

ABA SIGNATURE RESEARCH INITIATIVE

REDEFINING THE DONOR VALUE PROPOSITION

An Overview of the Quantitative Research Phase

Deadline for Survey
Participation is
December 31, 2020



Transforming Arts Organizations Worldwide

A Global Look at Arts-Donor Motivations

We're excited to announce the launch of a first-of-its-kind **quantitative initiative** exploring the motivations, dispositions and preferences of arts and culture donors across genres and regions. **All ABA members are invited to participate** in this groundbreaking work as part of their membership.

The ABA's shared learning approach offers the opportunity to **discover insights that would not be possible through traditional approaches**. This briefing provides an overview of the upcoming work, including how ABA members can include their own donors as part of the analysis.

At this pivotal time for arts organizations, it's especially crucial to understand how to increase connection with large donors who give at large levels but are not your most significant donors. **We must find scalable ways to resonate with the philanthropic motivations of this "next-level-down" of donors.**

Participants will receive a **customized analysis of the motivations and preferences of their own donor base**, including **predictive analysis** of the motivational segments of their entire donor list. Included in the analysis will be insight into factors that cause donors to:

- Shift giving to new philanthropic sectors (e.g., safety-net charities)
- Increase donations above anchor points created by historical giving patterns

While cultural attitudes toward giving to arts organizations can differ by country, ABA's interviews with individual donors around the world suggest that the motivations for giving are stable across regions. Understanding these motivations is an essential precursor for driving cultural change around individual giving.

We are so excited to embark on this important work and would be honored to include you as part of it. We will be sure to include you in a manner that is compliant with GDPR and other relevant regulations around data protection.

Thank you so much for your ongoing partnership with The Advisory Board for the Arts.

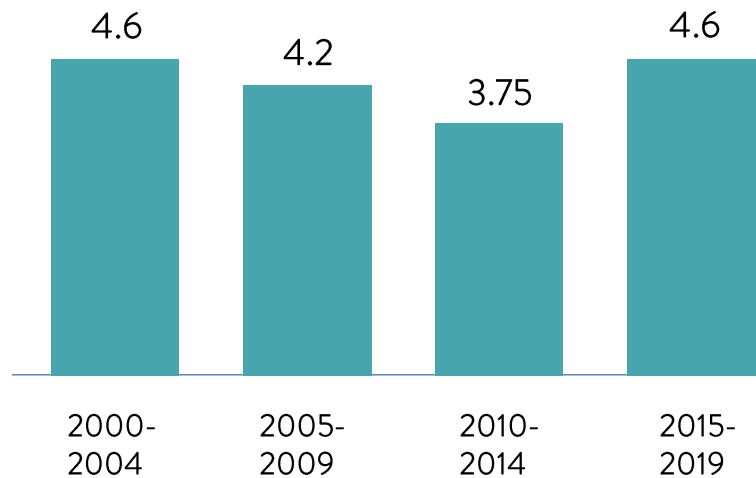


Christopher Denby
CEO and Founder
The Advisory Board for the Arts

A Long Term Contraction of Our Donor Base

While giving to arts arts culture organizations has grown (by about 2.1 percent per annum) across the past the past two decades, giving to arts organizations as a percentage of total giving has held constant over that period.

