THE CHRONICLE

Newsletter for the Association of Professional Researchers for Advancement-Carolinas

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From the Board

Dear Colleagues,

2007 is a banner year for APRA-Carolinas with many exciting changes and opportunities. Not only have we changed the chapter's name, we are gaining new members, and we are hosting virtual seminars across the state with interesting and relevant research topics. Additionally, I am particularly proud of APRA-Carolina's new website that is now "live". The new address is www.apra-carolinas.org. The site is looking great and starting to take shape with valuable input from the board. We have some clean-up to do yet so don't be alarmed by information that you know is dated or incorrect… it's a work in progress. Please feel free to peruse the site and make suggestions or recommendations for ways that we can offer more information to the researchers of our region.

We had a number of APRA-Carolinas members to attend APRA's 20th International conference this year in Chicago. For those of us that couldn't make it this year, we'll be counting the days 'til Denver. Be sure to get that budget approval in the works so you can go! It's a must… at least once… for all in the research field.

A huge "Thank you" to LaDonna Lindgren and The Nature Conservancy for hosting the most recent APRA Virtual Seminar with David Lawson. The next APRA Virtual Seminar will be held on October 5th featuring Elizabeth Crabtree and Joyce Newton discussing Gift Capacity and Rating Systems. Location to be determined…. Maybe your place?!? Be in touch if you'd be willing to help or if there are questions that need to be answered!! The virtual seminars are a tremendous resource that we are proud to make available to all members of APRA-Carolinas. Not only do members gain a better understanding on a particular research topic, but it provides time for researchers to network with one another and share ideas. It is also a great marketing tool for prospective members.

The APRA-Carolinas Board will be meeting September 14th and among many topics up for discussion, we will be making plans for a conference in late February, early March. We'll keep you posted as details firm up!

Thank you for your ongoing support of APRA-Carolinas!

Best Regards,

Joy Martin
APRA-Carolinas President

North Carolina Center for Non-Profits' Summit in Winston-Salem

October 24-26, 2007

By Kaky Grant, Director of Campaign Resources at Capital Development Services

APRA-Carolinas Board Members have been selected to present at the annual NC Center for Non-Profits' Summit on Thursday, October 25th. Lydia Perez, Prospect Research Analyst, Foundation and Corporation Research at the University of North Carolina, Chapel Hill, and Kaky Grant, Director of Campaign Resources at Capital Development Services will be giving an hour long presentation on the fundamentals of prospect research. The APRA-Carolinas Board is hopeful that the presentation will turn on more development officers to prospect research and ultimately gain more members for the chapter. If you plan to attend the Summit, please stop by the presentation – Lydia and Kaky would love your support. To learn more about the Summit, go to the NC Center for Non-Profits' website (http://www.ncnonprofits.org/).

Prospect Research 101: What You Really Need to Know…Proficiency in research is a critical skill that all development professionals should have in their back pockets to better determine donor capacity, connections to their cause, and the right strategy for cultivation and solicitation. This presentation will explore numerous FREE, easy to use internet tools and tricks that will help development officers build solid profiles and call sheets for key solicitation meetings as well as general guidelines and ethical practices pertaining to prospect research. Prospect Research 101 will explore research techniques for individuals, corporations and foundations. This presentation is perfect for beginners and those who are looking to further hone their research skills. Executive Directors, development officers, and volunteers alike will all gain tremendously by better understanding the value of research to a well-oiled fundraising machine.

Excerpts from the APRA Conference

Finding the "Millionaire Woman Next Door"

The women's Philanthropy Initiative, IU Center on Philanthropy
Cheryl Altinkemer, Purdue University

By Lydia M. Perez, MLIS, Prospect Research Analyst, Corporations & Foundations, UNC-Chapel Hill

This insightful session covered how to help fundraisers raise more gifts from women as well as how to identify the "Millionaire Woman Next Door."

Understanding what a Millionaire Woman looks like and what her philanthropic characteristics are is the first step, especially because it's different from what many of us might expect.

Common ways in which these women become wealthy include self employment, sales, as educators, and through family businesses. More than half are not members of country clubs; they are frugal, financially independent individuals not given to conspicuous consumption. Many women of means choose to give posthumously (think planned giving!) because they have been raised to not be a burden to others and don't want to be identified as a millionaire while alive.

When it comes to giving, they support "noble causes," i.e. those which are understaffed, under funded, underappreciated and non elitist. They have a strong sense of community and will give to organizations which get "good press," even if they're not personally involved.

So where should you look for these prospects? Local and regional media – examples include American City Business Journals (http://www.bizjournals.com/) and *Business NC* (http://www.businessnc.com/). For an index of NC newspapers by county check out the North Carolina Newspaper Project (http://statelibrary.dcr.state.nc.us/ncnp/counties.htm.)

