

## Chapter XIII

### Fund-raising in the Music Unit

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#### Introduction

It's all about resources.

The larger the music unit, the more likely that the music executive will be expected to invest considerable time and effort in fund-raising activities, although practically no one is exempt from the need or pressure to generate resources beyond those allocated via the normal institutional budgeting process. It is the nature of the beast, whether housed in a private or public college or university, that extramural funding is genuinely needed and pursued in support of essential areas such as scholarships, instruments and equipment, facilities remodeling or construction, endowments of various sorts, faculty professional development, visiting artists and lecturers, and an almost limitless array of further purposes.

Within the academic setting, music units tend to be either free-standing, typically reporting directly to an executive vice president or provost, or part of a school or college, in which case the music administrator reports to a dean. In either context, it is incumbent on the music executive to effectively communicate the mission, goals, and needs of his or her school or department up through the chain of administrative authority in a manner that makes a strong case for seeking external funds. Without the support of the dean or provost, and in many cases the president/chancellor, the music executive's ability to engage in development activities to any significant extent becomes less likely.

In this chapter the terms "advancement" and "development" are synonymous with the term "fund-raising." The fund-raising structure within most institutions tends to be centralized and to have associated with it certain controls, restrictions, lines of reporting, coordinating functions, and the like that typically place limitations on the degree to which a music executive has freedom of movement in this realm. There are good reasons for this, the main one being that institutions usually do not want several departments or schools simultaneously pursuing, and therefore possibly irritating, the same donor prospects. Some institutions, especially publicly supported ones, have independent foundations that serve a key role in the advancement function, both as a repository for gifts and for managing the investment of endowment funds. Whatever the organizational structure of the institutional advancement operation might be, it behooves the music executive to be well versed in its procedures and to work within them.

At one end of the spectrum, some institutions do not want the music executive to be at all involved in fund-raising, while at the other end the expectation of his or her considerable active engagement is clearly understood. The latter approach is becoming much more the norm in today's academic institutions. This chapter will assist those whose institutions allow or encourage music executives to play a role in coordinated advancement efforts.

## Advantage and Opportunity

Music units have an advantage in the fund-raising arena because of their visibility, particularly in the form of concerts and community service activities, and because they often serve as a public “window” to the institution. This mere fact alone represents the opportunity to expose potential donors to the quality of music faculty and students, programmatic strengths, and contributions to the life of the institution and the region served.

In any fund-raising effort the music executive in particular must be able to articulate in layman’s terms an exciting and compelling vision or mission about the unit’s aspirations for the future. Obviously, the typical donor is far more likely to support quality over mediocrity and a well-articulated achievable plan over less credible “pie in the sky” unrealistic goals.

An effective fund-raiser is always armed with an exhaustive list of giving opportunities to present to potential donors who exhibit either a general or a specific interest. Although one might not want to share the entire list with a given prospect, constructing such a list allows the music executive to be prepared to respond at a moment’s notice with an array of possibilities ranging from modest to highly ambitious.

Whether working with one donor or many donors, it is important to have appropriate individualized strategies. The process of donor identification, cultivation, and solicitation works best when approached in a well-planned and systematic manner.

## Organizing the Effort

In the normal sequence of events, *donor identification* is step one. In most instances the community includes individuals who have been exposed to the unit’s faculty and/or students in a performance context and who, if their experience was a positive one, are ripe for cultivation. Alumni are also a valuable source of assistance with both giving and getting contributions; their contacts can be very important in the process of building an increased base of potential donors. Members of the institution’s board of trustees are often good prospects because of their considerable knowledge of the institution, its strengths, and its needs.

The institution’s central advancement staff probably has the capability to assist in matching possible donors to the music unit in terms of their previously identified areas of interest, as well as researching and rating the prospective donor’s potential level of giving. While ratings are often somewhat inaccurate, they at least imply a level at which the prospective donor is capable of giving. A frequent mistake is asking for too little, not too much.

*Cultivation*, step two, requires a willingness to invest the time necessary to bring prospective donors increasingly closer and to deepen their commitment to assisting the music unit financially in achieving its aspirations. This bonding process can take weeks, months, or even years to reach ultimate fruition, but its role is essential to the effort. It can entail knowing the musical tastes of the potential donor, the extent to which he or she values the arts and why, and other motivational considerations. It again must be emphasized, however, that the individual must be gradually led to the point where they have developed a clear understanding of the institution’s vision for excellence and how it plans to progress toward achieving that vision. Patience and persistence will usually carry the day.

Every prospect should be invited to or receive all events and materials that put the unit’s best foot forward. Performances by faculty and students, special productions, guest artists’

performances and master classes, appearances by guest lecturers, receptions and celebrations, dinners, informative newsletters, and the like offer vehicles for such opportunities. This approach essentially translates into a strategic marketing plan to reach, engage, and embrace as many potential donors as possible on a regular basis.

