Private Investment in Culture Survey Report 2022

Arts Council England

Prepared for Arts Council England by AEA Consulting
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Foreword

England is an incredibly successful example of how a mixed funding model – where private investment supplements income from local authorities and Government – can create and sustain a world-leading cultural sector. While public funding is an essential foundation for culture in England, the ambition and innovation displayed by many organisations in raising funds from other sources has allowed the sector to dream and to amplify the impact of public investment, achieving much more than would be possible with public funding alone.

The Private Investment in Culture Survey looks at this model in detail. It has been produced over several decades, enabling us to identify trends in the sector and understand how fundraising is changing over the long-term. This report contains the results from the third iteration of the survey, and the period it covers (2018/19 to 2020/21) has perhaps been the most challenging since the survey began. Organisations have had to respond to a pandemic which brought challenges that shook the whole of society and the economy, with enormous implications for culture.

This report reflects the drive and innovation that the leaders, fundraisers and supporters of the cultural sector have shown in making that response. Many found ways to sustain income and replace sources of funding that became unviable with others that tapped into the needs of audiences enduring isolation and lockdowns. While this has undoubtedly been an extraordinarily difficult time for many organisations, we are pleased to see that private income has remained relatively stable since the 2019 survey.

Looking ahead, it is clear that the further development of arts and cultural organisations across the country will depend on their ability to respond to the interests of their audiences and to find new ways of gathering income and support from their communities. ‘Let’s Create’, the Arts Council Strategy for 2020-2030, embraces and encourages organisations to adopt the principle of ‘Dynamism’ in the way they work. We know that the resilience of organisations in a changing world will depend on their ability to adapt quickly and with imagination. They will need to be able to respond to emerging talent, to take advantage of evolving digital technologies and to build networks in their communities with other organisations and individuals in the cultural, educational, social and health care and business sectors.

Due to the circumstances facing the sector during the period of this survey, including the onset of the Omicron wave of the pandemic, the report features responses from a smaller number of organisations than previously, with a wider range of organisations being used in the desk research. The report also includes a set of case studies arranged around themes that emerged from the research, highlighting a small proportion of the many success stories from the past three years, while acknowledging the very real challenges facing the sector.

Thank you, as always, to the many individuals, foundations, trusts and businesses who contribute financially to the flourishing of England's cultural organisations. This generosity has always been vital in bringing the benefits of culture and creativity to people across the country, but during the pandemic these contributions have often meant the difference between an organisation staying open, and continuing to serve their community, or closing their doors for ever. Everyone in the cultural sector owes a deep gratitude to supporters at this time.

Thank you, also, to every contributor to the survey – your data helps your colleagues across the sector to develop better strategies for their own fundraising, and helps us at the Arts Council to create more effective policies and increase the impact of our future investment.

My thanks, finally, to AEA Consulting, who have worked diligently to produce the survey and resulting report, and to members of the external advisory group, who have provided such sound wisdom to ensure that the survey and this report meet the needs of the sector.

Sir Nicholas Serota
Chair
Arts Council England

Executive Summary

Commissioned by Arts Council England, the Private Investment in Culture Survey (PICS) investigates the role individual giving, corporate giving, and trusts and foundations play in funding not-for-profit arts and culture sector organisations in England. Over a series of iterations, it has provided a picture of change over time, supporting organisations to develop fundraising strategies as well as benchmarking performance against the sector overall.

This report summarises the findings of the private investment in culture survey for the three recent financial years – FY 2018/2019; FY 2019/2020; and FY 2020/2021 – with a focus on the most recent year for more detailed analysis. Using publicly available financial data and the data received through survey responses from not-for-profit arts and cultural organisations based in England, this analysis also sought to identify trends – recurring, recent, and emerging – in private investment in the arts and cultural sector. It also explored the impacts of COVID-19 on cultural organisations' capacities to raise funds from private sources and private philanthropy's priorities and funding levels.[1]

Given the profound disruption of the Covid-19 pandemic on the not-for-profit arts and cultural sector and the wider socio-economic and philanthropic landscape (alongside other macro events affecting the sector), this year's study sought to both quantify some of the key private investment metrics (Sections 2 and 3), and to analyse qualitatively how the sector is fundraising from private sources while responding and adapting to these macro shifts in their operating environment. Section 4 of this report provides insights and learnings from a select cohort of case study organisations who shared their approaches and practices to attracting private investment that may be adapted by the wider sector.

Overall, private investment in the cultural sector in England remained stable in the recent three financial years despite the disruptions caused by the Covid-19 pandemic and other macro socio-economic events. While cultural organisations clearly faced challenges to their business models and income streams, many have

[1] For full information on the methodology behind this study's analysis, see Section 5: Methodology.

managed to fundraise from the private sector through stewardship and leveraging of existing private funder networks, experimentation with digital fundraising tools, partnerships, and campaigning for emergency funding.

Looking back at FY 2020/2021, the total private investment in the not-for-profit cultural sector in England is estimated at £799.8 million. This comprises £327.8 million (or 44%) in private income received from individuals (including individual memberships); £309.3 million (41%) in grants from trusts and foundations; and £116 million (15%) in corporate giving (donations from corporations, businesses, and corporate memberships). It is important to note that this year's analysis looked at a larger data universe of relevant organisations compared to prior PICS analyses hence the comparison of absolute aggregate numbers can't be made as the absolute numbers are closely related to the size of data sample being analysed.[2] However, comparison of proportional breakdown of private funding mix is possible and is provided in Section 2 of this report.

Continuing the trend identified in prior PICS analyses, individual giving remained the largest category of private investment income by total volume of donations, while corporate memberships and donations have been declining. Giving from trusts and foundations has been relatively stable as many foundations made a pivot to support cultural organisations through the periods of closure and operating disruptions. In a three-year period of this analysis (from FY 2018/2019 to FY 2020/2021), income from individual giving and memberships increased by 6%, corporate giving and memberships saw a 7% decline, and grants and donations from trusts and foundations saw a decrease of 5%.

Arts and cultural organisations responding to this year's survey note increasing competition and changing priorities among private sector funders, particularly affecting trusts and foundations' giving where grant programmes more often now require measurable social impact outcomes. Similarly, individual and corporate funders are increasingly interested in supporting specific programmes and

[2] The financial data for the most recent three financial years (FY 2018/19; FY 2019/20; and FY 2020/21) was collated from the financial accounts submitted to the Charity Commission and from the National Portfolio Organisations' reporting provided by ACE, resulting in a dataset of 4,107 organisations. This presents an update on the relevant universe of organisations used in prior studies (2,094 relevant organisations in 2019 study and 2,874 in 2016 study) leading to an increase in cumulative figures.

initiatives and seek to be actively involved in defining the goals and outcome for those.

In *quantifying* recent trends and changes in the volume and distribution of private investment across the analysed cohort of arts and cultural organisations in England, this year's analysis found that:

- Overall, the volume of private investment income remained stable in the three financial years of this analysis, declining by 1% from £816 million in FY 2018/2019 to £799.8 million FY 2020/2021. This corresponds with the findings of the qualitative research (explored in Sections 3-4) that highlight the arts and cultural organisation's ability to sustain funder networks, on one hand, and private sector funders' ability to continue providing funds to the cultural sector organisations in England in time of great change and uncertainty.

- Despite a reduction in earned income in FY 2020/2021 (and a subsequent increase in public investment), the proportion of private investment in the overall funding mix remained at similar levels to prior years – at 22% in FY 2020/21 compared to 20% in FY 2019/20 and 21% in FY 2018/19.

- Among the categories of the sources of private investment, the level of individual giving and memberships increased by 6% over three years, while the amount received from trusts and foundations declined by 5%, and the amount received from corporate donations and memberships decreased by 7%. Among the subcategories analysed, the biggest decline was seen in corporate memberships that decreased by 18%. However, this category constitutes, on average, 2-3% of the overall private investment contributions received. Therefore, this would not have had a significant impact on the total volume of private investment. The growth in individual giving was largely driven by tailored campaigns and growth of individual membership base between FY 2018/19 and FY 2019/20.

- Venue-based organisations (those operating a publicly accessible building) tend to generate a larger volume of private investment – and income overall – than those not operating a venue, as might be expected given they are likely to raise funds towards the costs (maintenance) of capital cultural infrastructure and are able to leverage that infrastructure in their fundraising.

Across the artforms, music (32% of total private investment) and theatre (25%) organisations received the largest volumes of private investment, followed by organisations whose primary field is visual arts (17%), those working across multiple artforms ("combined arts") at 10%, with museums and heritage organisations accounting for 8% of total private giving. This represents a change compared to artform distribution in 2012-2018, when visual arts organisations received the highest proportion of contributed income overall. However, this is largely driven by differences in the datasets analysed over the years, as this year's dataset contains a larger proportion of music and theatre organisations. This proportionate artform breakdown also corresponds with earlier (pre-2012) years of PICS analysis when performing arts organisations received a higher level of private investment than visuals arts organisations.[3]

Across regions of England, 65% of private investment amount was received by London-based arts and cultural organisations; followed by 15% by organisations in the Midlands; 9% in the North; 8% in the South East; and 2% in the South West. This represents a change compared to regional distribution in prior years, with an increase to the overall proportion of private investment in the Midlands (from 6% in FY 2017/18 to 15%) and a decrease in the North (from 12% to 9%), the South East (from 10% to 8%), and the South West (from 8% to 2%). London maintained similar levels of private investment as observed by surveys in prior years (at 66%). The growth in the Midlands can be explained by several larger organisations generating higher levels of private investment along with completion of some capital campaigns in the region.

In FY 2020/21, organisations that are Arts Council England's National Portfolio Organisations (NPOs) had a higher proportion of public funding in their overall funding mix compared to organisations that are not NPOs and a lower proportion of private investment, while in FY 2018/19 and FY 2019/20 the levels of public funding were the same across NPOs and non-NPOs (as illustrated by Figure 3). For organisations that are not NPOs, a proportion of private investment in their overall funding mix increased from 26% in FY 2019/20 to 30% in FY 2020/21.

Compared to analyses of prior years, FY 2020/21 represents a 4% growth from FY 2014/2015 in the proportion of private investment in the overall funding mix for arts and cultural organisations in England.

Compared to FY 2012/2013, the proportion of private investment income from trusts and foundations in the overall private funding mix increased by 12%; from individuals – by 9%; and corporate giving decreased by 21%.[4]

[3] For prior PICS reports, see Arts Council England website and 2008-2009 report by Arts & Business: "Private Investment in Culture 2008/09: the arts in the 'new normal'." For information on this year's data sample breakdown, see Section 5: Methodology.

[4] The data for prior years, where available, was obtained from previously published PICS reports.

An analysis of *qualitative* data gained from the survey and a cohort of case studies found that:

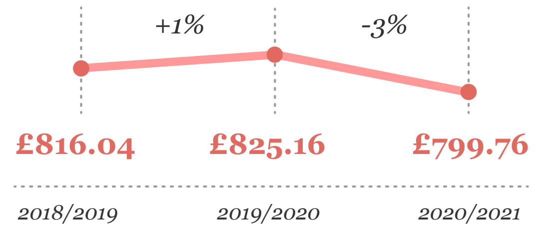
- To address the impacts of the pandemic on their operations, arts and cultural organisations have often focused on stewardship, retention, and development of existing private funder relationships as well as strengthening their internal fundraising capacities and systems.
- Arts and cultural sector organisations that have been successful in attracting private investment often rely on securing such support by leveraging their existing networks or building new networks of private philanthropists around specific programmes and fundraising causes. This has been done through active engagement of Boards and their networks; establishment of 'donor syndicates' to fund specific programmes; and more effective use of targeted fundraising approaches informed by improved fundraising data systems and analysis.
- Location continues to play an important role in an arts and cultural organisation's capacity to fundraise – place-based approaches and networks have proven beneficial to their ability to attract private investment. The funders' affinity with a place and sense of belonging have been leveraged in fundraising together with place-based networks, partnerships, and local events (e.g., city-wide celebrations).
- Arts and cultural organisations responded to the acceleration of activity in the digital realm by adapting their digital tools and experimented with soliciting donations through various crowdfunding channels, social media, and contactless donations onsite. While it is not yet clear whether any one platform or tool tends to generate a greater level of contributions, the respondents' shared experience of fundraising over the past three years suggests that such campaigns tend to be more effective when they have a clear campaign cause, period, or associated benefits.

In assessing the barriers to them accessing the private investment, arts and cultural organisations considered the lack of in-house staff capacity and time, shifting priorities in philanthropy, and increasing competition for private investment as the three factors most affecting their ability to attract private investment. "Shifting priorities in philanthropy as a result of the pandemic" is a new factor that has had an impact on ability to fundraise, given the demands for funds from the healthcare, social-care, and other sectors.

In looking ahead to the coming period of recovery, arts and cultural organisations remained cautiously optimistic about being able to continue to maintain and in some cases grow the income they receive from all main sources of private investment while recognising that this would require intensified efforts and organisational agility to respond to changes in funders’ priorities. Among other impacts, this would involve employing effective organisational and data management systems and processes; targeted approach to fundraising; transparency in outcomes reporting along with being able to report on social impact of funded activities; and effective navigation of digital transformation. Effective fundraising systems and tools are critical to maintaining institutional intelligence on private funding sources and allow to leverage this intelligence for targeted and nuanced fundraising appeals. At the same time, systematic data collection and analysis help demonstrate measurable results and impact of funded activities to both individual and institutional private sector funders.

