

Encore

A Spotlight on Philanthropy in the
Performing Arts

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things First



December 3, 2020

www.fundraisingcounsel.com



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

Planning for the Beyond

This has been a year derailed by unexpected challenges, difficult decisions, and one that has required learning to cope with new realities. As we look forward to 2021, optimism finally seems to be on the horizon as well as an opportunity for organizations to chart new paths for the future.

People will resume their daily routines and the economy will rebound. But, the events of the past year will continue to have long lasting effects for arts organizations, still operating under reduced budgets, with limited resources, and many with fewer employees. Focusing on long-term goals and aspirations have been pushed off in favor of the short-term crisis management strategy required this year.

The beginning of the new year is the perfect time to draw on lessons learned, establish a new culture, and rise above simply reacting to the issues of the day. Especially now, there is a strong case to consider undertaking a formal organizational strategic planning process.

- Strategic planning gives board and staff a **forum to work together** toward a unifying, common purpose after a year of crisis management and isolation.
- Strategic planning is an inspiring opportunity to **imagine and work toward life beyond the pandemic**, which could be an entirely different reality after the events of the past year.
- Strategic planning is focused more on **what an organization will stand for and could become**, rather than the actions it will repeat or modify just to get back to the "old normal" of 2019.
- Strategic planning results in a **clear, agreed-upon statement of an organization's priorities and goals beyond 2021**, which can be articulated to its current and prospective members, donors and funders as a reminder of its ongoing relevance and importance.

By necessity, arts organizations have instinctively looked inward and focused on recalibrating and reducing rather than imagining the possibilities of what could be. As your organization contemplates how to move forward, we would welcome the opportunity to assist you in planning for life beyond our current circumstances. It is our hope that the arts community will emerge from these challenging times prepared for the future and poised to seize the opportunities of the years ahead.

As always, we send all our best for a peaceful, wonderful holiday season.

News of Interest

CEO Confidence Up Sharply Heading into Q4

The **Conference Board Measure of CEO Confidence**, in collaboration with **The Business Council**, reports that CEO confidence rose sharply in the final month of Q3, after a moderate increase in the first month of Q3. The measure stands at 64, up from 45. (A reading above 50 points reflects more positive than negative responses.)

- Capital spending plans improved, with 25% of CEOs anticipating increased spending over the next 12 months, up from only 15% earlier in the quarter.
- 36% foresaw upward revisions in capital spending beyond the next 12 months.
- One-third of CEOs say they anticipate reducing their workforce over the next 12 months.
- 21% of CEOs foresee no increase in their employees' wages and 5% say they may reduce wages.
- Expectations are that wages will be on a much better trajectory beyond the next 12 months.

CEOs were asked to predict the pandemic's most important long-term impacts. More than 8 out of 10 named accelerating digital transformation among the key legacies of COVID-19. Additionally, 48% of CEOs cited increased demand for transparency in communication and information-sharing across the organization, while 45% felt the need to rethink current business models.

More [here](#).

Nonprofit Jobs Slow to Recover

According to analysis from the *Johns Hopkins Center for Civil Society Studies*, employment in the nonprofit sector as of the end of September had yet to recover from the impact of COVID-19. Based on Bureau of Labor Statistics data, the analysis found:

- The total number of nonprofit jobs rose 1.9% between August and September but was still down 7.6 percent (973,352 jobs) from February's pre-pandemic levels.
- Between March and September, the arts, entertainment, and recreation sector was the hardest hit by job losses, down 34.7%, followed by education (-12.6%); "other services," which include religious, grantmaking, civic, and professional organizations (-11.2%); social assistance (-10.1%); and health care (-4.3%).
- While employment numbers improved between August and September for most nonprofit sectors, only social assistance saw a two-digit increase (12.8%), while the number of jobs in education fell 23.9%.

According to the analysis, while more than 24% of the estimated 1.6 million pandemic-related nonprofit jobs lost had been recovered by June, the overall rate of recovery has been slowing since, slipping to 9% in July, 7% in August, and 1.1% in September.

More [here](#).

Start 2021 off right....

send us an email
and we will give you 30 minutes of
fundraising counsel*

info@fundraisingcounsel.com

*free time

**CONTACT US
TODAY**



We Think You Should Know

Giving to Performing Arts Orgs Falling

A new study reports that the impact of the COVID-19 crisis on individual giving to performing arts organizations appears to be worsening. The study, *COVID-19 Sector Benchmark: Insight Report October 2020*, found that aggregate revenue from individual donors in the first nine months of 2020 fell 14% in North America, and the total number of gifts rose 15% for the nine-month period, with monthly numbers holding steady above 2019 levels through June but down from July to September. Monthly revenue from individual gifts was higher on a year-over year basis in April and June but lower every month since, with the average gift size for the nine-month period down some 24%.

The largest increase in number of gifts (47%) was from organizations' most loyal patrons — those who had donated to the organization and/or attended performances at least ten times — with monthly numbers above 2019 levels in every month through September. At the same time, total revenue and average gift size were down 38% and 8% for the nine-month period. *PND*, 11-17

However, Americans Are Still Positive About the Humanities

A new study finds that nearly 90% of those surveyed said they believe the humanities help people understand people whose lives are different from their own, 86% agreed that the humanities strengthen American democracy, and 73% agreed that the humanities help make the economy stronger. But while most Americans have a favorable view of the humanities, they are more enthusiastic about science and one of the humanities' component disciplines, history.

Funded by the Andrew W. Mellon Foundation, the survey also found that while 97% of Americans occasionally engage in at least one form of humanistic activity, few people engage in a broad range of such activities and that 40% of Americans feel humanistic activities cost too much.

The humanities also play a critical role in education and the workplace, with 81% of those surveyed saying they frequently use at least one humanities skill in their job and 29% saying their career advancement was at least partially impaired by a deficiency in one or more humanistic skills. *PND*, 11-10

Coalition Urges Congress to Spur More Giving

A coalition of wealthy individual donors, some of the nation's largest private foundations, and prominent scholars on charitable giving joined forces to urge Congress to adopt a set of tax proposals intended to speed up distributions from foundations and donor-advised funds. The new effort, called the **Initiative to Accelerate Charitable Giving**, has been in development for more than a year.

Benjamin Soskis, senior research associate at the Center on Nonprofits and Philanthropy at the Urban Institute, said the coalition of support for the proposal is unprecedented. "Historically foundations have been allergic to any sort of government regulation of their payout and spending practices," Soskis said. "This is an important step in philanthropic reform."

The proposal would reduce or eliminate the excise tax that foundations must pay if they speed up distribution of their assets to charities and create new rules for donor-advised funds intended to accelerate payout of those funds as well. Organizers said the push to persuade Congress to make tax-law changes that would spur more giving from foundations and wealthy individual donors is in its "quiet phase," and they expect more prominent donors to add their public support soon. *COP*, 12-1

We Think You Should 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!](#)



3520 Piedmont Road | Suite 450 | Atlanta, GA 30305
404.525.7575

