

**The Performing Art of Fundraising: Investigating Ways to Raise**

by

Jackson M. Hudgins

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Sponsor: Ursula Heinrich

Second Reader: Dawn Gibson-Brehon

## Abstract

**Background:** Many non-profit organizations rely solely or heavily on individual donations. It is imperative for these organizations to have efficient and effective fundraising methods in place to ensure continued operation.

**Objective:** This study aims to research which fundraising techniques can most widely be adopted to be both effective and efficient across the board for performing arts non-profits.

**Design and Method:** The research method is based on a collection of peer reviewed journals, blogs from members of performing arts non-profits, theses arranged by students in a related field, dissertations, brochures, and conversations had with representatives of a collection of performing arts non-profits. While full quantitative research would give a better picture in terms of grossing amounts, this study is mainly a qualitative review of what works for organizations of differing sizes. The main research question was: *What is the most effective and efficient way to raise funds for performing arts non-profits.*

**Results:** This study shows that generally, personal connection and relationship building with a small group of profound givers is the most profitable form of fundraising.

**Conclusions:** While there is a plethora of ways to go about fundraising, cost and time must be taken into consideration. There are many fundraising techniques that can prove profitable, however, when taking effort per dollar into consideration, it is much more cost effective for organizations to focus and breed relationships with members who can relate to the mission. For most performing arts non-profits, it is easier to obtain a large amount from a few donors, rather than a small amount from many donors.

**Keywords:** *Fundraising, Non-profit, Performing Arts*

## **The Performing Art of Fundraising: Investigating Ways to Raise**

### **Introduction & Background**

Fundraising is “the organized activity of raising funds (as for an institution or political campaign)” (Merriam-Webster). Regardless of their mission, goals, or the individuals involved, one ~~thing~~ fact stands true about corporations and institutions across the board: they need capital to perform. In the case of most corporations and businesses, the funding is driven by the sales of goods and services which allows them to operate sustainably. This process, however, is usually not as straightforward for non-profit organizations.

With only a small percentage of revenue coming from proceeds from goods or services, Nonprofit Organizations (NPO) need to find other funding sources. Enter fundraising. Perceived to be of a more modern caliber, fundraising in actuality dates back centuries. While I am sure there are earlier examples, some of the strongest ties to current fundraising can be found in 14th century Japan. With the rise and development of Sankei Mandara arts, with which many common individuals connected strongly due to their attachment to a varying number of temples, shrines, and other spiritual images, also came a deep passion (Andrei 68). While ordinary individuals, could feel attached and a part of the spiritual ceremonies represented in the Sankei Mandara works, they also took great pride in being connected, and involved in its cultivation and preservation. In turn, many of these individuals, who were not rich by any means except arguably in spirit, found joy in being able to donate some of what little they had, to go towards the maintenance and institutional authority of their beloved artworks and places of worship (Andrei 69). While nearly one thousand years in the past, the same feelings are almost identical to those who choose to charitably donate today.

Nonprofits rely on fundraising for a majority of their income. They especially put their faith in individual giving (funds given to the organization by a non-corporate individual). However, they do employ a wide range of tactics in order to attract donations and meet their financial goals. While the number is unique for each organization, individual giving consistently makes up approximately two-thirds of all fundraising proceeds. The remaining 30% is contributed by corporations, foundations, as well as government grants & programs (Boston Symphony Orchestra (BSO)).

Since individuals are such a prominent source of funds for performing arts non-profits, a majority of the fundraising team's time is spent on generating new and routine donors through establishing relationships.

### **Types of Fundraising**

Mailing lists are some of the most prominent marketing techniques used by nonprofits, which may consist of a combination of email and direct mail. Email marketing is an efficient way to reach patrons because it costs the organization next to nothing except an employee's salary. Email can develop a loyal donor base, expand the organization's reach, and drive more donations. Through email, the nonprofit can thank donors, attract volunteers, and spread the organization's mission to more individuals (Lowe). Direct mail may be used to reach people who either do not have email or are not on the organization's mailing list.

Additionally, direct mail engages more senses than digital mediums. The act of physically touching the nonprofit's mailing creates a tangible connection to the organization and mission (Design Distributors). These marketing tools bring in a bulk of the individual donations. In addition, they are linked to some organizations' "annual fund," where donors are encouraged to give a yearly donation through direct mail (BSO; Indian Hill). Some attempts by

organizations to increase the donation rate through mail include sending handwritten notes, but Tina Brand's research on the topic found that it does not make a huge difference with past donors. While they may not provide a majority dollar amount of donations, it is a great way to stay fresh in potential donor's minds and remind them of the mission and goals of the organization (Justis 5).

