

Rivane Neuenschwander, I Wish Your Wish, 2003.

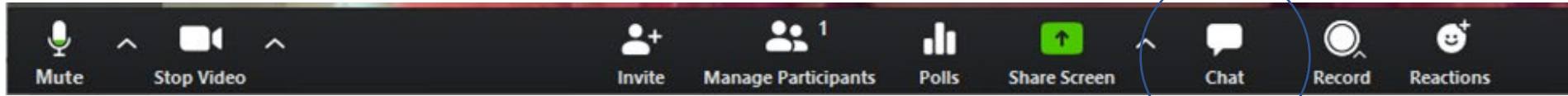


Transforming Arts Organizations Worldwide

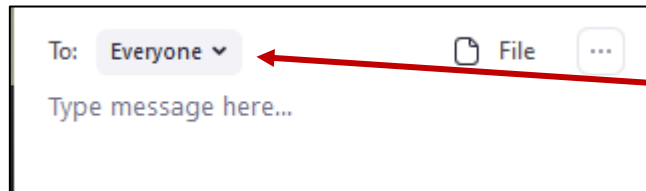
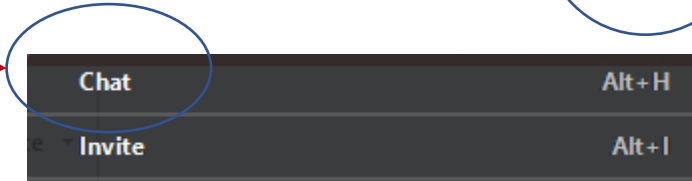
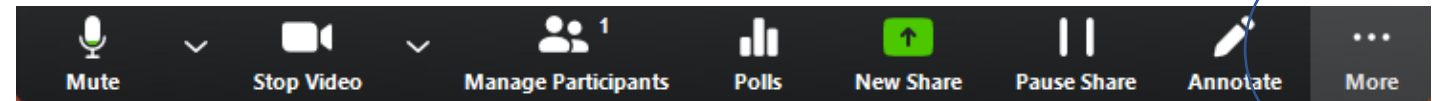
Redefining the Donor Value Proposition

July 2021

How to Participate



Please use the chat box for your questions or comments. You may need to select “more” if it is at the top of your screen



You can send messages two ways:

- 1) Send to “everyone” for public comment or
- 2) Click the down arrow next to “Everyone” to send directly to Lisa Swain if you’d like it to remain private

Please use the chat box to introduce yourself and tell us where you are from (organization, location in the world)

Welcome to Our Participants

Abbey Theatre	Charlotte Ballet	Joffrey Ballet	Partners in Performance	The High Desert Museum
Alabama Shakespeare Festival	Choral Society of Durham	Kansas City Symphony	Philadelphia Ballet	The Joffrey Ballet
Alberta Ballet	Chorus America	Kramer Consulting	Philadelphia Orchestra	The Museum Trustee Association
Alley Theatre	City of Birmingham Symphony Orchestra	Laranja. Promocion Cultural	Philharmonie de Paris	The Old Globe
American Youth Symphony	Corning Museum of Glass	League of American Orchestras	Pittsburgh Ballet Theatre	The Williams Group
Amon Carter Museum of American Art	Cultural Philanthropy Ltd	Les Délices	Princeton Pro Musica	TheatreSquared
Arena Stage	Early Music America	LPO	Quad City Symphony Orchestra	Tower Theatre
Arizona Opera	Etobicoke Philharmonic orchestra	Lyrice Opera of Kansas City	Richmond Ballet	University of Mississippi Museum
Art Museum Strategies	Ford's Theatre Society	Madison Symphony Orchestra	Riverside Art Museum	USS Constitution Museum
Arts Commons	Global Arts Live	Mark Morris Dance Group	ROCO	West Cork Music
Astral Artists	Goodman Theatre	McCarter Theatre Center	Round House Theatre	Westport Country Playhouse
AT&T Performing Arts Center	Grand Opera House	McCoy Artists Group	San Diego Opera	Yale School of Drama
Baruch College	Grounds For Sculpture	Miami City Ballet	San Francisco Opera	
Bechtler Museum of Modern Art	Guts Baroque	Midland Center for the Arts	Sapienter arts data & marketing	
Berkeley Repertory Theatre	Guvenis Consulting Group	Milwaukee Ballet	Seattle Opera	
Bocconi	Harlow Research and Consulting	National Arts Centre	Spektrix	
Broadway Unlocked	Havre de Grace Arts Collective	Nevada Ballet Theatre	St Louis Symphony Orchestra	
Cal Performances	Herberger Theater Center	Olney Theatre Center	State Theatre Center for the Arts	
CAP UCLA	Holden Forests & Gardens	On Site Opera	Strategic Leverage Partners	
Capitol Hill Arts Workshop	Houston Grand Opera	Opera Philadelphia	Teatro Mayor	
Cathedral St. John the Divine	HSH Consulting	Orchestre Symphonique de Québec	Teatro Regio Torino	
CBSO	ICS	Pacific Chorale	The DeVos Institute of Arts Management	
Center for Nonprofit Management	Imperial Symphony Orchestra	Paper Mill Playhouse		
Chapel & York				

Agenda for Today's Conversation



01

THE CURRENT
CHALLENGE AND
OPPORTUNITY



02

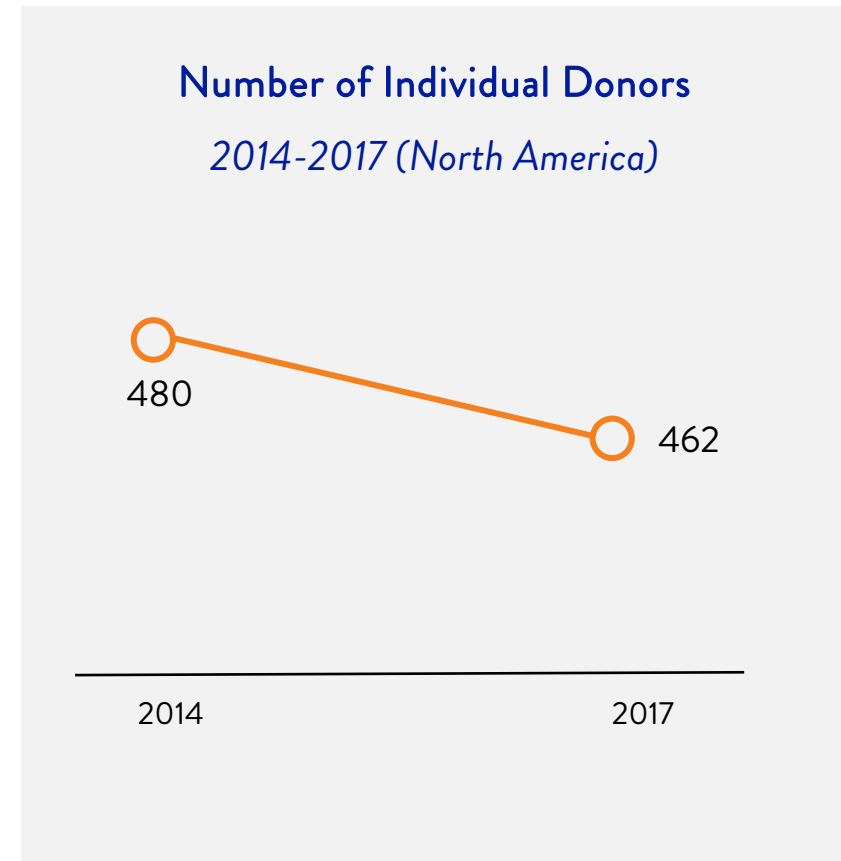
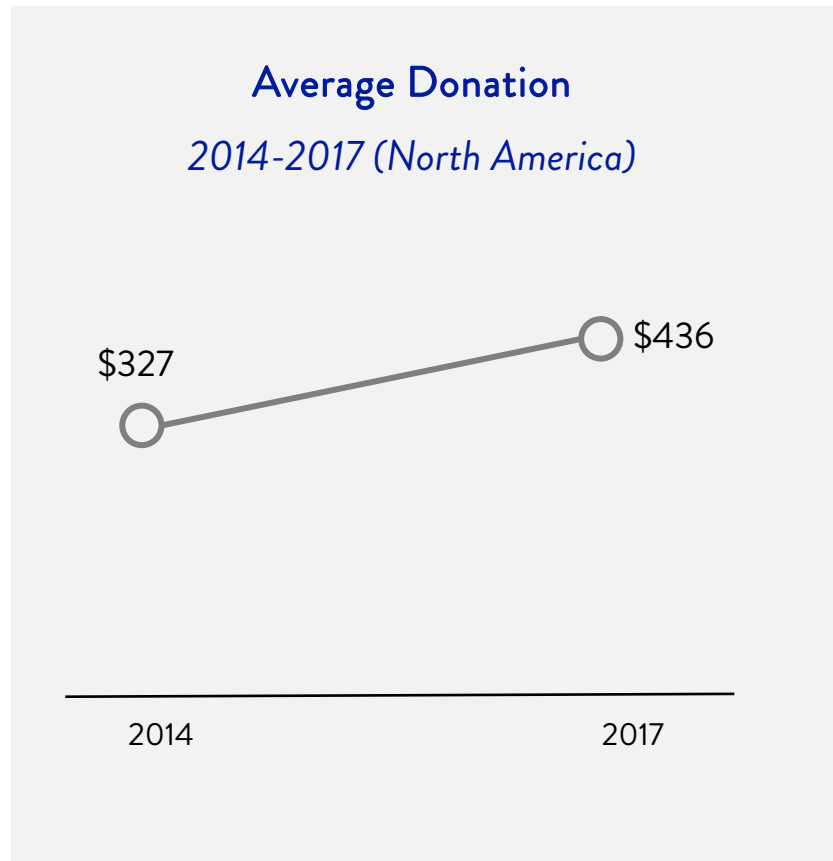
RESULTS OF
QUANTITATIVE
ANALYSIS



03

IMPLICATIONS
OF THE
FINDINGS

Reliance On Fewer, Larger Donors...

