

# Encore

A Spotlight on Philanthropy in the  
Performing Arts

Alexander Haas  
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things *First*



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from the desk of  
**Carl G. Hamm** | Managing Partner

## Building a Sustainable, Donor-Focused Development Program

Ask ten development officers, directors, and board members to define the term Development and you'll get 30 different answers, like "fundraising," "generating revenue" or "that department that asks for money." Yes, but these only scratch the surface of a complex process that can move an organization from constant financial struggle to a place of stability and aspiration.

The **Association of Fundraising Professionals** defines development as "the total process by which an organization increases public understanding of its mission and acquires financial support for its programs." But how about this more donor-focused alternative?

*Development is a process through which an organization's donors and prospective donors are encouraged to participate financially in its mission, through a system that both maximizes the organization's internal capacity to deliver that mission and its donors' capacity for giving, both today and in the future.*

What could we take from this? Here are a few thoughts to consider reinforcing in your program:

### **Don't Forget the "Why"**

Philanthropy is too often reduced to a number on a spreadsheet, more focused on the "how much" than the "why." It may sound basic, but understanding your organization's relevance and communicating it effectively is the first step in building a strong development program. Not just the lofty statement from a board retreat, but the real-world story of why your organization and its programs matter.

### **Be in it for the Long Term**

All organizations experience financial droughts or windfalls, but a sustainable program that survives these ups-and-downs is built on continuously cultivating and stewarding donors who will deepen their institutional relationship and give more

generously over time.

Fundraising is often compared to running a race, with everyone striving to reach the finish line of an annual budget or campaign goal. But a best-practices development program is more like running on a treadmill, preparing for the annual fund sprints and campaign marathons that come along.

Apart from the short-term gratification of reaching arbitrary goals, there can be great satisfaction in the daily work of building deep, lifelong relationships with your donors while reinforcing their commitment to your mission, celebrating the journey along the way through their gifts and those likely to come.

### **Both Today and in the Future**

A strong annual giving program based on major gifts is the cornerstone on which a mature development program should be built. Planned gifts are important to securing an organization's legacy, but a successful planned giving program relies on an informed, committed constituency motivated to support the organization both during and after their lifetimes.

Donors who understand and are passionate about your work in the here-and-now are most likely to want for their support to continue. Remember that it is often the quiet, unassuming donor whose small but faithful annual gifts mask the depth of their commitment, which they immortalize through a transformative legacy bequest.

A culture of gratitude for all gifts, regardless of size, will reap tremendous benefits, both today and in the future.

As programming and budgets continue to grow and those of us responsible for philanthropic revenue face increasing pressure to produce, it is easy to be drawn into new initiatives that take our attention away from stewarding our donors. By reinforcing the importance of your institution's mission and facilitating opportunities for donors to support it, you are laying the groundwork for those who will benefit from your organization for generations to come. Plus, you'll be leaving a sustainable, donor-focused development program for the lucky person who inherits your seat someday.



### **Online Giving Flat in 2018**

In anticipation of the release of **Giving USA** this month, a just released annual survey found that online fundraising revenue at U.S. nonprofits rose 1 percent in 2018, after recording 23 percent growth in 2017.

Based on data from 135 nonprofits, the **2019 M+R Benchmarks Study** found that overall online revenue was relatively flat on a year-over-year basis, while online revenue for "rights" organizations fell 14 percent - after seeing an 88 percent jump in 2017 - with smaller declines for health, international development,

and wildlife and animal welfare groups. According to the report, the flat growth in 2018 may be a natural reaction to the large increase in 2017, and 2019 may see a return to a more normal growth trendline.

## TCG Gathers Theatre Makers in Miami

A big shout out to **Theatre Communications Group** (TCG) and its nearly 1,000 members gathering for the annual National Conference in Miami, Florida (June 5-7, 2019). At this year's National Conference, TCG is focusing on three programmatic areas: Audience and Community Engagement as part of our continuing Audience (R)Evolution initiative; Well-being and Wellness; and Theatre Journalism.



TCG exists to strengthen, nurture, and promote professional theatre in the U.S. and globally. Since its founding in 1961, TCG's constituency has grown from a handful of groundbreaking theatres to over 700 Member Theatres and affiliate organizations and nearly 10,000 Individual Members. In 2005, TCG received the Tony Honors for Excellence in Theatre in recognition of its impact on the national field.

## Listen & Learn....

### The Importance of Planned Giving



"The key to being a good fundraiser is being donor centric." **Lula Dawit**, Former Director of Planned Giving for **The Woodruff Arts Center**\* joined Alexander Haas President and CEO, David King to discuss the importance of planned giving.

The two dived into the continued impact of the 2017 Tax Act, managing fundraiser/donor relationships and how the arts are shaping the local Atlanta community.

Go here to listen to this podcast.



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*\*Alumni Client Partner*

## 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.

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