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CCS Fundraising

Philanthropy Pulse

22

MARCH 2022

Arts and Culture Spotlight

CCS FUNDRAISING 75 YEARS

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A Window into Arts and Culture Fundraising Today

As a firm that has worked with hundreds of symphonies, orchestras, theaters, museums, libraries, and other arts and cultural institutions, CCS Fundraising is committed to helping the Arts and Culture sector maximize its development efforts. We are pleased to present our latest resource for Arts and Culture fundraisers and leaders, the *CCS Philanthropy Pulse: Arts and Culture Spotlight.*

In late 2021, CCS launched a survey and invited professionals from across the nonprofit sector to participate. We then analyzed responses from 877 organizations, and this report summarizes results specifically from the 100 Arts and Culture respondents on topics including:

- Today's fundraising challenges and tomorrow's opportunities
- Expectations for 2022 fundraising results
- Incorporation of diversity, equity, and inclusion into development

It is our hope that this report provides a window into Arts and Culture fundraising practices and helps your institution develop data-informed fundraising strategies for the remainder of 2022 and beyond.

If you have any questions about this report or about CCS Fundraising, please contact marketing@ccsfundraising.com.

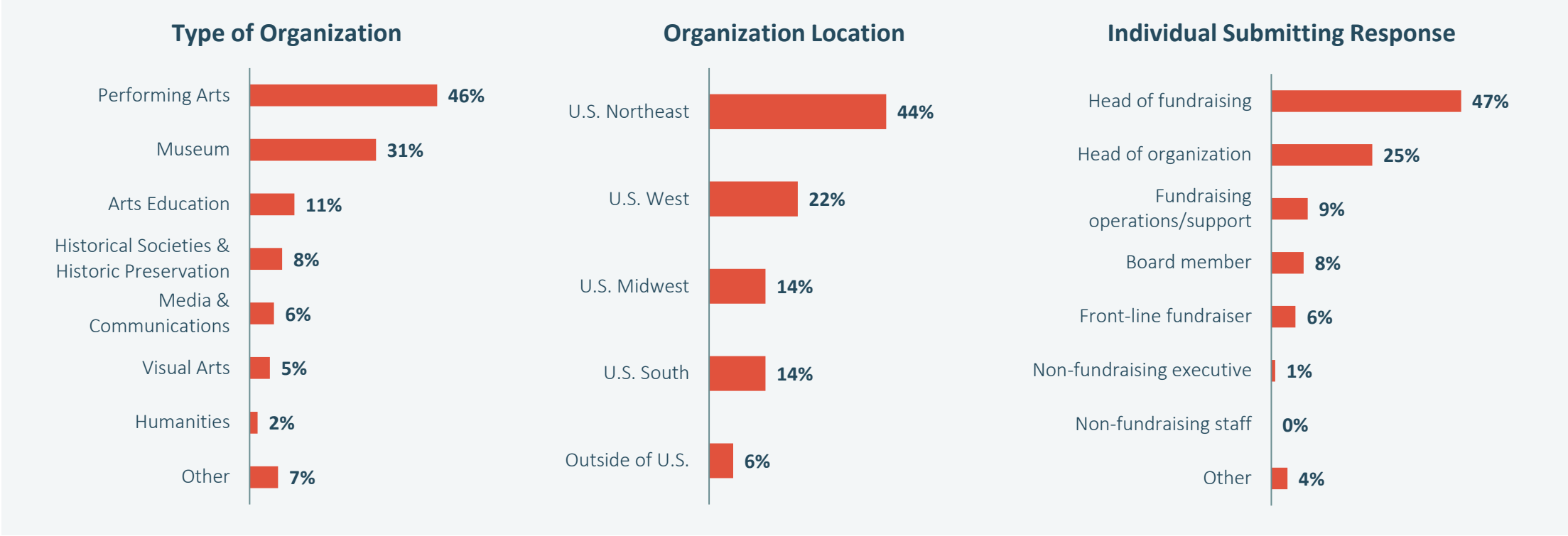
To read the main CCS Philanthropy Pulse survey report and explore more CCS research, visit our Insights Library.

Executive Summary

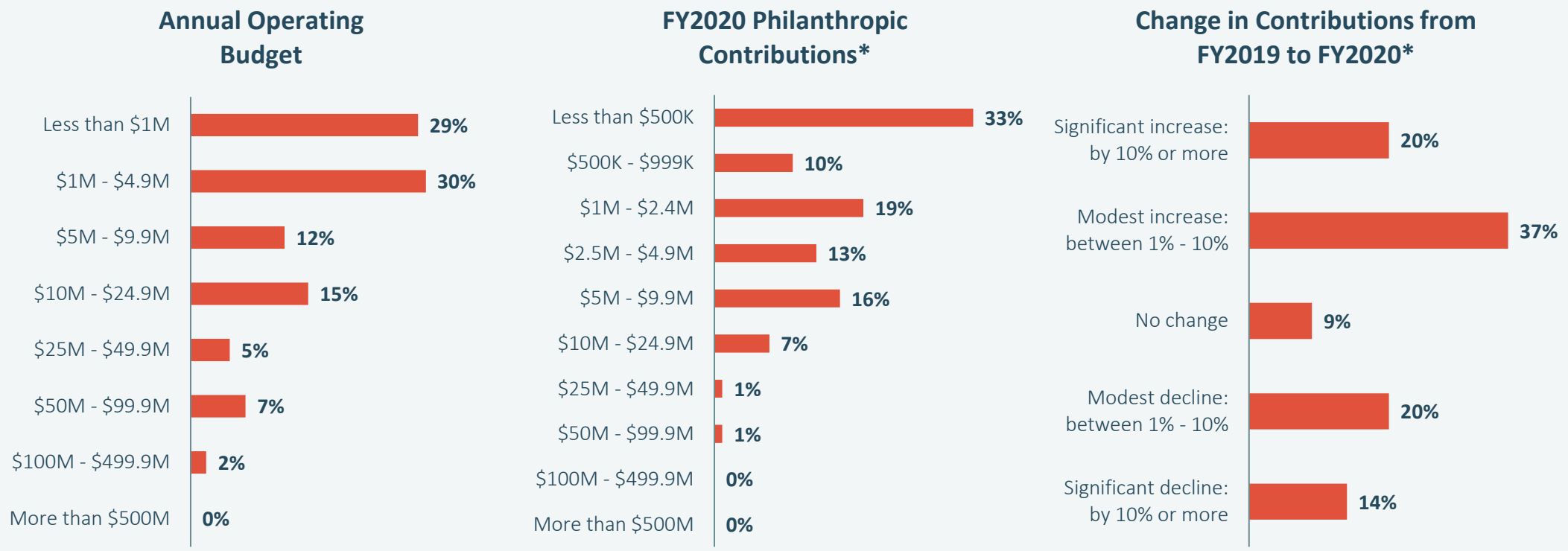
1. About half (53%) of Arts and Culture respondents reported that the COVID-19 pandemic changed the way their institution thinks about emergency funds or endowments.
   → *Read more on page 8*
2. More than 8 in 10 organizations found that virtual programming helped them retain donors (86%) and reach previously untapped demographics (82%).
   → *Read more on page 9*
3. About three-quarters (76%) of respondents had at least partially returned to in-person donor meetings and events as of November 2021.
   → *Read more on page 10*
4. Eighty-two percent of respondents plan to retain some level of remote work beyond the pandemic, though only 30% report planning to keep full-time remote work.
   → *Read more on page 11*
5. The three most commonly-cited fundraising challenges were donor acquisition (61%), donor retention and stewardship (41%), and hiring and retaining staff members (28%).
   → *Read more on page 12*
6. More than 8 in 10 institutions reported receiving gifts or pledges from family foundations (86%) and donor-advised funds (81%) in the past two years.
   → *Read more on page 13*
7. Looking ahead to expectations for 2022 fundraising results, respondents were most likely to expect increases in mid-level gifts (63%), events (56%), and major gifts (55%).
   → *Read more on page 14*
8. Sixty-nine percent of surveyed institutions intend to undertake campaign activity this year, whether that is planning, launching, continuing, or restarting a major campaign.
   → *Read more on page 16*
9. More than two-thirds (68%) of respondents reported that they incorporate diversity, equity, and inclusion (DEI) in their strategic plans for future fundraising priorities. Nearly all respondents (99%) said they discuss DEI with their donors at least occasionally.
   → *Read more on page 18*
10. The most popular tactic reported to make development more diverse, equitable, and inclusive was making changes to board recruitment and/or relations practices (60%).
    → *Read more on page 19*
11. Respondents were most likely to rate their organization's fundraising staff as skilled in event planning (51% rated as completely knowledgeable) and least likely to report expertise in gift planning (7% rated as completely knowledgeable).
    → *Read more on page 21*
12. Participating institutions commonly supplement staff capacity with external vendors and consultants. Graphic design was the most frequently-cited outsourced service (45%), followed by strategic planning (41%) and DEI initiatives (39%).
    → *Read more on page 22*
13. Less than half (47%) of respondents reported being satisfied with their institution's donor database or CRM (customer relationship management) system use. Among satisfied organizations, 73% reported that comfort in using data made the difference for their system satisfaction.
    → *Read more on page 23*