Private Investment in Culture Survey:
Summary Figures

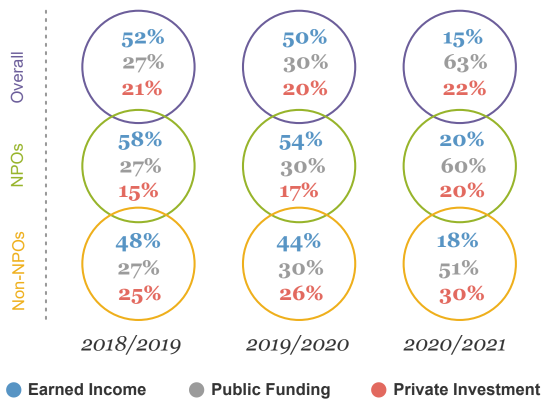
Total aggregated level of private investment in the three years of analysis, in millions of GBP



Overall funding mix, FY 2018/2019 – FY 2020/21

	Earned Income	Public Funding	Private Investment
2018/2019	52%	27%	21%
2019/2020	50%	30%	20%
2020/2021	15%	63%	22%

Funding mix: National Portfolio Organisations compared to other (non-NPO) organisations, FY 2018/2019 – FY 2020/21



Cumulative change in private funding by source of investment, FY 2018/2019 – 2020/21

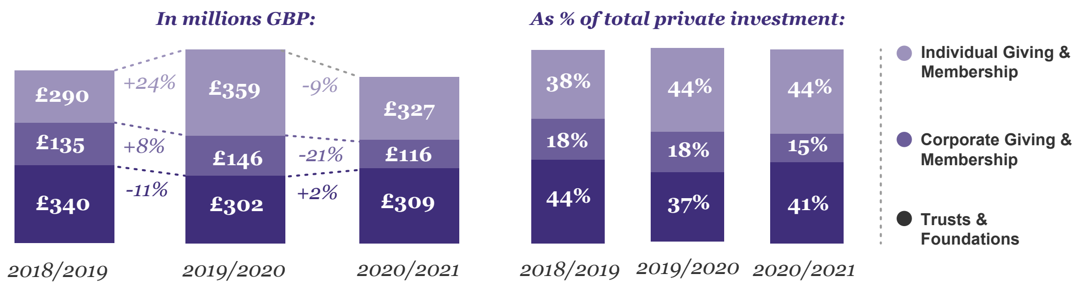
Main categories:

Trusts & Foundations	- 5%
Corporate Giving & Membership	- 7%
Individual Giving & Membership	+6%

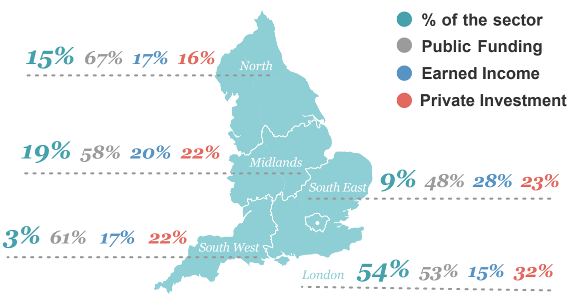
All categories:

Total private investment	- 1%
Trusts & Foundations	- 5%
Corporate Giving	- 5%
Individual Giving	+4%
Individual membership	+10%
Corporate membership	- 18%
Other	- 3%

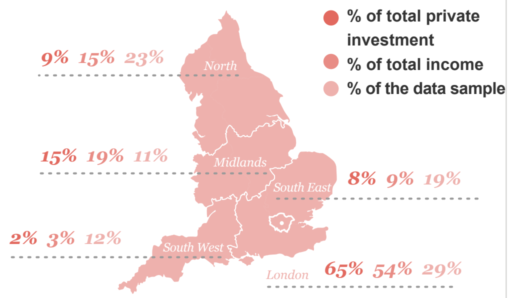
Private funding mix by source of investment, FY 2018/2019 – 2020/21



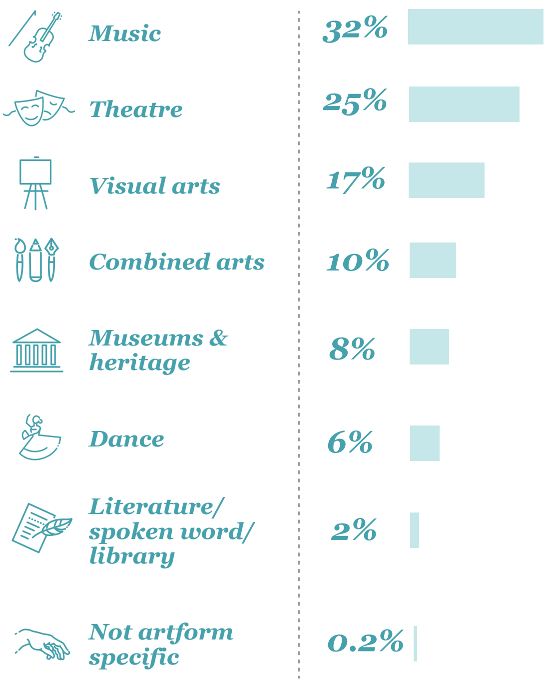
Income breakdown by region, as % of total income in each region



Private investment distribution by region of England, FY 2020/21



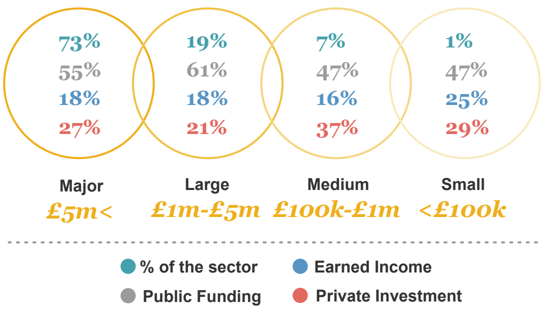
Private investment distribution by artform, FY 2020-21



Private investment mix by category of private investment source per artform

	Trust & Foundations	Corporate Giving	Individual Giving
Combined arts	33%	24%	43%
Dance	53%	9%	35%
Museums & heritage	70%	8%	19%
Literature/ spoken word/ library	77%	7%	15%
Music	43%	9%	45%
Theatre	34%	13%	43%
Visual arts	52%	14%	32%
Not artform specific	45%	40%	6%

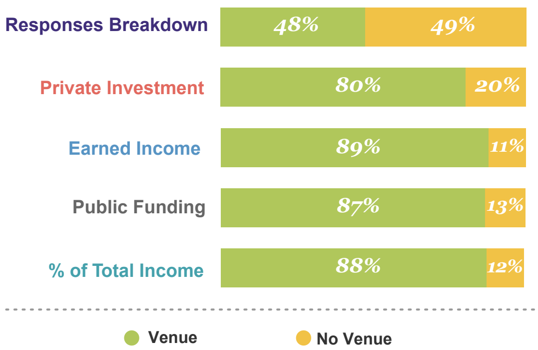
Income breakdown by size of the organisation (size based on total annual income)



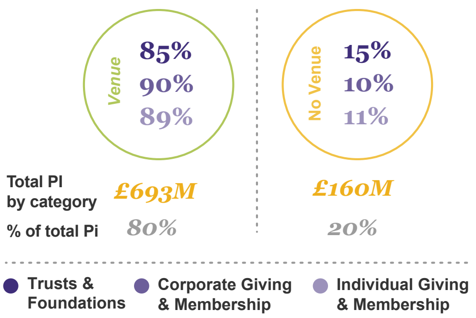
Funding mix distribution among presenting and producing organisations

	Presenting	Producing	Both Presenting & Producing
Survey Responses Breakdown	11%	27%	60%
Private Investment	11%	31%	59%
Earned Income	9%	30%	61%
Public Funding	7%	23%	70%
% of Total Income	8%	26%	66%

Income distribution among venue-based and non-venue-based organisations, FY 2020-21



Private investment distribution among venue-based and non-venue-based organisations, as % of total private investment for each category



1 Private Investment in Culture in England: *Research Context*

One of the five goals of Arts Council England's first ten-year strategic framework for the arts in England, *Achieving Great Art for Everyone (2010-2020)*, was that the arts should be sustainable, resilient, and innovative. Among other success factors was the expectation that arts and cultural organisations should look to increase the share of their income from a wider range of contributed and earned income sources. A review of the efficacy of this goal commissioned by the Arts Council England in 2018, revealed the sector's familiarity with, and nuanced understanding of, the concept of resilience.[5] Significantly, the research also revealed the sector's belief in the close connection between resilience and finance.

Previous studies of private investment in culture reveal that the encouragement to increase organisations' share of income from a wider range of sources has been effective. MTM's study for Arts Council England, covering the period 2012/13-2014/15 concludes that private investment in arts and culture grew over the study period, with the sector becoming less reliant on public funding.[6] In particular, the survey highlighted the growing importance of private investment, particularly to smaller organisations, with individual giving remaining a critical source of income. The sector's expectation of further growth proved to be founded, as demonstrated in MTM's subsequent study, published in 2019.[7] This study found that 91% of arts and culture organisations had received some form of private investment in the 2017/18 financial year, and that the overall total earned or contributed amounted to £545m. All three forms of private investment – individual giving, grants from trusts and foundations and business investment – had grown by 4-11% in the study period.

Underneath this bold headline is a nuanced picture. The arts and culture sector is a rich and complex ecology, comprising individual, collective, organisational, and project-based activity, some of it commercial and some of it publicly subsidised.

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[5] https://www.artscouncil.org.uk/sites/default/files/download-file/What%20Is%20Resilience%20Anyway.pdf

[6] https://www.artscouncil.org.uk/publication/private-investment-culture-survey; http://wearemtm.com/

[7] https://www.artscouncil.org.uk/publication/private-investment-culture-survey-2019#:~:text=The%20Private%20Investment%20in%20Culture,available%20figures%20from%202015%2D18

Public subsidy has several different sources, whether it is Arts Council England, local government, or other bodies such as the BBC. Private investment is made through individual giving, corporate giving, and donations and grants from trusts and foundations, and all can be contributed both as direct financial donations and/or in-kind support. Across this ecology, it can be difficult to generalise about the ingredients which make for success in attracting philanthropic giving, but traditionally it has been the larger, urban-based organisations which were seen as those able to generate the highest levels of private giving. Indeed, programmes such as Arts Council England's *Catalyst: Evolve* have deliberately sought to build fundraising capacity and extend capabilities in smaller organisations. The evaluation of this programme, published in August 2020, suggested that there can be a pathway of change, which applies to organisations of all sizes, locations and artforms, that enables them to unlock private income.[8] Support from individuals also takes different forms and often comes both as financial contributions and in-kind support. For example, Cultural Gifts and Acceptance In Lieu (AiL) schemes enable taxpayers to transfer important works of art and heritage objects into public ownership and receive a tax reduction based on a set percentage of the value of the item they donate. Cultural Gifts Scheme & Acceptance in Lieu Annual Report 2020/21 report that over that year 36 cases – spanning a vast range of works of art and other cultural objects worth nearly £54 million – were accepted as part of both schemes, and are now available to the public through public collections across the UK.[9]

Prior to the Covid-19 pandemic, all arts and culture sectors were growing at a faster rate than the UK economy. In 2019, the creative industries contributed £115.9bn in GVA to the UK economy, representing almost 6% of the UK's GVA. Growth in the creative industries was four times that of the economy as a whole and the sector was creating jobs at three times the UK average.[10] While equivalent statistics for arts (as opposed to the wider creative industries) are more modest, there is a recognised relationship between the health of arts and culture sector and the health

8 https://www.artscouncil.org.uk/catalyst-evolve-evaluation

9 https://www.artscouncil.org.uk/sites/default/files/download-file/CGSAILAnnualReport2021_0.pdf

10 https://www.wearecreative.uk/champion/statistics/

of the creative industries.[11] Likewise, these were all sectors offering significant employment and value back to the economy: the Heritage Alliance, for example, has estimated that the heritage industry contributes equivalent to 2% of national GVA.[12]

It is an understatement to say that Covid-19 has been a significant disruptor for arts and cultural organisations. Simply put, in most parts of the ecology, much activity is predicated on bringing people together for shared experiences, and much of this was initially stopped entirely and then significantly curtailed as a result of the pandemic, with the ripples continuing to be felt. Many studies have offered gloomy conclusions about the impact of Covid-19. Research commissioned by Creative UK showed that 42% of creative businesses had lost all income in April 2020, while surveys commissioned by sector bodies throughout 2020 including Historic England, the National Lottery Heritage Fund, the Art Fund and other bodies revealed a consistent picture of lost business, cancelled or postponed programming, staff on furlough and additional costs associated with the need to accommodate buildings to cope with social distancing.[13] A University of Sheffield-commissioned report found that the cultural sector in the UK saw a 60% decline in output due to social distancing rules, and lockdown restrictions led to 55% of jobs furloughed.[14] Some cultural subsectors were especially challenged in respect to pandemic-inflicted restrictions: the theatre sector, with its reliance on Victorian buildings and fixed seating, found that its infrastructure was ill-equipped to lend itself to social distancing, while the economics of theatre are such as production costs demand certain audience levels. Similarly, live music faced very serious challenges across all genres, with a loss of income from concerts, but also from tours, recordings, and commercial activity. Across the performing arts and music, a high proportion of the workforce is self-employed (72% in music; 70% in theatre), and it is not yet clear how this workforce will fare in the long term. This uncertainty may create real long-term risks for the sector.

[11] https://commonslibrary.parliament.uk/research-briefings/cbp-9018/

[12] https://www.theheritagealliance.org.uk/wp-content/uploads/2021/02/Manifesto-2019.pdf

[13] https://artsfundraising.org.uk/useful-resources

[14] https://www.sheffield.ac.uk/news/covid-19s-impact-arts-culture-and-heritage-sector-revealed-landmark-report

This impact of the pandemic lockdowns has been observed across the charitable sector in the UK: the Charity Commission reported 60% of all UK charities witnessing a loss in income.[15] Charities Aid Foundation reports an increase in the total amount given to charity over the course of 2020 (£11.3 billion, compared to £10.6 billion in 2019), however, it also finds that the number of people donating continues to decline. It also finds that, similar to previous years, the arts received one of the lowest levels of individual giving support overall in 2020 – at 3% out of total individual giving to charitable causes. At the same time, animal welfare (27%), children or young people (24%), and medical research (22%) are the causes that have attracted the highest volumes of individual giving overall. This perhaps highlights the importance of strategic partnerships between the cultural sectors and other charitable subsectors to develop initiatives leading to increasing social impact and opening up new funding opportunities for the cultural sector organisations. Multiple studies also suggest that the competition for private philanthropy has increased, adding a sense of urgency for the arts sector to be able to demonstrate social impact and public value.

While the arts sector is very diverse, its vast base is made up of small, highly geared and therefore relatively vulnerable businesses – Nesta's Policy and Evidence Centre (PEC) has examined charities that advance arts, culture, heritage or science, identifying upward of 30,000 of these charities, which make up about 15% of the active registered charitable sector in England and Wales.[16] The PEC's research reveals an array of social challenges addressed by these organisations alongside their arts and cultural activities, and thus the potential they could play post-pandemic to combat isolation and support community cohesion. It also cautions that these organisations are under significant threat due to the crisis' economic implications. The encouragement of greater resilience in the sector has diversified income streams, but also created greater vulnerability to the loss of this income. The cessation and long-term reduction in activity has led to a loss of income across all streams, while the continuing downturn in travel and tourism and

[15] Charity Commission (2021). What new research tells us about the impact of COVID-19 on charities. Retrieved from: https://charitycommission.blog.gov.uk/2021/10/28/what-new-research-tells-us-about-the-impact-of-covid-19-on-charities/

[16] https://www.pec.ac.uk

the many current bookings representing deferrals rather than new business mean, in combination, recovery for many has been slow. Without the Government's Culture Recovery Fund, which has supported the sector to the tune of £2 billion, many organisations may have collapsed.

