RESEARCHING
PROSPECTIVE
DONORS

Get More Funding
for Your Library

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INTRODUCTION

LET'S FACE IT, money is tight and library budgets are cut to the bone. Usually when library budgets are strained, the first thing librarians do is write a grant application and submit it to a foundation hoping that it will be accepted and cover a budget shortfall. However, this may not be the best strategy. It may come as a surprise that the largest source of giving in the United States is made by individuals and not foundations or other organizations. That's right, individuals give more money than foundations. In fact, "in 2011, 73% of all charitable giving in the United States was made by individuals, whereas only 14% of all giving was made by foundations."[1] This means that if your library actively cultivates individuals to increase the number of gifts given to your library, your library's revenues are bound to increase. The most effective way to do fundraising is by asking the wealthiest people affiliated with your library for gifts. "One fund-raising adage is that most nonprofits raise 90 percent of their major gifts each from less than 10 percent of their constituency. For fund-raising goals to be met, donors in the top income groups must be cultivated."[2]

Prospect research will identify who those people are. It is then up to the library director or fundraising staff to build a relationship with those potential donors and cultivate them for a gift.

A quick definition of terms is needed at this point. A *donor* is an individual who has already made a gift to your library. A *potential donor* is an individual who may or may not make a gift to your library and is being cultivated or will be cultivated in the future by fundraisers or the library director to make a gift. A prospect is an individual whom you are researching and is either a donor or a potential donor. All of these terms are often used interchangeably by fundraisers. It is clearer and will help to avoid confusion if you use the term *donor* to refer only to people who have already given to your library.

This book describes how to identify and research prospects for your library using resources that are available to you for free or through subscriptions, many of which your library may already have. This book will help you to identify who to research, what information you will be able to find, where to find it, and how to write it up so it can be used by your library director or fundraisers to cultivate individuals for gifts. You will also learn how to establish a confidentiality policy and how to store information on prospects.

Once you have identified the best people for your library to cultivate, the fundraisers or library director will need to "make the ask." How to do this is beyond the scope of this book. There are many excellent sources that describe the fundraising process for potential donors who have already been identified and how to cultivate prospects to ask for gifts. (An annotated bibliography describing some of these sources is provided in the appendix.) This book focuses exclusively on prospect research—that is, research that identifies which prospects to cultivate and ask for gifts.

This book shows how prospect research is essentially finding and using publicly available information on individuals, particularly information about their wealth and assets. This research is used to help fundraising staff focus their time and attention on the best donors or potential donors so that they can be solicited to make a gift. The information you can find through prospect research helps direct the fundraising staff to the prospects who are most able to make a large gift. Library patrons have a strong connection to their library, and they are often an untapped resource for fundraising. After learning the research skills described in this book, you will be able to assist your library director or fundraisers in getting more gifts from your library patrons. Get ready to start on an exciting and interesting quest for your library to find additional funding!

NOTES

1. *Giving USA 2012: The Annual Report on Philanthropy for the Year 2011 Executive Summary*, Chicago: Giving USA Foundation, 2012, accessed January 20, 2013, http://store.givingusareports.org/2012-Giving-USA-The-Annual-Report-on -Philanthropy-for-the-Year-2011-Executive-Summary-P43.aspx.
2. Cecilia Hogan, *Prospect Research: A Primer for Growing Nonprofits* (Sudbury, MA: Jones and Bartlett Publishers, 2008), 9–10.

Prospect
Research Process

I **F YOUR LIBRARY** is considering launching a capital campaign, starting or expanding on an annual fund, or simply would like to increase donations to the library, then prospect research will be very useful to help your library fulfill any of these goals. Prospect research is widely practiced by most nonprofit institutions. The purpose of prospect research is to determine who the fundraising staff or library director should cultivate for a gift, by identifying the wealthiest people with a connection to your library. Once those top prospects have been identified, then the fundraising staff or library director will engage those newly identified prospects to facilitate getting a gift from them.

Prospect research is used as a starting point for fundraisers or the library director. Once a relationship has been formed with a donor or potential donor and through discussions with that person, the library director or fundraisers will determine which library project or initiative the prospect is most interested in supporting and the amount to ask for from the prospect.

Does Your Organization Have a Prospect Research Department?

