

Encore

A Spotlight on Philanthropy in the
Performing Arts

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things First



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www.fundraisingcounsel.com



from the organized desk of
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Giving to the Arts in 2019: What will 2020 bring?

The most recent report from **Giving USA** was released in mid-June, and let's hear a round of applause: 2019 giving to the arts was better than ever, with nearly \$22 billion going to arts and cultural institutions.

2019 giving to arts, culture and the humanities notched a double-digit increase of 10.6% over the previous year, far outpacing the overall giving growth rate of 2.4%. It was the best year for the arts since 2015, when giving rose by 11.2% over 2014 (percentages adjusted for inflation).

The growth in arts giving also outpaced growth in every other category, including education. While giving to the arts makes up only 5% of total giving, the past five years have seen steady growth in the sector.

While the news from 2019 is good, donor support is more critical than ever in 2020. Theatres, operas, symphonies, and cultural centers large and small had to lock their doors in mid-March due to the COVID-19 pandemic.

The performing arts relies heavily on earned income from ticket sales, sponsorships, and subscribers. With no live performances, organizations have slashed their earned income projections, applied for economic relief funding, instituted layoffs and furloughs, and increased fundraising appeals.

The good news is that audiences have responded...from converting ticket purchases to donations to supporting online fundraisers and virtual programs. The next big question is two-fold: When can new seasons begin, and how many patrons will be in the seats?

Strong, sustained growth in cultural giving tells us that Americans want and value the arts—and surveys show they do plan to return to theatres and concert halls in

the future. (Colleen Dilenschneider tracks and shares useful data for cultural institutions, including weekly surveys about intentions to visit.)

As we continue life in COVID-land, as I call it, the creative talent of those working in the performing arts is a bright light. That's also good news. As organizations determine how to reopen safely, the creativity and spirit of our artists and audiences, and the generosity of those who love the arts, will be called on again and again.

Give Us 30 Minutes & We'll Give You Focus

While your eyes are focused on your organization, your staff and those that you serve during these times of the COVID-19 pandemic, our eyes are focused on YOU:

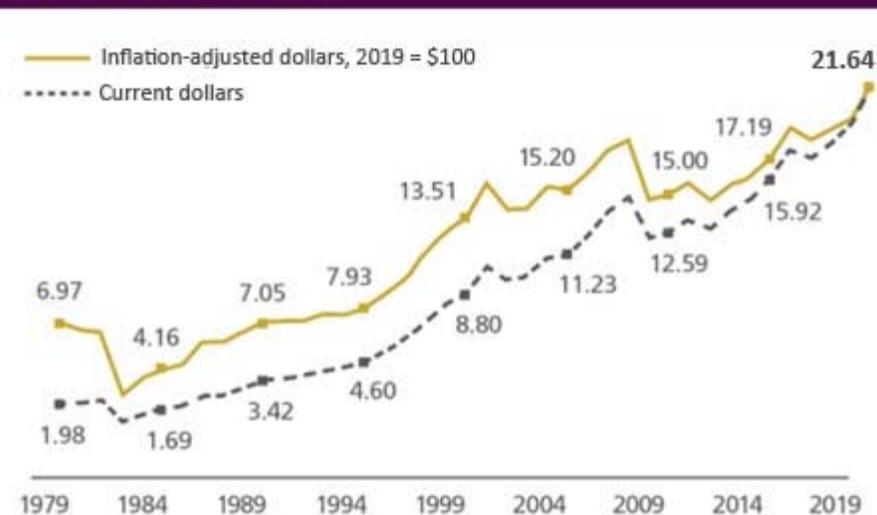
- Nonprofit organizations that are needed now more than ever.
- Nonprofits that have had to close their doors during this quarantine.
- Nonprofits that are struggling to keep providing services.
- Nonprofits that are seeing a drastic fall in donations.
- Nonprofits that are struggling to adapt to the new normal.
- And even nonprofits that are seeing both volunteers and donors step up and lend increased support.

If you are any of those organizations, we are here to help you navigate this new world. We would like to offer you 30 minutes of consulting time at no charge to help you better understand and steer your fundraising efforts. We can help.