And yet, the last two years has also been a period of great innovation, in which arts and cultural organisations have shown resilience. The Arts Council England's Evolving Philanthropy blog, published in the summer of 2020, noted that the Covid-19 pandemic has also demonstrated the country's capacity for generosity and community spirit.[17] Fundraisers have been quick to respond to this new environment, with a boom in crowdfunding and the inventive use of a myriad of online fundraising tools. Some organisations have leveraged their existing supporters in new ways, including local, national, international, artistic and funder networks, in many cases using close friends to reach new support communities that have great promise for the future. Others have experimented with monetising online content or other products and services, in some cases translating previously free to access content or services into new income streams. This digital experimentation is reflective of the digital transformation in the charitable sector as a whole. Summarising the findings of a survey of 1,170 UK charitable sector fundraising professionals, the Status of UK Fundraising 2021 Benchmark Report found that digital transformation is an important growth area for the charitable sector overall, however, many professionals report barriers in undergoing digital transformation, namely a lack of budgets to develop skills, systems, and tools; disorganised data systems; and a lack of digital leadership needed to drive the transformation. [18]

There has been inventive use of anniversaries, milestones, and events to provide focal points for fundraising campaigns in the cultural sector, as well as capital interventions and the use of capital fundraising methodology (seat naming especially). Many organisations have leveraged their ticket-buying communities to raise income, asking them to convert ticket purchases into donations or abandoning fixed ticket prices to encourage giving; in these cases, organisations have found

[17] https://www.artscouncil.org.uk/blog/evolving-philanthropy

[18] https://www.blackbaud.co.uk/industry-insights/resources/ebook-the-status-of-uk-fundraising-2021-benchmark-report

themselves with unexpected new communities of funders and the challenge will now be to consider how to maintain them into the future. In the background, across the sector, organisations have been investing in expertise, fundraising strategies, systems, and platforms to support their organisations' resilience and growth in future.

As Arts Council England mobilises its current ten-year strategy, *Let's Create*, it has introduced four Investment Principles: Ambition & Quality; Dynamism; Environmental Responsibility; and Inclusivity and Relevance. These aim to support a journey of renewal as organisations recover from the impact of Covid-19, informing the development of well-run, future-facing organisations and individual creative practice. For those organisations in receipt of Arts Council funding, the principle of Dynamism should support them as they get to grips with the new philanthropic landscape, address challenges that the pandemic has thrown up and seize new opportunities and partnerships that emerge – Dynamism is about responding to the challenge of the next decade; having a business model that is flexible and able to adapt to changing environments. In particular, the Dynamism principle will ask that organisations are committed to actively and continuously examining their business models, understanding the ways in which they can create and realise value and seeking practical and innovative ways to improve.

2 Funding Mix

Overall Funding Mix

Compared to the aggregate numbers provided for FY 2017/2018 in 2019 PICS report, the share of overall private investment in the funding mix for analysed not-for-profit arts and cultural organisations has increased from 15% to 22%. This increase occurred in the otherwise changing environment, with earned income dropping from 50% in FY 2019/20 to 15% in FY 2020/21 in overall funding mix given the impacts of the pandemic; and public funding increasing from a 30% share to 63% to meet the gap in organisations' revenue created by the loss of earned income. This proportional comparison demonstrates that overall private investment has remained a stable contributor to arts and cultural organisations' overall funding mix.

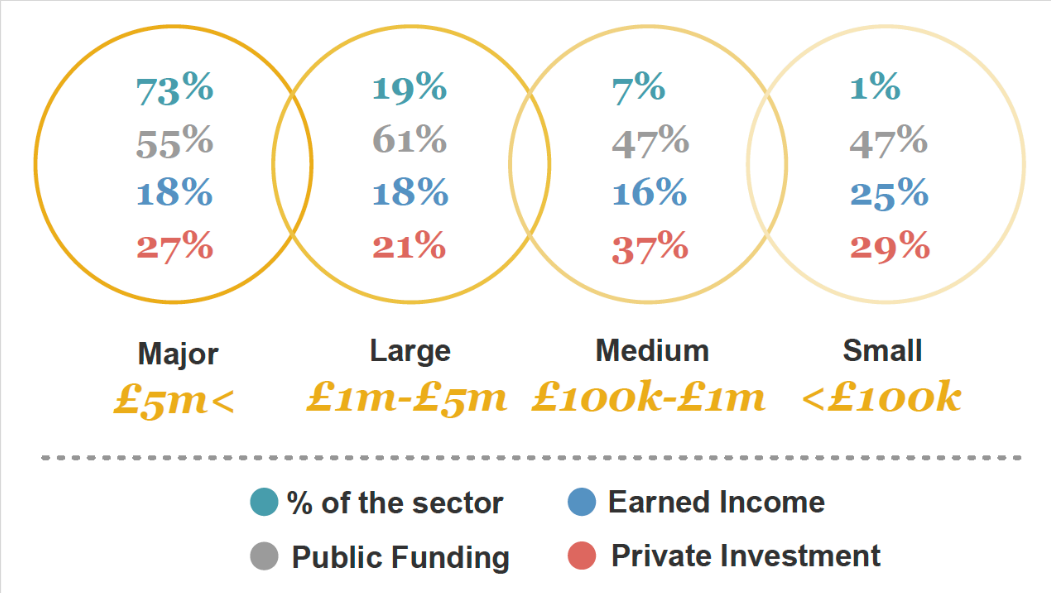
Figure 1 **Total income breakdown, FY 2018/2019 – FY 2020/2021**

	Earned Income	Public Funding	Private Investment
2018/2019	52%	27%	21%
2019/2020	50%	30%	20%
2020/2021	15%	63%	22%

The funding mix varies depending on the size of an organisation (with "size" based on total annual income level). The data for the most recent year of the analysis shows that "major" organisations (those with total annual income of £5 million and higher) received 73% of total income in the sector, while small organisations (with total annual income of £100,000 and lower) received 1%.

Medium-sized and smaller organisations tend to rely more on private investment than large and major organisations that are more reliant on public funding.

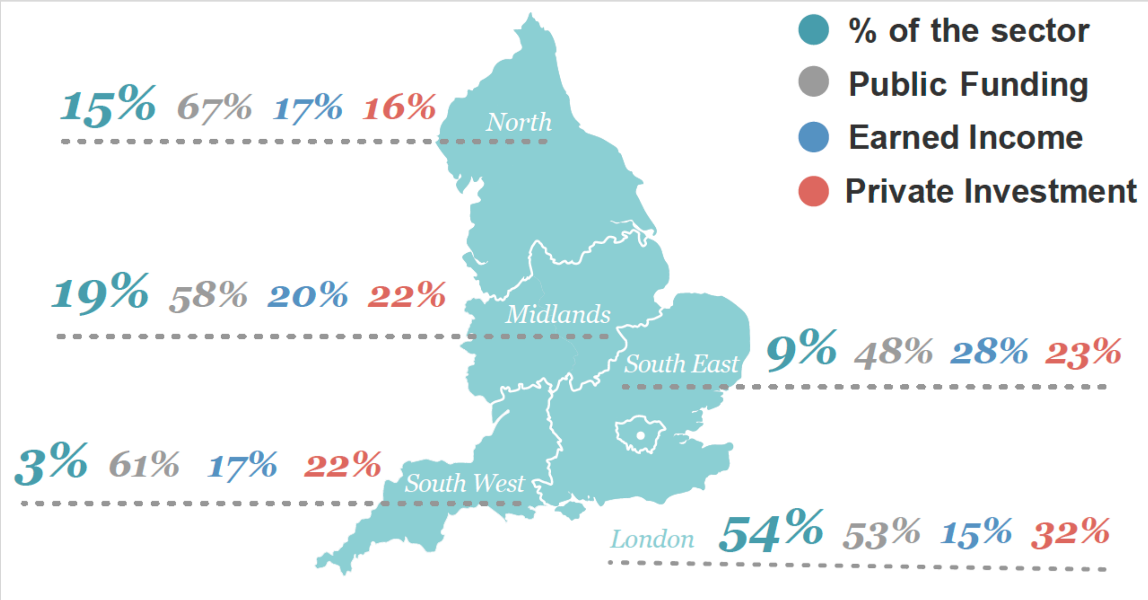
Figure 2 **Income breakdown by size of the organisation** (size based on total annual income) [19]



As in prior years, in FY 2020/21 London-based organisations accounted for over a half (54%) of total income in the sector (from all sources). Some change in distribution between the regions was observed (yet to be seen whether a trend or a result of the disruptions in the sector in this last year of the analysis), with Midlands-based organisations accounting for 19% of total income, organisations in the North of England – for 15%, in the South East – 9%, and the South West – 3%. Comparing the funding mix between the regions, organisations based in the South East generated the highest proportion of earned income; organisations based in London are more reliant on private investment than those in other regions; and organisations in the North are most reliant on public funding.

[19] Here and below, data is for FY 2020/21 unless otherwise stated.

Figure 3 **Income breakdown by region, as % of total income in each region**



Total income and private investment distribution between organisations that both present and produce work and those who only do one or the other tends to align with the distribution of these organisations in the surveyed sample overall, with a large proportion of organisations (60%) both presenting and producing work and receiving a larger share of funding respectively.

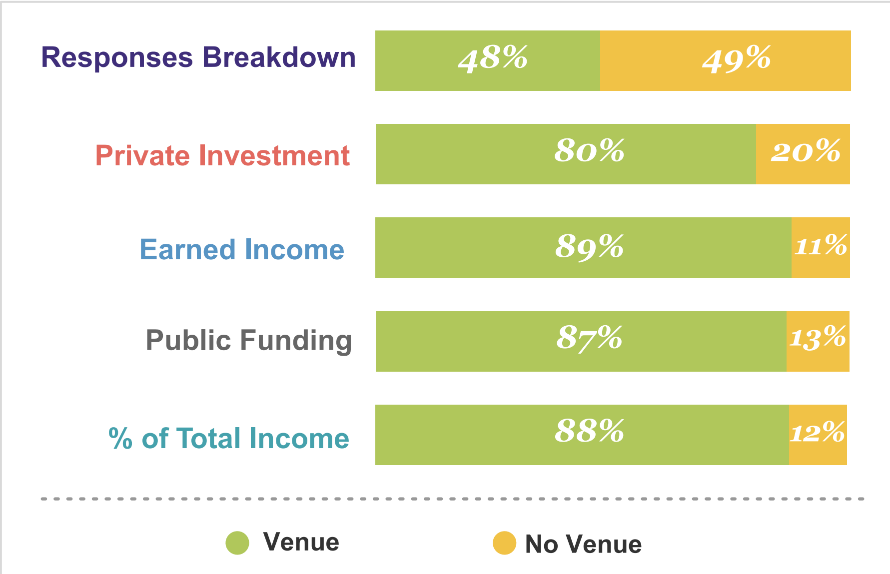
Figure 4 **Funding mix distribution among presenting and producing organisations** [20]

	Presenting	Producing	Both Presenting & Producing
Survey Responses Breakdown	11%	27%	60%
Private Investment	11%	31%	59%
Earned Income	9%	30%	61%
Public Funding	7%	23%	70%
% of Total Income	8%	26%	66%

[20] NB: Percentages for survey responses do not sum up to a 100% as the charts excludes "other" category (2%).

Although there has been a nearly equal distribution of venue-based (those operating a publicly accessible building) and non-venue-based (those not operating any physical buildings) organisations in the survey sample responses, the overall income and private investment levels are higher for the venue-based organisations: they receive 88% of total income and 80% of private investment.

Figure 5 **Funding mix distribution among venue-based and non-venue-based organisations**



Private Investment Funding Mix

By source of investment

As in previous years, this analysis looked at three primary categories of sources of private investment in the not-for-profit arts and cultural sector: contributions from trusts and foundations; contributions from individuals ('individual giving'), and contributions from corporations and businesses ('corporate giving'). In FY 2020/21, contributions from individuals amounted for the largest share of private investment overall at 44%, or £327 million; and contributions from trusts and foundations accounted for 41%, or £309 million. As in prior years, corporate giving constituted the smallest proportion of private giving at 15% in the most recent year (£116 million).

Figure 6 **Private investment by three main sources of investment, in millions GBP**

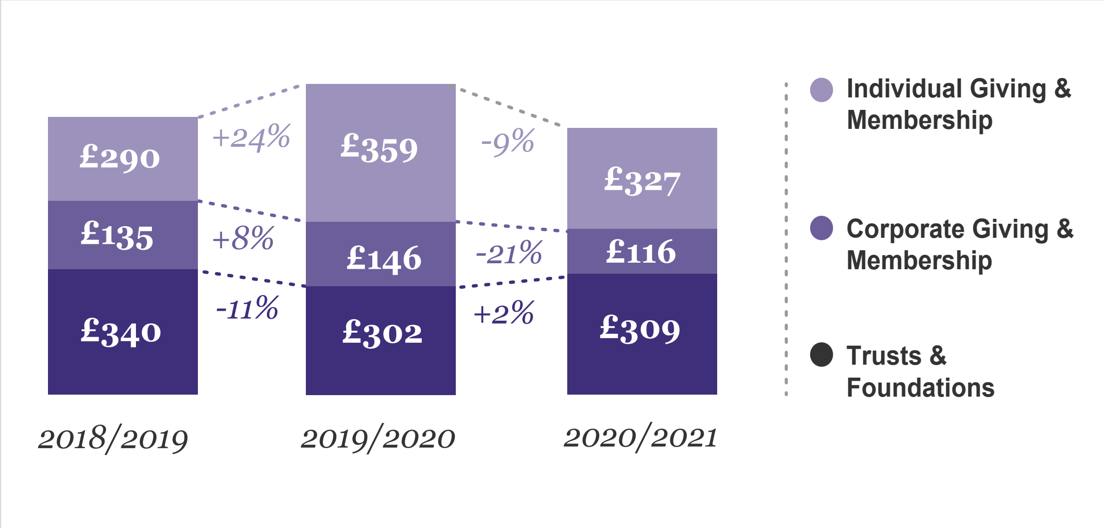
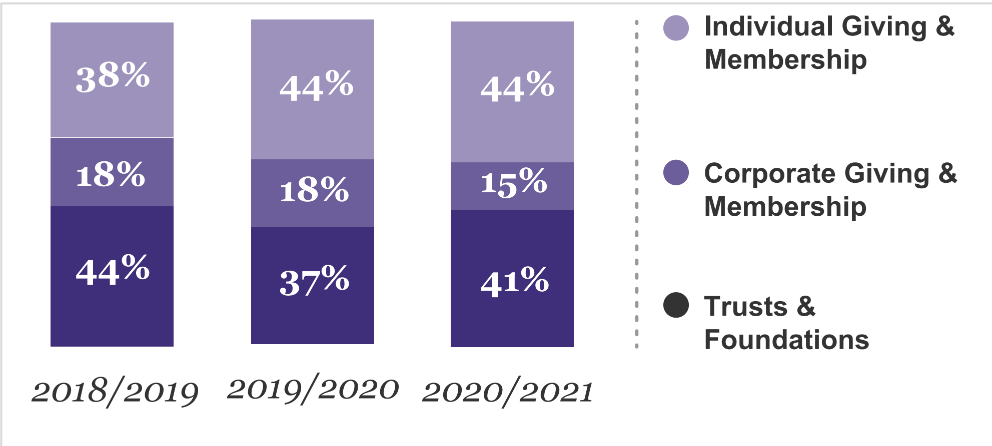


Figure 7 **Private investment by three main sources of investment, as % of cumulative total of three top categories of private giving**



The data collected through this year's survey also allows to separate out individual memberships from all other sources of individual giving, and corporate memberships from other sources of corporate giving. This breakdown shows that income received from individual membership programmes constitutes an important private investment income source. However, corporate memberships constitute a smaller proportion of private investment compared to other sources.

