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TRENDS, STATISTICS
& EXPERTISE FOR
ARTS & HERITAGE
FUNDRAISERS

#06 SPRING
2021

**WHAT NEXT
FOR FUTURE
FUNDRAISING,
MARKETING
& AUDIENCE
STRATEGIES?**



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philanthropy

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WHAT NEXT FOR FUTURE FUNDRAISING, MARKETING & AUDIENCE STRATEGIES?

In 2020, the year just passed, Covid-19 has caused devastation globally, as well as to the ability for our arts, culture and heritage organisations to be able to plan, develop and create.

At the start of 2021 we still face much uncertainty, not knowing how long social distancing, lockdown and other similar measures will last.

Emerging out of the data and research about the impact of Covid-19, are many important reports focussing on how organisations might start to plan for their future fundraising, marketing and audience development programmes.

The team at **Arts Fundraising & Philanthropy** has been busy collating this intelligence and in this edition of Now, New and Next, we put some thought to what the research might tell us and help us plan future strategy.

There are many critical questions that need to be answered. What reassurance

might audiences need to be able to return? What sorts of communications strategies will be important? How might we engage with funders and how, if at all, can we look to monetize digital content? We also reflect on the essential importance of not seeing retrograde steps in the essential areas of diversity, inclusion and levelling up.

We hope that you'll find this issue helpful at supporting your organisation through the impact of this global pandemic and we'd be pleased to hear your feedback.

I'm grateful to all the contributors to this issue. If you would be interested in contributing an article to a future issue, please send us an email to artsfundraising@cause4.co.uk and we'll be in touch.

Michelle Wright
Programme Director,
Arts Fundraising &
Philanthropy
[@MWCause4](https://www.instagram.com/MWCause4)



What has Covid-19 meant for the arts? A summary



BY MICHELLE WRIGHT, DIRECTOR OF ARTS
FUNDRAISING & PHILANTHROPY
& NAOMI CHAPMAN, DEVELOPMENT FELLOW, CAUSE4



There have been many papers written about the impact of Covid-19 on arts, culture and heritage. As we look forward into 2021, Arts Fundraising and Philanthropy looks at the key findings from national and international research papers and explores the pandemic's impact on fundraising, marketing and audience development strategies. The full report is available online [here](#).

This year has required serious strategic innovation and the research that's been undertaken internationally to explore the impact of Covid-19 on the arts has highlighted some very simple themes that will clearly resonate with arts and heritage leaders. Top of the list is that we need to ensure that our audiences feel safe, our messaging is both relevant and urgent and that we put our local community at the heart of our activities. It's clear that proper integration between face to face and digital activity has become essential. Perhaps the no less urgent elephant in the room is the need to work collectively to monetize digital content by understanding better what audiences value and will pay for.

Organisational resilience will be vital to make sure that we create effective business models for the future. We need to invest and prepare for possible future pandemic outbreaks and associated periods of inactivity.

However, perhaps more importantly, we have a workforce that has been battered both emotionally and financially throughout 2020, through redundancy, furlough or non-stop work to ensure survival. All these things take their toll. It will be kindness, support and collegiate work that will see organisations rebuild their spirit in 2021 and fight for the future.

SO, WHAT CAN WE LEARN FROM THE RESEARCH SO FAR?

01. Relevance and urgency

Many organisations have put frontline support for Covid-19 at the heart of their activities. Of course, this is the right thing to do, and it has had the additional benefit of building greater connections between the arts and local communities that will likely inspire different styles of collaboration in future. Be it providing capacity or direct support to foodbanks or supplying scrubs to the NHS - many

arts organisations have delivered incredible work on the frontline. This has been valued by local communities, as well as by funders and donors. These tactical programmes of work will remain an important part of the arts story as we go forward.

02. Safety first

When it comes to marketing and audience development, messaging around safety measures and precautions will be as important as artistic messaging in the coming months. Several studies on audience attitudes, such as the [ALVA Attractions Recovery Tracker](#) and [Culture Track](#), have shown that both factors are within an organisation's power to address, and will ensure that audiences return more quickly. It is important for safety measures to be established and clearly articulated to increase the pool of people happy to return to cultural venues. The visibility of this sort of activity is also very important. Audiences will need to see evidence of additional cleaning and social distancing precautions if we are to rebuild confidence.

03. Community is central

Support for our communities is a central part of ensuring an organisation's relevance and needs to be an essential part of our communications messaging. It's likely that the desire to return to culture will happen ahead of audiences feeling comfortable on public transport, and therefore local arts venues may be favoured more. Similarly, as individuals see working from home as a long-term and normalised state, they may prefer to consume culture locally or virtually. Reports such as [After the Interval](#) are clear that using messaging that emphasizes this

localised perspective across fundraising and marketing will help existing audiences return, as well as being an important part of engaging new donors and audiences.

04. Digital is essential

It is no surprise that digital methods of fundraising, marketing and reaching audiences are more important than ever whilst Covid-19 restrictions will likely remain in place long into the future. This has been evidenced by reports such as [Giving from a Distance](#), which show the increase in donations made through digital methods, the uptick in audiences accessing content digitally, and in those using digital methods for marketing and engagement.

The challenge for the arts organisation is proper and effective integration of live and digital experiences, as well as seamless assimilation with communications and fundraising strategies.

05. Digital earned income models need development

However, whilst several pieces of research, including the [Audience Outlook Monitor](#), show that significant numbers of the population are accessing culture digitally, less are happy to pay for this engagement.

As organisations and as a sector, urgent work needs to be done to establish valuable digital offers with viable earned income models. If we are going to protect the sector for the future, we need to develop digital models that audiences will truly prize. This activity needs greater understanding and sharing of insight. It remains a pressing consideration for funders that distribute

both private or public funds, as the ethical considerations of digital investment are complex when proof of concept (or financial return) is so embryonic.