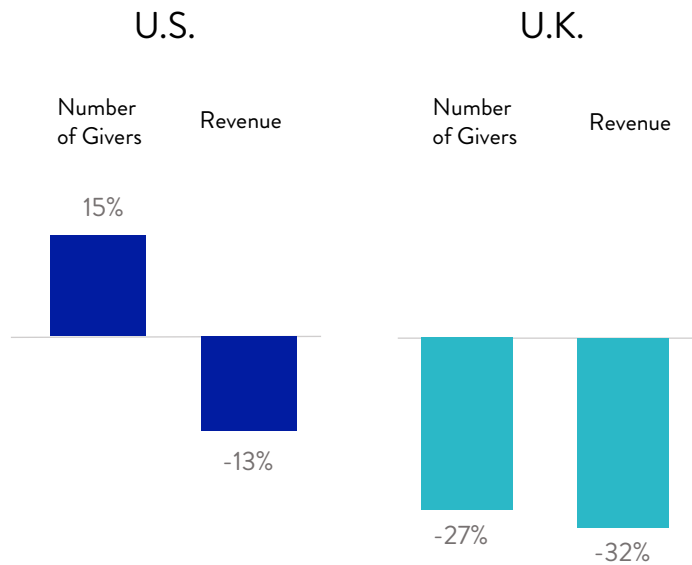


Source: <https://trgarts.com/blog/insights-blog-eric-july-2020>

...Left Us Exposed In 2020

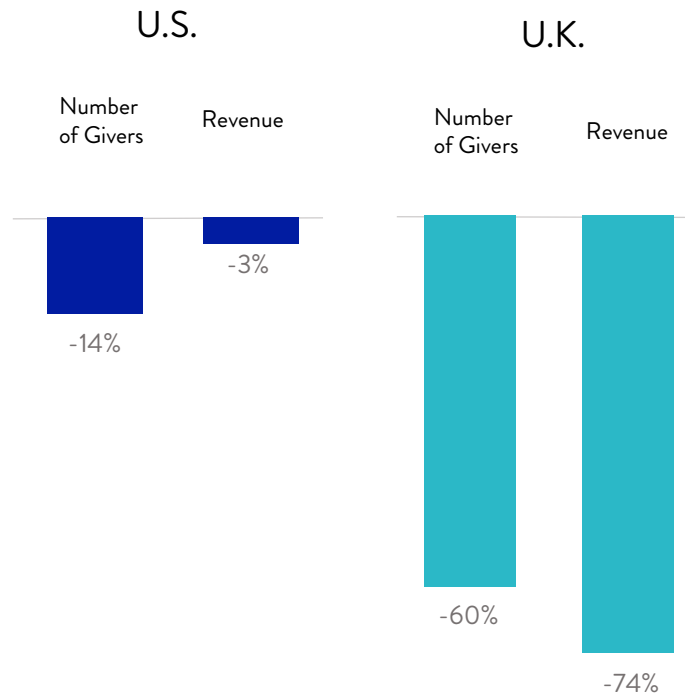
Giving to Arts Organizations

2020 vs. 2019



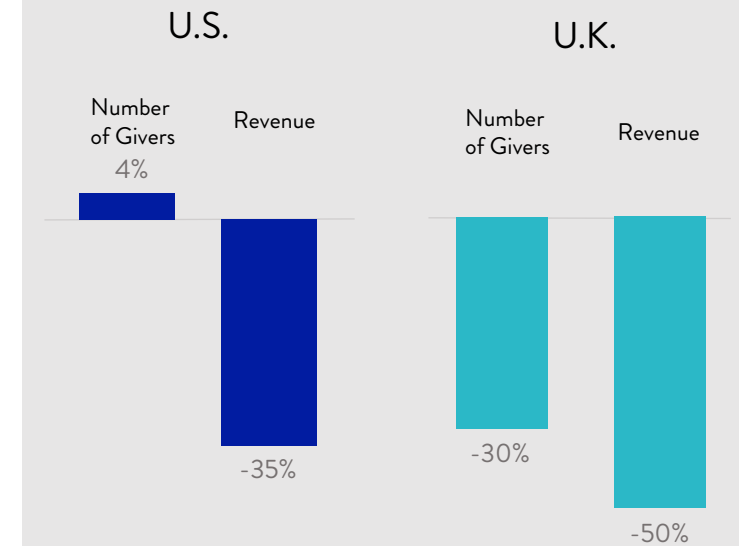
\$50,000 to \$1 Million Gifts

2020 vs. 2019



Gifts Over \$1 Million

2020 vs. 2019



Source: TRG Covid 19 Insight Report, June 2020

A Pivotal Moment

POST-PANDEMIC CONCERNS




1. Donor fatigue
2. Changing repertoire
3. Polarization
4. Aging donor base
5. Disrupted habits
6. Generational wealth transfer

THE OPPORTUNITY

As we face our re-emergence from the hardest year in the arts in modern history, we have a once-in-a-lifetime moment to consider our role in our communities and change long-embedded practices.

We no longer have ‘the way we’ve always done things’ as a reason to keep going. **What will we change?**

Our Current Approach, Its Challenges And Assumptions

Pre-Pandemic Fundraising Approach	Challenges	Assumptions We Make
 <p>Individual Attention</p> <p>Major Donors</p> <p>Cultivate major donors with personal relationships and by understanding and appealing to their artistic interests</p>	<ul style="list-style-type: none"> ▪ If even one donor in this pool changes priorities, we are forced to scramble. ▪ Artistic decisions can mean a donor suddenly reduces or increases support. 	<p>Our most philanthropic donors are those who share a love of the art form</p>
 <p>Personalized Outreach</p> <p>Emerging Large Donors</p> <p>Message for engagement and, as donors show commitment, reach out to form personal relationships</p>	<ul style="list-style-type: none"> ▪ We want to shift donors to philanthropic motivations but don't know how to do it systematically. ▪ We wait for indicators that someone might be ready to give more. ▪ We typically under-cultivate here because our team must focus on major donors for growth. 	<p>Mid-tier donors naturally shift to be more philanthropic, as the value of their donation increases relative to the benefit received</p>
 <p>Benefits Ladder</p> <p>Entry Donors</p> <p>Attract early donors from subscriber pool using a tiered scale of benefits</p>	<ul style="list-style-type: none"> ▪ Emphasis on benefits attracts people with a transactional mindset and tends to lock them into a giving level. ▪ We therefore constantly need to attract new donors from a shrinking subscriber base. 	<p>Transactional benefits appeal to the most low-end donors</p>

How can we resonate more deeply with new, high potential donors and move them from transactional to philanthropic, to accelerate their velocity to major giving?

Agenda for Today's Conversation



THE CURRENT
CHALLENGE AND
OPPORTUNITY



RESULTS OF
QUANTITATIVE
ANALYSIS

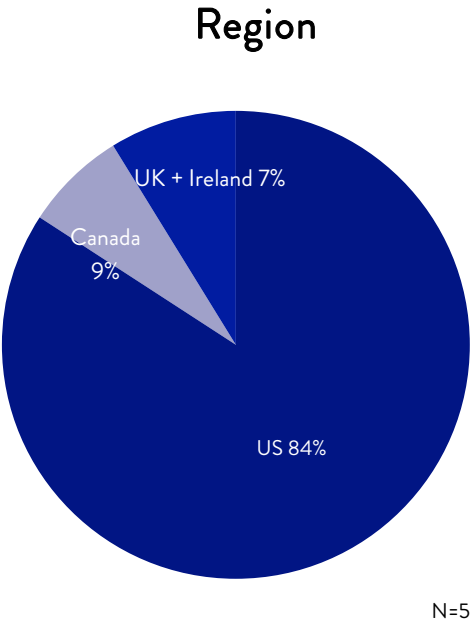
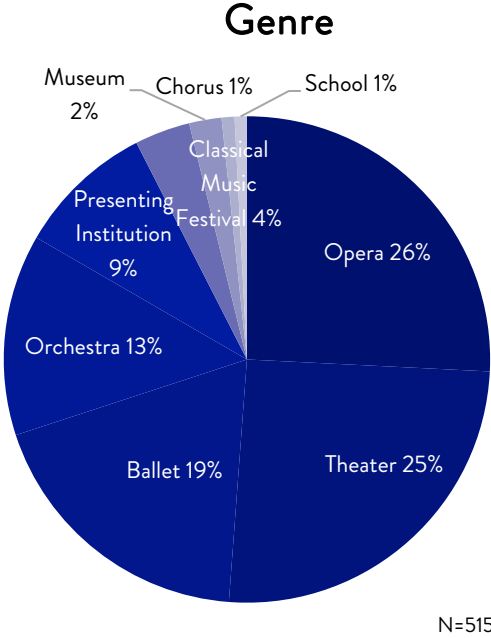


IMPLICATIONS
OF THE
FINDINGS

Our Quantitative Approach

Survey Respondents

Overall N=5154 from 47 cross-genre arts organizations



Categories of Questions

- Motivations for Giving**
- Community
 - Duty to the arts
 - Personal passion
 - Benefits
 - Specific projects
 - ...

- Contextual Factors**
- Attendance patterns
 - Contributions to other non-profits
 - Values
 - Obstacles to donations
 - ...

- Relationship with Org**
- Volunteering/Board
 - Attendance at events
 - Relationship with donor officer or staff
 - Belief and confidence in donation
 - ...

