



Encore

A Spotlight on Philanthropy in the Performing Arts

Alexander-Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the desk of
Kevin Smyrl | Associate Partner

Major Gifts Are Up...But Uncertain Times Means Attention is Necessary

You may recall in my last column, I discussed the role of technology, specifically AI, in the world of fundraising. While it's an incredibly powerful tool, I hope we all agree that AI cannot replace the value of human connection in building relationships between our donors and our organizations. As I write this, the Dow Jones has experienced a significant drop followed by a rebound and is within 100 points of where it stood a month ago. The tech-heavy NASDAQ also has dropped, but historically, it continues to gain in value year over year. Who would've thought just a few short weeks ago that much of the NASDAQ decline would be due, in large part, to AI, as many AI Chip manufacturers and AI focused technology companies are experiencing retractions?

It's no secret that economic uncertainty and market downturns can significantly impact philanthropy, especially major gift philanthropy. Many investors are fleeing to "safety" today, but most of our organizations don't have the equivalent of a safe haven during rough economic patches. This doesn't mean that major gift fundraising should be put on hold. However, let me suggest that, maybe we do have options after all. No, an AI bot can't bring gifts to fruition or add to our organization's bottom lines, but a robust pipeline can. In fact, it's precisely during uncertain, challenging times that a strong pipeline becomes essential.

A well-cultivated major gift pipeline requires consistent attention, nurturing, and strategic planning. It's about identifying potential major donors, building relationships, understanding their passions, creating and maintaining genuine connections. While AI can assist in identifying prospects and tracking interactions, it cannot replace the art of human engagement. If your organization has spent the necessary time and energy cultivating a robust pipeline then you, at least, have a little less to worry about.

But if you are like some organizations, then you've had some good years while the market was roaring. Savvy donors used appreciated assets to make gifts, several gifts came in earlier than you anticipated, and perhaps even at much higher values. Too often this happens at the expense of the major gift pipeline. It's precisely in these times that we need to redouble our efforts to fill the pipeline. Give extra attention to the annual fund, increase qualification and cultivation efforts, be creative with planned giving. The hard part is balancing this work with the need for cash in the door now. Double down on your data and work with engaged prospects that love your organization. Volunteers, consecutive donors, and grateful recipients, if appropriate.

In times of economic uncertainty your supporters know their support is needed. Don't be afraid to communicate openly and honestly with your donors. Keep them informed about your organization's challenges and successes. You'll likely find some gifts you weren't expecting and continue to build your pipeline that will ensure your organization's future success.

[Our Team](#)

First Quarter Major Donors Drive Increased Giving

According to a report from the **Fundraising Effectiveness Project**, the amount donated in the first quarter of 2024 grew 4.1% over the same period in 2023. The growth, however, was driven primarily by major donors rather than everyday donors who give small sums. The number of donors year over year dropped by 1.3% for all donor types. This is better than the huge 10.3% decline in donors in 2022.

Key Findings

The first three months of this year saw big decreases for certain types of donors compared with the overall number. People who donated \$100 or less (micro) had a 10.4% drop. Those who gave \$50,000 or more had a 0.8% decline. The giving groups in between had declines in the high 4% or low 5% range. When looking at the total amount each group gave, micro donors accounted for only 2.8% of total dollars raised, whereas supersize donors accounted for 48.6%.

International and foreign affairs saw a 9.5% increase. Education was up 5.2%, and environment and animal causes were up 2.9%. Giving to the arts dropped 10.9%, and religion related causes saw a 4.6% decline.

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Donors Less Likely to Give on Smartphones

Donors are less likely to give to charity and also give less money when they're engaging with their smartphones, a phenomenon researchers call the "mobile giving gap." The reason? People process information and behave differently when using their smartphone. They are much more likely to be "self-focused" than when on other computer devices, researchers say.

Why it matters: While nonprofits tailor their fundraising appeals for direct mail, personal phone calls, face-to-face meetings, and online communications, they are not adapting their messaging for different types of digital devices and are losing out on bringing in more charitable donations and new donors when they ignore this difference.

What fundraisers can do about it: Fundraisers should create "other-focused" messaging that highlights the needs of individuals or groups or spells out that the potential donor can help those who are less fortunate, instead of focusing only on details of the fundraising campaign, which in turn can lead to increased donations.

The report from researchers at the University of Connecticut and the University of Notre Dame, [can be found here](#). *COP, 8-5*

Our LinkedIn

Our Team is Growing

Alexander Haas is honored to welcome **Jane M. Barghothi** to our team as Associate Partner. Jane has a background in higher education advancement and most recently was Vice Chancellor of Advancement at Appalachian State University, which had its largest fundraising year in its history under Jane’s leadership. Prior to that she served as Executive Director

Prior to that she served as Executive Director of Development at the University of Georgia, and she worked closely with the State Botanical Garden of Georgia to build the Deen Day Sanders Porcelain and Decorative Arts Museum. At the University of Wyoming, Jane focused on frontier and rural healthcare, highlighting the need for health professionals throughout the state. This included engaging and partnering with individuals, foundations, corporations and healthcare advocacy groups in and around the mountain west. [Her CV is packed with experience and results!](#) Welcome to the team Jane!



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 Client Partners

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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