



Increasing Individual Giving to the Arts: Evidence, Aspirations and Potential Barriers to Success

An Arts Quarter Study

July 2012

SUMMARY

A Culture 2020 Project

Contents of Full Report

	<u>Page</u>
Introduction	3
Methodologies	4
Culture 2020	7
Executive Summary	8
Key Findings	10
Findings: Overall	11
Findings: Regional Variations	12
Findings: Art Form Variations	13
Findings: Based on Annual Turnover	14
Conclusions	15
Detailed Findings: Overall	16
Detailed Findings: Regional Variations	20
Detailed Findings: Variations By Art Form	44
Detailed Findings: Variations By Annual Turnover	76
Participant Profile 1: Hidden Wealth Research Project	92
Participant Profile 2: 2012 Philanthropy in the Arts Survey	94
Author: John Nicholls	96
Arts Quarter LLP	97
Contact Details	99
Appendix 1: Summary of Wealth Screening Data Findings by Region, Art Form and Annual Turnover	

A copy of the full report can be obtained free of charge via info@artsquarter.co.uk



Introduction

This report looks across the findings of two studies conducted by Arts Quarter – our Hidden Wealth Research Project conducted with arts organisations over the period April 2010 to May 2012 which sought to help organisations understand their capacities to engage with high net worth individuals (HNWIs) by taking those organisations through a process of screening audience/ attender data and our 2012 Philanthropy in the Arts Survey, top-line findings of which we reported in April 2012.

This report brings together findings from these two projects so as to provide a snapshot on the extent to which arts organisation have some of the most fundamental building blocks in place in order to embark effectively on the process of soliciting higher levels of giving from individuals, namely:

- a community of potential supporters from within their audience and/or visitor bases with a financial capacity to give. Having such a constituency can be critical to developing and indeed delivering in this fundraising area in the medium term in that these are individuals who are already aware of an organisation's work and possibly have already a financial history of support through ticket purchase,
- an articulated narrative on which to base their requests for support – so as to engage these and other prospects (i.e. a Case for Support),
- in light of limited fundraising resources, an engaged community of senior volunteers/Trustees to act as fundraising advocates, endorsers, solicitors and indeed givers in their own right.

The purpose of looking across these two projects is to:

- report in detail on the capacities of arts organisations to engage with wealthy individuals and convert them to becoming donors,
- provide a set of performance benchmarks for those who have participated in the Hidden Wealth Research Project as well as others who may be looking to wealth screen their audience/ attender data to assess the levels of HNWIs held on their databases.
- explore and report on the individual giving aspirations of respondents based on art form, region and scale over the period 2012-15,
- understand any potential tensions that may have been identified by participants across both projects which could act as potential barriers to success in realising their individual giving potential over the next three years.

Findings from the earlier phases of work under the Hidden Wealth Research Project were reported in October 2010 and July 2011. This report builds on those findings and includes all those organisations that have taken part from July 2011 – June 2012. In all, data from a total of 126 arts organisations based in England has been collected under the aegis of the Hidden Wealth Research Project over a period of 27 months.

Most of these 126 arts organisations that have taken part in the project continue to use their participation as the catalyst to embark on the process of engaging with potential supporters as identified through the wealth screening process which forms one of the key elements of the project.

As for the findings that we are reporting here in more detail from our 2012 Philanthropy in the Arts Survey published in April 2012 looking at individual giving aspirations and potential barriers to success – we report here on the data of 351 organisations from England. These respondents shared views and aspirations on a range of areas relevant to the development of their individual giving activities.

For the purposes of reporting across both projects, we have re-classified findings so as to compare findings more accurately and draw conclusions.

Methodologies

Hidden Wealth Research Project

Over the period April 2010 until March 2012, organisations were invited to take part in this project via a series of email broadcasts sent to members of the Arts Quarter mailing list. Display advertising to recruit participants also appeared in a number of arts trade journals over this period as well as notices appearing on the Arts Council England website. Those responding to the call to action then received further information on the project outlining requirements and outputs. Above and beyond the 126 who have taken part, a further 201 organisations requested information on the process. This project closed at the end of May 2012.

For the purposes of reporting, all participating organisations were assured that any analysis shared in the public domain would be aggregated and remain anonymous.

Initial participation made use of Prospecting for Gold's Wealth Intelligence Database (WID), a factual dataset containing information aggregated from a range of sources in the public domain.

WID does not contain any modeled data. It only contains records of wealthy and influential people able to make or influence a donation of £5,000 or more. The wealth of an individual on WID is based on their free assets gathered from up to 30 different wealth indicators for each record and does not include property values. Currently, details of close to 500,000 individuals are held on WID including details of grant-making trust, livery company and corporate affiliations and directorships along with shareholder details and known giving histories where in the public domain.

Organisations taking part provided to us audience/ visitor/ membership/ donor name and postal address data via a secure FTP up-link which was then screened via the Wealth Intelligence Database.

Once screening was completed, participating organisations were supplied with findings in the form of a one-page summary for each of the screening processes outlining the number of screened records matched and then of that top line figure:

- Numbers of records identified within a wide range of wealth bands denoting value of assets held excluding property (£50m+, £25m-£50m, £10m-£25m, £5m-£10m, £1m-£5m),
- Known age-bands from age 26 to age 66+,
- Numbers of matched records among those identified with the capacity to give with known livery company, grant-making trust or wider charitable affiliations, known shareholdings and company directorships.

