

## **FLYING THE FLAG FOR THE CULTURAL SECTOR**

***Abstract: Despite enormous strengths in fundraising achievement and distinctiveness, the UK cultural sector is threatened in these challenging times by the absence of a charitable fundraising case for support and a fundraising organisation to speak for the whole sector. Implementing a five-point manifesto could substantially strengthen cultural sector fundraising in the UK.***

**Speech at Heritage Alliance Debate, Birmingham  
Martin Kaufman, Principal, Martin Kaufman Philanthropy**

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Chair: Loyd Grossman, Chair, Heritage Alliance**

## 1. WHAT DOES THE CULTURAL SECTOR DO WELL?

I am proud to be a professional fundraiser, which is the theme of this year's Institute of Fundraising National Convention. I believe I work in one profession divided into different sectors, each of which has more in common with the others than there are significant differences between them. As such, I believe that heritage organisations are not unique organisations but are an integral part of what I call the 'Cultural Sector', alongside arts organisations.

Arts + Heritage = Culture, so tonight I am going to talk not just about heritage but about 'Cultural Sector' fundraising. Heritage has a distinct place - but not a unique one - within that overarching category of 'Cultural Sector'.

We lack the clearest statistics about cultural sector fundraising, but we do know from research and from anecdotal experience that arts and heritage have been at the cutting edge of fundraising growth since the paradigm shift that took place when Margaret Thatcher started to roll back the frontiers of the welfare state. By so doing, she helped create the fundraising profession in this country. Since the late 1980s, and enormously spurred on from 1994 by the National Lottery, the cultural sector has delivered exemplary long-term sustainable relationships with donors at all levels of giving, but in particular around major gifts and corporate partnerships and volunteer leadership.

Not only have arts and heritage been very successful overall in their fundraising efforts, but they actually do some things better than any other sector of fundraising: better in particular than the charity sector including healthcare, and better than education. For me, the areas of outstanding achievement have to include:

- The close cultivation and systematic engagement of prospective mid-level and major donors;
- The high quality of stewarding donors, and recognition for their philanthropy;
- Family involvement with organisations that crosses the boundaries of gender, ethnicity, community and age.

What I believe the cultural sector is particularly good at are all of those things which I call the 'soft moves': the fundraising processes that are absolutely essential for creating good and sustainable relationships between

organisations and donors but that do not, of themselves, actually involve a direct ask for a gift.

Looked at dispassionately, these soft moves are intended to create the opportunities for prospective donors themselves to ask the cultural organisations what they want. Soft moves are the cuddly and furry activities, the warm gloves that envelope prospective and existing donors, and which cultural sector organisations have been better at delivering than any other sector in fundraising.

What is the alchemy here? Cultural sector organisations are able to combine two precious commodities that - together - create a bond between supporters and the life of an organisation:

- firstly, the physical attraction of being inside stimulating locations;
- secondly, the emotional impact of direct engagement with artforms and programmes, with curators and artists, with storytellers and conservators, where the supporter has a personal interest.

Using this bond, arts and heritage organisations can:

- get to know their supporters well, and their likes and dislikes;
- learn the right time to move them on to becoming donors;
- pay attention to what they need so that most of them will give again;
- encourage them to leave a bequest so their personal commitment can be repeated for future generations.

I am not saying that other sectors do not do these things too – the higher education sector in particular is extremely good at donor recognition. But I am saying that these soft moves are in the DNA of cultural sector organisations, and that those organisations which have been most successful at fundraising have exploited their soft move potential to the highest degree.

## **2. WHAT CAN WE LEARN FROM OTHER SECTORS?**

At the same time, we can learn massively from other sectors of fundraising. From the charity sector, for example, where in direct marketing and community fundraising, in promotional sponsorship and cause-related marketing, it is ahead of the game. Where the charity sector above all excels

are in the processes that involve what I call the 'hard moves' – those approaches that lead directly to a fundraising ask.

And arts and heritage – alongside the charity sector – can also learn from the higher education sector. Since the Campaign for Oxford transformed major gift campaigns at the end of the 1980s, higher education fundraising has led the field in complex campaigns and the biggest of big gifts, and in the ruthless pursuit of improving the level of donor participation.

### **3. WHAT IS THE CHALLENGE FOR THE CULTURAL SECTOR?**

But there is one thing above all that arts and heritage don't do nearly as well as any other sector of fundraising. What is it? It is our failure as a sector, as whole, to publicise effectively enough the charitable case for support for cultural sector fundraising: I believe at present we 'Fly Our Flag at Half Mast'.

To be a bit more brutal, the cultural sector has not made the argument sufficiently rigorously, with sufficient impact, reason and emotion, that arts and heritage are charitable enterprises essential to the civic, psychological, environmental, social and economic future of this country.

We have not made the case sufficiently well to most politicians, but I will make an exception for the current Secretary of State, Sajid Javid, who in his speech at Bristol earlier this month showed that he fully understood the case, emphasising that *'everyone in the UK has the opportunity to engage with our artists and actors, our history and heritage.'* However, up to now we have not convinced the great British public including donors - and in particular the populations of cities, towns and countryside which have cultural organisations on their doorsteps threatened with closure - that we are as deserving of charitable funds, of donations, of partnerships and sponsorships as the local hospital, the regional university, the city's main orphanage and the donkey sanctuary.

Of course, the cultural sector can never, ever compete in scale and speed of fundraising response with the urgent needs and emotional persuasion of refugee crises, genocide, earthquakes - or the flooded communities in the Somerset Levels. But actually, neither for that matter can universities, or those charities involved with social policy and prisons and countless other causes!