Figure 8 **Private investment by category of giving, in millions GBP** [21]

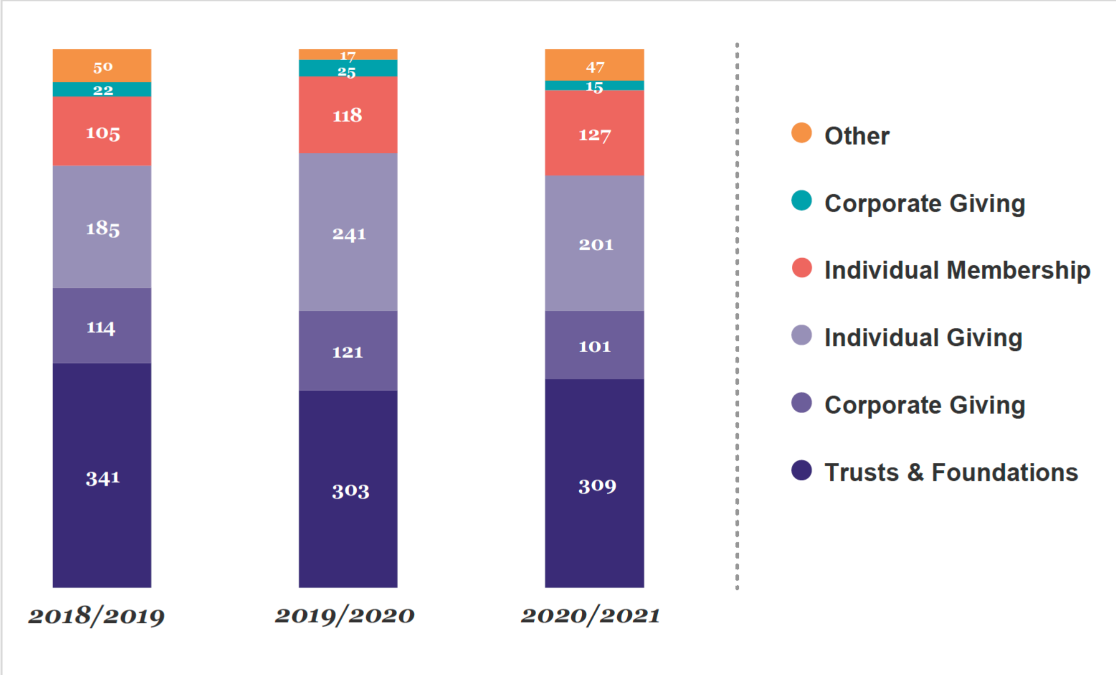
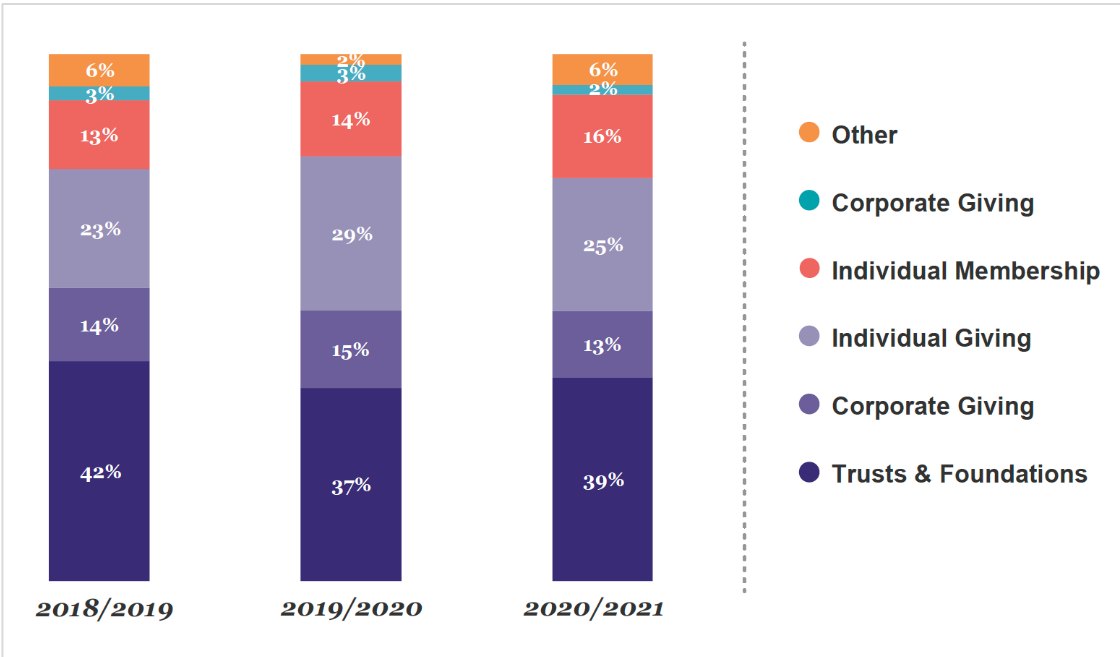


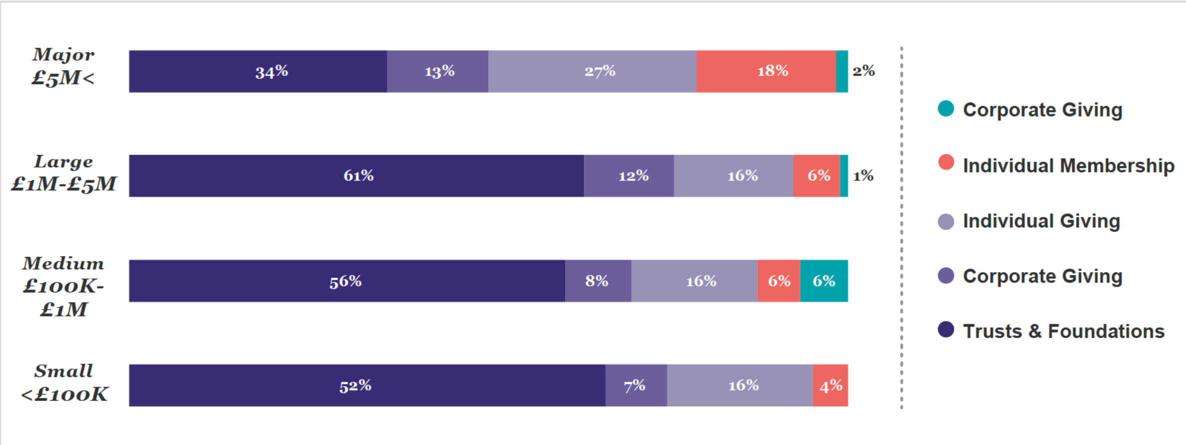
Figure 9 **Private investment by category of giving, as % of total private investment**



[21] NB: Respondents were given an option to indicate “other” as a category of private investment, however, as it is not consistent across organisations, it is not yet possible to draw further conclusions on the “other” sources of private investment not covered by five key private giving categories explored in this analysis.

When looking at the private investment mix by size of organisation (with "size" based on total annual income level), the data for the most recent year of the analysis shows that "major" organisations (those with a total annual income of £5 million and higher) tend to generate proportionally higher levels of individual giving, while large, medium, and small organisations are more reliant on funding received from trusts and foundations.

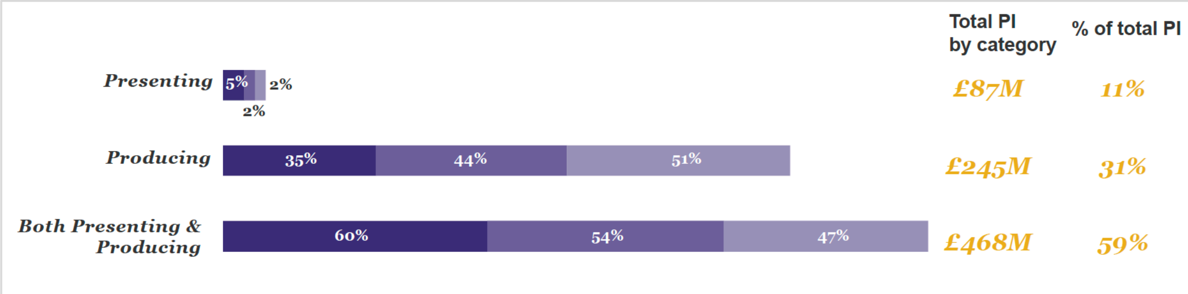
Figure 10 **Breakdown by private investment category and organisation size** (size based on total annual income) [22]



This year's analysis also considered the distribution of private investment among the organisations whose core focus is on producing artistic work versus those who present work versus those who do both. The distribution of all private investment by each of the three main sources shows that organisations that both present and produce work receive the largest share of trusts and foundations' giving and corporate giving; while producing organisations tend to get higher proportion of individual giving. Organisations that solely present work receive a smaller proportion (11%) of overall private investment.

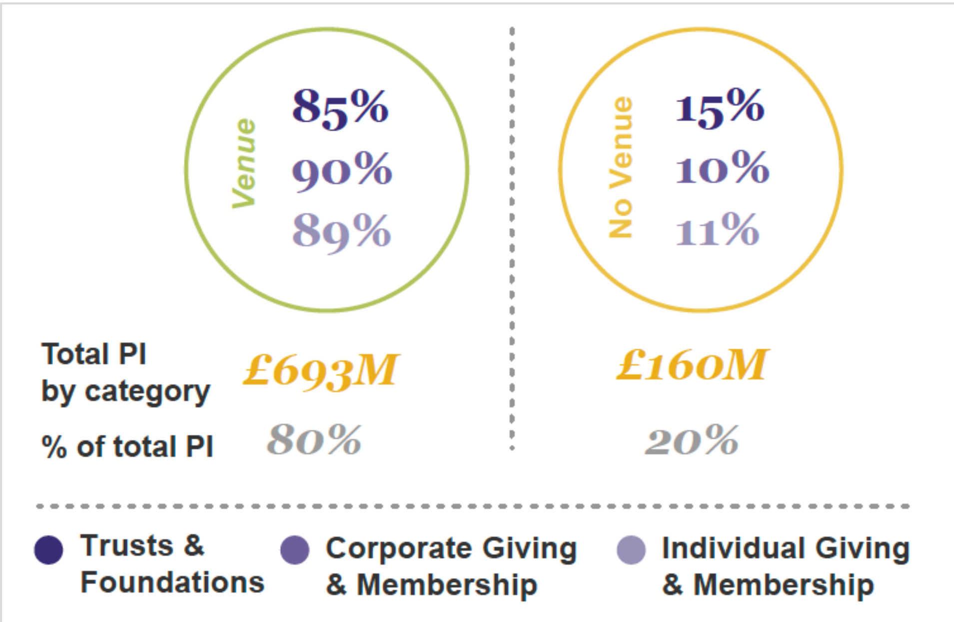
[22] Here and below, data is for the most recent year of analysis (FY 2020/21), unless otherwise indicated.

Figure 11 **Private investment distribution among presenting and producing organisations, as % of total private investment for each category**



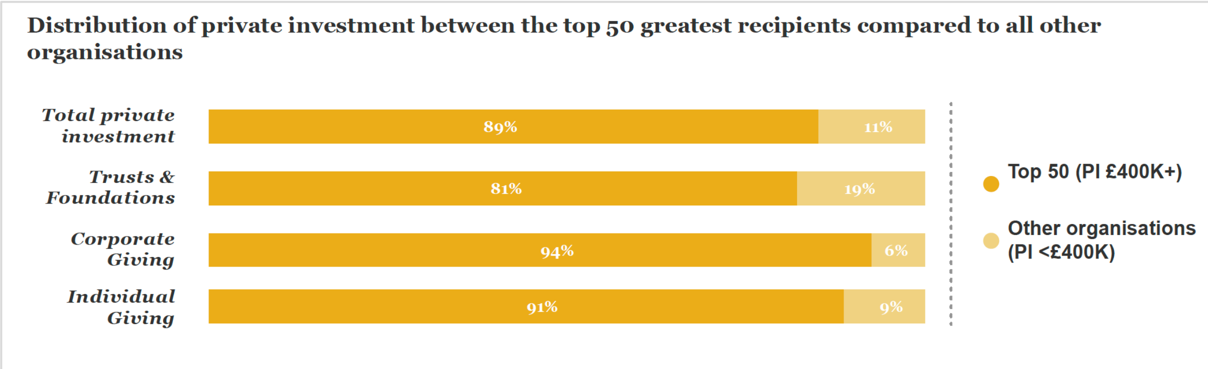
The survey also inquired whether the responding organisations operated a venue, i.e., a publicly accessible building. Those that do operate a venue received 80% of overall private investment. Such distribution is perhaps to be expected as venue-based organisations are likely to raise funds towards the costs (maintenance) of capital cultural infrastructure and are able to leverage that infrastructure in their fundraising.

Figure 12 **Private investment distribution among venue-based and non-venue-based organisations, as % of total private investment for each category**



In the analysed survey sample of 237 not-for-profit arts and cultural organisations in England, the top 50 'greatest' recipients of private investment were the organisations that received over £400,000 in private investment per year in the most recent financial year analysed (FY 2020/21). 89% of total private investment went to these “top 50” recipients of private investment. This split is consistent across categories of private investment and reflects the findings of the analysis of the full dataset of relevant arts and cultural organisations (4,107 organisations) showing that larger organisations tend to attract larger amounts of private investment, particularly from corporate/business sources.

Figure 13 **Distribution of private investment between the top 50 greatest recipients compared to all other organisations**



Categories of individual donations

When soliciting donations from individuals, arts and cultural organisations use a growing number of methods and mechanisms. Over the past three years, the most popular method of donation among individuals donating to arts and cultural organisations surveyed was online donations; with least popular types of giving being payroll donations and legacy giving. (This does not include individual membership covered as a separate category on previous pages.)

Figure 14 **Distribution of categories of donations from individuals received over the past three years, by average volume of donations received**

Cash donation made online	*16%*	*In-kind gift*	*11%*
Other type of individual donation	*13%*	*Donation at a special fundraising event*	*9%*
Regular Direct Debit donation	*11%*	*Legacy Giving*	*8%*
Cash donation made onsite / at an event	*11%*	*Donation through payroll*	*8%*
Individual sponsorship	*11%*		

Figure 15 **Percentage of organisations that received donations in each of individual giving categories over the last three years**

Cash donation made online	79%
Cash donation made onsite / at an event	60%
Regular Direct Debit donation	56%
In-kind gift	44%
Individual sponsorship	42%
Donation at a special fundraising event	41%
Other type of individual donation	41%
Legacy Giving	31%
Donation through payroll	14%

Categories of corporate donations

Among corporate donations received and accounted for by arts and cultural organisations in the most recent year of this analysis (FY 2020/21), 41% were received as corporate sponsorship; 32% as cash donation; and 29% as in-kind donation.[23] (This also does not include corporate membership covered as a separate category on previous pages.)