Responding Institutions Primarily Represent Performing Arts Organizations and Museums in a Variety of Locations

This report was derived from data collected via an online questionnaire administered by CCS Fundraising between the dates of October 19 and November 17, 2021. All responses analyzed in this report were voluntarily submitted by 100 Arts and Culture organizations, as described on the following two pages. These 100 Arts and Culture responses are a subset of the 877 responses from across sectors, analyzed in CCS's main survey report. Though the makeup of the survey participants does not directly map to the demographics of the Arts and Culture sector overall, this sample provides a window into a wide array of organization types, sizes, and locations.



Respondents Also Demonstrated Diverse Financial Situations



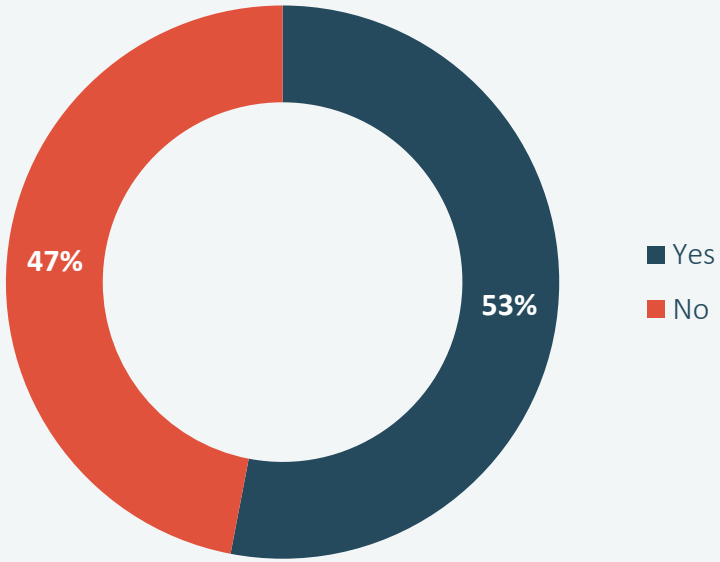
**Includes all philanthropic contributions minus government grants. Though this demographic question refers to FY2020 revenue, many of the ensuing questions refer to 2021, 2022, and beyond. Please refer to individual questions to understand the time period covered.*

Operational Overview

The Pandemic Changed the Way Many Responding Institutions Think About Endowments and Emergency Funds

Just over half (53%) of Arts and Culture respondents reported that the COVID-19 pandemic changed the way their organization thinks about emergency funds and/or endowments in a post-pandemic world. When those who indicated a change shared more details about their point of view, many respondents expressed that their organization launched new efforts to raise reserve funds or re-emphasized the importance of reserve maintenance.

Has the COVID-19 pandemic changed the way your organization thinks about emergency funds and/or endowments in a post-pandemic world?



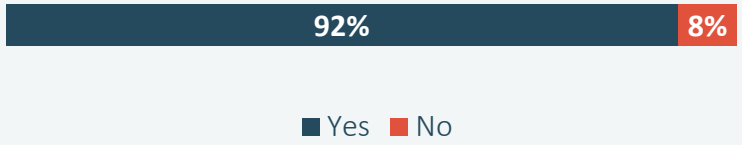
Commentary from Respondents on How Their Thinking About Emergency Funds and/or Endowments Has Changed

- *"At the beginning of the pandemic, our organization had next to no cash reserves, so we have made cash reserves a priority to ensure we can handle whatever comes our way"*
- *"The pandemic reaffirmed our priority for maintaining a reserve fund, which we have occasionally drawn from since it was created in 2008"*
- *"Even smaller organizations need to maintain reserves"*
- *"We intend to launch an endowment campaign in January 2023"*
- *"We are planning to start an endowment"*

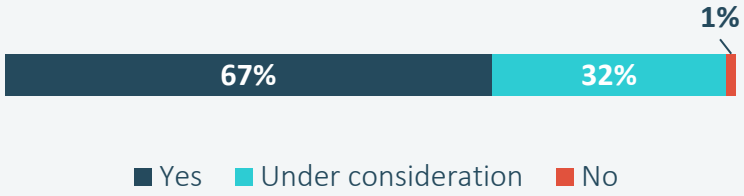
Virtual Programming Helped More Than 80% of Organizations Retain Donors and Reach Previously Untapped Demographics

Nearly all respondents (92%) hosted virtual programming during the pandemic, such as virtual events, performances, and exhibits. Among respondents that produced virtual programming, about two-thirds (67%) plan to continue this type of programming concurrently with in-person operations. Moreover, most organizations that created virtual programming indicated it helped their institution retain donors (86%), expand their reach to previously untapped demographics (82%), and retain subscribers (58%).