SCHEDULE YOUR FREE CONSULTATION NOW

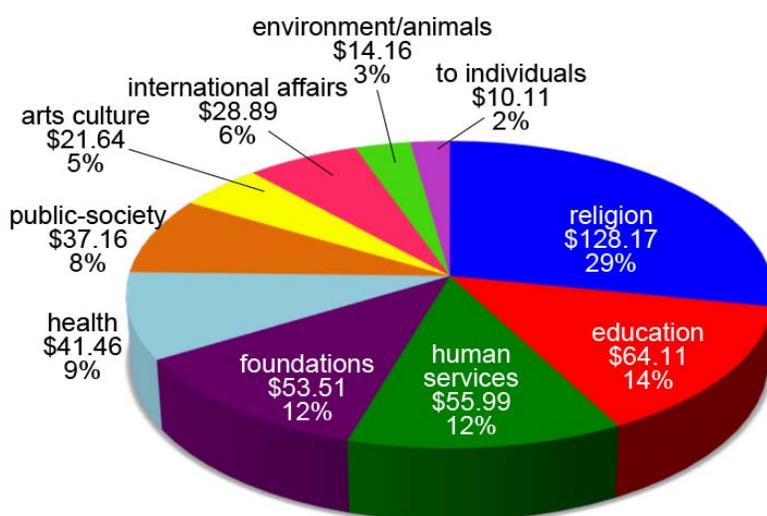
Giving to the Arts in 2019

Giving to arts, culture, humanities 1979-2019 (in billions of dollars)



- Giving to the arts, culture, and humanities subsector amounted to 5% of total giving in 2019 at \$21.74 billion.
- Contributions to arts, culture, and humanities organizations increased by 12.6% from 2018 to \$21.64 billion in 2019. Adjusted for inflation, giving to these organizations increased by 10.6%.
- Adjusted for inflation, giving to arts, culture, and humanities increased 3.4% between 2017 and 2018, and increased 10.6% between 2018 and 2019. Cumulatively, giving to arts, culture, and humanities increased 14.4% in inflation-adjusted dollars between 2017 and 2019.
- The total amount contributed to arts, culture, and humanities reached its highest inflation-adjusted value in 2019.
- Online giving to arts organizations analyzed in the Blackbaud Institute's Charitable Giving Report grew 8.1% in 2019 over 2018.
- Giving to arts, culture, and humanities organizations has consistently totaled between 3% and 5% of all charitable dollars received by organizations over the last four decades.

Giving by Recipient



- **Religious** organizations received the largest share of charitable dollars in 2019, at 29% of total giving. In current dollars, giving to religion was flat at 0.2% between 2017 and 2018, and increased 2.3% between 2018 and 2019.
- The **education** subsector comprised the second-largest portion of charitable dollars in 2019, receiving 14% of total gifts. Giving to education increased 1.9% in current dollars between 2017 and 2018. Between 2018 and 2019, current-dollar giving to education increased 12.1%.
- **Human services** organizations ranked third in total gifts received, at 12% of charitable dollars in 2019. In current dollars, giving to human services increased 2.0% between 2017 and 2018, and increased 5.0% between 2018 and 2019.
- Gifts to grantmaking **foundations** comprised the fourth-largest share of charitable dollars in 2019, amounting to 12% of total giving. Giving to foundations was flat at -0.3% in current dollars between 2017 and 2018. Between 2018 and 2019, current-dollar giving to foundations increased 2.5%.
- The **health** subsector ranked fifth in total gifts received, at 9% of charitable dollars in 2019. In current dollars, giving to health increased 1.3% between 2017 and 2018, and increased 6.8% between 2018 and 2019.

Public-society benefit organizations received 8% of total giving in 2019. Giving to public-society benefit decreased 3.7% in current dollars between 2017 and 2018. Between 2018 and 2019, current-dollar giving to public-society benefit increased 13.1%.