Datasets screened varied considerably in number of records based on the scale of organisation and quality of individual data held. The totals and average numbers of records screened per art form, region and scale of organisation are detailed in Appendix 1 of this report along with average numbers of individuals identified across a range of wealth bands and across three key affiliations held by those HNWI's identified likely to influence wider giving potential; livery company membership, trusteeship of grant making trusts and PLC directorships.

Findings from this screening process were then discussed either face-to-face or by telephone with the commissioning contact within each participating organisation. A series of questions were asked at this time to explore the current status of individual giving activities, general current levels of individual giving (if any), fundraising aspirations in this area and where known – tangible plans, staffing capacities and skills levels as well as potential for Trustee engagement. Interviews/ discussions have taken place usually with the most senior member of staff charged with fundraising. A total of 109 organisations took part in the formal interview process.

Thereafter as organisations have progressed with their thinking, many have continued to share insights and observations as well as detailed plans as they have emerged. Results and learnings in some cases, went on to be cited in funding bids under the ACE Catalyst Arts programme so as to provide evidence of applicants' capacities to engage with high net worth individuals. Many of the aspirations and concerns shared by participants in the course of this project went on to inform questions posed in our 2012 Philanthropy in the Arts Survey, recognizing that exploring the issues raised of the sector as a whole gave us an opportunity to gather a greater sense of their scope and scale across a much wider community.

2012 Philanthropy in the Arts Survey

This AQ online survey was launched to the UK cultural community on 20th February 2012 and remained available for completion until 16th March. The Survey was launched initially via email to AQ's own email list of 2,903 individuals working within the UK arts sector. It was also promoted via the Arts Council England website and by others working in the sector including Arts Professional, Arts Marketing Association and National Campaign for the Arts as well as a number of regional networks of arts fundraisers and other senior professionals. Over the course of the 'live period', organisations were periodically re-prompted to take part.

In all, some 489 completed responses were received, as well as 48 partial responses. In order to report the findings of this Survey with a greater degree of clarity, we have restricted the sample to just one respondent per organisation, selecting the most senior individual identified within any one cultural organisation. This paring down of responses has left us with a sample of responses from 351 individual cultural organisations from England, the findings of which are reported here.

A summary respondent profile for each of the two projects can be found towards the end of this report.

As in all of our research activities, we are particularly grateful to those working within the arts, from all art forms, scales and regions who recognise the value of our ongoing research work in support of the sector and who have taken time out of their day to take part in these two programmes.

While the Hidden Wealth Research Project has now closed, arts organisations wishing to have their datasets screened so as to understand more fully the extent to which potential donors may be known to them as ticket-buyers or attenders may continue to do so, free of charge by contacting info@artsquarter.co.uk

Culture 2020

AQ's Hidden Wealth Research Project and Philanthropy in the Arts Survey form part of Culture 2020 - a new initiative of research programmes, advocacy and other activities that will aim to plot and promote the continuing transformation of the UK cultural community over the next eight years.

The period over the remainder of the life of the current Parliament and indeed until the end of the next in 2020 has the potential to be one of profound change for the arts as the sector seeks to embrace and encourage higher levels of philanthropy, shift levels of engagement with audiences and create a new level of dialogue with Government, policy makers, business and media. Our work aims to track these changes, highlight examples of innovative practice and demonstrate where additional attention may be needed by the sector in order to capture opportunities for development.

Above all, our work will strive to communicate the cultural and economic value of the sector to the ongoing development of the UK's knowledge-based economy and within that, the vital role that the arts play in the wider commercial creative industries.

Executive Summary

This report seeks to highlight the degree of potential for arts organisations to engage effectively in higher levels of individual giving, their aspirations to do so and any identified barriers to success in meeting these aspirations. As mentioned in our introduction, to do this, we are reporting across two key research projects we have undertaken recently;

- AQ's Hidden Wealth Research Project which was conducted from April 2010 – May 2012 – reporting on findings gathered from 126 participants
- AQ's Philanthropy in the Arts Implementation Survey conducted between February and March 2012 – reporting on findings from 351 respondents.

Topline findings on both of these projects have been previously reported and summaries of findings can be downloaded from the Arts Quarter website.

This report however seeks to drill down further and to provide more detailed insights, exploring potential to engage in securing higher levels of individual giving as well as, organisational aspirations and possible barriers to success based on findings according to art form scale and location so as to highlight opportunities. This allows us where necessary to identify issues from which organisations reading these findings may look to learn and move forward with their own individual giving plans. In generating this report we hope it will be used by arts organisations to reflect on their own position on the issues raised and findings reported and look to develop strategies for off-setting any concerns they may have which could impact on their capacities to increase levels of giving by individuals.

Our Hidden Wealth Research Project findings provide a rich set of data in terms of allowing organisations to understand the extent to which they may have individuals already associated with them with the financial capacity to provide support. Our 1:1 interviews with those organisations that took part in this project however highlighted a range of potential barriers to success which could ultimately prevent them from engaging with these individuals and indeed others to realize their individual giving ambitions.

At their points of participating in the Hidden Wealth Research Project project, only 17 out of the 126 participants were able to cite organisational examples of working with wealthy individuals in the last three to five years. Five were in the context of capital appeals where levels of individual giving had been significantly outweighed by statutory or charitable trust funding. The remaining twelve stated that they had established individual giving programmes, four of which since launch had failed to secure any take-up while the remainder reported varying degrees of success in take up. Only one of these stated that their organisation had managed to achieve target on their individual giving programme since launch.