- Dependent Variables**
- Frequency of donation
 - Amount of donation
 - Type of giving (annual vs non-annual)
 - Attitudinal loyalty
 - ...

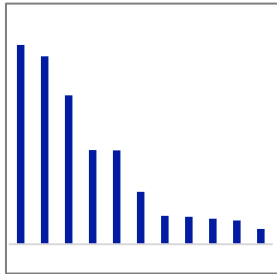
Survey Analyses

Clustering –
How do people or questions group together?

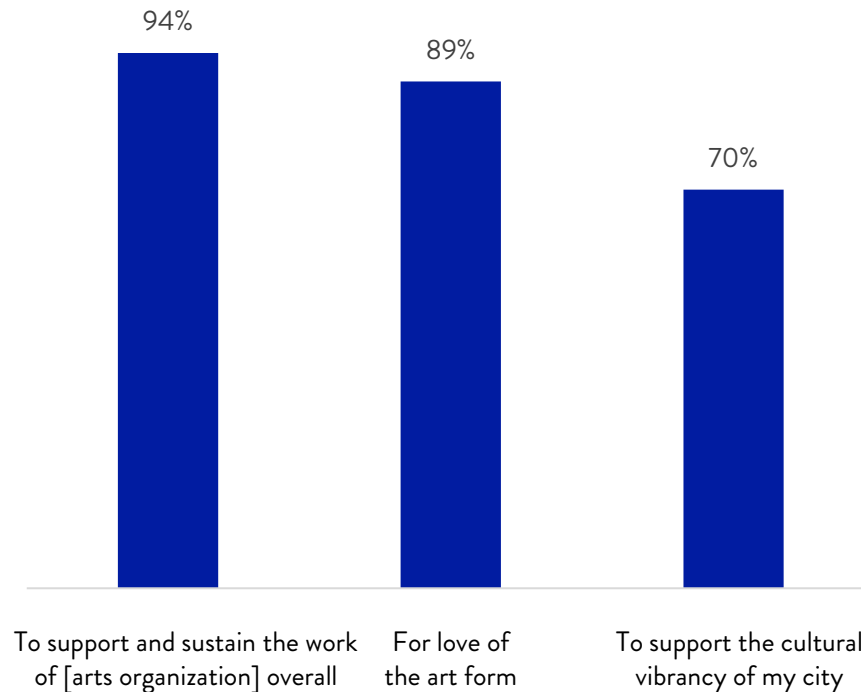
Cross-Tabs
How do different groups behave?

Regression –
What drives a dependent variable?

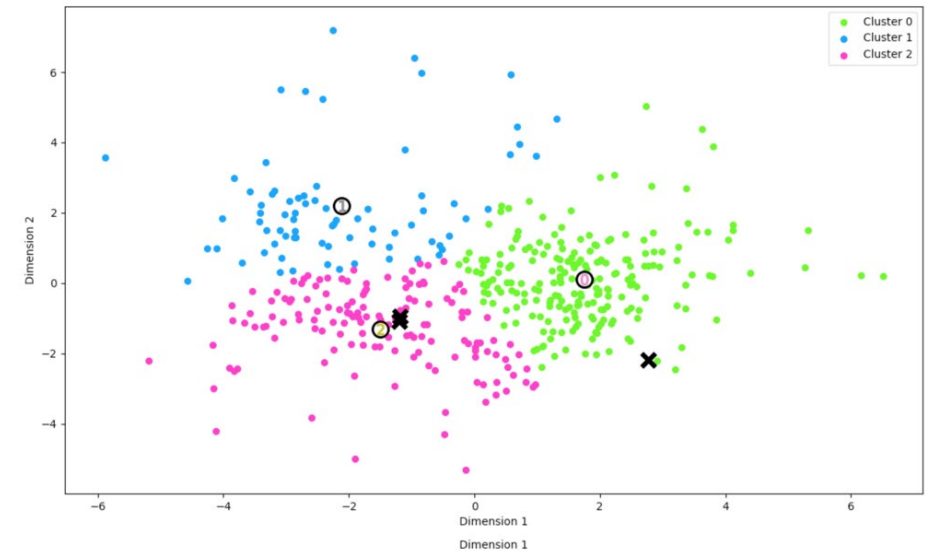
What Donors Say and How We Untangle What's Important



Giving Reason Importance in Donation Decision
(top 2 box, "very important" or "important")



Cluster Analysis Finds Hidden Patterns Across All Survey Respondent Answers



N=5154

The 12 motivations provided were: (1) Love of the art; (2) Support specific arts org; (3) Support projects; (4) Support cultural vibrancy; (5) Support community activities; (6) Support friends and family; (7) Societal obligation to give back; (8) Access a network of donors; (9) Access benefits; (10) Build or continue a legacy; (11) Tax write-off; (12) Other

Our Analysis Shows Three Donor Types



Benefits-Driven

Primary Motivations:

- Access to benefits
- Access to network of donors
- Tax write-off

31% of donors



Arts Lovers

Primary Motivations:

- Love of the art
- Support a specific arts organization
- Support cultural vibrancy

38% of donors



Community Donors

Primary Motivations:

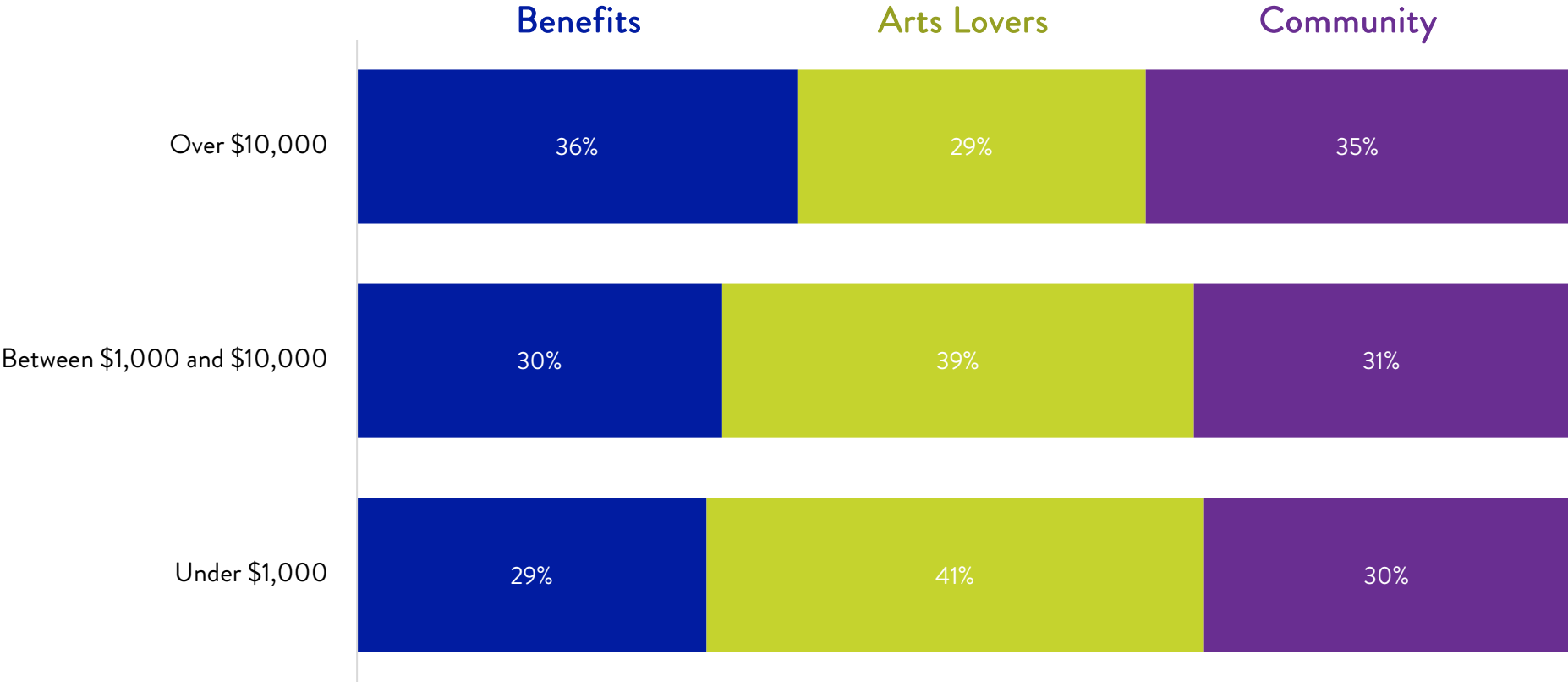
- Support projects
- Support community activities
- Support friends and family
- Build or continue a legacy
- Access network of donors

31% of donors

The 12 motivations provided were: (1) Love of the art; (2) Support specific arts org; (3) Support projects; (4) Support cultural vibrancy; (5) Support community activities; (6) Support friends and family; (7) Societal obligation to give back; (8) Access a network of donors; (9) Access benefits; (10) Build or continue a legacy; (11) Tax write-off; (12) Other

Donation Characteristics of the Three Segments

Percent of Donors In Each Segment, By Level
Cumulative Three-Year Donations in US Dollar Equivalent, 2018-2020