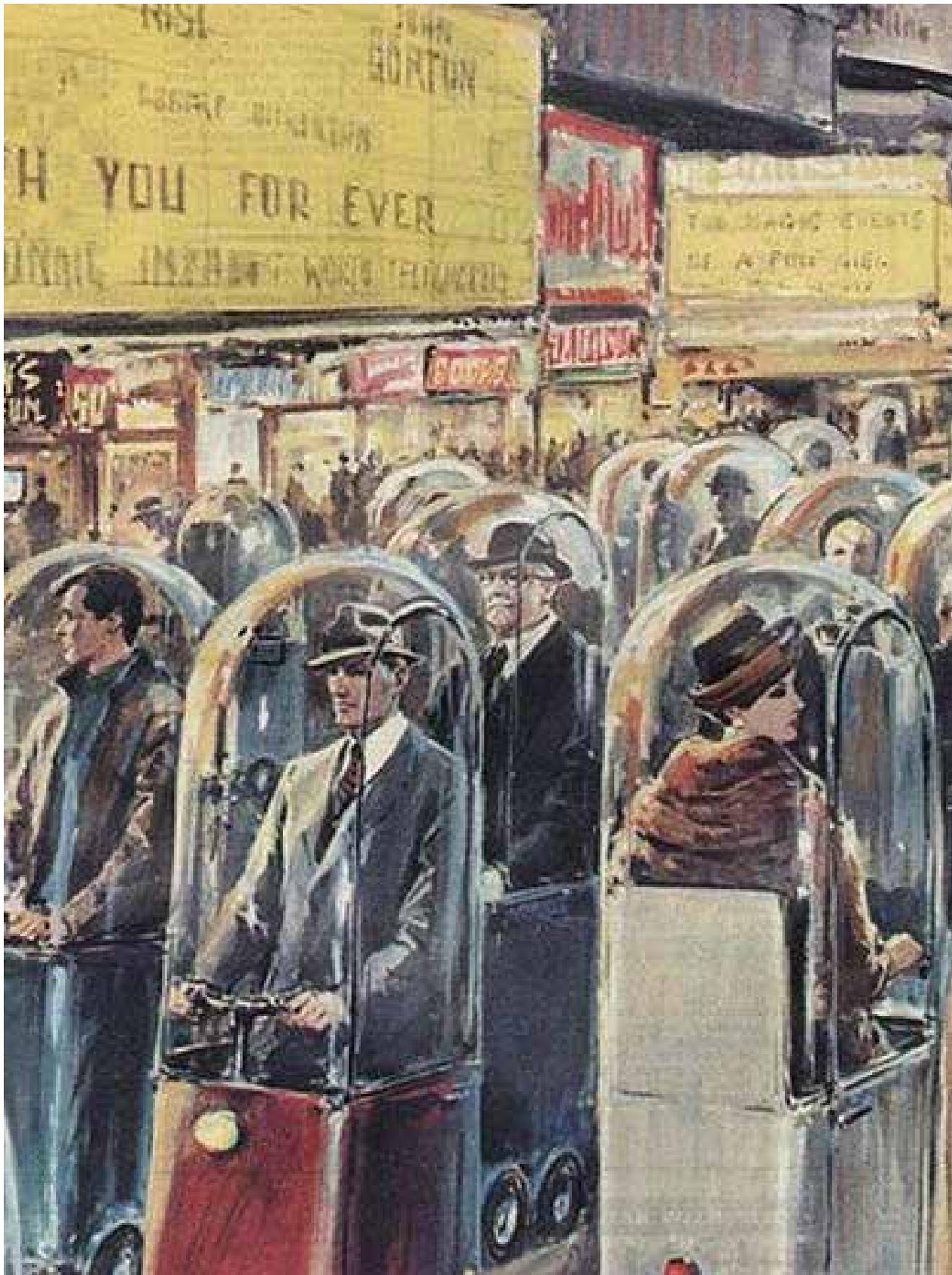
2021 is likely to demand even more from arts, culture and heritage organisations against an ongoing and uncertain environment. Whilst the emerging themes from research into the impact of Covid-19 might be relatively simple, the implementation of ideas and choices for investment are far from easy.

The combination of relevance, community focus and digital investment will require a spirit of bravery, collaboration and resilience. The arts have a role to play in expressing and making sense of the diverse human experience. Our creative work itself will continue to inspire, entertain, and inform and we need to learn from the research to ensure our arts organisations stay strong enough to continue sharing that culture for many years to come.

This [article](#) first appeared in Arts Professional magazine 3 December 2020

Messaging around safety measures and precautions will be as important as artistic messaging in the coming months





What will make audiences return to our venues?

AMY FIRTH, HEAD OF MARKETING AT THE ARTS MARKETING ASSOCIATION



There are three main reasons for audiences to stay away from our venues – the three Fs:

FEAR: of the virus

FINANCE: lack of money

(NOT) FUSSED: a.k.a. not bothered about going, having got used to doing without



For new audiences, not only returning audiences, the points above all still stand. The only difference is that the lack of interest is a harder challenge to overcome. So let's break down what we can do to tackle each of these.

F#3 (NOT) FUSSED

Starting in reverse order: if you can't get people interested enough to start with, you can have the best plans to tackle **F#2** (Finance) and **F#1** (Fear) but you're going nowhere.

Your pre-Covid audience should already have some level of interest. It's easier to sell to people who have bought from you before. But they've gone cold-turkey on you for a while now.

Maybe they've moved on with their lives... or maybe they will be very much missing and waiting to hear from you...

The latter should take care of themselves. For those who have moved on without you - you didn't have a messy break-up, you just drifted apart. Rekindle that spark with a reminder of how much better real life is with them in it.

What is it about the real life experience of your venue that you can't get without being there?

If it's something you can use to evoke a sensory recollection - be it the smell, the quality of sound, a sense of what it is to actually be there - so much the better. We should not ignore new audiences, either. Half of lockdown fines went to

people aged 18-29. This is a demographic who are much less likely to be put off by Fear (**F#2**). So it is worth seeing if you can make your offer interesting, entertaining and relevant to this audience.

Typically, under-35s are more likely to value experiences over goods in terms of their spend, so they should be a good fit. Finance (**F#3**) may have more of a bearing for this group though, as under 35s have been hit especially hard by pay freezes and redundancies due to Covid-19.

Where people are buying for others, for example, parents looking to entertain and enrich their childrens' lives through arts venues, then a reminder of the benefits, and that this is worth it may be more important, as their motivation is slightly different than someone buying primarily to support their own cultural life.

Finally, for your returning audiences, there is the call to solidarity - that you need their support for your venue to still be there for their future enjoyment.

F#2 FINANCE

There's no getting away from how grim it is out there. There's less disposable income and more competition for where it's spent. It is going to be hard. But we can be creative in how we approach these challenges.

If people have a good time at your venue, they're more likely to come back. This means it's really important to get audiences in for that first time, and that the first time is a great time.



Fear is one reason audiences might stay away from our venues

Therefore, some kind of price incentive to get them in the door is worth exploring. If you don't charge for entry, you probably want to pick up some income from retail and refreshments – and here the same principles apply.

You can try and incentivise sales with lotteries for cheap tickets, 'refer a friend' codes, percentage discount, 2 for 1, a limited number of items sold at a loss-leading rate... whatever works for you to make it as affordable as possible and easier for people to justify their spend.

F#1 FEAR

This boils down to good communications. The key things to communicate are what you've done to make your venue safe, and how their experience will still be great despite measures such as social distancing.

At the point where people are likely to make the decision to attend or not, communicate to reassure that you have signage, processes and protection in place. Communicate again the experience they will have (and implicitly or otherwise) how this will not be significantly impacted by the new safety processes, etc. Make sure you follow through on those promises.

Your processes need enforcing. If visitors are not abiding by the guidelines and socially distancing, that is going to impact on the stress and experience of other visitors, who may be less likely to return. You need to make sure your staff are trained and supported in dealing with and challenging such behaviour.

As far as convincing audiences to return goes, there are a lot of elements outside of your control, but all is not lost. It's not just about the decision to visit your venue – the journey there, and all that entails is part of their experience too – but keep reminding

them why the experience will be more than worth their time, money and effort to get there.

The process of course does not stop with the return of an audience member – aim to amplify their experience by encouraging and incentivising people to share via word of mouth, social media, etc that they had a great time. If we can put these building bricks in place, then hopefully we will see audiences begin to grow once more.

You can find more information and resources on pricing on [AMA CultureHive](#)



Tips for making audiences return to your arts and cultural venues:

- Emphasise the real life experience your audience is missing out on
- Tell people what you've done to make the venue safe – and reassure them that they will still have a great time
- Don't forget to look at audiences who are more comfortable with Covid risk (e.g. under 35s)
- Use a price incentive to get people back – and make sure that their first time back is a great one
- Make sure that your staff are trained, ready and able to support your audiences in having a good time



WHAT DOES THE FUTURE HOLD FOR ARTS & CULTURE?

