Using Predictive Modeling to Focus Your Fundraising Efforts

Rapid Insight Webinar

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Getting Started with Predictive Modeling

**Background:**
As a part of our efforts to grow into our new building, opening in 2015, the Whitney began research on tools that could help us reach new donors and better target prospects already in our universe. We wanted to explore the intersection of both the art and the science of fundraising.

**The Team:**
Predictive Modeling is one part of a shift to becoming more data driven. Our team includes staff from 5 different areas of Development: Membership, Development Records, Research, Campaign, and Major Gifts.
The Whitney considered three options for starting our Predictive Modeling Efforts:

1. **Outside** vendor providing scores
2. **Partnering** with Rapid Insight
3. **In-house** statistician
The Partnership

**Whitney Museum**
- Institutional data and historical knowledge
- Cross-departmental team
- Flexibility
- Goals and Road Map for moving forward

**Rapid Insight**
- Customer service oriented
- Expertise in non-profit and for-profit worlds
- Easy to use interfaces
- Products fulfill multiple needs
Building first model

The first step was deciding where to focus. Lots of areas would and could benefit from this type of work and we had lots of big ideas!
Building first model

Decided to focus on the **Annual Fund**: 

- Donors often support many other areas of the Museum, need an effective way to identify new and key donors
- Annual Fund has ambitious goals
- Having good historical data is really necessary when modeling, the Annual Fund is tracked cleanly and consistently in our database
- It mails 4x a year, which yielded many instances of mailings
- As compared with other types of giving its easier to isolate the relationship between the mailing and the gift
Building first model

Getting ready to build the model:

- Data – Rethinking your relationship to data and related systems
- Skill building – we really needed to get to know VEERA
- Terminology – brush up on statistical terms

Mapping data for building the model:

- Identify internal data points available
- Considered external sources we wanted: census, demographic overlay, Forbes 500, etc...
- Learned from Rapid Insight’s how to expand the potential of our data
Building first model

With some of the bigger picture work done, we were ready to actually build a model....

- Determine modeling population
- Establish connections to various data sources
- Create data modeling data file - VEERA
- Connect output to ANALYTICS
- Leverage ANALYTICS modeling process flow through to building actual model
- Create scoring job to be applied to prospect data set to obtain probability ratings
- Use probability ratings to determine population to mailed
Some of the many benefits of VEERA:

• Cleanse data
• Create new variables
• Merging datasets (from different data sources)
• Reporting
• Analysis
• Reuse jobs for future models or recurring data tasks
• ...and many more
Annual Fund Sub Routine
Lessons Learned

Year-one lessons:

• Benefits of a Data Mart
• Even a basic background in statistics is helpful—able to engage critically and ask good questions
• VEERA work is almost more important than the modeling itself
• Exciting to review results and begin to see impact of the model
• Don’t reinvent the wheel, just adjust it to fit your model — learn from the Rapid Insight team and others in the Predictive Modeling community
Challenges

To address in year-two:

- **TIME**: To learn and expand on new skills
- **TIME**: To set up initial VEERA jobs
- **TIME**: To action our roadmap for the future
- **Articulating** how to use the model findings for colleagues
  
  a. “mail this person and they will give” — prospects with the higher probability are more likely to give; it's not a given that they will
  
  b. “mail every person with this trait” — findings must be taken together to be most effective
Road Map

What’s next:

• Continue to fine-tune Annual Fund Model
• Annual Fund Ask String Model
• Retention Model for first year members
• Expand Data Mart – incorporate data from retail, ticketing, e-communications
• $5K+ donor model
• Acquisition model
• Capacity model
Get in touch!

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