

What Motivates Donors to Culture and the Arts in the USA>

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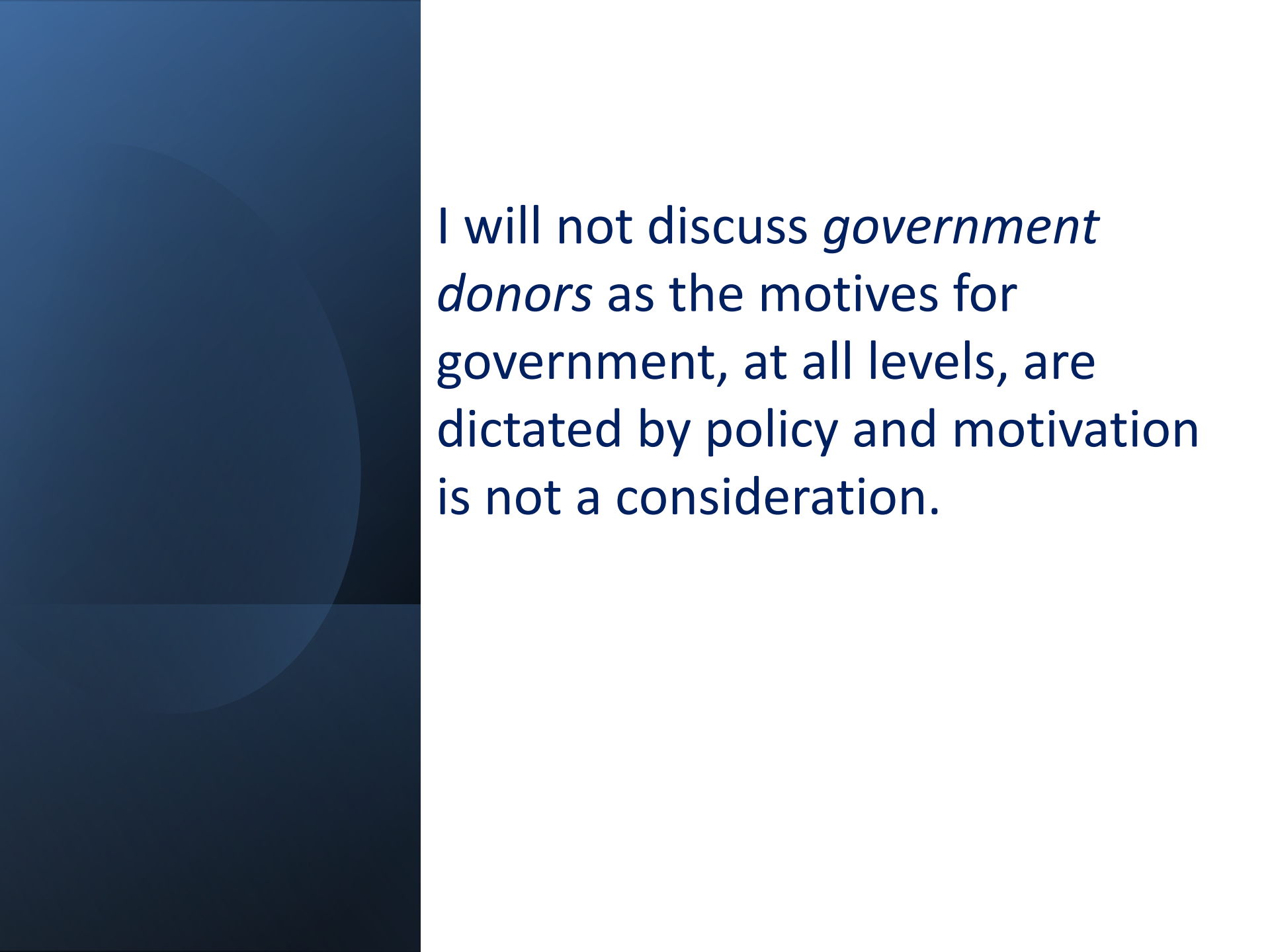
Donors to culture and the arts in the USA fall into several categories:

1. Government

2. Foundations

3. Corporations

4. Individuals



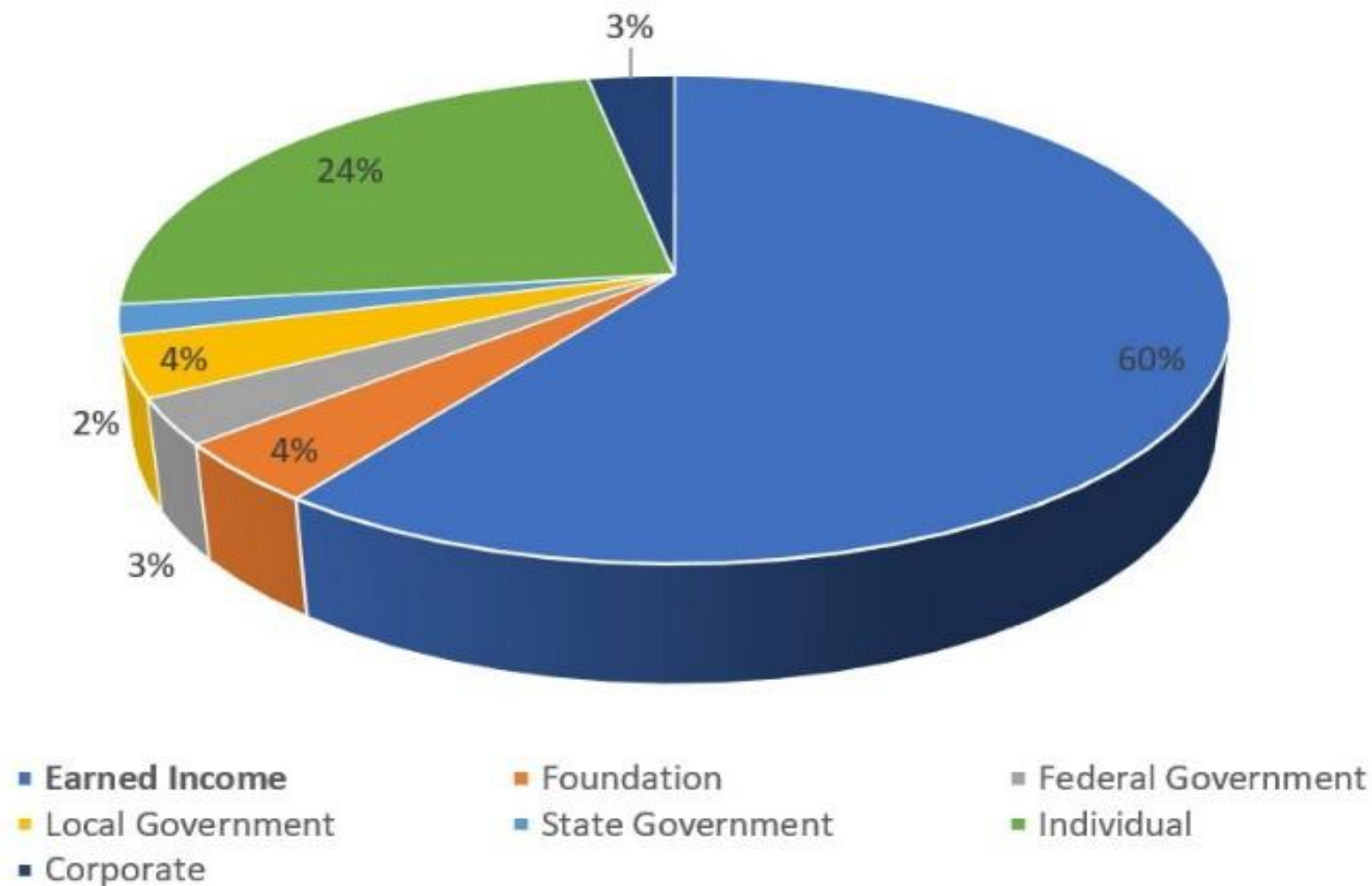
I will not discuss *government donors* as the motives for government, at all levels, are dictated by policy and motivation is not a consideration.



It is possible to talk about motivations for Foundations, Corporations, and Individual donors

On average, 40% of total budget for cultural NGO's comes from some form of contributed income.

Non-Profit Arts Organization Revenues as a Percent of Overall Budget



Nonprofit Arts Organizations Revenue Sources, 2016. (Source: Americans for the Arts.

Friend Raising Precedes Fundraising.

Donors give of their time and money when they feel a **connection** with the cause or institution they have chosen to support.

But, what creates connection differs among Foundations, Corporations, and individual donors

What Motivates Foundation Giving?

Foundations exist to give away money, but they decide how much to give, to whom and when - based on carefully prepared policies and procedures linked to *their own mission, purposes, goals, and objectives*.

They seek a match with their own purposes from among applications they receive.

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Corporate Giving

Corporate giving in the USA falls into 2 categories – **Donations** and **Sponsorships**.

1. Corporations have a history of following a *quid pro quo* exchange. They explain this as “enlightened self-interest.” In fact, it may just be self-interest, because corporate donations require justification in terms of a visible benefit to the company. When the company has stockholders, they too must be convinced of the legitimacy of such giving.

2. So, **Donations** from corporations are ***motivated*** by the corporate bottom line.

Corporate Giving

Corporate giving in the USA falls into 2 categories – **Donations** and **Sponsorships**.

1.Sponsorship is the term describing a relationship between a sponsor and an event, agency or property, in which the sponsor pays a cash or in-kind fee in return for access to the exploitable commercial potential associated with the event, agency or property.

