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Introduction

The State of Higher Education Fundraising

The First Edition of our report, Best Practices for Prospect Research in Higher Education Fundraising, was released in the fall of 2009. At the time, the US economy was reeling from the effects of a worldwide financial crisis and resulting recession. The outlook for fundraising in general, and higher education fundraising in particular, was pessimistic. While the National Bureau of Economic Research dates the official end of the recession as June 2009, the subsequent recovery has been sluggish to stagnant, and the full effects of the crisis on charitable giving and philanthropy have been felt throughout 2010 and 2011.

When the Council for the Advancement of Education (CAE) released the findings from its 2009 Voluntary Support of Education (VSE) survey in February 2010, the numbers were gloomier than most predictions. Contributions to higher education for the year saw a drop of 11.9%, the steepest decline in a single year since the organization began tracking giving in 1969. By comparison, the results of the 2010 survey1 (which included giving to colleges and universities from July 2009 through June 2010) were almost cheerful: giving increased 0.5% for the year. While on the surface that is little to celebrate, it does represent a significant reversal from the losses of 2009.

A closer analysis of the results shows the 2010 gains were attributable to increases in corporate and foundation giving, which account for 17% and 34% of giving to colleges and universities respectively. Corporate giving increased 2.4% and foundation giving was up 2% in 2010. Individual giving, in contrast, was down. Alumni giving decreased 0.4%, with a decrease in participation rates (from 10% to 9.8%) as well. Non-alumni individual giving declined 1.5% over the prior year. While discouraging, this was not nearly as precipitous a drop as in the past two years, when individual giving fell more than 18%.

A look at giving to the charitable sector overall in 2010, based on estimates from Giving USA 2011: The Annual Report on Philanthropy for the Year 20102, reveals cause for cautious optimism. Total estimated charitable giving for the calendar year 2010 to all organization types rose 3.8%, or 2.1% when adjusted for inflation. Giving to education rose 5.2% (3.5% adjusted for inflation) and showed a strong rebound from the declines of the prior year, particularly in the second half of the year.

Even with the modest gains in fundraising success indicated in the two cited studies, higher education is still facing considerable challenges in the next 12-24 months. The economic recovery remains fragile and any crisis—not just financial, but social or political—could easily shake consumer confidence and stall or reverse the positive trends. Joblessness hovers around 9% of the workforce, and increased government spending on unemployment and other recovery priorities means less funding available for higher education. Federal stimulus money is slated to run out in 2012. In addition, tax changes proposed in the Obama Administration’s 2012 budget, if approved, will likely have a negative impact on charitable contributions, according to a study by the Center on Philanthropy at Indiana University 3.

Education is a positive force in society; affecting employment, productivity, innovation, civility, and health, among other things. Flat or declining government support, coupled with higher demand for financial aid, means colleges and universities must rely on philanthropy if they are to remain healthy and viable. Given the challenges facing higher education, one of the immediate questions that should be asked is what can advancement offices, college and university leaders, and volunteers do to ensure their organizations optimize charitable support?

First, one ubiquitous piece of advice that bears repeating: focus on the basics. In our 2009 report, we identified eight best practices from the results of a detailed survey. These eight practices represent the basics of good prospect identification, prospect research and prospect management practices and remain valid recommendations for organizations wishing to establish solid, effective research processes and disciplines.

Second, we have identified emerging trends since the release of our report in 2009. Use of predictive modeling as a prospect identification/data collection strategy was originally noted in Best Practice Three—Build a Comprehensive Data Collection Strategy. Leveraging prospect research data in the annual fund was recommended within Best Practice Four—Effective Implementation Planning. In the course of the intervening two years, anecdotal evidence indicated that these two practices warrant more attention. We therefore surveyed higher education institutions and ascertained that each practice, when implemented, is contributing to fundraising success. We are therefore pleased to add two new Best Practices to this 2011 edition of our Best Practices report: Support the Annual Fund with Research-Driven Data and Focus Fundraising with Predictive Modeling and Analytics.

3 http://philanthropy.iupui.edu/Research/taxpolicy.aspx
Lastly, prospect profiles for colleges and universities continue to evolve, as donors are increasingly younger, female, and technologically connected. Seeking and finding new ways to reach and involve these constituents using established and emerging social media tools and networking technologies will be essential in the coming years. The use of these tools and technologies within fundraising is nascent, and the results thus far do not point to clear and compelling “Best Practices.” However, there are trends to highlight, and more importantly, encouragement to be offered. Now is the time to integrate these tools and technologies into fundraising plans and to test and retest effective ways of using them. We therefore include a special section on the use of Social Media for Fundraising and Research in Higher Education, based on a survey of nearly 1,300 development staff in June and July 2011.

As we wrote in the introduction to our 2009 report, it is more important than ever for institutions to focus on strategies that work in the current economy, to lay the groundwork for successful, innovative fundraising when recovery inevitably dawns, and to improve every facet of their fundraising operation in terms of productivity, efficiency and value. WealthEngine’s updated report, Best Practices for Prospect Research in Higher Education Fundraising - 2nd Edition, will illuminate areas of research and fundraising where increased efficiency, investment, and focus will reap rewards.

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**Executive Summary**

The WealthEngine report *Best Practices for Prospect Research in Higher Education Fundraising - 2nd Edition* is a unique, in-depth look at prospect research in educational settings. Based on detailed survey data, this groundbreaking study provides insight into the inner workings of the research function within the advancement team. An analysis of the data led us to identify ten best practices and one emerging trend related to prospect research in high-performing fundraising programs.

**Emerging Trend: Social Media for Fundraising and Research in Higher Education**—Savvy institutions are applying multichannel social media research and cultivation approaches to enhance their understanding of donors and prospects, especially as they build community, fill prospect pipelines, and enhance prospect research. Some of the most popular multichannel approaches include the use of web-based sites for blogging and micro blogging (Twitter), social networking (LinkedIn and Facebook), video sharing (YouTube) and other community-building sites. Using social media, institutions can better validate research data, uncover interests and affiliation, and influence solicitation approach and timing.

The **Best Practices outlined in this report are:**

1. **Build a Foundation for Success: Invest in the Research Function**
   - High performing organizations (HPOs) are investing more funding in human resources and in research resources. They are staffing their research offices with two analysts for every one supported by the lower performing counterparts. HPOs are staffing development officers (DOs) at a rate of three to one, compared to their lower performing peers. Likewise, HPOs are spending 115% more on research resources than other organizations. Appropriately staffed and resourced research offices are able to support a higher ratio of development officers to prospect researchers (PR), anywhere from four DOs per PR for small organizations, up to 19 DOs per PR for large organizations.

2. **Invest in Screening**
   - Organizations that invest in wealth screenings are realizing a significant return on investment (ROI). Based on the averages from our survey data, provided by 48 of the responding organizations, 17% of wealth screened constituents are identified as new prospects. Nineteen percent are eventually visited by personnel, and 10% of those contacts eventually result in a closed major gift. This results in an incredible calculated return on investment (ROI) of over 40,000% for most screening sizes.

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**Bottom Line:** It is more important than ever for institutions to focus on strategies that work in the current economy, to lay the groundwork for successful, innovative fundraising when recovery inevitably dawns, and to improve every facet of their fundraising operation in terms of productivity, efficiency and value.
3. Build a Comprehensive Data Collection Strategy
Over 65% of HPOs utilize a combination of proactive prospecting techniques including wealth screening, peer screening and predictive modeling. Wealth screening is used by 93% of all respondents, with peer screening and predictive modeling used by just over 50% of organizations. By utilizing a combination of techniques, organizations can build comprehensive strategies that focus their fundraising efforts efficiently.

4. Focus Fundraising with Predictive Modeling and Analytics
Growing in popularity, 38% of surveyed organizations are doing predictive modeling either in-house or in conjunction with a consultant. Twenty-three percent of respondents have some staff devoted to analytics and predictive modeling. Modeling is being used to predict a broad range of behaviors, with the benefits of decreasing costs of fundraising and increasing revenues from fundraising activities.

5. Effective Implementation Planning
Ninety-four percent of HPOs (75% of other organizations) employ an implementation plan to guide their strategic use of data in fundraising. Most plans include a validation strategy, an integration strategy, prospect management plans, and data access strategies. Many also include a plan to leverage data across multiple fundraising programs. HPOs implement screening results in an average of 4.5 programs. Among the most frequently cited programs were major gifts (100%), planned giving (86%), and annual fund (73%). Implementation plans may also outline an ongoing strategy for screening constituent segments. One hundred percent of HPOs screen alumni, friends and donors on a regular basis, with 86% screening parents, 79% screening reunion classes, and 41% screening faculty and staff.

6. Support the Annual Fund with Research-driven Data
Seventy percent of higher education prospect research departments support the annual fund to some extent. Most support it with the creation and segmentation of lists, identifying and qualifying leadership prospects, and providing electronic screening data. Benefits of partnership include increased return on investment (ROI), better participation rates and increased revenues.

7. Balance Precision with Timeliness in the Validation Process
Ninety-four percent of HPOs establish a validation strategy that balances the need for accurate, precise ratings with the need to push new prospects to the front line in a timely, efficient way. Organizations should consider how long the validation process will take, which prospect records should be validated first, what types of data should be validated, what part (if any) the rest of the fundraising team will play in the assessment and qualification process, and whether existing communication forums will facilitate the needed “give and take” in moving prospects through the cultivation cycle.

8. Integrate Data to Improve Workflow and Access
Integration of screening and other research data into the organizational Donor Management System (DMS) is a key to enhancing data-driven workflows and data access. Sixty-one percent of survey respondents have integrated, or plan to integrate, their recent screening data into their DMS application. Benefits of integration include the improved access to global profiles of constituents, better prospect management and tracking functionality, increased ability to segment constituents, and a higher profile for the research function within the organization. Obstacles to data integration can often be overcome in the planning process.

9. Effective Prospect Management
Ninety-four percent of HPOs have a prospect management system in place and 65% indicate they engage in regular reporting procedures to measure their fundraising effectiveness. Eighty-eight percent conduct periodic prospect management meetings, most on a monthly basis. The effective use of these prospect management techniques ensures the entire fundraising team is focused towards the same goals and outcomes. The prospect management function also tracks and measures the effectiveness of purchased data, as well as research and fundraising programs.

10. Maintain Ethics and the Security of Your Prospect/Donor Information
As the use of data within fundraising organizations proliferates, more and more data is collected, stored, analyzed, transmitted, and reproduced in various forms. This creates a need for every organization to develop, communicate and implement a comprehensive data security policy that addresses privacy and ethical concerns as well as basic security. Eighty-two percent of HPOs reported having such a policy in place, compared to 67% of other respondents. It is essential that those without a policy begin the process of developing one without delay.

Emerging Trend: Social Media for Fundraising and Research in Higher Education

Social media was manifested among colleges and universities more than a decade ago and has since embedded itself as a critical piece of fundraising activity and alumni engagement. Savvy institutions are applying multichannel social media research and cultivation approaches to enhance their understanding of donors and prospects, especially to pinpoint solicitation timing, affiliation and validate gift capacity. Some of the most popular multichannel approaches include the use of web-based sites for blogging, social networking, video sharing and other interactive, community building forums.

A survey of more than 22,000 donors (17,600 from the US) by Cygnus Applied Research, Inc. found that 69% of respondents have at least one social media account but that the majority (57%) of those account holders do not follow any charities despite identifying themselves as active donors. Showing promise, 19% of those surveyed with social media accounts have made a first-time gift after following a nonprofit online. There is great value to using social media for fundraising, especially among younger populations. Of the donors under the age of 35 in the survey, 88% had a Facebook account and it is increasingly common for donors over 35 to have at least one account as well 1.

Development officers and prospect researchers alike use social media to uncover and validate lifestyle, demographic and family/friend details that can become key identifiers of a person's interest and ability to support the institution. In an effort to uncover best practices, WealthEngine conducted a survey in June and July 2011 on fundraising and the use of social media. With nearly 1,300 completed surveys, educational institutions represented the largest pool of respondents (530), corresponding to 41% of those surveyed.

Social Media Defined

Social media (or social networking) includes all forms of online publishing and discussion, including but not limited to: blogs, wikis, file-sharing, user-generated video and audio, social networks and other social networking applications.

The four most popular social media networks for fundraising/prospect research include Facebook, Twitter, LinkedIn and YouTube.

Survey Findings

Respondents shared their workflow for conducting prospect research and the point of entry for social media. On average, the majority spends 30-80% of their time on fee-based online services like WealthEngine, Lexis Nexis, and other providers. They then may use search engines like Google or Bing to research a prospect; moving on to a single-source free site, such as local news or a tax accessor and finally migrating to social networking sites like LinkedIn or Facebook.

For those using social media for fundraising, there are three key benefits:

- **Engaging community**—interaction among constituents allows for University, community and event promotion and drives loyalty among followers
- **Supporting prospecting**—generate new prospect lists through surveys and questions posted on Facebook, Twitter, etc. to identify interest and affinity, such as a passion for a certain period of art, love of sports, loyalty to a university department or program, etc.
- **Enhancing research**—uncover photographs, interests and connections that can augment donor profiles, validate data found through traditional prospect research methods, and pinpoint optimal timing for solicitation

As one higher education prospect researcher notes, “The social media information only provides ‘nice to know’ details that I use to flesh out the report. The fee-based databases provide more factual information needed to determine the prospect’s giving capacity.” The mix of fee-based databases and free online resources provides the necessary hard asset, biographical and social data to effectively round out solid donor profiles.

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**Introducing Social Media to Prospect Research**

The potential for social media to drive proactive fundraising is both exciting and concerning to prospect researchers. On one hand, the ability for development staff to couple online research tools with traditional research sources, both free and fee-based, to track and research prospects has appeal as a time-saver. However, it also means that the cultivation strategy and gift capacity could be based on presumption rather than fact. Several respondents encouraged common sense and sensitivity when documenting social media findings in reports and profiles.

“Facebook can be a great ‘initial source’ of information; however, I like to verify that information through another source. For me, social media such as Facebook tends to be embellished and not as accurate as you’d like it to be for credible research, outside of things like immediate family members, employment, etc.”

- Higher Education Survey Respondent

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*Figure Int.3: Use of Social Media by Research and Development Staff*
One education survey respondent considers the upside—that social media “might change the work of some in our profession. As more information is available directly from the source (the prospect), as it typically is on LinkedIn or Facebook, front-line fundraisers may reference that directly on their own instead of requesting reactive information from research. This may free up researchers to do more proactive work and analysis.”

Either way, social media is here to stay and is viewed by development staff as a positive ingredient in fundraising. An impressive 63.2% of development staff are using social media more than they did two years ago, and the majority of respondents indicated that they find it an ethical component to prospect research. So much so that during a roundtable discussion at APRA’s 23rd Annual International Conference in July 2011, overwhelming consensus found that questioning the ethics of social media was a “nonissue.”

There are two ways to approach information gathered from social media—either as a driver for deeper research or as a qualifier to move quickly on a prospect. Some organizations are simplifying donor profiles in an effort to focus on more efficient pipeline development and funnel the information to development officers sooner. The majority agree that it is important to be sensitive to the information recorded on the profile found through social media and to create an integrated system for knowledge sharing across departments. For example, the William Paterson University case study (See page #4) discusses the cultivation path for a major gift uncovered by a prospect researcher who read on an alum’s Facebook page that they had a new business venture. The researcher engaged both the development officer and marketing department to ensure that the finding (and tremendous opportunity) was vetted and implemented in a way that fostered goodwill first and solicitation second.

