

# Winning hearts through the arts:

## increasing philanthropic support for arts and culture through awareness of its widespread positive influence on society

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Investment – by definition – is the acquisition of goods that are not consumed today but utilised in the future to create wealth. The level of return determines the ‘success’ of that investment, but how is this marketed, monitored and managed for maximum impact and continuous cultivation in the creative sector where art and culture has significant impact emotionally and socially as well as economically? And how difficult is it becoming for arts organisations to attract investment initially, given the barriers faced within this arena?

As a registered charity, the Wales Millennium Centre has achieved exceptional results since its birth in 2004. Built at a cost of £106m, its construction was funded by the Welsh Assembly Government and National Lottery through the Millennium Commission and Arts Council for Wales. The Centre is now supported through an annual public investment grant from the Arts Council for Wales, which is less than 20% of its turnover. For every £1 received from the public purse, an additional £4.50 is generated by its commercial activities and fundraising.

The Centre now sustains up to 1,000 jobs and contributes over £60m annually to the Welsh economy. It is home to eight other cultural organisations including arts organisations Hijinx Theatre and Touch Trust, which support young people in arts and creativity. The Centre endeavours to work holistically across the organisation to satisfy both internal stakeholders and external investors of our passion and commitment through two major goals:

- Change peoples’ lives through inspiring a nation
- Take the best of Wales to the world and bring the best of the world to Wales.

How does this translate to those interested in supporting what is clearly a valued investment in Wales as well as those more interested in commercial return? Evidence that participation in the arts adds value to individuals’ existence certainly helps us in our quest to secure funding – but we still face the pressures of providing output for both private and public investors whilst not compromising our ambitious artistic, creative and educational output. As we evolve from a presenting house in the heart of Cardiff Bay to an organisation creating and touring its own productions, the risks increase but opportunities for success present a chance to engage new users and beneficiary groups for a far higher return.

In February 2015, Deputy Minister for Culture, Sport and Tourism, Ken Skates AM, gave a supportive



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address to the Arts Council of Wales National Annual Conference, Risking Delight – the arts as a resource for hope. In his speech, he shifted the debate on public policy for the arts to the core of the Voluntary Arts Wales’ remit – active participation in grassroots arts and culture. Mr Skates talked about how Wales was more advanced than England in realising the intrinsic value of the arts beyond wealth generation:

*“We have values that strive for something greater than just immediate monetary return, **values that place belonging, identity, competence and security at the forefront of our actions.** For sure, our values are under constant threat from what Oliver James calls ‘Affluenza’, the persistent search for happiness from materialistic acquisitions. However, unlike most Western capitalist economies, I believe our values have the roots to withstand the seductive but withering influence of Affluenza.”*

With this level of recognition for the arts, we are in a strong and confident position that engagement, participation and output will all increase as a result of political influence and direction of support.

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The issues currently faced within this sector, however, include funding cuts which ultimately breeds increased competition for investment from what is already a smaller, more selective portion of the philanthropic population. Inevitably this means a greater need to present investment opportunities to our supporters more clearly, professionally, attractively and – in our very nature – creatively, which certainly requires resources. A great deal of time, money and energy is absorbed in preparation and follow-up in addition to the physical delivery of a broad selection of innovative and educational activities to a wide-reaching target audience. The challenge for all organisations in our sector is how and where we direct this resource based on priorities. Depending on the project



supporter, monitoring and determining the level of accountability for stated key performance indicators varies. There is a focus on managing this effectively for efficient internal processes, cultural consistency and external perception of our infrastructure as well as retaining loyalty to our creative remit.

Since the register of charities was launched in the 1960s, the number has steadily grown with at least 2,500 organisations registering every year. In 2010, 4,448 new general charities were registered. The UK is not alone in experiencing such growth. The total number of non-profits, or tax-exempt organisations, in the US increased by 27% from 1995 to 2005. This highlights the competitive environment in which we currently operate with the prospect of this being compounded by the growing social enterprise culture which also draws on public funds and support.

### **Strong definition of case for support**

What is important for us as an iconic, passionate arts venue and active international communicator of the need for culture to benefit those who may not access this in absence of our support, is that we work to ensure there is a strong case for supporting specific projects as well as unrestricted funding opportunities for more dynamic giving. The very nature of the sector demonstrates flexibility which can prove challenging when presenting proposals. Short lead times require a swift response for programming which may jeopardise the opportunity of attracting investment leaving some

exciting, worthy and valuable projects unfunded, underfunded or displacing funds. The ability to inject resources into defining a project increases the strength of this as an investment opportunity but it is not always possible in such a fluid, creative environment. Strategic decisions need to be made in light of the core values and objectives of the business and may not be easily presented purely as a commercially viable case.

### Stakeholder engagement and public perception

We feel passionately about involving stakeholders in our activities and fully understand and appreciate the changing economic, social and philanthropic landscape not only in Wales – but in the UK and worldwide. In an organisation which presents a range of unique options for funding from individual sponsorship to large-scale educational programme support, defining our offering and ‘insuring’ it with our profile through reputational capital is critical to effectively matching aims to the demands of the investor. Recognising that social investment may be considered a higher risk than other opportunities to generate wealth, using insight from various perspectives and exploring both loyal and new relationships increase our opportunity of being able to define the offering and disseminate the outputs.

The ways in which we interact with communities beyond the walls of our beautiful building amazes and inspires all with whom we engage. Over its 11 years’ existence, the Centre has provided creative opportunities to over 200,000 children and young people and is continuing to expand its educational programme with the support of investors. Collating information and data from the communities which have benefitted from this outreach work and amalgamating that with the more general outputs associated with consumption of artistic culture is strengthened with extended involvement from stakeholders and insight from wide-reaching perspectives. It also enables us to undertake a more robust review based on feedback that can be fed into future strategy, which furthers our artistic influence, reach and impact.

### Communication and understanding expectations

Articulating the return on social investment via the artistic programme we deliver is a challenge, as is understanding, translating and managing investor expectations. Exploring the most effective methods of ongoing communication is also imperative when designing and developing investor relations so that individuals, groups and funding bodies feel well informed of steps to achievement. We are fortunate

enough to be able to invite supporters to experience or witness some elements of our programme which emotionally attaches them to that investment. Through experiential interaction, the level of understanding is enhanced and individuals are inspired for future opportunities. Gauging the level of interest in these markers will link to certain activities/achievements, and how best this information is shared needs to be understood. A well informed team, strong client management systems, and a high level of customer insight and service ensures strong relationship building for now and to retain loyalty in the future.

### Future at the forefront

The scope of social return from involvement in art and culture is extensive and will frequently and naturally impact on the economy – lending itself to the association of a monetary value to the delivery of our artistic activity. Whether the investor has an interest in financial impact or pure social benefit, the opportunity to collate the broader distribution of our work is a key indicator for the Wales Millennium Centre and provides the team with greater leverage for continued or future support.

Understanding the full force of our artistic imprint enables us to strengthen future applications which may require funding from government level. Again, in light of heavier demands on the economy, our ability to compete on a national and international scale for centrally and publically distributed funds is strengthened with statistics and economical impressions generated from our artistic and educational work. These metrics enforce clarity from the outset and engender accountability – outputs of which can be utilised to support future projects. Be this of importance to our investors or not – it’s a measure we enthusiastically share to reduce any associated element risk and attract a higher level demand for involvement in arts and culture in Wales.

<sup>1</sup> <http://data.ncvo.org.uk/a/almanac12/is-the-number-of-voluntary-organisations-increasing/#References>

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