



RETHINKING CULTURAL PHILANTHROPY IN MONTRÉAL RELATIONSHIPS AND COMMUNITY



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For the Conseil des Arts de Montréal

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MESSAGE FROM NATHALIE MAILLÉ

EXECUTIVE DIRECTOR
CONSEIL DES ARTS DE MONTRÉAL

For more than 10 years, the Conseil des arts de Montréal has been working to support the development of a culture of arts philanthropy. After devoting considerable effort to building bridges between the business and arts communities, we refocused our services and programs to more specifically address the needs of arts organizations and promote the professionalization of fundraising through cultural philanthropy. We developed various support initiatives and partnerships to help build knowledge and skills in fundraising and governance: talks and workshops on various aspects of philanthropy; a paid internship program in collaboration with the Caisse Desjardins de la culture, HEC Montréal and Université de Montréal, to train students in philanthropy in arts organizations; and various projects connecting arts organizations with experts. These are structural initiatives which, we hope, strengthen relational philanthropy.

What we lacked, however, was more detailed knowledge of the terrain. How is philanthropy developing within Montréal arts organizations? What are the obstacles? How can they be overcome? What approaches can we contemplate for the future and how can the CAM continue to be an ally with the arts community in pursuing them?

In 2018, we therefore commissioned Wendy Reid to conduct a study that might shed more light on how we can work together to foster a philanthropic culture by and for the arts. Over the past two years, she has done an enormous job that shines light on our future path. I thank her for her important work, which gives abundant expression to the voice of the arts community. I also thank all the members of the Advisory Committee for their valuable input throughout the process.

As we have all been affected by the COVID-19 pandemic, some additions were made to the report before publication to include stories that give us encouragement and hope, such as the generous audience members who converted their ticket purchases into gifts and became new donors to arts organizations. It is clear that cultural philanthropy plays a very important present and future role in the arts community.

We are confident this report will be a valuable tool for you, and we are committed to implementing its recommendations with you for the benefit of the whole Montréal arts community.

I hope you enjoy reading it and I look forward to discussing its ideas about rethinking cultural philanthropy in Montréal with you.

MESSAGE FROM WENDY REID

ASSOCIATE PROFESSOR, HEC MONTRÉAL
AUTHOR OF THE REPORT

Sharing this report with you gives me great pleasure. It is the result of two years of work involving many people and many sources of information. Émilie Chabot and Julien Valmary, my colleagues at the Conseil des arts de Montréal, have been patient and thoughtful collaborators. It has been a team effort: the research assistants at HEC Montréal and community members who offered up information, expertise and their experience. The list is long and mainly anonymous, but we hope that you hear your voice in the text that ensues. As well, this report benefits from my own practice and reflection in cultural philanthropy over a life-time of professional work with colleagues and students and research across two cultures – Canada and Québec. I appreciate the opportunity to harness this experience and to thread it among the voices from Montréal. The sense-making process has been richly stimulating for me.

Now that this report is in the hands of readers in the cultural community in Montréal and beyond, its meaning and practical use will evolve with time, experience and new perspectives. I am keen to see how insights will change and grow. I hope you find it useful.

While relationships and community framed our concept of philanthropy for this report, we had no structure or recommendations in mind when we started the research. The CAM launched the study by asking how philanthropic practice was developing in Montréal. In fact, philanthropic revenue generation in the cultural world in Québec appears to have developed uniquely in response to the historical and cultural influences that make Montréal a special city in North America.

The intended launch of this report was in mid-April coinciding with the arrival of COVID-19 in Québec. The mandated health restrictions had a devastating impact on artistic life in Montréal. Of course, this also influenced philanthropy practice which is normally embedded in the social life surrounding artistic events. But the milieu is creative by nature, and many resourceful solutions and interesting surprises transpired. By delaying its release we were able to reflect these experiences in the report to ensure its legitimacy and pertinence for everyone. Thanks to the CAM for patiently allowing more listening and confirmation of practice.

The report is constructed to provide access for different readers – those with little time will find the summary very useful. But for those who wish to delve into certain topics or obtain a complete immersion, this is a dynamic web document which allows customized exploration.

All the best as you digest this passionately inspired document. We hope donor communities will blossom, that a culture of philanthropy will take root and that innovation and artistic leadership will flourish. Montréal and its citizens will be richly invigorated.

SUMMARY

WHY SHOULD YOU READ THIS REPORT?

WHY UNDERTAKE THIS STUDY AND HOW IS IT DISTINCT FROM OTHERS?

Management of philanthropy and its organizational dynamics are the focus of this report.

The Conseil des arts de Montréal (CAM) mandated this study to understand the current reality of philanthropy in arts organizations in Montréal and to facilitate reflection, debate and learning about philanthropy within the artistic community in the city.

Previous reports have focused on economic, market and policy perspectives of culture and philanthropy in Montréal or Québec. In contrast, this study uses an organizational frame to describe how cultural philanthropy works in Montréal. It presents the voices and the practices of managers, board members and artists in the field.

However, like other reports, this study recommends philanthropy as a partner to public funding to support artistic expression and its organizational dynamism.

HOW IS PHILANTHROPY DEFINED IN THIS REPORT?

Philanthropy has typically been defined by consultants and managers in terms of ideal values and practices that have been standardized within professional accreditation programs. This study makes use of this idealized code inherent in much of North American philanthropy, in order to understand possibilities for philanthropy in Montréal. Of course, the mandated closures starting in March 2020 during the COVID-19 pandemic required a change in tactics at least for a period of time, but based on preliminary impressions, these principles of philanthropy remain.

Much of philanthropy practice in the arts in North America involves the development of a close-knit community of caring donors, mainly individuals, who are knowledgeable about and motivated by an organization's artistic mission. Ongoing conversations with donors are key to building a dynamic philanthropic community around an organization and in general. This approach promotes a humanistic and democratic engagement with art.

A young choreographer in Montréal has called this strategy "philanthropie du village". Relationships and community. This fits well in Québec's culture, where solidarity and community are highly valued. Giving is an act of engagement and citizenship.

A philanthropic culture involves everyone, including \$5 donations that can be as personally meaningful as larger gifts, emphasizing the importance of relationships over financial gain. These relationships provide a human-scale context that enable incremental donation requests.

This philanthropic culture contrasts with an event marketing perspective typically applied to the arts which implies a hybrid business model. A philanthropic relationship involves less tangible and more symbolic returns than a market relationship where tickets to performances and exhibitions and concrete products are involved. Philanthropic symbolic returns underpin the emotional appeal of philanthropy. Transitioning from a market to a philanthropic relationship is a necessary psychological step to develop a philanthropic community.

A culture of philanthropy also exists inside the organization. This means that everyone gives to their organization at some level and each becomes an ambassador for the organization's purpose. This shared responsibility for community connections becomes infectious and stimulates new ideas in the organization.

HOW DID WE DO THE RESEARCH? FROM WHERE DOES OUR DATA COME?

This report involves mainly qualitative data with some quantitative illustrations, and so is different from its predecessors which emphasized economic, demographic, survey and fiscal data. For this study, a small team of graduate students at HEC Montréal synthesized scientific and grey (consulting) literature as well as media coverage on arts philanthropy drawing out themes to structure the report. Further, they reviewed 75 teaching cases, about 15 masters' research projects as well as 20 on-the-ground internship reports relating to philanthropy. We supplemented these insights with 50 interviews in the sector distributed across organizational size and discipline. We focused on those who expressed interest in philanthropy through various programs at the CAM. We made further use of these sources to understand practices during COVID-19.

For the quantitative data, we focused on clients of the CAM: performing, producing and presenting arts organizations, festivals of all kinds as well as artist-run centres, some museums, some publishing firms and professional associations. We also linked grants from the CAM and the Ministry of Culture and Communications (MCC) to data from Canada Revenue Agency (CRA) to reveal trends across disciplines in the field.

WHAT IS NOT INCLUDED IN THIS REPORT?

This report touches only briefly on corporate sponsorship or foundation support, which contrasts with developing individual philanthropic relationships. Corporate and foundation requests are similar to government grantsmanship. Research confirms that gifts from individuals form the majority of giving in most philanthropy and particularly in the arts. The Bourgie Report reported that 80% of gifts to the arts in Québec comes from individuals. While corporate and foundation revenue may generate larger amounts for a defined period, individual giving creates long-term involvement with the meaning and relevance of art in the community.

Because we focused on clients for the CAM, there are numerous organizations in the cultural field that were not studied, including libraries, maisons de la culture and cultural centres, small museums and professional art training schools. Despite this, the CAMs clients are the majority who are able to undertake philanthropy in the arts in Montréal.

WHAT HAS BEEN CURRENT PRACTICE IN MONTRÉAL?

Benefit events, donor clubs (*cercles*), some crowd-funding and endowment campaigns have been the most common strategies for fundraising from individuals, but also corporations and foundations. Some annual campaigns focus on corporations and foundations and may occasionally include individuals. Tangible benefits are offered relative to the donation level and type of donor and a marketing culture dominates, providing social recognition as well as free tickets. A philanthropic culture in the arts community in Montréal is still in the making.

BENEFIT EVENTS

Many in Montréal assume that benefit events are traditionally core to fundraising. Celebrity and the presence of accomplished businesspeople are major attractions, so social prestige and networking are the key benefits of attendance. During COVID-19 closures, a number of these in-person events were transferred online.

Producing events is very demanding. When the post-mortem is completed, the net revenue is often less than sufficient, especially when overhead costs are considered. Some feel that holding an event is necessary for profile and legitimacy, regardless of the cost.

Networks of reciprocal relationships provided by board and committee members reinforce a search for donors who are obligated through business connections to attend events. This creates an ecosystem of support that is separate from the community affiliated with the specific mission of the organization and is lost when an individual leaves the organization. However, attendance at benefit events provides people with a generic feeling of being donors to the arts. While there are business donors who have an interest and knowledge of the artistic mission, the network approach involves a quid pro quo marketing

culture rather than a relational and philanthropic culture. However, some large institutions have a goal of furthering guests' connections to the mission by integrating staff and artists before, during and after the gala. The philanthropic evolution of galas post-COVID-19 could be strategic.

ANNUAL CAMPAIGNS

Annual campaigns take place for a defined period of time and target some individuals for small donations. Major proposals are developed for submission to corporations or selected foundations. Targeted projects are supported, reflecting specific interests of these funders. Long-term commitments are rare. There seems to be no strategic plan for philanthropy and individual giving.

During the early days of the COVID-19 closure period, individuals were approached to donate their tickets, with some successful results. As well, numerous annual campaigns evolved into philanthropic appeals focused on COVID-19 needs. The response was often warm and supportive with many long-term subscribers and members becoming new donors. The development of these relationships into ongoing philanthropy will be the opportunity for the future.

DONOR CLUBS

Subscription, membership or being a graduate of a professional art school are very important relationships to consider for developing individual philanthropy. The satisfaction of experiencing the art can motivate the transition to philanthropy for the organization. Few in Montréal take advantage of this possibility by asking for donations from these people.

Public recognition for donors is essential to encourage others to join. Several organizations do list names in programs and on walls as well as providing links to the art with benefits like privileged access to ticket sales, artists and curators.

Asking for a donation is essential to the process of evolving philanthropy. But a fear of asking predominates, particularly asking those who are close to the organization, including artists. This inhibits the development of relationships and a community. Not asking ruptures the philanthropic relationship.

But a philanthropic ask needs justification. What difference does a donor make by contributing? Some big and small organizations have started telling their case for support. This is an important part of asking, where the impact of the mission and gift is explained clearly.

CROWDFUNDING

Many organizations have tried crowdfunding with some success, but few with whom we spoke wish to repeat the experience. Fewer organizations launched campaigns in 2019 compared to three or four years ago. The majority of the campaigns in the arts in Montréal are undertaken by young companies and by individual artists through their engagement at Centre de Théâtre d'Aujourd'hui, Tangente and recently the Festival ZH and Diversité artistique Montréal (DAM). Crowdfunding seems to be most successful for artists with recording, publication and film-making projects.

The intensity of these campaigns and a sense of competition in the milieu often generates a feeling of overextension for those involved, but it may also move the focus of fundraising from the board to within the organization. As well, since crowdfunding tends to involve those close to the company or the artist, many artistic and cultural worker colleagues have been approached. While some express reticence, others from the milieu are starting to make donations as a result.

CAPITAL FUNDS

In Québec, recently adopted fiscal benefits and matching funding through *Mécénat Placements Culture* have heightened an awareness of major gifts in the arts. A donor-motivated program called *Mécénat Musica* has aligned these government programs with other matching resources to motivate major donors' investment in permanent endowment funds for certain arts organizations. As in the 2008 recession, these funds unfortunately lost value during the COVID-19 pandemic.

While large endowments can contribute to long-term revenue stability of major organizations, additional forms of capital funds that have variations in flexibility are highly recommended by researchers and consultants in the US and Canada. Working capital and building funds are also necessary due to the difficulty of predicting income and capital expenses that may appear without notice. These strategies of flexibility become even more pertinent to weather an operational hiatus such as the COVID-19 closures.

As well, the new tax benefit of a one-time large cultural donation needs to be considered through a relational strategy lens. This is a one-time tax designation and experience has proven that donors do not return at this level of giving. However, if a relationship has already been established with donors, this tax strategy may evolve that relationship and enhance giving. The enthusiasm for this program in the milieu has motivated new donors but the long-term impact on philanthropic relationships remains to be seen.

Boards are well advised to consider capital fund development policies that take advantage of the opportunities but at the same time consider the needs and philanthropic culture of the organization. A variety of capital funds with differences in flexibility may be appropriate.

CULTURAL COMMUNITIES AND GIVING TRADITIONS

Many cities in North America are cosmopolitan with multiple cultural communities. However, Montréal's cultural and linguistic history of English and French uniquely divides the community. Other cultural communities are positioned within that division. Working in philanthropy in Montréal requires sensitive solicitation and stewardship skills that avoid stereotyping.

BOARDS OF DIRECTORS

It is unfortunate that arts board members do not actively donate or participate in relational philanthropic fundraising. Some purchase event tickets and sell them to their business colleagues. Some feel that mixing philanthropy and governance roles is inappropriate and should not be a requirement for sitting on a board. But "demonstrating affluence generates influence" according to an American expert on boards and fundraising. Board members who ask others to join with them and their gift toward the mission can be a very effective solicitation technique. In North America, the board is at the centre of the philanthropic culture of an organization. Its members participate actively with donations and expertise, connecting their mandate on the board to the mission.

WHAT ARE THE BENEFITS OF ENGAGING IN PHILANTHROPIC WORK FOR AN ARTS ORGANIZATION? A SUMMARY

If the organization uses a proactive relational approach, the emotions and values of philanthropy will create a caring community of involved donors. A community of this nature generates excitement, energy and reduces isolation as seen during the COVID-19 crisis. This community provides a pool of potential board members and can solve organizational challenges through expertise and financial resources.

Philanthropy also can support the development of capital funds. If there are several types of funds established, they can stabilize an organization, manage risk and enable artistic growth.

Because philanthropy generates a variety of revenues throughout the year, it can help to balance the cash flow of an organization where grants are not always convenient for the cycle of annual expenses. Committed donors also directly support creative projects and growth, giving the organization more flexibility beyond the structure of government grants.

WHAT ARE THE NEXT STEPS FOR DEVELOPING PHILANTHROPY IN THE CULTURAL COMMUNITY IN MONTRÉAL?

Currently, both big and small organizations are at various stages of implementing the recommendations in this report. For organizations considering how to start or build a strategy, seeking out those who have already done so is worthwhile. Sharing experiences amongst peers is the most potent means of developing philanthropy in the milieu. The following recommendations are focused on the organizations of the milieu and are a synthesis of those in the report.

- Write a case for support that explains the role of the organization, its art-making and other social purposes to motivate donors who want to make a difference in society. What impact is provided by the organization? Key people in the organization can evolve this argument in response to donors over time. This tool becomes even more strategic in times like the closures in COVID-19 when potential donors are not able to experience the art directly.
- Start conversations directly with all kinds of individuals to evolve their commitment. Make use of relationships that already exist with the organization. Conversations can occur in person in the theatre, concert hall and exhibition spaces, in recognition events, through social media, other communications media and by mail. Explaining the need for a donation in these conversations is essential.

Short videos can demonstrate the impact of gifts. These messages enrich a donor's experience with the art and its impact in the community. They reinforce the intention that philanthropy is humanistic and democratic. Digital tools like these proved essential for donor connection during the COVID-19 crisis.

- Recognize donors and their gifts by placing names in programs, on websites and on walls. These lists clearly state who belongs to the donor community and what their relationship is with the organization. They invite others to join.
- Hold little recognition events for committed and potential donors, even online, and expend less organizational energy on gala events unless they can enable long term relationships with the

organization. Analyze both direct and overhead costs for benefit events to understand their real contribution to the organization's well-being. There may be other reasons than financial benefit, but the toll on staff needs consideration.

- Develop ticketing and donor-focused data that work together. Prioritize data analysis in order to document, understand and strategize how an individual's relationship develops with the organization. During COVID-19 donor databases were the primary means for understanding relationships. Some organizations significantly developed their databases at this time. Governance and privacy as well as accuracy are important factors to consider when managing data.
- Train board members to embrace philanthropic culture including commitment to donations of personal consequence. Personal gifts from board members demonstrate their real connection to the organization. This expands an understanding of their governance responsibilities.
- Explain and model a philanthropic culture: everyone in the organization donates and provides leadership in their part of the community. As well, elevate the role of those responsible for philanthropy in the strategic planning of the organization. COVID-19-related loss of earned revenue elevates this priority.
- Develop management skills to lead organizational change, to develop philanthropic relationships and to motivate communities of support. Each organization that embraces this change will contribute to the development of a culture of arts philanthropy in Montréal.
- Engage with volunteers to evolve their connection with the organization. Donating time is valuable and appreciated by everyone. However, donating money as well implicates volunteers into the organization's culture of philanthropy even further.
- Teach philanthropic values, process and skills to artists who might become philanthropic professionals in the arts milieu. Committed to the vitality of the sector and its conditions, their loyalty and insights will benefit its philanthropic development.

WHAT ACTION MIGHT EMERGE FOLLOWING THIS REPORT?

At the end of this report, there is a list of recommendations that describe more detailed action for arts organizations, the CAM and other government funding bodies. They address both the organizational environment and cultural policy for arts philanthropy in Montréal.

As well, there is a list of future research projects that may reveal other arts philanthropy dynamics, both in the short term and over time.

Finally, it is hoped that this report will provide a basis for discussion and learning within the field. It covers many issues and topics and may be a source of many debates, reflections and idea generation for future practice and growth in the community.

The next sections of this report: first we provide a structured point-form executive summary of the larger study. The full study follows, with annexes where definitions and further reading are available. Embedded in the report are short case studies that are elaborated in the annexes.

EXECUTIVE SUMMARY

HISTORY

What is the background of our current situation in arts philanthropy?

- Volunteers and donors always existed in the arts, but a planned strategic approach to philanthropy rarely existed in Montréal's arts community.
- Arts and business have a long relationship. The Chambre de commerce du Montréal métropolitain (CCMM) and young philanthropists clubs encourage businesspeople's implication in the arts.
- Recent Québec government policies have motivated growth in funds for projects or permanent endowments through matching and tax credits.
- But, ongoing communities of individual donors engaged with an artistic mission are not well evolved in Montréal's arts organizations.

STRATEGY

How is fundraising viewed in the Montréal arts community?

- Project work structures arts organizations and projects dominate arts fundraising, unintentionally reinforced by public incentive programs.
- Those who begin philanthropy often falsely dream of a single wealthy patron, who appears "deus ex machina" to save the organization.
- Fundraising events are an annual tradition led by businesspeople and board members linked by reciprocity. Visibility and PR are justifications, but with rare impact on mission-oriented philanthropic relationships.
- Those with continuous and year-round presence and direct audience relationships in Montréal can develop an engaged community of individual donors. This is often a different network than the business world who attend benefit events. A few organizations with only occasional presence are engaging their entourage to create donor communities.

CULTURE

How does organizational culture influence philanthropy in the arts?

- A philanthropic culture implies a full organizational commitment. Expertise, organizational and management skills and development time are needed. Some organizations are embracing the process to shape a caring relationally based community of loyal donors.
- By contrast, fundraising is often delegated to one (part-time) employee and possibly an unpaid intern to find corporate partners and organize an event with little additional organizational involvement.
- Boards: despite some individual dedication, potential is limited by constrained personal commitment and lack of philanthropy policies. Understanding business models is helpful. Ongoing renewal of board member mandates reduces an ability to evolve with the community.

PEOPLE

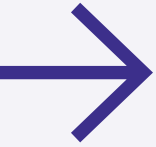
Who needs to be engaged in philanthropy development?

- Strong training, internship mentoring, peer learning and workshops are developing and result in arts professionals in philanthropy.
- Volunteer support varies by arts discipline. Fundraising volunteers care about the mission and may influence others' time and donations.

TOOLS

What support tools are needed for a relational philanthropy approach?

- Integrated databases are essential for strong client relationship development through data analysis. Software in French is essential.
- Collaboration from presenters is required to enable access to approved client information. Thoughtful anticipation could solve some issues.
- Charitable status enables access to government programs, fiscal incentives, major gifts and planned giving as well as foundation funds.



RECOMMENDATIONS

STRATEGY

How can philanthropy evolve long-term arts fundraising in Montréal?

- Actively evolving relationships with those close to the organization's art and mission can produce committed donors and board members.
- Use a pertinent case for support to solicit donations instead of benefits.
- Rely less on business network reciprocity and risky fundraising events.
- Integrate galas and events into relationship development work.
- Evolve a long-term relationship strategy with each major donor linked with endowment fund development projects.

CULTURE

How can we manage the change to a philanthropic culture in the arts?

- Strategically plan to develop a philanthropic culture.
- Evolve an organizational culture that proudly links philanthropy and artistic craft. Include board members, staff, artists and volunteers in that culture to engage in overall revenue development and donor relationships.
- Develop philanthropy, ethics and other governance policies to ensure appropriate major and planned giving strategies and capital funds.
- Develop a change approach that includes small steps and time.
- Crowdfund projects to generate organizational involvement and giving from cultural workers and artists.

PEOPLE

How can we engage everyone in mission and philanthropy?

- Train arts professionals as philanthropy professionals to ensure field loyalty and respectful integration of philanthropy inside arts organizations.
- Evolve a culture of philanthropy through peer learning. Internship, codevelopment and mentoring skills are pertinent.
- Train philanthropy professionals and senior managers about change.

TOOLS

What additional capabilities and tools are needed?

- Share information on database management that evolves philanthropy, not just ticket sales. Develop a culture of data analysis and digital literacy to evolve relationships.
- Invest in the creation of a French-language integrated database software via a community user-group.
- Negotiate accessibility to audience information with presenters and facilities using techniques that satisfy privacy regulations.
- Find legal coaching to support charitable status submission.
- Provide accessible training about matching and fiscal benefits programs.

1

INTRODUCTION

Philanthropy is a new topic of interest within the arts community in Montréal. Special events, fiscal benefits, crowdfunding and memberships are being used by many. Possibilities for new funding of projects and artistic ideas are very attractive. For new arts entrepreneurs, philanthropy offers hope since public funds are hard to access. For well established companies, philanthropic giving can support new artistic growth. Enthusiastic donors can share in opportunities to innovate art in new and different ways. Philanthropy is, in itself, very entrepreneurial as well as stabilizing.

Recently, the development of cultural philanthropy in Montréal has become a priority for the Conseil des arts de Montréal (CAM). For this reason, they commissioned this report. Their objective is to understand how philanthropy is evolving within the Montréal arts community. They see philanthropy as a connection between arts organizations and their community as well as revenue growth.

Like the CAM, we feel that philanthropy is more than a funding tool, since it also develops a community of interest and support around arts organizations. Ideally, philanthropy in the arts springs largely from individual citizens' close engagement with the artistic mission of an organization. It is a humanistic and engaged view of organizational development. In order to situate this ideal in relation to the current state of arts philanthropy, we take stock of certain practices in North America and compare them to recent trends in philanthropic practice in Montréal. This Montréal-based understanding of philanthropy is shaped by distinct cultural traditions found in Québec as well as recent government policy initiatives in the last 10 to 15 years.

This analysis provides practical recommendations for change and growth. However, time is needed to develop these changes. Evolving a philanthropic relationship with donors requires listening to their interests and needs. This process also involves technical fundraising expertise, judgement and tools as well as social skills and knowing yourself. We direct our comments to artists, cultural workers, board members and their organizations in Montréal, as well as to the CAM.

There are other reports on cultural philanthropy and private fundraising in Montréal and Québec. Commissioned by the Ministry of Culture and Communications (MCC), the Bourgie Report (2013) portrays giving to culture to understand Québec's specificity. The Chambre de commerce de Montréal métropole (CCMM) produced four reports (2009 to 2015) that documented the economy of the cultural sector, described fiscal opportunities for donations and portrayed inspirational business leaders in the cultural field. The CAM also published a report on SMEs and their connection with the arts in 2015. Of course, Episode publishes studies of the whole philanthropic community in Québec on a biannual basis¹. Publication of all these reports heightened awareness of private fundraising and philanthropy within the business community and to some degree in the arts community. In partnership with new public policies, these reports motivate giving to the arts.

The milieu functions with a culture of projects of all sizes. Assembling project funding has been made easier with this new interest in private funding and related public policies. However, it is rare to find an organization that has focused on developing a variety of strategic philanthropic programs that provide continuing and long-term support for their organization's mission. This kind of strategic development looks beyond projects.

1 <https://www.episode.ca/>

These programs call for the whole organization's commitment to encouraging donations. Through their artistic activities in the community, arts organizations evolve relationships with citizens who are intrigued and inspired. They are motivated to join with the organization's leaders to donate and volunteer. Over time, individual philanthropic relationships evolve and become more supportive as the leaders of the organization recognize the individual donor's interest. That recognition occurs through small events that bring donors closer to the artistic core of the organization. Public recognition of donors at different levels of giving in printed programs and websites, and on walls encourages others to join the organization's philanthropic program. This develops support within a caring community of donors.

So, in comparison with past reports, we analyze the organizational management of arts philanthropy in Montréal. We assess the relevance of current strategies, suggesting new ideas for evolving with philanthropy. In this way, we hope to reveal an understanding of arts philanthropy that is humanistic and related to all citizens in the community.

Of course, it is important to emphasize that in Montréal, the development of philanthropy is not intended to replace public funding. Rather it supplements that support. This point was emphasized in the Bourgie Report in 2013. Again, in March 2019 Marcelle Dubois, Directrice artistique et générale du Festival du Jamais Lu, declared the importance of public funding when she won the prize for fundraising innovation in a small arts organization awarded by the Brigade Arts Affaires de Montréal (BAAM). We agree.

Voices from the artistic milieu appear often in this document. We analyzed about 50 interviews, 75 case studies, many from HEC Montréal's Case Centre and many internship reports and research projects about arts philanthropy from the program in arts management at HEC Montréal. We looked at very large and very small organizations and how and whether they fundraise. We committed to anonymity with our interviews so the brief quotes that we provide only indicate the type and size of organization. To observe some trends, we also analyzed data from the CAM, the Québec Ministry of Culture and Communications, Revenu Québec and CRA. To know the details of our approach, you can link [here](#).