### Strategies for Success

Institutions maximizing their online presence and social network apply the following principles:

1. **Establish a coordinated social media plan** for information distribution across multiple channels such as LinkedIn, Facebook, Twitter, blogs, etc.
2. **Determine who should track social media as part of their job**—prospect researchers and/or other development staff
3. **Define the information that is appropriate to record** in donor profiles, and what is not
4. **Share successes** with staff to encourage acceptance and adoption of social media as a valid source of information and data
5. **Use social media as a means for engagement** by fostering community building that goes beyond traditional fundraising. Consider using social media outlets for prospect/donor promotion prior to gift solicitation. Examples include acknowledging personal or professional milestones (promotions, marriages, births, etc.) on your institution’s LinkedIn, Facebook or Twitter pages; posing questions to generate follower response (about specific colleges, graduation year, personal interests, etc.); and promoting events (institutional or community-based, or for a specific alum, such as an art exhibit) that will inform and engage followers
6. **Leverage the institution’s social media pages to uncover personal affinity** (for sports, arts, etc.) and develop new, highly targeted prospect lists
7. **Embrace the future**—social media is expected to become increasingly integrated into fundraising activity as it gains mainstream acceptance and constituent bases become increasingly younger

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**Bottom Line:** The opportunities that exist from integrating social media into fundraising strategy are promising. A strategic approach that engages prospects and informs development staff is sure to produce useful, timely data and, ultimately, new donors and prospects.
Creating opportunities for alumni and constituent engagement is a priority in William Paterson University’s advancement office. The culture of the department goes well beyond securing gifts—they seek to create a dynamic community where people want to give because they’ve had a positive experience with the University. In fostering good will, the University looks for opportunities to “give back” and celebrate alumni and constituent accomplishments. One new strategy for building engagement is the application of social media techniques to support networking, prospect research and cultivation.

Located just outside Wayne, New Jersey, William Paterson is a state University with nearly 12,000 students and a database of over 60,000 alumni. Over the past three years, William Paterson has seen their alumni giving affected by the economic recession and is laying the groundwork across all of their fundraising programs for stronger returns as the economy improves.

Lynn Lazar, Director of Prospect Research and Research Management, outlines three key tactics for growth and engagement:

- Applying social media for both prospect research and alumni/constituent cultivation
- Boosting alumni relations programs through social networking
- Inviting alumni back to campus facilities for events, including high-level cultivation events with the University’s President

**Applying Social Media to Engagement Activities**

As William Paterson works to engage donors and alumni, they layer social media techniques, intersecting multiple departments, to maximize every possible opportunity and connection for a “touch” or gift. Their dedicated use of social media has helped them:

- Create an active online community for the University
- Identify new prospect lists through surveys and tracking affinity postings on the University’s social media pages
- Enhance prospect research by uncovering new biographical and contextual information that can help verify a profile and/or ignite new thinking around a cultivation approach and its timing
- Encourage situations where alumni and other constituents are motivated to give because they have positive feelings towards the University

“We found a need to develop programs for alumni engagement to get their feet back in the door on University grounds” says Lazar. “So, we began to design programs that appealed to their interests, such as jazz or classical music concerts, art exhibits, or educational lectures. This has helped us customize our interactions with constituents and bring focus to special events and outreach. Social media is a useful tool in the process—we use it to identify, track and promote alumni interests. For example, we’ll pose a question on Facebook about a jazz artist that is coming to the University and those that respond are then noted in our database and invited to the event.”

Beyond events, social media also supports prospecting activities. “For us, looking at social media while conducting prospect research helps put together the pieces of the puzzle, sometimes even creating new opportunities to deepen a relationship.” says Lazar. “While it is not the most important research tool we use and we are careful to validate the data uncovered, it is a resource that can enhance a profile.” For example, as they assemble a prospect profile, Lazar and her
team first use WealthEngine to gain an understanding of hard assets, philanthropy and other biographical characteristics. Depending on the findings, they then will do a social media search, consider its validity, and apply sound information gathered from Facebook, LinkedIn, Twitter and other social sites to the profile. In some cases, it broadens their understanding of the prospect by showing interests, family structure, social networks, pictures, professional experience, etc.

“We really like LinkedIn because it can often validate a donor or prospect’s business and professional information,” adds Lazar. With the use of Google Alerts, they’ve also begun tracking news regarding alumni and send out weekly updates of newsworthy alumni. After a news alert is received about an alum—a promotion or other milestone—the Stewardship Manager sends a letter to them recognizing their news, sometimes it’s also posted on the University’s Facebook page.

“There are many different ways to use the information gathered, for us it’s all about celebrating our constituents. Social media allows us to engage with alumni, donors, partners and the community in a faster, more meaningful and effective way.”

Techniques for Building Community

Through the use of postings on the University’s Facebook page, Lazar and others have begun to promote constituent milestones, alumni art exhibits/performances, and facilitate dialogue by posting questions and comments for followers. This technique brings alumni and donors back into the University’s fold. So far the feedback has been incredibly positive. For example, research staff identified an alumnus whose band had an upcoming performance and they sent a letter congratulating the lead singer on his accomplishments. They then promoted the concert on their Facebook page, encouraging other alumni to attend the show. “We had over 50 comments in response and the posting prompted many online conversations among followers,” explains Lazar. The alumnus who was performing proudly posted a copy of the letter he’d received from the University on his Facebook page, thanking them for their support. “Being fundraisers makes you so aware of the power of giving back,” says Lazar “and despite the fact that some alumni aren’t donors now, we’re actively working to strengthen relationships for the good of William Paterson. The secondary benefit is the potential these relationships offer for new or increased future gifts.”

The University also uses responses from Facebook postings to create prospect lists. They follow University threads and post survey questions on topics that identify affinity to certain programs and projects. Respondents can self-identify interest in arts programs, University news and other special projects—making them ripe for follow-up. Recently, the University began to post information about special events such as their legacy and golf events, resulting in increased traffic to their Facebook page.

In addition, they recently created an application through Iphone, Ipod and Andriod for virtual tours of William Paterson, as well as an application (Ask WillyP Mobile) which allows for constant communication with the University.

Knowledge Sharing Among Departments

At William Paterson, the research department has begun to share the anecdotal information gathered from social media with other departments such as development and alumni relations. Any notes or comments shared about individuals are placed within their integrated SunGard Banner Advancement system and filtered to the development office, increasing communication and efficiency between departments. “We took note of a Facebook posting by an alumna who mentioned her favorite flower and when a development officer wanted to reach out to thank her for a meeting, she knew what to send with the card. It may seem like a small thing, but we’ve found that these notes link multiple departments together to improve our understanding of our alumni, donors and prospects,” shares Lazar.

Sometimes social media uncovers fundraising opportunity. “An alumni posted on Facebook that he had a new business venture,” says Lazar. “While he had never given to the University before, we brought it to the attention of our alumni and marketing departments who then published an article in our alumni newsletter on him and other alumni in the same industry. He was appreciative and advancement began further cultivating the relationship. Today, we await news on a major gift request and have already been assured, at the very least, that he will give a $1,000 scholarship gift.”

“We’re starting to see the impact we can make with the use of social media alongside our prospect research tools, and we like what we see,” concludes Lazar. “Social media is helping us engage constituents in a bigger way and we are furthering our philosophy of giving back first, asking second.”
1 Build a Foundation for Success

Prospect research is a fundamental and essential building block of any successful, multi-faceted fundraising program. Programs that include major gifts, planned giving, campaign components and/or an annual fund that is stratified to include a leadership tier, must include some access to research intelligence in order to efficiently focus resources on the constituents or prospects who can and are most likely to make the biggest impact on programs, infrastructure and/or student financial aid.

In our survey, the average number of full-time equivalent (FTE) prospect researchers among high-performing organizations (HPOs) was 2.51. Among others responding to the survey, the average number of FTE prospect researchers was 1.12. Only 21% of respondents reported having less than one FTE prospect researcher. Average numbers of FTE researchers are summarized in Figure 1.1. Clearly, high performing organizations are investing in the human resources that are necessary to ensure the prospect research function meets the needs of the fundraising programs that depend on it.

Our survey also looked at staffing at the development/major gift officer level. Figure 1.2 summarizes the average number of FTE development officers (DOs) of survey respondents.

As the data indicates, HPOs are investing in resources at the development officer level as well. In all organization sizes, HPO staffing for DOs outpaces that for other organizations—from 35% to over 680%. For organizations focusing on raising significant gifts through a major gifts program, staffing adequately at both the prospect research and development officer levels is imperative.

Based on responses to our questions concerning staffing levels, we calculated the ratio of prospect researchers to development officers to determine desirable staffing ratios. We discovered that HPOs have a higher number of development officers per prospect researcher than others. In fact, across all organization sizes, HPOs had 8.7 DOs per prospect researcher, while others had only 4.3. While this is a significant finding indicating that the prospect research function, when managed effectively, can support a large major gift team, it is only part of the story. Our research indicates that HPOs have on average two to three prospect researchers on staff, so a reasonable conclusion is that a staff of two or more prospect research professionals is optimal to support a high functioning, efficient fundraising team.

For small to medium-sized organizations, these two individuals can reasonably be expected to support the research needs of 6 to 10 development officers, the average number of development officers for HPOs in the small to medium categories. As we shall see in Figure 1.4, success will be dependent in part on adequate funding for research resources.

For high performing large organizations, where the number of development officers on staff ranges from 39 up to 150, researchers are supporting on average 18.67 development officers. This indicates efficiency gains as prospect research departments increase in size. Efficiencies most likely include the division of tasks, such as prospect management, reporting and tracking, from basic research and analysis; the addition of more proactive research capabilities, such as wealth screening and predictive modeling; higher funding levels for time-saving resources; and a more mature research function overall. It may also indicate the addition of more administrative/support personnel with involvement at the Prospect Research, Development, Campaign and/or Program/Academic Unit levels. This data is summarized in Figure 1.3.
Investing in human resources is only part of the research picture. We also reviewed survey respondents’ budgets for research resources, such as paid subscriptions to research databases, newspaper/magazine subscriptions and hard copy data manuals. As indicated in Figure 1.4, the budgets for HPOs are significantly higher than others. HPOs average over 100% higher budgets for these time-saving, efficiency-increasing resources.

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<th>Others</th>
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**Figure 1.4:** Average research budgets by organization size & performance

Resources used by researchers, both fee-based and free, are summarized by frequency of mention in Figure 1.5. Similar findings were reported by the Chronicle of Philanthropy and Campbell Rinker in their Prospect Screening Products & Services Study: 2008 Edition.

<table>
<thead>
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<th>Fee-based Resources</th>
<th># of mentions</th>
<th>Fee-based Resources</th>
<th># of mentions</th>
</tr>
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<td>DonorSeries</td>
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</tr>
<tr>
<td>Dun &amp; Bradstreet</td>
<td>5</td>
<td>Ancestry.com</td>
<td>1</td>
</tr>
<tr>
<td>Foundation Center</td>
<td>5</td>
<td>Edgar</td>
<td>1</td>
</tr>
<tr>
<td>Foundation Directory</td>
<td>5</td>
<td>Marquis Who’s Who</td>
<td>1</td>
</tr>
<tr>
<td>Blackbaud/WealthPoint</td>
<td>5</td>
<td>BigOnline</td>
<td>1</td>
</tr>
<tr>
<td>Foundation Search</td>
<td>3</td>
<td>Chronicle of Philanthropy</td>
<td>1</td>
</tr>
<tr>
<td>NOZA</td>
<td>3</td>
<td>Dialog</td>
<td>1</td>
</tr>
<tr>
<td>Factiva</td>
<td>2</td>
<td>Sorkins</td>
<td>1</td>
</tr>
<tr>
<td>NY Times</td>
<td>2</td>
<td>Newsbank</td>
<td>1</td>
</tr>
</tbody>
</table>

**Figure 1.5:** Fee-based resources by frequency of mention

High performing organizations, of all sizes, are investing in prospect research at both the human level and the resource level and it is paying off. For organizations wishing to excel in their fundraising efforts, our findings demonstrate a clear connection between funding at the staffing and resource level and high-performance fundraising. Higher education organizations of all sizes and types should be able to establish optimal staffing and budget guidelines by looking at the bar set by our HPOs.

**Bottom Line:** An investment in research is one that will pay off in increased funding.

---

2 Invest in Screening

In order to make strategic decisions within the research office about when and how to invest in research, it is important to be able to quantify the value of research and estimate, up front, what the return might be. The results of those investments should then be communicated throughout the organization to demonstrate value and secure future funding (see BP# 7—Effective Prospect Management). In order to help institutions do just this, the WealthEngine survey asked responding organizations to provide data concerning their most recent screening.

Of the 48 respondents providing information concerning a recent screening, the screening dates ranged from May of 2004 through May of 2009.

Figure 2.1 summarizes the data we received concerning the particulars of recent screenings.

<table>
<thead>
<tr>
<th>Range of Records</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of screening</td>
<td>600-190,000</td>
</tr>
<tr>
<td># of new prospects identified</td>
<td>0*-114,000</td>
</tr>
<tr>
<td># of prospects upgraded</td>
<td>0-5,000</td>
</tr>
<tr>
<td># of prospects downgraded</td>
<td>0-5,000</td>
</tr>
<tr>
<td># of prospects visited by personnel</td>
<td>0-2,500</td>
</tr>
<tr>
<td># of Major Gifts closed</td>
<td>0-200</td>
</tr>
<tr>
<td>Cultivation time</td>
<td>0-84 months</td>
</tr>
</tbody>
</table>

* Zeros may have been reported because the screening was recent and prospects had not yet been segmented and identified, or because respondents did not have all the data requested.

The average cultivation time did not vary significantly between previously and newly identified prospects. The average time for cultivation was 19 months, with a range of 0 to 84 months (7 years).

In terms of dollars raised, survey respondents indicated raising an average of $2.2M from newly identified prospects. This figure rose to $4.4M among HPOs. The average raised from previously identified prospects was $15.5M across all respondents.

This data tells us that organizations that screen identify new prospects, and to a lesser extent upgrade or downgrade previously identified (known) prospects. On average, 17.7% of the screened names are identified as new prospects. Of the identified prospects that are subsequently visited by development or other personnel (on average 19% of those identified as new prospects), about 1 in 10 result in a gift. When we looked at date of screening and eliminated those organizations for which the screening was within the past 15 months (that is, the average cultivation time of 18 months had not elapsed) we found the average number of gifts closed per organization was 54. The average number seen by personnel was 535. So again, on average, 1 of every 10 prospects identified in the screening that reaches the face-to-face stage of cultivation, results in a closed gift.

This is summarized in Figure 2.2 which calculates a return on investment (ROI) for three screening sizes (36,000 is the average screening size in our survey). The calculations are based on the averages from our survey data.

<table>
<thead>
<tr>
<th># of records screened</th>
<th>12,000</th>
<th>36,000</th>
<th>165,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Cost of Screening ($0.20 per record)</td>
<td>$2,400</td>
<td>$7,200</td>
<td>$33,000</td>
</tr>
<tr>
<td>Average # New prospects identified (17% of total)</td>
<td>2,040</td>
<td>6,120</td>
<td>28,050</td>
</tr>
<tr>
<td>Average # visited by personnel (19% of identified)</td>
<td>388</td>
<td>1,163</td>
<td>5,330</td>
</tr>
<tr>
<td># of closed gifts (10% of visited)</td>
<td>39</td>
<td>116</td>
<td>533</td>
</tr>
<tr>
<td>Average $ raised (# of closed x average min major gift amount*)</td>
<td>$969,000</td>
<td>$2,907,000</td>
<td>$13,323,750</td>
</tr>
<tr>
<td>Average ROI (Average raised less cost of screening) 40.27%</td>
<td>$966,600</td>
<td>$2,899,800</td>
<td>$13,290,750</td>
</tr>
</tbody>
</table>

* $25,000 is the most frequently cited minimum major gift amount.
Based on the survey data, a screening of 36,000 records, costing approximately $7,200, would yield approximately 6,120 new prospects. If only 19% are eventually visited by personnel, and only 10% of those eventually make a gift of at least $25,000, then the screening would be directly responsible for the receipt of $2,899,800 in new gift revenue. Based on the average cultivation time, much of this revenue would be realized in 1-2 years. This represents a return on investment (ROI) of almost 8,000%!

**Bottom Line:** The return on investment (ROI) organizations get from screening can be substantial.

### Major Gift Defined

Forty-three percent of survey respondents consider $25,000 to be their minimum stated major gift amount. The results are summarized in Figure 2.3. Values ranged from $500 to $100,000.

