

CONTEXT, COMMUNICATION, AND THE ORGANIZATION-DONOR RELATIONSHIP:  
TOWARDS A CRITICAL FRAMEWORK FOR UNDERSTANDING PHILANTHROPY  
IN THE ARTS

by

WILLIAM WEBB ROBERTSON

JASON BLACK, CO-CHAIR  
KARLA GOWER, CO-CHAIR  
BETH BENNETT  
SUZANNE HORSLEY  
HANK LAZER

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## ABSTRACT

This research was a mixed method, multiple case study of four small nonprofit arts organizations in Birmingham, Alabama. This study focused on small organizations for several reasons. First, their contributions to the cultural ecology of the community are highly significant and disproportionate to the modest resources they require. Second, justifications for arts funding are complex because they are based on a combination of intrinsic and instrumental benefits of arts participation. Third, the sector faces intense competition and a declining funding base. Finally, while small organizations dominate the nonprofit arts sector, there is a paucity of research in this area.

There were four aspects of this study: explicating context, text analysis, in-depth interviews, and a co-orientation study. The literature review provided context necessary to understand the complexities of the nonprofit arts sector, how it is organized in society, and peculiarities of the arts economy. The text analysis investigated the use of various persuasive strategies in fundraising letters. The in-depth interviews investigated the perceptions of fundraisers and donors regarding intrinsic and instrumental benefits of arts participation. The co-orientation study investigated the organization-donor relationship along a series of relationship dimensions, cultivation strategies, and stewardship strategies.

The text analysis showed that the fundraising letters were largely expository in nature, focusing on the programs offered and the number of individuals served. The use of persuasive strategies was quite constrained. The text analysis guide developed for the study compiled

research from a variety of disciplines and may serve as a template for fundraisers wishing to craft effective arts funding appeals.

The in-depth interviews identified donor and fundraiser perceptions regarding the benefits of arts participation, which pro-arts funding arguments were thought to be efficacious, what challenges small arts organizations face, who the beneficiaries of donations to the organization might be, and the reasons donors support the arts. Donor and fundraiser perceptions were also categorized along the arts benefits continuum proposed by McCarthy and colleagues (2004). Donors identified an extremely wide range of intrinsic and instrumental benefits, which suggests that typical justifications for arts funding might be unnecessarily constrained. The benefits identified in this study should help expand the discourse of arts philanthropy.

The co-orientation study is methodologically significant because it is the first time co-orientation theory has been used to investigate the organization-donor relationship in the nonprofit arts context. Further, the co-orientation study was not conducted via survey; rather it was incorporated into the in-depth interviews. As a result, the co-orientation study generated rich qualitative data that otherwise would not have been available. Finally, the study showed that donors and fundraisers were in a high state of agreement along the relationship dimensions, cultivation strategies, and stewardship strategies.

## DEDICATION

To Mae

Without your love and support, this would not have been possible.

I am forever grateful.

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## CONTENTS

ABSTRACT .....	ii
DEDICATION .....	iv
ACKNOWLEDGMENTS .....	v
I. INTRODUCTION .....	1
The Nonprofit Arts Sector in the United States.....	5
The Challenge of Crafting Persuasive Arguments in Favor of Arts Funding.....	8
Fundraising and the Management of Donor Relations.....	9
The Purpose of the Study .....	10
The Significance of the Study .....	14
II. LITERATURE REVIEW .....	18
Origins and Orientation of the Nonprofit Sector in the United States ..	20
Public Confidence in Nonprofit Organizations .....	23
Social Critical Theory of Philanthropy.....	26
The Discourse of Marketized Philanthropy.....	27
Sociological Theories of Art.....	28
The Art World: Andy Warhol and Changing Ideas about Art .....	30
Institutional Theories of Art .....	31
Institutional Pragmatism.....	34
The New Institutionalists.....	38
Theory of the Artistic Field .....	41
Actor Network Theory .....	45
Art as a Social System.....	49

Key Characteristics of Art Distribution: Economic, Political/ Judicial, Social, and Educational Conditioning Factors .....	55
Economic Conditioning Factors .....	56
Political/Judicial Conditioning Factors .....	59
Social Conditioning Factors .....	65
Educational Conditioning Factors .....	67
Understanding Distribution in the Nonprofit Arts Sector .....	69
Observations and Perspectives from Cultural Economics.....	76
The Nonprofit Arts Sector in the United States: Structural, Measurement, and Methodological Issues .....	86
Origins and Orientation of Arts Funding in the United States .....	89
“Leverage Lost” .....	91
Government Funding for the Arts: Public Opinion and Issue Salience .....	92
Making the Case for Arts Funding: The Intrinsic and Extrinsic Benefits of the Arts.....	93
Economic Impact Arguments .....	95
Individual Benefits of the Arts .....	99
Social Benefits of the Arts.....	102
A Conceptual Framework for Understanding the Benefits of the Arts .....	104
Direct Mail Fundraising Letters as a Discursive Genre.....	106
Co-orientation Theory of Public Relations.....	112

III. METHOD.....	117
Descriptions of Participating Organizations.....	117
Space One Eleven.....	117
Alabama Moving Image Association.....	119
The Children’s Dance Foundation.....	120
City Equity Theatre.....	122
Identifying the Study Population.....	124
Characteristics of Qualitative Research.....	127
Qualitative Text Analysis.....	128
Determining an Approach for the Text Analysis of Direct Mail Fundraising Letters.....	130
Developing the Qualitative Text Analysis Guide.....	133
The Process of Analyzing Direct Mail Fundraising Letters.....	135
In-depth Interviews.....	136
The Interview Process.....	138
Coding and Analysis.....	140
Readability, Validity, and Generalizability.....	141
Co-orientation Study.....	144
Measuring the Organization-Donor Relationship.....	145
Dimensions of the Organization-Public Relationship.....	147
Control Mutuality.....	147
Satisfaction.....	147

Trust.....	148
Commitment.....	148
Relationship Variable Types .....	149
Stewardship Strategies.....	150
Reciprocity .....	150
Reporting.....	150
Responsibility .....	151
Relationship Nurturing .....	151
Relationship Cultivation Strategies .....	152
Access.....	153
Positivity.....	154
Openness .....	154
Sharing Tasks .....	155
Networking.....	156
Assurances.....	156
Keeping Promises.....	157
Study Population and Sampling .....	160
Developing the Co-orientation Study Interview Guide.....	161
Reflexivity and Position Statement.....	164
IV. RESULTS .....	169
Qualitative Text Analysis.....	169
Direct Mail Fundraising Letter Analysis .....	171
Persuasive Strategies (social cues).....	171

Persuasive Strategies–Logos .....	172
Persuasive Strategies–Ethos .....	173
Persuasive Strategies–Pathos .....	173
Persuasive Strategies (graphic).....	176
Establish the Legitimacy of the Cause .....	177
Signals to Resolve Principal-Agent Issues .....	178
Convince the Reader to Open the Envelope.....	182
Activate an Emotional Response.....	183
Persuade the Reader Not to Free-Ride .....	184
Provide a Warm Glow Related to Making a Donation.....	185
Facilitate Giving .....	186
Seven-move Genre Structure.....	186
Individual Benefits of the Arts .....	190
Instrumental Benefits of the Arts.....	191
Non-user Benefits .....	192
Readability.....	193
Qualitative Text Analysis Summary .....	194
In-depth Interview Analysis .....	201
Benefits of Arts Participation .....	201
Pro-arts Funding Arguments .....	212
The Challenges NAOs Face .....	217
The Beneficiaries of Donations to the Participating NAOs.....	221
Reasons Donors Support the Arts.....	224

In-depth Interview Analysis Summary.....	226
AMIA Co-orientation Study Analysis.....	228
CDF Co-orientation Study Analysis.....	235
CET Co-orientation Study Analysis.....	241
SOE Co-orientation Study Analysis.....	246
Co-orientation Analysis Summary.....	252
Research Questions.....	254
Text Analysis.....	254
In-depth Interviews.....	276
Co-orientation Study.....	286
V. DISCUSSION.....	288
Context.....	290
Qualitative Text Analysis.....	293
In-depth Interviews.....	296
Co-orientation Study.....	301
Implications for Communication Scholars Interested in Arts Philanthropy.....	306
VI. CONCLUSION.....	312
Limitations of the Study.....	315
Recommendations for Future Research.....	317
REFERENCES.....	322
APPENDICES.....	347
A LETTERS OF SUPPORT.....	347

B FUNDRAISING LETTERS ANALYZED IN THE STUDY .....352

C TEXT ANALYSIS GUIDE WITH RESULTS AND THE  
 READABILITY SCORES .....384

D THE ARTS BENEFITS CONTINUUM .....402

E IRB LETTER OF APPROVAL.....404

F SAMPLE INFORMED CONSENT FORMS (DONOR  
 AND FUNDRAISER) .....406

G IN-DEPTH INTERVIEW SCHEDULE AND DESCRIPTION...411

H IN-DEPTH CODE LIST WITH RESULTS .....413

I CO-ORIENTATION STUDY RESULTS .....418

J SAMPLE REQUEST FOR PARTICIPATION LETTERS.....430

K INTERVIEW GUIDE (DONOR AND FUNDRAISER) .....434

L INDICES OF RELATIONSHIP DIMENSIONS,  
 CULTIVATION STRATEGIES, AND STEWARDSHIP  
 STRATEGIES .....441

# CHAPTER I

## INTRODUCTION

The present research was a mixed method, multiple case study of four small nonprofit arts organizations (NAOs) in Birmingham, Alabama (Space One Eleven, The Alabama Moving Image Association, City Equity Theatre, and The Children’s Dance Foundation), focused on the context in which these organizations exist, the unique communication challenges they face in the pursuit of philanthropic support, and the relationship between individual donors and the management of the organizations they support. Brooks (2006) noted that a distinctive feature of NAOs is that they rely heavily on individual donations (and volunteering) and less on government funding and contracts than their counterparts in other nonprofit fields. Thus, this study focused on individual donors and their relationships with fundraisers. Further, small organizations were the subject of this research because unlike other nonprofit fields (e.g., healthcare, education), which are dominated by large institutions, the nonprofit arts sector is populated primarily by small, less institutionalized organizations (DiMaggio, 2006). Further, even though small NAOs operate with extremely modest resources, they tend to drive innovation across the sector. As such, DiMaggio (2006) has called for increased research among small NAOs, “If we want to grasp the dynamism of the nonprofit sector in the arts and culture, we must focus on the less well-institutionalized portions of the organizational universe from which new functions and future directions continually emerge” (p. 454).

The goal of this study was to provide a critical framework for understanding NAOs and their function in society, how they understand and communicate the need for financial support, and the management of the organization-donor relationship. To accomplish these goals, this

study utilized two research methods. The first was a qualitative text analysis of direct mail fundraising letters investigating discursive move structures, persuasive strategies, narratives, recurrent themes, and graphic elements fundraisers employed in their efforts to construct compelling arguments for arts funding.

The second method included a series of in-depth interviews with both individual donors and fundraisers. Interviews depicted the following aspects of arts funding: organization-donor relationship, donor cultivation, and stewardship strategies from the perspective of co-orientation theory. Additionally, the in-depth interviews were designed to broaden knowledge concerning the guiding values, beliefs, and perceptions of both individual donors and the organizations participating in this study. It is important to note that this study did not seek to generate statistically generalizable results. It did, however, strive to produce *naturalistic generalizations* that might prove helpful to communication scholars interested in arts philanthropy as well as fundraising practitioners (Melrose, 2009).

The nonprofit arts sector in the United States is highly complex and differs from other sectors in the nonprofit world in significant and defining ways. Thus, this research provided a comprehensive assessment of the historical, situational, and structural context of both the nonprofit sector as a whole, and the nonprofit arts sector specifically. In other words, to fully understand the economic and social circumstances in which the participating organizations exist, it was necessary to contextualize them within the nonprofit sector broadly and to identify key characteristics unique to the nonprofit arts sector. A brief discussion of the nonprofit sector follows below. A more thorough discussion of this topic can be found in the literature review section of this study.

The nonprofit sector is an important aspect of the social and economic fabric of the United States that is distinguished from the for-profit and governmental sectors in several ways. According to Lohmann (1992), nonprofits are voluntary organizations that exist to pursue a variety of communal goals or missions, such as providing healthcare, addressing poverty, improving education, eradicating hunger, supporting religious organizations, attending to environmental concerns, and promoting the arts. The mission-oriented work of nonprofits generates social capital (a variety of benefits derived from social relations), which in this case manifests as the willingness of individuals to pursue collective activity to address communal problems. Typically, individuals involved with nonprofits are not motivated by the prospect of personal financial gain; rather, participation is characterized by shared values and a commitment to the cause.

Skocpol (2003) argued that rectifying social ills and the pursuit of broadly democratic social programs (e.g., promoting the GI Bill of 1941, which provided housing and educational benefits for soldiers coming home from World War II) was traditionally the purview of membership organizations (such as Freemasons, the American Legion, etc.) that flourished in the United States until the 1960s. Often the programs promoted by membership organizations were intended to provide aid to veterans and wounded soldiers as well as widows and orphans. However, by the 1960s, membership organizations began to be viewed in a negative light, which Skocpol (2003) suggested was largely because they were segregated by race and sex—values that were inconsistent with the social movements of the time (e.g., the movements for racial and gender equality). In their place, a new generation of more narrowly focused, professionally managed organizations proliferated and assumed the responsibility for addressing a host of social problems. These newly founded nonprofits were typically cause- or rights-based organizations

that came into existence to address a specific social problem and were managed by a young, increasingly well educated, and highly motivated generation—the baby boomers.

While business models among nonprofits differ widely, with some organizations generating significant earned income, all nonprofits require a variety of donated financial, human, and capital resources. Thus, resource development, or the cultivation, acquisition, and retention of donors, is essential to organizational viability. Over the past decade, the nonprofit sector in the United States has grown exponentially. According to the National Center for Charitable Statistics (2011), between 1998 and 2008 the nonprofit sector grew from 1.1 million to 1.5 million organizations, for an increase of 30%. During this same period of time, charitable foundations grew by 60%, from 70,000 to 115,000. According to Independent Sector (2011), the nonprofit sector employed 12.9 million individuals, accounted for 9.7% of the American economy, and generated \$307.65 billion in revenues.

Recent research by the Urban Institute (2012) showed that growth in the nonprofit sector continues at a remarkable rate, but donations have not kept pace with this growth. Between 2000 and 2010, the nonprofit workforce increased by two million people, or 17%, and during the same period the number of registered charities increased by 46.5%. However, over the past decade, giving as a share of the national income has actually declined. In essence, increased competition and declining funding patterns present serious challenges for the nonprofit sector as a whole and a particularly vexing set of problems for the nonprofit arts sector specifically. While it is difficult to overemphasize the significance of the Great Recession (the global economic decline that began in December of 2007) as it pertains to the funding decline experienced by the nonprofit sector, it is important to note that public opinion of the nonprofit sector has also waned, in part, because of a series of high-profile scandals that have occurred over the past two decades, and an ever-increasing barrage of solicitations from across the nonprofit sector.

A central contention of this current study was that NAOs are unique among nonprofits because, unlike cause- or rights-based organizations that construct appeals for funding based on the intrinsic benefits of the causes they promote (e.g., providing food for the hungry, eradicating disease, improving education), NAOs typically find it necessary to focus on the extrinsic benefits of the arts (e.g., economic development, social cohesion, cognitive benefits derived from participating in the arts). This study purports that the reason for this conceptual and communicative difficulty is that the intrinsic benefits of the arts (e.g., pleasure, inspiration, engagement of the senses, heightened empathy, stress reduction) are thought to accrue for the individual rather than society at large.

Additionally, in recent years, funders have been inclined to measure the impact of the arts in overly simplistic economic terms (Madden, 2001; Seaman, 1987; 2003a; 2003b). A plethora of economic impact studies of the arts conducted over the past decade attests to this trend. Indeed, Americans for the Arts (2012), a Washington DC based arts advocacy organization, recently commissioned an art and economic prosperity report for Birmingham, Alabama, and Jefferson County. Hyper-competition across the nonprofit sector as a whole, and significant funding declines in the aftermath of the Great Recession, exacerbate current conditions for NAOs.

The remainder of this chapter will discuss the history and the current status of the nonprofit sector; the challenges all nonprofits face in the current fundraising environment as well as the specific challenges faced by NAOs; and the significance of donor relations. With these elements as a foundation, the chapter describes the study's purpose and significance.

### **The Nonprofit Arts Sector in the United States**

The first systematic federal funding for the arts occurred during the Cold War era and was typically in the form of State Department touring subsidies for major American symphony orchestras and ballet and opera companies. While federal funding for the arts was politically

controversial, it was justified as a means of promoting democratic values and American cultural vitality abroad. Further, it was deemed necessary in order to counter the effects of the Soviet Union's aggressive touring arts and cultural exchange programs. In essence, political leaders in the United States believed it was essential for American arts institutions to compete with their Soviet counterparts on the world stage. Public diplomacy was also seen as a means of countering Soviet propaganda that drew attention to the hypocrisy and harsh reality of racial discrimination in the United States (Kammen, 2000).

According to Kreidler (2000), beginning in the late 1950s, the Ford Foundation engaged in an aggressive, decades-long, \$400 million intervention to: (a) revitalize major arts nonprofits; (b) decentralize the arts infrastructure in the United States beyond major urban centers; (c) establish arts service organizations; and (d) stabilize music conservatories and visual arts schools. The primary funding innovation conceived by the Ford Foundation was the matching grant, which provides funding on the condition that the same amount or greater is raised from another source. The matching grant became a primary funding mechanism for both the National Endowment for the Arts (NEA), which was founded in 1965, and state arts councils, which were established as a condition of NEA funding in the late 1960s. In effect, the NEA would provide funding to state arts councils on the condition that they obtained similar funding from their state legislatures. In turn, state arts councils would provide artists and nonprofit arts organizations with funding, often in the form of matching grants. According to Kreidler (2000), the Ford Foundation's initiative was successful by any measure.

The NEA remains the governmental agency responsible for federal arts funding, which in the United States is relatively small; in addition, this funding has been on the decline since the onset of the Great Recession. For example, the 2010 budget was \$133 million, \$22 million below the 2009 allotment of \$155 million. By contrast, as NEA chair Rocco Landesman pointed out, Great Britain, which typically offers the lowest level of federal arts funding in

Western Europe, provides approximately \$900 million per year to support the arts. On a per capita basis, a comparable level of funding in the United States would amount to \$4.6 billion—or 34 times the 2010 NEA level of funding. According to Americans for the Arts (2011), even accounting for state and local arts funding, the total amount of governmental funding amounts to approximately \$700 million per year, a modest figure when compared with most European countries.

In sum, federal, state, and local arts funding is relatively modest in the United States compared to our European counterparts. Further, there is increasing competition for philanthropic dollars across the nonprofit sector, and funding levels in general continue to decline (The Chronicle of Philanthropy, 2012). Finally, nonprofit arts organizations compete with a host of cause and rights-based nonprofits, which are often viewed as more important than the arts, especially during an economic downturn. Thus, to compete effectively in the current environment, it is essential for nonprofit arts organizations to craft compelling justifications for funding and to manage donor relationships effectively.

For several reasons, challenges to the nonprofit arts sector are particularly acute in Birmingham, AL (the city in which the participating organizations for this study reside). First, there is intense competition across the nonprofit sector as a whole. Second, Birmingham has experienced considerable growth (and therefore competition for funding) in the arts sector over that past decade. Third, Birmingham has experienced a series of financial crises, including the bankruptcy of Jefferson County, which has led to a sharp and sudden decline in arts funding from governmental sources. In addition to these challenges, the nonprofit arts sector also faces significant and specific challenge related to definition, perception, and the importance of its role.

## **The Challenge of Crafting Persuasive Arguments in Favor of Arts Funding**

A central contention of this study is that nonprofit arts organizations are unique among nonprofits because they are not fundamentally cause- or rights-based entities. As a result, justifications for funding tend to evoke instrumental or extrinsic benefits of the arts, such as the arts as a tool for economic development (Currid, 2008; Florida, 2002) or as a means of promoting social cohesion (Grams & Warr, 2003). By contrast, the intrinsic benefits of the arts are generally not believed to be sufficiently compelling, because they can be difficult to describe and are thought to accrue for the individual rather than to society at-large.

Furthermore, in recent years, the arts have been increasingly viewed as a potential catalyst for neighborhood revitalization and thus as a tool for economic development—benefits that may in some cases be real, but nevertheless are fundamentally extrinsic to the arts.

On one hand, cause- and rights-based organizations are able to argue for support without having to conflate a variety of extrinsic benefits in their appeals. In other words, funding appeals for organizations that exist to eradicate disease, improve education, feed the hungry, provide for the poor, promote gay rights, or help victims of a natural disaster, have a relatively straightforward communication task. On the other hand, justifications for arts funding are significantly more challenging because they cannot rely simply on intrinsic arguments for support.

Beginning in the late 1950s, when the Ford Foundation embarked on its initiative to stabilize important arts institutions and to decentralize the nation's arts infrastructure beyond major cities, there was indeed an overarching arts mission, which was to provide greater access to the arts among the American polis. Since this initiative was successful, the argument that centers on expanding access to the arts is no longer especially relevant; meanwhile, no new, coherent sense of mission has emerged in recent years. Research suggests (Ivey, 2008) that the real challenges the nonprofit arts sector faces today are largely structural and based on questions

of sustainability, chronic undercapitalization, over-supply (in both production and infrastructure), declining funding, and the lingering effects of the Great Recession. Thus, crafting compelling arguments for arts support in the current environment presents extraordinary challenges.

### **Fundraising and the Management of Donor Relations**

The need to attract and maintain donor support is another significant concern. Fundraising literature is replete with anecdotal evidence concerning the importance of relationship management (Waters, 2007). While much of this literature is intended for fundraising practitioners, research investigating relationship management from a scholarly perspective has emerged in recent years. Indeed, Ferguson (1984) proposed that relationship management might provide a theoretical foundation for public relations. Until recently, public relations research has focused primarily on strategic communication (Waters, 2007). However, new relationship-centered approaches to public relations scholarship have increasingly gained prominence in the literature. For example, Waters (2006) and O'Neil (2007) argued that long-time donors tend to evaluate the organization-donor relationship favorably. These advances in public relations research have made it possible to evaluate relationships along the dimensions of effective relationship cultivation and maintenance strategies.

Relationship management scholarship is extending the prior work of two key research groups: Hon and Grunig and Bruning and Ledingham (Bruning & Galloway, 2003; Bruning & Ledingham, 1999, 2000; Hon & Grunig, 1999; Ledingham, 2001). Both groups are working to resolve a central issue in public relations research: how to effectively measure the contributions of public relations (Waters, 2007). Both Hon and Grunig (1999) and Bruning and Ledingham (1999, 2000) have attempted to measure dimensions of the organization-stakeholder relationship. While both groups have measured similar concepts, they have utilized vastly

different approaches to do so. In essence, the two approaches differ in the variables they measure to understand the nature of the organization-stakeholder relationship.

Hon and Grunig (1999) proposed a set of measures grounded in the interpersonal communication literature that measure the dimensions of a relationship an individual might experience with an organization. These indices measure the dimensions of *trust* (the degree to which an individual trusts an organization); *commitment* (how committed the individual is to the relationship); *satisfaction* (with the relationship); and *the distribution of power* (balanced or unbalanced).

Waters (2006, 2007) and O'Neil (2007) expanded this line of scholarship into the nonprofit sector by applying it to the organization-donor relationship. Initial results showed that there are differences between dissimilar types of donors and their relationship with an organization. Subsequent research utilizing co-orientation theory to test both sides of the organization-donor relationship has advanced the theoretical and practical understanding of the fundraising process (Waters, 2007). The current study expands upon the scholarship initially pursued by Waters (2006, 2007) by applying co-orientation theory to the investigation of the relationship between donors and nonprofit arts organizations. Further, the results of this study add to the theoretical understanding of the organization-donor relationship and provide practical advice for practitioners involved with fundraising for the arts.

### **The Purpose of the Study**

The purpose of this study was to add to the theoretical and practical understanding of: (a) the communication and persuasive strategies used in arts funding appeals; (b) the organization-donor relationship as well as the cultivation and stewardship strategies employed by nonprofit arts organizations; and (c) the degree to which the beliefs, values, attitudes, and interests of donors and fundraisers are aligned. A key aspect of this study was to investigate the

role of cultivation and stewardship strategies and how they affected both donor and fundraiser perceptions of the nonprofit-donor relationship.

According to Waters (2007), while the work of both of the above-mentioned groups is of scholarly significance (Bruning & Ledingham, 1999, 2000; Hon & Grunig, 1999), only the indices proposed by Hon and Grunig (1999) meet the methodological rigor required in social scientific research. As such, Waters (2007) utilized the indices developed by Hon and Grunig (1999) but acknowledged that they are not without fault. According to Waters (2007), Grunig (2001) and Hung (2005) developed a classification system of various cultivation strategies that was based largely on the work of Plowman (1996). However, Ki (2006) was the first individual to investigate how different cultivation strategies affected relationship dimensions as well as behavioral and attitudinal outcomes. Waters (2007) extended this line of scholarship by investigating cultivation strategies in the context of fundraising.

Another aspect of Waters' (2007) research that influenced this current study was that instead of examining the organization-donor relationship in the context of one organization, Waters employed a multiple-case approach, investigating three organizations. Waters (2007) noted that previous relationship management research investigated one organization and its relationship with one stakeholder group. For example, Ki and Hon (2005) investigated the relationship between students and administrators at the University of Florida. Waters (2006) also examined the organization-donor relationship of Operation Access, an organization that provides donated healthcare for the uninsured. However, Waters (2007) noted that, while these studies provided important insights, it was questionable whether they effectively captured the nature of the student-administration or organization-donor relationship, because the findings may have simply been an artifact of effective public relations work. Thus, to ensure that the research accurately measured the

organization-donor relationship, Waters (2007) developed a research protocol that measured relationships of three organizations at once.

Similarly, this current study investigated the organization-donor relationship of four small/mid-sized nonprofit arts organizations: Space One Eleven, the Sidewalk Film Festival, City Equity Theatre, and the Children's Dance Foundation. This multiple-case approach ensured that the relationship was actually measured and that the results were not simply artifacts of a specific organization.

It is important to acknowledge that this study was inspired to a large extent by the researcher's long-standing interest in the arts and the communication practices of nonprofit arts organizations, as well as his involvement with a 2003 cultural master planning process in Birmingham that was initiated in response to a specific set of exigencies that was believed to threaten the stability of the sector (Wolf, Keens, & Company, 2003). Additionally, the researcher has existing relationships with the participating organizations; and while it is essential to guard against any biases these relationships may introduce, these relationships facilitated access to fundraising materials, mailing lists, managers, fundraising personnel, and board members. A comprehensive reflexivity statement that fully describes the researcher's relationships with participating organizations can be found in Chapter III.

While there are no established guidelines regarding what constitutes the categories of giving, there are generally three types of giving: *annual gifts* (donors who provide relatively small gifts on an annual basis), *major gifts*, and *planned giving* (typically, funds bequeathed to an organization). According to Kelly (1998), gifts of \$10,000 and above should be considered major gifts because these are significant contributions that are not likely to be given in response to an annual direct mail campaign.

Previous public relations research investigating relationships has measured the stakeholder side of the equation. However, Waters (2007) argued that the organization-donor

relationship is clearly affected by the actions, opinions, and decisions of fundraisers and management. Thus, Waters (2007) posited that co-orientation methodology, as proposed by Broom and Dozier (1990), was ideal for measuring both sides of the organization-donor relationship. Co-orientation research design consists of four different measures: (a) an organization's view of an issue (as determined by the opinions and attitudes of decision-makers in the organization); (b) the public's view (or in this case, the donor's view) of the issue; (c) the organization's perception of the donor's view; and (d) the donor's estimation of the organization's view.

In co-orientation research, data are collected on all four measures, making it possible to determine if both sides are in agreement, if one side perceives agreement when it does not exist, or if both sides are accurate in their perceptions of one another. If there is misalignment in the perceptions of self and others, communication will be negatively affected. According to Dozier and Ehling (1992), "Misperceptions can lead to catastrophic actions whenever the dominant coalition sees agreement or disagreement when none exists" (p. 181). The current study advances the symmetrical approach proposed by co-orientation theory by measuring both sides of the nonprofit arts organization-donor relationship. However, because the donor population investigated in this study was small, an unrealistically high response rate would have been necessary to generate statistically reliable data from a survey. Based on past experiences, the participating organizations were not confident that their donors would respond to a survey request in sufficient numbers to derive useful data. As a result, this study investigated the organization-donor relationship, cultivation, and stewardship strategies by conducting a series of in-depth interviews with individual donors and fundraisers. Interviews included two staff members from each of the participating organizations, with the exception of CET, and four "significant" donors from each organization.

*A self-selected, purposive sample* of donors from each organization was established by consulting with the management of the participating organizations. This type of sampling process was employed based on recent research which suggested that increasingly nonprofit arts organizations focus their fundraising efforts on a relatively narrow band of upper-middle-class and wealthy donors (Brown, 2004). Effects of this fundraising trend are beyond the scope of this study. However, a thorough discussion of this topic can be found in the original research on the topic (Brown, 2004).

Based on a comprehensive review of the literature, there are no co-orientation research studies investigating the organization-donor relationship in the context of the arts. Thus, it is hoped that this study might provide helpful information for scholars seeking to conduct future co-orientation research in the nonprofit arts sector.

An additional purpose of this study was to better understand the beliefs, values, attitudes, interests, and motivations of individuals on both sides of the philanthropic equation. Specifically, it seeks to provide insights regarding how fundraisers and donors view their respective roles and responsibilities; which arguments for support they find compelling; and their respective assessments of the challenges facing of the nonprofit arts sector. Finally, it is hoped that this research will promote a theoretical and methodological framework for investigating fundraising in the arts from a communication perspective.

### **The Significance of the Study**

This study is significant in a number of ways. First, it provides a text analysis of direct mail fundraising letters generated by four nonprofit arts organizations to determine which persuasive strategies were used and the types of arguments for support they utilized. This is important because the participating organizations rely on their annual direct mail fundraising campaigns to generate significant income. Additionally, while the participating organizations provide remarkably robust artistic programming for the community, they are relatively small

and lack the necessary resources to systematically gather information, analyze it, experiment with different approaches, and test for the efficacy of various approaches to end-of-year letters.

As previously noted, competition in the nonprofit sector is increasing at a time when funding is on the decline. It is difficult in the current nonprofit environment to justify funding for nonprofit arts organizations because they compete with organizations promoting a vast array of social, healthcare-related, and environmental causes. Therefore, the development of more compelling arguments for supporting the arts is absolutely critical. Currently, there is little research investigating small and mid-sized nonprofit arts organizations, even though it is widely recognized that these organizations are at great risk of failure in the current economic environment because they lack sufficient cash reserves and endowments to ensure long-term stability.

Additionally, while it is generally recognized that arts organizations rely on arguments based largely on the instrumental benefits of the arts (i.e., economic impact, social cohesion), there are no systematic research studies investigating the efficacy of specific communication strategies employed by nonprofit arts organizations. Further, it is almost certain that different categories of arguments that focus on the multiple benefits the arts provide will have to be developed. Therefore, the goal of this investigation was to shed light on the different perspectives of fundraisers and individual donors in Birmingham so that nonprofit arts organizations in the area can craft future funding appeals that are both effective and aligned with the interests of funders.

This study provides a much-needed symmetrical research design to the investigation of organization-donor relationships in the context of the nonprofit arts sector. It evaluated the perception of relationships on both sides of the philanthropic equation—individual donors and fundraising decision-makers—for four nonprofit arts organizations.

Also, this study further tested Ki's (2006) indices for cultivation strategies in a different organization-donor setting, which might demonstrate the specific benefits of organization-donor relationships in the context of the arts. This study advances Kelly's (2000) indices of stewardship strategies by applying them to the nonprofit arts sector. Specifically, questions for the interview guide were based on Hon and Grunig's (1999) organization-donor relationship dimensions, Ki's (2006) indices for cultivation strategies, and Kelly's (2000) indices for stewardship strategies. At the present time, there are no research studies that investigate cultivation or stewardship strategies in the nonprofit arts sector. Further, the results from this study expand our collective understanding of the organization-donor relationship by asking fundraisers to evaluate their relationship with donors.

Public relations scholars investigating the stakeholder-organization relationship posit that antecedents establishing contact between the organization and individuals or various stakeholder groups typically initiate the relationship. In the context of fundraising, this antecedent might be a brochure, newsletter, or other printed material describing the organization, defining its mission, and discussing upcoming events. Once an interaction is established, various communication and behavioral cultivation strategies are employed to develop relationships with key stakeholders. These cultivation strategies stimulate the stakeholder's evaluation of the relationship along the four primary relationship dimensions (trust, satisfaction, commitment, and control mutuality), which, according to Ki and Hon (2007), correlate with attitudes and behaviors that promote a healthy relationship on both sides of the organization-public relationship.

According to Waters (2007), there is distrust between academic and public relations practitioners. Academics attempt to develop measures that help practitioners contribute to the organizations they represent in a meaningful way. Even though there is an impressive body of research showing that the cultivation and stewardship strategies employed by practitioners have

measurable and predictable effects, the profession largely disregards these data. Indeed, Ki showed the effects that different cultivation strategies have on how the organization-public relationship is evaluated. Further, Ki (2006) tested the impact of various cultivation strategies on the nonprofit-member relationship. Waters (2007) expanded Ki's (2006) research by investigating cultivation strategies across multiple organizations and on both sides of the philanthropic equation.

This current study brings much-needed scholarship to the nonprofit arts sector by focusing on the fundraising messages and relationship management, cultivation, and stewardship strategies utilized by small/mid-sized organizations. As previously noted, this sector faces unprecedented challenges and generally lacks the resources to evaluate the effectiveness of its fundraising messages or donor relation strategies. This study advances the theoretical understanding of cultivation and stewardship strategies by applying it to the nonprofit arts sector and provides actionable information to assist fundraisers in their relationship management efforts.

The study begins with a review of the relevant literature, followed by a description of the methodology and a presentation of the findings. It concludes with a discussion of the results.

## CHAPTER II

### LITERATURE REVIEW

This literature review provides an overview of several important bodies of literature that provide context and inform the theoretical and methodological underpinnings of this study. The review includes literature from the domains of communication, public relations, sociology, and cultural economics. The first section includes an overview of the origins and orientation of the nonprofit sector in the United States, which is important to this study because the nonprofit sector constitutes the economic milieu in which the participating organizations in this study exist. Additionally, section one explicates the historical evolution and the current challenges facing the nonprofit sector in the United States.

The second section of this literature review is a discussion of sociological theories of art (the Art World, institutional theories of art, the theory of the artistic field, actor network theory, and art as a social system), which describe and explain the complexities of art and how it is organized in society. While these theories describe the function of art in society and the peculiarities of arts economies in different ways, each provides critical insights as to how art is organized in society. As such, sociological theories of art provide essential context for the organizations participating in this study. Indeed, the researcher contends that, since the mid-1960s art sociologists have provided the only coherent, comprehensive assessment of art and its function in society.

Further, understanding how philosophical thinking about art has evolved over the past 50 years (especially in response to conceptualism) is important to this study because it highlights the complexities of art worlds, the unique function of art in society, and the often-peculiar discourse that arises from art. This study holds that a central conundrum affecting art in the post-

conceptualism era is as follows: If virtually any artistic production (regardless of skill, beauty, or aesthetic considerations) that possesses sufficient intellectual justification and is experienced in the proper context (e.g., an art gallery, museum, theatre, concert hall) can be construed as art, how does one effectively advocate for the arts to a broad constituency?

The third and fourth sections of this literature review discuss in detail the various economic, social, political, and educational factors that affect the distribution of art, as well as the origin and orientation of arts funding in the United States. All of the organizations participating in this study are materially involved with the distribution of art. However, they are involved with different forms of art and they operate with different business models. While some organizations generate significant earned income, they all rely heavily on charitable contributions. Thus, the origins and orientation of arts funding section discusses the history and current challenges facing the nonprofit arts sector as a whole and the participating organizations specifically.

The fifth section of the literature review is a discussion of the origins, accuracy, and efficacy of oft-used arguments in favor of arts funding. Specifically, this section explicates economic impact, individual benefits, and social benefits arguments. Section five also discusses direct mail fundraising as a coherent genre, with predictable functions and linguistic structures. Therefore, this section provides the intellectual background for the qualitative text analysis of direct mail fundraising letters conducted in this study.

The final section of this literature review pertains specifically to the co-orientation aspect of this study, which is incorporated into the in-depth interviews. This section discusses in detail the organization-donor relationship, donor cultivation and stewardship strategies, and how public relations researchers measure the organization-donor relationship.

## **Origins and Orientation of the Nonprofit Sector in the United States**

The following section, which is an overview of the nonprofit sector in the United States, provides context for the organizations participating in this study by discussing the origins and current issues facing the nonprofit sector as a whole. All of the organizations participating in this study are IRS designated 501c3 nonprofit organizations.

The nonprofit sector is a vitally important part of the economic and social fabric of the United States that exists to address a wide variety of communal issues. While the federal government recognizes over 27 types of nonprofit organizations, only organizations with a 501c3-tax status (or variation thereof), are able to provide donors with a tax deduction for their charitable gifts. Charitable giving is not distributed evenly across the nonprofit sector. In fact, the distribution of charitable donations across the nonprofit sector is dramatically uneven. According to Charity Navigator (2012), in 2011, \$95.88 billion, or 32% of the \$298.42 billion donated in 2011, went to religious organizations, followed by \$38.8 billion to education. The balance of charitable donations was distributed among health, public/social benefit, arts, culture and humanities, international, human services, and environmental/animal organizations.

In recent years the nonprofit sector in the United States has experienced remarkable growth. Between 1998 and 2008 the number of nonprofit organizations in the United States grew by an astonishing 30%, from 1.1 million to 1.5 million. During this same period, and due in large measure to robust economic expansion, the number of private foundations grew by 60%, from 70,000 to 115,000 (National Center for Charitable Statistics, 2011). According to Independent Sector (2011), in 2005 the nonprofit sector employed 12.9 million individuals and accounted for approximately 9.7% of the U.S. economy. In 2008, total revenue generated by nonprofits was \$307.65 billion. Central to the exponential growth in the nonprofit sector was the establishment

and growth of individual organizations, each with its own discrete mission, staff, and required revenue. Competition among nonprofits is intense, and every indicator points to an increasingly intense environment in the years to come (Kanter & Fine, 2010).

Extending Putnam's (2000) discussion of the late 20<sup>th</sup> century decline in associational participation and concomitant weakening of civic engagement in the United States, Skocpol (2003) meticulously documented the decline of membership associations and the rise of large nonprofit organizations over the past few decades in America. According to Skocpol (2003), large membership associations—organizations consisting of at least 1% of the U.S. population, including Freemasons, the American Legion, Oddfellows, and Veterans of Foreign Wars—proliferated after the Civil War, World War I, and World War II, and were often centered on issues of importance to veterans and their families.

Further, Skocpol argued that these nationally based organizations created value for local communities by: (a) training individuals with leadership/organizational skills in the democratic process (organizational governance was modeled on the federal government); (b) helping to bridge class divides (while segregated by sex and race, the organizations were not segregated by class); (c) advocating for broad democratic public policies (e.g., the 1944 G.I. Bill); and (d) strengthening local communities by providing substantial, direct support for people in need.

However, because of sweeping social changes, such as the Civil Rights and Women's Liberation movements, which cast organizations segregated by sex and race in a negative light, by the mid-20th century, membership associations had begun to fade; in their place, cause- and rights-based nonprofit organizations proliferated. As noted by Skocpol (2003), these new organizations had several defining features. They were: (a) often organized around a single issue; (b) inward-focused, not membership based, and largely disengaged from local communities; and

(c) managed by a professional staff, not volunteers. Additionally, these organizations: (d) benefitted as private foundations grew to prefer supporting professionally staffed organizations; (e) began to define success as budget, staff, and programmatic growth, creating the pressure to raise ever-greater amounts of revenue; and (f) utilized new information technology (such as computer-generated mailing lists) to raise money from a broader base of support, often without having to interact with donors personally.

The effect of these features was that “cause-oriented advocacy groups and professionally managed institutions offer[ed] wealthy and well educated Americans a menu of opportunities to, in effect, hire experts to represent their values and interests in public life” (p. 219). Unlike the democratically organized membership organizations that came before, these new nonprofit organizations to a large extent were not obligated to divulge their organizational mechanisms with distant constituents. In essence, membership, a hallmark of the association paradigm, was replaced by a client/organization relationship. Additionally, the constant pressure to grow financially and programmatically caused nonprofits to view other organizations as competitors (Skocpol, 2003).

Salamon (2003) argued that, while quite resilient, the nonprofit sector in the United States has been negatively affected by serious challenges in recent years—challenges that include (a) fiscal issues (reductions in federal support beginning in the 1980s, changing forms of public support, and weak growth in private giving); (b) increased competition (with both for-profit and nonprofit organizations); (c) increased pressure to perform and measure performance in market terms; (d) lack of resources to stay abreast of technological advancements; (e) the issue of legitimacy (nonprofits are increasingly seen as conspiring with government agencies to escalate public spending); and (f) difficulty retaining qualified managerial personal. Further, Salamon

(2003) asserted that, even though the nonprofit sector has remained remarkably resilient in light of the challenges it faces, over time, the strategies employed to ensure survival have moved nonprofit organizations aggressively toward a market-based orientation and away from their core missions.

Salamon (2003) referred to core missions as the “distinctive roles” organizations play in society (p. 86). According to Ragsdale (2013), this trend towards market-based orientations is especially problematic for nonprofit arts organizations, that have unique obligations to the communities they serve that cannot be met by market solutions. For example, Ragsdale (2013) argued that nonprofit theatre companies in the United States increasingly program their seasons for an ever-narrowing audience of elite patrons in an attempt to remain financially viable. In fact, Joyaux (2013) proposed that fundraisers do just that: focus on obtaining fewer, large donations from wealthy individuals, rather than building a broad base of support. But, Ragsdale (2013) posited that because artistic directors and fundraisers are increasingly content to appeal to an elite inner circle, they are at risk of alienating a broad swath of society.

This is significant for two reasons. First, it raises the issue of sustainability—can these organizations survive with an aggressively narrowing base of support? Second, these phenomena represent a shift away from the organizations’ missions, which, in many cases are to provide communities with programming that is not commercially viable (e.g., the classics, ethnic/identity-based performances, challenging/avant-garde theatre), but is nevertheless important for the cultural ethos of a community.

### **Public Confidence in Nonprofit Organizations**

Adding to the difficulties nonprofit organizations experience has been the erosion of public confidence. In recent years, public confidence in the nonprofit sector has suffered, owing

largely to several scandals that called into question issues of governance and fiscal responsibility. Research conducted in 1999 by Independent Sector, a consortium of corporations, foundations, and nonprofit organizations dedicated to strengthening the nonprofit sector in the United States found that public confidence ranged broadly from 28% to 72%, depending on specific types of nonprofit organizations (Saxon-Harrold, 1999). A 2005 Gallop Poll indicated that only 15% of the public had a great deal of confidence in nonprofit organizations (Light, 2005). Waters (2007) noted that this level of confidence is only marginally higher than television news and big business, other frequent targets of public scrutiny.

In 1992, William Aramony, CEO of the United Way for over 20 years, was convicted of fraud and conspiracy charges for allegedly spending \$1.2 million on unauthorized gifts and travel. In 2001, the American Red Cross damaged confidence in the nonprofit sector when the public learned that funds collected in response to wildfires in Southern California were not spent in the local community, but instead were diverted to a national reserve fund for future disasters (Daley, 2002). Concerns about the allocation of funds arose again after the terrorist attacks of September 11, 2001, forcing Bernadine Healey, then CEO of the American Red Cross, to announce publicly that a “Liberty Fund” had been established to ensure that all donations made to September 11 relief efforts would benefit those affected by the attacks and would not be used for future disasters (DiPerna, 2003). In 2003, the *Washington Post* published a series of articles charging the Nature Conservancy, America’s largest environmental organization, with illegally using charitable gifts to make loans to individual board members for the purchase of land.

According to Light (2005), not only did these national scandals damage the reputations of the United Way, the American Red Cross, and the Nature Conservancy, but they also caused the public to be skeptical about nonprofit management, specifically in the areas of governance and

financial accountability. Light (2005) noted that only 19% of the public said that nonprofit organizations conducted their businesses “very well” and only 11% said that nonprofits used their money wisely. Further, nearly half of those sampled indicated that the leaders of nonprofit organizations were overpaid, and two-thirds of the individuals surveyed suggested that nonprofits wasted a great deal of money (Light, 2005). According to Waters (2007), in response to this decline in public confidence, many nonprofit organizations have voluntarily adopted the requirements of the Sarbanes-Oxley Act of 2002, which was enacted by Congress to prevent fraud in the for-profit sector.

Pallotta’s (2012) assessment of the state of the nonprofit sector in the United States holds that negative public opinion has affected the behavior of nonprofit organizations in several significant ways. First, the fear of public disapproval has caused nonprofit organizations to capitulate to public pressure to keep overhead expenses, such as administrative salaries, and fundraising and marketing costs, artificially low—so low, in fact that it is virtually impossible for small and mid-sized organizations to be adequately capitalized. Second, because of the pressure to keep overhead artificially low, attempts to educate the public about the work nonprofit organizations actually do, and how the sector functions, are viewed as wasteful. Third, the less nonprofit organizations educate the public about the sector and how it functions, the lower the public’s opinion of the sector remains. Fourth, the more the nonprofit sector depresses overhead expenses, the less effective it is in the long-term. Finally, the less impressive the nonprofit sector’s long-term impact, the lower the public’s opinion of the sector will be. Fundamentally, Pallotta (2012) described a public-opinion-driven negative cycle that dramatically thwarts the overall effectiveness of the nonprofit sector in predictable ways.

## **Social Critical Theory of Philanthropy**

Another factor impacting the nonprofit sector has been the wholesale push to dismantle the welfare state in America that began in 1980 with the election of Ronald Reagan, who famously proclaimed, “Government is not the solution to our problems, government is the problem” (Eikenberry & Nickel, 2010, p. 272). As a result, private philanthropy has played an increasingly important role in alleviating social and structural problems in the United States. As such, Eikenberry and Nickel (2010) asserted that private philanthropy has been subtly but inexorably linked to the Republican Party’s small-government agenda.

While some warn against an over-reliance on philanthropy, arguing that philanthropic resources will never be sufficient to address complex social problems (Boris & Steuerle, 1999) and that the equitable distribution of philanthropic dollars cannot be insured (Diaz, 2002; Salamon, 1992; Wolpert, 1993), Eikenberry and Nickel (2010) considered the social significance of relocating the responsibility for alleviating social ills from the public to the private sphere. The authors suggested that this shift in social responsibility has several significant implications. First, removing responsibility for addressing social problems from the public sphere has a depoliticizing effect. Second, the process of de-politicization reifies society’s ideal image of itself while simultaneously reinforcing the negative image of marginal groups. For example, Poppendieck (1998) argued that images of the hungry portrayed as humble and patiently suffering are often used to elicit financial contributions. Similarly, the homeless are forced to remain humble supplicants in order to receive help. Eikenberry and Nickel (2010) reasoned that if marginalized groups exercised their rights as citizens and organized to make demands, their appeal as a charitable cause would cease to exist. Further, relying heavily on private philanthropy, which is by and large viewed uncritically in American society, masks the moral dilemma of depoliticizing social problems.

In summary, depoliticizing social problems and shifting responsibility to the private realm is linked to the Republican small-government agenda; reifies society's ideal image of itself; reinforces negative images of marginalized groups; and works to sustain relations of domination and power. Because the general public views philanthropy uncritically, the moral conundrum of depoliticizing social problems is discursively masked (Eikenberry & Nickel, 2010).

Eikenberry and Nickel's (2010) *theory of critical philanthropy* is significant for arts funding in two ways. First, on the most basic level, critical philanthropy explicates the origins and intensity of competition that exists in America's nonprofit sector today. Second, privatizing the responsibility for attending to social issues has a philosophical and material effect on the overall condition of the nonprofit sector in the United States. This current study holds that the aforementioned effect marginalizes the arts as a pursuit worthy of funding by artificially placing them in a *Maslowian* relationship with cause- and rights-based nonprofits, making the construction of effective case statements for the arts a particularly difficult communication task.

### **The Discourse of Marketized Philanthropy**

Another recent line of inquiry into the state of philanthropy has suggested that the transformative potential of philanthropy (i.e., its ability to represent the need for social change) has been greatly diminished by the proliferation of market-based philanthropic initiatives that emphasize the consumption of products (i.e., cause-related marketing) as well as the consumption of media and celebrities (e.g., "charitainment") as a means of generating contributions for a variety of causes (Nickel & Eikenberry, 2009). Based largely on Agger's (1989) concept of *fast capitalism*, the marketization of philanthropy in effect de-politicizes the negative impact of markets on human well-being, thereby diminishing the potential of philanthropy to serve as a catalyst for social change.

