

Greater Philadelphia Cultural Alliance
Cultural Leaders' Breakfast
April 9, 2018

INDIVIDUAL DONOR PHILANTHROPY:

**A CULTURAL LEADERS'
LEARNING & NETWORKING
BREAKFAST**



Special Guest Speaker
Janet Haas, President
William Penn Foundation

**Greater Philadelphia Cultural Alliance
Cultural Leaders' Breakfast Presentation**



**CATHERINE M. CAHILL, CHAIR
GREATER PHILADELPHIA
CULTURAL ALLIANCE
PRESIDENT & CEO, THE MANN
CENTER FOR THE PERFORMING ARTS**

#BEYONDTHECHECK

Welcome to our Cultural Leaders' Breakfast! I am Cathy Cahill, President of the Mann Center for the Performing Arts, and proud to be the Board Chair of the Greater Philadelphia Cultural Alliance.

Our Cultural Alliance is one of the most effective arts service organizations in the country, and the report you are receiving today is a good example of the ways that the Cultural Alliance supports your organizations.

To sustain our vibrant cultural sector, we need to have diversified sources of income. The Alliance's work in marketing and audience engagement supports earned revenue. Our Advocacy focuses on contributed revenue, including public support, foundations, corporations, and today's topic, individual donors.

In many ways, individual giving is the foundation for all support. Whether it is rounding up the ticket sale to add a small donation or deciding to make a six-figure gift, individuals decide to support our work. Corporate and foundation leaders are individuals too; as are the government officials who approve public funding. Making a case that appeals to individual donors is where that process of persuasion starts. Individual giving is critical to our bottom lines both as a direct source of income, and because it influences other sources. Today's research report points the path to success.

The Cultural Alliance also plays an important role in connecting all of us – everyone in this room. Today's breakfast was specifically designed to do that.



THANK YOU
**BOARD LEADERS &
EXECUTIVE DIRECTORS**

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First, board chairs! As board leaders, we don't have many opportunities to network with each other. Yet we face the same challenges. Our job is to inspire the rest of our boards to step up for our organizations, to give of their time and talents. Fundraising is a major governance issue and leading organizational governance is not an easy task. I'd like to ask all of the board chairs in the room to raise your hands!

Let's thank our board chairs for the important work that they do.

Next, Presidents, CEOs and Executive Directors. Your leadership is key to everything from innovation to operations, and to the sustainability of our arts organizations. If you are a President, CEO or ED, please raise your hand!

Let's thank our organizational leaders.

And now, let me introduce our CEO, Maud Lyon, President of the Greater Philadelphia Cultural Alliance, who will be the emcee for the morning.

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A portrait of Maud Lyon, a woman with shoulder-length blonde hair, wearing glasses and a dark blue top. She is smiling and looking towards the camera. The background is a soft-focus green outdoor setting.

WELCOME
MAUD LYON, PRESIDENT
GREATER PHILADELPHIA
CULTURAL ALLIANCE

#BEYONDTHECHECK

Many people have helped to make today's Leadership Breakfast possible.

