

## **Art Museum Development Association**

Los Angeles 2016



**Grenzebach Glier and Associates**

401 N. Michigan Avenue

Suite 2800

Chicago, Illinois 60611

tel 312.372.4040

# *Museum Data Mining: Building a Stronger Major Gifts Program*

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### **Jonathan Peterson**

Director of Development, Philadelphia Museum of Art

Former Director of Development, San Francisco Museum of Modern Art

### **Suzanne Hilser-Wiles**

GG+A Senior Vice President and Managing Director

### **Kat Banakis**

GG+A Senior Vice President



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# **THE CHALLENGE: SFMOMA IN 2013**

## MUSEUM ENVIRONMENT

- The Museum had already achieved significant campaign success, and had increased its goal by a substantial amount, based on that success and the results of a feasibility study.
- At the same time, it knew it had to broaden its base of supporters for several reasons:
  - To accomplish the campaign goal
  - To ensure a sufficient pool of supporters to sustain an increased annual budget, post-campaign
  - To help position the Museum as a greater part of its community
- Almost all gifts to date were from Trustees and former Trustees.

## MUSEUM ENVIRONMENT

- The Museum's Director of External Relations left and management of the campaign was transitioned to the Director of Development.
- There was neither a set of prospects beyond the initial pool identified nor a plan in place to cultivate and solicit a wider pool of prospects.
- The Museum needed to hire three new major gifts officers to focus on an expanded pool of prospects and names to get them started.
- The Museum asked GG+A to help:
  - Identify and fine tune a group of new major gifts prospects
  - Build a campaign plan to engage, solicit, and steward new major gift donors over the next three years



# THE ANALYSIS

## GOALS OF PROSPECT ANALYSIS

- In the summer of 2013, GG+A undertook a prospect analysis of SFMOMA's database in order to:
  - Identify a sufficient number of prospects to help the Museum achieve its new campaign goal of \$610 million;
  - See if there was evidence that these prospects might consider a gift to SFMOMA, beyond membership or leadership annual giving, if engaged and inspired by the Museum;
  - Help determine the right size and configuration of an expanded major gifts team; and,
  - Build a year-by-year campaign activity map for identification, cultivation, and solicitation.

## WHAT DATA IS THERE TO MINE?

- Donors
- Members
- Patrons
- What we need:
  - Name
  - Address
  - History of Gifts and Membership – as much data as we have
  - History of Engagement – may be used to refine results

## GG+A PROSPECT ANALYSIS METHODOLOGY

- 21,041 records (17,223 households) went through the following review process:
  - **Wealth Screening** to determine capacity to make a gift, payable over a five year period
  - **Historical giving analysis** to provide a basis for understanding past performance
  - **Demographic profiling** to better understand the profiles and behavioral trends most common among these constituents
  - **Predictive modeling** to determine the best prospects for gift type and giving levels. Every record received a code for Major, Annual, and Planned Giving (matched spouses received the same rating).

### DEFINITIONS

#### DONORS:

- **Donors** – individuals/households who have ever made a gift
- **% Donors** – number of donors divided by total number of households
- **Lapsed Donors** – donors who are not recent donors (individuals/households who have given previously but not in the current or past five fiscal years)
- **Recent Donors** – donors in the current or past five fiscal years
- **% Recent Donors** – number of recent donors divided by total number of households

#### GIVING:

- **Largest Recent Gift** – the largest giving year of the current and past five fiscal years
- **Largest Single Gift** – the largest amount given at a single time (includes cash gifts and pledge payments; excludes pledges)



## BY THE NUMBERS: SFMOMA IN 2013

- Total Number of Records: 21,041
- Total Number of Households: 17,223
  - Donor Households: 9,429 (55%)
  - Member Households: 3,147 (18%)
  - Other Households: 4,647 (27%)

- Demographic Data:
  - U.S. Home Address Validated: 99%
  - Business Name Present: 0%
  - Average Age: 66.8 (age on 93% of records)
  - 41% Female, 45% Male, 14% Unknown
  - 26% Single/Divorced/Widowed, 59% Married, 15% Unknown
  - 34% known children at home

- Avg. Largest Gift Year in the Last 5 years :
  - \$5,304 per Household (all)
    - \$7,101 per Donor Household
    - \$37 per Member Household
    - \$46 per Other Household

- Donors in the Last 5 years:
  - 71% of All Households
    - 98% of Donor Household
    - 83% of Member Household
    - 10% of Other Household

- Ever Donors:
  - 73% of All Households
    - 100% of Donor Household
    - 85% of Member Household
    - 12% of Other Household



**STEP ONE:  
CAPACITY AND DEMOGRAPHICS**

## WEALTH SCREENING: GIFT CAPACITY RATINGS

- Of the organization's 17,223 households, 1,610 “Exact & Near” prospects showed capacity to make a gift of \$100,000+. We focused on this group and recommended the Museum do further research into the “Exact, Near, & Possible” population with \$100,000+ capacity.