As staff members, only 48 out of the 109 interview participants who took part in questioning (44%) were able to say with confidence that they had experience in working with high-net-worth individuals and therefore felt confident about their capacities to deliver. All but three of those interviewed recognised the need to skill up in order to engage effectively with potential donors to secure levels of giving above and beyond standard membership scheme subscriptions.

Possible Barriers to Success: All who took part in interview recognised that culturally, looking to engage proactively with wealthy individuals was likely to raise a number of potential barriers to success. The most frequently mentioned barriers were (greater number of mentions listed first):

- Inadequate staff resources to manage a programme effectively – split roles and responsibilities likely to impact on clear focus needed to deliver.
- Lack of a cogent Case for Support – a sector-wide issue as evidenced in our April 2012 report and indeed in our findings here.
- Lack of understanding of the potential wider channels of support beyond cash gifts.
- Lack of sufficiently articulated plans in the medium term (beyond one year) in order to attract support.
- Lack of experience and skills within staff to plan and initiate a managed programme of activity and thereafter in managing and engaging with potential and actual donors.
- Lack of understanding across organisations as a whole of working with, engaging and managing relationships with potential and actual individual donors outside of the core fundraising function.
- Lack of appreciation within senior management generally and at Board levels of the process of engaging and servicing potential high donors and of fundraising in general.
- Lack of understanding of the process of gift acquisition and currently unrealistic expectations of the speed at which gifts might be secured and on that basis, the potential for any campaign to be perceived as failing if gifts were not leveraged within a relatively speedy timeframe.

Our 2012 Philanthropy in the Arts Survey conducted over February and March 2012 provided us with an opportunity to explore some of these areas in greater detail and to look at gathering data on a range of key drivers in the delivery of effective individual campaigns in more detail and across the sector as a whole. The findings of 351 respondents are reported alongside the 126 who took part in Hidden Wealth.

This is the most extensive compilation of data we have published to date and we do so on this occasion in light of the aspirations of arts organisations of all scales, regions and art forms to develop their individual giving activities at this time – some supported via the ACE Catalyst Arts programme and others simply because other avenues for increasing private sector giving remain limited. We recognize that in some of the areas of our reporting our samples are small but we have included these here so that organisations from these communities can compare their own performance and aspirations with those of their peers and make use of these findings in further determining their individual giving activities.

Key Findings

The structure of this report is such that we have combined findings from these two research projects in an attempt to provide an overview of the true capacities of arts organisations to deliver increased levels of giving from individuals. Firstly, in each section of this report, we detail the findings of our wealth screening of audience and attender data under the Hidden Wealth Project. Thereafter we move over to detailed findings from our 2012 Philanthropy in the Arts Survey where we have highlight the aspirations of arts organisations to increase levels of individual giving over the next three years across major, mid-range and low level giving. Finally and again from this Survey, we highlight potential barriers to respondents achieving their goals by looking at two key issues; levels of Trustee engagement in fundraising across a range of key areas and the effectiveness of organisations in making the fundraising ask via their Case for Support.

What is broadly evidenced through these findings is a very clear potential for arts organisations to engage in higher levels of individual philanthropy based on levels of wealth held by those who have engaged with their work as audience members or attenders. For these individuals, the story of the organisation is at least partly told and as such, these prospective supporters could be deemed to be those with the greatest propensity to give over the shortest period of time.

Identifying prospects however is only part of the story and remains only a list of names and addresses on a spreadsheet until the point at which they are approached for support. This requires a very clear sense by the fund seeker of their own need and a capacity to respond to the questions that may be asked by these potential supporters. In this context, the organisation's Case for Support is vital and represents the central nervous system of any solicitation and indeed of the wider fundraising campaign. It is the document which articulates the need, highlights what makes the organisation remarkable and paints the picture of why a potential supporter should become engaged. It allows all who represent the organisation whether staff or volunteers to speak with a common voice and with confidence – getting the Case to resonate with an organisation's values and aspirations is key. At a time of increasing competition for private sector support – this is the time at which organisations clearly need to invest in getting their Case for Support right and embedding it across their organisations.

Fundraising resources for any organisation are finite and at a time when many are looking to scale up their fundraising activities particularly in the area of individual giving, the number of asks made will invariably escalate considerably. Arts Council England recognizes the challenges ahead for organisations and the important role that senior staff and volunteers will need to play in supporting organisations realize their fundraising ambitions. The Catalyst Arts programme is supporting a number of organisations to develop their fundraising capacities at these senior levels but in reality even those outside of the Catalyst programme must look to develop their capacities if they are to continue to operate effectively in an increasingly competitive fundraising market place. Beyond an appreciation of private sector fundraising strategy and processes so as to support staff, the sheer volume of asks which organisations now must look to undertake will require senior volunteers to be more active in supporting and making the ask and in providing a degree of stewardship alongside staff members in the effective management of donor relations.

Prospective individual supporters by virtue of their wider life experiences and backgrounds are sophisticated individuals, well used to considering investment opportunities and challenges as part of their daily lives. A gift to an arts organisation is an investment in its future and while the motivations and returns on investment are likely to be very different from a commercial proposition, the principle drivers of an effective proposition and evidence of sound leadership remain critical to the decision making process undertaken by all but a few givers.