HOST COMMITTEE

African American Museum in Philadelphia
Michael B. Hill and Patricia Wilson Aden

Al-Bustan Seeds of Culture
Omar Harb and Hazami Sayed

Art-Reach
Richard Couch & John Orr

Brandywine Conservancy & Museum of Art
Morris Stroud & Virginia Logan

Bryn Mawr Film Institute
Samuel Scott & Juliet Goodfriend

Community Arts Center
Patricia Wolder & Paul Downie

CultureWorks Greater Philadelphia
Eileen Heisman & Thaddeus Squire

First Person Arts
Jamie J. Brunson

Franklin Institute
Donald E. Morel, Jr., Ph.D. and Larry Dubinski

Free Library of Philadelphia Foundation
Siobhan Reardon

Kimmel Center Inc.
Teresa Bazemore and Anne Ewers

Kun-Yan Lin/Dancers
Jessica Lynch & Ken Metzner

Lantern Theater Company
Gregory J. Kleiber, Esq., & Stacy Maria Dutton

Mann Center for the Performing Arts
Christopher Bruner & Catherine Cahill

National Museum of American Jewish History
Philip Darivoff & Ivy Barsky

Pennsylvania Academy of the Fine Arts
Kevin F. Donohoe & David Brigham

People's Light
Ken Mumma and Abigail Adams

Philadelphia Museum of Art
Leslie Anne Miller, Esq. & Gail Harrity

Philadelphia Theatre Company
David Cohen & Paige Price

Please Touch Museum
Kristen Vieira Traynor & Patricia Wellenbach

Taller Puertorriqueño
Edgardo Gonzales & Carmen Febo-San Miguel

WHYY
Fred Sutherland & William Marrazzo

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First, I would like to thank our Host Committee.

TABLE SPONSORS



#BEYONDTHECHECK

Next, please thank our Table Sponsors.

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I would also like to recognize all of the Greater Philadelphia Cultural Alliance board members who are present – please stand.

Our agenda for this morning has three parts:

- Opening Remarks by Janet Haas, Chair of the William Penn Foundation
- Presentation of our research report, *Beyond the Check: A Roadmap for Engaging Individual Donors* by Kelli Paul, the Cultural Alliance's Vice President of Development
- Panel discussion to explore these issues further, led by Tom McGrath of Philadelphia Magazine.

We will have Q & A after the report presentation and after the panel. So let's begin!

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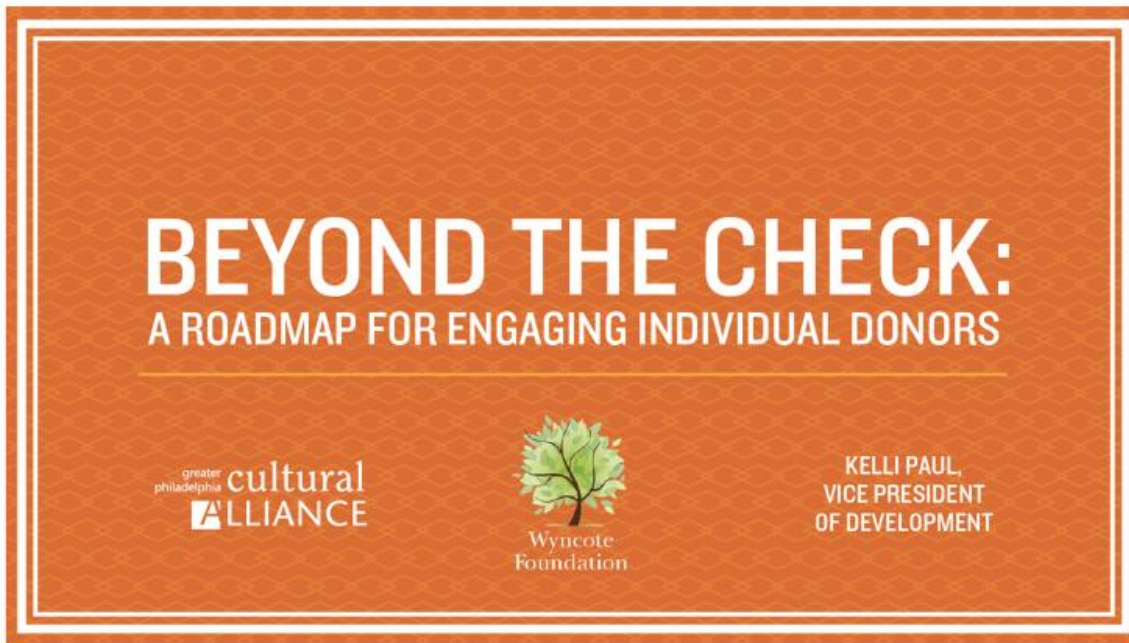


**JANET HAAS, CHAIR
WILLIAM PENN FOUNDATION**

#BEYONDTHECHECK

Janet Haas is the perfect person to set the tone for today's discussion. We all know and are indebted to the William Penn Foundation for their steadfast and visionary support of arts and culture, and of so many other vital community issues. Janet and her board take a broad view of what we need to make our region a place of opportunity in so many ways.