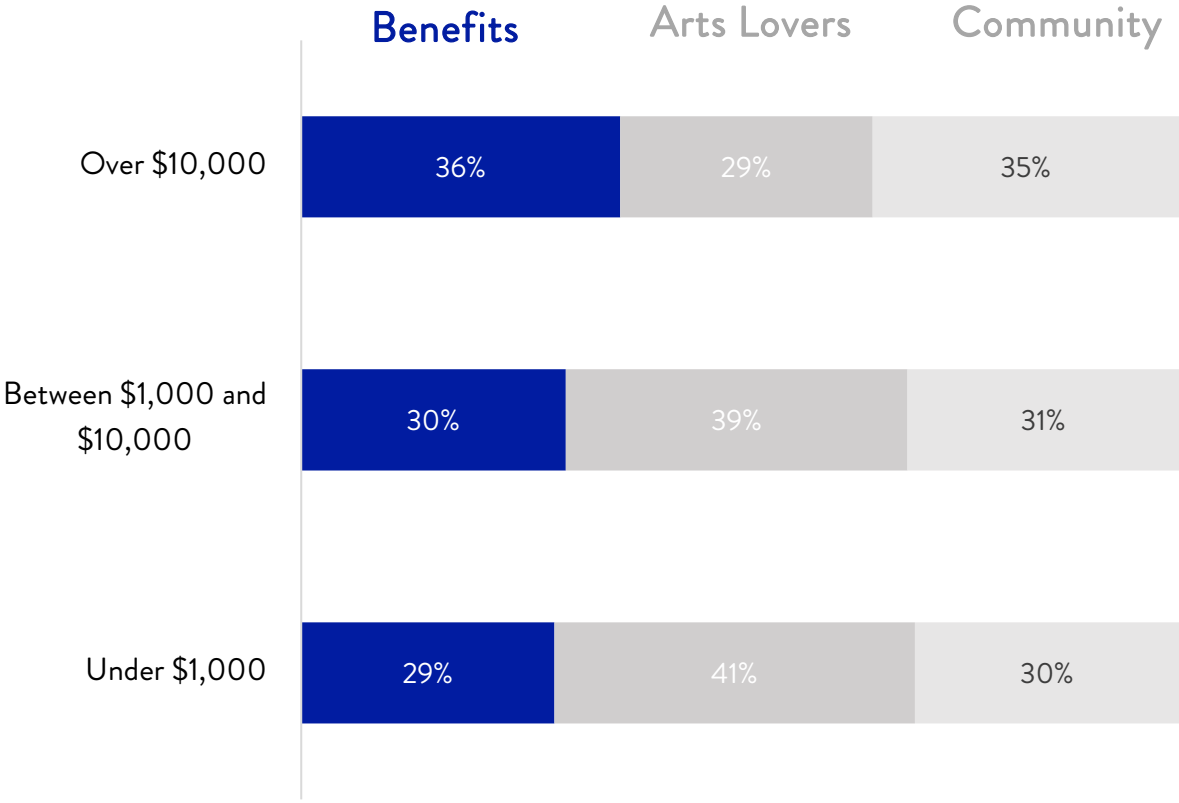


N=5154

Benefits-Driven Donors Stay That Way



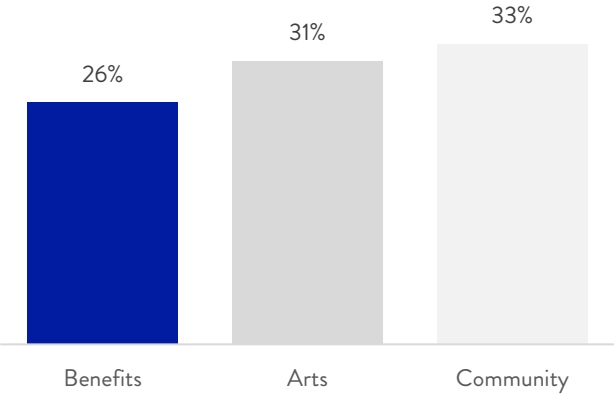
Percent of Donors In Each Segment, By Level
Cumulative Amount in US Dollar Equivalent, 2018-2020



N=5154

- Primary Motivations of Benefits-Driven Donors:**
- Access to benefits
 - Access to network of donors
 - Tax write-off

Percent of Donors That Increased Total Donations Between 2018 and 2020*

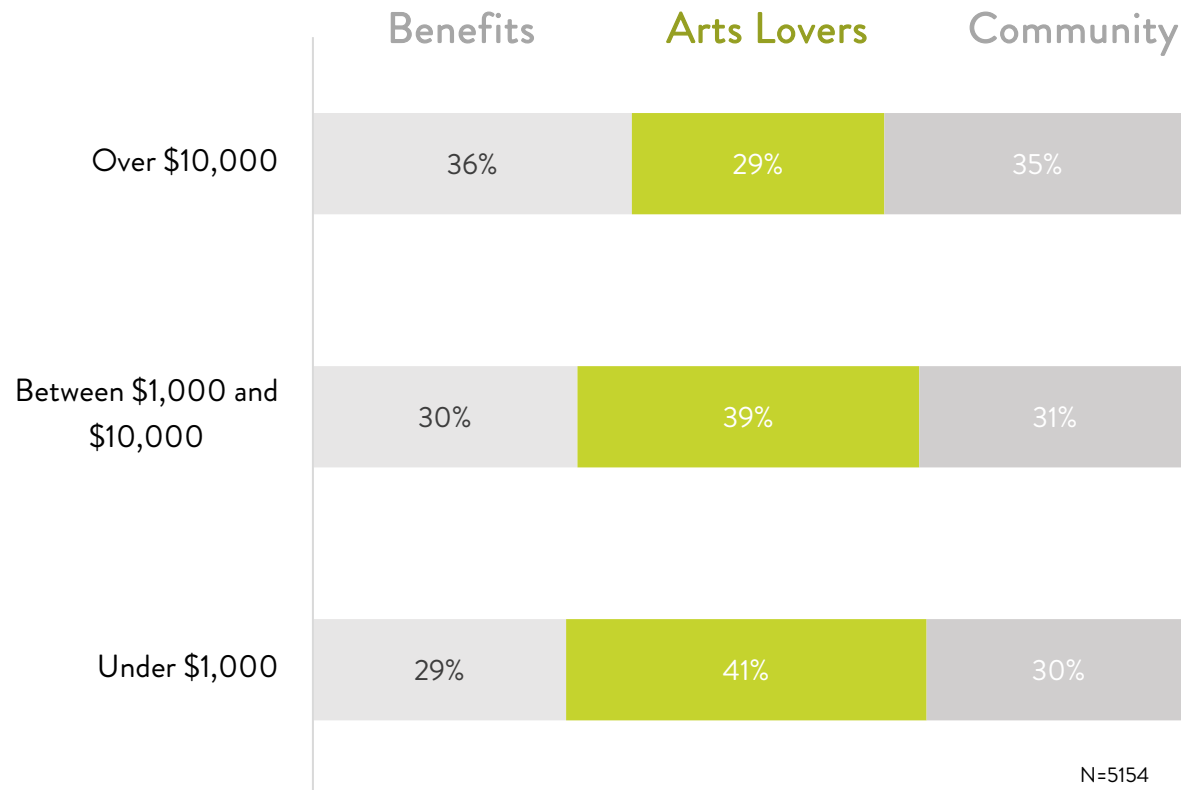


*Benefits & Community donors increased equally between 2018 and 2019, with 30% increasing. 26% of Arts Lovers increased that year.

Arts Lover Donors Are The Largest Proportion of Low-End Donors



Percent of Donors In Each Segment, By Level
Cumulative Amount in US Dollar Equivalent, 2018-2020



Primary Motivations of Arts Lover Donors:

- Love of the art
- Support a specific arts organization
- Support cultural vibrancy

Emotional Connection Makes Early Donors Increase

Drivers of Donation Amount for Donors Under \$1,000*

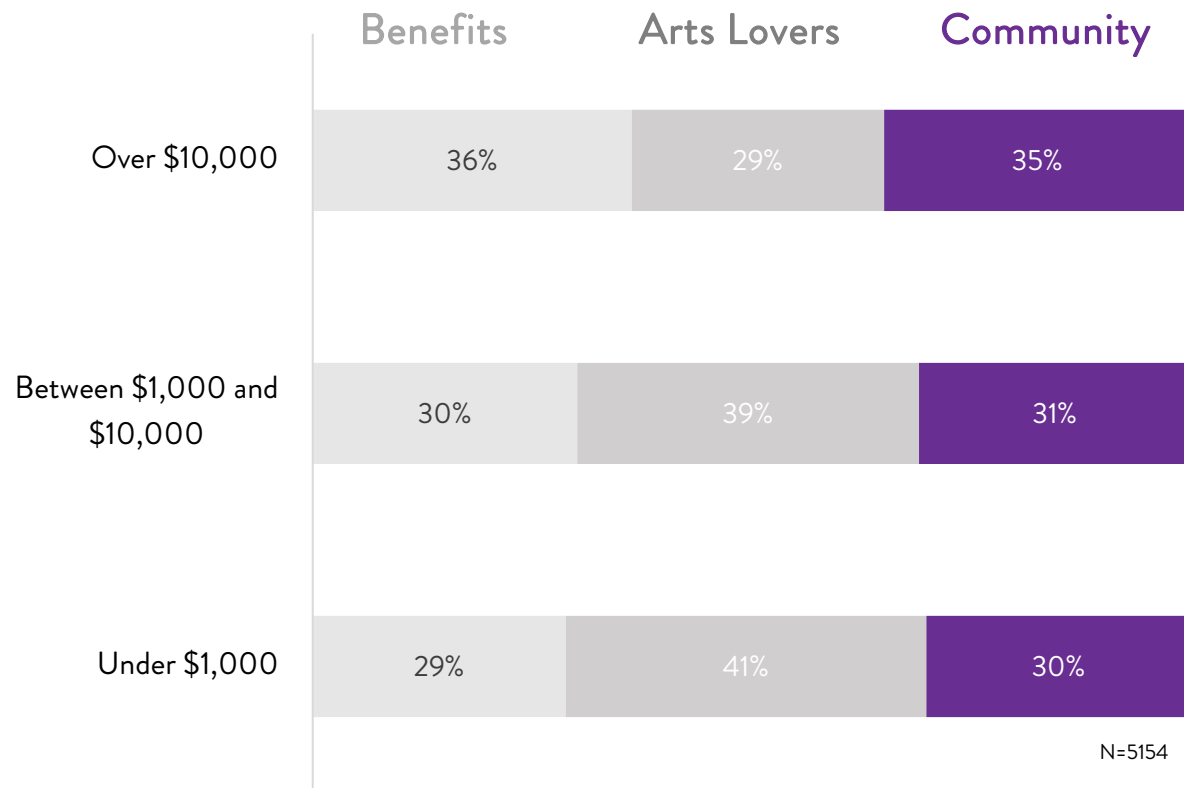
1. Emotional connection
2. “Insider” benefits
3. Being an arts lover donor
4. Early ticket access

