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WORKING TOGETHER IN TOUGH TIMES

TENNESSEE ARTS COMMISSION

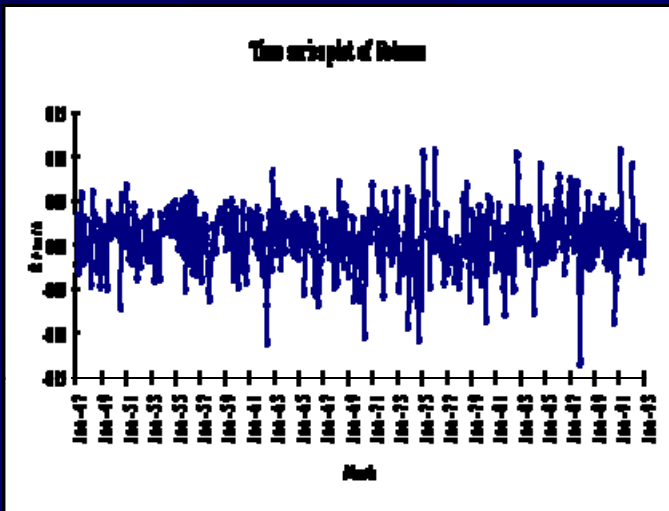
Fundraising and Philanthropic Trend Update

October 13, 2009

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It ain't all bad....but it won't ever be the same....



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Participation Trends

Sources

Engaging Audiences, April 2009 Report:
Wallace Foundation Conference
189 arts leaders, 54 grantees from 6 cities

National Endowment for the Arts
Arts Participation Survey 2008 Report
Survey of adults June 07-May 08





Participation Trends

NEA Survey, 2008 v. 2002

- Adult attendance at all art events declined except for musical plays
- 36% attended an art museum or some arts performance
- Opera and jazz attendance significantly decreased
- Classical music had steepest drop at 29%
- One in four attended K-12 school performance
- 19% attended a live performance at a religious institution





Age Differentiation in Participation

- Young adults far less likely to attend jazz, classical music, ballet, non-musical plays
- Only area of increase in participation for 18 to 24-year-olds was art museums
- Performing arts attendees increasingly older than the average adult
- 45-54 year olds had steepest declines in attendance for most events, a 10 - 43% reduction





On Line Participation

- 70% of adults went online once a day, 39% of them used the internet to view, listen to, download or post artworks or performances during the year, 30% at least once a week
- 20% of internet using adults viewed painting, sculpture or photography online once a week.
- 35% of them learn about performances or exhibits or purchase tickets online





Wallace Foundation Report

Personal practices = arts attendance

“Arts administrators should be more interested in what people are doing in homes and religious institutions than in what they think people want to hear, see and experience.”

Americans want to have arts and cultural experiences available and will pay even when resources are limited. This is particularly true of 18-29 year olds

“Our historical generation is living in the middle of the largest increase in expressive capabilities in the history of the human race.” Clay Shirkey





Social Media - Seismic Shift for The Arts

- Who creates and who produces – anyone creates
- Who curates and who critiques
- Who controls the message
- Organizations are not the boundaries anymore
- Traditional organizations and authorities not determiner of group action



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Wallace Foundation Advice

- Information & research more important than ever to attract new audiences & learn about their preferences
- Long term health of organizations is tied to health of arts sector through entire cities - time for joint ventures & collaborations
- Not a time to cut back on bold high quality programming
- Don't cut back on marketing
- Preserve budget items making it possible to attract new audiences





Fundraising Trends Sources

- 2008 Study of HNW Philanthropy, BOA and Center on Philanthropy, end of 2008 survey
- Tomorrow's Philanthropist, Barclay's, May 09 Survey
- Foundation Center, Summer 09
- NASAA, Summer 09
- Center on Philanthropy, Survey end of 08
- Giving USA Foundation, end of 08





Fundraising Trends

- In 08, overall giving declined in US by 2% , only 2nd drop in 50 yrs
- Funding for Arts: NEA +7%, State -7%, Local govt -3%
- From all sources, hardest hit recipients in 08: Social Services -12.7%, Health - 6.5%, Arts/Humanities -6.4%
- Only up Sectors: Religion and Int'l Organizations
- Individual -2.7%, Corporate -4.5%, Foundation +3%





High Net Worth Donors

- Make up 50% of giving from all sources
- Giving is down but not dramatically
- Giving by entrepreneurs and young is up
- Arts ranked 3rd, behind education and basic needs
- 15% donated online in 08
- Women give almost double the percentage of personal wealth as men





Implications for Fundraising Strategies

1. Keeping and getting new major donors should be a key strategy. Last year 38% stopped giving to an organization, mostly because they felt disconnected. Their giving will rise faster than all other sources of giving.
2. Develop strategies for reaching young, entrepreneurs and female donors. They are giving more than ever before as major donors. Females in US now control 51% of personal wealth, rising rapidly.





Implications for Fundraising Strategies

3. Cultivate and educate accountants, attorneys and financial managers. People are consulting them about giving in record numbers. Donors are more likely to give while living.
4. Create involvement plans for major donors. The more HNW donors volunteer, the more they give. They look for results and transparency and want to share professional skills. Even more true of female donors.





Implications for Fundraising Strategies

5. Search out the prospect of business collaborations, they are increasingly attractive to donors. “Companies are beginning to look doing well in the marketplace by doing good philanthropy.” Peter Diamandis, CEO X-Prize Fdn.
6. Government funding will remain squeezed, possibly for years
7. Corporate and Foundation funding will not rise much for 1-3 years
8. Individual giving will rise but with changes in who and for what





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