Nickel and Eikenberry (2009) maintained that in order for philanthropy to effectively narrate on behalf of marginalized people, it must be distinguished from the discourse of the market. Further, the authors posited that marketized philanthropy (such as Product Red, a product licensing program that partners with The Gap, Nike, Starbucks and others to raise funds and awareness to eliminate HIV/AIDS in Africa) creates the appearance of “giving back,” thereby disguising the fact that it is fundamentally “taking away.” In so doing, marketized philanthropy creates the impression of generating systemic change, when in reality it serves to stabilize and reify the market system—a system that, in many cases, is complicit in the creation of social, political, environmental, and economic inequality. In sum, it is the position of this current study that the depoliticization of social issues has increased competition in the nonprofit sector. Further, the appropriation of market discourse has led to the degradation of the discourse of philanthropy, which has complicated the crafting of effective arguments for financial support in significant ways, especially for nonprofit arts organizations.

### **Sociological Theories of Art**

This section of the literature review provides context by discussing sociological theories that seek to clarify the complexities of art; how art is organized in society; the processes through which art becomes understood as art; the peculiarities and symbolic nature of the arts economy; the relationship between individuals and organizations functioning in the art world; and the uniqueness of the artistic experience from the perspectives of both production and reception. While these theories contemplate art in vastly different ways, they all provide important insights. Finally, these theories illustrate the evolution of philosophical thinking about art since the mid-1960s and the concomitant discursive complexities associated with advocating for arts support.

Beginning in the 1960s, a series of theories concerning the function of art in society emerged, first from the domain of philosophy and later from sociology (van Maanen, 2009). This movement toward *art philosophy* and *art sociology* was largely a response to the complications that theorists encountered when attempting to understand significant changes in art and aesthetic production during the 1950s and 1960s. In 1964, the introduction of Andy Warhol's *Brillo Boxes*—oversized replicas of the commonly-used cleaning product, exhibited in New York's Stable Gallery—caused considerable consternation in the art world and challenged the conventional concept that artworks possess particular, distinctive, and essential characteristics of form and function and are the unique products of artists.

*Conceptualism*, as epitomized by the Brillo Boxes, was anticipated by Marcel DuChamp's anti-rational, *readymade* pieces in the early 1900s. Pieces such as DuChamp's *Fountain* (rejected for the 1917 *Society of Independent Artists Exhibition* and later photographed by Alfred Steiglitz and published in *The Blind Man*) and *Bicycle Wheel* (1913, consisting of a bicycle fork and front wheel mounted to a kitchen stool) certainly challenged the art world, but the tendency to think of art in terms of form and function continued for nearly five more decades (van Maanen, 2009). It is important to note that traditional “form and function” scholars typically focused on the domain of production, paying little attention to the domains of distribution (i.e., galleries, museums, concert halls) and reception (e.g., the experiences of audience members). However, beginning in the mid-1960s, aesthetic philosophers and art theorists began to respond to the changes in artistic production characterized by Warhol's Brillo Boxes (van Maanen, 2009).

To understand how thinking about artistic production has changed over the past several decades, it is essential to discuss the evolution of theories of art. The following is a critical

overview of several important lines of inquiry investigating the organization and functioning of art in society, including the concepts of an *art world*, *institutional theories of art*, art as a *field of cultural production*, art as an *actor network*, and *art as a social system*.

### **The Art World: Andy Warhol and Changing Ideas about Art**

In response to the theoretical challenges presented by the emergence of conceptual art, *pop art*, and *minimal art*, Danto (1964) introduced the notion of the Art World, which addresses the difficulty of giving meaning to and classifying as “artworks” artifacts that look like everyday objects. To this end, Danto (1964) articulated a key paradox: “to see something as art requires something the eye cannot descry—an atmosphere of artistic theory, a knowledge of the history of art: an Art World” (p. 577). Danto (1964) argued that Brillo Boxes presented two basic problems. First, when encountering something considered a work of art that looks like an everyday object, it is necessary to somehow make a distinction between the two:

What in the end makes the difference between a Brillo box and work of art consisting of a Brillo box is a certain theory of art. It is the theory of art that takes it up into the world of art, and keeps it from collapsing into the real object it is. (p. 41, as cited in van Maanen, 2009, p. 19)

Danto (1964) argued that Brillo boxes as works of art have meaning in and of themselves and are not simply reproductions of real Brillo boxes (van Maanen, 2009). Further, Brillo boxes as works of art create a space between the artwork and the real object that is both filled by the artwork and provides a commentary about reality (van Maanen, 2009).

The second difficulty Danto (1964) was compelled to address was that purely abstract forms do not necessarily represent anything. As an example Danto cited a painting, entitled “No. 7,” that consists of a white background with a black line. Questioning how “No. 7,” which is representative of nothing in particular, could be considered a work of art, Danto (1964) responded:

In the fact that this artist has returned to the physicality of paint through an atmosphere compounded of artistic theories and the history of recent and remoter painting [...] and as a consequence of this his work belongs in this atmosphere and is part of this history. (p. 40)

In sum, Danto (1964) sought to shift the attention of art historians, critics, and other professionals in the field away from traditional, aesthetically-oriented definitions of art, which insist that artworks possess essential, well-defined characteristics, toward the view that objects become artworks by virtue of their historical and theoretical context. In other words, objects become artworks by virtue of their position in the art world (van Maanen, 2009). Even though Danto ultimately rejected the institutional view of art in favor of art defined in terms of “aboutness,” or semantic character, this work greatly influenced subsequent art theorists and, to a large extent, led to the demise of aesthetic theories of art (Yanal, 1998).

### **Institutional Theories of Art**

A second line of 20th century inquiry about the organization and functioning of art in society concerns institutional theories of art. Nearly a decade before Danto’s observation of the Brillo box paradox, Weitz (1956) argued that, as art has no essential and unique characteristics which are necessary and sufficient to distinguish it from other phenomena, it cannot in effect be defined (as cited in van Maanen, 2009). Weitz (1956) indicated that it is eminently possible to find objects that do not meet the criteria for art in traditional aesthetic terms yet are considered works of art anyway. In response, Dickie (1974) argued that Weitz was incorrect on two counts. First, Dickie (1974) assumed *artifactuality*, the idea that artworks must be a product of human activity, as a necessary condition, challenging Weitz’s (1956) notion that artworks need not be manmade, but that natural objects might be considered art as well. Second, Dickie (1974) claimed that Weitz failed to differentiate between two different meanings of the term “artworks.” In essence, Dickie (1971) argued that the term “work of art” can be interpreted in a *classificatory*

sense (as an object belonging to a certain category of artifacts) and in an *evaluative* sense (whereby actual and *substantive* value is ascribed to objects referred to as “artworks”).

Additionally, Dickie (1974) conceptualized a third, *derivative* meaning in the term “this is art” based on the idea of resemblance (i.e., an object is considered art because in general it looks like a work of art or it resembles a specific work of art). The institutional theory of art is largely based on the classificatory meaning of “artwork;” thus, artifactuality (the conferment of status an object acquires by virtue of being experienced in the context of a specific venue, e.g., a museum or art gallery,) is central to the concept.

One of the problems that Dickie’s early definition encountered was that art history includes many works that were not produced by artists. DuChamp’s readymades are previously mentioned examples of this phenomenon. In response, Dickie (1974) argued that through the *act of exhibiting*, the artist acquires *the status of candidate for appreciation* (a key concept in the institutional theory of art). Further, Dickie (1974) maintained that the act of exhibiting conveys artifactuality to the object being displayed. Later, Dickie (1984) refined this thinking, arguing that when natural objects (e.g., driftwood or an unusually shaped stone) are used in a work of art, they become an *artistic medium* and, as such, might be considered “an artifact of an art world system” (pp. 46-47). Thus, in many respects, Dickie concurred with Danto’s (1964) opinion that “to see something as art [...] requires an art world” (p. 577).

Dickie’s (1974, 1984) institutional theory was significantly informed by a years-long debate with Beardsley (1976) who, in a critique of institutional theory, distinguished between *institution-types* and *institution-tokens*: the former refers to different types of social practices (e.g., storytelling, acting, marriage) and the latter to the organizations (e.g., the theatre, film companies, the church) in which the practice occurs. According to Beardsley (1976), Dickie’s

(1984) concept was essentially an institution-type (i.e., based on a set of practices) but contained many elements of the institution-token, such as an organization “conferring status” or “acting on behalf of” (van Maanen, 2009, p. 24). In response to Beardsley’s observations, Dickie (1984) posited the following:

What I now mean by the institutional approach is the view that a work of art is art because of the position it occupies within a cultural practice, which is of course in Beardsley’s terminology an institution-type. (p. 52)

Dickie (1974, 1984) suggested that art cannot exist outside of the institutional framework. In fact, Dickie argued that work created by a person wholly unaware of the concept of art would not possess the cognitive structures in which an object could be understood as art. Therefore, work created by such a person would not fit the definition of art.

From Dickie’s (1974, 1984) perspective, in addition to artists and artworks, the public plays an important role in the institutional framework in two key ways. First, members of the public have to be aware that what is being presented is indeed art; and second, members of the public have to possess the sensibilities and awareness to perceive the particular kind of art they are experiencing. Further, the roles of artist and audience are primarily functionalized by a third type of role—*mediating personnel* (e.g., producers, theatre managers, critics, art dealers) that operate in discrete *art world systems* (e.g., literary system, music system, painting system, theatre system) (Dickie, 1974, 1984).

An important contribution of Dickie’s was the distinction between aesthetic approaches to understanding art, which traditionally focus on essential characteristics of form and function, and institutional approaches, which emphasize the social/organizational framework in which art exists. Aesthetic approaches describe what works of art *do*, while institutional approaches seek to understand what works of art *are* (van Maanen, 2009). Additionally, Dickie introduced the notion

of roles and rules in art worlds—a concept that was further developed by Becker (1982) as *artistic conventions*. Finally, Dickie proposed that in order for any art world to fully function, it is necessary to have a public cognizant of the artistic conventions evidenced in artistic production.

### **Institutional Pragmatism**

In 1982, Becker extended Dickie's (1974) institutional theory, arguing that art worlds are best studied from a *symbolic interactionist* perspective. Defined by sociologists at the University of Chicago, symbolic interactionism proposes that in addition to objective physical reality, meaning is socially constructed through patterns of communication and interpretation. Further, symbolic interactionism holds that humans exist in three distinct realities: physical objective reality, social reality, and a unique or individual reality. According to Blumer (1969), there are three central premises of symbolic interactionism: (a) human responses are based on the meaning they ascribe to things and events, (b) meaning is derived from social interaction, and (c) meanings are modified through interpretive processes used by people to make sense of things and events. Therefore, in critiquing institutional theory, Becker (1982) stressed the role of individual and social activity that occurs within an art world and poses four questions, under the titles “Who,” “What,” “How Much,” and “How Many?”

The first question is concerned with who has the authority to place the status of candidate for appreciation on a work of art, thereby validating it as such. In Becker's (1982) view, art worlds exist as cooperative activities with linkages among participants who seldom agree on who is authorized to speak on behalf of an art world. Becker (1982) posited, “The entitlement stems from their being recognized by the other participants in the cooperative activities through which that world's works are produced and consumed as the people entitled to do that” (p. 151). Thus, the authorization of art works often consists of *unstable consensus* among participants in an art world (van Maanen, 2009).

The second question, “What,” concerns the defining aesthetic characteristics an object must have to be considered a work of art. In response to this, Becker (1982) argued that no constraints on what might be considered art exist except for those that arise from historical consensus as to what standards and restrictions might be applied and by whom (van Maanen, 2009).

In response to the third question, Becker (1982) was concerned with “how much” institutional wherewithal is required to justify using the term art world. Becker (1982) concluded that there is no fixed number, arguing that it is possible for a single individual to facilitate all of the necessary activities inherent in the creation of art, citing composer Harry Partch as an example (Partch famously designed and built unique instruments capable of playing his unconventional scales and harmonies).

Becker’s (1982) fourth question, “How many,” is concerned with the number of art worlds that exist. Because Becker (1982) viewed art worlds in terms of collective activity, the author identified many discrete art worlds. Becker also identified two key factors of concern related to the types and number of art worlds that might exist: (a) *external factors* (e.g., economic recession, censorship) to which art worlds must respond; and (b) *situational factors* (e.g., periods of intense nationalism) which may lead various art worlds to embrace similar themes and perspectives (van Maanen, 2009).

Becker’s (1982) focus on art as collective activity emphasizes that art is an interactive process that can be divided into seven component activities: (a) artists develop an idea; (b) the idea has to be executed; (c) execution requires the procurement of materials and equipment that must first be manufactured (e.g., paints, musical equipment, cameras); (d) the procurement of materials requires capital, usually (but not exclusively) raised through the distribution of the work; (e) execution and distribution require the help of support activities (e.g., copy editing,

selling tickets, mending musical instruments); (f) the work must be responded to and appreciated by an audience; and (g) a coherent rationale that makes the aforementioned activities comprehensible and valuable must be created and maintained. Further, Becker (1982) emphasized that full autonomy is impossible for an artist, arguing that even an artist as self-sufficient as Emily Dickinson evoked the rhythm of psalm-tunes with which American audiences would be familiar and respond.

In discussing art as collective activity, Becker (1982) made a distinction between *cooperative activities* (e.g., ticket sales, instrument tuning/repair), which are essential to the final outcome of an artistic enterprise, and *core activities* (e.g., those provided by actors, musicians, dancers, lighting designers, makeup artists, costume designers), without which the work would not be considered art. Becker (1982) was not explicit about what core and cooperative tasks are, since many tasks contain elements of both. In general, core tasks are closer to the origination and execution of artistic ideas, while cooperative tasks are concerned with materials, equipment, support activities, and distribution. Further, it is clear that art as a collective activity is contingent upon *cooperative links*—interdependencies based on mutual knowledge of artistic *conventions*.

According to Becker (1982), conventions dictate how artists relate to individuals involved in the distribution and reception of art. To a large extent, conventions are concerned with standards, constraints, knowledge, limitations, and expectations. Such conventions can be infringed upon:

composers write music which requires more performers than existing organizations can pay for. Playwrights write plays so long that audiences will not sit through them. Novelists write books that competent readers find unintelligible or require innovative printing techniques that publishers are not equipped for. (Becker, 1982, p. 27)

Becker (1982) observed that artists produce what distributing organizations can practically present and which audiences appreciate.

Further, art worlds provide artists with sufficient modes of distribution that integrate the artist into the economy, making art available to an audience that can understand the work and is willing to pay enough for it so that its production is viable and sustainable.

Becker (1982) described the art world's *public sale system* as a six-part process: (a) demand is generated among people willing and able to spend money on art; (b) demand is based on desire and is a result of education and experience; (c) price is based on demand and quantity; (d) only works that are distributed effectively remain viable; (e) artists must produce sufficient products so that the distribution system can continue to function; and (f) artists whose work is not favored by the distribution system will either find alternative means of distribution or fail to be distributed altogether. While Becker (1982) posited that the public sale system is the most common form of distribution in industrialized nations, self-support and patronage play an important role in cultural economics. Further, by diminishing the need to generate capital through the sale of artworks, self-support and patronage fundamentally change the relationship between the artist and distributor.

To explain how conventions change and ground-breaking works find acceptance, Becker (1982) argued that unconventional means of distribution, often arising as a result of subsidy or self-support, can provide an opportunity for artwork that is not commercially viable to be experienced by an audience. Becker (1982) proposed three possible publics that might respond favorably to and financially support new or challenging work: (a) people who are well-socialized but lack formal training or knowledge about the arts and are therefore ill-equipped to participate as audience members; (b) experienced audience members conversant in artistic conventions and knowledgeable about art history and matters of style, which enables them to emotionally and cognitively engage with challenging material; and (c) former art students who are fully conversant in the medium and understand the nature and limitations of the craft. According to

Becker (1982), the first group comprises the bulk of society, and this group provides the audience and income for works designed to appeal to the broadest contingent of society. The second group is most desired by artists because these individuals more fully understand, appreciate, and support the work. Finally, the third group, because of their knowledge of the artistic process, is the most open and willing to consider challenging work.

In sum, Becker's (1982) explication includes art as a collective, socially-constructed activity; the nature of artistic conventions; and processes by which these conventions change. Becker described the implications of variations in support activities/personnel, distribution, and conventions (especially as they pertain to audience knowledge), as well as the ways in which various art worlds function independently and produce different kinds of art. While Becker did not discuss distribution in a systematic way, the author acknowledged it as a central domain of an art world, one that serves as the place where production and reception merge—a point that is of particular relevance to the current study.

### **The New Institutionalists**

The study of institutions and their effect on human behavior is central to the field of sociology. Institutions consist of *organizational structures*, which, in the present context, serve as the basis for art worlds and should not be interpreted as constituting art worlds. Rather, organizational structures and the processes and outcomes they affect are more accurately understood as influencing the production, distribution, and reception of artworks (van Maanen, 2009). Nevertheless, Becker (1982) paid relatively little attention to institutions, preferring instead to think in terms of conventions, suggesting that participants rather than institutions are largely responsible for the types of interactivity that occur in art worlds.

DiMaggio and Powell (1991) argued that institutions begin as conventions that are subject to renegotiation and change. The degree to which institutions influence behavior and

accommodate change are key points of discussion among sociologists, and relevant to the current study because it illustrates an intellectual shift from Becker's (1982) symbolic interactionist approach to an institutional approach as applied specifically to art world processes and because it provides a theoretical connection between Becker's approach and Bourdieu's theory of artistic fields.

According to DiMaggio and Powell (1991), both old and new approaches to institutions: (a) are skeptical of *rational-actor models* of organization (i.e., that rational expectations dictate behavior); (b) view the creation of institutions as a state-dependent process; (c) emphasize the relationship between the organization and its environment; and (d) stress the role of culture in shaping organizational reality. Further, DiMaggio and Powell (1991) suggested that old ideas of institutions explain organizational irrationality as a function of external forces and analyze organizations as embedded in local communities. On the other hand, new ideas of institutions view irrationality as a function of the formal organizational structure and analyze organizations as *organizational fields* that undergo similar patterns and processes no matter where they are located.

DiMaggio and Powell (1991) were interested in how institutional paradigms shape social choices, and they viewed the process of institutionalization as central in defining a field. Further, DiMaggio (1991) identified four aspects in the institutionalization process: (a) increased interaction among organizations; (b) the emergence of inter-organizational patterns of domination and coalition; (c) an increased information load, to which organizations must attend; and (d) a mutual awareness that participants in an organizational field are engaged in a common enterprise. Thus, interactions within an institutional field give rise to a process of *isomorphism* (i.e., a process by which organizations become similar to one another, either as a result of

imitation or as a result of independent development under similar constraints), which manifests as two main forms, *competitive isomorphism* and *institutional isomorphism*.

Competitive isomorphism is most relevant in fields in which competition is free and open. Institutional isomorphism consists of three sub-forms: (a) *coercive* (a result of formal and informal pressure within a field as well as cultural expectations); (b) *mimetic* (organizations within a field imitate each other); and (c) *normative* (professionalization—the drive for legitimization and occupational autonomy within a field). Indeed, DiMaggio (1991) emphasized the importance of professionalization, particularly as it pertains to the evolution of museum management in the United States, and identified five dimensions of the professionalization process: (a) the emergence of university-trained experts; (b) the creation of a body of knowledge; (c) the emergence of professional organizations; (d) the consolidation of a professional elite; and (e) the increased salience of professional expertise.

In an earlier study investigating regional theatres in the United States, DiMaggio and Sternberg (1985) suggested that environmental and organizational factors have relatively little influence on artistic innovation. Rather, theatres that possess significant *cultural capital* (in the form of highly trained artistic personnel and audiences knowledgeable about the arts) were found to be more innovative than theatres that relied primarily on market preferences to dictate programming. Thus, DiMaggio and Sternberg (1985) concluded that artistic innovation is contingent upon organizational behavior and that art must be understood in the social and economic context of the organization from which it emerges. DiMaggio and Sternberg's (1985) methodological approach, which focused less on the individual artist and more on the economic and socially influenced gate-keeping function of presenting (i.e., distribution) organizations, is perhaps of greater significance than the study's findings.

As mentioned above, new institutionalism is of interest to the current study because it foreshadows the theory of the artistic field and provides important continuity in the evolution of theories of art. However, unlike the artistic field, which proposes a grand socially-centered approach to understanding the function of art, new institutionalism provides insight into the impact of organizational structures and practice in the production of art.

### **Theory of the Artistic Field**

In reaction to the concept of art worlds, another philosophical response examined art as a field of cultural production. The theory of the artistic field is particularly relevant to this current study because it provides insights into the complex relationships between individuals and organizations in the art world; the peculiarities and symbolic nature of the arts economy; what artistic prestige is and how it is achieved; and how artistic prestige may or may not translate into financial capital.

Approaching art and its function in society from a neo-Marxist, structuralist perspective, Bourdieu (1996) was highly critical of Becker's (1982) notion of art worlds, arguing that it was purely descriptive in nature and neither explicated the objective relations that constitute the structure of the art field nor described the struggles intended to either preserve or transform it. In contrast to Becker's (1982) tendency to illustrate the variety and complexity of art worlds by enumerating examples of them, Bourdieu (1996) revealed the general structures, rules, and mechanisms that govern art worlds. According to van Maanen (2009), Bourdieu is the most influential art sociologist of the second half of the 20<sup>th</sup> century; this theory of the artistic field provides a comprehensive, if deterministic, view of the structure of art fields.

Bourdieu's (1996) notion of fields is complex and highly jargonistic. In a general sense, an artistic field is the structure of relations between *positions* (i.e., agents in the field: artists, art dealers, critics), who employ different forms of capital (*symbolic capital*, cultural capital, and

*economic capital*) in the struggle to achieve *artistic prestige* (the relative position an artist holds within the field of cultural production). Agents hold various positions in an artistic field and their behavior is determined by a position-specific *habitus* (i.e., structural *dispositions* that determine perception, acquired through an implicit or explicit process of education).

Bourdieu (1996) distinguished between economic capital, which can be converted into money, and symbolic forms of capital—social and cultural capital. Social capital refers to preferential treatment or benefits derived from access to privileged social networks. Cultural capital is a type of knowledge that equips a person with a heightened ability to decipher cultural relationships and cultural artifacts.

According to Bourdieu (1996), cultural capital exists in three different states: (a) an *embodied* or *incorporated state* (i.e., skills acquired as a result of implicit and explicit educational processes and access to privileged social networks); (b) an *objectified state* (i.e., books, paintings, songs, films that presuppose the existence of cultural capital in an embodied state, which makes aesthetic reception possible); and (c) an *institutional state* (i.e., institutional recognition such as diplomas, titles, awards).

Different forms of capital might be interrelated. For example, a diploma (institutional capital) might result in a higher paying job (economic capital) for someone who possesses it. Additionally, *specific capital* is the type of capital that governs success in a given field (Bourdieu, 1993). Because the artistic field is a field of *symbolic production*, success is measured by the accumulation of symbolic capital (artistic prestige). Therefore, the distribution of artistic prestige and the struggle to gain more of it structure power relations in an artistic field. According to van Maanen (2009), for artists seeking artistic prestige, social capital is often a mediating factor in transforming cultural capital into economic benefits.

In a discussion of the peculiar characteristics of the arts economy, Bourdieu (1993) stated that because value is largely measured in symbolic terms, monetary value is largely contingent on an artist's prestige, which is gained through a process of *legitimization* and *consecration*. Inherently, agents in the artistic field are consecrated by an inner circle of professionals that generate *discourse in the field*, which establishes a hierarchy of autonomy among the agents. Thus, the struggle for legitimization is to a large extent the process of gaining the approval of highly regarded professionals in the field.

To illustrate this point, Bourdieu (1993) posited that, unlike most commodities, whose value bears some relationship to the labor, materials, and the cost of getting goods to the market, the value of art often bears no relation to those intrinsic economic conditions. For example, the value of a painting is not determined by the cost of labor and materials; rather, it is determined by the prestige, which, through the process of legitimization, is bestowed upon artists by esteemed agents, such as art dealers and museum curators, and is reified in the field by art critics and ultimately art collectors. Additionally, Bourdieu (1993) identified three principles of legitimacy that correspond to class-based notions of *taste*: (a) *art for art's sake* (art for artists, avant-garde art); (b) *bourgeois art* (art for the dominant class, i.e., art in an objectified state that requires embodied capital to appreciate); and (c) *popular art* (art for the masses, such as selected film, television, and popular music).

Bourdieu (1993) posited four mechanisms and three identifying characteristics that constitute the general rules governing fields: (a) the structure of a field is determined by the power relations (the distribution of specific capital) between agents in it; (b) agents with a monopoly on specific capital use conservative strategies to maintain power and newcomers tend to use subversive strategies; (c) fields only function by mutual agreement among agents with knowledge of how the field functions and what is at stake; (d) shared interest in the existence of

a field and a mutual understanding of what is at stake belies all antagonism in a field; (e) an indication that a field has been constituted is the existence of professionals for whom the preservation of the field is a matter of self-interest; (f) a field is functional when its history informs the work and life of the agents within it; and (g) a field exists as soon as a work and its value cannot be understood without knowledge of the field.

In other words, fields function because they are coherent systems and because various agents have a vested interest in their perpetuation. The in-depth interview section of this current study explores how art is organized as a field of cultural production in Birmingham, attending especially to issues of power relations between funders and the participating organizations.

Bourdieu (1996) described distribution as a central concept of artistic fields—a distinction that is of particular interest to the current study because of its focus on distribution in the nonprofit arts sector. While Bourdieu (1996) did not thoroughly elucidate the distinction between closely related sub-genres within artistic fields, the author indicated that the borders between fields and sub-genres are quite porous. Further, Bourdieu maintained that different types of fields interact dynamically and can have a considerable impact on each other. For example, if agents in the political or economic fields place great significance on the cultural field, the cultural field will have more autonomy and enhanced status.

Gielen (2003) argued that the theory of artistic fields is overly deterministic and leaves little room for artistic autonomy. Van Maanen (2009) posited that the theory of artistic fields is so firmly grounded in the French cultural paradigm of the 1960s and 1970s that it is not directly applicable to other cultural contexts. Nevertheless, the current study holds that the theory of artistic fields is extremely useful for its explication of the role of symbolic capital in the arts economy, the nature of interactions among agents in an artistic field, and the nature of cross-field influence.

## Actor Network Theory

Another recent, relevant approach to understanding the role of art in society, and one that is especially relevant to this current study is *actor network theory* (ANT). In a discussion of actor network theory, Latour (2005) drew a sharp distinction between deterministic, [post-]structuralist approaches to sociology that focus on the “social” and a *sociology of associations*, which emphasizes a continuous process of change that occurs as actors in a network make associations and build relationships, continuously shaping and renewing relations in a feed-forward loop. Actor network theory is of interest to this current study because it is closely associated with *ethnomethodologies*, which are based on the insight that “actors know what they do and we have to learn from them not only what they do, but how and why they do it” (Latour, 2004, p. 19). This insight is critically important to the in-depth interview section of this current study, which derived important information about art and its function in Birmingham by interviewing individuals involved with distribution, fundraising, and grant making.

Latour (2004) argued that because of its ethnological orientation, ANT is in effect non-theoretical in nature. Latour (2004) viewed ANT as a “crude method to learn from actors without imposing on them an *a priori* definition of their world-building capacities” (p. 20), and criticized the proclivity of sociologists to de-emphasize human agency. In contrast to institutional or field theories, ANT follows the lead of the actors involved and typically utilizes qualitative methods, such as participant observation, focus groups, and document analysis. Latour (2004) presented the practice of ANT as “the *summing up* of interactions through various kinds of devices, inscriptions, forms, and formulae into very local, very practical, very tiny loc[i]” (p. 17). In many respects, ANT is reflective of the open-ended descriptive approach advocated by Becker (1982).

Central to ANT is the notion of a network, which, drawing from Deleuze and Guattari's (1988) *rhizome concept*, is defined as an "ongoing series of transformations" in a particular arena (as cited in van Maanen, 2009, p. 85). Latour (2005) noted that, in the age of social media, networks are generally understood as existing sets of social relationships. However, in the context of ANT, a network is seen as a tool that describes "a string of actions where each participant is treated as a full-blown mediator" (as cited in van Maanen, 2009, p. 86).

Further, Latour (2005) observed that "entities have no inherent qualities, but only exist and acquire their performativity as a result of their relations with other entities" (as cited in van Maanen, 2009, p. 87). Therefore, the network in ANT changes and expands as actors interact within and across networks. As a result, the borders between different networks (e.g., arts, education, politics, economics) are loose, even though networks have their own regimes. Networks are interwoven, and actors move between them, making new connections in the process. Thus, according to Latour (2005), several terms that are central to ANT refer to movement and change including: (a) *passages* (an actor moving from one place in a network to another); (b) *translations* (an actor moving within or across networks); (c) *transmutations* (change that occurs as an effect of moving within or across networks); and (d) *translation centers* (formal and informal institutional settings, such as theatres, galleries, museums, or concert halls that require the passing actor to adapt in relation to the setting).

In sociology, there is a tendency to choose between structural and agency-based approaches to understand human interactions. However, Latour (2005) posited that social processes are not simply the result of either structure or agency, but also are the result of actors circulating within and across networks. An actor in the context of ANT can be understood as anything that circulates in networks in such a way as to stimulate specific responses in others (e.g., people, organizations, objects) (Latour, 2005).

In sum, since ANT is largely ethnographic in nature, it should not be viewed as a theoretical construct. Additionally, within the context of ANT, networks are understood not as existing sets of relationships, but rather as loosely structured regimes through which actors circulate. Further, in ANT, actors are not limited to human beings, but also organizations and objects that circulate in networks, effecting change in the process. Finally, ANT informed the conceptual underpinnings of the in-depth interview section of this current study.

Heinich (1998, 2003) is perhaps the most vocal proponent for ANT as a framework for studying what art is and what it does. In early work, Heinich (1998) argued that art sociologists should embrace five attitudes that frequently run counter to prevailing approaches. As such, art sociologists should be: (a) *anti-reductionist* (i.e., artistic production cannot be understood in terms of institutions, fields, or as a socially constructed phenomenon because the collective nature of these approaches fails to acknowledge the importance of *singularity*—the exceptional, the particular, the individual, and the private aspects of art production); (b) *a-critical* (sociologists should not engage in valorizing artworks; rather, they should investigate the processes by which art becomes valorized); (c) *descriptive* (instead of explaining how art functions, which often implies judgment, sociologists should *make explicit*, or describe, what art does and how it works by revealing underlying relationships that might not be immediately apparent); (d) *pluralistic* (art sociologists should consider the totality of influences that affect the discourse of art, including not only economic, political, and social factors, but ethical and aesthetic factors as well); and (e) *relativist* (Systems for valorizing art may vary. For example, one valorization system might favor artistic democratization while another favors the development of artistic quality. The role of the sociologist is to provide a description of the different value systems, not to critique them).

Further, in order to adopt these attitudes, Heinich (2003) argued that sociologists must engage in *involved neutrality*, which Heinich viewed as a set of practices intended to bracket

potential bias on the part of researchers. Based on the reality that all sociological practice is embedded in some value system, the notion of involved neutrality makes a distinction between the individual (who is a sociologist) and the sociologist (the researcher)—the former having a responsibility to make social choices and the latter having the responsibility to study social choices and processes. The fact that both responsibilities manifest in one individual poses a moral quandary. In essence the question arises, how can one objectively study a social environment in which one is socially engaged? In response, Heinich (2003) proposed three positions a sociologist might assume: (a) as a *researcher*, whose goal is to understand the social world; (b) as an *expert*, who can provide advice (to the commissioners of a study); and (c) as a *thinker*, who can judge a social interaction based on his or her (disclosed) value system.

Heinich's (1998) pragmatic approach to art sociology focuses attention on what works of art do, which Heinich summed as follows:

First of all they move people, in both the literal sense (people travel to see them) and in the figurative sense (they raise emotions). They make people act: to frame them, to transport them, to insure them, to restore them, to exhibit them. And they make people talk; they make people write about them and discuss them formally [...] but they also displace those less palpable objects, which are mental categories, frameworks of perception, *criteria* of evaluation. (pp. 70-71)

Importantly, Heinich (1998) differentiated between a *sociology of works*, a *sociology of reception*, and a *sociology of institutions*; these categories mirror the domains of production, distribution, and reception proposed by institutional and field theories of art. Additionally, Heinich (1998) emphasized the importance of ethnographic approaches to the study of art, arguing that traditional, statistically-oriented methods of collecting and analyzing data present a risk of arriving at static, standardized answers, which can be antithetical to the realm of art.

ANT does not offer a particularly stable view of the organization of art worlds or the functioning of art in society. Therefore, ANT is not useful for determining generalizable patterns or dynamics in art worlds. However, ANT offers two important concepts that are pertinent to the

current study. First is the notion of the passage—that actors (persons, objects, organizations) circulate through networks; in so doing, they make other actors respond in ways that might alter the state of affairs. Second is the concept of the translation center (e.g., churches, concert halls, museums, theatres), the nature of which imposes on people specific expectations and demands certain modes of behavior. By utilizing ethnographic approaches and discussing artists and artworks as unique entities, ANT provides a rationale for the formulation of fundraising appeals based on the intrinsic values of art.

### **Art as a Social System**

Unlike “art worlds,” “fields,” or “networks,” which provide different views regarding how organizations and people interact in the production, distribution, and reception of art, Luhmann’s (2000) *Art as a Social System* conceptualized art in society not as a function of relationships, but rather as a function of communication. To understand art as a social system, it is necessary to briefly discuss several key concepts of social systems in general. Luhmann (2000) distinguished between four basic types of systems: (a) *machines*; (b) *organisms*; (c) *social systems*; and (d) *psychic systems*. Social and psychic systems are of particular interest to the current study and will be discussed in more detail below.

According to Luhmann (2000), the basic element of social systems is communication—physical, material utterances, which, as in the rhizome concept proposed by ANT, stimulate subsequent utterances in response. In a critique of art as a social system, Laermans (1994) noted that “one communication is no communication: social systems require at least two participants and two basic elements” (p. 62, as cited in van Maanen, 2009, p. 106). As a result, Laermans (1994) argued that systems cannot be understood as existing structures; rather, they come into being each time participants exchange communications.

In the context of art systems, the production of a work of art is seen as a form of communication, which is observed and interpreted (another form of communication) and then

discussed or written and read about (yet another communicative act). Fundamentally, individuals and organizations are not parts of an art system; rather, they exist within an environment that consists of artists who produce artworks and a variety of recipients who observe and communicate about these artworks. Further, Luhmann (2000) argued that interactions between artists, experts, and consumers differentiate as specific forms of communication that take place only in an art system. Further, Luhmann (2000) maintained that these art-system-specific forms of communication (i.e., producing artworks, observing and interpreting art, writing about or discussing artworks) serve to both establish and reify the art system. The notion that, through specific forms of communication, social systems produce their own basic elements and structure (i.e., *autopoiesis*) is a key concept in Luhmann's (2000) systems theory. Luhmann (2000) categorized four basic types of social systems: *interaction systems*, *organizations*, *societies*, and *protest movements*. In the context of systems theory, Luhmann (2000) viewed society as a *super-system* in which all communication takes place. Additionally, Luhmann (2000) posited that over time, society has divided itself into a set of subsystems (i.e., economics, religion, education, law, media, art) through the process of *functional differentiation*. Because of the proliferation of autonomous subsystems in modern societies, interaction systems, organizations, and protest movements are thought to function largely in relation to specific subsystems.

Interaction systems describe the places where people engage in communication and observation (i.e., meetings, games, educational situations, family gatherings, art activities). According to Luhmann (2000), society cannot function without interaction; and while interaction systems are distinct from society, society and interaction systems are mutually dependent. As such, interaction systems and society function as *structurally coupled autonomous systems*—autonomous because they create their own elements (autopoiesis) and structurally coupled because they cannot function without each other. It is important to note that structural coupling is

temporary because it is reconstituted anew with each interaction. The notion of structural coupling is central to Luhmann's (2000) social system theory. Protest movements are thought to be unique among systems because they readily cross borders between subsystems, react to inequities, and communicate to society as a whole.

The distinction between first-order and second-order observations is important to systems theory, particularly as it pertains to art. First-order observation simply refers to an individual observing an object or action. Second-order observations refer to observing other observers observing an object or action. When observing another observer observing, individuals tend to be interested less in *what* is observed and more in *how* it is observed. To a large extent, the notion of second-order observations echoes Danto's (1964) comment that to understand the difference between real Brillo boxes and Warhol's painted ones as works of art requires knowledge of a theory of art (van Maanen, 2009).

Luhmann (2000) identified three aspects of communication that are of particular importance for understanding art as a social system: (a) *utterance* (communication that is characteristically *self-referential*); (b) *information* (*hetero-referential* communication, referring to the world beyond the communicative act itself); and (c) *understanding* (which is differentiated from the psychic process of perception—in this context, understanding means responding to a communication appropriately). Luhmann (2000) argued that the shift of focus from the hetero-referential to the self-referential aspects of artistic utterances is a defining characteristic of contemporary art systems.

Luhmann (2000) posited three primary phases in the history of art in the West: (a) the *symbolic phase* (e.g., the classical period when art represented a search for higher meaning); (b) the *semiotic phase* (the royal court and market-oriented period when art became differentiated from other social systems); and (c) a *phase of forms* (when the operations of the art system become closed to other systems). Luhmann (2000) suggested that the contemporary insistence

on internal reflection in art has made self-referential forms of art dominate hetero-referential forms. Once again, this conceptualization of contemporary art systems closely approximates Danto's (1964) notion of the art world, in which understanding conceptual pieces (e.g., Warhol's Brillo boxes) as works of art requires knowledge of art theory (van Maanen, 2009). In other words, what Danto (1964) referred to as knowledge of theory, Luhmann (2000) discussed as self-reference.

A key element in art as a social system is the notion that each act of communication is chosen from a potentially infinite series of possible communications, with the possibilities not chosen remaining present as an *unmarked part of the realized communication* (van Maanen, 2009). Further, the presence of both realized communications and unmarked possibilities cause systems to be highly contingent, complex, and often difficult to interpret. For a system to function, therefore, it is necessary to limit the number of possible choices. The *reduction of complexity by social structures* is made possible by two related concepts: *expectations* (i.e., structural orientations or roles) and *meanings* (shared concepts that generate a set of possible interpretations). In other words, systems are made coherent by social structures that exist as expectations and meaning, limiting possible interpretations within the system. As with ANT, system theory holds that social structures exist only in the present and are realized again and again each time communication occurs within the system (van Maanen, 2009).

Based on the description of systems provided above, it would seem that only artistic utterances could be considered the communication in an art system, because they are understood within the system and are unique to it. However, Luhmann (2000) noted that reactions to artistic utterances, such as reviews, catalogs, and debates, may also be considered communication within the system because they are the direct result of exposure to artworks. Thus, communication about art is understood as communication within the art system. This distinction is significant to the

current study because it assumes that discourse about art (in the form of arts advocacy and fundraising appeals) has a material effect on art systems (van Maanen, 2009).

According to Luhmann (2000), the production (of artistic utterances), reception, and communication about art determine the characteristics of the art system and distinguish it from other types of systems. Yet Luhmann (2000) noted that the symbolic nature of art is similar to that of religion, which provides the possibility of a distinction between reality and imagination. However, art differs from religion in that it realizes the distinction between reality and imagination in the realm of perception. The result is that the manipulation of perceptible form is the primary way art deals with reality.

To explain the fundamental difference between dissimilar systems (e.g., the economic, the religious, the political, the art system), Luhmann (2000) introduced the notion of the *binary code*, which codifies the central value within a system, as a system's basic structure. For example, the binary code for science is true/false; for the legal system, right/wrong; for the economic system, owning/not owning. As the primary concern of art is the manipulation of form, conceptualizing a binary code for an art system is difficult. However, after contemplating such binaries as art/non-art and beautiful/ugly, Luhmann (2000) settled on the distinction between fitting and not fitting as the binary code for art systems. To further complicate matters, Luhmann (2000) noted, "art splits the world into a real world and an imaginary world" (p. 142). Thus, the imaginative nature of artistic communication suggests that a more accurate binary code for art systems might be *fitting/not-fitting of imaginative forms* (van Maanen, 2009).

In sum, Luhmann (2000) asserted that utterances exist as communication only when they stimulate an adequate response and that the communication/response process constitutes systems. The core types of communication in art systems (artistic utterances and manipulations of form) are works of art, performances, concerts, films, galleries, and museums, that react directly and indirectly to each other within a discourse structured by roles and expectations.

Additionally, written or spoken communication about art in the form of debate, criticism, and catalogues, is another type of communication within a system, because it is stimulated by artistic utterances. In the context of art systems, interaction systems (i.e., the places where communication occurs) exist as both the places where artistic utterances are experienced by audiences (e.g., concerts, galleries, museums) and the social situations at which art is discussed. As a result, communication about art and the experiences it renders can cross borders into other social systems that also lack discrete differentiation.

To summarize, these theories of art provide insights into art and its function in society; the peculiarities and symbolic aspects of the arts economy; the function of power relations in art systems; and how different judging and funding systems influence the production, distribution, and reception of art. As such, theories of art help contextualize the paradigm in which the participating organizations in this study exist; theories also inform the in-depth interview section of this study in significant ways.

The current study views these sociological theories of art as largely descriptive in nature, somewhat rigid, and overly deterministic. For example, these theories largely ignore the implications of important aspects of art such as inspiration, captivation, surprise, empathic response, gratification, and pleasure. These theories also fail to consider the enormous changes in production and distribution brought on by new technologies. For example, advancements in computer technology and software programming have made the high-quality production of music and film remarkably easy and relatively inexpensive. Further, the Internet and social media sites such as YouTube have made the broad distribution of artistic material possible, without the intervention of traditional distribution gatekeepers. The implications of these changes, while certainly profound, are yet to be fully understood.

While these philosophical threads began as discussions about art production, ultimately it is impossible to separate production from distribution and reception. Distribution has been

increasingly defined, discussed, and debated by researchers, and as noted a number of times, their ideas about distribution have proven significant to this study. Most importantly, that distribution is the nexus at which artistic production and reception merge. With this background, this study now turns to a more focused overview of art distribution.

### **Key Characteristics of Art Distribution: Economic, Political/Judicial, Social, and Educational Conditioning Factors**

Distribution in an art system is the process of bringing artists and audiences together to share an aesthetic experience (van Maanen, 2009). To understand how the process of distribution functions in art systems, it is necessary to briefly discuss the structural patterns that play a conditioning role in a system. Additionally, it is important to reiterate that specific conditioning factors affect the processes of production, distribution, and reception in art systems. However, since this current study was an investigation of four organizations that are principally involved with the distribution of art, production and reception will not be discussed in detail. A central concern of this current study was to better understand distribution and the various conditioning factors that affect the participating organizations. The in-depth interviews explored the issues that affect distribution from the perspective of both fundraisers and grant makers.

Van Maanen (2009) identified five basic conditioning factors that affect art systems, all of which emanate from larger social systems: *economic*, *political/judicial*, *educational*, *social*, and *technological*. These conditioning factors not only condition production, distribution, and reception, they condition the relationships among systems as well. The economic and political/judicial are of particular interest to the current study because they disproportionately affect distribution in art systems. Thus, educational and social factors will be minimally discussed.

Technological systems and the changes they introduce have an extraordinarily profound effect on all the domains of art. Indeed, technological advancements (e.g., sound recording, film,

radio, television, the Internet, digital media) can lead to the comprehensive reorganization not only of art systems, but also of society as a whole. The implications of technological systems, however, are largely beyond the purview of this current study. Finally, it is important to reiterate that the focus of this study was distribution, because it is the nexus where production and reception merge; as such, distribution is a uniquely important aspect of any art system.

### **Economic Conditioning Factors**

Becker (1982) provided a concise comment that describes both the fundamental financial challenges that artists face and the economic relationship among artistic production, distribution, and reception in a market-driven art system. Becker (1982) stated “Fully developed art worlds [...] provide distribution systems that integrate artists into their society’s economy, bringing art works to publics who appreciate them and will pay enough so that the work can proceed” (p. 93).

Acknowledging that it is often unfeasible for artists to generate a life-sustaining level of income through the sale of artwork alone, Becker (1982) posited five sub-subsystems through which artistic production is financed: (a) *side income* (from art-related jobs. e.g., teaching or commercial design as well non-art-related work such as waiting tables, bartending, dog walking. Artists may pursue a variety of jobs that help meet expenses and allow them time to produce art); (b) *family support* (such as income provided by family members); (c) *patronage* (usually described as a relationship between artists and the ruling class or merchants, but government may provide patronage in the form of commissions for public art. Similarly, corporations may serve as patrons, commissioning work for a headquarters in an effort to cultivate a certain image); (d) *sponsorship* (i.e., market-driven funding whereby corporations contribute to artists or organizations in order to promote their brand, build a positive image, or boost their market share); and (e) *subsidy* (the dominant form of arts funding in developed democracies, in which local, regional, and federal governments provide funding to artists and arts organizations. Additionally, individuals and foundations may provide subsidies. An important feature of

subsidy is that it assumes a transparent relationship between the funder and an autonomous artist or arts organization). The current study was primarily concerned with subsidy provided by individuals, as distribution systems derive significant funding from these sources.

It is essential to note that many developed democracies have a robust for-profit arts sector (including commercial art galleries, music clubs, and commercial theatres) as well as a nonprofit sector that requires some form of financial support to remain viable. Netzer (1978) argued that in many respects the for-profit and nonprofit sectors function similarly and that a comprehensive assessment of any local arts economy requires investigation of both the for-profit and nonprofit sectors.

While sponsorships are a relatively straightforward process, subsidy is more complex; and how it is organized in an art system is matter of great significance. Core concerns of subsidy schemes include: (a) the transparency of the funding criteria and judgment processes; (b) the provenance of the judges (e.g., independent experts, civil servants, peer artists); (c) how political the subsidy process is; (d) whether judges are replaced after a period of time; and (e) what criteria are used to judge applications. This last concern is of particular importance, because judgment criteria are a reflection of what the subsidizing entity values and understands the function of art in society to be. Thus, subsidizers produce *regimes of value* (the manner in which artworks construct or deny identity and cultural difference) that govern financing schemes significantly. Indeed, all forms of arts funding are guided by the values of funders, making it incumbent upon those seeking funding to ascertain those values as well as the strategies in which funders engage to manifest those values. In developed democracies, arts subsidy is often a function of identity projection, in which subsidized art is a reflection of the history and values of the society from which it emerges. As a result, subsidizers may exert far-reaching influence over all domains within an art system (van Maanen, 2009).

In general, justifications for funding in patronage and market-based art systems value extrinsic benefits over intrinsic ones. Intrinsic values are best preserved in simple funding models, such as those based on side income and family support. Some subsidy systems effectively preserve intrinsic values of art as well, but others favor supporting a mix of intrinsic and extrinsic benefits, such as art for economic growth, improved social cohesion, or identity projection (van Maanen, 2009). The arts economies of developed democracies consist of a mix of market-based, for-profit, and subsidized nonprofit sectors, and a key determinant of the nature of various art worlds is the level of subsidy provided and the intent of the subsidizers. For example, the French government provides an exceptionally high level of arts subsidy, a reflection of the commitment of French culture to art's intrinsic value. On the other hand, funders from the political and economic systems in the United States provide significantly lower levels of subsidy and respond to justifications for funding which rely heavily on extrinsic arguments. A more thorough discussion of the intrinsic and extrinsic values of art and the discourse that arises from the tension between them follows in the section below titled Making the Case for Arts Funding: the Intrinsic and Extrinsic Benefits of the Arts.

In sum, there are three elements that help identify how various modes of finance affect the arts and how the arts function in society: (a) *the types of values produced* (e.g., patronage and market-based funding systems tend to favor extrinsic values, while simple forms of funding emphasize the intrinsic values; state subsidies tend to favor a mix of intrinsic and extrinsic values); (b) *aesthetic freedom* (side jobs and family support tend to allow for optimal freedom, but often fail to provide sufficient support. With patronage and sponsorship schemes, aesthetic freedom is often an issue that must be negotiated. Market-based systems provide a high level of aesthetic freedom, but only for commercially viable work); and (c) *the types of values realized in*

*society* (this element contains two dimensions: the first concerns accessibility: which social groups engage in arts activities and how often? The second involves the types of artistic communication people engage in and how that affects the social environment.). According to van Maanen (2009), subsidizing the production or distribution of art has the potential to produce the best outcomes because subsidy schemes tend to address the above-mentioned element—the types of values produced, aesthetic freedom, and the realization of the values concerned.

### **Political/Judicial Conditioning Factors**

According to Luhmann (2000), even though the political and judicial systems are distinct systems that generate specific forms of communication, they are structurally coupled in democracies because the Parliament (or Congress in the United States) is the legislative entity that creates laws that are maintained and enforced by the judicial system. Thus, the manner in which the political system conditions the arts must be understood in political/judicial terms. The three categories of economic conditioning factors (aesthetic freedom, the types of values produced, and the types of values realized in society) are germane to political/judicial conditioning factors as well.

