

# ARTS PHILANTHROPY: TOWARDS A BETTER PRACTICE MODEL

ASIA PACIFIC SOCIAL IMPACT  
LEADERSHIP CENTRE



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**ARTS PHILANTHROPY:  
TOWARDS A BETTER PRACTICE MODEL**

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Margaret Lawrence  
*bequest*

## ASIA PACIFIC SOCIAL IMPACT LEADERSHIP CENTRE

The Asia Pacific Social Impact Leadership Centre (APSILC) is Melbourne Business School's hub for education, research and action in the field of social impact and innovation.

We aim to spark positive social change in Australia and across the Asia Pacific region through collaborating with non-profit, business, philanthropic and government organisations. APSILC aims to assist current and emerging leaders solve some of society's most pressing problems. We do this through postgraduate and executive education, thought leadership, workshops and master classes, and a range of initiatives that connect MBS to the wider community.

**We focus on four strategic areas:**

1. **Developing Aboriginal business**
2. **Building capacity in the third sector**
3. **Creating shared value**
4. **Creating pathways to work**

## MARGARET LAWRENCE BEQUEST

Margaret Lawrence, a collector of ceramics and supporter of the arts, set up a bequest in her will to provide a meaningful legacy to the Victorian community that reflected her own life interests. Over the last ten years, this bequest has delivered support for the arts and the Victorian College of the Arts gallery in Margaret's name.

The Margaret Lawrence Bequest has generously supported the MBS Asia Pacific Social Impact Leadership Centre and this project.

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## EXECUTIVE SUMMARY

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The purpose of this report is to present an overview of philanthropic giving by Trusts and Foundations to the arts in Australia. It discusses emerging trends and opportunities in philanthropy and outlines best practice arts philanthropy models that aim to deepen understanding and broaden support for the arts in Australia.

The report identifies and examines the lack of strategic alignment between the arts and philanthropy. Rectifying this will require new models of engagement, with a focus on developing collaborative grant making platforms which deliver measurable benefit to the arts and the broader community.

Current philanthropic relationships in the arts tend to be at the more traditional end of the philanthropic spectrum of giving. This approach to grant making contributes to both philanthropists and arts organisations experiencing frustration in regard to the lack of philanthropic funds available and the allocation mechanism used to distribute these funds.

A more strategic focus is required to ensure greater alignment between philanthropic funds and the types of projects most likely to be supported. This will result in more positive outcomes for both the arts and the broader community. Specifically, the report found that:

- » There are a relatively small number of philanthropic Trusts and Foundations which fund arts and culture and are known in the public arena. Few accept unsolicited applications from arts organisations
- » Philanthropic Trusts and Foundations focus on leveraging the arts as a tool for community engagement. In comparison, arts organisations take a more siloed approach, with a strong preference for projects that support the 'nuts and bolts' of their organisations.
- » Philanthropic Trusts and Foundations do not show strong preference for the types of projects they are likely to support. They are however interested in fostering innovation and supporting collaboration. In comparison, art organisations have a hierarchy of funding aspirations and place the highest priority on support for general operating costs, programmes and income development.

- » Both Philanthropic Trusts and Foundations see technology as a key innovation platform for the arts. However, philanthropists rank projects seeking support for electronic media, online services, computer systems and equipment as only slightly important in their funding preferences.
- » Arts organisations show a clear preference for longer and more strategic funding relationships. However, Philanthropic Trusts and Foundations prefer shorter, one-off grants.
- » In line with a more traditional approach to grant making, evaluation of arts projects tends towards a focus on acquittal rather than deeper insights. This is acknowledged as a concern however a strategic solution has yet to be identified.
- » Philanthropic Trust and Foundation and art organisation relationships are generally positive, however there is room for improvement. Greater clarity of funding guidelines, feedback on the grant making process and the awareness of the expertise and external orientation of Trust and Foundation staff would greatly assist this process.
- » International best practice suggests that a more 'catalytic philanthropic' approach offers considerable potential for building new platforms of support for the arts in Australia. This focuses on understanding and developing a 'theory of change' to art programme initiatives, and supporting the development of multi-sector collaborations and collective impact initiatives.

In conclusion, those involved in this project strongly believe the arts are an important priority and deserve greater support. The insights gained from this research lead us to believe that philanthropy, in partnership with the arts sector, should work more strategically and with greater vision to develop platforms for collaboration which strengthen the case for and funds available to support the arts in Australia.

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## INTRODUCTION

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The purpose of this report is to:

- » present an overview of philanthropic giving by Trusts and Foundations to the arts in Australia;
- » reflect on the grant making experiences of the philanthropic and arts community;
- » gain a greater understanding of emerging trends and opportunities in philanthropy;
- » share best practice philanthropic models in order to deepen understanding of and support for the arts in Australia.

In line with international trends, the Australian arts environment is faced with increasing uncertainty in regard to future funding. Government grants across the board are in decline and the global financial crisis and subsequent reduction in corporate funding support has increased pressure on support for the arts by the business community.<sup>1</sup>

In addition, support from Trusts and Foundations has become more difficult to access as fewer and fewer Australian Trusts and Foundations are accepting unsolicited applications. Those that do, report they are feeling increasingly overwhelmed by the number of applications and concern at the significant number of requests they are unable to support.

This trend has been exacerbated by significant changes in philanthropic practice over the last decade. Many philanthropists are more carefully considering the evaluation and strategic impact of their grant making to arts projects. This report is presented in two sections. Part 1 presents an overview of the current philanthropic environment while Part 2 explores trends in philanthropy and the implications of these for the arts in Australia.

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<sup>1</sup> 2011 ABAF survey of private sector support for the arts reported a decrease in corporate support for the arts in 2010.

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## METHOD

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This project was divided into two data collection phases. The first phase (Study 1) involved in-depth interviews with 11 Trusts and Foundations from Australia, the USA and the UK. The objective of this qualitative data collection phase was to gain greater insight into emerging philanthropic practices in the arts. The second phase (Study 2) involved the administration of an on-line questionnaire to Australian arts organisations and Trusts and Foundations. The objective of this quantitative phase was to ascertain the current profile of philanthropic support for the arts from the perspective of arts organisations and Trusts and Foundations. It also collected data on the grant making experiences of these organisations. In total, 25% (37) of arts organisations and 26% (13) of Trusts and Foundations responded to the survey.<sup>2</sup>

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<sup>2</sup> See Appendix 1 for an elaboration of the project's methodology.

# **PART ONE SNAP SHOT**

## **1. PRIVATE SECTOR SUPPORT FOR THE ARTS**

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## PRIVATE SECTOR SUPPORT FOR THE ARTS

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The Australian Business Arts Foundation (ABAF) undertakes an annual survey of private sector support for the arts that tracks the value of sponsorships and donations to Australian not-for-profit arts organisations.<sup>3</sup> This survey tracks small and medium sized arts organisations as well as major galleries, festivals and performing arts companies.

In the 2011 survey, ABAF received responses from 318 arts and cultural organisations. It used data from those responses to extrapolate a figure for the whole not-for-profit arts and cultural sector. The survey measured total contributions received by participating arts organisations in the form of sponsorships and partnerships (monetary and in-kind) and donations from individuals, foundations and trusts.

The 2011 ABAF survey of private sector support for the arts reported:

- » Overall public support for the arts was \$211 million, an increase of 4.25% on 2008-2009;
- » Income from giving increased significantly from 2008-2009, up 10.6% to \$123 million;
- » Sponsorship declined 2.7% to \$98 million;
- » Private support as a share of total income increased to 10.4%.

Determining the proportion of private giving to the arts that came from Trusts and Foundations was outside the scope of this report.

It is worth noting however, that the Productivity Commission Report (2010) identified that only 2.3% of Not for Profit funding came from donations from corporate and philanthropic trusts and foundations.

The extent to which this is true for the arts and the amount of funding for the arts that comes from corporate and philanthropic trusts and foundations should be the focus for further investigation.

## 2. SHARE OF GIVING BY ART FORM

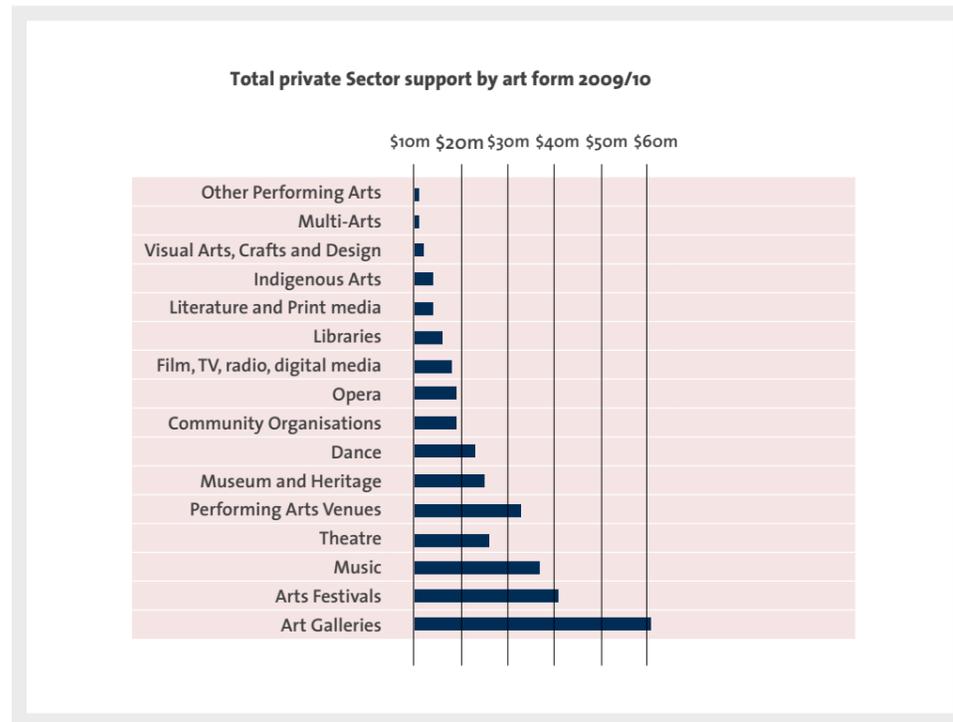
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<sup>3</sup> 2011 ABAF survey of private sector supports for the arts

## SHARE OF GIVING BY ART FORM

The ABAF Survey also provided an indication of the share of giving by the private sector by art form.

Figure 1: ABAF Survey results 2009/2010 – Share of giving by art form



Source: ABAF Survey of Private Sector Support: Measuring Private Sector support for the Arts in 2009/10

The above figures indicate that Art Galleries received the largest share of private sector support - \$51 million in 2009/2010, (equivalent to 23% of private sector funding). Arts Festivals received the next largest share of support at \$31 million, (14% of private sector funding). The ABAF report indicates that Museums and the heritage sector received \$15 million worth of funding, which equates to 7% of total private sector support.

# 3. TRUSTS AND FOUNDATIONS FUNDING IN ARTS AND CULTURE

# TRUSTS AND FOUNDATIONS FUNDING IN ARTS AND CULTURE

There are more than 700 arts and cultural organisations across Australia<sup>4</sup>, a significant majority of which aspire to receive philanthropic grants to support their practice.

Ninety five philanthropic entities on the Philanthropy Australia database list arts and culture as areas of funding interest. Of those 95 organisations, 58 explicitly state in their funding guidelines that they are currently considering applications in regard to arts and culture. This implies that only 61% of those Philanthropy Australia member organisations who identify arts and culture as a funding focus actually consider applications relating to arts and culture projects.

Of these 58 organisations accepting such applications, only 44 (75%) accept unsolicited applications.

In addition to those philanthropic entities mentioned above, a considerable number of Private Ancillary Funds<sup>5</sup> exist which support arts and culture. Many of these elect not to promote themselves in the public domain. Consequently, it is challenging for arts organisations to identify and access these funding entities.

In essence, there are a relatively small number of philanthropic organisations which accept unsolicited applications. The vast majority of these only allocate a proportion of their available funding to the arts and culture.

A central concern for a number of arts organisations which made submissions to the Mitchell Review<sup>6</sup> was the lack of capacity in regard to development and fund raising skills in the sector. This was reflected in one of the key findings of the review which stated that artists and arts organisations lacked the skills and expertise to be able to identify opportunities for private sector support.

Anecdotally, many arts organisations express frustration at the time taken to prepare applications and their low success rate, particularly for applications to Trusts and Foundations.

A number of the philanthropists interviewed mentioned they no longer accept unsolicited applications or they intend to no longer accept unsolicited applications because they had felt or were feeling overwhelmed by the number of applications they received annually. In addition, they reported feeling uncomfortable because of the mismatch between the number of applications received and those they were able to fund. Many commented that a great number of those applications declined were worthy of support.

*“We’ve come to the view that we will continue to be flooded by applications from arts organisations .... probably due to government cutbacks.... we want to try and minimise the great number of applications from art and cultural bodies which we cannot possibly satisfy from the grant funds available.”<sup>7</sup>*

*“We have been swamped... we receive too many applications... we can only fund 30% of the applications that we receive.”<sup>8</sup>*

This issue was also reflected in comments made by international philanthropic entities. A number reflected on the decreasing importance of contributions from philanthropic trusts and foundations to arts and culture and the increasing importance of a localised approach to fundraising, which specifically focused on audience development and the nurturing and developing of donors from this source.

*“... There needs to be greater emphasis on audience development, if they are going to generate more money themselves they need to increase their audiences – to be engaging with all kinds of audience that may be relevant to them or the area they serve – new technology is stimulating that – this is the way for them to obtain enhanced funding...”<sup>9</sup>*

Those interviewed commented that this is particularly important in regard to the younger generation both in terms of those running arts organisations and those giving to them. This generation is increasingly looking to alternative fund raising sources and seeking to build communities of support from their audience. For example, a small and emerging theatre in the USA undertook to write and produce a play based on the life of the audience member who became a patron. This patron then encouraged a number of others from their social circle to become donors.

Virtual fundraising platforms, like Kickstarter<sup>10</sup> and Pozible<sup>11</sup> are also having a significant impact on the fund raising strategies of many newly emerging arts and culture organisations, and many of those interviewed indicated that such developments are likely to significantly alter the funding landscape and the nature of philanthropic support for the arts and culture.

Given the smaller number of Trust and Foundations accepting unsolicited applications, there is a need for arts organisations to develop their capability to engage with Trusts and Foundations and other donors. The increasing importance of audience development as a channel for support and the decreasing importance of the more traditional grant application to a Trust or Foundation, strongly suggest that development skills need to be complemented by strong skills in audience development, stakeholder engagement, marketing and building new technological and social media platforms.

As one of the Australian philanthropists indicated:

*“Development staff churning out applications is not engaging.... It has to be a whole of organisation approach – it has to be something more than just another project application...”<sup>12</sup>*

4 2011 ABAF survey of private sector support for the arts

5 Private Ancillary Funds – a fund established by trust instrument to which businesses, families and individuals can make tax deductible donations

6 Building Support: Report of the Review of Private Sector Support for the Arts October 2011, Office for the Arts, Australian Government

7 Interview 2: Australian Philanthropist

8 Interview 4: Australian Philanthropist

9 Interview 1: UK Philanthropist

10 Virtual funding platform for creative projects: [www.kickstarter.com](http://www.kickstarter.com)

11 Crowdfunding platform and community for creative projects and ideas: [www.pozible.com](http://www.pozible.com)

12 Interview 6: Australian Philanthropist

# 4. TYPES OF SUPPORT

## 4.1 TYPES OF SUPPORT

Philanthropic respondents indicated their support of Australian arts and cultural organisations across a number of areas. The results for funding by types of support are represented in Table 1.

Table 1: Australian Arts grants by type of support<sup>13</sup>

Type of support	Aust. %	Type of support	Aust. %
<b>General</b>	<b>39.6</b>	<b>Capital Support</b>	<b>31.7</b>
General/Operating	33.8	Building/renovations	2.5
Management development	2.9	Capital campaigns	1.4
Income development	0.6	Endowments	0.2
Annual campaigns	2.3	Collections acquisition	3.6
<b>Programme Support</b>	<b>90.1</b>	Equipment	1.9
Programme Development	32.0	Land acquisition	19.0
Collection management/preservation	3.4	Computer systems/equipment	3.1
Exhibitions	6.1	Debt reduction	0.0
Electronic Media/online services	0.6	<b>Professional Development</b>	<b>16.8</b>
Performance/productions	2.3	Fellowships/residencies	11.6
Faculty/staff development	32.0	Awards/prizes/competitions	4.8
Film/video/radio	3.4	Student aid	0.0
Curriculum development	6.1	Scholarship funds	0.4
Seed money	0.5	Internship funds	0.0
Publication	3.1	<b>Other Support</b>	<b>11.7</b>
Conferences/seminars	0.2	Research	6.2
Commissioning new works	0.2	Technical Assistance	3.1
Professorships	0.2	Emergency Funds	0.0
		Programme Evaluation	2.4

Table 1 indicates the majority of philanthropic support for Australian arts organisations is provided for programme support. Of the 13 Australian Philanthropic respondents, 90% are providing funding in this area. Within the programme support category, programme development and faculty/staff development receive the highest level of support.

This high level of support for faculty/staff development possibly reflects the fact that a number of Trust and Foundations support specific artists and artistic endeavors within specific programmes. It is interesting to note that very few of the Trusts and Foundations who responded to the survey supported the commissioning of new works and seed money to support the development of new initiatives.

General support was the second most funded category in Australia, with general/operating support being the category most highly supported. There was little support for management development, income development and annual campaigns.

Capital support was the next most likely category to receive funding support from the respondent Philanthropy and Trust organisations. Interestingly, Australian arts grants are much more likely to support land acquisitions than other areas within the capital support category. However, later in this report, philanthropists rank land acquisition as one of their least important funding priorities, therefore this needs further investigation. Of those who responded, only 3.1% were interested in supporting computing systems and equipment.

Only 16.8% of those who responded indicated they had supported professional development initiatives in the sector. The vast majority of this support was allocated to fellowships and residencies.

Other support was the category to receive the least funding from respondent Philanthropy and Trust organisations. Importantly, both technical assistance and programme evaluation received very little support.

<sup>13</sup> In reviewing the Australian data, please note that respondents were able to indicate multiple categories in relation to how they funded arts activities in Australia. The majority of philanthropic organisations funded activities in more than one category. Therefore, the percentage figures for each of the categories relate to how many funded that specific category. In view of this, the percentage figures do not add up to 100.

