

Privacy and Prospect Research

Dear Board Members:

How exciting to learn at your last board meeting about a number of major gifts received as a direct result of your involvement. In addition to your own giving, you have introduced the organization to new people likely to be interested in the mission, have helped them get to know their current donors better and are beginning to participate in solicitation visits with their best prospects. You are making a big difference in your community!

As a result of this intimate involvement with major gift fundraising you have raised a number of questions:

- What kind of information is being collected about donor prospects like me?
- Even if it is legal, is it ethical to collect this personal information?
- Do charitable organizations really need personal information on their donor prospects?
- Once an organization has this personal information, how is it protected?

These are all important questions and as an independent prospect researcher committed to the profession, I would like to help you answer them.

What kind of information is being collected about donor prospects like me?

Charitable organizations commonly collect information in these ways:

- Contact and gift information
- Personal information from direct contact with donor prospects or through surveys
- Wealth information from electronic screenings provided by vendors
- In-depth information compiled into a profile by a prospect researcher

Information not provided directly by the donor prospect is found by searching in the public domain. Data aggregators such as Lexis Nexis and NewsBank and electronic screening vendors such as DonorSearch and WealthEngine make it easier to access information that is already in the public domain. Prospect researchers are often called upon to confirm information found by an electronic screening and to find additional facts to aid in the cultivation and solicitation of a gift.

Prospect researchers look for ownership of real estate, private companies, and luxury items; public company insider status and highly compensated occupations; family information found in newspaper stories, on the internet and in obituaries; community involvement such as board leadership and giving; and other information depending upon the prospect.

Even if it is legal, is it ethical to collect this personal information?

Independent prospect researchers as well as information vendors are limited to information found in the public domain. Your social security number, bank accounts and other personal data are not legally available to a researcher or information vendor. Vendors providing electronic screenings can pull together a surprising amount of data, but it is the comprehensive individual profile compiled by a researcher that usually causes the most concern. Thankfully, even though profiles are created from public data sources, the profile itself is confidential and subject to sensitive handling.

Prospect researchers are guided by the laws on privacy as well as the Association of Professional Researchers for Advancement's Statement of Ethics found on its website at www.aprahome.org. We work hard to ensure data is accurate, relevant and helpful. The information we collect about donor prospects is for the sole purpose of deepening the donor relationship and furthering the fundraising process. When there is a question about

accuracy or relevance in the data, respect for the donor prospect and adherence to the legal precedence on privacy guide our actions.

There are four legal areas of concern for privacy generally. Misappropriation or the misuse of someone's identity and unreasonable intrusion are the least likely to be violated by prospect research. The public disclosure of private facts and the publication of facts that place a person in a false light are two areas to which a prospect researcher pays close attention. For example, Aspire Research Group understands that some public facts such as a past bankruptcy or traffic violation are most often irrelevant. A fact that is taken out of the context of a donor prospect's life, or one-sided information presented in the news, could possibly even harm the relationship between the charitable organization and its donor prospect.

We take great care to present accurate information, but also to present it in a way that would not embarrass the prospect or be considered misleading. Because of this, Aspire Research Group does not include or discuss facts determined to be irrelevant. When a situation arises where sensitive information is relevant, we discuss it orally with the appropriate person at the charitable organization.

Do charitable organizations really need personal information on their donor prospects?

As a board member you have a fiduciary responsibility to the organization. Your gifts to the organization demonstrate your faith in its ability to use that money prudently to achieve the mission. Prospect research adds enormous value throughout the development program and when used effectively shows respect for all of your donors while creating a very high return on investment.

By segmenting and rating the friends and donors in the database, organizations can more efficiently communicate with the people most interested in their mission, including those most likely to make a planned gift. Wealth screenings allow management and gift officers to spend the hours in the day with the people most able to respond. Profiles help the organization reach out meaningfully to those who have expressed an interest in making a substantial investment.

Once an organization has this personal information, how is it protected?

Ideally, every organization should have its own privacy policy as well as other policies concerning data management and fundraising. Even if there is no official policy in place, gift records are likely to be stored in locked cabinets and the fundraising database may have access restrictions for different users. If you have concerns about privacy at your organization, talk to management or the fundraising staff about how information is managed and protected. As a member of the organization's board you are in wonderful position to help ensure that your organization protects the privacy of its friends, donors and program beneficiaries.

Thank you!

Thank you for all of the time, money and passion you have given to make your community a better place. I hope I have answered your questions to your satisfaction and I encourage you to visit www.AspireResearchGroup.com for more articles and other free resources. If you have additional questions or would like to discuss prospect research further, please feel free to email me at jen@aspireresearchgroup.com or call me at 800-494-4132.

Sincerely,

Jen Filla

Jennifer Filla
President

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