As a donor, most individuals not only want to feel like they are giving to a cause that is meaningful to them, but many also enjoy feeling appreciated or celebrated. While it is generally not the primary reason, they choose to give across the board, showing appreciation is one way the organization can show individuals they matter to them. A typical way of showing gratitude is most commonly done through events, such as Caramoor's *Annual Friends' Garden Party* (Caramoor). For example, I spoke with a representative from Caramoor, which holds an annual fundraiser in June, the *Opening Night Gala Benefit* (Caramoor), where donations are encouraged, missions and future projects are discussed. This annual event puts specific goals and ideas into potential donors' minds, which is something to strive for and feel like they are directly contributing to the organization. While certainly not responsible for generating a majority of new donations, and maybe not even ensuring future donations, an appreciation event or fundraising gala shows that the nonprofit is thinking of its donors and more ways to incorporate them into the organization.

It is also important to note that different organizations may have different approaches to these gatherings. Similarly, but with a different focus, Indian Hill spoke of their "appreciation events," which are designed to give back to donors. Here there is no talk of donations or giving, but rather a celebration of the mission and the people involved in helping to realize that mission.

Regardless of the approach, special events are the perfect opportunity to educate folks about the organization's mission, motivate board members and major donors, recruit and network, and solicit endorsements (Wendroff 3-7).

Matching events can also be an effective marketing tool where another individual will offer to match any donations up to a certain amount to inspire others. Once a regular donor or individual involved with the organization sets a limit they are comfortable with matching, a notification is sent using the email list to all other past donors and mailing subscribers, telling them that all donations up to an existing amount that may be matched in full. This marketing tool can be very effective at gaining extra donations as the donor feels as if their gift has twice the impact (Koné-Miller; Indian Hill).

Campaign newsletters highlighting specific goals for the organization are vital to giving donors an idea of the nonprofit's future objectives and what their funding is working towards a goal. Many donors give for the mission alone, but most want to know how their donation impacts and want to see the dollar amount come to life (BSO).

One of the most critical grossing techniques may come as a surprise. A staple to any genuine nonprofit is general one-on-one conversational relationship-building techniques despite its lack of outreach (Wendroff 4). According to almost every representative I spoke with from all three organizations, a small group of high-level donors' accounts for over half of all donations! These are individuals who genuinely believe in the organization and its mission and, in turn, are treated as part of the team. Those relationships are a priority to maintain and flourish.

One of the most consistent forms of fundraising I have witnessed in the performing arts sector is the use of volunteers on campus to help fill additional staff needs. Typically, volunteers will select a level of giving they would like to apply for, work on the event staff for a given

number of events and are given tickets to certain events as a part of their incentive package. This is an incredibly effective technique used by performing arts organizations as it supplements two departments of need with one action. Instrument drives are another fundraising technique specific to the performing arts and, even more particularly, the music world I have experienced. Individuals who share a passion for music and creativity are invited to donate any unused instruments, new or used, for the purpose of being used in any of the educational programs hosted by the organization. While it may not directly raise any funding for the organization, it prevents them from having to find out-of-pocket funds to cover the expenses of sourcing the instruments. Although the last two nonprofit tools are not nearly the most effective or efficient for fundraising, they are worth mentioning. This case study arts management senior project will examine NPOs, all current cultural music not-for-profit organizations.

### **COVID-19, A Pandemic Changes Nonprofits Marketing**

Before worrying about COVID-19 and the pandemic, all these marketing techniques were implemented by most organizations indiscriminately and to their full desired effect. Performing arts nonprofits cheered their mission and plans for the future and were rallied behind by their donors and members. However, just like many others, the performing arts sector began to feel the effects of COVID-19, a global pandemic.

The COVID-19 pandemic forced musical venues to establish restrictions and guidelines due to positive cases amongst staff and faculty. Additionally, patrons were not willing to attend live shows due to the spread of COVID-19. Although frequency of hybrid and online events tripled throughout the pandemic, between April 1, 2020 and July 31 2020, creative organizations lost \$150 billion in sales across the industry (The Fundraising Outlook; Florida 6). This situation was a massive blow to many organizations; suddenly, their entire cash flow was thrown off, and

they had to push a new message to donors. A shift in message came with the lack of events and ticket sales. It was not about the objective mission, but a financial battle to keep things going (BSO). With a Walden University study on fundraising sustainability reporting that 53% of NPOs have less than three months of cash on hand to support daily operations, this was only further strained with diminishing returns due to lockdowns (Love). Fundraising teams had to adjust and, for lack of better terms, get real with donors and those in touch through the digital and direct mailing list. The organizations had to put their worries out there to make sure it was understood. Help was needed! Of course, alongside just performance events, many fundraising events were canceled, postponed, or simply unrealistic during the height of the pandemic. Organizations had to be dynamic and find a new approach to touching new potential donors (Indian Hill).