The most fundamental of these conditioning factors is aesthetic freedom, which, in the political/judicial context, manifests as *freedom of speech—freedom of expression* in the context of art—a hallmark guarantee of constitutional democracies. In democratic societies, censorship is typically limited to restrictions intended to protect the rights of people or organizations against threats or insult based on immutable characteristics such as sex, religion, race, and sexual orientation. Limits to freedom of speech may also be based on standards of decency. The balance between freedom of speech and the injunction against threat, insult, and indecency is not always clear. As a result, it is often incumbent upon the judiciary system to determine if rights have been violated (van Maanen, 2009).

The political/judicial system provides artists with a broad set of rights based on the notion of *intellectual property*, which establishes artists as the owners of the work they create, protecting them against the unauthorized use of their work. The judicial system, which oversees *copyright* protection, is linked to both the arts system and the economic system. Because of the strong connection between the arts, the economic, and the political/judicial systems, a certain merging of the artist into the other realms has occurred. The proliferation of digital technology, which has made simple the illegal recording and distribution of a variety of film and music via the Internet, has added another dimension to the economic and political-judicial issues faced by artists (van Maanen, 2009).

Perhaps the most important political/judicial conditioning factor affecting an art system is the presence and character of the *politics of art* in which the system exists (van Maanen, 2009). The nature of governmental support and the ideological orientations of the politicians who control financial resources have an extraordinary impact on the functioning and disposition of an art system. Virtually all developed countries provide some measure of subsidy for the arts. The core concerns relevant to understanding the political/judicial conditioning of art systems are: (a) *what types of production and reception are valued* (e.g., comfortable versus challenging aesthetic experiences, intrinsic versus extrinsic benefits, arts for art's sake versus art for society); and (b) *what types of subsystems organize this support* (which involves the distance between supporting authorities and artists/organizations in the field, the nature of the advisory system, and the extent of decentralization).

According to van Maanen (2009), when discussing the types of values that are supported in an art system, it is important to mention two trends that have affected the field in recent years. First, beginning in the 1970s, there was a shift in public policy away from “art” towards “culture.” To a large extent this occurred because in the current environment, it can be difficult to

define art, and some types of art were increasingly identified with the elite class. Additionally, politicians believed that many social and ethnic groups engaged in various forms of aesthetic expression (such as folk, ethnic, and traditional forms) that were of value, but that were not consistent with more formal notions of art. In response, policymakers began using the terms “cultural” and “cultural policy” and often conflated “art and culture.” This shift implied that making a distinction between art and culture was somehow unnecessary.

Further, by substituting “culture” for “art,” the *power of imagination*, which has traditionally been considered essential to artistic production, was largely stripped from the social understanding of art and its function in society (van Maanen, 2009). Another effect of the move toward *cultural democracy* (the impulse to disregard traditional notions of high and low art and to elevate the status of ethnic art forms) is that the distinction between challenging and comfortable aesthetic experience has all but disappeared from political discourse; and cultural policy theorists seem to agree that each artistic domain can generate comfortable or challenging aesthetic experiences. Thus, the question for policymakers is whether to support comfortable or challenging experiences, or some balance of the two.

Based largely on the work of Florida (2002), a second trend in cultural policy has been to rationalize state support for the arts based on extrinsic benefits such as economic development and social cohesion (van Maanen, 2009). According to Florida (2002), cities with robust cultural amenities and open social structures are better equipped to attract well-educated *creative class* workers, with positive economic effects. Legitimizing state support for the arts based on economic development arguments might lead to the development of activities of interest to the creative class, but it does not necessarily lead to policies that distinguish between challenging and comfortable artistic experiences. In other words, the intrinsic and extrinsic values of art are not usually coupled in policy discussions concerning arts funding. A more thorough discussion

concerning the types of values indicated in arts and economic development arguments is provided in the Economic Impact Arguments section of this study.

Another constellation of extrinsic values that are central to cultural policy discussions includes the notions of: (a) *social cohesion* (e.g., arts activities have the potential to bring disparate groups together for a shared aesthetic experience, providing a unique form of social interaction); (b) *inclusion* (e.g., a characteristic of artistic communication is that individuals experience themselves as participants in a shared activity); and *collective identity formation* (i.e., artistic activities can either reify or challenge existing social norms and generate new social formations). Essentially, social cohesion values are based on the strong collective character of artistic activities and the idea that audience members are closely linked in the process of artistic communication (van Maanen, 2009).

An important value distinction in cultural policy discussions is concerned with what an art system focuses on and how that focus affects the politics as it pertains to arts support. Some arts systems focus primarily on artists and artistic production, while others are concerned with the function of art in society. Artist-based approaches to cultural policy typically emphasize authenticity, quality, and originality, while society-based policies (which are often favored by political subsidy providers) focus on participation, access, art education, and cultural diversity. In most cultural policy debates, a sharp distinction is made between artist-based and society-based value systems. According to van Maanen (2009), merging these two ways of thinking provides for a more robust art system, but it requires a deep understanding of the different values provided by various forms of artistic communication (such as comfortable or challenging art forms). It is important to note that extrinsic values associated with art activities are not exclusively attributable to art. For example, participation with sporting events can also generate a sense of social cohesion, inclusion, and collective identity (McCarthy et al., 2004).

In order for the values and function of art to be realized in society, a support system is needed; and the nature of the support system significantly affects how aesthetic values are disseminated. Van Maanen (2009) identified four central characteristics that help differentiate support systems: (a) *the distance between authorities and the aesthetic field*; (b) *how the judgment of artwork is organized*; (c) *the relationship between the authorities and various domains in the field*; (d) *the form and extent of decentralization in the system*. In most democratic societies, as a matter of policy, support organizations maintain an *arm's-length* distance from the organizations they support.

In the *arts council* model, perhaps the most common example of this arm's-length approach, government provides money for an independent council, which processes applications and distributes funds among applicants. Theoretically, the arts council approach means that politicians cannot directly intervene in funding decisions; however, political authorities typically develop goals and a funding process that affect the allocation of funds and thus the overall disposition of the art system it is designed to support. Indeed, Edelman (2009) argued that the political influence manifested in the design of an arts council makes a council's autonomy questionable.

In a *state ownership model*, politicians eschew the arm's-length concept altogether by providing direct support to institutions controlled by the state. Yet a third type of governmental funding is the *advisory body model*, in which direct government support is provided upon recommendation by an advisory body, often one that is domain specific (e.g., theatre, music, film, visual arts). At the present time, subsidy, rather than state ownership or patronage, has become the most common form of support in developed democracies (van Maanen, 2009).

For support organizations to function, processes for judging artworks must be developed. As previously mentioned, judgment can be provided by civil servants, art councils, or advisory bodies. Van Maanen (2009) identified three aspects of the judgment process that are of particular

importance: (a) *the different criteria that are used and how they relate to each other* (A central issue in determining criteria is the choice between intrinsic values, which are often linked to issues of quality, and functionality, which is concerned with whether artistic communication is organized so that it accomplishes what it is intended to accomplish); (b) *the nature of the judging process itself* (e.g., to what extent the process guarantees artistic autonomy; limits the involvement of politicians; determines the values and function of art in the community; determines the roles and responsibilities of artists and support organizations; provides a balance between the production of art and the institutional use of it); and (c) *the public nature of the process and how judging organizations are composed* (e.g., the criteria for funding should be made clear and available to artists and arts organizations in easily-accessible public documents).

In general there are three types of judging cohorts: (a) *peer artists*, who typically focus on aesthetic issues; (b) *politicians or their representatives*, who typically focus on societal outcomes; and (c) *mixed mediator groups*, consisting of professionals from outside or related fields, such as critics, theatre managers, and teachers. Central questions concerning arts funding processes in democratic societies have to do with the role and responsibilities of artists in the judging process and how to affect a measure of public (i.e., political) control without introducing favoritism or the abuse of power (van Maanen, 2009).

A goal of this current study was to investigate how the participating organizations made programming decisions, whether they favored comfortable or challenging material, and the types of judgment processes that affected both programming and fundraising. It is important to note that for all of the participating organizations, management handled both fundraising and programming decisions. Thus, fundraisers were knowledgeable about programming strategies.

The notion of decentralization in the art systems of Western democracies is primarily concerned with access to the arts and who is empowered to make decisions about the allocation

of resources. According to Kawashima (2001), there are three types of decentralization: *cultural*, *political*, and *fiscal*. Cultural decentralization, or the broad accessibility of arts activities, is a necessary but insufficient condition for aesthetic values to be realized within a community.

Cultural decentralization is a complex issue, because artists often concentrate in larger cities that provide more robust audiences and economic potential for their work. Further, the concentration of artists in large cities affects the nature of aesthetic production, such that artistic output is directed toward a well-informed audience; and as a result, the realization of artistic values is distributed unevenly across the population (van Maanen, 2009).

Political decentralization is concerned with whether decision-making power resides with local, regional, or federal governments. Opinions differ significantly on this issue. Some argue that local-level authority is preferable, because local officials are more familiar with the history and customs of the communities in which they reside. However, the decentralization of decision-making power in matters concerning the arts does not assure an increase in artistic activity, nor does it guarantee that opportunities to participate in the arts will be made widely available. Finally, fiscal decentralization focuses on the origin of funding sources and whether they are concentrated on the federal level or spread more evenly among federal, regional, and local sources (van Maanen, 2009).

### **Social Conditioning Factors**

To a large extent, social conditioning factors affecting art systems are concerned with the reception of art and how the values conveyed in artistic communication are realized in other social systems. Bourdieu's (1996) field theory, which emphasized the autonomy of discrete fields, does not provide much insight into the process of the social contextualization of aesthetic values; however, both systems theory and ANT do. Systems theory, which emphasizes perception and the structural coupling of social and psychic systems, clearly provides a

mechanism through which aesthetic perceptions are received and inform other social systems such as the political, legal, and economic systems (van Maanen, 2009). For example, recently in the Netherlands, politically sensitive artistic utterances about Islam led to considerable discussion in the political, legal, and religious systems. It is interesting to note that once an artistic communication shifts into the political, economic, or legal domain, it is largely discussed in those terms—not in artistic terms.

Analyzing this art controversy in terms of ANT, van Maanen (2009) argued that communication about it was usurped by the media (where it lost its aesthetic meaning) and, through various mutations, was “networked” in the discourse of politics. Thus, two central questions concerning social conditioning factors are: (a) to what extent can artistic utterances retain their aesthetic integrity once they have been coupled to other systems, and (b) how does artwork that does not easily enter adjoining systems through the media impact society beyond the art system?

According to van Maanen (2009), the media, especially television, tend to turn all information (i.e., content) into entertainment. Thus, in the context of Luhmann’s (2000) systems theory, the binary code for television might well be entertainment/not-entertainment. Stienen (2005) argued that while challenging art can be shown on television, the medium simply is not conducive to generating sophisticated aesthetic responses or prompting critical thinking. Stienen (2005) further suggested that because of its ubiquity, dominance, and strong tendency to render all content as entertainment, the media system (especially television) has had a profound tempering effect on aesthetic perception, both on individual and societal levels.

On the individual level, the question arises of how artistic experiences shift from the perception domain into the thinking domain. On the societal level, the question is, in aggregate, how artistic experiences inform the production of knowledge and understanding. According to van Maanen (2009), the operative separation that exists between artistic experiences and the

production of knowledge does not exclude the possibility of structural coupling between both psychic systems:

[...] although the systems of perception and thought may produce their own elements, they are also open to those of other systems. For art to function in a society it is important that people, many people, take part in artistic communication systems, but also that perceptions produced in them *can* be related to concepts which organize insights into notions about reality. (p. 278)

For the relationship between the artistic experience and the production of knowledge to exist, ruptures must occur in normative modes of understanding, thereby creating *spaces of possibility*—what Bourdieu (1996) referred to as *structural lacunas* that demand to be filled. In other words, artistic experiences that challenge normative views of the world create the space for alternative understanding in the cognitive realm. Further, through structural coupling, new ways of understanding generated by artistic experiences are expressed and reiterated in interaction systems, which may result in changing attitudes, opinions, and perceptions in the cognitive system as a whole.

### **Educational Conditioning Factors**

Conceptualizations of reality are developed in all social systems and interaction systems, but according to van Maanen (2009), ideas about reality are disproportionately shaped by education and family systems. Further, van Maanen (2009) noted that artistic expression manifests as imaginative forms that represent something in a manner that makes reality known in specific and different ways. Therefore, artistic expression expands perception and draws focus on the human sensibilities, which increases the potential for acquiring a wide range of knowledge. Art is a way of knowing that provides direct benefits to the education system in the form of expanded perceptions and attunement with the sensibilities (Eisner, 2002).

Similarly, art systems benefit from education systems, particularly in the domain of *arts education*, in which students develop technical, receptive, and reflective aesthetic abilities

(Eisner, 2002; van Maanen, 2009). In addition to acquiring the technical skills to paint, act, or play music, students learn how to watch, listen, and appreciate both self and other-generated aesthetic expressions and, over time, gain command of the language of the art system. This is an important process for both art and education systems.

At the same time, however, van Maanen (2009) identified three issues of concern: (a) increasingly, art education is only provided to a few students (which implies that the wide use of aesthetic observations within the system will be difficult to achieve); (b) educational goals are formulated almost exclusively on the individual level (which means that it is difficult to test aesthetic observations against other types of observations outside of the aesthetic realm); and (c) art education is not well integrated into the broader context of education (art education is largely considered an extracurricular pursuit). Additionally, while relatively few receive extensive artistic training, for a majority of people the potential for developing aesthetic appreciation requires exposure at a relatively early age (van Maanen, 2009).

McCarthy et al. (2004) argued that positive gateway experiences and consistent and sustained exposure to high-quality arts education and arts activities among children encourage aesthetic development and sustained interest in the arts into adulthood. Thus, the arts typically play a small role in societies with large populations of individuals with limited aesthetic exposure. However, van Maanen (2009) indicated that even in societies that are weak in arts education and largely dominated by media-driven, comfortable entertainment, aesthetic experiences can be organized in social systems outside of the aesthetic realm, providing a sense of shared participation and values. For example, a family or another social group might celebrate an important event by participating together in an arts activity and then communicate about it, thus strengthening the social bond and circulating the values conveyed in the artistic expression.

According to Wolf et al. (2003), arts education in Birmingham is dire. Indeed, private organizations that lack the financial and human resources to have a meaningful impact provide

most of the arts education programs. This study explored this issue through in-depth interviews to determine how funders and participating organizations perceived the state of arts education, and how it affected artistic production and reception in Birmingham.

In sum, while education and art systems are operatively closed, they are structurally coupled. Acquiring the skills necessary to create, understand, and appreciate art requires education. Further, engaging in arts activities stimulates the imagination, deepens perception, and teaches individuals to attend to human sensibilities, which directly and positively impacts the quality of learning in realms other than art (Eisner, 2002). Societies that fail to provide adequate aesthetic education and are dominated by media-driven entertainment tend to generate a plethora of comfortable aesthetic experiences. Finally, aesthetic experiences and the values they promote translate well into other social systems.

### **Understanding Distribution in the Nonprofit Arts Sector**

According to van Maanen (2009), “distribution is [...] the process of bringing potential users into contact with aesthetic utterances” (p. 243). Thus, distribution is where aesthetic production and reception merge; as such, it is a uniquely important aspect of the artistic process. In addition to the production and reception domains, there are constellations of organizations with a stake in artistic distribution, both in a *direct context* (e.g., subsidizers, sponsors, advisory bodies, agencies, service suppliers, the media) and an *indirect context* (e.g., unions, professional organizations, associations). Organizations with a direct relationship to distribution have significant influence on the production and reception of art, though the degree of influence varies significantly. In the present context, organizations with a direct relationship to the participating NAOs include private foundations as well as government agencies on the city and state levels. In many cases, the activities provided by the participating NAOs would simply not be possible without the help of subsidizing agencies. On the other hand, a more remote relationship exists

between distribution and the media; the media provides commentary in the form of reviews and criticism, but the production and reception of art is not ultimately contingent upon the media. Further, the influence of political/judicial, technological, social, and educational conditioning factors is mediated by organizations in the direct and indirect environment of distribution (van Maanen, 2009). For example, changes in the political system might affect subsidy, and technological advancements might affect production or audience expectations.

The primary process of distribution is the organization of artistic activities so that the realization of aesthetic values can occur (i.e., diffusion of aesthetic values across social systems other than arts). The central processes and sub-processes of distribution are determined by four types of inputs: (a) the material, personnel, and facilitating conditions; (b) the supply and variety of arts activities; (c) the presence and characteristics of audiences; and (d) the habitus of the artistically responsible agent. The habitus of the artistic agent determines the way in which the other three processes are assessed and deployed (van Maanen, 2009).

In the context of distribution, the habitus is largely concerned with the intention of the distributor—more specifically, whether the artistic forms presented are intended to support the development of art or to serve the interests of the public (van Maanen, 2009). Further, if the intention is to serve the public, one question remains: is this intention best achieved by presenting comfortable or challenging work? Thus, distribution is fundamentally concerned with balancing the interests of the artist and the public. It is important to note that, by controlling financial resources, subsidizing entities can exert significant influence over the types of artworks presented.

Material, personnel, and facilities refer to the elements, staff, and ancillary personnel available to a distributor within an art system. According to van Maanen (2009), these elements consist of: (a) *core services* (e.g., a performance space, ticket sales, lighting, costume making);

(b) *value enhancing support services* (e.g., providing information to the media); and (c) *value extending support services* (non-core incentives intended to encourage audiences to participate, such as food or transportation).

According to van Maanen (2009), time and space are two key aspects of distribution. Time refers to both the time of day, week, month, and year, as well as the duration of an event. For example, if an event takes place at late or unusual times, the audience might tend to be students, enthusiasts, or professionals. The same pattern may hold if the duration of the event is excessively long. Space is perhaps the most material element in distribution and the most complex. Space can refer to: (a) the place where an artistic event takes place (place can be thought of on the physical level, the setting in which an event occurs, or on the meta-level, the social/historical notion of place evoked by an artistic experience); and (b) how that place is given form (e.g., the style of the building or how it is used in the artistic event). Thus, an aesthetic event is essentially a slice of time and space for the artist and the audience, and it is the responsibility of the distributor to ensure that the event is organized in a way that provides sufficient meaning (van Maanen, 2009).

How and what artistic activities a distributor provides to audiences is critically important. According to Boorsma (2001), to a large extent, the relationships between artists and distributors are not governed by fixed conventions (as cited in van Maanen, 2009). Instead, they tend to take three basic forms: (a) *transaction* (the exchange of goods); (b) *transformation* (the material realization of the exchange); and (c) *communication* (in this context, communication is not primarily concerned with realizing goals, but rather with the subjective formation of meaning, judgments, and opinions).

In order for distributors to determine what types of art to make available to the public, they must first understand what values they want to be realized in society and then select the art

to be presented accordingly. In discussing the types of values art generates, van Maanen (2009) distinguished between decorative, comfortable, and artistic forms of aesthetic production, each of which generates different values. It is important to note that value judgments concerning art are relative—what is challenging to one viewer might be comfortable to another and vice versa. It is incumbent upon the distributor to take this relativity into account.

Additionally, in some cases, distributors choose to present work for the oeuvre itself (in order to perpetuate a genre or promote an artist's career) without much concern for its social implications. Others might present work specifically because of its potential impact on society. Finally, distributors might select work that is perceived to benefit the distributing organization. With the selection of artwork and an implied audience, distributors then engage in marketing, which Boorsma (1998) defined in relation to art as follows:

Marketing concerns the activities an organization undertakes which are aimed at influencing the interaction between one or more stakeholders to promote the exchange of values [...] between one or more target groups. (p.19, as cited in van Maanen, 2009, p. 258)

Additionally, Boorsma (2002) noted recent shifts in arts marketing away from *instrumental approaches* that focus on basic attributes (e.g., product, packaging, place, price) towards *conceptual models* (that emphasize relationship building and future-oriented actions) and *consumer value models* (a combination of instrumental and conceptual approaches). In the context of arts marketing theory, the intention of the distributor and the aesthetic competence of the target audience are highly significant; and a key question is—should events be chosen on the basis of the value of the aesthetic experience they provide or should the determinant be audience preference?

If a distributor focuses on providing comfortable aesthetic experiences, it is assumed that the audience has an appropriate (low) level of aesthetic acuity; and generally, *need* is equated with *demand*. However, van Maanen (2009) posited that this is a false equivalency, because need for a comfortable experience can be supplied by a variety of non-artistic sources, e.g., sporting

events, eating out, visiting a park. Further, need may be transformed into demand only when there is an informed and committed audience whose needs can only be met by a particular event (or type of event). Creating and organizing demand for artistic experiences requires careful analysis concerning what is to be offered and the potential audience along several dimensions: size, competence, need, accessibility, and interest (van Maanen 2009).

Distribution organizations operate in a geographical context, functioning on local, regional, national, and international levels. Knowing the level of demand that might be expected for artistic experiences is both critically important and notoriously difficult to ascertain (van Maanen, 2009). Many distributors adopt a *pluriform aesthetic approach*, offering a range of aesthetic events designed to appeal to a variety of audiences with different interests and tastes. Assumptions as to the competence, interests, and needs of potential audiences are frequently based on demographic dimensions such as age, sex, profession, education, and patterns of leisure time use (van Maanen, 2009). In many respects, the success of a distributing organization depends on the degree to which audiences perceive benefits from participation in the artistic event. Distributors that fail to make this relationship perceivable and cannot impart a sense that participation in the events they make available has real significance in the lives of audience members will not succeed in the long run (van Maanen, 2009).

It is not necessary to engage all of an individual's aesthetic competencies to create a satisfying aesthetic experience. According to van Maanen (2009), appealing to too many faculties too often or for too long can change an otherwise enjoyable experience into a stressful one (van Maanen, 2009). Individuals for whom a wide range of competencies is engaged during work hours often seek activities that provide lower levels of stimulation in their leisure pursuits. However, once audiences transition into the aesthetic environment, the cognitive desire for less stimulation dissipates, because aesthetic experiences tend to free the individual from the

vicissitudes of everyday life (van Maanen, 2009). Thus, it is essential for distributors to make clear the benefits of participation, especially relative to other kinds of activities, well in advance of an artistic event.

Van Maanen (2009) argued that comfortable artistic experiences are typically familiar to the audience and require less mental investment to comprehend and enjoy. As a result, distributors often provide this type of programming with the expectation that there will be a sufficiently large audience that can be reached through established channels of communication. On the other hand, distributors of challenging artistic events (particularly events that address a new audience) must establish that the interests of the audience will be realized; often this involves centering the event in the potential audience's social context. Thus, distributors of challenging artistic events often seek to build ongoing relationships between the audience and the organization and among the audience members themselves. This is frequently accomplished by establishing that the theme and social context of the artistic event itself is highly significant. Once these relationships are well established, the task of marketing eases considerably and the question of *reachability* shifts to the matter of how the audience is organized. In other words, what groups or types of groups can reliably be segmented on the basis of their identity and cohesiveness as a group? Thus, the question of organizing the reception of artistic experiences is a critical and complex task (van Maanen, 2009).

According to van Maanen (2009), organizing artistic reception is particularly complex primarily due to a shift of focus in the 1960s from the collective to the *individualization of artistic reception* in the United States and Western Europe. The movement toward individualization, which favors the individual experience over the collective, changed the dynamics for distributors, making it significantly more difficult to reliably segment potential audiences in terms of group characteristics. As a result, distributors often seek to build a sense of

community centered on the organization in a manner that promotes a feeling of belonging and informs the identities of audience members.

According to van Maanen (2009), organized artistic reception does still occur, if on a limited basis, and is most prevalent today in educational settings. An example of organized reception common today is when schoolchildren attend performances and discuss the experience afterward.

The *artistic position* (i.e., the types of artistic programming provided) of distributing organizations, which is best determined by examining the totality of a year's artistic offerings, largely determines the impact distributors have on the art system and society at-large, because artistic events are the means by which aesthetic values are realized, reinforced, and transformed.

According to van Maanen (2009), events can be characterized by their response to three interrelated questions: *how* (i.e., space, personnel, time) are artistic events organized, so that they bring about *what* (i.e., music, film, theatre, literature) for *whom* (the type of audiences/demographics: well socialized, serious and experienced, practicing/former artists).

In sum, distribution is the domain in which artistic production and reception come together and is largely responsible for the realization of aesthetic values across society. As a result, distribution can have temporary or lasting effects on mental, ideological, and social structures (van Maanen 2009). Political/judicial, technological, educational, social, and cultural factors influence distribution and how it functions in society. The structure of distribution organizations is determined by a series of processes and sub-processes: (a) material, personnel, and facilities; (b) the supply of artistic events; (c) the presence of an audience; and (d) the habitus of the distributing organization (e.g., the intention of the distributing organization to present material that serves either the artist/artwork or the public interest). Marketing is a primary means by which distributors reach audiences. Because it is increasingly difficult to

segment target audiences, marketing now involves establishing ongoing relationships between distributors and audiences in a manner that informs the identity of the latter. Artistic events can be categorized on a continuum from comfortable to challenging work. Challenging work requires a greater mental investment on the part of the audience, and distributors presenting challenging work must convey a sense that participation will fulfill a need and be meaningful. Finally, events can be characterized by their response to a series of interrelated questions regarding how aesthetic events are organized so that they bring about what for whom.

Distribution is the nexus at which artistic production and reception merge and as such it is uniquely important. Distribution was the primary domain of the organizations participating in this current study.

### **Observations and Perspectives from Cultural Economics**

According to Frey (2003), economists have long been interested in economic aspects of the arts. Specific areas of interest include public subsidy for the arts and the role of government as a decision-maker in the arts. In recent years, the *rational choice approach*, which emphasizes individual behavior as manifested in *preferences* (what individuals desire) and *constraints* (e.g., limitations imposed by social institutions, income, price, available time), has provided a useful but somewhat controversial perspective for investigating the economics of art. The approach is controversial because it diverges from classical economic perspectives (Frey, 2003). Further, Frey (2003) noted that the rational choice approach has been used to investigate a wide variety of social and economic phenomena. Indeed, numerous economists have used the rational choice approach including Nobel laureates such as, Kenneth Arrow (1972), Herbert Simon (1978), Theodore Schultz (1979), James Buchanan (1986), Ronald Coase (1991), Douglass North and Robert Fogel (1993), Amartya Sen (1998), and Daniel Kahneman (2002).

According to Frey (2003), economists interested in the arts often posit that governments are justified in subsidizing the arts because they are *mixed goods*, both providing personal benefits and producing positive external effects on society in the form of *non-user benefits* (i.e., benefits that accrue to all individuals, even those who do not participate in the arts directly). These non-user benefits consist of: (a) *existence value* (the entire population benefits from the very existence of arts and cultural assets, even those who do not attend cultural activities); (b) *option value* (individuals benefit by simply having the option to attend artistic events, even if they choose not to attend them); (c) *bequest value* (individuals and society benefit by preserving cultural assets that are passed on to future generations); (d) *prestige value* (the existence of certain cultural assets bestows prestige upon the communities in which they exist); and (e) *education value* (exposure to the arts expands the knowledge and aesthetic vocabulary of individuals and society as a whole). As noted by Frey (2003), the justification for state support of the arts based on non-user benefits was first addressed by British economists Robbins (1963, 1971) and Peacock (1969).

Frey (2003) posited that while economists have long been interested in economic aspects of art, *cultural economics* as a discipline in its own right was introduced by Baumol and Bowen's (1966) seminal paper *Performing Arts: The Economic Dilemma*. Baumol and Bowen (1966) labeled the economic dilemma of the performing arts *the cost disease*. The cost disease is the result of the ever-increasing level of per capita income, and the related increase in the cost of staging the performing arts, which cannot be offset by technological advancements or improved efficiencies. In other words, it will always require four highly trained musicians approximately 45 minutes to play a Beethoven Quartet. Over time, the cost of production will increase. No technological advancement or improved efficiencies will change these conditions. The cost disease seeks to explain why the performing arts are under constant financial pressure.

Frey (2003) argued that economic approaches to understanding art transcend the traditional limits of *neo-classical economics*, taking into consideration psychological and behavioral aspects of human motivation in the production and consumption of art as well as the relationship among art, markets, and government. Further, Frey (2003) identified two primary aspects of interest in cultural economics: the issue of economic and political influence and the manner in which institutions shape the production and consumption of art.

Government plays an important role in financing the arts both *directly*, in the form of subsidies, and *indirectly*, in the form of tax law, which makes charitable contributions tax deductible. However, governments can have detrimental effects on the production of art, because governmental decisions about the arts are informed by political and bureaucratic considerations (Frey, 2003). Additionally, Frey (2003) suggested that art produced in an unfettered market might differ greatly in quality and quantity from art produced through democratic decision-making processes. Thus, Frey (2003) argued in favor of a comparative analysis of the institutions through which art is produced.

In a discussion of the relationship between art and markets, Frey (2003) noted that most economists today see the advantages of markets because they tend to be efficient and allow for varying tastes and different preferences. This is significant, because *art* is not only that which is sanctioned by art experts. To illustrate this point, Frey (2003) observed that art experts are often late to acknowledge new movements to which the market has already responded. For example, the Parisian art establishment of the late 1800s initially rejected *Impressionism*. On the other hand, the market for impressionist paintings was quite robust well before the art establishment in Paris embraced the movement.

In response to the criticism that markets tend to produce mass culture or *bad art*, Frey (2003) argued that markets simply respond to demand. Thus, if low quality art is in demand, the market responds by providing low quality art. Further, Frey (2003) indicated that (as in the case of Impressionism) there is no reason to assume that demand for high quality art does not exist. To further illustrate this point, Frey (2003) pointed to the recent success of many high quality visual art and film festivals across the United States and Europe.

Frey (2003) also noted that while markets foster variety, they have significant limitations as well. For example, *market failure* (which proposes that, while many art forms provide both public and private benefits, individuals are only willing to pay for private benefits, thus subsidy is required) is an important and complex issue. Additionally, Frey (2003) argued that markets are less than ideal because they produce “external effects, increasing returns, and monopolistic tendencies among suppliers” (p. 13). Thus, Frey (2003) concluded that markets are best seen as one of several decision-making mechanisms available to the arts. A separate decision-making mechanism available to the arts is government intervention.

In a discussion of the efficacy of various types of government intervention, Frey (2003) made a distinction between direct democracies, in which major decisions about arts funding are made via referenda, and representative democracies, in which elected politicians make decisions. A common concern in direct democracies is that majority decisions will inevitably privilege inferior art, or art that is preferred by the masses. Frey (2003) challenged this assumption, arguing that direct democracies, such as Switzerland, do not typically vote to support inferior art—indeed the opposite is the case (Frey, 2003). Further, Frey (2003) noted that no democracy is purely direct in that all decisions are made via referenda. Rather, various governmental entities decide many issues. Indeed, relatively few issues are decided by referenda.

Nevertheless, whether considering representative or direct democratic systems, Frey (2003) posited that there is an assumption that decisions about the arts should be made by elite actors—individuals knowledgeable about the arts. Inevitably, this gives rise to the question of which elites should make decisions about art in democratic systems. In response, Frey (2003) proposed four primary possibilities: *elected politicians*, *art administrators in government*, *the art establishment*, and *artists*.

Elected politicians often wield significant decision-making power in their own right, but in order to secure reelection, they are vulnerable to the influence of organized interest groups. Frey (2003) suggested that organized interest groups tend to be well established, culturally conservative, and have more influence than groups promoting innovative art forms. The latter are by definition poorly organized and politically weak as they advocate for new, often-unfamiliar forms of art.

Art administrators in government are individuals employed directly by government agencies or art organizations who consult with government on matters concerning the arts. Art administrators in government are typically well educated but tend to have a stake in the art forms they have supported over a long period of time (Frey, 2003). Thus, art administrators have an interest in advocating for the art establishment—not new or innovative art forms. In other words, art administrators in government tend to have a conservative bias.

According to Frey (2003), the art establishment consists of *art critics*, *art historians*, and *gallery owners*, as well as *private and corporate collectors*. Frey (2003) argued that the art establishment has a conservative bias because its area of competence is art that is currently popular. Further, Frey (2003) posited that the art establishment does not typically support genuine outsiders (artists that reject the status quo) unless they capitulate to the expectations of the art establishment. However, Frey (2003) argued that the art establishment does promote new

art forms if they are believed to be commercially exploitable in the short term. In other words, entities engaged in promoting new art forms seek to predict *demand* and accordingly adjust the *supply*. Finally, Frey (2003) argued that, in contrast to popular art forms, *innovative art* is a supply-side phenomenon to which demand might or might not ultimately adjust.

Frey (2003) argued that leaving decisions about the arts and cultural matters to artists might be problematic for several reasons. First, it is not clear that artists are well equipped to make effective judgments about the work of other artists based on ego, professional envy, and other considerations. Second, determining which artists are in a position to make decisions about the arts is problematic, because what constitutes *an artist* is ill defined. For example, does being an artist require graduating from an art academy or membership in artists associations, or is it simply a matter of producing artwork? If producing artwork is the primary criterion for being considered an artist, is the income (or lack of income) generated by the sale of art relevant? Further, if an artist can be defined as one who generates income through the sale of art, it follows that some artists cater to low or popular tastes. The question remains of whether such an individual is competent to make important decisions about art.

According to Frey (2003), the third concern with leaving decisions about art to artists is related to how decision-makers are chosen. For example, if artists are elected to make decisions about art, to what extent will they reflect the interests of those who elected them? On the other hand, if artist decision-makers are appointed, to what extent are they obligated to represent the interests of the individual(s) who appointed them? This proposition might be particularly problematic if the appointment is based on subjective criteria (Frey, 2003).

To summarize, Frey (2003) argued that cultural economics is an interesting and growing area of research that has been investigated through various theoretical perspectives, including the rational choice framework, which focuses on individual behavior (choice and constraints), and

*the economic approach*, which is discussed below. Further, Frey (2003) argued that, in a democracy, there is no consensus as to who is best equipped to make decisions about art. Indeed, decisions reached by any of the contingents discussed above (voters, elected politicians, art administrators in government, the art establishment, or artists) have disadvantages.

According to Frey (2003), even though this critique of artistic decision-making focused on voters and various elite groups, the implications of the constitutional right to self-determination as manifested in the guarantee of *artistic freedom* cannot be overlooked. In essence, anyone who wishes to perform an artistic or cultural act is free to do so as long as it does not impose significant costs on other individuals. Based on the privileges of self-determination and artistic freedom, democratic systems, while less than perfect, provide the best opportunity for new artists and new art forms to flourish.

In addition to the rational choice approach to cultural economics, Frey (2003) identified an alternative conceptualization—the economic approach—which focuses on *material aspects* of artistic production, especially issues of supply and demand. According to Frey (2003), the economic approach has several key tenets: (a) art is defined by individual actors, not elite groups; (b) there is no such thing as good or bad art; (c) the definition of art changes over time; and (d) various institutional conditions affect individuals' constraints and therefore the concept of art. Further, Frey (2003) argued that, for practical reasons, economists typically make distinctions between and focus their research on: (a) *the creative arts* (Feldstein, 1999); (b) *the performing arts* (Baumol & Bowen, 1966); or (c) *cultural heritage* (Peacock, 2000).

Frey (2003) suggested that the individual desire to consume art constitutes demand, which economists measure as the *marginal willingness to pay*. Further, while economists track variations in the willingness to pay, no intrinsic artistic value can be attached to such measurements. For example, if an individual is willing to pay twice to see a film, but only once

to see a live theatrical performance which costs the same, it does not mean that the film has twice the value of the live performance. According to Frey (2003), economists typically refrain from making such normative judgments about art. Rather, they simply note that certain individuals are willing to pay twice depending on their *individual evaluation* of an artwork's value. Willingness to pay (demand) can be seen either *directly*, as in the price paid for artworks or tickets to artistic events, or *indirectly*, as voters empower elected officials to make decisions regarding how government funds will be allocated to the arts (Frey, 2003).

In a discussion about the supply of art, Frey (2003) argued that it is necessary to distinguish between work generated by *self-employed artists* and work created by *artists working within arts organizations* (such as artists and technical staff in theatre, ballet, or opera companies). In democracies, self-employed artists are generally free to produce art at will and are limited primarily by economic constraints, such as the need to generate income and pay for the materials needed to create art. On the other hand, government has a codifying effect on organizations that employ artists by providing both direct subsidies (financial support) and indirect subsidies (tax deductions, exemptions, and credits). An effect of this paradigm is that new, *illegitimate* art forms may find it difficult to be recognized by the art and culture establishment. Frey (2003) argued that economists have long considered the supply and demand sides of art separately. However, it is precisely the equilibrium (or disequilibrium) between supply and demand that determines what constitutes *an artist* from an economic point of view. Virtually anyone in a democracy can label him or herself an artist, but from an economic perspective, an artist's interaction with demand must be taken into account (Frey, 2003). For example, a person whose profession is waiting tables is free to call him or herself an opera singer (perhaps because he or she received vocal training, was once an opera singer, or simply aspires to be a singer), but from an economic perspective, if demand for the artist's services does not

exist, it makes little sense to count that individual as an artist. According to Frey (2003), the same principle applies if demand is present but so low that only a modicum of income is generated through artistic activities.

Further, Frey (2003) noted that some countries (particularly those influenced by German Romanticism) reject the demand-dependent notion of an artist. In these cultures, to be a *true artist*, one must be poor. Frey (2003) soundly rejected this notion, replying that: (a) not all artists are poor; (b) high-income artists do not necessarily create inferior work; and (c) many high quality artists (as defined by the art establishment) are extremely well paid.

Disequilibrium exists when either supply exceeds demand or vice versa. *Excess supply* can also be seen as a lack of demand. With excess supply, if sustainability is to be achieved, an *adjustment process* must take place (Frey, 2003). For example, when a theatre company sells only a few tickets to a production, a financial loss is experienced. As a result, the company must engage in one of several adjustment processes: (a) if no response is undertaken, the company will not survive (i.e., organizational failure); (b) if the company reorganizes, cuts costs, and increases demand by programming more market-driven art, it might survive (i.e., a market solution); or (c) the company might cover losses by seeking outside funding, from either private or government sources (i.e., subsidy solution), which is dependent upon how well cultural interests are organized and financed (Frey, 2003).

*Excess demand* occurs when demand for an artistic activity exists but supply is not forthcoming. According to Frey (2003), this type of disequilibrium exists for three primary reasons. First, the production of certain artistic activities is not feasible because the costs are greater than the marginal willingness to pay. An individual's willingness to pay might not capture all of the benefits produced by the artistic activity. For example, public good effects (option value, existence value, prestige value, educational value, and bequest value) might be

considerable. Depending on the size of these effects, it might be argued that these artistic activities should exist; in which case, some form of subsidy is justified. Second, the artistic activity is not available because its supply is restricted or forbidden. Finally, supply is *not* adjusted to demand to create and willingly maintain a (box office) queue. In this scenario, customers interpret the length of the queue as an indication of both quality and scarcity.

In sum, Frey (2003) argued that there are two primary approaches to understanding the economics of art: the rational choice approach and the economic approach. The economic approach focuses on the intricate dynamics of supply and demand. In this approach, art is whatever people think it is and economists do not judge whether art is good or bad. The concept of art changes over time as a result of shifting constraints particularly changes in income, price, and value. Further, these changes affect the supply and demand of art.

When supply and demand is in a state of equilibrium, art is seen as a consequence of the preferences and constraints of various actors involved in the arts. When disequilibrium exists, supply exceeds demand or vice versa. According to Frey (2003), disequilibrium produces conditions that help economists better understand the processes through which art is produced and demand is created. In other words, studying disequilibrium provides economists with a conceptualization of how art evolves in society. On the other hand, the rational choice approach emphasizes individual behavior as manifested in preferences (what individuals desire) and constraints (e.g., limitations imposed by social institutions, income, price, available time).

Finally, Frey (2003) argued that the rational choice approach provides the most effective framework for evaluating the economics of art because it helps distinguish cultural economics from other social scientific paradigms, such as sociology and social psychology.

It is the position of this current study that Frey's (2003) explication of the rational choice and economic approaches to cultural economics are salient, but that the boundary between the

two approaches is quite porous. Further, Frey's (2003) conceptualizations are Eurocentric and do not adequately account for the peculiarities of the nonprofit arts system in the United States or for the broad implications of private philanthropy.

### **The Nonprofit Arts Sector in the United States: Structural, Measurement, and Methodological Issues**

In a comprehensive discussion of the nonprofit arts sector in the United States, DiMaggio (2006) noted that the field of arts and culture occupies a relatively small portion of overall nonprofit activity in the United States. According to Weitzman, Jalandoni, Lampkin, and Pollack (2002), NAOs account for 2.3% of revenues and 1.9% of nonprofit employment in the nonprofit sector. More importantly, even though the nonprofit arts sector has grown, both in terms of revenue and employment, at a faster rate than healthcare, education, religion, social services, civic organizations, and philanthropic foundations, the nonprofit arts sector remains dominated by small organizations. According to Seley and Wolpert (2002), the nonprofit arts sector contains relatively few large organizations. By contrast, the fields of healthcare, education, religion, and social services are dominated by large organizations (DiMaggio, 2006). Further, DiMaggio (2006) argued that the nonprofit arts sector relies more heavily on individual donations and volunteering, and less on government support, than do nonprofits in other fields.

According to DiMaggio (2006), because the nonprofit arts sector is dominated by small organizations, it tends to be less professionally managed, less restricted to institutions of *high culture* (e.g., museums, concert halls), and more “ubiquitously integrated into our homes, schools, churches, and everyday life” (p. 433). NAOs are often *embedded* within other organizations (e.g., churches, schools, universities, community development programs, youth assistance programs). Outside of major metropolitan areas, churches and universities are often primary presenters of the arts; but because arts constitute a relatively small portion of their overall activities, the arts provided are rarely counted or studied when cultural assessments are

undertaken (DiMaggio 2006). Further, because the nonprofit arts sector is dominated by small organizations, the sector tends to be *weakly institutionalized* compared to nonprofit organizations in other fields, which are *strongly institutionalized*. In the present context, institutionalization refers to administrative wherewithal as well as human and material resources. According to DiMaggio (2006), since NAOs are weakly institutionalized they are often “statistically and socially invisible” (p. 433).

Another common phenomenon in the nonprofit arts sector is that of *minimalist organizations*—organizations that are unincorporated, lack tax-exempt status, have minimal programming, rely on part-time or volunteer staff, and have extremely small budgets. According to Jeffri (1980), these minimalist organizations play a vital role, disproportionate to the modest resources they draw upon, in training young artists, presenting challenging or innovative work, and presenting work to audiences that might not attend presentations at more conventional venues.

DiMaggio (2006) proposed a conceptualization of the nonprofit arts sector as comprising three rings: (a) *inner core organizations* (arts and cultural organizations classified as such under the National Taxonomy of Exempt Entities (NTEE) and incorporated under the 501c3 section of the IRS code); (b) *embedded organizations* (organizations embedded within 501c3 organizations that fall *outside* the NTEE arts and culture category); and (c) minimalist organizations (unincorporated noncommercial organizations that provide a variety of arts activities and training). Further, DiMaggio (2006) argued that, because inner core organizations are more established than organizations in the outer rings, their operations are better documented and understood.

To develop a comprehensive understanding of any art system, it is incumbent upon researchers to fully consider all arts organizations across the sector, including those in the outer

rings, to avoid a distorted view of the sector. To illustrate this point, a single community might have a full-time professional symphony orchestra with a \$20 million budget that plays 50 concerts per year *and* an all-volunteer theatre company with a \$5,000 budget that produces two shows a year. While both of these organizations are engaged in the arts, they function on different scales, have different resources at their disposal, and operate with different business models. Because more data are available for inner-core organizations, the tendency in research is to give disproportionate weight to that portion of the sector (DiMaggio, 2006).

According to Netzer (1978), while the distinction between for-profit and nonprofit arts organizations is oftentimes difficult for laypeople to discern, for-profit and nonprofit organizations are organized in fundamentally different ways, making comparisons between the two difficult. Further, DiMaggio (2006) argued that methodological and measurement complications exist because data about for-profit and nonprofit organizations have historically been collected separately and, as a result, are difficult to compare. Since for-profit arts organizations contribute significantly to the overall arts ecology of many communities, they too must be included in any comprehensive culture assessment, which further complicates measurement.

According to DiMaggio (2006), industries that dominate the nonprofit arts sector include: resident theatres, community theatres, stock theatre companies, symphony orchestras, opera companies, chamber music groups, modern dance companies, ballet companies, historic sites, community theatre, children's theatre companies, and choral ensembles. By contrast, the for-profit arts sector is populated by: dinner theatre, dance schools, dance or stage bands, jazz ensembles, Broadway theatres, touring theatre companies, and circuses. Off Broadway theatres, Off Off Broadway theatres, and folk/ethnic dance companies are mixed in organizational form. Additionally, 40% of art, drama, and music schools are nonprofit organizations (DiMaggio 2006).

To summarize, nonprofit organizations dominate the fields of art and historic exhibition as well as the most prestigious forms of the performing arts (i.e., opera, ballet, symphony orchestras, museums). Other performing arts, such as jazz and ethnic dance, have attained both critical respect and scholarly attention and remain largely in the for-profit sector (DiMaggio 2006). Similarly, for-profit organizational forms dominate the fields of pop music and dinner theatre. Nonprofit and for-profit organizations compete in the areas of art schools, circuses, and numerous kinds of theatre. Additionally, the nonprofit arts sector is dominated by small, weakly institutionalized organizations, which are often embedded within other organizations or are minimalist organizations. All of these factors combined present serious methodological and measurement challenges for researchers interested in assessing the sector as a whole (DiMaggio 2006).

### **Origins and Orientation of Arts Funding in the United States**

To fully appreciate the unique structure of the nonprofit arts funding system in the United States and the inherent complications arts organizations face, it is necessary to briefly discuss the history, structural components, and evolution of the system. The United States is one of the few countries in the western world that does not have a strong, centralized, cabinet-level ministry of culture (Kammen, 2000; Mulcahy, 1992, 2000; Wyzomirski, 2000). To a large extent, this is the result of an ongoing philosophical debate regarding the proper role of government in the sociopolitical life of America. Federal funding for the arts in the United States is typically very modest.

For example, the 2010 budget for the National Endowment for the Arts (NEA), America's federal arts funding agency, is \$133 million, \$22 million below the 2009 allotment of \$155 million (Americans for the Arts, 2011b).

By contrast, most European nations have strong ministries of culture and explicit, well-defined cultural policy that informs the purpose and means of support for a broad variety of cultural assets (Kammen, 2000; Mulcahy, 1992, 2000). In France, for instance, an explicit goal of the ministry of culture is to inoculate French culture against the perceived deleterious effects of *American cultural imperialism* (i.e., American pop music, films, television) and to preserve and promote French culture internally and around the world (Mulcahy, 1992, 2000). To accomplish this, the French government provides significant funding to sustain the cultural infrastructure and support a wide variety of artistic ventures across the country. Indeed, even during the current global recession, the French government increased cultural funding by 2.7% in 2010 (Guardian, U.K., 2011). Rocco Landesman, current chair of the NEA, recently noted that Great Britain provides the lowest level of arts funding in Western Europe, approximately \$900 million per year. On a per capita basis, this level of funding would translate to approximately \$4.6 billion in the United States—or more than 34 times greater than the 2010 funding level of \$133 million. However, this comparison is somewhat misleading, as it does not account for funding provided by *states arts agencies*, which in 2010 contributed approximately \$360 million in arts funding. Nevertheless, the combined funding provided by the federal government and states arts agencies amounted to a relatively small \$490 million. Local government (i.e., cities, counties) arts funding, while significant, is substantially more difficult to calculate; however, recent research has shown local government funding levels of nearly \$200 million per year (Americans for the Arts, 2011b). These figures do not account for private philanthropy, individual, corporate, and foundation contributions, which are believed to account for approximately 43% of contributed income (National Center for Charitable Statistics, 2007).

Another unique and significant feature of the American arts funding system is the *matching grant*, utilized extensively by both the NEA and states arts agencies. Conceptualized in

the late 1950s by W. McNeil Lowrey, vice president for the arts of the Ford Foundation, the matching grant was a means of leveraging additional funding sources, as matching grants provide funding on the condition of obtaining equal or greater funding from another source. According to Kreidler (2000), between 1957 and 1976 the Ford Foundation contributed \$400 million to: (a) revitalize major arts nonprofits, (b) decentralize arts infrastructure beyond major cities, (c) establish arts service organizations, and (d) bolster music conservatories and schools of visual art. The matching grant became the primary mode of funding for both the NEA, founded in 1965, and the state arts agencies, which were established as a condition of funding by the NEA in the late 1960s.

### **“Leverage Lost”**

According to Wyzomirski (1999, 2000) and Kammen (2000), the matching grant was a highly significant factor in the development of the arts and cultural infrastructure in the United States. In 1965 there were 7,700 NAOs in the United States, today there are more than 50,000; in 1970 there were 60 professional symphony orchestras, today there are over 600; and 40% of the nonprofit museums in the United States today were established after 1970 (Ivey, 2008). As successful as the matching grant system has been, in recent years growth in the nonprofit arts sector and arts funding in general has declined significantly, and recent research investigating the outlook for the near future is rather dim (Thomas, Christopher, & Sidford, 2010). According to Ivey (2008), when adjusted for inflation, state, federal, and local arts funding is now below 1992 levels. Additionally, total arts philanthropy is believed to have declined by nearly 30% since 1990. Kreidler (2000) argued that the recent decline in arts funding may also be indicative of a more fundamental problem: the matching grant system cannot meet its objectives. Specifically, Kreidler (2000) asserted that while extremely successful early on, the matching grant is fundamentally based on the notion of ever-expanding philanthropic capacity (i.e., *unlimited resources*)—an unrealistic assumption.