This report is multi-layered. As you have already read, there is a summary structured by key questions in the report and an executive summary. Like many texts on the web, links enable you to explore more in depth. In the annexes you will find: short case descriptions, a lexicon of terms in philanthropy, and a list of useful readings. Topics for future research are outlined at the end of the report.

2

POLICY CONTEXT

2.1 HISTORY

Giving and volunteering has been present in Montréal arts institutions from the beginning, before government funding which began with the CAM in 1956. Some visionary donations founded certain organizations and major donors continue to play significant roles today to support and develop their affiliated organizations. However, a reading of case studies of arts organizations in Montréal demonstrates that, once organizations were operating, philanthropy was never a strategy that was planned. Rather it began in response to a specific urgent need at a point in time, such as a loss or reduction of government grants, a sudden deficit, a major new production or a new building or renovation.

“Philanthropy began as a result of a drop in grants.”
—Small musical ensemble

“No public funding means we have to find funds through philanthropy.”
—Small theatre company

“There has been a great deal of austerity in these recent years. Museums need to turn to the private sector.”
—Museum association

“It was at the time of building a new theatre that we started to really insert philanthropy in the organization.”
—Presenter

However, some have had a thoughtful approach.

“It was through the lens of our strategic plan that philanthropy took its place in our organization.”
—Artist-run centre

In general, philanthropy and its organizational impact has rarely been a topic of serious reflection in the artistic community in Montréal.

Business has always been seen as a partner in support of the arts. In Montréal, that partnership is reflected in reports by the CCMM and the activities of the Brigade Arts Affaires de Montréal (BAAM).² Recently, government policies have included a strategic reflection on private fundraising. Programs that incentivize and structure now combine government and private funding, both federally and in Québec. This contrasts with a ground-up interest in philanthropy through relationship development among artists, their organizations and their community.

In this section, we outline these new programs and their history in more detail.

- Arts-Business
- Capital fund development, Mécénat Placements Culture and fiscal incentives
- Infrastructure funding
- Arts council grant criteria

2.2 ARTS-BUSINESS

The connection between the arts and business started very early in Anglo countries spurred by David Rockefeller in New York. In the 1970s, arts-business associations were founded in the US, Canada and Britain, encouraging business to support recently established nonprofit arts. They encouraged businesspeople to loan their management expertise, to be involved in governance, to provide corporate sponsorship and to purchase art and tickets. This same approach is reflected in recent reports by the CCMM. Starting in 2003, the CAM facilitated visits by businesspeople to arts organizations called *Arrimages*. In 2013, *Arrimages* was named a strategic priority at the CAM. However, subsequently the BAAM assumed this work of arts visits and the CAM reoriented its focus to support philanthropic practices in the arts.

2 Brigade Arts Affaires de Montréal (BAAM). <https://www.baam-org.com/>

The Council for Business and the Arts in Canada (now called Business/Arts) is the Canadian association founded in the 70s. It has returned to Montréal in 2019 with their *artsvest*³ program funded by Heritage Canada, the Rossy Foundation and the CAM. *artsvest* is a training-mentorship program that supports sponsorship development for nonprofit arts organizations (budgets below \$1.5 million). Matching funds from *artsvest* encourage the search for new sponsors. This is, of course, a marketing, not philanthropic, approach to private fundraising. However, there appears to be some confusion in the milieu, since communications from many of the 70 organizations who have registered with the program characterize their approach to companies for sponsorship as philanthropy.

2.3 SEEKING FINANCIAL STABILITY

Through the years, funders in the US and Canada have been concerned about financial stability in nonprofit arts organizations. This concern was expressed in both the Massey Report in 1951 in Canada and the Rockefeller Report on the performing arts in 1966 in the US. Arising from these and other reports, as one solution to financial instability, federal governments in both countries founded arts councils: the Canada Council for the Arts (1957) and the National Endowment for the Arts (1965). This was part of a larger movement that founded arts councils in various jurisdictions in both countries. As a result, government funding was added to private foundation support in the arts.

However, concern about stability remained, so in 1983, major US foundations launched a National Arts Stabilization Fund that contributed to capital funds as rewards for financial balance.⁴ The Canadian government began a similar stabilization program in the late 1990s, rewarding balanced budgets and the development of working capital funds.

Aside from the stabilization programs, in 1999 Heritage Canada began to provide grants to match philanthropic revenue placed in endowment funds.⁵ These matching endowment grants are available to the arts in Montréal.

Funders often see endowments as a useful contribution to organizational stability because they produce efficient annual revenue through investment returns with few strings attached. But the decision to pursue permanent endowment funding versus annual funding or working capital development is often debated. Capital funds for the arts is a subject of study, especially in the US, where little government operating funding is available.⁶ The discussion has also developed in English Canada, but less in Québec. Boards may find it useful to research and reflect on this debate.

2.4 CAPITAL FUND DEVELOPMENT AND FISCAL INCENTIVES IN QUÉBEC

Over the last 15 years, Québec has developed its own incentive programs for capital funds: a matching program, fiscal incentives for major giving, and significant infrastructure grants. The impact of these programs has developed a new partnership between the government and donors. However, these programs do not inherently promote continued donor relationships nor encourage further gifts beyond the current incentives.

MÉCÉNAT PLACEMENTS CULTURE

More generous than the federal matching program for endowment funds, Mécénat Placements Culture (MPC) began in 2005 "to ensure the autonomy and financial security of nonprofit organizations in culture and communications. Specifically, the program stimulates endowment fund creation and encourages fundraising."⁷ There has been positive response.

3 <http://www.businessandarts.org/>

4 The Ford Foundation, The Rockefeller Foundation and the Andrew W. Mellon Foundation.

5 <https://www.canada.ca/fr/patrimoine-canadien/services/financement/fonds-investissement-culture.html>

6 Hager, Mark & Thomas H. Pollack (2004), "Haves and HaveNots: Investment Capital among Performing Arts Presenters in the United States." *International Journal of Arts Management*. vol. 6, no 2, p. 54-65.

Hager, Mark (2006, June 21), "Should your nonprofit build an endowment?", *Nonprofit Quarterly*.

Nelson, Susan (2009), *Getting Beyond Breakeven: A Review of Capitalization Needs and Challenges of Philadelphia-Area Arts and Culture Organizations*, Boston, TDC Inc., Commissioned by the Pew Charitable Trusts and William Penn Foundation.

Wong, San San, Laura Sherman, Susan Nelson & Ashley Berendt (2015), "Capitalization and Risk", *GTA Reader*, vol. 26, no 1.

7 <https://www.mcc.gouv.qc.ca/index.php?id=5803>

“These programs provide mechanisms that are useful to create leverage. The advantage of this program is that it touches on a number of disciplines ... We can leverage the matching for the donor to double the impact of their gift. For the donor, it is very satisfying since it increases the power of the donation. For the institutions, endowment funds generate greater stability and longevity. I find this is of great value. This initiative requires organizations to professionalize.”

—Professional art school foundation

The program allowed both temporary and permanent endowments at the time it was initiated. Small organizations were given a two-year limit and larger budgets required 10 years for the life of the fund. Many of these temporary funds were deployed for major projects involving renovations and infrastructure. Hence, despite its intention to develop long-term fund revenue, MPC became part of shorter-term project funding strategy.

In their re-evaluation of the program in 2017⁸, the MCC decided to return to its original purpose for the program. Gilles Pettigrew⁹ explains:

“The original purpose of the programs was to support the creation of permanent funds of a sufficient size that would generate a significant annual revenue. The waiting list was eliminated. Those organizations that contribute to permanent endowments and who are in the regions are now rewarded in the matching calculation as well as small organizations who continue to be prioritized.”

A number of small organizations, including those who do have small funds, criticize the MPC for favouring permanent endowment funds. The urgent and fragile culture of these organizations seems to prevent the planning that is necessary to develop these kinds of funds.

“Cultural organizations are in the here and now, not in the future! So the small players do not have access to the program.”

—Service organization

“It helps those organizations that are already structured ... but it doesn't respond to the needs and realities of smaller companies.”

—Film festival

“We are a bit anxious about the approach regarding permanent endowment funds. We are not a large organization ... If we place money in a permanent fund and we don't know the amount of interest, we are less committed to the idea.”

—Small musical group

People in small organizations and professional associations also expressed confusion about the program's changes in 2017 despite the development of more staff availability and information on the ministry's website.

“Communication from the Ministry could be improved. There have been a lot of changes and before that there was a period of change. Will MPC return and who is in charge ... ?”

—Small theatre company

Despite the negative comments from some organizations, some other small organizations have been very competent in developing their endowments with annual allocations to an endowment held in community foundations.

CASE 1

Concerned about the future of the institution, in 2016 the board and management of the Musée acadien du Québec in Bonaventure in Gaspé decided to take advantage of the government program Mécénat Placements Culture to support the well-being of the organization.

READ MORE >

⁸ https://www.mcc.gouv.qc.ca/fileadmin/documents/publications/Programmes/Rapport-MPC-FINAL__pour_diffusion__2018-10-04.pdf

⁹ Gilles Pettigrew has been the coordinator of the MPC program at MCC.

TABLE 1
MÉCÉNAT PLACEMENTS CULTURE OVER TIME AND BY DISCIPLINE

Discipline	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cirque									NA				
Digital arts	1		2									1	
Visual arts	3	3	5	14		5	5	5		2	6	6	4
Cinema & video	1				3					1			
Dance	1	2	1	3		1	2	1		8	6	7	1
Literature	1	1	2	2	2	1		1		2	3	1	1
Music	5	2	8	12	8	9	7			12	14	33	13
New artistic practices	1	2		1		1	1	6		2	2	2	
Pluridisciplinary			1	1	1						1	2	
Theatre	5	2	4	7	4	4	6	9		6	12	25	5
Total	18	12	23	40	18	21	21	22	NA	33	44	77	24

Table 1 shows the distribution of grants from the program to artistic organizations since the beginning of the program [SEE TABLE 1].

While research on the MPC indicates that smaller organizations are the majority of recipients of funding, their funds are small, so the total funding is less than larger organizations.¹⁰ In Montréal, amongst the CAM clients, 156 companies have benefitted from the MPC program at least once. However, these represent only 55% of the 283 organizations that have operating grants from the CAM. Only two project-funded organizations received a grant. The most connected with MPC are visual arts (87%), music (77%) and theatre (72%). Dance has profited less from the program (37%).

The number of grants has peaked twice. The first is 2009 in both visual arts and music sectors and the second is in 2016 and 2017 in the music and theatre sectors. The recent increase in the music sector may be attributed to the impact of the *Mécénat Musica* endowment program [SEE PAGE 20]. While the amount of grants in 2018 is significant, the number of organizations participating in MPC has reduced significantly, perhaps because of the change in approach by the MCC, announced in 2017. Short-term funds are no longer part of the program and medium-term funds receive much less matching.

10 CALQ (2012, May), "Constats No. 22", *Mécénat Placements Culture : Bilan 2005-2012 – Des résultats probants*.

FISCAL INCENTIVES FOR CULTURAL PHILANTHROPY

Income tax regulations in Québec promote gifts of art created by Québec artists to museums, purchase of tickets in the performing arts by corporations and gifts of shares by individuals. The CCMM has documented these opportunities in their 2011 and 2013 reports. They provide useful motivation for aspiring donors.

As well, the Bourgie Report recommended an exceptional tax credit for a one-time large cultural donation, adopted in 2013 and recently renewed until 2022. This raises awareness of giving by major donors and provides an incentive to acquire charitable status, but a single tax credit may need to be placed in the context of a longer-term donor relationship program to sustain regular giving. Regardless, while this fiscal program has received an enthusiastic response in the milieu, one institution explains their experience.

“A supplemental tax credit for a one-time large cultural donation is an interesting opportunity. From a financial point of view, it provides a powerful argument to convince a loyal donor to give at a higher level than normal. It is little known among donors and tax experts and so it is worthwhile that cultural organizations promote the idea. However, because the credit is only possible once in a lifetime, despite this promotion, this kind of donation cannot be repeated. From our experience, a recurring donor will give again, but at a lower level, reflecting the real costs of the gift. But a follow-up with these one-time donors to encourage a three to five multi-year gift perspective will help overcome the risk of never giving again. Board members need to understand the possibility of subsequent lower donations from regular donors or losing one-time donors completely. Managing revenue predictions needs to be undertaken with care.”

Later, Québec introduced the other Bourgie Report fiscal advantage called cultural patronage at a minimum of \$250,000 with higher tax credits. These gifts may be made more than once in a lifetime, can be extended over several years and may come from an individual, a foundation, a corporation or a family.

The *Mécénat Musica*¹¹ program (MM) was initiated by private donors to encourage permanent endowments attributed to individual Québec arts organizations, linking these Québec tax advantages with matching programs at Mécénat Placements Culture and Heritage Canada. Most gifts are targeted at \$25,000. Larger gifts at the \$250,000 level are often used as matching funds to motivate additional \$25,000 gifts for the same organization. These gifts are recognized at MM’s own events each year, thus establishing a unique MM community of donors separate from the attributed organizations. With a cumulative objective of \$100 million in the next 25 years, MM funds total \$40 million in March 2019. They are held in the Fondation de Grand Montréal (FGM), the Jewish Community Foundation (JCF) and Fondation Québec (FQP).

Ensemble Caprice¹² has the most donors attributed to them with over 50 to date. Other significant attributions from MM are l’Orchestre métropolitain and Domaine Forget with 30 and 25 donors respectively. One organization executive says:

“... We are in search of major donations. We have a permanent endowment fund at the FGM. It has grown with all the matching programs.... very quickly to several million dollars in the space of four years. ... Four or five major gifts like that and we have more revenue than a benefit event with much less work.”
—Mid-sized presenter

However, some organizations are unclear how the program functions and not everyone is focused on this strategy at the moment.

“Mécénat Musica’s matching incentive can appear quite seductive for an organization. However, this strategy emphasizes permanent endowments without taking into account operational needs, especially working capital. In our case, we want to develop a strong philanthropic culture placing the emphasis on major donations developed through a long-term philanthropic recognition program where loyalty and sustainability evolves in partnership with a large base of donors. We are looking for major donors who are able and keen to make annual gifts of \$25,000 or more so that we can realize our ambitions now and grow our operations together with them over time.”
—Institution

11 <https://www.mecenatmusica.com/>

12 <http://ensemblecaprice.com/accueil/mecenat/mecenat-caprice/>

Endowment fund giving may not respond flexibly to the needs related to operating growth and all the specific projects and emergencies in an organization's life. Despite this, a number of mid-sized organizations have found the possibilities of the annual investment revenue from their FGM endowment fund attractive. Other organizations are fearful of the lack of flexibility of a permanent endowment, so alternatives like working capital may be useful for them. Boards and organizations may wish to be well informed about different types of capital funds to support strategies suitable to their needs of growth and risk management.

IMPACT OF ONE-TIME LARGE CULTURAL DONATION

The Bourgie Report projected that donations would increase by \$9 million over the five years following the instigation of these new fiscal incentives.

"Pierre Bourgie believes that these donations will achieve \$68 million in 2018."

—Doyon, 4 July, 2013¹³

This projection would suggest that fiscal incentives are a very powerful tool to encourage philanthropy. On the other hand, Canadian research on donor motivations lists the following¹⁴:

- Compassion towards those in need: 91%
- Personal belief in cause: 88%
- Contribution to the community: 82%

- Personally affected: 67%
- Asked by friend, family member, neighbour, colleague: 45 %
- Religious obligations: 29 %
- Tax credit: 26%

Experience in Montréal illustrates the emotions and values described in this list.

"An intern with a performing institution was renewing a couple's subscription and when asked for a donation, they were enthusiastic. They explained how they had been subscribers for 20 years and described many artistic memories which motivated their desire to donate."

Personal affection for an organizational mission seems very important and recognizing this connection through donor relationships beyond fiscal benefits enhances long-term philanthropy.

Further research using data from Revenu Québec beyond the end of the program in 2022 will be useful to understand the annual and cumulative financial impact on the cultural sector by the one-time large cultural donation tax benefit. For the moment, the data downloaded from CRA of CAM's clients with charitable status show major variations in philanthropic revenue from individuals and corporations in the Montréal milieu from 2013 to 2017. The majority of philanthropic revenue was received by the six major arts institutions in Montréal, so these variations

TABLE 2
TOTAL PHILANTHROPIC REVENUE FOR CAM CLIENTS (source: CRA)

Year	Donations with or without tax receipt within the year from individuals and corporations (\$ millions)	Donations from foundations within the year (\$ millions)
2013	45	14
2014	62	17
2015	34	22
2016	100	28.5
2017	36	35.7

¹³ Doyon, Frédérique (2013, July 4), "Des mesures en faveur de la philanthropie culturelle", *Le Devoir*, Culture.

¹⁴ Lasby, David & Cathy Barr (2018), *30 Years of Giving in Canada - The Giving Behaviour of Canadians: Who gives, how and why?*, Rideau Hall Foundation & Imagine Canada.

may be the result of major campaigns or individual gifts and donations of works of art. Donations from foundations appear to be growing over time [SEE TABLE 2].

On the other hand, information from Revenu Québec shows a consistent increase from 2013 to 2017 in the number of donors using the one-time large cultural donation tax benefit. However, the tax year 2018 has seen a major reduction in use, despite reports from philanthropy professionals that tax specialists and potential donors are still not fully informed of the benefit [SEE TABLE 3].

TABLE 3
NUMBER OF DONORS USING THE ONE-TIME LARGE CULTURAL DONATION TAX BENEFIT (REVENU QUÉBEC)

Year	Number of donors within a year
2013	62
2014	130
2015	158
2016	198
2017	399
2018	177

2.5 INFRASTRUCTURE FUNDING

Apart from capital fund objectives, many major campaigns finance building projects. In the US, these projects are funded almost exclusively through philanthropy. Research demonstrates a high level of community interest in cultural buildings from American major donors.¹⁵ In English Canada, there is usually both federal and provincial government funding, but at a much lower level than in Québec. Philanthropy through partnership with loyal long-term donors must play a significant role in funding these projects, as a result.

“The portrait of the Stratford Festival’s (Ontario) \$100 million capital campaign for a new theatre indicates five small corporate gifts and a few foundations. 39 individual Americans and 97 Canadians contributed gifts of over \$25,000, and 537 Americans and 1782 Canadians donated less than that amount. The largest individual gift is \$15 million and the largest corporate gift is \$ 1.5 million. Two governments provided 40% of the funding.”

This is a useful study of how loyal long-term individual donors may respond to requests for capital support to develop an organization without matching and fiscal incentives.

In contrast, the *Programme de financement des immobilisations* at the Ministère de la Culture et des Communications provides 70% of the qualifying expenses in the budget for nonprofit organizations funded by the CALQ, Ministry and the SODEC. While there is no limit to how other government finances could be deployed to complete the budget, private funding has often been sought. Funding building projects with philanthropic gifts may be best accomplished within a program of giving over the long-term.

“For a building expansion or new building project: the Québec government expects that the federal will contribute, then the museum will be required to find 20 to 25% of the budget.”

—Museum association

A thriving individual philanthropic culture has yet to be developed in the arts in Montréal. So, when private funding is targeted to complete the funding for new buildings and renovations, corporation and foundation donors are often found through business relationships with board members, an attractive founder or a key organizational executive leader. Increasingly but very recently, development of a longer-term philanthropic relationship is planned after a campaign is over.

¹⁵ Frumkin, Peter & Ana Kolendo (2014) *Building for the Arts: The Strategic Design of Cultural Facilities*, University of Chicago Press.
Woronkiewicz, Joanna, D. Carroll Joynes & Norman M. Bradburn (2015), *Building Better Arts Facilities: Lessons from a US National Study*, London, Routledge.

2.6 ARTS COUNCIL GRANT CRITERIA

Arts councils' funding criteria are powerful incentives for action. Criteria for grants at the CAM are focused on artistic quality and organizational health. However, revenue diversity can indicate organizational health. In that manner, philanthropy is a consideration for juries, and so has become a preoccupation for clients of the CAM.

"While philanthropy is not a direct criteria, it is well viewed to develop philanthropic income, at least as other sources of funding"

—Small theatre company

"When there is a grant request submitted to the PAFIM¹⁶, on the web the applicant is required to answer questions relative to philanthropy and funding."

—Museum association

SUMMARY POLICY CONTEXT

The CCMM has demonstrated how the arts are deserving of attention and commitment. They also encourage involvement in the arts by businesspeople.

Since the 2000s, new government programs are intended to increase interest in philanthropic fundraising in the arts. The programs are:

- Government matching grants to develop endowment funds.
- Tax incentives for major gifts.
- Infrastructure funding.
- Granting criteria that motivate diverse revenue sources.

The first three programs appear to be in synergy, despite their independent creation at different points in time. They have generated increased resources supporting one-time project or endowment funds and, as a result, are appreciated by the community. However, yet to be developed is ongoing philanthropic support of the operation of organizations' missions through sustained relationships with communities of donors. We will look at how that kind of approach has an impact on managing philanthropy in the arts.

¹⁶ Programme d'aide au fonctionnement des institutions muséales. <https://www.mcc.gouv.qc.ca/index.php?id=1313>

3

PROXIMITY PHILANTHROPY

3.1 HYBRID REVENUE IN THE ARTS

Revenue in arts organizations is hybrid. It combines earned revenue, public grants and recently, philanthropic funding. Earned revenue comes from a market relationship with different types of consumers: individuals (ticket buyers, professional association membership and student tuition), presenters (a presenting fee) or corporations (sponsorship or ticket buyers). It involves a direct exchange of goods or services for money. In Québec arts organizations, public grants have traditionally completed the total operating budget.

Recently, organizations have turned to philanthropy to supplement their funding needs. Successful arts strategies for philanthropy focus on extending the consumer's initial interest beyond projects and events to the overall mission of the organization. Donating is motivated by generosity and a personal commitment to the cause, without direct exchange. The consumer relationship changes.

*"Philanthropy ... can be called 'affective' rather than 'effective' demand. By this we mean that philanthropy is mobilized and governed by a moral or normative currency that ultimately appeals to the nonmaterial or 'affective' aspects of the giver's consciousness rather than to a particular material interest."*¹⁷

3.2 PHILANTHROPY IN NORTH AMERICA

The North American tradition in philanthropy focuses on individuals who feel a responsibility to give back to the community.¹⁸ In the US and increasingly in Canada, many charitable organizations have developed skills that evolve their market relationships

with individuals to become donors and as a result join the organization's philanthropic community.

The Bourgie Report (2013) tells us that 80% of cultural giving in Québec comes from individuals. While evidence shows that the number of individual donors is declining in various countries, the number and volume of their donations remains very significant in contrast to foundations and corporations.¹⁹

Kim Klein is an authority on fundraising by small community organizations, like those in the arts. She explains that corporations and foundations are worthwhile pursuing, but they support projects, not causes and for a limited time. In contrast, philanthropic relationships with individuals build ongoing support.²⁰

"... a broad base of individual donors provides the only reliable source of funding for a nonprofit year in and year out, and the growth of individual donations to an organization is critical to its growth and self-sufficiency."

3.3 WHERE ARE INDIVIDUAL DONORS?

As the reports from the CCMM tell us, there are many inspired businesspeople of different ages and sectors who are committed to supporting the arts: either through their corporation, as expert volunteers on boards or as individual donors. However, Montréal citizens from all walks of life were identified as engaged in the arts according to a study from Léger commissioned by the CAM.²¹ 23% of Montréal's citizens are engaged in the arts and 37% are interested in becoming involved in the arts.

17 Ostrander, Susan & Paul G. Schervish (1990), "Giving and getting: Philanthropy as a social relation", In van Til, Jon (ed), *Critical Issues in American Philanthropy: Strengthening Theory and Practice*, Jossey-Bass Publishers, p.71.

18 <http://www.casa-arts.org/cms/lib/PA01925203/Centricity/Domain/50/A%20Model%20of%20Christian%20Charity.pdf>

19 Lasby, David & Cathy Barr (2018), *30 years of Giving in Canada. The Giving Behaviour of Canadians: Who gives, how and why?*, Rideau Hall Foundation & Imagine Canada.

20 Klein, Kim (2016). *Fundraising for Social Change*, 7th edition. New Jersey, John Wiley & Sons.

21 Léger (2019). *Les arts au cœur des citoyens : Sondage auprès des résidents de l'île de Montréal 2019*. CAM, Léger, Le Devoir, Montréal.

"From the Bourgie Report: Philanthropy becomes a civic engagement that has social, economic and identity repercussions. People who are proud of their culture will support it."

—Boileau, June 17, 2013²²

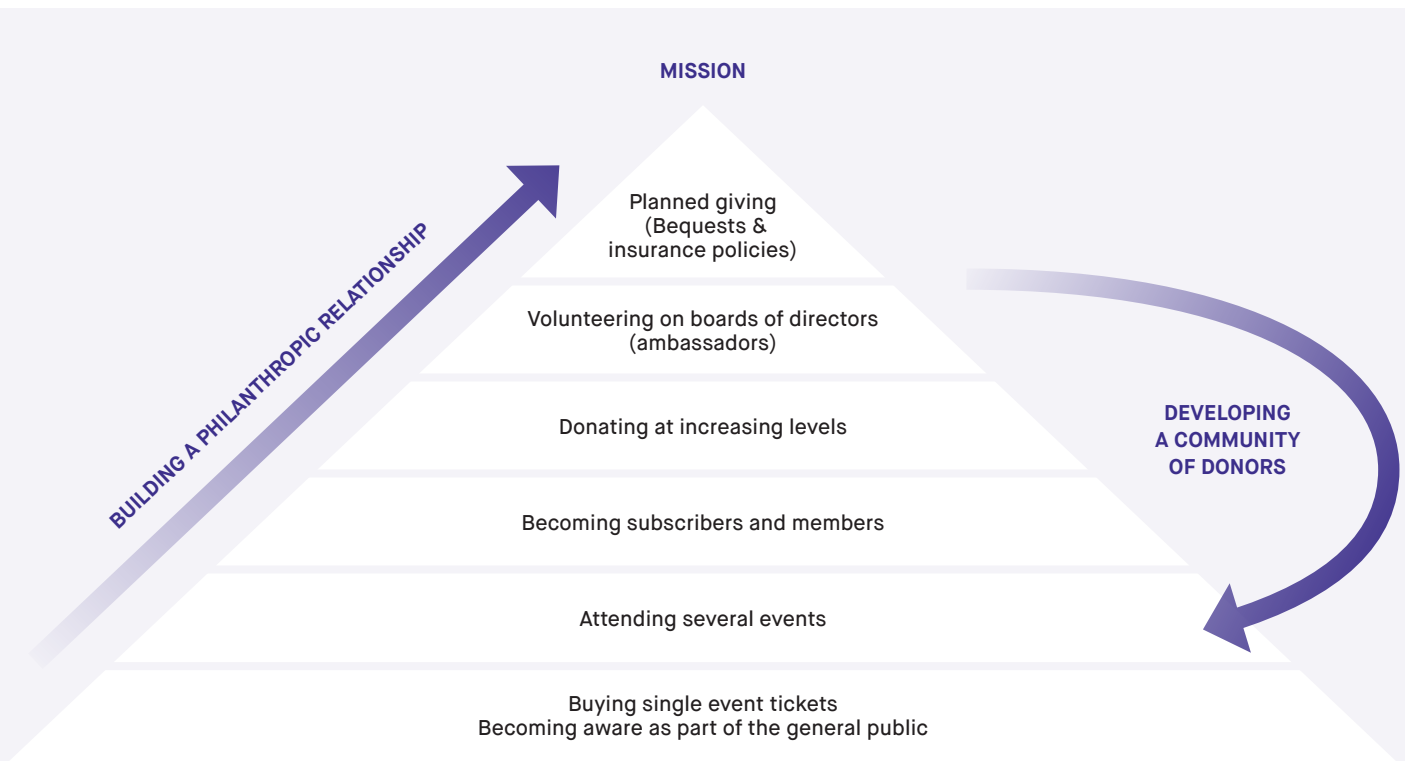
For both small and large arts organizations, most donors come from the group of people who participate in their activities. Participating is the first step of many in the evolution towards a philanthropic relationship and a community of donors. The models that are described below provide an understanding of how that might happen.