The *solicitation* is, of course, the culminating act in the pursuit of raising funds. In the most ideal of circumstances, the donor has learned so much about the music unit, believes so deeply that it is on the right track, and has a thorough knowledge of its needs that he or she will make a contribution without being asked. Don't count on it. The music executive needs to be able to sense the timing of "the ask" and act accordingly. Recognizing this moment is purely a judgment call, since fund-raising is more an art than a science. In the final analysis, it is all about building positive relationships. Just as a private teacher often explores multiple ways to impart concepts to a student, so must the music executive find multiple ways to passionately convey to the potential donor in an individualized and convincing manner the unit's vision, goals, and objectives. The old adage "people give to people" is more often true than not, which has implications regarding the personality and style of the music executive in the cultivation and solicitation process. The initial rejection of a solicitation does not necessarily represent failure; one must hope for the best but realistically prepare for the possibility of rejection. Continued cultivation, perhaps with a new approach, may well lead to an eventual positive response. One should remember that donors give when they are ready, not when the music executive wishes.

Current trends seem to indicate that increasing numbers of donors want a "hands-on" approach with regard to the disposition of their gifts, well beyond simply designating them to a particular use. One example is the donor who exhibits an interest in establishing a scholarship endowment but wants to be directly involved in the audition/selection of the recipients. Micromanagement by donors may not be in the best interests of the unit, and so the conditions of a gift need to be clearly understood and agreed upon up front. In extreme cases, a donor may offer a gift that is contingent upon the music unit taking a new direction that contradicts its goals and objectives. Caution is strongly advised in such situations, since the integrity of mission, goals, and objectives could be compromised. The ability to politely decline a gift, however difficult it may be, is an important attribute.

## Sources of Giving

Sources of giving are almost limitless and, beyond even the most well-planned and organized strategy, can sometimes be totally unpredictable. Individual/private philanthropy is by far the most significant source of major giving in American higher education and therefore should be the major focus of any important development effort. Although there are always exceptions, corporations tend to contribute via their marketing budgets for special high-profile projects rather than capital campaigns. Foundations tend to focus on well-defined specific purposes that may or may not match the music unit's sphere of activity and objectives. Local and state funding for the arts typically offers support for projects that are oriented to presenters or individual artists, which can be useful in presenting concert series and perhaps subsidizing touring by faculty.

## Categories of Philanthropy

The music executive must be aware of the array of ways in which a donor can contribute. The following list is not intended to be exhaustive.

- **Restricted gifts** are earmarked for a specific purpose, such as facilities construction or renovation, scholarships, specific programmatic support, an endowed chair, and so on.
- **Unrestricted gifts** allow the unit to use the gift for whatever purposes it deems most strategically important and are therefore highly sought after.
- **Capital gifts** generally relate to facilities and major instrument/equipment acquisitions.
- **Estate gifts/bequests** usually consist of either designation in a will or an irrevocable instrument such as a trust or annuity. It is best not to count on wills, since they can be changed at any time. Irrevocable instruments usually cannot be changed. Most institutions have individuals in their central advancement office who have the expertise to assist donors with various estate planning options and the tax benefits associated with them.
- **Planned giving** also may involve various types of annuities and trusts but, in addition, includes pledged gifts for which the payout may span multiple years.
- **Annual giving** focuses on a broad donor base that usually includes individuals who have the potential for making major gifts. Repeat donors to an annual fund are prime cultivation targets for increased levels of giving. Establishing named categories of cumulative donor levels of giving will provide important recognition and incentives for increased participation (e.g., Platinum Circle - \$1 million; Gold Circle - \$500,000; and so on). Annual giving can be enhanced by the formation of “friends of music” and alumni organizations, out of which some individuals will grow their interest and support.
- Gifts of **appreciated stock and real estate** offer donors special opportunities in the form of tax incentives, which can be explored with the help of expertise normally available in an institution’s central advancement office.

With all of the above categories except annual giving, it is strongly advisable to obtain formalized gift agreements, which can be developed by the central advancement office or the donor’s attorney or accountant. Such agreements stipulate the amount of the gift, any restrictions or conditions that may apply, and, if the gift is in the form of a pledge, the amount and frequency of payments. If appropriate, the agreement should include a copy of the section of the will or document that designates the gift.

## Stewardship

Thoughtful stewardship of the donor after the gift has been made can lead in a very natural way to additional and possibly more substantial gifts in the future. Keeping the donor apprised of the unit’s progress and the meaningful contribution that his or her gift has made toward that end should serve to strengthen the relationship even further. Such communication can be accomplished by both formal and informal means but should be carried out on a regular basis. Donors who develop a sense of pride, involvement, and ownership will often encourage others to follow their lead.