



# Museum Results

Your Monthly Resource for Philanthropic News from Alexander Haas



December 1, 2022

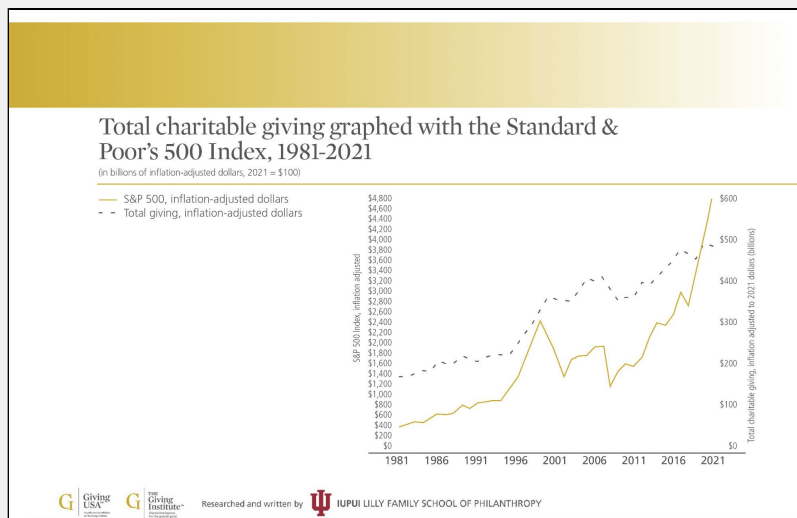


from the stand-up desk of  
**David H. King** | President & CEO

## As the S&P Turns...

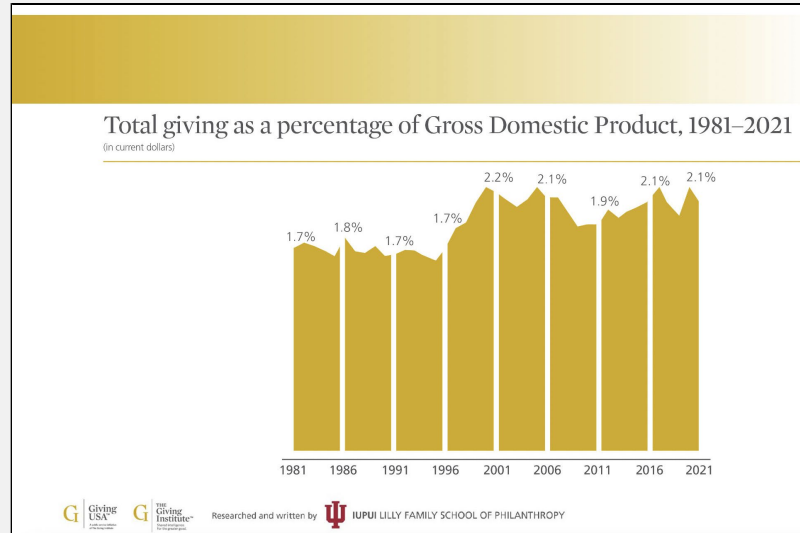
As we come to the end of the roller coaster that was 2022 - and for the record I hate roller coasters, have since I was a kid - and many of us are in planning mode for 2023, I'm drawn back to some of the datapoints that Giving USA tracks. I do this because, as the adage goes, history repeats itself. So, while there are no guarantees, there is a high probability that under similar circumstances, things that happened it the past will happen again. And there are warning signs that we need to be especially strategic in 2023 as we may face challenging headwinds to philanthropy.

If you follow Giving USA or have seen my presentation of the data at any point, then you know that the performance of the S&P 500 is highly correlated with giving, in leading-indicator fashion. As most of you know, 2022 has not been kind to the S&P. On January 3, 2022, the S&P 500 stood 4,796.56. As I write this, the S&P sits at 3,996.69, a decline of 799.87 or a decline of nearly 17%. Historically, as you can see from the chart below, when the S&P goes into decline, philanthropy in the US follows it.



The Giving USA data also gives us a glimpse into what happens to giving during a recession. I don't want to get into an argument about the definition of a recession. But the chart below

has historically relied on the metrics of two negative quarters of GDP growth. So, rather you think we are in a recession or not, the data below is comparing apples to apples. So, let's just say this is a chart of what happens to giving in years when we have two negative quarters of GDP growth, and not get into naming it. As you can see, giving has historically declined in years when we had two negative quarters of GDP growth.



I know you are reading this thinking, “Thanks David, how uplifting as we move into the holidays.” But I share this not as a warning of doom and gloom, but as the basis for some advice on planning for 2023.

First, I want to point out that even in the 2008-09 timeframe, when both the S&P and GDP were extremely negative, giving did not stop. Yes, fundraising was harder, and some sectors (Arts for example) were hit quite hard in that time. But people still gave. And one of the lessons that we at Alexander Haas learned from that was, no matter what is going on, **DO NOT STOP ASKING DONORS TO SUPPORT YOU**. I wrote about this back then and I’ll reiterate it now. Donors were smart enough to end up with money, so let’s assume they are smart enough to make their own decisions about giving it away and make sure we give them that opportunity.

Second, and related, your needs do not evaporate simply because the economy is not good. If you have true, important, mission-critical needs, then you need to be moving forward to fund those. Period. If your “needs” can be put on the shelf for two years while you wait for the economy to improve, then they really were not “needs” to begin with. They were wishes, aspirations, or whatever. But true needs can’t wait; and you need to be pushing to meet them. So many organizations had to delay capital campaigns because of the pandemic and cannot afford to put them off any longer. So, don’t be shy about what you do or raising money to do it better.