3.4 INDIVIDUAL PROXIMITY AND PHILANTHROPY

Traditionally, there are two metaphors about building philanthropic relationships. One metaphor is a pyramid and the other uses concentric circles. Inviting an individual to move through the steps to the top or to the centre increases their proximity to and interest in the organization's mission and, hence, openness to being asked for a donation. Some scholars have studied the impact of social media on these models,²³ but these models remain useful references for an overall strategy.

Here is the pyramid which describes the steps in building a philanthropic relationship in arts organizations.²⁴ [SEE FIGURE 1]

FIGURE 1
PYRAMID STRATEGY



²² Boileau, Josée (2013, June 17), "Mécénat et culture - trop d'indifférence", *Le Devoir*.

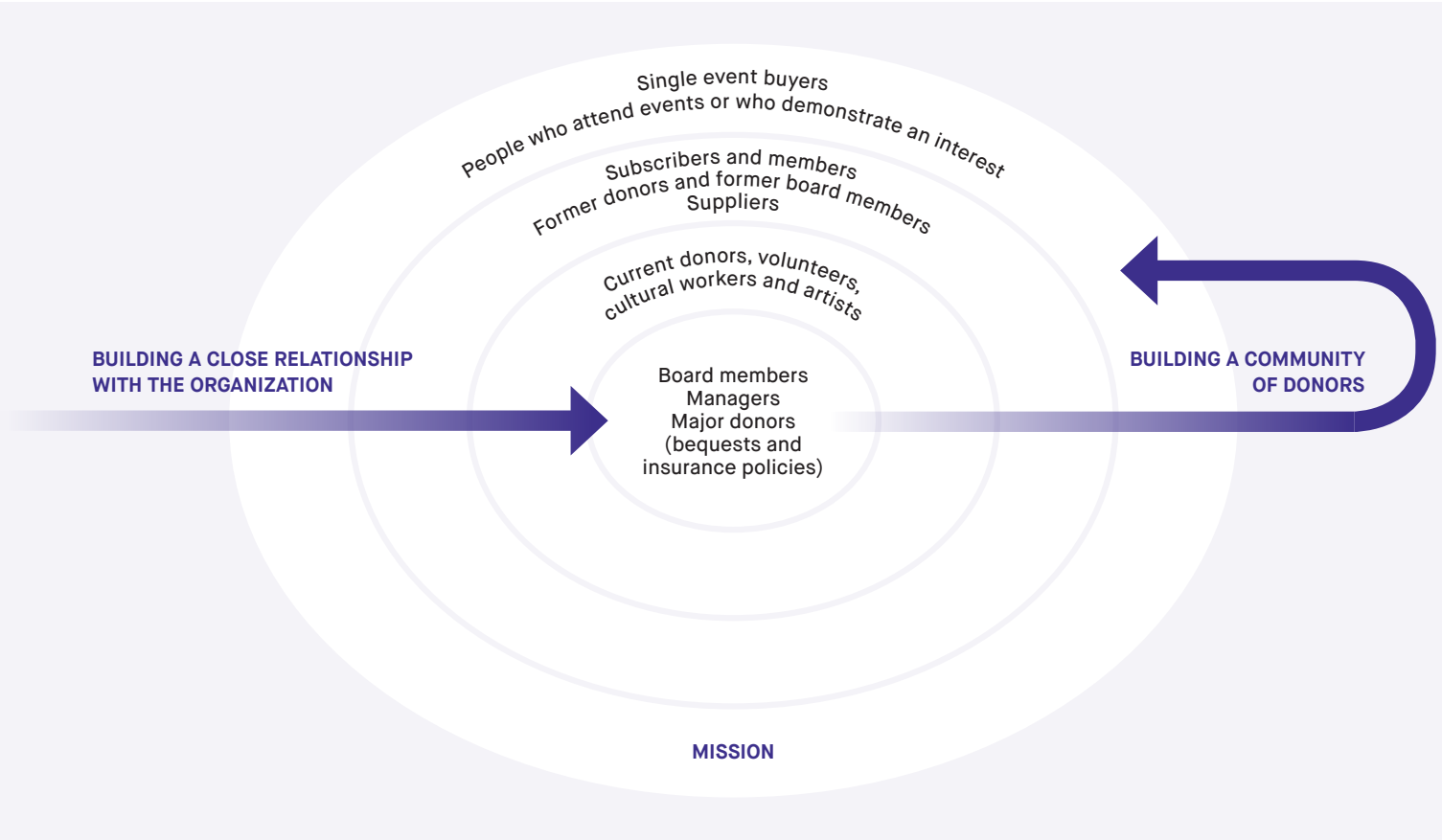
²³ Dixon, Julie & Denise Keyes (2013, Winter), "The permanent disruption of social media", *Stanford Social Innovation Review*.

²⁴ Lapointe, Daniel (2013), *La gestion philanthropique: Guide pratique pour la collecte de fonds*, Montréal, Presses de l'Université du Québec, p. 25.

An application of the pyramid strategy to the arts was substantially developed by Genovese Vanderhoof, an arts consulting firm based in Toronto.
<https://genovesevanderhoof.com/>

And here are the circles which identify types of individuals demonstrating increasing proximity to the mission of the organization.²⁵ [SEE FIGURE 2]

FIGURE 2
CONCENTRIC CIRCLES STRATEGY



At the bottom of the pyramid or outside the circle, the general public is situated. Through the organization’s promotional and marketing work members of the public may move up the pyramid or into the circle by buying a ticket to a performance or an exhibition. If people are enthusiastic about their experience, they might wish to attend more often and through further marketing they might become more engaged as a subscriber in the performing arts or as a member in a museum or an association.

This commitment enlarges the focus of an individual’s relationship beyond single event experiences to an appreciation of the whole organization and its mission. At this point, people may become emotionally engaged in the organization’s sustainability. Skills in philanthropy are important for artists and mission professionals in the organization in order to open the relationship to donating when asked.

25 Rosso, Henry A. (1996), *Rosso on Fund Raising: Lessons from a Master’s Lifetime Experience*, Jossey-Bass.

“Behind this idea is a philosophy that a relationship will encourage donors to move gradually up the successive steps of the pyramid.”

—Daniel Lapointe, 2013²⁶

Kim Klein explains how to build those increasingly close relationships into a community of friends. Through encouragement by the organization, these people will give more frequently as they evolve their commitment and recognize their part in a community of donors. They might also volunteer to sit on a committee and eventually become a board member. These people are the best ambassadors for the mission and the organization. At the point where they find themselves at the top of the pyramid or at the centre of the circles, very strong loyalty is at work and planned giving is possible (bequests and life insurance policies).

A challenge for developing philanthropy is the fear of asking for donations. This fear blocks development of philanthropic relationships.

“I find it much easier to ask someone to buy a ticket for an event than a donation for the regular season. That is why we have focused on holding a special event.”

—Small theatre company

CASE 2

René Branchaud has been a dedicated subscriber for about 25 years to the Opéra de Montréal. ... He started donating to the opera when the organization introduced philanthropy in 2016.

[READ MORE >](#)

People usually only give if they are asked. “Asking” is part of a philanthropic culture.²⁷ Talking about a possible donation with someone helps realize their dream to make a difference. Everyone in the organization can collaborate with this opportunity.

During COVID-19, some organizations discovered how to ask; others felt constrained by the illness and fear.

“During a crisis, communication and its tone are essential. We developed an appropriate tone in our message to donors and the response was impressive. No one called to complain.”

—Caroline Ohrt, Danse Danse²⁸

SUMMARY PROXIMITY PHILANTHROPY

The majority of donations in North America and Québec comes from individuals.

Individual giving results from a close and engaged relationship that is developed with the mission of the organization. This relationship intensifies through levels of recognition and commitment. As people reach out to your organization, responding to them and asking directly may generate a donation. The rest of philanthropic revenue comes from foundations and corporations and is focused on projects. In the next section, we look at business models in Montréal arts and how different connections with the public can influence the development of communities of individual donors.

²⁶ Lapointe, Daniel (2013), *La gestion philanthropique : Guide pratique pour la collecte de fonds*, Montréal, PUQ, p. 26.

²⁷ Panas, Jerold (2013), *Asking: A 59-minute Guide to Everything that Board Members, Volunteers and Staff Must Know to Secure the Gift*, Revised edition, Emerson & Church, Publishers.

²⁸ Bertrand, Maxime (2020, May), “Entrevue Caroline Ohrt. L’impact de COVID-19 et la solidarité chez Danse-Danse, diffuseur de danse contemporain”, *L’Année Philanthropique – Hors Série COVID-19*.

4

BUSINESS MODELS IN CULTURE

4.1 A PORTRAIT

Assessing how the pyramid concept can be applied requires an understanding of the organizational business models in use. Despite the differences in business models in Montréal, developing donor relationships is possible in all types of organizations, with a variety of techniques. But some models and techniques are more challenging than others. Post COVID-19 some of the more fragile business models may evolve in new directions.

4.2 BUSINESS MODELS AND BUDGETS

In the following table and discussion, we map Montréal's arts organizations according to their different business models identified by using several factors: frequency and length of their activity through the season, proximity to their public, and budget size. These factors all influence an organization's ability to construct philanthropic relationships within a community of donors.

Some cultural organizations in Montréal can have direct communication with their public throughout the year by means of subscriptions, membership and student registrations. This sustained exposure to the organization's activities and mission provides a foundation for developing philanthropy. However, others like festivals and touring companies have only periodic exposure of their artistic activities to their Montréal public. Their connection may also be indirect through a presenter or an intervening box office facility. Smaller organizations may have limited resources to allocate to relationship-building for philanthropic purposes. These constraints require creative solutions to achieve a program of philanthropy.

Tables 4a, b and c document the number of organizations in each business model and budget category [SEE TABLES 4 ON PAGE 29]. The milieu is complex and clear categorization was not always easy. Regardless, the tables provide a general outline that can

enable peer comparison across specific business models to promote the creation of appropriate philanthropic strategies.

The discussion provides insights regarding the potential of philanthropy for each. The numbers in the table are provided by the art service organizations affiliated with each discipline as well as by the CAM and CRA.

4.3 CONTINUOUS, YEAR-ROUND PRESENCE AND DIRECT RELATIONSHIPS IN MONTRÉAL

Major institutions, presenters, museums and theatre companies offer a season of programming throughout the year, frequently in a fixed place, using subscriptions or memberships. Their year-round presence in the community enables direct connection and communication with audiences who could be motivated to donate because of their interest in the artistic experience of the organization. A more extensive philanthropic culture in the arts in Montréal would result. However, few organizations in Montréal have developed donor programs drawing from subscribers or members. Their managers explain that these people feel their purchases already support the organization.

Musical groups of all sizes perform throughout a season. Many of the larger organizations function with subscription series in the same location. Others perform single concerts in several venues but maintain a profile across a season in Montréal. A recent data-sharing study coordinated by the Conseil québécois de la musique shows that each musical group appears to have developed its own public who follow them to different venues, but this relationship has rarely been mobilized philanthropically.

Musical groups are fortunate because their performers prepare much of the concert on their own and so relatively few rehearsals are necessary. Hence, more frequent concerts with a variety of programs are

TABLE 4
NUMBER OF ORGANIZATIONS BY BUDGET AND BUSINESS MODEL

While philanthropy supports individual organizations, it also educates donors and thus can nourish an overall culture of philanthropy for the community. Initially larger, and subsequently, medium organizations can lead the milieu in audience to donor development. Students at art schools and members of professional associations can also be sensitized to become loyal and knowledgeable donors and advocates for philanthropy. The whole Montréal arts ecosystem benefits.

4a
CONTINUOUS YEAR-ROUND PRESENCE AND DIRECT RELATIONSHIPS
IN MONTRÉAL

	\$2M +	\$1M to \$2M	\$500K to \$1M	\$250K to \$500K	Less than \$250K
Producers and producer-presenters	14	8	11	27	50
Museums	10	2	10	5	26
Presenters	6	2	8	4	23
Other	1	-	3	3	1
Total	31	12	32	39	100

4b
OCCASIONAL AND/OR INDIRECT RELATIONSHIPS
IN MONTRÉAL

	\$2M +	\$1M to \$2M	\$500K to \$1M	\$250K to \$500K	Less than \$250K
Creation	4	3	15	29	77
Festivals	6	5	15	18	16
Young audiences	—	—	9	1	16
Street art	—	1	1	4	2
Total	10	9	40	52	111

4c
CONTINUOUS AND DIRECT RELATIONSHIP WITH ARTISTS
AND CULTURAL WORKERS

	\$2M +	\$1M to \$2M	\$500K to \$1M	\$250K to \$500K	Less than \$250K
Artist-run centres	—	—	6	6	17
Associations and service organizations	—	2	12	19	26
Art Schools	7	4	4	1	11
Total	7	6	22	26	54

possible throughout the season. This compares with a more costly collective process found in theatrical disciplines. Many small theatre, dance, opera and cirque organizations develop one new production periodically. This production may be performed for a week or two in Montréal in a season and may tour outside the city in Québec and internationally.

Presenters offer a full season of performances in series that are either pluridisciplinary or specialized in one discipline. A few presenters have begun to develop philanthropic relationships with their season's subscribers.

There are also many festivals in Montréal but they do not present across a full season which challenges their ability to develop ongoing and potentially philanthropic relationships. However, some smaller festivals that are culturally specific or that focus on new artistic practices are expanding their programming across the season. Their audiences may be enthusiastically devoted to the organization because of their mission, but resources to develop philanthropy are hard to find.

While theatre companies with their own facility in Montréal may either produce, or present and produce throughout the year, most control their box-office and so have the possibility to sell series tickets. They know their public directly and so can reach out and develop relationships and a community of donors. Their subscribers need to be educated about the role of philanthropy to support the organization's financial needs further than ticket sales.

Maisons de la culture and cultural centres form a large network of presenters around the island of Montréal. Most are part of their municipalities or the City of Montréal. Developing a philanthropic community of donors depends on a charitable status. This group's reflections on philanthropy are in their early days. Because these organizations are not funded by the CAM, they do not appear in table 4a.

Like museums, artist-run centres also have a year-round presence in the community, but the mission of these organizations is to serve artists and not necessarily a public. Members are mainly professional artists who are both audience and beneficiaries of the organization's services. This double affinity seems to reduce their interest in donating beyond professional membership fees. Finding a philanthropic community beyond artist members may require some new insights.

Like artist-run centres, service organizations within each discipline have both members and clients who are artists, cultural workers and organizations. They function year-round, working closely with their members. Developing philanthropy for these organizations will require a change in perspective about donating by the cultural milieu's workers, particularly those who have been successful in their careers. Giving back to the field is just starting to appear as a valued gesture in the work culture of the arts community. A federal charitable status is out of reach for most Québec arts service organizations, but they are all eligible for the provincial equivalent (Organisme culturel ou de communication enregistré – OCCE) for the moment.

Arts training organizations are another group that operate a year-round facility. There are seven professional schools offering full-time training in Montréal as well as four pre-professional schools. Some also offer recreational and corporate training programs. Other schools specialize in extracurricular and recreational programs in cirque, dance and visual arts. Potential donors for each include parents,²⁹ graduates and current adult students, and several schools have already developed significant fund-raising programs. Soliciting donations from graduates of professional schools may also contribute to the development of a culture of philanthropy amongst artists and cultural workers for other Montréal arts organizations. Professional arts training programs are also found in universities and CÉGEPs and their graduates may already be solicited by their larger institutions.

Although they do not have a physical facility, arts journals publish issues throughout the year. They have regular subscribers. However, placing those subscribers together to meet and become donors through mutual enthusiasm is limited. Canadian Art, a major visual art journal based in Toronto, holds events for their donors with the launch of each issue, compensating for that void.

4.4 OCCASIONAL PRESENCE AND/OR INDIRECT RELATIONSHIPS IN MONTRÉAL

Creation-production touring organizations based in Montréal rarely perform here. They usually perform as part of a presenter's series or a festival so they are unable to develop a direct connection with their public and so evolve philanthropic relationships. As well, there is a risk that their identity is lost within a presenter's or festival's image in the community.

For the very small new creation companies that are exploring new artistic practices, their identity is still evolving, so a clear case for support is difficult to articulate. Gifts of goods and services from regular suppliers appear to be more common.

SUMMARY CONTINUOUS, YEAR-ROUND PRESENCE AND DIRECT RELATIONSHIPS

In all cases described above, there is potential to develop philanthropic relationships because they are present in the community through the year and they have a direct connection to their audience. But subscribers and members need to be educated about why giving is necessary and the value of being part of a philanthropic community. As well, fundamental to this work is the development of database software that connects ticket purchasing with donations. These season-based organizations are key to developing a philanthropic culture for the arts in Montréal.

²⁹ Certain schools are cautious about soliciting parents of students, for reasons of equity and decisional independence regarding student promotion.

For touring companies, it is difficult to develop relationships with audience members because the intermediary presenter has the direct connection with ticket buyers. Much of this lack of access is due to the recent privacy regulations that prevent further use of contact information without the permission of the purchaser. The permission can be obtained when the purchase is made. Further negotiation of this point is needed for these companies to be able to develop sustained philanthropic relationships with their public.

Although festivals are part of the community, they are visible to the public for only a few weeks or days. Developing a year-long relationship may be challenging although the FTA, Festival Métropolis bleu and some film festivals appear to have loyal followers who have been mobilized for donations.

Young people's theatre, dance and music organizations perform in schools or are presented in a variety of theatres, Maisons de la culture and cultural centres around Montréal. Because their audiences attend as groups and are young, donations are more likely from parents or teachers, but these relationships are indirect and difficult to access. The situation requires creative reflection on how to gain a direct connection to their community to evolve these people philanthropically.

4.5 FREE EVENTS

Finally, there are organizations and festivals that perform in parks, street art and pop-up exhibitions of visual art in public places. Others are on the web. The public has free access to their work so no system records information on the audience for direct follow-up. Finding ways to communicate with attenders requires a creative approach. Facebook and other social media may be an option for soliciting donations, but they have limited potential for philanthropy and community development, despite recent developments allowing donations on Facebook.

However, some organizations offering free events do solicit their audience directly. They engage in "pass the hat" donations during the performance, while others provide special seating benefits for donor members who attend.

If the general philanthropic culture in the arts in Montréal is better developed, philanthropic support for these organizations may evolve more easily from donors who are attracted directly by their mission.

SUMMARY BUSINESS MODELS IN CULTURE

A capacity to develop philanthropic support is found mainly in institutions and organizations with continuous presence through subscriptions, membership and formal training programs. Controlling the box office directly also enables access to information about the audience for communication and philanthropic development, but good practice on database development, analysis and security is necessary.

Once the reluctance to develop philanthropic capacity in certain disciplines and types of organizations has been overcome, a more engaged and sophisticated philanthropic culture in the arts will exist in the future. Those organizations with less direct access to their audience will also benefit.

5

CURRENT CULTURAL PHILANTHROPY IN MONTRÉAL

5.1 STRATEGIC SUMMARY

A number of key factors are present in the development of cultural philanthropy in Montréal. The previous discussion touches on a number of them and we provide a summary here before further analysis of philanthropic practices.

First, the project-based nature of the milieu dominates the current philosophy of fundraising. However, long-term relationships can be structured based on an accumulation of projects.

Second, the government has constructed granting and fiscal programs that have generated a focus on endowment funds. It remains a challenge to encourage donors to think further than the one-time opportunity but placing these opportunities within a long-term relationship strategy may mitigate the challenge.

Third, the ideal support for philanthropy is a community of committed donors focused on the mission of the organization. In Montréal, there are well-developed business models that can support long-term donor development, but they are not always used. Nonetheless, there are a number of small organizations without these structures that have developed a community of donors.

Fourth, a focus on revenue development has been the justification for a focus on philanthropy. But, successful development of philanthropy requires a focus on relationships, not only increased funding revenue.

Fifth, developing a culture of philanthropy often requires organizational change. Few have reflected about philanthropy in their organization. Strategic planning with a philanthropic orientation could generate greater organizational involvement, including artists and board members as well as philanthropy professionals. As well, COVID-19 closures decimated earned revenue but philanthropic

revenue became more appreciated.

5.2 FUNDRAISING ACTIVITIES

It remains to be seen if strategies based on the development pyramid can be effective in Montréal. While many conclude that other cities in North America are successful because of greater wealth, research proves instead that an applied evolution with these programs is a major driver of philanthropic success. For instance, research in American symphony orchestras shows that the evolution of this relationship through subscriptions generates reliable philanthropic support, especially over a long period of time.³⁰

So, in Montréal, certain standard activities are considered the norm for fundraising, particularly special events. Newer activities may be clubs for young philanthropists and crowdfunding. A few are newly focused on major gifts and endowments. Rare is a program that evolves donors through the pyramid into a significant relationship with the organization. But campaigns during the COVID-19 restrictions demonstrated how the pyramid can work.

In the following section, we present an overview of each of the activities that are found in Montréal as well as how people reported pros and cons.

- Special events
- Annual campaigns
- Membership and philanthropic clubs
- Young philanthropists
- Crowdfunding
- Capital funds in parallel foundations
- Major donors

³⁰ Prescott and Associates (2015), *Patron Growth Initiative*. League of American Orchestras Conference, Cleveland. <https://americanorchestras.org/conference2015/wpcontent/uploads/2015/05/PrescottPGI3PresentationLeagueFinal.pdf>

FUNDRAISING EVENTS

The arts sector is about events, even in museums. Fundraising events build on an already well-developed expertise. These events are frequently the only fundraising activity that the organization might undertake, although a number of major organizations have started integrating their galas into their relational and philanthropic programs.

Some events are successful, but many struggle to make a profit, especially if the full-time employees and other overhead costs are considered in the calculation. Few organizations achieve the generally accepted 50% profit margin.³¹ Many staff and volunteers expend much energy for little return. Philanthropy professionals become event planners, with little opportunity to practice more productive philanthropic programs. However, there were many comments about how these events were of value for reasons other than revenue.

In the following sections, we examine galas produced by the major institutions and then arts fundraising events in general with their pros and cons.

— Galas

Elaborate galas are now held every year at three major museums and four major performing organizations. Each has their own particular character and culture. These events involve extensive planning and resources from within and outside the organization.

For a museum, a current exhibition may be on view or in the performing arts a performance is given followed by an elegant gourmet dinner. Despite some resistance, much effort is put into ensuring that guests experience the art before eating. Key artists and curators are there to make connections with the guests. Everyone pays for their ticket (at one museum) or donors pay for the artists' presence at the event.

The appeal of these large events also relates to the celebrity presence of both artists and important Montréalers. The cream of Montréal society is present. One researcher in the US talks about the value of the arts to reinforce elite status through philanthropy and its related events. Montréal is following that tradition, defining its elite.³²

Typically, these events return large amounts of money on a net basis. However, for some longstanding events, revenue may be levelling off. As well, overhead costs are rarely calculated in the net revenue, nor are the opportunity costs of distraction and diverted energy of full-time staff and volunteers.

Increasingly, philanthropy professionals in big institutions in Montréal consider these events as valuable for public relations with potential members of their community of donors:

“So there is more than just public relations involved. There are a lot of people who appear at these events and we can capitalize on the contacts for our annual campaigns. We can acquire quite a bit of information. To put people together, I have to move around the room to meet them for later connection.”

—Large institution

A few of these institutions have begun to connect event guests into their community of donors where recognition and relationship development occur. After the event, there is usually a very careful analysis of who was there and what follow-up is merited.

CASE 3

The Musée d'art contemporain has a long and successful tradition of holding major gala events. Their *Bal du MAC* is held in the fall. The presence of celebrities and major Québec Inc business leaders in Montréal attracts 850 people who enjoy social recognition and connection— as well as a fun evening.

[READ MORE >](#)

31 Bissada, Hala (2011), “Special events”, In Mallabone, Guy (ed), *Excellence in Fundraising in Canada*, Volume One, Toronto, Civil Sector Press, p. 117-135.

32 Ostrower, Francie (2002), *Trustees of Culture: Power, Wealth and Status on Elite Arts Boards*, Chicago, University of Chicago Press.

— Other fundraising events

Despite the productive connection of events and philanthropy in some major institutions, one professional in the arts reflected on the relationship between fundraising events for the arts and the business community:

“In Québec, the support of the business community has occurred through fundraising events. It is at these events that the two worlds meet, but does this relationship move further than the transaction of the event? Not sure. The link with the mission and the philanthropic engagement are not really at the heart of this activity; the support of the business world is linked to a sense of social or civic engagement to the general idea of ‘supporting the arts’. Artistic organizations are equally complicit because they have increased the number of special events but haven’t really proposed an alternative to the business community to support the arts.”

—Institution

Fundraising events have recently become problematic in other sectors. The Canadian Cancer Society and the Canadian Breast Cancer Federation merged in 2017. Between 2012 and 2017, their *Relay for Life* revenue (CCS) was down by almost half and the *Run for the Cure* revenue (CBCF) dropped by about a third.³³ Many health charities in Canada have experienced similar losses citing the reduction of corporate involvement in sponsoring teams and buying tables at galas as well as a change in individual consumer behaviour.³⁴ Fundraisers in the arts might find a conversation with health sector colleagues useful.

In the following discussion, we look at why the general arts community is attracted to these events and how the art appears in these events. But we also explain the challenges of the reciprocity approach in ticket sales and the fatigue factor.

— Visibility

Fundraising events appear to generate a certain comfort. Holding an event maintains an awareness with a public, especially for touring organizations who are absent from the market.

“What I understand about special events ... is that if you no longer hold them, you are no longer on the map ... and this relates to reputation.”

—Micro-sized theatre company

“I believe that we can’t drop the event for the moment because it enables us to stimulate our community ... We can’t just evaluate it through the financial aspects alone.”

—Artist-run centre

“The number of donors is limited, so if we don’t hold an event, we will miss a year and the risk is the possibility that that they will go elsewhere.”

—Association

Events are an important point of reference for the community. However, they are viewed with a marketing lens, being in competition with others for a limited market and a donation request that is benefits-oriented.

— Arts education at the event

Instead of producing a separate and unique event, many performing organizations add to an already developed concert or production. This makes the production of these events much easier. The guests are seated with others in the concert hall or theatre and there is a reception before or after the event.

“We have already undertaken several events linked with a concert where tickets are a little more expensive than the regular ticket price and this has been quite effective.”

—Small musical organization

“Organizations choose special events because the shows are all ready, rehearsed and mounted.”

—Association

³³ Canadian Cancer Society Financial statements: <https://www.cancer.ca/en/about-us/financial-statements/?region=on>

³⁴ Yves Savoie, former CEO, Heart & Stroke Canada.

Some find, however, that people might buy a ticket and not attend the event. Or others do not buy a ticket in a particular year and accept invitations from corporations who have bought a table. This is especially a concern when that person is a board member. Finding a loyal group of ticket buyers for an annual event seems challenging.