The foundation community, and William Penn Foundation in particular, plays a critical role in leading philanthropy. They often set the tone, and enable the deep work of planning and support general operating which helps our organizations to thrive. However, foundations cannot and should not do it alone. So we asked Janet to give us her observations about the importance of individual giving for the success of arts and culture in Greater Philadelphia.

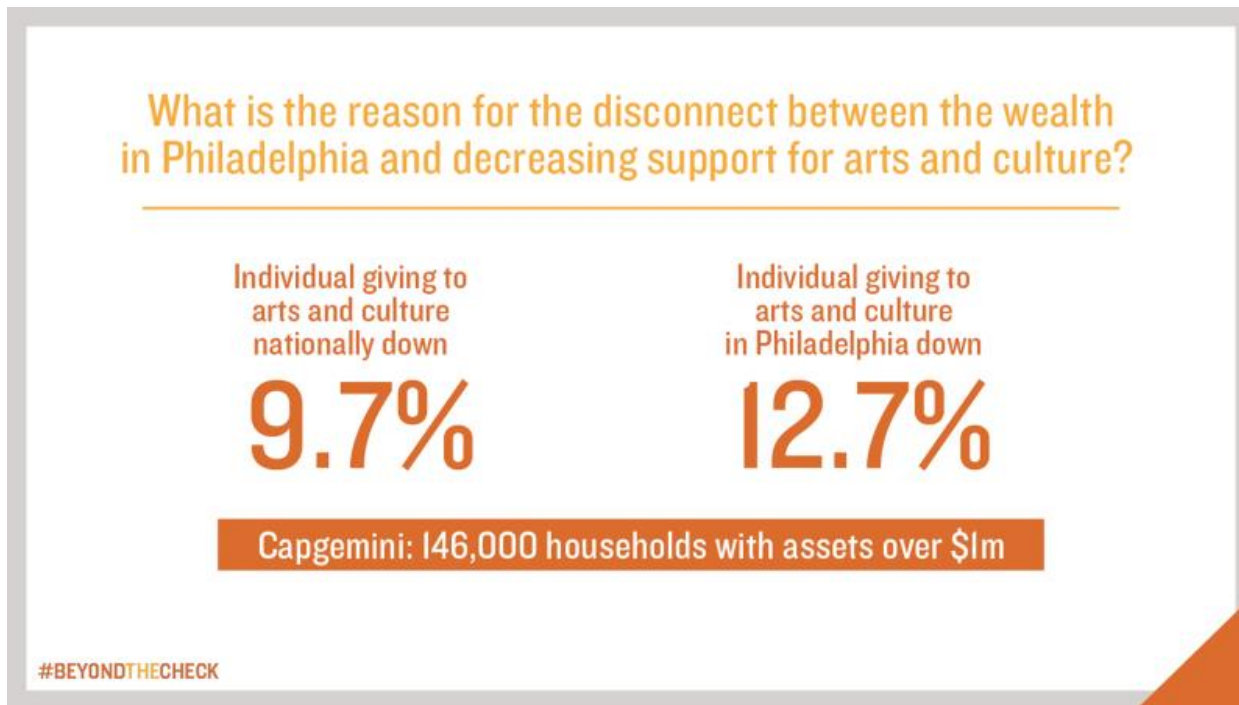


This morning I'm going to present the findings of a year-long research project. One that builds upon many more years of research, exploration and planning. Many thanks to Michael Norris, the Cultural Alliance's chief strategy officer, and to Maud, for the vision that culminates today.

Before I begin, I'd like to acknowledge the Wyncote Foundation's support. This grant provided the Greater Philadelphia Cultural Alliance the resources to tackle one of the most pressing concerns for our members: securing major gifts from individual donors.

The landscape of contributed revenue continues to shift. As board chairs and executive directors, you recognize that you must be proactive in your fundraising efforts in order to remain sustainable and to advance your missions.