Donors who contributed less than \$1000 combined across 2018-2020

Community Donors Grow – And Are the Biggest % Of Your Board

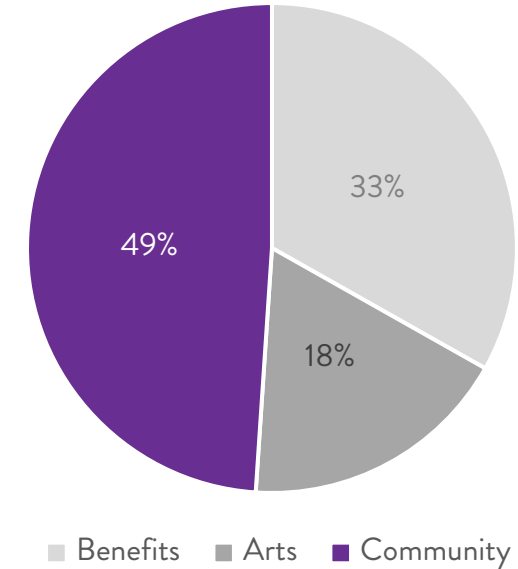


Percent of Donors In Each Segment, By Level
Cumulative Amount in US Dollar Equivalent, 2018-2020



- Primary Motivations of Community Donors:**
- Support projects
 - Support community activities
 - Support friends and family
 - Build or continue a legacy
 - Access network of donors

Board and Committee Participants
*Those who participated on board or committee, last 3 years**

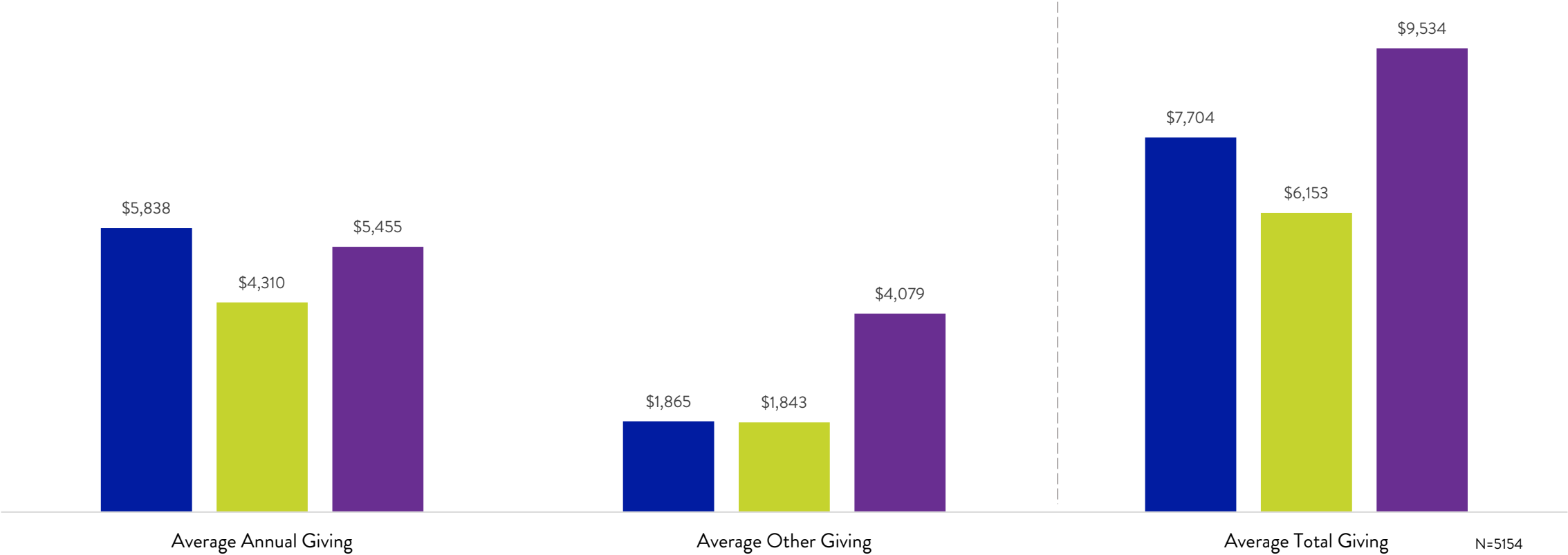


N=412

Community Donors Give the Most, on Average

Average Donation Amount by Segment
Cumulative Amount in US Dollar Equivalent, 2018-2020

- Benefits
- Arts
- Community

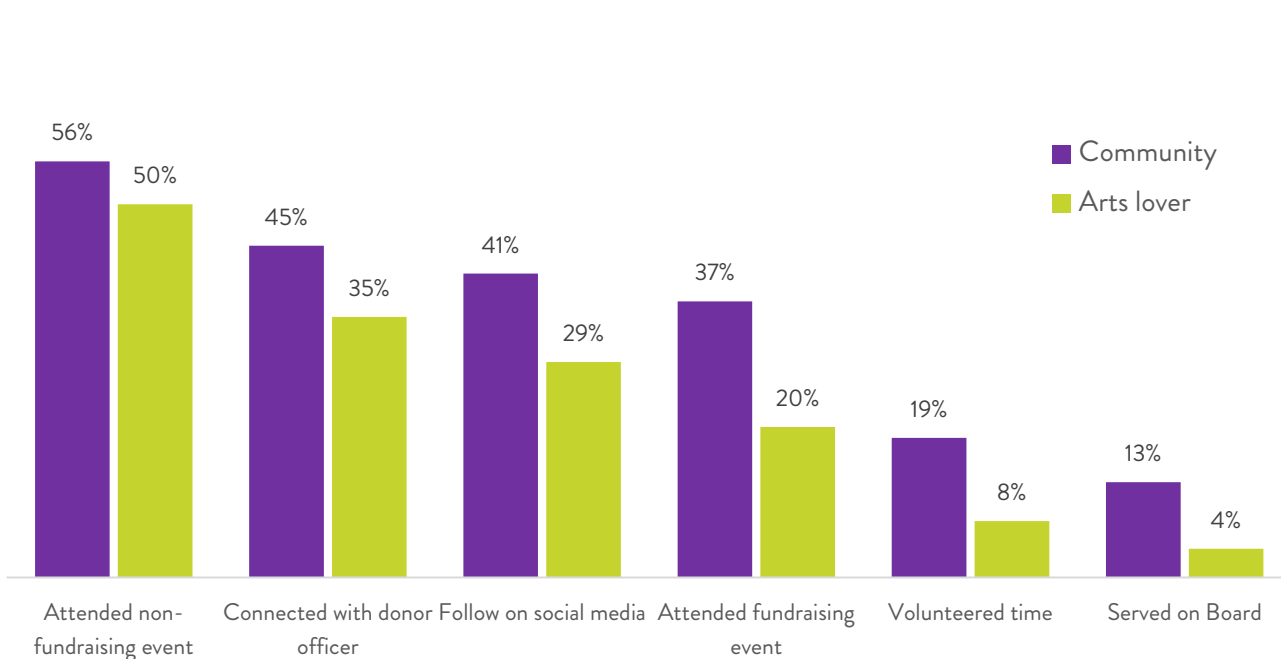


N=5154

Community Donors Are Active...With You And The Community

Community Donors are More Active Participants in Non-Performance Activities than Arts Lovers...

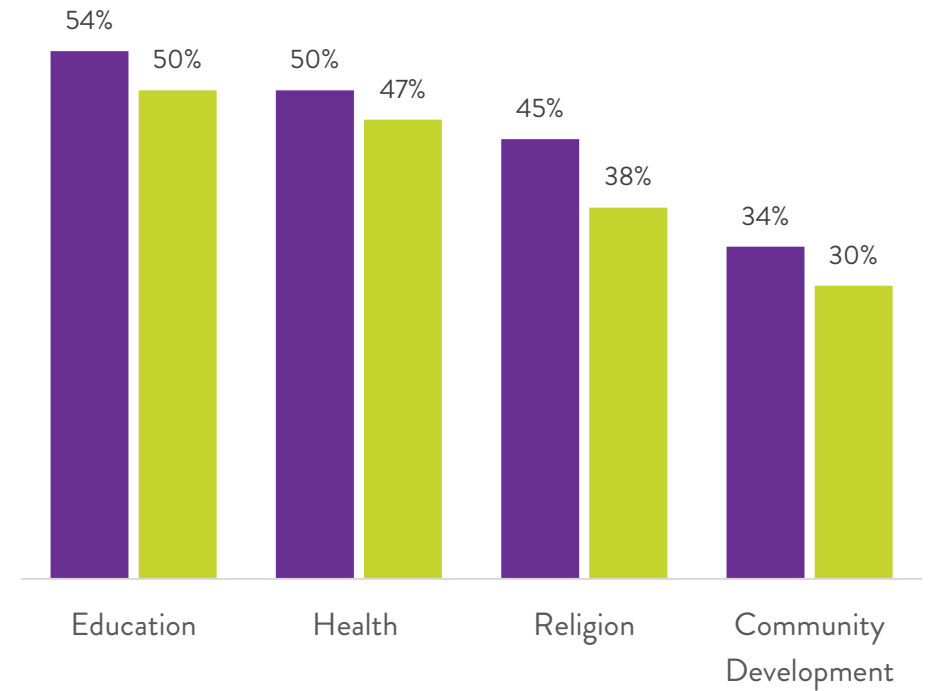
Percent participating in the past 3 years



N=5154

...and are More Likely to Donate to Other Community Nonprofits

Not-For-Profits Preferred by Community Donors



N=5154

This Concept is Not New


The Washington Post

17°C 22° 12' Washington DC, US No. 1234 Designed by TinyNewspaper.com Saturday, January 19, 2019 3\$

Style

Cultivating the next generation of arts donors

By **Katherine Boyle**
October 19, 2012



The names Paul and Rose Carter don't stick out in the Playbill acknowledgments. On paper, the husband and wife seem like typical arts patrons. Paul serves on the board of the Shakespeare Theatre Company. Rose sits on the board of the National Symphony Orchestra. They serve side by side on the Kennedy Center International Committee on the Arts, giving their time and money.