"These people come to particular events when they are invited, but they don't really visit the gallery."

—Artist-run centre

"People came to the events just to dance and drink but don't attend the performance."

—Young philanthropist group

On the other hand, some theatre organizations mount amateur productions where volunteer performers onstage are businesspeople who attract friends and colleagues to attend. The Festival du Jamais Lu asks people to suggest words that are subsequently put into texts by authors (winning the BAAM award in 2019). In both, the donors see themselves in the events, so attendance is attractive. Other events are even more imaginative, where kiosks of activities are explored by the ticket buyers. Innovation seems to be a preoccupation for these events. But regardless of innovation, certain mandate-specific organizations successfully shape a loyal community that supports their events and philanthropy.

"... they're here because they believe in us. We meet regularly every month, so they have close ties to us. We probably spend more than we should compared to what we get back but then we're also building relationships with the community."

—Mid-sized theatre organization

— Reciprocity

"We need people who have networks of individuals who are obligated to them", explained the president of a parallel foundation. Reciprocally obliged connections through board and event committee membership ensures the financial success of many cultural fundraising events in Montréal. These networks operate unrelated to the organization's mission, however. A participant's relationship with the organization is constructed through the IOU's of ticket selling circles.

"This IOU culture is not terribly clear. It is another constraint."

—Small theatre company

"She knows that if she sells a ticket to a fundraising exhibition, two months later this same person will return to her and ask her for the same thing. This exchange relationship has become a key part of philanthropy..."

—Artist-run centre

There are risks with these networks. A major ticket seller may pass away or move to another organization. The network is lost. There is no linkage through a philanthropic community of interest.

"There are three types of people who come to our event:

- *Those who really believe in the mission*
- *Those who come in response to a particular person, regardless of the mission.*
- *Those who attend many fundraising events, who put the cost of the tickets on their expense account, who are there for public relations, to have a lovely evening and make use of the open bar (these are the most stressful and who have the highest expectations!) ... So it is really about business relationships."*

—Mid-sized presenter

The role of the board of directors and the event committee is often misunderstood, despite efforts to clarify. "Give, Get or Get off" is an old-style American fundraising phrase cited by some people. Unfortunately, this sales approach to philanthropy by-passes the mission of the organization.

"Unless you can guarantee that each of you can sell 10 tickets at \$100 each, I can't assign my team to the project."

—Mid-sized festival

"For the fundraising exhibition, there is a lack of understanding of who is to sell the tickets. The Board believes that it is the organizing committee and the organizing committee believes the opposite. But in fact, all the sales responsibility falls on the director."

—Artist-run centre

— Energy drain

Especially for small organizations, holding an event is an enormous undertaking. Interns are often engaged to acquire auction items and corporate partnerships, or even organize the event. But there were many comments in interviews and internship reports that the experience is very demanding with little satisfaction. As well, an event rarely evolves into a philanthropic program.

“But we know how a fundraising event can drain energy and divert the organization from its mission.”
—Researcher in philanthropy

“This is a question that everyone has asked. Everyone holds a fundraising event and everyone tries to innovate at the event, but in the end, it takes a lot of energy without too much return. This takes a lot of energy from everyone.”
—Micro-sized theatre company

“If we take the employees’ salaries into consideration during the planning and development of the fundraising exhibition, the event is not profitable. In fact, we often lose money.”
—Artist-run centre

ANNUAL CAMPAIGNS AND MEMBERSHIP

— Annual campaigns

Annual campaigns in the arts may involve both institutional and individual relationships. Foundations and companies are solicited for sponsorship, partnerships and donations. These solicitations usually involve written proposals and require skills similar to writing a government grant request. These skills are well-developed in the arts community although the messages may be different.

“We receive many grants, so I feel that we are always in the middle of asking for money. We have developed a way of talking that is useful in government grant applications ... So it is difficult to find a way of speaking that is relational with individuals. The two together is not easily done.”
—Artist-run centre

SUMMARY FUNDRAISING EVENTS

Major galas are worth the effort if they are linked with a full program of philanthropic development and recognition. The prestige of the gala attracts key elite citizens who may be cultivated into loyal donors. The two may evolve together effectively.

For other organizations, holding an event may need careful consideration of the financial risks, diversion of energy and ineffective connection with the mission. Events may generate visibility, but several small recognition events that touch the mission may be more effective at gathering a loyal community.³⁵

However, visibility and celebration may remain the reasons to hold a large event from time to time. Producing participant events for businesspeople may generate a loyal following.

During COVID-19, live gatherings were cancelled but many retained their donors and some were adept at translating to digital platforms.

³⁵ Zumaya, Armando, *What’s a “vampire fundraising event” and is it time to kill it?* Armando Zumaya - Training and Consulting.
<http://www.armandozumaya.com/whatsquos-a-ldquovampire-fundraising-eventrdquo-and-is-it-time-to-kill-it.html>

One person or a seasonal intern may be delegated to devise these written proposals, reflecting a limited organizational connection with the process. Seeking funding through either philanthropy or sponsorship is, however, best done through a commitment by the whole organization.

With sponsorship, everyone in the organization must adapt to fulfill the contracted benefits and to provide the sponsor with access to the organization's market. With philanthropy, everyone in the organization must act as an ambassador to motivate community support for the organization's mission. A market exchange philosophy underpins corporate sponsorship, compared to the more symbolic and values basis of individual philanthropy.

Each funding approach is relational requiring a larger organizational commitment, but the purpose and dynamic of each funding relationship is different. The mentoring and coaching embedded in the *artsvest* program brought to Montréal by the Council for Business and the Arts encourages this relational approach to sponsorship.

Some annual campaigns also appeal to individuals. Most of those appeals are related to programs with social impact, like disadvantaged youth attending performances. These requests for donations are much more philanthropic with few specific benefits. They contrast with both sponsorship and membership programs that include tangible benefits.

Campaigns during the COVID-19 closure have been quite successful. Subscribers and members expressed attachment and responded to the organization's urgent situation with surprisingly positive results by becoming new donors. Kim Klein (2016) talks about episodic giving during major crises, such as COVID-19. Converting episodic to long-term philanthropic relationships will be an interesting discovery. One organization reported on the impact of their telephone conversations with donors and ticket buyers:

"I would say that COVID-19 has been an opportunity to have more intimate conversations with our donors. New donors who converted ticket purchases into donations reacted on the spur of the moment to the situation."

— Membership and donor clubs

Most museums, a number of festivals and some performing organizations in Montréal offer memberships or entry to philanthropic clubs at different financial levels. They offer privileges of access and tangible benefits but philanthropic recognition is given only with philanthropic club donors. Privileges involve access to dress rehearsals, museum vault tours, VIP lounges and early access to ticketing. Tangible benefits include free tickets, drinks, publications and other items with market value. Philanthropic recognition includes public listings and tax receipts for donations. A development director of a major festival in Ontario reflects on the transactional side of this hybrid experience.

"... In early days of arts fundraising, we were uncomfortable in asking for money, and so we established elaborate acknowledgement and benefits programs to thank donors for their gifts. And I think we transactionalized these relationships ... 'what do I get for what I am giving you?' And the answer is you really shouldn't be getting anything. I mean what do you get when you give to famine relief? You get the satisfaction that you're making a difference. But we have been guilty as an industry saying you have to get stuff."

Usually, the higher the membership fee or club-level donation, the greater the philanthropic intent of the commitment. But the tangible benefits can still distract from the mission orientation of philanthropic recognition programs. Highlighting the case for support can increase the donor's psychological engagement to philanthropy. It helps move the culture of membership programs away from marketing and tangible benefits. Again, we hear from the director of development of a festival in Ontario.

"So over the past number of years I have been working with the teams to refocus our conversations with donors and talking more about the case for support, why the arts matter, why the festival matters, what their gifts can help accomplish. We have not managed to eliminate benefits, but we soft sell them so that they don't become the first thing we talk to potential donors about. That has had some success."

The CRA requires that companies deduct the value of the tangible benefits from the total gift for tax receipt purposes. This becomes burdensome for administration, requiring software to account for the different elements of a gift. Many small museums

choose to hold events instead of developing membership programs because of the cost of software and administration.

“Smaller museums prefer to organize a fundraising event and to seek out sponsors rather than operate a membership and a database management software.”

—Museum association

In Montréal, only a few of the major institutions have programs that evolve individuals through the donor pyramid from a ticket-based subscription or membership.

For an individual, making the shift from subscriber or member to donor can be challenging. Individuals may feel that they have already supported the organization with their season ticket purchases or annual membership. Adding a donation, at the time of purchase or later, involves shifting the client from a market to philanthropic orientation. Special skills by customer service agents or communications specialists are needed to educate and motivate ticket buyers to move beyond ticket purchases, especially over the phone. The text in a subscription sales brochure or email often needs testing and reflection to encourage this shift. A Toronto contemporary dance company provides this inspiring message on their season brochure:

“Our donors are a core part of the XX family, helping us further our mission and make a significant contri-

bution to Canadian dance. With your support and participation at XX, we can nurture the next generation of choreographers, share resources with the community, develop a pluralistic company of dancers, and grow our audiences in Toronto, across Canada and abroad. ... Be part of our community of passionate philanthropists and join our giving program today. .. To fully recognize the love we have received from our community, you can find our full list of supporters at XX.”

— Developing philanthropic interest in small companies

Some smaller companies do not have subscription or membership but they have started to develop fundraising with people who are close to and who care about the organization. It is a relational approach that is very authentic and personal.

“Philanthropy is something that has developed in our organization in a relational fashion. We have not thought about it based on an event. We feel that we have developed a community that is larger than just ourselves and our board. They come from a variety of sectors. It is very exciting because we are learning a lot from them.”

—Micro-sized dance company

“Had a private donor event – whisky tasting event. The personal interaction was useful between past donors and board. Connecting past versus now.”

—Mid-sized theatre company

SUMMARY ANNUAL CAMPAIGNS AND MEMBERSHIP

Annual campaigns directed to foundations and corporations involve skills similar to grant requests. Recent training and matching programs with *artsvest* suggest that relational skills are important as well as proposal-writing skills. Smaller individual donations usually targeted at supporting social programs are also part of annual campaigns.

Subscription and membership programs can evolve into philanthropic recognition programs and are to be encouraged. The emphasis on privileges and tangible benefits needs to be shifted to the case for support as motivation to become involved as a donor.

CASE 4

Je suis Julio launched its first fundraising campaign in 2016 in response to a \$4000 gift from an enthusiastic major donor.

READ MORE >

CASE 5

Studio 303 has evolved their fundraising practices from rent-raising cabaret parties in the 90's, to a major 20th anniversary event in 2009, and since then, a letter campaign focusing on a community of donors. Studio 303.

READ MORE >

YOUNG PHILANTHROPISTS

Young philanthropists are typically young business professionals who are keen to participate in the arts as a general cause. Behind-the-scenes events are frequent elements of their programs to develop a taste for the arts and philanthropy.

"With philanthropy, we have to start early in people's lives so that it can be integrated well."

—Young philanthropist group

"Education of young philanthropists is important because philanthropy is an acquired behaviour."

—Alarie, March 2, 2008³⁶

There is also a sense of social mission with these donor clubs:

"Nathalie Bondil believes that philanthropy must be accessible to everyone, including new communities. Rendering philanthropy less elite can demonstrate to all that even the very young can give."

—Cardinal, April 30, 2016³⁷

Some argue that age makes a difference in attitude regarding philanthropy.

"Young donors view philanthropy as a life-style."

—Barr & Lasby, 2013³⁸

"The next business generation for the next artistic generation. It is generational."

—Young philanthropist group

— Cultural mediation

Most events bring members onto the stage or into the storage vaults of the institution. Like the former *Arrimages* program at the CAM, cultural mediation is at the core of the activities. However, sometimes it is necessary to ensure attendance at the art event before the socializing.

"We required people to attend the performance before the social event, even though the logistics were very complicated."

—Young philanthropist group

During COVID-19 closures, online events appeared less successful with this group of donors. Some hypothesize that there is a social media fatigue. Maybe group meetings on digital platforms do not promote the more personal social networking desired by these donors.

— Loyalty

Similar to the special-event culture, networking and career considerations for young philanthropists encourage frequent changes in affiliation from one organization to another.

"They become involved in the cultural sector, but not necessarily in any single organization. The mission of an organization is not their primary motivation. This is why they change from one to another. They have a genuine curiosity for culture ... but they are focused on career development and want to acquire cultural capital to support that objective."

—Institution

³⁶ Alarie, Marie-Hélène (2008, March 2), *Le Devoir*, Culture.

³⁷ Cardinal, François (2016, April 30), "Les amis du musée...", *La Presse*.

³⁸ Barr, Cathy & David Lasby (2013), *Talking about Charities 2013: Canadians' Opinions on Charities and Issues affecting Charities*, The Muttart Foundation & Imagine Canada.

“The younger generation want to see philanthropy be efficient where they gain something like recognition and a network. They are quite demanding and their donations are not very substantial. They are flighty and change organizations often. Their donations are expensive to obtain.”³⁹

“For sure, loyalty is a big challenge. There is a lot of competition, a lot of offers in the market, lots of stimulation and lots of changes in employment.”
—Young philanthropist group

— Moving beyond young professional status

These clubs are typically associated with an organization but independently led by a volunteer executive. They are rarely part of a philanthropic recognition program within the organization. However, the Opera has recently changed, and the group has been blended into their Ambassadors’ Circle. The donation is higher, but it involves a full program of philanthropic recognition, engaging their members with the mission.

Comments expressed by members of the BAAM, however, have indicated that membership is not growing and that family priorities increasingly appear to be affecting attendance at events. Might this be similar to trends in other sectors?

CASE 6

As a graduate of the *École supérieure de ballet du Québec* but trained as a lawyer with an MBA, Natacha Engel was keen to give back to the school that enabled her childhood dream of becoming a ballerina. She was inspired by young philanthropist programs springing up across Montréal.

[READ MORE >](#)

SUMMARY YOUNG PHILANTHROPISTS

Young donor clubs are intended to develop an interest in the arts among the next generations and so ensure the future of philanthropy in the arts.

However, the interest is general and organizational loyalty is not strong, which appears typical of this generation of donors.⁴⁰ While behind-the-scenes events are very attractive, professional networking can dominate the objective for these events. Hopefully, members will develop interest in the art, but it remains to be seen if they will replace other donors who have a long-standing relationship with the organization.

³⁹ Doyon, Frédérique (2012, October 20), “La jeune philanthropie passe à l’ère 2.0”, *Le Devoir*.

⁴⁰ Épisode, 2019.

CROWDFUNDING

Crowdfunding began in 2009 and philanthropy in crowdfunding began a few years later. Organizations are discovering the possibilities, challenges and the expertise required. Crowdfunding is defined as “a collective effort by people who network and pool their money together, usually via the Internet, in order to invest in and support efforts initiated by other people or organizations”.⁴¹ For supporting entrepreneurial start-ups and their projects, crowdfunding is very successful. Projects found in the cultural industries like film, music recording and publishing seem to benefit.⁴² However, to be successful in the arts, crowdfunding needs to work with a community that, regardless of age, is already close and committed to the project’s mission. Sometimes members of the larger community affiliated with the crowdfunding platform will respond to the appeal, but that community is not key to the campaign’s success. As well, the financial objectives in the arts are generally less than in the cultural industries.

Campaigns are typically structured with levels of giving or investment affiliated with rewards as a return. The campaign lasts for a short period, usually 30 or 60 days, to enhance participation. Sometimes campaigns must achieve their goal in order to receive the funds and with others, any funds raised are retained. The choice may be up to the originator of the campaign or the chosen platform may determine the policy. As well, researchers have found that a more philanthropic sensibility is necessary for crowdfunding success in the arts.⁴³ If benefits are too tangible or valuable, participants are less motivated in a charitable artistic context.

Crowdfunding appears to be similar to the structure of donor recognition programs, where benefits focus on the mission and the organization overall. For crowdfunding, the relationship is not permanent and rewards are not renewable. The focus is usually a time-sensitive project.

In the following sections, we hear from those who have had this experience. General interest does not appear to be increasing in Montréal. However, Tangente, Centre de Théâtre d’Aujourd’hui (CTd’A) and recently Festival ZH and Diversité artistique Montréal enrich their programming through support of affiliated artists’ campaigns. These are the majority of campaigns in the milieu.

— Arts crowdfunding in Montréal

The earliest project that we identified on the key Québec crowdfunding platforms was in 2013 but small projects may have appeared earlier on Indiegogo and Kickstarter, the earliest platforms available. To achieve financial targets, supplementary funding from outside partners like a public agency or a corporate sponsor is helpful. The 375th Anniversary of Montréal program was an early supplemental funder in Montréal with the Caisse de la Culture and the CAM now involved.

In recent years, presenting companies have encouraged their programmed choreographers or small theatre coproducers to crowdfund their projects: Tangente, a presenter of the choreographic next generation has mentored 29 projects as of 2019 and Centre de Théâtre d’Aujourd’hui, a producer of new Québec dramaturgy, has mentored 7 projects. Festival ZH, winner of the Jury’s prize at the Grand Prix du CAM has started a similar program with 5 projects and Diversité artistique Montréal has supported 4 projects (2 are completed), both in 2019. Training helps the artists to develop the campaigns and the host companies issue tax receipts for the donations received. Individual artists or companies approach their own networks, including friends, family and many cultural workers. The focus is on relational proximity, not age.

Beyond these campaigns, we have found 29 other campaigns in the Montréal market. The details of all these campaigns are available by request to the CAM.⁴⁴

41 Ordanini, A., L. Miceli, M. Pizzetti & A. Parasuraman (2011), “Crowd-Funding: Transforming customers into investors through innovative service platforms”, *Journal of Service Management*, vol. 22, no 4, p. 443–470.

42 Sawa, Paul (2014, January 4), “Past, present and future of crowdfunding”, *Insider*.

43 Boëuf, Benjamin, Jessica Darveau et Renaud Legoux (2014), “Financing creativity: Crowdfunding as a new approach for theatre projects”, *International Journal of Arts Management*, vol.16, no 3, p. 33–48.

44 Contact: Talar Agopian, chargée de projets – arts et philanthropie.

TABLE 5
ARTS CROWDFUNDING IN MONTRÉAL ACCORDING TO THE CALENDAR YEAR

Year	Completed projects (KKBB, Indiegogo, LaRuche, Ulule, Haricot, GoFundMe)	Tangente as mentor (KissKissBankBank then LaRuche in 2018)	Centre de Théâtre d'Aujourd'hui as mentor (KissKissBankBank until 2019, then LaRuche)	Festival ZH as mentor (LaRuche)	Diversité artistique Montréal (DAM) as mentor (LaRuche)
2013	1				
2014	2				
2015	4				
2016	4	6			
2017	7	10	1		
2018	5	11	6		
2019	7	3	3	5	2
Total	30	30	10	5	2

— Positive experiences with crowdfunding

In contrast to a fundraising event which involves a board and a special committee, one organization found that a crowdfunding project brought philanthropy and donors inside the organization and engaged its employees. Crowdfunding may be helpful as a change mechanism toward the creation of an individual community of donors for an organization and a culture of philanthropy in the organization.

“Previously, the campaign and related special event was managed by the board and the staff were a bit distanced and passive... The crowdfunding campaign enabled us to bring fundraising inside the organization. We have seen the impact and results in real time. We moved from corporate to participative.”

—Mid-sized theatre company

One culturally specific theatre company found it useful, given the distinctness of their mission. They repeat their project every other year.

“Easy to promote and launch. Very specific and people have responded to that.”

As well, a senior cultural worker explains that requests from crowdfunding have expanded her interest in becoming a donor to her younger colleagues and artists in the field. It may be contributing to the development of a larger culture of philanthropy in the milieu.

“Thirty years ago, everyone thought that our cultural organizations had to be supported by public grants and donations from businesspeople who had money. Certainly not artists and cultural workers. I started to donate to the National Theatre School, my alma mater. Later I started to volunteer and participate in benefit events. Finally, I began giving to crowdfunding campaigns with the idea to support young artists who are starting a career. In 30 years, I have evolved. Now I budget 1% of my annual revenue for cultural institutions and projects that make sense to me. I try to be aligned with what the arts community requires of the government. For me, it is a civic responsibility to support our institutions.”

CASE 7

Geordie Theatre is a theatre for young audiences that tours in Québec, Ontario and the Maritimes. They have a theatre school in Montréal which has launched three crowdfunding campaigns.

READ MORE >

While crowdfunding appears useful for projects, some feel that it doesn't support mission-related projects. Museums in Québec appear to be particularly sensitive to this issue.

"This isn't something that can be repeated automatically each year. Urgency is the key. Supporting the mission is not possible with crowdfunding ... So if museums used crowdfunding for exhibitions, this would not be viewed positively because these activities are at the heart of their mission."

—Museum association

— Critique of crowdfunding

Although there was great initial enthusiasm related to finding new supporters through the web platform, our research reveals that artists and organizations need energy and expertise to stimulate donations at key points.⁴⁵ Training is very helpful, but the competition amongst their peers is also demanding and uncomfortable. Many reach out to family and friends or even their own funds to achieve their objectives if necessary. Many will not repeat because of the amount of work involved that is distracting from the creative process. Like events, there appear to be risks involved.

"Crowdfunding – never again!. It drained everyone. The time invested for the amount received was not worth it. We raised \$15,000 with \$10,000 of expenses but it required a huge amount of time and effort."

—A mid-sized festival

"So a badly managed campaign required a lot of energy. For an investment of \$30,000 we raised only \$10,000."

—A mid-sized music ensemble

Micro and small companies are particularly vulnerable if staff are part-time or seasonal.

"We launched into the campaign with lots of hope but with little preparation. I know that you should prepare, but I don't have the time. I work 20 hours a week elsewhere."

—Small theatre company

Like events, there may be a saturation effect.

"There was a point in time where there were too many solicitations. Too many campaigns. We didn't even open the links because it became irritating and not doable."

—Service organization

45 Tremblay, Maryse & Wendy Reid (2019), "Apprendre la générosité: Démystifier une campagne de financement participatif en danse à Tangente", *International Journal of Case Studies in Management*, Case Centre, HEC Montréal.

SUMMARY CROWDFUNDING

Crowdfunding requires expertise, energy, commitment, time and, in big campaigns, extra money to stimulate Facebook connections. It also requires a specific community, like philanthropy.

However it is typically useful for bringing a support community closer to the organization, unlike special events. Very specifically defined and social-mission projects seem to do very well for some who are able to repeat the campaign annually. However, mission funding may not be pertinent since, for such campaigns, annual repetition may be inappropriate.

Partnering between presenting organizations and young creators has been successful to support small creative projects in Montréal. It appears essential to have additional funding support for these projects. These partnered projects are currently the majority of campaigns in the Montréal arts market. Some artists criticize the pressure to undertake these campaigns because of the competition in the market and the pressure during a sensitive time in the creative process. And will these artists trained by these programs undertake future campaigns? Experience is early, but little evidence points to repeat efforts for now. Fatigue and competition seem to play a role.

CAPITAL FUNDS IN PARALLEL FOUNDATIONS

We have reported a great deal of information about capital fund development in the discussion about *Mécénat Placements Culture*, the tax benefit called one-time large cultural donation and *Mécénat Musica*. However, a variety of capital funds exist in parallel foundations linked to Montréal arts institutions (eg. OSM, MBAM, Les GBC). Many foundations were founded before the MPC but also have benefitted by some matching programs and the one-time large cultural donation, while not involved in *Mécénat Musica*. Some foundations have just a board, but in other foundations, all of the professional fundraising staff are situated there and they exist in parallel to the operating organization.

These foundations may include several funds, some of which are permanent endowments and others are allocated to particular projects. In many of these foundations, annual fundraising is part of the income, so the revenue from those campaigns serves the operating organization directly and within the year. The amount of funding that is transferred from the foundation to the operating organization involves some negotiation between the two executive leaders and boards of these parallel organizations.

There is a lot of experience with large endowments in the US for arts organizations and they serve to stabilize these organizations. However, they may also be in tension with the operating organization.

Board members of a foundation typically wish to invest in and develop their funds for the future. They may be critical of cost control in the operating organization, including the results of union-negotiated master agreements. The needs of the operating organization may not be well understood. But operating organizations may also consider funds from the endowment as an appropriate solution to management issues and financial crises. Research in Québec has shown the possibility for similar tensions.⁴⁶ Company-foundation relationships need work.

A sophisticated analysis of the use of capital funds to manage risk has been developed recently in the US (eg. working capital, creation and building maintenance funds as well as endowment funds)⁴⁷ whereas stabilization programs in English Canada focused only on working capital. Québec arts organizations are in the early days of fund development and boards of parallel foundations and operating organizations will find it useful to consider their organization's needs for funds and their affiliated flexibility.

SUMMARY CAPITAL FUNDS IN PARALLEL FOUNDATIONS

Parallel foundations are most often found in affiliation with large institutions in both the museum and performing arts sectors. Others have chosen to place their funds in the *Fondation de Grand Montréal*, instead of undertaking the work with their own foundation.

In parallel foundations, there can be more flexibility in the management of funds, however the relationship between the operating organization and the foundation needs careful coordination. Boards need to be aware of the issues of this relationship and prevent a separation between the two. Research and expertise both in Québec and elsewhere would be useful to seek out and share.

⁴⁶ Zúñiga-Salas, Verónica & Johanne Turbide (2017), *Guide sur les fondations parallèles*, Pôle IDEOS, HEC Montréal.

⁴⁷ Nelson, Susan, (2009), *Getting Beyond Breakeven: A Review of Capitalization Needs and Challenges of Philadelphia-Area Arts and Culture Organizations*, Boston, TDC Inc, Commissioned by the Pew Charitable Trusts and William Penn Foundation.

MAJOR DONORS

Many major donors play a leadership role in the arts in Montréal, sometimes as a significant solo patron for the organization. The support from these men and women from a variety of cultural backgrounds has built careers and organizations. They are very strategic players where they are involved. They have been presidents of boards, builders of foundation capital and funders of buildings and projects like recordings, programs or installations. They are collectors of both visual art and musical instruments which have been donated or loaned as needed. Several have founded their own cultural organizations and continue to fund them extensively.

Their relationship is usually initiated from their own independent desire for involvement, but recently, professional philanthropic stewardship in some major organizations is playing a role in the relationship. Well-designed contracts for major gifts provide transparency and security for both the donor and the organization. Boards may wish to reflect on such involvement in order to ensure support in the most appropriate and strategic manner for the organization.

The dream of finding a major donor that funds and secures an organization's future is an idea frequently expressed by small organizations who are at the beginning of their philanthropic journey. *All we need is a major donor* – is a frequent comment. This search for a Holy Grail moves the focus to "other" and prevents small organizations from engaging in the work that is needed to initiate their closest supporters and interested allies into philanthropic community. Those allies may grow to become board members and future major donors.

SUMMARY FUNDRAISING ACTIVITIES

All the strategies that are described in this section may be useful and appropriate at some point in time for an organization. However, they are best linked into strategies rooted in philanthropic relationships that are about the mission. Without a larger orientation involving the whole organization, the overall success of philanthropy related to a specific activity is not assured over the long term.

