# Turn Your Data Into Dollars:
# Identify Major Gift Prospects with Speed
# & Accuracy using the Key Markers of Philanthropy

# Today's Agenda

- Spotting a Good Prospect

- 6 Markets that Predict Philanthropy

- Key Takeaways

DONORSEARCH

# Meet Your Presenter



- Joined DS in 2017, Director West Coast Sales

- 25+ years in fundraising

- 14 years in independent boarding and day schools
- Assistant Head for Development, CDO, MGO, AF Dir
- St. Margaret's (VA), Darlington School (GA), Lake Forest Academy (IL), Hutchison School (TN)

- 10 years with CCS Fundraising
- Chicago, Detroit, San Francisco, Seattle

DONORSEARCH

# DonorSearch At-A-Glance - 15 Years of Serving you!

Family Owned Business
Est. 2007

9,000 + Clients

AI/ML support for nonprofits of all sizes

850+ Data Points
340 Mil+ Individuals

Largest Charitable Giving Data

Ultra high net worth & Core Logic real estate

DONORSEARCH

# What Does A Good Prospect Look Like?

1. Inclination toward philanthropy (only 50% of Americans give money away)

2. Financial resources

3. Social capital

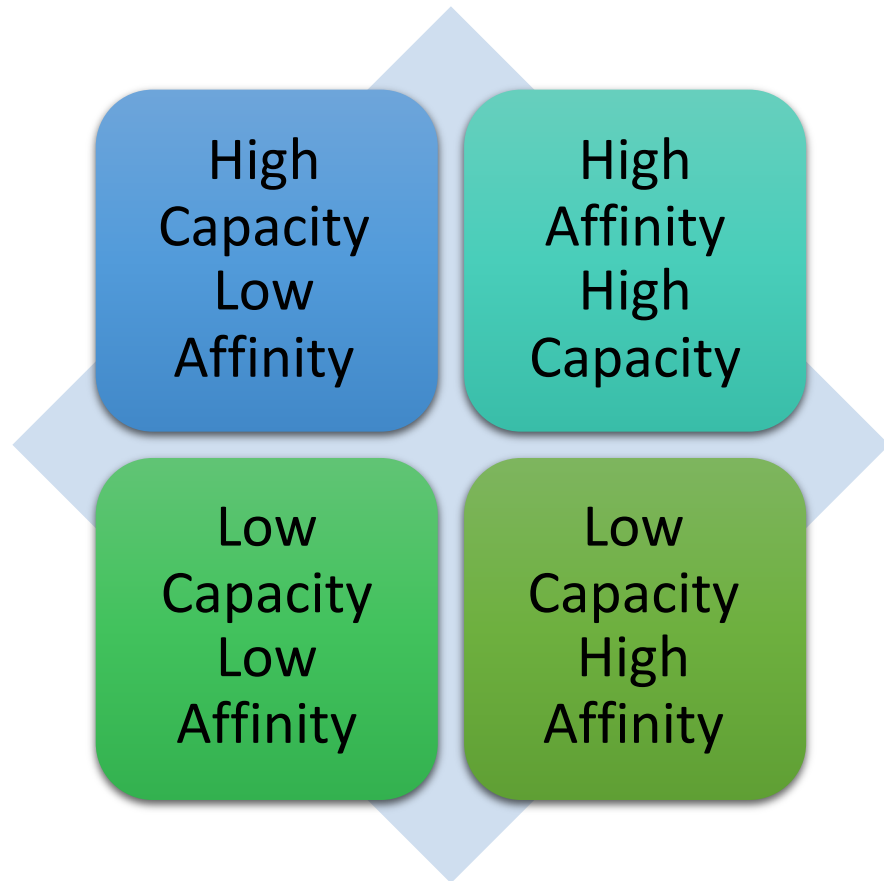4. Affinity to your mission, your school

5. Other _____

# The True Shape of Philanthropy

- How do you know them when you see them?

- Who are in the top 20% for your nonprofit?

- Answer: *Sometimes only 5-10% of your base*


80% of revenue comes from 20% of donors

# Best Practices: Link Resources *and* Affinity for your School

| | |
|---|---|
| **High Capacity Low Affinity** | **High Affinity High Capacity** |
| **Low Capacity Low Affinity** | **Low Capacity High Affinity** |

Be efficient at organizing your donors so you spend time with the right people.

*Minimize time and resources with the wrong people using our new MLR scoring!!!*

DONORSEARCH

# Our Study

- We looked at **5 billion dollars** in known charitable giving to over **400** nonprofit organizations.

- The donors were analyzed to determine **what factors made someone more or less likely to give**.

