

Wealth Intelligence Digest

Autumn 2010



PROSPECTING FOR GOLD LTD
Wealth Intelligence Services™

UK plc Directors

Prospecting for Gold



Prospecting for Gold Ltd is the leading source of information in the UK on wealthy and influential people. Over the past 20 years we have compiled data from factual sources on over 900,000 individuals and are uniquely qualified to provide comment on the composition and depth of both liquid asset and property wealth in the UK.

The Wealth Intelligence Digest aims to provide further insight into some of the most widely discussed questions about wealth. In this fourth edition, Prospecting for Gold draws on the information held in 'The Wealth Intelligence Database' to draw some conclusions about the profile of plc Directors in the UK.

Introduction

Over the past decade, the wealth of public company directors has grown significantly as a result of the boom in pay and perks and in particular bonuses.

Charities have traditionally looked at public companies as potential targets for corporate fundraising campaigns, focusing on pitching to these companies often as part of the annual selection process for charity of the year.

How many charities have screened their existing supporters to identify company directors who might help with these campaigns or developing relationships with these supporters to make use of their extensive networks to assist with their corporate fundraising activities?

Are charities aware of how many these directors live in the UK and do they know how wealthy they are or the average size of their business networks? This digest aims to answer some of these questions.

PLC Directors

There are nearly 50,000 current or former directors of public companies living in the UK. This figure has grown steadily in the last decade.

Pay has risen far faster for Directors than the average and has been further enhanced by not only share options but the huge surge in performance related bonuses.

Thousands of directors receive total remuneration packages well in excess of £500,000 per annum and sometimes more than £1 million per annum.

It is no longer the case of having to wait until you retire to become a millionaire. Active PLC directors have become millionaires just as a result of a year's pay!

Early Retirement

It is a common view that Company Directors are able to retire early because of their generous final salary pension schemes.

The growth in share option packages has added to this trend. In the UK nearly 30,000 of the public company directors have now retired or left employment. This is 60% of the total.

The average age of these retired directors has fallen slightly as they have been able to cease working earlier thanks to the packages they receive.

These people are, in most cases, wealthy and well networked with available time to get involved in different activities. They have the potential to be excellent prospects for charities looking to develop their corporate fundraising activities.

Company Directors

Prospecting for Gold currently holds or has access to factual information on nearly 50,000 active or retired public company directors in England, Scotland and Wales. The information we hold on these individuals includes:

- wealth band

- business career

- business networks

- other interests

- property wealth

- other liquid asset wealth

Prospecting for Gold also provides other factual information about the age and life stage of the individual and their spouse or partner. The wealth information includes details of their remuneration and share options.

Women in the Boardroom

The boardroom of a public company has long been seen as a male dominated environment.

Although we have seen more women rising to the top, they still make up only a small minority of public company directors. In the UK we have identified only 5,000 women who have held or are still holding a boardroom position which is only 10% of the total.

The ratio of active to retired or ceased employment is similar to the male directors. The figures suggest that this ratio is unlikely to change significantly in the near future.

A Regional View

The perception is for people to believe that the vast majority of large public companies are based in the South East and so all the Directors of these companies must live there as well.

This is not always the case. Public Companies are located throughout the UK and regional based charities can expect to identify wealthy directors from their lists of supporters in every region.

Even where a company head office is based in the South East, it is often the case that the Director may live in the South East during the week and travel back to their homes in other parts of the UK at the weekend.

These types of Directors offer two opportunities for cultivation from events both in London and back in their home area.

Two Hits for the price of one

Is their potential to use wealthy directors for two different fundraising campaigns?

We estimate that 0.25-0.5% of the supporters on a charity database are likely to be active or retired public company directors.

For a typical database of 50,000 records, this equates to over 100 prospects.

These prospects offer charities opportunities for major gifts both as a potential donor but also as an introducer to other wealthy people through their business networks.

They also may provide valuable introductions to their network of Directors with active Corporate Social Responsibility programmes offering potential partnership opportunities.

These prospects can be used in two ways by charities but so often the screening and cultivation processes are developed by one team without coordination across the whole fundraising department.

Prospecting for Corporate Supporters

Prospecting for Gold screens over 350 supporter databases every year. 99% of these screenings are undertaken by major donor teams or for capital appeals or major gift campaigns.

In almost all cases, the results are kept by the major donor or high value donor teams and are not shared across the other fundraisers. There is an opportunity for Corporate fundraisers to start to use database screening to identify all the existing supporters who are active or retired directors.

Once identified, the Corporate fundraisers can focus on the active directors who offer the best prospects for Corporate partnerships releasing the retired directors to the major donor teams to research their potential wealth in more detail.

An Opportunity Being Missed

As the Comprehensive Spending Review starts to bite and budgets start to be cut, the challenges facing fundraisers are going to increase.

Fundraisers need to take every opportunity they can to maximise their chances of success by using every resource available.

Active supporters who are already engaged with the charity are a natural place to start. For Corporate fundraisers they offer an existing pool of prospects to work with and develop opportunities.

If these supporters are not identified through screening and other research methods it will be an opportunity missed.

Prospecting for Gold

For 20 years, Prospecting for Gold has been helping organisations learn more about the wealth and influence of their supporters, clients and customers. Once identified, Prospecting for Gold helps the organisations develop successful relationships with these wealthy individuals.

Prospecting for Gold also uses its data sources to compile new prospect lists from criteria provided by the client. Since launching, Prospecting for Gold has helped its clients raise over £200 million.



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