



EAB

RESEARCH BRIEF

# Fundraising Structures at Institutionally-Affiliated Art Museums

# Advancement Forum

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# 1) Executive Overview

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## Key Observations

**Museum-based fundraising units typically employ between two and six staff members, including a development director and an administrative assistant.**

Three of five profiled art museums also hire assistant directors, managers of grant-writing, and managers of corporate and government relations in addition to development directors and administrative assistants. Contacts note that curators and museum directors apply their knowledge of art to build relationships with donors and assist with fundraising.

**Development staff in art museums report to the development director, who reports to the museum director.** Depending on the institution's organizational structure, museum directors either report to the provost or other members of the president's cabinet (e.g., vice president of special initiatives).

**Museum-based fundraising teams interact with central development offices through monthly or quarterly meetings, and meet weekly with development officers to discuss specific donors or gifts.** Museum-based development directors attend central development meetings to review campaign updates, strategic plans, and other university-wide fundraising initiatives. Because museum donors typically give to other areas of the institution (e.g., academic units, annual giving, scholarships), development directors in museums meet at least weekly with development officers to discuss donors in their portfolios.

**Museum directors seek candidates for development leadership roles who have both fundraising experience for arts/cultural organizations and an appreciation for art.** While degrees in fields like art and art history are beneficial for fundraising roles, museum directors explain that fundraising experience is more important than formal arts education. An ideal candidate would have previously worked in an art museum, but contacts note that fundraising for other areas of higher education (e.g., academic departments, annual giving), non-profits, or civic museums develops transferrable skills for art museum fundraising. Contacts state that an ideal candidate for a director-level role in art museum fundraising would possess at least ten years of professional experience in fundraising, and an ideal candidate for an assistant director or manager role would possess five-to seven years of experience in fundraising.

**Development directors cite emotional intelligence, listening skills, and attention to detail as valuable characteristics for museum-based fundraisers.**

These characteristics are especially beneficial for art museum fundraising because art museum donors tend to be more introverted and thus require more time to build relationships with development staff. Intellectual curiosity and a desire to learn are also helpful traits to assist museum-based fundraisers in developing knowledge of new exhibits and pieces in the museum.

**All contact institutions only have one museum board, and at four of five profiled institutions museum boards function as advisory councils and consist of the museum's principal donors.** Boards consist of between 16 and 40 members who meet to discuss strategic planning for the museum, new exhibits, campaigns, and other initiatives. Development directors, museum directors, and administrative staff help to plan and host biannual board meetings at the museums.

**Development directors evaluate metrics such as dollars raised, number of donors, and membership program renewals when assessing art museum fundraising.** However, directors do not establish fundraising goals aside from generating enough revenue to cover the museum's operating expenses, which amounts to \$1.3-\$2 million per year at profiled institutions. During campaigns or special initiatives, fundraising priorities for art museums may shift to specific areas (e.g., annual giving, endowing museum positions, creating new exhibits).

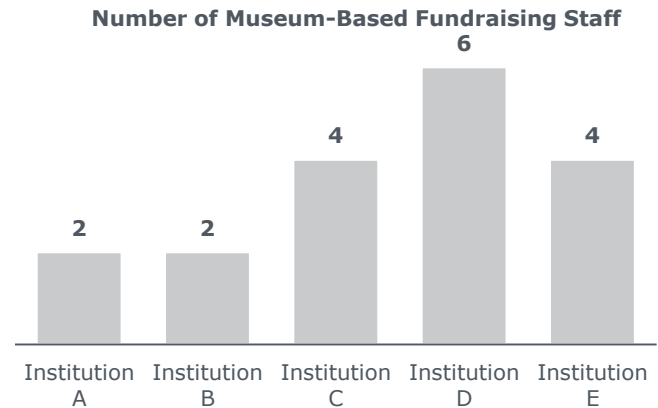
## 2) Organizational Structure and Staffing of Museum-Based Fundraising Units

### Fundraising Team Size and Reporting Structure

#### Between Two and Six Staff Members Comprise Museum-Based Fundraising Units at Profiled Institutions

Art museums affiliated with contact institutions employ between two and six fundraising staff members, including individuals in leadership roles (e.g., director of development, assistant director) and administrative staff (e.g., development assistant). While staffing levels vary

slightly by institution, all fundraising units consist of a director who oversees major gifts and an assistant who coordinates the museum's membership program. Four of five contact institutions hire a development director to manage fundraising specifically for the art museum; at **Institution B**, the interim director of the museum also supervises its fundraising operation. All museum-based fundraising staff report to the development director, who then reports to the director of the museum. Museum directors and curatorial staff members also apply their content knowledge to cultivate relationships with donors and secure major gifts.