This is a critical time for Philadelphia's arts and cultural sector. And that is why you are here today.



The Cultural Alliance is nationally respected for our research about the health and breadth of the arts and cultural sector. In 2015, we released *Portfolio: Culture Across Communities*. The report looked at 11 metropolitan regions throughout the United States, including Philadelphia.

The results of that report were shocking. Giving by individuals to arts and culture nationally was down 9.7%. In Philadelphia, it was down 12.7%.

At the Cultural Alliance we tend to think big-picture. We look for solutions to challenges facing our sector. Solutions that are both rooted in best practice and on the cutting-edge. And this, it seemed, was a challenge nearly every one of our members was facing.

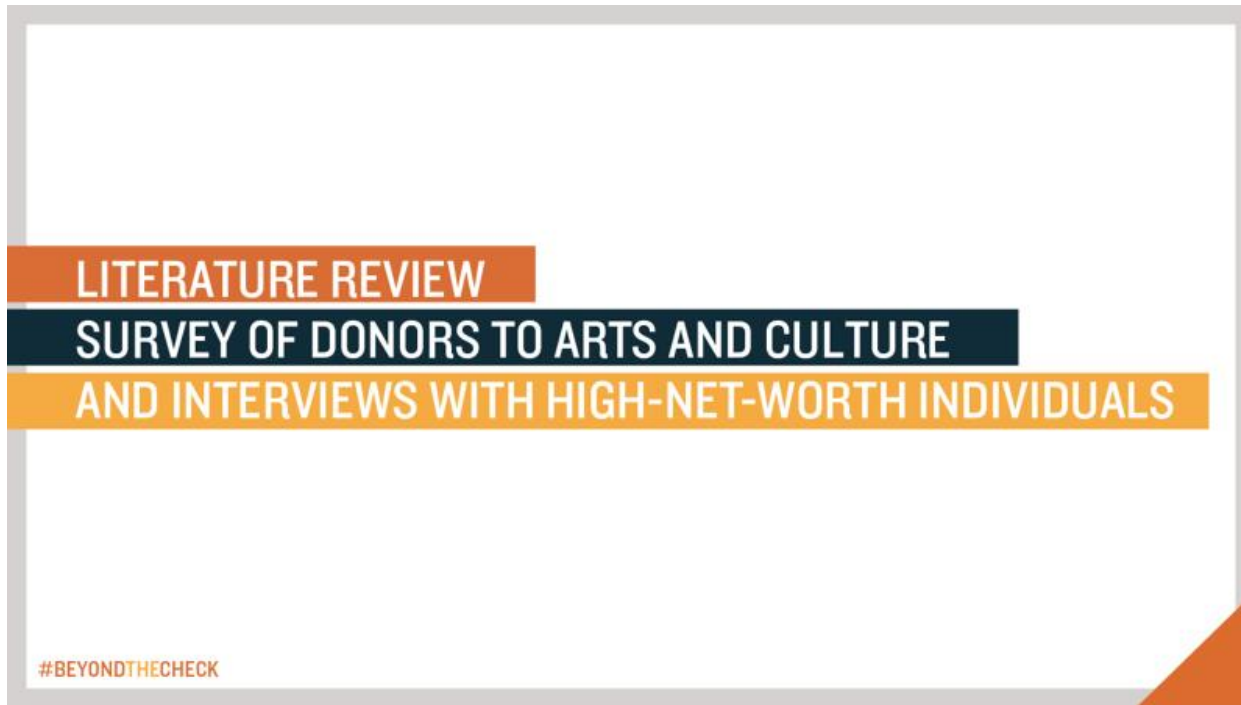
So we began to ask questions. What challenges did our members face in raising money from individuals? They told us that it seemed that all cultural organizations were approaching the same donors, from the same pool, year after year.

So then we asked: is Philadelphia lacking high-net-worth individuals?

However, there is no lack of high-net-worth households in our region. Capgemini's *2015 United States Wealth Report* showed that there were over 146,000 households in the Philadelphia region with assets over 1 million dollars.

