

## **Digging for Gold: Creating an Effective Wealth Screening Plan**

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Finding new prospects can be one of the most rewarding aspects of prospect research. After all, finding that previously unknown billionaire hiding in your donor pool could result in a new major gift for your organization down the line. Among the tools available to help find new prospects, wealth screenings are one method that can help you sort through a large number of records in a relatively short amount of time.

Although screenings differ in size and scope, they all have some basic similarities. To conduct a wealth screening, an organization sends its data to a vendor who then screens the names for signs of wealth, such as real estate, stockholdings, pensions, foundation connections, and more. The vendor then calculates ratings based on its findings and returns the data to the customer. Each vendor varies, and services may include additional features such as predictive modeling scores or connections for an organization's most important people. The greatest benefit of a wealth screening is that it allows the research office to prioritize new prospects efficiently and quickly. The possible disadvantages are that the amount of data returned can be overwhelming, and the results are not perfect, which can be frustrating! To get the best results from a wealth screening, it is critical to have a good plan in place - although every organization will have different requirements, this article attempts to provide some suggestions to help you create a plan that will work for your organization.



### **Why a Wealth Screening?**

The first step you should take is to clarify why you are going to undergo a screening - although every organization wants to find new prospects, the specific reasons for conducting a wealth screening will influence future decisions. Common reasons for conducting a wealth screening include identifying new prospects for a specific fundraising initiative, planning for a capital campaign, creating lists for event invitations, or generating mailing lists for potential planned giving prospects. Some organizations conduct regular screenings of new clients on a daily or weekly basis so that they can learn of new prospects soon after they are added to the database.

At this point, you should also consider what you would like to accomplish and what you would like the results to look like after you have completed the wealth screening. For example, this might include a certain number of new prospects per development officer or lists of names for mailings. Keep in mind that your objectives could include less tangible goals, such as creating a more proactive research office, helping your organization become more data driven, or increasing confidence in screenings. The reasons behind why you are undertaking a screening and what you hope to accomplish will help guide you through the planning process.

### **Create a Plan**

Although you probably do not know all the answers at this point, it is helpful to start writing out your plan and timeline. Wealth screenings have a tendency to take more time than you expect, and there are also myriad details to coordinate. Having a written plan will help keep you on track and keep the bigger picture in mind...and the plan can always be adjusted as you go! Here are a few questions to consider as you create a plan:

- Who should be screened?
- How many constituents will the screening include?
- What is the budget for the screening project?
- What is the timeline? When are the results needed by?
- What other staff members need to be included in the process (IT, purchasing ,etc.)?
- Will the screening results be added to the database?
- Will you share the results of the entire screening with fundraisers, or just share new prospects with them?
- Do the results need to be verified?
- How will new prospects be assigned?
- How will success be measured?

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It is helpful to keep others who will be involved in the process informed. You may want to let management, development directors, prospect managers, IT, and others know that you will be conducting a screening (especially those from whom you will need assistance).

### **Evaluate Vendors**

If you have not previously conducted a wealth screening, you should talk to a variety of vendors to understand the different screening options to find one that works best for you. If you HAVE conducted wealth screenings at your organization in the past, you may still want to review vendors, since services and technology can change frequently. You can easily find vendors through both the NEDRA and APRA websites, and many vendors attend both NEDRA and APRA conferences and are available to speak with you. Do your research and talk to colleagues outside of your organization about their vendor experiences too!

To best understand the services offered, schedule a demo with perspective vendors. Prepare a small sample file of your organization's records for the vendor to use in a test screening. Using the same names for demos with different vendors will allow you to compare the results. Although most of the basic services are the same, there are some differences to keep in mind. Some questions to ask perspective vendors are:



- What sources do you use?
- What is your typical match rate?
- What is included in the results and what are the different options?
- What is the cost structure?
- What is the anticipated turnaround time?
- What are the technology requirements?
- How do you ensure the security of the data?
- What do you offer for customer support or consulting?
- Do you have references?

### **Prepare Data**

You are finally ready to start doing the real work! Before you send your data off, you will want to prepare your data. This can mean a few different things. The results of the screening are affected by how clean your data is, so this can be a good opportunity to clean up old addresses and other problems. All vendors will require certain basic fields such as name, address, and ID number. Depending on how you plan to use the results, you can include additional fields from your database, such as recent giving, record type, or event participation. A good vendor should provide a secure way of transferring your file, such as through a site which uses an encrypted FTP. Return times vary depending on vendor and file size, ranging from one day to a few weeks.

