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

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

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

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

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

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

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

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

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

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

All the best as you digest this passionately inspired document. We hope donor communities will blossom, that a culture of philanthropy will take root and that innovation and artistic leadership will flourish. Montréal and its citizens will be richly invigorated.
WHY UNDERTAKE THIS STUDY AND HOW IS IT DISTINCT FROM OTHERS?

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

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

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

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

HOW IS PHILANTHROPY DEFINED IN THIS REPORT?

Philanthropy has typically been defined by consultants and managers in terms of ideal values and practices that have been standardized within professional accreditation programs. This study makes use of this idealized code inherent in much of North American philanthropy, in order to understand possibilities for philanthropy in Montréal.

Of course, the mandated closures starting in March 2020 during the COVID-19 pandemic required a change in tactics at least for a period of time, but based on preliminary impressions, these principles of philanthropy remain.

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

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

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

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

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

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

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

For the quantitative data, we focused on clients of the CAM: performing, producing and presenting arts organizations, festivals of all kinds as well as artist-run centres, some museums, some publishing firms and professional associations. We also linked grants from the CAM and the Ministry of Culture and Communications (MCC) to data from Canada Revenue Agency (CRA) to reveal trends across disciplines in the field.
WHAT IS NOT INCLUDED IN THIS REPORT?

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

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

WHAT HAS BEEN CURRENT PRACTICE IN MONTRÉAL?

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

BENEFIT EVENTS

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

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

Networks of reciprocal relationships provided by board and committee members reinforce a search for donors who are obligated through business connections to attend events. This creates an ecosystem of support that is separate from the community affiliated with the specific mission of the organization and is lost when an individual leaves the organization. However, attendance at benefit events provides people with a generic feeling of being donors to the arts. While there are business donors who have an interest and knowledge of the artistic mission, the network approach involves a quid pro quo marketing culture rather than a relational and philanthropic culture. However, some large institutions have a goal of furthering guests’ connections to the mission by integrating staff and artists before, during and after the gala. The philanthropic evolution of galas post-COVID-19 could be strategic.

ANNUAL CAMPAIGNS

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

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

DONOR CLUBS

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

Public recognition for donors is essential to encourage others to join. Several organizations do list names in programs and on walls as well as providing links to the art with benefits like privileged access to ticket sales, artists and curators.
Asking for a donation is essential to the process of evolving philanthropy. But a fear of asking predominates, particularly asking those who are close to the organization, including artists. This inhibits the development of relationships and a community. Not asking ruptures the philanthropic relationship.

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

CROWDFUNDING

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

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

CAPITAL FUNDS

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

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

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

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

CULTURAL COMMUNITIES AND GIVING TRADITIONS

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

BOARDS OF DIRECTORS

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

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

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

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

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

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

➢ Write a case for support that explains the role of the organization, its art-making and other social purposes to motivate donors who want to make a difference in society. What impact is provided by the organization? Key people in the organization can evolve this argument in response to donors over time. This tool becomes even more strategic in times like the closures in COVID-19 when potential donors are not able to experience the art directly.

➢ Start conversations directly with all kinds of individuals to evolve their commitment. Make use of relationships that already exist with the organization. Conversations can occur in person in the theatre, concert hall and exhibition spaces, in recognition events, through social media, other communications media and by mail. Explaining the need for a donation in these conversations is essential.

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

➢ Recognize donors and their gifts by placing names in programs, on websites and on walls. These lists clearly state who belongs to the donor community and what their relationship is with the organization. They invite others to join.

➢ Hold little recognition events for committed and potential donors, even online, and expend less organizational energy on gala events unless they can enable long term relationships with the organization. Analyze both direct and overhead costs for benefit events to understand their real contribution to the organization’s well-being. There may be other reasons than financial benefit, but the toll on staff needs consideration.

➢ Develop ticketing and donor-focused data that work together. Prioritize data analysis in order to document, understand and strategize how an individual’s relationship develops with the organization. During COVID-19 donor databases were the primary means for understanding relationships. Some organizations significantly developed their databases at this time. Governance and privacy as well as accuracy are important factors to consider when managing data.

➢ Train board members to embrace philanthropic culture including commitment to donations of personal consequence. Personal gifts from board members demonstrate their real connection to the organization. This expands an understanding of their governance responsibilities.

➢ Explain and model a philanthropic culture: everyone in the organization donates and provides leadership in their part of the community. As well, elevate the role of those responsible for philanthropy in the strategic planning of the organization. COVID-19-related loss of earned revenue elevates this priority.

➢ Recognize donors and their gifts by placing names in programs, on websites and on walls. These lists clearly state who belongs to the donor community and what their relationship is with the organization. They invite others to join.

➢ Hold little recognition events for committed and potential donors, even online, and expend less organizational energy on gala events unless they can enable long term relationships with the organization. Analyze both direct and overhead costs for benefit events to understand their real contribution to the organization’s well-being. There may be other reasons than financial benefit, but the toll on staff needs consideration.

➢ Develop ticketing and donor-focused data that work together. Prioritize data analysis in order to document, understand and strategize how an individual’s relationship develops with the organization. During COVID-19 donor databases were the primary means for understanding relationships. Some organizations significantly developed their databases at this time. Governance and privacy as well as accuracy are important factors to consider when managing data.
Develop management skills to lead organizational change, to develop philanthropic relationships and to motivate communities of support. Each organization that embraces this change will contribute to the development of a culture of arts philanthropy in Montréal.

Engage with volunteers to evolve their connection with the organization. Donating time is valuable and appreciated by everyone. However, donating money as well implicates volunteers into the organization’s culture of philanthropy even further.

Teach philanthropic values, process and skills to artists who might become philanthropic professionals in the arts milieu. Committed to the vitality of the sector and its conditions, their loyalty and insights will benefit its philanthropic development.

**WHAT ACTION MIGHT EMERGE FOLLOWING THIS REPORT?**

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

Annexes also provide definitions and further reading. Embedded in the report are short case studies that are elaborated in the annexes. As well, there is a list of future research projects that may reveal other arts philanthropy dynamics, both in the short term and over time.

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