This led us to our research question: What was the reason for the disconnect between the wealth in Philadelphia and declining individual support for the arts?

To understand this unique challenge, we engaged a strong team of researchers and advisors to ensure we approached this issue appropriately and effectively. We engaged The Melior Group. We liked their perspective. To move the needle on this issue, we needed new strategies, not just ways to update our traditional fundraising practices. We also engaged AFE Strategies as project manager and a task force of wealth advisors and development officers from around the region. We chose to focus our research in Philadelphia and the surrounding counties: Bucks, Chester, Delaware and Montgomery.



Our research had three components.

We conducted a literature review to help us – and you – understand the broader trends of high-net-worth donor behavior. This review includes both formal research and media observations and commentary. Through the review we see a stable giving environment. But, we also see economic, technological, generational and demographic shifts. These will have a significant influence on the behaviors of high-net-worth donors in the next 5-10 years.

We also conducted a survey of donors to arts and culture organizations in the Philadelphia region. Over August and September 2017, we asked our members to distribute this survey to their donors. We saw a response of over 1,100 donors from 20 cultural organizations (large and small) in our region.

And finally, the heart of the research. The Melior Group conducted 13 interviews with high-net-worth individuals in the Philadelphia region. Participants are philanthropic, but do not give substantially to arts and culture. We confirmed the findings of these interviews in a focus group of wealth managers.

There were four common themes that emerged from all three components of this research, which I'll share in just a moment.

But before I do, I want to point out something for each of you to keep in mind as we review this research; something that can be a game-changer for our sector:

The findings of this report emphasize the importance of the social impact of the arts and cultural sector. By social impact, we mean the work you do using theater to develop communication skills for inner-city youth; using artistic expression to ease dementia in the elderly; and providing children along the autism spectrum opportunities to participate in a dance performance.

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Making the public aware of this social impact can level the playing field for raising major gifts. It's not just for large institutions with multiple major gift officers. In fact, there is an opportunity for every arts and cultural institution to influence major gifts. The key is helping potential donors make the connection between the impacts we have on our communities and the causes about which they are passionate. This is an opportunity to expand our donor pool.

A NUMBER OF KEY THEMES EMERGED:

DONORS SUPPORT CAUSES ABOUT WHICH THEY ARE PASSIONATE.

DONORS ARE NOT MONOLITHIC.

**DONORS RESPOND TO MEANINGFUL ENGAGEMENT
BEYOND THEIR CHECKBOOKS.**

DONORS INVEST IN TRANSPARENT ORGANIZATIONS.

#BEYONDTHECHECK

Here you can see the four key themes from our study. Let me reemphasize that these themes cut across all three components of the research: the literature review, the survey and the interviews. This means that they apply to high-net-worth individuals throughout the country; donors of all sizes in our region; and both major donors to arts and culture and non-arts donors.

From these themes, we see what is most important to our donors.

First, donors support causes about which they are passionate. Our survey showed us that only 30% of Philadelphia's arts and culture donors consider the sector their top giving priority. The causes about which the majority of our donors are most passionate are education, human services and social justice. This was also true throughout our interviews, as well as the literature review. What is missing from this equation is something about which we in the room this morning are deeply aware. That our work – the art that we produce, present or participate in – also works to address education, human services and social justice.

Second, donors are not monolithic. In our literature review, Blackbaud's 2015 *Diversity in Giving* study stood out. The authors observed a "donor gap." Non-Hispanic whites represented 75% of the total universe of donors, though they only account for 64% of the population. The authors argue that this is not an indicator of greater generosity among whites. It is rather a reflection of organized philanthropy not fully engaging non-white donors. Both African-American and Hispanic donors reported that they were solicited less frequently. But, they would give more if asked. One quote from our interviews rings all-too-true: "The arts has always been focused on wealthy white people who want acknowledgement and recognition; that is no longer the culture that we live in. In order to survive, the arts need to find a way to engage younger people and people of color."

