

Event Report

International Symposium Organized by the Association for Corporate Support of the Arts

Supporting Arts and Culture with Resilience and Creativity:

Starting from the Current State of American Fundraising [Report]

On Tuesday, March 15th, 2022, at the International House of Japan (Roppongi, Minato), the International Symposium was held. The symposium was organized by the Association for Corporate Support of the Arts, and hosted jointly by Net TAM (Toyota Art Management, an art management information site) and NPO ON-PAM, the Open Network for Performing Arts Management. It was also streamed live that day. At the symposium, the current state of American cultural policy and financing were introduced, focusing on the case of New York, and a panel discussion was held in order to form an outlook for cultural policy in Japan. There, it was discussed how art and culture can be promoted and supported by society in future in Japan, where a variety of social issues are surfacing.



Ms. Karen Brooks Hopkins

Mr. Yusuke Hashimoto

Ms. Michiko Kasahara

Mr. Daigo Sato

Mr. Mitsuhiko Yoshimoto

◆Training Debrief Session

[New York Training Report]

Yusuke Hashimoto

(ROHM Theatre Kyoto/NPO Open Network for Performing Arts Management)

Mr. Hashimoto stayed in New York from the end of March 2021 to the beginning of March 2022, as part of the Agency for Cultural Affairs' Program

of Overseas Study for Upcoming Artists. Training was carried out on the theme of fundraising. Focusing on fundraising for non-profit performing arts activities, he interviewed experts as well as those who provided funds.

Support for arts and culture in the United States has traditionally been funded by donations from wealthy individual supporters as well as foundations based on such, rather than by the government (including national and local governments). In regards to American donation culture, of the total amount of donations made in 2020, 471.4 billion dollars (about 55 trillion yen), the largest source was individual donations, which accounted for 69% of the total, or 324.1 billion dollars (about 38 trillion yen). After that, foundations accounted for 19% or 88.5 billion dollars (about 10.4 trillion yen), bequests for 9% or 41.9 billion dollars (about 5 trillion yen), and companies for 3% or 16.8 billion dollars (about 2 trillion yen). The distribution of donations amounted to 28% for religion, 15% for education, 14% for welfare, and 12% for grant foundations. 5% went to arts and culture, for a total of 23.6 billion dollars (about 2.7 trillion yen). However, this figure of 23.6 billion dollars is 17 times the amount of arts and culture support by the US government, 1.375 billion dollars, which illustrates the characteristics of arts and culture support in the United States.

It is said that there are over 1.5 million non-profit organizations in the United States, and of those, more than 113,000 are involved in arts and culture. Among them, 39,292 organizations have a total annual budget of 50,000 dollars (about 6 million yen). Many non-profit organizations involved in arts and culture above a certain budget scale belong to the same legal category as 501(c)(3) organizations, which are non-profit organizations that operate churches and schools, and are recognized as contributing to public interest. For that reason, donations to such organizations are tax-deductible. NPOs involved in arts and culture are recipients of American donation culture, and when it comes to their income makeup, once you exclude 60% as business earnings, donation income, especially individual donations, accounts for a large proportion (24%). Because of this, the concern for NPOs involved in arts and culture becomes how to obtain donations from individuals. Meanwhile, unlike main bodies whose missions already include support for arts and culture from the outset, such as administrative art support departments and grant foundations for the support of arts and culture, for individuals, arts and culture are not a prerequisite for support. This is an

important factor in obtaining individual donations. In other words, in order to obtain donations, it is necessary to reach a consensus on the social value of art during the process of fundraising, and that value is constantly changing with the times and circumstances, so such a mission requires constant effort.