<table>
<thead>
<tr>
<th>Organization Size</th>
<th>HPOs</th>
<th>Others</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>$21,000</td>
<td>$26,733</td>
<td>$25,300</td>
</tr>
<tr>
<td>Medium</td>
<td>$17,500</td>
<td>$28,607</td>
<td>$27,219</td>
</tr>
<tr>
<td>Small</td>
<td>$25,100</td>
<td>$37,800</td>
<td>$32,720</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$23,000</td>
<td>$31,102</td>
<td>$28,844</td>
</tr>
</tbody>
</table>

*Figure 2.3: Minimum major gift amount by institution size and performance*

It’s interesting to note that the minimum major gift amount for high performing organizations (HPOs) is slightly below that of other organizations. This may imply that HPOs are doing a better job of raising mid-level gifts rather than focusing solely on principal, or mega-gifts. In the current economy, that would seem to be a strategy worth considering. It would also suggest that HPOs are setting realistic and achievable goals at the level of individual major gifts.
Eight years ago, Northwestern University laid the groundwork for a systematic prospect identification and management program. At the time, the development office struggled to define and segment the university’s prospect pool—only 2,200 individuals carried any sort of qualification rating, and many of the ratings were arbitrary and had not been validated by the research department. As Northwestern prepared for their first major screening of 112,000 alumni records, they carefully defined two types of qualification ratings for prospects:

1. An officer rating applied by a development officer takes into account the officer’s knowledge of the prospect’s inclination and readiness to give, as well as capacity
2. A research capacity evaluation determined by the research department is based on wealth and asset screening results and other prospect data sources, and is then validated by the researcher

Following the screening, more than 10,000 prospects were identified, defined and deemed actionable. Within three months, research had identified and validated the top 1,000 to target. Today, they have 20,000 households and organizations representing more than 25,000 individual entities in their prospect pool, the result of a routine screening schedule and a well-planned system of prospect identification and portfolio management.

Multi-Year Screening Strategy

When Northwestern conducted the initial alumni wealth and asset screening, they set in motion a schedule to screen reunion class alumni every year (approximately 17,000-20,000 records annually) to ensure that all alumni records are refreshed on a five-year basis. Rather than conduct large screenings every five years, this strategy ensures a live feed of fresh data, as well as a proactive and manageable workflow for the research team. Jennifer Fry, Director of Development Research and Prospect Management at Northwestern, supervises a team of 17 prospect research and information management specialists who find these annual screenings “completely essential to our prospect identification strategy.”

“We started by screening all living alumni with accurate addresses,” explains Fry. “We had some issues with the results, so we decided to switch screening vendors, moving to WealthEngine the following year to re-screen the 14,360 invalidated records remaining from the larger screening. That year, we also conducted a “found” alumni screening of 31,000 alumni with newly located addresses, to strengthen our alumni data. As we progressed, we began to venture beyond our alumni screenings to special projects that support the requests and needs of university initiatives, such as a grateful patient screening with the medical school.”

Northwestern’s Screening Strategy Timeline

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2-Present</th>
<th>Year 3-Present</th>
<th>Year 5-Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>112,000 living alumni</td>
<td>1,600-2,000 new parents of students</td>
<td>Reunion year alumni</td>
<td>18,000 grateful patients initially screened for the medical school</td>
</tr>
<tr>
<td>Year 2</td>
<td>Year 2</td>
<td></td>
<td>has led to monthly screenings schedule of new grateful patients as they come through the school’s partner medical group</td>
</tr>
<tr>
<td>31,000 “found” alumni with newly located addresses</td>
<td>14,400 unvalidated prospects from the 2003 screening rescreened through new vendor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 6</td>
<td></td>
<td></td>
<td>7,000 unqualified prospects who had previously been assigned to development officers without a research capacity evaluation rating</td>
</tr>
</tbody>
</table>
Best Practices in Action

Adds Fry, “We use screening as our first point of reference when identifying new prospects. We access current information using WealthEngine’s FindWealth Online tool, and then apply our own formulas for the research capacity evaluation rating.”

Parent Screening Results

In addition to alumni, parent screenings are a critical element to the prospect identification program; they have shown a dramatic return on investment (ROI) over the past five years. Northwestern only screens non-alumni parents (alumni parents are picked up in the routine alumni screening), averaging approximately 1,600-2,000 per year. Prior to the first parent screening, the Parents’ Fund raised approximately $500,000 annually. Within the first year of screening, the Fund doubled. Within four years, the Fund had grown to $1.75M. Despite tight economic times in 2008-09, the Fund held steady and has continued to grow, raising nearly $1.9 million in 2011 – almost quadrupling in six years.

“The ability to identify new parents who are capable of major gifts has been a huge benefit for Northwestern. Prior to beginning the parent screening program, it took much longer to determine which parents were major gift prospects. This meant that sometimes we didn’t start cultivating parents until their children had been at Northwestern for a year or two, or were even about to graduate. By screening new parents of enrolled students annually, we can target those who are major gift prospects and connect with them immediately through high level parent welcome events, rather than play catch-up with current and past parents,” explains Fry.

Ongoing Screening Strategy

Special project screenings continue to support other university areas and programs, including the Feinberg School of Medicine, Northwestern’s elementary and pre-college enrichment programs, and predictive analytics:

- **Grateful Patient Screenings – Feinberg School of Medicine**
  Fry and the medical school development office saw a need for access to hard asset data on grateful patients, and after an initial screening of 18,000 grateful patient records, have worked together to set up ongoing monthly screenings. “Grateful patient screenings have helped the medical school become more self-sufficient in their prospecting efforts, and my team’s research support points them in the right direction,” explains Fry.

- **Elementary and Pre-College Enrichment Programs**
  Northwestern is also working to extend the success of its Parents Fund screenings to other university programs offered to elementary and pre-college students and families. Many of the parents of participants in these highly-regarded educational programs are not Northwestern alumni or current donors, and represent a new and rich constituency for engagement and support.

- **Predictive Analytics**
  An ongoing screening strategy, including regular annual processes and targeted prospect identification screenings, has built a solid base of data to support Northwestern’s predictive analytics efforts, which address a range of advancement needs, from annual fund likelihood scoring to alumni engagement to major gift and bequest prospect identification. “Now,” says Fry, “We’re applying analytics to further segment and clarify the prospect pipeline, as well as target our most likely prospective donors.”

“*Our return on investment (ROI) is clear when you consider how we used screenings to double our Parents’ Fund within a year and more than triple it within four years. My advice is to focus on specific groups, rather than overwhelming numbers of records, and plan accordingly. Make sure the data doesn’t sit—allocate an adequate ‘quiet period’ to evaluate results and carefully record your findings. You’ll find that the strategy really works.*

—Jennifer Fry, Director of Development Research & Prospect Management, Northwestern University
In the very competitive world of major gift prospect identification, organizations that use all tools available to them to identify and build a consistent pool or base of prospects are ahead of the game. Ninety-two percent of all organizations responding to our survey indicated they use some proactive research practices. This figure leapt to 100% among HPOs.

Figure 3.1 summarizes the proactive strategies used, and the frequency with which they are used. The table breaks out the frequency by performance.

<table>
<thead>
<tr>
<th></th>
<th>HPOs</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictive Modeling—it house</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Predictive Modeling—with consultant</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Predictive Modeling (either)</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Peer Screening</td>
<td>65%</td>
<td>45%</td>
</tr>
<tr>
<td>Demographic Overlays</td>
<td>29%</td>
<td>20%</td>
</tr>
<tr>
<td>Wealth or Asset Screening</td>
<td>94%</td>
<td>93%</td>
</tr>
<tr>
<td>Other—one organization cited the use of push surveys as a data collection tool</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.1: Types of data collection and/or analysis utilized by organizations and the frequency with which they were cited

**Predictive Modeling** involves the creation of a model that predicts the probability of an outcome. For instance, a model may be created to predict which of a group of prospects is likely to make a major gift, which annual fund donors are likely to lapse, or which group of constituents is most likely to respond to an invitation.

**Peer Screening** is a fundraising technique in which the leaders, board members, trustees, supporters and/or donors of a particular nonprofit organization review lists of their “peers” in an effort to rate their ability to contribute, their connection to the organization and/or their interest in its mission.

**Wealth or Asset Screening** is a process of comparing prospect or constituent lists to one or more data sources, typically with a vendor, to identify asset ownership, business and nonprofit affiliations, and philanthropic tendencies.

On average, HPOs use all three of the above methods of data collection and analysis, while the average among non-HPOs is two of the above-mentioned methods. This finding indicates that by combining data from multiple sources, organizations are able to improve their overall fundraising results. Using multiple data collection strategies creates efficiencies in prospect identification, prioritization, portfolio optimization and prospect qualification. It also enables an objective analysis of the prospect base, supports the construction of comprehensive ratings, and builds consensus and “buy-in” in the development office. See Figure 3.2.

**Wealth Screenings** will help to identify assets for a large group of prospects relatively quickly. They provide data directly tied to the capacity of prospects, such as stock holdings, property values, pension, and income. They can also provide wealth indicators, such as multiple properties, as well as aircraft and boat ownership. Lastly, they can provide data that will identify philanthropic interests, inclination to give and identify relationships among your constituents. This information will help:

- Qualify ratings on existing/managed prospects
- Qualify lesser known prospects
- Identify new prospects
- Determine capacity and inclination ratings for all prospects
- Save the prospect researcher time in compiling profiles
Over 93% of all respondents to our survey reported using wealth screening for prospect identification and qualification.

The data from a wealth screening should ideally be integrated into your Donor Management System (DMS) (see BP #6—Integrate Data to Improve Workflow and Access). This data is particularly useful in building a comprehensive program when you combine it with:

- Giving histories
- Relationships within your database
- Interest areas
- Constituency codes
- Internal ratings
- Prospect management assignments
- Other internal, proprietary data such as presence of children, marital status and age, among others

Peer Screening provides information that is different from, yet complimentary to, data obtained through wealth screening. In addition, peer screening sessions support different fundraising-related goals. While conducting peer screening sessions takes a great deal of organization and requires a significant investment of time, there are undoubtedly organization-wide benefits to be gained. Often, a peer screening session will be conducted after a wealth screening, building on, and adding to, the intelligence gained from that activity.

Over 50% of organizations surveyed utilize peer screening in their prospect identification, qualification and cultivation efforts.

Some of the potential benefits of peer screening are:

- Discover new prospects and feed the prospect pipeline, perhaps uncovering prospects not identified through wealth screenings or traditional profiling methods
- Qualify and quantify current capacity and inclination ratings
- Educate and generate support among volunteers and stakeholders developing a “culture of philanthropy”
- Communicate campaign or other fundraising messages to board members and key volunteers
- Create organization-wide buy-in for fundraising priorities among internal constituencies
- Use as a valuable cultivation tool for a core group of prospects without asking them for a gift
- Develop opportunities for involvement within the development effort for individuals uncomfortable asking for gifts
- Disclose valuable relationship information of “who knows whom” to key stakeholders

Data Modeling is in use at 51% of responding institutions. It is slightly more likely among large organizations (60%), followed closely by medium (44%) and small organizations (48%). Predictive modeling capabilities can be enhanced by including data from wealth screening, peer screening and/or data appends such as age, lifestyle or other demographic variables.

Modeling can be accomplished with Microsoft Excel or with more sophisticated statistical and predictive modeling software. A less scientific yet useful strategy involves developing simple scoring systems that don’t require the use of statistical applications.

Data modeling may be done within the prospect research office, and indeed more and more research offices have a staff position dedicated to data analysis and modeling. It may, however, be done with the aid of a consultant or with the assistance of an academic unit such as statistics or marketing.

The benefit of data modeling with either simple or sophisticated methods is the ability to segment prospect pools into manageable subgroups for more targeted cultivation activities. As with other prospect identification/qualification methods, it is important to define your goals and identify the data points that will help you achieve them.

Modeling can help:

- Identify new prospects
- Qualify existing prospects
- Develop inclination and/or likelihood ratings
- Forecast future results in multiple programs
- Segment constituents for multiple fundraising purposes
- Prioritize prospects within segments

While this discussion has been focused primarily on major gifts, all three methods of data collection (wealth screening, peer screening and data modeling) outlined above provide valuable information to assist in the building of prospect pools across various fundraising programs. Sixty-five percent of HPOs use all three methods.

**Bottom Line:** High performing organizations are using a comprehensive, integrated approach to prospect identification and segmentation. Wealth screening, peer screening, and data modeling serve as a tripod on which to build winning fundraising strategies.
For 23 years, Debra Darling has been conducting prospect research—full-time or on her own as a major gift officer. Currently Director of Prospect Development at Washington & Lee University, Darling has found that the ratio of proactive research (identifying and researching new prospective donors) versus reactive research (developing information on previously identified/known donors and prospects) she chooses to use depends on the stage of a campaign, current fundraising priorities, or maturity of the fundraising program. While she believes that all research shops should be proactive at least 50% of the time, certain stages require a higher degree of activity to ensure campaign success. “When we were at the beginning of our capital campaign, our greatest need was to screen our constituents and identify those most capable of major giving to begin strengthening those relationships. Those electronic screening results, combined with our peer screening and gift officer feedback, was one of the critical components in changing our preliminary campaign goal of $400-450 million to our current goal of $500 million. Now that we are in the middle of our campaign, our proactive goal is focused on qualifying prospects so that gift officers are meeting with prospective donors who have the most capacity to give and have the strongest relationship to W&L. This work also has fed our discovery process among newer and/or younger alumni,” says Darling.

Recruitment Strategy

Their proactive research method includes peer screening to identify new prospects with a high capacity to give who haven’t yet been approached for a major gift. “To hold true to a multi-pronged approach for prospect identification, peer screening is important. We feel that one-on-one sessions with peer screening volunteers, rather than group sessions, is the best way to get great information, especially given the size of our school. The approach facilitates close relationships among classmates and alumni,” notes Darling.

To identify peer screening volunteers, Washington & Lee targets:

- Alumni from specific professions with affluence and strong social networks:
  - Finance professionals
  - Corporate and philanthropic board members
  - Attorneys who graduated from their law school

- Alumni or parents with gift histories and volunteer involvement:
  - Class agents who have previously been solicited for the annual fund
  - Reunion committee members

From these sources, the research staff has initially identified 500 potential screening volunteers, of which more than 300 participated and another 185 were removed from the list entirely. Of those invited to participate, less than 10 declined. Once screening volunteers agree to be interviewed, she begins a careful coding and tracking process in her donor management system as the volunteers hold tremendous potential both in identifying new donors and in increasing their own contributions to the school. The volunteer’s own name is included in their list of people to review and they are asked to rate their own gift capacity.

“Our first six months of peer screening resulted in the identification of 284 completely new prospects with validated gift capacity ratings over $100,000. We were also able to confirm and/or upgrade known prospects at equally high levels.”

—Debra Darling, Director of Prospect Development, Washington & Lee University
Darling says, “We see peer screening as a huge cultivation step in the campaign. It reconnects us with people in a way that allows them to be helpful to our school without having to make an outright donation and plants the seed for our campaign message.”

**Interview Approach**

Development officers conduct the peer screenings; each lasts approximately one hour and includes a maximum of 400 names. The goal is to get “very good” information on individuals on the list who are close associates of the screener thereby creating a circle of friends. In those cases, they are asked only to suggest gift capacity but often provide additional clues regarding inclination to give and attitude towards philanthropy. For acquaintances, general information is collected on current employment, home address, family relations, friends, etc. The peer review list is generated from:

- Fellow alumni
  - Profession (i.e. fellow investment bankers)
  - Undergraduate/graduate major
  - Student activities and clubs (fraternity/sororities, athletics, etc.)
  - Geography of friends and parents, including seasonal addresses
- Parents of current students
  - Profession
  - Geography of alumni, fellow parents and student’s friends, including seasonal addresses
  - Fellow students from their child’s high school who have or are attending Washington & Lee

Post interview, Darling takes the data collected and reviews four separate gift capacity ratings to determine the best rating for each prospect. The ratings come from:

- Personal opinion of the peer screening volunteer
- Knowledge of the prospect by the participating development officer
- Validation from the prospect research department
- WealthEngine’s wealth and hard asset screening results

“Looking at all four ratings is a powerful tool—there is more confidence and immediacy for action when all are at the same level.”