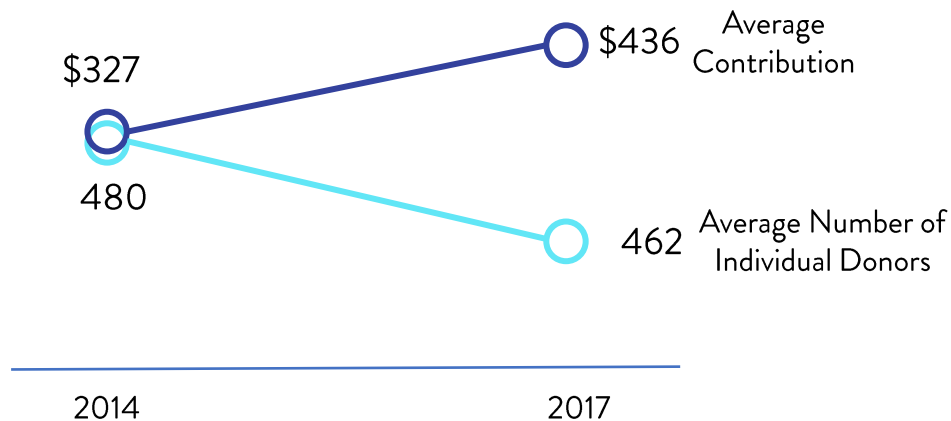
Giving to Arts & Culture Organizations in U.S. as a Percentage of Total Giving
2000-2019



Source: Giving USA 2020; The Giving Institute 2020; Blackbaud Institute analysis.

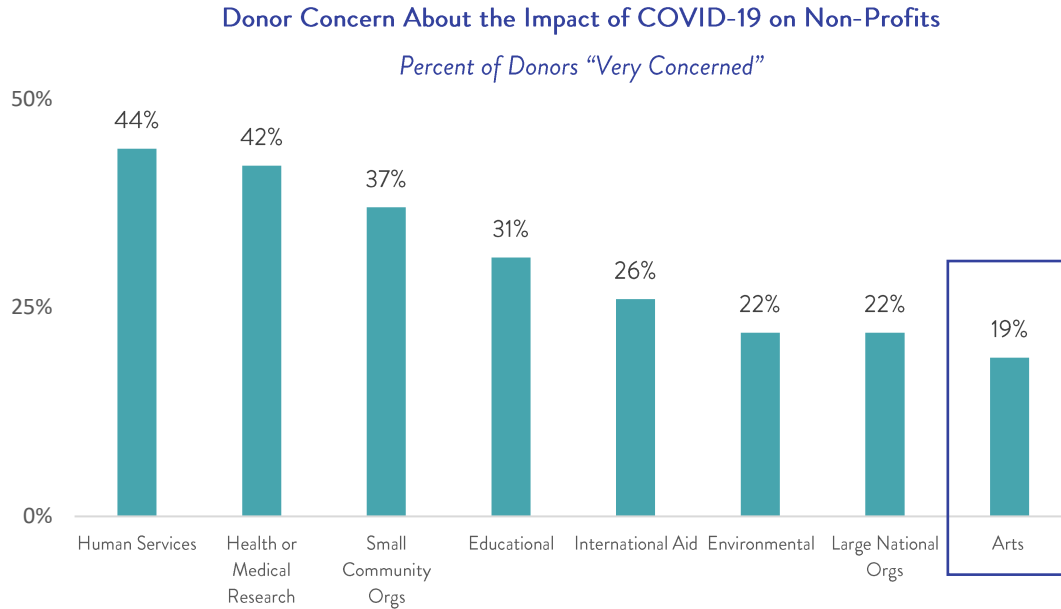
What's more, contributions are coming from fewer donors. Over time, the number of donors to arts organizations has declined even as total contributed income has risen. This concentration of giving in fewer hands creates risks for arts organizations, especially as our biggest donors "age out" and their replacements are yet to emerge.

Comparison of Average Donation to Number of Individual Donors
2014-2017 (North America)



