

# 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](http://www.fundraisingcounsel.com)



from the frozen-no-more Texas desk of  
**Carl G. Hamm** | Managing Partner

## Navigating Greener Pastures in Challenging Times

Despite the pandemic, development officers continue to leave relatively secure positions to take on new chief development roles, amidst the upheaval in the institutions they are joining. Over the past few months, several colleagues and friends have reached out for advice on how to navigate such an important life change, wanting to make sure they're as successful as possible given the increased pressure on fundraising in these unusual times.

Even in stable circumstances, accepting such an important new role can be challenging, both for the hiring CEO or director and for the development officers themselves, evidenced by the continued high turnover rate among new development directors. Several factors contribute to why new chief development officers often stay such as short time, leading both the development officers and organizations into a cycle of frustration and disappointment.

By focusing on three key ideas, both candidates and their organizations are likely to find more productive success over the long-term during these challenging times.

**Common Expectations.** Development professionals take new jobs for a variety of reasons – more money, additional responsibility, prestige, or sometimes just to leave an unpleasant situation. Organizations hire new development directors with great expectations, often with the idea that a new person is going to somehow boost the institution's fundraising overnight or meet unreachable goals by doing things a new way. Between the new employee's ambition and desire to do a good job without complaining and the organization's unrealistic expectations, the new staff member is often cast prematurely into a no-win situation, even before they've had time to understand the challenges and opportunities of the job. Clear and open communication about expectations from the beginning is the key to success, both for the person taking on a new position and the one hiring.

**Appropriate Acclimation.** To be successful, a new chief development officer must have time to understand the organization's mission, budget, culture, and development operation. This acclimation that would usually take place naturally around the water cooler or other casual interactions around the office are even more elusive in this era of working from home and meetings by Zoom. Despite the financial pressures to immediately produce, new staff should expect and be given the opportunity to get to know their new organization's nuances and opportunities and to onboard through a deliberate, thoughtful process to be successful over the long-term, without just stepping into the expectation of immediate results.

**Build the Plan – Work the Plan.** This may be the most important reminder for new development directors and hiring CEOs alike. Development is a disciplined, systematic process that engages an organization's current and prospective donors in providing financial support, both in the short-term and over the long haul. As such, a new development director must have the time to both develop and gain consensus on a strong strategy and plan to accomplish these goals. Effective fundraising is more than a series of ad hoc tactics – it's the establishment of a solid plan that is well executed and modified along the way. Especially in these times of heightened expectations for fundraising, this principle should continue to guide new chief development officers and their organizations, rather than a knee-jerk reaction to current circumstances.

Given the important financial challenges that have emerged over the past year, recruiting and maintaining effective chief development officers will become even more valuable for hiring organizations and those seeking greener pastures. For both, this can be an exciting time for new beginnings and the opportunity to create new fundraising strategies responsive to our post-pandemic environment. Perhaps this can be the moment we break the cycle of such rapid turnover in the development field? As always, all of us at Alexander Haas welcome the opportunity to help your organization should you find yourself in such an important time of transition.

## News You Should Know

### **The Arts are Coming Back...Step Outside**

Performing-arts groups across the country are making plans to emerge from their pandemic shutdowns by launching outdoor productions. Orchestras and theater troupes in Arizona, California, Florida, Massachusetts, and New York are among those planning seasons that will likely include reduced audiences, social distancing, coronavirus testing, and late starts to allow for widespread vaccinations.

The **Boston Symphony Orchestra** is awaiting board approval to return to its Tanglewood venue with a truncated season of short performances, while St. Louis's Muny musical theater is aiming to fill its 10,000-seat outdoor venue with shows beginning in July.

In some warm-weather corners of the country, theaters are already demonstrating that outdoor performances can be safe — and popular. **The Phoenix Theater Company**, in Arizona, and **Asolo Repertory Theater**, in Sarasota, FL, both pivoted outdoors late last year; the Arizona company borrowed a garden area at the church next door to erect a stage, while Asolo Rep built a stage over its front steps. *NYTimes*, 3-16

***Tell us your plans!!***

## NEH to Distribute \$135M to Cultural Institutions Hit by Pandemic

The **National Endowment for the Humanities** will receive \$135 million in supplemental funding as part of the \$1.9 trillion American Rescue Plan just approved by President Biden. The funding will be used to assist cultural institutions impacted by the pandemic.

NEH will distribute relief funding via a competitive process to cultural institutions. NEH relief funding will be used to support a wide range of expenses from technology to training and equipment to support for budget shortfalls. Approximately \$54 million will go directly to NEH local affiliates and remaining stimulus funding will be delivered via direct grants to cultural institutions.