—Debra Darling,
Director of Prospect Development,
Washington & Lee University

“Looking at all four ratings is a powerful tool—there is more confidence and immediacy for action when all are at the same level.”

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—Debra Darling,
Director of Prospect Development,
Focus Fundraising with Predictive Modeling and Analytics

Predictive modeling is the process of creating a model to predict the probability of future behaviors or outcomes. Predictive modeling is not simply one technique, it can involve any number of statistical or business methods to achieve desired results. Depending on organizational objectives, the techniques applied may include regression analysis, neural networks, decision trees, cluster analysis, response modeling or any of a number of additional modeling procedures.

The term ‘analytics’ encompasses, but is not limited to, predictive modeling. In addition to predictive modeling, analytics includes any activity that involves the analysis of existing data to support optimal or realistic decision-making. By this definition, much of the activity of the prospect research office, including the prospect management function, is analytic in nature, or supports analytics by providing foundational data.

In recent years, higher education advancement offices have embraced the concepts of predictive modeling and analytics as powerful tools to augment the skill sets of the research and advancement services departments. Not many years ago, predictive modeling would have been a topic of discussion in the school of business or the sociology department, but not in advancement or foundation offices. By contrast, in 2011, it would be unusual for anyone in a college or university research or advancement services department not to have at least a passing understanding of the terms associated with analytics and modeling, as well as a familiarity with appropriate uses of the resulting work products.

In our survey, 38% of respondents are doing some predictive modeling, whether in-house, with an outside consultant, or a combination of both in-house and consultant-supported. Not surprisingly, a higher proportion of large and medium organizations are doing some form of predictive modeling as compared to small organizations. This reflects the reality that larger institutions have more staff and other resources, which provide more opportunities for economies of scale and specialization. The playing field may be leveling, however, as another 17% of survey respondents—8% of which are smaller organizations—are considering testing the waters of predictive modeling within a six-month period.

Figure 4.1 shows the percentages of large, medium and small organizations and their level of engagement in predictive modeling activities.

There are numerous techniques used to build predictive models, and the one selected depends on the objective of the organization in creating a model. Before a technique can be selected and a model created, the builder and the end-user must have a very clear answer to the question, “What are we trying to predict?”

Even within the broad category of a Major Gift Model there are many answers to that question. For example, the organization may be trying to predict:

- Who is likely to give a gift of $5,000 or more to our organization within the next 12 to 18 months?
- Who is likely to give a gift of $100,000 to $500,000 within the next 12 to 18 months?
- Who is likely to give a gift of $5,000 or more to our organization five years from now?
- Who is likely to give a gift of $1,000,000 at any time?

Clearly, the first step in creating a useful, predictive and actionable model is to know your objective.

A second aspect of model creation is that the organization must have enough data to support creating a strong model to meet their stated objective. For instance, if the goal is to create a model to predict response to a fundraising appeal, the organization must have data recording response activity to historic appeals. Likewise, if the desired objective is to predict future bequest donors, there must be enough individuals within the database who have given a bequest to create a group that will have unique and statistically meaningful characteristics. In short, any predictive model is only as good as the data on which it is built.
Figure 4.2 summarizes the types of data that are desirable and useful for predictive modeling.

<table>
<thead>
<tr>
<th>Giving Data</th>
<th>Demographic Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>First gift amount, first gift date, last gift date, largest gift amount, total lifetime giving, total number of gifts, etc.</td>
<td>Age, marital status, gender, business title, email address, business phone, home phone, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relational and Activity Data</th>
<th>Screening and Research Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family ties, volunteer roles, connections to others in constituent base, student activities, honors or awards, last staff/volunteer contact or visit, event attendance, last solicitation, total number of contacts, etc.</td>
<td>Financial information (including income, real estate and stock holdings), asset ownership (boats, airplanes), gifts to other organizations, age, children, marital status, industry, business, career history, board relationships, capacity to give, inclination to give, etc.</td>
</tr>
</tbody>
</table>

Recognizing there are many variations of models that can be created within the broad ranges of Major Gifts, Planned Giving and Annual Fund, these were by far the most commonly cited types of models being created and utilized by survey respondents to enhance fundraising success.

Ninety-six percent of respondents who are doing predictive modeling are using major gift models, 66% are using planned giving models and 60% are utilizing annual fund models.

Other specific types of models being created and employed by responding institutions predict:

- Inclination to give
- Target gift range
- Event participation
- Acquisitions, upgrades and renewals within annual fund
- Next gift amount
- Campaign ask amount
- Grateful patients (teaching hospitals/health care affiliates)

Another strong indicator that predictive modeling and analytics are becoming significant aspects of the prospect research office at many higher education institutions is that 23% of survey respondents indicated they have staff devoted to predictive modeling. 10% of respondents have less than one staff member devoted to predictive modeling, while 13% have one, two or more. Additionally, among all respondents, on average 8% of staff time is devoted to analytics and/or predictive modeling. Allocation of staff time to research activities is summarized in Figure 4.4.

Nonetheless, predictive modeling is a relatively recent development within fundraising programs. When survey respondents were asked to rate the effectiveness of their predictive modeling, over 50% were unable to indicate whether it has been effective or ineffective. Given that major gifts often take 18 months or longer to reach maturity, this is not surprising. But it does point to the fact that organizations must plan in advance to capture and analyze appropriate metrics so they can answer the question, “How effective is our predictive modeling when it comes to return on investment (ROI)?” Establishing industry metrics and benchmarks will be invaluable as predictive modeling grows in acceptance and becomes more widespread throughout higher education.

Figure 4.5 indicates that while nearly 51% of respondents were unsure as to the effectiveness of their models, over 30% rated their models as extremely effective or very effective, while less than 20% indicated their models are either ineffective or not at all effective.
How Effective Is Your Predictive Modeling When it Comes to Return on investment (ROI)?

<table>
<thead>
<tr>
<th></th>
<th>Extremely Effective or Very Effective</th>
<th>Not Effective, Ineffective or Not at all Effective</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>30.1%</td>
<td>19.1%</td>
<td>50.9%</td>
</tr>
</tbody>
</table>

Figure 4.5

Approximately 36% of organizations were unsure if they would continue their predictive modeling activities into the coming year, but a robust 50% of respondents indicated they are extremely likely or very likely to continue. Less than 15% of respondents indicated that they are not likely or very unlikely to continue these initiatives.

How Likely Are You to Continue Your Predictive Modeling/Analytics Program Over the Next Year?

<table>
<thead>
<tr>
<th></th>
<th>Extremely or Very Likely</th>
<th>Not Likely, Not at All Likely or Very Unlikely</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood</td>
<td>49.7%</td>
<td>14.7%</td>
<td>35.6%</td>
</tr>
</tbody>
</table>

Figure 4.6

Predictive modeling and analytics have the potential to impact fundraising programs in a myriad of ways. Following are a few of the ways models are having a measurable effect on fundraising economics:

- Within major gifts, models can:
  - Decrease the cost of prospect identification and qualification by minimizing time spent identifying, researching and qualifying prospects who are not likely to give
  - Decrease the cost of discovery and cultivation by focusing staff and other resources on those with the greatest probability of giving
  - Increase revenues by shortening the period of time required for cultivation and solicitation

- Within planned giving, models can:
  - Decrease costs of direct mail marketing by focusing resources on those likely to respond
  - Decrease costs associated with face-to-face cultivation by targeting those most likely to establish gift plans
  - Increase expectancies by directing staff and other resources to the prospects with most potential

- Within annual fund, models can:
  - Increase response rates by identifying those likely to respond
  - Increase average gift sizes by predicting realistic target gift ranges
  - Decrease costs of appeals by defining the point at which decreased returns are offset by costs of outreach
  - Increase response by uncovering channel preferences and optimal solicitation frequencies

**Bottom Line:** Predictive modeling and analytics allow you to focus limited resources on those fundraising opportunities with the greatest potential for success
Expert Advice: Bringing Analytics to Your Organization

What does it take to bring predictive modeling to your institution? First and foremost, according to data mining guru Marianne Pelletier, it takes a lively curiosity.

- What is the challenge you are trying to overcome?
- What question will modeling help solve?
- Who are my best candidates for the environmental engineering professorship?
- Do we have enough prospects with both capacity and propensity to meet our proposed campaign goal?

WealthEngine had the opportunity to ask Pelletier, known in the fundraising analytics field for her work at Carnegie Mellon University, Cornell University, and as a consultant with the Helen Brown Group, a few questions about how organizations can get started with predictive modeling and analytics.

As Pelletier notes, “There are lots of options for beginning the dive into modeling and analytics—you can learn to do it yourself, or hire an outside consultant or vendor to do it for you. First and foremost, you have to give it some thought—what are you trying to do? It's hard, but you can do this, you can educate yourself and others within your organization to break the project down into pieces.”

Pelletier shares the following steps for enhancing your modeling and analytics:

1. Identify the problem or challenge you are trying to address. Analytics can be aimless and unnecessarily time-consuming if not focused to solve a specific problem or answer an explicit question.

2. Build momentum with cross-departmental teams. Are there other departments or teams within your organization that might benefit from the data discovery, analytic insights or modeling results? Find out who else in your organization has an interest in analytics and build momentum for the project. When working with cross-departmental teams or individuals, define workloads and expectations. Build “wins” into the project for all stakeholders.

3. Start small where possible and build scope and complexity with experience. Regardless of the size of your project, be sure you have the staff or consulting expertise available to interpret the results and direct implementation. A solid understanding of fundraising processes, data, and statistics is a prerequisite to ensure a viable outcome.

4. Evaluate budget, future needs and talent. Will you outsource all or part of the project to a consultant or firm? Or are you in a position to build capacity in-house? Is this a one-time model? Will you need multiple models? Many times the answer depends on budget and anticipated future project needs and scope. It is normally easy to assess costs associated with outsourcing, but building in-house capacity requires staff time as well as aptitude, training, and resources such as an appropriate software package.

5. Wring the sponge dry. Many organizations neglect to squeeze all the underlying value from a project. Don't stop at the first layer of actionable insight. For instance, a major gift model may yield new prospects for the major gift team, but the scores may also be useful for the annual fund, or for alumni events. There are always additional observations and opportunities once you have made the investment in a modeling project, so try to reap all the benefit.

6. Assess both short-term and long-term results. You don’t have to wait years for major gifts to start maturing to evaluate a model's return on investment (ROI). Did the model help identify prospects that were previously unknown? Are major gift officers able to engage those prospects? If the answers are yes, the model is a success. Whether gifts come in as a result depends on what is done with those prospects after that initial engagement.

When assessing your results, it’s important to determine what worked and what failed. “I consider everything a test and learn environment, it’s important to determine which models worked best by identifying where your greatest opportunity is. Success from modeling can be witnessed in as little as a few months if you start to gauge whether gift officers are securing meetings with previously unknown prospects. A bigger step is in going back and testing model design so the next time around it is based on greater knowledge and experience,” explains Pelletier.

Marianne Pelletier, CFRE, has been in the fundraising field since 1988. She has served as a researcher for Harvard and Lesley Universities, and as Director of Advancement Research at Carnegie Mellon University. She is currently Director of Advancement Research and Data Support for Cornell University.
Trinity University
Applies Predictive Modeling to Uncover Capacity and Affinity for Major Gift Prospects

Trinity University is one of the nation’s leading private, liberal arts universities, with 2,600 students on its San Antonio, Texas campus. Clint Shipp, Ph.D., the Senior Director at Trinity, was brought on board to formalize projects and processes as a capital campaign was contemplated. “As a prelude to a feasibility study, we wanted to further analyze our database to gain a thorough understanding of our constituents’ ability and propensity to give,” says Shipp.

Gauging Propensity to Give to the University

Shipp knows that screening data provides clues to someone’s philanthropic propensity, but he and other members of the leadership at Trinity also knew they needed to properly gauge propensity to give to Trinity. So they opted to do a complete screening of their roughly 57,000-record Datatel Colleague Advancement database, and worked with WealthEngine to build a custom major gift model. The model uses valuable relational, transactional, and demographic information stored within Colleague Advancement on their alumni, parents, donors and friends. This data is then coupled with extensive wealth, asset, lifestyle and business data provided by WealthEngine’s screening. “Modeling answers a number of questions beyond what a wealth screening offers—the results from a screening show propensity to give, but that’s not specific to your organization so you don’t always know that they’re going to give to your University over other causes. That’s the importance of custom modeling; it uses our data and tells us who has an affinity to give to Trinity,” explains Shipp.

Shipp and the advancement services team at Trinity will use the results of their screening and modeling to form the basis of a feasibility study for their potential campaign, specifically to determine the most realistic and achievable campaign goal.

Results Queue Up Prospect Pipelines

Shipp and his team have already put the valuable information provided by the screening and modeling to work by creating a prospect pipeline and new leads program to serve the major gifts and annual fund programs. The team has used the results of the custom major gifts model to identify the top 10% of scorers who represent the individuals in the constituent base with the greatest propensity to give a gift of $10,000 or more to the University. They segmented these best prospects into groups according to their capacity to give. This uncovered a huge opportunity. Of the roughly 5,700 in Decile 10, only 12% had previously been assigned and were actively under management. Of the remaining 88%, 85% are donors, and some have given large gifts in prior years.

“We discovered a big gap,” explains Shipp, “Through our modeling, we realized there is great potential within our database as we identified many individuals who weren’t on our radar but had high propensity to give, and we saw there were many previous givers we hadn’t continued stewardship with. The project has identified a lot of people with high potential – I have no doubt it will pay for itself within a very short time.”
### Best Practices in Action

#### Trinity University’s Top 10% of 56,923 Records Screened

<table>
<thead>
<tr>
<th>Current Assignments</th>
<th>New Assignments based on WealthEngine P2G and Capacity Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Further Research Needed</td>
</tr>
<tr>
<td>Major Giving</td>
<td>133</td>
</tr>
<tr>
<td>Annual Fund Leadership</td>
<td>46</td>
</tr>
<tr>
<td>% Currently Assigned</td>
<td>24%</td>
</tr>
<tr>
<td>New Prospects</td>
<td>571</td>
</tr>
<tr>
<td>% New Prospects</td>
<td>76%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>750</td>
</tr>
</tbody>
</table>

Those constituents in the top 10% who are categorized as ‘further research needed’ (750 individuals) are being quickly qualified for assignment to gift officers for new discovery calls. As each prospect is reviewed, one of three things can happen:

- They are qualified at a major gift level ($25,000 or more over a five-year period)
- They are qualified as a leadership prospect for the annual fund
- They are removed from consideration as a prospect

The research team plans to identify five new leads for each of five gift officers each month. Shipp anticipates that the subsequent discovery calls will result in more substantive conversations and additional appointments, as compared to discovery calls based on leads not selected from the major gift model propensity to give score. The annual fund team is currently developing plans to systematically and strategically target their prospects with a solid implementation plan geared towards action. “One of the best outcomes from modeling is that no time is wasted. You uncover your best prospects—many who you may not have identified yourself—and can begin cultivation and solicitation across different programs with the assurance of data-driven research.”

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“One of the best outcomes from modeling is that no time is wasted. You uncover your best prospects—many who you may not have identified yourself—and can begin cultivation and solicitation across different programs with the assurance of data-driven research.”

—Clint Shipp, Ph.D., Senior Director, Trinity University

Trinity University has taken the steps needed to fully understand and leverage their constituent database. The steps they are taking today to capture the capacity and propensity of their constituents, as well as to begin cultivating those with the highest scores, will position them for success as they consider launching a campaign in the coming year.
Best Practices

5 Effective Implementation Planning

In our survey, a high 93% of respondents included wealth or asset screening as one method of prospect research or prospect identification (See Best Practice #3—Build a Comprehensive Data Collection Strategy). To make the most of a screening, it is important to have a plan in place to guide the use of data in fundraising programs. Of the organizations in our survey, 94% of HPOs (75% of others) had an implementation plan in place to ensure they maximized the value from the screening investment.

An implementation plan outlines and documents a multifaceted approach regarding the storage, verification, analysis, and distribution of screening data within your organization. Common elements of an implementation plan, and the frequency with which they were included in respondents’ specific plans, is summarized in Figure 5.1.