A competing line of scholarship holds that the genius of the American arts funding system lies not in direct subsidies, but rather in indirect subsidies (e.g., tax deduction incentives). Scholars suggest that by providing tax deductions for charitable contributions, a level playing field is created within which all nonprofit entities compete on a free market basis (Cowan, 2006). However, the extent to which tax incentives alone are responsible for charitable contributions is unclear. In the current climate of diminished asset valuations and economic uncertainty, and when society is faced with monumental issues such as HIV/AIDS, global climate change, and the need for education and health care reform, it is understandable why governments and philanthropic organizations would be reluctant to give financial support to a symphony orchestra struggling to exist (Ivey, 2008).

The issue of increased competition across the nonprofit sector and the relative position of the arts in the hierarchy of nonprofit needs (as perceived by various grant makers) are of particular interest to this study for a few reasons. First, Birmingham has experienced exponential growth in the arts sector over the past decade, which has resulted in increased competition for funding within the arts sector. Second, the nonprofit sector as a whole has expanded in Birmingham, which has resulted in increased competition for funding across the sector. Finally, chronic mismanagement, which ultimately led to the bankruptcy of Jefferson County, and a substantial decrease in arts funding (\$5 million), has strained the arts sector significantly. Thus, developing compelling fundraising appeals and effective management of the organization-donor relationship is of paramount importance.

### **Government Funding for the Arts: Public Opinion and Issue Salience**

Government funding is another significant source of arts funding, one that enjoys widespread public support. Even during episodes of heightened controversy, when federally funded artwork violates public sensibilities and politicians threaten to eliminate federal arts

funding altogether as was seen during the *culture wars* of the 1990s (e.g., the Mapplethorpe, Serrano, and Findley controversies), public opinion polling has shown consistent and robust support for federal arts funding, approximately 60% (Augustine, 2003). However, when compared to other issues of national importance such as the economy, national security, education, and healthcare, the arts are generally not perceived as particularly salient (Augustine, 2003; DiMaggio & Petit, 1999).

Thus, public opinion concerning arts funding is consistent, but the issue generally lacks salience; it is also vulnerable to a well-organized, politically savvy minority of approximately 5% to 15% of the population that leads the opposition (Augustine, 2003; DiMaggio, 1991; DiMaggio & Petit, 1999). According to Augustine (2003), while congressional distaste for arts funding occasionally reaches fever pitch, leading to calls for the elimination of the NEA altogether, the political calculation has been that, even though such a move may appeal to the conservative base, the risk of alienating less ideologically driven constituents is simply too great.

### **Making the Case for Arts Funding: The Intrinsic and Extrinsic Benefits of the Arts**

This section, and the following four sections of this literature review (Economic Impact Arguments, Individual Benefits of the Arts, Social Benefits of the Arts, and A Conceptual Framework for Understanding the Benefits of the Arts), discuss the types and efficacy of arguments often employed to justify arts funding. These topics are particularly germane to the qualitative text analysis of this study. However, the various benefits provided by the arts discussed below also informed the interview guide for the in-depth interview portion of this study. Specifically, interviewees were asked to identify the benefits of the arts that they believed to be most relevant and compelling.

To reiterate, a central contention of the current research was that arts nonprofits are unique among nonprofits. Unlike cause or rights-based nonprofits that build case statements

based on the intrinsic benefits they provide to society, arts nonprofits often find it difficult to create effective fundraising appeals based on the intrinsic benefits of the arts. As a result, arts nonprofits find it necessary to focus on the extrinsic benefits (also referred to as *instrumental benefits*) of the arts, such as the economic impact of the arts, social cohesion, and the cognitive benefits derived from participation in the arts. In other words, cause or rights-based nonprofits with missions such as eradicating HIV/AIDS, providing food to the hungry, or promoting gay rights, build case statements that highlight the intrinsic value of those pursuits; therefore, they do not need to evoke more remote, extrinsic benefits that may result from the activities in which they engage.

Conversely, intrinsic values of the arts (e.g., pleasure, engagement of the senses and emotions, improvements in cognitive attitudes and behaviors, health benefits), while vitally important and typically the motivation for participating in arts activities on the individual level, generally lack sufficient gravity in the current grant-making milieu. Thus, arts nonprofits focus increasingly on extrinsic values (e.g., economic impact, social cohesion, art education arguments) in developing case statements. It is important to note that the same extrinsic benefits derived from participation in the arts can be derived from many other types of activities as well, including participating in sports, family gatherings, or recreational activities. It could be argued that the NEA was established in the mid-1960s with a clear mission to consolidate existing institutions and to provide greater access by de-centralizing the arts infrastructure beyond major urban areas. In a sense, the mission to stabilize and de-centralize could be viewed as a cause (Kammen, 2000).

Once the interventions of the 1960s achieved success, the arts funding environment changed, with the focus shifting from building to sustaining. And with this shift, the mission-orientation of the nonprofit arts sector became more nuanced and difficult to define, and the

justifications embodied in case statements became increasingly convoluted. This and the changing interests and requirements of grant makers led to a heightened focus on extrinsic benefit arguments in arts case statements. According to Shanahan (1980), during the 1970s, proponents of public subsidy for the arts shifted the debate 180 degrees; the question of what the economy could do for the arts reversed to what the arts could do for the economy. Further, the arguments that public subsidy advocates pursued focused on three types of economic arguments: (a) *arts as industry* (the arts provide jobs, require minimal use of exhaustible resources, are an integral part of the post- industrial service economy, bolster tourism); (b) *arts as cultural amenities* (the arts are key to attracting and retaining a skilled workforce); and (c) *arts in education and human development* (the arts encourage social cohesion and neighborhood revitalization while strengthening local economies).

### **Economic Impact Arguments**

Even though economic impact studies have become required tools for arts advocates, there is an abundance of scholarship from the field of cultural economics suggesting that they are at best a misrepresentation of method and at worst clear examples of *misinterpreted authority* (Mabry, M., & Mabry, B., 1981). Even scholars who tentatively advocate for the use of economic studies acknowledge that their strategic appeal is based on attempts to: (a) establish the presence of economic implications of the arts; (b) construct arguments likely to be accepted by business and governmental interests; (c) appropriate the discourse of business/economics with data-based arguments; and (d) establish credibility through the inclusion of non-arts “experts” and social science methods (Radich & Foss, 1987). According to Radich and Foss (1987), “While the methods used in these studies may not serve as ideal examples of economic research, then, they provide excellent models for persuasion” (p. 101).

Landsburg (1993, 1997) and Hahn (1982) argued that the misappropriation of economic discourse in a variety of advocacy domains is indicative of a broader trend of discursive misappropriations at the service of political ideologies (e.g., Thatcherism, Reaganomics) for which economics is a central doctrine (Madden, 2001). According to Madden (2001), misinterpreted authority promotes confusion, poor policy design, and poor resource allocation; once in place, it is notoriously difficult to repudiate.

According to McCarthy, Ondaatje, Zakaras, and Brooks (2004), there are essentially three categories of economic benefits: (a) *direct benefits* (the arts as an economic activity that provides employment, generates tax revenue, and stimulates spending), (b) *indirect benefits* (e.g., the arts are important for the attraction and retention of a skilled workforce and a variety of businesses); and (c) *public good benefits* (e.g., the availability of the arts for present and future generations and the contribution the arts make to a community's quality of life). Studies measuring direct benefits typically measure employment and spending in the arts sector (as compared with other sectors in the economy) and calculate multiplier effects (discussed below). Indirect effects are measured by surveys to determine the preferences of different groups and ancillary costs (e.g., travel, lodging, food). Public good benefits are nonfinancial in nature, and as such, they are typically difficult to measure.

Often *contingency valuation* techniques, which assign a monetary value by asking individuals how much they would be willing to pay in taxes to ensure access to arts events, are used to estimate public good benefits. Critics of these approaches claim that they seek to measure effects that are difficult to assess in economic terms, and that, as they are usually conducted in major cities, the results may be misleading for the population as a whole (McCarthy et al., 2004; Thorsby, 2003).

According to Pleeter (1980), economic impact methodologies are so numerous that they defy categorization and are generally based on weak analytical techniques. Madden (2001) argued that while developing a taxonomy of economic impact methodologies is virtually impossible, there are essentially two broad approaches: (a) *size analysis* (i.e., the financial size of a sector, calculated by summing all related income and expenditure, usually calculated as a percentage of gross domestic product and compared with the size of other sectors), and (b) *flow-on and multiplier analysis*, which can be applied to *one-off events* or temporary phenomena (e.g., art festivals) as well as to *permanent fixtures* (e.g., museums and performing arts centers). Analysis of one-off events measures spending that would *not* have occurred had the event *not* taken place; thus, it is *counterfactual*—an assessment of what might have been (Madden, 2001). Analysis of permanent institutions generally measures *multiplier effects* or “the likely effect of a change in demand for the output of a sector” (Madden, 2001, p. 163). In other words, the output of the arts sector is measured (in part) by the salaries paid to individuals working within the sector and the economic activity those salaries stimulate, such as paying taxes, paying rent, or buying food. The assumption is that if those salaries (and the economic activity they stimulate) were to disappear, the multiplier effect would also be lost.

Madden (2001) asserted that size analysis is problematic because it implies that the size of a sector equates to its importance, yet economic size and importance are not necessarily related at all. Further, Madden (2001) indicated that size analysis implies that the benefits provided by the arts are best measured in economic terms, which diminishes the import of non-economic benefit arguments such as social cohesion and cognitive improvement. Many economists contend that size analysis is actually a measure of *cost* rather than benefit (Madden, 2001). The question of *exogeneity* (income derived from outside of an economic system, e.g., tourist dollars) is critically important to flow-on multiplier analysis (Madden, 2001).

According to Madden (2001), exogeneity presents two problems. First, it assumes that multiplier effects are bound to specific systems. For example, if in the course of participating in an arts activity, individuals purchase food, lodging, gasoline, or parking, multiplier analysis assumes that if the art event did not take place, then the ancillary expenses would not occur. However, it is impossible to determine whether those ancillary expenses arise solely from participating in the arts event. If the art event did not take place, it is possible that individuals would decide to participate in a different type of activity, such as a sporting event, and still incur lodging, food, and parking expenses. Further, people traveling to a specific destination might take advantage of many different kinds of events and facilities (e.g., attending a sporting event, going to the theatre, visiting a museum), making it difficult to attribute expenditures accurately. Thus, multiplier effects cannot necessarily be attributed to a specific sector of the economy.

Second, it is often difficult to determine what constitutes exogenous income, because this type of calculation is highly sensitive to *boundary definitions* (Madden 2001). For example, on the national level, tourist income from different regions within the country is of little interest to national governments, because these exchanges merely represent monetary transfers among citizens—no new income enters the system.

According to Madden (2001), there are essentially three practical problems with economic impact studies as they are used in arts advocacy. First, they invite inappropriate and unfair competition between sectors, creating the temptation among politicians and policymakers to favor larger sectors. Indeed, Seaman (1987) and Hansen (1995) both argued that the arts will never win in a cross-sector competition focusing on which one has the largest economic impact. Second, economic impact studies allow for misleading comparisons (e.g., comparing an art gallery, a sporting event, and a rock concert), without fully distinguishing the intrinsic and functional uniqueness of such diverse endeavors. Third, economic impact analysis can entice

governments to intervene for financial gain, which is not always consistent with artistic objectives, or in the case of poor impact numbers, to relegate the arts to the periphery of governmental interest (Madden, 2001). The insights provided by Madden (2001), Seaman (1987), and Hansen (1995) are of particular interest to this current study, because as previously mentioned, economic impact studies have become an increasingly relied-upon justification for arts funding in Birmingham, forcing many of the NAOs participating in this study to construe (or misconstrue) their impact in economic terms.

Finally, a frequent criticism of economic impact studies is that they fail to consider *opportunity costs*—the relative effects of spending on the arts as opposed to other types of consumption (McCarthy et al., 2004). A number of economists are critical of the use of multiplier analysis, because it assumes that spending on the arts represents a net addition to the economy rather than a substitute for other types of spending. McCarthy et al. (2004) noted that this is relevant when calculating the impact of capital investments in the arts sector. The question arises whether the cost of the investment should be deducted from the additional spending that the investment generates or whether the gross addition to total arts expenditures is the appropriate measure of economic impact. Seaman (2003a, 2003b) argued that spending on the arts is simply a substitute for spending on other goods and services. Seaman (2003b) suggested that it is more appropriate to compare gross direct spending and employment effects than it is to utilize multipliers, because the latter assumes that all net spending on the arts constitutes a direct addition to the economy.

### **Individual Benefits of the Arts**

According to McCarthy et al. (2004), supporters of instrumental benefit arguments identify three basic individual benefits categories: (a) *cognitive benefits* (improved academic performance, such as grades and test scores, especially SATs; improved basic skills in reading

and mathematics; and improved attitudes and skills that encourage the learning process itself); (b) *attitudinal and behavioral benefits* (the development of attitudes that improve school performance, such as self-discipline and self-efficacy; the development of general life skills, such as critical thinking, self-discipline, and teamwork; and the development of pro-social attitudes, such as self-regulation and tolerance); and (c) *health benefits* (improved quality of life, including mental and physical health, especially for the elderly and Alzheimer's patients; improved health for individuals with medical problems, such as patients with mental or physical handicaps, or patients with acute pain or depression; reduced stress and improved performance of caregivers; and reduced anxiety for patients facing surgery or childbirth).

When assessing the cognitive benefits of arts participation, researchers typically focus on activities that occur in formal education: (a) the arts as a means of improving traditional academic skills; (b) artworks (e.g., music, painting, literature) integrated into non-arts subjects (e.g., history, social studies) to improve the understanding of these courses; and (c) the arts as a subject in their own right (e.g., arts appreciation and hands-on training in various artistic disciplines).

In general, studies of the cognitive benefits differentiate between levels of participation based on the amount of time a student has been engaged in arts activities and whether the participation was direct training in various art forms or training that was incorporated into non-arts courses. Additionally, most studies focused on in-school experiences, although several investigated community-based arts programs as well. The methods used to study cognitive benefits varied widely and included individual case studies, correlational analysis, and experimental designs (McCarthy et al., 2004).

A central criticism of all cognitive benefit research is that it is virtually impossible to sufficiently isolate control variables related to art experiences, particularly in naturalistic

educational settings, in order to establish causation among outcome variables. In other words, improved test scores may be related to factors other than arts participation, such as socio-economic status, time spent with parents, and pro-learning attitudes promoted within the family (Eisner, 2002).

According to McCarthy et al. (2004), attitudinal and individual behavioral studies have typically emphasized the process of change from beliefs to attitudes, attitudes to intentions, and finally intentions to behavior. Attitudinal and behavioral studies frequently involve school-age children, often children with behavioral problems. These studies tend to focus on exposure to the arts in educational settings and measure outcomes in terms of the types of art education opportunities provided; years of participation; and the characteristics of the specific type of participation (e.g., hands-on training, appreciation). Many of these studies conclude that hands-on participation, especially performance and presenting, are effective means of developing pro-social skills, because they promote planning, teamwork, trust, and self-discipline. A common methodological criticism is that even if experimental or quasi-experimental techniques are used, studies are frequently limited to participants in a specific treatment paradigm; as such they are essentially case studies, and therefore results cannot be generalized to other contexts.

According to McCarthy et al. (2004), health benefit studies generally involve two types of participation, hands-on and appreciation. Health benefit studies generally involve four forms of art therapies: (a) *music therapy* (e.g., listening to music to induce a sense of calm or performing, usually singing, to evoke a response and alertness); (b) *dance therapy* (rhythmic movement intended to promote physical and emotional health); (c) *art therapy* (e.g., the use of visual art to stimulate communication and diagnosis, often as a complement to psychoanalysis); and (d) *drama therapy* (such as role playing or the dramatic expression of real life or imagined situations intended to promote emotional/psychological well-being). Health benefits research

typically consists of clinical studies of specific populations; the results usually appear in medical journals; and researchers attempt to establish correlations between arts participation in the medical environment and positive health outcomes.

### **Social Benefits of the Arts**

Literature concerning the social benefits of the arts has emerged in recent years and concentrates on two general areas: (a) the arts as a catalyst for *social interaction* among community members (i.e., the arts as a means of building shared-identity social capital at the community level); and (b) the arts as a means of *empowering communities to organize for collective action* (McCarthy et al., 2004). Studies in the social interaction category investigate how the arts provide opportunities for direct social contact and promote a sense of belonging, trust, pride-of-place, and connection to the community (Griffiths, 1993; Jackson, 1998; Lowe, 2000; Stern, 2000). Social-interaction benefits provide what Putnam (1993) identified as *bonding* activities (the strengthening of in-group relations) and *bridging* activities (relationship-building among disparate social groups and classes) (Grams & Warr, 2003; Stern, 2000).

Research focusing on the arts and community empowerment typically investigates how the arts help develop a community's organizational capacity. These studies are concerned with how qualities developed in arts organizations—community involvement, volunteerism, cross-organizational cooperation, and organizational skills translate into civic institutions in general (Grams & Warr, 2003; Guetzkow, 2002; Newman, Curtis, & Stephens, 2003; Stern, 2000; Wali, Sverson, & Longoni, 2002). According to McCarthy et al. (2004), community empowerment studies investigate effects in a variety of disciplines, including economics, political science, anthropology, sociology, and psychology.

Social benefits studies do not differentiate between specific types of arts participation, referring usually to the broader notion of “involvement in the arts and culture” (McCarthy et al.,

2004, p. 15). Often social benefit studies purport that some benefits of participation in the arts accrue to individuals who do not participate directly. For example, benefits in the form of social cohesion, shared identity, and pride-of-place might accrue broadly across a community, even among individuals who have no interest in the arts (McCarthy et al., 2004). According to McCarthy et al. (2004), a substantial number of empirical social benefits studies focus on hands-on participation provided by informal, community-based projects, as opposed to the more formal nonprofit and commercial sector organizations (Grams & Warr, 2003; Guetzkow, 2002; Newman et al., 2003; Stern, 2000; Wali et al., 2002). These studies are concerned with how community art projects bring people together for a shared purpose and in the process promote connectedness, belonging, trust, and improved habits of civic engagement (McCarthy et al., 2004). It is unclear, however, how and which social benefits accrue to various categories of participation (e.g., hands-on participation, appreciation, stewardship). Further, given the emphasis on community-based arts projects in the social benefits literature, it is uncertain whether the benefits apply to the nonprofit and commercial sectors as well (McCarthy et al., 2004).

In general, the literature documenting the instrumental effects of arts participation varies significantly in focus, method, and analytical rigor (McCarthy et al., 2004; Winner & Hetland, 2000). Indeed, Winner and Hetland (2000) argued that most of the cognitive effects studies fail to use experimental or quasi-experimental methods and, as a result, lack methodological and analytical rigor. According to McCarthy et al. (2004), more rigorous research does offer some support for the presence of cognitive as well as attitudinal and behavioral effects (Catterall, 1997, 1998, 1999; Heath & Roach, 1999).

Further, McCarthy et al. (2004) noted that even though instrumental effects are yet to be empirically demonstrated, it does not mean that they do not exist. The insights provided by these researchers are of great significance to this current study, because they challenge the validity,

accuracy, and ultimately the credibility of many classic arguments for arts funding (Catterall, 1997, 1998, 1999; Heath & Roach, 1999; McCarthy et al., 2004; Winner & Hetland, 2000).

DiMaggio (2002) noted that the question regarding instrumental effects studies is not whether they exist, but what the specific nature of the effects is and in what circumstances might they be seen. Further, DiMaggio (2002) posited three basic deficiencies with instrumental benefit arguments: (a) *the fallacy of treatment* (i.e., the assumption that all arts participation produce the same effects—the notion that arts education, hands-on participation, community-based arts programs, attendance at performances produce similar effects); (b) *the fallacy of homogeneity* (the assumption that arts participation will have the same effects on individuals from different types of communities and socio-economic backgrounds); and (c) *the fallacy of linear effects* (the assumption that effects are produced in direct proportion to the level of participation).

Findings by McCarthy et al. (2004) add to DiMaggio's (2002) critique of the instrumental benefits literature, and suggest that the literature generally fails to consider the comparative advantage of arts participation over other ways of achieving similar effects. For example, McCarthy et al. (2004) argued that better schooling might produce cognitive benefits; social cohesion benefits might be gained through community activities other than arts participation; and economic benefits might be realized by investments in non-arts infrastructure.

### **A Conceptual Framework for Understanding the Benefits of the Arts**

Core difficulties facing arts advocates as they seek to create compelling arguments that justify the need for public and private funding in an environment rife with pressing social demands include how to distinguish between intrinsic and instrumental benefits and how to explain the means by which intrinsic benefits might accrue to society at-large (McCarthy et al., 2004; Nussbaum, 1995, 2010). In response, McCarthy et al. (2004) proposed an integrative way of framing the intrinsic and instrumental benefits of arts participation. In their *framework for*

*better understanding the benefits of the arts*, McCarthy et al. (2004) described a private benefits/public benefits continuum that illustrates how private benefits (both intrinsic and instrumental) translate into the public sphere. For example, Nussbaum (2010) argued that exposure to and thoughtful discussion about narrative forms of literature in the classroom setting has the potential to: (a) develop a child's capacity to see the world from the viewpoint of others; (b) teach attitudes towards weakness and helplessness that suggests that they are not shameful conditions; (c) develop a capacity for genuine concern for others; (d) undermine the tendency to look down on minorities; (e) counter stereotypes by teaching what is real and true about other groups (e.g., racial minorities, sexual minorities, people with disabilities); (f) promote personal accountability; and (g) enhance critical thinking. Fundamentally, Nussbaum (2010) described a process through which the (private/instrumental) cognitive, attitudinal, and behavioral benefits of arts participation accrue to society at large in the form of a more empathic, thoughtful, engaged and critical thinking polis.

McCarthy et al. (2004) purported that while there are no absolute lines of demarcation between the private and public benefits of arts participation, the private benefits/public benefits continuum provides several advantages, including: (a) a better understanding of the full range of benefits, both intrinsic benefits (e.g., pleasure, emotional stimulation, desire for a rewarding experience, the production of meaning), which constitute the fundamental reasons people participate in the arts, and instrumental benefits (e.g., economic impact, social cohesion, shared identity, pride-of-place), which dominate the research agenda and public discourse concerning arts funding; (b) a better understanding of the links between different types of benefits and the similarities and differences in the processes through which benefits accrue to society at-large; and (c) specific acknowledgement that both intrinsic and instrumental benefits can have private and public benefits. It is this last point that challenges conventional wisdom regarding a complete

separation between intrinsic and instrumental benefits as well as the notion that intrinsic benefits cannot accrue to the public sphere.

In sum, while there is a growing body of research offering evidence that the arts produce benefits on the individual and public levels, the literature is burdened by weaknesses, most notably the nature of the methodologies used, the selective nature of the populations investigated, a failure to explain how arts participation generates the claimed effects, and a failure to acknowledge that many private and public benefits discussed in the literature can be achieved through participation in non-arts activities (McCarthy et al., 2004). Thus, many of the typically used arguments in favor of arts funding lack empirical verifiability and as such are vulnerable to close scrutiny.

### **Direct Mail Fundraising Letters as a Discursive Genre**

This section of the literature review, which explicates the structural and functional components that constitute direct mail fundraising letters as a coherent genre, is relevant to this study because it provides basic elements of analysis for the qualitative text analysis (such as the *six-move discourse structure*, persuasive strategies, readability, and the use of visual design elements as described below). According to Bahtia (1998), the discourse of philanthropy as manifested in direct mail fundraising letters is a unique and dynamic form of language:

For a relatively limited number of communicative functions, this discourse form offers a large variety of creative options, some rarely used before. It is a category of genre that offers an interesting and challenging profile of linguistic realizations to achieve a limited set of generic objectives. (p. 100)

The dynamic nature of philanthropic discourse arises from the fact that it is intended to be quite persuasive. Simply stated, its purpose is to persuade people to donate funds to worthy causes and philanthropic programs (Connor, 2000). Bahtia (1993) and Connor and Wagner (1998) suggested that fundraising letters as persuasive communication share similarities with other forms of promotional discourse, such as sales letters and job applications. Recent investigations of

philanthropic discourse, specifically fundraising letters, have utilized qualitative methods to analyze characteristics such as communicative functions (Bahtia, 1997; Connor, 1997), linguistic patterns (Abelen, Redeker, & Thompson, 1993; Crismore, 1997; Lauer, 1997), social contexts (Bazerman, 1997; Meyers, 1997), metaphors (McCagg, 1997), and cultural differences (Connor & Wagner, 1998; Graves, 1997).

More recently, Upton (2002) conducted a quantitative study of fundraising letters, using a combination of *corpus analysis* and *genre analysis*. In the present context, genre is defined as a type of text that contains specific functional components and a corpus is a sample of real world text structured for linguistic analysis (Goering, Connor, Nagelhout, & Steinberg, 2011). Upton (2002) derived data from 242 fundraising letters created by 71 organizations. Each letter was coded into a linguistic analysis computer program that identified the nonprofit field (e.g., arts and culture, the environment, education, community development, health and human services) and organizational size (based on income).

A genre analysis was then conducted, which combined socio-cultural and psycholinguistic analysis of text construction and interpretation based on Bahtia's (1998) six-move discourse structure (establishing credentials, introducing the cause, offering incentives, enclosing benefits, soliciting support, and expressing gratitude). Bahtia (1998) identified four essential characteristics of genres: (a) they represent a recognizable communicative event characterized by a coherent set of communicative purposes; (b) they are mutually understood as a specific genre by various members of the professional or academic community in which the specific form of communication regularly occurs; (c) they are a highly structured and conventionalized form of communication; and (d) they are bound by constraints that are easily noticeable when broken (as cited in Upton, 2002).

After an initial review of the corpus analysis, Upton (2002) modified Bahtia's (1998) six-move discourse structure as follows: (a) get attention; (b) introduce the cause and/or establish the organization's credentials; (c) solicit response; (d) offer incentives; (e) reference insert; (f) express gratitude; and (g) conclude with pleasantries. In essence, Upton (2002) determined that, while there was some variability in move sequencing and length, the fundraising letters analyzed constituted a coherent genre with predictable linguistic structures and communication strategies.

Further, Upton (2002) argued that the variability might be due to inherent differences among various nonprofit fields. For example, move two (introduce the cause and/or establish organizational credibility) appeared more frequently and was longer in letters written by health and human services organizations than in letters written by educational organizations. As a result, Upton (2002) called for future research to investigate how different fundraising fields structure and operationalize persuasive strategies in fundraising letters.

According to Goering et al. (2011), even in the Internet age, direct mail letters remain the primary method nonprofit organizations use for recruiting new donors. Warwick (2000) noted, "research repeatedly shows that the majority of first time gifts to charity are made by mail" (p. 166). Because direct mail fundraising letters are such an important aspect of a nonprofit organization's fundraising strategy, scholars and practitioners share an interest in understanding what contributes to the success of direct mail appeals. Scholars from a variety of fields, including marketing (Berger & Smith, 1997; Diamond & Gooding-Williams, 2002), communication studies (Hoeken & Hustinx, 2007), economics (Eckel & Grossman, 2008; List & Lucking-Reiley, 2002), and psychology (Weyant & Smith, 1987), have investigated fundraising letters. However, Goering et al. (2011) noted that nonprofit organizations often conduct proprietary research. As a result, data, research methods, and findings are not shared with others or subject to review.

Laboratory and field experiments have yielded several insights into the efficacy of various *social cue* strategies, such as: (a) indicating a specific donation amount (Desmet & Feinberg, 2003; Frazier, Hite, & Sauer, 1988; Weyant & Smith, 1987); (b) personalizing appeals by mentioning the potential donor's name multiple times in the solicitation (Turner & Yeakel, 1994); and (c) listing other donors along with the amount of their contributions (Reingen, 1982). Tversky and Kahneman (1981) studied the impact of positive and negative frame valence (operationalized as describing outcomes in terms of "lives saved" or "lives lost") and determined that positive messages are more effective than negative ones. Smith and Berger (1996) observed that including either factual/statistical or narrative/experiential information positively affected outcomes in field studies. Falk (2004) determined that including a gift with a direct mail solicitation increased the likelihood and size of donations. Bekkers and Crutzen (2007) determined that elaborate, color graphics were less successful for soliciting repeat donors than plain stationary.

Goering et al. (2011) noted that most research investigating fundraising letters was descriptive in nature, focusing on distinctive linguistic features. Connor and Gladov (2004) developed an operational system of persuasive appeals in fundraising discourse, based on earlier work by Connor and Lauer (1985) that utilized the Aristotelian proofs: rational (logos), credibility (ethos), and emotional (pathos). In the context of fundraising letters, rational arguments involve the use of facts and statistics and often encourage action by predicting effects, consequences, or outcomes. Credibility appeals seek to portray the organization (and the letter writer) as trustworthy, often by providing information about the writer's personal experience and indicating that the donor's point of view is of interest and is valued. Affective appeals are intended to arouse emotions by appealing to the potential donor's beliefs and moral values.

According to Goering et al. (2011), rational appeals are the most frequently employed persuasive strategy in fundraising letters, followed by affective appeals, and then credibility appeals. However, Handy (2000) argued that credibility appeals might be the most important communication strategy because donor trust is essential to fundraising through direct mail campaigns. Further, Handy (2000) identified several cues that are frequently employed to establish credibility, such as: (a) highlighting the 501c3 charitable status of the organization; (b) noting the longevity of the organization; (c) utilizing celebrity endorsements; and (d) indicating that a majority of the funds raised go directly to programs and services if administrative costs are low as a percentage of net income.

According to Goering et al. (2011), persuasion in fundraising letters is likely mediated by a host of factors, including the elements of visual design. Popular literature intended for fundraising practitioners is replete with suggestions about visual design, including techniques for increasing interest and breaking monotony, such as the use of boldface and underlining text to highlight benefits as well as the use of a postscript and numbered and bulleted lists (Smith, 1996; Vasilopolous, Goering, & Nagelhout, 2004; Wheildon, 2005). However, Goering et al. (2011) noted that while several of these visual design elements have been tested as individual strategies, no comprehensive research investigating the interaction between visual design and persuasive strategy exists.

Popular literature on crafting effective fundraising letters abounds with advice about language use, insisting that clear, engaging, and personal language is essential. Much of this literature suggests that the pronoun “you” should be used frequently in direct mail letters. Compact, powerful words, colloquiums, familiar words, and even clichés are also recommended. Linguistic elements to be avoided include: simile, metaphor, technical language, adjectives, first-person plural, complex words, abbreviations, and foreign phrases. Further, the popular literature

on fundraising letters offers copious advice about grammatical construction, insisting that fundraising letters avoid semicolons, passive voice, and spelling errors. However, beginning sentences with a conjunction and the use of dashes, ellipses, and contractions are permissible (Goering et al., 2011).

Goering et al. (2011) concluded that the popular literature concerning the construction of fundraising letters, when viewed as a whole, suggests that direct mail letters should be written at a relatively low level of readability. Thus, Goering et al. (2011) proposed that readability scales, such as the Flesch Index, the Flesch-Kincaid Grade Level Measure, the Fox Index, the Coleman-Liau Formula, and the Lix Formula, provide an effective means of assessing readability. Further, Goering et al. (2011) determined that the majority of fundraising letters in the Indiana Center for Intercultural Communication's Fundraising Corpus (the corpus upon which most descriptive models of fundraising discourse are based) are written at a ninth grade reading level.

In their experimental research on fundraising discourse, Goering et al. (2011) analyzed fundraising letters on three primary dimensions: (a) strategies used in the construction of persuasive arguments; (b) linguistic features (readability—the use of short sentences, simple words, and short paragraphs); and (c) visual design (specifically the use of bulleted lists). The results of this study showed that among the three strategies tested, credibility appeals were most effective, while scarce differences were detected between emotional and rational appeals.

Of the linguistic features tested (i.e., readability), Goering et al. (2011) determined that, contrary to expectations, letters written at a higher level of readability were more effective than simple ones. However, Goering et al. (2011) suggested that this finding could not be generalized across other fundraising domains because the sample letters were asking for donations to institutions of higher learning and the participants in the study were all college educated and therefore might be expected to respond to more complex language. Nevertheless, this finding

suggests that the conventional wisdom, which holds that fundraising letters should be written at a low readability level, is not universally valid. Further, Goering et al. (2011) identified statistically significant effects for the use of bullet points in fundraising letters. Finally, while Goering et al. (2011) established main effects for communication strategies, readability, and visual design elements, the authors found no statistically significant interaction effects.

In sum, researchers suggest that direct mail fundraising letters constitute a coherent genre that utilizes predictable structural patterns, persuasive strategies, and visual design elements that serve to persuade potential donors to contribute money to a variety of charitable causes. Upton's (2002) research combining corpus analysis and genre analysis established a quantitative baseline for fundraising letters and identified a seven-move discourse structure that defines the genre. The current study expands the understanding of the discourse of arts philanthropy, as expressed in direct mail fundraising letters for NAOs, utilizing qualitative text analysis (discussed in detail in Chapter III).

### **Co-orientation Theory of Public Relations**

The *co-orientation model of communication* was of particular interest to the current study, as it provided the theoretical perspective for determining how various funders as well as managers of NAOs understand each other and their respective roles and responsibilities. Based on the work of multiple scholars, co-orientation is concerned with the *simultaneous orientations* between individuals or groups of people and how this orientation affects communication (Heider, 1958; Laing, 1967, 1970; Laing, Phillipson, & Lee, 1966; Newcomb, 1953, 1961). To illustrate co-orientation, Newcomb (1953) posited an A-B-X model in which “one person (A) transmits information to another person (B) about something (X)” (p. 393, as cited in Reber, 2001, p. 16). Further, Newcomb (1953) proposed that A's attitude toward B and X are interdependent, thus constituting A-B-X as a communication system.

Heider (1958) argued that *common sense psychology* dictates that individuals predict the actions of other people based on the attribution of conscious and unconscious dispositional properties (i.e., their wishes, beliefs, actions, intentions). Newcomb (1961) suggested that individuals assign consistent orientations to others in order to achieve *perceptual consistency*, based on the notion of *perceptual balance*—the tendency to restore balance to stressful situations (as cited in Reber, 2001). McLeod and Chaffee (1973) noted the significance of Newcomb's (1953) A-B-X model but also identified a paucity of research between pairs of individuals and therefore defined co-orientation as “cognitive transactions between persons” (p. 662, as cited in Reber, 2001, p. 17).

Central to co-orientation are the concepts of *accuracy* (i.e., when an individual's perception of the other's perception is consistent with the *other's true perception*); *agreement* (i.e., when an individual's perception *resembles* the other's perception); and *congruency* (i.e., when an individual believes the other's opinions are akin to his or her own). Further, McLeod and Chaffee (1973) argued that co-orientation research requires investigation of three primary dimensions: (a) the relationship of the primary interactors; (b) the cognitive state of the interactors over time; and (c) the communication exchanges between interactors (as cited in Reber, 2001). According to Reber (2001), while co-orientation research initially focused on pairs of individuals, over recent decades it has successfully been used for the study of various groups, based on the assumption that individuals orient to the group collectively, so that the group constitutes a discrete, concrete identity.

According to Kelly (1998), the co-orientation model of communication, which is represented in the widely accepted fundraising principle of *match the organization's needs to the donor's needs*, suggests that understanding what people want is a critical aspect of fundraising. Public relations scholars Broom and Dozier (1990) adopted co-orientation theory for application

to corporations and publics, constructing a model that requires practitioners to examine perceptions that corporations hold toward publics and vice versa. The construct was later modified to include fundraising, such that *opportunity* (charitable gifts) was used interchangeably with *problem* or *issue* (Broce, 1986; Kelly, 1998). As such, the need for charitable gifts provides an opportunity for a donor to participate in rectifying a social ill (Broce, 1986).

The Broom and Dozier (1990) model consists of four basic components: (a) a nonprofit's view of the fundraising opportunity, (b) the donor's view of the opportunity, (c) the organization's perception of the donor's view, and (d) the donor's perception of the organization's view (Kelly, 1998). In the context of fundraising, *agreement* constitutes the degree to which the donor and the organization hold the same perceptions; *accuracy* indicates the extent to which the donor's and organization's perceptions of each other's positions are correct; and *perceived agreement* describes how one side assesses the relationship, which influences its interaction with the other side (Kelly, 1998). Broom and Dozier (1990) defined four *co-orientation states*: (a) *consensus*, when there is mutual agreement; (b) *dissensus*, when the donor and the organization hold conflicting views; (c) *false consensus*, when the organization believes the donor is in agreement, but the donor is not; and (d) *false conflict*, when either the donor or the organization misperceives disagreement with the other (as cited in Kelly, 1998).

In sum, Laing (1967) argued that an individual's communicative action is determined by the individual's perception of his or her relationship with the other communicator and that achieving understanding is contingent upon consensus. Dozier and Ehling (1992) noted, "Misperceptions can lead to catastrophic actions whenever the dominant coalition sees agreement or disagreement when none actually exists" (p. 181). Thus, understanding co-

orientation and perception as they relate to the managers of NAOs and various grant-making entities requires analysis of the accuracy and agreement that exists between them.

According to Waters (2007), a majority of organization-public relationship research is asymmetrical, with studies focusing on one side of the relationship only. With one notable exception (Jo, 2003), studies have not included assessment of organizational representatives' perceptions, despite an awareness of the impact management has on the relationship. However, Waters (2007) broke new ground by applying co-orientation methodology to measure the relationship between the fundraising staff of nonprofit hospitals and major gift and annual giving donors.

The current study extends Waters' (2007) approach by utilizing co-orientation methodology to investigate the relationship between the fundraising staff of NAOs and donors based on the organization-donor relationship dimensions and cultivation strategies proposed by Hon and Grunig (1999), Hung (2006), and Waters (2007), as well as the stewardship strategies proposed by Kelly (2000).

The research design and interview guide developed for this study were based largely on prior research by Waters (2007). Further, it is the position of the current study that a better understanding of the complex, dual-sided dynamics of the nonprofit-arts-organization/donor relationship will make it possible to recommend future research pertaining to relationship cultivation in this specific realm and provide theoretical insights regarding co-orientation approaches in a variety of settings. Finally, it is hoped that this study will have practical ramifications for fundraisers and managers of NAOs.

Based on the above literature, the following research questions were explored) in this study.

RQ 1. What persuasive strategies (social cues and graphic strategies) were evidenced in the fundraising letters analyzed in this study?

- RQ 2. What appeals to logos, ethos, and pathos were utilized to persuade donors in the fundraising letters analyzed in this study?
- RQ 3. What signals to resolve principal-agent issues and what information to motivate and facilitate giving were utilized to persuade donors in the fundraising letters analyzed in this study?
- RQ 4. To what extent did the letters analyzed in this study conform to the seven-move genre structure?
- RQ 5. Which individual and instrumental benefits of arts participation and which nonuser benefits were discussed in the fundraising letters analyzed in this study?
- RQ 6. What is the level of reading ease evidenced in the letters analyzed in this study?
- RQ 7. What types of benefits did study participants believe arts participation provides and how frequently were specific benefits mentioned?
- RQ 8. What types of pro-arts funding arguments did study participants believe to be effective, and how frequently were these arguments cited in the in-depth interviews?
- RQ 9. What significant challenges facing the nonprofit arts sector did donors and fundraisers identify?
- RQ 10. Who did donors and fundraisers believe the beneficiaries of donations to the participating organizations to be?
- RQ 11. What reasons for supporting the arts did donors give?
- RQ 12. On which organization-donor relationship dimensions, stewardship strategies, and cultivation strategies were donors and fundraisers in agreement/disagreement?

## CHAPTER III

### METHOD

The purpose of this research was to investigate the use of various persuasive strategies in fundraising letters and the organization/donor relationship through a series of in-depth interviews and a co-orientation study. According to Creswell (2009), qualitative researchers typically collect multiple forms of data, which might include observations, interviews, document analysis, and audio-visual materials. The current study utilized two types of data collection and analysis. The first method was qualitative text analysis of fundraising letters generated by participating organizations to determine which persuasive strategies and pro-art arguments were used, which narratives were developed, which discourses were appropriated (e.g., creative class, economic development, social cohesion), which graphic elements were employed, and how linguistic sophistication was demonstrated in fundraising appeals.

The second method of data collection included a series of in-depth interviews that investigated participants' perceptions regarding the benefits of arts participation; efficacious pro-arts funding arguments; challenges NAOs face; and donors' reasons for supporting the arts. Additionally, in-depth interviews investigated the organization/donor relationship through the lens of co-orientation theory, which proposes a series of organization/donor relationship dimensions, donor cultivation strategies, and stewardship strategies.

#### **Descriptions of Participating Organizations**

**Space One Eleven.** Space One Eleven (SOE, 2013) is a visual arts nonprofit whose mission is “to provide professional opportunities for artists, create a forum for public understanding of contemporary art, and offer arts education to area youth” (para. 1). SOE was founded in 1986 (and received its 501c3 nonprofit status in 1989) with the belief that

Birmingham-based artists, especially women and people of color, were geographically isolated from major cultural centers and had less access to critical resources and exhibition opportunities than their White male counterparts. Therefore, SOE was established to address these problems, and over the years it has become a nationally recognized visual arts nonprofit.

SOE is located in the Historic Loft District of Birmingham and occupies a 12,000 square-foot building acquired via donation that is composed of exhibition galleries, multi-purpose art studios, a commercial art gallery, and a ceramic studio. SOE's visual arts program provides artists with an opportunity to create new work that deals with subjects such as race, sexual orientation, class, and religion. SOE oversees a variety of programs including: (a) City Center Art (CCA), which provides free arts education to low/moderate income youth, ages eight-18, after school and during the summer months; (b) residencies, exchanges, and collaborations with nationally and internationally recognized artists; (c) window art programming in abandoned buildings in downtown Birmingham; (d) art education outreach in Birmingham public schools; and (e) special, one-time art projects.

SOE has a paid staff of four full-time employees and one part-time employee and between eight and 30 volunteers, based on the time of year and level of activities. A 15-member board of directors, of which approximately nine are highly involved with fundraising, governs SOE. The organization's fundraising initiatives include: (a) grant writing to public and private entities on the local, state, and national levels, a majority of which are out-of-state resources; (b) an annual direct mail campaign, which typically generates contributions from a core of approximately 400 donors; and (c) special, one-time fundraising projects (such as a SOE cookbook and a yard sale).

According to its 2010 IRS form 990 (obtained through GuideStar.org), SOE generated total revenue of \$192,656, had \$446,717 in net assets, and reported no fundraising expenses.

SOE generates no earned income, and approximately 95% of the \$159,094 in grant funds and contributed income is restricted for use in specific programs and not available to fund operations. Finally, SOE is a member of the *Visual Arts Network*, a nationally recognized support organization for nonprofit visual arts organizations, and is one of only two Alabama-based members of the *Warhol Initiative*, an invitational program of the *Andy Warhol Foundation for the Visual Arts* designed to improve the organizational capacity and stability of small and mid-sized nonprofit visual arts organizations. At the time of this study, the researcher served on SOE's board of directors and, as such, had extensive knowledge of the organization, a working relationship with organizational managers, and access to the organization's donor database.

**Alabama Moving Image Association.** The mission of the Alabama Moving Image Association (AMIA, n.d.) is “to encourage, inspire, and support filmmaking and the appreciation of independent cinema in Alabama (para. 2).” The AMIA is a 501c3 nonprofit organization founded in 1998 that produces a variety of film related programs, including: (a) the *Sidewalk Moving Picture Festival*; (b) *Birmingham Shout*, a lesbian, gay, bisexual, and transgender (LGBT) film festival which takes place simultaneously with the Sidewalk festival during the last weekend in August; (c) *Sidewalk Scramble*, a weekend long filmmaking contest that occurs twice a year; (d) the *Sidewalk Salon*, a monthly social/networking gathering for Birmingham-based filmmakers and film enthusiasts; (e) *Tech and Technology Workshops*, which occur quarterly; (f) the *Sidewalk Youth Board*, which provides local teenagers with a bi-monthly opportunity to learn about filmmaking and become involved with the festival; (g) *Sidewalk Sidewrite*, a short screenplay competition for emerging screenwriters; and (h) the *E-Series*, monthly screenings of documentaries focusing on economic development, the environment, equality, and education followed by a panel discussion featuring experts on the various topics.

While the AIMA is the overseeing entity, the organization is largely synonymous with the Sidewalk Moving Picture Festival—the organization’s flagship program.

AMIA operates with two full-time employees, three part-time employees, student interns, and a robust corps of 300 to 400 volunteers, many of whom have been involved with the organization since its inception. A 17-member board of directors, of which approximately five are highly involved with fundraising, governs the organization. AMIA receives grants and contributions from a variety of local and state resources, including funding from individuals, foundations, the Alabama State Council on the Arts, and corporate sponsors. AMIA’s fundraising program includes: (a) grant writing to local, state, and national resources; (b) an annual direct-mail campaign, which solicits from a mailing list of approximately 1,000 individuals; (c) the *Reel Raffle*—a raffle and auction event; (d) an Internet-based small gifts initiative; and (e) the *Salsa Showdown*—a restaurant/food related event.

According to its 2010 IRS form 990, AMIA had total revenue of \$255,100 and net assets of (\$49,000); it had no fundraising expenses. Additionally, AMIA had earned income of \$132,651 (generated through ticket sales, merchandise, and film entry fees). Approximately 50% of the organization’s grant funds and contributed income is restricted to specific programs and cannot be used to fund overhead expenses. At the time of this study, the researcher served on AMIA’s board of directors, had an interest in the organization’s sustainability as well as an ongoing relationship with organizational managers, and had access to the organization’s database.

**The Children’s Dance Foundation.** The Children’s Dance Foundation (CDF) was founded in 1975 and is a 501c3 nonprofit dance education organization. CDF’s (2013) mission is “To provide comprehensive dance education for all, enriching the spirit, enlivening the imagination, and celebrating community” (para. 1). The organization offers several programs,

including: (a) studio classes, which provide dance education to approximately 550 children in the Birmingham area; (b) the *Stage Door Youth Theatre Company*, a creative acting program that produces one show per year; (c) *Community Partnership Programs*, an outreach program for underprivileged and disabled youth; (d) a school touring program, in which performers integrate dance/music and mathematical concepts; and (e) the *Creative Community Workspace*, which makes space available within the CDF facilities for various creative endeavors at a nominal cost.

CDF operates with five full-time and 23 part-time employees and is governed by a 16-member board of directors. One full-time employee is dedicated specifically to fundraising. Approximately five board members are highly involved with the solicitation, cultivation, and stewardship of donors. The Children's Arts Guild provides approximately 120 volunteers that perform a variety of services and an additional 30 volunteers who help the organization manage events on an as-needed basis. CDF has several fundraising programs, including grant writing to state, local, and national grant makers; an annual direct mail campaign, which solicits from a list of approximately 700 individuals; a children's fashion show produced by the Children's Arts Guild; the *Takes Two to Tango* event; a *Bargain Costume Closet* for which individuals from across the country donate costumes and dancewear for sale at the event; and *Community Fest*, a community arts festival.

According to its 2010 IRS form 990, CDF had total revenue of \$749,935 and net assets of \$182,357, which is largely the equity the organization has in two buildings. Additionally, CDF reported net fundraising related expenses of \$73,237, which are attributed to the cost of fundraising event management. In 2010, CDF generated \$540,365 in fees associated with studio dance classes and rental income. CDF has no endowment and limited cash reserves. It is important to note that the researcher's mother established CDF; however, the researcher has no affiliation or

involvement with the organization. Nevertheless, CDF indicated an interest in participating in the current study and provided all the necessary information to do so.

**City Equity Theatre.** City Equity Theatre (CET, n.d.) is a 501c3 tax-exempt professional union theatre, established in 2005. The organization’s mission is twofold: “To enrich theatre artists’ process and the community’s life by producing provocative modern and classical plays that enlighten the human condition,” and “To expand the presence of Actors Equity Association in the region for both professional and emerging theatre artists” (para. 1). CET is the only theatre company in Birmingham that is affiliated with the Actors Equity Association (AEA), the national union for professional actors and stage managers. Therefore, CET provides opportunities for AEA members living in the Birmingham area to work in a union-protected environment with predetermined rules, regulations, wages, work hours, and a variety of benefits, such as health insurance and a pension plan.

Additionally, CET provides opportunities for non-equity actors and stage managers pursuing professional careers in the theatre to gain membership in AEA through either professional contract employment or the AEA’s candidacy program. In 2011, CET established a collaborative program with the Alabama School of Fine Arts (ASFA) to provide high school students participating in joint CET/ASFA productions the ability to gain points towards Equity membership. This cooperative Equity Membership Candidacy Program is the only program of its kind in the United States.