But the Carters are outliers within philanthropic circles. In their 40s, with four children younger than 13, they are younger than the typical arts patron

Indeed, they are half the age of many National Symphony Orchestra board members, 11 of whom have each served 35 years.

When asked why he gives well before his twilight years, Paul Carter, chief executive of software developer MapHook Inc., gives a simple response:

"At the Kennedy Center, you become to be like a family. . . . It's not just about the shows. It's the whole concierge-level experience they provide."

And that explanation — one that prioritizes the donor experience — is a hopeful sign for arts centers, galleries, museums and theaters, which are competing for donations from coveted younger patrons. "Hook them young and they'll stick around" is the conventional wisdom. And Washington arts institutions are catering to the tastes of younger donors, just as they're becoming more important to arts giving.

Still, it's unclear whether patrons in their 30s, 40s and 50s are eager to give large gifts to the arts. And because donors such as the Carters are so rare, there is cause for concern in the art world. The recent death of

Fundraising experts also are finding that younger philanthropists give significant amounts to education and community development groups, including arts institutions that champion arts education.

"Arts and something else," said Robert Lynch, president and CEO of American for the Arts.

"Community development is what many donors are interested in, and arts are a tool that helps deliver that. That's the motivation."

Agenda for Today's Conversation



THE CURRENT
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OPPORTUNITY

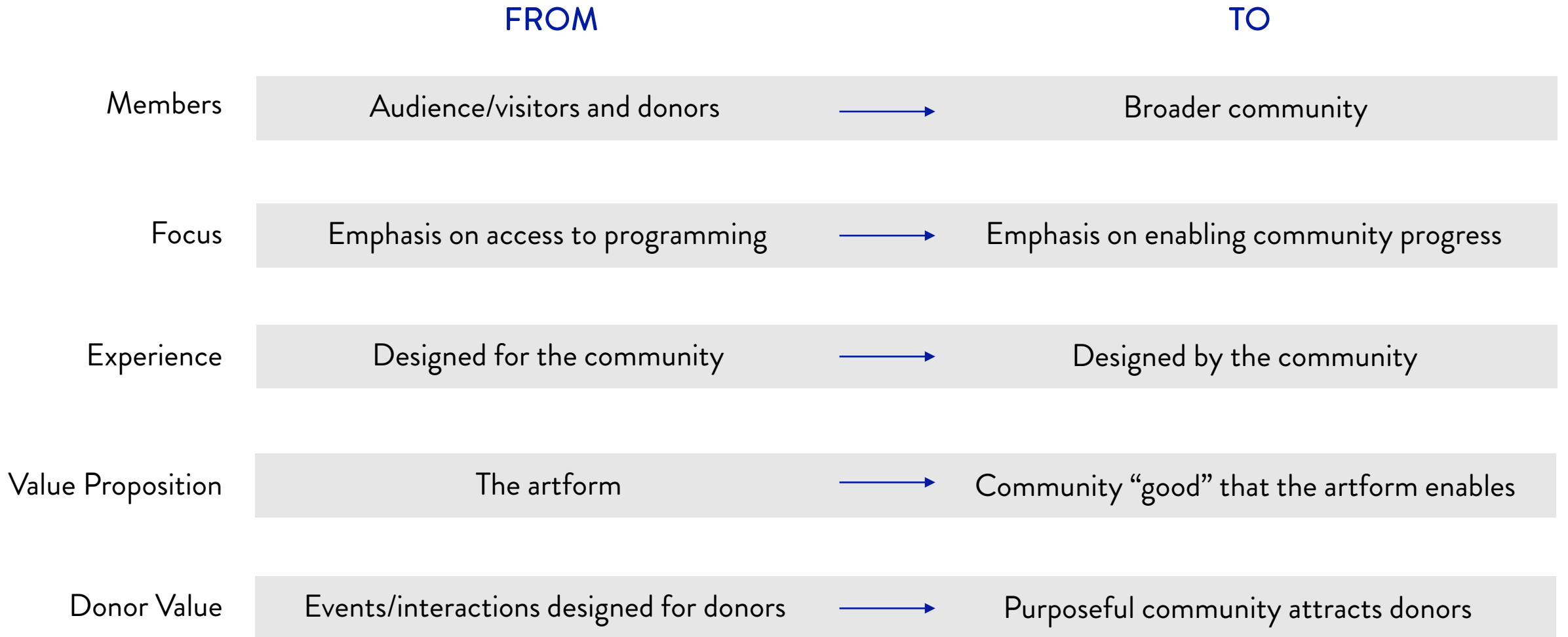


RESULTS OF
QUANTITATIVE
ANALYSIS



IMPLICATIONS
OF THE
FINDINGS

A Community-Centric Perspective



What Does “Community Donor” Mean to You?



Standing

A Pillar of the Community



Belonging

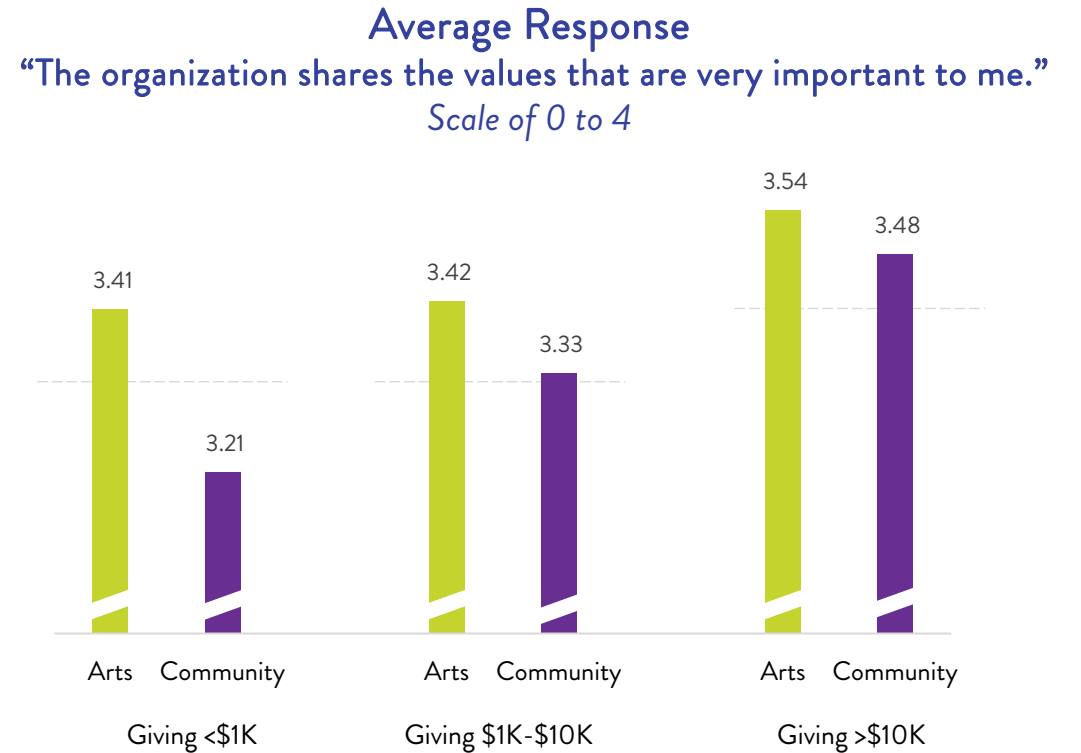
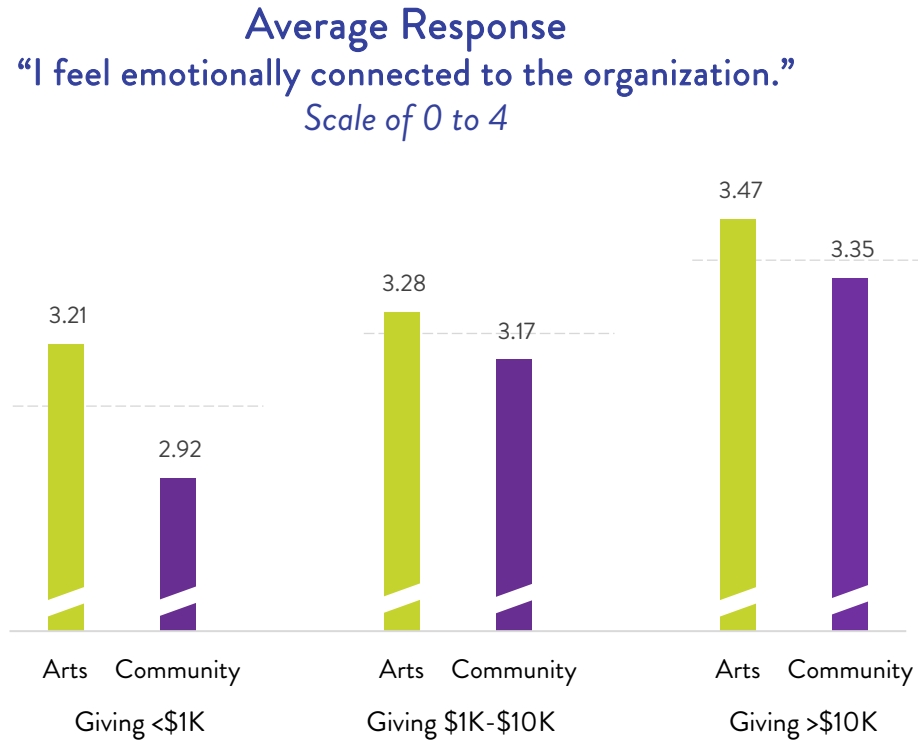
Join Something Bigger



