

# BEYOND THE CHECK:

A ROADMAP FOR ENGAGING  
INDIVIDUAL DONORS

greater  
philadelphia cultural  
 ALLIANCE



## PRESIDENT'S LETTER

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# MAUD LYON

**Individual donors are the backbone of philanthropy.** However, we noticed in our report *Portfolio: Culture Across Communities* (2015) that individual giving to arts and culture nationally was down 9.7% from 2009-2012 – and in our region, it was down 12.7%. Philadelphia is not lacking donors. Capgemini's *2015 United States Wealth Report* showed that, in 2014, there were more than 146,000 households with assets over \$1,000,000 in Philadelphia. Why does it feel as if we, as a sector, are continuously tapping the same pool of donors and struggling to get the support we need?

To answer this question, the Greater Philadelphia Cultural Alliance engaged The Melior Group to find out what motivates donors to give to arts and culture – or not. If we could understand how donors think and where culture fits in their priorities, we could find creative ways to approach them. Our methodology had three parts:

- A literature review revealed national trends for individual giving to all causes, particularly focusing on what motivates high-net-worth (HNW) donors.
- Our member organizations helped us to explore the motivations of individuals at all giving levels by circulating a survey to their donors.
- The heart of this research was 18 in-depth interviews with high-net-worth philanthropic individuals in our area, 13 of whom do not significantly support arts and culture.

We are grateful to the Wyncote Foundation for funding this important research. We also want to thank The Melior Group, specifically Linda McAleer and Sindy Dranoff; Ashley Feuer-Edwards of AFE Strategies; our designers, SWELL; and a special thank you to our task force of wealth advisors and arts and culture development professionals, who guided our research and provided valuable connections. Thank you also to our member organizations who used precious staff time to distribute the survey. I am proud of our Cultural Alliance staff – Michael Norris, Kelli Paul and Taja Jones – whose dedication and creativity shaped this project.

We did this research for you! The Cultural Alliance encourages you to share this report with your board, executive directors and fundraising and marketing staff. It will take a collaborative, organization-wide approach to create positive donor impressions of your organization and of the sector. Organizations of all sizes and capacities can tell their stories in ways that will increase individual giving. As this research shows, a key to success is showing your impact on the communities you serve – from children to the elderly, from healthcare to schools and everything in between. When donors see the arts as a solution to community needs, they give more and more often. Finally, let us all salute our individual donors: their giving makes arts and culture possible.

FOR FULL REPORT AND ADDITIONAL RESOURCES VISIT [PHILACULTURE.ORG/DONORS](http://PHILACULTURE.ORG/DONORS).

**THROUGH OUR  
LITERATURE REVIEW,  
SURVEY OF DONORS TO ARTS AND CULTURE,  
AND INTERVIEWS WITH HIGH-NET-WORTH INDIVIDUALS,  
A NUMBER OF KEY THEMES EMERGED:**

**DONORS SUPPORT CAUSES ABOUT WHICH THEY ARE PASSIONATE.**

These causes most frequently include education, religion, human services and social justice. However, there is insufficient awareness of how these issues intersect with arts and culture.

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**DONORS ARE NOT MONOLITHIC.**

Differences in generation, race, gender and sexual orientation drive the issues donors care about, their approaches to giving and ways they engage with nonprofits.

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

Personal connections and ways to contribute time and expertise are important. This is especially important among high-net-worth individuals and millennials.

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**DONORS INVEST IN TRANSPARENT ORGANIZATIONS.**

They look for organizations where they feel confident that there is strong leadership and sound financial management.

# LITERATURE REVIEW

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There is considerable research on the behaviors, motivations and trends surrounding donors, with recent literature focusing on how generational differences, gender, race and other demographics impact charitable giving. There is more limited data specifically focused on arts and culture giving or the pool of high-net-worth (HNW) donors in the Philadelphia region. Still, the existing literature paints a picture of a donor environment that is at once stable in terms of giving strength, but also highly dynamic as economic, technological, generational and demographic shifts influence donor activity in the U.S. Drawing from both formal research and media observations and commentary, a number of key observations can be made.

**1** More than 90% of HNW donors give to charity and give significantly more than the general population. They are driven by their values and belief in an organization's mission. Younger donors, in particular, are becoming more strategic in their giving and focused on impact. HNW donors give more often and in larger amounts when they have meaningful connections and volunteer experiences. Giving to arts is also correlated with higher levels of wealth.