Finally, advanced practical examples of support of arts and culture that demonstrates resilience and creativity, the title of the symposium and qualities that are strong in the face of crisis in America, were introduced. Intermediary arts organizations, which provide support to artists, play a particularly important role. Unlike wealthy individuals or foundations with financial resources (funds), intermediary arts organizations raise funds themselves, and redistribute the funds they obtain to support arts and culture. Intermediary arts organizations have, historically, been spontaneously created from the solidarity of artists, and have succeeded in encouraging a bottom-up approach, starting from on-site needs. As a result, they affect even the largest foundations at the top, and there seem to be aspects of American cultural policy being shaped through this sort of cycle within the industry. During the current pandemic, several intermediary arts organizations have joined forces to provide emergency support to individual artists, involving large foundations with financial resources; this effort is called Artist Relief. The project has resulted in providing 4,682 artists with 5,000 dollars per person for 15 months. In addition, basic income for individual artists is also being provided in New York and San Francisco. What each of these forms of emergency support have in common is that their application process is simple and easy to understand, and the way in which funds may be spent is unrestricted. This becomes not about artwork or performances, but rather about supporting the artist's career itself, and is based on the consensus that the existence of artists themselves is necessary to society. Beginning with intermediary arts organizations, this is the result of persuasion, understanding, and empathy, based on a relationship of trust between society and artists. However, fundraising has no time to rest—as mentioned previously, building consensus on the social value of art is a mission which requires constant effort, as that value continues to change with the times and circumstances.

Next came a lecture by Karen Brooks Hopkins, a well-known leader in American fundraising for performing arts. She has been a central figure

behind the growth of the Brooklyn Academy of Music (BAM) to its firm position as a mecca for American contemporary performing arts.



◆Lecture

Fundraising Technology & Ideology: Looking Back on 36 Years at BAM

Karen Brooks Hopkins

(President Emerita of the Brooklyn Academy of Music (BAM))

Fundraising creates a strong bond between organizations and citizens. For organizations—non-profit organizations involved in arts and culture in particular—targets for individual donations can be divided into three categories. The first is viewers or audience members, the people who love the artwork. The second is locals. The third is those who believe an area is worth visiting due to the presence of visitors, organizations, and festivals. There is a need to obtain support from these people every year, which requires the enrichment of programs and services, and for organizations to do their best. Fundraising also provides opportunities for organizations to grow.

If you ask who does the fundraising, the answer is the board of directors. Directors are those who contribute the most to organizations, both financially and in terms of expertise, and they also serve as ambassadors of goodwill who make connections with the world. Directors mainly come from three groups.

The first is those who have business-related reasons to support organizations. For instance, their head office might be located nearby. The second is those who enjoy the artwork. Then, the third is those who believe that serving as director is the best way they can contribute to the community. Research is vital for selecting directors, and involving friends and colleagues of directors is also an effective method. Formulation of strategies and evaluation analysis are also keys to the board functioning properly. It is necessary to set annual financial contribution targets, evaluate directors, and confirm results. It is important to measure the following on a regular basis as specific items for evaluation: which performances directors have participated in, whether they participate in board or committee meetings, how much they have donated as individuals, or how much they have contributed through their friends.

The first place to seek support is from representative foundations. This proposal must also be a strong one, as it will become a huge effort spanning multiple years, following a purpose and guidelines. Next is corporations. Supporting NPOs means contributing to the community, and so it is good to prepare an image-building strategy. Then there are wealthy individuals and small foundations. Wealthy individuals in particular are very important, as they are those who believe that serving as board members is the best way for them to contribute to the community. Lastly, there are small donors. These are local people who may start small, but have the potential to steadily increase the amount they give, create a kind of lifelong relationship, and eventually lead to bequests. Once you've identified a new potential patron, take the best approach for that person. What donors are interested in is new initiatives that attract a lot of attention. In support of such projects, creative personnel develop packages that identify those from whom they can obtain support one by one, making each package attractive and sharing them with donors. They also have know-how in organizational management, such as being able to successfully apply funds that come in as part of the budget for project support, which is relatively easy to obtain, to management costs.

It is necessary to learn about the other party through thorough investigation. Who is a potential donor? How do you approach them? What is the person's relationship with their organization? How much do they support other organizations? How much money do they have? And the most important thing: how do you get closer to that person? Once you have identified a potential donor, it is then time to start communicating to obtain donations.