**Gift Capacity Ratings by Match Quality – All Households**

Gift Capacity Rating		All Matches (Exact, Near, Possible, Simple)	Exact, Near & Possible	Exact & Near	Exact Only
Highest Value	More than \$10 million (1)	21	16	5	5
	\$1 million to \$9,999,999 (2)	228	155	67	48
	\$250,000 to \$999,999 (3)	654	464	265	218
Moderate Value	\$100,000 to \$249,999 (4)	1,603	1,380	1,273	1,157
	\$25,000 to \$99,999 (5)	10,610	10,973	11,378	11,501
	\$10,000 to \$24,999 (6)	2,683	2,761	2,719	2,742
	\$2,500 to \$9,999 (7)	1,186	1,224	1,233	1,262
	Less than \$2,500 (8)	188	199	214	219
	Insufficient Public Wealth Data (9)	50	51	69	71
Grand Total		17,223	17,223	17,223	17,223
		<i>High risk of misinformation</i>	<i>Some research required</i>	<i>Recommended starting point</i>	<i>Most verified data</i>

# DEMOGRAPHICS: PRIZM<sup>®</sup> SEGMENTS

## Recent Giving\* by PRIZM Segment Top 20 PRIZM Segments by % of Recent Donors \$1000+

PrizmDesc	# of HH	# of Recent Donors	% Recent Donors	\$100+ Donors	% of Recent Donors \$100+	\$500+ Donors	% of Recent Donors \$500+	\$1000+ Donors	% of Recent Donors \$1000+
07 - Money & Brains	2,402	1,241	51.7%	983	79.2%	367	29.6%	248	20.0%
04 - Young Digerati	924	315	34.1%	229	72.7%	88	27.9%	62	19.7%
01 - Upper Crust	2,511	2,158	85.9%	1,796	83.2%	604	28.0%	406	18.8%
03 - Movers & Shakers	582	469	80.6%	342	72.9%	110	23.5%	79	16.8%
09 - Big Fish, Small Pond	996	780	78.3%	599	76.8%	196	25.1%	115	14.7%
05 - Country Squires	341	270	79.2%	199	73.7%	56	20.7%	39	14.4%
02 - Blue Blood Estates	585	468	80.0%	331	70.7%	114	24.4%	67	14.3%
29 - American Dreams	356	238	66.9%	164	68.9%	49	20.6%	32	13.4%
14 - New Empty Nests	1,166	1,074	92.1%	825	76.8%	220	20.5%	135	12.6%
11 - God's Country	344	274	79.7%	184	67.2%	56	20.4%	33	12.0%
16 - Bohemian Mix	903	335	37.1%	248	74.0%	68	20.3%	38	11.3%
08 - Executive Suites	216	157	72.7%	105	66.9%	29	18.5%	17	10.8%
28 - Traditional Times	319	280	87.8%	208	74.3%	54	19.3%	30	10.7%
21 - Gray Power	466	424	91.0%	297	70.0%	73	17.2%	40	9.4%
26 - The Cosmopolitans	599	422	70.5%	308	73.0%	65	15.4%	38	9.0%
15 - Pools & Patios	409	351	85.8%	235	67.0%	47	13.4%	30	8.5%
10 - Second City Elite	491	398	81.1%	285	71.6%	61	15.3%	34	8.5%
27 - Middleburg Managers	211	173	82.0%	112	64.7%	24	13.9%	13	7.5%
17 - Beltway Boomers	208	175	84.1%	112	64.0%	19	10.9%	10	5.7%
40 - Close-In Couples	285	183	64.2%	125	68.3%	19	10.4%	5	2.7%

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Money & Brains is more than seven times as likely to give \$1,000 as Close-In Couples

\*Dollar amounts based on Largest Recent Gift (largest giving year in the current and past five fiscal years)  
Chart includes all PRIZM Segments except 67 (Unassigned)

- PRIZM Group
- Best PRIZM
- Good PRIZM
- Other PRIZM

Please refer to the appendix for PRIZM segment descriptions and additional PRIZM data charts.