Social media, like Instagram, Facebook, and Twitter, has been a marketing tool in companies' pockets for many years now. It has been a great way for big brand companies to establish brand recognition further, create advertisements, and display new features or products they may be offering. However, nonprofits need to be careful with any fund allocation, and it is unlikely that the return may be great from any social media usage. However, at the end of 2017, 71% of non-government organizations reported that social media assisted in meeting fundraising goals (Di Lauro 1). While the odds of reaching new donors via social media is low enough to not allocate the resources to it, around 57% of donors giving online will watch additional content about the organization online before giving (Di Lauro 5). In terms of fundraising, social media is not usually an excellent tool for performing arts organizations (although it has been proven to work well for other sectors like hospitals and medical causes, for example, the ALS (amyotrophic lateral sclerosis) Ice Bucket Challenge. The odds that a potential donor sees a post



that connects with the message, and decides to donate is very, very low, to the point where it is not worth it for the organization to spend the money, time, and effort on the marketing. However, with the rise of the pandemic also came the rise of internet outreach, and then it became a tool to be harnessed. While they still did not bother themselves with trying to reach new donors, it was used to have a more significant presence. When people are not attending or hearing about events, it is easy to let the organization slip to the back of the mind and become irrelevant; social media was the organization's tool for staying in touch and staying seen by those already familiar. Despite some organizations recording larger combined donations than ever before, it is needless to say that the COVID-19 pandemic has been a rough time for many performing arts organizations, especially those in the middle of a time of expansion like Indian Hill (McCambridge).

## **Methods**

### **Research Question**

Specifically, this study asks, “*What are the most efficient and effective forms of fundraising for performing arts nonprofits?*” While the answer, in the end, might not be so simple, it does not stop us from pondering the question. To fully be able to draw a conclusion relevant to our question, we must first define the terms we are using to outline our study.

When first going into this study, I was using them seemingly interchangeably. However, this changed after speaking to a representative from Indian Hill Arts Center, and she gave me an interesting perspective on the two. Similar but different, I interpreted her definitions as efficiency being more linked to the cost per dollar raised or return on investment, and effectiveness equating more so to the longevity of donors, building relationships, and significant

meaning behind those relationships. As we will see, both of these definitions play an astronomical role in the lives of fundraisers.

## **Methods of Study**

In order to get started with this project, first, I had to set the outlines of the study. Although, at surface level, it may seem like a quantitative study due to its dealings with the measurements of fundraising as well as comparing proceeds and expenses and calculating return on investment, a large portion of the data we will be looking at are open ended narrative answers coming from direct interactions with non-profit directors. The narrative and opinionated nature of these responses fall much more into a qualitative and descriptive study category.

Therefore, the context of the study is to gain insight in an easily digestible fashion into what tools for fundraising are most successful in being both effective and efficient, as we have defined those terms above. As mentioned above, a lot of input on this question is narrative-based and may not be true across the board for all establishments.

## **Research Conversations**

When reviewing data to help build a strong case around my research question, I thought, what better source to tap into than those with a strong platform in the field and regularly engage in or supervise the fundraising process. From this thought, I decided to capture conversations with members of similar but diverse performing arts organizations in order to get a first-hand account. I reached out to and was lucky enough to speak with representatives from three different nonprofits; Caramoor Center for Music and the Arts in Westchester County, New York, Indian Hill Music in Littleton, Massachusetts, and the Boston Symphony Orchestra in Boston, Massachusetts. In addition, the organizations were selected due to their geographical location, which is the northeastern section of the United States. The selection allowed me to have

conversations with participants from three different size organizations. I intended to compare the nonprofit strategies.

### **Limitations**

While I was able to build a strong platform of information and resources, some limitations to the study should be mentioned. Firstly, I wanted to gain first-hand knowledge through conversations about the nonprofit experience. Out of more than 2,000 nonprofit performing arts centers in North America, I have collected data from 3 out of convenience. Additionally, I may not be able to obtain the in-depth information as I originally had wanted, as some documents are protected by donor confidentiality. If the organization were to make that available to any member of the public, it would constitute a breach of agreement.