## 4.2 IMPORTANCE OF TYPES OF SUPPORT

Both the responding Arts organisations and Trusts and Foundations were asked to rate the importance, to each of them individually, of the support sought and received. A Likert scale was used to rate the importance of types of support that they provide/receive. This was numbered 1-7, where 1 = not at all important; 4 = of medium importance; 7 = extremely important. The results are summarised in Table 2.

Table 2: Importance of types of support provided: Philanthropy and Arts organisations contrasted

Type of support	For Philanthropists	For Arts Organisations
General		
General/Operating	2.2	5.2
Management development	2.4	4.0
Income development	2.1	4.8
Annual campaigns	1.8	4.5
Programme Support		
Programme Development	3.1	5.0
Collection management/preservation	2.4	2.9
Exhibitions	2.8	3.8
Electronic Media/online services	2.8	4.8
Performance/productions	2.9	4.1
Faculty/staff development	3.1	4.2
Film/video/radio	2.6	3.5
Curriculum development	2.6	3.1
Seed money	2.5	4.0
Publication	2.4	4.0
Conferences/seminars	1.8	3.6
Commissioning new works	2.4	4.7
Professorships	1.3	1.4

Type of support	For Philanthropists	For Arts Organisations
Capital Support		
Building/renovations	1.8	4.0
Capital campaigns	1.7	3.9
Endowments	1.8	3.6
Collections acquisition	2.6	3.1
Equipment	2.4	4.2
Land acquisition	1.8	2.2
Computer systems/equipment	2.6	4.5
Debt reduction	1.8	1.7
Professional Development		
Fellowships/residencies	2.6	4.1
Awards/prizes/competitions	1.9	3.5
Student aid	2.0	2.6
Scholarship funds	2.4	2.8
Internship funds	2.2	3.4
Other Support		
Research	2.3	3.9
Technical Assistance	1.9	3.5
Emergency Funds	1.6	3.1
Programme Evaluation	2.4	4.1

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## 4.2 IMPORTANCE OF TYPES OF SUPPORT

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As depicted in Table 2 this provides an interesting comparison and considerable differences between the type of supports that arts organisations are seeking and those things that philanthropists are more inclined to fund.

Philanthropists do not rank any category as being of more than medium importance, and of the 33 categories, only rank Faculty Staff and Development within Programme support above level 2. Every other category is ranked as either not at all important or only slightly above this.

In comparison, arts organisations rank a considerable number of categories to be of above medium importance.

The categories that arts organisations rank most highly are general operating support and programme development. In comparison, philanthropists rate these two categories as only slightly more important than not important at all.

Interestingly, the greatest differences between the support arts organisations value most highly and those philanthropists are most likely to support are:

- » General operating support
- » Income development
- » Annual campaigns

So, the greatest discrepancy exists between the importance that art organisations ascribe to these projects and the importance accorded to them by philanthropists. Consequently, despite arts organisations being more likely to seek support in these areas, such applications have a significantly lower probability of being supported by philanthropists.

One other important area to note is the considerable difference between the importance of electronic/ media/online services and computer systems and equipment. Arts organisations rank these projects to be of more than medium importance to their organisations. The philanthropic sector considers both these things to be well below this level of priority.

In addition to those mentioned above, other categories that arts organisations rank as being of higher than medium importance include commissioning new works, faculty and staff development, equipment, fellowships and residencies, programme evaluation, management production, seed money, publications, building and renovations.

This data suggests that philanthropists do not have strong preferences for the types of projects they are likely to support. This has implications in terms of the clarity that philanthropists are able to provide in terms of their funding preferences. If philanthropists do not have clear funding preferences, their funding guidelines are likely to be broad and non-specific. In such cases, arts organisations are likely to apply to philanthropists for funding that covers a very wide spectrum of projects.

In such circumstances, philanthropists are likely to use criteria other than funding preference to make grant making decisions. Such criteria could include: reputation of the organisation, subjective individual preferences, organisational competencies, organisational profile, and size of the organisation. In comparison, art organisations have strong preferences for the type of project they value most highly.

# 5. FUNDING PRIORITIES AND OPPORTUNITIES FOR INNOVATION

## 5.1 FUNDING PRIORITIES

Both respondent Philanthropy and Arts organisations were asked to nominate their top three funding priorities.

The results were summarised in the word clouds presented in Figure 2 and Figure 3. In analysing the word clouds, the largest size text were words mentioned the most frequently, with the size of the text decreasing as the instances of mention declined.

Figure 2: What philanthropists are funding



Figure 3: What Arts organisations seek funding for



The results reveal some interesting parallels.

For Philanthropic organisations, education and community are a key funding focus, with impact, access and excellence being important in their funding decisions.

Respondent Arts organisations showed a greater variability in their responses, with programmes, exhibitions, acquisitions, operations, capital and building being key priority areas for funding.

Although the responses may seem incongruent, parallels are evident. Specifically, the results imply that the respondent philanthropy organisations may be more willing to fund a programme or an exhibition if they can see educational and community benefits. Similarly, they may be more willing to fund initiatives that are exemplary and promote access to culture and the Arts.

Another interesting point is that philanthropy priority areas are focused outside of the arts sector, and indicate an interest in supporting projects where the arts can be used as a platform for community engagement. The predominance of words such as community, education, poverty and access strongly suggest this.

In comparison, words chosen by arts organisations show a strong preference for a focus within the arts sector itself. The most dominant words relate to projects that support the initiatives within the arts organisations themselves. This is a much more siloed approach to funding priorities.

This considerable difference has significant implications for arts funding. Philanthropists appear to have a strong inclination to support projects which build collaborations between the arts sector and other aspects of the community. They are interested in how the arts can be utilised to support positive whole of community outcomes.

This was strongly reflected in the interview phase of the project:

*“In general in our granting we are less interested in localised art programmes than we are in that whole opportunity to really develop something that creates capacity in the community.”<sup>14</sup>*

*“We are focused on meeting need – our primary focus is on community engagement with the arts....Projects that will have an impact on the community and will engage the community through the programme, or the organisation in the community, or through the art form... We like to fund projects that have a social change purpose ...although we also think it important to fund projects which support the arts for art’s sake.”<sup>15</sup>*

In comparison, arts organisations tend to be more operationally focused, seeking support for the ‘nuts and bolts’ of their operations. There appears much less inclination for arts organisations to request support to innovate outside of their own sphere and area of practice.

<sup>14</sup> Interview 3: Australian philanthropist  
<sup>15</sup> Interview 6: Australian philanthropist

## 5.2 OPPORTUNITIES FOR INNOVATION

Both respondent Philanthropic organisations and Arts organisations were also asked about opportunities for innovation in the Arts. Again, the results were summarised in word clouds, presented in Figure 4 and Figure 5.

Figure 4: Innovation in the Arts: Philanthropy view



Figure 5: Innovation in the Arts: Arts Organisations view



In comparing the two word clouds, both philanthropists and Arts organisations identified some similarities in areas for innovation. Specifically, both philanthropists and Arts organisations consider technology to be a key area for innovation. Whilst philanthropists talked about technology in general, Arts organisations were more explicit in identifying opportunities created by the internet and the national broadband network such as online activity and social media. However, it is interesting to note that in the previous section, philanthropists ranked electronic, media and online services and computer systems and equipment to be only slightly more important than not important at all in their funding preferences.

Both philanthropists and Arts organisations identified increased visitor engagement and audience development as a key opportunity for innovation, with Arts organisations also mentioning interactivity and participation. Arts organisations placed a high priority on leveraging technology to foster and support such engagement initiatives.

Interestingly, collaboration is seen as a key opportunity for innovation by Arts organisations but was omitted by philanthropists. This may be due to Arts organisations recognising that in a declining funding environment, they must develop a community wide perspective. Such collaborations may be recognised as key to future success and therefore an area for future focus.

During the interview phase, a number of Australian philanthropists made specific reference to their interest in supporting collaborative practice:

*“We are a strong supporter of collaborations and the arts should certainly present itself in this way – I would hope that this would increase – and government ought to be part of that collaboration....”<sup>16</sup>*

*“The things I would like to see happening ... that are not happening... in terms of collaborations across the sectors... it would be wonderful to have cross disciplinary, cross institutional collaborations.. this will happen at some point..”<sup>17</sup>*

Finally, a number of Australian and international philanthropists mentioned that the current funding environment would likely lead to mergers and shared infrastructure of Arts organisations in the future.

*“We’re seeing people who still have their heads in the sand, who are not looking at how they will have to adapt their operational models three years ahead, that’s a worrying sign... they are resistant (to the new funding environment) and just hoping that the bad times won’t come... what we’re not seeing yet, which we hope to see in the future, is many more mergers. These are just beginning, I think, may be more on the museum or gallery side.. that will be positive because in certain areas there are too many arts organisations overlapping, doing similar things and not all of them are going to survive and not all of them are going to be funded...”<sup>18</sup>*

*“I am seeing more people working together on back room facilities, sharing development, marketing, finances – sharing resources to be more cost effective... This is definitely an emerging trend.”<sup>19</sup>*

<sup>16</sup> Interview 2: Australian Philanthropist

<sup>17</sup> Interview 6: Australian Philanthropist

<sup>18</sup> Interview 1: UK Philanthropist

<sup>19</sup> Interview 1: UK Philanthropist

# 6. LENGTH OF GRANTS

## 6. LENGTH OF GRANTS

Length of grants emerged as a significant issue during the interview phase. As a result, the quantitative (survey) phase investigated lengths of grants provided to Arts organisations by philanthropists and trusts. The results of this are depicted in Table 3 and graphically represented in Figure 6.

*Table 3: Length of philanthropy funded grants*

Length of grants	%
1 year	65
1-3 year	45
1-5 year	25
5+ year	10

The results highlight that a majority of respondent philanthropic organisations (65%) funded one year grants, with one - three year grants being funded by 45% of the respondents and one - five year grants by only 25%. Moreover, only 10% of the philanthropists and Trust organisations funded grants of five years or longer.

Comparison was also made between the length of grants that Arts organisations actually receive and the importance of the length of grants to these Arts organisations. The results are presented in both Table 4 and Figure 7.

*Table 4: Length of grants being received by Arts organisations*

Grant length	%
1 year	87.00
1-3 year	72.00
1-5 year	13.00
5+ year	10.00

As expected, the majority (87%) of responding Arts organisations received one year grants, with a high proportion (72%) also receiving one - three year grants. Significantly fewer Arts organisations received longer grants, with only 13% receiving one - five year grants and 10% receiving grants for five plus years.

Respondent arts organisations were also asked to indicate the importance of the length of grants to their organisations. The scale used to indicate such importance was again a 7 point Likert scale, where 1 = not at all important; 4 = of medium importance and 7 = extremely important. Table 5 and Figure 8 present these results.

*Table 5: Importance of length of grants for Arts Organisations*

Grant length	Importance (Avg.)
1 year	5.5
1-3 year	6.1
1-5 year	5.9
5+ year	5.8

Predictably, the findings reveal that longer grants hold greater importance for Arts organisations, while one - three year grants are more important than a one year grant. Of interest however is that fact that one - five year and five plus year grants are seen as less important than a one - three year grant. This may be explained by the fact that one - three year grants may be more abundant and therefore perhaps easier to obtain. Moreover, the life span of an Arts project is perhaps more likely to be within the one - three year timeframe.

In summary, Australian philanthropists tended to focus on shorter term grants, mostly on a 12 month basis. Not surprisingly, arts organisations indicated support for shorter term grants but also indicated a very clear preference for longer term, more strategic funding relationships.

International best practice models tended to focus on more strategic longer term projects and multi-year funding relationships, at both the individual arts practitioner and organisational levels. This is explored in further detail in the second part of this report.

# **7. AUSTRALIAN GRANT MAKING EXPERIENCE IN THE ARTS**

## 7.1 FOUNDATION – GRANTEE RELATIONSHIPS

The USA Centre for Effective Philanthropy (CEP) undertakes extensive research on the relationship between foundations and grantees to clarify the key attributes of successful and satisfying foundation-grantee relationships. CEP provides foundations and other philanthropic funders with comparative data to enable higher performance.

In two major research studies, ‘Working with Grantees: The Keys to Success and Five Programme Officers Who Exemplify Them’<sup>20</sup> and ‘Listening to Grantees: What Nonprofits Value in Their Foundation Funders’<sup>21</sup> the Centre identified the three dimensions of foundation performance that grantees most value in the Foundations that support them. The research found it is essential to perform well in each of these three dimensions for Trusts and Foundations to receive high ratings for performance.

Before discussing these dimensions, it is important to note that grantees impressions of the foundations that fund them are generally positive. The researchers conclude that this is not surprising given that receiving funds is a positive experience.

Having said that, the three dimensions are:

1. **Quality of interactions with Foundation Staff**
2. **Clarity of communications of a Foundation’s Goals and Strategy**
3. **Expertise and external orientation of the Foundation**

### 7.1.1 Quality of Interactions with Trust and Foundation Staff

The two most important determinants of the quality of interaction with Trust and Foundations and grant seekers are fairness and responsiveness and approachability.

The research determined that fairness is the single most important aspect of interactions in predicting grantees’ satisfaction with a foundation. In addition to the expectation of an unbiased grant selection process, this also includes other dimensions such as the realistic nature of the foundation’s expectations of a grantee.

Inconsistency of perceived treatment leads to insecurity and causes grantees to focus on the foundation’s continued support rather than the positive benefits of the relationship. An example of inconsistency is the uneven treatment of grantees where Foundations specify that they will only accept one funding request per year from an organisation but their annual report indicates they fund more than one programme from the same organisation.

Ratings of fairness account for nearly half of the explainable variation in grantees’ satisfaction with a Foundation.

Responsiveness and approachability is the second important determinant. Trusts and Foundation’s responsiveness and approachability when a problem arises are also important drivers of grantees’ satisfaction. The accessibility and availability of programme officers for phone calls, email exchanges and in-person meetings was the most common topic mentioned by grantees. Interestingly, being responsive and approachable didn’t necessarily require high frequency of interactions. Only when the frequency of contact between grantees and Foundation staff decreases to yearly or less often do ratings of interactions start to fall significantly.

### 7.1.2 Clarity of Communication

Clarity of communication of a Foundation’s goals and strategy is the second dimension. Grant seekers strongly value clear and consistent articulation of the Trust and Foundation’s philanthropic objectives.

The survey identified two important aspects in a grantees understanding of a Foundation’s goals and strategy. The first is that Grantees find their relationship with a Foundation most successful when that Foundation has clearly communicated its goals. This enables applicants to assess how they best fit, if at all, within a Foundation’s priorities. In addition, Grantees want a Foundation to provide clear insight into the process through which they are judged (in terms of applying for funding) and once funded, in evaluating the grant. Other important factors identified were the clarity of both ‘official’ written communication and personal communications.

Conversations between the Trusts and Foundations and a grantee were identified as being extremely important in maximising alignment with goals and activities and in creating the expectations against which grantees were judged. The research reported that grant recipients who report having spoken with a programme officer prior to submitting a grant application, rated a Foundation’s communications to be 15% clearer and evaluations to be 10% more accurate in investigating what grantees have accomplished.

### 7.1.3 Expertise and External Orientation of the Foundation

The third dimension focuses on the expertise and external orientation of the Foundation. Grant seekers highly value those Trusts and Foundations which demonstrate an understanding of fields and communities of funding and have an ability to advance knowledge and affect public policy.

The research clearly demonstrated that non-profits want Foundations to possess a vision of change for the field or community in which the nonprofit works and the expertise to help make that change happen.

*“Grant recipients believe that Foundations are at their best when they use their own understanding and resources to create impact in ways that go beyond simply distributing money”<sup>22</sup>*

Activities which supported this dimension included introducing grantees to other leaders in the field and providing advice about the field. Researchers determined the importance of funders in investing in developing their knowledge and expertise in the fields of funding. The report concluded that once a Trust or Foundation has developed specific expertise and clear goals and strategies within its areas of funding, it is important to ensure that the grantee selection process provides a good match. The results of a productive alignment between grantee and Foundation expertise are overwhelmingly positive.

<sup>20</sup> Center for Effective Philanthropy 2010. Working with Grantees: The Keys to Success and Five Program Officers Who Exemplify Them.

<sup>21</sup> Center for Effective Philanthropy 2004 ‘Listening to Grantees: What Nonprofits Value in Their Foundation Funders.’ This survey was undertaken in 2003 and targeted more than 6,000 non-profit grantees of 30 large Foundations.

<sup>22</sup> Center for Effective Philanthropy: Listening to Grantees: What Nonprofits Value in Their Foundation Funders 2004 p.11

## 7.2.1 AUSTRALIAN PERFORMANCE – ARTS ORGANISATIONS’ PERSPECTIVE

### 7.2.1 Arts Organisations’ perspective

During the research, key aspects of the above three dimensions were incorporated into statements posed to both Philanthropists and Arts organisations. These statements related to the working relationship between the Arts organisation and the Foundation. Respondent Arts organisations indicated their level of agreement with certain statements around their relationships with Philanthropists, with the scale used being: 1 = Strongly disagree; 4 = neither agree nor disagree; 7 = Strongly agree. The results are presented in Table 6 and are summarised in relation to the USA Centre for Effective Philanthropy study results in Figures 13 -15.

Table 6: Arts organisations relationship with Philanthropists

Aspect of dealing with trust/foundation	Rating (Avg)
Are fair in their dealings with my organisation	5.2
Are clear in communicating the trust/foundation’s philanthropic aspirations (vision, mission etc.)	5.0
Are knowledgeable about the arts sector	4.3
Have clear and consistent grant making guidelines	4.6
Provide a clear insight into the process through which my application will be judged	4.4
Are available to me by telephone, email or face to face meetings during the development of the grant application	4.9
Have a thorough understanding of my organisation’s goals and strategies	4.4
Put my organisation under unreasonable pressure to modify our priorities	3.1
Provide sufficient feedback and clarity if my application is unsuccessful	3.5
Are available to me by telephone, email or face to face meetings during the course of the grant	4.8
Are approachable when problems arise	4.9
Have a tolerance for risk	4.0

Consistent with the research from the USA Center for effective Philanthropy, the results revealed:

### Figure 6: Quality of Interactions

- » 83% of Arts organisations agreed that Trusts and Foundations are fair in their dealings with them
  - » 70% of Arts organisations agreed that Trusts and Foundations are clear in communicating their mission, vision and strategies
  - » 62% of Arts organisations agreed that Trusts and Foundations are available by telephone, email or face to face meetings during the development of the grant application
  - » Similarly, 64% Arts organisations also agreed that Trusts and Foundations are available by telephone, email or face to face meetings during the course of the grant
  - » 73% of Arts organisations also agreed that Trusts and Foundations are approachable when problems arise
- However:
- » Only 24% of Arts organisations agreed that Trusts and Foundations provided sufficient feedback to clarify why applications were unsuccessful, with 32% disagreeing that sufficient feedback on unsuccessful applications was provided

Overall, Australian Arts organisations agreed that their interactions with Foundations were of a high quality.

