Diggin' the Data: Prospecting 101

Best Practices and Tools in Prospect Research

"I have an in-depth background in research and analysis, which means I like Googling."

What people think we do...

What is Prospect Research?

- **Prospect research** is a technique used by nonprofit organizations to learn more about potential or existing donors' personal backgrounds, giving histories, wealth indicators, and philanthropic motivations to evaluate a **prospect's** ability to give (capacity) and warmth (affinity) toward an organization.

What are the benefits of Prospect Research?

- Simply put, the benefits of prospect research are *immense*.
- The biggest benefit is **IDENTIFYING NEW PROSPECTS**
- Prospect Research uncovers valuable personal and professional connections donors have and we can ask those donors to help facilitate introductions.
- Another benefit is **FINDING MAJOR GIFT PROSPECTS AMONG YOUR DONOR POOL**
- It's important to search inward and among your donor pool when screening for major gift donors.

WEALTH INDICATORS

Helps forecast total wealth estimate, wealth markers assist in gauging a prospect's financial capacity to make a donation.

Popular wealth markers include:

Real estate ownership: Prospects who own $2+ million in real estate are 17 times more likely to make a charitable contribution;

Stock holdings and FEC filings: Prospects who have contributed at least $2,500 to political campaigns in his/her lifetime is almost 15 times more likely to give a charitable donation than someone who has not;

Business affiliations

Compensation

PHILANTHROPIC MARKERS

Speaks to a prospect's inclinations and helps predict the likelihood of that prospect making a donation.

Top philanthropic markers include:

Past giving to the organization

Past giving to other organizations

Nonprofit involvement, such as a foundation affiliations, board member or trustee

How to build the prospect pipeline?

Manual screening: Quickly rating a small donor list by hand.	Targeted list (i.e. identifying potential prospects for specific initiative);
Wealth screening: Large group of records are provided to an outside vendor and data returned will quickly segment the wealthiest and most capable prospects;	DonorSearch and Target Analytics;
Peer Screening: Asking an engaged donor at your organization to rate their peers for capacity and engagement;	Engaged alumna will review list of classmates;
Data Mining: Sorting information using CRM to identify patterns;	Lifetime giving; last gift date; field of specialization.

Predictive Modeling: Analytical Storytelling

Descriptive and Predictive Solutions

Personas

- Provides descriptive data about audience, location, messaging, etc.
- Identifies commonalities and shared traits

Modeling

- Identifies distinctions between select groups or processes and a control group
- Based on likelihoods

Skidmore College: Giving Capacity Ratings

Code	Description	Notes
P6	$5,000,000+ Prospect	Capacity
P5	$1,000,000 - $4,999,999 Prospect	Capacity
P4	$500,000 - $999,999 Prospect	Capacity
P3	$250,000 - $499,999 Prospect	Capacity
P2	$100,000 - $249,999 Prospect	Capacity
P1	$50,000 - $99,999 Prospect	Capacity
LT	Long Term Prospect	Not currently a major gift prospect but is expected to have capacity in the future
SA	Suspect	Suspected to have major gift capacity, but uncertain
GP	Gift Planning Prospect	Prospect to make a planned gift under the major gift level
GN	Gift Officer Network	Important relationship for gift officer (e.g. a volunteer or contact with another prospect) under the major gift level
AF	Annual Fund Prospect	Prospect to make an FOP level gift under the major gift level

Rating Process

The rating begins with qualification of **total identified assets (TIA)**, primarily real estate, but may also include stock holdings, company ownership, income, etc.

- A multiplier is applied to the TIA based on an assessment of whether they are thought to represent a large percentage of overall assets or if they appear to be the tip of the iceberg.
- Multiplier is 1.75 to 3 when TIA value is less than $1 million;
- Multiplier is 3.25 to 6 when TIA value is greater than $1 million. If real estate value is the only asset identified in NYC, Boston, Washington DC and San Francisco, a multiplier of 3 should be used.

What else should you know about capacity ratings?

- Though based on hard data, assigning gift capacity ratings is not a perfect science;
- Gift capacity ratings tend to be conservative;
- Gift capacity ratings qualified by a personal visit tend to be more accurate;
- Total Wealth Estimate (TWE) model is a first step, in combination with giving capacity, to gauge all philanthropy over a 5 year period
- Wealth should be considered with other factors that affect the prospect's inclination at this time:
- Giving history – has the individual already made their "big gift"?
- Are we their primary philanthropic interest at this time?
- What is happening in his/her life at this time? Are there multiple children in college? Uncertainties due to health issues?
- Research doesn't downgrade ratings if prospect's inclination is low.

OPTION B
IT IS.
OPTION A
OPTION B
TOM
FISH
BURNE
Let data drive decisions, not the HIghest Paid Person's Opinion.