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thoughts at
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The impact of Covid-19 on community engagement

BY ANNIE JARVIS, HEAD OF DEVELOPMENT, CAUSE4





The Coronavirus Pandemic has had a substantial impact on the charity sector over the last eight months, with the creative sector alone expected to lose £77 billion in revenue in 2020^[1]. We are now seeing what has been coined a ‘cultural catastrophe’, with arts, culture and heritage organisations closing doors, making redundancies and competing for funds in an exceptionally competitive environment.

During this uncertain and unsettling time, community engagement has become more important than ever before. Organisations that are desperately finding ways to survive are reaching out to their communities to ask for help, while individuals are rallying together to support those most in need. If nothing else, Covid-19 has taught us the importance of Community Spirit and the value of engaging with others during a time of need.

So why is community engagement more important than ever and how can we maximise this spirit to ensure not only survival, but also success?

Community engagement can serve as a lifeline for survival

As shown through the numerous crowdfunding campaigns publicised across the charity sector, engaging with communities has been crucial to enabling many cultural organisations to survive. For those that have lost considerable amounts of funding during the pandemic, asking their community for financial help has allowed them to remain open, keep staff employed and find new ways to deliver creative projects.

Those organisations that have embraced a combination of transparency, creativity and perseverance have seen success. For example, [the Brunel Museum](#) in South East London, has been completely honest with their communities about the impact of Covid-19 on funding and delivery. Through a clear Covid-19 Crisis Appeal, plus an honest look at the future plans and fundraising needs of the organisation, the charity has laid out a clear path for potential supporters to provide help.

Equally, those organisations that have used creative ways to engage supporters such as videos, backing from patrons and celebrities, creative photography and graphics, and virtual events, have stood out and given themselves a platform from

which to fundraise. Collaborative practice such as the [Thunderbolt Appeal](#) run by venues as part of the Music Venue Trust, have seen success, enabling communities to imagine the venues reopening when we start to rebuild from Covid-19.

The main points to learn from these examples are that if you want to engage your community to help fundraise for your organisation, you need to make sure you are being transparent with your audience, creative in your approach and consistent in your messaging.

Community engagement can help with brand recognition

Long after the impact of Covid-19, people will remember how organisations behaved. Those organisations that have engaged with their communities beyond their normal remit and found a way to adapt their delivery have presented themselves as agile, resourceful and supportive. This image will not only be positive in the short-term, but will also likely have a lasting effect, with individuals recognising the ability to go above and beyond when it is needed the most.

One fantastic example is the charity [PEEK](#) and its new truck 'PEEK-A-CHEW.' With a Crowdfunder launched to raise £20,000, the charity has been able to provide support to the local community by delivering food parcels, supplying arts and crafts and wellbeing packs to residents of Glasgow.

In addition, the USA has seen numerous cultural organisations transform their operations to provide community support. For example, the [Mark Morris Dance Center](#)

in Brooklyn became a distribution centre for local food provision, and organisations such as [Apolla Performance Wear](#) began producing masks and other personal protective equipment like gowns and surgical caps.

If you are looking to enhance your reputation and show your audience you care, consider the ways in which you can adapt to deliver more for your community. Creative ways of helping such as hosting foodbanks, providing activities for young people, or working with partners to deliver new projects can really make a difference^[2].

Community engagement can support decision-making

With a heightened level of uncertainty, engaging with the community can help cultural organisations reassess priorities and ensure they are aligning with the needs of their beneficiaries. At the heart of good community engagement is good communication, and those organisations that are likely to thrive are those that involve others in the decision-making process – looking out rather than in. [The Stretch Charity](#), for example, is carrying out extensive consultation exercises with the community as it begins work on converting the Newgate Gap sea shelter in Margate into an outdoor art gallery and museum.

For those organisations that are keen to demonstrate strong community engagement, there are a range of methods, from public surveys, social media conversations, consultation exercises and focus groups, that enable

you to communicate effectively with your beneficiaries and allow them to have a say in your work. Those organisations that are likely to thrive are those that involve others in the decision-making process.

Community engagement has always been important for our sector, but now more than ever, we need to be transparent, collaborate with others, and support local needs – community spirit will be an essential part of arts organisations' engagement well beyond 2020.



Community spirit will be an essential part of arts organisations' engagement well beyond 2020

How might the marketing and communications of arts organisations evolve post Covid-19?

ROB MACPHERSON, MANAGING DIRECTOR,
IMPAKT - WWW.CREATINGIMPAKT.COM



Few can recall such a shake-up in priorities as we all experienced in 2020. With the relentless addictive cycle of news and social media, along with the outpouring of data and analysis, the sands shift faster than we can follow.

Over the last few months, I've done several deep perception surveys (internal and external) and audience consultations for arts organisations, digging into their brands to help rebuild as the dust settles. Many revealing insights, frustrations and anxieties point to an overdue evolution for marketing and communications in the subsidised and commercial arts. One well-respected producer lamented that the explosive boom period from the mid-2000s was already on the downturn by 2019 and had shown signs of peaking: we would have been coming down the curve even without Covid. Others bemoaned the many arts voices claiming to be interested in audiences without adding real value, and the often fractured or fragmented relationship between the stage and the customers.

What's marketing's role anyway? Is it 'making people want things', or 'making things people want'? It is of course a 'both/and' answer. For any sort of viable future security, a whole-team marketing effort is essential – including artistic planning, customer service and great tech support – orientated directly around actual audience needs. Probing what data tells you from multiple angles will help you to differentiate and communicate your unique offer.

If you're thinking about plotting a new course to recovery, here's my view on some likely evolutions in marketing and communications.

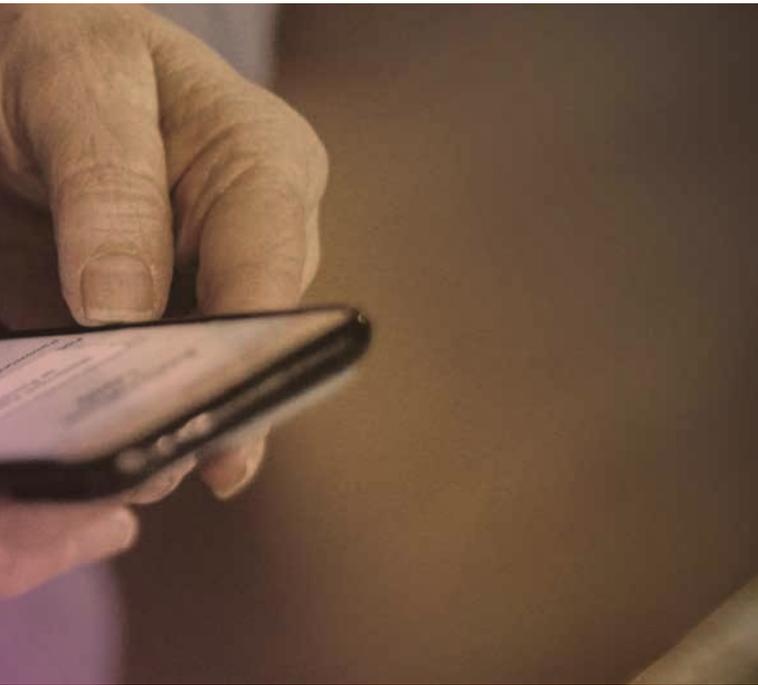


Build true local partnerships

When long-term common ground is the priority aim and 'rock bottom is the firmest foundation' (h/t JK Rowling), why not invest now to get this right? My perception reviews proved repeatedly that arts organisations are renowned (to an embarrassing degree) for reaching out largely when they want something. This does not go un-noticed amongst civic, education, health and media contacts. But ongoing ['compacts' or strategic delivery agreements](#) across the wider public sector may be a route both to coordinated indirect funding and to future audiences. This could also reinforce the community relevance we've all seen during the crisis, as theatres have partnered on so many local initiatives, which should strengthen future fundraising messaging.