**STEP TWO:  
PREDICTIVE MODELING  
MAJOR GIFTS**

## MAJOR GIFTS

### Major Gift Inclination Rating

A	0.5%	Strongest
B	1.5%	
C	3%	
D	10%	
E	85%	Weakest

- Every record receives a Major Gift Inclination Rating, based on a blend of wealth, relationship, and historical giving data.
- Using information from DONORSCAPE<sup>®</sup> data sources, SFMOMA's own constituents records, and GG+A's historical giving benchmarks, GG+A identified prospects with the greatest capacity and likelihood to make a gift to the Museum.
- Once ranked by total score, the records are assigned a Major Gift Inclination Rating based on a fixed percentage of the entire file.
- Major Gift Ratings are *relative*. They do not suggest a specific future gift amount. Ratings A–C comprise the top 5% of households in terms of ability and inclination to give.

# MAJOR GIFTS

## Major Gift Ratings Analysis by Household Relationship

Household Relationship	Major Gift Code	# of HH	% of HH	# of Donors	% Donors	Average Lifetime Total Giving	# of Recent Donors	% Recent Donors	Average Largest Recent Gift
DONOR	A	86	0.5%	86	100.0%	\$1,319,702	86	100.0%	\$142,110
	B	258	1.5%	258	100.0%	\$148,598	254	98.4%	\$19,205
	C	517	3.0%	517	100.0%	\$29,389	509	98.5%	\$4,598
MEMBER	D	1,722	10.0%	1,722	100.0%	\$7,383	1,692	98.3%	\$1,071
	E	6,846	39.7%	6,846	100.0%	\$1,106	6,683	97.6%	\$250
	<b>Total</b>	<b>9,429</b>	<b>54.7%</b>	<b>9,429</b>	<b>100.0%</b>	<b>\$19,452</b>	<b>9,224</b>	<b>97.8%</b>	<b>\$2,333</b>
SUBSCRIBER / SINGLE TICKET BUYER	E	3,147	18.3%	2,680	85.2%	\$149	2,598	82.6%	\$38
	<b>Total</b>	<b>3,147</b>	<b>18.3%</b>	<b>2,680</b>	<b>85.2%</b>	<b>\$149</b>	<b>2,598</b>	<b>82.6%</b>	<b>\$38</b>
OTHER	E	4,647	27.0%	536	11.5%	\$235	456	9.8%	\$40
	<b>Total</b>	<b>4,647</b>	<b>27.0%</b>	<b>536</b>	<b>11.5%</b>	<b>\$235</b>	<b>456</b>	<b>9.8%</b>	<b>\$40</b>
<b>Grand Total</b>		<b>17,223</b>	<b>100.0%</b>	<b>12,645</b>	<b>73.4%</b>	<b>\$14,545</b>	<b>12,278</b>	<b>71.3%</b>	<b>\$1,762</b>

## MAJOR GIFTS

- Of the 17,223 households, 657 near-term Major Gift prospects (A, B, C) showed capacity of \$100,000+. An additional 181 households were identified with capacity of \$10,000–\$99,999.

**Major Gift Ratings by Gift Capacity**

Wealth Engine Capacity Rating	A		B		C		D		E		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
More than \$1 million	37	43.0%	59	22.9%	58	11.2%	86	5.0%	167	1.1%	407	2.4%
\$100,000 to \$999,999	43	50.0%	164	63.6%	296	57.3%	808	46.9%	3,832	26.2%	5,143	29.9%
\$25,000 to \$99,999	6	7.0%	25	9.7%	117	22.6%	552	32.1%	6,467	44.2%	7,167	41.6%
\$10,000 to \$24,999			7	2.7%	26	5.0%	150	8.7%	1,724	11.8%	1,907	11.1%
Less than \$10,000			2	0.8%	8	1.5%	109	6.3%	1,333	9.1%	1,452	8.4%
Unable to rate					3	0.6%	8	0.5%	1,102	7.5%	1,113	6.5%
No Rating			1	0.4%	9	1.7%	9	0.5%	15	0.1%	34	0.2%
<b>Grand Total</b>	<b>86</b>	<b>100.0%</b>	<b>258</b>	<b>100.0%</b>	<b>517</b>	<b>100.0%</b>	<b>1,722</b>	<b>100.0%</b>	<b>14,640</b>	<b>100.0%</b>	<b>17,223</b>	<b>100.0%</b>