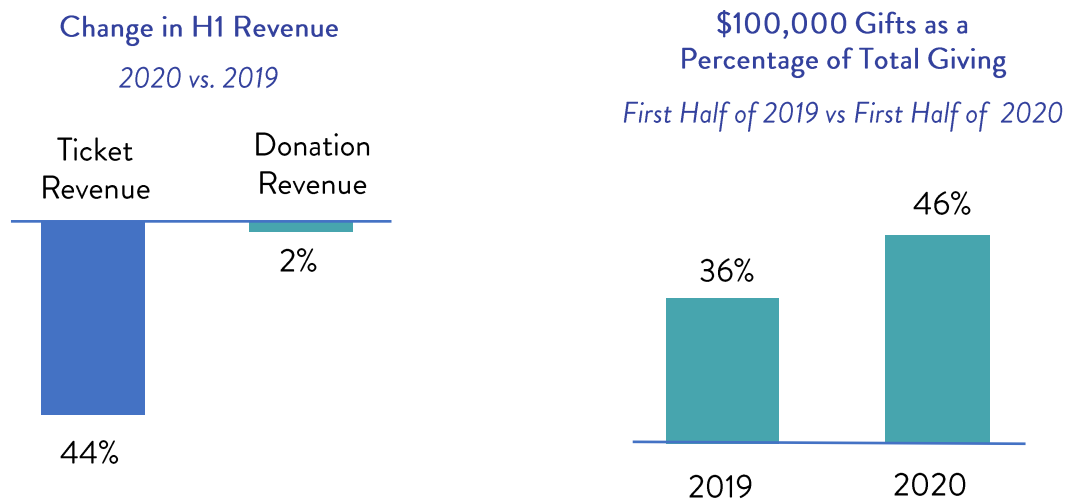
Serious New Risks to the Donor Base in the Pandemic

The evidence suggests that arts organizations fall pretty far down the donor priority list during the pandemic.



Source: CultureTrack 2020.

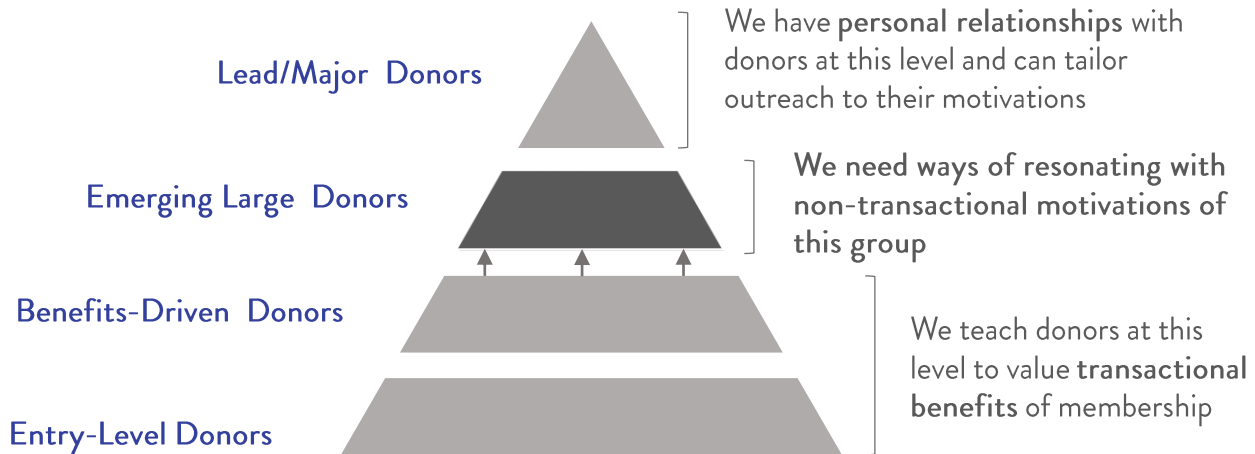
Deprioritization of the arts by donors is exacerbating reliance on a smaller set of loyalists. While contributions are holding relatively steady, the portion of giving that is being shouldered by those contributing at least \$100,000 is going up substantially. In the short term, this trend risks donor fatigue. Over the longer term, concentration of giving places the future of arts contributed income in fewer and fewer hands—a risky direction.



Source: <https://trgarts.com/blog/insights-blog-eric-july-2020>.

The Global Challenge: Connecting Donors to Deeper Motivations for Giving

For a set of our largest donors, we have strong relationships and an excellent understanding of motivations. We have much less understanding of the group of donors one level down from those top donors. We need to develop ways of bonding with these donors that rely on intrinsic motivations rather than either personal relationships or membership benefits.