However, in order to improve this, Trusts and Foundations need to improve the quality and amount of feedback provided to unsuccessful grant applicants.

In regards to the second factor, clarity of communication, Australian arts organisations were less definite about the extent to which Foundations communicated their goals, missions and objectives. The results reveal:

### Figure 7: Clarity of communication

- » Over 59% of respondent Arts organisations agreed that Trusts and Foundations had clear and consistent grant making guidelines. Of the remaining 41%, 30% were unsure as to the clarity of the guidelines
- » Similarly, only 51% of respondent Arts Organisations agreed that Trusts and Foundations provided clear insight into the process by which grant applications will be judged. Of the remaining 49%, 30% were unclear about the process by which grant applications were judged

It is apparent, therefore, that Trusts and Foundations could improve the clarity of their communication around grant making guidelines as well as their selection processes.

## 7.2.1 AUSTRALIAN PERFORMANCE – ARTS ORGANISATIONS’ PERSPECTIVE

In relation to expertise and external orientation, overall, the respondent Arts organisations felt that Trusts and Foundations did not necessarily have a solid understanding of the Arts sector. The figures below reflect this sentiment:

Figure 8: Expertise and External Orientation

- » Only 43% of respondent Arts organisations agreed that Trusts and Foundations were knowledgeable about the arts sector. Of the remaining 57%, 38% were unsure about the knowledge that Trusts and Foundations possessed of the Arts sector, with the remaining 19% disagreeing that Trusts and Foundations had a solid understanding of the Arts sector
- » Similarly, only 40.5% agreed that Trusts and Foundations had a good understanding of their organisations goals and strategies, with 38% unsure and 22% disagreeing with this sentiment
- » 43% of respondent Arts organisations agreed that Trusts and Foundations had a tolerance for risk, with 24% unsure and 33% disagreeing with this statement
- » Interestingly, 62% of respondent Arts organisations disagreed that they faced pressure from Australian Trusts and Foundations to modify their priorities

The findings around expertise and external orientation indicate that Australian Arts organisations believe that Trusts and Foundations could develop more expertise in the Arts sector. This would result in a better understanding of the industry and the organisations within it, including their goals and strategies.

Although Trusts and Foundations were not seen to place undue pressure on Australian Arts organisations to modify their priorities, respondent Arts organisations felt they were risk averse. This potentially indicates a preference for funding programmes and projects considered safe, rather than more innovative or more risky works.

Respondent Arts organisations revealed a number of ways that Philanthropic foundations/trusts could increase their support. The word cloud in Figure 9 outlines these. As previously discussed, the larger the word, the more often it was mentioned.

Figure 9: How Foundations/trusts can support Australian Arts organisations



Figure 10: Arts organisations interactions with Philanthropists:



Figure 9 reveals that respondent Arts organisations felt that Philanthropic Foundations/Trusts could provide greater support to them through being more flexible in their relationships, providing opportunities for longer term relationships and multi-year grant support. They could also provide clearer funding guidelines and clearer explanations for unsuccessful grants

Overall, however, as depicted in Figure 10, respondent Arts organisations felt positive about their interactions with philanthropic organisations and Trusts. In describing their interactions with philanthropists, respondent Arts organisations frequently felt that they were fair, generous, supportive and encouraging. They often felt their interactions were rewarding and interesting.

However, these sentiments were juxtaposed by feelings that arts organisations were held at arm’s length by philanthropists (who were often thought of as conservative and pedantic), making interactions time consuming.

The mixed emotions and evaluations from Arts organisations indicate that, although some positive and strong relationships with philanthropists are being forged, there remains room for improvement, particularly around the clarity of communications and external orientation and expertise in the arts.

## 7.2.2 AUSTRALIAN PERFORMANCE – PHILANTHROPISTS’ PERSPECTIVE

### 7.2.2 Philanthropists’ Perspective

The perspective of Trusts and Foundations was also sought regarding their relationships with Arts organisations and the quality of applications received.

Within the quantitative section of the research, Trusts and Foundations were asked to respond to a number of statements concerning the scope and justification of Arts grant applications they received. Once again, the 7 point Likert scale was used to, where: 1 = Strongly disagree; 4 = neither agree nor disagree; 7 = Strongly agree. Table 7 details the responses, with a summary presented in 11.

Table 7: Scope and justification of grant applications from Arts Organisations

Aspect of the grant applications	Rating (Avg)
Present a strong case for supporting the arts	3.8
The importance of the creative domain and it’s centrality to the community’s social and economic life is well argued	4.1
Those seeking support have a good grasp of the emerging opportunities in the arts and culture space and present innovative and exciting projects for consideration	3.7
Arts organisations are good at fostering collaborations within the arts sector	3.7
Arts organisations are good at fostering collaborations across the not-for-profit sector to promote community development	3.6

Figure 11: Scope and justification of grant applications

- » 45% of Trusts and Foundations agreed that Arts organisations presented a strong case for supporting the Arts, with 39% being unsure and 16% disagreeing that a strong case was in fact presented
- » 46% of Trusts and Foundations agreed that grant applications from Arts organisations argued the importance of the creative domain to the community well, with 38% being unsure
- » 46% of Trusts and Foundations agreed that arts organisations seeking support had a good grasp of the emerging opportunities in the arts and culture space and presented innovative and exciting projects for consideration
- » Only 23% of Trusts and Foundations agreed that Arts organisations were good at fostering collaborations both within the arts and across the not for profit sector

From the results above, it is clear that Arts organisations could present a stronger case for supporting their sector to increase the success of their grant applications, particularly in relation to arguing the importance of Arts for the community.

The findings indicate that Trusts and Foundations look for collaborations both within the arts sector and across non-profit sectors from successful grant applications. It is therefore apparent that Australian arts organisations could work together to foster collaborations.

In addition, fewer than half the philanthropic respondents felt that arts organisations presented innovative and exciting projects for consideration. This may be a reflection of the type of support arts organisations seek (i.e. for infrastructure of their organisation). This contrasts sharply with the Trust and Foundation perspective which is more focused on innovation.

## 7.2.2 AUSTRALIAN PERFORMANCE – PHILANTHROPISTS’ PERSPECTIVE

Respondent Australian Trusts and Foundations were also asked to consider certain statements in relation to the quality of applications they receive. Once again, philanthropists utilised a 7 point Likert scale, where: 1 = Strongly disagree; 4 = neither agree nor disagree; 7 = Strongly agree. Their feedback is presented below in Table 8 and summarised in Figure 12:

Table 8: Quality of grant applications from Arts Organisations

Aspect of the grant applications	Rating (Avg)
We receive a diverse range of applications seeking support for arts and culture based projects	3.5
Applications are generally a good fit with our granting guidelines	3.0
Applications make a strong case for support	3.7
Applicants provide a succinct organisational profile that profiles the applicant’s mission, strategies and achievements	4.1
Applicants provide financial statements that are clear and easy to analyse	4.1
The Trust has strong relationships with those arts organisations seeking support	3.9
Acquittals are completed in a timely manner	4.4
Applicants provide good communication copy, photographs and other materials which can be easily adapted for use in our annual report and on our website	4.1

Figure 12: Quality of Arts grant applications

- » 45% of Trusts and Foundations agreed that Arts organisations presented a strong case for supporting the Arts, with 39% being unsure and 16% disagreeing that a strong case was in fact presented
- » 46% of Trusts and Foundations agreed that grant applications from Arts organisations argued the importance of the creative domain to the community well, with 38% being unsure
- » 46% of Trusts and Foundations agreed that arts organisations seeking support had a good grasp of the emerging opportunities in the arts and culture space and presented innovative and exciting projects for consideration
- » Only 23% of Trusts and Foundations agreed that Arts organisations were good at fostering collaborations both within the arts and across the not for profit sector

Overall, the findings suggest that, from a philanthropist’s perspective, the quality of Arts applications show room for improvement.

Whilst philanthropists would like grant applications to show greater alignment with granting guidelines, Arts organisations feel the granting guidelines are not clear and transparent. This may explain why their applications do not match these guidelines.

Opportunity also exists for Arts organisations to develop stronger relationships with relevant Trusts and Foundations prior to submitting grants. A number of philanthropists interviewed indicated a strong preference for those seeking support to telephone and discuss the project with Trust and Foundation staff before formally submitting an application.

*“We are thinking a lot more strategically ...if you have a good idea and you want to engage – don’t send a letter, don’t send another copy of your annual report...make a personal approach and talk to me...and come with – this is what the money will buy you, these are the results, this is what it is going to look like, this is how we have thought through how we are going to take the money and do good with it...”<sup>23</sup>*

*“In the arts we strongly encourage people to ring first so that we can help them with their applications...”<sup>24</sup>*

In addition, the above results indicate that art organisations should provide more succinct organisational profiles. Only half of those surveyed felt that Arts organisations provided clear financial statements and profiles of their organisation.

<sup>23</sup> Interview 5: Australian Philanthropist

<sup>24</sup> Interview 7: Australian Philanthropist

## 7.2.2 AUSTRALIAN PERFORMANCE – PHILANTHROPISTS’ PERSPECTIVE

Trusts and Foundations were also asked to indicate specific actions that Australian Arts organisations could take to assist and improve the grant making process. Their responses are represented within the Word Cloud in Figure 13 below.

Figure 13: How Australian Arts organisations can support the grant making process



Responding Trusts and Foundations clearly believed that Arts organisations should adhere more closely to guidelines when submitting their grant applications. Moreover, they felt that Arts organisations could specify project outcomes more clearly.

Trusts and Foundations were also asked to describe their interactions with Arts organisations, as summarised in the Word Cloud in Figure 14 below:

Figure 14: Trust interactions with Arts organisations



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## 7.3 AUSTRALIAN PERFORMANCE – CONCLUSIONS

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It is evident that Trusts and Foundations perceived their interactions with Arts organisations optimistically, with words such as positive, productive and interesting being commonly mentioned.

Overall the nature of relationships between Trusts and Foundations and arts organisations are positive.

However, as indicated in the discussion above there are areas for improvement, particularly regarding:

- » Clarification of grant guidelines and a greater focus on projects that are innovative and collaborative.,
- » Clarification of the process by which grant applications are judged and better feedback on unsuccessful applications.,
- » The knowledge and expertise of Foundation staff in regard to the arts.

On the basis of their findings, and consistent with the Australian results, the Centre for Effective Philanthropy makes a number of recommendations which include:

- » Supporting the development of specific and relevant expertise by programme officers and other foundation staff.
- » Aligning operations to optimise grant making patterns or policies, thereby increasing programme officer's ability to concentrate on the three dimensions.
- » Seeking to maintain a consistent focus and direction.
- » Ensuring consistent policy and communications.
- » Communicating clearly, consistently and accessibly.
- » Providing timely feedback to grantees.

To support this process arts organisations should focus on developing stronger relationships with Trusts and Foundations prior to submitting applications with a view to clarifying and aligning with granting guidelines.

In addition arts organisations could do more to support the development of arts expertise within Trusts and Foundations. Ensuring that opportunities to engage with the arts are offered to both Trustees and Trust and Foundation staff would assist in regard.

Further, when developing applications, arts organisations could do more in building cases for support by providing context which contributes to arts domain knowledge. For example, applications could be developed which reference new thinking and emergent practice in the arts and contextualise the request within this context, in comparison with applications which are focused on only providing an outline of the project for which funding is sought.

# 8. EVALUATION

## 8.1 EVALUATION – PHILANTHROPISTS’ PERSPECTIVE

Nationally and internationally, philanthropists are increasingly focusing on evaluating their grants with a view to understanding their benefits, value and strategic impact. Many are using the outcomes of this evaluation to create a deeper understanding of the issue being explored to capture learning and insights from the project, to identify further areas of focus and to build collaborations and partnerships that support ongoing work in the area of focus. In the main, the deeper a philanthropist’s commitment to the project, the more considered and rigorous the evaluation. This trend will be discussed in greater detail in Part 2 of this report.

Participating philanthropy and trust organisations were given certain statements about the evaluation and social impact of the grants they give/successful grants. Again, the Likert 7 point scale was used where 1 = *Strongly Disagree*; 4 = *Neither agree nor disagree*; 7 = *Strongly agree*.

Table 9 provides details of the responses, with a summary in Figure 15.

Table 9: Evaluation and social impact of grants

Element of evaluation/Social Impact	Rating (Average)
We have a good evaluation framework for assessing the benefits of our giving to arts and culture	3.8
The inclusion of an evaluation framework is an important aspect of our consideration of grant applications from arts organisations	4.2
Acquittal reports are our primary evaluation mechanism for successful grant applications	4.7
Understanding the strategic impact of the projects we support is an important consideration in our grant making deliberations	5.2

Figure 15: Evaluation and social impact of grants received

- » Only 38% of Trusts and Foundations agreed they had good evaluation frameworks for assessing the benefits of their giving to Arts and culture, with 23% believing that they did not possess such frameworks
- » 46% of Trusts and Foundations felt that the inclusion of an evaluation framework was an important part of their assessment of Arts grant applications
- » 62% of Trusts and Foundations agreed that acquittal reports were their primary evaluation mechanism for successful Arts grant applications
- » 62% of Trusts and Foundations also agreed that understanding the strategic impact of the project they supported was an important consideration in grant making decisions

Survey results and the Australian and international interviews indicated an understanding of the importance of evaluation frameworks. However, findings of this research project suggest that frameworks for evaluation within Australia have primarily focused on grant acquittals rather than more complex evaluation methodologies.

In fact, considerable ambivalence was displayed by philanthropic respondents regarding the importance of evaluation of grant funding in the arts. All agreed that it is important that grants are acquitted at the end of the funding period. However, widely diverging views existed regarding the relevance and importance of evaluation as a strategic tool.

*“The arts are different to other sectors that we fund. We’re not expecting them to have social or wider benefits - we are funding the arts for creative purposes most of which is unquantifiable and so we’re not obsessed with impact or evaluation...”*<sup>25</sup>

Philanthropic respondents were also concerned that evaluation did not become too onerous for art organisations. A number of those interviewed commented that the evaluation expectation should match the scope and scale of the grant.

*“My view about evaluation is that it is necessary but I don’t want to impose a big burden on the organisation and so we ask for a report, we ask for financials...and we ask whether the project has been a success.”*<sup>26</sup>

A number of interviewees felt that this issue required more consideration.

**“We need a vision for evaluation – its purpose in the arts is not clear.”**<sup>27</sup>

Those who expressed this view explained that evaluation was used as an important assessment tool in other areas of their grant making, but its usefulness and relevance in the arts was unclear.

*“I hold the view that evaluation is an area in which the whole sector has to really give far more attention to in the future...We are falling short in accepting self appraised acquittal reports.. The philanthropic sector is giving huge sums of money...the last thing we want is money to be wasted – the social impact factor is never referred to in the acquittal reports that we get and in my mind that is a responsibility that grantors are entitled to assess, to learn for themselves, for everyone to learn from..”*<sup>28</sup>

The researchers felt that the majority of arts projects were considered ‘support for the arts for art’s sake’ as opposed to consideration of the arts as a tool or intervention to support more intractable social problems. Support for art projects embedded within this context would lend itself to more comprehensive evaluation methodologies. This will be discussed in more detail in the Part 2 of this report.

<sup>25</sup> Interview 1: UK Philanthropist

<sup>26</sup> Interview 6: Australian Philanthropist

<sup>27</sup> Interview 6: Australian Philanthropist

<sup>28</sup> Interview 2: Australian Philanthropist

## 8.2 EVALUATION – ARTS ORGANISATIONS’ PERSPECTIVE

To understand Arts organisations’ perspectives of evaluation and impact, participating Arts organisations were given certain statements. The scale they used to respond to the given statements was: 1 = *Strongly Disagree*; 4 = *Neither agree nor disagree*; 7 = *Strongly agree*.

Table 10 details the responses, with a summary provided in Figure 16.

Table 10: Evaluation and social impact of grants

Element of evaluation/Social Impact	Rating (Average)
We have a good evaluation framework for assessing the benefits of our programmes to the community	4.5
It is important for us to assess our work and programmes in relation to an evaluation framework	5.4
Acquittal reports are useful tools for evaluating the benefits of our programmes	4.7
We place priority on identifying the strategic impact of the projects which philanthropy funds	5.1

Figure 16: Evaluation and social impact of grants received

- » 63% of respondent Arts organisations agreed that they have an evaluation framework to assess the benefits of their programmes to the community. Of the remaining 37%, 27% disagreed that such an evaluation framework existed
- » 81% of respondent Arts organisations agreed that it was important for them to assess their work and programmes in relation to an evaluation framework
- » 59% agreed that acquittal reports were a useful tool for evaluating the benefits of programmes to the community
- » 62% of Arts organisations agreed that they place priority on identifying the strategic impact of projects which philanthropy funds

Similarly, arts organisations acknowledged the importance of evaluation, particularly in demonstrating the benefits of the programmes supported. There was strong support for the importance of a shared understanding of strategic impact.

Participating Arts organisations were also asked to provide examples of what they saw as good evaluation models in the Arts. The responses are represented in the Word Cloud, as depicted in Figure 17 below.

Figure 17: Examples of good evaluation models in the Arts



It is evident from the responses above that arts organisations view acquittal reports and qualitative interviews as optimal forms of programme and project evaluation. Qualitative interviews were with artists, programme participants, visitors, community members and others instrumental in the running of the programme.

In summary, the development of more effective evaluation frameworks and greater insight into the strategic impact of arts initiatives is an area that requires further consideration. The inherent importance of individual projects is an important part of the decision making process which assists philanthropists’ to support one initiative over another. More effective evaluation and frameworks would support greater insight into the relative importance of the arts. In the words of one philanthropist interviewed:

*“What is the funding case for the arts?...And then there is the opportunity cost – if I fund Theatre X then I can’t fund diabetes and what is more important?...It’s making the case and why..”*<sup>29</sup>

<sup>29</sup> Interview 5: Australian Philanthropist

# **PART TWO TRENDS IN PHILANTHROPY – IMPLICATIONS FOR THE ARTS**

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## PART 2: TRENDS IN PHILANTHROPY – IMPLICATIONS FOR THE ARTS

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Part 1 of this report provided an overview of Australian philanthropic grant making in the arts. Results of this research indicate that:

- » within the context of limited philanthropic funds, greater alignment could exist between the projects that philanthropists wish to support and the priorities of those in the arts sector.
- » Australian Trusts and Foundations place high priority on leveraging the arts as a tool for community engagement. Such philanthropic projects are more strategic in nature and focus on fostering innovation and supporting collaboration.