### **Applying the Results**

One of the most important decisions you will make regarding a wealth screening is how to use the results. Although it's listed as the fifth step here, it is really something to start thinking about early on and finalize when the results arrive from the vendor. We've all heard of (or even been ourselves) the shop that conducts a screening, does nothing with the results...and ultimately decides it wasn't worth the investment. This is where understanding your goals and the team you are working with will help. In some cases, uploading the results into your database and providing lists will be a sufficient start. In other cases, you may want to qualify prospects before passing them onto development officers. Verifying the data can be extremely time-consuming, so be careful to create a plan that will help meet your goals. You may want to set limits, such as verifying the top 1-5% of rated records or perhaps a group of best matched prospects. It is also a good idea to try verifying a few records as samples so that you can estimate the total time you will need to verify your selected records. Here are some questions to ask regarding verifying records:

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- Do you want to verify records?
- Which records do you want to verify (highest rated, best matches, non-prospects, current donors, etc.)?
- What pieces of the results will you verify (identity, real estate, stock, etc.)?
- What sources will you use for verification?
- How will you record your findings while verifying?
- Will you change the original vendor rating if you reach a different conclusion?
- How long can you spend on each record?
- Will you add the results to your database?
- Are newly-found prospects added to the database?

If there are multiple researchers involved in the wealth screening, schedule training time. Those who will be using the data or verifying records should have a good understanding of the wealth screening process and ratings.

Finally, as noted above, you will need to decide whether or not to import the results into your database. This decision is dependent on your database and future planned use of the screening ratings. If you have fields in which to store the vendor results that are not already occupied by your organization's own prospect rating, such as a vendor evaluation field, then importing is fairly straightforward. If you do not have such fields, you may need to be more creative as you identify new prospects. Consider how this decision might affect future screenings and your ability to track whom you have already screened.

### **Share the Results and Measure Success**

You've coordinated a million details and slogged through the data...now you can share the good news about wealthy new prospects you've uncovered! Hopefully this is the fun part, so don't lose momentum yet. It is important to both communicate the overall results as well as share information about new prospects. You probably have several audiences and should tailor your message accordingly. For example, an executive summary of general results of the screening with a few examples of new prospects might be helpful for management, who may be keenly interested in the value of the screening as an investment. For individual major gift officers, consider a one-on-one meeting to go through new prospects. Many times, in-person discussions of new prospects can be more effective than sending emails.

How you measure the success of the wealth screening will differ depending on your goals. If the goal is to identify new major gift prospects, maintaining a master list of new prospects is a good way to keep track, as the immediate results will include the number of new prospects identified. However, another goal may be to measure the rate at which prospects ultimately evolve into donors, which may require longer term tracking of the number of visits and eventually, new gifts. Measuring the ultimate success of a wealth screening may take several years, as relationships take time to build. If you set up a list of your new prospects from the screening, you can run reports after six months or a year in order to provide updates to those involved. Ideally, tracking new prospects from all sources should be incorporated into prospect identification meetings and general prospect management policies. While the logistics of measuring the outcome can be challenging, it is worthwhile as it allows you to demonstrate the value of the wealth screening as well as the work of the prospect research department.

Turn your mountains of data into useful information

The advertisement features a black and white image of a mountain range at the top. Below it is a 3D bar chart with two red bars of different heights. The y-axis is labeled 'Giving Rate' and ranges from 0.0 to 0.4. The x-axis is labeled 'Reunion Year Flag' with values 0 and 1. The bar for '0' is approximately 0.15 high, and the bar for '1' is approximately 0.35 high. At the bottom, the logo for 'Rapid Insight' is displayed in red, with the website 'www.RapidInsightInc.com' below it.

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It is easy to become overwhelmed when conducting a wealth screening. However, keep in mind that the amount of time spent on the screening is significantly less than what it would take an individual researcher to do the research from scratch. Understanding your organization's goals and objectives should guide your wealth screening plan so that you can focus on what is most important; and by investing some time upfront to plan and organize your screening, you will have an easier time processing and using the results once they are returned from the vendor.



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