### **Ethical Considerations**

It should also be mentioned that all participants consented to conducting and recording a brief conversation to be used throughout the study and were informed they could halt the process at any time. The recordings were to be deleted upon the full use of their materials. No personal or confidential material was reviewed or presented as a result of this study or its research process.

### **Data Collection**

When beginning the initial data collection, I knew a large portion of information to be used in the study would likely come from a first-hand conversation. Because of this, I prioritized conversations with key roles in fundraising as a significant source of information and began conducting them at the onset of this project. Concurrently, throughout the Senior Project period, I was also searching the SUNY Purchase Library. The *Academic Search Complete* library database was utilized, and Google Scholar for peer-reviewed journals using the keywords

*fundraising and nonprofit*. The search results yielded relevant background information and previous studies about nonprofit fundraising.

Throughout this process, I used a wide range of reliable sources. Using a high percentage of peer-reviewed sources was intended to deliver the most accurate and up-to-date information regarding non-profit fundraising. A selection of dissertations was also used for data collection, and a source of some interview questions was used in the conversations with the nonprofit fundraising participants. The organizations provided quantitative data from their accounting departments, which was a look into the real world of nonprofit fundraising.

### **Timeline**

To start the data collection process and pursuit of background information on my topic, I immediately began searching for peer-reviewed articles using *Academic Search Complete* and *Google Scholar*. This search was a great way to source established information to answer my research question and create a clear direction for the project. After I was able to give myself a good idea of where the project was heading, I started compiling conversation questions and conducting the conversations. The conversations were key in order to gain context and put what I had read previously into perspective. Directly following the interviews, I started to consider how to compile all the information I was gathering into an easily digestible format, consistent with the conversation questions and objectives. Not until this had been done did I start completing the methods for the study and the literature review.

While gathering the remainder of my literature review as well as writing out the methods and processes of my study, I was able to format my paper into chapters and subheadings. This process was conducted with the intention of bringing greater organization to the project and creating a reader-friendly environment for processing the data and information.

## **Conversational Questions**

The following questions were designed to get a perspective on the representatives' role in the organization and fundraising within it and to decipher a clear picture of the most effective as well as most preferred types of fundraising within the performing arts nonprofit.

**Q1:** How would you describe your role in the organization?

**Q2:** How are you involved in fundraising?

**Q3:** What types of fundraising tactics does your organization employ?

**Q4:** What is your definition of fundraising effectiveness?

**Q5:** What mechanisms do you have in place to measure fundraising effectiveness, performance, and efficiency?

**Q6:** What factors influence your marketing strategies? (In relation to fundraising)

**Q7:** How has the fundraising strategy evolved through your time with the organization?

**Q8:** What is the procedure if you do not meet your fundraising goals?

**Q9:** What is your most preferred form of fundraising? Why?

**Q10:** What would you consider the most effective and efficient form of fundraising? If your answer differs from Question 9, why?

These ten questions were unchanged through the conversations with the three different organizations as to be able to obtain a strict comparison.

## **Results**

The process of completing the literature review was extremely helpful to get an idea of the mechanics and background of different fundraising techniques. It was incredibly useful to get an idea of how these methods are utilized, however, when completing the literature review, I struggled to actualize the effectiveness of these techniques as there was not much measurable data presented. Despite being able to find useful information through these sources, I thought it would give my study a more thorough approach and higher credibility if I were able to use some primary sources. Primary sources are a great way to obtain the perspective of someone who

was/is involved in the culture and series of events one is researching (“Getting started with primary sources”). In order to include the most reputable primary sources possible, I reached out to three performing arts non-profits that were familiar to me and asked if a representative would be willing to speak with me about their fundraising procedures. To my delight, all three organizations were willing to conduct a conversation around fundraising and their answers are as follows:

The primary question asked *How would you describe your role in the organization?* was designed to gain insight about the participants and affirm that they were in a position to speak about organizational fundraising adequately and accurately. All the participants who volunteered to partake in the conversation displayed a vast history of operating within the organization and excellent knowledge in their field, as illustrated in Table 1.

**Table 1**

Q1: *How would you describe your role in the organization?*

Participant	Response
<i>Caramoor</i>	VP & Chief Development Officer: Responsible for all FR within the organization. Also Responsible for all food & beverage as well as facility rental. About 80% of the organization's revenue comes through my hands.
<i>Indian Hill</i>	Director of Development for 10 years. Goal is to raise philanthropic dollars for the organization. Part of the senior team, and everyone on that upper team works intimately with each other's department to ensure continuity. Able to move around and talk to many facets of the organization and know exactly what is going on in all areas.
<i>BSO</i>	Been wearing multiple hats so it's a bit convoluted. During the pandemic there were multiple layoffs, the original position was director of foundation and government relations but also overseeing individual giving, then became

interim Chief Development Officer for 18 months stretch during search but has been involved in all aspects of fundraising.