![Table: Elements of an implementation plan and frequency with which they were included by survey respondents](image)

Any implementation plan should include a number of elements, including:

1. A validation strategy (see BP #7)
2. An integration plan (see BP #8)
3. A plan for managing prospects (see BP #9)
4. A plan for measuring success (see BP #9)
5. A strategy for leveraging data in multiple fundraising programs
6. A plan for screening constituent segments on an ongoing basis

Not surprisingly, 100% of the survey respondents reported using screening results in their major gifts program. Most organizations surveyed maximized the resources invested in a screening by also using the screening data in their planned giving initiatives (86%) and annual fund activities (73%). Just under 50% of organizations use screening data or ratings in special events, and fewer than 40% use it in peer screening activities. Other areas in which screening results are used are reunions (35%), direct mail (33%), corporate and foundation giving (24%), and homecoming (12%).

These results suggest that development offices are creatively leveraging screening data across multiple programs, increasing their potential and actual return on investment (ROI). On average, organizations use the results in 4.5 programs. Organizations looking to improve fundraising results across programs, improve return on investment (ROI) for their screening, or both, should utilize screening results in additional fundraising programs, and detail this in their implementation plan.

A plan for ongoing screening should also become a part of the implementation plan. Making wealth screening a part of the routine of prospect identification, evaluation and rating is a fast and efficient way to identify those prospective donors in your database who, by virtue of both capacity and likelihood to give, should get top priority within the advancement program (See BP #3—Build a Comprehensive Data Collection Strategy).

![Figure 5.1: Frequency of screening constituent segments by performance](image)

**Bottom line:** A well-crafted implementation plan which includes an ongoing strategy for periodic screening of constituent segments will guide the use of data across multiple fundraising programs.
6 Support the Annual Fund with Research-driven Data

In higher education, the Annual Fund is an integral piece of the fundraising function, often well-staffed and well-resourced. In our survey, only 3% of respondents indicated they have no annual fund. Of the others, large organizations employ the largest annual fund staff, with an average of six staff members, medium organizations employ on average four staff members in annual fund, and small organizations average just under three staff devoted to annual fund. Staff sizes range from no dedicated staff or a fraction of a position to up to 100 staff members. In addition, many organizations indicate they use part-time student workers (from one to 12 or more) in their annual fund activities.

As indicated in Figure 6.1, annual fund staff size, expressed as a percentage of major gift staff size, averages 23% (for large organizations) to 57% (for small organizations).

Prospect research is primarily a function that supports major gifts fundraising. But as the techniques, resources and technologies associated with prospect research have grown and become increasingly sophisticated, many organizations have begun to use prospect research data within the annual fund. This has provided the annual fund with additional data to help them refine their appeals, segment constituencies based on wealth characteristics, and pinpoint ask amounts with greater precision. According to survey results, 70% of prospect research departments within higher education advancement support the annual fund to some extent. Twenty-seven percent do not support the annual fund, and 3% have no annual fund function within advancement.

There are a number of ways the techniques and output of prospect research can be applied to annual fund activities to produce meaningful and measurable performance enhancements:

- **List Creation**: Prospect researchers are in a unique position to identify criteria by which lists can be created for fundraising purposes. Researchers are familiar with the constituent and donor base of the organization and are thus often the most qualified to identify the criteria that separates “average” prospects from the “good” and “best” prospects. In addition, because researchers serve major gifts teams as well as annual fund, they are able to serve in the capacity of prospect managers, ensuring that each prospect is appropriately managed and that there is no tension or unintended overlap between the two fundraising functions. Forty-seven percent of survey respondents work in organizations where the prospect research office supports the annual fund in the area of list creation.

- **Identifying, Rating and Qualifying Leadership Prospects**: As the threshold of a major gift rises at many higher education development shops, the annual fund team is increasingly responsible for the cultivation and solicitation of mid-tier leadership-level annual fund prospects. In terms of capacity to give, these prospects may fall below the level of the minimum major gift threshold (often $25,000 over five years – see page 10), but above the level where the organization can expect to receive many contributions using broad-based marketing and solicitation techniques like direct mail and phone-athon. Generally when seeking gifts above $1,000, a more personalized, one-on-one approach is advised. About 45% of organizations surveyed report that prospect research supports the annual fund by identifying annual fund leadership prospects. Forty-one percent rate them at specific capacity levels, and 29% qualify such prospects through research.
- **Wealth or Asset Screening**: One simple way for prospect research to support annual fund initiatives is to make wealth screening scores and ratings readily available to annual fund staff. Screenings are typically conducted to enhance major gift fundraising initiatives, but the data provided is useful as criteria for list creation, identifying and rating leadership prospects, and segmenting prospect lists for the purpose of personalizing cultivation and solicitation communications. The importance of sharing and leveraging wealth screening data across the fundraising department is explained in more detail in Best Practice #8 “Integrate Data to Improve Workflow and Access” (page 31). Thirty-eight percent of survey respondents share wealth screening data with annual fund departments, indicating there is opportunity for many ins.

- **Segmenting Lists**: Among survey respondents, 37% have research departments that assist the annual fund in segmenting lists for personalized outreach. The research team is often in the best position to understand and interpret the data in the institutional data base, and this expertise can add unique insights and precision to the process of “slicing and dicing” lists for the purpose of improving response rates, raising average gift sizes and acquiring new donors.

### Figure 6.3

<table>
<thead>
<tr>
<th>Organization Size</th>
<th>Time Devoted to Annual Fund</th>
<th>Time Devoted to Major Gifts</th>
<th>Time Devoted to Planned Giving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large (FTE students over 10,000)</td>
<td>8%</td>
<td>73%</td>
<td>13%</td>
</tr>
<tr>
<td>Medium (FTE students of 3,000 to 9,999)</td>
<td>18%</td>
<td>61%</td>
<td>13%</td>
</tr>
<tr>
<td>Small (FTE students of 2,999 and less)</td>
<td>22%</td>
<td>59%</td>
<td>14%</td>
</tr>
<tr>
<td>Other (please describe)</td>
<td>16%</td>
<td>66%</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>16%</td>
<td>65%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Since many of the techniques and processes of prospect research for major gifts create output that can be immediately applied or repurposed slightly for use within the annual fund program, a large majority of higher education institutions are spending significant amounts of their time supporting annual fund initiatives. Many of these institutions have leveraged their experience in major gifts, and the payoff can be measured in:

- **Increased Return on Investment (ROI)** from traditional annual fund activities such as direct mail, phone-a-thon, email and special events due to more precise compilation and more intelligent segmentation of prospect lists. Prospect research data, including electronic screening data, can help annual fund teams quickly and accurately segment constituents by ability and likelihood to give. Improved ROI can result from increased revenues or decreased expenses associated with these activities.

- **Additional donors and improved participation rates** among alumni and other constituents. Research data can quickly identify segments appropriate for acquisition, based on the individual’s ultimate potential and/or the likelihood they will respond. Identification of the most appropriate groups for acquisition can lead to more attractive economics for this vital but traditionally costly activity.

- **Increased revenue production** from leadership annual giving programs. Similar to traditional major gift programs, revenues can be maximized in a leadership giving program by directing limited staff resources to the best prospects based on capacity to give as well as likelihood to give. Prospect researchers are in the best position to understand these characteristics and identify prospects that will have the highest probability to participate at the desired level. An ancillary benefit is that leadership annual fund donors help fill the pipeline for major gift production in the future.

**Bottom Line**: Repurposing major gift research data for the annual fund leads to incremental return on investment (ROI).
When an organization acquires data through a wealth screening, there is almost always a need for some initial data confirmation and validation. Among HPOs providing data concerning a recent screening, 94% included a validation strategy in their implementation plan.

The extent to which the data is reviewed varies by organization, and there is not one correct way to approach the validation project. In reality, there is a continuum along which an organization must find its unique point of maximum return on investment (ROI). An organization’s placement along the continuum depends on the robustness of the prospect research staff, and the timeline for pushing prospects to the front line. The development officers’ willingness to participate actively in the qualification and assessment of new prospects is also a factor.

Because of the very nature of the wealth screening process and the match logic used to link data to specific prospects or constituents, there is inevitably some mismatched data returned for some minor subset of constituents. Generally speaking, in less than 10% of cases, screening ratings are higher than warranted. Where screening ratings are too high, it is most frequently occurs when:

- A constituent matches to securities data that actually belongs to another individual with the same name. This happens most often among constituents with common names.
- Fathers/sons or mothers/daughters share the same name, particularly when they live in the same household or work at the same business.
- Indirect stock holdings inflate the holdings of a financial services sector professional who manages funds for others.

This suggests that, at a minimum, those records representing constituents matching to securities data—especially those who have common names, those for whom the organization has records for multiple generations of the same family, and those with large indirect stock holdings—should be reviewed prior to investing in cultivation activities. A quick review of these particular areas of ambiguity will allow the data to be released with some confidence to the front-line fundraising team for action in the quickest possible time-frame. Once contacts are made, appointments set, and cultivation strategies are set in motion, additional data confirmation can be executed, additional research performed, and an appropriate ask amount determined. This is more easily and more accurately accomplished with the input of both the researcher and the development officer after the DOs independent assessment.

Approaching the verification process in this manner has the added benefit that little if any research time is spent profiling constituents who have no interest in the institution. This will help eliminate from the research queue prospects who are unlikely to accept a request for a visit or other cultivation initiation. The potential downside is that development officers may occasionally spend their time or resources assessing a prospect that does not have research-verified capacity. Given the ease with which DOs can normally make an assessment, whether in-person or via phone contact, the benefit of a faster validation process often outweighs the downside of a few “wildcards.”

For some institutions, particularly those that have a substantial research staff and whose time frame for releasing new prospect names into the prospect pool is not necessarily aggressive, more validation may be warranted. Typically, the cost of research resources, including human and data resources, is substantially below that of the cost of major gift resources, including human and travel resources. Therefore, when research support is available and time constraints are minimal, it makes sense to confirm capacity ratings through research, as well as illuminate any philanthropic interest areas and connections to the particular organization that data can provide.

This approach, while much costlier in terms of research resources, may help utilize front-line fundraising staff more efficiently. It will reduce—though not eliminate—the number of unproductive calls development officers make. This approach does not, however, negate the need for the development officer to provide an independent assessment of the prospect’s interest and affinity to the organization. The development officer should also be tasked with providing a rating—not to replace the capacity rating provided through quantifiable research, but to provide insight into how much the prospect may potentially donate to the particular institution. This rating would be tied to a particular gift opportunity and eventually, with luck, to a proposal and closed gift.

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1 In three independent studies comparing WealthEngine Capacity Ratings to an organization’s confirmed (verified) ratings, WealthEngine Capacity ratings had a general accuracy of plus or minus 1 capacity range for 70% to 80% of records. In less than 10% of cases, the WealthEngine capacity over-estimated a prospect’s capacity. In the remaining cases, the WealthEngine capacity under-estimated the prospects true capacity.
Even for those organizations that are staffed optimally in terms of research, it is still important to carefully weigh the need for accuracy against the need for speed and action. Data is only valuable to the extent that it is actionable—because action occurs at the front-line, data does not become valuable until it passes from research to the front line. Once the data is actionable, the organization can realize a return on investment (ROI). Figure 7.1 illustrates one possible strategy for quickly segmenting and validating prospects. Harboring data within the research function, where it can quickly become outdated or stale, is not a recommended practice under any circumstance. When selecting a screening vendor, be sure there is a method to refresh the data periodically. This will help ensure that any data purchased will not become stale.

Among all survey respondents, an average of 16% of records in a screening received some validation. This corresponds roughly to the number of new major gift prospects which averaged 17% among respondents in our survey.

One option that can pace validation efforts and ensure a steady pipeline of prospects is the screening of smaller groups of records at regular intervals. This allows the organization to plan for and schedule the validation of records and feed the major gift prospect pool with new names in a timely, efficient and ongoing manner. Purchasing smaller data sets and refreshing data on a frequent basis provides research with the opportunity to make this proactive strategy a normal part of their routine process. When approached as such, data is pushed to the front line on a regular basis and is both accurate and fresh. This approach also reduces the risk of overwhelming the prospect research office.

A validation strategy should answer these questions:

- **How will the prospects be prioritized for validation?**
  Often, high capacity prospects are reviewed first, but prioritization by interest in and/or connection or giving history to the organization may increase efficiency.

- **What specific types of data will be reviewed** (i.e., stock, real estate, private company, political contributions, charitable contributions and/or biographical data)?
  Many organizations will limit the types of data validated to those assets that contribute a large value to the estimated capacity calculation, such as stock and real estate.

- **How long will the overall process take?**
  Depending on the size of the screening, the process may vary. A timeline should be attached to the completion of the validation project, or phases of the project, to be sure that prospects are pushed to the front line regularly, before the data becomes outdated.

- **Does the fundraising team understand the process and do they have a part to play?**
  Depending on the extent of the verification of data, do gift officers understand that prospects pushed to the front line may not have 100% verified capacity? Are they trained to further assess and qualify prospects?

- **Is there a process for ongoing communication between research and front line fundraising?**
  As prospects are referred to fundraising for further assessment and qualification, fundraisers should in turn report back to research their assessments, and request increasingly in-depth research profiles as the prospect progresses through the cultivation cycle toward a solicitation.

**Bottom Line:** Balancing precision with timeliness in the validation process ensures data translates into action.

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**Figure 7.1: Sample strategy for quickly segmenting and validating prospects**

- **SEGMENT YOUR WEALTHENGINE SCREENING RESULTS**
  - **DO NOT VALIDATE**
- **ANNUAL FUND PROSPECTS:**
  - P2G 3-1 to 3-6's: Do not validate unless special circumstances warrant
  - P2G 4-0s and 5-0s: Do not validate unless special circumstances warrant

- **VALIDATE**
  - 10-30 minutes

- **MAJOR & PLANNED GIFT PROSPECTS:**
  - P2G 1-0's: Most well-qualified
  - P2G 1-1 to 1-5's: Next most well-qualified
  - P2G 2-1 to 2-5's: Require most validation

- **PROSPECTS WITH:**
  - Stock data QOM ≤8
  - Real estate data QOM ≤8

- **Answer these questions:**
  - Is this my prospect?
  - Is this a good major gift prospect?

- **PRE-QUALIFIED PROSPECTS**
  - Assign to DO for qualification or assessment
  - Assign to capacity pool for future qualification or assessment
  - Assign to researcher for further qualification

- **“NO”**
- **“YES”**

- **Include in Annual Fund**

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Duke University’s The Fuqua School of Business needed a new approach to screening their database of 13,000 alumni records during the silent phase of their campaign. Rather than screen all at once and risk using outdated data and ratings during validation and cultivation, they opted to categorize the alumni by state and screen smaller groups on a monthly basis.

Creating a ‘Hot List’

The process is “very helpful to maintain fresh data, provide new prospects and keep us on track,” says Tracey Martin, Prospect & Research Coordinator. “We take the screened data and prioritize the list by giving capacity, starting from the $1M level down to $100,000, briefly scanning the bottom of the list for anyone we know to have a higher capacity. Once we have segmented the list, we look at key features including the P2G (Propensity to Give) score, stock holdings and quality of match data. We overlay inclination ratings and deem those with a capacity over $500,000 as our ‘hot list’. Anyone with a giving capacity under $100,000 is forwarded to the Central Office for annual fund and reunion year development.”

“Comments from gift officers are positive; they say that the routine screenings help them identify whom they should target first, meanwhile I can cut or lower codes on others,” notes Martin. The ongoing influx of data leads to:

- Swift delivery of records
- Data that is current and divided into “manageable chunks”
- Accurate information gathered from overlays such as NCOA (National Change of Address) that find “lost” alumni
- Valuable updates including employment, home and business addresses, stock and other biographical information

Duke University’s The Fuqua School of Business has taken a proactive approach to wealth screening and uses monthly batch screenings to quickly validate top prospects and create routine workflows that feed development officers a fresh pipeline of new prospects on an ongoing basis. Each month, an average of 187 prospects with a major gift rating over $100,000 are pushed to development officers—making cultivation a routine, actionable and manageable part of the advancement workflow.