Over the past 30 years since the beginning of a fundraising profession, the other fundraising sectors and sub-sectors have made it crystal clear to the public: they are part of a mixed economy, in which public funding is ever-diminishing but where the charitable purpose that underlies their existence now requires considerably greater private fundraising if their missions are to be continued.

The cultural sector, however, is constantly having to address the assumption – unstated but implied by government and which surfaces regularly from the general public via the media - that arts and heritage are of secondary or even tertiary importance when faced with the need to cut government funding. Or worse: they are even expendable!

This failure of the cultural sector overall to be able to make its case from a moral high ground like other charities is not, in my view, substantively alleviated by the many positive initiatives to develop fundraising and charitable profile that exist, for example the government-funded Catalyst Fund and the Arts Fundraising & Philanthropy Programme.

The positive campaigns launched by government ministers and departments and the never-ending PR from the National Lottery about impact and accessibility, along with frantic bidding for Arts Council England's funding pot, barely dent the surface of prejudice in the absence of a sector-wide and publicly supported charitable fundraising case for support.

#### **4. WHERE DOES THE WEAKNESS OF THE CULTURAL CASE FOR SUPPORT COME FROM?**

One part of the reason why the fundraising case for support for arts and heritage is so relatively weak is the enormous diversity amongst cultural sector organisations, in terms of their:

- size and turnover;
- geographical location;
- workforce resource;
- potential for commercialisation;
- community links;
- ability to widen access and embrace diversity

- above all, the very different funding models that exist, not only between each cultural form but also within each one.

In my view, however, these very real differences between the fundraising sectors both reflect, and are sustained by, one extremely significant fact: in the 30-odd years since the birth of a professional fundraising cadre in this country, there has been no organisation that has spoken up for arts and heritage fundraising as a whole.

There has been an historic failure to create and to sustain an organisation that could speak unequivocally for all cultural sector organisations in the same way as the Institute of Fundraising clearly does for the charity sector, and the Council for the Advancement and Support of Education (or CASE) does so effectively for higher education and schools, and that Arts & Business has done for so many years in the field of corporate sponsorship. As a consequence:

- We have not had one organisation which would co-ordinate the sharing of knowledge and expertise between the different types of cultural organisations and within them;
- We have not had one organisation which would encourage us to learn lessons from the other sectors;
- We have not had one organisation which would lobby government or the National Lottery or the Arts Council effectively - and when appropriate - in a co-ordinated way with organisations such as the National Museum Directors' Council.

Without, then, these two things: firstly, an effective and publicly understood sector-wide cultural fundraising case for support, and secondly an effective cultural sector fundraising organisation, we are threatened, in my view, with the closure of many organisations which deserve to survive, and they won't all be the tiny ones. This is a critical time for us all.

## **5. WHAT CAN WE DO ABOUT IT?**

So, what can we do to rectify these two glaring gaps in the long-term survival strategies for arts and heritage? Let me first say that there are definitely positive signs that things are changing for the better:

- We have had the recent experience of organisations, and donors, working together to oppose the cut in Higher Rate relief;
- We are seeing the roll out of the capacity and training programmes around the Arts Fundraising and Philanthropy Programme;
- CASE attracts to its training programmes on a regular basis the cultural specialist higher education institutions as well as other arts and heritage bodies;
- Arts & Business has trimmed itself to refocus on its earlier emphasis to link companies with arts sponsorship;
- The Prince of Wales Medal for Arts Philanthropy is entering its seventh year, although it should get so much more publicity than it does;
- On a personal basis, I have been working over the past three years to try to move forward a project for benchmarking cultural sector fundraising along the lines of the universities' Ross-CASE Survey, and I am delighted that a few weeks ago a steering group met for the first time in London;
- In particular, the Institute of Fundraising is moving fast, and appearing to give long-overdue leadership in this area:
  - it has committed itself for a third year to a cultural sector conference, and any organisations here today are welcome – next Monday 30 June – at Somerset House in London to discuss critical issues around cultural sector fundraising
  - in supporting the Giving to Heritage initiative with the Heritage Alliance, the IoF is getting across the message of its brand to many cultural organisations who in the past would have thought that it did not want to recruit members from this sector;
  - it has for the first time called for new trustees specifically to support the cultural sector in the current IoF Trustee elections
  - it is in discussion about setting up a Special Interest Group for IoF members in the cultural sector
  - And - I believe for the first time – it is holding a plenary next week at its National Convention about cultural sector fundraising, to be given by Loyd Grossman himself.

It is early days, but these are all encouraging signs. However, I think we need more joined-up writing still.

I would like to see all the organisations who interact with the cultural sector and who exercise leadership in fundraising to start to reflect on the following Five Points:

1. How we can develop an organisation that represents fundraising for the whole of the cultural sector;
2. How we can start an industry-wide and national debate on the need to define, clarify and publicise the case for support for fundraising in the cultural sector, which should include donor organisations too;
3. How we can bring the questions of access, outreach and diversity to the centres of the fundraising debate as essential ways in which arts and culture will thrive in 21<sup>st</sup> century Britain.
4. How we can ensure we create an effective process for benchmarking fundraising results in cultural organisations;
5. How we can develop ways to create much more cross-sectoral transfer of knowledge and storytelling within the cultural sector, and between arts and heritage and the other fundraising sectors.

Rather than allowing the flag of the cultural sector to continue to fly at half-mast, I am therefore leaving you with a rallying cry:

**Let's support clarity and unity for arts and heritage:  
Unfurl the Fundraising Flag for Culture!**

End.