## **STEP THREE: PROSPECT POOL EVALUATION**

## METHODOLOGY: ADJUSTED VALUES

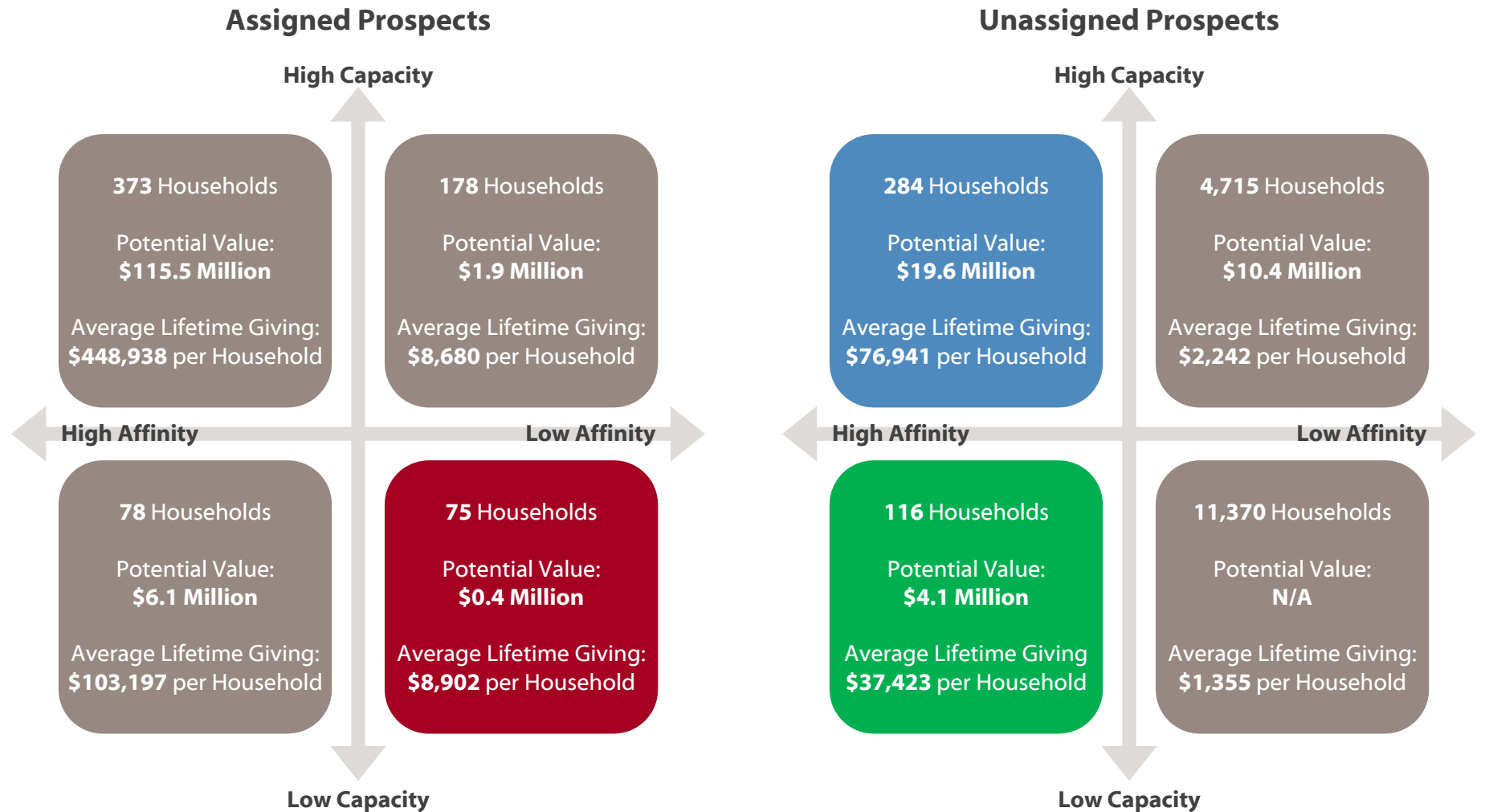
- Using inclination ratings and capacity estimates, GG+A assigned “adjusted” values to each prospect manager’s portfolio.
- “Adjusted Value” represents a calculation that factors capacity and inclination.
  - Adjusted Value = Capacity in dollars × Likelihood probability
    - Capacity is the Wealth Engine’s Capacity Rating
    - Likelihood is the Major Gift Code (A = 1.0, B = 0.75, C= 0.5, D = 0.25, E = 0).
  - For example, a prospect rated as a Major Gift “A” with \$100,000 in capacity will be counted as having \$100,000 in adjusted value. A prospect rated as an “E” with \$100,000 in capacity will be counted as having \$0 in adjusted value.
- Adjusted Values do not inherently describe individual prospects, but are considered reasonably accurate in the aggregate.
- Portfolio values were prepared for individual prospect managers.