Has your organization produced virtual events, performances, and/or exhibits during the COVID-19 pandemic?

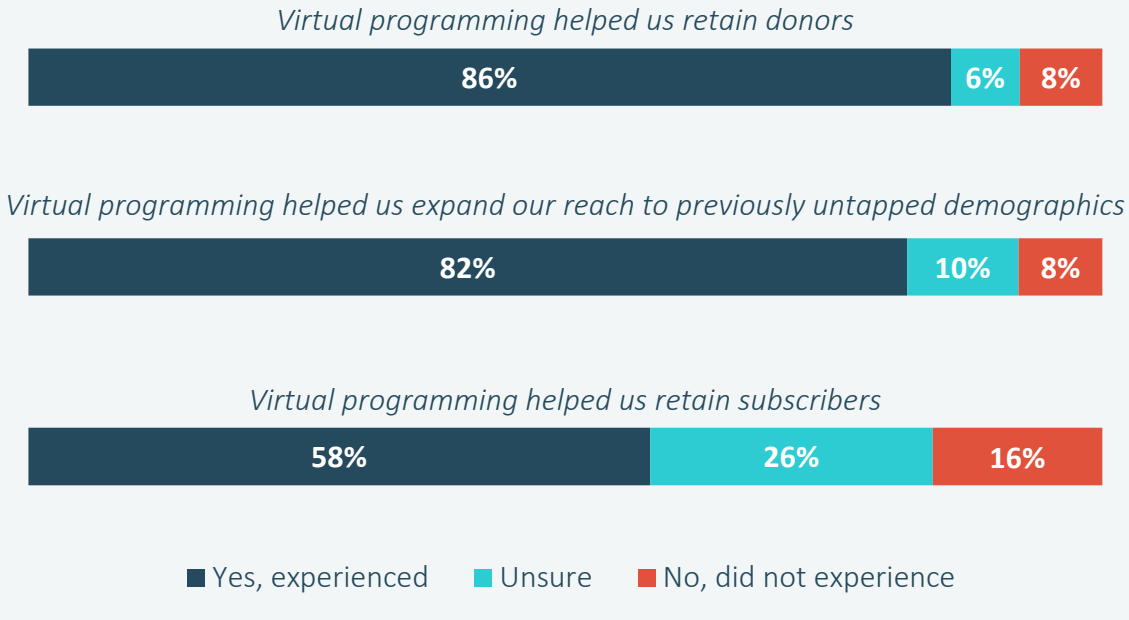


Will your organization continue any of the virtual programming after in-person operations have fully resumed?



Asked only of organizations that produced virtual programming

Did your organization experience any of the following effects of virtual events/performances/exhibitions in the past year?

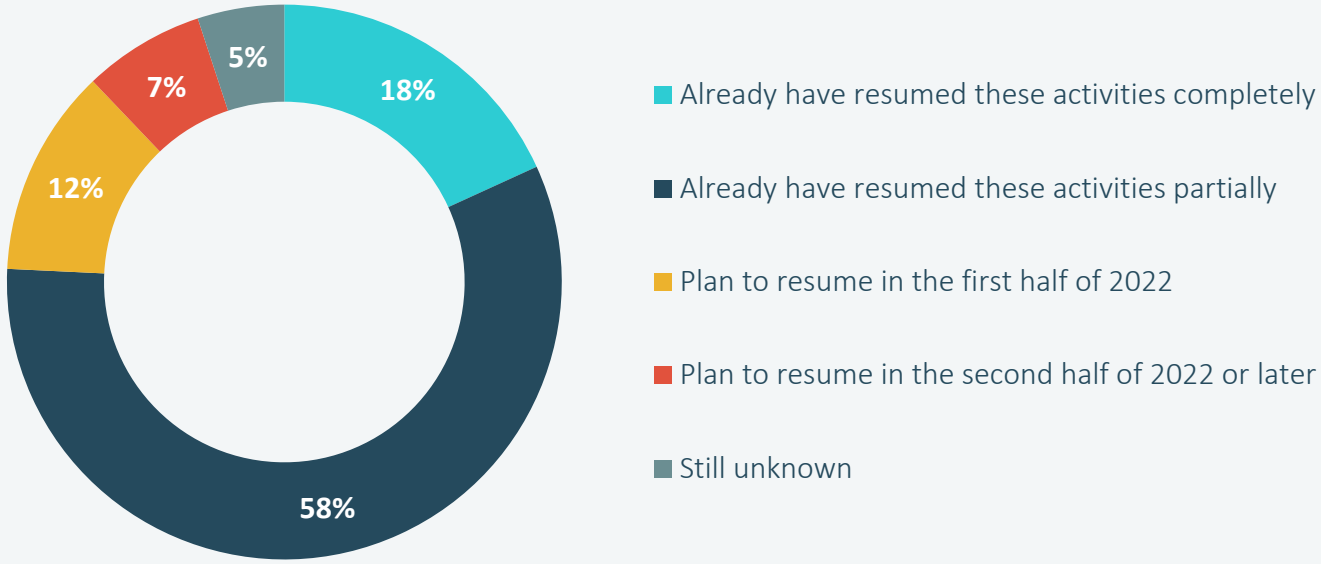


Asked only of organizations that produced virtual programming

3 in 4 Institutions at Least Partially Returned to In-Person Donor Engagement Since the Start of the COVID-19 Pandemic

As of November 2021, approximately three-quarters (76%) of responding organizations had at least partially resumed in-person donor meetings and/or events. More than half (58%) had partially resumed in-person donor engagement and 18% had completely resumed these activities.