Figure 16 **Main types of corporate donations received over the past three years, as % of total corporate giving received**

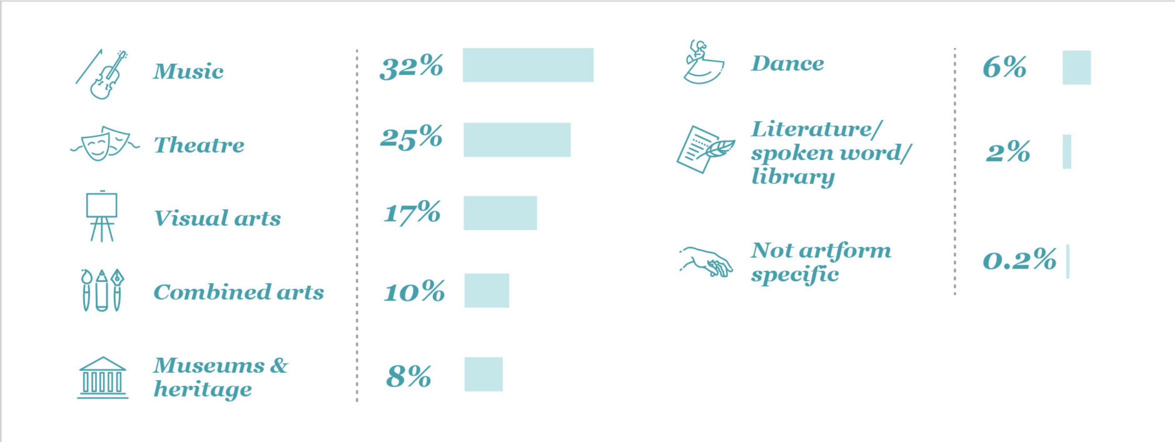
Corporate sponsorship	Cash donation	In-kind donation
40%	32%	29%

Distribution by artform

Organisations whose primary artform is music received 32% of total private investment; followed by theatre organisations at 25%; visual arts at 17%; combined arts at 10%; museum and heritage organisations at 8%; and dance at 6%. Literature/spoken word/library organisations were grouped together for the purpose of this analysis and constitute a smaller proportion of overall data sample and the private investment received (2%).

[23] See Glossary in the Appendix for definitions of the types of donations and other terminology.

Figure 17 **Private investment distribution by artform**



The private investment mix by source of investment varies between the artforms: literature and museum and heritage organisations are more reliant on trusts and foundations giving overall, while music, theatre, and visual arts organisations tend to receive a higher proportion of individual giving. Theatres and organisations working in "combined arts" get a higher proportion of individual membership income. "Not artform specific" organisations tend to be sector-support and development bodies and therefore receive higher levels of corporate membership income proportionally compared to other artforms and the sector overall.

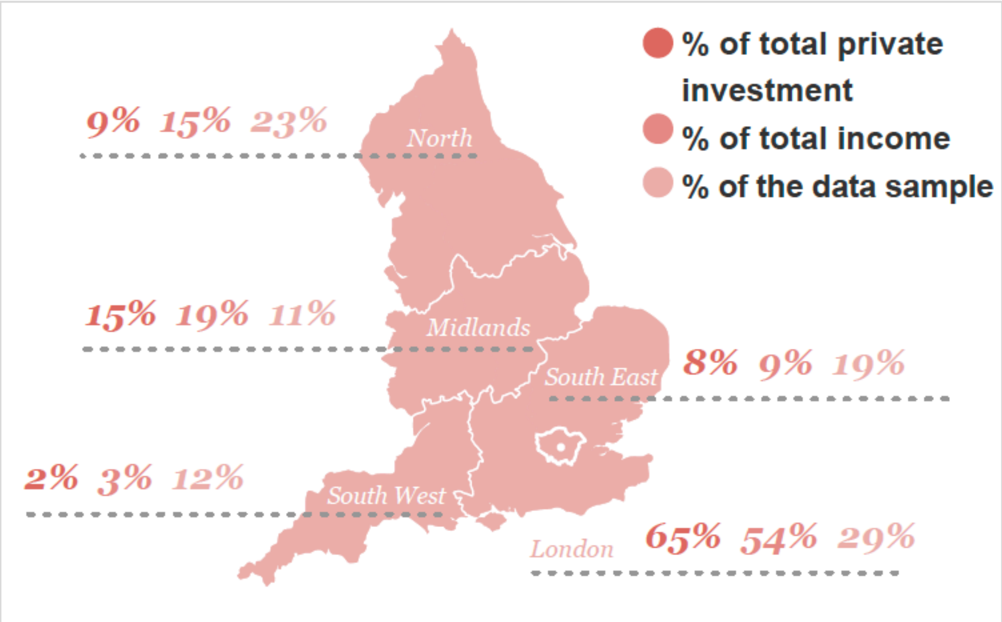
Figure 18 **Private investment mix by category of private investment source per artform**

	Trust & Foundations	Corporate Giving	Individual Giving
Combined arts	33%	24%	43%
Dance	53%	9%	35%
Museums & heritage	70%	8%	19%
Literature/ spoken word/ library	77%	7%	15%
Music	43%	9%	45%
Theatre	34%	13%	43%
Visual arts	52%	14%	32%
Not artform specific	45%	40%	6%

Distribution by region

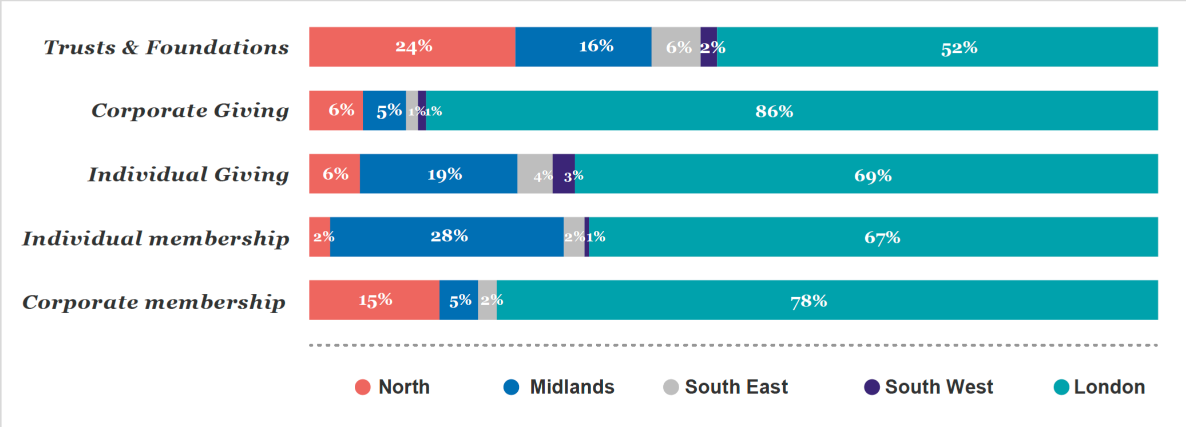
As in prior years, London receives a higher proportion of overall private investment at 65% while accounting for 29% of the analysed sample – meaning London-based organisations receive higher levels of private investment. However, it should be noted that some organisations based in London operate nationally, including several sector support and development organisations – while their income would be captured as 'London-based', their operations tend to reach other parts of the country. Organisations based in the Midlands have also received higher levels of private investment in FY 2020/21 and in line with the volume of the Midlands-based organisations in the sample. Organisations based in the North of England represent 23% of the studied sample but received 9% of the overall private investment.

Figure 19 **Private investment distribution by region**



Following the dominant share of London-based organisations, organisations based in the North of England received a higher proportion of contributions from trusts and foundations compared to other regions. Organisations based in Midlands attracted higher levels of private income from individual membership than elsewhere regionally. Large proportion of corporate giving and memberships went to London-based organisations, a finding further supported by survey responses commenting on challenges of attracting corporate support in the regions of England.

Figure 20 **Distribution by category of giving and region**



Fundraising for capital projects

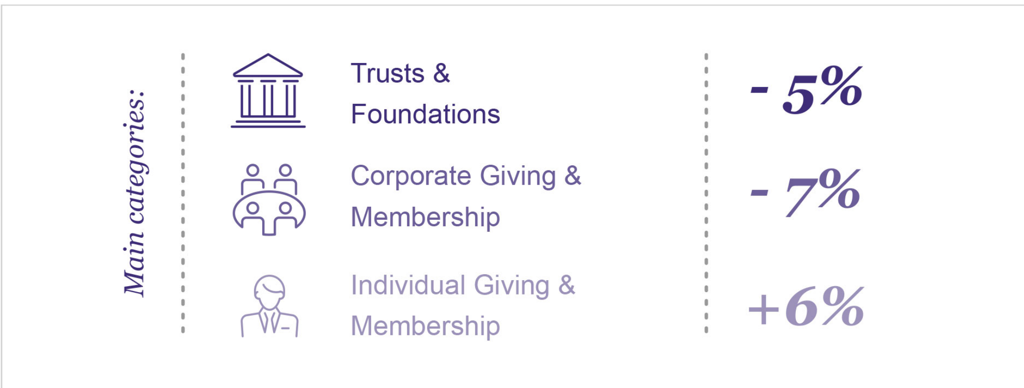
21% of the organisations responding to the received funds from private philanthropic sources for a capital project in the past three years. Of those, 26% received grants from trusts and foundations; 24% received donations from individuals; and 24% received funds towards a capital project from businesses and corporations.[24]

Figure 21 **Percentage of organisations responding to survey who received any capital project funding from either of the main private investment sources over the past three years**

Variation by year

Individual giving and memberships was the only source of private investment that has increased in volume of donations (by 6%) over the past three years; donations received from trusts and foundations decreased by 5%; and corporate giving and memberships decreased by 7%.

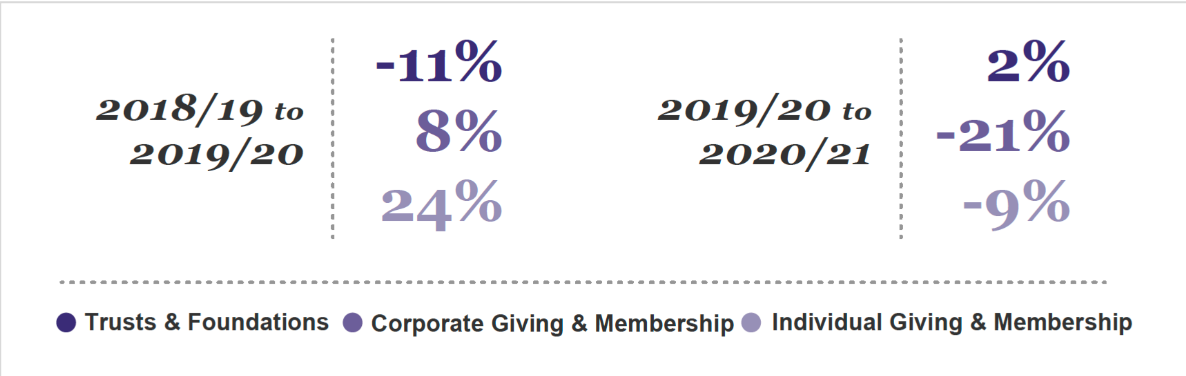
Figure 22 **Three-year cumulative variation (FY 2020/21 compared to FY 2018/19) by main category of private investment source**



[24] The proportion of support received from each source varies greatly and it is not possible to establish an aggregated number of funds received from each source as part of this analysis.

Looking at this variation on a year-by-year basis, this analysis finds that the decrease in trusts and foundations giving occurred between FY 2018/19 and FY 2019/20 and picked up again (by +2%) in FY 2020/21. At the same time, corporate donations declined by 21% in FY 2020/21 compared to FY 2019/20. Individual giving income grew in FY 2019/20 by 24% but had decreased by 9% in FY 2020/21.

Figure 23 **Year-to-year variation by main category of private investment source**



Comparing the proportional distribution by source of income to prior PICS analyses (where available), the private investment contribution to overall funding mix increased by 4% over the past decade (as illustrated by Figure 24 below). Since FY 2012/13, a proportion of corporate giving and memberships in the overall private funding mix declined by 21%, while a proportion of giving from trusts and foundations increased by 12%, and from individuals by 9% (Figure 25). These findings correspond with the learnings from qualitative research where respondents commented on challenges associated with attracting funds from the corporate sector, particularly when considering the level of organisational resources required to effectively build relationships and fundraising from businesses and corporations.

Figure 24 **Percentage of private investment in the overall funding mix, FY 2014/2015 – FY 2020/21** [25]

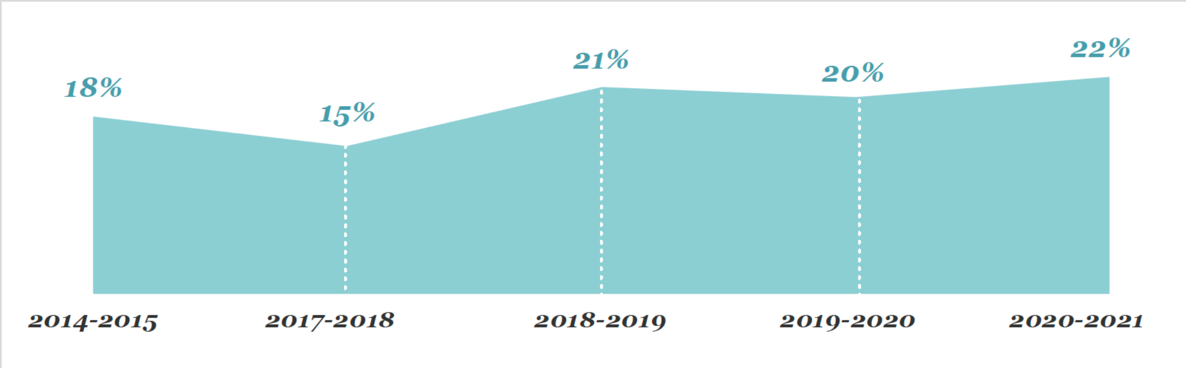
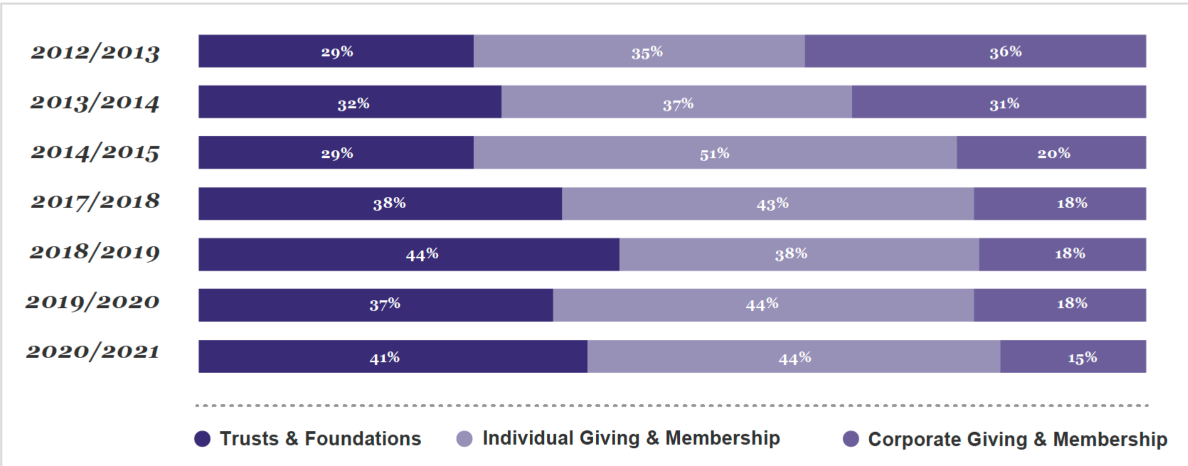


Figure 25 **Private investment funding mix by source of income, FY 2012/2013 – FY 2020/2021**



COVID-19 Recovery Funding

The majority of survey respondents sought recovery funding to recoup earned income lost during the lockdown closures and disruptions. Those who indicated they received some form of recovery funding from private philanthropic sources received donations ranging from £1,000 to £3,000,000, with an average volume of recovery grant/donation at £136,000. Some have also requested loans, with an average volume of a private sector loan at £14,000.[26] This shows that recovery

[25] Data from 2016 and 2019 PICS reports and this year's analysis.