DONORSEARCH

# Major Gift Prospects: Follow the Markers of Philanthropy

## 6 Markers of Philanthropy

1: Giving to YOUR Organization

2: Giving to OTHER Organizations

3: Foundation Trustees

4: Political Giving

5: Real Estate

6: Business Affiliations (SEC, Private Cos)

# Predictive Marker: Previous Giving

- **Loyal donors** are a nonprofit's best friend

- Of all factors analyzed, past giving to a nonprofit is the strongest predictor of future philanthropy.

- Analysis of previous giving to your organization is the single best predictor of future philanthropy.

DONORSEARCH

# Predictive Marker: Previous Giving

- Loyal donors are a nonprofit's best friend

- Of all factors analyzed, past giving to a nonprofit is the strongest predictor of future philanthropy.

- Analysis of previous giving to your organization is the single best predictor of future philanthropy.

# Marker 1: DS RFM Score

- Sorting Capabilities:
- **RFM Score** – Relationship with your nonprofit
- **Recent** – Last gift date to most recent gift date
- **Frequency** – Number of gifts + frequency of giving
- **Money** – Total gift amount; cumulative amount of giving

*Identify new capacity and new opportunities when you understand your donor relationship*

| RFM Total | Last Gift Date | Total Gift Amount | # Of Gifts |
|---|---|---|---|
| 291 | 06/28/2013 | $16,083 | 18 |
| 291 | 06/27/2013 | $16,083 | 18 |
| 285 | 12/31/2012 | $420,825 | 17 |
| 285 | 12/30/2012 | $420,825 | 17 |
| 279 | 01/23/2013 | $101,100 | 9 |
| 279 | 01/22/2013 | $101,100 | 9 |
| 277 | 01/06/2013 | $17,010 | 16 |
| 277 | 01/05/2013 | $17,010 | 16 |
| 275 | 04/01/2013 | $200,200 | 8 |

# Marker 2: Giving to Other Nonprofits

- Philanthropic giving to other nonprofit organizations is the second most predictive indicator of future giving.

- It makes sense intuitively – people who are already philanthropic are more likely than the average person to give charitably.

# Marker 2: DS 1-1 Giving to Other Nonprofits

- DS 1-1: Individuals who have made a gift of **$5k-$10k** to a nonprofit are **5x more likely** to make a charitable donation elsewhere.

- Individuals who have made a gift of **over $100k** to a nonprofit are **32x more likely** to make a charitable donation elsewhere.

- Individuals who have made a gift of **$50k-$100k** to a nonprofit are **25x more likely** to make a charitable donation elsewhere.

- Individuals who have made a gift of **$10k-$25k** to a nonprofit are **10x more likely** to make a charitable donation elsewhere.

# Marker 2: DS1-1 Rating & Charitable Giving

Identify new capacity and new opportunities when you understand your donor's external giving.

| DS Rating | RFM Total | Total Of Likely Matches | # Of Gift Matches | Largest Gift Found | Largest Gift Found Lower Range |
|---|---|---|---|---|---|
| DS 1-1 | 66 | $29,766,838 | 102 | $20,000,001 | $20,000,000 |
| DS 1-1 | 190 | $2,532,100 | 67 | $4,999,999 | $1,000,000 |
| DS 1-1 | 135 | $2,511,504 | 39 | $2,000,000 | $2,000,000 |
| DS 1-1 | 221 | $2,390,299 | 75 | $1,000,000 | $1,000,000 |
| DS 1-1 | 159 | $2,005,750 | 19 | $2,000,000 | $2,000,000 |
| DS 1-1 | 134 | $1,896,101 | 39 | $499,999 | $250,000 |
| DS 1-1 | 275 | $1,371,562 | 192 | $1,000,001 | $1,000,000 |
| DS 1-1 | 187 | $720,153 | 59 | $100,000 | $50,000 |
| DS 1-1 | 252 | $463,902 | 66 | $500,000 | $100,000 |
| DS 1-1 | 267 | $310,791 | 114 | $199,999 | $50,000 |
| DS 1-1 | 202 | $275,350 | 56 | $249,000 | $100,000 |

# Predictive Marker: Foundation Trustee

- Your prospect's participation as a foundation trustee is even more valuable than finding any wealth marker.

- Prospects understand the importance of philanthropy and the work nonprofits of because they have firsthand experience.

- Prospects are valuable because of the connections they bring.

# Marker 3: Foundation Trustee

- Identify potential giving vehicles if they have a family foundation.