The top five ways are donating money (40 percent), talking to others about the cause (40 percent), learning more about the cause and its impact (37 percent), donating clothing or other items (30 percent), and signing a petition (27 percent). Entry points for engagement weren't confined to a particular level or rung on a ladder, but rather reinforced our hypothesis that people enter at various levels—or even multiple levels—of engagement.

(Dixon & Keyes, 2013)
Georgetown University's Center for Social Impact Communication and Ogilvy Public Relations Worldwide

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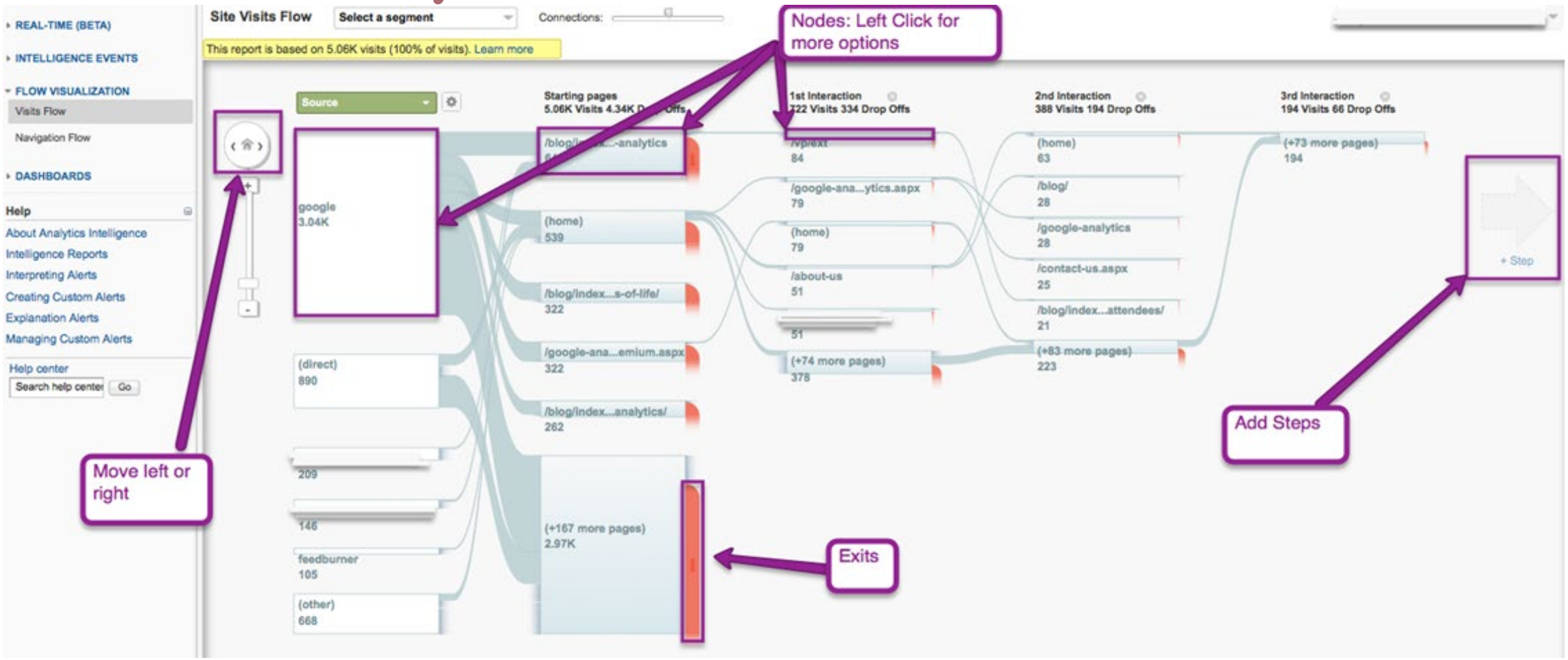
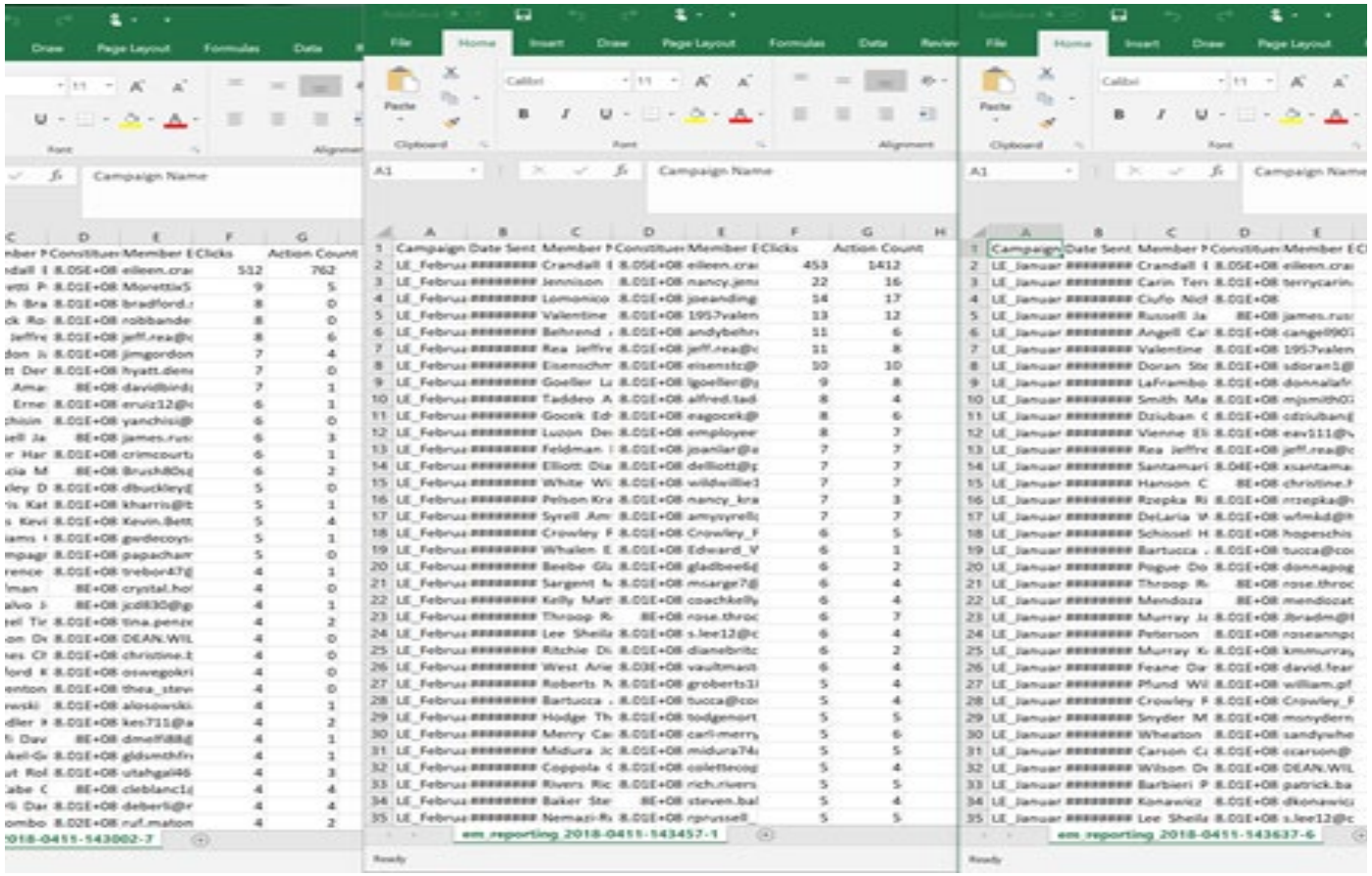
Web Analytics – Flow Visualization