CET produces four plays per season and has no full-time employees; rather, the organization contracts employees per show on an as-needed basis. A 17-member board of directors, three of whom are active in fundraising, governs CET. The organization’s fundraising programs consist of grant writing and an annual direct mail campaign. Individual donations, grants, and ticket sales each account for approximately one third of the organization’s income.

Further, CET is in a unique position, as its grant income is not typically restricted to specific projects, and therefore may be used to fund operating expenses.

According to its 2010 IRS form 990, CET's total income was \$35,977. Grants and contributions amounted to \$25,490; and earned income, which consisted primarily of ticket sales, amounted to \$10,487. CET reported net assets of \$5,528 and allocated no funds for fundraising purposes. At the time of this study, the researcher had no affiliation with CET but was well acquainted with the organization's founders and had been given access to fundraising materials and the organization's database, which included approximately 1,100 individuals.

While the NAOs participating in this study adhered to a variety of business models, with some organizations generating significant earned income and others relying almost exclusively on contributions, each organization had similar fundraising programs, relying heavily on grant writing to local and state funders as well as individual donations. Only one organization, SOE, received substantial funding from grant makers outside of the Birmingham area. Three of the organizations, CET, CDF, and AIMA, generated significant earned income from program-related sources (i.e., ticket sales). SOE generated modest earned income from the rental of studio and gallery space. Similarly, CDF generated rental income from its Creative Community Workspace program. Both CDF and SOE own the buildings in which operations are based; as a result, these organizations have significant net assets. All of the participating organizations relied on direct mail programs that solicited prospective donations annually; however, none of the organizations conducted major gift or planned giving programs. Additionally, none of the participating organizations had sufficient cash reserves or endowments. Finally, all of the participating organizations indicated a strong interest in improving their direct mail income, donor cultivation strategies, donor relationship management, and stewardship practices.

While one of the organizations participating in this current study has conducted successful capital campaigns, most fundraising activities have focused on the acquisition and retention of low-level (donations under \$500) and major gifts (donations of \$10,000 and higher). All of the participating organizations seek to engage a variety of funders, including individual philanthropists, private foundations, corporations, as well as city, state, and national governmental sources. As previously described, cultivation strategies, relationship management, and stewardship are essential to the success of all fundraising programs (Kelly, 2001; Sargeant & Lee, 2004). Further, funders have a variety of motivations. For example, private philanthropists might be concerned with pride-of-place issues, while government agencies might be interested in the arts as an economic development tool. The majority of funding is derived from sources within Birmingham. Thus, the co-orientation aspect of the in-depth interviews of Birmingham-based fundraisers and grant makers was of particular significance to this study.

### **Identifying the Study Population**

A key question that must be addressed before engaging in qualitative research is: What population is best studied to answer the research questions guiding the project? In making this critical decision, the researcher must consider each population's ability to provide information that is relevant and meaningful to the study as well as the researcher's access to the population. The nonprofit arts organizations that participated in this current study were chosen for the following reasons (a) they are well known in the community; (b) they represent a variety of art forms (visual art, film, theatre, and dance); and (c) the researcher had existing relationships with each organization's management and therefore access to relevant fundraising material and donor databases.

Additionally, the researcher's interest in small and mid-sized nonprofit arts organizations arises from an awareness of the unique challenges this segment of the nonprofit world faces. While there is a substantial body of research investigating museums and larger arts organizations, the majority of research on fundraising, philanthropy, and the nonprofit sector in general focuses on large institutions that operate in the areas of healthcare, education, and religion. Unlike larger, well-established arts organizations that typically have fundraising personnel, capital reserves, and endowments (e.g., art museums, symphony orchestras, and performing arts centers), small and mid-sized nonprofit arts organizations often lack sufficient human and capital resources—resources necessary to ensure long-term stability. Nevertheless, these organizations provide robust programming and arts education services and make considerable contributions to the arts ecology of the communities in which they exist.

There is a paucity of research focused specifically on small and mid-sized arts organizations (notable exceptions include Belfiore & Bennett, 2008; Guetzkow, 2002; Grams & Warr, 2003; Kay, 2000; Newman et al., 2003; and numerous case studies conducted by Stern & Seifert [2006, 2009, 2010, 2011, 2012] at the University of Pennsylvania's *Social Impact of the Arts Project*).

To understand the dynamics of the participating organizations, a brief discussion of the context in which the organizations exist follows. Arts systems across the United States face similar challenges: namely older and larger arts organization that typically have cash reserves, professional fundraising departments, and endowments sufficient to weather hard times, fare better in the long run than small and mid-sized organizations that lack these resources (Thomas et al., 2010; Wolf et al., 2003). Birmingham, Alabama, is an interesting case for a number of reasons. Founded in 1871, Birmingham is a relatively young city, and while Birmingham has experienced substantial growth in the cultural sector over the past decade, the sector lacks

sufficient institutional gravity and stability (Wolf et al., 2003). By contrast, the New York Philharmonic was established in 1842, 29 years before the City of Birmingham came into existence. Arts organizations with such longevity have achieved a high level of stability and contribute significantly to the overall cultural vitality of the cities in which they exist.

A recent study showed that arts organizations in Birmingham are well below national standards for cash reserves and endowments. For example, aggregate cash reserves on hand represented only 11% (\$4.8 million) of total organizational expenditures of \$42.8 million. The national standard of 25% would require an additional \$6 million in cash reserves. Additionally, only two organizations met the recommended endowment holding standard of 200%-500% (Wolf et al., 2003).

To further complicate matters, Jefferson County, of which Birmingham is the county seat, has recently experienced financial debacles, mismanagement, and malfeasance, leading to the imprisonment of several county officials and the former Jefferson County Commissioner and Birmingham mayor, Larry Langford. Indeed, the county's financial condition was so dire that it filed for bankruptcy in 2012, becoming the largest municipal bankruptcy to-date in American history.

In 2007, the Cultural Alliance of Greater Birmingham, a support organization charged with arts funding and advocacy, lost its contract with Jefferson County to re-grant \$5 million annually to arts organizations in the area. The loss of county funding was a significant setback to the already-strained cultural sector.

The participating organizations, AMIA, CET, CDF, and SOE, have all been challenged by these setbacks but have continued to play significant roles in the community. The current study gained the full support and cooperation of all four organizations early in the research process. Each organization provided the University of Alabama's Institutional Review Board (IRB) with

letters of support (Appendix A). Additionally, representatives from the participating organizations identified potential interviewees and, without divulging specifics of the study, inquired about their willingness to participate. Once donor interest was confirmed, the researcher contacted potential interviewees to discuss the study protocol and schedule interviews.

### **Characteristics of Qualitative Research**

Qualitative research has certain key characteristics. For example, qualitative research tends to be conducted in a naturalistic setting, or the site where participants experience the issue under investigation. Researchers typically do not conduct research in a laboratory setting or disseminate surveys for individuals to complete. Instead, information is gathered by talking directly to individuals with knowledge of the topic under investigation. Qualitative researchers collect data by analyzing documents or interviewing participants. Instruments for data collection may be used, but data are collected directly by the researcher. Qualitative researchers analyze data inductively by identifying patterns, themes, and categories from the raw data. The focus of qualitative research is the meaning that participants ascribe to the problem or issue being studied rather than the meaning the researcher brings to the process. Qualitative research designs are emergent and subject to change at any point in the research. Theoretical perspectives often inform qualitative research programs. However, studies may also be organized by identifying the social, political, or historical context in which a problem or issue exists.

In qualitative studies researchers interpret their observations, and their interpretations cannot be separated from their personal experiences. Thus, identifying potential areas of bias is essential. Finally, qualitative research is holistic. The goal of qualitative research is to provide a rich and complex picture of the problem under study, often identifying many factors and multiple perspectives from which an issue might be viewed (Creswell, 2009).

## Qualitative Text Analysis

Text analysis was used to investigate the following research questions:

- RQ 1. What persuasive strategies (social cues and graphic strategies) were evidenced in the fundraising letters analyzed in this study?
- RQ 2. What appeals to logos, ethos, and pathos were utilized to persuade donors in the fundraising letters analyzed in this study?
- RQ 3. What signals to resolve principal-agent issues and what information to motivate and facilitate giving were utilized to persuade donors in the fundraising letters analyzed in this study?
- RQ 4. To what extent did the letters analyzed in this study conform to the seven-move genre structure?
- RQ 5. Which individual and instrumental benefits of arts participation and which non-user benefits were discussed in the fundraising letters analyzed in this study?
- RQ 6. What is the level of reading ease evidenced in the letters analyzed in this study?

The first goal of this current study was to provide a qualitative text analysis of 23 direct mail fundraising letters created by the participating organizations in this study. It is important to reiterate three critical points. First, even in the age of the Internet and social media, direct mail fundraising letters remain an important fundraising tool for many nonprofit organizations. Recent research that analyzed the charitable contributions of 15.6 million individuals (who contributed more than \$1.6 billion to charities in the United States) concluded that even among nonprofit organizations that consider themselves to be technologically savvy, direct mail remained the preferred fundraising tool (Flannery & Harris, 2011). While nonprofits reported that 10% of their contributions were generated through online sources, 79% of contributions were generated by direct mail. Nonprofit organizations with less-sophisticated fundraising programs generated 7.6%

of their contributions online. Further, Flannery and Harris (2011) reported that many individuals who made contributions online were led to an Internet donation portal by a direct mail solicitation.

The findings of a second research study about direct mail indicated that the practitioners who write fundraising letters overwhelmingly preferred narrative (emotional, conversational) to expository (argument-based) approaches for philanthropic discourse by a ratio of nine to one (Dickerson, 2009). However, corpus analysis of 2,412 written and online fundraising appeals showed that the entire corpus was virtually void of narrative content (Dickerson, 2009). In other words, fundraising practitioners relied heavily on expository discourse in funding appeals. Thus, this study assumed that the fundraising letters analyzed herein were expository in nature.

The second major consideration for this investigation is that nonprofit arts organizations face specific communication challenges because effective appeals for arts funding cannot rely on arguments based on the intrinsic benefits of the arts (e.g., pleasure, inspiration, heightened empathic responses, openness to different world views), which are typically viewed as accruing to the individual rather than society at large. Nonprofit arts organizations conflate a mix of intrinsic and instrumental (e.g., economic impact, social cohesion) benefits that adds a level of complexity that organizations in other areas of the nonprofit sector do not face.

Finally, hyper-competition resulting from overexpansion in the nonprofit sector and the effects of the Great Recession, such as a dramatic decline in funding, make the crafting of effective funding appeals critically important. Thus, it is hoped that the analysis of arts funding letters provided herein sheds much-needed light on the state of arts philanthropy in the United States and will be useful to scholars in the field and fundraising practitioners.

## **Determining an Approach for the Text Analysis of Direct Mail Fundraising Letters**

Before embarking on the textual analysis of any written material, it is essential to determine the specific method of analysis to be used. According to Titscher, Meyer, Wodak, and Vetter (2000), *content analysis* is the most frequently used method of text analysis. As conceptualized by Laswell (1946), content analysis is an empirical method of analysis that uses the statements and signs in a text as the raw material to investigate either the impact of content upon an audience or the influence of control over the content being analyzed. According to Holsti (1969), content analysis is not confined to a single method, but rather is any analytic technique for making inferences about texts by systematically and objectively identifying specific characteristics of messages. Mayring (1991) proposed *qualitative content analysis* that is more oriented toward ethnographic methods than the empirical categorization and counting of statements within a text. Titscher et al. (2000) indicated that methods of content analysis are so varied that any form of text analysis that approaches texts by means of categories might be considered content analysis.

Various forms of *discourse analysis*, such as *critical discourse analysis* (CDA) and the *discourse-historical method*, are highly structured and complex approaches designed to reveal structural linguistic functions. These methods are often used in the analysis of public diplomacy and public policy texts and are intended to investigate power relations. The general principles of CDA can be summarized as follows: (a) CDA is primarily concerned with social issues. It is not focused on language per se, but rather, on the linguistic character of social and cultural processes; (b) CDA investigates both power in discourse and power over discourse; (c) CDA holds that society and culture are shaped by discourse and that in every instance language uses either reifies or transforms culture (including power relations); (d) texts may be ideological—to determine if a text is ideological, it is necessary to analyze interpretation, reception, and the

social effects of texts; (e) discourses are historical and can only be understood in their historical contexts; (f) texts and society are indirectly linked and the connection between text and society is facilitated through various intermediary phenomenon; (g) CDA is interpretive and explanatory and as such is dynamic and open to new interpretations; and (h) CDA holds that discourse is a form of social behavior (Titscher et al., 2000).

In essence, CDA conceptualizes language as a social practice and attempts to reveal the reciprocal influences of language and social structures of which they may not be aware (Fairclough, 1989; van Dijk, 1993; Wodak, 1989). The discourse-historical method of analysis is closely linked to sociolinguistics and text linguistics and arises from the *theory of text planning*, which takes into consideration extra-linguistic factors, such as the speech situation, the status of the participants, time and place, as well as social variables (group membership, age, profession, and psychological determinants such as experience or habits). Further, the discourse-historical method takes into consideration socialization processes such as cultural orientation, gender, class, and speech situation.

Having thoroughly investigated the potential of content analysis, CDA, and the discourse-historical method as the basis for analysis of fundraising letters, the researcher determined that these approaches were overly structured and did not provide the desired degree of methodological flexibility. In discussing the various means of text analysis and the issue of settling on an appropriate method, Peräkylä (2005) argued:

An informal approach may, in some cases, be the best choice as a method in research focusing on written texts. Especially in research designs where the text analysis is not the core of the research but instead a subsidiary or complementary role, no more sophisticated text analytical method may be needed. (p. 870)

Thus, this current study utilized a form of qualitative analysis text analysis based on Upton's (2002) and Bahtia's (1998) six-move discourse structure; Goering and colleagues' (2011) analysis of persuasive strategies found in fundraising letters; and Handy's (2000) taxonomy of

communication strategies found in content analysis of fundraising letters. While the move-structures and persuasive strategies proposed by Upton (2002), Bahtia (1998), and Handy (2000) provided the basic units of analysis for this current study, variations or additions that pertained specifically to arts funding were sought.

It is important to note that the analysis of direct mail fundraising letters provided by Handy (2000), and the taxonomy of rhetorical categories that emerges from it, are grounded in the *principal-agent problem*, which proposes that an agent (i.e., a donor) has limited information about an organization, and that an action is being requested by the organization (i.e., making a contribution). To provide information, reduce ambiguity, and increase the potential for success, the organization employs various communication strategies.

Handy (2000) identified two areas of concern that give rise to specific communication strategies—the needs to signal trustworthiness and to motivate/facilitate giving. To signal trustworthiness, Handy (2000) identified two categories and specific content related to each category: (a) establish the legitimacy of the cause (by indicating the organization’s tax exempt status, that donations are tax deductible, and that the organization receives non-financial government support), and (b) present signals to resolve principal-agent issues (for example, naming the board of directors along with their political, corporate, or community affiliations; indicating that the organization receives government funding; listing the percentage of funds spent on administration and fundraising; and providing the age of the organization, past achievements/quantitative, options for participation other than donations, testimonials, citations from media, and celebratory endorsements).

To motivate giving, Handy (2000) proposed five categories and associated content: (a) convince the reader to open the letter (teasers on envelopes—words and/or pictures); (b) activate an emotional response (stories to arouse emotions, tone/urgency); (c) persuade the

reader not to free-ride (by indicating that the organization gets public support but that it is inadequate to cover expenses or offering a gift with each donation); (d) provide a warm glow related to making a donation (indicating past achievements/qualitative); and (e) facilitate giving (explain how donations can be made). Since there is a relative paucity of research dedicated specifically to the discourse of arts philanthropy, it is hoped that the current research findings will provide both theoretical and practical insights into this unique and important domain of inquiry.

### **Developing the Qualitative Text Analysis Guide**

To facilitate the analysis of fundraising letters, the researcher developed a qualitative text analysis guide based upon the following: (a) the seven-move discourse structure utilized in fundraising letters (Upton, 2002); (b) social cue strategies (Bekkers & Crutzen, 2007; Desmet & Feinberg, 2003; Falk, 2004; Frazier, Hite, & Sauer, 1988; Reingen, 1982; Smith & Berger, 1996; Turnel & Yeakel, 1994; Tversky & Kahneman, 1981; Weyant & Smith, 1987); (c) Aristotelian Proofs as manifested in fundraising letters (Connor & Lauer, 1985; Gladov, 2004; Goering et al., 2011); (d) persuasive graphic strategies (Goering et al., 2011; Smith, 1996; Vasilopolous, Goering, & Nagelhout, 2004; Wheildon, 2005); (e) readability (Goering et al., 2011); (f) information to signal trustworthiness; (g) information to motivate/facilitate giving (Handy, 2000); (h) individual and instrumental benefits of the arts (McCarthy et al., 2004); and (i) non- user benefits (Peacock, 1969; Robbins, 1963, 1971).

Within the nine categories listed above, there were 10 sub-categories: (a) appeals to reason; (b) appeals to credibility; (c) appeals to emotion; (d) establishment of the legitimacy of the cause; (e) signals to resolve principal-agent issues; (f) strategies to convince the reader to open the letter; (g) activation of an emotional response; (h) appeals to persuade the reader not to free-ride; (i) strategies to encourage a warm glow related to making a donation; and (j)

information to facilitate giving. Additionally, 74 content specific items were identified in the qualitative text analysis guide.

The categories, sub-categories, and content were derived from research from various academic disciplines, including communication, linguistics, social psychology, behavioral economics, cultural economics, and philanthropy studies. Because a multi-disciplinary approach guided the development of the text analysis guide, there was some repetition among the sub-categories and content items. For example, *factual/statistical information* is a dimension in both the “persuasive strategies-social cues” and the “persuasive strategies-Aristotelian Proofs (reason)” categories. Additionally, the *indicating 501c3 status* and *celebrity endorsements* content items are included in both the “persuasive strategies-Aristotelian Proofs (credibility)” and the “information to prove trustworthiness” categories. The first content item in the “genre move” category, *get attention*, and the second sub-category in the “information to motivate and facilitate giving” category, *activate an emotional response*, could be interpreted as similar dimensions. However, the *activate an emotional response* sub-category is specifically defined by two content items, *stories to arouse emotions* and *tone of letter (urgent)*. This specificity helped differentiate the *get attention* and *activate an emotional response* dimensions. It was determined that the apparent repetition allowed for nuance in the text analysis.

Three dimensions, *get attention*, *conclude with pleasantries*, and *appeals to donor’s beliefs and moral values*, required definition. Language intended to emotionally compel a potential donor is a mainstay of fundraising appeals. For example, a nonprofit that exists to eliminate hunger might begin a fundraising letter with, “Every five seconds a child in Africa dies from hunger. With your monthly donation of \$10.00, we can stop this tragedy.” This kind of emotional appeal is not common in fundraising material produced by nonprofit arts organizations. An exception might be nonprofit arts organizations that serve underprivileged or

disabled children. This current study defined *get attention* as any introductory language intended to evoke an emotional response.

The *conclude with pleasantries* dimension was interpreted as any concluding remark that is pleasant, *not* reiterative of factual/statistical information, *not* a solicitation for a contribution, and *not* an expression of gratitude. A mere reference to human rights or diversity as an organizational value was not interpreted as an *appeal to donor beliefs and moral values*. Finally, the *501c3 status* content item in the “persuasive strategies Aristotelian Proofs (credibility)” category and the *registered statute of charity, tax credit for donors* in the “establish the legitimacy of the cause” category were similar items. The analysis provided herein considered any mention of “tax deductibility” in the main text to constitute a positive response, even if no specific mention of 501c3 status was given. When 501c3 status and the names of board members were indicated on letterhead or in supplemental material, these occurrences were noted. Copies of the fundraising letters analyzed in this study can be seen in Appendix B.

### **The Process of Analyzing Direct Mail Fundraising Letters**

Utilizing the qualitative text analysis guide developed for this study, each fundraising letter was analyzed across all categories, sub-categories, and content items to determine areas of congruence and incongruence. The analysis of fundraising letters was conducted in four stages. First, the qualitative text analysis guide was developed. Second, the fundraising letters were analyzed using the analysis guide developed for this study. Third, a brief discussion organized by category, sub-category, and content was provided. Fourth, the analysis provided a brief discussion of each organization’s approach to writing fundraising letters.

To test for readability and reading ease, the main texts of all 23 fundraising letters were analyzed using software available online (Readability-score.com). This program helped the researcher determine the following: (a) Flesch-Kincaid Grade Level; (b) Flesch-Kincaid

Readability Ease; (c) Gunning-Foq Score; (d) Coleman-Liau Score; (e) SMOG Index; and (f) Automated Readability Score. All of these indices were used to determine reading grade level, but since they use different algorithms to achieve this goal, variations across indices were present. Thus, an average reading grade level was calculated for the various reading grade level indices mentioned above. Additionally, a variety of text statistics was assessed, including: (a) character count; (b) syllable count; (c) word count; (e) sentence count; (f) characters per word; (g) syllables per word; and (h) words per sentence. Text that appeared outside of the main text, such as quotations and testimonials that appeared within graphic elements, was not analyzed for readability. On occasion, separating main text from other material was difficult. For example, over time CET combined fundraising letters with promotional material for upcoming performances/seasons. Promotional material (i.e., brochures, pledge cards, inserts) was noted in the text analysis. The text analysis guide and the results of the text analysis can be seen in Appendix C.

### **In-depth Interviews**

In-depth interviews were used to explore the following research questions:

RQ 7. What types of benefits did study participants believe arts participation provides and how frequently were specific benefits mentioned?

RQ 8. What types of pro-arts funding arguments did study participants believe to be effective, and how frequently were these arguments cited in the in-depth interviews?

RQ 9. What significant challenges facing the nonprofit arts sector did donors and fundraisers identify?

RQ 10. Who did donors and fundraisers believe the beneficiaries of donations to the participating organizations to be?

RQ 11. What reasons for supporting the arts did donors give?

The in-depth interview component of this study consisted of two parts. The first part investigated the guiding beliefs and perceptions of donors and fundraisers regarding their perceptions of benefits for arts participation, the efficacy of various pro-arts arguments, the challenges small NAOs face, fundraiser/donor perceptions regarding who might be the beneficiaries of donations to the participating organizations (principal-agent issue), and the reasons that donors supported the arts. The question which asked who the beneficiaries of donations to the participating organizations might be, addressed an issue highlighted by principal-agent theory, which suggests that the potential lack of clarity as to who the ultimate beneficiary of a donation to a nonprofit arts organization might be is problematic. For example, it is clear that the recipient of a donation to a nonprofit that exists to provide famine relief is the person suffering from famine. On the other hand, it is not necessarily clear who ultimately benefits from a donation to the Sidewalk Film Festival. The beneficiary might be independent filmmakers based in Birmingham, filmmakers who attend the festival from other locales, the audience, or the Birmingham community-at-large. It was a contention of this study that this ambiguity raises issues unique to nonprofit arts organizations that complicate fundraising in significant ways.

The first portion of the in-depth interviews was intended primarily to investigate donor responses to the previously mentioned questions, since donor perceptions and interests are of paramount importance in the philanthropic equation. Interviews explored fundraisers' views on these questions as well.

The interview guide for the first section of the in-depth interviews was informed by recent research on public discourse and the effects of arts participation, specifically the arts benefits continuum conceptualized by McCarthy et al. (2004), which can be seen in Appendix D. Research on justifications for arts funding, which identified a variety of non-user benefits, also informed the development of this interview guide (Peacock, 1969; Robbins, 1963, 1971). A

thorough discussion of the arts benefits continuum and non-user benefits is provided in the literature review section of this study.

### **The Interview Process**

According to Tuten (2009), in-depth interviews are conducted as one-on-one, face-to-face, semi-structured interviews in which open-ended questions are asked to elicit rich insights and descriptions of participants' attitudes, thoughts, motives, beliefs, and behaviors. Creswell (2009) posited that in-depth interviews provide the following advantages: they are useful when participants cannot be directly observed; participants can provide robust, historical information; and interviews allow the researcher to control the questioning. Conceptualizing an in-depth interview protocol typically follows a three-step process: planning, conducting the interviews, and analyzing and reporting the results. The planning phase consists of understanding the questions or problems to be investigated; establishing research questions and an interview guide; selecting an environment for the interview; screening and recruiting prospects; and preparing and disseminating necessary materials to the participants. The interview phase consists of greeting the participant, providing the interview guidelines, and conducting the interview. Analysis and reporting involves transcribing the interviews, analyzing the responses, and writing a report of the results (Miles & Huberman, 1994).

In May 2013, a two-part interview guide and protocol description was developed and submitted to the University of Alabama's Institutional Review Board (IRB) for approval. Approval was granted on June 7, 2013. The IRB approval letter is provided in Appendix E. As part of the IRB application process, it was determined that interviewees would be asked to sign an *informed consent form*, which described the purpose of the study, insured the anonymity of participants, and provided contact information in case of interviewee concerns or complaints. The informed consent form was discussed, read, and signed by each interviewee prior to being

interviewed. Interviewees retained one copy of the informed consent form, and one copy remained on file in a locked cabinet at the researcher's place of residence. A sample informed consent form can be seen in Appendix F.

In-depth interviews occurred between June 18 and November 17, 2013. A total of 23 interviews were conducted, including seven fundraiser interviews and 16 donor interviews. Initially, 24 interviews were planned, but it was determined that one of the participating organizations (CET) had only one person involved with fundraising. Interviews were conducted in a variety of locations, including interviewees' homes and offices. Additionally, the researcher secured a private conference room in an office building at 1919 Eleventh Avenue South in Birmingham, Alabama for 12 of the interviews.

On average, interviews lasted 71 minutes, with the longest being 126 minutes and the shortest being 32 minutes. In total, 27 hours of interviews were recorded. An interview schedule and description of study participants as well as where and when interviews took place can be seen in Appendix G. Each interview was recorded digitally, and a professional transcription company generated written transcriptions. Digital recordings resided on the password-protected computer of the researcher. As part of the interview process, the researcher also took extensive field notes to further ensure reliability.

Before analysis of interviews commenced, the researcher listened to the audio recording of each interview on at least two occasions. The first listening was to compare the interview with field notes and to document general impressions. The second listening was to check the written transcripts for accuracy and make corrections as necessary. In some cases checking the transcripts required additional listening. Once the accuracy of the transcripts had been determined, transcripts were each read a minimum of four times. The first reading was to facilitate analytical note taking and general observations. Subsequent readings constituted first,

second, and third level *coding*, which is an essential step in the analysis of interviews. Indeed, Charmaz (2001) argued that coding is a critical link between data collection and the explication of meaning.

### **Coding and Analysis**

According to Saldaña (2013), “A code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or attribute for a portion of language-based or visual data” (p. 3). Saldaña (2013) noted that the term *code* in qualitative research should not be confused with code as it is understood in the field of semiotics. In semiotics, code is related to the interpretation of symbols in their particular cultural and social contexts. In qualitative data analysis, however, a code is generated by the researcher and intended to attribute meaning to each relevant individual datum to facilitate pattern detection, categorization, and ultimately theory-building or theory-assertion (Saldaña, 2013). Saldaña (2013) proposed several coding methods, including: (a) grammatical methods (attributive coding, magnitude coding, sub coding, simultaneous coding); (b) elemental methods (structural coding, descriptive coding, in vivo coding, process coding, initial coding); (c) affective methods (emotion coding, values coding, versus coding, evaluation coding); (d) literary/language methods (dramaturgical coding, motif coding, narrative coding, verbal exchange coding); (e) exploratory methods (holistic coding, provisional coding, hypothesis coding); and (f) procedural methods (protocol coding, domain and taxonomic coding, causation coding).

According to Patton (2008), the coding method chosen for a particular study must be tailored to the specific methodological approach: “Because each qualitative study is unique, the analytical approach used will be unique” (p. 433). Further, Saldaña (2013) argued that structural coding, a question-based coding scheme that acts as a labeling and indexing tool, is most appropriate for standardized or semi-structured data collection methods. Therefore, because the

interviews conducted for this study were semi-structured, a structural coding method was utilized. However, in some cases, *in vivo* coding (a quote-based code) was used to accurately capture the sentiments of interviewees. Further, because of the manner in which the interview guide was developed, the categories into which the codes were assigned were largely predetermined. Specifically, the categories identified in data analysis were *benefits* (of participating in the arts), *arguments* (in favor of arts funding), *challenges* (that NAOs face), *beneficiaries* (principal-agent issue), and *reasons for support* (given by donors). Thus, analysis of the first section of the in-depth interviews was organized by the above-mentioned categories. A chart representing the code list and the results of the in-depth interviews can be seen in Appendix H.

### **Reliability, Validity, and Generalizability**

According to Creswell (2009), the issues of reliability, validity, and generalizability are important in any research paradigm, but they connote different attributes in qualitative and quantitative research. In the context of qualitative research, reliability means that the researcher's approach is consistent with established practices and that the researcher has verified the accuracy of the findings by utilizing certain procedures, such as checking the interviews to insure that mistakes were not made in the transcription process and ensuring the definition of codes remains consistent throughout the coding process. The latter can be accomplished by constantly comparing data with the established codes.

Creswell (2009) proposed eight qualitative validation strategies. The process of *triangulation* uses different sources of data to build coherent justification for coding themes. If multiple sources are cited in the development of themes, the process is considered valid. *Member checking* involves asking participants to confirm the accuracy of descriptions and themes based on information they provided. Member checking is often accomplished by conducting a brief

follow-up interview to provide participants an opportunity to comment on the findings. *Thick descriptions* that transport readers into the research setting, thereby providing more realistic, richer information, improves validity in qualitative research. *Clarifying potential bias* the researcher brings to the process is essential to validity; clarifying potential biases is accomplished by providing a comprehensive reflexivity and position statement that identifies important background information, such as the sex, cultural and political orientation, history, and socioeconomic orientation of the researcher.

Presenting *negative or discrepant information* that was revealed in the study and runs counter to established themes is essential to establish validity. This validation strategy is accomplished by discussing pertinent, contradictory evidence that was revealed during the development of themes. *Prolonged time in the field* ensures that the researcher has a deep understanding of the issues under investigation. *Peer debriefing* involves engaging a peer to review the study and to ask the researcher questions about the process; peer debriefing can also be useful in establishing validity. Alternately, an *external auditor* may be used to review all aspects of the study. An external auditor differs from a peer debriefing in that the auditor is not familiar with the researcher or the project, and as such might be expected to provide a more objective assessment of the study.

In quantitative research the notion of generalizability connotes the degree to which statistical generalizations can be derived from a study. According to Creswell (2009), the term *qualitative generalizations* is used in a limited fashion in qualitative research. However, the true value of qualitative research lies in its *particularity*, or the particular descriptions and themes developed in the context of a specific study. Further, Yin (2003) posited that generalizations occur in case study research when findings are relevant to new cases. Yin (2003) also argued that to replicate a specific case study's findings in a new case study requires precise documentation of

the qualitative procedures in all aspects of the original study. It is hoped that this study will provide naturalistic generalizations that may be helpful to future scholars and fundraising practitioners (Melrose, 2009).

The issues of reliability and validity are particularly important to the current study because of the researcher's ongoing involvement with three of the participating organizations. According to Glesne and Peshkin (1992), *backyard research* involves studying the researcher's own organization, or an organization with which the researcher has longstanding involvement. This kind of research is convenient and access to participants is relatively easy; however, Glesne and Peshkin (1992) argued that disclosure might be difficult and result in power issues within the organization being investigated. Thus, when studying organizations with which the researcher has involvement, it is necessary to employ multiple strategies to ensure reliability and validity.

To insure for reliability, extensive notes were taken throughout the interview process and the interview transcriptions were cross-checked against the recordings for accuracy. Additionally, to guard against the potential for shifting definition of codes, data were repeatedly checked against the codes and notes were recorded throughout the process to insure that code definitions remained stable. Further, the codes used in the co-orientation aspect of the interviews were based on established indices regarding the organization-donor relationship, donor cultivation, and stewardship strategies (Hon & Grunig, 1999; Hung, 2006; Kelly, 2000; Ki, 2006; Waters, 2007).

To insure validity, multiple data sources were investigated in this study (i.e., fundraising letters and in-depth interviews). Themes and descriptions were checked for accuracy by conducting brief follow-up interviews with participants whose testimonies were critical in the development of themes and codes. To clarify potential bias, a comprehensive reflexivity and position statement is included in this research. Further, all pertinent negative or discrepant information that emerged in the process of this study was included in the narrative account.

Additionally, the researcher's dissertation committee monitored all stages of this current study. Finally, even though the researcher's involvement with the participating organizations is potentially compromising, it is precisely because the researcher is well known to the participating organizations that full cooperation and access to donors was granted. Further, the researcher has spent a great deal of time working with arts nonprofits and over time has developed a deep understanding of the issues they face.

### **Co-orientation Study**

The co-orientation study was used to explore the following research question:

RQ 12. On which organization-donor relationship dimensions, stewardship strategies, and cultivation strategies were donors and fundraisers in agreement/disagreement?

The final goal of this study was to examine the relationship dimensions proposed by Hon and Grunig (1999) as applied to fundraising campaigns conducted by mid-sized nonprofit arts organizations as well as the influence of symmetrical cultivation and stewardship strategies proposed by Hon and Grunig (1999), Hung (2006), and Kelly (2000) on the organization-donor relationship dimensions. Previous studies have investigated the nonprofit-donor relationship in the context of a single organization, and Waters (2007) studied the relationship dimensions of multiple nonprofit healthcare organizations and their donors. The current study was well informed by the research conducted by Waters (2007). This current research was intended to provide a deeper understanding of the fundraising process by utilizing the co-orientation methodology proposed by Broom and Dozier (1990) and Kelly (1998) as well as the organization-donor relationships (fundraising management team and donors) of four mid-sized nonprofit arts organizations.

## Measuring the Organization-Donor Relationship

Fundraising, as conceptualized within the public relations paradigm, involves strategic communication (the crafting of effective messages), interpersonal communication, relationship building, and stewardship. Kelly (2000) defined stewardship as thanking donors and maintaining communication to reassure donors that their contributions have been used wisely and responsibly. In recent years, public relations research relevant to the current study has focused on the organizational-public relationship. According to Waters (2007), two distinct approaches have emerged. The first approach, championed by Hon and Gruning (1999), conceptualizes a means of measuring the organization-public relationship based on dimensions derived from the interpersonal communication literature: *trust*, *commitment*, *satisfaction*, and *control mutuality*.

The second approach, proposed by Ledingham, Bruning, Thomlison, and Lesko (1997), was derived from a variety of academic disciplines and proposed 14 dimensions: investment, commitment, cooperation, mutual goals, interdependence, power balance, comparison of alternatives, adaptation, non-retrievable investment, shared technology, summative constructs, structural bonds, social bonds, and passion. The initial research related to the approach by Ledingham et al. (1997) indicated that an individual's response to an organization was closely related to the organization's performance (Ledingham, 2006). Ledingham (1999) codified the organization-public relationship variables into the following five dimensions: trust, openness, involvement, commitment, and investment, and concluded that while the natures of interpersonal and organizational-public relationships are quite different, they function similarly in many ways. Subsequently, Ledingham (2003) investigated the role of involvement in relationships, and Bruning, Langenhop, and Green (2004) proposed two new measurement dimensions of organization-public relationships: anthropomorphism and comparison of alternatives to the organization.

According to Waters (2007), while multiple measures have been employed to investigate organization-public relationships, the measures developed by Hon and Grunig (1999) have been used to test a variety of relationships, including the university-student relationship (Hon & Brunner, 2002; Ki & Hon, 2007), the manufacturer-retailer relationship (Jo, 2003), the municipal- utility-community relationship (Hall, 2006), the Air Force base-community relationship (DellaVedova, 2005), and the nonprofit-donor relationship (O'Neil, 2007; Waters, 2006). The current study utilized Hon and Grunig's (1999) dimensions, which measure trust, commitment, satisfaction, and control mutuality, because they have been shown to be reliable and valid in a variety of research paradigms.

According to Nudd (1991), the public relations literature makes a clear distinction between *annual giving* (typically a direct mail or telephone solicitation); *major gifts* (typically a face-to-face solicitation that requires significant cultivation by the nonprofit organization); *planned giving* (often in the form of bequeathals that result from highly developed relationships); and *capital campaigns* (usually funds raised to acquire or renovate physical structures). According to Weinstein (2002), many capital campaigns and mature fundraising programs generate 90% of their donations from the top 10% of their donor base. Since the success of fundraising campaigns depends largely on the generosity of major donors, it should come as no surprise that nonprofit organizations devote a great deal of attention to cultivation strategies directed toward wealthy supporters (Waters, 2007). However, Worth (2002) observed that nonprofit organizations have increasingly recognized that key principles involved in donor cultivation, such as face-to-face meetings, personalized appeals, and personalized reporting, are effective for building donor loyalty and support at all levels of giving.

## **Dimensions of the Organization-Public Relationship**

Hon and Grunig's (1999) measures of organizational-public relationship quality, derived from the interpersonal communication literature, bear strong similarities to those proposed by Bruning and Ledingham (1999), which emerged from literature on marketing, anthropology, sociology, and various businesses disciplines. Both approaches focus primarily on four dimensions: trust, commitment, satisfaction, and control mutuality. Since these dimensions found their epistemological roots in various disciplines, it is necessary to discuss each dimension briefly.

**Control mutuality.** Control mutuality is concerned with the distribution of power in relationships and seeks to determine which party has more control in various situations. In recent years, public relations research has experienced a shift in focus from public relations as strategic communication to public relations as a function of organization-public relationship management. As a result of this shift, the examination of power has become an increasingly important aspect of public relations research. Indeed, Plowman (1998) argued that public relations practitioners who understand power dynamics are more effective and tend to be included in dominant coalitions. With regard to power distribution and its effect on conflict mediation, Huang (2001) concluded that power distribution has a significant impact on both the perceptions and realities of the organization-stakeholder relationship. According to Waters (2007), power distribution is frequently a source of tension among public relations practitioners, because they must attend to external stakeholder interests and internal organizational concerns simultaneously.

**Satisfaction.** Satisfaction, which essentially measures whether both parties in a relationship have positive responses to one another, is a complex dimension, because the entities engaged in an interaction might have different expectations and criteria for determining satisfaction. As stated by Hon and Grunig (1999), "a satisfying relationship is one in which the

benefits outweigh the costs” (p. 3, as cited in Waters, 2007, p. 57). In further support of the notion of mutual beneficiality, Hon and Grunig (1999) defined satisfaction as “the extent to which one party feels favorably toward the other because positive expectations about the relationship have been reinforced” (p. 20, as cited in Waters, 2007, p. 57). Ledingham and Bruning (2000) maintained that given adequate time and resources, satisfaction is a relatively easy dimension to improve.

**Trust.** According to Vercic and Grunig (1995), trust is the mutual belief and feeling that two parties can be open and honest with one another. It is a critical relationship dimension without which an organization cannot exist. In the organizational context, Bruning and Ledingham (1999) operationalized trust as “doing what an organization says it will do” (p. 98, as cited in Waters, 2007, p. 56). Hon and Grunig’s (1999) trust measures include three sub-dimensions: (a) integrity (the belief that both parties in a relationship are just and fair); (b) dependability (the belief that both parties will do as they say); and (c) competence (the belief that both parties in a relationship have the ability to do as they say). According to Mayer, Davis, and Schoorman (1995), when an organization establishes trust with stakeholders, various publics involved with the organization perceive less risk concerning their involvement with the organization (as cited in Waters, 2007). Further, high levels of trust are a predictor of future involvement with and behavior towards the organization.

**Commitment.** Another key dimension rooted in the interpersonal communication literature is commitment, which Hon and Grunig (1999) defined as “the extent to which one party believes and feels that the relationship is worth spending energy to maintain and promote” (p. 20, as cited in Waters, 2007, pp. 56-57). Hon and Grunig’s (1999) relationship commitment scale measures both attitude and behavioral intention. Bruning and Galloway (2003) suggested that commitment (the level of dedication to an organization) is essential to the organization-

public relationship and largely determines the public's opinion of the organization. Waters (2007) posited that, unlike the other dimensions proposed by Hon and Grunig (1999), commitment is fundamentally future-oriented, because it is concerned with extending the relationship.

### **Relationship Variable Types**

In addition to the above-mentioned organization-public relationship dimensions, Hon and Grunig (1999) identified two relationship variable types: (a) *communal relationships* (in which the relationship is mutually beneficial, because both parties value the interests and welfare of the other), and (b) *exchange relationships* (in which one party provides benefits to the other because the other has provided benefits in the past or is expected to do so in the future). Hung (2002, 2005) proposed an organization-public relationship continuum, identifying seven additional relationship types (based largely on dimensions of self-interest versus communal concerns), including: (c) *exploitative relationships* (when one party takes advantage of the other, in what is believed to be a communal relationship; or when one party fails to fulfill its responsibilities in an exchange relationship); (d) *manipulative relationships* (when an organization is aware of the public's desire, yet utilizes asymmetrical or pseudo-symmetrical communication to achieve its goals); (e) *symbiotic relationships* (when different parties depend on cooperation because they share common interests and goals); (f) *contractual relationships* (in which both parties agree about their mutual responsibilities); (g) *covenantal relationships* (reciprocal relationships based on a commitment to a common good); (h) *one-sided communal relationships* (in which only one party expects the relationship to be communal); and (i) *mutual communal relationships* (in which both parties expect the relationship to be communal and demonstrate concern for the other's welfare). Investigating nonprofit organization-donor relationships, Waters (2006) concluded that donors consider their relationships with nonprofit organizations to be communal rather than one of exchange.

## Stewardship Strategies

Kelly (1998) argued that it is essential for organizations (nonprofit, for-profit, and governmental) to utilize stewardship strategies (*reciprocity, responsibility, reporting, and relationship nurturing*), because the longevity of organization-public relationships is largely dependent on how stakeholders are treated after an interaction with the organization (a donation) is completed. While Hon and Grunig (1999) included stewardship strategies in their discussion of the organization-public relationship, until recently these relationship dimensions remained untested (Waters, 2007, 2009).

**Reciprocity.** In the context of fundraising, reciprocity is concerned with the organization's expression of gratitude in response to receiving a charitable donation. Kelly (1998) identified two dimensions of reciprocity: acknowledgment of the receipt of a donation and an expression of appreciation for the gift. Further, Kelly (1998) emphasized the need for the organization to acknowledge and thank donors in a timely manner by mailing a thank-you letter (which also serves as a receipt that establishes the gift as tax-deductible).

Grunig and White (1992) argued that reciprocity is fundamentally the basis for social responsibility. When publics support an organization, the organization has a responsibility to reciprocate. In this reciprocal interaction, organizations promote social balance with the various publics they serve.

**Reporting.** Reporting is the process of providing donors with open, accurate, and timely information about how their contributions have been used; it is another critical aspect of stewardship. For example, if a donor provides funding to a nonprofit organization dedicated to improving city parks, it is incumbent upon the organization to provide information regarding how and when the donation was utilized. According to Waters (2007), recent scandals have left the American public skeptical about nonprofits; as a result, many organizations demonstrate

transparency and accountability by making their IRS 990 forms and audited financial documents available online for potential clients and donors. Waters (2007) suggested that reporting is a primary means of maintaining the organization-donor relationship. Waters (2007) further suggested that the organization-donor relationship cannot be maintained if an organization's only communications with donors are appeals for financial support.

**Responsibility.** As a dimension of stewardship, responsibility is primarily concerned with an organization's obligation to its stakeholders to behave in a socially responsible manner. In many respects, responsibility is similar to the relationship management strategy of keeping promises proposed by Hung (2002). In the nonprofit context, organizations are obligated to make certain that contributions are used only for the purposes specified by the donor. Waters (2007) noted that betraying a donor's trust is a critical mistake because it is significantly easier to persuade an existing donor to renew support than it is to attract a new donor.

**Relationship nurturing.** In the context of the organization-donor relationship, relationship nurturing as a cultivation strategy essentially involves an organization's willingness to demonstrate interest and concern for donors and potential donors. According to Waters (2007), opportunities for organizations to nurture relationships with various publics abound. For example, nonprofit organizations often host special events or open houses as a means of cultivating relationships with major gift donors and potential donors. Additionally, fundraisers may seek to strengthen donor relationships by sending handwritten cards for special occasions, such as birthdays and anniversaries, or upon learning that a donor has suffered an illness. Finally, the time and effort required to nurture donor relations can be justified because it helps insure continued support and reduces the potential impact of crises.

It is important to reiterate that Hon and Grunig (1999) proposed both symmetrical and asymmetrical strategies for the resolution of conflicts that arise between the organization and

various stakeholder groups. Among these conflict resolution strategies are: (a) *integrative strategies* (or win-win strategies, in which the organization and stakeholder groups identify areas of mutual interest as a basis for conflict resolution); (b) *distributive strategies* (or win-lose strategies, in which one party benefits at the expense of the other); and (c) *dual concern strategies* (in which the organization seeks to balance its concerns with those of other stakeholder groups). These strategies were derived largely from studies on conflict resolution provided by Plowman (1995, 1996, 1998). However, since the participating organizations involved in the current study were not in overtly contentious relationships with donor publics, these dimensions were not included herein.

Based on Kelly's (1998, 2001) stewardship dimensions, Waters (2009) determined that donors to nonprofit hospitals appreciated reciprocity, responsibility, reporting, and relationship nurturing. Further, Waters (2009) observed that communicating appreciation was a particularly effective relationship building strategy and also a key method for demonstrating social and fiscal responsibility.

### **Relationship Cultivation Strategies**

Much of the public relations literature uses the term *maintenance* to describe the various strategies employed in the management of organization-public relationships (Grunig & Huang, 2000; Hall, 2006; Hon & Grunig, 1999; Hung, 2000; Ki, 2004). However, Hung (2005) noted that the most commonly cited reasons for utilizing maintenance strategies are: (a) to keep a relationship in existence; (b) to keep a relationship in a specific state; (c) to keep a relationship in a satisfactory condition; and (d) to repair a relationship. Hung (2004) argued that of the four strategies identified, only the last two require strategic behavior because to simply keep a relationship in existence does not require any specific strategic behavior. Further, to keep a relationship in a specific state does not account for the dynamic nature of relationships. Thus,

Hung (2005) proposed that public relations scholars replace the term “maintenance” with “cultivation,” which more accurately represents the dynamic nature of organization-public relationships.

Based on a review of the literature on interpersonal relationships and conflict resolution, Hon and Grunig (1999) proposed nine cultivation strategies, which Waters (2007) later codified into the following eight strategies and four sub-strategies: *access*, *positivity*, *openness*, *assurances*, *networking*, *sharing of tasks*, *keeping promises*, and *stewardship* (which includes the sub-strategies of *reciprocity*, *responsibility*, *reporting*, and *relationship nurturing*). The interpersonal relationship literature proposes symmetrical strategies in which both parties benefit from the relationship (Hon & Grunig 1999; Kelly, 2000, 2002). The conflict resolution literature, however, proposes both symmetrical and asymmetrical strategies (Plowman, 1995). The cultivation strategies identified by Waters (2007), which were utilized in the current study, did not include conflict resolution strategies. As a result, the strategies utilized in this current study are classified as symmetrical.

**Access.** According to Hon and Grunig (1999), access is primarily concerned with the availability and willingness of concerned parties (e.g., organizational representatives, opinion leaders, members of various stakeholder groups) to communicate directly with each other in order to answer questions or discuss complaints, without engaging a mediating party. Further, Hon and Grunig (1999) posited that this type of open exchange influences the organizational decision-making process.

While Hon and Grunig (1999) discussed access as a function of bringing opinion leaders, stakeholders, and organizational representatives together, Ki (2003) noted that in the age of the Internet and social media, access is broadly available:

With the World Wide Web, not only members or opinion leaders can influence the organization's decision-making process. Anyone with Internet access can affect an organization's decision-making process because diverse contact information such as telephone numbers, staff electronic mail addresses, bulletin boards, and so on, is provided on Web sites. (p. 19, as cited in Waters, 2007, p. 67)

Nonprofit and fundraising consultants often conceptualize access as a function of organizational transparency, advising clients to make financial and tax records widely available to donors as a means of building confidence in the organization and demonstrating commitment to the organization-donor relationship (Waters, 2007). According to Waters (2007), both access and transparency are critical to the organization-donor relationship at all levels of giving.

**Positivity.** Positivity refers to attempts by either party to promote a feeling of contentment with the relationship. Canary and Stafford (1994) conceptualized positivity as “any attempt to make interactions pleasant” (p. 15, as cited in Waters, 2007, p. 67). In a series of key dispositional attributes, Canary and Stafford (1994) cited cheerfulness, niceness, courtesy, and the avoidance of cynicism as central to the cultivation of positivity. Stafford and Canary (1991, 1993) demonstrated positivity to be a predictor of control mutuality and a primary cultivation strategy in the development of trust in organization-public relationships.

Sargeant and Lee (2004) suggested that donors in the United Kingdom valued positive engagement with nonprofit organizations and that donor behavior was positively affected by such interactions. Blum (2005) argued that, in general, the public has a positive impression of smaller, community-based nonprofits because these organizations tend to utilize personal forms communication, such as hand-written thank-you notes and personal telephone calls, as opposed to less personalized means of communication employed by larger nonprofits.