Our findings in this report provide clear evidence of the capacities of organisations to identify giving prospects but the extent to which they have in place two critical drivers to the acquisition of support – a clearly articulated need and evidence of clear fundraising leadership remains questionable across a number art forms, regions and scales.

Findings: Overall

Across all participants in our Hidden Wealth study, our wealth screening process identified an average match rate of individuals with a liquid asset base in excess of £1m each of 3.4% of records screened representing an average number of prospects identified of 168 based on an average number of record equating to 21,010. Clearly numbers of records screened for each organisation that took part in the process varied considerably from 145 through to in excess of 92,000 but in all but one case, the screening process was able to identify individuals with the capacity to give and/or influence others to give.

Individual giving is clearly seen as potentially the greatest area of fundraising development by arts organisations at this time, particularly in light of increasing competition for grants from trusts and foundations and lacklustre engagement by the corporate community at this time. This is evidenced in our findings where according to our respondents, the contribution that individual giving is projected to make to organisations' overall fundraising revenues is set to escalate significantly over the next three years according to our 2012 Philanthropy Survey findings. Presently, some 10.9% of respondents report that major giving (gifts in excess of £1,000) makes up between 11 and 24% of their overall fundraising revenues. By 2015, the number of organisations expecting major giving to constitute between 11 and 24% of their overall fundraising revenues is set to double to 21.8%. Looking across the next three years, the role that individual giving generally will be playing in the funding mix of organisation is clear to see in our findings. This is evidenced in drop offs in levels of contributions at lower overall percentages and increasing numbers of organisations reporting higher contributions of individual giving to their overall fundraising mix. Most significant of all is the drop off in organisations not seeing themselves engaging in individual giving three years from now. Those of our respondents not engaging in individual giving activities at this time across major giving (£1k+), mid range giving (£100-£999) and low level giving (less than £99) stands at 44.8%, 33.3% and 16.7% respectively. By 2015 according to our respondents, the numbers of those not engaging across these three areas of giving are set to drop to 19.2%, 11.5% and 7.1% respectively.

Individual giving is potentially the most challenging area of fundraising for arts organisations given that trusts and companies are geared to giving to a greater or lesser extent while individual philanthropy has yet to enter the day-to-day thinking of many of those with the capacities to give. To paraphrase, these individuals will require the greatest degree of persuasion and so getting the advocacy and messaging right will be critical. The role that senior volunteers and Trustees will play in the private sector fundraising of organisations at this time where growth will be essential. Overall respondents cited low levels of engagement by Boards in fundraising at this time. Under a third of respondents to our 2012 Philanthropy Survey were able to report that all members of their Boards understood their organisation's fundraising strategies. Alongside this, only just over a third were able to report that all Trustees recognize the importance of fundraising to their business models. A disappointing 10% of respondents reported engagement by all Trustees in their organisation's fundraising approaches, a further fifth were able to report engagement by around half of Board members in approaches and a further third cited engagement by one or two Trustees in making approaches. At a time when fundraising resources in organisations are likely to be stretched considerably, we are disappointed to see that only 29% of organisations taking part in this Survey felt able to report that at least half of their Trustees take part in fundraising approaches. Equally on the issue of donor stewardship post gift acquisition, at this time, only a third of our respondents were able to report that at least half of their Trustees play a role in this process. On the issue of Trustees giving or securing support from their peers (gift-getting) only 27.5% of our respondents were able to report that at least half of their Trustees currently give or get.

Alongside disappointing levels overall of fundraising leadership within Boards at the present time which may have an impact on the inclinations particularly of major individual supporters to give, the extent to which organisations communicate their need effectively at this time was of equal concern. Overall according to respondents in our 2012 Philanthropy Survey, just a quarter of organisations taking part felt able to say that their Case for Support is working well in engaging donors. Encouragingly, a further 52% recognized the need to update their Cases but a further fifth admitted to having no means in place to state their need for support at this time.

Findings: Regional Variations

Our report analyses findings across a total of six 'super regions' – in some cases, combinations of established ACE regions so as to provide meaningful numbers of participants in both projects to allow for comparisons to be drawn.

In terms of wealth screening findings, London ranked highest in terms of numbers of individuals identified from existing audience/attender databases with liquid assets in excess of £1m at an average of 5.4% of records screened followed by South West at an average of 3.0%, the combined East and South East Regions at 2.6%, East and West Midlands at 1.8%, the North West at 1.4% and the combined North East and Yorkshire Regions at an average of 1.3%.

Looking at growth projections in individual giving as a proportion of overall revenues raised over the next three years, rates of development look to at least double and in some cases triple over the next three years most noticeably in the area of major giving across all regions with the rate of growth clearly greatest in London. Pressures on fundraising generally are clearly evident in Yorkshire and the North East where perhaps the greatest degree of growth in individual giving is projected where four- or five-fold increases on current rates over the next three years are projected by our respondents. In light of our wealth screening findings for the region, we initially questioned the extent to which these projections may indeed be realizable.

Where however the North East and Yorkshire are worthy of praise and this may indeed be why this region feels optimistic in terms of setting its projections in growth in individual giving this high in the key area of fundraising leadership. According to our Philanthropy Survey findings, 60% of respondents report that at least half of the members of their Boards understand fully their fundraising strategy and 56% of respondents from this region report that at least half of their Trustees recognize the importance of fundraising to their business models. On participating in fundraising approaches, again 48% of respondents from Yorkshire and the North East were able to report that at least half their board members participated in fundraising approaches and 36% that at least half of their Trustees give or get. The poorest performing region across all but one of these key areas of fundraising leadership was the North West.