Stand for something to stand out

Stand for something is an obvious brand maxim perhaps, especially amongst



As one older theatre-lover commented to me: "with all these computers, it feels like there is a party going on and we're not invited"

charities. But in our world, what do arts organisations really stand for? In the past at least, too often it's been just more of the same. There still appears, to the external view, to be very little distinctiveness and a [limited sense of purpose](#). But whatever you rally around as you update or reassess your values, ensure it is legitimate and credible and chimes directly with your foundations, or you'll create an Astroturf rather than grass roots solution which will rapidly fade.

A different sort of 'even-ing out'

As part of the expected post-Covid 'new normal', changes to many people's working lives may result in more evenly spread demand for live performance. Lockdown's need for [work-from-home flexibility](#) may now intensify the push towards increased work/life balance, with compressed hours and job shares on the rise and far less clock-watching. With the

probable increase in freelancers and the UK's ageing audience, venues might want to revisit their scheduling, promoting increased daytime performances. Some untapped revenue streams may yet start to flow in a diversified recovery business model.

Realistic tech

As a vital tool, digital is delivering extended engagement for those audiences able to access new online experiences. Some excited analysts talk of a decade's advance in just six months. But amidst the experimentation, perhaps resist the urge to chase after every digital fad, every sparkly platform. And don't forget that alongside increased digital consumer confidence, it's been proved that many older or disabled audiences (and those with less advanced devices) still find it [very difficult to engage](#). As one older theatre-lover commented to me: "with all these computers, it feels like there is a party going on and we're not invited".

Extending the brand narrative

If transactional sales messaging is less appropriate now, this is still a [time to tell your wider, values-led story](#). The pandemic and the US election have seen massive subscriber growth for serious news journals, and a boom in podcast listening. Long-form opinion pieces including more considered multi-part features, or themed interviews from internal teams and guest contributors, are all worth considering as part of a strategic content plan. Aligning marketing, communications and fundraising through this approach can be a strong follow-up to socially-distanced or digital activity. Much of the content creation can be reformatted for adapted use in future if it is not time sensitive.

The old ways may still cut through

Some traditional channels are still there for the taking and are potentially hugely effective. Direct mail, outdoor, and outbound calling have barely been used in the current crisis, and the few postcards and information packs I have received have had little competition, unlike my inbox and social feeds. Obviously, to justify the budget you'll need to be super targeted. Outdoor may not be for everyone but there are attractive deals for strong suburban presence in major cities (so attractive that some are using sites for brand reinforcement alone - rarely seen in the arts, and therefore more striking). Historically, commercial [brands that continue to invest in visible presence](#) during recessions are quickest to recover. Some arts organisations might prefer a joint or consortium approach to share the load.

Repeated, honest reassurance

Future lockdowns may mean a continued stop-go process of announcements, withdrawals and late changes, so sales terms need to allow for maximum flexibility for refunds and exchanges to reassure buyers. A festival-style, pop-up, experimental attitude is worth exploring in the way this is communicated. Several arts organisations were firing out clear new messaging within minutes of the government's recent lockdown announcements, others holding back patiently and deferring launches to avoid confusion. And for internal comms too, remember the stress everyone is processing amidst redundancies, illness, the detachment of working from home (aka 'living at work'), and balancing family life. Textbook crisis communications recommend specific regular update moments, so gossip and misunderstanding is minimised. I've seen and heard that where this is happening well already, it is hugely appreciated by those further down the decision-making chain.

The sands are still shifting, but hopefully some of this makes for useful reflection.



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GOING TO
BE ALRIGHT**

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How has Covid and rising awareness of equality and diversity affected marketing, fundraising and audience development for the arts?

AMANDA PARKER, DIRECTOR, INC ARTS



Working with words in a promotional capacity (as opposed to a literary one) makes one quick to respond and latch onto new turns of phrase. Fundraisers, audience development teams and marketers typically enjoy a healthy connection with language: when you successfully ride the wave of popular terminology, content lands well. The right phrase, rewarded through social media shares and retweets, helps messaging to resonate and attract audiences to both work and organisational purpose – irrespective of whether the ‘audience’ is a grant giving body or those who’ve paid to see, hear or participate in a creative production.



A year of new messaging

It's not often that the most popular words and phrases fail to get likes and shares across socials, nor do they usually originate from the unlikely source of science and medicine rather than Twitter or Instagram. But that's where we are right now. You would have to have been under a rock for much of last year to escape the use of 'pandemic' 'unprecedented', 'social distancing' and 'lockdown' in 2020's wider media and sector marketing and messaging.

Working in development, fundraising and marketing roles can create a hyper-sensitivity to language that can lead to a state of near-paranoia – even under normal circumstances.!

Those working in these roles can spend hours deliberating on how best to respond to negative social media and minimise the risk of misinterpretation. And it's equally tricky to strike the right balance between amplifying engagement and celebrating without seeming excessively hyperbolic. But 2020 was a year unlike any other. The challenges of the year were played out as much in communications, as elsewhere.





Change through global crisis

But the role of marketing, audience development and fundraisers goes far beyond language use. These critical roles are also organisational barometers: providing both the evidence and litmus test of how organisations are perceived.

It's taken a global crisis to have us look squarely at environmental disaster, societal disadvantage, the routine disregard for people doing vital jobs all around us, and the casual, systemic and everyday racism that millions of us are subject to daily.

The shockwave of the pandemic threw us into one of two camps: in March 2020, sector workers either found themselves firefighting like never before, or newly freed from business as usual, and committing wholeheartedly to new purpose - advocacy. If you were not in a position to save an organisation, chances are you were redeployed to champion for its survival. Messaging to donors required expertise that balanced uncertain futures, high anxiety and the need to keep givers on board - but not to ask too much of them.

Fundraising teams were glued to leadership in a need to secure financial support to keep freelancers afloat, and organisations viable. We suddenly realised the precarity of freelance working - despite the fact that the majority of the sector is freelance.



Misfiring communications

The second shockwave struck hard at those teams whose purpose is engagement, promotion and development. The ubiquitous black square of support around Black Lives Matters was one of the most painful misfiring of communications that the sector has ever experienced collectively. And it had a direct impact on audience development and marketing teams in particular because of the additional work required to defend reputation, communicate commitment without centring white lived experience, and without over-or under-promising action for positive change.