A Sustainable Return on Investment (ROI)

“Comments from gift officers are positive; they say that the routine screenings help them identify whom they should target first, meanwhile I can cut or lower codes on others,” notes Martin. The ongoing influx of data leads to:

- Swift delivery of records
- Data that is current and divided into “manageable chunks”
- Accurate information gathered from overlays such as NCOA (National Change of Address) that find “lost” alumni
- Valuable updates including employment, home and business addresses, stock and other biographical information

Duke University’s The Fuqua School of Business has taken a proactive approach to wealth screening and uses monthly batch screenings to quickly validate top prospects and create routine workflows that feed development officers a fresh pipeline of new prospects on an ongoing basis. Each month, an average of 187 prospects with a major gift rating over $100,000 are pushed to development officers—making cultivation a routine, actionable and manageable part of the advancement workflow.
Making wealth and other research data a part of the fundraising environment is a must to ensure that the data is understood and is utilized effectively. It is also a proven method to raise the profile of the research function within the fundraising team and broader organization.

One of the most significant ways to make your research data from a wealth screening or other data appending project a part of the overall environment is to integrate that data into your Donor Management System (DMS). The ratings and scores provided through a wealth screening are part of the key data set that should be imported, enabling your organization to properly segment constituents based on their overall capacity and inclination profiles.

Out of our survey respondents, 61% either had integrated wealth screening data, or had plans to integrate it into their DMS. The types of data integrated and the frequency of response are summarized in Figure 8.1.

Figure 8.1: Data type and frequency of integration. Other items integrated include predictive modeling decile and PDF profile reports manually uploaded to DMS.

The majority of survey respondents (82% of total respondents) have a moves management or prospect management program in place (See BP #9—Effective Prospect Management). Having wealth, asset and rating information within the same system enhances the ability of the prospect manager and/or assigned development officer to ensure the correct prospects are under management and that they are receiving the attention warranted. It also allows for the quick identification of new prospects that should, perhaps, be assigned or contacted.

More than 50% of survey respondents track hard asset data such as real estate and securities on their donors or prospects. Data integration is a key to identifying which constituents to track and then recording fluctuations, growth and/or shrinkage of assets over time.

Regardless of the DMS application used, the goal should be to house information on prospects and donors in one system. This will ensure:

- The organization has a global view of constituents and their capacity levels
- Segmentation and assignment strategies are based on multiple data sets
- Those that may be currently assigned, but have little capacity, and those that are unassigned and have a significant capacity, are quickly identified
- Tasks are assigned and tracked systematically
- Screening results are shared with a broader audience in an accessible format

Reasons cited for not integrating screening results into a DMS include a perceived need to validate the data prior to importing it, resource constraints on performing the import, fear that the data will be misunderstood or incorrectly interpreted, and/or confusion regarding the process for importing the data.

There are some easy steps you can take in the implementation planning phase prior to conducting your screening that can help overcome these obstacles. The questions that need to be answered are:

**Data Validation:**

- What data fields will be imported?
- Will data be imported for donors and prospects, or just donors?
- What category of ratings can be imported without validation?
- Can field values be updated once the records have been validated, if necessary?
There will always be a need to validate a portion of the data (common names, etc.) from a screening or other data enhancement projects. However, there are ways to prioritize the data that is validated. For example, part of your implementation plan can be to import the ratings and scores of high Quality of Match (QOM) donors. Much of the data for these individuals will not require validation. Therefore, data on these individuals can be quickly fed into your DMS so that you can begin your analysis of prospect segments.

**QOM Defined**

The Quality of Match Score (QOM) is calculated to provide a “confidence” gauge that each piece of data is accurately matched to the right prospect. QOM also serves as a simple tool for segmenting and evaluating screening results.

Some considerations to ensure a successful data importation into your DMS include:

**Resource Constraints:**
- Who will be assisting with the import?
- What is their availability?
- What format do they need the data in to perform the import most easily?

Your plan should include tasks along with the names of persons responsible for implementing those tasks. Especially when working with scarce IT resources, it is wise to advise them as early as possible about the upcoming import, and to talk with them about the preferred format of the data. This allows you to work with the vendor to determine the best format(s) for your data delivery.

**Fear the Data will be Misunderstood:**
- Who will have access to the data?
- Do they need training or documentation?

When you integrate the data into your DMS, it is important for all those having access to the DMS records to have some training or reference documentation available to help interpret the information. Your plan should include a method for introducing the results of your project to leadership and the front line fundraising staff, and possibly additional training for the front-line staff. In our survey, 53% of respondents presented their results to leadership. Fifty-nine percent provided training to development officers and others on the front-line fundraising team.

**Confusion Around the Process for Your Data Import:**
- Does my DMS have a built-in integration with my screening vendor?
- What automation tools can I easily implement between my DMS and screening vendor?
- What resources are available to me between these two system providers to assist with my data import?
- How have my peer organizations using my DMS accomplished this integration?

Confusion regarding the process for importing the data should be addressed during the vendor sales process. Most data mining vendors that integrate into your DMS will have clearly defined processes, some of which are automated, that will reduce the confusion regarding the process and significantly improve the efficiency in importing your data.

Partnerships exist, and are expanding, between screening vendors and DMS providers. Many now offer built-in integration to allow individual and/or batch screening from within the DMS application. This service provides on-demand refreshing of constituent profiles, and eliminates the need to export or import data from your DMS. It also provides the capability to set up workflows to enable your moves management processes to function more fluidly.

**Bottom Line:** Integration of data into one system makes it more useful, actionable and accessible.
Stevenson University
*Rapid Growth and Strategic Restructuring
*Improve Fundraising Efficiency

Stevenson University, Maryland’s third largest independent university is renowned for its unique blend of liberal arts and career preparation. Located in Stevenson, Maryland, the University has substantially increased enrollment of its student body and alumni in the past decade. Founded in 1947 as Villa Julie College, the University’s Board of Trustees voted to change the name to Stevenson University after three years of intensive research in June of 2008. In addition, the University completed a restructuring plan with the goal of creating six new schools. With a current enrollment of 3,900 undergraduate and graduate students, Stevenson prides itself with its historically high job/graduate-school placement rates.

In 2005, Stevenson University initiated a 20 million dollar capital campaign and in 2006 began working with WealthEngine to research and screen current and past donors. Since then, the University has been actively fundraising for their campaign. In December of 2009, the 20 million dollar campaign was completed with Stevenson surpassing their campaign goal.

With an active database of 14,000 alumni, in addition to increased student enrollment, the advancement office has developed processes for enhancing the database and improved procedures for fundraising, data management, and prospect research.

Under the direction of Rob Turner, Director of Advancement Services, the number of researchers has increased since the University initially signed on with WealthEngine in 2006. There are 15 individuals who make up the Office of University Advancement. Twelve individuals focus on development, of which three are researchers, and three focus on alumni relations.

**Screening Donors for Effective Cultivation**

Since implementing a prospect management plan to streamline their fundraising efforts, Stevenson University has seen an increase in individual giving amounts. Screening and researching their alumni and parents of current students has provided greater insight and allowed Turner and his team to target their focus on the right individuals.

Wealth screenings have also helped Turner and his team to identify assets for a large group of prospects relatively quickly. As they implemented a more comprehensive data collection strategy and screening process, holes in their previous process were identified. Turner explains, “In recent years we realized we were missing a key opportunity with our screening process; no one had thought to screen parents of incoming freshmen. Our stewardship process and screening results showed there was a need to focus on these parents.”

As Turner explains further, “We went back and decided to do a segmented mailing of these individuals. Lists of parents were segmented in ascending order by Propensity to Give (P2G) score and inclination score. The direct mailings also used campaign codes that allowed us to track potential donors so we could measure the return on investment (ROI) from targeted mailings. Finally, the advancement team coordinated their phone solicitations following the mailing, which resulted in a far more cohesive plan.”

With these changes, Turner revised their fundraising plan to include a strategy for ongoing, regular screenings of different segments and improved workflow for effective prospect management.

“We use the WealthEngine scores and ratings, primarily Propensity to Give (P2G) and Estimated Giving Capacity, to provide a high level overview of an individual we’re researching. The P2G score is a great identifier that directs us as to which individuals to look at first.”

—Rob Turner, Director of Advancement Services, Stevenson University
Integrating Wealth Data for Better Fundraising Results

Following fundraising best practices, Stevenson University uses Datatel Colleague Advancement as their donor management system (DMS), and integrates the data gathered through screening directly into their DMS. Stevenson migrated over to Colleague Advancement to integrate their results into Datatel from a posted .csv file to their secured file transfer protocol (ftp) site. The advancement office uses two different types of integration with WealthEngine to link their screening data back into their DMS. Each method is used to support different fundraising activities and different points in the fundraising cycle.

- **Mass import** integration with data from screenings they’ve conducted, and
- **Individual record** links to data using WealthEngine’s Prospect Link API, known as WealthConnect.

Stevenson’s researchers use WealthEngine on a daily basis to look up individuals. Using WealthConnect, they link the individual’s complete wealth profile within WealthEngine’s FindWealth Online research tool, and results are easily integrated back into Colleague Advancement.

Prior to integrating screening results into their DMS, Turner worked with Datatel to develop an implementation plan to guide their process. They tested the integration with Datatel and determined how the WealthEngine screening results would be included. WealthEngine data is held within the Datatel Major Donor Module, which has text boxes that can be filled in with data. As well, clients can customize a page for additional fields and notes. “It’s in this area we are able to customize most of the data with specific notes for others to understand,” adds Turner.

Simply put by Turner, “The fact is, you have to screen and bring the data back into your DMS so everyone can see the data, make comments and remarks about an individual. Having it all centrally located increases efficiency within your organization. There’s no need to spend time updating records because the data is cleaner, transparent and readily accessible for everyone in our advancement office to view. This integration between WealthEngine and Datatel makes all of our lives easier.”

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**Goals:**

- Use wealth screenings to identify assets for a large group of prospects
- Build a comprehensive data collection strategy and improved workflows
- Uncover opportunities in their research process
- Develop a strategy for ongoing, regular screenings of different segments

**Screening and Targeting Process:**

- Use P2G and inclination scores to segment parents of incoming freshmen
- Create segmented mailings to freshmen parents
- Use campaign codes to track potential donors
- Establish metrics to measure the return on investment (ROI) from targeted mailings
- Coordinate post-mailing phone solicitations

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“Having the integration between Datatel and WealthEngine has made working with these two platforms easier and user-friendly. With just the click of a button within Datatel, we’re able to view the WealthEngine Advanced Search results and bring a summary of the results back into Datatel.”

—Rob Turner, Director of Advancement Services, Stevenson University
Effective Prospect Management

Effective fundraising organizations have practices in place to track their progress with prospects. This is often called “moves management,” or “prospect management” (see definition on page 18). Without an effective process to track and measure progress with prospects, an organization’s investments in prospect identification, qualification and rating will not be maximized.

Management systems vary by organization, but a successful system normally involves:

- Setting goals for actions and results as they relate to the process of turning prospects into donors, or donors into repeat donors
- A process to consistently collect and record information that relates to progress towards those goals
- A mechanism to report this information
- Procedures to analyze the data collected in order to make corrections or take advantage of opportunities when warranted

The overwhelming majority of survey respondents (82%) have a prospect management system in place. This jumps to 94% among HPOs. Fifty-seven percent have practices in place to measure their fundraising effectiveness, which would relate to their process for collecting, recording and reporting this information. This figure increases to 65% among HPOs. Over 90% of those who have practices in place generate reports on a monthly basis, with the remainder generating them quarterly. Types of report metrics and how often they are included in respondents reports are summarized in Table 9.1.

<table>
<thead>
<tr>
<th>Report Metric</th>
<th>% of Organizations Including Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars raised</td>
<td>97%</td>
</tr>
<tr>
<td>Proposals Submitted</td>
<td>66%</td>
</tr>
<tr>
<td># of prospects in each stage of cultivation</td>
<td>63%</td>
</tr>
<tr>
<td># of visits/significant contacts</td>
<td>80%</td>
</tr>
</tbody>
</table>

Prospect Tracking and Moves Management

Typically organizations will begin with a simple means of tracking prospects through the fundraising pipeline. The simplest stages of the process are illustrated below:

An efficient prospect management system will track the moves of each prospect through these stages. It may also identify and record the actionable steps that are effective at pushing the prospect to the next level. The system should include a projected time for completion of each stage in the cycle. Additionally, each stage of the process should reflect the dollar amount for which the prospect opportunity, or proposal, is rated. This is essential to tracking the process from proposal to actual dollars raised.
Survey respondents noted other data that they routinely capture in reports including:

- Progress to goal
- Alumni and board participation percentage
- Engagement numbers (for events and volunteers)
- Number of new donors
- Annual fund dollars raised
- Number of $1,000+ and $25,000+ donors
- Projects supported
- Status of gift
- Principal gift—($1M+) specific reports
- Length of time with no movement
- Time from first visit to solicitation
- Actual and planned appointments
- Total touches
- Alumni touches
- Giving by constituencies
- Planned gifts, both closed and expected

This gives insight into the types of goals being set and reports being generated by our responding institutions.

Cross-organizational communication is an essential component to effective strategy and information sharing among all of the development staff. Prospect management meetings should include all of the major players who are responsible for a significant piece of the fundraising process. This may include prospect researchers, prospect management staff, front-line fundraisers, stewardship officers, and of course, senior management.

Seventy-seven percent of survey respondents conduct prospect management meetings monthly or more frequently. That figure jumps to 88% among HPOs.

The approach to prospect management used by the majority of our respondents and particularly among HPOs is a combination of regular reporting and frequent prospect management or strategy meetings to ensure that opportunities are being acted on, and that prospects are moving forward. One means of measurement reinforces the other. If progress on moving a prospect from the identification stage to the solicitation stage is not happening, corrective action can be taken quickly to brainstorm alternative strategies, replace the prospect in the portfolio with a potentially more productive prospect, or transfer the prospect to a more compatible prospect manager. Ultimately the prospect management system, and the reports generated from it, will enable the organization to measure their major gift fundraising efficiency, and optimize their return against resources expended.

Typical Prospect Management Meeting Agendas Include the Following Components

- Solicitations closed & dollars raised
- Moves progress
- Portfolio analysis, including prospect re-assignments when warranted
- New prospects identified and assigned

Prospect tracking and reporting in conjunction with prospect management meetings, if performed with the emphasis on management, can keep the fundraising team focused, help track return on investment (ROI) for both resource and staff allocation, and ensure that opportunities are not missed.

**Bottom Line:** Effective prospect management is critical to focused fundraising and increased results.
Le Moyne College

Team Focused Prospect Management
Supports High Campaign ROI

Having worked at Le Moyne College for over 20 years, Deborah Reinhardt Youmans has learned how to build value into a prospect research management program. When she first started as Director for Advancement Research, the College was spending significantly on prospect research and wealth screening tools but wasn’t applying the information in a strategic and team-oriented approach to realize strong returns on investment. Today, her strategy involves routine donor and prospect screenings, internal data mining, ongoing prospect tracking, and more importantly, prospect management meetings in close coordination and communication with development officers.

Communication

“The bottom line is that everyone involved in fundraising has to work as a team and that requires each individual to take responsibility for what he or she is here to do. You hold yourself accountable for the role you play on the team, as should those around you,” says Reinhardt Youmans. “You also want to remember that philanthropy is a volunteer action for a common good, while fundraising is the ability to look through the eyes of a donor. Each member of your team needs to embrace that a joyful donor is your destination and, of course, enough of them to make goal!”

At Le Moyne, prior to any solicitation visit, the staff assigned meet with the Research Department and agree on the amount the prospect will be asked. “Yes, our profiles have the suggested ask and all the data and analysis to back it up,” says Reinhardt Youmans, “But, I have found that this simple process of meeting prior to a solicitation helps to build the team atmosphere, boost the confidence of those going out, and forces a meeting of the minds. You may need to role play Scenario A and Scenario B with the staff assigned, while at the same time trust their ability to make the right judgment call during the visit.”