Development of a culture of philanthropy in the arts milieu in Montréal is in its early days but COVID-19 experiences may provide stimulating reflections for philanthropic strategies. The interest generated by government programs, events and crowdfunding campaigns is contributing to an awareness of new support that supplements government funding. To be avoided are short-term strategies that lose sight of a longer term objective of a philanthropic culture. The next section looks at developing a culture of philanthropy in Montréal.

5.3 CULTURE

Success in donor development requires everyone's commitment, suggesting a philanthropic culture across the whole organization. In the following, we discuss this culture, boards of directors, the impact of urgency on philanthropy, impact of artistic missions, philanthropic traditions of different communities of donors and organizations of diverse, inclusive and First Nations art.

A CULTURE OF PHILANTHROPY

Every philanthropy professional struggles with the development of a philanthropic culture in and around their organization, no matter which sector or location. Having a strategic plan for philanthropy and involving everyone in regular reflections about that plan is very useful, saving time and focusing energy. These discussions support the change necessary in organizations to introduce philanthropic fundraising. The process does not just involve a newly hired expert.

A major US study in 2013 explains the risks of an underdeveloped philanthropic culture:⁴⁸

- few in the organization are engaged in the process;
- change happens slowly;
- professionals feel isolated and left alone with the philanthropy file; and
- staff turn-over occurs frequently.

As a result of these risks, the organization becomes financially weak and relationships with its community of donors are ruptured. American organizations are very vulnerable since philanthropic revenue is fundamental for survival.

Philanthropy in Montréal has been less crucial to survival although its relational significance was revealed to numerous organizations during COVID-19 closures. An engaged community of donors provides additional income and support for innovative artistic development. A culture of philanthropy is valuable for this development.

In many medium and small organizations fundraising involves corporate sponsorship or partnership and fundraising events. They are normally undertaken by a single person who probably has other responsibilities, like communications. As well, unpaid interns are often hired to help develop corporate proposals and organize events. Some organizations have expressed concern that after the extensive government support during COVID-19, grants will be cut. The resources to develop philanthropy might be reduced, thus limiting its potential growth in the future.

Engaging a whole organization in philanthropy requires a change in culture. It depends upon the inclusion of philanthropy in a strategic planning process and refined political and persuasion skills on the part of the philanthropy professional to engage others in the process. But in smaller organizations, small steps and a few donors are often useful beginnings. Small steps could include board members in the thank you process to current donors—writing cards or telephone calls. These kinds of experiences stimulate a board member's leadership role in the philanthropic process.

CASE 8

Revenue diversification and the renovation of their studio motivated Karla Étienne, the artist-manager at Nyata Nyata, to investigate philanthropy. She started with crowdfunding for a tour to the Congo, for *Mozongi*.

[READ MORE >](#)

48 Bell, Jeanne and Marla Cornelius (2013), *UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising*, San Francisco, CA, CompassPoint Nonprofit Services and the Evelyn and Walter Haas, Jr. Fund.

SUMMARY A CULTURE OF PHILANTHROPY

According to the American study by Bell and Cornelius (2013), a philanthropic culture involves:

- an organizational commitment to learning and development of the plan and the programs,
- all board members and senior management as model donors and ambassadors,
- organizational ambassadors who invite support from others with interest in the mission,
- a community of individual donors,
- appropriate support tools like database software,
- well-trained staff who are loyal and contribute to thoughtful collective strategies,
- involvement by everyone in the values of philanthropy.

To sustain the commitment requires determination in the face of occasional fatigue or rejection. But there are some cases in both large and small organizations where this evolution towards a culture of philanthropy has been successful. The COVID-19 crisis afforded some small organizations their first taste of philanthropy through *#billetsolidaire*. While nothing is ever perfect, it is often in the small steps where change begins, and a culture develops.

BOARDS OF DIRECTORS

Boards and their members have many roles,⁴⁹ including philanthropy. Maintaining a balance among them can be a challenge:

- participating actively on a board and attending artistic activities,
- monitoring and planning in partnership with the executive leadership,
- judging risks by understanding the organization's mission and business-funding model,
- engaging as a donor and philanthropic community leader for the organization.

This last role is the link to philanthropy.⁵⁰ Being a community leader for the organization implies not only giving to the organization, but inviting others to share your interest in this organization's activities—becoming a model.

Finding appropriate board members for any organization is challenging. Specialty expertise from business may be required, including legal, accounting, and real estate. But many comments emphasized how board members in the arts need to be anchored in the artistic mission and to have an understanding of organizational norms and practices.

"The cultural milieu is little understood by the business community. Particularly the funding realities. For a logical thinker from the business community, lack of certainty of the operating grant for the next year creates panic. And to invest in a production without knowing whether it will sell is difficult. So, sometimes it is hard to move things forward because people are risk averse."

—Mid-sized theatre company

"Having people who come from outside is interesting but their expectations are not the same as ours. ... It is important to understand how organizations in this milieu work."

—Mid-sized festival

However, some are convinced that having business-people on their board is a winning proposition.

"Our strength is that all board members come from the business community."

—Mid-sized musical ensemble

The size and stage of the organization's development can be a factor that determines who is selected to be on the board and how they are attracted. Holding a benefit event may be reason to involve business people, since their networks provide access for ticket sales. Developing a grid of necessary and desired board member attributes and then regular review of the profiles needed for an organization's board is useful.

CASE 9

When creating an all-female board for her new choreographic creation company, Anne Plamondon decided to seek people who were informed about and experienced in art as well as organizations.

[READ MORE >](#)

— Mandates

Most boards in North America use a predetermined term length and term limits for board membership resulting in predictable membership turnover. This ensures a diversity of points of view, responding to environmental changes and expanding donor relationships over time. More people can act as ambassadors for the organization and generate a broader community engagement.

For the arts in Québec, board membership rotation is rare. Some argue that the benefits of a continuous membership are stability and board knowledge.⁵¹ For public agency museums, the new 2016 law⁵² extended the maximum number of mandates before rotation. Reflecting on mandates and terms may be useful whenever boards review their policies.

Some also argue that a thoughtful and long-standing board president can participate strategically and

49 Cornforth, Chris (2003), "Introduction", in Cornforth, Chris (ed.) *The Governance of Public and Nonprofit Organizations: What do Boards Do?*, London, Routledge, p. 1-19.

50 Sternberg, Dave (2008), *Fearless Fundraising for Nonprofit Boards*, 2nd edition, Washington, DC, BoardSource.

51 Bernard Lamarre, cited in: Ouellette, Pierre-François & Laurent Lapierre (2005), "Pierre Thériberge et le Musée des beaux-arts de Montréal", *International Journal of Case Studies in Management*, vol. 3, no 2. Case Centre, HEC Montréal.

52 Ministère de la Culture et des Communications du Québec, (2016) www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=5&file=2016C32F.PDF

more profoundly in the development of the organization.⁵³ In Québec many business leaders, former politicians or community leaders have held a chair for a long time.

In the rest of North America board chair terms normally last for two to four years. Of course, this rotation requires a demanding and ongoing search for new board members and new presidents. Having a pipeline of people who are interested in the organization that draws from the pyramid of donors and volunteers becomes pertinent.

— Search for board members

To respond to the challenge of finding new board members, the CAM hosts a program twice a year that helps match organizations and potential board members. It is an idea that emerged jointly from the business and arts communities. Presentations for board membership from selected arts organizations take place at an evening event. Since community involvement is valued by many professional service firms, businesspeople have been the focus for board candidates. In the past year, the CAM has worked with *Bénévoles d'affaires* (now part of *Centre d'Action bénévole Montréal*) and *Leadership Montréal* to expand the search for candidates beyond the business community.

The results of matching have been varied. Some have found ideal new board members. But despite positive responses from participants in surveys following the event, others found either the process itself or the orientation and insertion of businesspeople from this process difficult, especially over time.

"We participated in Go-CA. It was helpful for a time, but the people we found did not stay for their full mandate."

—Mid-sized theatre company

"For the Go-CA event that we attended, one theatre company arrived with a star celebrity and everyone wanted to sit on that board. No one wanted to participate in our organization."

—Association

Seeking board members who already have an interest in the organization and are donors may be more strategic.

"It is helpful when the person approaches us. It is easier since they already have an interest without having to sell the value of the company."

—Mid-sized theatre company

"In the medium and long term, Go-CA is not a solution because we want to solicit our own networks and find people who support and know our organization."

—Presenter

Those managing Go-C.A. at the CAM argue that their program is useful only for finding new and external board members. But they agree that finding board members who are already involved in the organization is the better approach.

Therefore, developing a community of donors for the organization supports the search for board members who are committed and knowledgeable, particularly for smaller organizations. This is the ultimate application of the pyramid strategy.

CASE 10

Accompanied by her young son Ludovic, Caroline Bergeron was entranced by the performances of L'Illusion, Théâtre de marionnettes.

[READ MORE >](#)

— Board members as leaders in philanthropy

Actively supporting the mission financially communicates a message about a culture of philanthropy in the organization. Attending performances and exhibitions as well as donating at a leadership level is part of that board role.

American expert, Dave Sternberg⁵⁴ explains:

"Using influence after exercising affluence can have a powerful effect on fundraising."

One organization with a culturally inclusive mandate has been very successful at finding engaged board members who actively participate in promoting the organization and its funding.

53 Fogel, H. (2000), "Are three legs appropriate? Or even sufficient?", *Harmony*, vol. 10, p. 11-24.

54 Sternberg, Dave (2008), *Fearless Fundraising for Nonprofit Boards*, 2nd edition. Washington, DC, BoardSource.

“Almost all of our board of directors are or have been artists in some way. We’ve had businesspeople but they’ve also had an artistic side to them. They have always been interested and have participated in the arts but also have another job. They come to events, represent us, speak to people, answer questions, and are recognized. They’re involved in helping us sell tickets for the Gala.”

—Mid-sized theatre company

Many board members in arts organizations in Montréal, large and small, do not appear to be engaged, although COVID-19 generated new support from boards during the crisis. There are multiple governance roles for board members. Despite the American model of board donations, some in Québec argue that this level of engagement may impair board members’ independent judgment when realizing their governance responsibilities for the organization. In fact, the MCC balanced this tension between these points of view in their 2016 law for public agency museums (50% of board members may be philanthropists). Boards are best advised to reflect on their management of the balance between resource development and risk assessment in the

governance of their organization. Policies should be put in place to ensure that everyone is clear about their responsibilities and that new board members are well informed at the time of their appointment.

— Policy development by Boards

Boards of directors are responsible for balancing governance and philanthropy duties. Having policies in place that address these issues is useful for board-level decision-making.

Models for these policies have been developed in accreditation programs for museums in both Québec and Ontario.⁵⁵ As well, Imagine Canada has developed a different program covering philanthropy, board governance and HR to meet accreditation standards. Like the museum program in Québec and Ontario, accreditation must be renewed regularly. Imagine Canada has accredited three major museums and about 10 other arts organizations across Canada. Learning from the questions asked and models developed in these programs might be pertinent for boards and senior executives of arts organizations in Montréal.

SUMMARY BOARDS OF DIRECTORS

For boards, balancing governance roles is an important task. The business community has been seen as the most appropriate place to find expertise to balance these roles. However, it appears challenging to combine an orientation to the art and an understanding of how the organization works. If an organization has subscription or fundraising programs, there may also be ideal board candidates nested in those programs. Matching board membership with a philanthropic interest in the mission of the organization may render involvement on the board much more effective. Although varied, the COVID-19 experience may enable board members to consider greater involvement in philanthropy in the future, whether through donating or being involved in thanking other donors.

Developing and regularly reviewing policies regarding board responsibilities, mandates and philanthropy are responsible governance activities. Models are available within accreditation programs in Québec and Canada.

⁵⁵ Agrément des institutions muséales: <https://www.mcc.gouv.qc.ca/index.php?id=6154>
<https://www.musees.qc.ca/fr/professionnel/bonnes-pratiques/agrement-des-institutions-museales> (SMQ)
 Standards for community museums in Ontario: http://www.mtc.gov.on.ca/en/museums/museums_standards.shtml

ORGANIZATIONAL DYNAMICS

A portrait of a culture of urgency emerged in the research. Much needs to be accomplished and resources are limited. Developing philanthropic relationships requires an ongoing investment in time in addition to other management and production responsibilities.

“Often with the workshops offered by the CAM, the examples provided don’t talk to our reality.”

—Association

“We don’t have anyone who works full-time in philanthropy. We don’t have the time to read materials, consider and understand. So it is difficult to use this information to find people to help us.”

—Small theatre company

“All these programs are great if we are able to realize a successful fundraising campaign. But the problem is short-term.”

—Small theatre company

Despite the success of some small organizations to raise money and construct a community, fatigue and disappointment may occur. However, the absence of performances and in-person social events during COVID-19 has provided time to enhance philanthropic relationships.

The next step in the development process may be difficult to conceive. Sharing stories with colleagues to brainstorm has been helpful in these moments of doubt. A codevelopment⁵⁶ initiative has been started in the community. Of course, these challenges may exist in larger organizations as well and codevelopment may help there, as well.

SPEAKING ABOUT CONTRIBUTION AND IMPACT

The anchor for philanthropic practice is the case for support.⁵⁷ This is a written set of objectives explaining the contribution and impact of the organization’s mission. It becomes a point of reference for an organization within its community. It articulates why the organization exists and what its recipients and community receive, providing the basis for a future communication plan and action.

Many small companies starting their philanthropic efforts focus their appeal on specific artistic and technical needs without considering the impact in a community, however that is defined. The new arrivals in the Fiscal Sponsorship program at the CAM often have these reflections.⁵⁸ The staff at the CAM report coaching and recrafting mission statements to demonstrate a broader impact in a community. Donors are typically motivated to help causes that are personal and that make a difference.⁵⁹

Of course, during COVID-19, performance and exhibition projects did not happen, although many new digital projects were funded by public money. The role of a case for support during a situation like COVID-19 closures becomes more important since the crisis rendered the performing mission of the organization less visible.

ORGANIZATIONS WITH MANDATES OF DIVERSE, INCLUSIVE OR FIRST NATIONS ART

In our research, we spoke with ten organizations having mandates prioritizing diverse, inclusive or First Nations art. For many of these organizations, public funding came later than for equivalent organizations in the mainstream. For the older established organizations with such priorities and missions, having public resources made the development of philanthropy more sustainable. On the other hand, in response to a clearly articulated mission, their communities appear more committed to active support. However, newer diverse organizations with limited public funding are constrained in their fundraising efforts, despite their community support.

⁵⁶ L’Association québécoise du codéveloppement professionnel <https://www.aqcp.org/>

⁵⁷ Klein, Kim (2016), *Fundraising for Social Change*, 7th edition, New Jersey, John Wiley & Sons, Inc.

There are also numerous references found on the internet offered by a range of consultants in fundraising.

⁵⁸ See Section 5.5, page 61 for more details.

⁵⁹ Lasby, David & Cathy Barr (2018), *30 Years of Giving in Canada - The Giving Behaviour of Canadians: Who gives, how and why?*, Rideau Hall Foundation & Imagine Canada.

“The new definition of the mission has permitted us to communicate with greater precision to our stakeholders and supporters.”

—Small feminist theatre company

CULTURAL COMMUNITIES

Montréal is notably different as a community of communities that are particularly well-defined with different relationships to the now dominant franco-phone culture. Numerous experienced professionals in philanthropy explain that these differences influence the process of philanthropic relationship development. A “donor-based” approach to fundraising involves listening and understanding to achieve optimal relationships.

“You need to model your relationship around their expectations and experiences and not the generic one – You need to interrelate with these people on a personal basis, they need to feel that you connect to them.”

—Foundation

In Montréal, philanthropic recognition is frequently limited to within a cultural community, reducing the cross-community impact of gifts.

There are different traditions of philanthropy around the world whose success can result in stereotyping of ideal donor profiles. Particular stereotypes are targeted by those dreaming of a “grand mécène”. But looking for donors amongst those already involved in the organization and its mission is probably more effective.

“For our little board, we are looking for an accountant, a lawyer and an English person.”

—Small association

SUMMARY CULTURE

Philanthropy requires a full organizational commitment with planning, reflection and board governance that supports this orientation. Change takes time and organizational expertise. Large and small organizations have differing capacities to consider this change.

A short-term culture of urgency can overwhelm and prevent well-intentioned philanthropic development. Small organizations are vulnerable.

Board members are needed who understand and support the mission, donate, and provide community and organizational leadership.

Sometimes, organizations of diversity and inclusivity are able to rally this kind of culture for a specific community because of the collective passion inherent in the mission. As well, listening and adapting to differences in a cultural experience with philanthropy is pertinent.

5.4 PEOPLE

Philanthropic fundraising is labor-intensive. The whole organization is needed to make it work well. So management and organizational skills as well as technical knowledge of philanthropy are necessary to change organizational culture. Building communities requires both expertise and personal judgement. Certain principles of philanthropy apply across sectors, but the presence of artists and the hybrid nature of arts organizations (marketing and philanthropy) challenge some traditional practices of developing a philanthropic community.

In this section, we discuss philanthropic training, comparison of the arts with other nonprofit sectors, internships and volunteers.

THE PROFESSION OF PHILANTHROPY

— Training in philanthropy

In the last 10 years, there has been a growth of interest in fundraising and philanthropy. Both l'Université de Montréal and HEC Montréal offer professional training in philanthropy. As well, internships, workshops, discussion forums and peer learning groups enhance philanthropy work in the arts community.

On the professional training side, the Université de Montréal established a certificate program in 2009. 212 students have graduated from the program to date. With 10 courses, it includes courses in philanthropy, communications and management. About 20 graduates have worked or are working in the arts milieu, since most focus on educational, health and community sectors. Its presence in Montréal has an important influence and the arts community benefits.

In 2013, the graduate program in arts management at HEC Montréal began a course in the management of arts philanthropy. 235 students have taken the course and about 30 graduates now have responsibility for philanthropy. Numerous others have now been sensitized to the principles involved, thus contributing to a philanthropic culture in the milieu. A majority of students in the arts management program are professionals already working in the field, so training has a swift impact on the operations of organizations.

The CAM has developed an approach of accompanying those who are taking their first steps in philanthropy. They have two important training initiatives: paid internships and workshops.

The internship program has grown slowly and fifteen students have had or are having the experience to date. Students come from either the UdeM philanthropy management certificate program or from the arts management master's program at HEC and are supervised by their school as well as in the organization. A process of codéveloppement with the interns is included. Organizational and technical fundraising challenges are shared in a process of rich peer learning that can support reflection on how to be as a philanthropic professional. "How to be" may be some of the more important learning for new recruits in the field, beyond technical skills.

"... It would be a good idea to develop a centre of expertise for small organizations. The CAM could play a role in that."

—Festival

"It would be helpful if the milieu had a common vision for philanthropy. And maintaining the expertise, particularly through internship programs."

—Presenter

As well, workshops developed by the CAM are well attended. Expert consultants or panel discussions with community peers present pertinent topics in philanthropy. Despite positive evaluations of the experience at the time, many have remarked that implementing the ideas is challenging. Returning to the organization means confronting limited resources and a culture of urgency which challenge the implementation of change. Peer discussions and experiential learning may also be effective means to discover actionable solutions to the long-term effort involved in developing a culture of philanthropy. Codevelopment and other peer-learning methods come to mind.

Les Conversations philanthropiques en culture exists to support exchange amongst philanthropy professionals in the milieu. It arose from HEC as a result of that need for peer learning. They organize meetings with curated or open discussions, as well as codevelopment sessions. Examining the often-needed small steps will hopefully build more confidence and clarity for managing philanthropy, especially in smaller organizations. Professional arts service associations also offer occasional sessions on philanthropy skills.

The CFRE accreditation is administered by a separate internationally based nonprofit organization, but training for it is provided by the individual chapters in the Association of Fundraising Professionals (AFP).⁶⁰ Few people in Québec have been accredited and it is not often seen in the arts since it requires a minimum of revenue generation for continued accreditation. Candidates are exposed to a comprehensive overview of all aspects of an approach to philanthropy as practiced in the US.

In the past, professionals working in arts philanthropy originated from other sectors. Few trained in art and their passage was part of a longer non-arts career. A new generation trained in art and philanthropy is entering the field. Their training may be a base for long-term loyalty. Maintaining a structured exchange across the whole field assists with sectoral commitment.

CASE 11

Laureen Bardou is one of the few fundraisers in the province accredited with a CFRE, even outside of the arts. As a result of a master's degree in art history from the École du Louvre, she held internships in museums in Washington, France and Montréal.

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— Work Conditions in the Arts

Developing a philanthropic community is a long-term process requiring effort and commitment to its values. Importing high-level expertise is often more than an organization can afford over time, especially within smaller organizations. People are often hired with responsibility and left on their own. Positions are abandoned after little return occurs within a year.

“Expertise in philanthropy develops with competition. But the revenues generated are not significant in relation to the expenses needed to gain that revenue.”

—Presenter

Many arts managers perceive that philanthropy functions independently from the organization and with little understanding of the time and expertise involved. Professionals in the field often feel alone and rarely supported with little commitment to a total culture.

While galas impress with obvious wealth and glamour, salaries and conditions in the arts are less than other sectors. Comparatively underdeveloped, the arts is less attractive for non-arts philanthropy professionals. A graduate of the certificate at UdeM comments:

“Cultural philanthropy is without doubt the least attractive of all. The teachers and guests in the program come from the hospital, education and social service sectors. ... Professionals that want to develop in philanthropy will rarely be attracted to the cultural field because there is less money and it is not profitable.”

SUMMARY THE PROFESSION OF PHILANTHROPY

Supporting the development of those already engaged in management in the field generates loyalty and ensures an orientation that is specific to the challenges and issues of the arts. The program at HEC, internships and workshops that enable sharing amongst arts workers have begun responding to that need.

⁶⁰ CFRE: <https://www.cfre.org/>
<https://www.afpquebec.ca/en/events-and-learning/cfre-certification/>

INTERNSHIPS

Unpaid internships are an invisible funding source in the arts. Programs in the sector at both the undergraduate and post-graduate level frequently require internships for credit.

Emploi Québec funds six-month contracts in the arts and other sectors for older individuals seeking re-entry into the job market. Often part-time, the responsibilities can be important, especially for festivals where interns are a significant workforce for the six months before the event. But single interns are an important phenomenon in small arts organizations.

Research on internships shows that regularly documented reflections by the intern, pedagogical supervision and organizational mentorship are key to successful learning and development.⁶¹ Organizations can contribute to success with orientation information, a clear roadmap of tasks and a mentor other than the supervisor. Where there are a large number of interns, there is often a collegial support within the group, perhaps serving as mentorship. However, this dynamic can also isolate the interns from the main culture that may rupture efforts at creating a culture of philanthropy. Mentoring and

coaching skills are important for supervisors of interns in organizations. Supervisors of interns may be stimulated by the management responsibilities especially when there is a contact with a university program. Internships also fulfill the mission of the organization if it is about developing the younger generation.

Internships in philanthropy in Montréal are increasing as the need for people is growing. Many organizations begin philanthropy with interns to assemble the initial stages of a plan, to apply for charitable status and to construct a simple database. Others expand their team through interns and may subsequently hire them permanently with lower recruitment risk. Special events rely extensively on internships. Obtaining auction prizes and preparing the corporate table proposals are recurring responsibilities for interns, but some may produce the whole event in smaller organizations. Proposals for corporate sponsorship and foundation funding have also been part of the tradition of tasks for interns. These tasks often reflect how many in the field view philanthropy – a series of delegated projects versus a strategic process and culture. Interns enable organizations to have some experience in philanthropy without risking too much.

SUMMARY INTERNSHIPS

Internship is a solution for the lack of people in many arts organizations in Montréal but is an unrecognized funding source. Ensuring support through external training programs and internal HR structures optimizes the learning experience and satisfaction for the intern and success for the organization.

Organizational dynamics in an evolving philanthropic culture are significant learning points for interns. Codevelopment has proven useful for groups of interns to jointly share this learning as well as the technical skills involved. Competent coaching and mentorship by organizational supervisors can also enhance learning of these organizational skills. The Association of Fundraising Professionals (AFP) in Québec offers a mentorship matching program that might be a model to explore.

Unpaid interns are different from volunteers, so an investigation of volunteers is the next discussion in this report.

61 Baril, Mathieu (2016), *La relève en management des OBNL: Gestion des stages dans le milieu culturel*. Projet d'intégration (M.M.E.C.), HEC Montréal.

Organizational challenges to develop philanthropic programs can be a significant part of the learning for interns and codevelopment has proven useful for this kind of peer-learning and sharing. Many organizations assume that an intern needs to learn the process of their organization. However, an intern bringing suggestions for development finds this demanding. In other situations, organizations grow from initiatives by the intern but change takes time and an internship lasts only four or six months. The impact is somewhat limited because philanthropy is long-term relationship-based.

Interns rarely participate in the development of individual donor or board relationships. Rather, these responsibilities are typically considered to be part of a full-time permanent job. The demand for philanthropy professionals in the field at the moment provides many interesting and responsible work opportunities for interns just graduating. As a result, an executive director may wish to partner with this newly hired person as they evolve in a philanthropic relationship with board members and major donors.

VOLUNTEERS

Volunteers have traditionally been a major part of philanthropic engagement in the sector, and they play many roles depending on the needs within the organization and the discipline of the organization. They are found first at the board level, for governance and fundraising and as administrative, educational and logistical support to the organization. Special committees for galas and for soliciting members of donor clubs (*cercles*) are usually comprised of professional business volunteers. There are some groups of young philanthropists who partner with an organization to develop communications projects and other educational activities for the organization. This support occurs in addition to the events that they attend. As well, special events frequently need volunteers who are often newly recruited for the event.

In museums and classical music ensembles, volunteers are usually retired professionals and female. In large institutions, they have a separate organizational structure, managed by an elected executive.⁶² In classical music ensembles, they support logistics at events and concerts. In museums, volunteers are educational docents who receive training before assuming these responsibilities. Festivals need many volunteers to supplement staff and interns to manage logistics at the event. Managing volunteers is a professional skill that is developing. Creation companies in dance and theatre rarely indicate an interest in volunteers. But in artist-run centres, volunteers are the members.

Many employees of arts organizations consider themselves as quasi-volunteers because of the culture of calling related to a relatively low-paid job. Urgency is dominant, leaving little time and room for managing volunteers. As well, most creation companies are led by their founders and creative leaders and their business model involves extensive international touring. There appears to be little space, time and motivation to manage community volunteers who bring a different perspective. As well, where there is an extensive union presence in an organization like a museum, volunteers may be absent.

62 Côté, Martine B., Roxanne Musial & Wendy Reid (2016), "Philanthropes engagés en service de la musique classique: Les bénévoles de l'Orchestre symphonique de Québec", *International Review of Case Studies in Management*, vol. 14, no. 3, Case Centre, HEC Montréal.

— Volunteer motivation and recognition

Volunteer motivation has been a subject of some research. Volunteering supplies social connection for those retired, network enhancement for businesspeople and skill development for those seeking career enhancement.^{63,64} For many newly arrived in Montréal, it is a source of community connection and opportunities to meet new people. Like all employees, recognition is important in small ways but a formal annual gathering is an important symbolic gesture. Altruism motivates many volunteers, but differences exist across sectors. Ticket benefits are particularly important with performing arts volunteers.⁶⁵ Musical ensembles have contracts with affiliated volunteer associations equating tickets to time commitment. Festivals attract volunteers engaged in short bursts of involvement by providing access in return for the services.

During the COVID-19 crisis, volunteer participation was lost without events. Reconnecting may be challenging. The strategic role of volunteers within philanthropy deserves reflection.