[26] These contributions are included in the total figures for FY 2020/21. Given the timing of these recovery grants and differences in accounting periods, it has not yet been possible to divide recovery funding from overall private investment in the aggregated analysis.

funds were primarily secured from public funding sources rather than private philanthropy.

Figure 26 **Average amount of a single COVID-19 recovery grant by funding source**

Public funding (including DCMS, ACE, and/or local authorities)	Private funding
£492,880	£136,060

Private Sector Funders in Numbers

The survey respondents provided the number of active private sector supporters their organisation has together with the number of new and lapsed supporters and the largest single donation amount received from each source of private giving. These numbers are summarised below. They show that, based on the survey sample data, there has not been a considerable positive or negative movement in the number of supporters.

Figure 27 **Average number of philanthropic supporters per organisation**

sample size n=200	**Average number of philanthropic supporters per organisation in the survey sample by category of donor (total for FY 2018/19; 2019/20, 2020/21)**	
	Corporate giving (excluding corporate members)	**5**
	Trusts and foundations	**15**
	Individual giving (excluding members)	**1,086**

Figure 28 **Average number of lapsed philanthropic supporters per organisation in FY 2020-21 compared to FY 2017-2018**

sample size n=178	**Average number of lapsed supporters per organisation in the survey sample (since FY 2017/18)**	
	Corporate giving (excluding corporate members)	**2**
	Trusts and foundations	**3**
	Individual giving (excluding members)	**116**

While organisations attracted, on average, 753 new individual supporters in FY 2020/21 compared to FY 2018/19, these are likely to have been donations raised for Covid recovery campaigns, donations of prices of tickets, and other targeted crowdfunding campaigns launched by many organisations to address the impacts of the pandemic.

Figure 29 **Average number of new philanthropic supporters per organisation in FY 2020-21 compared to FY 2017-2018**

sample size n=186	**Average number of new supporters per organisations in the survey sample (since FY 2017/18)**	
	Corporate giving (excluding corporate members)	**2**
	Trusts and foundations	**5**
	Individual giving (excluding members)	**753**

On average, the highest level of a single contribution (at nearly £200,000) was received from trusts and foundations. Across the surveyed organisations, the maximum level of a single largest contribution from an individual was £7 million and the minimum level of the largest contribution from an individual was £250; for corporate and business supporters the maximum single contribution was £1.5 million and the minimum level of a single largest corporate gift was £60; for trusts and foundations the maximum single contribution was £3.25 million and the minimum level of a single largest contribution per organisation was £25.

Figure 30 **Amount of the single largest contribution received per organisation**

sample size n=194	**Amount of the single biggest contribution received per organisation (over FY 2018/19; 2019/20, 2020/21), in GBP**		*Average*	*Max*	*Min*
	Corporate giving	**£**	**63,604**	**1,500,000**	**60**
	Individual giving	**£**	**71,426**	**7,000,000**	**250**
	Trusts and foundations	**£**	**195,231**	**3,250,000**	**25**

3 Fundraising Approaches and Capacity

Describing fundraising approaches and tools employed in the past three years, the survey respondents mentioned several tactics and initiatives ‘new’ to their organisations (while not necessarily ‘new’ to the arts or charitable sectors as whole.) Among those most frequently mentioned were measures such as adding donation buttons and calls for online donations on a website; increasing fundraising capacity by employing consultants or specialised development staff and/or board members; restructuring or launching new membership and patron schemes; and launching special appeals, fundraising campaigns, and funds.

Figure 31 **New fundraising tools and approaches employed over the past three years to raise funds from private sources** [27]

Website/ticketing/CRM system updates to encourage donations	21%	*Started / increased use of online fundraising platform(s)*	10%
Engaged fundraisers/consultants/Trustees/ volunteers/added staff capacity to attract	14%	*Contactless donation points onsite*	8%
		Call(s) for donations for online content	8%
Launched or restructured a member/ patron schemeIndividual sponsorship	12%	*Started / increased use of social media tools for fundraising*	4%
Launched a special campaign or emergency fund	11%	*(Online) fundraising events and galas*	3%
Crowdfunding	10%	*Sought donations of cost of purchased (refunded) tickets*	2%

Respondents noted that many of these approaches are in a ‘trial’ stage, i.e., they continue to monitor which methods are more likely to attract new private funders or generate increased levels of private contributions. Resource-effective approaches appear to be top of mind for many respondents – to cite one respondent, for example:

> *“We always work on an earned income model – we will ask a premium fee to financially able institutions. We find approaching "cap in hand" is low cost/benefit - however working for corporates and wealthy individuals with a large contribution to our core costs works brilliantly.”*

[27] Open-ended response text analysis; sample size n=173.

When asked whether the Covid-19 pandemic has impacted their organisation's approach to fundraising and in what ways, the respondents referenced such tactics and broader factors as:

- Responding to funders' requirements / priorities / Covid-related funding;
- More targeted approaches to private giving cultivation, e.g., focusing on a smaller cohort of prospects, those closer to the organisation's existing philanthropic network, and forming private funders' syndicates around specific funder-led campaigns;
- Increasing fundraising capacity by engaging a fundraising consultant;
- Increasing online fundraising (initiatives & tools);
- Focusing on stewardship and retention;
- Greater reliance on public funding and, specifically, Culture Recovery Fund, over private funding sources;
- Inability to fundraise and engage philanthropic supporters in person led to temporary suspension of some, and at times most of, fundraising activities and associated programmes, such as fundraising galas and special events, member events, etc.

In online and digital fundraising, the most commonly used tools were email outreach campaigns, use of social media platforms for fundraising (Facebook, Snapchat, TikTok, and Instagram were named among others), and use of specialised online fundraising platforms (such as Just Giving, The Big Give, GoFundMe, Ko-Fi, Patreon), as well as third party retail platforms such as Amazon Smile and PayPal.

Figure 32 **Digital channels and platforms used to fundraise from private philanthropy sources**

Email outreach	55%
Social media platform(s)	54%
Online fundraising platform	49%
Donations for digital content	31%
Contactless donation point(s) onsite / at events	30%
Crowdfunding platform(s)	20%
Text giving service	17%
Mobile apps	5%
Chatbox on website	1%

A common trend across the survey respondents was to seek operating efficiencies (e.g., by introducing new or improved CRM systems and online customer-facing interface), and to focus on retaining existing funders and relationships and calling for support from their existing funder base. In the words of one of the respondents:

> *"During the Covid-19 pandemic the balance of the organisation's fundraising resource allocation shifted significantly from new business and donor acquisition to stewardship and retention. We sought to reduce attrition from our membership programmes still further (it was already low, below 10%) and to work on nurturing the donors and relationships that we already had. This approach paid dividends in the form of some very significant (six-figure) enhanced donations from key supporters that were designed to sustain the organisation during the height of the pandemic."*

A number of organisations were able to use the Culture Recovery Fund grant money to employ fundraising consultants. A smaller proportion (around 12% responding to the question on pandemic impact) did not make any changes to their fundraising approach during the pandemic.[28]

For the first time since its launch, this survey also sought to understand whether responding organisations apply principles of inclusivity and relevance in their

[28] Based on the text analysis of the open-ended responses (n=185) to survey question: "Has the COVID-19 pandemic impacted your organisation's approach to fundraising? If so, how?"

fundraising practice. The results show that over the past three years arts and cultural organisations in England have been establishing new partnerships, making changes to Board recruitment practices, and initiated fundraising campaigns dedicated to programmes that address issues of inclusivity and relevance, among other activities.

Figure 33 **Application of principles of inclusivity and relevance in fundraising operations and practices**

Established new partnerships with groups and organisations which are representative of or for people of diverse backgrounds	64%
Made changes to Board recruitment practices	59%
Began fundraising for new activities/programmes related to principles of inclusivity and relevance	56%
Offered training in inclusivity and relevance to fundraising staff, leadership, and / or Board members	52%
Made changes to staffing and/or leadership structure	43%
Modified solicitation process and language to make it more culturally inclusive	29%
Revised strategies for donor cultivation to diversify the pool of funders	23%

Ability to Fundraise

When asked about the factors that had the highest impact on their capacity to fundraise, the arts and cultural organisations responding to the survey named lack of in-house staff capacity/time, shifting priorities in philanthropy, and increasing competition for private investment as the three factors most affecting their ability to attract private investment. Slowing economy, the perceived dominant position of organisations based in the capital and large urban centres, and decreasing private sector interest are seen as less impactful factors compared to surveys in prior years. Lack of in-house staff capacity/time was also the dominant barrier identified in the latest (2019) Private Investment in Culture Survey, along with the slowing economy and increasing competition for private investment. “Shifting priorities in philanthropy as a result of the pandemic” is a new factor that has had an impact on arts and cultural organisations’ ability to fundraise, given the pressing demands for funds from the healthcare and social-care sectors.

Figure 34 **The factors that had the most impact on an organisation's ability to attract funds from private sources over the past three years**

Lack of in-house staff capacity / time	49%
Shifting priorities in philanthropy as a result of the pandemic	41%
Increasing competition for private investment	38%
Slowing economy	24%
Dominant position of organisations in London and other urban centres	24%
Decreasing private sector interest	24%
Lack of suitable volunteers	13%
Lack of knowledge and capacity for stewardship	12%
Lack of accessible tools / systems / technology	11%
Limited diversity of donor base	8%
Lack of involvement from the Board	8%
Lack of in-house skills / knowledge	7%
Lack of strategy / planning	6%
Limited diversity of Board and staff	2%

Organisational Capacity

On average across the survey sample, the staffing capacity has been affected by the furlough scheme in FY 2020/21 reducing the number of staff by around 10%. However, for some organisations this reached 90% in peak months of the furlough scheme. Due to their size, many organisations in the survey sample do not have extensive development teams or dedicated development staff – these roles are shared across organisational leadership. On average, over the past three years the organisations surveyed had two dedicated members of fundraising staff. In practice, in organisations of all sizes, the members of fundraising staff often share the fundraising responsibilities – specifically attracting new supporters – with the senior management team. In many instances and seen as a desirable practice, these responsibilities are also shared by the members of the Boards of Trustees.

Figure 35 (n=211) **Average number of paid staff and volunteers at surveyed organisations**

Average per year	FY 2018/2019	FY 2019/2020	FY 2020/2021
Paid staff (FTEs)	52	49	40
Active volunteers	43	41	30
Fundraising staff	2	2	2
Fundraising volunteers	2	2	3
Furloughed staff	n/a	n/a	21
Furloughed fundraising staff	n/a	n/a	1

Future Outlook

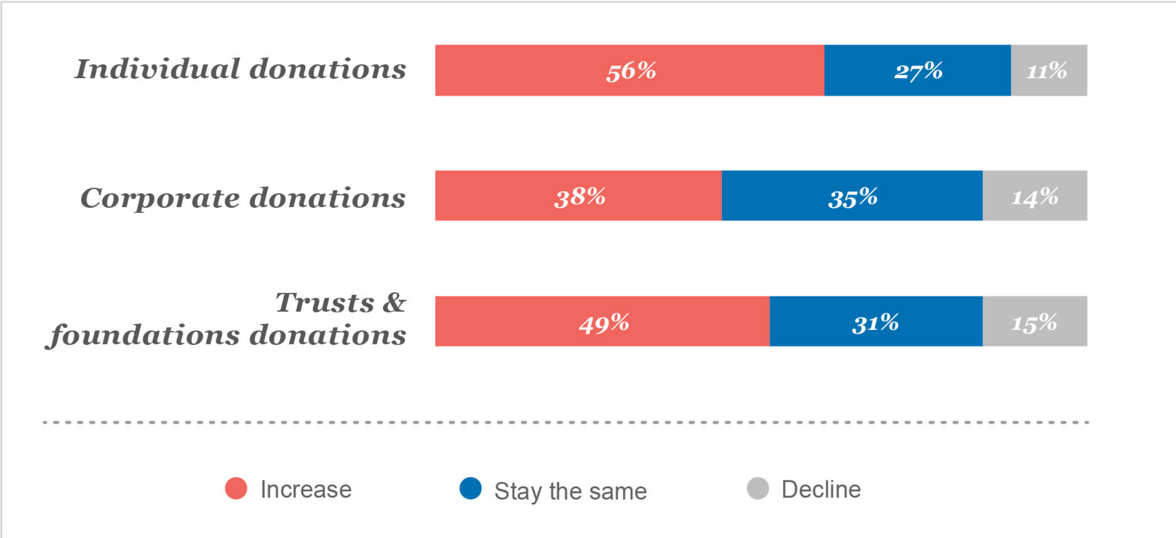
While recognising that the philanthropic landscape is likely to continue to be increasingly competitive, the responding organisations consider increasing donations from trusts and foundations as the focus opportunity area, followed by increasing individual giving, and securing brand partnerships and corporate sponsorship. The respondents also frequently indicated the potential of partnerships and increasing the diversity of their funder base as important opportunity areas they will pursue in the coming years.

Figure 36 **Thinking about your organisation's capacity to raise funds from the private sector in the coming years, what is the key opportunity area you would seek to explore?**

Increase donations from Trusts and Foundations	70%
Increase individual donations	58%
Brand partnerships / corporate sponsorship	49%
Partnerships with other not-for-profit organisations that would bring in new donors/funds	42%
Increase diversity of donor base	40%
Increase diversity of Board/staff	36%
Purposeful approach to stewardship	27%
Online crowdfunding	21%
Revise governance or operating structure	15%

In line with historic trends, cultural organisations expect to rely more on private investment received from individuals and trusts and foundations over corporate giving.