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When gathering responses for Q2, there was some variety, but everyone seemed to play a key role in the fundraising process at their organization. According to Love’s study (2018), involved, passionate, and fiscally conservative leaders are most likely to sustainably raise funds. Keeping that in mind, the responses recorded, as illustrated in Table 2, support the argument that each representative share that passion and involvement in the organization. Both the folks from Caramoor and Indian Hill mentioned that they oversee absolutely all fundraising programs and statistics as directors of development. The representative I spoke to from Boston Symphony is in an interesting position. They lack some staff, so while their original job is to oversee all the corporate and foundation fundraising, they also oversee many individual funding programs. What I found most meaningful, though, is that they provide oversight in a managerial sense to the programs and are heavily involved in designing and executing them.

**Table 2**

*Q2: How are you involved in fundraising?*

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Participant	Response
Caramoor	Sort of Architect of the Fundraising plan. Organizing special events, government grants, and cultivating relationships with donors.
Indian Hill	“From soup to nuts.” Set strategy and have a team of 4.5 folks who help to carry out plans. Very collaborative setting, but work on determining various strategies across the entire organization. Write up grant proposals as well as reaching new donors and cultivating existing donors as ~85% of funding comes from individuals. Talk to local businesses and try to make strides in corporate settings. Talk to parents in the lobbies and common areas of the education center. Overall make sure the team is working efficiently.
BSO	Mainly involved in government and corporate grants, but for that 18-month time served as director of individual giving. Oversaw all of annual fundraising, special

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project fundraising, raising money for capital projects, endowment, basically any and all fundraising.

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In order to get a better understanding of the architecture of each organization's fundraising habits, I implemented Q3, which asks about the fundraising tactics each organization employs. Table 3 has the responses to the question, which mainly targeted further questioning to be more relevant to the specific organization we were discussing and dissect certain tactics and judge their effectiveness compared to other methods they use. It was interesting to learn that the BSO, the largest organization that brings in the most donations, is also the one to offer the most incentives. This situation may not sound surprising at face value, but according to Aknin et al. and Dunn et al., when a donor gives for purely altruistic means, it inspires happiness and “warmth” within the donor. One would think that a nonprofit would rather have their donors based on passion rather than reward, but I can see how it could help to influence new donors and retain those that attend a high level of events

**Table 3**

*Q3: What types of fundraising tactics does your organization employ?*

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Participant	Response
Caramoor	Direct mail, Direct phone calls, membership program, Event based fundraising (Benefit Tickets & Galas), peer-to-peer fundraising, direct personal solicitation as well as a plethora of grants.
Indian Hill	Individual giving - largest pool, convert concert goers or other folks already engaged with the organization through annual mailings, social media, personal phone calls, using the new building as a tool to convey vision to donors and show them the direction the organization wants to head in. Special event with student performance as well as address by the CEO, treat donors to dinner etc. Can bring out very generous gifts from large donors. Huge focus on retention rate - 83% compared to national average of ~55%. Call and thank people and have intimate phone calls to make donors feel appreciated and special, even for small gifts. Research plays a huge role as well, digging into who their current donors are, how much they might be able to give as well as finding effective ways to reel in new donors. “Challenges for annual fund”: ie. matching events where one donor offers to match donations up to X amount which motivates people to give as they will be making twice the impact.



BSO Sponsorships for 4th of July, partner with corporate orgs. “Business partners programs” which provides funding for BSO and benefits for businesses. 2 Galas, 1 for symphony and 1 for Tanglewood which raises 500k-1m as well as a corporate gala for pops which raises about 1m. Govt and corporate grants. Annual fund for individual giving which raises money for symphony, Tanglewood, and Pops. Fundraising for special events like the sensory friendly concerts for people with Autism. Money is lost on ticket sales so fundraising is run to account for losses and even out. Direct one on one engagement by the “gift officers” who have portfolios of donors and stay in touch to keep them close and in the loop. Lots of benefits are used as incentives like advanced ticketing, parking services, as well as box office assistance. Corporate benefits are similarly run through a special corporate team.