**Openness.** According to Hon and Grunig (1999), openness is gauged by the willingness of both parties in a relationship to discuss their thoughts and feelings about the nature of their relationship. Grunig and Huang (2000) argued that openness epitomizes symmetrical

communication and that organizations that utilize openness as a cultivation strategy tend to have positive relationships with stakeholders. Hung (2005) suggested that openness might best be characterized as the process of disclosure. Further, Hung (2000) indicated that openness does not guarantee commodious relationships, because conflicts and differences of opinion might be discovered. Ledingham and Bruning (1998) proposed that openness is one of the most important elements of a satisfying relationship. Grunig, L., Grunig, J., and Ehling (1992) suggested that openness is the single most effective measure of relationship quality. Finally, Zachrison (2005) argued that openness (or transparency), particularly in financial and fundraising matters, is critical to establishing and maintaining donor confidence.

**Sharing tasks.** Initial research into the effects of sharing tasks emerged from interpersonal communication studies that focused on families and couples. Canary and Stafford (1991, 1994) found that individuals who believed their spouses contributed significantly to household duties were more satisfied and committed to the relationship. Hon and Grunig (1999) extrapolated the notion of task sharing (and the associated effects) identified in interpersonal communications studies into the realm of organizations and publics that work together to solve community problems. As conceptualized by Ki (2006), sharing of tasks is relevant exclusively to issues of mutual interest to both the organization and its publics. As it pertains to fundraising, Kelly (1998) argued that major gift and planned giving donors work with fundraisers to devise mechanisms for giving that benefit both the donor and the nonprofit organization.

According to Waters (2007), increasingly donors seek to be involved in the design and delivery of programs. These *venture philanthropists* approach nonprofits to suggest ways to collaborate. However, Cobb (2002) suggested that this type of arrangement is often one-sided and has the potential to distort the nonprofit organization's mission. In other words, the nonprofit might be willing to bend its mission to accommodate the philanthropist's interests in order to

secure a charitable donation. Venture Philanthropy Partners (2004), a coalition of business and technology leaders, advocates for donor involvement in the design and implementation of programs and encourages nonprofits to be more efficient and effective service providers.

**Networking.** Hon and Grunig (1999) conceptualized networking as the opportunity for organizations and various interest groups (e.g., environmentalists, unions, community organizations) to establish coalitions in the pursuit of common goals. Hung (2000a) argued that networking is primarily concerned with relationship building and that organizations should approach networking proactively because it promotes symmetrical communication and robust relationships. Lenkowsky (2002) identified a recent trend in which charitable foundations encourage nonprofit organizations with similar missions to collaborate in order to expand the scope of the nonprofit sector.

Guo and Acar (2005) argued that while nonprofits are certainly capable of working together, establishing effective coalitions is difficult because they require yielding some measure of autonomy. Further, because decision-making is shared by too many individuals, nonprofit coalitions often result in the design and implementation of ineffective programs that fail to meet the needs of those they serve. However, several scholars proposed that a willingness to collaborate can be an attractive incentive for donors because it demonstrates openness to new ways of problem solving, reduces expenses by sharing administrative costs, and creates efficiencies by avoiding the duplication of programs and services (Abzug & Webb, 1999; Austin, 2000; Smith, 2002).

**Assurances.** According to Grunig, L., Grunig, J., and Dozier (2002), assurances occur when both parties in a relationship assure each other that they share concerns and strive to maintain the relationship. Hung (2000a) argued that the benefits of providing assurances to important stakeholders include improved satisfaction and commitment, which accrues for both

parties. Drucker (2006) suggested that nonprofit organizations are particularly well-suited to providing assurances to stakeholders, because nonprofits exist to provide services and address problems that affect communities.

The leaders of nonprofit organizations often seek information from stakeholders in the community regarding issues and problems, which ultimately informs the design and implementation of nonprofit programs and services (Bracht, Finnegan, Jr., Rissel, Weisbrod, Gleason, Corbett, & Veblen-Mortenson, 1994; Ospina, Diaz, & O'Sullivan, 2002). Drucker (2006) proposed that nonprofit fundraising programs are more effective when the organization provides assurances to donors that their concerns are legitimate. Further, Drucker (2006) posited that it is critical for nonprofit board members to donate to the organizations they serve, because it provides potential donors with the assurance that board members are committed to and believe in the organization. Finally, Sargeant (2001) suggested that fundraising professionals who attend carefully to donors' questions and concerns reduce donor reluctance and promote stronger organization-donor relationships.

**Keeping promises.** Hung (2002) extended Hon and Grunig's (1999) taxonomy of cultivation strategies to include keeping promises. Based on research investigating multinational and Taiwanese companies and their relationship with China, Hon (2002) found that: (a) multinational companies operating in China viewed promise keeping as a means of establishing a sense of dependability (an element of trust), and (b) Taiwanese companies operating in China utilized promise keeping to establish both dependability and competence (another element of trust).

Even though the above-mentioned cultivation strategies are considered symmetrical and necessary for effective and healthy communication, Grunig (2001) argued that, while organization-public communication has improved in recent years, it is rarely effective and

symmetrical. Further, Waters (2007) proposed that even though these strategies have been shown to improve communication between organizations and their publics, there is no consensus as to which strategies are most efficacious. Similarly, even though the fundraising literature acknowledges the validity of these cultivation strategies, Waters (2007) noted that there is no consensus as to which strategies are most important to the organization-donor relationship.

Importantly, the scales designed to measure organization-donor cultivation strategies based on Hon and Grunig's (1999) scales have only recently been developed. Waters (2007) created scales based on Hon and Grunig's (1999) model to test the relationship between donors and nonprofit healthcare organizations. In an investigation of the fundraising process, Waters (2008) categorized donors as either major gift donors or annual giving donors and determined that major gift donors had stronger feelings of trust, satisfaction, commitment, and control mutuality than annual giving donors. Further, Waters (2007) classified donors along frequency-of-giving dimensions—donors who made multiple donations and those who provided only one donation. Waters (2007) found that multiple-gift donors evaluated the relationship as stronger than one-time donors. These findings emphasize the importance of utilizing cultivation strategies in organization-donor relationship building, especially in the current, highly competitive fundraising environment.

Even though public relations scholars have argued for the need to examine both sides of the organization-public relationship, there is a paucity of research investigating relationship dimensions in relation to levels of agreement, perceptions of self and other, and the accuracy of self/other perceptions (Ferguson, 1984; Ledingham, 2001). Jo (2003) measured perceptions on both sides of the manufacturer-retailer relationship, although the author did not compare the accuracy of those perceptions, and Waters (2007) studied the organization-donor relationship dimensions of multiple nonprofit healthcare organizations and their donors.

Waters (2007) noted that even though experimental designs are preferred for establishing correlations, the nature of the relationship cultivation process (in which donors ideally advance from a single donation to repeat giving or major gifts) is not well-suited to the experimental approach. It would be practically impossible to design an experimental protocol that would allow for adequate control of the multiple variables that might influence the relationship. Therefore, survey research that captures both parties' perceptions of the organization-donor relationship is typically employed.

Since the donor population investigated in this current study was quite small, an unrealistically robust survey response rate would be necessary to produce statistically reliable results. Further, measures designed to test the organization-donor relationship, cultivation, and stewardship strategies in the context of the nonprofit arts sector have not been developed. Thus, the donor-organization relationship, donor cultivation, and stewardship strategies for this current study were investigated through in-depth interviews. This approach is consistent with co-orientation research investigating dyads (two individuals) and small groups.

According to Waters (2010), while quantitative data derived from co-orientation surveys measuring the organization-donor relationship are useful, they are limited for two reasons. First, data measuring the relationship between donors and nonprofit healthcare organizations are not generalizable across other types of nonprofits. Second, the scales used to measure relationship dimensions and cultivation strategies are relatively new. As a result, Waters (2010) argued, "[...] in-depth interviews could magnify the field's understanding of stewardship" (p. 11). Thus, while the current study charted new territory by utilizing co-orientation theory to examine the dimensions of the nonprofit arts organization-donor relationship, donor cultivation, and stewardship strategies, it does not provide generalizable results across the nonprofit arts sector as a whole.

In the current study it is important to note that, in addition to providing positive or negative responses to the co-orientation questions, participants also provided rich qualitative data. Charts containing positive and negative responses to co-orientation data and situations in which disagreements occurred can be seen in Appendix I. Since co-orientation research focuses on dimensions in which there is agreement or disagreement, the following sections are organized accordingly. First, the co-orientation dimensions in which both fundraisers and donors were in agreement are discussed. Second, the dimensions that involved disagreement are discussed; this discussion is also structured by organization (AMIA, CDF, CET, and SOE). Quotations from study participants illustrate and illuminate the nature and relative significance of the agreements and disagreements.

On occasion, participants indicated that they were not able to respond positively or negatively to certain questions because they lacked adequate information on the subject or they believed the question was irrelevant. These data were reported on the co-orientation data charts as DK (do not know), which can also be seen in Appendix I. In some cases, further discussion clarified the question and appropriate responses were provided. It is hoped that these data will prove helpful in the development of a fundraiser/arts donor-specific co-orientation questionnaire that can be of further benefit to researchers and fundraising practitioners.

### **Study Population and Sampling**

A self-selected, purposive sample of seven individuals highly involved with fundraising (two individuals from each organization, with the exception of CET, which indicated that only one individual was involved in fundraising) and 12 significant donors (three donors from each of the participating organizations) were interviewed for this study. The individuals interviewed on the organizational side were either managers or key board members. The individual donors were selected in consultation with the participating organizations and all were considered to be

*significant* donors. It is important to note that participating organizations varied in size as determined by budget and age. As a result, the organizations defined “significant donors” differently. A letter co-written by the researcher and managers of the participating organizations (Appendix J) was sent to potential interviewees and was followed several days later by a telephone call to determine who was willing to participate. All of the individuals who were approached agreed to participate in the study. Interviews served two purposes. First, the interviews investigated the organization-donor relationship, donor cultivation, and stewardship strategies. Second, the interviews provided “thick description” (Denzin, 1994) of the beliefs, values, and perceptions of interviewees concerning the questions and issues being investigated. Participants agreed to be digitally recorded, and recordings were transcribed by an online transcription service. Transcriptions were checked by the researcher against the recordings of the interviews for accuracy. Before commencing the interviews, participants were asked to read an informed consent form.

### **Developing the Co-orientation Study Interview Guide**

Two interview guides were developed for the in-depth interviews and the co-orientation study. The first interview guide posed 18 questions specifically for the fundraisers of the participating organizations. The second interview guide consisted of 20 questions intended for individual donors. Both donor and fundraiser interview guides can be seen in Appendix K. The first series of questions was designed to ascertain the opinions of fundraisers and donors concerning the benefits of participating in the arts, the types of pro-arts funding arguments used in fundraising appeals, and who the ultimate beneficiary of donations might be. The second section of the interview guide investigated the organization-donor relationship, donor cultivation, and stewardship strategies from the perspective of co-orientation theory. This second section consisted of 14, two-part questions based on the relationship dimensions, donor

cultivation, and stewardship strategies discussed below. Two-part questions were designed to determine the opinions of donors and their estimation of the opinions of fundraisers—and vice-versa.

The current study investigated the four organization-public relationship dimensions proposed by Huang (1997) and later modified by Hon and Grunig (1999): trust, satisfaction, commitment, and control mutuality. In Hon and Grunig's (1999) original study, the four dimensions were operationalized with two sets of measures. The first measures consisted of a set of 35 indicators, including 11 for trust and eight each for satisfaction, commitment, and control mutuality. The second set of measures consisted of an abbreviated version that utilized 21 items—six items for trust and five items each for commitment, satisfaction, and control mutuality. Further, Hon and Grunig (1999) proposed two relationship types, exchange and communal, which were both represented in the abbreviated version. Waters (2006, 2007) utilized Hon and Grunig's (1999) abbreviated measures, but added one additional item each for satisfaction and control mutuality to more fully represent issues relevant to the organization-donor relationship.

The donor cultivation strategies investigated in the study were based on six indicators originally conceptualized in interpersonal communication theory: access, positivity, openness, sharing of tasks, networking, and assurances of legitimacy (Stafford & Canary, 1991). Even though these six dimensions emerged from the interpersonal communication literature, Hon and Grunig (1999) deemed them applicable to organization-public relationships, and Ki (2006) adapted them for a study of the membership of the Florida Farm Bureau. Waters (2007) revised Ki's (2006) measures to include additional symmetrical relationship strategies proposed by public relations scholars Hung (2002) and Kelly (2000), creating scales that were applicable across a variety of nonprofit paradigms. Specifically, Hung (2002) proposed that keeping promises was a

useful donor cultivation strategy, and Kelly (2000) proposed that reciprocity, responsibility, reporting, and relationship nurturing were effective strategies for building organization-donor relationships.

Upon reflection, Waters (2007) concluded that the responsibility dimension should be collapsed into Hung's (2002) conceptualization of keeping promises, because at the most basic level responsibility requires that an organization keep its word, particularly in regard to fundraising. Thus, Waters' (2007) relationship cultivation strategies measures included four dimensions of the organization-public relationship (control mutuality, satisfaction, trust, commitment); five relationship cultivation strategies (access, positivity, sharing of tasks, openness, and giving assurances); and four stewardship strategies (reciprocity, reporting, responsibility, and relationship nurturing). Both the relationship cultivation strategies and stewardship strategies have four indicators for each measure. In addition to the previously mentioned questions, the donor's interview guide also included questions concerning why donors support the arts in general and why they support the participating organizations specifically. The indices of relationship dimensions, cultivation strategies, and stewardship strategies that informed the development of the co-orientation portion of the interview guide can be seen in Appendix L.

Since the current study utilized in-depth interviews rather than surveys to investigate the organization-donor relationship, donor cultivation, and stewardship strategies, one question for each variable was included in the interview guide. This decision was made based on a concern that including five questions for each of the 14 variables (70 questions in total) would make the interview process cumbersome and long. Further, it was believed that the rich description inherent in interviews would provide ample data on the co-orientation dimensions, and follow-up questions could be asked when the researcher perceived ambiguity in a participant's responses.

At the present time, measures intended to gauge the organization-donor relationship, donor cultivation, and stewardship strategies in the specific context of the nonprofit arts sector have not been developed. It is hoped that the current study will help in the development of such measures in the future.

### **Reflexivity and Position Statement**

The basic function of reflexivity is self-awareness and disclosure, and the goal of reflexivity is to add validity, depth, and legitimacy to qualitative research. In the context of reflexivity, self-awareness involves understanding and revealing potential sources of bias and pre-supposition such as gender, sexual orientation, race, ethnicity, socioeconomic status, political affiliations, as well as religious and moral orientations. Thus, reflexivity is a complex, dynamic, and critically important aspect of qualitative research that requires *bracketing* (identifying) potential sources of bias (Creswell, 2007). Further, it is necessary to elucidate several philosophical and epistemic assumptions regarding reflexivity that guide this research.

First, this study concurs with Rorty (1979), Khun (1970), and Berger and Luckmann (1966) who proposed that “truth” is socially constructed (contingent on social variables) and “knowledge” is doxastic (belief-oriented) and nominalistic (non-universal). Second, this study holds that objectivity is relative and rejects the notion that subjectivity is synonymous with wrongness (Robinson, 2001). Third, this study holds that memory is material to reflexivity and that it is to a certain extent socially constructed and subject to change over time (Edelman, 1990). Finally, this study rejects the Cartesian notion of “self” as an essential, stable, unified, and ultimately knowable construct. The latter observation is of consequence to reflexivity because it suggests that “self” is an evolving construct, thus the research process might significantly change what is bracketed at the outset of a research protocol (Creswell, 2007).

Additionally, this study contends that power relations are material to reflexivity and points to the insights provided by the following papers from the cultural studies as examples of latent complexities discursively manifested in society. In discussion of race in America, Jackson (1999) and Nakayama and Krizek (1995) posited that the notion of *Whiteness* might well be viewed as an ambiguous, difficult to define, un-interrogated *absent center*. On the other hand, these scholars maintained that *Blackness* was easily defined, often by what it is not, in relation to Whiteness. Further, it was precisely the ambiguity of Whiteness that made its effects and even its position as a hegemonic force deniable.

Similarly, Cloud (1996) argued that “Oprah,” the media personality (as differentiated from Oprah Winfrey the private person) might be seen as a unique manifestation of *racial tokenism*. In essence, Cloud (1996) suggested that, by virtue of her professed disinterest in the civil rights movement of the 1960s, Oprah strategically distanced her media persona from confrontational aspects of Blackness. Additionally, Cloud (1996) posited that by promoting a personal narrative that de-emphasized race and emphasized the prototypical American attributes of self-reliance, achievement, and individual responsibility, Oprah achieved broad, largely uncritical acceptance in predominately White society. To reiterate, these articles are discussed here because reflexivity is a highly complex matter and effective bracketing requires more than awareness and disclosure—it requires openness and critical awareness of the researcher’s, background, motivations, and relationship with the participants of a study.

In order to achieve a high level of critical awareness, Pillow (2003) argued that bias insinuates itself into the construction of knowledge and urges researchers to be clear as to what knowledge they think they possess, from which institutional domains their knowledge originates, and how the origins of their knowledge might bias their research and effect their relationship with participants. Additionally, Cheseri-Stader (1996) made an important distinction between reflection

and reflexivity, suggesting that the latter implies an “other” in a dialectical relationship with the researcher. On the other hand, reflection does not necessarily imply “other.”

Following Pillow’s (2003) discussion, there are four basic types of reflexivity that inform this study: (a) *reflexivity as recognition of self*, which focuses on issues of intent, honesty, and self-disclosure; (b) *reflexivity as recognition of other*, which focuses on the interests of the participant as well as the relationship between the participant and the researcher. This type of reflexivity asks whether the researcher is witnessing (i.e., recording testimony) the participant or representing the participant’s views in a clear, accurate, and effective way; (c) *reflexivity as a reflection of truth*, which implies that there is an underlying truth and that it is the researcher’s responsibility to reveal it. This type of reflexivity suggests the Cartesian notion of universal, knowable truths previously rejected in this study; and (d) *reflexivity as recognition of transcendence*, which suggests that by bracketing potential sources of bias, the researcher is somehow relieved of the responsibility for potential misrepresentation. To the later point, Spivak (1985) suggested that bracketing, in and of itself, does not relieve the researcher from the burden of responsibility inherent in social scientific research. Finally, Creswell (2007) argued that, while reflexivity is essential, too much of it can be narcissistic, self-indulgent, and misleading.

In fulfillment of the researcher’s obligation to reflexivity, and at risk of violating Creswell’s (2007) and Dinzen’s (1997) admonition that too much reflexivity is indulgent, the following disclosure is provided. At the time of this study, the researcher was a 56-year-old Caucasian male, with an upper-middle-class background and left-leaning political views. Further, his interest in the arts in Birmingham, Alabama is long-standing. As a child growing up in Birmingham the researcher’s parents were extremely involved in the Birmingham arts scene. His mother founded the Children’s Dance Foundation, an organization that provides dance education to young people, in the attic of the home in which he was raised. Over the years the organization has grown and

flourished and continues to be an important cultural asset in the area. Further, the researcher has been involved in arts both professionally and as a volunteer, having served as executive director of the Birmingham Music Club from 2000 to 2004.

At the time of this study, he served on the board of directors for Space One Eleven, a nonprofit visual arts organization, and the Alabama Moving Image Association, an organization that produces the Sidewalk Film Festival and Shout (Alabama's gay and lesbian film festival). In 2002, he was involved with the aforementioned cultural master planning process, which led to the establishment of the Cultural Alliance of Greater Birmingham, a support organization for the arts. A central theme that emerged from that process was the need to promote and nurture unique indigenous art forms.

Finally, the researcher has cordial relationships with several of the individuals interviewed in this study. It is important to note that the individuals interviewed in this study were not chosen as a matter of convenience; rather, they were chosen because they represented the population being studied. Additionally, the researcher's early academic and professional careers were in the field of music; over the past three years his research interests have included cultural policy, the discourse of philanthropy, and the communication practices of nonprofit arts organizations.

This study employed several strategies to control for potential researcher bias. As the present researcher is well acquainted with the subject and the participating organizations, assumptions as to interviewee perceptions were diligently avoided. Brief pre-interviews were conducted with all interviewees to make certain that they understood the interview format and the length of time involved. All interviewees reviewed and signed an informed consent form that discussed the purpose of the study, informed participants that they could stop the interview at any time with no ill effects or personal risk, and provided contact information to register complaints or concerns. Additionally, the pre-interview allowed participants to ask questions and get clarification

on any point pertaining to the study. It is important to note that all of the interviewees participating in this study completed both parts of the in-depth interviews. Further, no conflict or disagreement arose during the interviews. All participants were engaged, cooperative, knowledgeable, thoughtful, and allowed adequate time to conduct thorough interviews. The present researcher assesses that his knowledge of and standing in the community was an asset to the study and helped facilitate open, thoughtful discussion.

*Member checking*, or the process by which the interviewer restates or summarizes responses to ensure for accuracy, was used extensively throughout the interview process. Additionally, brief post-interviews were conducted via telephone to clarify responses as necessary. Finally, extensive notes were taken during each interview, as well as during the transcription review and coding processes, to ensure the integrity of the data collection and analysis.

## CHAPTER IV

### RESULTS

The purpose of this study was three-fold: first, it investigated the persuasive strategies utilized in fundraising letters; second, it investigated donor and fundraiser perceptions regarding the benefits of arts participation, the efficacy of pro-arts funding arguments, the challenges NAOs face, who the beneficiaries of the organizations might be, and the reasons donors support the arts; and third, it investigated the organization/donor relationship from the perspective of co-orientation theory. This chapter presents the major findings of the study and responses to the 12 research questions; it is organized into four sections. The first section is a discussion of the qualitative text analysis of 23 direct mail fundraising letters provided by the four participating organizations. The second section of this chapter presents the findings of 23 in-depth interviews with fundraisers and donors. The third section of this chapter presents the findings of the co-orientation study. The fourth section provides responses to the 12 research questions proposed by this study.

#### **Qualitative Text Analysis**

Initially, this study sought to analyze 24 end-of-year letters (EOY letters) generated between 2007 and 2012, which covered the period of time beginning one year before the onset of the Great Recession and the subsequent five years after. EOY letters were the focus of text analysis because they are typically the most important and well-coordinated direct mail campaign conducted by the participating organizations.

While it was possible to obtain EOY letters in their original and complete form (both digital and physical copies) from CDF and SOE, the complete material was not available from AIMA and CET. Neither physical nor digital copies of all the requested material could be located by AIMA. Further, AIMA did not generate an EOY letter in 2008. The letters provided

by AIMA were its EOY letters from 2007, 2009, 2010 and 2011. The supplementary material provided by AIMA was a fundraising letter mailed in the summer of 2010. Similarly, CET provided one letter from a mid-year campaign mailed in the summer of 2010.

It was not possible to recreate the direct mail packages exactly as they were originally disseminated because some of the peripheral materials (i.e., envelopes, inserts, pledge cards) were not available. Further, AMIA and CET were not able to determine exactly how the packages were assembled and when they were mailed. As a result, the researcher, in consultation with the organizations, recreated the direct mail pieces as closely as possible to the original. AIMA was able to provide a total of five fundraising letters, while the other organizations provided six letters each.

The efficacy of the various persuasive strategies evidenced in the fundraising letters, as determined by the amount of money raised, was difficult to ascertain for two reasons. First, disruptions in funding caused by the Great Recession were a mitigating factor. Second, many of the participating organizations utilized different fundraising platforms (e.g., direct mail, Internet-based campaigns, person-to-person appeals), making it difficult to attribute a contribution to a specific campaign or source.

While the participating organizations modified their fundraising copy from year to year, they did not systematically test different fundraising letter approaches to determine which persuasive strategies were most efficacious. Further, the quality of the participating organizations' mailing lists, the issues of donor retention, and changes in individual donor contribution levels were not analyzed.

## **Direct Mail Fundraising Letter Analysis**

### **Persuasive Strategies (social cues)**

The specific contents listed in the social cues category include the following: (a) specific donation amount; (b) personalized appeals (mentioning donor's name multiple times); (c) list of other donors' names; (d) factual/statistical information; (e) narrative/experiential information; and (f) gift. Of the 23 fundraising letters analyzed in this study, only five indicated a specific donation amount. However, each organization requested a specific donation at least one time. Only CET made a specific amount request twice, suggesting several options.

In most cases, participating organizations used personalized salutations, but some mailings were addressed generically. For example, several letters began with "Dear Friend" or "Dear Supporter of the Arts." It was not possible to ascertain precisely which salutation was used for which mailing. Listing a potential donor's names (social cue) multiple times in the main text was not employed by any of the participating organizations. On a number of occasions, hand written, personalized salutations were included in some of the letters, but determining how many personalized letters were mailed was not possible.

Twenty-one of the letters analyzed in this study were framed positively. Both CET and AMIA wrote negatively framed letters; each referenced the loss of arts funding from the Jefferson County Commission as a critical issue. Indeed, the 2008 CET letter was sarcastic in tone, specifically referencing Jefferson County's decision not to renew \$5 million in arts funding. CET argued that this funding decision was difficult to understand in light of a recent economic impact assessment that showed the arts contributed \$125 million annually to the county's economy. An excerpt of the letter read:

In 2007, the Jefferson County Commission in its eternal wisdom, cut \$4.5 million from the Cultural Alliance of Greater Birmingham, despite the fact that not a few months before [a study found that] in Birmingham, nonprofit arts and cultural entities create more than \$125 million in economic activity each year.

This was the only evidence of cynicism in the entire body of letters.

Factual and statistical information was present in 17 letters; most often this was information about programs, attendance, and the organization's purported economic impact. The youngest organization participating in the study, CET, detailed fundraising success in several letters. Narrative and experiential information was noticeably lacking in the fundraising letters. AMIA and SOE, however, made use of this social cue strategy. The most extensive use of narrative was provided by SOE, but it was not in the text of a letter; rather, it was incorporated into an insert that provided information about upcoming programs. In its 2011 letter, AMIA mentioned the recent commercial success of a filmmaker associated with the festival, but this was not a fully developed narrative. Gifts were offered by two organizations, CET (free tickets for renewing members) and SOE (an original piece of art for donors), but gifts were not included in the direct mail packages.

### **Persuasive Strategies—Logos**

In the context of fundraising letters, logos is construed as the use of facts or statistics to encourage action by predicting effects, consequences, or outcomes. Facts and statistics were cited extensively (17 letters) by the participating organizations but were not associated explicitly with effects or outcomes. Facts and statistics typically focused on information about programs, the number of individuals served, and the organization's reputed economic impact. Exceptions to this included CDF, which discussed the positive effects of exposure to dance on children, particularly underprivileged or disabled children; AMIA, which argued that positive national press has had an ameliorating effect on the perception of Birmingham; and SOE, which posited that its programs have provided Birmingham-based artists with much-needed opportunities to

exhibit and teach. Further, SOE argued that visual arts training has had positive effects on young people.

### **Persuasive Strategies–Ethos**

The content related to appeals to ethos in fundraising letters, elucidated in the text analysis guide, included: (a) trustworthiness (writer’s personal experience); (b) 501c3 status; (c) organizational longevity; (d) celebrity endorsements; and (e) funds directed to programs.

Trustworthiness, as indicated by the writer’s personal experience, was present on three occasions, once in the 2010A AMIA letter and twice in SOE letters (2008 and 2012). In each case, the personal experience/reflections of the president of the board of directors were presented. An organization’s 501c3 status was mentioned either specifically, or was implied, by comments such as “tax deductible contributions” in 10 letters. Participating organizations referenced their tax-exempt status with the following frequencies: AMIA (in all five letters); SOE (twice); CDF (twice); and CET (once). It is important to reiterate that 501c3 status was included on the letterhead and/or on inserts included in the direct mail packages (AMIA, CDF, SOE). However, such indication of tax-exempt status was not included in this text analysis.

One example of a celebrity endorsement was found in the 2007 SOE fundraising letter. The endorsement consisted of an extended quotation by Lonnie Holley, a Birmingham-based artist who has exhibited extensively in the United States and Europe and has received critical approval from national and international media. Additionally, actress Courtney Cox was listed on the AMIA letterhead, but she was not mentioned in the text of any fundraising letters. Finally, the manner in which funds were directed to programs was mentioned twice, once by AMIA and once by SOE.

### **Persuasive Strategies–Pathos**

Scholarly research on fundraising letters categorizes appeals to pathos along one broad dimension—appeals to donor beliefs and moral values. Since NAOs do not deal with

life and death situations or seek to eradicate disease and hunger, evoking deeply emotional themes in fundraising appeals is difficult. Predictably, there was a paucity of emotion in the corpus of letters analyzed in this study. Thus, evidence of more subtle references to emotions and moral beliefs was identified in the analysis. Two organizations produced content that was seen as an appeal to emotion.

In its 2008 letter, SOE sought to cast art and its effect on society as a moral value, arguing that:

Art, by its very nature, has the power to elevate public discourse because it celebrates the creative spirit. Space One Eleven provides artists this forum, and it offers the greater Birmingham community the opportunity to examine broader social issues through the eyes of artists.

In other words, SOE suggested that art and artists might play an important and unique role in society by helping to foster a better understanding of the social, economic, and racial complexities of a community. This message might be especially relevant in Birmingham, given the city's racial history. However, the argument was not fully developed, and examples of art as a catalyst for social understanding were not provided

While CDF provides for-pay studio classes at its facility in Homewood, Alabama, and such studio classes provide significant income for the organization, its fundraising efforts are centered on The Community Partnership Program and The School Touring Program. The Community Partnership Program provides classes for children and adults, many of whom have physical, emotional, or economic challenges, at social service agencies, child development centers, and schools in the Birmingham area. The School Touring Program presents dance as a means of improving academic performance in schools that lack art education opportunities.

CDF does not overemphasize the fact that a significant portion of its constituency is underprivileged or physically, emotionally, or economically challenged, yet the current study assessed that there was an intrinsic moral prerogative at play—disadvantaged individuals deserve

help. Thus, CDF had a relative advantage over the other organizations participating in the study in terms of its potential to evoke emotional messages.

The cognitive, emotional, and physical benefits provided by CDF's programs, such as "cultivating creativity," "sparkling curiosity," "empowering students," and "enriching lives" were emphasized in the letters. These benefits were further highlighted by the strategic use of photographs, many of which depicted children with physical or cognitive disabilities, but in a hopeful and optimistic manner. Further, beginning in 2008, CDF letters made extensive use of testimonials from teachers and therapists to further substantiate the benefits they claimed to provide. All of the above-mentioned strategies constituted clear but subtle appeals to moral beliefs.

CET emphasized the implications of its relationship with the Actors Equity Association, such as equitable pay and work conditions and the availability of health insurance for members. While the management of CET viewed the benefits afforded by its relationship with Actors Equity in moral terms, it was not clear whether this would be salient or evoke moral consideration among donors. Thus, the current study did not consider these arguments to be morally evocative to potential donors. Similarly, AMIA made passing reference to certain values, such as *diversity* and *community*, but this did not constitute fully formed appeals to emotion or moral values. The fact that AMIA produces SHOUT, an LGBT-focused component of the Sidewalk Film Festival, implied certain moral values, but these values were not explicitly exploited in the organization's fundraising letters.

In summary, in the fundraising letters analyzed in this study, the use of emotional appeals was weak. Even with organizations that might utilize emotional appeals, in most cases there was not an explicit sense that an injustice needed righting or that a dire situation needed to be improved. This lack of urgency diminished whatever sense of emotion or moral imperative might otherwise be available.

## **Persuasive Strategies (graphic)**

The graphic strategies identified in the research on fundraising letters consisted of: (a) use of color; (b) photographs; (c) bulleted lists; (d) bold face fonts; (e) underlining; (f) headlines; and (g) postscript. By far the most aggressive user of graphic strategies was CDF, which used color and photographs in every one of its fundraising letters. CDF also made use of bold face fonts in four letters and underlining in one. Additionally, CDF was one of only two organizations that employed headlines.

In its 2008 letter, CDF led with a quote from the organization's founder, Jennie Robertson: "Dance is a celebration of life, a widening of horizons, an exercise in communication, an exploration into self-awareness; through this discipline all the arts come into focus." Similarly, the 2010 CDF letter began with a quote by Albert Einstein: "Logic will get you from A to B, but creativity will take you anywhere." The 2011 letter began with a testimonial from a teacher, "Their confidence just went from 1 to 10. It was just incredible to see their eagerness, their willingness to overcome those barriers of fear and to step outside their comfort zone [...]." In each case, the headline appeared after the salutation, but it was set apart from the text by appearing in an italicized font. The names of the individuals to whom the quotes were attributed appeared below, further differentiating the quotes from the text.

SOE utilized color, photographs, and original artwork extensively in its 2008 and 2009 letters. Indeed, SOE's 2008 letter was the most graphically sophisticated mailing analyzed. Additionally, SOE employed headlines in its 2008, 2009, and 2011 letters. Beginning in 2011, SOE inserted a one-page brochure describing upcoming projects, programs, and exhibitions. The inserts made extensive use of bulleted lists and bold face fonts, but these features were outside of the main text.

Between 2009 and 2012, CET made extensive use of color and photographs in its fundraising letters. Beginning in 2009, CET combined its fundraising appeals with a promotional brochure highlighting upcoming performances. Because of the manner in which this was done, it was not possible to differentiate the fundraising text from the promotional copy. This mailing had manifold purposes: to encourage contributions, sell memberships, and sell individual tickets to performances. Given the limited resources of the organization, this economical and efficient approach was understandable. Further, combining these functions into one mailing led to the development of a more graphically compelling piece that, in addition to photographs and the use of color, included bold face fonts and underlining. CET was one of two organizations that made use of a postscript in its 2010 and 2011 letters. The AMIA letters made the least use of graphic strategies; employing only bulleted lists, bold face fonts, and one postscript.

In summary, the use of graphic strategies varied significantly among the organizations. CDF employed a variety of graphic elements while SOE produced the most graphically unique piece for its 2008 campaign. By combining its fundraising letter with a brochure, CET improved the graphic content of its letters. AMIA, however, made little use of graphic content in its print material.

### **Establish the Legitimacy of the Cause**

The literature on fundraising letters assumes that a primary means of claiming legitimacy in the nonprofit sector is to indicate the organization's tax-exempt status. The assumption is that tax-exempt status indicates to potential donors that the organization underwent a complex process of filing for tax-exempt status; that the government accepted the legitimacy of its cause and granted special tax status; and that the organization maintains its tax-exempt status by adhering to government-mandated regulations (Handy, 2000). Thus, the specific content associated with this category is *registered statute of charity—tax credit for donors*. This dimension does not specify indicating the organization's 501c3 status explicitly; thus, any

mention of tax deductibility in the main text of the letters was interpreted as compliance with this category.

All of the organizations participating in this study cited their tax-deductible status, but not consistently. Of the 23 fundraising letters analyzed in this study, 13 mentioned the tax deductibility of gifts. Organizational leaders might not have felt compelled to provide this information because they believed potential donors assumed the tax-exempt status of their gift. Further, CDF consistently indicated tax-exempt status on its letterhead, but not in fundraising copy. Nevertheless, identification of tax-exempt status seemed to be a simple way to improve the perception of organizational legitimacy.

### **Signals to Resolve Principal-Agent Issues**

Principal-agent issues can exist whenever there is information asymmetry (i.e., one party has more information or knowledge than the other) in a relationship or economic transaction. In the context of the nonprofit sector, a nonprofit organization is seen as facilitating a transaction between a donor and the ultimate recipient of the donation. Therefore, it is essential for the nonprofit organization to maintain its trustworthiness or potential donors might not make a donation (Handy, 2000). Research in fundraising letters identified the following specific content intended to establish trustworthiness: (a) board members and affiliations (political, corporate, other charity); (b) money received from government; (c) percentage spent on administration; (d) organizational longevity; (e) past achievements (quantitative); (f) options other than donations; (g) testimonials; (h) citations (newspaper or journal); and (i) celebrity endorsements.

Naming board members in the text of fundraising letters, along with their political, corporate, or charity affiliations, is a straightforward way to establish trustworthiness, especially among smaller, community-based nonprofits. Further, naming board members and their professional affiliations might activate latent social or business ties that could encourage potential donors to give. Therefore, it was surprising that only two of the participating organizations (CDF and CET) employed this strategy in their letters.

The most robust use of this strategy can be seen in the 2009 and 2010 CDF letters, in which board members and their professional affiliations were prominently listed and graphically highlighted. Further, in both letters, board members added their signatures beside their printed names. In its 2009 letter, CET provided a list of new board members along with their board titles. However, no affiliations were indicated. SOE and AMIA listed board members on letterhead, but no affiliations were mentioned.

The *received money from government* content seeks to resolve principal-agent issues by implying that government support is difficult to obtain and requires a high level of scrutiny. Therefore, the notion of financial support from the government served as an exemplar for donors. In its 2008 letter, CET mentioned its fundraising success, indicating grants received from various foundations in the Birmingham area as well as funding from the Alabama State Council on the Arts. Thus, CET expanded this strategy to include Birmingham-based foundation support, which, because it also demanded a high level of scrutiny, might have served as an exemplar.

Similarly, SOE mentioned in its 2011 letter grants received from national foundations, such as the Joan Mitchell Foundation and the Andy Warhol Foundation. While this was not government funding, the strategy was to let national foundations serve as exemplary grantors and to emphasize the fact that the organization successfully competed for funding on a national level. In sum, only one letter indicated the receipt of government funding (CET 2008). However, both

CET and SOE expanded this strategy to include Birmingham-based and national foundations as exemplary grantors.

The *percentage of funds spent on administration* content is intended to resolve potential principal-agent issues by substantiating that most of an organization's donated income goes towards programs and not to pay for overhead expenses. This concept is grounded in the widely-held belief that a key metric of nonprofit credibility is its efficiency as measured by low overhead costs. At the same time, however, cost-to-overhead ratios, as a metric of organizational effectiveness, have been challenged in recent years (Pallotta, 2012). Nevertheless, they remain a widely accepted tool for measuring organizational effectiveness. None of the participating organizations mentioned cost-to-overhead ratios in their fundraising letters. This could be because the organizations' administrative expenses were thought to be too high, that overhead expenses required no explanation, or that the organizations simply wanted to avoid the overhead discussion altogether.

Longevity is also frequently seen as an indication that an organization has withstood scrutiny over time; therefore, indicating longevity can be a strategy for resolving potential principal-agent issues. This strategy was evidenced inconsistently across the fundraising letters. AMIA mentioned longevity in its entire body of letters, while SOE and CDF only indicated longevity twice each. In its 2010 letter, CET stated "since our inception in 2006." It is important to reiterate that SOE and CDF were the oldest organizations participating in this study; thus, claims to longevity as a strategy to resolve principal-agent issues seemed obvious for these two organizations.

There is a strong motivation in the nonprofit sector to provide quantitative evidence of past achievements as a means of resolving principal-agent issues. Often this is expressed in terms of attendance, the number of programs offered, the number of individuals served, or the

economic impact an organization can claim. The organizations participating in this study provided quantitative evidence of past achievements. Indeed, 14 of the letters analyzed in this study referenced past achievements. Both AMIA and CDF referenced past achievements in their entire body of letters, focusing on the number of programs, attendance, and individuals served. Similarly, CET focused on the number of performances it offered in four of its letters. By contrast, SOE made reference to quantitative achievements in only two letters.

Testimonials from experts, audience members, or participants as a means of resolving principal-agent issues were present in seven of the letters analyzed in this study. Both CDF and SOE employed testimonials on three occasions in the text of their letters. In SOE letters, two board members and one artist provided testimonials. In CDF letters, the organization's founder provided a testimonial regarding the importance of dance in general; two teachers involved with the organization's outreach programs also provided testimonials. The most comprehensive use of testimonials, however, could be seen on the program insert included in CDF letters between 2009 and 2012. Since these inserts were outside of the main text, they were considered separately. Additionally, SOE provided a testimonial from a former student and current board member on a program insert in its 2012 letter. Testimonials were an effective way to resolve potential principal-agent issues.

Two of the organizations participating in this study cited positive media coverage as a strategy for validating the organization and resolving principal-agent issues. AMIA made the most extensive use of this strategy by citing national press coverage in its entire body of letters. Similarly, CET cited positive reviews from local media in its 2009 letter. While SOE likely had access to positive reviews of recent exhibitions in both local and national media, this strategy was not used.

The use of celebrity endorsements is ubiquitous in the nonprofit sector, particularly among nonprofits with a national or international presence. Because Birmingham is a tertiary market, celebrity endorsements are typically limited to Alabama-based sports and media celebrities. The only celebrity endorsement seen in the body of letters analyzed in this study was in the 2007 SOE letter, in which Lonnie Holley, a Birmingham-based artist with a national and international reputation, provided a testimonial. However, while it is likely that visual art aficionados, especially those located in Birmingham, would know of Lonnie Holley, it is not clear whether he would rise to the level of celebrity to the public at large. Finally, television and film star, Courtney Cox was listed as an honorary board member on AMIA letterhead, but she was not mentioned in the main text of any of the organization's letters.

### **Convince the Reader to Open the Envelope**

The literature on fundraising letters argues that there are several strategies intended to motivate and facilitate giving. The first and most basic strategy is to convince the reader to open the letter by including *teasers on the envelope (words or pictures)*. Guiding this strategy is the notion that if the letter is not opened it cannot be read, and if it is not read a donation will not be made. Both of the more established organizations, CDF and SOE, used color, graphics, and words on the envelopes to entice potential donors to open them. CDF used teasers on all of its mailings and included phrases such as “because dance is a foundation for life and learning” and “dance to grow.”

In its 2008 mailing, SOE utilized an oversized, brightly colored envelope with an original drawing by Lonnie Holley incorporated into the logo. In its 2009 mailing, SOE used a brightly colored, three-panel postcard with a photograph of a light bulb and with copy reading, “Don't waste creative energy.” The smaller organizations, CET and AMIA, used their standard envelopes for direct mail campaigns. Some of the organizations encouraged staff and board

members to write personalized notes on envelopes, but it was not possible to ascertain which organizations used this strategy or how often this strategy was employed.

### **Activate an Emotional Response**

The literature on fundraising letters suggests that it is critical to activate an emotional response to motivate giving. The research literature further suggests that there are two types of discursive content that can activate an emotional response: *stories to arouse emotions* and *tone of the letter (urgent)*. To determine whether stories are present in a body of fundraising letters, it is first necessary to define what constitutes a story in the context of fundraising letters.

According to Dickerson (2009), the primary responsibility of a fundraiser is to *connect* with potential donors on an emotional level and to *narrate* stories about people who have been helped by a nonprofit. Based on Kenneth Burke's *dramatis tic pentad*, and recent research in neurolinguistics concerning how the brain processes narrative, Dickerson (2009) concluded that story or narrative is an essential device in fundraising letters:

To be effective a fundraiser must learn how to write a connecting narrative moment—a brief human-interest narrative that paints a compelling word picture of how a philanthropic cause makes a difference in the life of a single human being. (p. 33)

Therefore, this current study adopted the definition of story/narrative proposed by Dickerson (2009) in the analysis of fundraising letters provided herein.

Utilizing the definition mentioned above, the use of story in the letters analyzed in this study was quite limited. However, two examples of narrative fragments were identified: one at the beginning of the SOE 2008 letter, in which the writer discussed the impact of his involvement with the organization; and another on the insert of the SOE 2012 letter, in which a former student discussed the impact of his involvement with the organization. In neither case was the narrative fragment particularly emotional. As previously discussed, the AMIA 2011 letter

mentioned the recent success of a former Birmingham resident and Sidewalk Film Festival participant, but this was more of an appeal to credibility than emotion.

Urgency was defined in this study as a situation that required immediate action. Only one letter analyzed in this study was identified as having an urgent tone. The AMIA 2007 letter conveyed a sense of urgency, stating, “We need your support, and to be frank we need it now, in order to keep this festival and AMIA’s many projects going full steam.” In general, it appeared as though great effort went into making the tone as positive as possible in the letters analyzed in this study. This may have been due to concern that a negative frame would be unappealing to potential donors. It is important to note that this concern is consistent with findings in behavioral economics regarding the implications of negative or positive valence in financial decision making (Tversky & Kahneman, 1981).

### **Persuade the Reader Not to Free-Ride**

In economics, a free-rider problem exists when an individual utilizes resources, goods, or services but does not pay the full cost of the benefit received. Free-riding becomes a problem when the resource in question becomes overused, not fully funded, and unavailable to some. In the nonprofit context, individuals who take advantage of resources must be persuaded to make a contribution so that the resource remains available to others (Handy, 2000). National Public Radio (NPR) telethon campaigns are an example of an organization seeking to resolve a free-rider problem. In its radio telethons, NPR commentators discuss the cost of providing its programming, where funding comes from, and how much additional subsidy is needed. The appeal to listeners proposes that, as consumers of NPR programming, listeners have a responsibility to provide support.

According to Handy (2000), there are two specific types of content found in fundraising letters designed to reduce free-riding: *indicate public support (we’ve got this much money, we*

*need this much more*) and *offer a gift/newsletter with a donation*. In the present context, *public support* was not construed as government support; rather, it was any support from the public at large. Further, the clarifier *we've got this much money, we need x more*, was interpreted either as a simple indication of fundraising progress and remaining need or as indication of a matching grant. One letter utilizing this strategy was identified in this current study (SOE 2011). Specifically, the 2011 SOE letter referenced a \$50,000 matching grant from the Joan Mitchell Foundation.

Similarly, offering a gift as an incentive to make a donation was identified in one letter (CET 2007), in which free tickets were offered. However, this offer was not tied directly to donations; rather, the purpose was to encourage current donors to use the free tickets to invite guests to a production, thereby increasing attendance. Thus, the relationship between the gift and a donation was implied. Additionally, in its 2008 mailing, SOE offered an original artwork for any individual donating \$1,000 or more. This offer appeared on the pledge card and was not mentioned in the main text of the letter.

The idea of incentivizing donations through offering gifts is somewhat controversial. Economists have argued that crowding out effects might come into play when a gift is offered to encourage a contribution. In the present context, crowding out effects suggested that the extrinsic benefit of offering a gift to encourage donations could displace (or crowd out) the intrinsic benefit associated with the philanthropic impulse (i.e., warm glow), and the positive cognitive and emotional benefits associated with it (Frey, 2003).

### **Provide a Warm Glow Related to Making a Donation**

As noted in the research literature, individuals will take actions and incur costs (e.g., voting in elections, recycling, making charitable donations) for benefits that are uncertain if they believe that their actions are virtuous. Economists often define an action resulting in a feeling of virtuousness as a *warm glow effect* (Fedderson & Sandroni, 2009). Economists also note that

warm glow effects are difficult to measure, because: (a) a key assumption is that decision makers are motivated to make decisions that they deem virtuous; and (b) the discernable basis for this assumption is unclear (Fedderson & Sandroni, 2009). However, Fedderson and Sandroni (2009) argued that warm glow, while different from other economic models of choice, has empirical value and can be tested like other theories of choice.

The literature on fundraising letters identifies the discussion of *past achievements* (*qualitative*) as the specific type of content associated with the warm glow strategy. The majority of the letters analyzed in this study (14) utilized this strategy. In every case, the focus was on programmatic success (past and current), historical contexts, pride-of place issues, shaping/changing perceptions of Birmingham, quality of life issues, and fundraising success. However, with the exception of CDF, the qualitative discussions of past achievements were not particularly evocative of emotion. Thus, it was unclear how a sense of virtuousness or warm glow effects might accrue to potential donors. In this regard CDF had an advantage, because much of its work involved disabled or disadvantaged children.

### **Facilitate Giving**

It seems obvious that a simple way to facilitate giving is to *indicate how donations can be made*. Therefore, it was surprising that only five of the letters analyzed in this study utilized this strategy in their fundraising letters. Specifically, the 2007, 2010, and 2011 AMIA letters referenced an inserted pledge card, as did the SOE 2008 and 2009 letters. It is important to note that both SOE and CDF enclosed pledge cards in all of their mailings.

### **Seven-move Genre Structure**

Based on comprehensive research, Upton (2002) identified a seven-move genre structure that typified fundraising letters: (a) get attention; (b) introduce the cause/establish credentials; (c)

solicit response; (d) offer incentives; (e) reference inserts; (f) express gratitude; and (g) conclude with pleasantries. While all of the content proposed above was present across the body of letters, its use was inconsistent, and the seven-move structure, or content sequence, was not in evidence.

As previously mentioned several of the content items listed in the seven-move structure were interpretive and required establishing a baseline for consistency. For example, this study defined *get attention* to be any introductory language intended to evoke an emotional response. Even with this relatively low threshold, only four letters were determined to contain this type of content (CDF 2008, 2010, 2011, and 2012). In each case the letter began with either a quote or a testimonial.

The *introduce the cause/establish credentials* content was present in a majority of the letters (15). However, there was considerable confusion between cause/mission and programs. In other words, the organizations typically focused on *what* they did (programs) but not *why* (cause/mission) they did it. An exception to this was CDF letters, which alluded to cause/mission, frequently referencing the cognitive, emotional, and physical benefits provided by dance.