Third, donors respond to meaningful engagement. Our survey showed that experiences – such as being inspired by a performance – were influential for 71% of current donors to arts and culture. As a reminder, these are the people who are closest to us; our ticket buyers, subscribers, members and donors. They understand the deep personal impact the arts can have on an individual. However, a negative experience can have a lasting impact. One interviewee stated,

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"There was a mismatch in expectations. They were looking for my money and not really interested in me. I wanted to get involved in a more meaningful way." Donors crave engagement beyond attendance and writing a check. They want to be an integral part of what we do.

Finally, donors invest in transparent organizations. One interviewee stated, "I look at both board and executive leadership. I am looking for a record of board financial support and the leadership's ability to develop and implement a strategic plan."

And this is why we have brought you together today. Your leadership is absolutely critical to ensuring that your organizations thrive. It ensures that the work you are doing is sustainable. And your leadership helps others see the deep value your work has for your community.

RECOMMENDATIONS FOR ENGAGING INDIVIDUAL DONORS



- PRIORITIZE THE SOCIAL IMPACT OF YOUR WORK
- ENGAGE EVERYONE IN MESSAGING YOUR SOCIAL IMPACT
- DEVELOP STRATEGIES AND CAPACITY TO ENGAGE POTENTIAL DONORS
- INVEST IN WAYS FOR THE NEXT GENERATION TO HAVE AN IMPACT
- DIVERSIFY FUNDRAISING STAFF
- FOSTER A CULTURE OF TRANSPARENCY

#BEYONDTHECHECK

As you go back to your respective organizations there are some very real strategies you can employ to engage new donors.

First, prioritize your social impact. Understand that your work has an impact on the individual and community level. Although it may not be your primary focus, it is critical to engaging donors in the 21st century. It is time to re-think our traditional fundraising strategies of moving individuals from ticket-buyer, to subscriber, to donor. Especially when we are looking to engage new, non-traditional donors. These individuals may – or likely may not – understand the inherent, personal impact of our art. But they can connect with the ways in which you are working every day to improve your communities.

Next, message your social impact. Insist everyone connected with your organization understands and can articulate what impact your work has on your community. This should involve not just your fundraising staff, but your marketing staff, your programming staff and certainly your board. We should seize every opportunity to highlight our community work, where we educate children, reduce crime and delinquency, and bring diverse groups together. Everyone connected to our organizations should sing our praises.

And you'll note that several of these speak to changing the way we do things.

- Develop strategies to engage potential donors;
- Invest in cultivating the next generation; and
- Diversify fundraising staff.

We need to think differently about how we connect with our current and potential donors.

This is difficult work. It is a new way of thinking about fundraising and it will take you and your staff out of your comfort zone. Furthermore, it requires everyone connected to your organization to understand, buy into, and support the impact you have on your communities.

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Now you might be wondering where to start.

**WHAT CAN YOU AS BOARD LEADERS DO TO
MOVE THE NEEDLE IN YOUR OWN ORGANIZATIONS?**

↓

- **PRIORITIZE AT THE BOARD LEVEL THE SOCIAL IMPACT OF YOUR WORK.**
- **ENGAGE DONORS IN WAYS THAT CONNECT WITH THEIR PASSIONS AND SKILLS.**
- **DEVELOP YOUR BOARD.**

#BEYONDTHECHECK

It starts with the board, and particularly with you, the board chairs. For your organizations to remain sustainable and to advance your mission, you must lead the charge.

First, prioritize the social impact of your work at the board level. How is the work of your organization affecting your community in a positive and profound way? Be a champion for that impact and its permeation into every aspect of your organization.

Second, engage donors' passions and skills. Where are there opportunities for donors to be involved in your work? (and as a reminder, your board members are donors as well!) This could be funding an exciting project. But it could also be connecting you to resources or providing expertise or technical assistance. In fact, you could actually engage them in documenting the social impact of your work, which can, in turn, draw more support.