Many large nonprofit organizations have a dedicated staff who do prospect research exclusively. If you work for a large nonprofit organization with a fundraising staff, first determine if your institution has a department already doing pros-

pect research. If there is a prospect research department, then they will have policies and procedures already in place that you can follow. It is unlikely that the prospect research department will be so overstaffed that they would decline help from the library staff, but it is important to coordinate your efforts.

Presenting Prospect Research to the Library Director

When your library does not have a prospect research staff and you or your colleagues would like to start this process to help your library get more funds, then you will have to present the idea of providing prospect research on the library's prospects to your library director. The most effective strategy to use is to let your library director know that prospect research will identify the wealthiest among your library prospects. Once you have that information, it will allow your library director and fundraisers to focus their attention on those prospects who are capable of giving the largest gifts to the library. This process requires a confidentiality policy in place beforehand, which is described in chapter 2. The library staff who will be doing prospect research will also need a process for saving and storing the research found on prospects. Further information on this is also included in chapter 2.

Informing Library Staff and the Board about Prospect Research

If your library is considering utilizing prospect research as a fundraising tool, this should be an internal decision made by the library director, the fundraising staff (if there is one), and the librarians who will do the research. Part of this process is apprising the library board of this decision. Displaying sensitivity about the confidentiality of the information should be conveyed to the board members, as well as the fact that only basic information about a prospect's wealth will be researched and nothing more. Information gathered through prospect research should be treated as very confidential and shared only with the fundraising staff, the library director, and the staff doing the research, but not the board members. Adopting a confidentiality policy will be part of this process (again, discussed in detail in chapter 2).

Whom Do You Research?

As your library beings the prospect research process, the first thing to determine is whom you are going to research. How to do this research is the focus of this book, so if you have a few prospects in mind to use as test cases while working through each chapter it will be helpful to you in learning how to do prospect research.

You may think that the only criterion is if a prospect is wealthy. While that is very important, of course, the first thing to consider is whether a prospect has demonstrated an interest in your library. That a prospect has an affinity or a

potential affinity to your library is the first criteria to use; the next thing to consider is which people within that group are wealthy. To give an example of this: you may give to your alma matter, or your spouse's alma matter or your children's or your parents, but you wouldn't consider giving to a college or university with which you have no affiliation whatsoever unless a fundraiser puts in a lot of effort to convince you to do so. The same is true for your library—it will take a tremendous amount of effort and time on the part of the fundraisers or the library director to get someone who has no connections to your library to make a gift. On the other hand, someone who has already demonstrated an interest in your library (or better yet, has already made a donation to your library) will be much more likely to make a gift—and if they are wealthy, to make a large gift—to your library.

The prospect has to have some association with your library. Keep this in mind when building your prospect pool. The prospect pool consists of the prospects you have researched or will research in the future. It is all of the people who could be solicited for gifts to your library or have already given to your library.

Affiliated Prospects

All libraries should focus first on closely affiliated prospects, which include your board members, donors to your library, library volunteers, members of Friends groups, or members of other groups affiliated with your library and library staff. Everyone within those categories has an affinity for your library demonstrated by their close association with it. The order to research these prospects should be board members first, followed by donors, Friends group members, volunteers, and finally staff.

The suggestion to research staff members may be surprising to you. However, staff members have a very close affiliation with the place in which they work. Many staff members do make donations to their workplace, especially when they are asked to do so. You may wish to focus only on staff who hold the highest position in your library and staff that you speculate might be wealthy. The rest of the staff should be considered for smaller donations to the library. Researching your colleagues is likely to be a touchy subject, so this needs to be discussed with your library director first. Of course, any research that is on your colleagues should also be treated with the highest possible level of confidentiality.

The next and vastly larger pool of prospects is determined in part by the type of library you work for, such as a university library; a public library; a library in a museum, botanic garden or zoo; or a special or private library. These prospects should have some kind of relationship or potential relationship to your library or the parent institution for your library, such as the museum or the university.

These are not hard-and-fast rules, but guidelines to get you started. You may wish to read through all the library types below, as some of those suggestions might be applicable to your library.

Prospects for University Libraries

In addition to those closely affiliated prospects described above, prospects for universities libraries also include the faculty and staff who work outside of the library; alumni of the university; parents of current students; and people who live in the university town or community and are otherwise unaffiliated with the university, but have paid for library privileges (if your library has this arrangement). If your library has events that are open to the public and there is an attendance list, those people who have attended a library event should also be part of your prospect pool to be researched. Another possible set of prospects is donors to other libraries in your community. Your library director or fundraising staff would have to work at getting those prospects interested in your library.

