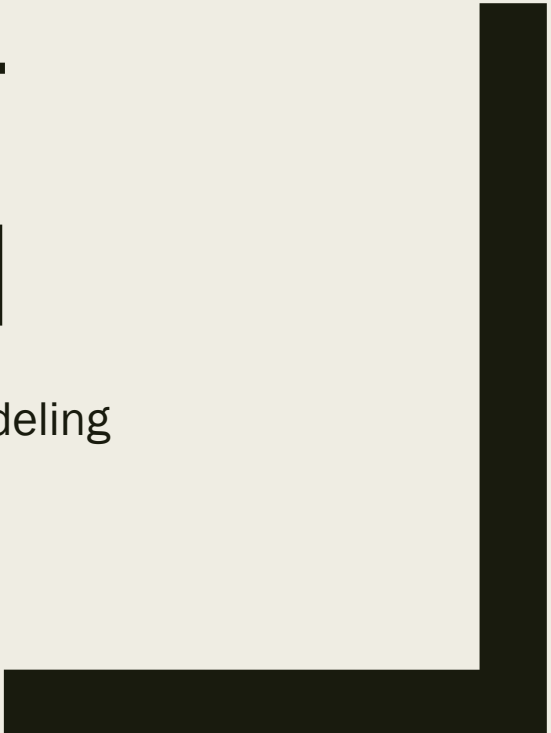




PROSPECT RESEARCH

Grow Major Giving Using Data and Modeling



What is Prospect Research?

- **Prospect identification and research:** discovering and evaluating prospective donors, and their interests, relationships, inclination to give and philanthropic capacity to inform and support an organization's fundraising strategies and outreach efforts.
 - Apra (Association for Prospect Development)
- *Our* job is to allow major gift officers to do *their* job as efficiently and strategically as possible.
 - Kelly Riutta, University of Washington, Director of Prospect Research

What is Prospect Development?

Prospect Research seeks to identify donor prospects, and prospective donor capacity and relationships to inform and support an organization's fundraising strategies and outreach efforts.

and

Prospect management is a disciplined approach to managing the overall prospect pool to ensure an adequate and timely flow of prospects through the cultivation cycle.

and

Data analytics derive conclusions from information in data to support an information-driven decision culture.

Apra Code of Ethics

Accountability

- Members shall **respect the privacy of donors and prospects** and conduct their work with the highest discretion.

Practice

- Members shall take the necessary care to ensure that their work is as accurate as possible. **They shall only record data that is appropriate to the fundraising process** and protect the confidentiality of all personal information at all times.

Conflicts of Interest

- Members shall avoid competing professional interests and shall disclose such interests to their institutions at the first instance.

What information are we trying to find?

- Contact
- Biographical
- Business/employment
- Financial & **Capacity**
- **Affinity** to your org and your cause
- Philanthropic **Inclination**
- **Connection** to your org
- Relationship to people within your org

Where do we find it?

Public information that is collected in free and paid websites and databases

Where do we find it?

Value of subscriptions & staff

Subscription	Staff
Segment your entire database quickly	Highly individualized research takes time but is more accurate
Access to sophisticated model scores to assist with prioritization of large populations – pinpoint the best of best	Understands your org/donors/staff to produce highly personalized and iterative curated lists
Produce prospect profiles that includes multiple data points	Produce prospect profiles incorporating your data, formatted for your needs

If you are investing in curated, personalized data and profiles you have to ensure good ROI which means staff time should be focused on major gift levels. Good prospect research takes time!

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Capacity Ratings

Objective estimate of the amount a constituent can give, based upon their public assets and/or philanthropic history (generally over a five-year period)

The goal of a major gift capacity rating is

- ✓ *To establish boundaries for gift capacity (put them in a bucket)*
- ✓ *To provide starting point for a conversation with the prospect about gift size*
- ✓ *NOT determine net worth. We will never know that*

Most *annual gifts* made from income

Major gifts typically funded from appreciated assets

Steps to determine capacity ratings

1. Find visible assets
2. Choose a wealth estimator formula based on visible assets
3. 2% - 5% of wealth estimation = capacity

Note:

- Capacity ratings indicate amount a prospect is technically capable of giving but we don't know their giving (or other spending) priorities
- Capacity ratings do not suggest the amount they will give to you but what they are capable of giving in total, anywhere

Capacity Ratings

What we can find

- Real estate
- Stock – only if they are an officer, director, or owner of 10%+ of a public company
- Philanthropic and political giving

What we can sometimes find

- Income/income estimates

Capacity Ratings

What we will never find

- Net worth
- Bank account or credit card information
- Stock holdings/ownership in private companies (unless voluntarily reported in news article or financial disclosure for public office)
- Private company value
- Liabilities (other than occasional mortgage information)
- Personal information from medical, tax, or divorce records
- Trust and estate information

Capacity Ratings

A common misconception

Yes, we count someone's home even if it's their only asset.

No, we don't think they will sell it and give us the proceeds.

Visible assets are a wealth indicator that factors into a formula to estimate what isn't visible.

Capacity Ratings

Vendor screenings

- Bulk matching by machine
- Best way to quickly segment your database for major gift prospects
- Fairly consistent 30% mismatch rate – still worth it!
- Ask vendors who their sources are and how they calculate ratings
 - *Can you adjust calculation? Can you select by confidence level?*
 - *Are they including non-asset information like philanthropic giving?*

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Using data to inform decisions

Analytics for prospect identification & prioritization

- Capacity rating
 - *Descriptive models – summarizes data in your database*
 - Giving consistency, frequency and sudden increase
 - RFM (Recency-Frequency-Monetary) score
 - Affinity (how close are they to your org/cold or warm prospect?)

Using data to inform decisions

Analytics for prospect identification & prioritization

- *Predictive models – likelihood to do something based on behaviors of people who do that thing*
 - Can be based on your own data or data collected by vendors
 - Major gift model
 - Inclination model
 - iWave ProScore*: Propensity, Affinity and Capacity

*for informational purposes and not an explicit endorsement of this product

Information in action

Question: Where should we spend our time & resources?



Information in action

Question: How do I build a portfolio for a new major gift officer?

Minimal	Great	Ideal
Rating	Rating	Rating
Giving (total monetary value of lifetime giving)	RFM (combined Recency-Frequency-Monetary)	RFM
Giving (frequency/consistency)	Affinity (manual)	Affinity (calculated)
Giving (recency – recent or lapsed donor)		Predictive Major Giving score
Counts: events attendance, volunteer, other engagement		Predictive Inclination Score
<i>Hard to know which giving total to value more. Lacks data to prioritize highly rated prospects who haven't given much.</i>	<i>Lacks data to prioritize highly rated prospects who haven't given much</i>	<i>Model scores highlight good non-donors. In-house scores are more reliable but costly; vendor scores good at representing philanthropic inclination in general</i>

Resources and Vendors

Apra – <http://www.aprahome.org>

Helen Brown Group - <https://www.helenbrowngroup.com/> great source of resources and tips

An incomplete and non-endorsed list of reputable research vendors

Lexis Nexis Development Pro - comprehensive

iWave – comprehensive and screening

Blackbaud ResearchPoint & Target Analytics – comprehensive and screenings/modeling

Donor Search – comprehensive and screening

Wealth Engine – comprehensive and screenings

Donor Scape (GG+A) – wealth screening and modeling

Relationship Science – relationship mapping

NOZA – philanthropic gifts

Contact me with questions



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