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Q4 surrounds the effectiveness and efficiency of specific fundraising tactics; it was essential to clearly understand how our representatives defined these terms. Table 4 illustrates this was considered the time spent on curating donation and the Return on Investment (ROI) of donation, which can be calculated by dividing the proceeds by the expenses. However, what stood out to me was when chatting with the representative from Indian Hill, they seemed to have separate definitions for each word, with efficiency capturing the time, effort, and ROI, and effectiveness embodying the longevity and retention rate of donors.

**Table 4**

Q4: What is your definition of fundraising effectiveness?

Participant	Response
Caramoor	Mathematical approach is especially useful for events, and can measure return on investment easily. Otherwise it is kind of difficult to measure time, effort and return on all the other types, direct mail, personal solicitation etc.
Indian Hill	Comparing effective vs efficient. Effective defined more in the retention aspect, can you acquire donors that keep giving over time through stewarding that relationship. Efficiency more attributed to ROI and rate of fundraising; i.e., raising a large sum from one donor.
BSO	Industry standard of not spending more than 20¢ to raise \$1, but it’s a little more nuanced than that. A new donation might be worth more, and, therefore, worth spending a little more to get as it is easier to renew. But overall staying under budget while meeting fundraising goals. If expensive events keep people close and keep them renewing then it’s worth it. Questionnaires for donors to ask what

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benefits matter to them which not only gives them more input to the process but allows you to shave costs on unnecessary benefits.

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When observing the effectiveness and efficiency of each type of fundraising, it is just as important to know how they are measuring this. If the fundraising types are measured in similar ways in all three organizations, we can assume this is somewhat of an industry standard and compare them more effectively. Although it will slightly differ between each organization based on size and donor pool, Table 5 shows that all three of our representatives cited in-depth use of statistical analysis and multi-year comparisons. While much of the marginal data is not available to the public, it is key to reviewing the effectiveness of fundraising and something every nonprofit must take into consideration (Brooks).

**Table 5**

*Q5: What mechanisms do you have in place to measure fundraising effectiveness, performance, and efficiency?*

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Participant	Response
Caramoor	Total # of donors over time, renewed donors at different levels, % of donor retention at those levels, 5-year lookback to identify trends, identify correlations of what moves with each other and opposite each other (i.e., # of people who give \$2500-\$5000 moves opposite of the # of people who give to special events & benefit tickets.) This is because they have a certain amount available to give, they will either buy tickets to the gala, or donate through the annual fund, they will most likely never be brought up past that \$5000 range. This data was used to allocate resources effectively, finding out that it is near impossible to get more out of those folks, therefore resources should not be used for that.
Indian Hill	Annual budget that is set and measured at certain intervals, how many responses to mailings, opened emails, engaged with social media? How many new and repeat donors were touched? Look at all data that is available and adapt if necessary. Experiment with things like microtargeting certain tactics on small groups to see if those new methods could be effective at large. Almost trial and error, “experiment and test”. What works stands out and you inherit those methods into general fundraising tactics.

BSO Constantly review fundraising performance with monthly reports to identify and compare over a multi-year period with individuals. Look at new donors, renewed donors, changes in patterns. Lots of quantitative analysis and separates by level of giving and length of giving.

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With about 20% of all nonprofit revenue coming from individuals, marketing strategies for obtaining new donors and retaining existing ones are critical to an organization's sustainability (Brooks). It's also worth pointing out that this statistic is across all registered nonprofits in the US; performing arts organizations, depending on size, receive about half of all revenues from individual donations, and that number was only inflated over the COVID-19 pandemic. Q6 could also be summed up by asking, "How do you convince people to give?" Marketing is a vital part of generating fundraising revenues by clearly translating the organization's goals and mission to reflect similar interests of the potential donors. Even subtle differences such as phrasing or wording can play a large part in how donors receive messages (Bhati). The COVID-19 pandemic also played a significant role in shifting marketing focuses from the organizations' missions to highlighting the financial struggle they were facing, resulting in more of a call to action to help save programs (BSO). Table 6 contains the responses.

**Table 6**

*Q6: What factors influence your marketing strategies? (In relation to fundraising)*

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Participant	Response
Caramoor	Who is the audience? Old vs young demographic. Season is very important as well since Summer is the main time people interact with the organization. Being able to provide benefits in the summer is a great incentive to have. In the winter it becomes more mission based as there are not as many events etc.
Indian Hill	Piggyback on personal stories to spread the message of virtuosity of the organization through first-hand experience. "Heartwarming tickets" that you can weave into conversation to connect on an ethos level with donors. Understanding messages, they are putting out on all levels and adapting those messages to the occasion. Show them the impact of their donation. "With your donation, this group of underprivileged folks will have access to X resources." Fundraising ≠

marketing but instead the marketing is capitalizing on those stories, a lot having to do with the reputation of the organization.