The jury's out whether we've achieved this as a sector yet, but it's clear that there is a massive, and genuine groundswell of commitment to 'get anti-racism right'. There's a huge amount of work to be done across all organisations before we can collectively re-connect with ethnically diverse audiences in a way that is both authentic and with integrity.

The self-reflection and commitment to action around anti-racism isn't new. What's new is that it's a fresh round of leaders who are committing to the changes some have been asking for over decades. Organisations like Culture Reset, Eclipse, Act for Change and many more have been producing research, sharing recommendations and celebrating inclusive work - building on the advocacy that's been happening ever since the birth of the British Empire.

Because we genuinely want a sector that is inclusive for all and allows everyone to work at our best irrespective of background or circumstance, there are some clear actions that marketing, fundraising and development teams can do to take positive anti-racist action.

01.

Get your language right

If you're struggling with whether to say 'bipoc' or if 'people of colour' is an offensive term, if you're not confident about how you refer to East Asian people or whether you can call people a 'minority', it will show in your audience engagement strategy, and in your marketing content. It will signal to the most astute funders that you're not yet up to speed on how people with lived experience of racism prefer to be referred to, and which term is right for which occasion. It won't land well with ethnically diverse audiences online or elsewhere. There's a clue in the last sentence – but there's more here in [#BAMEOver, a statement on use of terminology](#), created by those most affected by the acronym.

If you think about why you're grouping people together and speak to that rationale with integrity and respect, not only will you have confidence in flexing between terms, but you'll also start re-thinking your assumptions about people – and sow a seed from which anti-racist action can flourish.

02.

Go beyond tokenism into authenticity

We can't achieve systemic and lasting change without a shared commitment to collective care, and joint execution of goals.

If you're engaging with others to serve a purpose that works for you, then you may be creating a harmful, tokenistic outcome. For those who've experienced marginalisation, being on the receiving end of awkward tokenism is almost as painful as erasure and exclusion. If you celebrate your role in championing your engagement with other voices, you may not get the results you hoped for. Nobody likes a blow-hard.

03.

Diversify the team

How can we successfully build diverse audiences, and market productions that centre marginalised and under-represented perspectives? How do we encapsulate in our marketing the heart and soul of the production, as well as the nuances, when that landscape is also new to us? There are a number of national touring productions that are often held up as exemplars of diverse audience engagement. But amongst that number there are a couple that almost fell below the promotional radar: the all-white marketing teams of receiving houses attempted to promote productions which they didn't quite understand because the productions celebrated African and Caribbean stories. It was only when the PR and marketing team was shared with diverse marketing professionals that these shows grabbed headlines and returned record-breaking diverse audiences.

#BAMEOVER outlines the preferred terms of reference for people in the UK



But don't just save them for the 'diverse stuff'. As a matter of routine, ethnically diverse marketing and fundraisers work within predominantly white teams and organisations, and within predominantly white societies. They're already flexing between different communities with ease and full agency, deploying a full range of language slide, nuance, range and tone. They also have insights into communities that can make messaging hit the right note for those tuned in, bringing more diverse audiences to all your production output.

Organisations that only employ ethnically diverse development teams for ethnically-centred productions are missing a trick. Diversifying your marketing team can bring significant returns to your development goals – bringing new audiences to all of your programme.

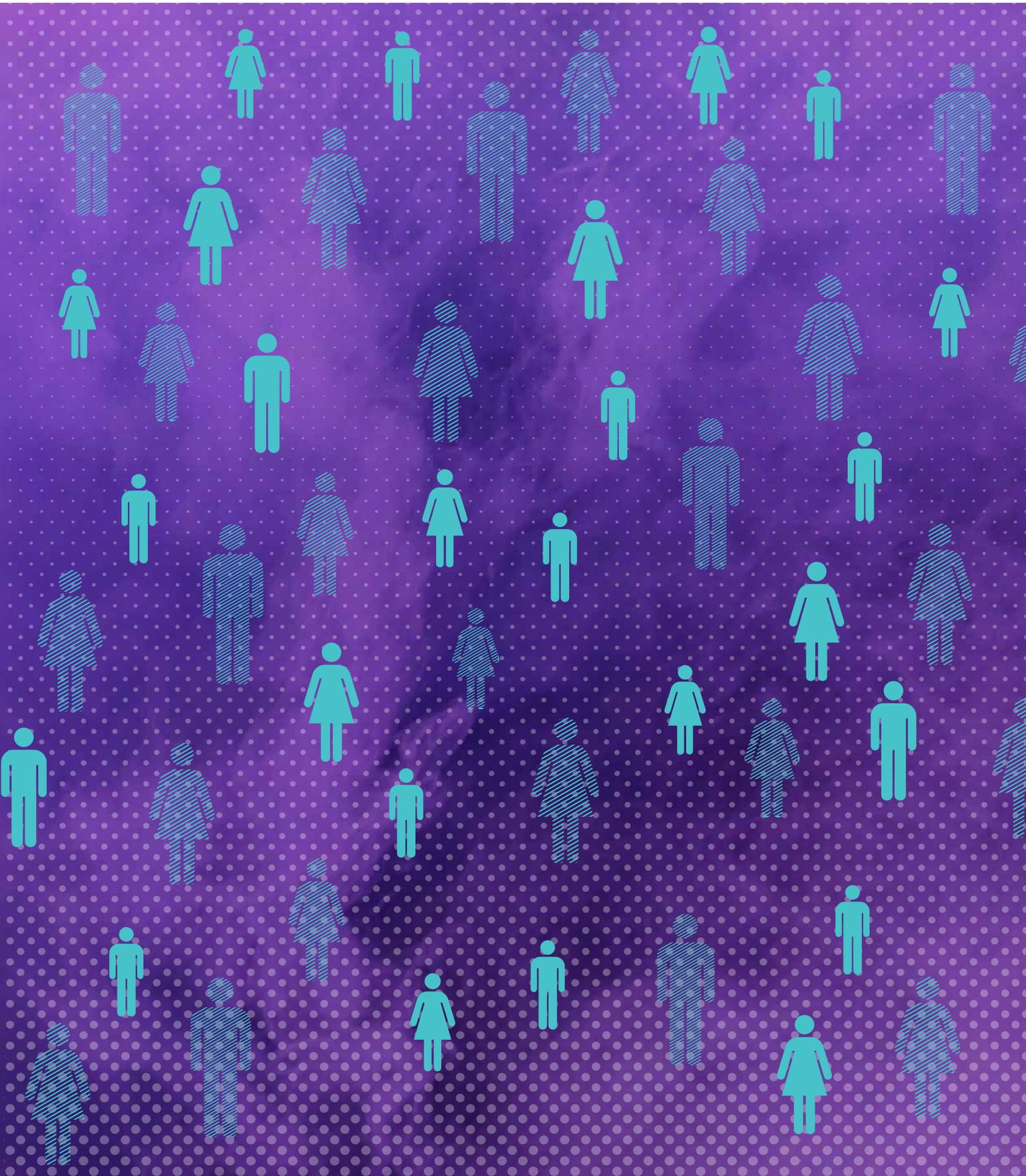
04. Be accountable: personally and strategically

I was asked recently to support a funding application where the grant giving body specifically stated that preference for funding would be given to organisations with ethnically diverse leadership, because of the under-representation and disadvantage this cohort typically experiences.

Whilst the organisation in question would be working with people with lived experience of racism, the delivery team, and the fundraising team was not.

