven of them, and I'll read them out so that you're aware of them, but then we can go into what these actually look like in practice. The first is validity and reliability. The second is safety. The third is security and resiliency.

The fourth is accountability and transparency. And the fifth is explainability and interpretability. Number six is probably the one that is at the top of everyone's mind, which is privacy. And number seven is one I think is really at the top of a lot of conversations around content creation and AI, is fairness with mitigation of harmful bias.

Heather Shanahan: Interesting.

Kate Anderson: Yeah, so to simplify that down to what that actually looks like in practice, you can think about you as a nonprofit, leader, staffer, wherever you're coming at this from, your responsibility is to, I think, about three major parties. You've got your constituents, your team, and your cause. So your AI should be just as responsible to those three parties as you are.

And so when it comes to your constituents, you want to be sure that they're well informed on how their data is being used, where it's stored, and ensure that they always have access to their individual data. So transparency is the main thing here. And for your team, human centric AI is what you want to look towards.

And that really means, again, is this something where it's creating automation that allows your team to do things that only your team can do? And so it's meant to do their jobs more effectively, not to replace them. AI can never replace that kind of connection. And on top of that, you want to be sure that you and your team are on alert for harmful biases that might come up in using AI tools.

Again, these are tools that were created by humans and therefore can have all the same biases that humans have. And so you want that thoughtful oversight. And then finally, you want to think about how that AI tool is fitting into your cause or your mission. And so that means taking into consideration the developer's own sustainability or labor practices.

If that's what's really important to you, I think it's something we should all consider and should be easily available to find, things like are they mitigating their carbon footprint? Do they have ethical, human rights and labor practices? But that also can be the bigger question of, is this AI tool helping me to make a bigger impact and push my mission forward?

And that's, I think, the question that everyone's asking themselves before they dive into this conversation and start adopting these tools.

Heather Shanahan: Yeah, absolutely. What should organizations do who are using AI to protect the privacy of donor information?

Kate Anderson: This is the big one. So, we've had this webinar series this summer where we've been able to be in conversation with a lot of, a lot of fundraisers who are dipping their toe in, or maybe are more proficient in using AI, and this is like the number one question we get. So like a few variations of that are, like, how do you handle privacy issues when you're giving AI access to your entire donor database?

Or how is our organization's proprietary information and our donor information protected from being distributed amongst the other AI platform users? And so that's something that really, again, we talk about these trustworthy AI principles, you want to look at, you want to really take your time and look at the company and the developer who's creating these tools and dive into these questions of are they following these seven principles?

That's like number one. That's what you want to make sure you're doing. And then beyond that, you want to make sure that their privacy guidelines are transparent and accessible. Because if they are not, then that raises a big red flag and that's not something you want to, of course, bring your donors into.

So when it comes to Blackbaud, for example, we have a really robust privacy resource center and we have made that open to the public. It's not just for customers it's something that we can, that you can take a look at if you're interested in Blackbaud. It's also something that we encourage that you share with your donors, and you can say, you know, this is the donor.

This is how your information is being stored. This is the way that you can access it, and keeping that transparency going with them so that they understand and they can make sure that they trust you because you are able to trust the developers that are being handed this information.

Heather Shanahan: Right. So are you hearing any questions that come up repeatedly with nonprofit partners?

Kate Anderson: Yeah, I think the main questions usually will revolve around, again, privacy and security, but also this idea of, okay, so I have put in my donor information, I have asked the AI to help me reach out to said donor. Who is the one reaching out to the donor? Is it, are they getting a robocall or a chatbot from an AI, or is my fundraiser doing it?

I think that is one of the major questions, and of course that goes back to AI is a tool to help you build these human relationships. It's, we, the AI is not calling your fundraisers and having these deep in-depth conversations about their goals and how they want to make an impact.

And I always think about, if you have donors who, let's say, just went on some life-changing trip and they come back with this renewed interest in your cause and they want to upgrade their giving, and they walk into your doors and they're just absolutely gushing about that, AI is not going to know about that, but your development director will and that's the conversation that happens there, so I think it's framing what AI really can do, how it can help you, and also what the limits are, which I think in some ways is refreshing for people because they think, AI is going to take over everything, but there's so much that AI can't do, but it allows you to do more thoughtfully and be able to spend more time on and be able to build that kind of like deeper connection with your donors.