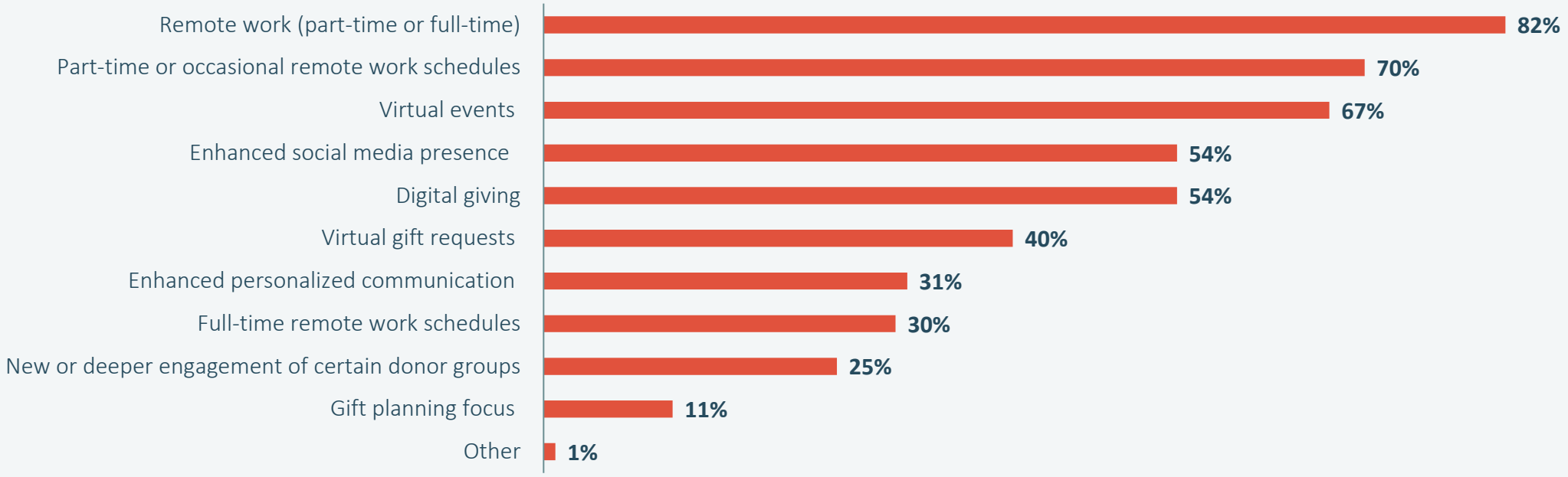
When do you anticipate your organization being ready to resume in-person donor meetings and/or events?



82% of Responding Institutions Plan to Continue Remote Work

In total, 82% of Arts and Culture respondents indicated that their institution plans to continue either part-time or full-time remote work beyond the pandemic. Seventy percent of respondents indicated that they would continue part-time or occasional remote work schedules, while only 30% said they plan to keep full-time remote work.

What practices has your organization adjusted during the COVID-19 pandemic that you plan to continue?



Respondents could select all answers that apply

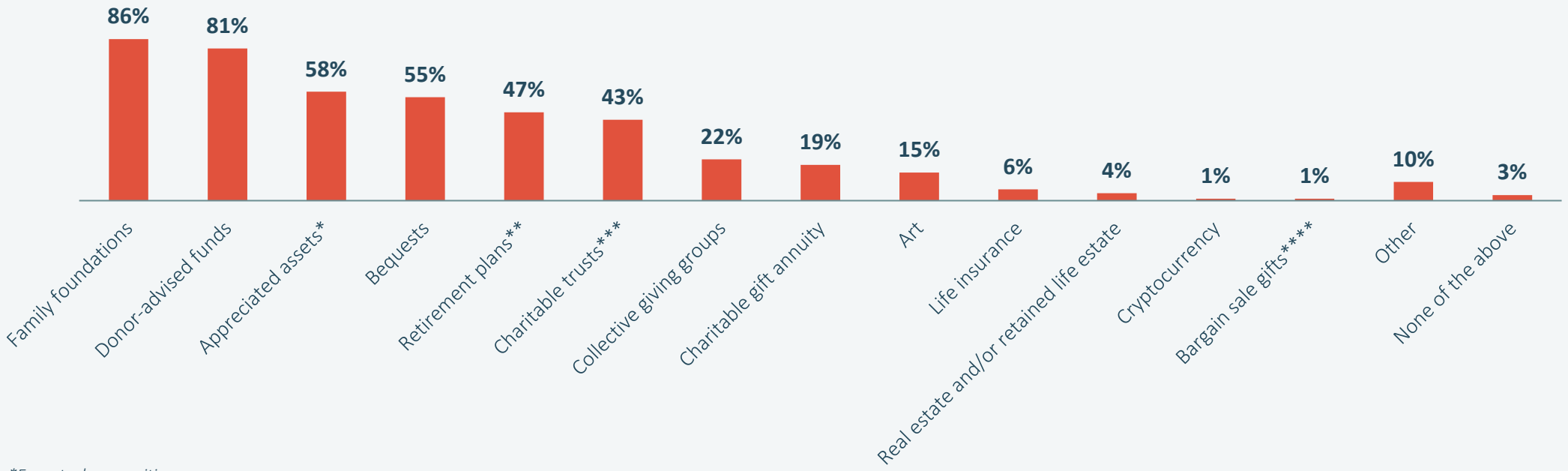
Donor Acquisition, Donor Retention, and Hiring and Retaining Fundraising Staff Are Top Fundraising Challenges

When asked to select the top three fundraising challenges their organization is facing today, Arts and Culture respondents most frequently cited donor acquisition (61%), donor retention and stewardship (41%), and hiring and retaining fundraising staff members (28%).

Respondents Secure Gifts from a Variety of Sources and Vehicles

Most Arts and Culture respondents reported that their institution has received gifts and/or pledges from family foundations (86%), donor-advised funds (81%), appreciated assets (58%), and bequests (55%) over the past two years.

In the past two calendar years, has your organization received gifts and/or pledges from any of these gift sources or vehicles?



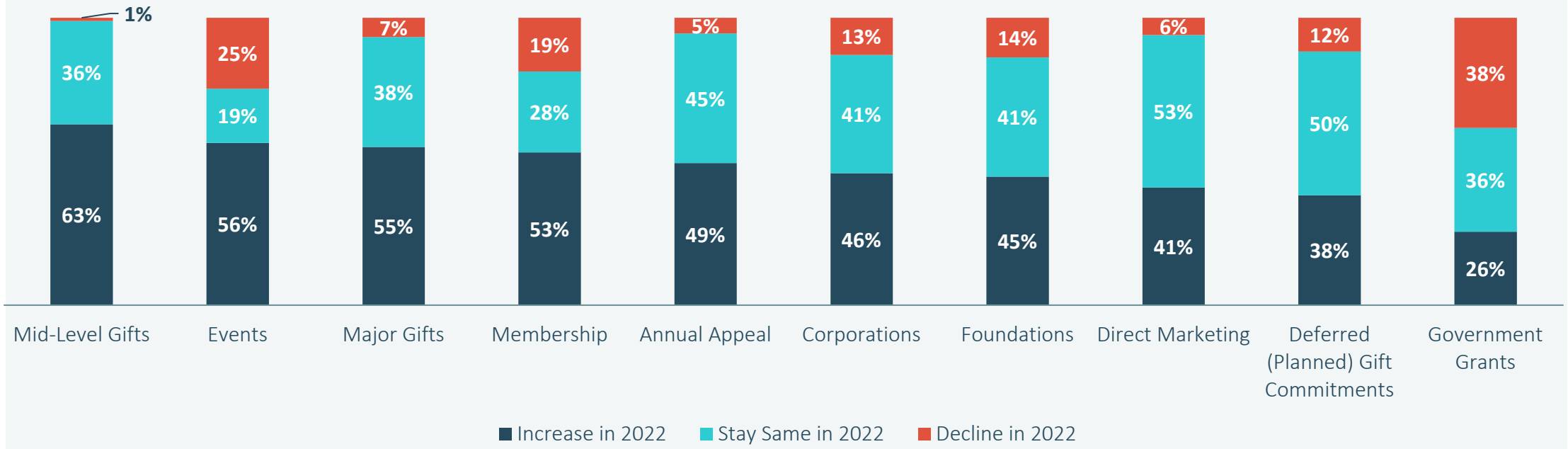
*E.g., stocks, securities
**Qualified retirement plan beneficiary designations and/or IRA-qualified charitable distribution
***E.g., charitable remainder trust, charitable remainder unitrust
****Sale of an asset to your organization at less than fair market value