Let me pause for a moment. I'm sure this recommendation to actively involve donors in your work will make some people in the room uneasy. This is where the biggest tension lies. But it also where we could have an even bigger impact. And that is why buy-in and support from leadership is essential to the success of these strategies. Every organization in this room must work to figure out what this looks like for you. Donors are seeking ways to contribute their time and talent, as well as their treasure. How can you provide ways that your donors can meaningfully impact your work in a way that does not dismiss the expertise of your staff? If we choose not to shy away from this tension, imagine the what kind of impact we could have. It's like the old adage: We're stronger together.

And finally, develop your board. Focus on diversity, transparency and solid leadership. Your leadership sets the tone and is critical for the health of your organization. As board chairs, you can foster a culture of giving at the board level. This will trickle down to every staff member, volunteer and constituent that is connected to your work.

WHAT CAN YOU AS EXECUTIVE DIRECTORS DO TO MOVE THE NEEDLE IN YOUR OWN ORGANIZATIONS?



- INVEST IN THE LONG TERM.
- DEVELOP MESSAGING ABOUT HOW YOUR ORGANIZATION IMPACTS THE COMMUNITY.
- THINK STRATEGICALLY ABOUT THE TALENTS AND SKILLS ON YOUR STAFF.

#BEYONDTHECHECK

And now for the executive directors in the room. You have a tremendous impact on the culture of your organization. You provide oversight of the budget, programming and marketing. You have a vital role in fundraising. And all of this conveys to donors your priorities and the reasons why they should invest your organization.

First, invest in the long term. There will rarely be immediate results when engaging new groups such as millennials or donors of color. The process of building these relationships take time, resources – and authenticity. This report highlights that there cannot be a one-size-fits-all strategy. And these new strategies require your investment of financial allocations and precious staff time.

Second, develop messaging about your community impact. Fundraising cannot rest solely on the shoulders of your development staff. Create cross-departmental teams to develop messaging about your impact. Then train everyone in your organization to communicate this impact. Make it a part of your on-boarding process, regular staff meetings and boilerplate language.

Finally, the skills needed on your fundraising staff are changing. Quickly. The same staff members who write grants are often now asked to cultivate a portfolio of major donors. And as many of us know, this cultivation requires a personal touch, such as coffee meetings, special events and much more. Furthermore, donors of color and younger donors crave different engagement opportunities than some of our traditional strategies. How can you leverage and build your staff capacity to support the appropriate outreach efforts to engage increasingly diverse donors? See how this relates to the first recommendation: to invest in the long term? The investment is also in our staff and their skills and capacity.

So, as I conclude today, let leave you with a final thought. So many of us in the room today have begun to rethink our programming and our marketing. We strive for our work and our messaging to be relevant. Now we must embrace a new vision of engaging donors.

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We urge you to focus your social impact and to communicate it. Commit to building and empowering a diverse fundraising staff. And invest in this work for the long term. This is how you make your organization sustainable and the work you do powerful. This is an opportunity to bring new donors to your work. Thank you.



As they say, it takes a village. Before we take a few questions, I want to introduce to you the team that conducted this study, in addition to Kelli. And I'd like to bring them up here today.

First and foremost, Michael Norris, our Chief Strategy Officer. Michael recruited an awesome Task Force of wealth managers and persons with deep development experience who helped us to shape this work. Their names on the back page of the report in your hands. Task Force members who are present, please raise your hands!

Second, Linda McAleer and Cindy Dranoff of the Melior Group, who conducted the confidential interviews with high net worth donors.

Third, Ashley Feuer-Edwards of AFE Strategies. She conducted the extensive literature review which you can read on our website Philaculture.or/donors; and she facilitated the Task Force and served as Project Manager.

Finally, our design firm, Swell – specifically Staci Anderson and Greg O'Laughlin – for the artistic vision behind the report today.