— Volunteers and donations

The pyramid suggests that volunteers are a logical source of financial philanthropic support because of their proximity to the organization. Few organizations feel comfortable asking their logistics and support volunteers to donate because many feel that volunteering is a complete donation in itself. On the other hand, those volunteers that work on committees for events are expected to buy tickets and participate in the donor program. More reflection on how to evolve volunteer commitment would be pertinent.

SUMMARY VOLUNTEERS

Volunteer presence in the arts milieu varies: Formal and long-term relationships versus spontaneous and sporadic. As well, a culture of urgency limits availability and interest by the organization for a volunteer presence.

Integration of volunteers into a philanthropic recognition program is rarely done but benefits are expected by volunteers in a form similar to membership.

63 Centre d'action bénévole OttawaCarleton (1992), *Pourquoi les gens font du bénévolat. Soutien aux organismes volontaires*, Multiculturalisme et Citoyenneté Canada, Ottawa.

64 De Luca, Sara (2017), *Cycle de vie du bénévole dans les comités d'honneur d'événementsbénéfice*, Projet d'intégration (M.M.E.C.), HEC Montréal.

65 T. Labrie, Arianne (2017), *La manifestation des motivations et des différents profils altruistes chez les bénévoles selon leurs secteurs d'activité*, Mémoire (M.Sc.), HEC Montréal.

SUMMARY PEOPLE

The fundraising team in the arts is a combination of staff, interns, board members and volunteers. Of course, other professionals in the organization also need to engage in philanthropy in partnership with the philanthropy professionals.

Training in philanthropy for those from within the arts community and who are trained in art may generate loyalty and more effective orientation to the culture and values of the arts by professionals in philanthropy. Two programs in Montréal contribute to professional training. Internships and peer learning, including codevelopment, facilitate learning about organizational dynamics around philanthropy.

Internships could be developed further within the sector through training in mentorship.

Volunteers play a variety of roles in the sector. Volunteer groups are often compensated for their support through ticket benefits. Volunteering funds organizations but volunteers rarely donate.

Volunteering on a board, event committees and young philanthropists ideally provides philanthropic leadership and donations for the organization, although full commitment remains less than optimal in the arts.

5.5 TOOLS

Digital tools can facilitate development of a relational approach to philanthropy. In the following discussion, we look at database management and analysis, audience data acquisition and charitable status and digital gatherings developed during the COVID-19 closure.

DATA

— Audience and donor databases

To encourage audience members to evolve through the pyramid to become donors, organizations need to document their relationship with these ticket buyers and donors for informed customer service and for effective decisions about marketing and fundraising strategies. A history of information about both ticket purchases and donations is necessary to realize these objectives. These two sides to the relationship reflect the sector's hybrid business model. Specialized software programs can help manage the development of client and donor relationships together.

Many small organizations begin with EXCEL, but larger organizations may use it for specific applications. However, organizations with larger databases require software that makes attendance and donor data work together. Unfortunately, these two sets of data are often found in separate systems, and their mutual isolation and different configurations make it difficult to extract and analyze the data coherently. Finding an appropriate "client relationship management (CRM)" software for facilitating that coherence in the data is one of the challenges in Montréal. An ideal software that manages both ticket purchases and philanthropic relationships in the arts is difficult to find in French.

A fully integrated and sophisticated software built from the customer's perspective was developed at the Metropolitan Opera—called *Tessitura*.⁶⁶ Many performing arts companies and museums have become part of an extensive users' community for the software. *Theatre Manager* is another software similar to *Tessitura*, established in Calgary, Alberta.⁶⁷

It is accessible to smaller organizations. These software systems may serve as a model for a French-language project in Québec. The development director of an institution in Ontario talks about their experience with *Tessitura*.

"I think a ... fully integrated piece of software enables us to think of and speak to the patron in a holistic sense. Yes, we have Tessitura. Sea change. ... It is a beautiful piece of software. So marketing and advancement work quite closely together."

Experience throughout North America shows increased efficiency and revenue with an integrated software system in the arts. In Montréal, a wide variety of combined software is currently used in the arts milieu. Conversations amongst users about the different Montréal applications may provide a fertile terrain for discovery and innovation.

— Managing data

Management of personal data has legal and governance responsibilities regarding data security and use. As well, consistently accurate data needs to be structured for ease of access and analysis. Organizations are advised to develop policies in their organizational governance program as well as to allocate resources to support the creation of a culture of data management and analysis. Data management is a strategic concern for all arts organizations interested in philanthropy. The implementation of this culture might be challenging, and users in the community may wish to exchange with each other to discover solutions and standards.

Developing a culture of data analysis is parallel to developing a culture of philanthropy. If the whole organization understands the value of the data, the benefits of its structure and accuracy and its analysis, a donor community will be easier to develop. As well, without in-person gatherings during COVID-19, organizations discovered how their database was key to accessing donor relationships.

66 Ravanas, Philip (2007), "A quiet revolution: The Metropolitan Opera reinvents client relations management", *International Journal of Arts Management*, vol. 9, no 3, p. 78-88.

67 Arts Management Systems <https://www.artsmn.com/>

Currently, the field is served by a Professorship in big data for the arts at HEC Montréal. Affiliated with this professorship is a nonprofit company of consulting experts in data analysis: Synapse C.⁶⁸ These experts may support creative conversations about software, the acquisition of data analysis skills and development of an analytical culture within the community.

— Access to information on ticket buyers

When a company does not control the ticketing services in a facility, obtaining their audience information is difficult. Donation relationships are limited, as a result. Privacy regulations have motivated facilities to limit access to client information. Permission agreements at the point of purchase enable access. But further use of the information needs extended permission. Negotiating this further permission and access has met with limited cooperation by facility managers, particularly in large public institutions where resident companies exist. More investigation of this issue is needed to attempt to develop greater cooperation. Touring organizations' ability to develop their donor communities is the primary concern.

CHARITABLE STATUS

Having charitable status encourages individual donors and foundations, especially for larger gifts as well as for planned giving. It also provides access to tax benefits such as of the one-time large cultural donation and the cultural patronage gift. It may indicate the extent of a philanthropic culture in the milieu.

Obtaining this status takes time and expertise. The CAM developed the Fiscal Sponsorship program in 2008, to partner with clients as they evolve their philanthropic strategies. The CAM's clients apply to the program for support; donors solicited by the client send their gifts as donations to the CAM for which they receive a tax receipt from the CAM; and if the organization has followed the agreement with the CAM, they will receive an equivalent grant from the CAM. A client may be accepted into the program without active involvement.

In 2017, CRA verified the program. Since then, the CAM chose to limit support to a maximum of five years during which time the clients must apply for charitable status, if that is possible for the type

of organization involved. A total of 141 organizations have been part of the program (2008 to 2018) and over \$3 million has been regranted to those clients who successfully solicited donations. The CAM charges 4% for the administrative costs of the program. Table 6 is a portrait of this program [SEE TABLE 6 ON PAGE 62]. Because organizations may be accepted into the program over several years that are not necessarily consecutive, the total number of accepted organizations per discipline is not a sum of the organizations accepted across the years [SEE TABLE 6 ON PAGE 62].

Of the 141 organizations accepted into the program, 80 were able to generate donations. While 61 organizations did not receive any donations, recent experience shows that time constraints and new project or organizational developments can overwhelm a small organization's ability to realize their intentions. As well, FS can be used to facilitate a single request to a specialized foundation program in a year, with the potential that it may be declined.

However, the experience of developing the requests and trying to mount a campaign were valuable learning experiences for the organizations involved. Also, the advice and orientation that is provided through the process of applying to the program helps learn more about philanthropic practice.

The efficiency of the program has changed over time. In the first two years, there was a 36% success rate receiving donations. In 2013-14 (the middle years of the program), 66% succeeded in the years that they participated. In 2017 and 2018, this increased to 77%.

Total annual requests have increased, perhaps demonstrating a growing interest in philanthropy. Notable years are 2012, 2013 and 2016. The recent drop in applications may reflect long-standing clients that now have their charitable status. Since the beginning of the program, 19 participants of FS (14%) gained charitable status.

However, another 46 CAM clients have acquired charitable status independently of FS. It is interesting to note that organizations may have charitable status but some do not seem to make use of it, according to their information available in CRA.

68 <https://synapsec.ca/>

TABLE 6
CLIENTS OF THE CAM ACCEPTED INTO FISCAL SPONSORSHIP (FS) BY DISCIPLINE AND BY YEAR

Discipline	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Number of accepted org'ns
Cirque	1	1	1	2	2	6	2	3	4	4	3	7
Digital arts	1		1				1		2	1		5
Visual arts	2	3	1	3	2	5	5	5	4	3	3	14
Cinema & video	3	3	2	4	5	5	4	4	5	5	7	13
Dance	1	3	2	4	6	7	3	2	3	1	3	14
Literature		3	3	1	3	4	3	3	4	1	2	8
Music	2	2	5	8	7	8	5	6	7	4	4	28
New artistic practices			1	2	3	3	3	1				5
Pluridisciplinary			2	2	2	3	2	4	6	4	3	10
Theatre	6	5	8	11	12	12	13	8	14	7	6	37
Total organizations accepted each year	16	19	26	37	42	53	41	36	49	30	31	141

Table 7 provides an overview of CAMs clients that have received their federal charitable status by time period [SEE TABLE 7 ON PAGE 63].

64% of operating grant recipients from the CAM (182 of 285 organizations) have charitable status. There are another 68 organizations who have charitable status but no operating grants in the last three years. At the Toronto Arts Council, 87% of operating grant recipients in 2019 have charitable status (193 of 222 operating grants), perhaps reflecting a more developed philanthropic culture in Toronto.

Certain disciplines in Montréal have a higher rate than others: visual arts (62%), dance (70%), music (75%) and theatre (78%). Pluridisciplinary has the highest rate (100%), but it is a very small discipline with well-established organizations. Cirque has only

recently been recognized by CRA. Cinema-video and literature and publishing are also low, but are disciplines situated in the cultural industries where it may be difficult to convince CRA of charitable status.

For those without operating funding, most organizations are presumably wishing to supplement the lack of public funding through philanthropic revenue. A few are older organizations that no longer receive operating funding. Music has grown extensively in the last decade.

Through compiling the data from CRA from 2013 to 2017, we found that not everyone makes use of their charitable status. As well, certain museums and professional associations are only able to be recognized in Québec as a museum or as an *organisme*

TABLE 7
CLIENTS OF CAM WITH CHARITABLE STATUS ACCORDED OVER TIME

Discipline	With multi-year operating grant (2016-2018)							Without multi-year operating grant (2016-2018)				
	Before 1990	1990 1999	2000 2009	After 2009	Total charitable status	Total oper grant clients CAM	% of oper grant clients	Before 1990	1990 1999	2000 2009	After 2009	Total charitable status
Cirque			1	2	3	5	60%					0
Digital arts		3	1		4	8	50%			1		1
Visual arts	10	5	4	4	23	37	62%	2		4	3	9
Cinema & video	5	1		1	7	20	35%	1		1		2
Dance	8	10	6	6	30	43	70%	1	2	2	1	6
Literature & publishing		4	2	2	8	29	28%	2	1	1	1	5
Music	11	13	18	5	47	63	75%	5	3	3	12	23
New artistic practices		2	1	3	6	13	46%	2	3	1	1	7
Pluridisciplinary		3	2	4	9	9	100%			1		1
Theatre	25	4	10	6	45	58	78%	3	3	4	4	14
Total	59	45	45	33	182	285	64%	16	12	18	22	68

	Before 1990	1990-1999	2000-2009	After 2009	Total
Total combined (with or without operating grant)	75	57	63	55	250

culturel et de communication enregistré (OCCE) which only allows Québec provincial tax benefits. CRA allows a special charitable status for “National arts service organizations” which does not include provincially mandated organizations with a similar mission. However, many of these organizations in Québec have larger budgets and greater activity than their pan-Canadian partners.

Some suggest it is difficult to acquire charitable status in the arts. The data suggest otherwise. Having good legal advice could save time and frustration. However finding that advice is challenging for several that we consulted. For new forms of art practice, strategizing the application may be particularly important.

DIGITAL GATHERINGS

COVID-19 restrictions sparked innovations, redefining events. Fundraising events moved online. Some found a committed community during YouTube viewing parties of filmed concerts and stage productions. Donor recognition events were successful, for already socialized groups. Behind-the-scenes interviews with artists and leaders of major organizations world-wide intrigued viewers resulting in donations.

Some have commented how organizing online events can be equally demanding and time consuming as live events. But these events have shown that audience members and donors are buoyed by sharing warm memories of their live-show experience. This attachment shows philanthropic potential.

SUMMARY TOOLS

Databases and their analysis, as well as charitable status are key to philanthropic development. Expertise and investment are required to acquire, develop, maintain and analyze databases to support philanthropic relationships. EXCEL is an excellent tool for smaller organizations and specific reports, but medium and large organizations would benefit from systems that connect audience and donor data.

A variety of software combinations exists in Montréal. Addressing this collectively may creatively evolve the situation. Data governance, accuracy and coherence are important elements of a culture of data analysis necessary for a solid development of data management in the community. Without commitment to data analysis, even in smaller organizations, the pyramid has no potential.

The Fiscal Sponsorship program supports a niche of smaller organizations that are undertaking their first steps in philanthropy. Applications for charitable status require legal expertise and judgment to save time and frustration.

The COVID-19 experience may have opened the door to different practices for evolving philanthropic connections.

6



RECOMMENDATIONS

6.1 STRATEGIC SUMMARY

Paradoxes emerge from our analysis of arts philanthropy in Montréal. They reveal tensions that exist within the sector and inform debates during the next steps.

Large versus small

Montréal arts organizations include a wide diversity of sizes and business models. Different capabilities to mobilize philanthropic practices result. While the principles of relational fundraising remain similar, applications differ.

Individual motivation: Business networks versus mission engagement

The presence of businesspeople in volunteer leadership roles in the arts is well established. A reciprocal network dynamic ensures benefit event success. As a consequence, few conceive of arts fundraising possibilities beyond the business community.

Subscribers, members and donors have the potential for a long-term community of support that is linked with the mission. Finding those who are both motivated by the artistic mission of the organization and are business leaders helps extend the search for leaders to develop philanthropy.

Organizational approach: Narrow versus wide

The work to develop corporate sponsorship requests and event planning can be isolated through delegation to those responsible for communications or to interns. As a result, the organization does not develop a culture of philanthropy.

Individual donor relationship development requires new skills. Everyone in the organization needs to embrace their part in developing long-term loyalty with potential donors. Holding recognition events with the organization's leadership and publicly thanking donors through lists in programs and on

walls demonstrates community and generates interest. Building a culture of philanthropy requires a sustained effort across the whole organization.

Short-term project and endowment funding versus philanthropic culture

Projects are at the core of arts organizations' business model. They are useful to develop philanthropic interest. But a project focus diverts from a longer-term survival.

Large endowment funds can generate operational stability. Using the one-time large cultural donation and the cultural patronage programs has been beneficial to establish endowments for some organizations. But sustaining donor relationships in a culture of philanthropy is necessary for risk management, growth and other exceptional projects in the organization's future.

Philanthropy versus governance

Independence is linked to governance to manage conflict of interest and self-interest on boards. Some argue that donations prevent independence but as philanthropy becomes more present in the community, this debate needs further consideration. Policies regarding governance and philanthropy for the board and the organization need development and review for thoughtful governance.

Government stimulation versus emergence of a culture

Stimulation of private funding in the arts in Montréal has occurred through public matching and fiscal programs. This is a top-down approach to philanthropy development. Evidence from other major urban centres shows how developing organizations' donor communities and donor recognition programs are key to creating a community-wide philanthropic culture. As a result, effective philanthropic practices become understood and adopted across the milieu.

There are a number of matching programs in the Montréal milieu. *Mécénat Placements Culture* linking with *Mécénat Musica* stimulate endowments. *artsvest* stimulates corporate sponsorship. Crowdfunding campaigns receive supplements when targets are achieved. There are no equivalent matching programs that encourage long-term individual donor relationships and hence, a culture of philanthropy in the community.

Pre-COVID-19 versus post-COVID-19

Is this really a change for the principles of philanthropy articulated in this report? It appears ironic that the emotional experience of COVID-19 revealed connections with organizations and they were expressed by audience members through philanthropy. This revelation may be a stepping stone to more strategic reflections on the value of philanthropy in arts organizations in Montréal.

6.2 FUNDRAISING STRATEGIES

DONOR CLUBS

- Develop a community of donors based on their demonstrated interest in the mission of the organization through attendance (membership, subscription, training and appreciation programs). Mobilize the whole organization all year-round, regular requests using projects as attractions for giving, by mail and by email.
- Publish levels of donor giving that demonstrate interest using certain symbolic privileges (priority access to purchase tickets, attendance at recognition events or rehearsals). Focus the donation request on the mission (case for support) to become more philanthropic. Hold small social and artistic donor events for conversations with everyone in the organization (cultural mediation at the service of philanthropy).
- Find foundations and individuals who can match donations for a particular campaign. Could the CAM be a leader in this type of matching?

GALAS

- Connect artistic leaders with guests at the event.
- Develop funding for artists' presence at event.
- Offer privileges unique to the gala.
- Ensure artistic experience during event (current exhibition or performance).
- Analyze and reflect on the inclusive possibilities of digital gatherings.

EVENTS

- Analyze benefit events for profitability, including overhead costs.
- Use small recognition events for developing relationships with current and future donors.
- Find public who has a demonstrated interest in the art as well as business networking.
- Develop a mission-based argument for attending the event to help with ticket sales.
- Use a solicitation approach that encourages a shared interest in the mission between solicitor and ticket purchaser.

YOUNG PHILANTHROPISTS

- Integrate young donor clubs into the donor recognition program.
- Evolve their commitment to the organization with membership on committees and boards.
- Extend their engagement in the organization beyond the age limit.

CORPORATE SPONSORSHIP AND PARTNERSHIPS

- Offer discounted access to membership or subscription to employees of corporate partners.
- Offer membership in a donor club for CEO of a sponsor. Benefits for the partnering organization can therefore involve a philanthropic relationship.

CAPITAL FUNDS

- Reflect on a strategy for capital fund development and risk management that takes long-term donor development into consideration.
- Public and fiscal programs should be used to enhance donor relationships and not be the core motivation for giving.

MAJOR DONORS

- Steward major donors to provide access to key leaders in the organization.
- Develop governance policies regarding major donors and board membership to ensure positive influence.
- Plan for many smaller donors as a first step, instead of waiting for a single major donor.

PLANNED GIVING

- Develop a complete program of philanthropy that includes planned giving through bequests and life insurance policies. Enable donors at all levels to give according to their needs and interests.
- Plan governance policies that include planned gifts. Communicate those priorities and policies publicly.

6.3 CULTURE

STRATEGIC PLANNING

- Include philanthropy and its financial objectives in strategic plans.
- Undertake planning in collaboration with those responsible for philanthropy in the organization.

CULTURE OF PHILANTHROPY

- Develop a culture of philanthropy that involves everyone.
- Link artists' pride in their craft with donor generosity.
- Include employees responsible for revenue regularly in the organization's activities.

CHANGE MANAGEMENT

- Train philanthropy professionals in change management.
- Encourage patience with change.
- Plan for small steps forward to ensure individual and organizational morale.
- Gain new commitment for organizational philanthropic strategies through analysis of the catalytic impact of experiences during COVID-19 closures.

BOARDS OF DIRECTORS

- Clarify board philanthropy roles and leadership responsibilities to achieve a culture of philanthropy.
- Expand the board candidates at Go-CA to include people who understand art as well as organizations.
- Seek board members from attenders, donors and volunteers.
- Seek board members from diverse, inclusive and First Nations communities to expand societal relevance.
- Develop policies to support philanthropy, governance and HR, in collaboration with executive directors, philanthropy professionals and other expert employees. Refer to programs with the MCC and the museum community in Québec or Imagine Canada for models to follow.
- Consider adding grant criteria at the CAM or CALQ for governance policies, like those requirements at the MCC for museums or Imagine Canada for accreditation.

6.4 PEOPLE

PHILANTHROPY PROFESSIONALS

- Train cultural workers and artists for a career in arts philanthropy. This may encourage longer tenure with an organization in the field and facilitate a philanthropic culture more easily.
- Include philanthropy in training programs for professional artists to orient them to this culture.
- Encourage a closer exchange between the program in philanthropy management at Université de Montréal and the professional artistic community.

PEOPLE MANAGEMENT

- Ensure philanthropy workers are well supported; remain open to their ideas for change.
- Enable a deposit of learning in the organization after internships are finished but do not expect transformed organizations. Interns are not consultants.

INTERNSHIPS

- Internships should be an opportunity for professional development in philanthropy, beyond special events.
- CAM's internship program should continue and be sensitive to future market demand.

CROSS-COMMUNITY PEER LEARNING

- Develop peer learning to assist with the small steps and reflections needed to advance organizational change (codevelopment and other less formal exchanges). This peer exchange has been particularly useful during the COVID-19 closures.
- Train codevelopment facilitators who understand arts philanthropy.
- Support workshops at Les Conversations philanthropiques en culture, at the CAM and at professional arts service associations.
- Develop an understanding of specific applications of philanthropy within particular disciplines and business models in order to maximize its potential in the sector.
- Train mentorship skills to enrich the organizational training roles to support interns and new employees.
- Develop a program of mentorship by experienced arts fundraising experts across the milieu.

6.5 TOOLS

DATABASES

- Establish organizational policies that protect data and generate accuracy.
- Structure data for accessibility and analysis
- Develop user groups to creatively evolve software combinations to more effectively link isolated databases in hybrid revenue structures.
- Mobilize user groups of EXCEL and other tabular software to develop pertinent applications in small and large organizations.
- Set a long-term objective to develop a fully integrated software system. The CAM might take the lead in the exploration of this project.
- Involve Synapse C and the Professorship in big data in the arts at HEC Montréal to facilitate skills, competencies and the development of a culture in data analysis.

ACCESS TO INFORMATION ON AUDIENCES

- Develop an approach to access audience information for non-resident companies—in Montréal and across the province. The CAM might facilitate training to negotiate with facilities and presenters.
- Mobilize legal expertise to assist with this development.

CHARITABLE STATUS

- Seek pro bono legal expertise to coach applications to CRA for charitable status. Develop and share a database of expertise at the CAM.
- Share within the community how this status is useful and pertinent. Facilitate this sharing through the CAM.
- Lobby CRA to enable professional associations in Québec to attain this status. The professional associations need to regroup for this exercise.

EXPERTISE

- Develop workshops that communicate clear information about matching programs and fiscal opportunities.
- Enhance accessible information at the MCC about Mécénat Placements Culture through individual consultations.
- Train strategic planning consultants about arts philanthropy.
- Exchange amongst key players policy and training leaders (CAM, CALQ, MCC, FGM, HEC, UdeM) to identify trends and questions that might influence programs.

7

FUTURE RESEARCH

Practice of arts capitalization development

While there is research already undertaken in the US on this topic, the development of different kinds of capital funds as a means for supporting short and long-term operations in arts organizations is best considered in a specific context like Canada and Québec. The CAM might collect the current research and share these reflections with the community at large and possibly commission further research on the experience of capital funds in the arts in Canada and in Québec.

Impact of one-time large cultural donation

Undertake research in 2027 (five years after the program ends) to explore the impact of this program.

Capital building campaigns

MCC provides 70% of qualified expenses in infrastructure projects. Other funding is required, including private funding. Capital campaigns often find new donors, so research on the development of later philanthropic relationships by those new donors will be useful. This could inform future work in capital campaigns in Québec.

Long-term practice of crowdfunding

What is the long-term effect of crowdfunding? Have those trained returned to undertake other crowdfunding campaigns? What changes in practice and evolution of philanthropic communities have occurred? Research in five years may be useful but collecting data on these campaigns now will be pertinent.

Corporate giving trends in the arts in Québec and across Canada

What recent trends have occurred across sectors (like the health sector) regarding corporate giving? What impact has occurred in events, as a result?

People resources in arts philanthropy

There is little research on volunteering in the arts. Particular issues have emerged: employees consider themselves part-time volunteers in contrast to a culture of community volunteers; what kind of volunteers are present in the arts (time commitment, age and purpose of volunteering); and what motivations exist for arts volunteers. As well, what role can volunteers play in a culture of philanthropy and what kind of donations do volunteers undertake?

As well, the extent of unpaid interns as resources to further an organization's development raises questions of commitment and recognition of this contribution. A census and more investigation of the need for internship as a training tool might be helpful for both policy-makers and managers in the field who are constrained by budgets.

Donor experience

Once the arts community has developed a more philanthropic culture, it may be pertinent to attempt some qualitative research that investigates the donor experience to understand evolving practice in arts philanthropy in Montréal and Québec.

Governance policies and accreditation

The CAM may wish to understand the impact of programs of accreditation (Imagine and Québec museums) in order to anticipate issues that arise from an accreditation program for the performing arts in Québec. Understanding the process of development of the programs would also be useful.

COVID-19 reinforced relational philanthropic principles. Research on practices that emerged may generate insights that evolve cultural philanthropy in Montréal.

8

ANNEX

8.1 LEXICON AND DEFINITIONS

ARDI (PRIZE) (BRIGADE ARTS AFFAIRES DE MONTRÉAL) — The purpose of these prizes offered by the BAAM is to celebrate innovation in the younger generation linking arts and business. There are two prizes awarded each year. One is given to an under-40 manager working in a small arts organization (less than \$1 million). The other is given to an under-40 businessperson who has demonstrated exemplary and innovative philanthropic involvement. <https://www.baam-org.com/fr/a-propos/prix-ardi>

BENEFIT ACTIVITY — An activity to generate contributions that exceed the costs of the event. (Conseil des arts de Montréal, Glossary 2019-20)

Benefit event — An event organized to raise funds, usually through ticket sales as well as transfers of goods and services. (Culture Montréal, 2015)

An activity organized to support a charitable organization or foundation, a cause, a political party or a person in need, etc. (Office québécois de la langue française, 2005)

Honourary Committee — A group of people chosen to provide legitimacy to a fundraising event. (Multi-Impact, 1992)

Honourary President — A recognized individual who lends their legitimacy and prestige to a charitable cause or a campaign. (Radio-Canada, 1986)

BOARD OF DIRECTORS OR TRUSTEES — A group of people who are responsible for the management of a nonprofit organization. (Institut canadien des comptables agréés, 2006)

From: Portail Montréal Arts Affaires
Nonprofit organizations (NPO), like all corporations, require a Board of Directors. The Board oversees the financial operations of the organization, and is responsible for establishing policies, objectives and long-term management strategies.

Board members of a NPO work on a volunteer basis.

Your professional skills could be a valuable resource for artistic organizations (legal expertise, management, marketing, human resources, data processing, accounting, communication), which rely on their Board members to assist them with various tasks: developing strategies, widening their network, developing their management skills, securing funding. In short, your strategic vision, professional network, energy and creativity are invaluable assets for cultural organizations.

Specifics:

As a member of a Board of Directors, according to the needs of the organization, it is your duty:

- to attend all Board meetings, to understand and support the mandate, services, policies and projects of the organization;
- to keep abreast of the organization's activities, study the agenda and supporting documents before all Board or committee meetings;
- to actively participate in meetings and to offer to sit on certain committees;
- to recruit new Board members who could make valuable contributions to the organization;
- to review and assess the organization's annual financial statements, missions, regulations, mandates and strategic plans;
- to consider supporting the organization financially, according to your means; although your skills and experience are the most important assets sought, it is important for Board members to consider financial support as a way of solidifying their commitment to the organization.