Respondents could select all answers that apply

More Than Half of Respondents Expect Increases from Mid-Level Gifts, Events, Major Gifts, and Membership in 2022

A majority of Arts and Culture respondents that fundraise from mid-level gifts (63%), events (56%), major gifts (55%), and membership (53%) expect increased fundraising results from those categories in 2022. However, membership and events were also among the categories in which respondents were most likely to expect a decline for 2022—19% project a decline in results from membership, 25% project a decline from events, and 38% project a decline from government grants.

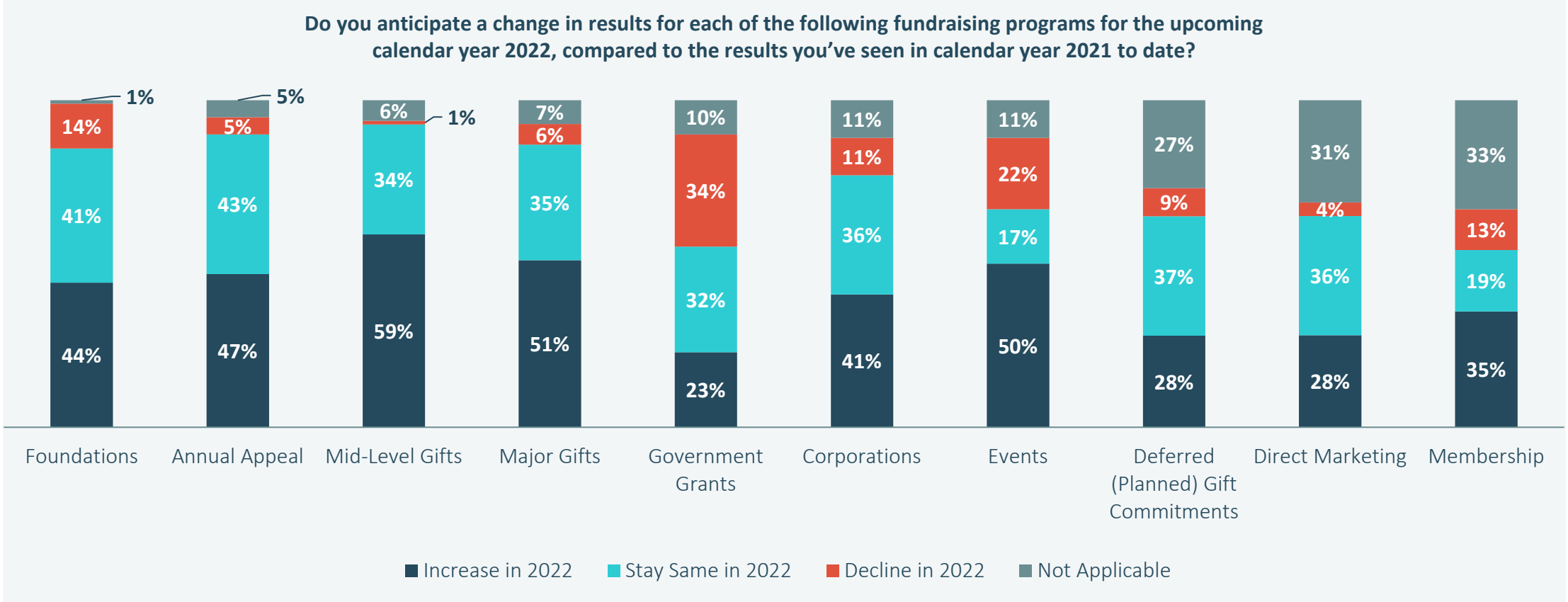
Do you anticipate a change in results for each of the following fundraising programs for the upcoming calendar year 2022, compared to the results you've seen in calendar year 2021 to date?



Excludes organizations that selected "Not Applicable," indicating that the organization does not fundraise from this area

More Than One Quarter of Respondents Do Not Fundraise from Deferred Gifts

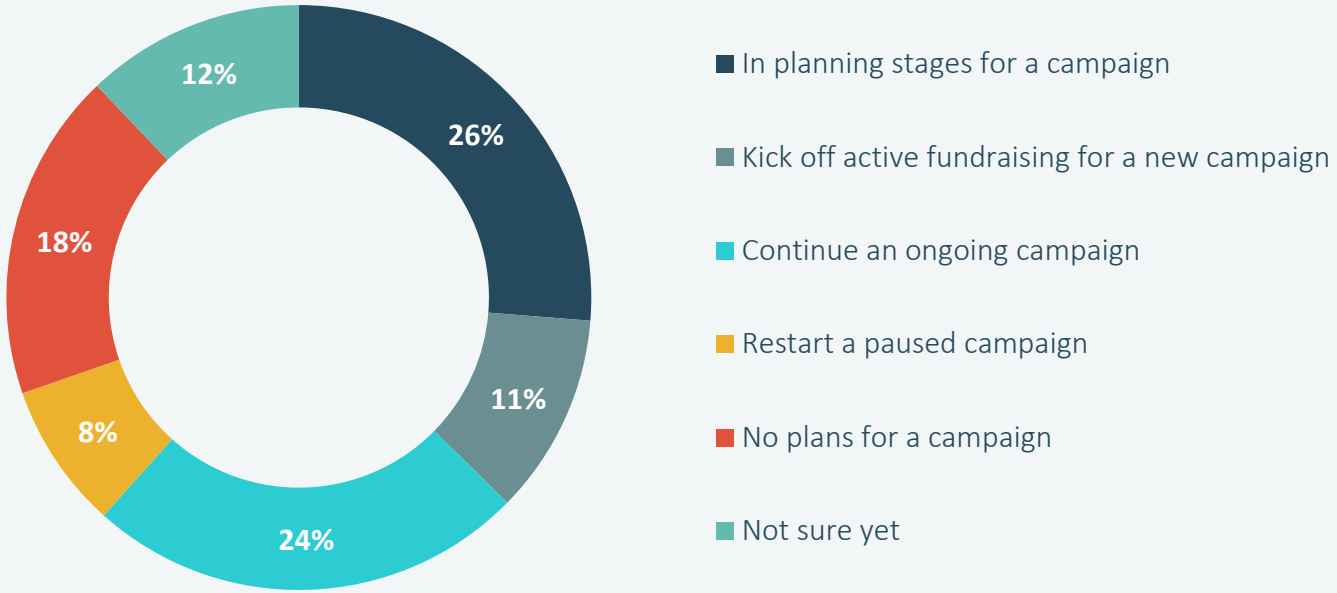
A different view of the data, in which "not applicable" responses are included, suggests that 27% of Arts and Culture respondents do not fundraise from deferred (planned) gift commitments. Other categories from which fewer respondents fundraise include direct marketing (31%) and membership (33%).



