

Encore

A Spotlight on Philanthropy in the Performing Arts

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things *First*



February 25, 2020
www.fundraisingcounsel.com



from the desk of
David H. King | President & CEO

The Roaring 20s? What 2020 May Bring for Giving to the Arts

I've seen a lot of people referring to 2020 as the start of the Roaring 20s. I assume they are harkening back to the days of great growth and prosperity in the United States following World War I. I'm not sure if 2020 will usher in the second coming of the Roaring 20s, but it does promise to be an interesting year for philanthropy.

When economic times are good, giving to the arts usually gets a bounce, and this year is no exception. The February announcement of an unprecedented landmark gift to St. Louis's opera shows the value of gift planning and illustrates what more than a decade of stock market successes can make possible. **Opera Theatre of Saint Louis** just received a bequest estimated at \$45 million from life board member Phyllis Herndon Brissenden, who passed away in December. The largest gift in the company's history - and one of the largest ever to an American opera company - will more than double the size of its general endowment to \$80,000,000.

However, when Giving USA is released in June we will see the full picture of the impact that the 2017 tax law changes had on philanthropy. In 2018, we saw significant growth in giving. But one question that hangs over that growth is: How much of that was people bundling gifts in 2018 or making substantial contributions into Donor Advised Funds to meet the threshold to itemize their tax return and deduct contributions? If a lot of that happened, then those gifts were likely not repeated in 2019. How much of an impact can that have? That's the \$400 billion question that we won't know the answer to until the data comes in. But, will we see the first non-recession year decline in giving that has ever occurred? Stay tuned.

Adding on to that, this is going to be a monumental election year. The stakes for both parties are extremely high. Here in Georgia, we have been somewhat shielded from it because our primary is still months away. I was in South Carolina last week and billboard, TV and radio ads for the Democratic primary are ubiquitous. Even in the relatively rural part of the state I was driving through, there were plenty of candidate billboards. All of this energy around the elections likely means that

campaign contributions will reach levels never before seen. We are already seeing that on both sides. Will political campaign giving divert funds away from nonprofits? It never has in the past, but as we've seen a lot of late, the past is not necessarily a good predictor of the future. This could be another "first" for philanthropy as these campaigns intensify and need more and more money.

Now, turning to a more positive note, is the stock market. The most reliable indicator of how giving will trend is the performance of the S&P 500. Giving tends to follow the direction of the S&P. I'm not sure it is possible to have missed the run that the stock markets were on in 2019, and continue to follow in early 2020. If the S&P continues its role as a leading indicator for philanthropy, we could be in store for a very good year of giving in 2020.

And lastly is the fact that disposable household income is on the rise. There are three factors contributing to this rise: 1) unemployment is at an all time low; 2) wages are increasing faster than inflation across all income demographics; and 3) the 2017 tax cuts lowered rates for most people, meaning more disposable income in the pay check. A rise in disposable household income is also a strong leading indicator of the trend for giving; but is it enough to offset the impact of the increased federal standard deduction that has reduced the number of itemizers.

What does all this mean? Well, if I could predict that I'd be living on my own private island somewhere. But, what I do know is that we live in interesting times.

A Shift in Fundraising at an Atlanta Arts Center

The **Woodruff Arts Center** in Atlanta, the third largest cultural center in the United States, is shifting its fundraising strategy to be more sponsorship- and marketing-driven rather than just pure philanthropy.

That shift is happening during the middle of the annual Woodruff corporate campaign, which is being chaired by Tom Chubb, CEO of Oxford Industries. Chubb also is likely to become chair of the Center's overall board in May.

"Companies are more willing than ever to invest in the communities where they do business. The difference to me is that in the past, it was pure philanthropy. More and more companies want to invest in a community where they feel they are relevant to their customers and employees," said Chubb.

Tarsha Calloway, vice president of advancement for the Woodruff Arts Center, who came on board about six months ago, emphasized, "We are not going to abandon the traditional campaign. But, it's not sustainable long term. The sponsorship model is in addition to our traditional campaign. We want to build long term relationships." *Atlanta Business Chronicle, 1-31*

YOU HAVE UNIQUE CHALLENGES.

We have fundraising solutions.

**CONTACT US
TODAY**

Alexander·Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES



“

When we conduct assessments, we make it a point to first speak personally with everyone who has a hand in the development program.

Sandra Kidd
Partner

Alexander·Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

Points of Interest

The Dance Theatre of Harlem received a \$4M gift from the **Andrew W. Mellon Foundation** for capacity building and to increase staff and artist salaries at this professional ballet company and school. *COP, 2-12*

Suzanne Hudson-Smith, executive director of Players by the **Sea Theatre** (Jacksonville Beach, FL) has joined the Van Wezel Foundation as associate director of leadership gifts. *COP, 2-7*

Mark Volpe, president and CEO of the **Boston Symphony Orchestra**, announced his intention to retire in February 2021 after 23 years. *COP, 1-31*

Shauna Quill will step down as executive director of the **New York Youth Symphony** on June 30. She has led the music group since 2011. *COP, 1-24*

Dorothy Gunther Pugh, CEO and founding artistic director of **Ballet Memphis**, is retiring on June 30 after 34 years at the dance organization. *COP, 1-17*

The **Gibney Company** (NYC) announced a \$2M gift from **Andrew A. Davis**, a trustee of the Shelby Cullom Davis Charitable Fund, to help transform its resident dance troupe. The gift will enable the Gibney to become a commission-based repertory company and double the number of dancers it employs to 12. *PND, 1-9*

We'd Like You to *Know*....

Transforming *Institutions*

We are proud of our long history of providing fundraising consulting services to performing arts organizations.

[Check out our past and present clients here.](#)

Face It: Arts Organizations are Different Our Transformational *Fundraising Services*

Alexander Haas serves a cross section of performing arts organizations throughout the country. We specialize (and delight in) what makes you distinctive. As an arts institution, you have different needs at different times. We can help you create real results.

[Read all about them!](#)



3520 Piedmont Road | Suite 450 | Atlanta, GA 30305
404.525.7575



This email was sent to: gingerchakalall@me.com

This email was sent by: Alexander Haas
Piedmont Place, 3520 Piedmont Road, N.E., Ste. 450 Atlanta, GA 30305

We respect your right to privacy - [view our policy](#)

[Manage Subscriptions](#) | [Update Profile](#) | [Unsubscribe](#)