Further, the organizations established credentials in programmatic terms by referencing organizational history, citing positive media attention, and mentioning fundraising success. For example, CET focused on the implications of its relationship with the Actors Equity Association and the artistic quality that also ensured the organization's fundraising success. AMIA focused on positive media attention and the organization's role in improving the perception of Birmingham. On the other hand, SOE discussed its role in providing Birmingham-based artists with opportunities to teach and exhibit.

The *solicit response* content, or explicitly asking for a contribution, was nearly universal across the letters analyzed in this study. Indeed, 21 letters included this content. However, where the content was placed and how often it occurred varied significantly. For example, in its 2007

letter, SOE began by saying, “Please think about Space One Eleven as you plan your year-end giving.” The solicitation was reiterated in the last paragraph of the letter, “Your contribution will come at an exciting time for Space One Eleven.” While some organizations repeated the solicitation at the beginning and end of their letters, others included it only toward the end of their letters. CET was the one organization that did not specifically solicit donations. However, CET did imply that donations were needed and explicitly solicited ticket sales. This was more of an indication of the organization’s focus on audience building than any shortcoming as a fundraising entity.

*Offering incentives* as a strategy to gain financial support was employed in three letters analyzed in this study. In its 2007 letter, CET made arrangements with a local restaurant to provide pre-show discounted meals to supporters. The following year, CET indicated that supporters would be listed in a roster published in the organization’s brochure. Additionally, in 2008, SOE offered an original artwork by Lonnie Holley for donors who contributed \$1,000 or more. It is important to note that both of the CET offers were made in the text of the letters, while the SOE offer was included on the pledge card.

It was not possible to ascertain how many of the mailings analyzed in this study contained inserts, because all of the original materials were not available. However, it was clear that there were two types of inserts, pledge cards and brochures or one-sheets detailing information about upcoming programs. CDF made the most extensive use of both pledge cards and program inserts, including them in its entire body of letters between 2008 and 2012. Similarly, SOE included pledge cards in all of its mailings; and in 2011 and 2012, one-sheets providing information about programs and fundraising successes were provided.

AMIA enclosed pledge cards in some of its mailings, but it was not possible to determine which ones. Beginning in 2009, CET began to combine its fundraising letter with a brochure outlining its upcoming season. While all of the organizations utilized some type of insert, only three referenced inserts in the main text of their letters. To reiterate, it was unclear what the effect of drawing attention to an insert might be, but given that this is an item in the seven-move genre structure, the strategy is worthy of investigation. All of the organizations participating in this study employed the technique of *express gratitude* in their fundraising letters, but they did so inconsistently. CET, AMIA, and SOE expressed gratitude in four letters, while CDF expressed gratitude in only three letters. Expressing gratitude seemed like an obvious way to build rapport with donors. It might be that expressions of gratitude were not universal across the letters because they requested donations that had not yet been made. SOE resolved this issue by using language such as “Thank you for considering Space One Eleven in your gift giving this season.”

The final dimension of Upton’s (2002) seven-move genre structure is *conclude with pleasantries*. This was a difficult dimension to assess because what might be considered pleasant is somewhat ambiguous. Therefore, it was necessary to establish criteria and then apply it across the body of letters. The *conclude with pleasantries* content was interpreted as any concluding remark that was pleasant in nature, *not* reiterative of factual/statistical information, *not* a solicitation for a contribution, and *not* an expression of gratitude. For example, in its 2010 letter, SOE concluded with, “We look forward to welcoming you to all of our events in 2011.” Using the above-mentioned criteria, it was assessed that all of the organizations concluded with pleasantries, but again they lacked consistently.

In total, 10 letters concluded with pleasantries. Both SOE and CET used this content in two letters, while CET employed it in four and AIMA used it in three letters. It seemed difficult

to strike a tone that was sufficiently urgent to express need while remaining pleasant and hopeful. The balance between urgency and hope is a central communication challenge for fundraisers.

To summarize, all of the elements of the seven-move genre structure were present in the letters analyzed in this study, but they did not appear sequentially. Further, no discernable pattern was detected regarding how this content manifested itself across the body of letters.

### **Individual Benefits of the Arts**

It has long been recognized that truly robust arguments in favor of arts funding include an array of intrinsic/private benefits as well as instrumental/public benefits (McCarthy et al., 2004). Further, it is widely held that arguments based on intrinsic benefits ultimately provide the most effective pro-arts arguments (Brown & Ratzkin, 2012; McCarthy et al., 2004). However, focus on individual benefits has historically been problematic, because these types of benefits are difficult to measure and identifying the mechanisms by which they might accrue to the public has been elusive (McCarthy et al., 2004).

McCarthy et al. (2004) conceptualized a continuum of arts benefits that includes both individual and instrumental benefits of participating in arts activities. These proposed benefits include: (a) *pleasure*; (b) *cognitive stimulation*; (c) *emotional stimulation*; (d) *the desire for a rewarding experience*; and (e) *the production of meaning*.

The analysis of fundraising letters in this study sought to identify arguments that reflected these dimensions in the fundraising texts.

*Pleasure* as an explicit motivation for participation or making a contribution was absent across the entire body of texts analyzed in this study. However, not surprisingly, references to both *cognitive stimulation* and *emotional stimulation* were identified eight times each in the materials generated by the two organizations that work extensively with children (CDF and SOE). CDF referenced *cognitive stimulation* and *emotional stimulation* in its body of letters and SOE

referenced these dimensions in its 2007 and 2008 letters. Similarly, the *desire for a rewarding experience* dimension was seen in all of the CDF letters, two of the SOE letters (2007 and 2008), and one CET letter (2009).

The *production of meaning* dimension was difficult to assess because, in many respects, art itself is about interpretation and meaning making. Nevertheless, an overt reference to art and meaning was required to assess the presence of this dimension in the fundraising material. Thus, *the production of meaning* was seen in only two letters (SOE 2007 and 2008), in which the organization discussed the capacity of art to help understand the social, racial, and economic complexities of Birmingham.

### **Instrumental Benefits of the Arts**

Instrumental or extrinsic benefits constitute the remaining dimensions of the arts benefits continuum proposed by McCarthy et al. (2004). Instrumental benefits include: (a) *economic impact*; (b) *social cohesion*; (c) *shared identity*; and (d) *civic pride*. Economic impact arguments were identified in five of the letters analyzed in this study: AMIA 2007, 2010A, 2010B, 2011, and CET 2009. The CET 2007 letter referenced a countywide study, which showed that arts and culture accounted for \$125 million of economic activity annually. However, this discussion was framed negatively, because it was presented in the context of the loss of approximately \$5 million in county funding for the arts. AMIA also referenced the Jefferson County study and the loss of funding in its 2007 letter. However, the AMIA 2010A, 2010B, and 2011 letters indicated that the organization's signature event, the Sidewalk Film Festival, generated \$1.5 million (2010A) and \$1.3 million (2010B, 2011) in economic activity for the city.

The *shared identity* dimension was not identified in the letters analyzed in this study. However, *civic pride* was a strategy seen in six letters (AMIA 2009, 2001A, 2010B, 2011, and

SOE 2008, 2012). The SOE letters manifested civic pride by discussing the quality of the artists living in Birmingham. On the other hand, in its 2009 letter, AMIA specifically claimed to “Build pride of place for many Birmingham residents” and that “Accolades from national publications such as *Time Magazine* [...] propels Birmingham into the national spotlight as a place of cultural awareness, creative spirit, and true hospitality.” Similar language was used in the AMIA 2010A, 2010B, and 2011 letters.

To summarize, with the exception of the *cognitive stimulation*, *emotional stimulation*, *the desire for a rewarding experience*, and *civic pride* dimensions, the individual and instrumental benefits of the arts were rarely in evidence. CDF and SOE, the organizations that work extensively with children, frequently referenced cognitive stimulation, emotional stimulation, and the desire for a rewarding experience. Finally, AMIA made the most frequent use of civic pride arguments, and SOE evoked civic pride in the context of the quality of visual artists living in Birmingham.

### **Non-user Benefits**

Cultural economists have contextualized arts and cultural assets as public goods that provide value to both users and non-users (Frey, 2003). Robbins (1963, 1971) and Peacock (1969) identified five types of non-user benefits: (a) *existence value*; (b) *option value*; (c) *bequest value*; (d) *prestige value*; and (e) *education value*. Only two non-user benefits were identified in the letters analyzed in this study: prestige value and education value. In the present context, education value was regarded in a collective rather than an individual sense.

Not surprisingly, the two organizations that emphasized their education value were the organizations that provide arts education, SOE and CDF. SOE referenced *education value* in its 2007, 2008, and 2009 letters. In each case, SOE discussed the manner in which the artists it supports educated the public about the historical complexities of Birmingham and the Deep

South. The organization's *education value* was emphasized in all of the CDF letters in terms of not only students' cognitive, emotional, and physical development, but also the benefits that accrued to the community at-large.

In many respects, *prestige value* is similar to *civic pride*; however, this study determined that the former has an external focus, while the latter has an internal focus. For example, *prestige value* was identified in four AMIA letters (2009, 2010A, 2010B, and 2011), in which it was suggested that the external validation provided by positive national media attention bestowed a sense of prestige on the city as a whole. It is important to note that non-user benefits are most often referenced in the context of government funding for the arts (Peacock, 1969). Therefore, it was interesting to see evidence of their use in fundraising letters intended for individual donors.

### **Readability**

According to Goering et al. (2011), conventional wisdom holds that effective fundraising letters are written at a relatively low level of readability (ninth grade level). On the other hand, experimental research on fundraising letters showed that, contrary to expectations, letters written at a higher level of sophistication were more successful than simple ones. However, this experimental research asked for donations to institutions of higher learning, and all of the participants in the experiment were college educated (Goering et al., 2011). Therefore, this observation might not be generalizable across the nonprofit sector as a whole. Nevertheless, it is clear that the education level of potential donors is an important factor when determining an appropriate level of complexity in letter writing. Further, Frey (2003) argued that arts participation correlates to higher levels of education; as such, higher levels of complexity in fundraising materials are warranted.

Predictably, 17 of the letters analyzed in this study were written above a 12<sup>th</sup> grade level and six letters were written below. The lowest average grade level identified in this study was written at a 9.7 average grade level (CET 2012) and the highest average grade level was 15.6

(AMIA 2009). In sum, the level of complexity seen in the letters analyzed in this study was consistent with the notion that arts donors are an educated contingent.

### **Qualitative Text Analysis Summary**

AMIA made use of several social cue strategies, including: indicating a specific donation amount; utilizing a positive frame; and presenting factual/statistical information. AMIA also made limited use of narrative in its 2011 letter. AMIA made extensive use of appeals to credibility, but there was no evidence of appeals to emotional or moral beliefs. Similarly, AMIA made little use of graphic strategies, the exceptions being the use of bulleted lists on one occasion and bold-faced fonts in three letters. AMIA was one of two organizations that used postscript as a graphic/communication device.

AMIA identified its tax-exempt status as a means of establishing the legitimacy of its cause in all five letters. Additionally, AMIA mentioned the organization's longevity, past achievements (qualitative), and citations from national media as a means of resolving potential principal-agent issues. Indeed, AMIA was the only organization that referenced national media attention. Regarding information intended to motivate and facilitate giving, the AMIA 2008 letter was urgent in tone, past achievements (qualitative) were mentioned in four letters, and three letters indicated how donations could be made. Quantitative past achievements were discussed in terms of attendance and economic impact, and AMIA was one of two organizations to mention its purported economic impact.

As with the other organizations, the elements of the seven-move genre structure were present in the AMIA letters, but not necessarily in sequence. Specifically, AMIA introduced the cause in one letter, solicited a response in five letters, referenced inserts in two letters, and expressed gratitude in four letters. With regard to intrinsic/instrumental benefit arguments,

AMIA focused on two dimensions (instrumental public benefits) in its letters—economic impact and civic pride. Finally, prestige value was the only non-user benefit suggested across the AMIA letters.

To summarize, AMIA relied heavily on appeals to credibility and reason in terms of resolving principal-agent issues and motivating/facilitating giving. This was accomplished by providing factual information about programs, attendance, economic impact, organizational longevity, and tax-exempt status. AMIA also emphasized civic pride, which this study conceptualized as an internal value, and prestige value, which was considered an external value. The validation provided by national media was highly emphasized. Finally, AMIA made little use of graphic strategies.

CDF letters were the most consistent and well-developed letters analyzed in this study. CDF was the oldest, largest, and most well-established organization participating in this study. Additionally, CDF was the only organization that had a part-time employee dedicated specifically to fundraising. Therefore, it was not surprising that CDF produced consistent, well-developed fundraising letters.

CDF made extensive use of two social cue strategies: positive frame and factual information. These strategies were present in each of its fundraising letters. CDF relied on appeals to reason by focusing on program information and the number of children served. However, appeals to credibility were limited to indicating tax-exempt status (in two letters) and mentioning organizational longevity (in two letters). To reiterate, the literature on fundraising letters conceptualizes appeals to emotion specifically as appeals to donor beliefs and moral values. Because the organization provides dance education to disadvantaged and underprivileged children, appeals to moral beliefs were present in all of the organization's letters. CDF struck a delicate balance by depicting disadvantaged children in a hopeful manner.

CDF made the most use of graphic elements in its fundraising letters. The use of color, photographs, bold face fonts, and headlines was extensive. CDF utilized headlines in the form of quotations on three occasions. CDF mentioned its tax-exempt status only once in its fundraising texts, but its 501c3 status was indicated on its letterhead. CDF was the only organization to identify board members along with their professional affiliations. Additionally, CDF made extensive use of testimonials from teachers and school administrators representing affiliated programs. Additionally, CDF used teasers on envelopes to motivate and facilitate giving.

Regarding the seven-move genre structure, CDF consistently adhered to five dimensions: get attention, introduce the cause/establish credentials, solicit response, express gratitude, and conclude with pleasantries. As it pertains to the intrinsic/instrumental benefits continuum, CDF consistently mentioned cognitive stimulation, emotional stimulation, and the desire for a rewarding experience. Additionally, CDF mentioned physical and social growth as benefits of its programs. Predictably, CDF identified the non-user benefit of education value. In this context, education value was seen as both a private and social benefit.

To summarize, CDF letters were the most consistent, well-developed letters analyzed in this study. CDF appealed to reason by discussing the various programs offered and the number of children served. Appeals to donor beliefs and moral values were balanced by depicting disabled children in a hopeful manner. Finally, CDF made extensive use of testimonials and graphic elements, including, color, photographs, bold-faced fonts, and headlines.

CET was the youngest organization participating in this study, and its letters evolved substantially over time, from a simple fundraising appeal to more complex mailings that combined fundraising, information about upcoming performances/seasons, and a promotional device to sell memberships and individual tickets. This evolution was understandable given the organization's limited human and financial resources.

CET employed a variety of social cues in its mailings. Specifically, CET suggested a donation amount in two letters; listed the names of other donors once; used a positive frame in five letters; mentioned factual information (i.e., number of performances, attendance, and number of actors who gained provisional membership in Actors Equity Association); and included a gift in one mailing. The gift was an offer for tickets to encourage attendance. CET relied heavily on appeals to reason. CET's relationship with Actors Equity Association could be seen as an appeal to credibility. The organization's tax-exempt status and longevity were mentioned once. As CET mailings evolved, they became more sophisticated graphically, making greater use of color, photographs, bulleted lists, bold-faced fonts, underlining, and postscript.

Surprisingly, CET mentioned its tax-exempt status only once. In one letter, CET named new board members but did not indicate professional or social affiliations. CET provided information about the organization's fundraising success, mentioning donations from the Alabama State Council on the Arts as well as donations from Birmingham-based foundations as a means of reducing principal-agent issues. CET also discussed past achievements and noted positive reviews from local media. Little effort was made in these materials to motivate and facilitate giving categories.

Regarding the seven-move genre structure, CET introduced the cause/established credentials in four letters; solicited a response in four letters; offered incentives in two letters; referenced inserts once; expressed gratitude on four occasions; and concluded with pleasantries twice. CET was the only organization to express sarcasm, in response to the loss of approximately \$5 million in Jefferson County arts funding. Finally, CET mentioned economic impact in one letter, referencing an economic impact study that suggested that the arts generated \$125 million annually in Jefferson County.

CET's letters evolved in purpose and design over time to encompass fundraising, membership, and ticket sales. As a result, the letters became more sophisticated graphically. CET emphasized its relationship with the Actors Equity Association, the benefits the Actors Equity provides its members, and the professionalism and quality implied by the relationship. Additionally, CET discussed its relationship with the Alabama School of Fine Arts, which allows high school students to earn points towards equity membership. However, it was not clear whether donors valued the relationship between CET and Actors Equity Association as much as the organization's management did.

SOE was one of the most established organizations participating in this study. Therefore, it was somewhat surprising that its fundraising letters varied significantly from year-to-year. This might be due to the fact that the organization has had two distinct programmatic areas with discrete funding sources. SOE's art education programs cater to inner city children and are supported financially by Birmingham-based foundations and individuals. On the other hand, SOE's visual art exhibitions and related programs provide opportunities for Birmingham-based artists to exhibit and collaborate with accomplished artists from across the United States. Nationally-based foundations, such as the Andy Warhol and Joan Mitchell Foundations, fund these exhibitions. Additionally, SOE provides Birmingham-based artists with opportunities to teach in the art education programs. Thus, the education and exhibition programs are discrete, but interrelated in important ways. These structural factors complicated fundraising efforts. SOE employed a variety of social cues in its letters. Specifically, SOE suggested a specific donation amount in one letter; listed other donor names in two letters; used a positive frame in all of its letters; discussed factual information in one letter; used narrative in one letter; and included a gift offer in its 2008 mailing. The donors who were identified in the SOE letters were national

foundations. The gift offer in the 2008 letter was an original Lonnie Holley piece of art for donations of \$1,000 and higher.

SOE constructed appeals to reason by discussing programs and the number of children served. Appeals to credibility consisted of indicating trustworthiness in two letters, mentioning tax-exempt status in two letters, discussing organizational longevity in two letters and one celebrity endorsement (Lonnie Holley), and stating how funds were used in one letter. In many ways, the SOE 2008 letter was the most ambitious letter analyzed in the study, both graphically and in terms of the language used. This letter attempted to parse a broad argument for the intrinsic value of the arts, beginning with a quote by John Dewey: “Art is how we experience life.” This mailing was graphically complex, consisting of an oversized, three panel, full color design that incorporated a Lonnie Holley drawing into the organization’s logo.

With the exception of 2008 and 2009, SOE made relatively little use of graphic elements in its letters, which was surprising considering that SOE is a visual art nonprofit. Specifically, color was used in two letters; photographs appeared in three letters; bold-faced fonts were used in five letters; and headlines were used in three letters. Over time, SOE began incorporating brochure-like materials, with details about exhibitions and the art education programs in its mailings.

SOE mentioned its tax-exempt status in three letters and sought to resolve principal-agent issues by mentioning the organization’s longevity in two letters. Additionally, testimonials provided by two board members and Lonnie Holley were used in three letters. Lonnie Holley provided a celebrity endorsement in one letter.

Regarding information to motivate and facilitate giving, SOE utilized teasers on envelopes in two mailings, discussed past achievements (qualitative) on three occasions, and indicated how donations could be made in two letters. Qualitative achievements were

contextualized as the visual artist's capacity to elevate public discourse and inform identity of place.

As it pertains to the seven-move genre structure, SOE introduced the cause in four letters; solicited a response in its entire body of letters; expressed gratitude in four letters; and concluded with pleasantries twice. Cognitive and emotional stimulation, the desire for a rewarding experience, and the production of meaning were each seen in two letters. Additionally, the instrumental benefits of social cohesion and civic pride were in evidence. To reiterate, the artist's capacity to inform identity and uniqueness of place was an important theme in the SOE letters. Finally, education value, in a personal and collective sense, was intimated.

SOE's letters were not as consistent as might be expected from a well-established organization. This might be due to complications regarding the two programmatic areas, education and exhibition; its different funding sources; and the ways in which these programs overlap (artists exhibit and teach). It was clear that SOE is artist-centered, as it claimed, and it made the argument that artists informed identity and sense of place. It was not clear whether this was primarily an internal message to artists and a few key stakeholders or potentially more broadly resonant with individual donors in Birmingham. Efforts to raise money for the art education program focused on the needs of underprivileged children. In sum, the dual foci of SOE fundraising appeals were a complicating factor. To summarize, the letters analyzed in this study focused heavily on the programs offered and the number of individuals served. AMIA discussed the implications of national media attention and the organization's economic impact. CDF presented a consistent and hopeful message centered on its work with underprivileged and disabled children. CET focused on its unique relationship with Actors Equity Association and the implications for Birmingham-based actors. The dual foci of SOE's programs complicated the organization's fundraising communications.

## **In-depth Interview Analysis**

The first part of the in-depth interviews investigated the perceptions of donors and fundraisers regarding the benefits of arts participation; the efficacy of various pro-arts arguments; the challenges small NAOs face; fundraiser/donor perceptions as to who might be the beneficiaries of donations to the participating organizations; and the reasons that donors support the arts. The second part of the in-depth interviews investigated the concepts of organization-donor relationship, donor cultivation, and stewardship strategies from the theoretical perspective of co-orientation theory. The co-orientation aspect of this study did not attempt to generate statistically relevant data. Rather, it investigated the degree to which fundraisers and donors were in agreement/disagreement along the 14 co-orientation dimensions identified in the interview guide

### **Benefits of Arts Participation**

One of the first questions asked of both fundraisers and donors was which benefits they believed participating in the arts provided. A frequent initial reply was, “Do you mean personal benefits or benefits to the community?” In those cases, the researcher responded, “Whatever comes to mind.” This led to robust discussions that yielded 44 identifiable benefits, ranging in type from intrinsic private benefits (e.g., pleasure) to instrumental public benefits (e.g., economic development). Of the 44 benefits identified, 12 were of the intrinsic private type including pleasure/entertainment, self-expression, surprise/magic, self-awareness/identity, self-awareness/body, alternative to the day-to-day, levity, creative fulfillment, well-being, peace/relaxation, catharsis, and gratitude. These responses confirmed to the researcher that participants were aware of and valued the intrinsic, private benefits of the arts.

Participants also identified 11 intrinsic private benefits with public effects including quality of life/enrichment, intellectual growth, emotional growth, problem solving, openness to

different world views, expanded imagination, examination of existing beliefs, heightened empathy, confidence building, discipline building, and awareness of shared humanity. These observations revealed a keen awareness of the intrinsic benefits of the arts by participants.

Another type of benefit identified numerous times by participants was instrumental private benefits with public effects. Examples included: supports artists, provides healthy options for underprivileged children, enables critical thinking skills, offers an alternative to “football” culture, reinforces progressive values, balances math/science education, encourages professional development skills, facilitates networking, combats racism, improves educational outcomes, promotes teamwork/cooperation, and moves people to social action. Finally, participants identified four intrinsic public benefits including exploration of difficult questions, bridging effects, bonding effects, and better citizenry, as well as four instrumental public effects including improved perception of Birmingham, economic development/creative class, downtown revitalization, and cultural variety/options.

The frequency of responses in the benefits category were noted as follows: (a) bridging and bonding effects generated 10 responses each; (b) pleasure/entertainment received nine responses; (c) economic development/creative class and openness to different worldviews received eight responses each; (d) intellectual growth and emotional growth received seven responses each; (e) quality of life/enrichment, alternative to “football” culture, and improved perception of Birmingham generated four responses each; (f) artists ask difficult questions, surprise/magic, self-awareness/identity, and alternative to the day-to-day generated three responses each; and (g) expanded imagination, self-expression, professional development, networking, downtown revitalization, heightened empathy, confidence building, and teamwork/cooperation received two responses each. Further, 19 responses in the benefits category were noted a single time.

While single and double responses did not constitute data saturation, they provided important insights into the topic under investigation and led to three observations. First, individuals involved with the arts were quite aware of the role the arts play in their lives and the intrinsic private benefits they receive. Second, an individual's awareness of the benefits of arts participation did not necessarily translate into a broader communal understanding. Finally, there was no coherent platform for contemplating and discussing the benefits of art for the individual or society at large. Indeed, with the exception of a small community of scholars, philosophers, arts experts, and arts enthusiasts, the art experience must speak for itself.

Further, the art experience is highly individualized. One participant articulated this conundrum by saying:

There's something inherently necessary about [art]—there's a need that most people can't articulate or explain—a need to hear beautiful music or see a gorgeous work of art, wherever it is. You don't know exactly what need is being fulfilled, but you *know* there's a need there [...].

It is the position of this study that it is important to capture a broad spectrum of individuals' thoughts on the subject of art and the benefits it provides. In an effort to encourage critical thinking and discussion about the benefits of the arts, several single-coded items (problem solving, building confidence, the arts combat racism, and examine existing beliefs) are briefly discussed below.

According to Putnam (1993), bridging occurs when people from different backgrounds (e.g., race, religion, socioeconomic status, cultural orientation) come together for activities of shared interest, such as sports, the arts, or community events. In other words, bridging activities provide opportunities for social interaction among people who might not otherwise have these opportunities. Bridging opportunities lay the groundwork for community building and the establishment of social bonds. Among the participants interviewed in this current study, art as a provider of bridging opportunities was seen as an important benefit. For example, one

interviewee noted, “There’s a social component to the arts—to be able to have a shared experience with a group of people. It’s something that the arts provides [*sic*].” The interviewee continued:

It’s important not only for an individual who’s part of a group, but it’s important for the collective community to be able to say anybody is welcome at this place—go to the museum or to hear a concert at the Stephens Center, whatever the place may be. That’s a chief benefit of the arts.

Another participant, focused on bridging effects, stated:

[The arts create] a feeling of connection to others in your community, how we’re all interrelated, a sense of what community means to you and how it can be as healthy and strong as possible. I think the arts are a great tool for that.

Thus, the arts as a provider of bridging opportunities emerged as a key benefit identified in this study through in-depth interviews.

Bonding effects, as explicated by Putnam (2000), refer to opportunities for in-group members to establish and build social bonds. For example, members of a church congregation might strengthen social bonds by attending church or church-related activities together. In the context of the arts, an in-group might coalesce around a particular art form or venue. Regarding the capacity of the arts to provide bonding experiences, one interviewee noted:

So I know that if I’ve got bands [to play with] and film projects to work on once or twice a week, that’s going to motivate me to get out and be social. There’s got to be a huge benefit in getting out of the house, having some fun, and talking with friends.

Another interviewee commented on the significance of arts-related bonding opportunities, “It helps to find community when people can’t get along, or when there are disagreements. It’s often through the arts that people come together and discover the humanity in each other.”

The intrinsic private benefit of pleasure in response to arts experiences was cited nine times across interviews. This sentiment was expressed in various ways by both fundraisers and donors, who made comments such as, “I participate in the arts primarily because I enjoy it,” and “[the arts] give me a sense of joy.” Additionally, one interviewee stated, “I think one of the key

benefits of the arts is pleasure. Participating in the arts should be pleasurable, whatever the art form,” while another interviewee noted that the primary benefit of arts participation from his perspective was “purely selfish [...] it’s almost pure joy, whatever I happen to go see.” Each time pleasure was cited as a benefit of arts participation, the response was spontaneous and enthusiastic.

According to Florida (2002), cities that possess robust arts and cultural assets fare better economically than their counterparts without them. To a large extent, this advantage exists because cities that provide ample arts, cultural, and recreational opportunities are better able to attract and retain workers who trade in intellectually-oriented businesses—businesses that represent a rapidly increasing segment of the overall economy (Florida, 2002).

Regardless of its veracity, Florida’s (2002) contention has had a significant impact on the discussion about arts funding in the United States. The argument is that, in some cases, money spent on the arts is justified because it will stimulate the local economy by attracting a well-educated, highly paid workforce. The creative class construct has thoroughly insinuated itself into the idea of the arts as a tool for economic development. Indeed, eight of the individuals interviewed for this study identified arts as a means for economic development. Interviewees regarded economic development as a potential benefit of the arts. However, only donors were enthusiastic about this notion. For example, one donor stated:

I’ve heard this repeated many times, when companies are trying to recruit people to come to Birmingham—if you don’t have an excellent, symphony, museum, and a ballet, whether these people are going to attend or not, they want to know it’s here.

Only one fundraiser mentioned economic development as a benefit of arts participation, but quickly recanted, saying, “Economic development may be important to [institutional] donors, but for individual donors it’s the impact of seeing something they don’t usually see.” Further

discussion of the arts and economic development and the different ways fundraisers and donors think about the arts and economic development follows in the arguments discussion below.

In the context of arts experiences, openness to different worldviews refers to the potential, particularly of various forms of narrative fiction (e.g., film, theatrical productions, novels) to open audience members to an alternative way of seeing and understanding the world. Typically, this is achieved through identification with the protagonist in a manner that challenges existing values and beliefs (Nussbaum, 2010). Eight participants identified openness to different worldviews as an important benefit of arts participation. For example, one interviewee noted:

[Art] is often something that's challenging. It could be a film that's discussing a difficult subject, or that's presenting a certain point of view that you might not agree with. But if it's done well, it can push you to think through why you hold the beliefs you hold and, ultimately, even change them.

A fundraiser interviewed in this study reinforced this idea stating, "Our work tends to be a bit more confrontational. We like people feeling uncomfortable. We want people to think and experience outside their comfort zone—challenge their perception of things." In some respects, openness to different worldviews was similar to emotional growth and heightened empathy, but it was different in that it involved changing perceptions rather than simply evoking an emotional response.

Intellectual growth and emotional growth were clearly differentiated in the interviews, but they were often mentioned in close proximity to each other, as if the intellectual and emotional growth stimulated by arts participation were closely linked. For example, one interviewee said:

[People] come because they get an experience they don't get at other theatres. They laugh harder. They cry deeper. They think intensely about what was said—the issues of the play and how it affects their lives—for weeks or months to come.

Another interviewee reinforced this notion, stating that the arts are about "Growth [...] The arts are essential to what we are as human beings. The arts help us think and feel differently about the world." One of the fundraisers provided a refreshing, holistic view of the arts and their effect on

intellectual growth, suggesting that the arts possess an inherent epistemology that enhances traditional academic modes of learning:

In early childhood education, art is such a huge benefit...it's really great for kids. It lets them explore things in a different way than looking at a book...They can explore using their body, their mind...incorporating the whole self, not just the brain.

In sum, intellectual and emotional growth as an effect of arts participation were closely linked in the thoughts of interviewees; but intellectual growth, especially as it related to academic performance/enrichment, was more easily articulated than the notion of emotional growth as a response to arts exposure.

Quality of life/enrichment, alternative to “football” culture, and improved perception of Birmingham were cited four times each as benefits of arts participation. While data saturation cannot be claimed, these observations are noteworthy and deserving of a brief discussion.

Regarding art's capacity to enrich and improve the quality of life, one interviewee enthusiastically commented:

We know that the arts provide a much better life, a richer lifestyle—it's being part of the fabric of the community. I believe the arts enrich the lives of children. I think the arts also provide information to non-artists about our lives, who we are, our history.

This remark not only identifies the arts as a life-enhancing construct, but it offers a perspective as to how art accomplishes this—by strengthening community and helping to claim a unique sense of identity.

Cultural issues, particularly the conservative political climate in the South and the dominance of football and automotive sports, stirred considerable passion among interviewees. For example, regarding the benefits that theatre provides, one participant commented,

Unlike NASCAR—and I guess I could add pro wrestling, monster trucks, and roller derby, I think [the theatre] provides a consciousness-raising experience. The gladiatorial bloodlust of the general populace here is quite remarkable... It's all about competition and who's dominant.

This sentiment was echoed by another interviewee who cited the need, especially among artistically inclined young people, for alternatives to the preoccupations of the dominant culture in the South.

I believe people who have a creative bent need an outlet for that. Those who don't have an opportunity to do what they are gifted to do wind up being extremely frustrated. Whether they do it on a professional or amateur level—and I mean amateur in the true sense of the word, as one who loves art—they need it to make their lives complete.

In other words, one of the benefits of arts participation that might be uniquely important in a city steeped in football culture is that it provides much-needed alternatives for non-sports-oriented individuals.

Another benefit that is perhaps uniquely important in Birmingham is the capacity for the arts to improve the perception of the city, both internally and externally. Praise from national media outlets and positive arts experiences were seen by participants as primary means for improving the city's reputation. It is important to note that Birmingham's role in the Civil Rights Movement in the mid-1960s and the resulting racial and socioeconomic divide continues to be a source of the city's image problems. It is likely, however, that younger generations are not as sensitized to these historical issues.

Tullos (2011) argued that conservative politics and political characters from Alabama's past that were unattractive on the national stage have damaged the state's reputation in considerable ways. Indeed, one interviewee observed, "I think that, especially in Birmingham, people are desperate for an 'Atta boy' from somewhere else. It's external validation we crave—national validation, that's important."

Another interviewee expanded upon this idea, noting that in Birmingham the perception of “cultural vitality” and abundant, high quality arts activities were critical to improving Birmingham’s image:

I think the more attractive it is for the people that live here and the more attractive it is for people that [*sic*] are looking from the outside [...]—and for whatever reason, people *are* looking from the outside—the more people see what we have to offer here, the better. It puts the city in a favorable light [...] I’ve never been to Austin, [TX], plenty of people haven’t, but they know what’s going on there and they assume it’s a great place to live. The same thing can apply here.

In sum, excellent arts experiences that have relevance on the national level and gain attention from national media were seen as essential to improving Birmingham’s image, both internally and externally.

Artists ask difficult questions, surprise/magic, self-awareness/identity, and alternative to the day-to-day were each cited three times as benefits of arts participating. While the frequency of their mention does not constitute data saturation, they nevertheless provide important insights regarding how fundraisers and donors think about the benefits of arts participation. For example, one interviewee noted, “Artists ask hard questions that are relevant to today’s political environment—some people might agree and some might disagree. It opens up dialogue. We [Artists] ask hard questions and that’s very important.”

Regarding the benefits of surprise/magic as related to a theatrical experience, one interviewee commented, “It’s always different. I like being surprised. It’s just magical.” Another interviewee echoed this sentiment in a discussion of her child’s recent experience participating in an arts event:

I thought it was just magical. It was an amazing opportunity for him. He was unfazed in terms of nerves. I guess you just learn it. You’re ready and you just do it [...] It was fabulous, an amazing experience, magical.

Yet another participant offered, “I like to go [to exhibitions] because sometimes I’m really surprised by what I see. I really like that.” Three interviewees cited self-awareness and identity

development on both the personal and community levels as benefits of arts participation. This was seen as particularly relevant to children participating in the arts. For example, one participant stated:

We are talking about the fall leaves and the weather changes outside. Then we link it to the body. A leaf floats its way down nice and soft and an acorn falls down quickly and hard. It's about letting them experience what we're talking about with their entire body [...] I think the arts are important—they're a way of expressing ourselves, creating our own identity and sharing that with others. Beyond the individual [...] you can share a piece of art—create an identity as a community.

Three participants also cited art as an alternative to day-to-day life. For example, one participant noted:

Day-to-day activities can be mundane, or they can be intense, or they can be difficult, or whatever. The arts, whether it's music, or visual art, or dance, or whatever, provide perspective. They provide release. They provide an emotional response [...] it's a release, from day-to-day life. But overall, it's about pleasure.

In sum, the role of art as a means of facilitating important and potentially difficult sociopolitical conversations, the capacity of art to inform personal and community identity, and the ability of art to serve as an alternative to the drudgery of day-to-day existence were seen as significant benefits of arts participation.

Study participants identified several benefits of arts participation as stand-alone items. However, because arts experiences are highly individualized, this study sought to capture as much relevant data on the subject as possible. Therefore, problem solving, building confidence, the arts combat racism, and examining existing belief are discussed briefly below.

One participant discussed problem solving as a benefit of participation in the technical aspects of theatre:

I think there's a great deal of problem solving that gets taught [in the theatre]. There are many opportunities for problem solving. You can give someone a certain amount of skill and then say 'OK, it's up to you, use these skills to solve whatever issue you need to address.' [...] There's a real sense of accomplishment [...] here's a project that's complete. It's out there on stage—someone's using that set you helped build, or that costume you made. It's very tangible.

The collaborative nature of theatre also provides many opportunities for problem solving that are relevant to other aspects of life. As stated by one interviewee, “I taught one young lady briefly, who became a training director for the Arby’s Corporation. She told me that everything she learned about organizing events, she learned in the stage management course I taught.” The same participant argued that the arts have unique, confidence-building effects:

Confidence building—I mention that a lot. I think there are a lot of kids who have skills that aren’t utilized in a traditional school setting. They’re not fitting in, they’re not answering the math questions, they’re not writing essays. They’re not necessarily good at any of that [...] there are whole areas of their lives that are just not getting tapped into. Tap into their talents and there’s a great sense of accomplishment.

Another participant contended that the arts can provide an effective means of combating racism:

It helps to find community when people can’t get along or when there are disagreements. It’s in the arts that people can meet one another and see the humanity in each other. In the case of Birmingham, if you want a place where you can help resolve racial issues, the first thing is get kids of different nationalities together, let them build something together, so they can see beyond the prejudices that may exist.

Finally, one participant spoke about the capacity of film to cause her to examine the origin and validity of her beliefs, stating, “One thing I find is that [film] challenges me to investigate where my thoughts come from and whether they’re particularly well-founded—or if they’re just pass-along values and beliefs from a parent or loved one.”

To summarize, participants identified a wide range of benefits associated with arts participation. The most frequently cited benefit types were intrinsic private benefits (12), intrinsic private benefits with public effects (12), and instrumental private benefits with public effects (12). Bridging and bonding effects were noted 10 times each; pleasure/entertainment was cited nine times; economic development/creative class benefits and openness to different worldviews were identified eight times each; and emotional growth and intellectual growth were identified seven times each. Additionally, quality of life/enrichment, alternative to “football” culture, and improved perception of Birmingham were noted four times each. Finally, because

the arts experience is highly individualized and poorly understood several benefits were identified a single time and discussed in-brief.

### **Pro-arts Funding Arguments**

Study participants generated 28 responses to the question, “Which arguments in favor of arts funding do you find compelling?” Five of the arguments coded in this study were of the intrinsic private benefits type including pleasure/entertainment, personal enrichment, joy, inspiration, and alternative to the day-to-day, which to some extent reinforces the idea that interviewees valued the intrinsic benefits provided by the arts. Four of the arguments identified were intrinsic private benefits with public effects including personal economic benefits [students], supporting artists, cognitive growth, and emotional growth/empathy. Instrumental public benefits were noted four times as well and included quality of life/enrichment, bonding effects, bridging effects, and lowering ticket prices, while instrumental private benefits (i.e., improved educational outcomes) were cited once.

The most frequently cited argument type was instrumental private benefits with public effects, which were identified eight times and included provides options for children not interested in sports, breaks down racial/cultural barriers, students work towards Equity membership, brought Actors Equity Association to Birmingham, vibrant arts scene equates to a healthy city, the arts and physical health, quality programs, and trustworthiness of staff. This result was not surprising. By shifting the focus from benefits to pro-art arguments, justification for funding becomes the dominant factor; as a result, public benefits begin to weigh more heavily. Finally, instrumental public benefits were cited six times including civic pride, provides jobs, pays taxes, economic development/creative class, improves perception of Birmingham, and civic responsibility.

The most frequently occurring argument cited by participants was the economic development/creative class argument. To reiterate, this was not surprising, because arts funding appeals often rely on public benefits arguments. Additionally, in recent years, economic development arguments have dominated the public discourse about arts funding (Brown & Ratzkin, 2012).

While the economic development argument was cited often, it did not generate enthusiasm or particularly robust discussion from donors. For example, one interviewee stated, “I think the economic development argument [...] that the arts are good for recruiting business, etcetera, etcetera—that’s probably one of the arguments people might understand better.” However, there was a distinct difference between the attitude of fundraisers and donors on the subject of economic development. One fundraiser stated:

Economic development arguments, creative class, sure, they’re all compelling. But nowhere in the conversation is there room for ‘Art for art’s sake.’ [...] We should all have the opportunity to make art when it doesn’t matter. [Making art] is just seeing things in a certain way. Exploring your own talent. Expressing your self. Funders don’t generally go for that.

Another fundraiser commented on the need to tailor fundraising messages to the interests of the specific funder. Regarding economic development arguments, this fundraiser said:

If we’re talking to a local business owner who’s interested in the economic development of our community, we’ll talk about how important our events are to the community for those reasons [...] We try to custom select our message for the audience, especially if we’re talking about an individual relationship. When we’re creating copy for our website and we don’t know whose hands the information might end up in, we bullet point those kinds of things [...] but I don’t know how effective that is.

To summarize, donors cited economic development/creative class arguments frequently, but unenthusiastically. On the other hand, fundraisers argued that economic development arguments might be effective, depending on the interests of the funder. Further, fundraisers indicated that economic development arguments were probably more effective with business/institutional donors than individuals.

Study participants cited civic pride and pleasure/entertainment as pro-arts arguments five

times each. Several of the civic pride comments were centered on the Sidewalk Film Festival (AMIA) and sought to compare Birmingham favorably to other, larger cities. For example, one interviewee commented:

I'll be driving filmmakers from Chicago, New York, and LA—all these big cities—around downtown and they're just blown away by it...they're like, 'this is nothing like what I expected, Birmingham is amazing.' And I'm like yeah, Birmingham is really cool and Sidewalk is a really special weekend.

Another participant suggested, “Anything that makes us feel good about Birmingham is a good thing.” This sentiment was echoed by a fundraiser who offered, “I think for us, the primary success we see with individual donors is pride-of-place arguments.” Regarding the notion of the arts and pleasure as an argument for arts funding, one participant noted:

For me, first and foremost, [music] is about pleasure, it's critical to my life, always has been. There's a peace and a calm, an energy and an excitement, which I guess are somewhat opposing emotions. I get that from listening to music.

Another interviewee commented, “[The arts] are all about pleasure, peace and calm—relaxation.”

Yet another participant commented, “Well, it makes us feel better.”

In sum, civic pride arguments were thought to be important and were frequently supported with personal stories about the capacity of the arts to generate positive feelings about Birmingham. Additionally, pleasure/entertainment was cited five times as a pro-art argument.

Study participants identified five pro-art arguments that were each cited four times including improved educational outcomes, supporting artists, cognitive growth, improved perception of Birmingham, and quality of life/enrichment. In discussing the potential of the arts to improve educational outcomes, one fundraiser commented on the efficacy of the innate benefits argument, stating:

We tend to use a lot of educational arguments when we're pitching [...] We are constantly trying to link it to the education curriculum. We do branch out every once in a while with innate benefits of the arts [...] But a lot of times, we're looking at academics, because we find that it's more appealing to donors and it's something they can grasp onto a little easier.

Expanding on the same concept, another fundraiser indicated:

The second [argument] would be education and growth. Building the skills that you need to have in the world and in school. Whether those are physical, emotional, or cognitive, just building a strong person [...] those seem to be the most compelling. Supporting artists from Birmingham and the artistic community at-large was seen as an effective argument for support by representatives of several of the organizations participating in this study. For example, an individual associated with CET commented:

We [...] offer a step towards education and professionalism through our work, i.e., the Equity Membership Candidacy Program. We help them move towards making a living as a professional artist, if they choose to do so. It's an important part of what we do.

Additionally, a SOE supporter stated:

Let's face it: Space One Eleven is who shows the local artists. It's very unusual for a local artist to have a show at the museum. Space One Eleven is where they get shown, get exposure. They are supporting the local art community and I think that's real important.

Regarding arts-stimulated cognitive growth as an effective pro-arts argument, an interviewee stated, "I think we all need to grow and learn more, to have challenging [arts] experiences. For some people, they need it all the time." Another participant reinforced this idea, commenting, "[The arts] activate my mind, energize me. Make me go beyond where I am. It's largely an intellectual thing."

Participants associated with AMIA were quite clear that the organization's capacity to improve Birmingham's image was a compelling justification for funding. For example, one interviewee commented:

I would say recognition in the media is definitely something donors respond to. When people see that we're in the national news, I think that creates such a sense of pride [...] This year alone, we've been in USA Today and the New York Times. That's a really big thing. It makes people think about Birmingham in a positive way. Also, seeing so many people coming downtown. That's such a big thing too.

Quality of life/enrichment was another pro-arts funding argument cited by study participants. For example, an interviewee noted, “Of course [the arts] contribute to a rich and fulfilled life and they contribute to a community’s quality of life. I strongly believe that the quality of a community’s cultural landscape is one of its greatest assets.” Another participant commented on the importance of the arts in her life, stating, “I just feel like something’s missing in my life without the arts.” She continued by identifying a specific aspect of cultural life in Birmingham, “That’s what I always liked about the arts community in Birmingham. That it’s very much—everybody is attached and interconnected and there is a real sense of community here.”

To summarize, improved educational outcomes, supporting artists, cognitive growth, improved perception of Birmingham, and quality of life/enrichment were identified as effective justifications for arts funding. Not surprisingly, participants who were associated with organizations involved with arts education (CDF and SOE) indicated improved educational outcomes and cognitive growth as effective arguments. Interviewees involved with AMIA identified positive national press and a visibly successful event, as evidenced by high turnout, as an effective means of improving the perception of Birmingham and encouraging pride-of-place. Finally, several participants identified quality of life and personal and community enrichment as effective justifications for arts funding.

Two pro-arts arguments were noted three times each, including emotional growth/empathy, and bridging effects. Additionally, the arts provide options for children not interested in sports and bonding effects were cited twice each. Finally, 16 arguments including joy, inspiration, and the arts break down racial barriers were noted a single time. While these levels of frequency clearly did not constitute data saturation, several of them were worthy of mention because they provided a picture of the wide variety of pro-arts arguments that participants found compelling.

In sum, the most frequently cited justification for arts funding was the economic development/creative class argument. Fundraisers who cited this argument lacked enthusiasm for it, arguing that while it might be effective for some types of donors, it would probably not be compelling to individual donors. Further, civic pride and pleasure/entertainment arguments were noted five times. Finally, broad continuums of interesting, potential justifications were identified. Since the number of references for these potential justifications did not suggest data saturation, they were not discussed in great detail.

### **The Challenges NAOs Face**

A question posed to donors and fundraisers in the in-depth interviews was “Do you believe that nonprofit arts organizations in Birmingham face significant challenges; and if so, what are the challenges?” The purpose of this question was two-fold. First, it was intended to determine depth of donor understanding of the challenges the nonprofit arts sector in Birmingham faces. Second, it was intended to evaluate the degree to which donor understanding of challenges was aligned with fundraiser experience. This study assumed that fundraisers were well aware of the challenges their organizations faced, because much of their time was dedicated to addressing these challenges. In other words, challenges were a daily reality for fundraisers and a matter of perception for donors.

Several fundraisers voiced concern that discussing challenges might be off-putting to potential donors; therefore, they avoided open discussions about such challenges in their external communication. Because the challenges identified in the in-depth interviews were largely structural and financial, they were not evaluated by type along the arts benefits continuum like the previous sections of this study.

Predictably, the most frequently cited challenge facing the nonprofit arts sector was lack of funding. Indeed, 21 of the 23 participants (14 donors and all seven fundraisers) interviewed in this study identified lack of funding as a significant challenge to the nonprofit arts sector. When

cited, lack of funding was the first challenge mentioned; it was stated as a matter of fact and led to further discussion of the causes and implications of funding issues. For example, the second most frequently cited challenge facing the nonprofit arts sector was competition, which was mentioned by 11 participants, including six donors and five fundraisers.

Competition was contextualized primarily in three ways. First, competition was seen as an issue across the nonprofit sector as a whole. In this context, the arts were seen as being at a distinct disadvantage. As noted by one fundraiser, “[...] A lot of people don’t see the innate value of the arts versus giving to childhood cancer, or giving to a homeless shelter. I think we’re struggling against those things that have a tangible and sometimes much more urgent need.” Second, competition was viewed as an inner-sector issue. Another fundraiser suggested the following, “You can’t just assume that because you’re successful that money will flow your way. I think there’s a lot of competition for arts funding and you need to make your case known on a regular basis.” Third, competition was seen as a matter of the majority of arts funding going to the larger institutions. One interviewee stated, “[...] All the big arts patrons’ money in Birmingham goes to the ballet, the symphony, stuff like that.” Another commented, “If memory serves, [the Cultural Alliance] was an attempt for the county to contribute a portion of operating budgets of the nine or 10 largest organizations in town.”

A further point was made by a participant about competition and the apparent funding ethos in Birmingham: “[...] One thing I found that was very apparent is that the proverbial ‘Big Mules’ of the corporate sector and the private sector as well—there’s a very strong tradition, it’s kind of like the mafia, the five families [...] The smaller, emerging organizations are hobbled by the system as it stands right now.

An interesting variant on the issue of competition was cited only once in the interviews, but it warrants mention. A participant noted that social media has made it easy for friends to

solicit friends (directly or indirectly) to support organizations for which they might have no interest but feel compelled to support because they were solicited by a friend:

If you're connected to a social network of some sort, you have friends that have an easy to get in touch with you. Whether it's email, Facebook, whatever [...] you feel guilty when you don't help your friends when they're trying to raise money for their organizations.

It is important to note that fundraisers and donors came to similar conclusions about competition.