69% of Respondents Intend to Undertake Some Level of Campaign Activity This Year

Almost 7 in 10 Arts and Culture participants (69%) intend to undertake some sort of campaign activity in 2022, whether that activity is planning, launching, continuing, or restarting a campaign. Eighteen percent of institutions in the sample have no plans for a campaign, and 12% were not yet sure of their organization's plans.

What is your organization's strategy for calendar year 2022 regarding major capital or comprehensive campaigns?



Please note all percentages are rounded

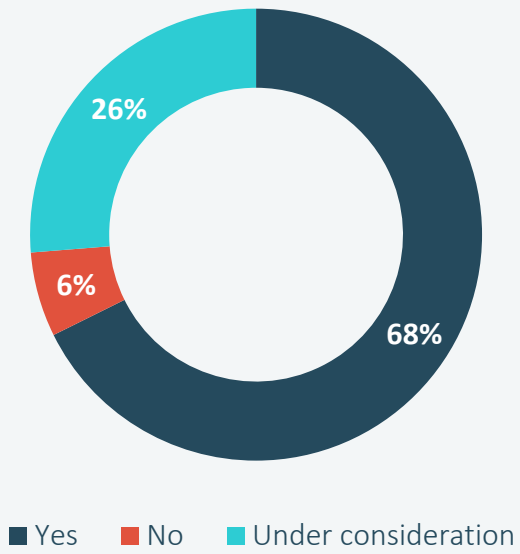
Diversity, Equity, and Inclusion in Donor Relations

68% of Organizations Include DEI in Strategic Plans and 99% Discuss DEI with Donors at Least Occasionally

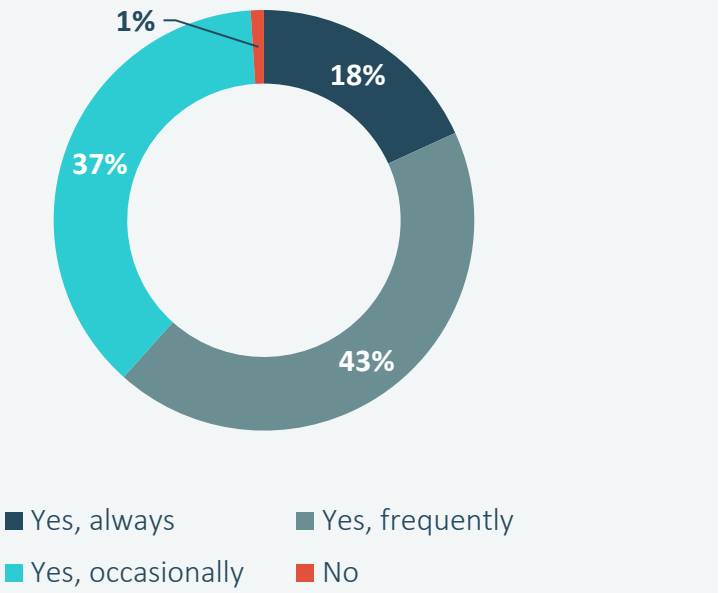
More than two-thirds (68%) of Arts and Culture respondents reported that diversity, equity, and/or inclusion (DEI) were part of their institution's strategic plans for future fundraising activity. An additional 26% reported that adding DEI to these plans was under consideration. Nearly all Arts and Culture respondents (99%) indicated that they discuss DEI-related concepts with donors either always (18.2%), frequently (43.4%), or occasionally (37.4%).

When answering questions in this section, respondents were asked to consider an expansive definition of "diversity, equity, and inclusion" to address a broad set of identities including but not limited to race, ethnicity, gender, religious beliefs, sexual orientation, national origin, ability, and other visible and invisible traits.

Are diversity, equity, and/or inclusion part of your strategic plans for future fundraising priorities?



Does your organization discuss the concepts of diversity, equity, and/or inclusion in your conversations with donors?



Please note all percentages are rounded

Board-Related Changes Were the Most Frequently Cited Tactic to Advance DEI in Donor Relations

When asked which tactics their organization has employed over the past two years to make their fundraising activities more diverse, equitable, and/or inclusive, more than half (60%) of Arts and Culture respondents reported making changes to board recruitment and/or relations practices. Moreover, just under half reported that they modified the messaging used with donors (49%), offered DEI training to fundraising staff and/or board members (48%), and began fundraising for new DEI-related projects (47%).

In the past two years, what tactics has your organization employed to make your fundraising practices/operations more diverse, equitable, and inclusive?

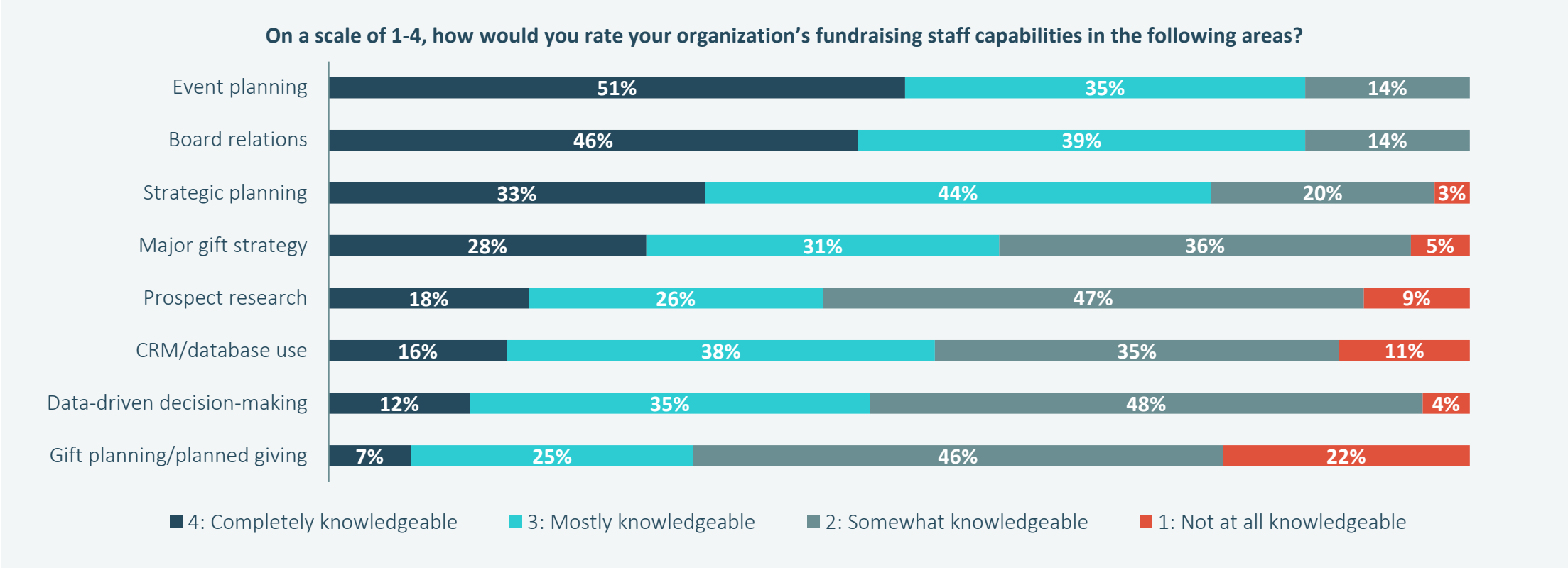
**E.g., tailoring engagement approaches for a major donor based on the complex and intersecting components of the donor's identity*