Emerging trends in philanthropy and international best practice in arts grant making offer insights into a more strategic approach to grant-making and better practice models that have applicability in the Australian arts context.

The second part of this report will consider these emerging trends and provide international examples of best practice in philanthropic support for the arts.

This is of importance in the Australian context, as it provides an insight into new philanthropic platforms and frameworks for giving to the arts and suggests the types of skills and attributes that arts organisations and philanthropists will need to nurture to maximize the impact of arts philanthropy.

# 9. MOTIVATION FOR GIVING TO THE ARTS

## 9. MOTIVATION FOR GIVING TO THE ARTS

This was broadly canvassed by a number of organisations who made submissions to The Mitchell Review<sup>30</sup>. Suggestions covered a wide range of topics.

In its thoughtfully considered submission, The Council for Humanities, Arts and Social Sciences<sup>31</sup> argues that funding for the arts is justified on many grounds. The Council believes that the arts are of inherent value to society and provide for uniqueness of individual expression and the preservation of cultural legacies, heritage and traditions for future generations. In addition they argue that the arts provide an educational asset, fostering creativity and providing critical thinking, communication and innovation skills which are essential to a productive society. In this way the arts support nations to creative capacity as they spur innovation and distinctive production. The Council emphasises the importance of the arts as an economic driver which helps strengthen the economy. And finally, the Council claims that the arts are central to community resilience as they support social and community involvement.

The Arts and Health Foundation<sup>32</sup> claims that the arts are essential for health and wellbeing and that there is ‘increasing knowledge, evidence and capacity of arts activities in all health settings.’

Similarly Arts NT<sup>33</sup>, stated that the arts are a key driver of social and economic wellbeing and argued for the “need for a new model that recognises the changing nature and importance of the creative domain and its centrality to national identity, social cohesion, economic growth and personal fulfillment.”

The Australia Council<sup>34</sup> submission identified three main considerations for individuals choosing to support the arts.

1. The arts bring people together for shared enjoyment, creative expression and meaning and have a powerful and transformative impact.
2. The arts offer an opportunity for donors to experience the ‘product’ of their giving and to interact with artists and cultural organisations.
3. They also provide an effective tool to transform disadvantaged and dysfunctional communities.

### IMPLICATIONS FOR THE ARTS

- » These motivations result in a vast array of giving opportunities, as evidenced by the range, scope and scale of art projects supported by philanthropists
- » In addition these motivations suggest that the arts play an important role beyond itself, and has the potential to impact many areas of the broader community
- » Individual motivations vary considerably. Some philanthropists are looking to support the arts for their intrinsic value and consider the impact of their gift is the art form itself. Others elect to support programmes and projects which use the arts as a medium to support better community outcomes

<sup>30</sup> Building Support: Report of the Review of Private Sector Support for the Arts October 2011, Office for the Arts, Australian Government

<sup>31</sup> Council for Humanities, Arts and Social Sciences, Submission to the Review of Private Sector Support for the Arts 2011, Office of the Arts

<sup>32</sup> Arts and Health Foundation, Submission to the Review of Private Sector Support for the Arts 2011, Office of the Arts

<sup>33</sup> Arts NT, Submission to the Review of Private Sector Support for the Arts 2011, Office of the Arts

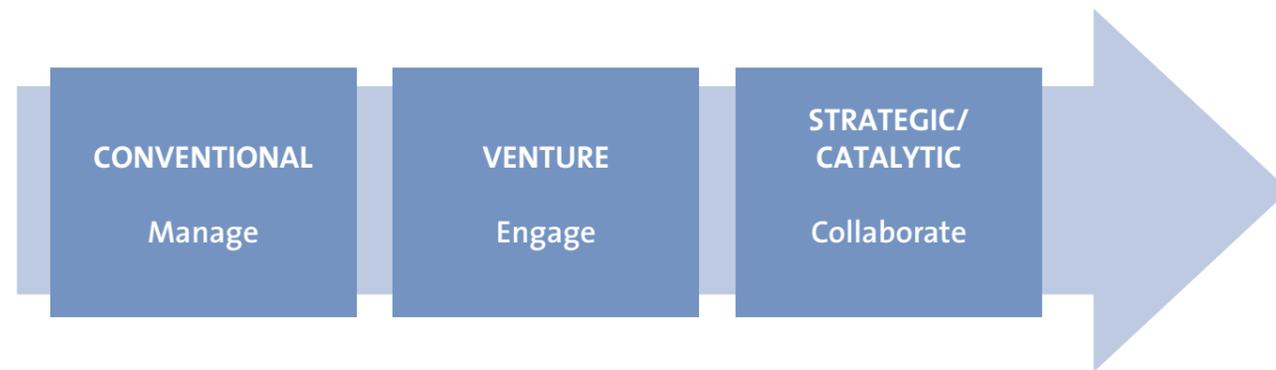
<sup>34</sup> Australia Council. Submission to Review of Private Sector Support for the Arts 2011

## 10. AUSTRALIAN TRENDS IN GIVING

## 10. AUSTRALIAN TRENDS IN GIVING

To better understand Australian philanthropic granting making to the arts it is helpful to consider the Gift Relationship Continuum, represented in the Figure below.

Figure 18 Gift Relationship Continuum



Philanthropic grants happen in different ways along this continuum.

At the left hand side of the continuum, philanthropists respond to requests and applications and support projects on this basis. This is described as 'Conventional or Traditional Philanthropy'. Such projects tend to support immediate need and focus on specific projects – capital requests, support for exhibitions, commissioning of new plays etc. Evaluation and an assessment of the impact of such projects focuses on such questions as: Was the building built? Did the exhibition take place and how many people visited? Was the play performed and how was it received? Such grants tend to be one off.

The next stage along the continuum sees the philanthropist and grant seeker moving toward a more engaged relationship. The focus is on more difficult issues that require greater understanding to foster a more strategic approach to grant making. It also requires a more developed evaluation and impact framework to allow for greater insight into the benefits of the programme. Often such grants are awarded on a multi-year basis.

The most strategic end of the spectrum focuses on intractable social problems and often involves building collaborations. Philanthropists, in partnership with the grant seeker(s) identify a social issue they wish to focus on. This partnership allows for the development of insight into the issue and sectors involved. In partnership the philanthropist and other partners clarify the projects which they wish to focus on, develop an evidence base to guide practice and develop evaluation methodologies and strategic impact measures to monitor progress.

Considerable debate exists within philanthropy regarding the merits of these different approaches. It is important to note that, in the main, a grant made at any point along the philanthropic spectrum contributes to a better arts sector. For example, one could argue that a more traditional philanthropic grant that contributes capital to support the development of a new art space is of no less value than a more strategic grant which seeks to systematically change the way that artists are supported throughout their careers.

However, the philanthropist's role and expectations of these two types of grants differs greatly.

For the capital grant, the philanthropist will agree to support the project but will have little to do with the project beyond this support.

In the second project, the philanthropist has identified an issue and may undertake a range of activities to support the project. They may work with their partners to clarify the project focus, support research, develop networks, pilot projects, engage public forums and other initiatives.

Support at the more strategic end of the spectrum requires more in depth evaluation and social impact methodology, the result of which provides direction and insight into future funding opportunities.

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## 10. AUSTRALIAN TRENDS IN GIVING – PHILANTHROPIC PRACTICE

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### Australian Philanthropic Practice

In our discussions with Australian philanthropists, we discovered many examples of wonderful projects which have supported the arts. There were fewer examples of projects at the more strategic end of the spectrum.

This is reflected in the results of Part 1 of this report. An analysis of Australian Trusts and Foundations Annual Reports over the last three years confirms this and suggests that the majority of grant making to support the arts is within the more traditional/conventional end of the grant making spectrum. It supports specific initiatives of either artists and/or arts organisations on a one-off shorter term basis.

These projects generally fall into two categories – grants which support artists and arts organisations to do art-based work and/or grants to support arts and/or community based organisations to work with sectors of the community using the arts as the medium for engagement. Such grants support projects which work with a wide cross section of the community including young people, the disabled, people leaving prison and the aged.

These grants have made a significant contribution to the arts and the community in general.

Reflecting this, the Australian philanthropists interviewed reported satisfaction in being involved with the organisations and projects they had supported. Many spoke of the intrinsic importance of the arts – and indicated that within this context, they placed a lower priority on evaluation, particularly in comparison with other aspects of their philanthropic portfolios. In the main, these philanthropists felt it sufficient that such grants were acquitted properly, (i.e. ensuring that the grant given had been used as intended). This is reflected in Part 1 of this report which showed higher levels of satisfaction with art project acquittals.

However, as mentioned previously, many of the Australian philanthropists interviewed felt overwhelmed at the number of applications they received and a number reported that they no longer or intended to no longer receive unsolicited applications. At the more traditional end of the grant making spectrum, it is more difficult to make comparisons between projects. At this end of the spectrum, the grant making decision is less strategic and more subjective. A vast number of projects are worthy of support and applications from arts organisations compete with each other.

Within the context of trends in philanthropic giving and the implications for the arts, a number of philanthropists reported they were applying a more strategic and collaborative approach to their Foundation work. They agreed however, that this was not evident in their grant practices in the arts. Many would welcome such initiatives, but commented that they were not forthcoming from the arts sector. A number commented that they didn't have the expertise or time to develop such projects but would welcome approaches from those within the arts or from others outside of the arts sector who wished to develop collaborations to leverage the benefits of arts based projects into other sectors.

*"I do have an idea of what strategic impact looks like in my head – we don't have a defined strategy around how we're going to measure impact and I do think that in the arts it's a little bit harder than other sectors because there is a long lag time in terms of benefits... However I'm conscious of it...it is very important that our grant making is strategic and very important that it has impact...but I can't envisage how this can be framed in a more formal way."<sup>35</sup>*

*"My role in a Foundation, that is relatively small, is fostering collaborations through the application process, and through what we fund... although I do have people coming to ask me to fund something and I've had five other people who've asked for funding for the same thing-and so you should talk to them first and then come back to me."<sup>36</sup>*

These comments reflect Australian philanthropic practices more broadly. Australia and international philanthropists are increasingly interested in understanding the impact of their grant making and are investing more time and resources to assess the point along the gift continuum they wish to focus on.

In order to increase the effectiveness of Australian grant making in the arts, philanthropists can focus on two areas.

**“My role in a Foundation, that is relatively small, is fostering collaborations through the application process, and through what we fund... although I do have people coming to ask me to fund something and I've had five other people who've asked for funding for the same thing-and so you should talk to them first and then come back to me.”**

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<sup>35</sup> Interview 6: Australian Philanthropist

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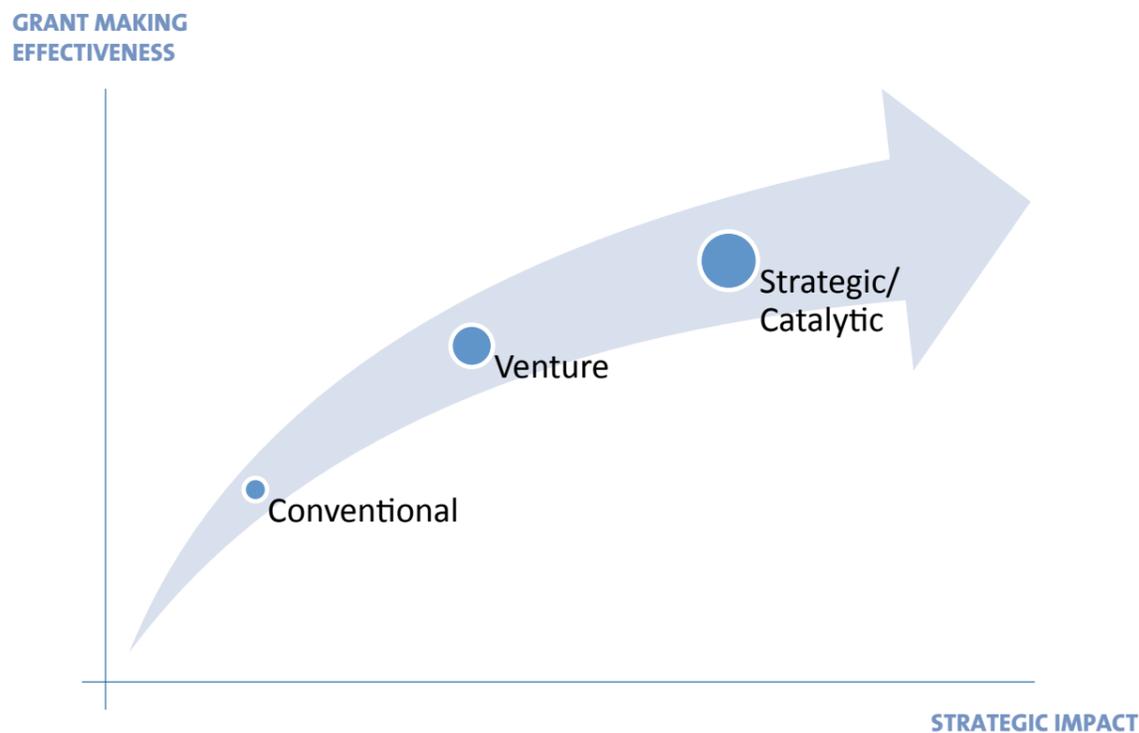
## 10. AUSTRALIAN TRENDS IN GIVING – PHILANTHROPIC PRACTICE

They can continue to fund at the more conventional end of the spectrum and work with the arts sector to enhance grant making effectiveness by focusing on clarifying grant making guidelines and other aspects of the grant making process.

Alternatively, philanthropists and arts organisations can explore how best to move along the grant making spectrum towards more strategic impactful collaborations.

This will be explored in the following sections of the report.

Figure 19



### IMPLICATIONS FOR THE ARTS

- » Australian grant making in the arts tends to be at the traditional/conventional end of the grant making spectrum
- » Australian philanthropists are adopting more strategic grant making practices in other areas in which they fund and would like the opportunity to fund more strategic projects in the arts
- » Australian philanthropists, arts practitioners and arts organisations can enhance arts grant making by increasing the effectiveness of grant making processes and/or developing projects that are more strategic and create impact across the community

# 11. STRATEGIC GRANT MAKING IN THE ARTS

# 11.1 THEORY OF CHANGE

A number of tools can be used to develop more strategic philanthropic programmes. Adopting a theory of change approach to the development and evaluation of grants is one such tool which has been used to significant effect within Australia and internationally.

Grant making at the strategic end of the spectrum focuses more on developing and clarifying the ‘theory of change’ that underpins the project or programme being supported. A Theory of Change requires an understanding of the change being sought, clarification of the change process and assessment of the effects/impact of the work being undertaken.

This process of planned social change focuses on identifying the partners’ long term goals. It identifies the assumptions that guide the programme design and establishes the blue print for the project. It identifies objectives and strategies and allows for the development of an evaluative framework which builds an understanding between the activities and outcomes of the programme. Most importantly, this process is focused on identifying key learnings and steps required to progress the project .

The steps in applying a “Theory of Change” approach to the development and/or acquittal of grant applications is explained in the Figure below,

Figure 20: Theory of Change<sup>37</sup>

<b>Assumptions</b> ▼	What is the problem you want to address? What are the underlying causes of the issue or problem? At what depth or level do you want to work? What impact do you want to achieve? What would the solution to the issue look like?
<b>Target Group</b> ▼	Who would be impacted? How could you react / influence the identified groups? What vehicles would you use?
<b>Strategies</b> ▼	What tools or process would you need to influence the identified groups? What resources (financial, time, skills, knowledge) would you need to employ these tools and processes to effectively influence the target groups? What resources do you have? What skills, knowledge and other resources do you need to develop? Who else is working in the field? Are there opportunities for cooperation and partnerships?
<b>Outcomes</b> ▼	How will you know when you have succeeded? What counts as progress / success after 1 year, 2 years, 3 years? What indicators will you use to measure your achievements and impact?

<sup>37</sup> Grantcraft: Mapping Change: Using a Theory of Change to Guide Planning and Evaluation

A Theory of Change approach is characterised by a suite of initiatives, usually funded over a number of years, to support a programmatic goal. These initiatives operate within an evaluation framework that focuses on specific outcomes and seeks to more deeply understand the relationship between these outcomes and the overarching goal. These insights drive future funding priorities.

A number of the international philanthropists interviewed highlighted projects which incorporate a ‘Theory of Change’ approach .

The two case studies summarised below and outlined in more detail in Appendix 1 and 2, demonstrate this approach.

### Case Study 1: Ford Foundation

**FORD FOUNDATION**  
 Funding Priority: Freedom of Expression

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**Strategies:**

- » Advancing Media Rights and Access
- » Advancing Public Service Media
- » Exploring Issues of Justice Through Media
- » JustFilms
- » Religion in the Public Sphere
- » Supporting Diverse Art Spaces

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<p><b>Supporting Diverse Art Spaces</b></p>	<p><b>To promote a new generation of 21st century art spaces and art leadership that reflect the cultural richness of diverse communities</b></p> <ul style="list-style-type: none"> <li>» Identify projects which support the creation of a new generation of arts leadership and facilities that are ‘grounded’ in their communities and that are models of artistic innovation, cultural and community collaboration and partnership</li> </ul>	<p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>» Network building and convening</li> <li>» Capacity building and technical assistance</li> <li>» programme learning</li> <li>» programme demonstrating and streaming</li> </ul>
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**Grants:**

- » A large number of grants over multiple years have been made to a range of arts organisations across the United States within each of these strategies
- » Having identified the assumptions, target groups and strategies that underpin this work, specific grants focus on emerging, newly opened and established institutions undergoing a space transformation and who may also benefit from resources to support the intellectual, physical, technical and financial aspects of their organisations

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**Evaluation:**

- » Ford Foundation funded evaluation methodology which is focused on monitoring the success of supporting diverse art spaces and the extent to which this contributes to the broader ‘Freedom of Expression’ funding priority

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## 11.1 THEORY OF CHANGE

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The second case study, outlined in more detail in Appendix 2, is the Doris Dukes Charitable Foundation.