The Challenge: How do we bond emerging large donors to us without relying on personal relationships or transactional benefits we've taught them to appreciate?

Building a Value Proposition for the Middle

Arts and culture organizations face the twin challenge of developing a donor value proposition capable of competing with safety-net causes while at the same time shifting donor attachment away from transactional benefits and toward more intrinsic motivations. These motivations vary by individual, however, and we don't have resources to develop deep personal relationships with every donor at this level. We need a scalable solution to understanding donor motivations.

Attributes of the Solution

Why

Capable of weaning donors from a benefits-centric mindset



Less "sticky" than intrinsic motivations in both short- and long-term

Capable of delivery without personal relationship



Resources don't exist to develop personal relationships with 'next-level-down' donors

Capable of countering the attraction of safety-net causes

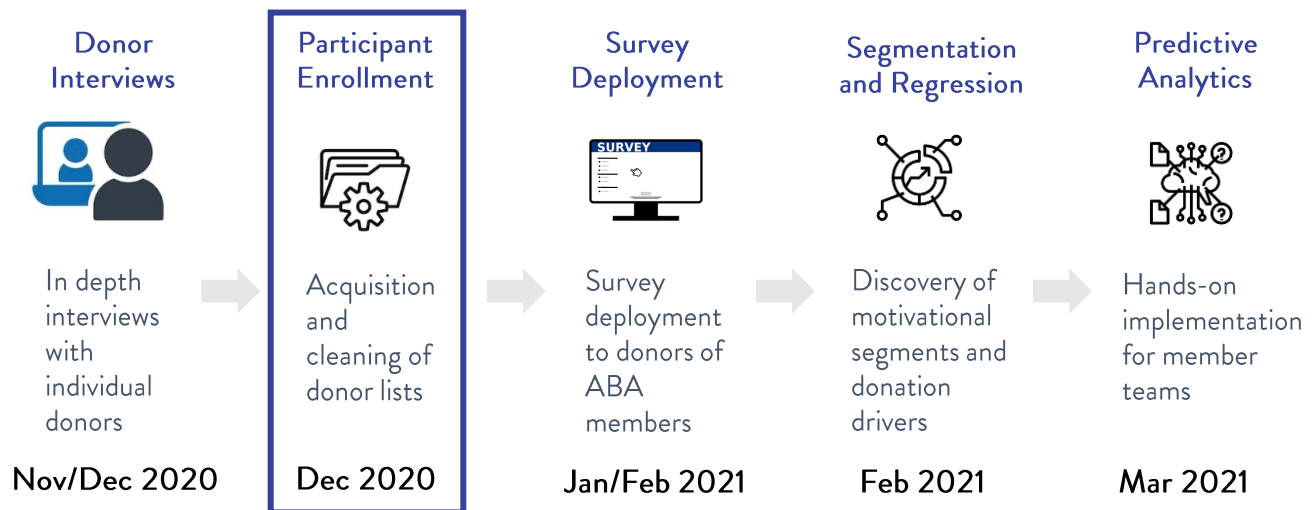


Long-term trend toward safety-net issues exacerbated in the pandemic

The Solution: Assess the intrinsic motivations and decision-drivers of emerging large donors and build value propositions capable of resonating with them at scale.