Respondents could select all answers that apply

Staffing, Resourcing, and CRM Technology

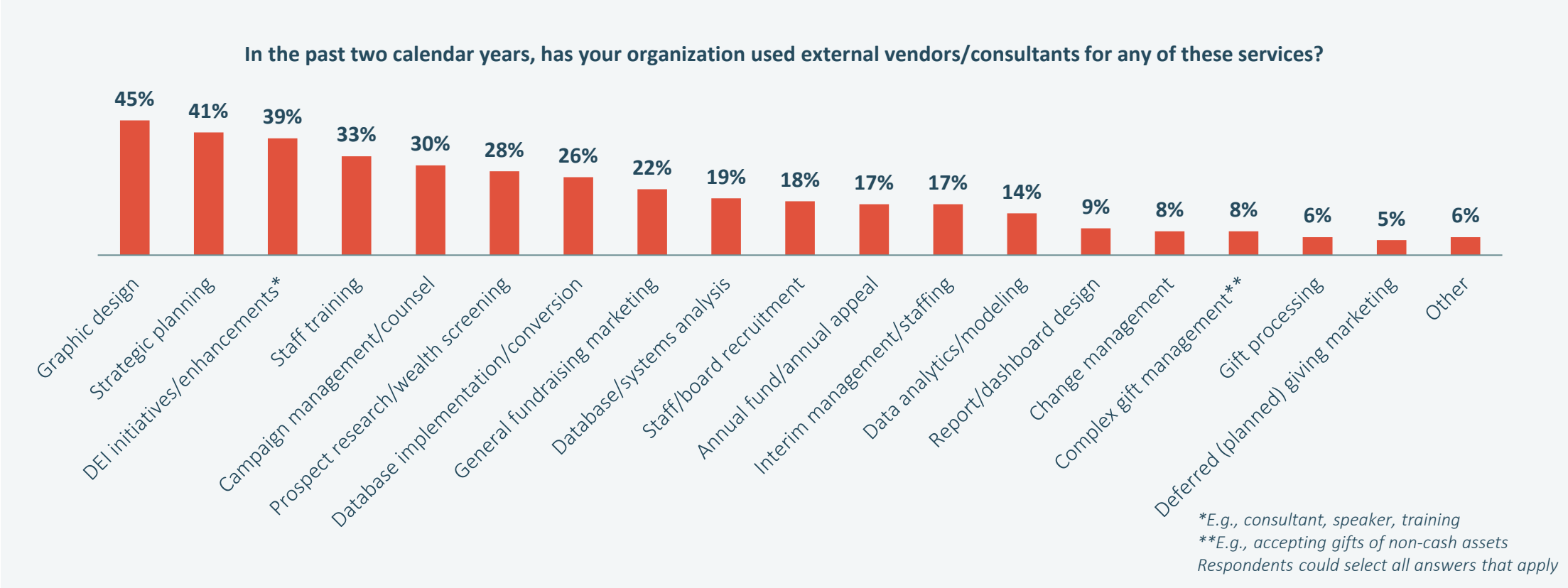
Event Planning Was the Area in Which Organizations Reported the Highest Level of Staff Expertise

When asked to rate the knowledge of their fundraising staff in a variety of areas, Arts and Culture respondents were most likely to report expertise in event planning, with 51% of organizations rating their staff as completely knowledgeable in this area. Gift planning and planned giving was the category with the lowest percentage reporting their staff as completely knowledgeable (7%), as well as the highest percentage rating their staff as not at all knowledgeable (22%).



Respondents Most Commonly Seek External Assistance With Graphic Design, Strategic Planning, and DEI Initiatives

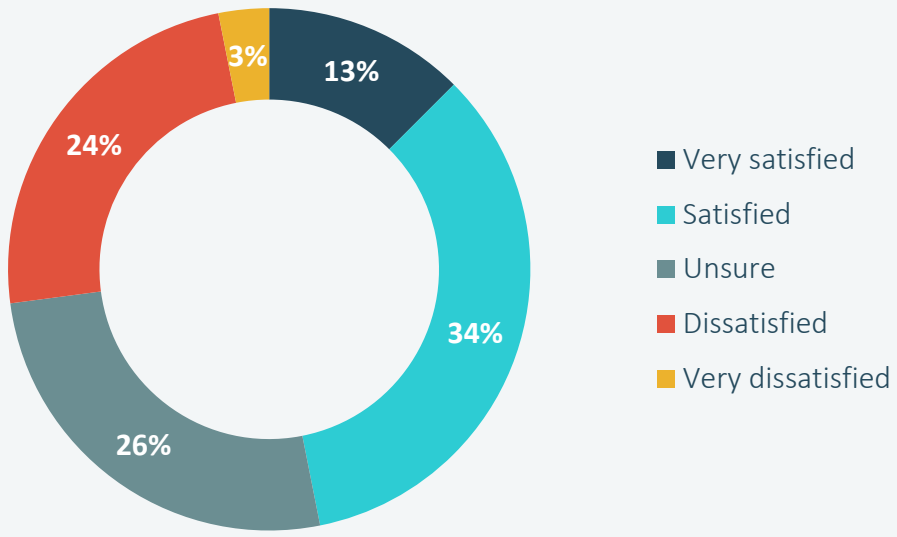
Forty-five percent of Arts and Culture respondents reported using external graphic design assistance in the past two years. At least one-third reported using external vendors or consultants for strategic planning (41%), DEI initiatives or enhancements (39%), and staff training (33%).