I asked the lead fundraiser, 'why would an organisation apply for a fund that is earmarked for those facing disadvantage?' I was told that 'as fundraisers we have to take every opportunity to secure funding even if it's an outside chance'. The fundraiser then proceeded to explain that they'd be able to package the application to emphasise *engagement* to mitigate for the lack of ethnic diversity in the leadership delivery team – and that might just be successful.

If you are committed to anti-racist action, don't be like this fundraiser. Think strategically about what you apply for – but not just from the perspective of your own organisation. If you deliberately set out to frame a case that if successful would reduce opportunity which has been specifically earmarked for others, then you are not taking active anti-racist action, you are leaning into your privilege.



When data & philanthropy collide – the impact of Covid-19 on future fundraising

MICHELLE WRIGHT, DIRECTOR OF
ARTS FUNDRAISING & PHILANTHROPY AND
SARAH THELWALL, FOUNDER AT MYCAKE LTD

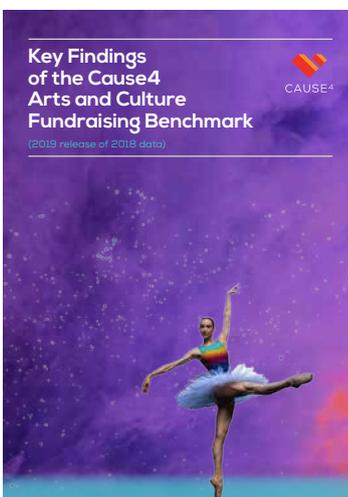


Covid-19 has managed to throw everything up in the air and nothing more so than the use of data. Arts organisations using data to build business and fundraising strategies from a position of reality could be forgiven for thinking that, given the uncertainties ahead, and the need for business models to be significantly redrawn, there is absolutely no point in using data pre-March 2020.

Global Indexes, like the [Legatum Prosperity Index](#), which analyses the performance of 167 countries, will presumably have limited value as its current conclusions are drawn from pre-Covid data. And, whilst we have seen many good research reports looking at predictions for fundraising, marketing and audiences, there is nothing substantive that makes predictions for the sector as a whole, or from a national or international perspective.

This leaves the arts organisations in a quandary. Do they model on a position where some sort of normal practice will resume? Or do they tear up the rule book and assume that business models are forever changed by Covid-19? If the latter, then all decisions need to go back to basics and fundraising strategies need redefining from scratch.

However, there is one crucial area where pre-Covid data can help, and that's in helping to analyse the scale of change underway. When we combine this with trends in philanthropy, then we can start to get a firm grip on where the main financial gaps are emerging and what we must hang on to as part of our reforecasting strategies.



The Cause4 Arts and Culture Fundraising Data Benchmark findings

CONSIDERING THE NORMS & DRAWING COMPARISONS

The first area to explore is what the norms are. How similar is our organisation to others? Can we draw comparisons about how our strategy is constructed by artform, region or turnover? If we can define what normal looks like, then we can draw useful conclusions about how similar or different our organisation is to our peers.

The second area to look at is what 'best in class' looks like in terms of the business models in the arts that were flourishing before Covid-19. What were the structures, the balance of funding and how was fundraising diversified for sustainability?

With this as groundwork, we can then gain a better understanding of how strong or weak our organisation is by comparison to other organisations, as well as to better understand sectoral strengths and weaknesses.

The [Cause4 Arts and Culture Fundraising Data benchmark](#), which is based on Arts Council England data, looks carefully at the financial resilience and fundraising potential of organisations funded by Arts Council England and can help draw these comparisons by artform, region and turnover.

REVISING OUR VIEW OF FINANCIAL ASSETS

Of course, the heartbreak of Covid-19 is that the organisations that better diversified their business models over recent years, and especially those with a higher earned income base, have been hit terribly hard as doors have shut.

Prior to Covid-19, higher earned income versus grants was considered a good thing and it seems rather unjust that organisations that would have previously been seen to be strong due to their higher commercial income, have conversely been hit the hardest. Similarly, many arts organisations with venues would perceive these as prized reputational and financial assets. However, since Covid-19, many CEOs running non-venue-based buildings have appreciated the flexibility they have had to adapt workflows, office space and staffing without the high fixed costs that buildings inevitably incur.

One of the most important forecasting aspects post Covid-19 will therefore be to understand where the new balance is for arts organisations between assets and liabilities, and what a different 'best in class' income profile might look like. Of course, there will still be much uncertainty, including how long it will take for audiences to have the confidence to return, how viable our venues will be if social distancing measures remain in place for the long term and how fragile the operational and freelance infrastructures will be that serve venues.

UNDERSTANDING THE SCALE OF CHANGE UNDERWAY

If we understand the norms, then we get a sense of what the scale of change actually is. For example, we can understand how resource allocation is shifting when we see which types of jobs are being advertised versus understanding where redundancies are happening. Contextualising this scale of change is an essential part of scenario planning for future strategies.

Of course, the other area that is going to be very hard to predict is how funding decisions may be made in future. To some extent, rescue funding from DCMS has protected the status quo, albeit against a backdrop of devastating scaling back of activities and wide-scale redundancies. However, inevitably, as statutory funders look to regroup post-Covid-19, we will likely see a very different set of decision making, ones that look to rebalance funding investment and meet strategic priorities such as Arts Council England's Let's Create.

There's a tricky line to tread here between considering scenarios further into the future and meeting the funding terms of emergency grants. Whatever ensues, it would be unwise for organisations to expect that the terms of emergency funding mean that the status quo will prevail.

LEVELLING UP – EMERGING TRENDS IN PHILANTHROPY

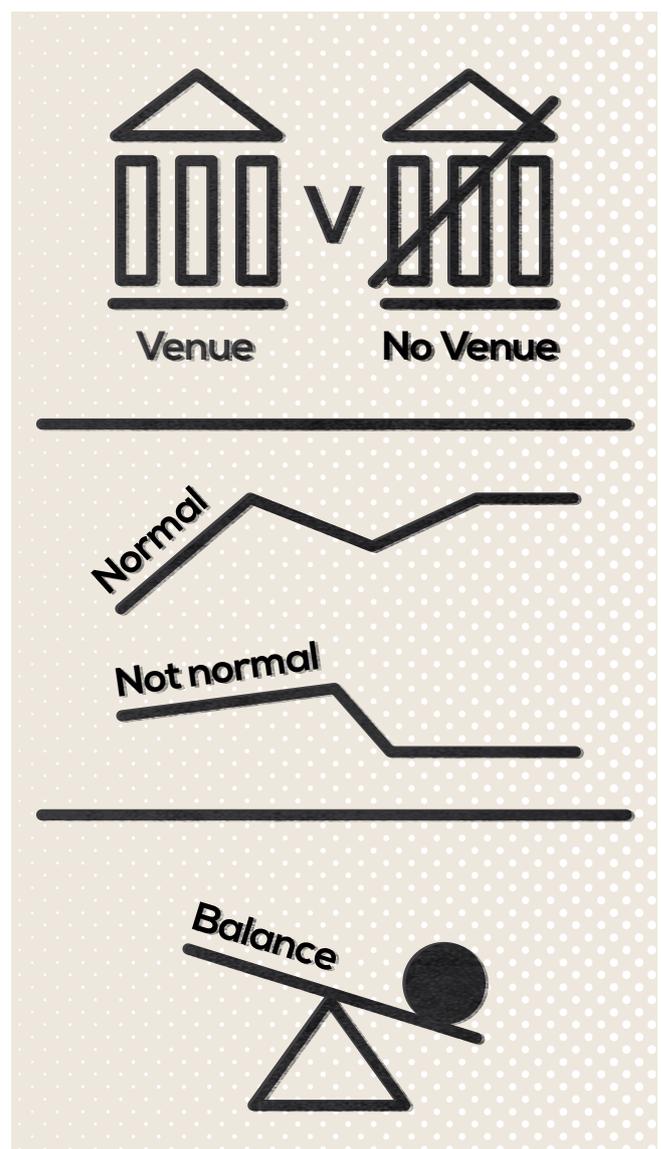
When we look at the data, we understand that the balance sheets of smaller arts organisations and larger ones are worlds apart. In the United States, Institutions with budgets of \$5 million or more make up 2% of arts and culture non-profits, but receive more than [half the revenue](#). The financial gap is even worse for non-profits serving marginalized communities. The 20 largest mainstream US arts organisations have a median budget of \$61 million, whilst the 20 largest serving communities of colour have a median budget of \$3.8 million, according to [DeVos Institute research](#) from 2015.