## METHODOLOGY: PROSPECT PRIORITIZATION

- Prospect prioritization divides prospects into two main categories:
  - **High-Priority Prospects (373 assigned; 284 unassigned)**
    - Strong affinity and high capacity
  - **Low-Priority Prospects (75 assigned; 11,370 unassigned)**
    - Weaker affinity and lower capacity
  - **34 Prospects with no Wealth Engine rating (34 assigned; 0 unassigned)**
- Other prospects may have high capacity but weaker affinity, or vice versa.

<b>Gift Capacity Rating</b> (five-year period)	<b>Major Gift Code A–C</b> <i>Represents near-term inclination</i>	<b>Major Gift Code D–E</b> <i>Represents the need for long-term engagement</i>
<b>\$100,000 and above</b>	<b>657</b> <b>High-Priority</b> <b>Households</b>	4,893 Long-Term Households
<b>Below \$100,000</b>	194 Moderate-Priority Households	<b>11,445</b> <b>Low-Priority</b> <b>Households</b>

# THE ORGANIZATION PORTFOLIO PRIORITIZATION ROADMAP



\* 34 non-rated assigned prospects with average lifetime giving of \$21,761

# BALANCED PORTFOLIO CONSTRUCTION BY SOLICITOR

## Managed Households Sorted by Solicitor Unit and Assigned Solicitor

Assigned Solicitor	# of Households	Average Adjusted Prospect Value	Major Gift A–C (Top 5%)	Major Gift D–E (Remaining 95%)	Sum Adjusted Portfolio Value
DEVELOPMENT OFFICER 1	99	\$48.6K	46%	54%	\$4.81M
DEVELOPMENT OFFICER 2	105	\$34.9K	56%	44%	\$3.67M
DEVELOPMENT OFFICER 3	180	\$59.1K	67%	33%	\$10.63M
DEVELOPMENT OFFICER 4	111	\$94.5K	55%	45%	\$10.49M
DEVELOPMENT OFFICER 5	71	\$407.5K	79%	21%	\$28.93M
DEVELOPMENT OFFICER 6	11	\$85.2K	73%	27%	\$0.94M
DEVELOPMENT OFFICER 7	152	\$429.2K	68%	32%	\$65.23M
<b>Grand Total</b>	<b>729</b>	<b>\$171.1K</b>	<b>62%</b>	<b>38%</b>	<b>\$124.71M</b>