<https://www.montrealartsaffaires.org/en/fiche/becoming-a-member-of-a-board-of-directors>

CANADA REVENUE AGENCY (CRA) AND THE CHARITIES DIRECTORATE — Administer tax, benefits, and related programs, and ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians. The Charities Directorate is responsible for all program activities related to the provisions of the Income Tax Act regarding registered charities, Registered Canadian Amateur Athletic Associations (RCAAs), Registered National Arts Service Organizations (RNASOs) and federal political parties (contributions to registered political parties or to a candidate at a federal election).

In particular, the Directorate is responsible for:

- reviewing applications for registration as a charity, RCAA or RNASO
- providing information, guidance and advice on maintaining registered status
- ensuring that registered organizations comply with registration requirements through a balanced program of education, service, and responsible enforcement

**TABLE 8
CAPITAL FUNDS**

Fund	Description of use	Time horizon
Operating funds	The money that organizations use to pay for their reasonable, planned day-to-day expenses during the year to run their programs as stated in their current strategy.	Current: planned operational need
Working capital	Working capital funds are meant to smooth cash flow bumps that arise from predictable business cycles.	Current: planned cyclical need
Operating reserve	Unlike working capital, operating reserves are held in order to protect against unexpected downturns ie. the rainy day.	Current: unpredictable one-time risk
Capital replacement reserve	A cash fund organizations with facilities maintain to realize long-term facilities replacement plans.	Long-term: planned capital replacement
Endowment	Endowments are meant to ensure the longevity of organizations with long-term time horizons through investment earnings dedicated to ongoing costs, such as maintenance of a collection or an historic building. In general, the endowment corpus is legally restricted, although boards can create quasi endowments, not restricted by donor intent.	Long-term: Planned operational need
Risk capital	Risk capital is meant to give organizations the freedom to try out new ideas, such as product extensions, new marketing campaigns to broaden audience, earned income ventures, major growth or a new strategic direction. Risk capital should be used to address large environment shifts that demand a change in strategic direction.	Long-term: Strategic risk

Source: Nelson, Susan (2009), *Getting Beyond Breakeven: A Review of Capitalization Needs and Challenges of Philadelphia-area Arts and Culture Organizations*. TDC Inc., Commissioned by Pew Charitable Trusts and William Penn Foundation.

- developing policy and providing information, communication, and education programs for the charitable sector and for donors
- engaging with the charitable sector, other government departments, and other levels of government
- supporting the Canada Revenue Agency's role in combating the financing of terrorism in support of the Charities Registration (Security Information Act)

CASE FOR SUPPORT — This is an organizational document that describes the history, objectives and financial needs of a charitable organization. It helps frame that organization's fundraising campaigns. (Association des professionnels en gestion philanthropique, 1995)

CHARITABLE ORGANIZATION — A registered charity refers to a charitable organization, public foundation, or private foundation registered with the Canada Revenue Agency. A registered charity is issued a Registration Number once approved. It is exempt from paying income tax, and can issue tax receipts for donations it receives. (CRA)

An organization founded to undertake activities that serve the public, and most particularly for those who are in need.

- is established as a corporation, a trust, or under a constitution
- has exclusively charitable purposes

- primarily carries on its own charitable activities, but may also gift funds to other qualified donees, (e.g., registered charities)
- more than 50% of its governing officials must be at arm's length with each other
- generally receives its funding from a variety of arm's length donors
- its income cannot be used for the personal benefit of any of its members, shareholders, or governing officials

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

CODE OF ETHICS FOR FUNDRAISING PROFESSIONALS

**AFP Code of Ethical Principles
Adopted 1964**

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism.

Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of

these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled.

To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- Practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust;
- Act according to the highest goals and visions of their organizations, professions, clients and consciences;
- Put philanthropic mission above personal gain;
- Inspire others through their own sense of dedication and high purpose;
- Improve their professional knowledge and skills, so that their performance will better serve others;
- Demonstrate concern for the interests and well-being of individuals affected by their actions;
- Value the privacy, freedom of choice and interests of all those affected by their actions;
- Foster cultural diversity and pluralistic values and treat all people with dignity and respect;
- Affirm, through personal giving, a commitment to philanthropy and its role in society;
- Adhere to the spirit as well as the letter of all applicable laws and regulations;
- Advocate within their organizations adherence to all applicable laws and regulations
- Avoid even the appearance of any criminal offense or professional misconduct;
- Bring credit to the fundraising profession by their public demeanor
- Encourage colleagues to embrace and practice these ethical principles and standards; and
- Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

CODEVELOPMENT — A professional codevelopment group creates a collaborative space for learning made up of six to eight people that have a varied background or not and who come from the same organization or from different places. The group works with peer learning and self-help according to values, principles and a specific methodology that improves and possibly renews individual or collective practices. (Association québécoise du codéveloppement professionnel)

COURRIELLEUR — Courrielleur is a Québec company dedicated to marketing through emails. The email software is marketed to companies and organizations that wish to send their bulletins, newsletters and promotions to their clients and donor community.
<https://courrielleur.com/>

CULTURAL DIVERSITY — A reference to the various minorities in a society and their contributions to a common culture. In the present context, cultural diversity in the arts refers to the participation of minority artists in the cultural life of Montréal. Their inclusion is a matter of equality and fairness, allowing them the same access to resources—and the same opportunities enjoyed by the majority—to develop, achieve recognition and flourish as artists.

Culturally diverse artist — An artist from an ethnically diverse community or visible minority, or who has a minority, nonWestern, or mixed artistic practice.

Culturally diverse organization — An organization whose full-time artistic team is composed primarily of artists with diverse ethnic backgrounds or which promotes, regularly and primarily, artworks reflecting a minority, non-Western or mixed artistic approach.

Diversity Collective — A diversity collective is made up of a majority of individuals from cultural communities, ethnocultural minorities or belonging to a visible minority. The diversity collective is a collaboration between creators from the same discipline and/or from different disciplines as well as individuals who may not belong to a particular discipline on a shared project. The collective, which may focus on non-Western artistic practices, will designate one member as the leader of the project as well as the members' representative. Members are individuals whose actions have a direct incidence on the group's production and output. A diversity collective is not a legal entity. (CAM – Glossary 2020-21)

CULTURAL MEDIATION — Used in Québec since the 1990s, this term "describes strategies of cultural activity that are centred on exchange between citizens and the cultural and artistic milieu. Typically, it deploys creation activities for local citizens and regular publics for artistic and cultural activities. It is an approach that prioritizes a diversity of expression and participation possibilities." (Réseau Accès culture – Ville de Montréal).

CULTURE OF PHILANTHROPY — Refers to a number of behaviours, attitudes and means that permit an improvement to the quality of life through volunteerism, community and peer support, donations and social innovation. It involves giving money, gifts in kind and expertise given in the interest of society. (Institut Mallet <http://institutmallet.org/institut/mission/>)

Most people in the organization (across positions) act as ambassadors and engage in relationship building. Everyone promotes philanthropy and can articulate a case for giving. Fund development is viewed and valued as a mission-aligned program of the organization. Organizational systems are established to support donors. The executive director is committed and personally involved in fundraising. (Bell et Cornelius, 2013)

CYCLE OF RELATIONS WITH DONORS

Identify: throughout the levels of people prone to giving.

Research: financial means and philanthropic preferences, habits and antecedents.

Cultivate: linking – provide information, invitations to events and consult their expertise.

Solicit: Dare to ask – prepare for the appropriate person, project and time.

Conclude: the details of the donation which are an important aspect of the donation.

Recognize: in the most appropriate manner.

Steward: (moves management) Maintain a lively and long-term relationship.

(Lapointe, 2013, p. 28-31)

DATA

Data bank — A collection of data organized around the same subject that can be analyzed and developed in consultation with users. (Office québécois de la langue française, 2005)

Database — A collection of structurally related data according to key criteria that permits their analysis. (Institut canadien des comptables agréés, 2006)

Database management system — A software computer system whose function is to automatically manage a database that permits the creation, modification, use and protection of the data. (Office de la langue française, 2001)

CRM — Customer relationship management
A software solution whose objective is to attract new clients and generate loyalty.

© Institut canadien des comptables agréés, 2006
The application of a CRM has been strongly recommended in the arts through the Digital plan for culture in Québec (2014).
<http://culturenumerique.mcc.gouv.qc.ca/>

DONATION — The voluntary contribution of money or goods for which the donor or patron receives no direct benefit in return. (CAM – Glossary 2020-21)

Planned giving — A planned gift is the final stage of a planning process regarding immediate or future charitable donations. It reflects the aspirations of the donor and considers the personal, family and fiscal context of the donor.

Usually substantial, planned gifts are normally realized in the form of the assets of a donor. They can provide substantial fiscal advantages for the donor and their estate. These gifts are part of a larger process of financial, fiscal and succession planning. (Canadian Association of Gift Planners)
<https://www.cagp-acpdp.org/en>

Planned giving is a fundraising program that involves arranging donations to serve the interests of the registered charity and that suits the personal, financial, and tax situation of the individual donor. Through a planned-giving program, a registered charity seeks to attract significant gifts by identifying potential donors and helping them with information and advice.

Examples of planned giving include bequests, annuities, life insurance policies, and residual interests or charitable remainder trusts.
<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

Individual donations in culture — The ministère des Finances et de l'Économie estimates that a little more than \$45 million of donations were given by individuals and corporations to cultural organizations in 2011. According to Statistics Canada, in 2010, 85% of individuals in Québec made a donation compared to 84% of Canadians. These were donations made to all sectors. (Bourgie Report, 2013)

Feasibility Study — A study whose objective is to understand whether an idea, a product, a technique or a project can be realized as well as the challenges that need management. (Institut canadien des comptables agréés, 2006)

For philanthropy: An evaluation of a major campaign, its financial objective and timing. It involves an enquiry of key stakeholders of the organization, collected anonymously.

Crowdfunding — The practice of obtaining needed funding (as for a new business) by soliciting contributions from a large number of people especially from the online community.

Crowdsourcing and crowdfunding are two words that have recently found their way into the crowded pool of English. Crowdsourcing, which typically refers to the practice of soliciting services, ideas, or content from a large group of people online, was coined by Jeff Howe in a 2006 article in *Wired*, and crowdfunding was created by entrepreneur Michael Sullivan in that same year. Both words conceptualize "the crowd" as a vast online community from which something needed may be obtained.

In crowdsourcing, the crowd is called upon for needed assistance or information. A well-known use of crowdsourcing is Wikipedia, whose content is the result of various contributors. Crowdfunding, on the other hand, involves a more specific request: the crowd is solicited for financial contributions to a particular venture or cause, such as a film project or cancer research. (Miriam-Webster Dictionary)

Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet. Crowdfunding is a form of crowdsourcing and alternative finance. In 2015, over US\$34 billion was raised worldwide by crowdfunding. (Cambridge Dictionary)

Crowdfunding is a type of funding that allows a project to come to life with the support of a community by gathering a substantial number of financial contributions, no matter how small taken individually.

On top of the personal satisfaction contributors get from this experience, they can receive perks offered by promoters (exclusive products, special offers, discounts, etc.) depending on the nature of the project and the size of the contribution. (LaRuche)

FEE FOR PERFORMANCE — A fixed fee paid for a performance of a production by a presenter. In this situation, the presenter assumes almost all or all of the financial risk for the performance of the show. (Conseil des arts et des lettres du Québec – Lexique)

The revenue from these performances is considered earned revenue for an arts production company and can be substantial for some more popular companies. This is not philanthropy.

FISCAL SPONSORSHIP PROGRAM (PARRAINAGE FISCAL – CAM) — Fiscal sponsorship is a component of the Conseil's General Funding program for Arts Organizations, which is aimed at arts organizations that want to obtain funding for their artistic endeavours while helping the Conseil find funds. Once these organizations are accepted into the fiscal sponsorship program, they become representatives of the Conseil in its fundraising efforts. It is a good way for these organizations to solicit donations from foundations, companies, and individuals, and to become known to donors.

The Conseil provides donors with tax receipts. Because arts organizations must be eligible for assistance from the Conseil beforehand, and their eligibility for fiscal sponsorship is evaluated based on artistic excellence and good governance criteria, this sponsorship is considered an endorsement for stimulating contributions.
<https://www.artsmontreal.org/en/programs/fiscal-sponsorship>

FOUNDATION — A legal trust, non-profit organization, or unincorporated association established for the purpose of philanthropy that is registered as a charity with Canada Revenue Agency, and which annually distributes a minimum of 3.5% of its own invested assets to organizations qualified by CRA and whose work serves the public interest. Inspired by Philanthropic Foundations Canada.

Community Foundation — A public foundation established in Québec and member of Community Foundations of Canada. (Conseil des arts et des lettres du Québec)

The Foundation of Greater Montréal is a member of the Community Foundations of Canada (CFC), a membership organization bringing together close to 200 community foundations that operate across Canada and all work for the well-being of the community on their respective territory.

What is a community foundation? Community foundations offer flexible and efficient support to donors and charitable organizations alike.

Their purpose is to put together and manage philanthropic funds that target the priority needs of the community on their territory.

Their role is also to gather community actors of all stripes, to facilitate the search of innovative and sustainable solutions to community issues and, therefore, to strengthen the community as a whole. (Foundation of Greater Montréal <https://fgmtl.org/en/fcc.php>)

Community foundations are grantmaking public charities that are dedicated to improving the lives of people in a defined local geographic area. They bring together the financial resources of individuals, families, and businesses to support effective nonprofits in their communities. Community foundations vary widely in asset size, ranging from less than \$100,000 to more than \$1.7 billion.

Community foundations play a key role in identifying and solving community problems. In 2017, they gave an estimated \$5.48 billion to a variety of nonprofit activities in fields that included the arts and education, health and human services, the environment, and disaster relief. (Council on Foundations: <https://www.cof.org/foundation-type/community-foundations-taxonomy>)

Parallel foundation — A parallel foundation is a foundation set up by an operating charity to raise funds and hold investments primarily for that operating charity. A parallel foundation is often more important strategically when the objective is to raise planned gifts or endowments rather than annual operating funds. ... The terms "parallel foundation" and "Crown foundation" are not technical terms used in the Income Tax Act or any other statute dealing with charities. They are terms which have entered the vocabulary of philanthropy through repeated usage ... (Bromley, 1993)⁶⁹

69 Bromley, E. Blake (1993), "Parallel foundations and Crow foundations", *The Philanthropist*, vol. 11, no 4.

The phrase "parallel foundation" indicates a public foundation created by a charitable organization ("operating organization"). It is normally established to house an endowment fund, reserve fund or fundraising activities, among other things. This term was used primarily in the 1990s when numerous organizations established a foundation. (Zuniga-Salas & Turbide, 2017)

FUNDING MODEL — The manner of funding an organization and its mission. It is linked to the proximity of donors and to the breadth or focus of its mission. (Lapointe, 2013)

FUNDRAISING CAMPAIGN/DRIVE — Solicitation activities that intend the accumulation of donations that support a project or an organization. (Culture Montréal, 2015)

The term fundraising should be interpreted using a larger understanding. That is not just formal, planned fundraising campaign, but also spontaneous donations and contributions. (Conseil des arts et des lettres du Québec – Lexique)

FUNDRAISING ACTIVITIES

- Solicitation by the post,
- Telemarketing,
- Online giving (crowdfunding),
- Benefit event or activity,
- Lotteries,
- Corporate and foundation giving,
- Major and planned giving.

(Kim Klein, 2016)

GO-C.A. (CAM) — Go-C.A. is a program that pairs professional arts organizations in Montréal with candidates interested in joining a Board of Directors (BOD).

One of the objectives of the program, for arts organizations, is to diversify their Boards by recruiting at least two (2) new members with complementary skill sets.

To participate, an organization must:

- be eligible for the CAM's General Funding Program;
- not have previously participated in the Go-C.A. program;
- have at least two (2) vacant seats on its Board of Directors.

<https://artsmontreal.org/en/programs/go>

GOVERNANCE — Governance implements all the means for an organization to achieve the ends for which it has been created in a manner that is transparent, effective and meets the expectations of its stakeholders.

Governance is thus made of accountability rules and operating principles implemented by the board of directors to define the strategic orientations of the organization, ensure supervision of management, assess its economic and social performance and promote the emergence of values of integrity and excellence within the organization. The implementation of such fiduciary governance certainly represents progress in most areas of activity.

<https://igopp.org/en/igopp/governance-in-short/>

HYBRID — Of mixed character; composed of mixed parts. Something heterogeneous in origin or composition (Merriam-Webster Dictionary)

Cultural organizations are by nature hybrid because they need to reconcile two means of revenue: marketing and philanthropy.

INSTITUTION — A professional nonprofit organization for whom the mission, role and responsibilities are recognized as structural and essential to the artistic life by society, the appropriate artistic community and the state. They are given a specific status and financial means that confirm its mandate and sustainability. Artistic organizations that are recognized as such do so in relation to their mission, present an annual programming and have a permanent artistic direction. Excluded from this definition are professional associations, public or government agencies, for profit organizations, festivals, occasional events and scientific research museums. (Conseil des arts de Montréal – Glossary 2019-20)

MÉCÈNE (ORGANISATION) — A private person or legal entity that provides support to a charity or an individual for the realization of public interest activities without any profit-making intentions and without direct benefits. (Institut Canadien des Comptables Agréés, 2006)

In the arts, a "mécène" is found in a long French tradition that includes the church and the monarch. This tradition has been transferred to corporate sponsorship in the arts.

MÉCÉNAT MUSICA — Is a cultural program by donors for donors. *Mécénat Musica* encourages individuals to make an in perpetuity donation of \$25,000 attributed to a cultural organization that is important to them, and encourages philanthropic families to match these individuals' donations with donations of \$250,000 or \$2,500,000. Recognition of *Mécénat Musica* gifts are made at their events and in their publications.

<https://www.mecenatmusica.com/about>

MÉCÉNAT PLACEMENTS CULTURE

Operations

<https://www.mcc.gouv.qc.ca/index.php?id=5803>

Evaluation of the program

https://www.mcc.gouv.qc.ca/fileadmin/documents/publications/Programmes/Rapport-MPC-FINAL__pour_diffusion__2018-10-04.pdf

Accounting for donations and matching grants

https://www.mcc.gouv.qc.ca/fileadmin/documents/Mecenat_Placements_Culture/comptabilisation_MCP.pdf

OPERATING GRANT — A subsidy given for the overall activities related to the organization's mandate. This support may be granted for 2 or 4 years. (See Eligibility Criteria, General Financial Assistance Program.) (Conseil des arts de Montréal, Glossary 2020-21)

PATRON (MÉCÉNAT) — A private person or legal entity that provides support to a charity or a person for public interest activities, without drawing any direct advertising benefits. (Office québécois de la langue française, 2000)

PATRONAGE — In the context of arts and culture, financial support given by a private person or legal entity to promote or finance a non-profit artistic work or activity. (Conseil des arts de Montréal – Glossary 2020-21)

MISSION — The fundamental reason for existence of a charitable organization that guides strategies and orients its activities. (Bureau de normalisation du Québec (BNQ), 2011)

MOVES MANAGEMENT — Moves management is a term used particularly in the nonprofit charitable sector when talking about the evolution of a donor relationship. It is a process that starts with a potential donor leading to a solicitation. The "moves" are actions that an organization undertakes to attract donors, develop the relationship with them and renews their contributions. Developed by David Dunlop at Cornell University, it is a change in attitude premised on the idea that people want to give. https://en.wikipedia.org/wiki/Moves_management

Moves management is a new sophisticated technique that documents and evolves a philanthropic relationship over time. Tremendous success with major donors has been the result.

NONPROFIT ORGANIZATION (NPO) — Nonprofit organizations are associations, clubs, or societies that are not charities and are organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit.

Here are a few types of nonprofit organizations and examples of each:

- social, recreational, or hobby groups (bridge clubs, curling clubs, and golf clubs)
- certain amateur sports organizations (hockey associations, baseball leagues, and soccer leagues)
- certain festival organizations (parades and seasonal celebrations)

Note: If you are operating as a charity, you cannot be considered a nonprofit organization, even if you are not registered or cannot be registered as a charity. You can only meet one definition, not both.

<https://www.canada.ca/en/revenue-agency/services/charities-giving/giving-charity-information-donors/about-registered-charities/what-difference-between-a-registered-charity-a-non-profit-organization.html>

PHILANTHROPIC RELATIONSHIP — Philanthropy ... can be called "affective" rather than "effective" demand. By this we mean that philanthropy is mobilized and governed by a moral or normative currency that ultimately appeals to the nonmaterial or "affective" aspects of the giver's consciousness rather than to a particular material interest. (Ostrander & Schervish, 1990, p. 72)⁷⁰

Market relationship — In commercial transactions, consumer demands or needs generate a response from suppliers of resources largely to the extent that demands are expressed through dollars. Needs are communicated to suppliers or producers through what economists call "effective demand," that is, demand backed up by and made efficacious by the power of monetary votes or dollars. It is not just the existence of needs or demands that is important in getting a response, but also the fact that these needs can mobilize or generate a response that produces what is demanded. (Ostrander & Schervish, 1990, p. 71)

PHILANTHROPIST — A person who adopts the improvement of material and moral well-being of humanity. (Office québécois de la langue française, 1994)

Philanthropy — Love of humanity. A cultural or humanitarian act that is defined as generous and supports in a disinterested manner. (Office québécois de la langue française, 1996)

PHILANTHROPY PROFESSIONALS — Those who cultivate relationships that support the organization and its mission. (Bell et Cornelius, 2013)

Mission professionals — Those who provide the services linked with the mission of the organization. (Bell et Cornelius, 2013)

PROFESSIONAL ASSOCIATION (SERVICE ORGANIZATIONS) — An association established to protect and promote the privileges and rights of a profession or a craft, and to guarantee the competence of its membership including an ethics code and a general development of economic, social and educational interests.

⁷⁰ Ostrander, Susan & Paul G. Schervish (1990), "Giving and getting: Philanthropy as a social relation", in van Til, Jon (ed) *Critical Issues in American Philanthropy: Strengthening Theory and Practice*, Jossey-Bass, p. 67-98.

This kind of association is established with letters patent or charter in which membership is voluntary and as a result of which members enjoy powers that are linked with such anonymous societies that are common in the Civil Code (Québec) or in Labour law. A professional association is characterized by the importance that is attached to its profession, but it can also play a role that is equivalent to a union when, in certain cases, it is concerned with negotiations and an application of master agreements for salaried employees. These professional associations can include employees, employers, or independent workers. (Office québécois de la langue française, 1985)

REGISTERED CHARITY — A registered charity refers to a charitable organization, public foundation, or private foundation registered with the Canada Revenue Agency. A registered charity is issued a Registration Number once approved. It is exempt from paying income tax, and can issue tax receipts for donations it receives.

They must use their resources for charitable activities and have charitable purposes that fall into one or more of the following categories:

- the relief of poverty
- the advancement of education
- the advancement of religion
- other purposes that benefit the community

<https://www.canada.ca/en/revenue-agency/services/charities-giving/giving-charity-information-donors/about-registered-charities/what-difference-between-a-registered-charity-a-non-profit-organization.html>

RECIPIENT — An organization that offers charitable services to a beneficiary and who defends a cause. An intermediary between a donor and a beneficiary. (Ostrander & Schervish, 1990)

An eligible donee (CRA) is a registered charity:

- that is not subject to a suspension of tax-receipting privileges
- that is not subject to a security certificate under the Charities Registration (Security Information Act)
- that has no unpaid liabilities under the Income Tax Act or the Excise Tax Act
- that has filed all of its information returns
- that has more than half of its directors/trustees at arm's length with each of the directors/trustees of the charity gifting to it

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

REPORTS

Bourgie (June, 2013) — *Rapport du groupe de travail sur la philanthropie culturelle: Vivement, pour une culture philanthropique au Québec!*
<http://www.mcc.gouv.qc.ca/fileadmin/documents/publications/rapport-philanthropie-culturelle-06-2013.pdf>

The Chamber of Commerce of Metropolitan Montréal

2009: Culture in Montréal: Economic Impacts and Private Funding

2011: The Art of Investing in Culture: A Guide for Business people (with the CAM)

2013: Making Culture Your Business – Inspirational Profiles for Inciting People to Action

2015: Culture in Montréal: Numbers, Trends and Innovative Practices.

The Massey Commission (1951) — The Massey Commission was formally known as the Royal Commission on National Development in the Arts, Letters and Sciences. It was officially appointed by Prime Minister Louis St-Laurent on 8 April 1949. Its purpose was to investigate the state of arts and culture in Canada. Vincent Massey chaired the Commission. It issued its landmark report, the Massey Report, on 1 June 1951. The report advocated for the federal funding of a wide range of cultural activities. It also made a series of recommendations that resulted in the founding of the National Library of Canada (now Library and Archives Canada), the creation of the Canada Council for the Arts, federal aid for universities, and the conservation of Canada's historic places, among other initiatives. The recommendations that were made by the Massey Report, and enacted by the federal government, are generally seen as the first major steps to nurture, preserve and promote Canadian culture.
<https://www.thecanadianencyclopedia.ca/en/article/massey-commission-emc>

Conseil des arts de Montréal

2014: Sous-comité – Pistes d'actions pour de nouvelles initiatives arts-affaires

<https://www.artsmontreal.org/media/conseil/publications/Sous-comite.PME.pdf>

2019: *Les arts au cœur des citoyens: Sondage auprès des résidents de l'île de Montréal*

https://www.artsmontreal.org/media/conseil/publications/CAM-SondageArtsMontrealais_FINAL.pdf

The Rockefeller Report (1966) — The Performing Arts: Rockefeller Panel Report on the future of theatre, dance, music in America: Problems and Prospects.

<https://www.americansforthearts.org/by-program/reports-and-data/legislation-policy/naappd/the-performing-arts-problems-and-prospects-rockefeller-panel-report-on-the-future-of-theatre-dance>

Épisode (2019) — *Étude sur les tendances en philanthropie au Québec en 2020.*

SPONSOR — An organization who brings financial and material support to a public event, a product, an organization or a person. This support generates advertising benefits for the sponsor. (Office québécois de la langue française, 2014)

SUSTAINABILITY PROGRAMS — Programs that were originally conceived by a group of major foundations in the US (The Ford Foundation, The Carnegie Foundation & The Mellon Foundation) in the 80s. The federal government in Canada put a similar program in place following the US model in the late 90s. The purpose of these programs was to encourage the training of managers to enable arts organization stability. They were accompanied by financial incentives intended to reduce accumulated deficits in cultural organizations. They also developed the application of working capital in the arts.

TAX RECEIPT (OFFICIAL DONATION RECEIPT) — Document delivered to a person or an organization that bears witness to a donation.

Note: This official donation receipt is attached to a tax return and gives the right of a deduction. (Office québécois de la langue française, 2005)

Registered charities can issue official donation receipts (also referred to as "tax receipts") to acknowledge gifts. An official donation receipt is subject to particular requirements under the Income Tax Regulations including identification that it is an official receipt for income tax purposes. <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

VOLUNTEERING — A wide range of activities, undertaken by individuals or groups, without obligation or remuneration. (Office québécois de la langue française, 1997)

More than half of Canada's 161,000 non-profit and charitable organizations have no paid staff and rely solely on volunteers. 12.7 million volunteers contribute close to 2 billion hours annually.