Fundraising is a pragmatic business, and bold, forward-thinking programs and great ideas lead to big donations. Be persistent in your approach and follow-up. Building relationships through continuous communication is important. And above all, fundraising means demonstrating creativity in every activity.

A panel discussion was subsequently held with Ms. Hopkins.

◆Panel Discussion

Panelists: Karen Brooks Hopkins

Michiko Kasahara (Assistant Director, Artizon Museum)

Daigo Sato (Board Chairman, dot-jp NPO/Professor, Musashino University)

Mitsuhiro Yoshimoto (Research Director and Head of Center for Arts and Culture, NLI Research Institute)

Facilitator: Yusuke Hashimoto

First, the facilitator, Mr. Hashimoto, asked for impressions and opinions regarding Ms. Hopkins' lecture through the lens of the panelists' own activities. Ms. Kasahara then compared public and private museums, and raised the issue of bearers of public interest. The Artizon Museum, which is a private museum, is free for students, but public museums cannot take measures to reduce admission fee income due to their budgets. Also, due to budgetary concerns, public museums have often not been able to collect artwork since 2000, and own collections of items purchased before then with the values of the 1990s. The Artizon Museum, on the other hand, has been able to collect work by contemporary artists based on its own values since 2000. When considering the function a public museum should have, it seems that a reverse phenomenon is taking place here. In addition, for public art museums, the government sets a strict target for the number of visitors per year, so there is no choice but to plan exhibitions that prioritize the attraction of guests. As a result, the government is intervening in the art scene.

Ms. Hopkins commented on that situation in Japan as follows. Most donors do not intervene. The relationship between organizations and donors is very important. Research is important for building a positive relationship for both parties. By doing proper research, you can discover what donors are interested in, and make donation proposals in a respectful manner. Projects

are able to connect properly with donors.

Next, from Mr. Sato: The donation market in Japan is on the rise (1.5 trillion yen). There are few non-profit organizations in Japan like those mentioned in Ms. Hopkins' lecture which work so closely on fundraising. Paradoxically, Japanese NPOs have not touched on fundraising, so they will grow considerably if they start. In doing so, it will be important to have a comprehensive strategy and detailed analysis. Also, in comparing project costs and the cost of management and operation, the former is easier to collect, so crowdfunding and planning of collaborations with corporations are effective for one-off projects. However, the issue is then how to obtain operating expenses, such as personnel expenses, human resources development, research activities, etc. The only way to establish a stable financial base is to obtain continuous donations from individuals, and it is the board of directors which plays this role in fundraising. What is needed is not just a board, it is a "working board". In Europe and the United States, it is often said that board members' roles fall under three "Gs". The first G is "give"—board members themselves give donations. If they cannot, the second G: "get". If they can neither give nor get, the last G is "get out". There are also three "Ts". The first is to use "time". The second is to use "talent". The last is to give your "treasure". Directors must take good care of their money. This fact, that the selection of directors is very important, was able to be reaffirmed by Ms. Hopkins' talk.

Mr. Yoshimoto strongly agreed with the idea of "working boards", and further stated the importance of encouraging individual donations in Japan, suggesting awareness that one can make a donation and change society.

Ms. Hopkins spoke about building relationships with donors. The ideal donation strategy is one which connects the mission of the organization and people, "from the cradle to the grave". By connecting and sharing artists' work with donors and organizations, a strong bond is created, as well as a sense of ownership. Ultimately, it is important for donors to engage in valuable activities themselves and realize that they are meaningful. Donors should share "the value of art creating vitality in the community and being passed down from generation to generation".

Mr. Hashimoto raised a question about how art and culture could be supported in Japan, where a variety of social issues are becoming apparent, in future. Mr. Yoshimoto summarized the issues in question and stated his

opinion that it is difficult to obtain the endorsement of supporters for art when compared to other social issues.