#### Consider Hiring a Separate Staff Member to Oversee Grant-Writing and Corporate Relations

Depending upon the museum's reliance on government grants and corporate sponsorship for financial support, development directors recommend employing a staff member to manage grant-writing and relationships with foundations, corporations, and government entities. Manager of grants and corporate/government relations positions exist at art museums affiliated with **Institution C**, **Institution D**, and **Institution E**.

#### Manager of Grants and Corporate/Government Relations Responsibilities

**Position Description**

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- Write and edit grant proposals on behalf of the art museum
- Form fundraising connections with businesses and arts organizations to generate new sources of revenue for the museum
- Develop and maintain existing relationships with foundations, corporations, and government entities

Institutional development operations at contact institutions employ between 150 and 300 total staff members, including museum-based fundraising staff.

## Museum-Based Development Staff Correspond with Central Development Regarding Principal Donors

With the exception of **Institution A**, development directors at institutionally-affiliated art museums report to museum directors rather than to central development administrators at the university. However, museum-based development directors interact with central development through regular meetings, campaign initiatives, and donor cultivation and stewardship. The frequency of meetings for development staff across units (including art museums) ranges from monthly to quarterly at contact institutions. Museum-based development directors work closest with central development staff regarding major gifts (e.g., gifts over \$100,000). Development directors meet with development officers as needed to discuss specific donors and their priorities, which typically amounts to at least one meeting per week. Most major donors to the art museum also give to other areas of the university, which necessitates frequent communication between university development officers and museum-based development directors.

## Qualifications of Fundraising Staff

### Seek to Hire Staff with Previous Fundraising Experience and an Appreciation for Art

Development directors state that the ideal candidate for an assistant director or manager-level position would possess between five and seven years of fundraising experience in addition to a bachelor's or master's degree in art or art history. However, contacts also recognize that identifying candidates with all of these credentials is very difficult. The majority of mid-level development staff (e.g., assistant directors, managers of corporate relations) have at least five years of fundraising experience in other areas of higher education (e.g., annual giving, academic departments), at non-profits, or within arts/cultural organizations (e.g., civic museums, community arts organizations).

### Formal Education or Training in Art is Beneficial but Not Mandatory for Museum-Based Fundraisers

Contacts emphasize that fundraising staff in institutionally-affiliated art museums must possess a strong appreciation for art in order to build close relationships with donors. However, only about half of museum-based fundraising staff at profiled institutions have degrees and training in fine art, art history, or performing arts. The other half of fundraising staff studied humanities (e.g., political science, history) and have a functional understanding of art from working in museums.

Other fundraising staff (e.g., membership program coordinators, development assistants) typically possess at least three-to five years of experience working in administrative capacities, preferably at the same institution with which the art museum is affiliated. A bachelor's degree is not required, but the majority of staff in these roles have college degrees and the potential for promotion to assistant director and manager-level positions within museum fundraising.

### Prioritize Development Directors' Work Experience before Advanced Degrees and Credentials

Educational and professional backgrounds of museum-based development directors include art history doctorates, studio artists, curators, and fundraisers for non-profits and arts organizations. Directors share that advanced degrees and credentials are not as common or as necessary in museum-based fundraising as they are in other

areas of development (e.g., planned giving). However, development directors in museums typically have a broader knowledge of art than their staff, which helps increase directors' effectiveness in securing gifts from donors. Contacts state that a qualified candidate for a development director role in an art museum would have at least ten years of fundraising and development experience. An ideal candidate would have gained this experience in an art museum, but contacts explain that fundraising for civic museums, non-profits, and community art organizations helps candidates develop transferable skills to apply to art museum fundraising (e.g., the ability to speak to donors about gift impact, knowledge of pricing for exhibits and pieces).

### Consider Existing Team Dynamics when Recruiting New Staff Members



Development directors at art museums affiliated with **Institution D** and **Institution E** recommend prioritizing candidates' likelihood of balancing the traits and talents of work teams. While several candidates may be qualified for a position, certain characteristics or qualities (e.g., persistence, financial knowledge, optimism) could make a candidate more likely to work well with current team members. Because of the small size of museum-based fundraising teams and the close relationships they form with donors, team fit is even more important at art museums than in other development units.