**2** Generational differences have a major impact on giving behaviors, motivations and areas of interest, particularly between baby boomers and millennials. As wealth begins to transfer and younger donors begin guiding family philanthropy, they are seeking new models of engagement with nonprofits. They are also shifting away from arts and culture in their philanthropy.

**3** Giving can be influenced by whether wealth is inherited or earned. Donors with inherited wealth are often driven by family traditions, including toward giving in the arts. However, they are also less likely to shift focus to the arts if this is not a tradition. Donors with earned wealth respond to a focus on data and impact.

**5** Donors of color are a significant and often neglected part of the donor landscape. Coming from many ethnic backgrounds, donors of color are passionate about their giving, but may function independently from traditional philanthropic networks. The lack of diversity among nonprofit leaders, especially fundraising professionals, and the failure to recognize the potential impact of non-white donors may limit nonprofits' success in engaging these donors, as many donors of color indicate they would give more, if only they were asked.

**6** High-net-worth LGBTQ donors are highly engaged and passionate in their giving. They are also more likely to take an intentional and strategic approach to their philanthropy. This group is particularly likely to support arts and culture, with 56% supporting the sector as opposed to 30% among non-LGBTQ donors.

**4** Gender has a significant impact on giving. Women give at higher levels than men and have a growing influence over household giving decisions, with one study showing baby boomer and older women giving 89% more than men their age. Men and women also give differently. While women are more connected to the emotional aspects of philanthropy, men tend to use a more strategic approach to giving. Both would benefit by learning from each other's strengths.

“  
The arts has always been focused on wealthy white people who want acknowledgment and recognition. That is no longer the culture that we live in. In order to survive, [arts organizations] need to find a way to engage younger people and people of color.  
– Non-Arts Donor

**7** Donors are moving beyond traditional check writing. They are utilizing a range of giving vehicles, including foundations and donor-advised funds, with younger generations seeking out more collaborative funding mechanisms as well. Changing technology is also transforming how people learn about, connect with and donate to the organizations they support.

# SURVEY

AN ONLINE SURVEY OF 1,194 DONORS  
FROM 20 ARTS AND CULTURE  
ORGANIZATIONS REVEALS THAT:

## ARTS DONORS HAVE MULTIPLE PRIORITIES

EDUCATION / 56%

HUMAN SERVICES / 41%

ENVIRONMENT / 40%

RELIGIOUS / 35%

ANIMAL / 29%

HUMAN RIGHTS / 26%

ILLNESS/DISEASE / 24%

POLITICAL / 22%

“

I would give to efforts to provide opportunities to kids who wouldn't have them – like children's theater involvement for children from poor communities in Philadelphia.

– Non-Arts Donor

“

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.

– Arts Donor

# ARTS DONORS **PRIORITIZE** FISCAL RESPONSIBILITY & COMMUNITY NEED

## THE ORGANIZATION IS FISCALLY RESPONSIBLE



## THE ORGANIZATION FULFILLS A NEED IN THE COMMUNITY



## CLEAR UNDERSTANDING OF HOW GIFT WILL BE USED

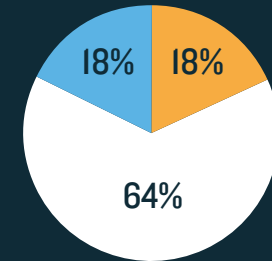


## SUPPORT FOR A PARTICULAR PROGRAM OR PROJECT



■ VERY IMPORTANT
 ■ SOMEWHAT IMPORTANT
 ■ NOT IMPORTANT

# ARTS DONORS ARE SELECTIVE



GIVE TO MANY A+C ORGS

GIVE TO JUST A FEW A+C ORGS

GIVE PRIMARILY TO ONE A+C ORG

# EXPERIENCES THAT PROMPT A GIFT

Inspired by event or performance **71%**

Direct mail request from organization **45%**

E-mail request from organization **31%**

Face-to-face meeting with organization **29%**

A friend asks **26%**

Phone call/social media **17%**

(BASE: Total Respondents; n=1194) [Multiple Responses, Top 3 Selected]