*\*Excludes gift officers with portfolios of less than 10 households.*

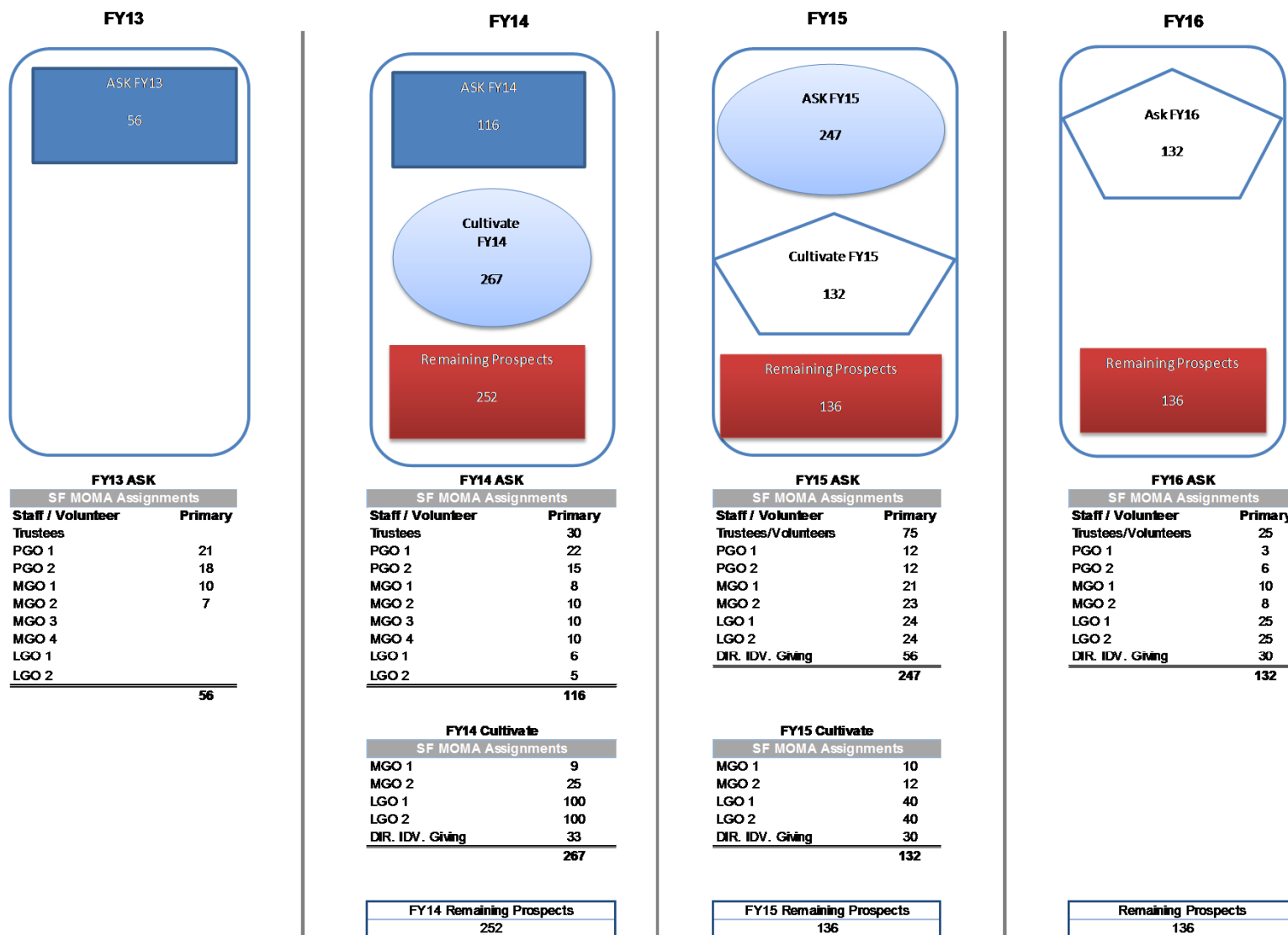


# **DEVELOPING THE PLAN**

## DEVELOPING THE PLAN

- We focused on **517** prospects – high capacity and high inclination, whether they were assigned or unassigned currently.
- We did an early, rough assessment to disqualify some, and map out in which year each prospect might be ready to be asked.
- We turned that into a draft of a year-by-year activity plan to make sure that we had a sufficient number of asks each year.
- We then added information about volunteer and senior staff solicitors to make sure each person had achievable targets year-to-year.

### SFMOMA Campaign Operating Plan Prospect Map



\*The Prospect Map above was drafted August 2, 2013 based on discussions at meeting on July 30, 2013.



## DEVELOPING THE PLAN

- This exercise also surfaced a few key issues:
  - Development was not receiving sufficient information about donors of works of art.
  - The Museum would need a broader group of volunteers, particularly those who could do peer-to-peer asks of six-figure gifts.
  - The Museum would need to use its Leadership Annual Giving staff as an extension of the campaign staff, soliciting gifts.

## DEVELOPING THE PLAN

- Once the chart was updated, we used it to create:
  - Annual fundraising goals for the campaign
  - Annual activity goals for the campaign
  - A prospect management plan for new gift officers
  - A staffing plan, including when to add stewardship staff
- To address the other issues we uncovered, we did the following:
  - Engaged curatorial partners in the process of identifying and cultivating donors of works of art
  - Added a second campaign committee, focused on six-figure gifts, and designed to engage a next generation of leadership for the Museum
  - Provided major gifts training and ongoing support for all development staff members who work with prospects



# USING WHAT WE LEARNED

## APPLYING THESE LESSONS TO YOUR MUSEUM'S FUNDRAISING PROGRAM

- Focus on those prospects who are most likely to yield results: data versus people we know
- Build a plan that reflects who those prospects are and what it will take to engage them
- Educate leadership about what it takes to cultivate new prospects
- There are more “misses” than your Museum may be used to: be patient
- Be realistic about what you can accomplish well with your resources
- Discipline is critical!



**QUESTIONS?**