Heather Shanahan: Yeah, makes sense. So what can we expect next from Blackbaud on the AI front? What's on the horizon for you guys?

Kate Anderson: We have some exciting announcements coming. So, we have an annual tech conference, BBCon, and that's coming up live in Denver this year on October 22nd through 24th. And included in that will be some keynote panels with our innovative leaders at Blackbaud all about AI.

What we'll be introducing, and how they can power social impact organizations, so of course I encourage people, if you want to access that either virtually or in person, you can learn more at bbconference.com. And I touched on earlier our social good startup program. That is something that we've done for many years where we are able to work with startups who are at the leading edge of social impact technology that's going to help you do what you do and make a bigger impact more quickly.

And so our 2023 cohort, I mentioned a few of them earlier, but part of BBCon is actually, we have whole sessions where you can sit down and listen to pitches on what's the next big thing.

Very cool. Awesome. All right. before we leave, Kate, anything else we should know? And, certainly we appreciate your time and sharing some insight into what's coming in this brave new world.

I would just say, I think anyone who's listening to this is on the right track of just staying informed. Things change so quickly in technology and especially we've seen that with AI, like the adoption of all of this has been so quick and I think that I've been really impressed with how organizations have been adaptable and flexible in adopting these things and figuring out what works for them.

But definitely keep looking into things. We at the Institute will keep offering our, we'll, we'll call in the experts and have them, touch base on things as they evolve. so you can come and check out what we have going on at Blackbaud Institute, and, just generally Blackbaud keeping on top of what we have coming up, down the line, but I think, again, just, staying curious and understanding that these are tools that you can utilize, but they don't require you to completely overhaul your entire way of doing your work.

I think that might be the takeaway here. But I really appreciate you having us on and learning more about our approach to AI, and what we're excited about for the future.

Heather Shanahan: I think you just have to dig in. It's not going away. I had a conversation with an expert in AI a couple months ago, and I was like, I know we need to get to it, which, as a company, we are this kind of the collective we being me sometime in the next couple of years.

And he said, Oh, no. Like the next days, weeks, months, Heather. And I said, okay, all right. So, just. I think, getting in and goofing around with different tools and resources and seeing how things work and getting comfortable is the most important thing. And, I think we can all be surprised that, oh, that was actually really helpful, to create a policy or get some templates and examples or social media posts, like we talked about, that there's just some great ways to simplify life using AI.

So it's just a matter of getting started.

Kate Anderson: Yeah, absolutely. And don't, I think, come into the places that feel most accessible and give yourself some space and some time to figure out what the best applications are for you. Because AI is going to be here. It's not a passing trend. So there's time to really think about the best applications for you and your strategy.

Heather Shanahan: Fantastic. We look forward to learning more and staying in touch.

We always close with one final question of all of our guests, and that is mission impact. What does that mean to you personally? So I'd love to hear from you what that means to you, Kate.

Kate Anderson: Oh, I love it. A, I, it might be because I'm a sci-fi nerd, but Mission Impact to me sounds like the best sci-fi movie, so I think y'all have something going there. I think I always think about impact being this, it's something that's so important to all of us.

And that's why, if I'm going to donate to an organization, it's because I want to make an impact on that cause. The organization is helping as a facilitator to make an impact on that cause. And so when you think about like your mission, I always think about this idea of kind of, you know, how can you form this like coalition around, around your mission and making an impact?

So I like those things of being able to bring them together because, yeah, your mission is ultimately what your impact should be. But I think thinking about it in terms of, everyone who's involved, whether that's your donors, your staffers, they're all like on this mission together, to make that impact, which is really exciting.

And I think the fun part of working with nonprofits is seeing what they're able to do. It's really incredible to watch.

Heather Shanahan: Fantastic. Great insight. Again, thank you so much. We appreciate your time today.

Kate Anderson: Yeah, thank you so much.

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