BSO Biggest factor is what's going on in the organization. What is the case for support? During COVID, it was very much marketing the financial challenges the organization was going through. Lost \$50Million in ticket revenue so had to find new ways to market and keep donors engaged. Orchestra members took roles in directly communicating with donors and having a presence via zoom.

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Asking the participants. in Q7, *How the fundraising strategies and structures have changed over their course with the organization?* was a great way to decipher the “modernization” of fundraising, to see which directions people were moving in and how they are attempting to be more effective and efficient with their fundraising, as shown in Table 7. The most notable take on this was information from Indian Hill. As they have grown tremendously over the course of the past ten years, it was great to have the perspective of an expanding organization. While they had worked on cultivating a small group of large donors in the past, it now makes sense for them to reach out and create a larger pool rather than relying on the gratuity of a limited selection. Otherwise, it seems like the most significant addition to the roster has been the use of social media, and all candidates mentioned the effects of COVID-19 and the increased use of virtual connections to their audience and donors.

**Table 7**

*Q7: How has the fundraising strategy evolved through your time with the organization?*

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Participant	Response
Caramoor	Evolved to do fewer but more expensive events, looking for higher return on investment on events rather than having multiple with lower ROI. Events are very time consuming as well so it can be a terrible ROI. ROI on personal solicitation is near 100%. Messages surrounding identifying as a not for profit and social media has come into play

Indian Hill	Entered at a time of need as no one was filling the position at the time. At first it was a very small organization so a lot at first was working with the board, making connections to attract new donors and form new relationships, and at the current stage is more focused on cultivating and stewardessing existing relationships.
BSO	COVID introduced a whole new focus of fundraising. Rather than focusing on bigger, newer projects, the focus was on raising as much operational income as possible to stay above water and break even. A big shift as well to supporting the program and not the cost; highlighting the impact of a donation. Broad messaging instead of dollar amount allocation.

While none of the representatives I spoke to thankfully ever had to encounter the situation, I was curious to know the procedure in case fundraising goals were not met. Despite non-profits having 47% growth in 2014 alone, only 53% across the board report that they have at least three months of cash on hand for daily operations and client needs (Love 4). This statistic is alarming as they rely on a consistent cash flow for operations. If something were to occur where they could not raise funding over three months, they would most likely have to declare bankruptcy and shut down operations. Table 8 shows a common theme here, however, of forecasting and communication. If the fundraising team suspects they will fall short, the key is to alert the financial team, and following would be a reallocation of funds to the most critical parts of the organization.

**Table 8**

Q8: *What is the procedure if you do not meet your fundraising goals?*

Participant	Response
Caramoor	Telegraph lack of funds very, very early. Two huge fundraising events, gala and month of December. After the gala (about 20% of all fundraising but some NPOs rely on a special event for 50-70% of all annual proceeds!) Let the financial team know a good 6 months in advance. Most of the procedure is advanced communication and data analysis.
Indian Hill	Not meeting goals is not an option! If any goal is projected to be missed, the first step would be reallocation of funds from not as necessary programs/sectors to most necessary. So far have always been able to meet goals but in the worst-case

scenario there is a reserve fund in the event of a lackluster fundraising year. All about ensuring the cash flow and creating lines of income to avoid and short handing.

BSO Regularly forecast and inform the finance team as soon as possible. Look in the internal department to see what expenses could be reduced. Overall the sooner you know and communicate the better. BSO is fortunate in the fact there is no cash flow issue. Being a big developed organization is a huge reason for this.

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I wanted to leave Q9 very open-ended with a qualitative nature to see if the responses aligned with the most effective. The roles of our representatives are very people-oriented, with speaking and communicating with donors to cultivate relationships necessary for sustainable fundraising (Love 40). Although slightly different, unsurprisingly, all three participants answered that their favorite has to do with being in touch with people, impacting their lives, and showing them the impact, they have with their donations. The responses are shown in Table 9.

**Table 9**

*Q9: What is your most preferred form of fundraising? Why?*

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Participant	Response
Caramoor	Person to person “major gifts” solicitation. Because it is the most personal and has the most feedback, a chance to understand who you’re talking to and what they stand for and believe in. Bigger impact and bigger gifts.
Indian Hill	Personal interaction and having conversations. Get to build up trust and relationships through mutual interest as well as get to hear about donors' passions, being able to be true to your word and take peoples direct thoughts and beliefs into consideration. In that setting, people feel heard and are appreciative of the thought that goes in, the ability to make people happy.
BSO	Personally, really enjoy impact-based fundraising. Having a conversation about what we want to do and this is how it's going to have a tangible positive impact. Perfect example would be the sensory friendly concerts. Had to raise 250k to do it, but received overwhelmingly positive feedback and gave a great

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opportunity to folks to enjoy the pops and holiday season in a way they could do so effectively. Really being able to touch lives is one of the great highlights of the job.