### Case Study 2: Doris Duke Charitable Foundation

#### DORIS DUKE CHARITABLE FOUNDATION ARTS PROGRAMME

Mission: to support artists with the creation and public performance of their work

##### Strategies:

- » Artistic creation and distribution
- » National sector building
- » Doris Dukes Performing Artists Initiative
- » Organisational Transformation

##### Organisational Transformation

- » To complement support for artistic creation and distribution, the Arts Programme works to build strong organisations to serve performing artists on the basis that performing artists need strong organisations to fulfil their vision
- » Building from this assumption, the Foundation undertook research and an extensive consultation process during 2006-2007 and verified that the impact of rapidly changing technology, demographic shifts and an impending generational transfer of leadership made the future of arts organisations uncertain

##### Goal:

- » to help performing arts organisations institutionalise exploration, experimentation and innovation in addressing future challenges

##### Strategies:

- » Dance/USA Engaging Dance Audiences Programme
- » Mid Atlantic Arts Foundation Jazz NEXT Programme
- » Non-profit Finance Fund's Leading for the Future
- » EmcArts' Innovation Lab for the Performing Arts

##### EmcArts Innovation Lab for the Performing Arts:

- » 2008 planning grant awarded to EmcArts to develop an initiative to encourage innovation in performing arts organisations. Building on lessons learned from another Foundation, EmcArts undertook a broad consultation with practitioners and senior staff of national organisations to understand how the lab could be tailored to the specific needs of art organisations
- » Strategy launched in 2008 with a grant of \$3.2M
- » Annually EmcArts Innovation Lab supports a number of arts organisations
  - » Using INNOVATION as a tool, the lab works in partnership with arts organisations to identify cross-constituent innovation teams to plan, experiment and implement new approaches over a year
  - » Each Innovation team participates in a five day intensive retreat designed to accelerate their programmes and network with other organisations in the cohort
  - » EmcArts provides ongoing facilitation support and seed money to prototype and evaluate the innovation strategy before final roll out

Both case studies demonstrate the benefits of a more strategic approach to supporting the arts and incorporating a 'Theory of Change' framework to design, build and monitor progress.

The Doris Duke Charitable Foundation is an excellent example of a capacity building grant which supports arts organisations to re-conceptualise themselves. It helps them find solutions outside the more narrow focus of specific organisational programme, staffing and capital requirements.

In addition both case studies demonstrate a whole of sector perspective which addresses issues and delivers benefits across the arts sector.

It should also be noted that the theory of change tool can be applied to organisation specific projects and multi-organisational collaborations.

## 11.2 CATALYTIC PHILANTHROPY

Much of the debate regarding a more strategic approach to philanthropy has been captured in Mark Kramer's seminal work on 'Catalytic Philanthropy'<sup>38</sup> which outlines the limitations of conventional philanthropy (philanthropy closer to the left hand side of the spectrum).

Within the context of the arts, the conventional philanthropist decides which art organisation to support and delegates all responsibility for devising and implementing the programme or project to the arts organisation. Within this model, arts organisations work separately and compete to produce the greatest independent impact. The evaluation of such projects usually reports on outputs. There is a lack of infrastructure to learn from one another's practice, such programmes are usually insufficient to influence government and they lack scale to achieve national impact.

In addition, collaboration is almost impossible as each organisation competes for funding and focuses on persuading donors that 'its' approach is better. Within this model there is little systematic tracking of impact.

Moving towards the more engaged end of the 'Philanthropy Giving Continuum', philanthropists' and arts organisations develop greater insights into the outcomes of the projects supported. However, such considerations are still focused on a particular organisation's impact. Large scale change is expected to happen on the basis of scaling up a single organisation's approach and the corporate and government sectors are often disconnected from the efforts of Foundations and nonprofits.

Even when a solution presents itself, leveraging this solution is often impeded by a range of issues. It can be very difficult to impose the solution on the existing system and any attempts at this are often uncoordinated and not embedded in a more systemic approach to change. In addition, such attempts are often thwarted by conflicting incentives of different stakeholders and different sectors of society.

[When considering this issue, the Bill and Melinda Gates Foundation sponsored study which asked why some donors are more effective than others and focused on exploring the limitations of traditional philanthropy. It concluded:

*'However generous the donors or hardworking the non-profits, there is no assurance – nor even likelihood – that supporting underfunded, non-collaborative and unaccountable approaches of the countless small non-profits struggling to tackle an issue will actually lead to workable solutions for large scale problems.'*<sup>39</sup>

Mark Kramer went on to argue that these limitations meant that philanthropists should consider moving from more traditional and conventional approaches to what he termed "catalytic philanthropy".

The chart below summarises the differences in these approaches.

The key question for 'catalytic philanthropy' is "How, as a philanthropist, can I work with others to catalyze a campaign that achieves measurable impact?"

A catalytic approach focuses on funders and implementers understanding that social problems and their solutions arise from the interactions of many organisations within a larger system. Progress depends on working toward the same goal and measuring the same things. Large scale impact depends on increasing cross-sector alignment and learning among organisations. Within this context, corporate and government sectors are essential partners. Organisations working within this framework actively coordinate their action and share lessons learned.

In Mark Kramer's words:

**“Catalytic philanthropy cuts through these divisions by stimulating cross-sector collaborations and mobilising stakeholders to create shared solutions.”<sup>40</sup>**

For such issues, philanthropists are uniquely placed to build collaborations across the sectors, with nonprofit organisations, government and the business world. Philanthropists can work with their partners to develop insight and understanding of the issues, the sectors involved and the evidence base (which may or may not exist).

This capacity to contextualise an issue, combined with political neutrality, a capacity to take risks and an ability to fund a range of projects in both the short and longer term, enables philanthropy to build frameworks that promote more effective collaboration, to explore new paradigms and encourage innovation.

When working across sectors, it is important to remember that each of the three sectors brings a particular mindset and set of assumptions to their understanding of an issue or problem. The solution to the problem rarely lies within the skill set and knowledge of any one sector. This approach requires thinking outside of the silo. Instead it relies on collective impact, leveraging knowledge, logistics and resources to address the issue and frame the project or model in such a way that each sector has a commitment to working collaboratively to generate the solution.

Philanthropy can choose to play an important role in cultivating this conversation and building this neutral space. It can create the environment which supports the scoping of the project to ensure its relevance to all three sectors. It can challenge the existing mindsets, both within and between the sectors, provoke debate and question underlying assumptions.

Additionally, philanthropy can utilise a range of tools to facilitate this process. It can leverage its networks, assist in identifying the evidence gaps, gather the knowledge, access and nurture the innovation, mediate the solution and support the influence strategy.

The figures suggest the important role that philanthropy can play as a broker for multi-sector collaborations.

<sup>38</sup> Kramer Mark R., Catalytic Philanthropy. Stanford Social Innovation Review. Fall 2009

<sup>39</sup> Kramer Mark R., Catalytic Philanthropy. Stanford Social Innovation Review. Fall 2009

<sup>40</sup> Kramer Mark R., Catalytic Philanthropy. Stanford Social Innovation Review. Fall 2009

## 11.2 CATALYTIC PHILANTHROPY

	CONVENTIONAL PHILANTHROPY	VENTURE PHILANTHROPY	CATALYTIC PHILANTHROPY
What is the key question?	Which arts organisation should be supported and how much money should they be given?	How can we scale up effective arts organisations?	How can I catalyze a campaign that achieves measurable impact?
Who is responsible for success?	Arts Organisations	Arts Organisations	Funders
Who gets funded?	Individual Arts Organisation	Capacity building at individual arts organisations	Multi-sector campaigns
What tools are used?	Arts programmes/ projects	Arts programmes/ projects	All possible tools and donor resources
How is the information used?	To compare grant requests	To increase organisational effectiveness	To support the campaign and motivate change

Figure 21



**“Social problems arise from the interplay of government and commercial activities, not only from the behaviour of social sector organisations. As a result, complex problems can be solved only by cross-sector collaborations that engage those outside the non-profit sector”<sup>41</sup>**

<sup>41</sup> Kramer Mark R., Catalytic Philanthropy. Stanford Social Innovation Review. Fall 2009

## 11.2 CATALYTIC PHILANTHROPY

The case studies below profile how a number of international Trusts and Foundations have adopted this approach for arts based projects. Each example demonstrates the instrumental role philanthropy can play in defining a focus, building a multi-faceted collaborative platform for engagement and developing evaluation and impact methodologies which share learnings and insight across the community and guide future practice. Greater detail of these projects is outlined in Appendix's 3, 4 and 5 respectively.

### SURDNA FOUNDATION

Funding Priority: Thriving Communities

Explores the role that arts can play in supporting the development of just and sustainable communities

#### Programme Logic/Theory of Change

- » Foundation seeks to foster sustainable communities in the United States that are guided by principles of social justice and distinguished by healthy communities, strong local economies and thriving cultures
- » Consequently the Foundation has built a framework which supports projects across these areas of focus within the communities it works with
- » The Foundation seeks to demonstrate that cultural organisations, programmes and projects provide the opportunity to explore values and acts as a catalyst for the building of just and sustainable communities

#### Strategies: support grants across four strategic streams and utilise the insights across this comprehensive framework to guide and support future funding priorities

- » Teens' artistic achievement
- » Artists engaging in social change
- » Community driven design
- » Artists and economic development

#### In the words of Judilee Reed, Programme Director, Thriving Cultures

*'Culture helps people connect over time, inviting them to build and sustain vibrant communities they call home. Thriving cultures honour and celebrates the artistic impulses as part of community behaviour and as a way to strengthen community, identity and cohesion.'*

The second case study illustrates the importance of a robust evaluation and strategic impact methodology in building support for initiatives.

### PAUL HAMLYN FOUNDATION

Mission: help people realise their potential and enjoy a better quality of life by supporting initiatives in the arts, education and learning, social justice and India

#### Arts Grantmaking Steam

- » Connect to the Foundation's mission by supporting the development and dissemination of new ideas to increase people's experience, enjoyment and involvement in the arts in the United Kingdom
- » Two granting making avenues
  - » Open grants programme
  - » Special Initiatives



### Special Initiative : BREAKTHROUGH FUND

#### BREAKTHROUGH FUND

#### Aim:

- » Unlock significant development and outcomes in the arts by responding to the vision of individuals working in a wide variety of art forms and contexts and offering transformational support to their organisations

#### Evaluation:

- » prioritised development of a sophisticated evaluation and social impact methodology
- » project is scaled to impact across the arts community. Through the evaluation of the outcomes and impact of the grant and the Fund's distinctive way of working, seeks to garner insights into the benefits and risks of this grant giving approach
- » interim strategic assessment undertaken in 2011 which considered the positioning of the Breakthrough Fund within the UK arts funding ecology and assessed its way of working, as well as the outcomes of each of the 15 grants
- » this evaluation made an initial assessment of the outcomes and the impact of the Fund's grants, considered the strategic role of this kind of support and analysed the way the fund was set up and run. Evaluation drew on an analysis of nomination, application and grantee data across three years, researched notable UK and international comparators, conducted phone and face-to-face interviews to establish perspectives on the programme and its place within the UK context and individually monitored and evaluated each grant
- » the Evaluation process will also incorporate longitudinal reviews two years after the completion of each grant
- » during 2012/2013 the Foundation will start to disseminate learnings emerging from the work

## 11.2 CATALYTIC PHILANTHROPY

The final case study is the Doris Duke Charitable Foundation which has reconceptualised the Foundation’s approach to Fellowships.

DORIS DUKE CHARITABLE FOUNDATION	
<p><b>DORIS DUKE PERFORMING ARTIST INITIATIVE</b></p> <ul style="list-style-type: none"> <li>» \$50M special initiative above the Foundation’s ongoing commitment to the arts</li> </ul>	<p><b>Aim:</b></p> <ul style="list-style-type: none"> <li>» Offer significant funding that is not tied to individual projects and which supports extended professional and artistic development, audience development and retirement planning</li> <li>» Grants support for artists to take creative risks, to build sustainable businesses and to plan for the future</li> </ul>
	<p><b>In the words of Ben Cameron, DDCF Programme Director for the Arts:</b></p> <p><i>“...we’re asking the artists to be thoughtful, not only about where they are now, but where they would like to be in five years – personally, financially, artistically etc This programme will be a success for us if the artists have been able to move towards that future vision and realise the individual goals they have set for themselves – and if other funders begin to make longer term investments in the arts, make funding processes less onerous and fund retirement and other life needs in addition to project funds;</i></p>
	<ul style="list-style-type: none"> <li>» In addition to developing a programme to support artists over their life span, the initiative also recognises that artists need healthy, sustained relationships with the organisations that nurture, present and produce their work</li> <li>» Funding is also provided for joint applications from artists and art organisations which have a history of working together</li> </ul>
	<p><b>In the words of Ben Cameron, DDCF Programme Director for the Arts:</b></p> <p><i>‘These residencies are about supporting a partnership between an artist who wishes to explore and reimagine institutional life and behaviour, and an organisation willing to open itself to exploration. It is also about reimagining how an organisation and an artist connect to their community and supporting a pilot effort to behave in new ways.’</i></p>

The significance of this approach lies in its conceptualization of artists, not only in terms of their individual artistic aspiration, but more broadly in terms of a whole of system approach. It connects artists to expertise outside of their domain in the form of financial and business advisors, and builds better collaborations and outcomes within the arts community by supporting artists and arts organisations to work together.

For all three case studies, evaluation is an essential and important tool in supporting collaborations to move towards better practice. The insights obtained as result of a focus on evaluation, are shared by the philanthropists and those whom they support and provide a rigorous base for identifying next steps and ways to move forward.

In the words of those at The Ford Foundation

“We assess the effectiveness of our work at multiple levels, strategic initiative, general approach and individual grant. We engage in continuous learning and improvement – rather than waiting until an initiative ends to begin evaluation...we assess, learn and make course corrections as needed.”<sup>42</sup>

<sup>42</sup> Ford Foundation web site, [www.fordfoundation.org](http://www.fordfoundation.org)

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## 11.3 COLLECTIVE IMPACT

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Building on this foundation and recognising the important role that philanthropy can play, Mark Kramer has continued to develop this catalytic framework by discussing the importance of developing a collective impact approach to philanthropic endeavors. He defines collective impact as:

*‘The commitment of a group of important actors from different sectors to a common agenda for solving specific problems’<sup>43</sup>*

Within this context, funders and their partners work together on the premise that social problems and their solutions arise from the interactions of many organisations within a large system. Progress depends on working toward the same goal and measuring the same things. Large scale impact depends on increasing cross-sector alignment and learning among organisations. In addition to the not-for-profit sector, corporate and government sectors are essential partners. Those in the partnership actively coordinate their actions and share lessons learned.

His research suggests that collective impact success relies on five conditions and that philanthropy can play a role in building or supporting the development of the framework to support collective impact initiatives.

<b>Common Agenda</b>	All participants have a shared vision for change including a common understanding of the problem and a joint approach to solving it through agreed actions
<b>Shared Measurement</b>	Collecting data and measuring results consistently across all participants ensures efforts remain aligned and participants hold each other accountable
<b>Mutually Reinforcing Activities</b>	Participant activities must be differentiated while still being coordinated through a mutually reinforcing plan of action
<b>Continuous Communications</b>	Consistent and open communication is needed across the many players to build trust, assure mutual objectives and create common motivation
<b>Backbone Support</b>	Creating and managing collective impact requires a separate organisation with staff who possess a specific set of skills. This serves as the backbone for the initiative and co-ordinates the participating organisations’ agendas

A number of the international Trusts and Foundations interviewed had undertaken projects built on a collective impact framework. These are profiled in the case studies that follow. Additional detail regarding these case studies can be found in Appendix 7 and 8.

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<sup>43</sup> Kania J. & Kramer Mark., Collective Impact. Stanford Social Innovation Review. Winter 2011

## 11.3 COLLECTIVE IMPACT

### FORD FOUNDATION Funding priority: Freedom of Expression

#### STRATEGY:

- » Supporting diverse art spaces

#### Aim:

- » Focused on catalysing nature of arts and cultural institutions to support community development so that the arts become a tool for social change
- » Goal is to position the arts, institutions and artists at the centre of efforts to spark economic development so that the arts can be employed as a critical tool for job growth and community revitalisation

#### Programme: ArtPlace Initiative

- » Partnership of federal agencies, financial institutions and philanthropic supporters which are seeking to sustain urban areas through the arts
- » Programme focuses on economic connections and work in rural and regional development with support for creative, entrepreneurial art spaces
- » Model being developed supports cities and towns by integrating artists and arts organisations into local efforts in transportation, housing, community development and job creation

#### Ford Foundation role;

- » The Ford Foundation was instrumental in:
  - » Funding support: \$2M/year for a three year pilot
  - » Identifying the common agenda
  - » Developing the collaboration
  - » Funding the backbone organisation
  - » Supporting the development of a shared measurement methodology

#### Ford Foundation President, Luis Ubinas, in an address to the Americans for the Arts Convention in June 2012 stated:

*“What makes ArtPlace successful – and what I believe will sustain it – is the fact that it brings together a wide cross-section of actors from a host of philanthropic foundations and a practical alphabet of public agencies as well as major financial institutions such as Bank of America, Chase, Citibank and Morgan Stanley.*

*ArtPlace creates a partnership model that has the potential to transform communities, make neighbourhoods more attractive, address urban challenges and perhaps, above all, connect people.”*

### PAUL HAMLYN FOUNDATION

Mission: to help people realise their potential and enjoy a better quality of life by supporting initiatives in the arts, education and learning, social justice and India

#### Arts Grantmaking Stream

- » Connects to the Foundation’s mission by supporting the development and dissemination of new ideas to increase people’s experience, enjoyment and involvement in the arts in the United Kingdom
- » Two grantmaking avenues:
  - » Open grants programme
  - » Special initiatives

#### SPECIAL INITIATIVE:

##### Development of art practice in participatory settings

- » The Foundation formed the view that artists, to complement their own practice, often sought to work in participatory settings like prison and schools, and required training and support to develop their own practice and the skills required to work in such settings
- » Programme has its genesis in an extensive period of research undertaken by the Foundation in 2008 which encompassed a number of strands including:
  - » A broad range of consultations to more fully understand the context
  - » Development of networks and relationships to broker partnerships in participatory settings across the arts, education and training and community sector involving art practitioners, not-for-profits and government agencies

#### Aim:

- » To support the initial training and continuous professional development of artists working in participatory settings.
- » Key objectives include:
  - » Developing, piloting and embedding training and continuous professional development methods for artists working in participatory settings at all stages in their careers
  - » Developing better understanding of what constitutes quality in participatory work through sharing best practice across art forms and demonstrating positive outcomes
  - » Gathering, documenting and disseminating evidence of positive impact

#### Funding Model:

- » The Special Initiative is now funded and supported by the Arts and Humanities Council, Research Council, Creativity Culture and Education (supported by Arts Council England) and the Cultural Leadership Programme

## 11.3 COLLECTIVE IMPACT

An interesting issue that arose in the interviews is who should take responsibility for initiating projects for support?