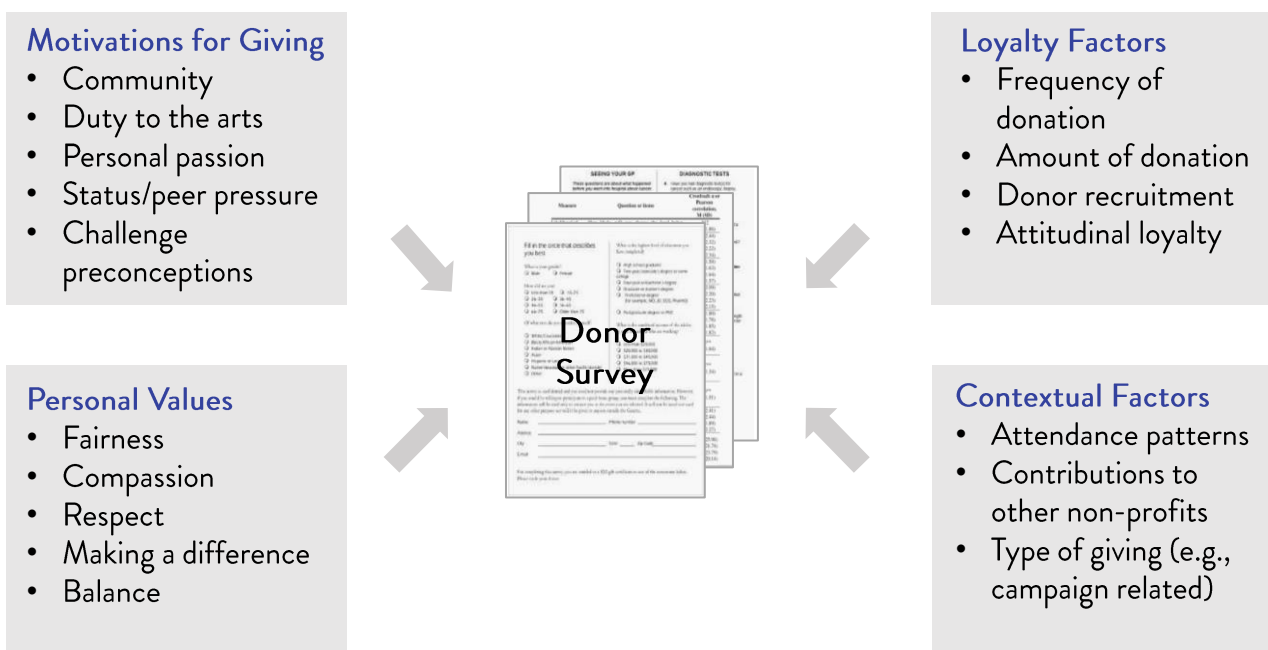
Overview of the Quantitative Phase

The donor research initiative has already begun. We are currently interviewing dozens of large donors at arts organizations around the world. In early 2021 we will launch a survey to hundreds of thousands of donors globally. Any member may take part at no cost, and those who do will receive customized analysis of the motivations of their own donor base. Contact your Member Advisor or diana.wang@advisoryboardarts.com to participate.



What We Will Ask Donors

The donor survey is intended to give ABA members an unparalleled understanding of giving from the perspective of donors themselves. The survey will explore the motivations of givers, as the drivers of shifts in giving—both giving more and giving less to organizations they care about.



No-Cost Custom Reporting for Participating Organizations

Once we've analyzed your data, we'll work with you draw out insights, compare your donors to external benchmarks, and assist you with making changes to capitalize on the findings from our research.

Custom Reporting



Each participant will receive a detailed custom report of donor findings for their own organization, with comparison to overall findings, including donor motivations and other contribution drivers.

Predictive Analytics



ABA can model the motivations of donor groups and predict the likelihood that specific individuals will share those motivations. We may also be able to assess willingness to give more.

Tailored Support



Because we will know more about the donor populations of member organizations participating in the donor survey, we can tailor support to areas that will most contribute to donor health.

How To Participate

Participation in our quantitative research initiative is easy. We've outlined the steps below. The most challenging step is the pull of donor data from your CRM. We are happy to work with your technical team to coordinate data pulls and survey launch.

① Tell your ABA member advisor you are interested.*

② Pull donor information from your CRM. We can help.

③ Identify a convenient survey-launch date.

④ Email donors their custom survey links.

* If you are not sure whom to contact, please email diana.wang@advisoryarts.com to get started.