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When it comes to responses, Q10 was the most important and relevant information to our study. Three accounts of the most effective and efficient fundraising tactics for nonprofit performing arts organizations. As shown in Table 10, across the board, all of their answers were nearly identical; individual, personally contacted, and high-level donors bring in the most funding with the least amount of time, effort, and cost. However, the BSO participant did point out an interesting perspective based on the size of organizations. With the BSO being a very large institution with significant outreach and public recognition, their lower level donors amass to be neck and neck with larger ones, only falling short by a small amount. The contrast is clear when talking to smaller organizations like Indian Hill and Caramoor, who have much more luck raising large funds from small groups than vice versa. So, to be proficient in answering this question, one must take into consideration that it depends; there is not necessarily a one size fits all. With that said, however, “It is much easier to raise \$1 million from one person than it is to raise a dollar from a million people”, said a representative from Caramoor.

**Table 10**

*Q10: What would you consider the most effective and efficient form of fundraising? If your answer differs from Question 9, why?*

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Participant	Response
Caramoor	For Caramoor, the person to person is much more effective. Some organizations need \$1 from a million people, some need \$1Million from one person. Caramoor is much further down the line of getting \$1Million from one person. It’s also easier and more efficient.

- Indian Hill A meeting with someone who has philanthropic capacity and a connection to the organization can be extremely effective. At the end of the day, however, it can always be different and depends on who you're working with and their means.
- BSO Depends on the size of the organization and what the mission is. Huge consumer base so with so many potential donors, the annual fund is the largest pool to choose from. Smaller organizations might have better luck investing in foundation grants which may be more impactful. Most efficient is email because it costs nearly nothing, all about finding the sweet spot between physical mail, phone calls, and emailing. However, the larger the donation potential from a donor, the more effective it becomes to have one on one conversation.
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The most interesting outcome of the conversations was the overlap and contrast between answers based on the personal experience of representatives and the organization's size and fundraising structure. It is easy to tell that there is somewhat of an industry standard when it comes to the architecture of the fundraising strategy. Still, it is also up for interpretation as each nonprofit I talked to has a personalized feel to its methods.

### **Discussion**

Since performing arts nonprofits rely so heavily on donations to meet financial goals and continue daily operations, it is imperative for organizations to have an effective fundraising program. While the government also has financial assistance and grants that can be applied for, over half of the fundraising revenues come from individuals and not entities. Without the support of these individual donors, most nonprofits would be short-lived.

Despite nonprofit organizations using a wide range of techniques, including mailing lists with thousands of people being reached and special events like galas, I was somewhat surprised to hear that the most effective and efficient form of fundraising is generally one on one interaction with high-level donors. Depending on the size of the organization, of course, as some



nonprofits have greater outreach and may have more luck generating a higher number of small donations, generally, performing arts nonprofits, specifically, can more effectively connect with a small number of high-level givers, which account for nearly two - thirds of individual gifts.

Not a lot of previous research has been done on this topic as I had little luck finding information on specific fundraising programs, but more so on the components of effective fundraising as well as why donors give and how to better reach and connect to them and their beliefs. For example, Ashley Whillan's research points to the fact that donors are more likely to give more if they are able to see an actual impact their gift has, which aligns with spending time and resources on talking to high-level donors. This opportunity cultivates a personal relationship and a chance to display the impact of their donation and possibly encourage more significant contributions with visions of a greater impact. On the other side, a 2019 study by Body et al. explains the rise of transactional fundraising, using incentives rather than common values to connect with potential givers. This strategy is utilized by the nonprofits I spoke to, however, but what is interesting is that many of the repeat or core givers do not care as much for the incentive. Many donors believe it is a waste of organizational resources.

It's hard to say where to go from here in terms of additional research as fundraising techniques seem so subjective concerning their effectiveness and how it works with each organization. I spoke with three organizations near me that have been around for at least ten or more years, so I think it could be useful to observe some performing arts nonprofits scattered throughout the western US and some start-up organizations. I predict that the smaller the organization, the more they rely on the core donors for operational support, making one-on-one interaction and cultivation the most effective and imperative for their existence and cash flow.

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