



Encore

A Spotlight on Philanthropy in the Performing Arts

Alexander-Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the desk of
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Building the Machine

I am often asked by board members and staff how they can improve their development programs or, in some cases, how to create a new development operation from scratch. It's challenging to answer with a sweeping generalization, that just doing "this" or "that" will be the magic bullet they're seeking to solve their problems. No two organizations – even of the same type – are the same.

When people describe what they perceive to be a strong development operation, especially if they've not been exposed to or involved with a comprehensive, mature program, they generally think of success only in terms of the bottom line and or the tactics they think their organization should be doing (or doing better). Parties and events, galas, mailings, giving days, grants, corporate partnerships, and, of course, finding and asking rich people for big gifts.

These tactics, and others, can all comprise a successful program and be improved on their own. But the ultimate goal for an effective development operation should consider a variety of factors, such as an organization's culture, mission, constituency for fundraising, and long-term aspirations.

One of the best books I often recommend in response to this question is Mal Warwick's *The Five Strategies for Fundraising Success*. Warwick's premise is that organizations of different types should employ different types of development strategies that can help them set appropriate fundraising goals and implement tactics that strategically advance their organizations most effectively. He outlines five interconnected approaches to consider, using the acronym GIVES to illustrate his point.

- Growth
- Involvement
- Visibility
- Efficiency
- Stability

It's common sense that a nonprofit would go through a continuum of growth to mature into an efficient, stable organization, but each of these fundraising strategies require different tactics to reach their goals. **Growth** requires casting a

broad net through direct mail and other mass solicitation techniques to build a large base of supporters, while **Involvement** could include volunteer-led galas and events, runs, and other ways to involve a core group of supporters. **Visibility** might involve billboards, PSAs, advertising, or other methods to bring awareness to the organization's mission. In **Efficiency**, organizations are positioned to raise the most amount possible through the least expense required, usually through programs such as major gifts, capital campaigns, upper-level donor programs. A strategy of **Stability** relies heavily on planned giving, the creation and feeding of endowments, and similar long-term programs.

Whether seeking to improve their current operation or create a new program from the ground up, boards and staff should consider the organization's current state and fundraising program and determine which strategy and tactics would be most effective, both in the short and long terms. I think a strength of Warwick's book is his distinct, but not mutually exclusive, approaches to be considered at different stages of an organization's life and development, any of which could be the dominant approach for a short term or indefinitely. While we all may want to create fundraising nirvana overnight, he reminds us that there are building blocks that must occur before a development operation blossoms into a fully mature, stable program.

The best development programs are built on a disciplined, systematic approach with mutual agreement on the program's goals and long-term objectives. As you contemplate how to build and strengthen your organization's fundraising machine, we hope you will call on **Alexander Haas** if we can assist you in developing and implementing a strategy that will work best for you.

Until then, we wish you all the best for a restful and productive summer.

[Our Team](#)



Giving USA releases data for Giving in 2021, June 21.

We will share the news the morning it's released when our President & CEO, David King, presents the findings to the Atlanta Area Chapter of the Association of Fundraising Professionals. We will have more information soon.

**Giving Increased the Last 3 Months of 2021
Over the Same Period in 2020**

Giving increased 2.7% during the last three months of 2021 compared with that same period in 2020, according to a new release of fundraising data. At the same time, the number of people who gave at the end of last year fell 5.7% from 2020 levels. The share of new donors went downhill, decreasing 15.1%. This is data just released in a new report by the Fundraising Effectiveness Project, a research collaboration between the Association of Fundraising Professionals and GivingTuesday,

Revenue held more or less steady from donors who contributed \$500 or more. On the other hand, dollars given by people who made gifts of \$100 or less during the last quarter of 2021 dropped 9.3%. Revenue from gifts of \$101 to \$499 also fell, 6.1%, from 2020 levels. Just 9.5% of all money raised during the last three months of 2021 came from donors who gave \$499 or less.

Among key findings:

- The share of donors who first contributed in 2020 and then gave again in 2021 grew 26.1% during the last quarter of the year. That's more than double the growth among those donors at the end of 2019.
- The number of donors who made a single donation during the last quarter of 2021 fell 5.9% from 2020 levels.
- Revenue from new donors fell 11.9% at the close of 2021. Among donors who made their first gift to a charity in 2020, however, gift revenue increased 17.7% during the last three months of 2021.
- The number of donors who contributed \$50,000 or more to a charity fell 3.3% during the last quarter of 2021. The number of people who made gifts between \$5,000 and \$49,999, however, grew 1.9% during the same period.

COP, 4-20

The Chronicle of Philanthropy to Become Nonprofit

The Chronicle of Philanthropy announced plans to become an independent nonprofit organization. In September 2020, the publication entered a partnership with the Associated Press and the Conversation, which added five AP and Chronicle journalists to cover the nonprofit sector and created a yearlong fellowship program designed to help local and regional news organizations better cover the social sector. As a nonprofit, the Chronicle intends to expand its staff with at least 13 new positions, including at least eight new editorial staff, and expand its technology and business teams. It aims to double its revenue and number of subscribers within five years.

In support of the transition, the Chronicle has received commitments totaling nearly \$6 million from the **William and Flora Hewlett** (\$3 million), **Ford** (\$2 million), **Charles Stewart Mott** (\$500,000), **Walton Family** (\$200,000), **John D. and Catherine T. MacArthur** (\$100,000), and **Conrad N. Hilton** (\$75,000) foundations and the **Heinz Endowments** (\$50,000). *COP, 5-6*

Your Volunteers' Value Went Up!

Independent Sector announced that the estimated value of a volunteer hour in the United States reached \$29.95 in 2021, up 4.9% from \$28.54 in 2020. There is evidence that the number of hours volunteered declined in 2021 due to the COVID-19 pandemic. While it will take years to assess the full extent of COVID-19's impact on volunteering, a study by Fidelity Charitable found that as of Labor Day, 2020, 66% of volunteers had reduced the amount of time they volunteered or stopped volunteering entirely due to the pandemic.

The value of volunteer time varied from state to state, ranging from \$22.57 per hour in Mississippi to \$50.48 in the District of Columbia. *PND, 4-19*

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We Know the Performing Arts

For more than 35 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with leading performing arts and cultural organizations across the country that help communities be a better place to live. Just ask our clients.

[Our Arts Clients](#)

Face It: Arts Organizations are Different

Our services aren't cookie cutter. We don't operate with a boilerplate, merely changing names and locations. We craft each and every service we provide to match your organization's unique needs, wants and abilities. We work hard and expect you to do the same. Together we can help you transform your arts organization, your fundraising, and the unique community you serve.

Whether your need is in Capital Campaign, Annual Fund Campaign, Major Gifts, Leadership Annual Giving, Planned Giving or all of the above, we take a fresh approach to nonprofit fundraising.

[Our Services](#)



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