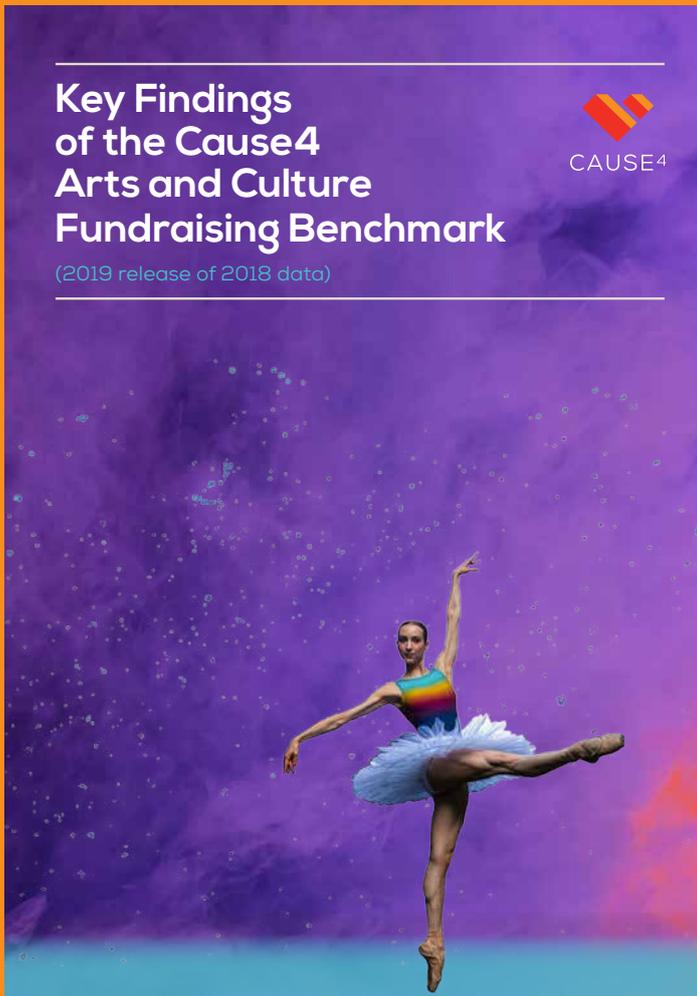
This disparity has led to moves to make sure investment is rebalanced, for example, the Ford Foundation has specifically funded 20 American arts organisations serving communities of colour. Each will receive \$3m over four years from a \$156m pool raised by a consortium of donors and foundations.

Once we emerge into a post-Covid-19 world, we will undoubtedly see a similar levelling up of resources. Funders and donors will want to see fairness prevail and funds will likely be invested in those organisations that maintained and developed their activities, as well as those which behaved ethically and treated staff and beneficiaries well. The Covid-19 memory will be a long one.

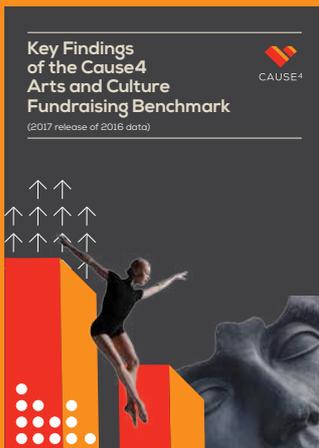
WHERE DATA AND PHILANTHROPY COLLIDE

The vital balance for arts organisations is going to be understanding the scale of change in business and income models caused by Covid-19 with a responsiveness to diverse communities and initiatives of importance to funders and individuals alike, from diversity to the environment. Achieving this balance will be at the heart of successful future fundraising.





All three Cause4 Arts and Culture Fundraising Data benchmark documents are free to view [here](#)





What fundraising trends will we see across the charity sector as it emerges from Covid-19?

BY EDWARD DREW, DEVELOPMENT ASSOCIATE, CAUSE4



Covid-19 has transformed the way the charity sector works, from generating income to reaching audiences. So what fundraising trends are emerging and how can cultural organisations harness these new strategies to maximise success?

The general trend across the board is that **(1)** funders want to know how Covid-19 has affected your finances, staff and services; and **(2)** that funding has become more competitive. Therefore, it's now more important than ever that charities understand fundraising trends so that they can effectively generate income.

Trusts and Foundations were quick to respond to the pandemic back in March 2020 and many responded with an unprecedented level of flexibility with existing grant recipients, whilst pausing opportunities for new funding applications.

More recent trends have found that Trusts are opening back up to conversations around new funding and that there are distinct changes in what they are looking for. There is certainly an increased focus on funding core costs and looking at financial sustainability and resilience through investment into staff time and overheads – something that the sector has been requesting over the last few years.

Alongside this, the rise in prominence of the Black Lives Matter movement has engaged people in long-overdue conversations about systemic racism, and Trusts want to know what charities are doing beyond tick-box exercises. Funders are now interested at looking at how projects address systemic inequality across the country and organisations should be having discussions on what role they play in alleviating these issues, as well as 'levelling up' opportunities outside of main Cities.

Against a backdrop of accelerated social change, Trusts are more comfortable to fund high-risk projects with organisations

with small reserves. Many, however, are also aware of the ever-changing landscape and are therefore more cautious to fund long-term projects. Therefore, charities must demonstrate how short-term projects have long-term impact.

A significant number of companies have struggled during Covid-19 and we are still seeing mass redundancies. Despite this, sponsorship deals and socially responsible partnerships are still taking place. Whilst there was an initial focus on keyworker charities and those tackling [food poverty](#), companies are now looking to build partnerships with organisations supporting local communities and those where they can build back an internal team culture through CSR initiatives or in-kind opportunities.

A [Chartered Institute of Fundraising report](#) highlighted that companies in 'pharmaceuticals, online retail of essential goods, e-commerce, technology and software' have grown rapidly during the pandemic, so it is certainly worth investigating the industries that are currently thriving. Whatever decisions are being made in corporate fundraising, organisations should still consider ethical implications and consider an [ethical fundraising policy](#) is in place to ensure best-practice. Covid-19 has definitely challenged our notions of responsible practice, and whilst ensuring that partnerships are sound and ethical, we also need to have our own house in order, making sure that through Covid-19 we are doing the right thing and treating our people and communities as well as we can, despite the very difficult circumstances.