### Key Qualities for Museum-Based Fundraisers Include Emotional Intelligence and Intellectual Curiosity

In addition to educational and professional qualifications, contacts note that certain personality traits and soft skills enable an individual to be a successful art museum fundraiser. Development directors and staff in an institutionally-affiliated art museum often form closer relationships with donors due to their shared appreciation for art. Additionally,

development directors explain that museum donors are typically more introverted and thus require more time to build relationships with development staff. For these reasons, it is important for development directors and staff to have strong emotional intelligence, listening skills, and attention to detail to manage donors' preferences and needs. Intellectual curiosity and a desire to learn are also useful traits to help museum-based fundraisers build knowledge of new or unfamiliar exhibits and pieces in the museum.

#### Seek Database Skills in Potential Candidates for Fundraising Roles

Museum-based development directors at **Institution C** and **Institution D** explain that analytical skills and the ability to work with multiple databases are beneficial for leaders and staff on fundraising teams. Art museum fundraisers at Institution C and Institution D interact with at least two database systems on a daily basis, including CRM tools through their central development offices and Raiser's Edge software to manage annual membership programs.



## 3) Museum Boards and Assessment of Fundraising

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### Museum Advisory Councils and Governing Boards

#### Boards Serve Only in Advisory Capacities at Four of Five Profiled Art Museums

At every contact institution except **Institution E**, museum boards function as advisory councils. Each museum only has one board, typically comprised of the museum's principal donors, including three university trustees at **Institution D**. The museum board at an art museum affiliated with Institution E serves as a governing board and is responsible for approving the museum's annual budget. However, the museum is a non-profit organization separate from Institution E, although they receive a small amount of funding (about ten percent of their operating budget) from the institution. The governing board at the art museum affiliated with Institution E is divided into four committees: a development committee, nominating committee, campaign committee, and an ad hoc committee for special projects (e.g., campaigns, centennial celebrations).

#### ▶ **Involve Board Members in Strategic Initiatives and Special Projects**

At **Institution C's** art museum, advisory council members also assist with special initiatives for the museum. For example, three board members are interested in developing the art museum's communication strategy, so they meet with the Director of Communications between three and four times per year.

#### Designate a Staff Member to Manage Administrative Aspects of Meeting-Planning

Development directors and administrative staff work closely with the boards to plan their bi-annual meetings. Development directors serve as board members' liaisons to the museum throughout the year and lead the meeting-planning processes. Directors communicate with board members and oversee planning tasks such as hotel reservations and transportation. However, development assistants, assistant directors, and event specialists also help organize board meetings. Typically museum directors will designate one staff member to manage the administrative functions of coordinating board meetings such as arranging for catering, printing agendas, and planning networking events for board members.

## Division of Responsibilities for Planning Board Meetings

### Development Director



- Reserve hotel rooms for board members
- Arrange transportation to and from meeting sites
- Work with museum director to develop meeting agenda
- Send meeting invitations and correspond with board members

### Administrative Staff Member



- Create menus and arrange for catering
- Print copies of agenda and other materials, including meeting binders
- Serve as a point-person for the meeting to assist board members with logistical issues

## Fundraising Performance Metrics

### Evaluate Dollars Raised, Number of Donors, and Membership Renewals to Assess Museum Fundraising

Performance metrics are similar across all development units at contact institutions, including institutionally-affiliated art museums. Common metrics that administrators assess include dollars raised, number of donors, and membership program renewals. Development directors in museums do not set specific goals for fundraising aside from raising the funds needed

to pay for museum operating expenses. During campaigns or special initiatives, fundraising priorities for art museums may shift to focus on specific areas (e.g., annual giving, endowing museum positions, creating new exhibits). For example, all development units at **Institution B** are engaged in a capital campaign, so development administrators at Institution B's art museum dedicate all donations towards constructing a new museum facility.

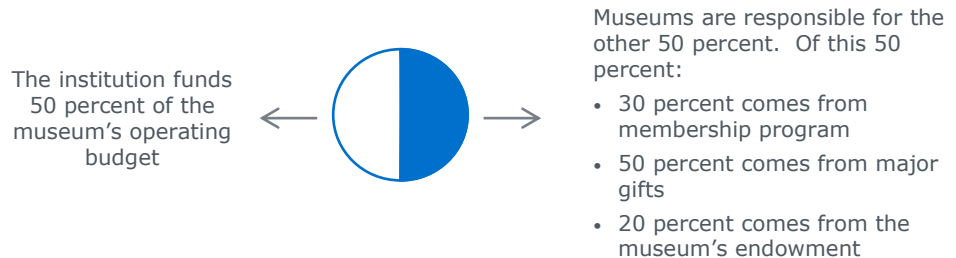
#### Museums Do Not Evaluate Development Staff Based on Fundraising Performance

While directors in museum-based major gift units consider employees' contributions towards metrics and goals in their annual evaluations, directors do not tie fundraising metrics directly to staff performance. Because most art museum donors also give to other areas of the university (e.g., the annual fund, academic departments, scholarships), development officers in those units receive credit for securing the donations. Therefore, contacts explain that connecting fundraising metrics to museum-based development staff performance would not be fair or accurate.