Building the Pipeline

Reinhardt Youmans is a firm believer that “screenings should be used to confirm top level prospects and identify those up and comers for the next campaign. If you are using a screening now to identify new major donors for your current campaign, you’ve missed the mark from a timing perspective.” She adds, “While I expect Research to continuously identify, screen and qualify prospects that is only one piece of the puzzle, as the most important step is moving those potentials into the pipeline to build relationships. Another important piece of the puzzle is the fact that relationships provide ‘knowns to the unknowns’ for additional pipeline movement.”

Having been a team member for three campaigns at the College (Building on Excellence, Tradition with Vision and Achieving New Heights) she notes that the best-run campaigns for the highest return on investments (ROI) are those where each member of the team is knowledgeable and embraces the vision, mission and strategic plan. “That means that your alumni office is the point-guard for discovery, every office on campus is the point-guard for discovery, every event, every mailing, every email, every social media posting, every incoming response to the Annual Fund Appeal is a point-guard for discovery. If you are simply screening for capacity ratings without understanding the crucial aspect of building and maintaining relationships, you are blind to what is out there and what can be.”

“I would rather have my heart rate accelerate because a development officer on the road contacts me to let me know that the visit resulted in a gift coming in on target with our solicitation strategy, than the alternative. It is an affirmation that our process of calculating gift capacity ratings is right on the money.”

—Deborah Reinhardt Youmans, Director for Advancement Research, Le Moyne College
Build Trust

Before you begin any forward-movement, advises Reinhardt Youmans, come together as a team. Understand the value and contribution that each role in the Division gives to your fundraising efforts. During a campaign, take the time to correct actions, recalibrate and celebrate. Post-campaign, come together and freely discuss, openly and honestly, what went right and what did not go as planned. “You have to reflect upon yourself, you have to discuss issues and then be willing to let go of any past hurt and grudges that often occur during the hectic pace of a campaign and the urge to make goal. As a group, you cannot move on to what you will ‘become’ or ‘do’ in the future until you are willing to spend time, resources, money and your own internal energy and emotions to make the decision to move forward as a cohesive unit.”

Move it Forward

Reinhardt Youmans advocates regularly scheduled meetings where those identified are added to portfolios based on ‘agreed-upon’ criteria that every member of the team supports. Portfolios can be built and fine-tuned based on the level of giving, the specific passions of the prospect and in truth, the personality and skill level of the development staff. One should include all relevant development staff in the meeting, as that heightens not only the team atmosphere, but forces open and honest communication. Tracking also helps Research evaluate how close their original capacity ratings were to the final ask, as this type of confirmation for the capacity ratings and ask amounts ensures that future requests are well planned and executed. “You learn when to push and when to pull as those added to portfolios are tempered with those that need to be removed. If you as a researcher are credible, your involvement and advice during these meetings is valuable. You have to remember that each member of the team is to be open-minded to provide constructive criticism and to accept it. When you have the right team atmosphere, specific talking points can ‘smart’ at times, but all is positively given and positively received.”

Le Moyne’s success is also due to the donor relationships nurtured by development officers. “We measure a development officer not by the number of donations they generate but by the number of visits they make to a prospect, because we have found a strong correlation between the frequency of visits and resulting gift,” says Reinhardt Youmans.

Le Moyne’s current prospect tracking process is based on several closely monitored factors:

- Length of the average cultivation cycle
- Length from initial visit to the ask
- Proximity of the suggested ask to the final close and any variables
- Common occurrences among prospects, at varying gift levels

“In the short term, it allows us a snapshot of where we are and where we are headed. In the long term, it is an invaluable tool for strategic planning towards the next campaign,” explains Reinhardt Youmans. “Research should always be ahead of the curve, preferably two years out, and we need to start building the relationships now in preparation for the next campaign.”

Build Momentum

Le Moyne, established in 1946, has a relatively short history, compared to the other 28 Jesuit colleges and universities. Le Moyne is just now coming into its own as a strong fundraising entity as prospects have reached the higher levels of giving. Le Moyne’s last campaign, Tradition with Vision from 1996-2001, resulted in the achievement of $30.5M to their goal of $25M and garnered their first $1M gift. Their most recent campaign, Achieving New Heights from 2004-2010, experienced the College’s first $5M, $4M, $3M and $2M gifts. “We were also fortunate to receive a $50M bequest in fall 2008, but the moral of the story is not the amount, it is the fact that in over 30 years of contact and stewardship with the prospect, no one dropped the ball. That, in a nutshell, should be the outcome of prospect management.”

“You have to keep moving forward and remember the mission of your organization.” She advises, “The more that you can be a team player and work closely with your development staff, the better your response will be as you build trust and evaluate whether the gift capacity and actual ask amount are on target, time after time. The technical skills, art and science required for Research should never be prioritized above the mindset of what you are doing this for. These are some of the tools to help you get to the finished product; they are not in themselves the finished product. Your finished product is a loyal and well-stewarded donor with the recognition that it took a team of individuals to make it happen.”
Maintain Ethics and the Security of Your Prospect/Donor Information

The privacy of data is vital to an organization’s success. In any organization, it is imperative all data pertaining to donors, philanthropic prospects, students, parents of students, alumni, and others is protected and privacy is maintained at the highest level. Sixty-seven percent of survey respondents have a security and privacy policy in place, jumping to 82% for HPOs.

A security policy should outline data handling procedures within the fundraising entity, when working with vendors, as well as processes for communicating proper data handling procedures throughout the education institution. The security policy should outline:

- Who will have access to data
- What types of data are available
- Data entry procedures to ensure data is factual, verifiable, reliable and relevant
- Data storage policies
- Secure data transfer methods
- Ethical guidelines

Security policies should comply with all federal, state and local laws. In addition, they should comply with the Family Educational Rights and Privacy Act (FERPA), which governs record keeping within educational institutions. (See box on page 26 for more on FERPA). Policies should be reviewed frequently to address changes in technology, data handling methods, as well as institutional rules and all relevant laws.

An organization’s security policy should ensure that data storage/transfer methods are also covered for the following:

- Databases (centralized and/or decentralized)
- Peripheral documents/data such as correspondence, research and vendor supplied information
- Internal communications
- Staff interactions via phone, email, and social media

Ethics

All development staff and fundraising volunteers should abide by one or more of the ethical guidelines set forth by the Council for Advancement and Support of Education (CASE), the Association of Fundraising Professionals (AFP) and the Association of Professional Researchers for Advancement (APRA). In addition to following the ethical guidelines of these organizations, it is important to define internal ethical guidelines and make certain all staff abide by the policy.

The primary responsibilities for fundraising institutions are to ensure all staff and fundraising volunteers having access to sensitive information are attentive to the confidentiality and privacy of its donors, prospects, staff, students and their personal information, that they are accountable for proper use of said information, that staff make no false representations of themselves or their institution, nor enter into a situation where any conflict of interest would occur.

Protect the reputation of your institution by carefully adhering to the various ethical guidelines relevant to your operation. A security breach could result in professional sanctions and/or the loss of confidence of your constituents. Every organization should be aware of the potential pitfalls of a security breach and should proactively institute a security policy if they don’t have one in place already. Security policies should be updated on a regular basis.

Bottom Line: An up-to-date and comprehensive security policy is a must for all higher education institutions.

Best Practices

**Tips for Protecting Your Data Within your Department**
- Restrict access to data files (including donor and prospect information) to only those employees who require access.
- Ensure any printed/paper files are kept in a locked file cabinet or secure room.
- Educate development staff and fundraising volunteers, including trustees and board members, on the process and purpose of prospect research and their roles in protecting the data.
- Develop an implementation plan for data use and clearly outline who has access and what data should be entered into your donor management system (DMS).
- Don’t share passwords for your online research tools or your FTP site(s) unless necessary. Only share this information with employees who need to know the information. In cases of staff turnover, be sure to change passwords that grant access to sensitive data.
- Use encryption technology on computers that house or use confidential data on a regular basis.
- Outline consequences for data theft or negligence.
- Protect from outside technology threats such as computer viruses or phishing scams by updating anti-virus and anti-spam software regularly.
- Keep all data, including copies of checks and financial transactions, only as long as required.
- Properly dispose of electronic and hard copies. Be sure to use a shredder when disposing of hard-copy data so that the information remains confidential.

**Tips for Protecting Your Data When Sending Data to a Vendor**
- Ensure that a single person on your staff is responsible for file submission.
- Only include data that is relevant to the service that the vendor provides.
- Do not transfer data via email; use secure methods such as file encryption or SFTP.

**Tips for Protecting Your Data When Communicating with Constituents**
- Be up front about your prospect research. Consider posting a statement on your website or in your public privacy policy about data mining. Transparency up front helps assuage issues later.
- Develop a policy statement outlining process/policies/FERPA compliance to be distributed to constituents who question research processes or practices.
- Allow constituents an opt-out option for fundraising activities.

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The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a federal law that was originally enacted August 21, 1974 to protect the privacy of student education records. All schools that receive funding under an applicable program of the U.S. Department of Education are subject to FERPA. According to the law, parents and eligible students (those who have reached 18 years of age or attend a school beyond high school) have the right to review the student’s education records. Parents and eligible students also have the right to request that the school correct inaccurate or misleading information within the record as well as opt-out of certain disclosures. In 2008, FERPA was amended to include language regarding provisions of the USA Patriot Act and the Campus Sex Crimes Prevention Act, which added new exceptions permitting the disclosure of personally identifiable information from education records without consent and also clarified a number of terms written within the original law such as personally identifiable information, directory information, and education records. The fundraising department is not exempt from FERPA and therefore any established security policy should conform to FERPA regulations in addition to other federal, state and local laws.
**Conclusion**

Effective prospect research has the capacity to transform fundraising results in higher education institutions. Given the state of the economy in general and the outlook for fundraising in higher education specifically, it is more important than ever for prospect research professionals to rise to this challenge. By taking a hard look at their processes and practices and making improvements, identifying efficiencies and introducing innovations where possible, prospect research professionals can lead their institutions to higher levels of fundraising performance.

The *Best Practices* described in this study are based on the identified practices of organizations that are setting the bar in terms of fundraising success. There are practices that highlight innovations in the field, efficient resource allocation and the creation of meaningful opportunities for teamwork. When implemented, these practices should help any organization reach new heights of performance and professionalism.

It is our hope that this publication will enhance prospect research operations at individual institutions, contribute to the professional development of individual practitioners and managers, raise the perception of the value of research within the fundraising community, contribute to the body of knowledge in the field, and serve as a springboard for future studies and research initiatives.
APPENDIX 1: MEASURING RETURN ON INVESTMENT (ROI) FROM WEALTH SCREENING

Every organization should make plans to evaluate the success of their screening. Has the returned information been put to use? Has it positively impacted the organizations fundraising programs? Has the investment in data and modeling paid off? Is it an investment worth making again in the future?

In order to help organizations plan proactively for this important component of the screening process, WealthEngine suggests collecting and analyzing the data outlined in the attached worksheets:

- Major and leadership gifts
- Prospect/portfolio analysis
- Direct mail

Depending on the components of your fundraising program, you may also want to measure your results in planned giving, annual fund leadership solicitations and other fundraising activities.

Major Gifts

For Major Gifts, we suggest you analyze the research findings by segmenting the data into three categories:

- Prospects highly rated by the screening but not previously identified by your organization
- Prospects highly rated by the screening and already under management by your organization
- Prospects not highly rated by the screening but under management by the organization

Screening data can help your organization improve your fundraising efficiency in all three categories of prospects. By measuring results by WealthEngine’s P2G Score and/or Capacity Ratings, you will quickly be able to see what segmentation strategy will be most productive for you to pursue in future screenings. The worksheet provided as Appendix 1b: Measuring Return on investment (ROI) from Wealth Screening—Major and Leadership Gifts will help capture the information necessary for this analysis.

Prospect/Portfolio Analysis

Collecting the information suggested in Appendix 1c: Measuring Return on investment (ROI) from Wealth Screening—Prospect/Portfolio Analysis will enable you to compare the gift amounts you are receiving from prospects based on their WealthEngine rating and their internal prospect research rating. This will be invaluable as you evaluate the ability of your major gifts program to make appropriate asks and to obtain maximum gift commitments from prospects. One of the most common shortcomings in major gift programs is “under-asking.” It will also be useful benchmarking data when completing capacity studies or feasibility studies for future campaigns.

Annual Fund/Direct Mail

In annual fund, your screening will help improve your fundraising efficiency by:

- Identifying potential leadership givers
- Identifying high potential/low interest prospects that may be best engaged through the annual fund before cultivating for a major gift
- Segmenting your direct mail prospects.

It is in conjunction with these direct mail efforts that we have provided Appendix 1a: Measuring Return on investment (ROI) from Wealth Screening—Direct Mail. Simply fill in the total pieces mailed, # of gifts received, and dollars raised for your choice of mailing segments, and calculate cost per dollar raised, average gift size, and response rate for each segment. Again, this will quickly enable you to identify those mailing segments that are most productive and others where the return on investment (ROI) is less than ideal.
## APPENDIX 1a: Measuring Return on investment (ROI) from Wealth Screening

### Direct Mail

<table>
<thead>
<tr>
<th>Individual Major Gifts for Q4 2009</th>
<th>Research Source</th>
<th>Major Gift Assignment</th>
<th>Research Rating (low end)</th>
<th>Amount Received</th>
<th>Overage or (Underage) from Rating</th>
<th>Date Prospect Identified</th>
<th>Date Gift Received</th>
<th>Length of Cultivation (in months)</th>
<th>Number of Contacts</th>
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</thead>
<tbody>
<tr>
<td>Gift 1</td>
<td>Wealth Screening</td>
<td>Lisa Brown</td>
<td>$1,000,000</td>
<td>1,000,000</td>
<td>$0</td>
<td>12/13/2007</td>
<td>12/5/2009</td>
<td>24</td>
<td>9</td>
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<tr>
<td>Gift 2</td>
<td>$1K Gift Report</td>
<td>Jim Butler</td>
<td>$100,000</td>
<td>50,000</td>
<td>-$50,000</td>
<td>6/25/2008</td>
<td>12/10/2009</td>
<td>18</td>
<td>5</td>
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<tr>
<td>Gift 3</td>
<td>Staff Referral</td>
<td>Sarah Smith</td>
<td>$50,000</td>
<td>25,000</td>
<td>-$25,000</td>
<td>8/19/2007</td>
<td>11/15/2009</td>
<td>27</td>
<td>8</td>
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<tr>
<td>Gift 4</td>
<td>Peer Referral</td>
<td>Jennifer Dunn</td>
<td>$500,000</td>
<td>1,500,000</td>
<td>$1,000,000</td>
<td>4/13/2008</td>
<td>12/1/2009</td>
<td>20</td>
<td>7</td>
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<tr>
<td>Gift 5</td>
<td>Parent Screening</td>
<td>Jennifer Dunn</td>
<td>$250,000</td>
<td>85,000</td>
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<td>1/10/2008</td>
<td>10/26/2009</td>
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<td>Jim Butler</td>
<td>$25,000</td>
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<td>$10,000</td>
<td>11/15/2007</td>
<td>10/16/2009</td>
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<td>Gift 8</td>
<td>Peer Referral</td>
<td>Sarah Smith</td>
<td>$100,000</td>
<td>50,000</td>
<td>-$50,000</td>
<td>3/28/2008</td>
<td>10/2/2009</td>
<td>18</td>
<td>4</td>
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<tr>
<td>Gift 9</td>
<td>Peer Referral</td>
<td>James Gutierrez</td>
<td>$250,000</td>
<td>250,000</td>
<td>$0</td>
<td>6/30/2008</td>
<td>10/31/2009</td>
<td>16</td>
<td>7</td>
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<tr>
<td>Gift 10</td>
<td>Wealth Screening</td>
<td>James Gutierrez</td>
<td>$5,000,000</td>
<td>1,500,000</td>
<td>-$3,500,000</td>
<td>8/12/2008</td>
<td>12/17/2009</td>
<td>16</td>
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<tr>
<td>Gift 11</td>
<td>$1K Gift Report</td>
<td>Lisa Brown</td>
<td>$50,000</td>
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<td>-$20,000</td>
<td>9/16/2007</td>
<td>12/30/2009</td>
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<tr>
<td><strong>Summary</strong></td>
<td></td>
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<td><strong>$7,375,000</strong></td>
<td><strong>$4,550,000</strong></td>
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<td></td>
<td><strong>22 mos average</strong></td>
<td><strong>7 average</strong></td>
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# APPENDIX 1b: Measuring Return on investment (ROI) from Wealth Screening