Despite the huge impact on the lives of many, 2020 has seen **Individuals** continue to support the sector and help keep cultural organisations afloat – with the proportion of people giving in the UK [remaining the same](#) despite the lockdown. Public trust in charities has also grown significantly since 2019, a trend that is predicted to stay, as more and more people require support from the sector.

Trends are also showing a desire to give to local causes, something which can be harnessed by place-based arts and cultural organisations. There has also been a substantial increase in online giving, showing the need for arts and cultural organisations to invest in digital delivery and programming.

Public trust in charities has also grown significantly since 2019, a trend that is predicted to stay, as more and more people require support from the sector



So how can charities maximise these trends to ensure success?

Think local:

Trusts, Corporates and Individuals are looking at ways of supporting local communities, so consider how messaging and activities can connect to local audiences and place-based delivery.



2020 has seen a magnificent response from funders, donors and investors. The charity sector needs to keep developing these partnerships so as to build responsive and flexible solutions for the future.

Cash is no longer king:

The pandemic has also accelerated a move towards digital giving with **80% of donors** in 2020 preferring to give online. Think about online donation platforms and maximising cashless income generation.



Adjust your fundraising strategy:

Review your fundraising strategy in line with sector changes and focus on the knitting, your core business and sustainability.

Levelling up and equality agendas:

We cannot use Covid-19 as an excuse to retract on issues such as diversity, the opposite needs to be the case.

Address the elephant in the room:

Funders will want to know how Covid-19 has impacted your finances, staff and operations. Transparency is valued now more than ever.





Turning digital into earned income – is it possible?

DAVID JOHNSON, DIRECTOR OF STRATEGY AND PROGRAMMES, CAUSE4



Perhaps unsurprisingly, in 2020, my inbox has been engulfed with invites to digital cultural experiences. From major institutions broadcasting productions; local museums hosting virtual talks with curators; and ballet companies creating work in their homes, there has been a plethora of opportunity for me to have a cultural experience from my living room, kitchen or even in the bath.

For organisations, this aspect of the Covid-19 response has presented new opportunities for audience development – 2.5 million people streamed One Man Two Governors presented by the National Theatre in April 2020 in a week (equating to full houses at 2,500 shows and generating £50,000 in donations). However, for many organisations, as a long-term business model it is unsustainable.

The very serious conundrum that we need to face up to in the coming months, is that whilst digital streaming has proven popular, it still rarely translates to the equivalent box office returns. Organisations like the National Theatre that have been delivering NT Live since 2009, have the infrastructure in place to produce this type of work. But even at this scale, founders of Broadway HD, a US-based Theatre on Demand company estimated that filming a Broadway Musical with similar technology and including distribution rights would cost between \$2-\$4 million dollars.

Similarly, at a local level, digital content such as talks and workshops have been great opportunities to test pay what you decide and donation models, but they generally haven't been financially self-

sustaining unless underwritten by a grant or similar.

For funders and organisations alike, we therefore face a conundrum. How do we justify investing in digital at high cost, when the likely returns are minimal and when audiences still expect digital content should be free or minimal cost?

Digital adaptation on its own doesn't tend to translate into profit and it might not need to

Pivoting activity to be delivered in a different way was a very immediate response for a number of organisations in the sector, and as time has gone on, things have got better and better. The Albany, an arts centre in South East London, turned its weekly older people's programme into a radio show; and MarketPlace, the Creative People and Places Programme for Fenland and West Suffolk delivered a range of different activities for remote rural communities online. These were hugely effective, low cost ways to connect with audiences but by the nature of those audiences, it can't necessarily be monetised. In this sort of work, those organisations were meeting their public benefit agendas by engaging with communities in the best and only ways that they could and in these examples digital is a means to an end.

And of course, the other area we need to wrestle with, is that many of us are at near saturation point for online content. We are having to spend much of our time communicating through Zoom, so sitting at our desks consuming culture in this way too, is for many, proving a step too far.

There is a wider risk of organisations taking on a solely digital delivery role

The Greek Art Historian Professor M Scaltsa recently authored a paper suggesting that digital programmes for culture focus 90% on digitisation itself and only 10% on the essence of what is being digitally conveyed ([Scaltsa 2020](#)). He went on to say that restricting the perception of culture to its digital reproductions, would lead to the reduction of a whole range of different components that make up the world of live art.

Of course, this is true, there is no replacing the feeling of experiencing something live in the virtual world. Whether it is the buzz of lights down at a performance, or the smell of a heritage collection, we are conditioned as humans to thrive on physical interaction. The last year has highlighted the value of exactly these experiences when other liberties are removed.

It seems therefore, that digital culture alone is unlikely to cut it. We're more likely to see organisations experiencing success if they can seamlessly morph live and digital

experiences and where they can build audience demand for content that they will also be happy to pay for.

Audience development can translate into income, but it's a long-term game

The [Getty Museum Challenge](#), where the museum asked visitors to recreate famous artworks using objects found at home was replicated by a number of smaller organisations and again built profile and digital capital. As opposed to trying to grow earned income through this activity, it highlighted culture as a potential source of humour for new audiences and this enabled a growth of new donors on the back of digital outreach.

These activities, whilst highly popular, are unlikely to translate into income in the short-term, but they have demonstrated the relevance of these organisations at a time when profile is essential. The reach into international audiences that at the moment cannot travel freely and easily, makes these venues front of mind once travel does begin to open up again.

Whilst digital streaming has proven popular, it still rarely translates to the equivalent box office returns





What now?

Digital delivery will inevitably become a part of the ongoing approach of organisations beyond the pandemic. Effective monetisation of this requires thinking through, and a solid approach might be for boards and staff teams to consider balancing what can be achieved through both face to face and digital interaction. Some of this can be planned for now, despite not knowing exactly when things will return to normal. Questions that arts organisations might ask themselves include:

- 01 What is our best mix of live and digital activity?
- 02 What has worked and what have you learnt from operating differently during this time – how does this inform your future plans? Is there other technology you need to deliver this work more effectively and can you fundraise for this?
- 03 Is the activity you are delivering intended to generate income, or does it serve a different purpose?
- 04 Do you fully understand the cost of your digital activity? What do you need to earn to break-even and what is the profit margin you are aiming for and over what time period?
- 05 If your digital activity is generating an increase in revenue, how will you sustain this beyond *having* to deliver work this way?
- 06 How are the needs of your virtual audiences different to your in-person audiences and how can you manage these simultaneously?

Covid-19 has seismically influenced the way the arts, culture and heritage sectors think about presenting work, and to whom. In 2021 I'm looking forward to connecting with the organisations I'm passionate about both from my bathtub, and a dusty auditorium, with the organisation profiting through both routes.



arts
fundraising &
philanthropy



020 7247 1430



artsfundraising@cause4.co.uk



@artsfundraising



artsfundraising.org.uk



linkedin.com/groups/5172823

Arts Fundraising & Philanthropy
Keystone Innovation Centre
Croxton Road, Thetford
Norfolk IP24 1JD



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