# ALMOST ALL ARTS DONORS SUPPORT A RANGE OF CAUSES

EDUCATION IS SUPPORTED BY

**56%**  
OF ARTS DONORS

ARTS & CULTURE IS THE TOP PRIORITY FOR JUST

**30%**  
OF ARTS DONORS

# INTERVIEWS

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Eighteen in-depth interviews of high-net-worth (HNW) individuals (13 of whom are not significant donors to arts and culture) and a focus group of wealth advisors revealed that **the decision not to support the arts is more often related to having different priorities and passions than it is a conscious choice to ignore the sector.**

If a family does not traditionally include the arts in its giving, it is an uphill battle to change that pattern. Some donors choose not to support arts and culture because they believe that someone else is already supporting the sector and/or they should be supporting vulnerable populations or causes that will bring needed change.

“

I did not enjoy my experience on the [performance space] board. 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.

– Previous Arts Donor



## INTERVIEW KEY FINDING

# PASSIONS GUIDE GIVING.

Philanthropists' decisions are based on what is important to them or to their families' traditions.

## OTHER KEY FACTORS INCLUDE

### ENGAGEMENT OF THEIR SKILLS AND IDEAS, BEYOND A MONETARY GIFT

HNW donors want to “feel needed” for their intellect and abilities, not just for their financial gifts. Millennials, in particular, seek places where they can have an influence and be personally connected to the success of the cause.

### A PERSONAL ASK THAT UTILIZES RESEARCH TO CONNECT IT TO THEIR PASSIONS

HNW donors want to be appreciated for who they are. They value when organizations do research to understand their interests prior to the ask.

### STRONG ORGANIZATIONAL LEADERSHIP AND FINANCIAL MANAGEMENT

HNW donors look for fiscal responsibility, quality and participation of board members and tenure of senior staff.

## COMMON MISPERCEPTIONS

### The arts are fully funded

*“There is a general feeling that the ‘gentry’ will take care of arts and culture; the big guys will do it.”*

– Non-Arts Donor

### The arts lack a social impact

*“Arts is not our focus because I help people with societal issues; it is more important and a more practical use of my money.”*

– Non-Arts Donor

# RECOMMENDATIONS

## FOR ENGAGING INDIVIDUAL DONORS

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### ARTS AND CULTURE ORGANIZATIONS SHOULD:

- **PRIORITIZE THE SOCIAL IMPACT OF YOUR WORK AND HOW IT INTERSECTS WITH CAUSES DONORS CARE ABOUT, SUCH AS EDUCATION, HUMAN SERVICES AND SOCIAL JUSTICE.**
- **ENGAGE EVERYONE IN MESSAGING YOUR SOCIAL IMPACT CONSISTENTLY ACROSS ALL CHANNELS, INCLUDING FUNDRAISING, MARKETING, PROGRAMMING AND BOARD.**
- **DEVELOP STRATEGIES AND CAPACITY TO ENGAGE POTENTIAL DONORS, CONNECTING THEIR SKILLS AND IDEAS TO YOUR WORK.**
- **INVEST IN WAYS FOR THE NEXT GENERATION TO HAVE AN IMPACT IN THE SHORT TERM IN ORDER TO BUILD LONG-TERM RELATIONSHIPS AND SUPPORT.**
- **DIVERSIFY FUNDRAISING STAFF AND EMPOWER THEM TO THINK STRATEGICALLY ABOUT OUTREACH TO AND ENGAGEMENT OF DIVERSE DONORS.**
- **FOSTER A CULTURE OF TRANSPARENCY THROUGHOUT THE ORGANIZATION, PARTICULARLY AROUND FINANCIAL MANAGEMENT AND LEADERSHIP.**



## AS A SECTOR, ARTS AND CULTURE SHOULD:

- 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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[My clients] don't give to arts because they don't think [the arts] are doing enough to give back to society. They want to give to help people.

– Wealth Advisor

“

If we can bring the two worlds together, that would be ideal. We need to break down the walls and address the gap in arts services to the needy.

– Non-Arts Donor

# THE GREATER PHILADELPHIA CULTURAL ALLIANCE WOULD LIKE TO THANK:

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## WYNCOTE FOUNDATION

DAVID HAAS • FEATHER HOUSTOUN • KRISTIN ROSS

## AFE STRATEGIES

ASHLEY FEUER-EDWARDS

## GREATER PHILADELPHIA CULTURAL ALLIANCE

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