Figure 37 **Expected change in the amount of private investment in the next three years by source of investment** [29]



Respondents suggested some other projections for the philanthropic landscape for the next three years, such as:

- *"Garner larger one-off donations, build a longer-term legacy base, increase partnership income;"*
- *"The line between transactional and philanthropic giving will continue to become more blurred as more donors expect a tangible ROI from their investment. The overreliance on grant funding from trusts and foundations will also become a greater challenge for many smaller charities, especially those that do not invest sufficiently in impact measurement;"*
- *"The means of donating will change - an increased use of digital channels and… a greater willingness to donate when in receipt of digital content."*

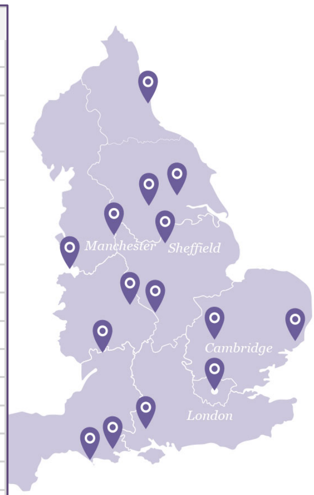
[29] Sample size = 210; responding to question: "Looking ahead to the next three years...How do you expect the amount of private sector investment received by your organisation will change?". "Do not know" response option excluded from the chart.

4 Fundraising Practice: Learnings from the Sector

As part of this study, 17 case study organisations were selected for further qualitative investigation and invited to participate in an in-depth interview with a member of the research team. Some of these had submitted survey responses that showed interesting practice; others were suggested by members of the project's Advisory Group. The interviews were conducted in a semi-structured format, to a set of questions circulated in advance.

Figure 38 **Case study organisations analysed**

	Case Study Organisation Name	Artform	Venue / No venue
1	b-side	Visual arts	No venue
2	Birmingham Museums Trust	Museums & heritage	Venue based
3	Britten Pears Arts	Music	Venue based
4	Contact Theatre (Manchester Young People's Theatre)	Theatre	Venue based
5	Coventry City of Culture Trust	Not artform specific	No venue
6	DASH Arts	Combined arts	No venue
7	Drake Music	Music	No venue
8	Grimm & Co.	Literature/libraries	Venue based
9	Hampshire Cultural Trust	Museums & heritage	Venue based
10	Music Venue Trust	Music	No venue
11	Northern Ballet	Dance	Venue based
12	Strike A Light	Theatre	No venue
13	Sunderland Music, Arts and Culture Trust	Combined arts	Venue based
14	The Photographers' Gallery	Visual arts	Venue based
15	The Reading Agency	Literature/libraries	No venue
16	Wysing Arts Centre	Visual arts	Venue based
17	York Museums Trust	Museums & heritage	Venue based



They yielded a number of themes related to sources of fundraising and types of fundraising, as well as causes that have provided useful focal points for generating support. The interviews also revealed a myriad of ways in which the power of networks is fundamental to effective fundraising and a number of considerations for governance and management. These themes are summarised below.

Sources of fundraising

Regarding sources of fundraising, most of those interviewed had relied heavily on funding from trusts and foundations in the last three years, and some reported that they had focused on this source during the pandemic, as it represented a better return on investment than fundraising from individuals or corporates. Many interviewees commended the agility of trusts and foundations in responding to the Covid emergency and the fantastic support received from this source. *Grimm and*

Co., for example, expressed how appreciative they were at receiving an additional gift from the Tudor Trust to support the wellbeing of staff and volunteers. Others discussed how the changing priorities for some trusts and foundations made applying easier for first-time or smaller applicants, and how place-based collaboration between trusts and foundations had likewise simplified application processes and yielded some new relationships – *Strike A Light* commended the Gloucestershire Funders in this respect, describing how the support of one local funder had leveraged the balance from another.

There was also considerable discussion about the increased competition for funding from Trusts and foundations and a perception that this challenge would increase. Some felt that the increased pool of organisations competing for funding from this source had resulted in donations becoming smaller and this could be difficult for sustainability. Some discussed how trusts and foundations pivoting away from their usual priorities to recovery funding had placed pressure on some specialist sources of funding, such as funding previously ringfenced for the conservation of museum objects. Others felt daunted by the requirement to take funding breaks from key funders and wondered what this would mean for their revenue pipeline. Finally, some interviewees discussed how their organisations had struggled with reporting requirements in the changed circumstances, which some trusts and foundations had not relaxed; generally, the expectation was that reporting requirements could become even more rigorous and challenging in future.

There was more mixed feedback regarding individual giving. A proportion of the organisations interviewed had not been proactively fundraising in this space over the last three years due to the perceived difficulty of individual giving and the need for a long-term approach to cultivation, which didn't always represent the most effective use of resources for stretched fundraising teams, and some organisations had furloughed during the pandemic. Fundraising from individuals was seen to be especially challenging for organisations whose network of artists and audiences don't lend themselves to translating into a stable and long-term support base, such as those working with and for transient or youth communities. And even those experienced in individual giving discussed the challenges of maintaining membership and patrons programmes when the cessation of business as usual programming also meant the same for member or patron benefits.

Yet, the interviews also revealed some strong and innovative practice of fundraising from individuals. Several organisations interviewed, such as *Britten Pears Arts* and *The Photographers' Gallery* had sophisticated members and patrons programmes and an approach to data management and stewardship that explicitly aimed to progress supporters through the giving pyramid – these reported robust retention rates during the pandemic and even an enhanced ability to engage supporters, especially international supporters. Some organisations, such as *Britten Pears Arts* or *Birmingham Museums Trust*, had been able to mobilise private supporters' syndicates around specific causes or projects, often led by a close stakeholder with the capability of soliciting gifts from individuals who might not otherwise have given to the organisation directly. *Britten Pears* positions its membership as an opportunity to become a part of the *Britten Pears Arts* family and eight tiered programmes range from £25 per year to £10,000 per year, with members consistently given the opportunity to upgrade. The team has invested in encouraging private funders' passions and interests by creating funder circles around projects or areas of work that these individuals are particularly interested in. This is fulfilling for the individual funder while being beneficial for the charity, often introducing new supporters who might not otherwise have become involved. During the pandemic, *Britten Pears* maintained the loyalty of its individual supporters through a series of digital events, while also improving its digital supporter newsletter, now an established monthly communication that 70% of the charity's supporters engage with. Coming out of the pandemic, *Britten Pears Arts* will continue to focus on individual fundraising at all levels, and on giving existing supporters to upgrade to the next level.

Dash Arts described its practice of building giving circles around productions, which often generated new supporters, with the explicit aim of turning these into regular givers. The charity has a recently restructured four-tiered Patron Scheme, which range in commitment from £500 to £5000 per year. It also mobilises giving circles around particular productions, bringing in new funders, which it then pays real attention to translating into regular givers. The strategy has been successful – two years ago, 90% of supporters were new to the organisation, of which half were translated into regular givers.

A handful of organisations had utilised campaigns to great effect, using social media and online giving to build a large community of individual donors; the *Music Venue Trust* (MVT) was especially successful in this respect, introducing hashtags such as #saveourvenues to exhort clear action. MVT's campaigning has had a transformative impact on the charity's finances in the last two years. Crowdfunding through a range of platforms unlocked an unprecedented community of 85,000 individual supporters, the campaign's messaging hitting an emotional chord that resonated widely, in part due to the leadership role of a number of high-profile philanthropists. Donations ranged from £2 to £50,000 but were mostly under £100.

Many of the organisations interviewed had used the pandemic to solicit individual donations from their communities using a variety of online tools, and this is discussed below. Those organisations whose offer is normally ticketed discussed the unexpected community of new individual supporters gained when ticket-buyers donated the cost of the ticket, the introduction of pay as you feel ticketing, and/or the soliciting of donations in addition to tickets.

There was also mixed feedback regarding corporate giving. Many of those interviewed felt that the corporate fundraising landscape was more challenging as a result of the pandemic, with corporates focusing in on internal issues and no longer reaping the impact of benefit-led giving with venues closed. Most of those who had succeeded in sustaining corporate giving reported that the key to success had been working with Corporate Social Responsibility budgets. There were some very strong examples of lucrative brand partnerships, notably with *The Reading Agency* and the *Music Venue Trust*, although some interviewees discussed the challenges of finding brand partnerships that were true to the organisation's mission and values, and others reported that the ethical concerns of their young artist and audience networks meant that mission alignment with corporate supporters was increasingly important. At *Music Venue Trust*, possibly in consequence of the success of the crowdfunding, the campaign then garnered lucrative corporate donations, which in turn carried it further. A leadership donation from one corporate funder led to others from a range of industry players, cementing the charity's reputation for agility and efficacy. This in turn led to a number of lucrative brand partnerships driven by the desire of an array of corporates to associate with the work of the MVT and its sectors. MVT is looking to continue its work with corporate partners and sponsors in the coming years. Among corporate entities supporting MVT throughout the lockdown periods were Amazon Music, Warner Music, Sony, and other music industry corporations. Brand partnerships were also secured with companies such as such as Camelot, Vuse, Free Now, Fred Perry, and Dr. Martens. Looking forward, the *Music Venue Trust* is considering how to build on this extraordinary success, and whether or not there is an appetite for this community of one-off corporate supporters to give regularly. The charity has undertaken a large amount of demographic analysis of its funder base, as well as analysis on the most effective platforms for fundraising. It is continuing to build its brand partnerships and experimenting with membership models for venues.

The interviews highlighted the importance of building networks over time and how this can be effective for the smallest of organisations. *b-Side*, for example, discussed how it has worked with a key local business representative group (Portland Economic Vision Group) towards shared place-based outcomes. In doing so, the group had developed an effective mechanism for sharing knowledge, skills, expertise and the benefits to the festival, as well as a network of collaborators in accessing other regeneration funds.

Finally, the interviews underlined the relationship between corporate and individual giving – *Coventry City of Culture*'s ambition for its corporate membership programme was to yield a new community of individual donors. The 2021 Club has provided the principal mechanism for engaging the wider business community. Essentially, this is a corporate membership programme premised on the idea that one of the reasons Coventry won the City of Culture title was the backing of a wide range of local and regional companies and professional organisations, demonstrating the scale and depth of support from the private sector. The Club invites members to pledge £10,000 over a five-year period and in doing so to play an instrumental role in Coventry's year in the spotlight, enabling the festival to engage national audiences, attract new visitors and empower every Coventry resident to reap the benefits of cultural participation. Alongside a cohort of Major Partners, Regional Partners and City Champions, the Trust has attracted 160 businesses to the 2021 Club, and it is now working with members to imagine its future, including by brokering relationships with an array of community groups and arts and cultural organisations with whom members can develop a future relationship, whether in-kind or direct.

Types of fundraising

Many interviewees discussed the important role that Covid recovery funding had played in the last two years, whether this was from Government or from trusts and foundations. Fundraising from these sources had absorbed a lot of the interviewees' energy. Yet, many had also experimented with different types of online fundraising – tools discussed included Amazon Smile, Facebook Donate, JustGiving, Crowdfunder, Tik Tok, Twitch, YouTube, Twitter, with some organisations like Northern Ballet having experimented across this mix. Some of the same organisations had also experimented with contactless giving, whether via Tap Give or Good Box; several interviewees discussed the disappointing yields from contactless giving, while others touched on their forays into monetising online content.

Regarding capital fundraising, the interviews revealed that this was extremely challenging to sustain once Covid hit, but those organisations who had closed their venues prior to the pandemic reflecting that they likely had fewer challenges that other venue-based operations. There was some evidence of organisations using capital campaign methodology in the absence of a capital campaign, simply as a focus for generating gifts. *The Photographers' Gallery*, for example, used an anniversary as a significant milestone to try and leverage naming rights in relation to steps in the central stairwell in the gallery.

Several organisations discussed collaborative fundraising. Sometimes, as with the *Hampshire Cultural Trust*, this was in relation to sharing expertise with smaller community organisations. Other times, it was related to working with local partners and local government in pursuit of place-based funding, whether on a city level, as with the *Birmingham Museums Trust*, or on a smaller scale, as with *b-Side*. In other cases, it was to access specific funding opportunities, such as in the case of *Strike A Light*, touring funding, or funding related to diverse-led leadership, or with *Wysing Arts Centre*, funding for artist development.

Fundraising causes and approaches

Causes that provided a useful focal point for fundraising and an opportunity to leverage organisational resources among those interviewed included:

Technology: *Hampshire Cultural Trust* (HCT) has developed an innovative technology partnership which is currently underpinning a capital development in Winchester. Capitalising on the important role that Winchester played in Anglo-Saxon life, the Trust collaborated with Ubisoft, creator of bestselling video game Assassin's Creed Valhalla, on an educational spin-off *Discovery Tour: Viking Age*. Then in partnership, HCT and Ubisoft commissioned Sarner International, a design and build practice of historical and cultural attractions, to design and build a new immersive visitor experience that will plunge visitors back in time to 9th-Century Winchester. The new visitor attraction, opening in late 2022, will feature immersive storytelling, audio-visual projection, and the use of contemporary objects from the Trust's collections, complemented by assets from the video game. The project's aims include pioneering a new form of collaboration between arts and heritage organisations, technology innovators, and the gaming industry.

Drake Music similarly described a technology partnership with an instrument manufacturer/audio tech firm, noting the synergy between the company and the organisation's leadership role in music, disability, and technology.

Education and skills work with children and young people: *Contact Theatre* described how it believed its focus on making work with and for young people met funding priorities of a number of trusts and foundations. Many aspects of the theatre's work with young people and diverse and disadvantaged communities are attractive to funders, and the theatre has sought to lead the way in this impact-led activity.

Wysing Arts Centre demonstrated how it used a focus on developing artists at key moments in the development of their careers who would otherwise be excluded from training as a focal point for its fundraising, with a collaborative creative learning programme receiving a multi-year foundation grant to support this work. In particular, *Wysing* has championed the development of artists who are currently underrepresented in the visual arts including artists of Black, Asian or ethnically diverse heritage, those who have faced socio-economic barriers, artists who identify as LGBTQ+, and those with disabilities. It established *The Syllabus* in 2015 in partnership with five organisations around the country; the project aimed to address the issue that the traditional art school system and fee structure can make it unmanageable for some artists to pursue the training they need, thus excluding them from the sector. *The Syllabus* has been a focal point for *Wysing*'s fundraising, and has been a successful strategy. In November 2021, a ten-year commitment of £500,000 was announced from the Freelands Foundation for a further decade of the programme.

Health and wellbeing: *The Reading Agency* highlighted the impact of the pandemic in raising the profile of its work to support mental health and wellbeing. The pandemic underlined the need for *The Reading Agency*'s work, resulting in successful fundraising campaigns, new private partnerships, and a transformation of the organisation and its activities. This included corporate partnerships with Specsavers and Costa Coffee over the last two years.