In terms of articulating fundraising need, London came out on top but still disappointingly with just 26% of organisations reporting that their Case for Support is currently working well in engaging donors followed closely by the North East and Yorkshire at 21.7%. The South West came out lowest in the ranking with no organisations reporting that they felt that their Case for Support is working well in engaging donors. That said, 41.7% of respondents in the South West – higher than in any other region clearly regard this as a work in progress and are looking to update their Case at this time.

Findings: Art Form Variations

Our findings look across a total of eight different art forms again based on established ACE terminology so as to provide meaningful numbers of participants in both projects to allow for comparisons to be drawn.

In terms of wealth screening findings, Dance and Opera ranked highest in terms of numbers of individuals identified from existing audience/ attender databases with liquid assets in excess of £1m at an average of 15% of records screened followed by Music at an average of 6.8%, Other art forms (digital, film, literature etc) at 3.0%, Multi Art Form Venues at 3%, Combined Arts at 2.5%, Theatre/Drama at 2.2%, Visual Arts and Galleries at 2.0% and finally Museums at 0.9%.

Looking at growth projections in individual giving as a proportion of overall revenues raised over the next three years, again rates of development look to at least double and in some cases triple over the next three years most noticeably in the area of major giving across all regions with the rate of growth greatest within Museum respondents where we noted that significant proportions of our respondents came from the local authority operated community across both projects. Pressures on fundraising generally are clearly evident in within this sector where perhaps the greatest degree of growth in individual giving is projected often from a standing start over the next three years.

On fundraising leadership it is again our Museum respondents who provide evidence of the need for the greatest degree of development and engagement by Boards, scoring lowest across all of the measures reported. Not surprisingly it is the Music and Dance and Opera communities which score most highly in this area at present notably in the area of giving or getting where among Music respondents 42.8% report that at least half of the members of their Boards give or get – 35.7% among Dance and Opera respondents, dropping to 28.5% of Theatre respondents.

In terms of articulating fundraising need, Dance and Opera again came out on top with 48% of organisations reporting that their Case for Support is currently working well in engaging donors. Only 9.1% of Theatre respondents felt equally confident. Other Art Forms came out lowest in the ranking with no organisations reporting that they felt that their Case for Support is working well in engaging donors and a staggering 50% of respondents stating that they currently do not have an articulated Case for Support.

Findings Based on Annual Turnover

Our findings look across a total of four different scales of organisations based on annual turnover.

In terms of wealth screening findings and perhaps not surprisingly those organisations with annual turnovers in excess of £5m ranked highest in terms of numbers of individuals identified from existing audience/ attender databases with liquid assets in excess of £1m at an average of 6.0% of records screened followed by those with turnovers of £500,000 - £1m at an average of 4.0%, organisations with annual turnovers of under £500,000 came next at 2.4% and those with turnovers of between £1m - £5m came closely behind at 2.3%

Looking at growth projections in individual giving as a proportion of overall revenues raised over the next three years, once more rates of development look to at least double and in some cases triple over the next three years most noticeably in the area of major giving across all regions with the rate of growth greatest within the smallest organisations by turnover as these are clearly those most exposed to the public sector funding climate and shifts in established private sector funding sources.

On fundraising leadership it is again our largest scale respondents who are performing best across the board on the points we sought to test but we are encouraged to see the extent to which Trustees of our smallest community of respondents are engaged in fundraising strategy and appreciating the importance of fundraising to their business models. Not surprisingly it is in the area of Trustees capacities to give or get that our smallest scale organisations scored the lowest.

In terms of articulating fundraising need, our largest scale respondents again came out on top but with a disappointing 26.1% of organisations reporting that their Case for Support is currently working well in engaging donors. Our smallest organisations came out lowest in the ranking with just 5.1% reporting that they felt that their Case for Support is working well in engaging donors and a concerning 42.4% of respondents stating that they currently do not have an articulated Case for Support.

Conclusions

The purpose of this report and the findings it contains will, we hope, act as a catalyst to arts organisations to reflect further over the coming months on their individual giving aspirations and what they truly need to have in place to make those aspirations a reality over the next three years. For many in the sector we recognize that individual giving may well be their only option in terms of developing their private sector fundraising and our findings show that in a significant majority of cases where audience/ attender data is held, there is a sufficient pool of giving prospects for those ambitions to be realized. But this evidence gathered through a simple process of wealth screening can only be the beginning of the process.

For organisations to translate a number of wealth screening matches into viable and sustainable donor relationships the arts must look to skill-up and most importantly demonstrate that fundraising passion, engagement and involvement is embedded within their Boards. The evidence is already clear in the sector at this time. Those arts organisations demonstrating high levels of fundraising leadership are those that have weathered the Recession and indeed will thrive in the future. Similarly those who have found a way to tell their fundraising stories in a compelling way that engages with the imaginations of potential donors (irrespective of Catalyst Arts support) will be the ones who will succeed.

Many organisations are clearly recognizing what they need to be doing at the time in terms of enhancing Board appreciation and participation in their fundraising processes and indeed placing private sector giving at the core of their organisations. For others as shown in these findings there remains a great deal of work to be done. We hope that this report will provide much food for thought and provide encouragement that will allow all across the sector to realize their ambitions in individual giving.