## Major and Leadership Gifts

<table>
<thead>
<tr>
<th>Gift Received</th>
<th>Amount</th>
<th>Date Received</th>
<th>Estimated Giving Capacity</th>
<th>P2G Rating</th>
<th>Internal Rating</th>
<th>Stage at Screening (identification, qualification, cultivation, solicitation, or stewardship)</th>
<th>Length of Cultivation (in months)</th>
<th>Research Time Invested (in months)</th>
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<tbody>
<tr>
<td>Gift #</td>
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</table>
## APPENDIX 1c: Measuring Return on investment (ROI) from Wealth Screening

### Prospect/Portfolio Analysis

**Major Gifts:**

Please provide the date of your screening and today’s date:

<table>
<thead>
<tr>
<th>Question</th>
<th>Date of screening (mo/yr)</th>
<th>Today’s date (mo/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your minimum major gift amount?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many staff are devoted to major gifts cultivation and solicitation?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(please express as full-time equivalents)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many major gifts did you close the year before your screening?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the total $ raised in major gifts the year before your screening?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average time to research a screened prospect? (to produce a full profile)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average time to research a non-screened prospect? (to produce a full profile)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Portfolio Analysis:

<table>
<thead>
<tr>
<th>Portfolio Analysis:</th>
<th>WE P2G Rating</th>
<th>WealthEngine Capacity Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td># of highly rated by screening but not under management</td>
<td></td>
<td></td>
</tr>
<tr>
<td># validated</td>
<td></td>
<td></td>
</tr>
<tr>
<td># assigned</td>
<td></td>
<td></td>
</tr>
<tr>
<td># in cultivation</td>
<td></td>
<td></td>
</tr>
<tr>
<td># asked</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of gifts/pledges received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ amount in gifts/pledges received</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of highly rated prospects already under management</td>
<td></td>
<td></td>
</tr>
<tr>
<td># where target gift amount increased</td>
<td></td>
<td></td>
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<tr>
<td># where target gift amount decreased</td>
<td></td>
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<tr>
<td># where target gift amount stayed the same</td>
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<tr>
<td># where target date moved forward</td>
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<tr>
<td># asked</td>
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<td># of gifts/pledges received</td>
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<tr>
<td>$ amount in gifts/pledges received</td>
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<tr>
<td># of prospects under management not highly rated by screening</td>
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<tr>
<td># removed from active management</td>
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<td># where target gift amount decreased</td>
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<td># where target gift amount increased</td>
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<td># asked</td>
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<td># of gifts/pledges received</td>
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<td>$ amount in gifts/pledges received</td>
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### APPENDIX 1c: Measuring Return on investment (ROI) from Wealth Screening

**Prospect/Portfolio Analysis**

<table>
<thead>
<tr>
<th>WealthEngine Capacity Rating</th>
<th>WEP2G Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td># of highly rated by screening but not under management</td>
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<td># validated</td>
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<tr>
<td># assigned</td>
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<td># of highly rated prospects already under management</td>
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<td># where target gift amount increased</td>
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<td># where target gift amount decreased</td>
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<td># where target gift amount stayed the same</td>
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<td># where target date moved forward</td>
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<td># asked</td>
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<td># of gifts/pledges received</td>
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<td>$ amount in gifts/pledges received</td>
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### APPENDIX 2: SAMPLE PEER REVIEW FORM

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<tr>
<th>Current Donor</th>
<th>Last Name</th>
<th>First Name</th>
<th>Your Relationship to Potential Donor</th>
<th>Donor's Potential Interest</th>
<th>Ultimate Gift Capacity</th>
<th>Notes</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Not Close 1 2 3 4 5 Very Close</td>
<td>Not Interested 1 2 3 4 5 Very Interested</td>
<td>$1,000 $10,000 $50,000 $100,000 $250,000 $500,000 $1 million $5 million+</td>
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<tr>
<td></td>
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<td>Not Close 1 2 3 4 5 Very Close</td>
<td>Not Interested 1 2 3 4 5 Very Interested</td>
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<td>Not Close 1 2 3 4 5 Very Close</td>
<td>Not Interested 1 2 3 4 5 Very Interested</td>
<td>$1,000 $10,000 $50,000 $100,000 $250,000 $500,000 $1 million $5 million+</td>
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<td></td>
</tr>
</tbody>
</table>
APPENDIX 3: IMPLEMENTATION PLANNING GUIDE

Every organization will develop its own unique implementation plan based on many factors. These factors include the state of their existing fundraising infrastructure; the size of the organization; their challenges and opportunities; their staffing; the geographic distribution of their constituents; their fundraising objectives and goals and many others. Below is an outline covering major points in an implementation plan. It is intended to stimulate questions and discussion more than to provide a blue print or cookie cutter solution to implementing a wealth screening.

1. Goals

Define and/or Establish Quantifiable Goals for the screening in each of the categories for which you have them*:

- Major Gifts
- Planned Gifts
- Annual Fund Leadership Gifts
- Annual Fund – general
- Corporate and Foundation
- Other

2. Security

Address questions regarding who should have access to the screening data and results:

- Identify a primary administrator.
- Determine who should have access to the results.
- Be sure you have the necessary donor privacy policies in place to cover the appropriate use of the sensitive data in a wealth screening and that those who are given access to the data are aware of the policies.
- WealthEngine recommends that all who have access to sensitive data sign a privacy statement. This will help protect your organization should any data be carelessly or wrongfully handled.
- Determine who has permission to make changes in the results database.

3. Training

Address any training needs of staff

- Provide access to training for anyone who will be working directly with research data and/or screening results.
- Staff members may need different levels of training, for instance research staff will require in-depth training, while major gifts staff may need a general understanding. All staff must be trained regarding the importance of data security.

* Suggested goals and metrics are included on page 4.

4. Communication

Create buy-in amongst internal constituents and provide ongoing updates

- Plan to introduce the results of the screening to fundraisers, trustees, and top leadership as appropriate. Be prepared to share your plan for data validation, data integration, prospect assignment, prospect tracking and plans for measuring return on investment (ROI).
- Provide periodic updates so stakeholders know what progress is being made, and are advised of any changes to timelines and processes.
5. Data Integration
Integrate results with your donor management system (DMS)
- Determine if you will integrate your screening results into your Donor Management System (DMS)
- If yes, determine which pieces of data to integrate
- Decide what data you will validate before you import it into your DMS.
- Establish a timeline for the integration.
- Provide or create documentation so all those with access to the data integrated into the DMS can understand it.

6. Validation
Develop a plan to validate data based on the established goals and priorities
- Will research validate data before prospects are distributed to field officers?
- Can some prospects be qualified more cost-effectively with a phone call or field assessment by gift officer?
- What data will be validated?
- What is the average amount of time you will spend validating a record?
- What is the overall timeline for validating the results
- Develop an order of priority for the validation process:
  - Choose high capacity/high interest/high affinity prospects first
  - Will you validate major gift-level prospects only? In most cases, annual fund prospects do not require validation.
  - In order to push prospects into the pipeline quickly, you may want validate those with high quality of match (QOM) values first, as they will take less time.
  - Validate prospects with high stock values first. These values can greatly skew the giving capacity.
  - Validate real estate data when warranted.
  - Pay close attention to prospects with private company ownership, multiple properties, aircraft or boat ownership, high political donation values, and those actively serving on non-profit boards.
  - Do not validate records of constituents who are unlikely to engage with your organization: those with low or no interest or affiliation.

7. Timeline
Develop Timeline and Plan of Action for implementing results in each program area**
- Most organizations begin with major gifts or campaign needs;
- follow with plan for planned giving and/or;
- annual fund and/or;
- other goals

**A Sample Plan of Action and Timeline for a Major Gift Campaign is found on page 5.

8. Prospect Management
Manage prospects
- How will prospects be assigned to gift officer portfolios?
- How will progress with the assigned prospects be tracked?
9. Return on investment (ROI)

Measure results so you can assess progress towards the goals identified in #1. Evaluate the results of the screening by considering the following three categories:

1. Newly identified prospects highly rated by screening and not previously identified
2. Highly rated by screening and already identified by organization
3. Not highly rated by the screening but identified as a prospect by organization

Suggested Metrics for Major, Planned and Annual Fund Leadership Gifts Programs

- # of new prospects identified & capacity of those identified
- # of prospects qualified
- # of prospects assigned
- # of prospects under cultivation
- # of prospects solicited and capacity (potential) of those solicited
- # of gifts achieved
- $ amount of gifts achieved

Suggested Metrics for Annual Fund Programs

- % Increase in renewal rate due to refined segmentation
- % Increase in upgrade rate due to refined segmentation
- % Decrease in costs due to refined segmentation
- % Increase in acquisition rate due to refined targeting
- % Increase in average gift size

Suggested Metrics for Other Fundraising Functions

- # of new/potential volunteers identified
- # of new volunteers identified
- # of fundraising event attendees identified

Sample plan of action/timeline for major gifts/campaign

1. Segment screening results and identify prospects. Prioritize based on capacity, interest and affinity (1-3 months)
2. Research-qualify prospects with minimum required research to confirm their validity as major gifts prospects (2-4 months)
3. Assign to development officer’s (2-4 months)
4. Further qualify assigned prospects as necessary through additional research, assessment calls and visits (2-12 months)
5. Begin cultivation cycle with those qualified prospects who have interest and/or affinity (2-12 months)
6. For those with high capacity, but little or no interest or affinity, begin high-touch engagement process to include invitations to events, special news alerts, personalized mailings, thank you telephone calls if a gift is made, etc. Once they have engaged through an event or made a donation, they can be moved into the major gift cultivation track. (2-24 months)
7. Continue to feed the prospect pipeline as new prospects are research-qualified and assigned to DO’s (3 to 24 months)
8. Submit proposals and solicit gifts from cultivated prospects (6 to 24 months)
9. Steward donors in accordance with stewardship plan as part of new cultivation cycle (8 to 36 months)
10. Track metrics to measure value of screening and activities

Sample Plan of Action/Timeline for Planned Gifts/Campaign

For high-level prospects warranting individual solicitation strategies

1. Identify prospects (1-3 months)
2. Prioritize based on capacity, interest and affinity (1-3 months)
3. Research-qualify prospects with minimum required research to confirm their validity (2-4 months)
4. Assign to planned giving officer’s (PGO’s) or DO’s as appropriate (2-4 months)
5. Further qualify assigned prospects as necessary through assessment calls and visits (2-12 months)
6. Begin cultivation cycle with those qualified prospects who have interest and/or affinity (2-12 months)
7. Continue to feed the prospect pipeline as new prospects are research-qualified and assigned to PGO’s (3 to 24 months)
8. Submit proposals and solicit gifts from cultivated prospects (6 to 36 months)
9. Steward donors in accordance with stewardship plan (8 to 36 months)
10. Track metrics to measure value of screening and activities

For likely prospects not warranting an individual solicitation strategy

1. Identify list of planned gift prospects for marketing purposes (1-3 months).
2. Send mailings (annuity, bequest, newsletter, legacy society, etc.) 3-4 times per year as appropriate and as resources allow. Include response mechanism. (3 months-6 months-9 months- 12 months)
3. Host events as appropriate and as resources allow. (March-Sept)
4. Respond with quick, personal follow-up to any expressed interest from mailings or events.
5. Include information concerning planned gift programs/societies in all institutional communications with this group.

Sample Plan of Action/Timeline for an Annual Fund/Campaign

1. Identify annual fund prospects for upgrade, acquisition and renewal mailings (1-3 months)
2. Sort constituents by channel preference if possible (i.e., mail, phone, email, personal solicitation).
3. Contact 3-8 times per year per segment based on budget and strategy (1-12 months). Include informational contacts as well as appeals.
4. Measure outcome of contacts immediately. (1-12 months)
## APPENDIX 4: SAMPLE PROSPECT TRACKING FORM

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Proposal Amount</th>
<th>Prospect</th>
<th>Confirmed and/or WealthEngine Gift Capacity Rating</th>
<th>Manager</th>
<th>Solicitor</th>
<th>Stage</th>
<th>Days in Current Stage</th>
<th>Projected Next Move Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart Clinic - Naming</td>
<td>$2,500,000</td>
<td>Roberts, John H.</td>
<td>$5,000,000 +</td>
<td>Simms</td>
<td>Jenkins</td>
<td>Cultivation</td>
<td>35</td>
<td>4/30/2013</td>
<td>Out of country. Cannot connect before Board of Regents Meeting in spring.</td>
</tr>
<tr>
<td>Bioethicist - Position Endowment</td>
<td>$2,000,000</td>
<td>Torres, Rafael</td>
<td>$5,000,000 +</td>
<td>Messina</td>
<td>Messina</td>
<td>Qualification</td>
<td>25</td>
<td>10/25/2012</td>
<td>He will be on campus for Homecoming. Plan to have in-depth conversation and learn more details.</td>
</tr>
<tr>
<td>Lecture Series - Environmental Science</td>
<td>$900,000</td>
<td>Johnson, John</td>
<td>$5,000,000 +</td>
<td>Peterson</td>
<td>Axelrod</td>
<td>Cultivation</td>
<td>180</td>
<td>11/30/2012</td>
<td>Plan to solicit prior to tax-year end.</td>
</tr>
<tr>
<td>Scholarship - Arts &amp; Letters</td>
<td>$45,000</td>
<td>Montana, Tony</td>
<td>$250,000-$499,999</td>
<td>Harris</td>
<td>Scherr</td>
<td>Qualification</td>
<td>54</td>
<td>9/15/2012</td>
<td>Will begin cultivation after gala.</td>
</tr>
<tr>
<td>Performing Arts Center - Lobby</td>
<td>$5,000,000</td>
<td>Lieberman, Janet</td>
<td>$5,000,000 +</td>
<td>Peterson</td>
<td>Peterson</td>
<td>Stewardship</td>
<td>289</td>
<td>1/15/2018</td>
<td>Will pay off pledge in 2014.</td>
</tr>
<tr>
<td>Exclusive Gala - Table Sponsorship</td>
<td>$10,000</td>
<td>Montana, Tony</td>
<td>$500,000 - $999,999</td>
<td>Harris</td>
<td>Harris</td>
<td>Solicitation</td>
<td>13</td>
<td>9/30/2012</td>
<td>Verbal commitment.</td>
</tr>
<tr>
<td>Not Yet Determined</td>
<td>$50,000</td>
<td>Jeffrey, Susan</td>
<td>$50,000 - $99,999</td>
<td>Belchap</td>
<td>Belchap</td>
<td>Identification</td>
<td>68</td>
<td>11/15/2012</td>
<td>Will visit in fall—interest may be scholarship or student research.</td>
</tr>
<tr>
<td>Teaching Lab - Operational Endowment</td>
<td>$1,000,000</td>
<td>Roberts, John H.</td>
<td>$5,000,000 +</td>
<td>Simms</td>
<td>Messina</td>
<td>Solicitation</td>
<td>37</td>
<td>10/10/2012</td>
<td>Having trouble coordinating schedules.</td>
</tr>
<tr>
<td>Research Grant - Mathematics</td>
<td>$250,000</td>
<td>Kraybill, Lenore</td>
<td>$250,000-$499,1000</td>
<td>Harris</td>
<td>Harris</td>
<td>Declined</td>
<td>10</td>
<td>1/1/2013</td>
<td>Wrong project. Revisit after the 1st of the year.</td>
</tr>
</tbody>
</table>

**TOTAL PIPELINE** $11,805,000

### Pipeline by Stage

<table>
<thead>
<tr>
<th>Stage</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Identification</td>
<td>$50,000</td>
</tr>
<tr>
<td>Qualification</td>
<td>$2,045,000</td>
</tr>
<tr>
<td>Cultivation</td>
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<tr>
<td>Solicitation</td>
<td>$1,010,000</td>
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<tr>
<td>Stewardship</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Declined</td>
<td>$250,000</td>
</tr>
<tr>
<td>Total Declined $ Value</td>
<td>$250,000</td>
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**NET PIPELINE** $11,555,000