Corporate Giving

Sponsorship:

Unlike philanthropy, money spent on sponsorship is a business expense, not a donation, and is expected to contribute to the company's marketing communication and show a return on investment.

Sponsorship

Sponsorship:

Sponsorship involves interaction between two distinct parties: the sponsor, which provides funds, goods or services, and the sponsored event or group, which receives the funds, goods or services in return for certain consideration.

The business relationship supposes that each party is satisfied with what it receives in return for what it gives.

Sponsorship

Sponsorship and Motivation

So, ***motivation*** in sponsorship, on the part of the corporation, is advancing the corporate mission, not the mission of the cultural NGO.

Donations by Individuals

Donations by Individuals

The most significant amount of donations to cultural NGOs in the USA comes from individual donors

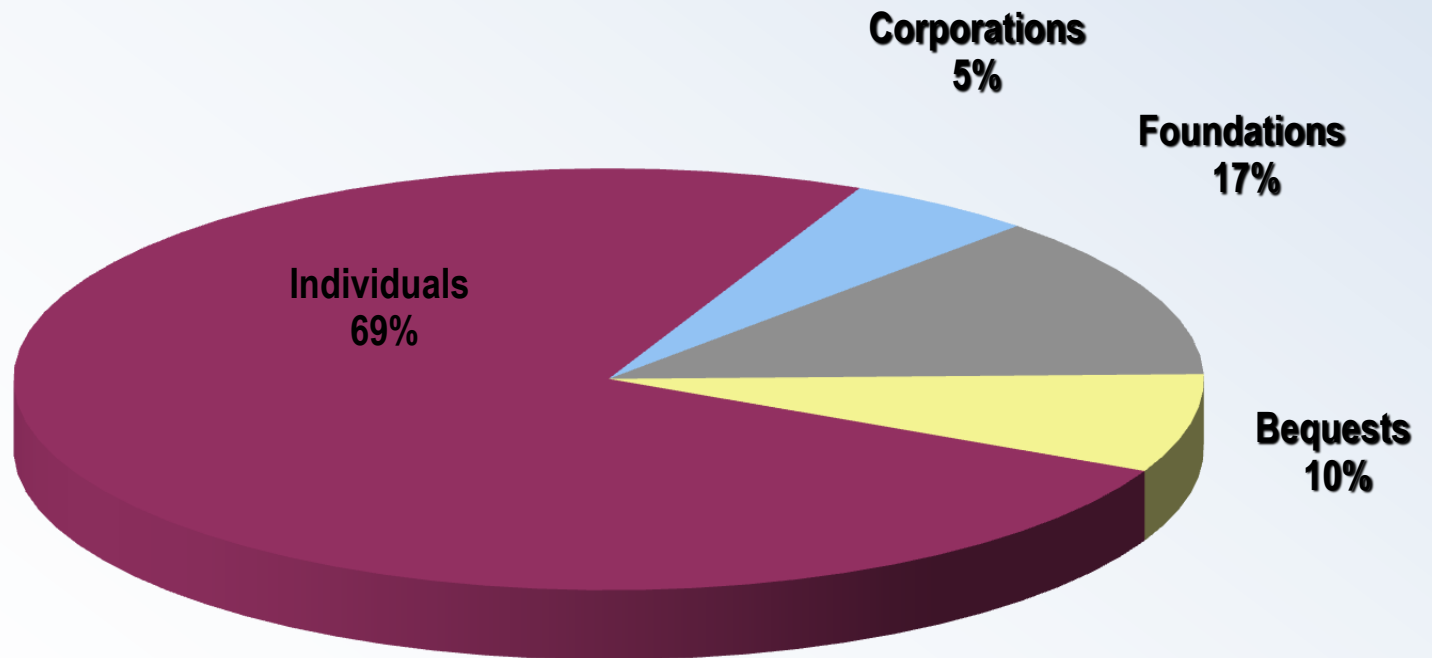
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Giving in the USA 2019 - in Billions of Dollars

\$449.64 (percentages are rounded)



Donations by Individuals

Individual gifts form the backbone of most NPOs' contributed income.

Individual, bequest and estimated family foundation giving combined constitutes 79 % of total giving.

(source: Giving USA)

Individual donors are the most stable and reliable sources of contributed income.

Donations by Individuals

Individual Donors:

- They are mission-driven
- They trust your organization
- They want to see the impact of a gift
- They have a personal connection to your cause
- They want to be part of something
- They give because an organization has caught their attention
- They want tax benefits, but this is seldom the primary motivation for giving

Donation from
all donors

Motivation and Donors:

- People give to people
- Any gift requires some thought on the part of the donor.
- The donor will consider whether the request for funds is legitimate and whether the institution matches with their interests.

Donation from
all donors

Motivation and Donors:

**All donors want to know
What is in it for me?**