Findings: Overall Responses

Wealth Screening Analysis

Hidden Wealth: 126 Responses – Overall Averages

% of matches	Levels of liquid assets held by individuals identified					Affiliations identified offering wider fundraising opportunities		
	£50m+	£25m-£50m	£10m-£25m	£5m-£10m	£1m-£5m	Livery Company Members	Trustees of Grant Making Trusts	PLC Directors
3.4%	3	16	6	24	119	5	8	20

Aspirations to Engage in Higher Levels of Individual Giving Over The Next Three Years

Q. As a proportion of your overall private sector revenue mix, what percentage would you say has come/ will come from individuals at the following levels over the course of your current financial year?

2012 Philanthropy in the Arts Survey: 351 Responses

Excludes responses in excess of 50% of overall fundraising revenues and 'not relevant' responses

	25% - 49% of our overall fundraising revenues	11 - 24% of our overall fundraising revenues	Less than 10% of our overall fundraising revenues	We do not receive any gifts in this range
Major Giving i.e. Gifts > £1k per donor	6.4%	10.9%	26.9%	44.8%
Mid Range Gifts i.e. £100 - £999 per donor	6.4%	11.5%	40.4%	33.3%
Low Level Gifts i.e. < £99 per donor	4.5%	9.6%	57.0%	16.7%

Overall cont'd

Q. Now – as a proportion of your overall private sector Fundraising mix, what percentage would you say is likely to come from individuals at the following levels over the course of your next financial year?

2012 Philanthropy in the Arts Survey: 351 Responses

Excludes responses in excess of 50% of overall fundraising revenues and 'not relevant' responses

	25% - 49% of our overall fundraising revenues	11 - 24% of our overall fundraising revenues	Less than 10% of our overall fundraising revenues	We will not receive any gifts in this range
Major Giving i.e. Gifts > £1k per donor	12.2%	14.7%	31.4%	29.5%
Mid Range Gifts i.e. £100 - £999 per donor	8.3%	21.2%	41.7%	19.2%
Low Level Gifts i.e. < £99 per donor	6.4%	12.2%	54.5%	12.8%

Q. Finally – as a proportion of your overall private sector Fundraising mix, what percentage would you say is likely to come from individuals at the following levels three years from now (i.e. in your 2014-15 financial year)?

2012 Philanthropy in the Arts Survey: 351 Responses

Excludes responses in excess of 50% of overall fundraising revenues and 'not relevant' responses

	25% - 49% of our overall fundraising revenues	11 - 24% of our overall fundraising revenues	Less than 10% of our overall fundraising revenues	We will not receive any gifts in this range
Major Giving i.e. Gifts > £1k per donor	18.6%	21.8%	25.6%	19.2%
Mid Range Gifts i.e. £100 - £999 per donor	12.8%	37.2%	27.5%	11.5%
Low Level Gifts i.e. < £99 per donor	9.6%	30.1%	41.0%	7.1%

Overall cont'd

Exploring the Extent to which Trustees engage in Private Sector Fundraising

Q. We'd like you to evaluate the capacities of your Board of Trustees to engage with your private sector fundraising over the course of the next financial year by responding to the following statements:

2012 Philanthropy in the Arts Survey: 351 Responses
Excludes responses Don't Know' and 'Not Relevant'

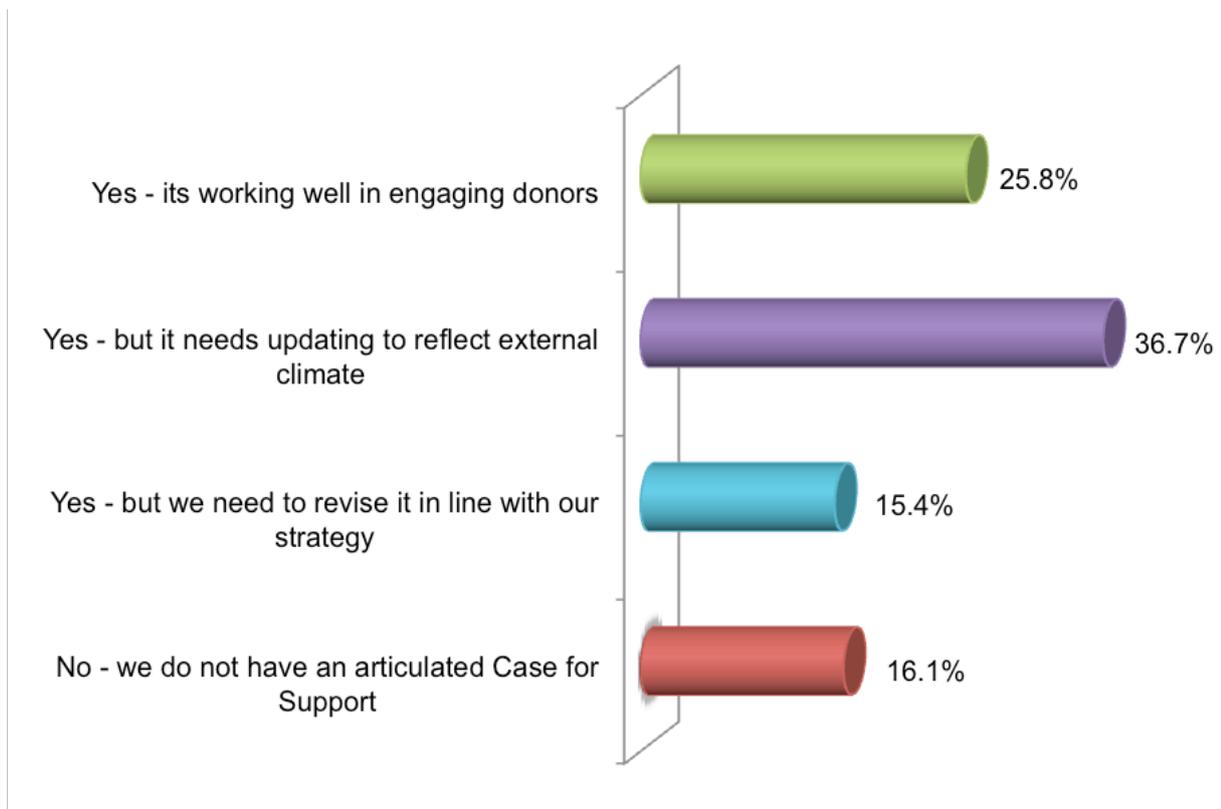
	All are fully engaged	Around half are engaged	Only one or two is/are engaged	None are engaged at present	They do not see this as part of their role
Our Trustees understand fully our fundraising strategy	29.4%	22.7%	30.6%	4.3%	1.2%
Our Trustees recognise the importance of fundraising to our model	35.6%	20.8%	22.1%	3.1%	2.4%
Our Trustees work with us on fundraising approaches	10.4%	19.0%	31.9%	16.5%	7.9%
Our Trustees help acknowledge our donor support	15.9%	17.7%	18.4%	20.2%	11.6%
Our Trustees give/ get themselves	11.6%	15.9%	28.2%	12.8%	12.3%