Change

Part of a Movement

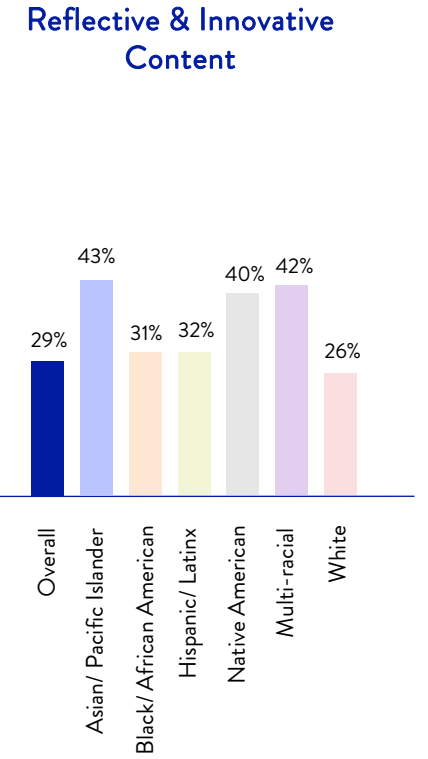
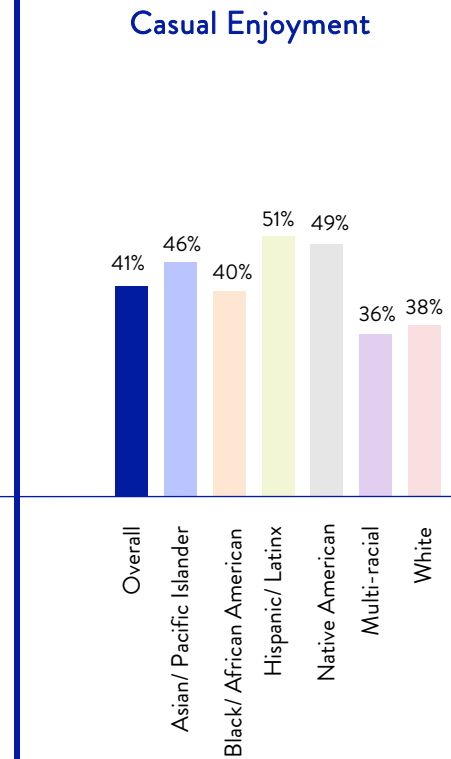
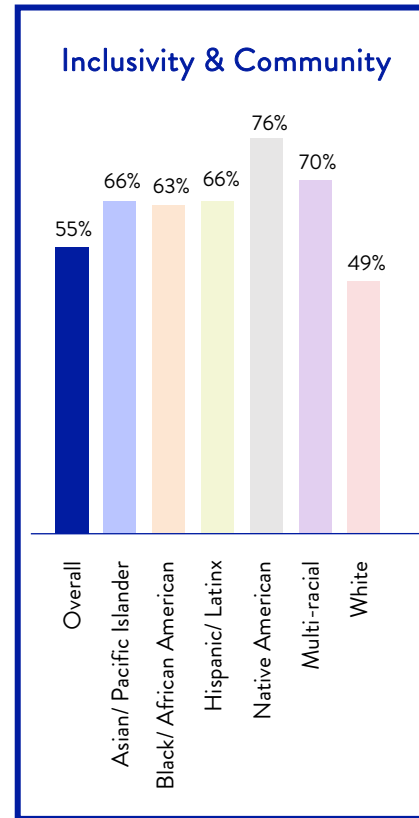
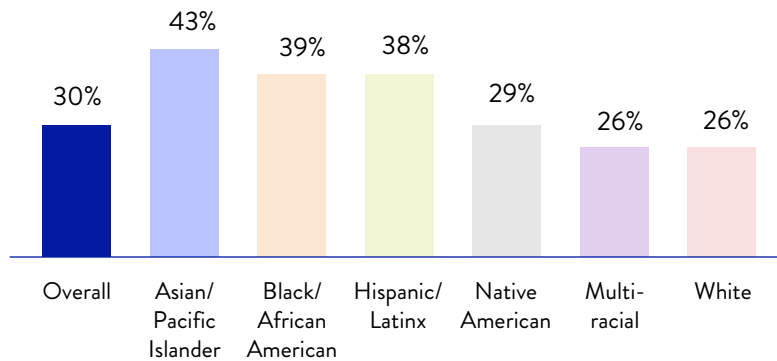
Your Arts Pitch Is Not Resonating With Community Donors



Our Broader Community Wants to be Part of Our Community

“I hope that arts & culture organizations will change after the pandemic to become more relevant to people like me.”

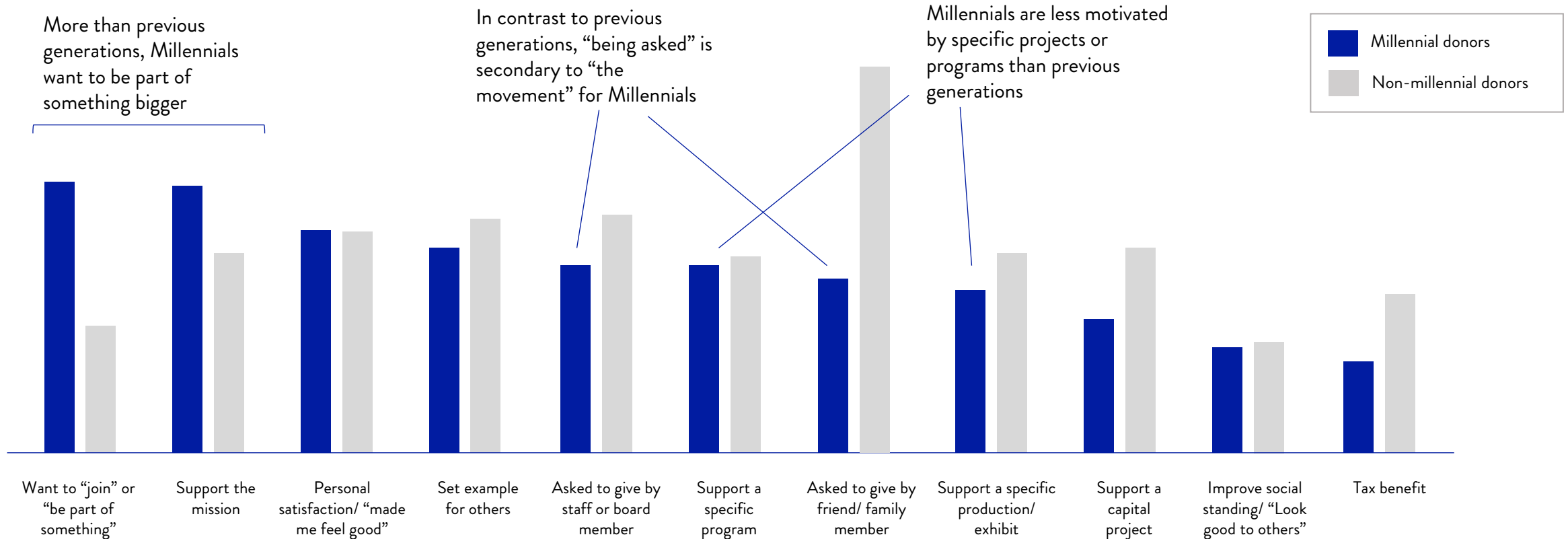
What people want from Arts and Culture Organizations



<https://www.wallacefoundation.org/knowledge-center/Documents/How-can-organizations-respond-to-what-their-communities-need-most.pdf>