A number of philanthropists commented that they did not have the time, expertise and/or funds to support the development of such projects.

There was also considerable reluctance to take the lead in this manner, with many taking the view that philanthropy should be supportive of the sector but not instrumental in setting its agenda.

*“We’ve always had the view that we should be funding projects that an organisation brings to us – without any involvement in developing it to any great extent and we do that because we think that we’re not qualified to tell them what they should be doing – they’re the experts – we’re happy to partner.”<sup>44</sup>*

This was raised as an issue by the Council for the Humanities, Arts and Social Sciences in their submission to the Mitchell Review. The submission expressed concern that philanthropy may target their funding to:

*‘meet the objectives of wealthy elites, ... philanthropic grants can constrain institutional directions, restrict artistic freedom and threaten the democratic principles underpinning public institutions.’<sup>45</sup>*

Contrary to this, a number of those interviewed expressed the strong view that philanthropy was uniquely placed to build these platforms for engagement. For example the Paul Hamlyn Foundation profiled in Case Study 7 is able to spend two to three years investigating, researching and establishing the foundations for their Special Initiatives. At this stage, the Foundation identifies leaders in the space, undertakes focus groups and market research to scope the issue, brokers partnerships and develops a strategic action plan to guide the first phase of the project. The development of an evaluation and strategic impact framework to monitor progress and assess impact is a fundamental aspect of this process.

Furthermore, a number of the international case studies, particularly those at the more strategic end of the spectrum, involve significant financial contributions. The size and scale of these projects may be beyond the capacity of any one Australian Trust or Foundation. However, there is no barrier for Trust and Foundations to work collaboratively to build such opportunities. A number of Trusts and Foundations and other donors could take the initiative to work collaboratively to support more strategic initiatives.

In summary, the development of such opportunities is not the domain of either the arts sector or philanthropy. The interviews and case studies reflect that either group can take responsibility for creating the opportunity for engagement. Within the context of a collective impact agenda, philanthropy seeks to support projects that take an innovative, collaborative approach to intractable problems and look to thought leaders to develop and scale these opportunities.

Within the Australian context, if philanthropists and those in the arts sector wish to embark on projects of the scale of collective impact initiatives, they need to fundamentally rethink the current funding dynamic and develop new paradigms for engagement.

### IMPLICATIONS FOR THE ARTS

- » Emergent thinking in philanthropy demonstrates the challenges in funding at the more conventional end of the grant making spectrum. It suggests that a more ‘catalytic’ and collaborative approach by philanthropists is likely to have a greater impact
- » This approach will require philanthropists and those in the arts sector to discover new ways of working together

<sup>44</sup> Interview 6: Australian Philanthropist

<sup>45</sup> Council for the Humanities, Arts and Social Sciences. Review of Private Sector Support for the Arts 2011.

# 12. CONCLUSION

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## 12. CONCLUSION

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In considering philanthropist's motivations for giving to the arts, and in the context of the above discussion and an emerging interest in a more strategic/catalytic approach to philanthropic funding, what are the implications for Australian philanthropy and its relationship to the arts?

Australian philanthropic giving to the arts tends to be towards the more conventional end of the 'Gift Relationship Continuum'. As one of those interviewed said:

*"There is this whole notion of private money... when you talk about philanthropists they can and do fund whatever they want."*<sup>46</sup>

Within this context, Australian philanthropists fund an extraordinary array of projects in the arts which significantly benefit the arts and the general community.

Part 1 of this report indicates that within the context of limited funds, there should be greater alignment between the projects that philanthropists wish to support and the priorities of those in the arts sector. This can be achieved by focusing on clarifying grant making guidelines and other aspects of the grant making process.

Part 2 of this report considers emergent thinking in philanthropy. International best practice illustrates that significant opportunity exists to build philanthropic programmes at the more strategic/catalytic end of the spectrum.

To unlock this potential within the Australian context, both philanthropy and the arts sector need to reframe the way they work together, and foster new ways of scoping and resourcing the development of more strategic impactful initiatives in the arts.

An exploration of international best practice suggests there are a range of attributes that philanthropist and arts organisations should focus on strengthening in order to work in this way.

Particular areas to focus include the development of proposals which are framed using such tools as 'a theory of change'. This approach which uses program logic to contextualise the issue and suggest an appropriate response would ensure more strategic and informed projects.

Secondly, a much more strategic use of evaluation and social impact methodologies to guide programme design and monitor progress would assist both the philanthropist and art sector to have a deeper understanding of the dimensions of the issue, what has been achieved to date and what further action is required.

Finally, the development of partnerships lie at the heart of more strategic models for engagement. These include partnerships between philanthropy and fund seekers, and the partnerships inherent in cross sector collaborations which leverage whole of community solutions to more intractable problems. The case studies explored in this report give an indication of the important catalytic role that the arts can play in supporting such initiatives. The development of partnership broking skills which foster equity, transparency and mutual benefit are fundamental if philanthropy and the arts are to take advantage of more strategic opportunities for engagement.

## 13. REFERENCES

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<sup>46</sup> Interview 3: Australian Philanthropist

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## 13. REFERENCES

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# **APPENDIX 1**

## **METHODOLOGY**

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# METHODOLOGY

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The data for this project was gathered in two separate phases. The first phase (Study 1) involved in-depth interviews with 11 Trusts and Foundations from within Australia and overseas. The objective of this qualitative data collection phase was to gain greater insight into emerging philanthropic practices in the arts. The second phase (Study 2) involved the administration of an on-line questionnaire to both arts organisations and trusts and foundations organisations. The objective of this quantitative phase of the research was to ascertain the current profile of philanthropic support for the arts from the perspective of Trusts and Foundations and arts organisations and to collect data on the grant making experiences of those making grants and seeking grants in the arts sector.

## Qualitative Phase (Study 1)

In-depth interviews were selected as the data collection method. Considering the exploratory nature of the interviews, semi-structured interviews were used. Some participants were busy senior and middle managers, so in line with guidelines proposed by Aaker, Kumar, Day, Lawley and Stewart (2007), semi-structured interviews were deemed the most appropriate form of data collection. An interview guide was used for each interview, covering the following areas: (Refer to Appendix 1 for a copy)

- » Questions focused on current approaches to grant making;
- » Observations about the current arts grant making environment;
- » Emerging opportunities and trends in arts giving;
- » The arts as a medium for community development;
- » Collaborations between arts organisations and other organisations;
- » Evaluation of arts projects and strategic impact frameworks for arts related projects.

All in-depth interviews were conducted between May 2012 and October 2012. Interviews were conducted with individuals known for their practice in grant making in the arts. In total, 11 interviews were conducted with Grants Executives from six Australian Trusts and Foundations and five international Trusts and Foundations.

## Quantitative Phase (Study 2)

A Survey was selected as the method for collecting data for Study 2. An on-line survey was used, with a survey development programme, (Checkbox v. 5.5), used to design and later administer the survey. Responses were sought from both art organisations and philanthropy/trust organisations. Therefore, similar surveys were designed for each group. The survey content contained the same constructs, with questions rephrased as appropriate. Specifically, the survey contained information relating to

- » Type and size of organisation;
- » Funding support provided/received for various activities/programmes;
- » Type of funding grants given/received;
- » Funding priorities;
- » Opportunities for innovation within the Arts;
- » The extent of grant seeking experience/grant applications received;
- » Interaction with Trusts and Foundations/Arts organisations;
- » Evaluation and social impact;
- » Examples of strong evaluation models for the Arts (Refer to Appendix 2 for a copy of both surveys).

The researcher developed their own sampling frames for both Arts Organisations and Trusts/Philanthropy organisations. For Arts Organisations, the sampling frame consisted of a combination of a membership database of arts organisations (the PGAV data base) and the addition of other Arts organisations sourced from an Internet search by the researcher. Criteria used to populate the sampling frame included organisations which had received a philanthropic grant from an Australian Trust and/or Foundation in the last three years. The total sample size for the Arts organisations was 157 organisations, with 57 of these being PGAV members. The sampling frame for the Trust/Philanthropy organisations was also generated by the researcher searching the internet based on the Philanthropy Australia database. The total sample size of Trust/Philanthropy organisations was 58 organisations. For Arts organisations, the most appropriate person to direct the survey to, considering the content, was the Director/Manager, Grants Manager or Operations Manager. For Trusts and Foundations, the most appropriate person to direct the survey to was the Director, Foundation Head, or Grant Manager/Coordinator. The databases for both groups contained email addresses of the most appropriate contact for each organisation, their address and telephone number.

In total, 37 Arts organisations and 13 Philanthropic and Trust organisations responded to the survey. Of the total 157 Arts organisations, seven declined to participate due to time constraints, size constraints or the fact that they did not receive funding at all. Two declined to participate as the person responsible was on leave. The final response rate is therefore calculated from the 148 remaining Arts organisations. Thus, the final effective response rate was 25%. Thirteen responses were received from the Philanthropic and Trust organisations.. Of the total 58 organisations, seven directly stated that they did not fund Arts programmes and initiatives and therefore did not qualify to participate. Another two declined to participate due to time or organisational size constraints. The final response rate is therefore calculated from the 49 remaining Philanthropic/Trust organisations. Thus, the final effective response rate was 26%. These response rates are consistent with previous studies comparing web-based surveys to other forms of survey administration such as paper based and face-to-face. (Kaplowitz, Hadlock & Levine, 2004; Heerwegh & Loosveldt, 2008). Table 2 and Figure 2 provide a profile of the Arts organisations sample, whilst Figure 2 and Figure 3 provide an insight into the profile of the Trust/Philanthropy sample.

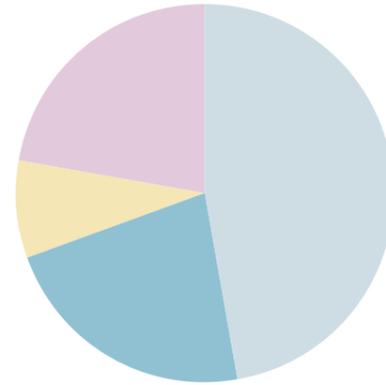
# METHODOLOGY

Table 11: Key characteristics of Art organisations (Sample)

Answer	Percent
Art Festival	5.41%
Art Gallery	24.32%
Community Organisations	2.70%
Dance	2.70%
Film, TV, Radio and Digital Media	0.00%
Indigenous Art	2.70%
Library	5.41%
Literature and Print media	0.00%
Multi-Arts	5.41%
Museum and Heritage	2.70%
Music	10.81%
Opera	2.70%
Other Performing Arts	5.41%
Performing Arts venue	5.41%
Theatre	13.51%
Visual Arts, Crafts and Design	10.81%

Figure 7: Size of Arts Organisations in the sample

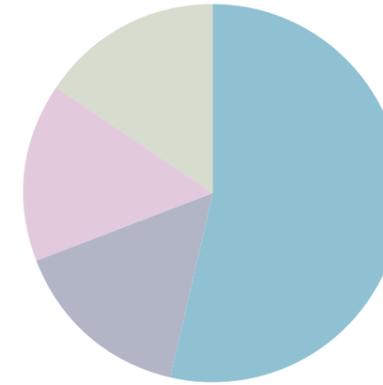
Size of organisation (figures reflect annual revenue):  
36 Responses



%	
3 (8.33)	\$1 million - \$2 million
17 (47.22)	< \$500,000
8 (22.22)	> \$2 million
8 (22.22)	\$500,000 - \$1 million

Figure 8: Type of Trusts/Foundations in the sample

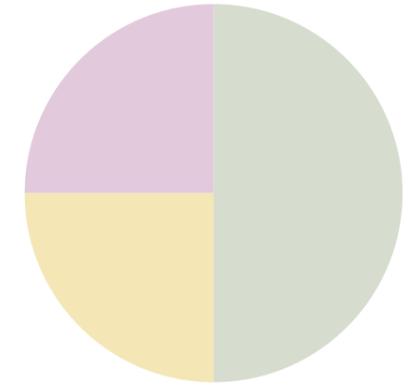
Types of Foundation  
13 Responses



%	
7 (53.85)	Trust
2 (15.38)	Community
2 (15.38)	Corporate
2 (15.38)	PAF

Figure 9: Size of Trusts/Foundations in the sample

Size of Foundation  
(figures reflect \$'s of grants dispensed in the last  
granting year) 12 Responses



%	
3 (25.00)	\$1 million - \$2 million
3 (25.00)	< 500,000
6 (50.00)	> \$2 million

The 58 Philanthropic and Trust organisations were invited to participate in the quantitative component of the research, which involved the completion of an on-line survey. Thirteen Philanthropic and Trust organisations responded to the survey. Those philanthropic entities that responded to the survey allocated funding on the following basis, displayed in Table 2.

## METHODOLOGY

Table 12: Sectors currently being funded

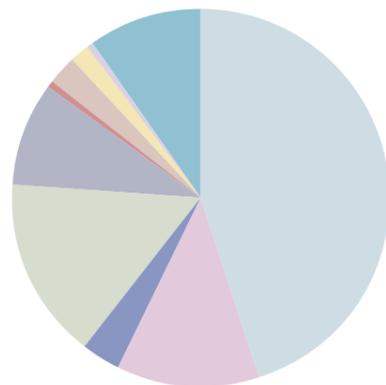
Sector	% funding
Arts and Culture	45.14
Education	12.23
Environment and Animals	3.28
Health	15.55
Human Services	8.95
International Affairs	0.00
Public Affairs	0.60
Religion	2.40
Science and Technology	1.60
Social Sciences	0.55
Other	9.70

Of those 13 respondents, as depicted in Table 2, the majority (45%) of philanthropic funding is dedicated towards arts and culture, with the next most funded sectors being Health (15%) and Education (12%). These results are depicted in Figure 4.

### 2.3 Ethics and Confidentiality

In accordance with Melbourne University guidelines, approval for this study was obtained from the Human Research Ethics Committee (HREC) at Melbourne University. The application completed was a Minimal Risk application. Approval was granted based on the submission of objectives for the study, the plain language statement and an interview guide. The researcher, in accordance with Melbourne University Guidelines, committed to retaining and storing the interviewee's details and interview transcripts in a secure location for a minimum period of five years.

Figure 10: Funding by sector



# APPENDIX 2 CASE STUDY 1 – THEORY OF CHANGE/ STRATEGIC ACTION PLAN FORD FOUNDATION - USA

## 1. FUNDING PRIORITY Freedom of Expression

## 2. STRATEGIES

Advancing Media Rights and Access

Advancing Public Service Media

Exploring Issues of Justice Through Media

JustFilms

Religion in the Public Sphere

Supporting Diverse Art Spaces

## Supporting Diverse Art Spaces

### Description

- a. The Ford Foundation's goal is to promote a new generation of 21st century art spaces and arts leadership that reflects the cultural richness of diverse communities. The Ford Foundation believes that arts and culture play a vital role in helping to create just and vibrant communities – *"They inspire innovation and imagination, encourage civic dialogue and reflect the rich diversity of our nation's changing demographics.... Many communities particularly in times of economic downturn, lack affordable facilities where arts and arts organisations can incubate and produce creative works and engage more widely with the public."*<sup>47</sup>
- b. The grants streams identify projects which support the creation of a new generation of arts leadership and facilities that are 'grounded' in the communities in which they reside and that are models of artistic innovation, cultural and community collaboration and social partnership
- c. Specific grants focus on emerging, newly opened and established institutions:
- » Undergoing a space transformation  
*"These are recognised as powerful forces within their communities, these unique and vitally needed facilities are being developed to match the dignity of their creative work"*<sup>48</sup>
  - » In conjunction with resources to support the intellectual, physical, technical and financial aspects of these organisations  
*"To support arts leaders who nurture creativity, share knowledge and build capacity in the arts community"*<sup>49</sup>

<sup>47</sup> Ford Foundation website. Accessed October 2012  
<http://www.fordfoundation.org/issues/freedom-of-expression/supporting-diverse-arts-spaces>

<sup>48</sup> Ford Foundation website. Accessed October 2012  
<http://www.fordfoundation.org/issues/freedom-of-expression/supporting-diverse-arts-spaces>

<sup>49</sup> Ford Foundation website. Accessed October 2012  
<http://www.fordfoundation.org/issues/freedom-of-expression/supporting-diverse-arts-spaces>

## Strategies

Network building and convening

Capacity Building and Technical Assistance

Programme Learning

Programme Demonstration and Scaling

## Granting Programme Snapshot

### Network Building and Convening

- » DIVERSE ARTS INITIATIVE
- » FIRST PEOPLE FUND - \$400,000 grant to enable native artists to work outside of native arts venues and collaborate with participants in support of diverse art spaces
- » ALTERNATE ROOTS INC - \$300,00 grant to extend the benefits of its exchange and professional development programmes to organisations supporting diverse arts spaces
- » NATIONAL PERFORMANCE NETWORK - \$400,000 grant to extend the benefits of commissioning, creation, residency and professional development programmes to organisations participating in the Supporting Diverse Arts Initiative

### Capacity Building and Technical Assistance

- » GRANTMAKERS IN THE ARTS - \$150,000 grant for an information, communication and convening project to increase awareness of diversity and encourage funding of populations traditionally underserved by the arts community
- » ASIAN ARTS INITIATIVE - \$500,000 grant to renovate its new Multi-Tenant Arts Facility while continuing to engage artists and the community in creating art that explores the diverse experiences of Asian Americans

## Granting Programme Snapshot

### Programme Learning

- » LEVERAGING INVESTMENTS IN CREATIVITY - \$2.2m grant to the Space for Change programme to develop artist space and the conditions that enable culture to flourish in communities through grants, technical assistance, meeting and field learning opportunities

### Programme Demonstrating and Scaling

- » SIGNATURE THEATRE COMPANY - \$1m grant for core support for the Signature Ticket initiative to make the theatre affordable and accessible by offering \$25 tickets for all seats during every production's initial run over the next decade
- » ALASKA NATIVE HERITAGE CENTRE - \$200,000 to develop a viable business plan for sustaining the core elements of its mission and facilities and strengthening its artistic and cultural programming

**APPENDIX 3  
CASE STUDY 2  
– THEORY OF CHANGE/  
STRATEGIC ACTION PLAN  
DORIS DUKE CHARITABLE  
FOUNDATION  
- USA**

# DORIS DUKE CHARITABLE FOUNDATION – USA

## Theory of Change

### Assumptions and Target Group

Performing artists typically need strong organisations to help fulfill their vision. To complement the Foundation's support for artistic creation and distribution, the Arts Programme works to build strong organisations that will serve performing artists.