Overall cont'd

The Extent to which Arts Organisations are Able to Articulate their Fundraising Need

Q. *In your opinion, do you feel that your organisation has an effectively defined, developed and articulated 'Case for Support' which demonstrates to current and potential donors why you are in need of their financial (and in-kind) support?*

2012 Philanthropy in the Arts Survey: 351 Responses
Excludes response 'Not Relevant'



Participant Profile 1:

Hidden Wealth Research Project Participants (April 2010 – May 2012)

Total Number of Participants from England: 126

In which region of the UK are you located?

(Number of Respondents)

East & South East	28
London	48
Midlands, East & West	4
North East & Yorkshire	16
North West	10
South West	20

Which of the following options best describes the main activity of your organisation?

(Number of Respondents)

Combined Arts (includes carnivals & festivals)	20
Dance & Opera	6
Multi Art-Form Venue	16
Museums	4
Music	14
Other (includes digital, film, literature)	10
Theatre/ Drama	39
Visual Arts/ Gallery	17

Which of the options below best describes your current job title or position?

(Number of Respondents)

Artistic Director/ Curator	0
Chief Executive/ Dep CEO	32
General Manager	5
Director/ Head of Finance	0
Director/ Head of Marketing	10
Director/ Head of Communications	2
Director/ Head of Fundraising or Development	36
Director/ Head of Commercial Development	0
Finance Manager	0
Marketing Manager	2
Communications Manager	1
Fund-raising or Development Manager	36
Legacy Manager	0
Commercial Development Manager	0
Freelance Consultant responding on behalf of a particular organisation	0
Trustee or Board Member	2

What is your current annual turnover? (based on position as at June 2012)

(Number of Respondents)

Under £500,000	10
Between £500,001 and £1 million	19
Over £1m but less than £5m	67
More than £5m	30
Don't Know	0

Does your organisation currently receive regular funding from the Arts Council, MLA or similar cultural funding body either regionally or nationally? (based on position as at June 2012)

(Number of Respondents)

Yes	115
No	11

Participant Profile 2:

Philanthropy in the Arts Survey Respondents (Feb – March 2012)

Total Number of Participants from England: 351

In which region of the UK are you located?

(Number of Respondents)

East & South East	42
London	124
Midlands, East & West	52
North East & Yorkshire	53
North West	49
South West	31

Which of the following options best describes the main activity of your organisation?

(Number of Respondents)

Combined Arts (includes carnivals & festivals)	55
Dance & Opera	35
Multi Art-Form Venue	29
Museums	61
Music	28
Other (includes digital, film, literature)	12
Theatre/ Drama	78
Visual Arts/ Gallery	53

Which of the options below best describes your current job title or position?

(Number of Respondents)

Artistic Director/ Curator	36
Chief Executive/ Dep CEO	132
General Manager	34
Director/ Head of Finance	4
Director/ Head of Marketing	4
Director/ Head of Communications	1
Director/ Head of Fundraising or Development	47
Director/ Head of Commercial Development	1
Finance Manager	5
Marketing Manager	7
Communications Manager	5
Fund-raising or Development Manager	49
Legacy Manager	4
Commercial Development Manager	1
Freelance Consultant responding on behalf of a particular organisation	15
Trustee or Board Member	6

What is your current annual turnover?

(Number of Respondents)

Under £500,000	145
Between £500,001 and £1 million	45
Over £1m but less than £5m	105
More than £5m	29
Don't Know	27

Does your organisation currently receive regular funding from the Arts Council, MLA or similar cultural funding body either regionally or nationally?

(Number of Respondents)

Yes	275
No	76

Report Author

John Nicholls

John Nicholls founded AQ in January 2008. He has overall responsibility for the strategic direction of the partnership in addition to managing the firm's sector-wide research programmes. John also works with a wide range of clients across all areas of the firm's core business areas as well as developing its learning and professional development programmes.