Prospects for Public Libraries

The prospect pool for a public library would include all your library patrons, in addition to those closely affiliated prospects, such as board members. Depending on your library's policies, you may or may not have access to library patrons' information. If not, then the entire town or community would be included in your prospect pool. If you do have access to patrons' records, then focus on that particular group first, followed by everyone in your town or community who does not have a library card. You can also include in your prospect pool anyone who has attended a library event but does not live in your community, if you have access to that information.

Prospects for Museum, Zoo, or Botanic Garden Libraries

Along with closely affiliated prospects, all members of the parent institutions for libraries in museums, zoos, or any other nonprofit library with a parent institution that has memberships should be included in the prospect pool. All donors to the parent institution should also be included in the prospect pool. If your library holds special events, all the attendees at those events who are not members should be included in the prospect pool to be researched as well.

Prospects for Special or Private Libraries

To fill out the prospect pool beyond the board members, donors, volunteers, staff, and members of Friends groups, include all the members of your library. Event attendees should be part of the prospect pool, along with anyone who has taken a class through your library, if your library offers classes or workshops.

Publicly Available Information

Now that you have considered whom to research, the next step is to understand what information you will be able to find on your prospects. You might

be surprised by how much information about people is available through public sources. Public sources can give you biographical information, employment and employment history, education, family information, philanthropic giving, property holdings, stock holdings, and even salary information for many people living in the United States. How to find this information is described in detail in later chapters of this book. Those chapters also include worksheets to help you keep track of the information you find; you can use the worksheets to write the research profile.

Prospect research often does not rely on printed sources because the information may not be as current as online sources, so the sources listed in this book are online sources. However, you should use the sources that you prefer and that are available to you through your library.

Private Information

It is as important to know what information is *not* publicly available for the prospects you will be researching as it is to know what you can find. In the United States, you will not be able to find information about a prospect's bank account or unlisted telephone numbers. Stock holdings or salaries for prospects working in private companies or who are not corporate insiders of public companies are not publicly available, unless it is reported in a news source. (Corporate insiders of public companies are the companies' officers, directors, and stockholders who own at least ten percent of the company's stock.) Additionally you will not be able to find information about trust funds for prospects. You also will not be able to find information about a prospect's debt or their net worth unless it was reported in a news source, such as *Forbes*. So, unless any of this information was reported in a news source or told directly by the prospect to your fundraising staff or library director, you will not be able to find it. Some information can be very difficult to find but is not restricted from public sources; for example, there is no specific source to consult to find personal e-mail addresses. Finding family members' names can also be very difficult.

Access to Internal Information

As well as public information, there is information on your prospects that is gathered by your library. Your library will need policies to determine how and if you have access to the information found through library patron records for the purpose of prospect research. Most nonprofit organizations have a separate database to track giving to the organization, and it is in such a database that personal information about donors and prospects is stored, such as home address and spouse's name.

Writing the Research Profile

The information that you find on a prospect externally (through public sources) and internally (through the library) should be recorded. In fact, the purpose of researching a prospect is to turn that research into a written description of what you found on the prospect; this is a *research profile*. A research profile is written for the library director and the fundraising staff to use to solicit the prospect for a gift. Reading it will give the library director and fundraising staff enough background on the prospect to help them determine which library project the prospect may wish to fund and an initial gift range for the solicitation (the amount to ask for a gift). After you've found information on your prospect, you will write up a research profile. (See chapter 11 for a detailed description of what to include in it.) Basically, it includes information that you found on a prospect using public sources: biographical information, employment and employment history, education, family information, philanthropic giving, property holdings, stock holdings, and salary information. Specific suggestions of what to include in the research profile will also be included in each chapter that focuses on finding public information.

Sharing Information Found Through Prospect Research

The goal of prospect research is to help the library director and fundraising staff determine the interests of a prospect and how much the prospect might be able to give to the library. Research profiles are produced for them or any other staff who will be asking a prospect for a gift. As the library director and the fundraising staff are the audience for this research, they should have unlimited access to every research profile on all the library's prospects.

Sharing prospect research with anyone beyond the library director, fundraising staff, and librarians who are doing the research should be done at the discretion of the library director. There should be some reason to share the information that is directly related to researching a prospect or soliciting the prospect for a gift.