- The **international affairs** subsector ranked seventh in total gifts received, amounting to 6% of charitable dollars in 2019. Giving to international affairs increased 13.8% in current dollars between 2017 and 2018. Between 2018 and 2019, current-dollar giving to international affairs was flat at -0.4%.
- Comprising the ninth-largest share of charitable dollars in 2019, the **environment/animals** subsector received 3% of total gifts. In current dollars, giving to environment/animals increased 6.1% between 2017 and 2018, and increased 11.3% between 2018 and 2019.
- Gifts made directly to **individuals** amounted to 2% of total giving in 2019.

Points of Interest for the Arts

First Quarter 2020 Giving Drop But Early Signs of Uptick

Individual giving declined 6 percent in the first quarter of this year compared with last year, a trend that would lead to \$25 billion in lost revenue for nonprofits if it continues throughout 2020, according to a new survey.

Data shows the first two months of the year were good ones for fundraisers, followed by an 11% decline in March compared with March of 2019. However, there are early signs of a second-quarter rebound. At the end of March, data began to tick up. "I would be surprised if the 11% drop in March was anything that's going to hold," said Michael Nilsen, vice president of marketing, communications, and public policy at the Association of Fundraising Professionals.

Another bright spot: Donations under \$250 rose 6%. The 2017 tax law means that millions fewer people see any tax benefit from giving, but Congress voted to allow people who don't itemize to deduct up to \$300 in cash charitable giving for one year only, on their 2020 taxes. According to research, the first-quarter fundraising has been declining year over year for several years across all categories of donors, so an increase in small-dollar donations was a surprise. More [here](#).

Biggest Funder of Culture is Shifting Focus to Social Justice

When future applicants seek funding from the **Andrew W. Mellon Foundation**, the largest supporter of the arts and humanities in the US, they will be evaluated based on one principal question: would their proposal help create a more just and fair society?

The organization is reorienting its grant-making program entirely through the lens of social justice. Rather than a wholesale shift, "I would call it an evolution," Mellon president **Elizabeth Alexander** told Artnet News, adding that the change has been in the works since she came to the post two years ago.

Current events—both a global health crisis that has disproportionately affected people of color, and widespread Black Lives Matter protests in cities across the US—"only further confirmed the unhealed racial crisis in this country," making this shift in priorities all the more essential. [Read more here](#).

The **Shubert Foundation** awarded grants totaling \$32 million to 560 nonprofit performing arts organizations across the country. General operating support grants ranging from \$10,000 to \$325,000 were awarded to: the **Center Theatre Group** (LA), **Berkeley Repertory Theatre** (CA), **Center Stage** (Baltimore), and **PlayMakers Repertory Company** (Chapel Hill, NC), among others. *PDN, 6-14*

Frank Guarini gave \$10 million to establish the Frank J. Guarini Institute for International Studies and a community performing-arts center, the latter of which will house the NJCU-Joffrey BFA in Dance program, a partnership with the **Joffrey Ballet School (NYC)**. *COP, 5-11*

Northwestern Mutual partnered with the **Milwaukee Ballet, Milwaukee Repertory Theater, Florentine Opera, and First Stage**, which have tasked their costume-making departments to sew masks, gowns, and face shields for hospital staff at Children's Wisconsin MACC Fund Center for Cancer and Blood Disorders. *PND, 5-6*



COVID-19's Devastating Impact on the Arts



Artist/Creative Workers

- 62% fully unemployed
- 94% report income loss
- \$21k lost income per worker, to date
- 66% unable to access the supplies, resources
- 80% have no post-pandemic plan
- *And yet . . . 75% strengthening morale and community cohesion through their art!*

Nonprofit Arts Organizations

- \$6.7 billion in losses, to date
- 96% cancelled events
- 234 million lost admissions
- 24% reduced staff
- 10% doubt ability to outlast pandemic
- *And yet . . . 67% using the arts to boost community spirit!*

We'd Like You to *Know*....

Transforming *Institutions*

We are proud of our long history of providing fundraising consulting services to performing arts organizations.

[Check out our past and present *clients* here.](#)

**Face It: Arts Organizations are Different
Our Transformational *Fundraising Services***

Alexander Haas serves a cross section of performing arts organizations throughout the country. We specialize (and delight in) what makes you distinctive. As an arts institution, you have different needs at different times. We can help you create real results.

[***Read all about them!***](#)



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