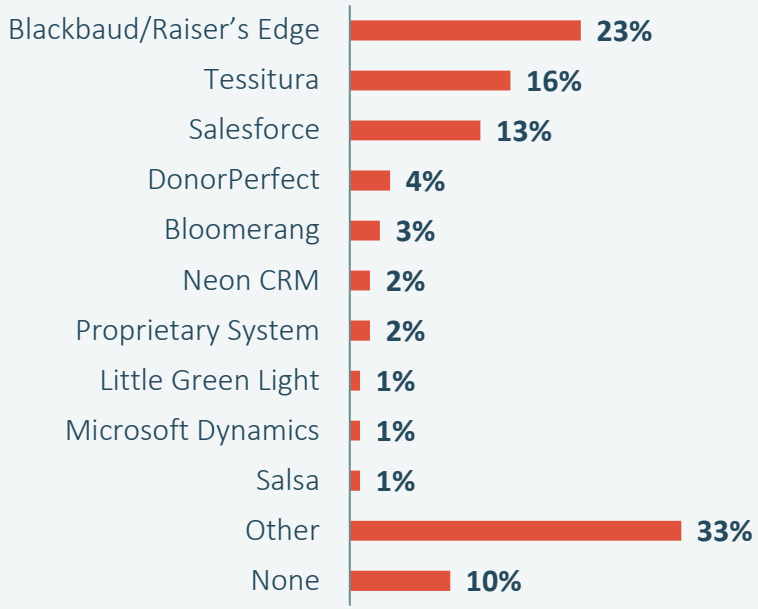
Less Than Half of Arts and Culture Organizations Reported Being Satisfied with Their CRM Use

A combined 47% of Arts and Culture respondents reported that they were either satisfied (34%) or very satisfied (13%) with their organization's donor database use—inclusive of both the software itself and the processes around using the system. About 27% of organizations reported being dissatisfied or very dissatisfied, and 26% said they were unsure. Approximately 10% of Arts and Culture respondents indicated that they do not use a donor database or CRM (customer relationship management) software.

How would you rate your organization's satisfaction with its donor database use, considering not only the software itself, but also the processes your organization uses to enter, maintain, and use the information in the system?



What donor database/CRM (customer relationship management) software does your organization currently use?



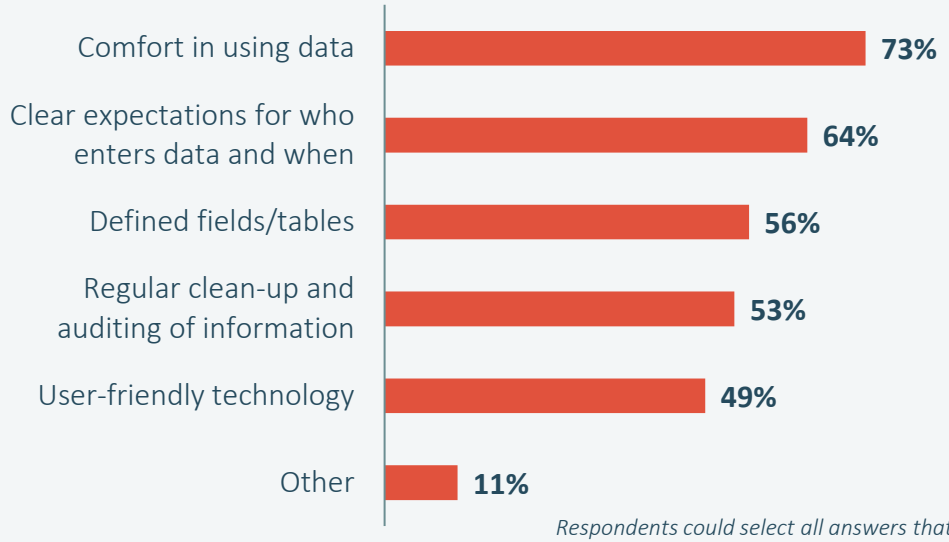
Respondents could select all answers that apply

Comfort in Using Data Makes a Difference for CRM Satisfaction

Among the Arts and Culture organizations that reported being satisfied or very satisfied with their database use, 73% said that comfort in using data made the difference in their satisfaction. Among the organizations that indicated being dissatisfied or very dissatisfied, the most frequently cited database challenge was inconsistent, inaccurate, and incomplete data (65%).

Among the **47%** of respondents that are **satisfied** with their database use…

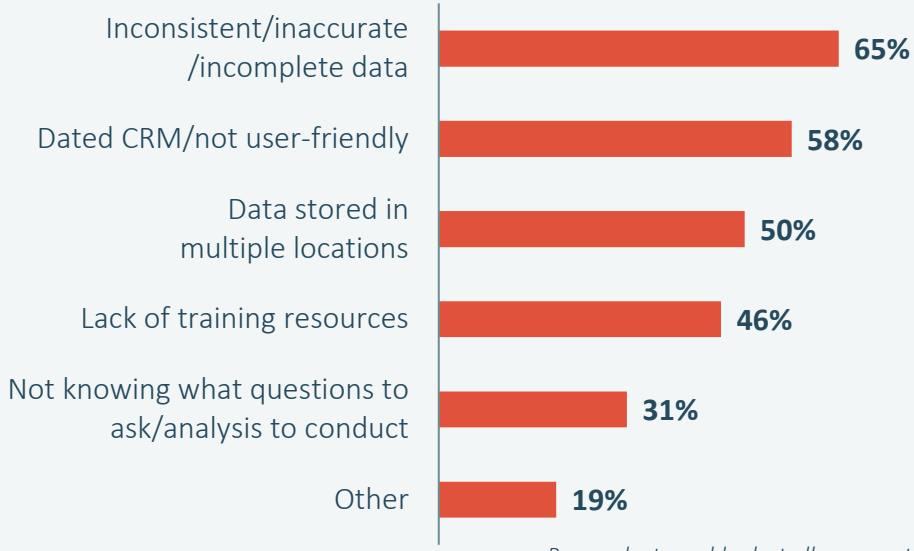
What has made the difference for your organization in terms of satisfaction with its donor database use?



Respondents could select all answers that apply

Among the **27%** of respondents that are **dissatisfied** with their database use…

What are your main challenges related to the donor database?



Respondents could select all answers that apply

About CCS Fundraising

For 75 years, CCS Fundraising has empowered many of the world's greatest organizations to advance some of the most important causes in history. As leading consulting experts in development and campaign strategy, we plan and implement fundraising initiatives to help nonprofit organizations make a bigger impact—locally, nationally, and globally.

Our services include:

- Campaign Planning & Management
- Data Analytics
- Systems Projects
- Interim Development Management
- Development Audits & Assessments
- Gift Planning Assessments
- Strategic Planning
- Specialized Development Projects

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FEATURED INSIGHT:

Snapshot of Today's Philanthropic Landscape

Tenth Edition | July 2021

Featuring essential philanthropic research from all major sources in the industry, this exclusive report examines key themes in American philanthropy and data on giving by U.S. individuals, foundations, and corporations.

Click here to download the report.

ccsfundraising.com
info@ccsfundraising.com