Volunteers help improve quality of life for others. They also gain valuable experience and develop new skills. As well, studies show that involved Canadians enjoy an improved overall health. (Volunteer Canada)

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8.3 ASSOCIATION WEBSITES

Association des professionnels en gestion philanthropique
<https://www.apgp.com/>

Association of Fundraising Professionals
Québec chapter
<https://www.afpquebec.ca/en/>

Association québécoise du codéveloppement professionnel
<https://www.aqcp.org/>

Brigade Arts Affaires de Montréal
<https://www.baam-org.com/>

Canadian Association of Gift Planners
<https://www.cagp-acpdp.org/>

Conversations philanthropiques en culture
<https://www.facebook.com/ConversationsPhilanthropiques>

Imagine Canada
<https://www.imaginecanada.ca/en>

Synapse C (Data sharing and analysis in culture)
<https://synapsec.ca/>

Volunteer Canada
<https://volunteer.ca/>

8.4 CASES

CASE 1

Le Musée acadien du Québec and its endowment fund

Concerned about the future of the institution in 2016, the board and management of the Musée acadien du Québec in Bonaventure in Gaspé decided to take advantage of the government program Mécénat Placements Culture to support the well-being of the organization. To satisfy the requirements of the program, they chose to create an endowment fund administered by the Fondation communautaire Gaspésie-les-Îles.

Situated in the heart of the Baie-des-Chaleurs in the Gaspé, the museum is key to understanding the cultural heritage of the region. Bonaventure is a small town of 3000 people and the four employees of the museum undertake exhibitions, activities for school groups and special events. It was in the context of frozen government grants that the leadership of the organization turned toward philanthropy. They launched a fundraising campaign focused on accumulating capital for an endowment fund. Placed in perpetuity, the amounts invested benefit from the matching program with the MPC. The director of the museum, Louise Cyr, explained how this approach matched their needs:

“We didn’t want to manage a foundation. We didn’t have the organizational or administrative skills or the knowledge. The community foundation is there for that. We don’t have to manage the money and a foundation, but we still receive the income. It was a perfect balance.”

The campaign lasted two and a half years and they were able to earn a total of \$40,000 from donations and benefit events. With matching, this amount became \$150,000 and is fixed.

This first campaign was quite challenging for the tiny team of staff at the museum. However, the director believes that philanthropic development can insure the future of the organization. In that way, an annual deposit of \$20,000 into the endowment fund can grow a capital fund that will generate investment revenue to stabilize and develop the museum over the long term. For Louise Cyr, the objective of annual investment is possible through an annual campaign and a benefit event.

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CASE 2

René Branchaud, Opéra de Montréal, philanthropy and governance

René Branchaud has been a dedicated subscriber to the Opéra de Montréal for over 25 years. He initially attended the opera, either as a couple or as a family with his daughters, but now uses his subscriptions to invite colleagues and friends. While he recognizes it can be challenging to convince the uninitiated or those with negative stereotypes about opera, he takes his role as an ambassador of the company and of opera very much to heart. He enjoys opera a great deal and likes sharing it with similarly passionate fans.

"I feel as if it belongs to me, that I am part of a family. And that is very enjoyable – a feeling of being part of something that is much bigger than me."

He started donating to the opera when the organization began focusing on philanthropy in 2016. Since then, he has joined the Ambassadors' Circle and increased his giving to \$10,000 annually, has sponsored an artist and bought a table at the annual Gala. He became a board member to replace another lawyer in 2011 becoming vice-president a few years later. His involvement with the organization has increased with the new social culture that has evolved through small donor recognition and board events.

"As a result of seeing people from one event to the next, we have become quite a network of people who share the same passion. That is very stimulating."

He recognizes the great potential of the company and so, like his fellow board members, he has become involved in the company's strategic push to increase annual philanthropic revenue significantly. This increase is required to support the artistic growth necessary for repositioning the organization on the international stage

"With the new strategic plan, the board will be called on to play a much more important role with their contacts and be more involved in fundraising. I believe that it is important that there is a minimum giving level on the board (\$1,000) and I think it will increase in the future, in order to reflect our philanthropic leadership."

He explains that increased philanthropic commitment motivates the board to be more concerned for the health and growth of the company, thus contributing to sophisticated and engaged governance.

"Previously, the board was not terribly involved. Now I am always very pleased to see my colleagues at a board meeting and I have "fun" with them. We are always looking forward to the next meeting. The professional level of the executive team will enable us to support the strategic plan and move the company to another level. This is stimulating. I have the impression that what we bring as board members has more impact than it had before."

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CASE 3

Le Gala du Musée d'art contemporain

The Musée d'art contemporain has a long and successful tradition of holding major gala events. As the most important event of the season, the *Bal du MAC* is held in the fall. The presence of celebrities and major Québec Inc business leaders in Montréal attracts 850 people who enjoy social recognition and connection – as well as a fun evening. But a new philanthropically focused orientation within the foundation of the MAC has evolved the role of the *Bal* beyond its social orientation. This exciting and high-profile event provides a significant opportunity to facilitate and evolve relationships during the evening by the philanthropy professionals at the foundation.

“A lot of people are there, including all of Québec-Inc. Being well prepared, we can develop these contacts for the future of the museum.”

Sometimes, that connection happens prior to the event, when a board member holds a small gathering of their guests and asks Laureen Bardou, Associate Director in charge of philanthropy for the foundation, along with the Director or a curator, to provide them with a view inside the museum and an understanding of its mission. This enhances their experience at the event. During the gala, Laureen and her staff circulate to greet the guests and to link them with the Director, curators and board members. There is a lot of carefully planned behind-the-scenes philanthropic networking involved. Subsequently, the staff analyze their accumulated understanding, using those insights to develop enduring relationships amongst those people beyond the *Bal* and to broaden the engagement by current and potential donors for the organization's mission and hence their annual and capital campaigns.

“At the MAC, benefit events are complementary and so essential. They are an integral part of our philanthropic strategy. During the evening of each event, we know to whom we should be talking, who is in charge of each connection and what follow-up will be necessary. These are events that are appropriate to support our relationship with donors.”

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CASE 4

Je suis Julio and “La philanthropie du village”

Je suis Julio launched its first fundraising campaign in 2016 in response to a \$4000 gift from an enthusiastic major donor. As a self-managed company of young choreographers, their artistic practice is varied and innovative. They have yet to gain charitable status, so they rely on the Fiscal Sponsorship program at the CAM to generate donations. Their first campaign raised around \$10,000. They held an informal thank you dinner financed by those who attended, where a stimulating exchange of ideas occurred. Because writing a compelling letter about their unique mission is time-consuming, they decided to launch their next campaign in 2019. Their second campaign has produced over \$6500. Although their major donor in the first campaign supported just once, they were pleased that their small community of donors returned.

“Since Je suis Julio believes in the disinterested redistribution of wealth, we opted for an approach to philanthropy that is coherent with our values – that we have called ‘philanthropie du village’. We receive small donations from a community that believes in these same values. This is our source of philanthropic support and that support is translated into action and artistic projects. We maintain friendly connections with these people who have become a caring community for us.”

—Ariane Boulet, dancer and choreographer with Je suis Julio

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CASE 5

Studio 303 and fundraising letters

Studio 303 has evolved their fundraising practices from rent-raising cabaret parties in the 90s, to a major 20th anniversary event in 2009, and since then, a letter campaign focusing on a community of donors. Miriam Ginestier, the co-director of the organization, views "The Letter" and the "Thank You Card" as creative projects that attract donors of all kinds. While their mailing list reaches 3640 people, their 138 donors in 2018 include users of the studio, artists, enthusiasts for their mission and general arts supporters. These private individual gifts provide 3.8% of the company's budget.

Fundraising also includes smaller amounts from an annual online auction and VIP table sales during a cabaret, as well as sporadic support from individuals and foundations. Expense and effort, including the value of time invested, is carefully evaluated when calculating the net return from each fundraising activity. The cost-benefit ratio of events is much less interesting than that of the letter campaign, which remains the most effective fundraising activity. As a result, their 30th anniversary does not include a gala event.

"At Studio 303, we are touched by the significant and sincere support we get from our community of annual donors. However, we feel pressured to continuously diversify and grow our fundraising income. This mindset can provoke anxiety and exhaustion - particularly within a smaller organization without a philanthropy department or dedicated staff. The net income of fundraising efforts must always take into account the following costs: free labour (often put in by artists), paid labour by staff (time away from doing their normal jobs), as well as recovery time."

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CASE 6

Natacha Engel and la Jeune scène d'affaires de l'École supérieure de ballet du Québec

As a graduate of the ESBQ but trained as a lawyer with an MBA, Natacha Engel was keen to give back to the school that enabled her childhood dream of becoming a ballerina. She was inspired by young philanthropist programs springing up across Montréal. She had been involved in a number of these programs, including the project called "Je vois Montréal" launched by the Chambre de commerce du Montréal métropolitain to evolve Montréal's dynamism. Developing philanthropy early is important for Natacha. La Jeune scène d'affaires at the school was her idea and she gathered a large group of colleagues and friends around her. She feels that exposing people to the art is important in the process and she found that the school's annual final performance was ideal for that. So she kept the social event's location a secret, ensuring that everyone attended the performance first with transport by limousine afterward. The event has become a success artistically and financially. The group contributes youthful energy and professional expertise that produce a profitable but artistically focused event, promotional videos and scholarships. Some members who have been quite involved have moved into advisory roles and graduates of the school are becoming involved as volunteers with the event. As well, this talent pool forms the basis for foundation board recruitment at the school, ensuring a longer-term loyalty beyond the youthful focus of programs. Natacha and her team received recognition in 2020 as the winner of the Prix ARDI for young business professionals in arts philanthropy (BAAM).

"We need to provide the lead by giving ourselves. How can we ask someone else if we haven't given beforehand?"

"Art is not necessarily accessible for those who not already initiated. The performance at the school is extremely accessible, so we have built our benefit event focused on this activity."
(Journal les Affaires, 25/11/2017)

"When the event is no longer the fashion, there will be other ways to engage people, so it is important to develop a network that is committed to the cause and will continue to give, regardless of how."
(Journal les Affaires, 25/11/2017)

"I wanted to evolve young businesspeople to become ambassadors for the school, to appreciate dance in particular and to become interested as a means to enrich their life. Art enables people to question, enjoy and live by their emotions."
(Droit Inc. 22/11/2015)

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CASE 7

Geordie Theatre School and crowdfunding

Geordie Theatre is a theatre for young audiences that tours in Québec, Ontario and the Maritimes. They have a theatre school in Montréal which has launched three crowdfunding campaigns. The campaigns fund scholarships for children to attend the school to take acting training that generates confidence, creativity and a love for theatre. The first and second campaigns used Indiegogo in 2017-18 (\$2800) and Winter 2019 (\$2100). Indiegogo was challenging because of the US dollar exchange and the required structure linking benefits to donation levels. Most of their campaign donors are not interested in benefits and wish to support the children directly without other involvement. GTS encouraged regular donors and others with an organizational relationship to Geordie to support the campaign.

The third campaign in the Fall 2019 used GoFundMe (\$2700). With this platform, gift tiers and benefits are not necessary; the currency is Canadian; and it is simple to set up the campaign and connect to Facebook to promote the campaign. They received donations from their regular donors, but also from random people not already connected with Geordie but who were avid GoFundMe donors looking for worthy campaigns. For charitable organizations, GoFundMe sends out tax receipts directly through PayPal. Jessica Abdallah, the Artistic Associate heading up the school, explains the value of crowdfunding for the Geordie Theatre School.

“Overall, I find it allows people who already believe in us to have an easy way to donate. Our people like that we target our campaigns to be very specific – i.e. we are raising \$2500 to have 8 kids join GTS for the Fall 2019 session – because then they know where the money goes. Lots of parents of kids at GTS donate because they have a connection to the school and so the campaign gives them an easy place to give back. This is the same with past bursary kids whose parents will donate even a little because they are appreciative.”

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CASE 8

Karla Étienne and fundraising success but the challenge of a philanthropic culture

Revenue diversification and the renovation of their studio motivated Karla Étienne, the artist-manager at Nyata Nyata, to investigate philanthropy. She started with crowdfunding for a tour to the Congo, for *Mozongi*. The project went very well but Karla was not sure about the cost of working with an external platform and the amount of work needed to market the project and the campaign. However, excited by her learning in the arts management program at HEC Montréal, she chose to initiate proximity philanthropy, focusing on the circle of friends and colleagues affiliated with the founding choreographer Zab Maboungou. She focused her donor requests on specific projects like scholarships for a woman to participate in the school for an international summer intensive workshop “Drum and Dance”, a Canadian tour by the company and the creation of a new production. She even used the “Giving Tuesday” event to find donors. She kept the information about her donors’ preferences and gifts on an EXCEL spreadsheet. Many responded more often than once a year. However, in spring of 2019, Karla felt overwhelmed with all of her responsibilities. Without a direct incentive from the executive and the board of the company to continue with a new campaign, she didn’t pursue her efforts in philanthropic fundraising that year. The board is always very satisfied with any philanthropic initiative. But Karla needed to feel a full organizational commitment about philanthropy to go forward. She wanted to make sure it was still an organizational priority. Not only on paper.

“Even though I was thrilled to find that the Nyata Nyata community was ready to support us, I felt the parallel need for this same support internally. The internal community needed to be equally as alive as and even more proactive than the external one.”

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CASE 9

Anne Plamondon and her board of directors

When creating an all-female board for her new choreographic creation company, Anne Plamondon decided to seek people who were informed about and experienced in art as well as organizations. She was already experienced as a dancer as well as a creator with another company, but some advisors expressed concern about an all-female board that did not include corporate businesspeople. She first approached Micheline Chevrier, who is currently artistic director and executive director of Imago Theatre. She has been artistic director of Great Canadian Theatre Company and is an experienced stage director. Geneviève Rivard is a musician and a recent graduate of HEC Montréal, with experience in several musical organizations. Anick La Bissonnière is a stage designer and architect with an international reputation, and on faculty at the École supérieure de théâtre at UQAM. Tatiana Veralescano is the owner of Physio Cœur de l'Île, and an osteopath who treats many dancers. Stéphanie Hinton is a founder and CEO of FOVE, an agency for contemporary dancers and choreographers. Everyone is enthusiastic and pleased to be involved and keen to apply their experience and judgment. They meet every three months and are looking for other members. Founded in 2017, the production company is busy with projects in Toronto, Banff Centre for the Arts, Jacob's Pillow and Domaine Forget. While there has been no fundraising undertaken yet, the group is planning an event at La Place des Arts when Anne performs in the Danse Danse series.

"When it came time to build a board, the most important thing for me was to surround myself with inspiring, creative and experienced people, who also understood the creative process of a nonprofit organization. While making a list of people I knew like that, I realized that all the names were women. It was unintentional, but quickly became the direction of my search, and gave meaning and purpose to my board. I decided to surround myself with inspirational and dynamic women that would encourage my growth, and push me beyond what I think I can or cannot do."

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CASE 10

Caroline Bergeron and L'Illusion, Théâtre de marionnettes

Accompanied by her young son Ludovic, Caroline Bergeron was entranced by the performances of L'Illusion, Théâtre de marionnettes. Her son was amused and excited by the productions. In 2016, through conversations with a board member from the theatre, registered as a student in a course she taught at UdeM, she discovered that the company needed to finance the reconstruction of the building in which they functioned. Caroline wondered if her fundraising expertise might be useful to the group. She was invited to be on their board, and they accepted. She has been quite involved ever since.

Caroline has a background in management studies, a master's degree in communication sciences and a master's degree in museology. She has worked in communications, archives and fundraising for universities, Bell Canada and the BaNQ. She is currently in charge of the certificate program in philanthropy management at the Université de Montréal and is pursuing a doctorate in management of philanthropy. As a result, she understands the needs of the organization. She still attends the performances of the company, with great enthusiasm.

"Making philanthropy happen is too important to be left to traditional businesspeople. It requires both lack of ego and a desire for success. A strange combination..."

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CASE 11

Laureen Bardou, her career and accreditation (CFRE)

Laureen Bardou is one of the few fundraisers in Québec accredited with an American CFRE (Certified Fund Raising Executive). As a result of a master's degree in art history from the École du Louvre, she held internships in museums in Washington, France and Montréal. Her master's degree in arts management at HEC Montréal also involved an internship at the MBAM and a research project that looked at the relationship skills needed for fundraising in major Ontario-based museums. Her engagement in 2013 at the Canadian Centre for Architecture established her profile in philanthropy in Montréal and allowed her to discover cultural philanthropy. A call from McGill University enabled her to participate for almost three years in a very sophisticated university fundraising environment, where expectations are very high. Laureen learned the essence of *Moves Management* to achieve her portfolio targets and she successfully pursued the CFRE. The experience formed the basis of her philosophy about how a professional fundraiser works behind-the-scenes as a facilitator of others: donors, volunteers and mission professionals. The Musée d'art contemporain in Montréal provided a fortuitous opportunity to return to the arts. There she found the organization prepared to consecrate a new full-time role to philanthropy. This role also supports the capital campaign needed to finance the physical transformation of the building. Her disciplined and rigorous strategizing about relationships has assembled key partners like the Director, curators and board members within the organization to reinforce their relationships with donors and supporters. Her low-profile facilitation of the whole dynamic has been key to her success at the MAC.

"I realized that in the health and university sectors, there are a number of practices that are transferable to the arts. As a result of the CFRE, my view of the profession is more global and my understanding of appropriate practices in fundraising is more evolved."

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8.5 METHODOLOGY

MANDATE

The mandate for this study is anchored in the 2018-2020 strategic plan of the CAM. Keen to take a lead in developing a culture of philanthropy in the field, the CAM commissioned this study to examine the current realities of philanthropic practice in the artistic community and form an initial basis for reflection, debate and learning about philanthropy in the arts in Montréal.

This study explores four perspectives on cultural philanthropy in Montréal:

1. An historical overview;
2. Trends and dynamics specific to the field;
3. Challenges and issues;
4. Recommendations for action and growth.

STUDYING MONTRÉAL'S CULTURAL PHILANTHROPY

Philanthropy occurs in many third sector fields, and is most often described by consultants and managers in normative and ideal terms. In fact, this ideal view has been embedded in an American accreditation (CFRE – Certified Fund Raising Executive) designated by the Association of Fundraising Professionals, now an international organization. Because of the hybrid nature of the arts, the application of these ideas in the cultural field produces specific strategies. These strategies have proven successful for the arts in other urban centres in North America and it was a source of reflection in the Bourgie Report of 2013, mandated by the Québec government. Montréal's cultural specificity seems to have generated fundraising practices and strategies that contrast with strategies elsewhere. Recommendations for action and future research arise from that contrast. As a result, the tone of this report uses conditional terms and sometimes paradoxical perspectives that suggest the need for further analysis by organizational leadership and strategists.

PROCESS

Begun in June 2018, the project evolved as a continued consultation among Wendy Reid at HEC Montréal and Émilie Chabot, Julien Valmary and Talar Agopian at the CAM. Students trained in philanthropy in the master's program in arts management at HEC Montréal

were engaged to collect and synthesize the data under Wendy Reid's supervision. An advisory committee was invited to participate. Committee members provided a rich and multi-perspective view of philanthropy in Montréal.

This research is also informed by Wendy Reid's 10 year experience in the 80s and 90s as a philanthropy manager and as an executive director in both Toronto and Montréal arts organizations. She sat on numerous boards of small arts organizations and worked in several major institutions. At HEC Montréal, she developed a course on management of arts philanthropy in the DESS and MMEC (master's degree) programs. As a researcher she has specialized in philanthropy practices and management for the past six years.

After an extensive synthesis and analysis of the scientific and grey literature, supplemented by media reports, we provided the advisory committee with a proposed outline in November 2018. Interviews and quantitative data collection took place through the fall and winter. Syntheses and analysis of the data continued through the winter.

A draft report was prepared for discussion with the advisory committee in October 2019. Follow-up discussions, further refinement and approvals of mini-cases and citations in the report occurred through the fall and early winter. Further data about crowdfunding and from service organizations was collected and interpreted into the report.

In late summer and through the fall of 2019, the English text was translated in partnership with Laurence Orillard. The process involved much refinement and clarification of ideas. Revisions in June 2020 in partnership with Charles Cupif, Jean-Pierre Primiani, Ludovic Delrieux and Karla Étienne reported COVID-19 experiences and it was launched at the end of September 2020.

DATA SOURCES

For this study, the portrait that we paint is drawn from a significant and diverse collection of primary and secondary data that is both qualitative and quantitative. Some of this data was originally developed for other purposes, but re-analyzed for this report. Other data was gathered specifically for this study. The project and its research logistics were approved by the research ethics committee at HEC Montréal, covering the procedures for gathering confidential and anonymous information [VOIR TABLE 9 ON PAGE 92].

TABLE 9
LIST OF RESEARCH DATA SOURCES AND USE

Type of data	Primary or secondary	Source	Specifics
Quantitative	Primary	Canada Revenue Agency CAM clients	Publicly available financial data of charitable organizations. Year charitable status acquired. To examine the impact of recent Québec gov't policies and to understand the progress of charitable status adoption in the milieu.
		Ministère de la Culture et des Communications	Grants to Montréal clients of MCC for Mécénat Placements Culture and infrastructure grants. Request for information sent by the CAM to MCC. To examine the impact of these grants on CAM clients.
	Primary	CAM	Participants in Fiscal Sponsorship - CAM. Public information. To understand the evolution of charitable status in the milieu. Grants from the CAM 2008 to 2018. To gain a portrait of the type of clients related to charitable status and grants from MCC. Publicly available information. Organization types and budget size in certain disciplines. Anonymous information. To understand the potential for philanthropic relationship development in different business models in the milieu.
		Crowdfunding platforms as well as sponsoring organizations	Crowdfunding campaigns in the nonprofit arts in Montréal. Publicly available information. To understand organizational use of crowdfunding in Montréal arts milieu.
		Service organizations and their membership	Organization types and budget size found in membership service organizations. Anonymous information. To understand the potential for philanthropic relationship development in business models in the milieu.
Qualitative	Primary	43 organizational interviews across the milieu	Applicants to CAM programs (internship, Go-CA, Fiscal Sponsorship) were chosen and interviewed based on indicated interest in philanthropy. Also, members of advisory committee and EDs of arts service associations. To enhance the distribution of other data. To gain perspectives from experts in the field. Approval from research ethics at HEC Montréal.
		40 interviews and 27 board meetings observed in three organizations in Montréal	Research project at HEC Montréal on philanthropy dynamics in small arts Montréal organizations over time. Approval from research ethics at HEC Montréal for further use. Funded by FQRSC 2013-2017.

Type of data	Primary or secondary	Source	Specifics
		18 interviews with philanthropy professionals in the arts across Canada	Research project at HEC Montréal in philanthropy dynamics in Canadian arts organizations. Approval from research ethics at HEC Montréal for further use. To gain a perspective on philanthropic practices outside of Québec.
	Secondary	12 Master's projects	MMEC at HEC Montréal (10). Master's in museology at UdeM (2). Specific philanthropy-oriented research projects. Approval from research ethics at HEC Montréal. Specific reference is granted by the student researcher. To gain specific research perspectives on philanthropy in Montréal.
		15 Internship reports	DESS and MMEC at HEC Montréal. Approval from research ethics at HEC Montréal. Selective use is approved by student intern. Anonymous. To gain insights on organizational dynamics around philanthropy.
		52 teaching cases published by HEC Case Centre	Cases about arts organizations, current and past activities, developed for pedagogical purposes. Cases approved by key organizational informants at the time of publication. To gain historical perspectives on philanthropic practices in Montréal.
		Grey literature	Seven association or institute websites were read and synthesized, including research found in their sites. Publicly available. To gain insights into issues and the context of philanthropy in Montréal, Québec and Canada.
		Academic research on philanthropy	17 articles published in peer reviewed academic journals or books specializing in nonprofit or arts management. Available in the library catalogue at HEC Montréal. To understand research perspectives on philanthropy for application to the arts in Montréal.
		Montréal media coverage on philanthropy	100 articles regarding arts philanthropy published in Montréal media outlets. Available in the library catalogue at HEC Montréal. To understand public reactions and attitudes to arts philanthropy in Montréal.

The CAM clients are the primary focus of this report. While they constitute a solid indicative portrait on arts philanthropy, there are many others who make up the cultural community in Montréal. There are many museums in Montréal, most of whom are funded by the MCC or the City of Montréal. However, the CAM funds projects in several art and history museums. As well, the city operates and funds Maisons de la culture, cultural centres and libraries. The Ministry of Education funds numerous presenting facilities in the educational system as well as professional arts training organizations. Some small organizations exist without any funding. We have interviewed a few organizations that are not funded by the CAM so their voice is present in the report.

On a more informal basis, the author exchanged with cultural workers in Montréal and elsewhere in Canada and with Les Conversations philanthropiques en culture and their Journée de la philanthropie culturelle. Insights on the impact of COVID-19 closures came from cultural workers, websites, emails from soliciting organizations and feedback from the fundraising professionals in the Advisory Committee.

ANALYSIS OF THE DATA

Most academic research about philanthropy is focused on donor behaviour. The study of management practice in philanthropy is just beginning. Other research, found in the grey literature, looks at policy and evaluates projects. This report is not theoretical but will contribute to the study of managing philanthropy. Comparing the specificity of Québec to the rest of North America will be useful to those studying European practices.

The sensemaking process for this report has been informed by several decades of Wendy Reid's experience as an arts manager as well as her pedagogical and supervisory work at HEC Montréal and her involvement as a donor to many arts organizations in Montréal and Toronto. She has also conducted two research projects on arts philanthropy in Québec and Canada. The other interviews and quantitative data collected specifically for this report helped focus the research in response to the CAMs mandate.

The qualitative analysis of the interviews, cases and literature generated the thematic structure and provided nuanced reflections on philanthropic activity in Montréal arts organizations. The quantitative analysis for this report mapped trends which gave context to the themes and reflections.

TEAM AND CONSULTING PROCESS

Four HEC Montréal students in the post-graduate diploma and master's degree in cultural management were engaged to work with this project. Charles Cupif was the main research assistant. He synthesized literature, cases, student research and interviews, after undertaking many of them. Downloading and structuring the CRA data was also his job with thanks to a couple of anonymous colleagues. Djamina Victor collected crowdfunding data and interviewed diversity and accessibility mandate organizations. Selwa Abou-al-aazm provided summary notes from a number of interviews. Andrés Jiménez Coy consolidated a comprehensive table with all CAM, MPC and infrastructure grants and charitable status by discipline since 2008 in order to have an overview of CAM clients. As well, Talar Agopian at the CAM reported on the Fiscal Sponsorship program and refined the research on crowdfunding.

Ongoing consultations occurred with Emilie Chabot and Julien Valmary at the CAM throughout. Two meetings and several follow-up interviews were held with members of the Advisory Committee. Citations and case studies were checked with many participants to ensure accuracy. All of these interactions enriched the report greatly and ensured balanced and pertinent perspectives.

LANGUAGE AND EDITING PROCESS

Most of the interviews, cases and research are in French. The report was initially drafted in English, but evolved bilingually. The final report exists in two versions, in French and in English. The partnership amongst Laurence Orillard and Wendy Reid and later with Karla Étienne ensured an iterative and parallel development of these texts.