- Understand the size of the nonprofits they are affiliated with and their influence.

| Foundation | Fnd Assets | NonProfit | IRS 990PF | IRS PUB78 |
|---|---|---|---|---|
| Yes | $598,161 | Yes | Maybe | Yes |
| Yes | $6,515 | Yes | No | No |
| No | $0 | Yes | No | No |
| No | $0 | Yes | No | No |
| Maybe | $0 | Maybe | No | Maybe |
| No | $0 | Yes | No | Maybe |
| Yes | $17,269,438 | Yes | Yes | No |
| Yes | $485,010 | No | No | Yes |
| No | $0 | Yes | No | No |
| Yes | $1,160,667 | Yes | No | Yes |

# Predictive Marker: Federal Political Giving

- Your prospect's lifetime giving to federal political campaigns is an excellent predictor of future philanthropy.

- The FEC regulates political giving to federal campaigns. It requires that the campaign report the name of the donor, the occupation of the donor, the name and address of the donor, and the date of the gift.

# Marker 4: Political Giving (Federal Level)

- Those who give politically to the **FEC at levels of $10,000+ cumulatively have a 1:1 correlation to giving a five, six, or seven figure gift to a nonprofit**.

- Food for thought: A single FEC gift of $250 puts your constituent into the top 6% of the U.S. population. What's more, a single FEC gift of $1,000 puts your constituent into the top one tenth of one percent.
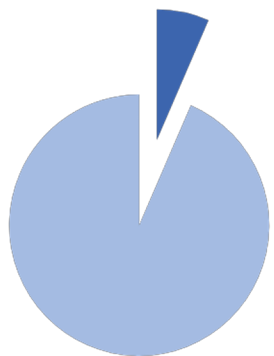
# Marker 4: How Predictive is FEC Giving?

14.4% of all donors produce 74.3% of lifetime giving.

| Back Testing Database | % of Rec | % of $ | Predictive Strength |
|---|---|---|---|
| All FEC and Charitable Giving above $2,500 | 3.8% | 54.6% | 14.48 |
| All FEC and Charitable Giving above $1,000 | 11.0% | 70.7% | 6.43 |
| All FEC and Charitable Giving above $500 | 14.4% | 74.3% | 5.17 |

Put another way, when you identify the small group of your constituents who give to political campaigns and are charitable donors to other nonprofits, this group will ultimately contribute ¾ of each lifetime dollar to your organization.

# Predictive Philanthropic and FEC Review

3% of the donors predicted 54.6% of all dollars (Charitable and Political Giving in excess of $2500)

14.4% of the donor predicted 74.4% of all dollars (Charitable and Political Giving in excess of $500)

# Predictive Marker: Wealth & Real Estate

Your prospect's real estate holdings can help predict which prospects are likely to be the source of future philanthropy . . .

*But not all that well!*

# Marker 5: How Predictive is Real Estate?

- An individual that owns **$2M+ worth** of real estate is **17x more likely** to give philanthropically than the average person.

- An individual that owns **$1-2M worth** of real estate is **4x more likely** to give philanthropically than the average person.

- An individual that owns **$750k-1M worth** of real estate is **2x more likely** to give philanthropically than the average person.

# Predictive Marker: Business Affiliations

Your prospect's business affiliations can help predict which prospects are likely to be the source of future philanthropy.

# How Predictive are Business Affiliations?

| Back Testing Database | % of recs | % of $ | Predictive Strength |
|---|---|---|---|
| SEC Yes and Maybe | 2.0% | 15.5% | 7.76 |
| Business Yes and Maybe $5 million+ | 0.6% | 5.1% | 9.04 |
| Business Yes and Maybe $1-$5 million | 0.7% | 2.5% | 3.53 |
| Business Yes and Maybe | 6.5% | 21.5% | 3.32 |

# Marker 6: Business Data

Sorting Capabilities: Stock Holdings, Business Revenues, C-Suite Titles

| Wealth-Based Capacity | Business Revenue | SEC Stock Value ⬇ | Executive |
|---|---|---|---|
| - $100,000 - $249,999 | $5,463,049 | $3,181,544,321 | President |
| - $100 Million+ | $57,032,899 | $1,563,546,136 | President |
| - $10 Million - $50 Million | $23,737,810 | $100,175,060 | President |
| - $100,000 - $249,999 | $0 | $52,255,492 | President |
| - $1,000,000 - $4,999,999 | $1,085,718 | $7,296,510 | President |
| - $500,000 - $999,999 | $792,948 | $6,913,605 | President |

# RECAP: Follow the Markers

1. **RFM** – Know your relationship and sort accordingly
2. **Identify External Giving Philanthropy** – DS 1-1's
3. **Grant-Giving** Foundation Trustees
4. **FEC Giving** at $10,000+ cumulatively
5. **Real Estate** at $2M
6. **Business revenue** at $5M+

# Next Steps:

**Ready to take your fundraising to the next level?** Let us show you how!

**Book A Demo** with one of our DonorSearch experts to discover how you can harness the power of fundraising with AI!

**Send Questions To:**

Mark Parker

503-757-5597

MarkP@donorsearch.net

DONORSEARCH