## Museum-Based Fundraising Units Raise between \$1.3 and \$2 Million per Year

Development directors report that their primary goal in fundraising is to generate sufficient revenue to account for the museums' operating expenses. This revenue goal ranges from \$1.3 to \$2 million at profiled institutions. Institutionally-affiliated art museums receive up to 50 percent of their total funding from the university, and the remainder of their revenue is from major gifts, membership programs, and the museum's endowment<sup>1</sup>. Revenue from membership programs at art museums typically accounts for approximately 20-30 percent of museums' annual fundraising proceeds.

### Sample Budgeting Structure for an Institutionally-Affiliated Art Museum



1) Development directors are unable to share specific information about the museums' endowments. The Research Methodology section at the end of this report includes the museums' endowment income, which we gathered from publically-available financial reports for 2013-2014.

## 4) Research Methodology

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### Project Challenge

Leadership at a member institution approached the Forum with the following questions:

- What is the size and reporting structure of the overall development function at contact institutions?
- What is the size and reporting structure for museum-based major gift staff at contact institutions?
- What responsibilities do museum-based major gift staff members assume within the overall advancement function at profiled institutions?
- How many staff members comprise the administrative and development unit(s) within the museum administration at contact institutions? What are the different staffing levels for these units?
- What mechanisms exist to foster collaboration between museum-based major gift staff and other development officers with the overall development function at contact institutions?
- What relationship and responsibilities does the museum-based major gift team have with museum board(s)?
- How many board(s) do museum-based major gift teams typically staff at contact institutions? Which board(s) are not staffed by major gift officers?
- What other administrative staff also support the board(s)? In what capacity do they provide this support?
- What educational backgrounds, credentials, and/or certifications do museum-based major gift staff members currently possess? Which does the leader(s) of a museum-based major gift team currently possess?
- What educational backgrounds, credentials, and/or certifications would museum-based major gift staff members ideally possess? Which would the leader(s) of a museum-based major gift team ideally possess?
- What experiences or other general qualifications do museum-based major gift staff members currently possess? Which experiences does the leader(s) of a museum-based major gift team currently possess?
- What experiences or other general qualifications would museum-based major gift staff members ideally possess? Which experiences would the leader(s) of a museum-based major gift team ideally possess?
- Which metrics or key performance indicators are used to evaluate staff performance in the overall development function at contact institutions? Which are used specifically within museum-based major gift units?
- Which metrics or key performance indicators do contacts use to assess the contribution of museum-based major gift units to institutional advancement objectives?
- How much money was raised for the art museum during the last fiscal year? What percentage of dollars raised came from membership revenue versus philanthropic donations?
- What is the size of the art museum's endowment? How does the size of the art museum's endowment compare to profiled institutions' total endowment?

## Project Sources

The Forum consulted the following sources for this report:

- EAB’s internal and online research libraries (eab.com)
- The Chronicle of Higher Education (<http://chronicle.com>)
- National Center for Education Statistics (NCES) (<http://nces.ed.gov/>)
- Art museum websites

## Research Parameters

The Forum interviewed development directors at art museums affiliated with colleges and universities in the U.S.

### A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment (Undergraduate/Total)	Classification	Art Museum Endowment Income (2013-2014)
<b>Institution A</b>	Northeast	14,300 / 21,700	Private, Research Universities (very high research activity)	\$892,680
<b>Institution B</b>	Northeast	4,300 / 6,300	Private, Research Universities (very high research activity)	N/A
<b>Institution C</b>	South	6,600 / 15,900	Private, Research Universities (very high research activity)	\$467,616
<b>Institution D</b>	Northeast	5,400 / 8,100	Private, Research Universities (very high research activity)	\$6,191,000
<b>Institution E</b>	South	4,900 / 7,800	Private, Research Universities (very high research activity)	\$1,773,109