E-mail Analytics

- Click-thru reports
- Three Click Rule of Engagement
- Forward reports (who?)
- Combine data and tally
- Assign point values



Social Data Analytics

- Facebook Insights
- Twitter Insights
- LinkedIn
- Instagram

twitter Ladder of Engagement

Degree	Action	Motivation
Very Low	Reads the tweet	Habit of reading Twitter
Low	Re-Tweets without modifying the message	Has some passing interest in the Cause, feels they are doing something, may or may not know the original Twitter user
Medium	Re-Tweets or @replies with a question about Tweet or clicks through link	Trusts the Twitter user or Cause, has a personal or emotional connection to Cause, may have taken some action in th past or influenced by peer group
High	Makes a donation or takes some action	Has relationship with Twitter user or Cause online or offline, personal experience, reciprocity, or has taken action in the past.
Very High	Makes a donation or takes action and actively encourages others to do so	Has a strong relationship w/Twitter user or Cause online/offline, personal experience, and was asked by the Cause.

Beth Kanter: @kanter

Common Tools and Resources

- **DonorSearch, Research Point (a Blackbaud product) and iWave:**
- NOZA: charitable donations
- Federal Election Commission: political contributions
- ZoomInfoPro: biographical information
- Dun & Bradstreet: business ownership
- CoreLogic: real estate information
- Experian: demographic and household information
- Thomas Reuters: income and securities
- Hoovers: business information
- Larkspur: wealth indicators/ income information
- Guidestar: foundation and public charity information

- **Lexis/Nexis**
- **Foundation Directory**
- **Zillow**
- **Manta**
- **LinkedIn**
- **SEC Filings**
- **Glassdoor (salary)**
- **Microsoft Excel – Data Imports**
- **Google Analytics**
- **iModules**

Contact Us

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