In order to apply for a grant from NEH, eligible organizations must pre-register with SAM.gov and Grants.gov. Step-by-step instructions on how to register are available on the **Grants.gov website**.

## 2 Years of Strong Fundraising Returns Projected

A recent report from the **Lilly Family School of Philanthropy** suggests a period of “broad philanthropic growth” is on the horizon for nonprofits over the next two years as the economy rebounds after the Covid-19 pandemic.

The report forecasts a 4.1% increase in total giving in 2021 and a 5.7% increase in 2022. For individual and household giving, the report forecasts a year-over-year rise of 6% in 2021 and 3.9% in 2022. Meanwhile, giving by all types of foundations is predicted to dip by 1% in 2021 but then jump by 8.8% in 2022. The report also projects giving from estates will grow 1.1% in 2021 and 12% in 2022, while giving by corporations is predicted to rise 4.3% in 2021 and 6.4% in 2022.

### Other Findings

- Estimated increase in the number of charitable donations in 2020: 10.6%
- Share of charities that expect to see a decline in fundraising in 2021: 43%
- Share of foundations that plan to stick permanently with loosened restrictions on grantees: 56%
- Proportion of people who donate regularly who plan to give to again this year: 87%

COP, 3-19

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## News You Should Know

### Online Giving Exploded While Overall Giving Ticked Up Slightly

Donations to charities increased 2% in 2020, while gifts made online grew 21% over 2019, according to **Blackbaud Institute's** latest annual report on charitable giving, released Tuesday.

Donations to big organizations, those that raise \$10 million or more a year, were up 5.3% in 2020. Medium-size nonprofits, those with total annual donations of \$1 million to \$10 million, saw a 1.2% increase. But small nonprofits, those that raise less than \$1 million, saw a 7.2% decrease in contributions.

The picture was rosier for digital giving, with small groups faring far better than other nonprofits. Large organizations saw a 15% increase in online fundraising hauls in 2020 compared with the year before. Midsize nonprofits saw online fundraising increase nearly 25%. Small groups expanded their online fundraising by 22.3%.

As donors turned to digital donations, the share of total charitable revenue from online giving jumped sharply, from less than 10% in 2019 to roughly 13% in 2020. In another sign of how digital fundraising is shifting, more donors are using their smartphones to make gifts. The report estimates 28% of all contributions made online were from mobile devices.

### Arts & Culture Organizations Data

- The **average donation** amount to arts & culture organizations was **\$540**.
- This sector received **9.9%** of their total fundraising from **online giving**.
- In the past 12 months ending in December 2020, arts organizations experienced a **9.5% decrease in overall fundraising** and a **7.0% increase in online fundraising**.
- The largest months for gifts to arts organizations: **19.4% of gifts in December**, followed by **8.7% in June**.

Go [here to read the report](#).

### Highlights of Interest

The family of the late Baltimore Ravens owner **Art Modell** is demanding that the Modell name be taken off the **Lyric** opera house. In 2010, Modell and his wife, Patricia, committed \$3.5 million to the Lyric, to be paid over 10 years. Both have since died, but family members say the couple believed their names would grace the building in perpetuity. Others involved in the negotiation say that stipulation was never mentioned, and it does not appear in writing. Officials at the Lyric say the agreement conferred naming rights for a decade and have asked for an additional \$300,000 a year to keep the Modell name on the building beyond the initial deal. With the Modell family and officials at the Lyric at an impasse over the issue, the family has held back the last \$300,000 payment and is seeking to sever ties with the institution. *Baltimoresun.com, 3-2*

After 25 years, the **Aspen Santa Fe Ballet** has dissolved and will not return post-pandemic. The news was shared in tandem with the company's launching of the **Aspen Santa Fe Ballet Fund for Innovation in Dance**. In place of what is known locally and globally as Aspen Santa Fe Ballet, the newly created fund is the first of its type in the dance community and is backed by the organization's \$10 million endowment. No details on how the fund will operate. *Aspendailynews.com, 3-9*

**Netflix** committed \$100 million over five years to create the **Netflix Fund for Creative Equity**, which

will support organizations that help actors, producers, writers, and directors from underrepresented communities achieve success in the TV and film industries. *COP, 3-3*

**Gail Samuel**, president of the **Hollywood Bowl** and chief operating officer at the **Los Angeles Philharmonic**, has been named president and CEO of the **Boston Symphony Orchestra**. She will be the organization's first woman leader when she begins her new job on June 21. *COP, 2-26*

**Charlie and Ling Zhang** gave a building valued at \$6.16 million to the **Pacific Symphony** to house the organization's administrative offices. The couple are longtime donors to the orchestra, and Charlie Zhang serves on its Board of Directors. *COP, 2-8*

## 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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