Hampshire Cultural Trust discussed their work with young people with mental health needs, and how they were working directly with mental health services and local providers, integrating a rigorously researched approach into health and social care pathways. Similarly, *Contact Theatre* discussed how its health and wellbeing work stream had been a focal point of its fundraising, resulting in the theatre attracting funding to cover a producer post, a body of programming and a health and wellbeing space within its renewed building. A focus on the health and wellbeing pre-dated the pandemic, and led to a partnership with the Wellcome Trust, which granted £600,000 to the charity to support a new arts and health research space within the planned refurbishment of the building, along with a new three-year post of Health Science Producer. This prescient partnership paid dividends when the pandemic hit, allowing *Contact* to launch a multi-pronged mental health focused response extremely rapidly, elements of which were later used as models elsewhere.

Place-based working: A number of interviewees discussed the importance of place-based working and leveraging their location and the sense of belonging to a place in fundraising. For example, the City of Culture was being leveraged as fundamental to Coventry's positioning and recovery post-pandemic. *The Coventry*

City of Culture Trust has worked in close partnership with multiple stakeholders to get ready for the city's year in the spotlight and to ensure the best possible legacy from the festival. It has collaborated on income generation from a variety of sources, the strategy being to scale up income in the run up to the City of Culture year, and to embed relationships with the existing community of cultural organisations so as to ensure the legacy of this fundraising effort (income in the year ended March 2021 was over £9m, while in the year ended March 2022 was £17m, both years in which the Covid-19 crisis had dominated). Overall, this effort has been anchored to a strategy of long-term place-based change. The Trust has also worked to ensure that the funds it has raised can leverage support for local organisations, a consequence of which has been to increase their fundraising capability. Along with supporting the development of fundraising skills among local community and arts and cultural organisations, the Trust has brokered relationships with trusts and foundations through 'Meet the Funder' Fairs, increasing their visibility. Others, such as *Grimm and Co*., were working in similar ways without such an opportunity. *The Photographers' Gallery* is likewise working with its local authority, Westminster City Council, on a Photographer Quarter to drive footfall back to the city centre post-Covid.

For some interviewees, location was discussed as a critical factor affecting access to philanthropic support, either because their touring activity gave them greater access to a wider pool of funding sources, or because their supporters felt a particular affinity for the place. In this respect, *York Museums Trust* reported that some of their individual supporters give because they feel an affinity with York, its history and character, even if they don't live nearby (or even in the UK).

The Power of Events: Several interviewees discussed how region or city-wide organisational milestones have been extremely effective in galvanizing fundraising. *Coventry City of Culture* leveraged Year of Culture to attract income from all sources, positioning the role of culture in Covid-recovery and capacity-building among local organisations, so as to transition the community of new donors into long-term funding relationships with continuing cultural organisations as part of the legacy.

Other interviews showed that the use of an organisational event can be similarly transformative. *The Photographers' Gallery* (TPG), for example, had planned carefully for its 50th anniversary, pivoting many of the fundraising activities that had been prepared so that they could operate under Covid restrictions. An array of Anniversary celebrations and special events were held, and the Gallery worked in partnership with Sotheby's on an auction of a series of exceptional works donated by prominent contemporary photographers, raising more than £100,000. The Gallery also martialled a body of Golden Editions from artists, special prints selected by each artist to reflect their relationship to the Gallery, releasing them monthly with all profits going back to the charity. TPG also launched a Name a Step campaign to commemorate individual contributions in the fabric of the building, soliciting donations of £2,500 to name a step in the Gallery's central stairwell.

The Power of Networks: Many of those interviewed discussed the importance of networks to all forms of fundraising, as has been highlighted above in the discussion of donor syndicates, viral and campaign-based fundraising and collaborative and place-based fundraising. Some highlighted the importance of artist networks in providing role models to fuel campaigns. Board members were discussed in similar terms, with clear examples of Board investment being used to demonstrate confidence in a fundraising campaign and leverage other local investment. *The Sunderland Music, Arts and Culture Trust* is a case in point. Since its founding, the Trust has actively pursued three priorities: the development of major infrastructure projects for arts and culture, the delivery, promotion and support of cultural activity, and the establishment of innovative governance structures in partnership with key civic players to create and deliver a cultural strategy for the city. It is within this last priority that the trust has proactively sought to leverage the power of networks, and especially the partnership with the University and the City Council, for the benefit of the city. A three-stage process saw the initial establishment of a Cultural Partnership, which in turn led to the development of a Cultural Strategy; this in turn yielded Sunderland Culture Limited, bringing together the key cultural assets of the city under a single strategic management. *The Sunderland Music, Arts and Culture Trust* has also leveraged business networks, with Trustees playing a leading role. The Trust has benefitted from annual donations from Leighton Management which have totalled £500,000 over the last seven years and a £3m loan facility from Leighton Management. The Chair of the Trust has also made a personal donation of £250,000. The Trust has used these leadership gifts, together with its delivery track record, to leverage investment from Trusts and foundations and public sector funders and in future is looking to establish a Philanthropy Network, members of which it can 'match-make' on projects that it will promote and evaluate.

Similarly, building and strengthening relationships with local communities encourages individual giving, as experienced by some of the case study organisations. For example, over the period of the pandemic, one focus for the *Birmingham Museums Trust* has been fundraising from the community. The Trust has used third party websites Just Giving and Crowdfunder to collect donations, and Donr to collect donations via SMS. Although it acknowledges that the engagement of community donors can be difficult to maintain, this is an area that the Trust will continue to look to develop in future as it feels that achieving a large number of small gifts from many people can be a more democratic way of gauging community value and is aligned to the future vision of the museums.

Considerations for Governance and Management

Beyond the discussion of the role of individual Board members to lead fundraising efforts, there was also some reflection among interviewees on appropriate governance models for fundraising. While those museum services that had moved to Trust status – such as in Birmingham and York – felt that this was a positive step, both emphasised the importance of continuing to work closely with the local authority, to position the museums within the cities as well as to navigate the complex responsibilities of managing infrastructure and collections that still wholly or partially belonged to the cities. The case for support was seen as a critical tool for fundraising, and some interviewees reported that creating this could sometimes be a complex and difficult task.

More interviewees reflected on the importance of data management to effective fundraising, and several had invested in transformative Customer Relationship Management (CRM) tools during the pandemic. For distributed organisations like the *Hampshire Cultural Trust*, a common CRM system across venues had been transformative in tracking how stakeholders operate across geographies. Likewise, stewardship was underlined as a key tool by a number of interviewees, as was a culture of fundraising within the whole organisation, particularly for organisations with smaller fundraising teams.

Finally, interviewees reflected on the importance of theories of change, a focus on outcomes and impact, and the capacity and interest of the organisation in building evidence behind impact stories. Several of those interviewed felt that this would be more important in the future, given increased competition for funding and additional scrutiny on organisations' credentials. *Coventry City of Culture* argued that its outcome-based approach offered it greater immunity to loss of funding during the pandemic than adopting an output-based approach. Meanwhile, organisations like *The Reading Agency* argued that their rigorous research and evaluation had been pivotal in securing a number of high-value partnerships. The charity pays attention to impact evaluation as this means that it knows its programmes work. It evaluates the impact of its work in a number of ways, including the structured evaluation of programmes, monitoring the reach of programmes, qualitative research with partners and programme beneficiaries and the ongoing review of external evidence to ensure that *The Reading Agency*'s work builds on the most up to date research. The charity actively publishes the evaluation it conducts, sharing the research that it coordinates to raise awareness of the difference that reading can make to everyone's lives.

5 Methodology

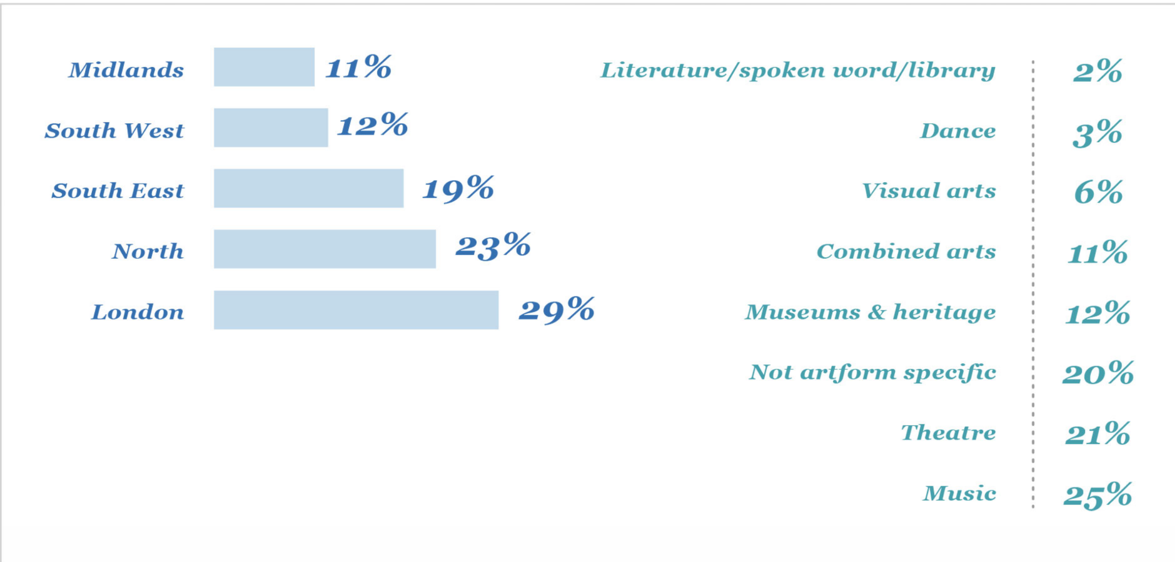
Key activities of the 2021 Private Investment in Culture Survey and analysis were undertaken in October 2021 – April 2022 and included:

1. Literature review and desk research – analysis of grey literature, articles, and precedents from the past three years of private investment in culture in England. Analysis of published research reports on fundraising trends and private giving in culture in England, the UK, and beyond to identify specific trends, case studies, and practices relevant to this study, including reports commissioned by ACE, philanthropic foundations, funder associations, sector associations and support organisations, research consortiums, and universities.
2. Collection and analysis of the publicly available financial data to build a baseline data universe of active not-for-profit arts and cultural organisations based in England. The financial data for the most recent three financial years (FY 2018/19; FY 2019/20; and FY 2020/21) was collated from the financial accounts submitted to the Charity Commission and from the National Portfolio Organisations' reporting provided by ACE, resulting in a dataset of 4,107 organisations. This presents an update on the relevant universe of organisations used in prior studies (2,094 relevant organisations in 2019 study and 2,874 in 2016 study) leading to an increase in cumulative figures. Therefore, comparisons of absolute numbers between this and previous iterations of PICS reports would not generate an accurate picture of change over time. However, comparisons of proportional breakdown of private income sources are possible and are presented throughout this analysis.
3. Distribution of an online survey to the not-for-profit arts and cultural organisations based in England. The survey was distributed from 29 November 2021 to 24 January 2022 via ACE and AEA communication channels to National Portfolio Organisations and CRF fund grantees; sector support organisations, networks and associations; funder networks and associations; philanthropic foundations; and online sector media. Over 500 organisations partially completed the survey. For the purposes

of this analysis, only fully completed responses were considered (237 responses). Due to a relatively limited size of the survey sample this iteration of survey did not extrapolate the survey figures to the full dataset across specific subsets, e.g. the calculation of “top 50” recipients of private giving or statistical analysis of some of the dataset subsegments.

4. Survey data analysis and extrapolation of results (where relevant) to the full financial dataset. Aggregate analysis of public financial data and survey results for three financial years (2018/2019, 2019/2020, and 2020/2021) and presentation in a summarised form of private investment in culture indicators by region, artform, and organisational size, as well as analysis of the breakdown of private investment sources. Weighing the response number against the full dataset of relevant organisations (4,107), we arrived at the following sample breakdown by region and artform (Figure 39).

Figure 39 **Data sample breakdown by region of England and artform**



5. Research and selection of qualitative case studies and qualitative interviews for deeper investigation of survey findings and trends observed through quantitative analysis and desk research.

6. Synthesized analysis of quantitative and qualitative data and reporting on findings through this report and a sector discussion event in May 2022.

Appendix: Glossary

Glossary of terms used in this report and the sector survey.

Cash Sponsorship

Monetary payment to a charity, social project or business in the form of cash, for which the sponsor receives a benefit, or a body of benefits, in return.

Charitable Trust and Foundation Grants & Donations

A charitable contribution from a trust or foundation, that has been legally set up as a registered charity to set aside their assets/income for charitable causes. Includes donations from institutional and family or private trusts and foundations.

Contributed Income

Cash or in-kind contributions to an organisation in the form of a donation (gift or grant) or sponsorship (in return for benefits). Excludes earned income.

Corporate Donations

A financial contribution made by a commercial entity.

Corporate Membership

A service by which corporate members offer unrestricted contributions to a charitable organisation in exchange for a range of benefits.

COVID-19 Recovery Funding

Funding received specifically to mitigate the impacts of COVID-19 on organisation's operations. This includes, but is not limited to, Arts Council England's Emergency Fund, UK government's Culture Recovery Fund; philanthropic foundations' recovery grants, etc.

Crowdfunding

Crowdfunding is a way for organisations to raise money by collecting small, individual contributions from a large pool of donors, including through online platforms and social networks.

Dynamism Investment Principle

Arts Council England's Dynamism Investment Principle is about responding to the challenges of the next decade. It means having a business model that is flexible and able to adapt to changing environments. It is about understanding the value you create for the communities you serve, whilst considering the needs of those you are yet to reach. For more information, please see this document: https://www.artscouncil.org.uk/sites/default/files/download-file/Dynamism_Essential_Read.pdf

Earned Income

Income derived from goods and services provided by the charitable organisation.

Gross Annual Income

Sum-total of income from all sources (Earned and Contributed Income combined).

In-kind Sponsorship

Goods or services provided by a sponsor (excludes financial contribution).

Inclusivity and Relevance

Arts Council England's Inclusivity & Relevance Investment Principle is a commitment to achieving greater fairness, access and opportunity across the cultural sector. For more information, please see this document: https://www.artscouncil.org.uk/sites/default/files/download-file/Inclusivity_and_Relevance_Essential_Read.pdf.

Individual Donations

A charitable donation from an individual in the form of money, goods or services.

Individual Giving

A financial contribution to a charitable organisation by an individual.

Individual Membership

A service by which individual members offer unrestricted contributions in exchange for benefits that are commensurate with the level of support.

Online Donations

Charitable contributions of funds made using online (web) platforms, i.e., mobile app giving and fundraising platforms (websites).

Stewardship

The process that happens after a donation is made or sponsorship is entered into. It involves managing gifts as donors intended, updating donors on the progress and impact of their gifts and easing donors into the ongoing cultivation process by keeping them involved in the organisation.

The 2021 Private Investment in Culture Survey was commissioned by Arts Council England and undertaken by AEA Consulting.

We are grateful to all participating organisations and individuals who contributed to this study.

Arts Council England appointed an Advisory Group to provide input towards methodology and analysis of this study. The members of the Advisory Group are:

Anna Rowe, Coordinator, New Philanthropy for Arts and Culture
Rosa Corbishley, Development Director, Bristol Beacon
David Johnson, Director of Strategy and Programmes, Cause4
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