It pays, both literally and figuratively, to learn more about how gender differences, life span, and giving styles make women top prospects for your organization! If you'd like a copy of the complete PowerPoint presentation please email me at Lydia_perez@unc.edu.

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Making Sense of the Hedge Fund Industry

Michael J. Foote, Director
Joyce M. Newton, Sr. Research Analyst
Dartmouth College, Hanover, NH

By AmyLynn Bliem, Prospect Research Analyst, UNC-Chapel Hill

For anyone who keeps hearing about Hedge Funds but isn't all that familiar with them, this presentation was a great introduction. Our colleagues from Dartmouth provided a comprehensive overview of the complex Hedge Fund industry, including basic terminology, definitions of the strategies implemented by various funds, compensation issues and trends. Here are but a few tidbits they provided:

Foote and Newton listed several questions to ask when researching a Hedge Fund:

- Who are the founders and what is their reputation?
- What size is the fund?
- How old is the fund?
- What strategies does it employ and what are its performance stats?
- What is the fee structure of the fund?

Fund Fee Structures

Although individual fund fee structures vary, industry standard is the "2 & 20 setup". That is a 2% management fee and a 20% performance fee. As an example, if Hedge Fund X has $1 billion in assets with a return for the year of 25%, under a 2 & 20 setup the fund would generate a total of $70 million in fees.

Management Fee = 2% ($1 billion) = $20 million
+
Performance Fee = 20% of $250 million* = $50 million
*Annual Return = 25% of $1 billion = $250 million

Hedge Fund Compensation
• As far as compensation for those working in the Hedge Fund industry, there is no set structure and a great disparity in salaries.
• Salary factors include, but are not limited to: Assets Under Management (AUM), the performance of the fund, the performance of the manager and the fund's partnership arrangement – a key factor which is rarely available.
• An excellent compensation source is *Alpha Magazine's* Hedge Fund salary survey.

Where to find this information?
• SEC Forms 13D and 13F
• Investment web sites
• Press releases, trade journals, company web sites
• *Alpha Magazine*, Hedge Fund 100, Fund of Funds 50

Helpful websites:
• Glossaries: www.hedgeco.net/hedge-fund-index-AtoC.htm; http://www.hfalert.com/Public/MarketPlace/Glossary/index.cfm
• Harvard's Guide to Hedge Funds (links from HBS' Baker Library): http://www.library.hbs.edu/guides/hedgefunds/
• Lipper HedgeWorld (portal for the global hedge fund community): www.hedgeworld.com
• Hedge Fund Alert (including new start ups): http://www.hfalert.com/Public/MarketPlace/LatestLaunches/index.cfm
• SEC's Hedge Fund Information Center: http://www.seclaw.com/centers/hedgefunds.shtml
• SEC's Investment Advisor search (for looking up registered firms): http://adviserinfo.sec.gov/IAPD/content/search/iapd_orgsearch.aspx

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August Virtual Seminar

By LaDonna Lindgren, Research Associate, The Nature Conservancy, NC Chapter

David Lawson of Kintera presented APRA's August Virtual Seminar on Supporting Your Organization's Mega Campaign. He defined a mega campaign as one with a goal of 10 times your organization's last campaign. Mr. Lawson discussed how the number of mega campaigns has increased over the years which may lead to donor fatigue specific to capital campaign fundraising.

He emphasized campaign assessment and explained that it is easier to do if specific campaign data is tracked throughout the fundraising period. Data to track could include the sources of gifts, areas supported by the campaign, the last campaign's donors (how many may or may not give again?), age of the donor, and percentage of total money raised by each solicitor. He also suggested you start your campaign by looking at the identified prospective donors who were not contacted during the last campaign – why didn't they give, what would have made them reconsider their decision.

He discussed segmenting your organization's donors by generation and life stage since fundraisers may need to communicate with these groups differently. He mentioned that you may not get the same big gift again because the donor has reached a new life stage but the fundraiser should know how to talk about why the donor should support the campaign anyway. To help fundraisers determine what would spark the donor to support your campaign, Mr. Lawson explained how to segment people by the way they approach their own philanthropy.

We had a small group in attendance but all agreed it was a very informative session.

Welcome New Members:

Mersiha Mulalic, Prospect Research Analyst, Wake Forest University

Erica Sadiq, Development Assistant, Hospice & Palliative Care-Charlotte Region

***** APRA-C Renewals*****
Just a friendly reminder: For those of you who have not paid your APRA-Carolinas dues for 2007/2008, please do so at your earliest convenience. The membership form can be found on our website.

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