Research and extensive consultation undertaken by the DDCF in 2006-07, found that rapidly changing technology, demographic shifts and an impending generational transfer of leadership makes the future of arts organisations uncertain.

*"Organisations are witnessing the aggregate erosion of audiences, negative trends in funding, and new patterns of consumer behaviour, all of which are undermining the financial health of many organisations.*

*Forward-thinking arts leaders recognise that business-as-usual will no longer be enough to assure organisational health and success in the marketplace. Organisational innovation is an increasingly needed response to the challenges posed by the external environment, yet the challenges of day-to-day survival and limited resources often impede innovative thinking at organisations.*

*The capacity of non-profit arts organisations not just to conceive, but to research, gestate and implement innovative approaches to their work – in programming, technology, audience engagement, community partnerships or organisational restructuring – requires technical assistance and seed grants to test and implement potential innovations.<sup>50]</sup>*

### 1. FUNDING PRIORITY

The mission of the Doris Duke Charitable Foundation (DDCF) is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and the prevention of child abuse, and through preservation of the cultural and environmental legacy of Doris Duke's properties.

### 2. ARTS

#### Mission

The mission of the Arts Programme is to support artists in the creation and public performance of their work.

As a reflection of Doris Duke's life, the foundation focuses its support on:

- » Contemporary dance
- » Jazz
- » Theatre artists
- » And the organisations that nurture, present and produce them

### 3. INITIATIVES AND STRATEGY

The Arts Programme's current five-year strategy was adopted in 2007 and has four complementary components:

#### Artistic Creation and Distribution

- » national competitive initiatives, Foundation supports commissioning, production and presentation of new work in each field of interest
- » programmes offer additional benefits to supported artists, including professional development, networking opportunities and participation in conferences and other meetings

#### Organisational Transformation

- » to complement support for artistic creation and distribution, the Arts programme works to build strong organisations to serve performing artists
- » Foundation offers grants to support bold, innovative approaches to addressing current issues affecting the performing arts

#### National Sector Building

- » Recognizing DDCF's role as a national foundation, the Arts programme support activities that will build strong national performing arts fields
- » the ARTs Programme directly supports national organisations critical to the health of contemporary dance, jazz, presenting and theatre, as well as national projects that have the potential to improve the health of a given field

#### Doris Duke Performing Artists Initiative

- » special initiative to support artists in the field of jazz, theatre and contemporary dance

### Case Study:

#### Organisational Transformation

##### a. Goal

To help performing arts organisations institutionalise exploration, experimentation and/or innovation in addressing future challenges.

##### b. Strategies

Organisational transformation initiatives offer grants to support planning, technical assistance and the implementation of bold, innovative approaches to address challenges facing the performing arts: the impact of technology, the loss of audiences and/or changes in leadership.

There are four initiatives in this category:

#### Dance/USA Engaging Dance Audiences Programme

Provides grants for projects exploring bold and innovative audience engagement practices for dance

#### EmcArts' Innovation Lab for Performing Arts

Provides technical assistance and grants to help producing, presenting and service organisations in theatre, dance and jazz design and prototype innovations

#### Mid Atlantic Arts Foundation Jazz NEXT Programme

Provides multi-year support for the planning and/or implementation of innovative projects exploring the use of technology in the jazz field

#### Nonprofit Finance Fund's Leading for the Future: Innovative Support for Artistic Excellence

Provides technical assistance and transformational capital over five years for 10 leading organisations in the contemporary dance, jazz, presenting and theatre fields.

Strategies (elaboration) continued on next page

<sup>50</sup> Doris Duke Charitable Foundation website. Accessed October 2012 <http://www.ddcf.org/Programs/Arts/Initiatives--Strategies/Organizational-Transformation/>

# DORIS DUKE CHARITABLE FOUNDATION – STRATEGIES (ELABORATION)

## Dance/USA Engaging Dance Audiences Programme

### 1. Background & Rationale

- a. With support from DDCF, Dance/USA convened three focus groups in 2006 to discuss the state of the dance field
- b. The groups identified declining audiences as one of the field's most pressing concerns
- c. Participants noted that old marketing models were increasingly ineffective, however, more effective means of growing audiences had yet to emerge

### 2. Strategy

- a. Launched in 2008 with a DDCF grant of \$1.5 million, the Dance/USA Engaging Dance Audiences programme aims to encourage a transformation in the way dance organisations build and retain audiences
- b. This Programme enables the dance field to explore new methods of engaging audiences through
  - » A re-granting initiative that will fund approximately 10 projects that explore engagement practices
  - » Research, data gathering and analysis related to audiences that will be shared with the field

### 3. Grant Details

- a. Dance/USA published funding guidelines in 2009
- b. Grant amounts range from \$25,000 to \$150,000
- c. The organisation sought applications to expand audience engagement beyond traditional notions of observation and performance attendance to create opportunities for audiences to interact more substantially with dance
- d. Consortia application encouraged to broaden the potential for impact
- e. Programme has a two-stage application process
  - i. A 'Call for Ideas' – submit a description of the project and a short survey to capture current knowledge. Panel reviews ideas and invites full proposals
  - ii. Panel reviewed final proposals and selected 10 grantees to receive funding for implementation and accompanying research over two years

## EmcArts' Innovation Lab for Performing Arts

### 1. Background & Rationale

- a. In June 2008, DDCF awarded EmcArts a planning grant to develop an initiative designed to encourage innovation in performing arts organisations
- b. This grant built on the lessons learned from the Andrew W Mellon Foundation's pilot 'New Strategies Lab for orchestras' and enabled EmcArts to undertake discussions with practitioners and senior staff of national service organisations about how this lab could be tailored to the specific needs of jazz, dance, theatre and presenting organisations

### 2. Strategy

- a. Launched in 2008 and supported by grants totaling \$3.2 million, the EmcArts Innovation Lab for the Performing Arts aims to help producing, presenting and service organisations in theatre, dance and jazz design to prototype innovative strategies that address major opportunities and challenges facing the arts and culture sector

### 3. Grant Details

- a. EmcArts Innovation Lab for Performing Arts provides technical assistance and grants to six cohorts of up to four organisation search
- b. Each cohort participates in an Innovation Lab delivered in three phases over 12 months
  - i. Phase 1 – EmcArts works with participating organisations to identify a cross-constituent Innovation Team which will plan, experiment and implement their innovation throughout a year
  - ii. Phase 2 – The Innovation Team participates in a five-day intensive retreat designed to accelerate their projects and provide networking opportunities with other organisations in the cohort working on their innovative projects
  - iii. Phase 3 – EmcArts provides participating organisations with ongoing facilitation support throughout the programme and seed grant money to prototype and evaluate their innovation strategy before the final roll-out

## Nonprofit Finance Fund's Leading for the Future: Innovative Support for Artistic Excellence

### 1. Background & Rationale

- a. In 2007 DDCF, awarded the Nonprofit Finance Fund (NFF) a \$50,000 planning grant to develop an initiative designed to facilitate the innovation and transformation necessary for performing arts organisations to adapt to larger changes in their external environments, most notably, shifting demographics and the impact of technology
- b. In partnership with AEA Consulting, NFF interviewed more than 20 different arts grant makers, assessing their interest in organisational transformation, their current funding practice in this area, their interest in future funding partnerships and their insights into best practice and lessons learned from past initiatives
- c. In 2007, the NFF conducted a national survey of arts professionals to identify important artistic leaders in their fields. Following an initial panel review of the nominations, NFF invited 106 organisations to submit preliminary proposals outlining their challenges, potential strategies and capacity for change. Of these, a peer panel invited 21 full proposals
- d. A final panel selected 10 projects for support

### 2. Strategy

- a. Managed by the NFF, the Leading for the Future: Innovative Support for Artistic Excellence provides technical assistance and transformational capital over 5 year for 10 leading performing arts organisations in the contemporary dance, jazz, presenting and theatre fields
- b. Launched in 2007, with a DDCF grant of \$15.125 million, the initiative aims to help leading performing arts organisations move toward new operating structures and practices that serve artists more effectively, elevate artistic achievement, bolster organisational capacity to respond to shifting external realities and provide instructive models to the larger performing arts field

### 3. Grant Details

- a. In October 2008, announced the 10 organisations selected. Each organisation received an initial investment of \$1 million over five years for their proposed projects
- b. Grant funds have been used for the creation of new programmatic initiatives, purchase of technology and software, expansion of existing staff, artist fees to support increased artist-audience interaction, creation of cash reserves to support relevant activities beyond the grant period, ongoing research and professional development
- c. Interestingly, grants cannot be used for 'brick and mortar or facility-related capital expenses, endowments, or ongoing support for existing programmes

**“Ultimately, the Innovation Lab gives art organisations the time and space they need to plan, engage and learn how to innovate effectively, supported by EmcArts facilitation, technical expertise and financial support.”<sup>51</sup>**

<sup>51</sup> Doris Duke Charitable Foundation website. Accessed October 2012 <http://www.ddcf.org//Arts/Initiatives--Strategies/Organizational-Transformation/EMcArts-Innovation-Lab-for-the-Performing-Arts/>

**APPENDIX 4  
CASE STUDY 3  
– CATALYTIC  
PHILANTHROPY  
SURDNA FOUNDATION  
- USA**

# SURDNA FOUNDATION - USA

## 1. FUNDING PRIORITIES

Seek to foster sustainable communities in the United States - communities guided by principles of social justice and distinguished by:

healthy environments

strong local economies

thriving cultures

## 2. STRATEGIES

### Thriving Cultures

Culture plays a critical role in community. Many of the indexes that define what needs to be in place to achieve to sustainability feature cultural factors. However, the sustainability community tends to treat culture and arts as a 'nice to have' rather than a necessity.

1. Teens' artistic achievement

2. Community driven design

3. Artists engaging in social change

4. Artists and Economic Development

*"Culture helps people connect over time, inviting them to build and sustain vibrant communities they call home. Thriving cultures honour and celebrate the artistic impulses as part of community behaviour and as a way to strengthen community, identity and cohesion."*

*The Surdna Foundation believes that cultural organisations, programmes and projects often provide the opportunity for exploration of values and act as catalysts for the building of just sustainable communities.*

*At best they contribute to fair access to social goods such as rights, opportunities and dignity."<sup>52</sup>*

<sup>52</sup> Surdna Foundation website. Accessed October 2012. <http://www.surdna.org/what-we-fund/thriving-cultures.html>

## 1. Teens' Artistic Achievement

» Focused on providing opportunities for artistic advancement of teens. Aim to stimulate fresh thinking and new approaches to address the isolation and lack of opportunities for the artistic advancement for young people from disadvantaged communities. In the long term expect teens from many cultures to contribute to the artistic fabric of the United State and to contribute to the evolution of new arts forms

## 2. Community Driven Design

» Community-driven design is a catalyst for positive change and plays an important role in fostering just and sustainable communities. The Surdna Foundation assists community and cultural leaders, architects, designers, engineers and others to increase their collaborative capacity to design places

*"Disadvantaged cultural groups often have little say, and fewer resources, towards the creation of public spaces that recognise their values, preferences and needs."<sup>53</sup>*

*Judilee Reed, Programme Director, Thriving Cultures*

<sup>53</sup> Surdna Foundation website. Accessed October 2012. <http://www.surdna.org/what-we-fund/thriving-cultures.html>

## 3. Artists Engaging in Social Change

**Aims to strengthen the capacity of artists and cultural organisations to effectively engage in social change and to support and heighten awareness of the diverse roles artists can play in social change efforts**

*"Artists, arts and other cultural organisations play a critical role in fostering just and sustainable communities, they raise awareness and deepen understanding of seemingly intractable social problems, they help those whose stories are not often heard to gain a public voice, and they help to develop innovative solutions and inspire community members to action"<sup>54</sup>*

### Granting Programme Snapshot

In 2011 the Surdna Foundation supported several projects that bridged the work of artists with advocacy groups:

- » Rural Tennessee – artists are in residence at three community organisations and work hand in hand with organisers on issues that vary from mountaintop removal in Appalachia, to providing school access, to the quality of jobs in the farm worker sector
- » In New Orleans Upper 9th Ward – residents without design resources are partnering with city architects to design and plan a community centre and multifunctional outdoor space so neighbourhood children can read, celebrate cultural traditions and stay active

<sup>54</sup> Judilee Reed, Program Director, Thriving Cultures, Surdna 2011 Annual Report

## 4. Artists and Economic Development

» Arts and culture, can support economic development and promote change in communities by creating jobs through artist owned business ventures like multimedia production firms, sculpture and functional art design studios and artisan-based light manufacturing. Converting buildings into artist workshops can significantly support the revitalization of neighbourhoods.

**APPENDIX 5  
CASE STUDY 4  
– CATALYTIC  
PHILANTHROPY  
PAUL HAMLYN  
FOUNDATION - UK**

# PAUL HAMLYN FOUNDATION - UK

## 1. FUNDING PRIORITY

Mission to help people to realise their potential and enjoy a better quality of life, now and in the future. Achieve this by supporting initiatives in:

- » The Arts
- » Education & Learning
- » Social Justice
- » India

## 2. THE ARTS

Foundation supports the development and dissemination of new ideas to increase people's experience, enjoyment and involvement in the arts in the UK.

The Foundation has two granting streams:

open grants programme

special initiative funding stream

## 3. SPECIAL INITIATIVE –THE BREAKTHROUGH FUND

The Breakthrough Fund aims to unlock significant development and outcomes in the arts by responding to the compelling visions of outstanding individuals working in a wide variety of art forms and contexts, and offering transformational and timely support to them and their organisations

## Aims

- » Identify outstanding cultural entrepreneurs working in a variety of context, who have a compelling vision and are at a breakthrough point in their career
- » To offer an early commitment of significant, responsive, flexible and timely support to achieve transformational impacts for them and their organisations, and to help them realize the visions proposed
- » Through the grants, to unlock significant outcomes and developments in the arts that would not otherwise have been achieved
- » Through an evaluation of the impacts and outcomes of the grants and the Fund's distinctive way of working, to offer learning about the benefits and risks of this grant giving approach

## Process

- » Range of nominators asked to help spot talent and share their intelligence across regions and art forms
- » Assessment of projects not focused on the delivery off plans "but on the compelling nature of the artists vision, their own and their organisation's track record, their personal qualities, their readiness for and awareness of the likely challenges ahead, and the need for the particular characteristics of Breakthrough support

### Grants have supported:

- » Innovation within existing organisations
- » Significant step changes for existing smaller companies
- » The formation of new independent companies
- » Research and development for new products and ideas
- » Independent curation and project producing
- » Programme development and sectoral change

### Grants made support a wide range of projects including:

- » New or existing positions within the organisation including related overheads
- » Research and development
- » Projects and commissions
- » Aspects of organisational development

## Evaluation

- » Interim strategic assessment undertaken in 2011 which considered the positioning of the Breakthrough Fund within the UK arts funding ecology and assessed its ways of working, as well as the outcomes of each of the 15 grants

### The evaluation:

- » Made an initial assessment of the outcomes and impact of the Fund's grants, considered the strategic role of this kind of support and analysed the way the fund was set up and run
- » Drew on a thorough analysis of nomination, application and grantee data across three years, researched notable UK and international comparators, conducted phone and face-to-face interviews to establish perspectives on the programme and its place within the UK context and undertook an individual monitored and evaluated each grant
- » The evaluation process will also incorporate longitudinal reviews two years after the completion of each grant
- » During 2012/2013 the Foundation expects to start disseminating some of the learning's emerging from the work and on this basis, will be developing a view on whether to renew or re-imagine the Fund

Examples of Breakthrough Fund Recipients continued on next page

## PAUL HAMLYN FOUNDATION - UK

### Examples of Breakthrough Fund Recipients

*Simon Pearce, Founder & Director  
The Invisible Dot Ltd  
£220,000*

Simon Pearce has harnessed a number of artists to create a whole movement of new talent in Comedy by bringing to the genre a unique combination of theatre and art practices.

The Breakthrough Fund grant, over three days, is to enable the appointment of a General Manager for the Invisible Dot, to underpin Simon Pearce's own wages and some office start-up costs, and also support some research and project development activity.

*Gavin Wade  
Founder and Director  
Eastside Projects  
£360,000*

Gavin set up Eastside Projects in 2008 as an artist-run public gallery space in Birmingham. His aim was to establish a new model of artist-run space that supports high quality artists practice, impacts on the cultural life of the city and contributes to national and international critical cultural ideas and agendas.

The Breakthrough grant will underpin the organisational and management structures of Eastside Projects, enabling the recruitment of an Assistant Director and supporting other key salaries, such as the gallery coordinator and assistants – with a view to developing a sustainable business and fundraising plan by the end of the first year. In addition to this core support, a significant budget will be allocated to programming to help sustain and consolidate the organisation's growing reputation.

*Matt Peacock  
Founder and CEO  
Streetwise Opera  
£83,000*

Matt Peacock founded Streetwise Opera over 8 years ago. Streetwise Opera runs a weekly music programme in 11 homeless centres in the North East, Midlands and South of England, commissions and produces award-winning biennial opera productions, and has developed an international touring programme.

Over the next three or four years, the grant will help Matt to carve out time and space to think, experiment, incubate ideas and make mistakes-through a series of residencies with key individuals from the UK and abroad, spanning a variety of fields, art forms and backgrounds- to develop a new artistic strategy for the company

# APPENDIX 6 CASE STUDY 5 – CATALYTIC PHILANTHROPY DORIS DUKES CHARITABLE FOUNDATION - USA

# DORIS DUKES CHARITABLE FOUNDATION – USA

## 1. FUNDING PRIORITY

The mission of the Doris Duke Charitable Foundation (DDCF) is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and the prevention of child abuse, and through preservation of the cultural and environmental legacy of Doris Duke's properties.

## 2. ARTS

### Mission

The mission of the Arts Programme is to support artists with the creation and public performance of their work.

As a reflection of Doris Duke's life, the foundation focuses its support on:

- » Contemporary dance
- » Jazz
- » Theatre artists
- » And the organisations that nurture, present and produce them

## 3. INITIATIVE

### **Doris Duke Performing Artist Initiative**

The Doris Duke Performing Artists Initiative is a \$50 million special initiative- above and beyond ongoing commitments to jazz, theatre, contemporary dance and related disciplinary work.