On the other hand, Ms. Hopkins said that they were facing the same problem in the United States. She stated that it was important to make an effort to convey that the beauty and creativity of art are valuable without making a comparison between art and famine, that it was important to present art as meaningful without squaring it off against other challenges.

Mr. Sato said he believed that approaching corporations requires the presentation of merits, and not an appeal to emotion. Only one thing should appeal to emotion. It is effective to appeal to employees of a corporation and to ask business owners to request support. This results in donations from individuals, not the corporation, so there is no responsibility for shareholders. From now on, we are entering an era which requires the value provided oneself to be redefined. For example, museums redefining art as not just for art lovers, but as a community-based, comprehensive cultural enterprise. It is important to redefine its value in order for the community to be revitalized and for local issues to be solved.

Next, Mr. Hashimoto raised a question about the role of government and the private sector, asking how the cultural policies of each should be developed.

Ms. Kasahara prefaced that it may be a little extreme, but exhibitions that can make a profit, that is, performances for entertainment rather than cultural projects should be carried out in the private sector, and that national and public institutions should not make a profit, but should specialize in cultural projects that must be carried out. Cultivating the individual donation market is very important, but it will take a considerable amount of time for Japan to be able to realize American-style fundraising. The foundations of culture should be supported by national and public institutions. By doing so, it may be possible to foster an atmosphere in which people believe culture is important, and make donations to that end.

Mr. Sato said that the policy of “if is collected, it will be reduced” is a retrogressive one, and stated two main points. The first is that government subsidies should be matching gifts to promote independence. Donations increased significantly in the United Kingdom due to the policy of “if donations are collected, the government will subsidize them” implemented during the time of Prime Minister Thatcher. It is a very good initiative, as it motivates the collection of donations. Otherwise, it would be better to “provide

just the hometown tax system, without using income tax”. While donation-related deductions for public-interest promotion corporations is about 40%, hometown tax is about 100%, and so if you donate 1 million yen, 998,000 yen will be returned. The president of JustGiving in the UK even said it was “crazy”. The second point is that a subsidy system that can be used for advertising and marketing expenses is necessary for acquiring new supporters. If you use all subsidies for the project costs for subsidized activities, it won’t lead to the next activity. Mr. Sato said that he always feels that it is necessary for project continuity, and would like to make a final proposal.

Mr. Yoshimoto, who is also the director of one of the organizers, summarized. The current situation is that government subsidies are very difficult to put to use. Built into targets for evaluation is the question of whether the project is in line with national policies, such as the need for indicators of economic ripple effects on the region, and there is always a danger that supporting organizations will be pulled in that direction. More public cultural budget is desired. Mr. Yoshimoto believes that we should shift to spending more money on national and public institutions before the private sector. On the other hand, he thinks we should expand individual donations from now on. Public money funded by taxes and donations from the private sector have different meanings and utility. As Mr. Sato said, individual donations are increasing; it is becoming more and more important to encourage individuals to donate. Mr. Hashimoto concluded that he would like to take the opportunity to continue discussing the various issues raised today in order to deepen and develop Japan’s policies on arts and culture in future.

Finally, the meeting was closed with a message of thanks from Sumiko Sawada, Executive Director of the Association for Corporate Support of the Arts.



[Report] Mécénat Writer: Taisuke Wada, Art Manager

Born in 1977 in Kobe. Graduated from Hyogo Prefectural Kobe High School, and Doshisha University's Department of Letters, majoring in Aesthetics and Art Theory. After working at Isetan, he changed jobs to work with the Japan Philharmonic Orchestra. He oversaw public relations, sales, and planning and production. He returned to his hometown in 2012. At the Kyoto City Music Art and Cultural Promoting Foundation, he supervised the reconstruction of Kyoto Kaikan and the Kyoto Concert Hall's independent projects. He has been working at the Minoh-City Foundation of Culture since 2015, working as its art creation section manager since April 2020.