Donors who are philanthropic throughout the community are aware of prospect research and aware that they may be the focus of it. That said, prospect research on a nonprofit's prospects usually is not shared with donors, volunteers, or even with library staff who are not directly involved in researching or cultivating the prospect. Technical services or circulation staff should not have access to information found in researching a prospect, unless they did the prospect research or are involved in asking the prospect for a gift.

Sometimes library volunteers or board members instead of the library director ask prospects or donors for gifts for the library. Even if that is the case, the information gathered on prospects through prospect research should not be shared with volunteers, including board members. Although the information

you acquire is public, sharing it with volunteers is likely to create an uncomfort-able situation for the volunteer or the donor. Therefore throughout this book all references to sharing information found through prospect research and all the examples used in the case studies refer only to the library or fundraising staff who need access to this information.

The Rewards of Prospect Research

This book will give you a solid footing in prospect research. The chapters de-scribing where and how to find information include sources for finding the in-formation as well as case studies to use as practice examples. The purpose of this is to make learning how to find the information as practical as possible. Once you know what information to look for and how to find it, you may wish to use sources other than the ones mentioned in this book, which does not include an exhaustive list of all the possible sources available to you. Additionally, as you become more familiar with the field of prospect research, you may wish to join the professional organization APRA (www.aprahome.org) as well as one of its local chapters. The national organization has an annual conference and offers training in prospect research; the local chapters may offer training as well. In any case, my hope is that with this book in hand, learning prospect research will be easy for you, and perhaps even fun!

that are of interest to them, such as cooking, fashion, or decorating; will show interests of the prospect.

Twitter .... **https://twitter.com**
May provide employer information and show interests of the prospect.

YouTube .... **www.youtube.com**
May provide videos on your prospect, including interviews.

BIOGRAPHICAL RESEARCH WORKSHEET TEMPLATE

CONFIDENTIAL

Researcher's name: Date:

PROSPECT

NAME:

Maiden name:

Source(s):

Notes:

BIRTH DATE:

Source(s):

Notes:

HOME ADDRESS:

Source(s):

Notes:

CURRENT EMPLOYER:

Title: Start date:

Company information (private or public):

Type of business:

Annual sales: $

Source(s):

Notes:

PAST EMPLOYERS

1. Employer's name:

   Title: Dates employed:

2. Employer's Name:

   Title: Dates employed:

3. Employer's name:

   Title: Dates employed:

Source(s):

Notes:

EDUCATION

1. School:

   Degree: Graduation date:

2. School:

   Degree: Graduation date:

Source(s):

Notes:

PROSPECT'S SPOUSE/PARTNER

NAME:

Maiden name:

Source(s):

Notes:

BIRTH DATE:

Source(s):

Notes:

WEDDING DATE:

Source(s):

Notes:

CURRENT EMPLOYER:

Title: Start date:

Company information (private or public):

Type of business:

Annual sales: $

Source(s):

Notes:

PAST EMPLOYER

Employer's name:

Title: Dates employed:

Source(s):

Notes:

EDUCATION

1. School:

     Degree: Graduation date:

2. School:

     Degree: Graduation date:

Source(s):

Notes:

PROSPECT'S ADULT CHILDREN

NAME: Birth date:

Home address:

Education:

Current employer:

Source(s):

Notes:

NAME: _____ Birth date: _____

Home address: _____

Education: _____

Current employer: _____

Source(s): _____

Notes: _____

NAME: _____ Birth date: _____

Home address: _____

Education: _____

Current employer: _____

Source(s): _____

Notes: _____

PROSPECT'S PARENTS AND IN-LAWS

FATHER'S NAME: _____

Birth date (and/or death date): _____

Home address: _____

Education: _____

Employer: _____

Other family information: _____

Source(s): _____

Notes: _____

MOTHER'S NAME: _____

Birth date (and/or death date): _____

Maiden name: _____

Home address: _____

Education:

Employer:

Other family information:

Source(s):

Notes:

FATHER-IN-LAW'S NAME:

Birth date (and/or death date):

Home address:

Education:

Employer:

Other family information:

Source(s):

Notes:

MOTHER-IN-LAW'S NAME:

Birth date (and/or death date):

Maiden name:

Home address:

Education:

Employer:

Other family information:

Source(s):

Notes:

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