John has worked as a senior business development, communications and brand professional for a number of arts organisations in the UK and overseas including Shakespeare's Globe where he held the position of Director of Development. He has also worked for the Young Vic, English National Ballet, San Francisco Symphony and The Washington Ballet in similar roles. Outside of the cultural sector he has worked for Friends of the Earth, the Royal Institute of International Affairs and Stonewall, improving the effectiveness of their communications and revenue generation activities - taking each of these organisations through significant processes of change to realize their ambitions. His most recent in-house role was as MD of London Calling Arts up until the end of 2007, diversifying the agency's client offer and significantly increasing profitability.

In addition to serving as Managing Partner of AQ, John has recently been appointed as Governor of Trinity Laban Conservatoire of Music and Dance and a Trustee of South-East Dance where he also serves as Chair of its Fundraising Committee. In the past, he has served as a Trustee of the National AIDS Trust, Headlong Theatre and was Chair of Pacitti Company. He also acts as ad-hoc advisor to a range of other arts organisations at Board level outside of the work undertaken through AQ.

As Managing Partner of AQ, John has authored a series of research reports exploring the state of the UK arts sector since 2008. In March 2009, November 2009, October 2010 and November 2011, he published reports on the impact of the recession on the UK cultural sector based on data supplied by around 500 UK arts organisations. In September 2009 he also published a briefing paper on cultural sector perceptions of the 2010 UK General Election which was followed in April 2010 by a briefing paper on the cultural sectors viewpoint of the major political parties' interest in the arts. In November 2010 and July 2011, he published the interim findings of AQ's on-going Hidden Wealth Research Project, seeking to identify opportunities to develop individual giving within the cultural sector. In March 2011 John authored AQ's Consultation on the Philanthropy in the Arts Agenda to which almost 600 arts organisations contributed which is updated with the publication of this latest report. This project was followed by a review of the pace at which Government has sought to implement its Agenda through the eyes of the cultural sector which was published in April 2012.

Arts Quarter LLP

www.artsquarter.co.uk

Arts Quarter was founded in January 2008 in direct response to calls for there to be an effective agency to develop skills and capacities within the UK cultural sector and to devise and implement innovative working practices and business models in the onset of a period of profound public and private sector funding for the arts.

Through our client work, we have active relationships with around 75 arts organisations of all scales, art forms and regions of the UK. Beyond this, we actively dialogue with over 500 arts organisations, government agencies and departments, policy formers and the media through our advocacy and research work.

AQ has rapidly established a reputation across the English-speaking world as the 'UK's leading cultural sector think-tank' and for bringing to the sector a range of services and products which resonate with the ever-changing climate in which its client sector is operating.

Through all of our activities, we seek to challenge conventional thinking within the cultural sector, stimulate discussion, create new ways of working and provide opportunities for learning and professional development.

Client Services

Revenue generation: we look to help organisations improve both earned and unearned revenue streams from improving ticketing returns through to fundraising of all kinds and from all sources. Outside of these areas we help organisations develop new commercial revenue streams based on their visions and values.

Structure: we help organisations to review their staffing and board skills and structures, revising HR practices where required as well as undertaking recruitment.

Branding and communications: we help organisations to understand the value inherent within their brand, and help to enhance communications and marketing both online and offline. Often, we are called on to undertake quantitative and qualitative market research as part of our work on brand development.

Building audiences: we help organisations build new audiences or find ways of getting greater value out of existing ones through improved marketing, event management and through relationship development.

Cost saving: As well as looking at the revenue side of organisations, we look at ways we can rationalize costs effectively and sensibly and above all in line with our clients' values:

AQ Energy

In the current economic climate and at a time when all cultural organisations are seeking meaningful ways to reduce costs without cutting programming, AQ Energy is helping the arts reduce its energy dependency and costs.

AQ Energy is a joint venture between Arts Quarter and Utility Aid. Utility Aid has been helping organisations in the wider charitable community to manage their energy usage by

- implementing the findings from free energy audits,
- installing over 700 smart meters and helping organisations to manage down their energy costs,
- wholesale energy purchasing.

Since 2002, Utility Aid has managed to reduce not-for-profit energy bills by over £4million. Recognising the need for arts organisations to manage their energy usage sensitively yet effectively, this joint venture with AQ aims to bring the opportunity to make considerable savings to the arts at a time when all organisations will be seeking to manage down overheads. Arts organisations will pay no direct fees to take advantage of this service.

AQ Recruitment

Mindful of the resources needed to find the highest calibre marketing, fundraising and executive staff, AQ is co-venturing with Harris Hill, the UK's leading charitable sector search and selection agency, to support arts organisations in meeting their recruitment needs in the most cost effective manner. Launched in January 2011, this is a full-service agency which seeks to manage the recruitment process from start to finish, thereby allowing organisations to continue to meet their day-to-day workloads.

Industry-wide Research & Advocacy: AQ Knowledge

AQ is now regarded as the UK's leading cultural think-tank, exploring and reporting on issues important to the cultural and not-for-profit communities.

AQ Knowledge regularly engages with around 500 arts organisations across the UK collecting performance and opinion data on issues ranging from the wider impacts of the 2008/9 Recession and its aftermath on the arts, engagement with the 2012 Olympics as well as views on key government policies. We publish our findings free-of-charge so that members of the sectors with whom we work can learn from wider trends and from areas of innovation that are shared with us by our research participants.

Summaries of our research findings can be downloaded free of charge from our website.

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