Finally, when it comes to annual fundraising, 2023 may be the year to move away from a business-as-usual approach. I’m not saying do anything crazy or abandon things that have worked. What I’m talking about is your messaging. I see a lot of recycled and uninspiring messaging in annual funds. In addition to my work as a consultant to nonprofits, I’m a donor to several, and a “prospect/suspect” for many more. While most people ignore those prospect/suspect appeals, my professional curiosity drives me to look at them. Most are not compelling me to become a donor. They don’t tell me clearly the problems that my gift can help solve. They don’t convey the effectiveness of the organization or the outcomes for the people/things the organization is serving. In some veiled language, they ask me to give money because they need it. Everyone needs money (yes everyone, even Elon Musk wants more) and that fact does not distinguish you in any way. Nor is keeping the lights on a compelling appeal. To the point, 2023 may be a good time for you to rethink how you are messaging to donors and to make sure that you are doing it in the most compelling way possible.

I'm generally an optimist - I don't think you can work in the nonprofit sector for 35 years if you are not an optimist. Everything that we do is done with an eye toward making things better and if you're not an optimist, you're just not going to thrive doing that. But, as many who have worked with me professionally or in a volunteer capacity will attest, I'm also a data driven decision maker. So, yes, when I look at the data, I most definitely see challenges. But the optimist in me is certain that they can be overcome.

Our Team

## \$3.1 Billion Raised in the US in 24 Hours



GivingTuesday, now in its 10th anniversary year, reports that giving in the United States alone totaled an estimated \$3.1 billion representing a 15% increase compared to GivingTuesday 2021, and a 25% increase since 2020.

Thirty-seven (37) million adults in the U.S. participated in some way, a 6% increase from 2021, contributing much-needed and critical support to causes, communities, and non-profit organizations as they kick off the giving season this year in the face of substantial economic challenges and continued volatility.

[More here.](#)

## 9 of 10 Donors Commit to Giving

*Why America Gives 2022* reports that nine in 10 Americans remain committed to giving at least as much to nonprofits this year as they did in 2021. A survey by giving platform, Classy, found that:

- 49% of respondents were pessimistic about the economic outlook.
- 90% planned to donate the same amount or more in 2022 compared with last year, up from 84% in 2021 and 83% in 2020.
- 39% of respondents reported adjusting their budgets to have funds to donate to the causes and organizations they cared about.
- 60% gave to new causes in response to a news event-related appeal, including in the areas of international human rights crises, climate change, reproductive rights and women's health, and disability rights.

The survey also found that "loyal donors" expected to donate four times as much as "passive donors." Passive donors were 45% more likely than loyal donors to have given to an individual's personal cause in 2022.

The study also found that 85% of traditional donors (Gen X and boomers) and 62% of next-gen donors (Gen Z and millennials) were loyal donors to specific causes or organizations. And while traditional donor respondents planned to give more than next-gen donors (an average of \$1,336, up 81% from \$738 in 2021), younger donors were 2.4 times as likely to increase their donations in 2022. *PND, 11-19*

## SHUFF HAPPENS!

### David Shufflebarger Sounds Off

*All too often, I see Board members who were never made aware of their fiduciary duties of care, loyalty, and obedience so I tend to be a pain in the posterior about including it in both recruitment and orientation. I was struck by these comments in a **The Chronicle of Higher Education** piece this week and thought I want to pass them on. David Shufflebarger*

"The word fiduciary comes to us from the Latin *fidere*, to *trust*. In any large-scale society, people need to rely on others who are not kin, often when they are in a position of vulnerability. Roman, English, and later American law all developed legal designations that enable some people or institutions to hire themselves out as *trustees* who act as *agents* of the person (the *principal*) who invests trust in them. Such agents have fiduciary duties toward their beneficiaries, which means first and foremost absolute loyalty. They must put the needs of the beneficiary first and must never, ever profit at the beneficiary's expense. They must avoid and eliminate all conflicts of interest, because the lure of such potential benefits can – and often does – corrupt and subvert the fiduciary's ability to carry out their duty."

## Veteran Fundraiser Comes "Home"

We are excited to welcome back Laura Hardy to Atlanta and to our firm in the position of Associate Partner. Laura brings more than 35 years of experience leading development programs in the arts, human services, health, and cultural sectors, including serving as Chief Development Officer for the **Los Angeles County Museum of Art (LACMA)**, the premier art museum on the west coast. At LACMA, she directed a successful \$325 million capital and endowment campaign, raised annual gifts from individuals, foundations, and corporations, and secured donations of works of art to enhance the museum's collection.



She's no stranger to our community as she began her career at Alexander Haas. Laura left our firm to join **Juvenile Diabetes Research Foundation** as Southern Regional Campaign Director and Interim Executive Director where she led its \$200 million campaign. At **The Carter Center**, Laura was Chief Development Officer for Major Gifts, overseeing major gift, capital, and endowment fundraising, including leading a successful \$150 million endowment campaign. She was also Senior Development Officer for Major Gifts at the **Elizabeth Glaser Pediatric AIDS Foundation**.

An Ohio native, Laura is a graduate of Vanderbilt University and enjoys hiking, traveling, and volunteering in the community. Welcome home Laura!

[Her complete bio can be found here.](#)

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## We Know Museums

For more than 35 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with leading museums and cultural organizations across the country that help communities be a better place to live. Just ask our clients.

[Our Museum Clients](#)

## Face It: Museums are Different

Our services aren't cookie cutter. We don't operate with a boilerplate, merely changing names and locations. We craft each and every service we provide to match your museum's unique needs, wants and abilities. We work hard and expect you to do the same. Together we can help you transform your museum, your fundraising, and the community you serve.

Whether your need is in Capital Campaign, Annual Fund Campaign, Major Gifts, Leadership Annual Giving, Planned Giving or all of the above, we take a fresh approach to nonprofit fundraising.

[Our Services](#)



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