This programme offers significant funding that is not tied to individual projects, but instead supports extended professional and artistic development, audience development and retirement planning.

These grants will support artists to take creative risks, explore new idea whilst at the same time supporting artists to build sustainable business and plan for their futures.

Over the next 10 years - beginning in 2012 – the three part Performing Artists initiative will support more than 200 artists as well as a range of dance companies, theatres and presenters.

In partnership with Creative Capital, the DDCF will award grants in two of the three sub-initiatives will be given directly to artists and are not project based. These artists have been given flexible and unrestricted multi-year support. The awards will also offer grantees additional support for audience development and arts education.

The third sub-initiative will support artistic residences designed to increase demand for jazz, theatre, contemporary dance and related interdisciplinary work.

## 4. STRATEGIES

### **Doris Duke Artist Awards**

- a. Sub-initiative of the Doris Duke Performing Artist Awards
- b. Investment in artists who have proven their artistic vitality and commitment to their field
- c. Artist recipients entitled to up to \$275,000 composed of two kinds of funds:

#### i. Unrestricted/flexible funds

- » Grant of \$225,000 over a three to five year period
- » Additional \$25,000 of unrestricted funds will be made available to artists who can demonstrate that they have started or increased resources (that is it must be matched) that will be available for retirement purposes and allow them to continue their creative exploration in their later years when other resources are likely to be unpredictable and difficult to obtain

#### ii. Restricted project funds

- » Up to \$25,000 will be available to the artist to specifically support work around audience connections or development

In addition, Doris Duke Artists have access to Creative Capital's goal assessment tool, financial and legal counselling; and conferences with peer to peer learning opportunities. A portion of their funding may also be used to cover the costs of professional development services, including workshops to help expand their skills and practices (from strategic planning to fundraising to promotion); phone in clinics that offer support for business areas of artistic practice, opportunities for crowd funding and fiscal sponsorship partners and insurance and health cover.

# DORIS DUKES CHARITABLE FOUNDATION – USA

## Doris Dukes Impact Awards

- a. Sub-initiative of the Doris Duke Performing Artist Awards
- b. These awards celebrate artists who have yet to achieve the same level of recognition as those recognised in the Doris Duke Artist Awards
- c. Are on the basis of the recognised paucity of programmes for particular kinds of artists who may not be the focus of national grant programmes but whose potential impact on their respective fields is significant
- d. Entitled to two kinds of funds: up to a potential investment of \$80,000
  - i. Unrestricted/flexible funds of:
    - » \$60,000 over a two to three year period
    - » An additional \$10,000 of unrestricted funds which are made available to artists who can demonstrate they have started or increased resources (that is it must be matched) that will be available for retirement purposes that will allow them to continue their creative exploration in their later years when other resources are likely to be unpredictable and difficult to obtain
  - ii. Restricted project funds of up to \$10,000 to support work around audience connections and development

In addition, Doris Duke Artists have access to Creative Capital's goal assessment tool, financial and legal counseling; and conferences with peer to peer learning opportunities. A portion of their funding may also be used to cover costs of professional development services, including workshops to help expand their skills and practices (from strategic planning to fundraising to promotion); phone in clinics that offer support for business areas of artistic practice, opportunities for crowd funding and fiscal sponsorship partners and insurance and health cover.

*'For Doris Dukes, these two award programmes represent a new step in our support for artists, moving us beyond project support to deeper, longer-term investment. We hope that the visibility accorded these artists through the selection will be a celebration of their work, that the flexibility of the payout structure and the use of funds will empower artists and promote a longer sense of planning and reflection.....'*

*Letter from the DDCF Programme Director for the Arts, Ben Cameron<sup>55</sup>*

*"As you know, we're asking the artists to be thoughtful, not only about where they are now, but where they would like to be in five years – personally, financially, artistically etc. This programme will be a success for us if the artists have been able to move towards that future vision and realise the individual goals they have set for themselves – and if other funders begin to make longer term investments in artists, make funding processes less onerous, and fund retirement and/or other life needs in addition to project funds."<sup>56</sup>*

*Creative Capital Blog – Partnering with Doris Duke Charitable Foundation to Bring a New Programme to Life (<http://blog.creative-capital.org/2012/04>)*

<sup>55</sup> Doris Dukes Charitable Foundation website. Accessed October 2012 Letter from Program Director for the Arts, Ben Cameron. <http://www.ddcf.org/Programs/Arts/Initiatives--Strategies/Doris-Duke-Performing-Artist>

<sup>56</sup> Doris Dukes Charitable Foundation website. Accessed October 2012 Letter from Program Director for the Arts, Ben Cameron. <http://www.ddcf.org/Programs/Arts/Initiatives--Strategies/Doris-Duke-Performing-Artist>

## Doris Duke Artist Residencies

- a. DDCF holds the view that how to reach audiences and communities is the critical challenge for the performing arts today
- b. In addition, DDCF research indicated :  
*"A fraying of relationships, a sense of palpable frustration on both sides of the proverbial table. Indeed, many of these conversations seemed locked in a adversarial dynamic, even while both sides acknowledged the huge challenges involved in engaging audiences and communities around new and unknown work, especially work that might challenge traditional forms."<sup>57</sup>*
- c. In addition to supporting artists, the DDCF recognises that these artists need healthy, sustained relationships with organisations to nurture, present and produce their work
- d. Organisations in dance, jazz, theatre and presenting will be supported to create residencies for artists, not only within their fields but for artists outside their disciplines. This flexibility will encourage cross-disciplinary learning

<sup>57</sup> Doris Dukes Charitable Foundation website. Accessed October 2012 Letter from Program Director for the Arts, Ben Cameron. <http://www.ddcf.org/Programs/Arts/Initiatives--Strategies/Doris-Duke-Performing-Artist>

- e. The programme is open to applications, filed jointly by artists and organisations which have at least some history of working together. Grants of \$75,000 to \$100,000 will be made to support four months of residency over 2-3 years, with 50% of funds going directly to the artist and 50% to the organisation to support residency costs and the launch of pilot efforts  
*"These residencies are about supporting a partnership between an artist who wishes to explore and reimagine institutional life and behaviour, and an organisation willing to open itself to exploration. It is also about reimagining how an organisation and an artist connect to their community and supporting a pilot effort to behave in new ways. And they are about the creative engagement of audiences in way which give the organisation and artist an equal stake."<sup>58</sup>*

<sup>58</sup> Doris Dukes Charitable Foundation website. Accessed October 2012 Letter from Program Director for the Arts, Ben Cameron. <http://www.ddcf.org/Programs/Arts/Initiatives--Strategies/Doris-Duke-Performing-Artist>

**APPENDIX 7  
CASE STUDY 6 –  
COLLECTIVE IMPACT  
FORD FOUNDATION  
- USA**

# FORD FOUNDATION - USA

## 1. FUNDING PRIORITY

Freedom of Expression

## 2. STRATEGY

Supporting Diverse Art Spaces

### Goal

To position arts institutions and artists at the centre of efforts to spark economic development and use them as a critical tool for job growth and community revitalisation.

### Issue

The Ford Foundation focused on the catalyzing nature of arts and cultural institutions to support community development with a view to art being more than a destination or show piece. It becomes a tool for social change.

*“One of the things we’ve learned through the years of working with the arts community is the catalyzing nature of arts and cultural institutions. I’m always amazed when I see politicians work tirelessly for a small manufacturing plant to come to their cities or states. At the same time, they are blasé about securing the often small investment in arts spaces that not only create jobs and promote economic activity, but become a permanent part of the landscape – transforming communities culturally and socially”<sup>59</sup>*

*Ford Foundation President, Luis Ubinas, in an address to the Americans for the Arts Convention in June 2012*

<sup>59</sup> Luis Ubinas, Ford Foundation President, in an address to the Americans for the Arts Convention. June 2012 <http://www.fordfoundation.org/issues/freedom-of-expression/supporting-diverse-arts-spaces>

## Project

### ArtPlace

\$2M/year grant for three year pilot

A focus on economic connection led to a new partnership between federal agencies, financial institutions and philanthropic supporters seeking to build and sustain urban areas through the arts. This is focused on a combination of work in rural and regional development with support for creative, entrepreneurial art spaces. The model being developed focuses on supporting cities and towns by integrating artists and art organisations into local efforts in transportation, housing, community development and job creation.

## Granting Programme Snapshot

### Detroit

- » city which has considerable economic hardship
- » ArtPlace grant to support the Museum of Contemporary Art Detroit
- » Museum is a linch pin of the developing Sugar Hills District, the Sugar Hill Music Venue, a flexible performance space and the Fab Lab, a planned space and art studio for Midtown Detroit

### San Jose

- » ArtPlace grant to support SoFa Gore Park
- » will create a new urban plaza and outdoor space that connects the city’s most significant art institutions
- » part of a project to transform the SoFa district and leverage more than \$60M in redevelopment funds from the city

*“What makes ArtPlace successful – and what I believe will sustain it – is the fact that it brings together a wide cross-section of actors: from a host of philanthropic foundations and a practical alphabet of public agencies as well as major financial institutions, such as Bank of America, Chase, Citibank and Morgan Stanley. ArtPlace creates a partnership model that has the potential to transform communities, make Neighbourhoods more attractive, address urban challenges and perhaps, above all, connect people.”<sup>60</sup>*

*Ford Foundation President, Luis Ubinas, in an address to the Americans for the Arts Convention in June 2012*

<sup>60</sup> Luis Ubinas, Ford Foundation President, in an address to the Americans for the Arts Convention. June 2012 <http://www.fordfoundation.org/issues/freedom-of-expression/supporting-diverse-arts-spaces>

**APPENDIX 8  
CASE STUDY 7 –  
COLLECTIVE IMPACT  
PAUL HAMLYN  
FOUNDATION  
- UK**

# PAUL HAMLYN FOUNDATION - UK

## 1. FUNDING PRIORITY

Mission to help people to realise their potential and enjoy a better quality of life, now and in the future. Achieve this by supporting initiatives in:

- » The Arts
- » Education & Learning
- » Social Justice
- » India

## 2. THE ARTS

The Foundation supports the development and dissemination of new ideas to increase people's experience, enjoyment and involvement in the arts in the UK.

The Foundation has two granting streams:

open grants programme

special initiative funding stream

## 3. SPECIAL INITIATIVE

### Developing Practice in Participatory Settings

To be effective in participatory settings such as prisons and schools, artists need training that will help develop not only their own practice but also the skills required to work in such settings.

Essentially, this workforce scheme seeks to meet the needs of artists at different stages in their careers. Participatory practice is as relevant to aspiring young artists embarking on their careers, as it is to experienced practitioners who wish to add another dimension to their arts practice.

Training opportunities to enhance these skills currently exist but they are not comprehensive.

*'Lack of coverage in certain art forms, geographical areas and settings is affecting the quality of the work being delivered.....ArtWorks therefore aims to achieve a significant shift in provision, infrastructure and opportunity that will directly affect quality.'*<sup>61</sup>

The overall aim of the initiative is to support the initial training and continuous professional development of artists working in participatory settings.

*'This will enhance the quality of people's engagement in art-led activity and the arts, and create a more professional and confident sector whose work is valued and seen as important.'*<sup>62</sup>

<sup>61</sup> Paul Hamlyn website. Accessed October 2011. <http://www.phf.org.uk/page.asp?id=746>

<sup>62</sup> Paul Hamlyn website. Accessed October 2011. <http://www.phf.org.uk/page.asp?id=746>

The key objectives of the project are:

- » To develop, pilot and embed training and continuous professional development methods for artists working in participatory settings at all stages in their careers
- » To develop a better understanding of what constitutes quality in participatory work through sharing best practice across art forms and demonstrating positive outcomes
- » To gather, document and disseminate compelling evidence of positive impact

The grant supports five consortia of artists, arts organisations, employers of artists and training providers to develop new approaches to training and continuous professional development in participatory arts.

Each 'pathfinder partnership' addresses specific issues to develop a better understanding of what constitutes quality in participatory work and what artists need in order to deliver this level of work.

### Determining the Focus Area

This programme was a Paul Hamlyn Foundation initiative in response to a Trust recognised need in the arts community.

This programme had its genesis in an extensive period of research undertaken by the Foundation which began in 2008 and encompassed a number of strands. The Foundation undertook a broad range of consultations to more fully understand the context of the issue and developed networks and relationships to broker partnerships in the participatory setting space.

The outcomes of this process were presented to the Paul Hamlyn Foundation Board who determined their support for the project in 2012.

## Ongoing Foundation Support

The Paul Hamlyn Foundation supports this initiative in a number of ways including:

- a. Appointing a Project Director who works closely with and supports the Pathfinder partnerships
- b. Appointing an evaluation team to develop a framework for dissemination of the learnings
- c. During 2011/2012, the partnerships carried out programmes of research and consultation and began to deliver action-research based activities. Cross pathfinder learning is seen as a critical element of the work
- d. In October 2011, the Paul Hamlyn Foundation held a conference – 'Leading through Practice'. This was attended by 80 people and focused on how artists lead in participatory settings

- e. The process is supported by a Research and Resource Function
  - » The Foundation commissioned research on further and higher education provision that will audit the initial training available to support this work
  - » Over the last two years, the Mission Models Money project has been supporting six groups of arts and cultural organisations in Scotland and the North East of England who have been piloting new ways of collaborating. The learning from these pilots has been turned into a suite of materials. The first publication is 'Fuelling the Necessary Revolution'. It has been written especially for public and private funders to encourage and support greater collaboration in the sector

- f. The project has launched an online resource that is being populated as the initiative develops

... Continued on next page

# PAUL HAMLYN FOUNDATION - UK PROFILES

## Funding

This is a Paul Hamlyn Special Initiative with funding and support from the Arts and Humanities Research Council, Creativity Culture & Education (supported by Arts Council England) and the Cultural Leadership Programme

## Funded Projects

The five funded consortia are:

ArtWorks Scotland

ArtWorks Cymru

ArtWorks London

ArtWorks North East

ArtsWorks Navigator

ArtsWorks Navigator  
continued on next page

## ArtWorks Scotland

*"The ArtWorks Scotland programme is a significant step in our ambition for Scotland to be recognised as a leading creative nation. By building communities of practice and professionalism, artists will benefit from clearer pathways to development. Working with the Paul Hamlyn Foundation and other Artworks projects across the UK will add value to our project and enable us to share learning. We are committed to working with a broad range of partners across the creative and education sectors to ensure that creativity plays a central part in the lives, education and well-being of our population."<sup>63</sup>*

Chrissie Ruckley,  
Development Officer at Creative Scotland  
Funding: £300,000

## Who

A range of partners have been involved in developing this initiative, including Creative Scotland, the Royal Scottish Academy of Music and Drama, the National Theatre of Scotland, The Scottish Book Trust and Glasgow School of Art.

<sup>63</sup> Paul Hamlyn Foundation website. Accessed October 2012. <http://www.phf.org.uk/page.asp?id=1405>

## What

This is a national strategic approach to creating relevant and high-quality skills development opportunities for artists working in participatory settings across all art forms. Over three years, ArtWorks Scotland aims to establish online information, identify gaps in course provision and run a series of master classes and networking events for artists at all levels of their careers. The programme of activity will increase knowledge exchange and 'connectivity', generate a 'community of practice', and build a common understanding of quality of practice in participatory settings.

The proposed programme includes:

- » Information portals
- » Peer-to-peer learning networks
- » Research
- » Development of undergraduate provision
- » Course development
- » A programme of events, including annual networking events, art form specific master classes and knowledge exchange in various locations across Scotland

## How

The project is planned in two phases:

- » 2011: Start up, research and establishment of networks
- » 2012-2014: implementation of programme

# PAUL HAMLYN FOUNDATION - UK PROFILES

## ArtWorks Navigator

*"We will use our national networks to help navigate more people to inspiring examples of practice and research, which will include the work of our fellow PHF pathfinders as well as the findings that arise from our own public research and professional development programmes.*

*The significance of this project is the space it gives us to clarify the new and shifting landscapes of our workforce and professional development for participatory arts practice. The Navigator Pathfinder aims to be an effective advocate that works across artforms in support of professional development for participatory artists across the UK."*<sup>64</sup>

Lisa Craddock,  
Programme Manager,  
Professional Development at Community Dance  
Funding: £181,500

## Who

Amongst others, The Artists Information Company and Artquest will work with Engage, the Foundation for Community Dance, the National Association of Writers in Education and Sound Sense. As national strategic organisations, these reach 24,600 music, dance, writing and visual artists working in participatory settings.

## What

A strategic alliance to network knowledge of national occupational standards, codes of conduct, research, professional development and routes to professional practice across art forms. Working with artist employers, government and training providers across the UK, the programme will add value to what the partners already achieve in delivering support for artists. It aims to support a more collective voice for participatory artists across artforms.

## How

The programme has three phases:

- » 2011: Mapping research on already existing standards, codes of conduct, and quality assurance frameworks across artforms. Consultation to develop relevant research and output for phases 2 and 3 to support artists working in participatory settings where they need it most
- » 2012: Comparisons and methodologies and pedagogies in different settings and UK wide research on what is needed to improve progression routes of artists
- » 2013-2014: Conference and sharing of research findings and putting in place systems for shared resources across partner organisations. Creating a continued legacy of a shared professional framework for participatory artists.

## Liz Gillies

Liz Gillies has more than 20 year's experience in a range of fields that complement working for social impact. She had held positions at multinational corporation Hoechst Australia, the Victorian Farmers Federation, Deakin University, the Parliament of Victoria and the Helen Macpherson Smith Trust. Liz joined the Melbourne Business School (MBS) in March 2009. She was instrumental in establishing the Asia Pacific Social Impact Leadership Centre and the Centre for Ethical Leadership at MBS. In November 2011, she was selected to be the inaugural Trust Company Fellow to lead a three-year research partnership between APSILC and The Trust Company focusing on strategic impact and theories of change in philanthropy.

## Joanna Minkiewicz

Joanna is a current doctoral student at Melbourne Business School, University of Melbourne. She received her Bachelor of Arts in Psychology and German and her Bachelor of Business in Marketing (Honours) from Monash University. Her areas of interest include co-creation, service-dominant logic, service and experience marketing. She has conducted research across many industries including retail and cultural and heritage sectors. Joanna's PhD research, conducted in the context of the Australian heritage sector, involves the construction, validation and testing of a measurement scale for the construct: co-creation of the consumption experience.

<sup>64</sup> Paul Hamlyn Foundation website. Accessed October 2012. <http://www.phf.org.uk/page.asp?id=1409>

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