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**DONOR RESEARCH AND PROSPECTING:  
TAPPING THE HIDDEN WEALTH IN YOUR AUDIENCE**

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Large cultural organizations often spend significant resources identifying which of their stakeholders are the best prospects to cultivate for major contributions by performing in-depth research. They understand that it is critical to first analyze the historical “connection” that an audience member or past donor has to the institution, then to assess their “commitment” to its programs, and finally to research their “capacity” to make a gift to support its future. Smaller organizations, however, sometimes feel that they don’t have the time or financial resources to perform such analysis, relying instead on subjective word-of-mouth on who “has wealth” or simply to look at existing donors that pre-identify themselves (i.e. those that add a nominal contribution to their subscriptions or members or who already make a consistent gift). But how can any arts and cultural organization understand the capacity of not only their existing donors but also others who have commitment and connection?

Certainly, various stakeholders are worthy of continued cultivation, but who should receive what type of approach? Beyond the “usual suspects,” what new prospects are most worth an investment of limited time and financial resources? Identifying those who have the capacity to give (or give more) among those who regularly attend your events and are familiar with your mission is essential to maximizing contributed revenue. Who should be personally invited to that next gala or provided special access to artists or musicians? The answer to reaching contributed income goals is often found in focusing attention on the hidden wealth within current participants in the cultural experience, but is it even possible to assess the financial capacity lurking behind a patron’s smile? To some degree, it is!

**DONOR INSIGHTS THROUGH WEALTH SCREENING**

Universities and large nonprofits have long employed technology to compile public information on their constituents, using databases and screening programs to help prioritize and strategize their development and marketing efforts. Such resources are accessible to cultural organizations as well. Google, Yahoo!, and other search engines are a standard mainstay for very basic research in most industries today, but they only skim the surface of publicly available information that can guide your understanding of an individual’s interests and giving capacity. This issue of *Arts Insights* reviews some of the data resources which can assist organizations in prioritizing prospects and better understanding the untapped capacity and resources of their current stakeholders.

### **1. LEXIS-NEXIS REAL ESTATE SERVICE**

Many development professionals throw out the Lexis-Nexis name as a mainstay in donor profiling. But not everyone knows the scope of what it can do. This broad library of information provides access to real estate assessment records, as well as current deed transfers and mortgage information gathered from county tax assessors' and recorders' offices. It includes data from 48 states (excluding West Virginia and parts of Idaho), the District of Columbia, and the Virgin Islands. Prospects are matched based on name and address information from mailing address information. For each property identified, Lexis-Nexis shows sale dates and prices, market value estimates, ownership information, additional properties & addresses, and other deed information. Whether it is for planned giving, board development, or just a great gala, this database can quickly provide organizations with details that could take years to discover on your own.

### **2. DUN & BRADSTREET DATA**

Dun and Bradstreet databases can help you uncover privately held company information on over 4.5 million owners and executives of a multitude of companies. Who are the movers and shakers in your community? Find out more about them and their companies, including stock ownership information, management biographies, company sales figures, and other data that would take days of staff time to explore individually. If your organization knows the private company ownership of prospects, it may help uncover major in-kind contributions of products or services, as well as company revenues and assets.

### **3. MARQUIS WHO'S WHO**

Many cultural leaders have, themselves, received "invitations" to be listed in a *Who's Who Directory*. *Marquis Who's Who* compiles this information to include 20 volumes dating back to 1985. Almost 1 million biographies, career histories, philanthropic and civic activities, awards, club memberships and more are part of this invaluable resource. *Who's Who in America*, *Who's Who of American Women*, *Who's Who in the West*, and *Who's Who in American Law* are only a few of the many volumes that are pulled together into this comprehensive resource. *Who's Who* information is a great way to discover the common bonds that are key to developing strong personal relationships, cultivating board members, and increasing contributed income opportunities. "Mrs. Johnson went to ABC University and is a member of the Save the Whales? Our chief zoologist went to ABC and 20 of our members are Whalers! How can we be the conduit to bring these people of common interests together under our auspices?"

### **4. CORPTECH DATABASE OF HI-TECH COMPANIES**

Our hi-tech world leads us to new opportunities each day. While Dun & Bradstreet tends to pick up more established companies, the CorpTech database allows organizations to find early-stage companies with high-growth potential and those key individuals affiliated with these technical stars. Be certain you know all the technology companies in your area and don't be afraid to suggest stock as an alternative contribution to cash, when appropriate. There could also be interesting Board prospects or technology contributions that can make your organization more cutting-edge.

## **5. THOMSON FINANCIAL CORPORATE INSIDER TRADERS**

In-depth and quality stockholding information is available on over 400,000 corporate officers and directors through the Thomson service. The Thomson Insider Database has stock option information, stock holdings and compensation data from current proxy statements along with full stock transaction history dating back to 1986. The Thomson service focuses on “insiders,” which means only those with 10% or greater holdings in a company or who are officers or directors. These are some of the most powerful and influential people in corporate America, many who live outside metropolitan areas. Wouldn't it be great to know those members of your community who hold highly appreciated stock or have significant influence in your region?

## **6. FEDERAL ELECTION COMMISSION (FEC) DATABASE**

Have you ever wondered who is contributing to various political campaigns? Running your database through the FEC profiling process gives you individual names and/or business names with their business addresses for those companies giving donations of \$250 or more. You will also see the candidate name or committee where the gift was directed. Again, this service is a great way to further understand the motivations of your audience and to have a better sense of their political clout. Advocacy and connections to political leaders is one key way that cultural organizations are ensuring that their messages are heard and their causes supported in any city or town.

## **7. ECHELON™ PROSPECT RATING SYSTEM FOR LIQUID ASSETS**

Developed by IXI Corporation, Echelon enables fundraisers to uncover prospects that likely have the disposable assets necessary to support a large contribution. Echelon is an invaluable tool for increasing annual support, identifying planned giving prospects, and broadening the pool of major gift and campaign prospects. Leading financial institutions have been successfully using IXI's proprietary wealth measurement database since 1994 in order to effectively classify the \$5 trillion of aggregate liquid assets held by the American public into 16 categories. Through a sophisticated modeling system, Echelon can classify prospects into age, income, and a variety of other demographic categories. This system makes it much easier to identify everyone from young professionals with capacity to older patrons who may be ready for planned gift cultivation.

## **CONCLUSION**

Enlightened organizations realize that a small investment in donor research can have a huge return in capital, endowment, major gift, and planned giving campaigns. Wealth screening and effective donor prospecting, for around \$1 per record for ALL of the above databases, can also help organizations understand the demographics of their audience, where to target limited fundraising resources, and how to strategically increase their base of support. In the current economic climate, it is essential that organizations use every tool at their disposal to understand each patron's commitment, connection, and capacity to give. Such research is essential to creating effective fundraising messages and developing successful strategies for approaching and cultivating the most promising individual donor prospects.

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