

## Why is fundraising so hard?

A fresh perspective on arts philanthropy

by Frankie Airey



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Over the past two decades, government has slowly but inexorably pulled back from direct funding of many social activities such as health, welfare, education – and the arts. There has been a hope or expectation that private support would automatically fill the gap, but this has not proved as simple as it sounds. The vast increase in the number of organisations that need fundraising to survive and thrive has created a busy and sophisticated market place. Yet the demand for smart thinking and strategic fundraisers far outstrips the number of high-quality, experienced professionals available to fill the positions.

It isn't merely a matter of throwing money at the problem to hire good staff. It can't be. Salaries are rising; training, support and networking opportunities abound, but staff churn continues to be endemic across the board. We surely need to find a new working model if it is to help deliver the social and cultural outcomes we all desire.

Having observed similar trends in both Australia and the UK, it became apparent to me and my colleagues that one of the main issues that drives success or failure in fundraising is the organisational culture itself. As we looked closer, we drew two very simple conclusions:

- **Organisational values drive behaviour and define outcomes.** The unspoken, often unacknowledged assumptions about the role of fundraising and philanthropy set a train of activity in motion that unwittingly reinforces expectations.

- **These values emanate from the leadership.** They can go the other way, but when it comes to changing an organisation's culture everyone, both internally and externally, looks to the senior executive and the board for guidance and direction in determining the position and integrity of the brand. If fundraising is well resourced, well supported and well respected by leadership, that will cascade throughout the organisation. Ultimately the donors themselves will feel more highly valued by the organisation. And, of course, the converse is also true.

Having come this far the obvious next step was to identify what characterises successful fundraising organisations. Drawing inspiration from the famous management book *Good to Great* by Jim Collins, we began to compile a series of case studies of good and bad practice to isolate the critical success factors. What emerged were five key ingredients that need to be in place to ensure a sustainable income from philanthropy.

### Vision

- A concise, compelling vision and case for support which will enthuse and excite potential donors and make them want to be involved.
- A convincing organisational strategy to reassure donors that the vision will be realised.

### Internal leadership

- Strong internal leadership capable of inspiring, responding to and managing change within the organisation, and of interacting credibly with potential donors.

### Are the arts different?

Different sectors within the non-profit industry bring different strengths and challenges to the table. Vision and passion are seldom a problem for arts organisations, and many have a dedicated fundraising resource. So what's holding them back? We frequently found that fundraising was treated as wholly separate from arts organisations' core business. Strategic planning often took place without reference to a key market (donors) who were expected to deliver the bottom line. So fundraisers were given targets based on holes in the budget rather than crafting a compelling case for support.

*“There is often an unspoken sense of fundraising as a necessary evil”*

#### External leadership

- Strong external leadership – volunteers and ambassadors who provide credibility among existing and prospective donors and can open doors to new networks.

#### Prospects and programs

- Ability to identify a pool or network of existing or potential supporters who share the organisation's aims and vision and have a capacity to give.
- Fundraising programs that act as mechanisms to engage and involve these potential supporters within the life of the organisation and to reward them for their support and involvement.

#### Skills and resources

- Dedicated fundraising expertise and adequate resources to communicate and involve supporters effectively.
- A cogent and accessible set of data on current and prospective donor communities
- Effective performance measures.

Over the years, we have found the vast majority of staff and board members we meet and interview at arts organisations (including some fundraisers) are uncomfortable with the prospect of asking face to face for a personal donation at any level. This is not unique to the arts, but in our sector there is often an unspoken sense of fundraising as a necessary evil, and therefore somewhat demeaning. The very word “charity” implies “needy and helpless” and this is how many arts leaders feel when they cannot balance the books.

This is compounded by a general lack of PR to set the context for philanthropy – stories and messages that explain and celebrate the role private support plays in delivering the excellence audiences and visitors enjoy. Often the first time a visitor or subscriber learns about the need for funds is at the ask – which in turn feeds fears about asking too soon.

All this indicates a poor understanding on the part of arts managers and boards of the needs and motivations of their donor community. Instead of engaging and involving their supporters they deal in transactions – come to an event, join a giving club – reducing philanthropy to mere money.

In stark contrast to the internal view, donor interviews consistently reveal a strong philanthropic spirit, a sense of purpose, and a clear understanding that their support is an opportunity to shape the society in which we wish to live, work, play and raise our children.

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