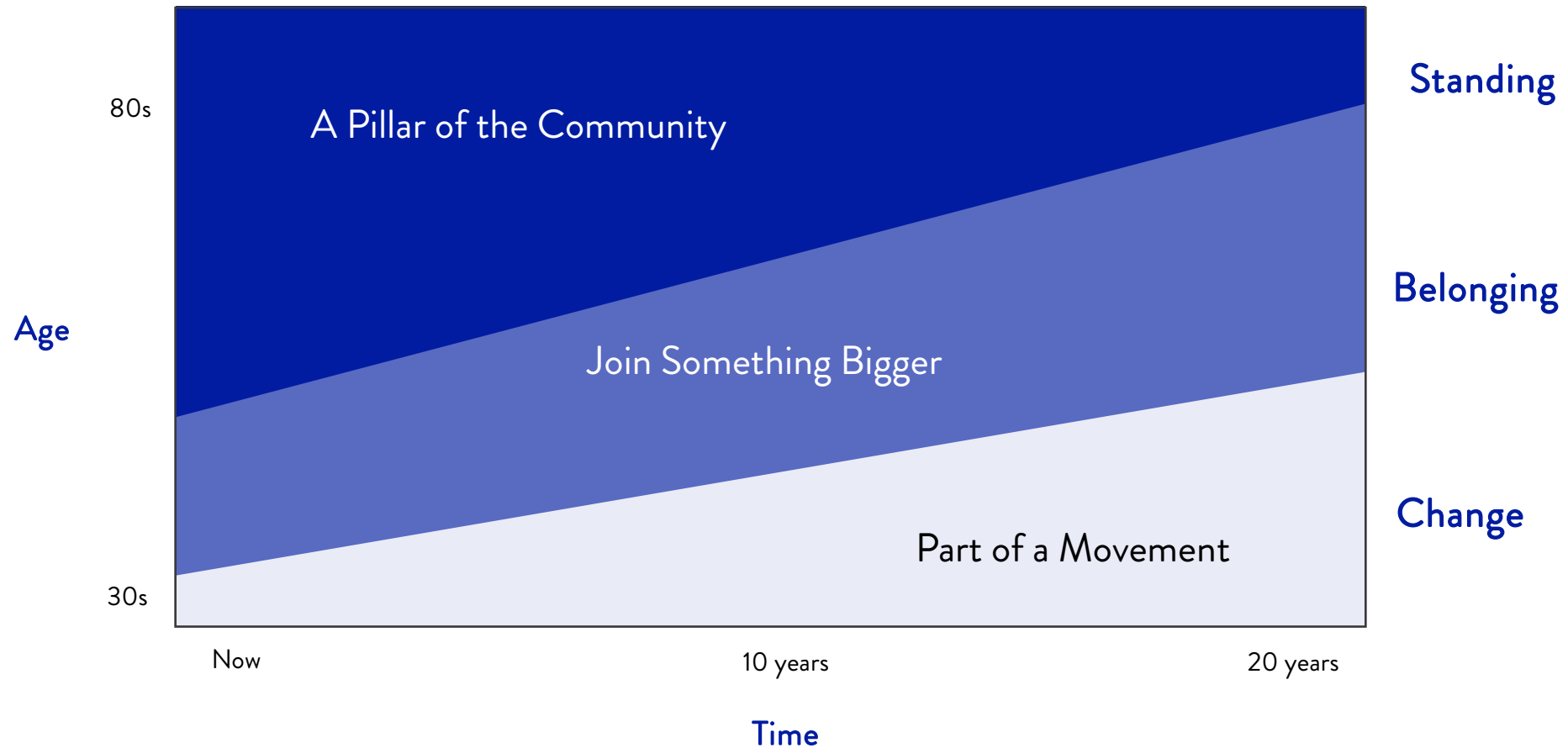
Millennials Want to Be Part of Something

What are the top two or three reasons why you made your most recent gift to [cultural organization]?



The Meaning of “Community” Will Evolve

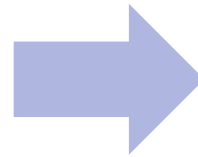
Evolving Concept of “Community” Involvement



Shared Value = “And Something Else”

What It Is

A shared value is a belief that both our organization and our customers have about a higher purpose, passion, or philosophy that has meaning in our lives beyond our specific genre or the arts in general.



What It Does

A shared value enduringly connects the core beliefs of the people inside an organization with the fundamental human values of the people the organization serves.

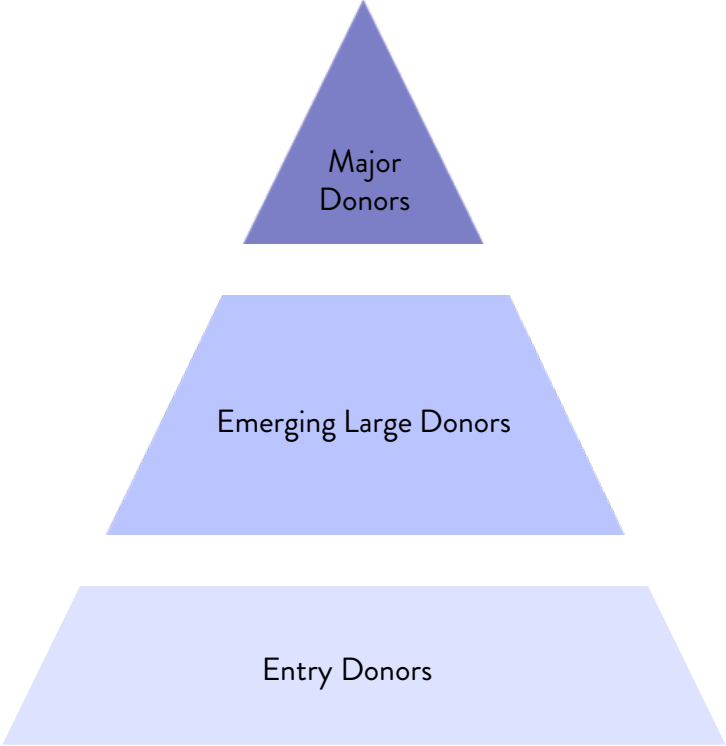
The Donor Community You Build Depends on What You Stand For

Illustrative Shared Value: We Build the Community's 'Empathy Muscle'

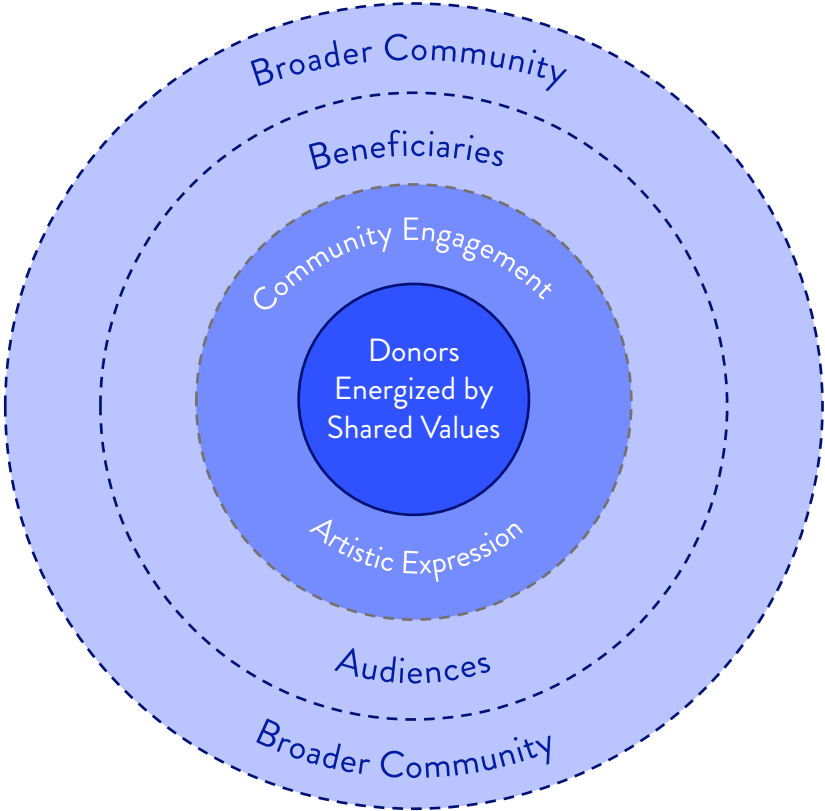
	Communications	Events/ Activities	Prospecting/ Cultivation	Major Donor
<i>Things To Emphasize</i>	<p>Spotlight stories from your programming and community engagement about moments of empathy.</p> <p>Sponsor a contest to solicit empathy stories from the community ("What's your empathy moment?").</p>	<p>Host a "Worlds Apart" speaker series.</p> <p>At your gala, feature speakers who gained empathy from your programming or community engagement initiatives.</p> <p>Enable volunteer opportunities that expose donors to diverse perspectives.</p>	<p>Prospect among individuals who have given to organizations with similar missions. Confirm shared values in cultivation process.</p> <p>Build a case for support around the potential of your work to transcend polarization.</p> <p>Advocate for community 'out groups'; bring community partners into the cultivation process.</p>	<p>Engage major donors on the debates the community needs to have.</p> <p>Use major-donor connections to gain access to voices that can illuminate the need for empathy.</p> <p>Script major donors to handle objections to community debates you are spotlighting.</p>
<i>Things To Deemphasize (or Stop)</i>	<p>Avoid mixing messages of 'exclusive access' with your 'empathy' messages</p>	<p>Avoid events that feel homogeneous or espouse a view (as opposed to bringing different viewpoints together).</p>	<p>Re-examine corporate partners or cultivation targets for values match</p>	<p>Be willing to say 'no' to donors inclined to polarization or intolerant of community debate.</p>

From Exclusivity to Community

Hierarchy-Driven Donor Pyramid



Shared Values-Centered Community Circles



Our Spotlight Newsletter Will Have the Recap & Replay

- All webinar registrants will be signed up for our Spotlight Newsletter. (You can unsubscribe by clicking the link at the bottom)
- The newsletter includes webinar summaries and recording links, benchmarks, data and resources, all on a new topic each week
- All webinar replays and Spotlight content is also available on our website www.advisoryarts.com

Advisory Board for the Arts

SPOTLIGHT

September 8, 2020

This week's Spotlight focuses on donor cultivation and engagement, as we look at the impact of extended shutdown on fundraising. Read on for benchmarks, a curated reading list and a special-edition Q&A with Richmond Ballet's director of development. Note: our webinars are back! Don't forget to [register for our Reopening Strategies session](#) tomorrow at 11:00 Eastern.

Benchmarks

Benchmarks on Donor Cultivation and Engagement

In the most recent ABA Arts Leader survey, we polled respondents on the current state of donor engagement at their organizations including the most effective messaging, the results of their coronavirus-specific campaigns, and their efforts to provide donors with new benefits during closure. Highlights include:

We Want Your Feedback



Transforming Arts Organizations Worldwide

Thank You