Q&A

#BEYONDTHECHECK

PANEL DISCUSSION

MODERATOR:

TOM MCGRATH,
CHIEF CONTENT AND STRATEGY OFFICER, PHILADELPHIA MAGAZINE

PANELISTS:

STEPHANIE CAPELLO,
CHIEF REVENUE OFFICER, GIRL SCOUTS OF EASTERN PENNSYLVANIA

CLAIRE LOMAX,
CEO, LOMAX FAMILY FOUNDATION

ALISON PERELMAN,
EXECUTIVE DIRECTOR, PHILADELPHIA 3.0

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First, Stephanie Capello, Chief Revenue Officer of the Girl Scouts of Eastern Pennsylvania.

Second, Claire Lomax, CEO of the Lomax Family Foundation.

Third, Alison (Pearlman) Perelman, Executive Director of Philadelphia 3.0.

And our Moderator, Tom McGrath, Chief Content and Strategy Officer of Philadelphia Magazine. In December 2015, Philly Mag produced a fascinating article about the changing landscape of philanthropy in Philadelphia. There is a copy of this article in your folders today.

Q&A

#BEYONDTHECHECK

RECOMMENDATIONS

FOR THE ARTS & CULTURE SECTOR



- **DOCUMENT** THE SOCIAL IMPACT OF ARTS AND CULTURE AND COMMUNICATE ITS RELEVANCE WITHIN OUR COMMUNITIES AND WITH THE CAUSES ABOUT WHICH DONORS ARE PASSIONATE.
- **CELEBRATE** THE WIDE RANGE OF INDIVIDUAL DONORS WHO SUPPORT ARTS AND CULTURE AND ARTICULATE THE NEED FOR BROADER SUPPORT.
- **RAISE AWARENESS** OF THE FULL BREADTH AND DIVERSITY OF THE ARTS AND CULTURE SECTOR.

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Kelli already laid out what you can do as organization leaders to lay the groundwork for success with individual donors.

There is also work we need to do collectively, on the sector level. This is work that the Cultural Alliance will undertake, with your support.

- We have already begun to **DOCUMENT** the social impact of arts and culture with our Agenda series. Last spring we issued Agenda: Pre-K, and the end of this month we will release Agenda:Wellness. The series will continue, each documenting different types of social impact with examples of the work that your organizations do.
- It is important that all of our organizations **CELEBRATE** individual donors at every opportunity. Curiously, here in Greater Philadelphia our donors are often shy. Many do not want broad recognition. We need to convince them that by announcing their gifts will inspire others, further supporting the work that they value.
- We are **RAISING AWARENESS** of the full scope of arts and culture at every opportunity. I personally avoid saying “arts and culture” in public speaking, preferring instead to say museums, the Zoo, theatre, dance companies, public gardens...” or other specific examples that helps people to envision the sector’s diversity.

WHAT CAN YOU AS SECTOR LEADERS DO TO MOVE THE NEEDLE IN YOUR OWN ORGANIZATIONS?



- [READ MORE AT PHILACULTURE.ORG/DONORS](https://philaculture.org/donors)
- [UPCOMING EVENT: MAY 31](#)
- [JOIN OUR CULTURAL CABINET](#)

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Let me close by making three suggestions of what you as leaders can do now.

First, READ the full report at [Philaculture.org/donors](https://philaculture.org/donors). Send the link to your board and staff. We would also be happy to make a short presentation at your board meeting.

Second, the Alliance will present these findings in a series of events.

May 31 at Science History Institute (formerly Chemical Heritage Foundation)– We'll be discussing ways we can move this needle as a sector and what ways the Cultural Alliance will play a role.

June, date TBD – partner event with Association of Fundraising Professionals – Greater Philadelphia Chapter and PHL Diversity. The topic of this will be diversifying your donor base.

Third, consider joining our [Cultural Cabinet](#). You've chosen to dedicate your career – or volunteer time – to arts and culture. It is obviously important to you. The Cultural Cabinet is a group of over 60 people who support the advocacy work of the Cultural Alliance with gifts of \$1,000 per year or more. We also have a very active [Emerging Leaders](#) group, who pay \$300 per year. The Cultural Cabinet is also a great way to learn about the major issues facing our sector, and an opportunity to network with other cultural leaders.

Thank you for attending today!