Two items, no coherent advocacy and audience/attendance, were cited five times by study participants. Understandably, fundraisers voiced a concern for a lack of advocacy for the nonprofit arts sector as a whole. Donors did not echo this sentiment. However, donors mentioned concern over audience development and poor attendance. Regarding the lack of arts advocacy, one participant noted:

No, I don't think we advocate for ourselves very well at all. We have no arts council in the city or county [...] I think the Cultural Alliance is some version of an arts council [...] I think they struggle just as much as the organizations they exist to support [...] The idea should be that the arts council is a thing that exists just like the police department or the school board. It should be an entity that doesn't have to worry whether it's going to have to close its doors and fire its employees. I don't think the Cultural Alliance can say they're in that position.

Regarding the issue of attendance at arts events, one donor typified the concern, noting, "I don't know why. Some performances are very well attended and others are not. It's very befuddling. I just can't figure out why some performances are well attended and others are not." To summarize, fundraisers saw the lack of arts advocacy as something that limited the sector's development as a whole, and uneven attendance was unexplainable and caused donors to be concerned about sustainability.

Lack of government support was cited as a challenge to the sector on four occasions by three donors and one fundraiser. Donors and fundraisers articulated similar opinions on the issue. For example, one participant stated, "[Public funding for the arts] is messy, underserved, challenging, shrinking—of concern to everyone who's a beneficiary." Similarly, the notion that people in Birmingham take the arts for granted was cited four times in the study by two donors

and two fundraisers. One fundraiser voiced this concern succinctly, stating, “I think some people just take it for granted that [the arts] are going to continue to be available to them.”

Numerous challenges were cited a limited number of times, and while their frequency of occurrence did not constitute data saturation, several items were worthy of mention. Lack of public policy was mentioned three times in the interviews, once by a donor and twice by fundraisers. One participant noted, “There is no public policy in Birmingham—there’s no arts policy. That’s one thing definitely lacking in Birmingham.”

Another participant echoed this sentiment, wisely differentiating between public policy and philanthropy:

If you want to attract people to the state—culture, museums, art are all really important. With those things in place you might attract people to the state—the whole creative class thing. But it’s really difficult without the public policy to support that. You know, philanthropy is not public policy—it’s not the same thing.

In essence, this participant differentiated between philanthropy, which is privately driven and limited in scope, and public policy, which directs considerable public resources towards specific goals. Further, this individual argued that robust arts-driven economic development initiatives required public policy support to succeed.

The geographic fragmentation of the arts infrastructure was also mentioned as a challenge to the nonprofit arts sector in Birmingham on three occasions, twice by donors and once by a fundraiser. On this subject, the fundraiser noted:

I love visiting other cities and seeing how their planning is laid out. Here’s the arts district. Here’s the theatre district. Here’s the opera and right next door’s the symphony. There might be shared resources [...] It just makes it easier when you have one area that’s dedicated to that. And it’s not just the physical part. People think about it differently too, when you have that kind of critical mass.

In other words, this interviewee identified the geographical fragmentation of the arts infrastructure in Birmingham as presenting both physical and psychological challenges to the arts sector that might negatively impact funding.

Finally, it is important to note that changing audience expectations and competition based on technology were cited by donors as challenges, but not by fundraisers. Accordingly, these challenges would be of serious concern to fundraisers, given the implications for audience development. It might be that coping with the day-to-day challenges faced by fundraisers, especially those in the nonprofit arts sector, makes dealing with more long range challenges difficult.

To summarize, both donors and fundraisers cited the challenges of lack of funding and competition as the most significant issues facing the nonprofit arts sector. Competition was viewed as a cross-sector issue, an inner-sector issue, and as an issue of large-organization dominance. Lack of arts advocacy was seen as a challenge by fundraisers; and, interestingly, audience development and evolving audience interests were of greater concern for donors than fundraisers. Finally, three infrequently identified but noteworthy challenges were discussed including lack of public policy, people in Birmingham taking the arts for granted, and the geographic fragmentation of the arts infrastructure.

### **The Beneficiaries of Donations to the Participating NAOs**

Whenever there is information asymmetry in a financial transaction or economic relationship, the potential for conflict exists. Economists refer to such conflicts as principal-agent issues (Frey, 2003). To resolve principal-agent issues, it is necessary for the entity with more information to establish and maintain trust. In the context of the nonprofit sector, the nonprofit organization acts as an intermediary between the donor and the ultimate beneficiary of the contribution. To effectively facilitate the transaction between the donor and the beneficiary, the nonprofit organization must be transparent and trustworthy. In other words, if a nonprofit organization exists to provide famine relief, the donor must be certain that the persons suffering from famine will actually receive a majority of the donated funds.

In the nonprofit arts sector, principal-agent issues raise an interesting problem, which is ambiguity regarding who the beneficiary of a donation might be. In other words, a film festival might benefit multiple constituencies, such as filmmakers, film lovers, the community at-large, festival staff, volunteers, and more. In this investigation, principal-agent issues suggested that this ambiguity might cause donors to hesitate. The fundraisers participating in this study were extremely sensitive to this issue and voiced concern that principal-agent issues might negatively affect fundraising. On the subject, one fundraiser stated:

I think it's very important, not just in our organization—it's an important question to have an answer to and we definitely don't have it in the bag. Part of the reason and this is true for a lot of nonprofit arts organizations—you've got the artist who benefits, you've got the audience, you've got the staff and volunteers, all sorts of people who have a vested interest in what you do. It certainly makes messaging complicated.

To investigate whether there was ambiguity regarding the beneficiaries of donations to participating organizations, interviewees were asked, "Who do you believe the ultimate beneficiary of a donation to [participating organization] is? Is that important to you?" In total, 11 responses were coded including artists, children, the community at large, staff, volunteers, the audience, myself, the filmmaker community, the City of Birmingham, downtown, and donors.

Each response was organized by donor or fundraiser and assigned by organization. Implicit in the ambiguity around principal-agent issues as they pertained to the nonprofit arts sector was the notion that it is problematic for staff to benefit from donations, because salaries contribute to operational expenses, which are often viewed as an impediment to achieving the organizational mission. In other words, money that goes to the staff was often perceived as money that did not go to fulfilling the mission.

According to Pallotta (2010), the reluctance to fund overhead is a significant constraint on the nonprofit sector. In recent years, nonprofit managers have called upon funders to reconsider their reluctance to fund overhead, particularly as it pertains to salaries, fundraising, and marketing expenses (Pallotta, 2010, 2012). Nevertheless, income/overhead ratios continued to be an evaluative metric across the nonprofit sector.

Among the donors interviewed in this study, the most frequently cited beneficiary of donations were staff members (10 times), followed by artists, children, and the community at-large, which were each cited seven times. On the other hand, fundraisers cited artists as beneficiaries most often (five times), followed by children and the community at-large, which were cited four times each. Further, viewing fundraiser responses by organization showed that AMIA contemplated the broadest spectrum of beneficiaries, including artists, the community at-large, audience, and volunteers. By contrast, CDF identified only children as beneficiaries. CET identified artists and the audience as beneficiaries, and SOE identified artists, children, and the community at-large.

Additionally, two donors identified themselves as beneficiaries and contextualized the notion in terms of reducing the free-riding problem (i.e., someone who benefits from something without paying). For example, one noted:

Who benefits from donations? It's totally...I do. It's just like NPR [National Public Radio]. I give money to NPR because I like NPR. To me it's just as simple as putting your money where your mouth is. I understand that—if they don't raise enough money, then they're not going to be able to do the programs we all like.

This view highlighted an interesting dilemma for the organizations that generated income from ticket sales (AMIA, CET). The dilemma was how to most effectively utilize reducing-free-riding arguments. Yet, another donor voiced a similar sentiment that he believed that he was a beneficiary of donations to AMIA, but he approached it from the perspective of making a contribution as an identity-informing activity:

When I donate to the Sidewalk Film Festival, it's because I care about the festival and I want to see it do well. But it also says something about me, about who I am, and it says something about my company, which supports the festival [...] It tells people what the philosophy behind my company is, and it says something about who I am [...] I think I benefit. I think my company benefits, and I think the festival benefits.

To summarize, there was surprising consistency between donor and fundraiser responses. Further, donors showed little resistance to funding staff positions. Fundraisers, particularly those involved with organizations that provided programs for children (CDF and SOE), were very clear regarding who their beneficiaries were. For example, an SOE fundraiser stated succinctly, "The mission of Space One Eleven is to support visual artists and to provide art education for children. So the beneficiaries are the artist who exhibits and teaches, the children, [...] and the community. They are all beneficiaries." Finally, two AMIA donors identified themselves as beneficiaries. One contextualized his position in terms of reducing free-riding, and the other contextualized making donations as an identity-informing act.

### **Reasons Donors Support the Arts**

Donors interviewed in this study were asked, "Why do you support the arts in Birmingham?" The purpose of this question was not only to determine the reasons donors gave for supporting the arts, but to investigate the *types* of reasons that were given as well. To accomplish this, interviews were coded; designated by type along the arts benefits continuum; sorted by organization; and, finally, calculated in terms of total frequency. In some cases structural coding was used, and in other cases in vivo coding was necessary to accurately capture participant sentiments. The most frequently occurring reason by type was intrinsic private benefits.

Pleasure and passion were each indicated five times as reasons for support. Indeed, one participant reported enthusiastically, "Why do I support the arts? Because I love the arts, I'm passionate about the arts." Another interviewee commented, "I'm just passionate about the arts, especially music. I always have been. It makes me a better person." Yet another participant

offered, “First, it’s what I’m passionate about. You want to support what touched your life.” Several participants offered similar views, but distinguished pleasure/enjoyment from passion. For example, one participant noted, “I support the arts because I enjoy them and because they make us all better people.” Yet another participant stated, “I think it’s just the pure enjoyment of it, the pleasure. Why do I support the arts? Because I like it, that’s first and foremost.”

Community enrichment, which is an instrumental public benefit, was cited on four occasions during the interview process. On this subject, one participant noted, “Another reason I keep coming back to is the enrichment of the community. The more people support festivals and music events, the more we’re likely to have. It just grows the whole circle.” Another donor echoed this sentiment stating, “For me it’s about the enrichment of the community. The arts make Birmingham a better place—a better place to live. But isn’t that the case everywhere.”

Three reasons for support were noted three times each; and while this level of frequency did not constitute data saturation, these comments provided interesting insights. For example, three individuals indicated that the reason they supported the arts in Birmingham was that giving simply made them feel good (which is considered an intrinsic private benefit). One participant noted, “[Giving] just makes you feel good. It makes you smile.” Yet another donor offered, “I get a good feeling about giving. That’s just part of giving—it makes you feel good.” Similarly, civic responsibility (instrumental public benefit) was noted on three occasions. One donor commented:

Why do I support the arts in Birmingham? Because it’s my hometown—and I feel a sense of responsibility. I had excellent training here in high school, at Ensley High. I was just fortunate to have an instructor there, Florence Pass, who was very good and who produced many of us who are working somewhere in the theatre professionally.

Three donors commented on the potential for the arts to assist with downtown revitalization (instrumental public benefit). One participant offered:

Yeah, things like Sidewalk, Secret Stages, ArtWalk—all of those things get people downtown. And they have a great time. I think it really helps people to think about downtown in a different way [...] when you see all of these people walking around downtown, all this cool stuff going on. It makes a big difference. And yeah, we need to support that. It's one of the reasons things are really starting to happen downtown.

Finally, three items were coded twice each and 11 items were noted a single time; perhaps what is most noteworthy about the infrequently coded items is that the arts as a driver of economic development was mentioned only once. This is in contrast to the dimensions consideration as both a benefit of arts participation (eight times) and as a compelling argument for arts support (10 times). Three CDF donors indicated that they supported the organization because their children participated in the program, but since this was specific to a single organization, the item was not coded. Thus, instrumental public benefits were the most frequently coded type of reason given for support, but three of these items were cited a single time and two of them were cited twice each; as a result, data saturation along these dimensions could not be claimed. Thus, the intrinsic private benefits of passion and pleasure were the most consistently cited reasons donors provided for supporting the arts, which further reinforced the importance of intrinsic benefits to individual donors.

### **In-depth Interview Analysis Summary**

To summarize, participants identified a wide range of benefits associated with arts participation. The most frequently cited benefit types were intrinsic private benefits (12), intrinsic private benefits with public effects (12), and instrumental private benefits with public effects (12). Bridging and bonding effects were noted 10 times each; pleasure/entertainment was cited nine times; economic development/creative class benefits and openness to different worldviews were identified eight times each; and emotional growth and intellectual growth were indicated seven times each. Additionally, quality of life/enrichment, alternative to “football” culture, and improved perception of Birmingham were noted four times each.

The most frequently cited argument in favor of arts funding was the economic development/creative class argument. Fundraisers who cited this argument lacked enthusiasm about it and stated that, while it might be effective for institutional donors, it would probably not be compelling to individual donors. Civic pride and pleasure/entertainment arguments were noted five times.

Regarding challenges, both donors and fundraisers cited the lack of funding and abundance of competition as the most significant issues facing the sector. Competition was viewed three ways: as a cross-sector issue, an inner-sector issue, and as an issue of large-organization dominance. Lack of arts advocacy was seen as a challenge specifically by fundraisers. Audience development and evolving audience interests, based on advancements in media technology, were of greater concern to donors than fundraisers. Additionally, three infrequently but noteworthy challenges were discussed, including lack of public policy, people in Birmingham taking the arts for granted, and the geographic fragmentation of the arts infrastructure, which was believed to have physical, psychological, and funding implications.

Regarding the beneficiaries of donations to the participating organizations, there was surprising consistency between donor and fundraiser responses. Donors showed little resistance to funding staff positions. Fundraisers, particularly those involved with organizations that provided programs for children (CDF and SOE), identified children as the primary beneficiaries. Individuals associated with AMIA, CET, and SOE identified artists and the community at large as beneficiaries. Two AMIA donors identified themselves as beneficiaries.

One contextualized his position in terms of reducing free-riding, and the other contextualized making donations as an identity-informing act. Finally, instrumental public benefits were the most frequently coded type of reason given for support, but three of these items were cited a single time and two of them were cited twice each. Thus, the intrinsic private benefits of passion and pleasure were the most consistently cited reasons donors provided for

supporting the arts, which further reinforced the importance of intrinsic benefits to individual donors. The code list and results of the in-depth interview analysis can be seen in Appendix H.

### **AMIA Co-orientation Study Analysis**

The five dimensions in which AMIA fundraisers and donors agreed included: trust, access, positivity, sharing tasks, and assurances. When responding to the trust dimension, which asked whether Sidewalk (AMIA) can be relied on to keep its promises, donors responded both positively and with enthusiasm. One donor noted, “My dealings with Sidewalk have always been completely upfront [...] In my experience, not only do they keep their promises, but they go well past that—they exceed their promises.” In response to the same question, an AMIA fundraiser stated, “I think so, absolutely [...] We continuously strive to improve our events and the guest experience. Whenever there’s an oversight, we make genuine efforts to correct it. So, yes, we keep our promises, and I believe donors would agree with that.”

In response to the access measure, which asks whether AMIA provides donors with adequate access to the organization and responds to their questions and inquiries, one AMIA fundraiser replied, “I would say yes, and my perception is that the donors would agree. We may even be over-accommodating to individual questions and needs related to the festival.” An AMIA donor responded to this question stating, “Oh yes, absolutely, whenever I reach out to Sidewalk, they definitely get back—and they know they’re good at that.”

To measure the cultivation strategy of positivity, respondents were asked, “Does Sidewalk try to make its interactions with donors enjoyable?” Fundraisers and donors regarded this question in two different ways. First, the question was considered in the context of the festival. Second, the question was considered in the context of fundraising. For example, a fundraiser stated:

Well, we certainly try to make the festival enjoyable—and I hope donors come to the festival, but that’s not always the case. As far as donations go, we try to make it easy. We try to provide appropriate incentives for people to donate.

In response to the same question, an AMIA donor replied, “I would say yes, which gets back to what I was saying earlier about the benefit of being a donor—you get to go to this really great film festival and have a really great time.” To address sharing of tasks, a cultivation strategy, the question was: “If donors have an issue or concern, is Sidewalk flexible working with them to reach a solution?” Initially, an AMIA fundraiser responded, “I don’t know,” but upon reflection stated, “Yes, of course we would be flexible [...] We would be very open to hear people’s concerns [...] If there was a genuine problem, we need to not just listen, but be prepared to take action, if necessary.” An AMIA donor responded to the same question, “Yes, definitely. I had a minor issue with a sponsorship last year and they listened to my complaint—and I expect they’ll do something about it in the future.”

The question “Does Sidewalk take donors’ concerns seriously?” reflects a cultivation strategy that seeks to measure assurances. To this question, an AMIA fundraiser replied, “We would certainly take donors’ concerns seriously, but in the time I’ve been here no donors have come to me with a concern.” An AMIA donor responded to this question, stating, “Yes, absolutely, I think if a donor had a big problem with a movie they were screening, they would take the concern seriously, but I don’t think they would necessarily pull the film.” Thus, donors placed value on the curatorial integrity of AMIA; and while confident that the organization would entertain concerns, donors were equally confident that the organization would not compromise programming.

The dimensions in which disagreement between fundraisers and donors occurred included: control mutuality, satisfaction, commitment, reciprocity, reporting, responsibility, relationship nurturing, openness, and networking.

The control mutuality dimension was a two-part question which asked: (a) whether donors influence the decisions made by Sidewalk management, and (b) whether Sidewalk gives donors enough say in the decision making process (reverse question). Discussion revealed that control

mutuality is a complex issue. All of the fundraisers participating in this study expressed the desire to establish and maintain good relationships with donors. On the other hand, maintaining curatorial integrity, which requires that donors are not involved with curatorial decisions, was also of paramount importance. For example, an AMIA fundraiser summarized the issue of control mutuality as follows:

Answering from my perspective, the answer is no. We give consideration; we try to be kind to the people who are kind to us. But we do not allow our relationship with a donor to censor what we program at the festival, period.

The fundraiser further elaborated on the issue when asked how donors would respond to the same question, offering, “I think some of our donors, particularly lower-level ones, probably think that the people writing the bigger checks get a say-so, even if they don’t.” When asked the reverse question, whether donors have enough say in the decision making process, the same fundraiser stated, “I don’t think donors should have a say in the screening process. I feel like that would jeopardize the integrity of the organization.” An AMIA donor responded:

Yes, I’m sure donors exert some influence—that just seems inevitable to me. And I think, if [the fundraiser] is being honest, she would probably say yes, donors have some influence. I mean I’m sure some program exists because some donor wants it to.

Yet another AMIA donor offered a different view stating, “No, I don’t think donors influence the management, and I don’t think they would want to. I think they trust the organization—and if they did start insisting on things—that could really mess with the magic.” Thus, control mutuality is indeed a complex issue in the nonprofit arts paradigm. It is important to note that the fundraisers who participated in this study were also involved with programming for their organizations, which could have affected their perspective on control mutuality. Large organizations that have staff dedicated specifically to fundraising might have a different perspective on this issue.

Participants were asked: “Do you believe that donors are happy with Sidewalk and that the relationship is mutually beneficial?” In response to this question regarding satisfaction, an AMIA donor replied, “Speaking for myself, I’m totally happy with Sidewalk, and I certainly think it’s

mutually beneficial.” On the other hand, an AMIA fundraiser disagreed, stating: “I think I’m personally hard to satisfy. For that reason, I’m going to say no. I think the relationship could be more mutually beneficial in some cases.” Further, the fundraiser suggested that certain high-level donors (\$10,000 or more) rarely attend the festival. This was a source of frustration for the fundraiser and might indicate a failure on the part of the organization to provide adequate benefit to important donors. On the other hand, the fundraiser noted:

I do think that most people are probably happy with the organization and I think donors would agree [...] but I think donor perception is—well I like what they do, but I sure would like a little more attention.

The commitment dimension was measured by the following question, “Do you believe Sidewalk is trying to build and maintain long-term relationships with donors?” An AMIA fundraiser responded, “No, not in the traditional way [...] we’ve yet to map out a plan to successfully do that. We’ve talked about the need to do it, but we’ve struggled to even figure out who’s on that list.”

When asked how donors would respond to this question, the fundraiser noted:

I think it depends on the donor. The small group of large donors we have—I don’t think they have a problem with the relationship [...] I hope they don’t think “that girl picks up the phone once a year and she thinks I’m going to write her a check.” I don’t take that approach. I just try to be sensitive to people’s time, maybe more than I need to be.

An AMIA donor responded:

I think they have to be. That’s got to be part of your objective and mission [...] My advice to any organization is that you can’t rely on the traditional funders in this community. They’re just called on too often, by too many people. Thus, the importance of building long-term relationships is evident to both fundraisers and donors. AMIA fundraisers expressed feelings that they fall short in this regard, and donors assumed that it was a priority for fundraisers.

Reciprocity was measured by the question, “Does Sidewalk acknowledge donations in a timely and sincere way?” Fundraisers and donors differentiated between timeliness and sincerity.

For example, an AMIA fundraiser noted:

I think we’re sincere [...] I think it depends on the scenario. If someone mails me a check, I pretty much immediately mail them a letter acknowledging the donation. If it’s done online and there are lots of small gifts in a short period of time, it’s impossible to generate letters every day and send them out to the guy who made a \$2.00 contribution.

On the other hand, an AMIA donor stated, “No, I think their communications are weak. I was underwhelmed by the quality [...] I don’t think [the fundraiser] is disingenuous or unappreciative, but I don’t think she has a development team or staff.” Thus, the donor suggested that a lack of resources and poor communication skills might be the reason donations were not acknowledged in a timely and sincere way.

The reporting dimension was measured as follows: “Does Sidewalk inform donors about its fundraising successes and how donations have been used?” An AMIA fundraiser responded, saying, “Yes,” and then qualified her response by adding:

Generally speaking, if we have fundraising success, we distribute information back the same way we did the asking. If it was on social media [...] we post the results of the campaign back on social media. If we use email, we post results on email. We put it on the website. But if it’s an end of year campaign that wasn’t public knowledge, we generally don’t.

An AMIA donor responding to this question noted, “I’m not aware of any communication about fundraising success. [The fundraiser] is probably doing as good a job as possible, but she could do better. Since the festival, I’ve had no communication.” Another donor noted, “I think they do the best they can with their resources. I’m sure they have to prioritize. They would probably say they don’t do a very good job with that.”

The stewardship strategy of responsibility asked whether donors have confidence that their donations will be used wisely. Two AMIA donors responded favorably to this question. One donor offered the following:

Yes, absolutely—and I think they would respond the same way. As a matter of fact, I have confidence. I'm not concerned with how they use my donation. I assume it goes wherever they need it and I'm fine with that.

On the other hand, another AMIA donor responded, "I really don't know. I don't necessarily have a lack of confidence, but I don't know the organization very well." Finally, an AMIA fundraiser responded, "I certainly hope so. I would imagine that somebody who's a repeat donor would have some confidence that their gift was being used wisely."

The dimension of relationship nurturing was measured by the following question, "Do you receive personalized attention from Sidewalk?" An AMIA donor replied favorably, stating, "Oh my gosh, yeah. Absolutely. I guess I take that for granted." On the other hand, another donor responded, "No, none whatsoever—and by the fact that I've received none, I would assume they think they're doing a great job." Additionally, an AMIA fundraiser stated:

Yeah, pretty much a donor at any level gets some special recognition [...] and I think donors would acknowledge that, but there seems to be a fair amount of confusion in general—if I donate, does that mean I get passes [to the festival]?

Thus, there was a mixed response to the relationship nurturing dimension among AMIA donors. On one hand, some donors felt they received personalized attention while others did not. Further, a donor who responded negatively assumed that the failure to receive personalized attention indicated that AMIA believed that it was doing well in this regard. Finally, an AMIA fundraiser stated that donors get special recognition, but there was confusion as to whether contributing entitled donors to free passes to the festival, which implied that some donors did not get the attention they desired.

The cultivation strategy of openness asked whether Sidewalk provides donors with enough information to understand the issues the organization faces. An AMIA fundraiser replied, "No. I personally don't want to burden a ticket buyer—a fan of the festival who's chipping in an extra 20 bucks. I don't feel they want to know the down and dirty of the

festival.” On the other hand, an AMIA donor said that he did not get information about the issues facing the organization, but offered:

I don't think so [...] It would depend on the issue. If it were a crisis—if it was truly threatening the existence of the organization, I would definitely want to hear about it—but from a board member. I think any real crisis certainly rises to the board level.

Thus, there was reluctance on the part of fundraisers to reveal information about issues the organization might face, but donors indicated that they would want to know, especially if the issue threatened the existence of the organization. Further, one donor indicated that in the case of a crisis he would prefer to hear about it from a board member.

The networking dimension, which asked whether AMIA works to establish and maintain alliances with like-minded organizations, generated disagreement. One fundraiser articulated a particular view regarding this question:

Yes, some. I don't know how many of our individual donors are particularly interested in that. I think that in general, people who have a history of giving to arts organizations are excited about the idea of “smart collaborations.” But I don't know how many of our people—you know, people sending a \$10.00 PayPal donation—think about it that way.

One donor offered a different view, “I'd have to say no, not so much, because I haven't seen a lot of co-branding or cross marketing.” Responding to the follow-up question, which asked how AMIA fundraisers would respond, the donor continued:

I don't think they would say it's not part of their mission. But I think they would give an example or two of collaborations. And I'm not so sure that whatever collaborations they've participated in didn't happen more by accident than anything else.

Another donor offered yet another, different view, “Yeah, absolutely. The big one that comes to mind is that they basically combined Sidewalk with the Shout Festival, which is the Gay and Lesbian film festival.” According to a fundraiser, “smart collaboration” is valued by large donors, but probably not by smaller donors. Further, a donor suggested that because he was unaware of alliances, they might not exist, except for low-key alliances that happened “more by

accident than anything else.” Finally, one donor cited the integration of the Shout Festival into Sidewalk as an example of collaboration.

To summarize, AMIA fundraisers and donors were in agreement on five dimensions: trust, access, positivity, sharing tasks, and assurances. The dimensions in which disagreement between fundraisers and donors occurred included: control mutuality, satisfaction, commitment, reciprocity, reporting, responsibility, relationship nurturing, openness, and networking. Control mutuality was identified as an area of disagreement and was seen as a complex issue because of the organizational need to maintain curatorial integrity. While donors reported satisfaction with the organization, a fundraiser noted that AMIA could do more to establish greater donor satisfaction. Similarly, a fundraiser noted that the organization could work harder to build and maintain long-term relationships with donors. Donors expressed mixed views on the dimensions of reciprocity, reporting, and relationship nurturing, and cited communication issues as the primary source of ambivalence. Fundraisers voiced concerns about revealing too much information or negative information to donors. Donors demonstrated different levels of awareness regarding alliances AMIA has made. Finally, donors cited lack of resources as a potential reason for a variety of organizational shortcomings.

### **CDF Co-orientation Study Analysis**

CDF fundraisers and donors were in agreement on nine co-orientation dimensions: relationship dimensions of satisfaction, trust, and commitment; stewardship strategies of reciprocity and responsibility; and cultivation strategies of access, positivity, sharing tasks, and assurances. This high level of agreement suggested that fundraisers and donors shared an appreciable understanding of each other along the dimensions noted above. One CDF donor typified the positive responses to the satisfaction dimension, stating, “Oh yes, definitely. The people I know who are donors are very happy—I believe everyone thinks they’re doing an excellent job.” Similarly, responding to the trust dimension, which asked whether CDF could be

relied on to keep its promises to donors, one donor responded, “Oh yes, absolutely, [the fundraiser] is extremely trustworthy and very competent—and I believe she would say that donors would agree with that.”

Similarly, commitment, which asked whether CDF tries to establish and maintain long-term relationships with donors, received extremely positive responses. For example, in response to the commitment measure, a CDF donor noted, “Yes they do, by contacting the same people over and over again [...]. And they personalize fundraising—they write personal notes on fundraising letters.” Another donor echoed this sentiment saying, “Oh yes, they definitely do that. Every organization has this issue. I’m happy to get their emails.”

Reciprocity, which asked whether CDF acknowledges donations in a timely and sincere way, was addressed by a donor, “Yes, certainly, and they are usually personalized by [the fundraiser], or sometimes a board member.” Responsibility, as measured by the following question, “Do you have confidence that your donation to CDF will be used wisely?” also received positive responses. Indeed one donor stated, “Yes, I’m absolutely confident they do. And I’m sure they do everything they can to stretch their dollars.”

The co-orientation dimension, access, asked whether donors believe they have adequate access to CDF and whether the organization is willing to respond to their inquiries and questions. In response, a donor offered, “I’ve had good experiences with that [...] The teachers are very accommodating—and I think they would say they do a good job. Their front desk person has generally been very good.” The positivity dimension, which is reflected in the question, “Does CDF try to make its interactions with donors enjoyable,” caused donors to differentiate between programmatic activities and fundraising events. For example, one donor stated:

Yes, of course, but I’m not sure I’ve attended a fundraising event. I know I’ve given to their “costume closet,” but I don’t think I’ve attended anything that was just for fundraising. At any rate, I’m sure they would do whatever they could to make it enjoyable.

When asked, “If you have an issue or concern, is CDF flexible working with you to reach a solution?” which reflects the sharing tasks dimension, a typical response was exemplified by one donor, “Oh yes, they’ve been fabulously flexible and the teachers have been great.” The final dimension in which there was fundraiser and donor agreement was assurances, as measured by the question, “Does CDF take donor concerns seriously?” In response, one donor offered, “Yes, I don’t have any reason to think they wouldn’t, but I don’t think I’ve ever expressed a concern, other than I wish they could offer programs for older, more experienced kids.”

To summarize, the co-orientation analysis revealed a high level of agreement between fundraisers and donors. Further, donor responses were extremely positive, reflecting an overall sense of trust and confidence in the organization and its fundraising staff. Similarly, fundraisers were attuned to donor perceptions along the dimensions discussed above.

Disagreement was noted between aggregate donor and fundraiser responses along the following five dimensions: control mutuality, reporting, relationship nurturing, openness, and networking. Similar to the discussions regarding AMIA, control mutuality stimulated interesting discussion among CDF participants. On four separate occasions, the distinction between individual donors and foundation grant makers was mentioned. For example, one fundraiser stated:

I don’t think [donors have influence] in a general sense, especially not individual donors [...] I think we try hard to be student focused and make decisions based on what our programs truly need, not necessarily what outside influence thinks we should do.

The fundraiser continued, “[...] a number of foundations have recently suggested—we’ll send out a proposal and they say, we really think you should be focusing over here, can you create a proposal for this.” In response to the control mutuality question, a CDF fundraiser stated, “No,” and later qualified her comment. She noted:

I think certainly, instituting a new program. If someone was really passionate about something and we had no other way to do it. We are very much open to new ideas, comments, and feedback. If a donor brought something like that to the table, we would be open to that [...] but that's never happened, not from a donor perspective.

When asked about donor perceptions on the issue, the fundraiser stated, "I really don't know. I would think they would see that if they had a comment or an opinion, it would be respected." In response to the reverse control mutuality question, which asked whether CDF gives donors enough say in the decision making process, the fundraiser said, "probably not, but I don't know. I don't have the impression they would want to. I'm not sure it's relevant."

Responding to the control mutuality measure, one donor noted, "No, I don't think so, not unless the funds were earmarked [...] I know grants have certain parameters." Thus, the control mutuality measures were met with a certain level of ambiguity. Fundraisers noted that in certain circumstances, such as creating program initiatives, donors might have influence, but indicated that no such arrangement had yet occurred. Additionally, fundraisers and donors noted that foundation grant makers wield influence by earmarking funds and occasionally by suggesting new initiatives.

Disagreement regarding the dimension of reporting was seen on two occasions. One fundraiser noted:

I would say that between donor updates and the annual reports—that we do. My only concern would be clarity. Sometimes, because we offer so many programs, we could be a little more clear about where the money went—particularly if they were supporting a particular program.

One donor echoed the concern about clarity stating, "I'm not sure about successes. And donations, how they're used, I'm uncertain." On the other hand, a donor noted, "Yes, I've gotten emails saying the annual report is available on the website and I've looked at it. So I would say yes—and I think they would say yes too, they make that information available to people."

Disagreement between fundraisers and donors was in evidence regarding the dimension of relationship nurturing. For example, when asked, “Do donors receive personalized attention from CDF?” a fundraiser replied:

Yes, in terms of personalized thank-you’s, but no in terms of donor cultivation or appreciation [...] That has come up. We’ve had a couple of attempts to do that, which were not very successful. I think a lot of it has to do with the level of commitment to us. How important is it to spend the evening, spend the afternoon at an event? I think you have to frontload it with a lot of cultivation in order to be successful. That’s just not something we’ve done.

A CDF donor echoed this sentiment stating, “Just in the fundraising appeal and the acknowledgement letter [...] they can’t give everyone personalized attention. I don’t know how [they could].” On the other hand, a donor offered, “Yes, I do [receive personalized attention]—absolutely.” Thus, fundraisers voiced concern about donor levels of commitment and noted that donor cultivation is a complex, time-consuming matter. Donors stated differing views on the relationship-nurturing dimension. One donor commented that she received personalized attention only regarding fundraising appeals and acknowledgements and also stated that personalized attention was not possible for all donors.

Disagreement between fundraisers and donors was also noted regarding the openness dimension, which asked whether CDF provided donors with enough information to understand the issues it faced. For example, one fundraiser stated:

I don’t think so—probably not. We try to focus on positive things when we’re talking with donors. Just from research—negative approaches don’t tend to work. So, we try to focus on the positive [...] We’re not always sharing with donors if we’re looking at a year when we’re not in the black.

Yet, another fundraiser offered a different view, stating, “I think so, yes. That would be the letter in which we’re requesting support. We try to make the case that it’s an important thing to support.”

Donors reported mixed views on this topic. For example, one noted, “I would say not as well as they could. I’m not aware of any issues they face, yet I know there must be—they are a

nonprofit.” Another donor offered, “Yes, I think they do. But, I have a pretty good appreciation for what organizations like that go through.” Therefore, on the issue of openness, fundraisers voiced concern that negative information might hinder fundraising. Donors expressed equivocal views. For example, some donors indicated that CDF provided ample information concerning the issues they faced, yet others questioned whether this was the case. In both instances, donors assumed that they had some understanding of the issues, believing that whatever issues CDF might face would be common to all nonprofits.

The cultivation strategy of networking, which was expressed as a willingness to build alliances with like-minded organizations, also generated disagreement. One fundraiser noted: We collaborate all the time in a general sense, as well as programmatically. Whether that’s related to donors, I don’t know [...] Part of our message in our appeal to donors is that our work is comprehensive. It is inclusive, and the students that we serve are very diverse, and the only way we do that is through partnerships.

However, a donor noted, “I don’t know, they do that work with other schools, but I don’t know about alliances—about other organizations they might work with.” Thus, while fundraisers were explicit that alliance building was a key to fulfilling the organization’s mission, there was some ambiguity on the part of donors regarding the issue.

To summarize, CDF fundraisers and donors demonstrated a high level of agreement along the following nine co-orientation variables: satisfaction, trust, commitment, reciprocity, responsibility, access, positivity, sharing tasks, and assurances. Areas of disagreement were limited to control mutuality, reporting, relationship nurturing, openness, and networking. Control mutuality stimulated interesting discussion in which fundraisers contemplated the potential for donors to influence decision-making by sponsoring new programs but acknowledged that this had not previously occurred.

Additionally, donors and fundraisers commented on the influence of grant makers regarding decision-making, noting that foundations occasionally suggest new programmatic directions for the organization to pursue. Similarly, disagreement along the dimensions of reporting and relationship nurturing was noted and attributed to resource issues. In other words, both reporting and relationship nurturing requires human and material resources, which fundraisers and donors both recognized as limited resources. Finally, there was disagreement regarding the dimension of openness. On this point, one fundraiser voiced concern about the potential of communicating negative information that might hinder fundraising efforts.

### **CET–Co-orientation Study Analysis**

The CET fundraiser and donors were in agreement on the following nine co-orientation dimensions: satisfaction, trust, commitment, reciprocity, responsibility, positivity, access, sharing tasks, and assurances. This high level of agreement illustrates a high level of attunement between the organization’s fundraiser and donors. For example, one donor typified others’ responses regarding trust and satisfaction measures by saying:

[...] I think the evidence that people are willing to give and then give again suggests the answer is yes. It’s actually more than that, they’re saying yes, I give, and you should give too. And I think [the fundraiser] would say yes to that too.

Similarly, when asked if CEF could be relied on to keep its promises, a donor responded, “Oh yes, certainly—and I’m basing that on what I know personally of [the fundraiser and co-founder], they’re people to be trusted.”

In response to the commitment measure, which asked whether CET is trying to build and maintain long-term relationships, one donor offered, “Yes they are [...] and I know [the fundraiser] makes regular trips—it may be to the state council, to other arts organizations, to foundations. He’s very aggressive about that. Admirably aggressive.”

Donors also responded positively to the reciprocity measure, which asked whether CET acknowledges donations in a timely and sincere way. For example, one donor stated, “Yes, and it

is personal and sincere. When I give them a gift, in no time I get a handwritten note from [the fundraiser].” Even when donors have experienced issues with acknowledgements, they respond affirmatively. One long-time donor noted, “Yes, they do. Although they didn’t last year—something happened, I don’t know what—but when we started doing our taxes, we didn’t have anything from them. But we called and got it right away.” The fundraiser and CET donors were in agreement regarding the responsibility measure, which asked whether donations are used wisely. In response, a donor stated, “I’d say yes. I think they’d make a dollar become a dollar and a half if they possibly could. So, I’d say yes, definitely.” The positivity measure, which asked whether CET tried to make interactions with donors enjoyable, also generated positive comments from donors. For example, a donor noted, “I’d say yes. The only interactions we really have are the productions. I’d just say our interactions with [the fundraiser] are always enjoyable.” Another donor echoed this sentiment commenting, “Sure, absolutely. As long as there’s alcohol involved, great way to raise money—alcohol and parties.”

Access was measured by whether donors felt they had access to fundraisers should questions or inquiries arise. There was fundraiser/donor agreement on this dimension, but one donor noted that he was sensitive to the fact that the organization had limited resources; therefore, he had been wary about reaching out to CET staff. As stated by this donor, “Sure, I could get access to them, if I asked [...] but I wouldn’t necessarily feel comfortable, just picking up the phone and saying, hey I’m out of the loop here, what’s going on. That gets down to the resource question.”

Similarly, the assurance dimension, which asked whether CET takes donor concerns seriously, generated positive responses. For example, a donor noted, “Sure, I would say yes, but I don’t know that from experience. I would say that knowing [the fundraiser], I would intuitively say yes.” Thus, the fundraiser and CET donors demonstrated a high level of attunement along the dimensions mentioned above. Further, donors indicated that they believed the fundraiser was

trustworthy and described his commitment to the organization as both “admirable” and “courageous.”

The sharing tasks dimension, which asked whether CET is flexible in resolving donor concerns, received positive but somewhat qualified responses. For example, the fundraiser stated, “Yes, but it really depends on the question. If someone said, I don’t want you to do this play because it takes the Lord’s name in vain [...] I’d say, you’ve expressed your concern—this one’s not for you.” A donor echoed this view, stating, “Somewhat. I think [the fundraiser] has a feeling of ownership, which is laudable—he has a need to keep things close to the vest and maybe that’s just good business practice.” Yet another donor reinforced this opinion, “Yes, I believe so. I think they would be open to discussion, but at the end of the day [the fundraiser and co-founder] need to make the artistic decisions. I would say, even if that means losing a donor.” In sum, the fundraiser and donors agreed that CET management would listen to and be flexible in its responses, but that artistic decisions should be the purview of management only. It is important to note that CET donors were particularly attuned to the fundraiser.

Disagreement between the fundraiser and CET donors was evident in the following five dimensions: control mutuality, reporting, relationship nurturing, openness, and networking. Once again, the issue of control mutuality generated interesting discussion, which revealed differing views on the matter. For example, in response to the control mutuality measure, which asked whether donors influence the decisions CET management makes, the fundraiser commented:

No, and for a couple of reasons. We have been and will continue to get funding from show to show. Generally, we end a play with some money in the bank. That doesn’t necessarily mean it’s retained income over expenses. We choose what shows we want. We do what we want to do artistically.

Conversely, a different donor suggested, “Yeah, of course. I don’t see how they don’t. Maybe I’m wrong. Maybe [the fundraiser] makes all those decisions, and his donors trust him enough to make them, but I just don’t see how they don’t influence the decisions.” Thus, the fundraiser saw

the relative success of CET productions as partially providing the flexibility to program without inordinate pressure from donors. However, some donors expressed the sentiment that some influence was inevitable, even though they did not articulate exactly how this influence might manifest itself.

Conflicting views arose with regard to the dimension of reporting, which asked whether CET informs donors about fundraising successes and how donations have been used. The fundraiser responded to this question stating, “No, we simply don’t have the resources to stay in touch like that. A mailing for that kind of information would cost a lot.” A donor offered a different view, saying, “Yeah. They talk about successes in some of their messages, but I don’t recall getting any information about how money is being used. To me personally, I don’t think that matters. I trust that it’s being used properly.” The question of resources was mentioned again when another donor responded to the follow-up reporting measure, which asked donors how they think the fundraiser would respond to the same question, stating:

I think they would say, “We’ll get to it when we have time.” [...] The problem here is that they need somebody else to do that sort of thing, because it’s critical. This is something Red Mountain Theatre does really well and in lots of ways—at performances, in the mail, personally, one-on-one.

To reiterate, the fundraiser and donors identified the lack of human and financial resources as the primary impediment to effective reporting.

The dimension of relationship nurturing, which asked whether donors receive personalized attention from CET, generated disagreement between the fundraiser and donors. Again, the issue of resource limitations was cited as a reason for shortcomings in this regard. For example, a donor offered, “I’d say yes and no. In the way of getting information about performances—a card in the mail, yes. Beyond that, no. Again I think it gets to the resource question.” This sentiment was reinforced by the fundraiser, who stated, “I think donors feel they

get personal attention. They might say they don't get invited to events, but that's because we don't have many events. That's a time and resource thing."

The fundraiser and donors viewed the openness dimension, which asked whether CET provides donors with enough information to understand the issues it faces, and whether it should act differently. The fundraiser acknowledged that it was necessary to inform donors of issues, particularly financial shortfalls, but expressed concern that divulging too much negative information might be detrimental to fundraising efforts. To illustrate this point, the fundraiser offered, "No probably not. I see the value of it—and it's probably best to communicate issues early on. Again, it can be a resource thing. I haven't got the time [...] and I'm personally reluctant about saying we're in trouble." Donors, however, reported equivocal responses. One donor stated, "For me, I would say yes. I'm very sympathetic and supportive of the issues they face."

Another donor responded, "I would say no, I'm not aware of anything like that and I would definitely want to know if they were in trouble." In sum, the fundraiser and donors offered differing views regarding CET's effectiveness in communicating information about issues the organization faced. The fundraiser cited the lack of time as an impediment to communicating about issues and while donor responses varied, there was consensus that they would like to be informed, especially if the organization was in peril.

The dimension of networking, which was concerned with whether CET works to build alliances with other organizations to address concerns that donors care about, revealed a certain level of disagreement between the fundraiser and donors. For example, the fundraiser commented:

Absolutely, we've got a big alliance with Birmingham Festival Theatre this year [...] but regarding the second part of the question—I don't know about concerns that donors would care about. I mean, I know in general, collaborations appeal to donors.

Responding to another CET collaboration he knew about, a donor stated:

Yes, I'm glad you brought that up. I thought it was tremendous the way they linked to that, for lack of a better word, community service project where they made their charitable donation [...] I thought that was absolutely fantastic.

Yet another donor noted, "I would say at the outset they did, but the response from other organizations was flat. It was like, 'why am I spending my time with this?' [...] The deal is that collaborations are just complicated." Finally, a separate donor responded, "Oh, I really don't know about that. I don't know enough to answer that accurately."

To summarize, the fundraiser and donors were in agreement along nine dimensions: satisfaction, trust, commitment, reciprocity, responsibility, positivity, access, sharing tasks, and assurances. Responses were assessed as a high level of agreement across a spectrum of relationship dimensions, stewardship strategies, and cultivations strategies. Disagreement occurred across five dimensions: control mutuality, reporting, relationship nurturing, openness, and networking. Finally, the issues of curatorial integrity, limited resources, concern for divulging negative information, and the inherent difficulties involved with establishing and maintaining alliances with other organizations were seen as mitigating factors.

### **SOE Co-orientation Study Analysis**

SOE fundraisers and donors were in agreement across the following eight co-orientation dimensions: trust, commitment, reciprocity, responsibility, relationship nurturing, sharing tasks, networking, and assurances. Responses were assessed as a high level of fundraiser/donor attunement. Both SOE fundraisers responded affirmatively to the trust measure, which asked whether SOE can be relied on to keep its promises. The following quote typified fundraiser responses, "Absolutely, we take no money if we don't say how we're going to spend it. That's one of the things I am very proud of." Responding to this question, a donor stated, "Yes, as far as I know they do. I've never heard of anything to the contrary." Another donor responded to the trust measure, saying, "I'm not sure what promises they've made. I haven't received any promises, but

yeah, yeah—I'm sure they deliver on promises.” In response to the follow-up question, which asked donors how they think fundraisers would respond to the same question, a donor replied, “Yes, I think they would say they try to.”

Replying to the commitment measure, which asked whether SOE tries to build and maintain long-term relationships with donors, a fundraiser stated:

Absolutely. It's easier for us to approach it on a national level than it is on the local level. We need to do better with that. It's hard, but we need to do better. We don't have programs [to cultivate donors], that's something we struggle to do.

Responding to the commitment measure, a donor commented, “Definitely, I know with [a specific donor] they have a very long-term relationship.”

Similarly, positive responses indicated agreement along the reciprocity dimension, which asked whether SOE acknowledges donations in a timely and sincere way. For example, a fundraiser stated, “Absolutely, we have a protocol for that. You send us money, you get a thank you within a week. Period.” A donor reinforced this notion saying, “Yes they do. They always send out a letter and it's very nice—a personalized letter.”

The responsibility measure, which asked whether SOE uses donations wisely, similarly generated positive responses. For example, a fundraiser noted:

Yes, I think so, because we are good with our business, we thank everybody, we keep people informed [...] I'm continually proud of what we do and I hear it all the time. And I think donors would respond the same way.

Donor responses to the responsibility measure are typified by the following quote, “Yes, yes, I feel like they use their donations very wisely.” Relationship nurturing, which asked whether donors receive personalized attention from SOE, was another co-orientation dimension in which there was agreement. Both fundraisers commented that they believed donors received personalized attention, but donor responses on the subject varied. For example, one donor stated, “Yes, I certainly do. Very much so.” Another donor offered a differing viewpoint stating:

Well, I'm not so sure, but I have to say that [a co-founder] has been one of my greatest aids when I have a show out of town—building crates, packing them, stretching canvases, that type of thing. So, in that sense, yes, I do receive personalized attention.

Another donor offered, “Yes, definitely, they’re always supportive and responsive.”

Fundraisers and donors responded affirmatively to the sharing tasks dimension, which asked whether SOE is flexible in finding solutions to donor issues or concerns. Similarly, fundraisers and donors responded positively to the networking dimension, which asked whether SOE works to build alliances with like-minded organizations. The sharing tasks and networking dimensions did not generate a great deal of discussion.

The assurances measure asked whether SOE takes donor concerns seriously. Both fundraisers and donors responded affirmatively to this question. For example, a donor noted, “Yes, I just know that when I had an idea, we both ran with it. They worked in every way to make it work. I had small concerns, not many—we worked it out.” Another donor stated, “Yes, as far as I know. I’ve never expressed a concern per se. I would expect they have had people who’ve expressed concerns about exhibitions, and I expect that they’ve responded appropriately.”

To summarize, fundraisers and donors were in agreement along eight co-orientation dimensions: trust, commitment, reciprocity, responsibility, relationship nurturing, sharing tasks, networking, and assurances, which indicated a high level of agreement. Further, fundraisers acknowledged the importance of donor cultivation and stewardship and pointed to a lack of resources as a potential reason for organizational shortcomings in this regard. Additionally, a fundraiser indicated that the organization’s cultivation and stewardship efforts were more effective as they pertained to institutional funders outside of Birmingham, whereas cultivation efforts for individuals was lacking. Finally, fundraisers and donors were in enthusiastic agreement concerning the responsibility measure.

Disagreement between fundraisers and donors was seen along the following six dimensions: control mutuality, satisfaction, reporting, access, positivity, and openness. As was the case with the other organizations participating in this study, the control mutuality measure stimulated considerable discussion. For example, in response to the control mutuality question, which asked whether donors influence the decisions SOE management makes, an SOE fundraiser stated:

Yes and no. I think local donors are interested in our education program [...] The other donors, the major donors are interested in supporting our visual arts. Local donors are more interested in the education—particularly if it involves poor people.

Another fundraiser offered a different view, saying, “No, I think individuals contribute because they see the value [in what we do], not because they want to be part of the decision making.” A third donor expressed yet a different view stating:

I would think they have to. They have to take into consideration what donors expect to a certain extent [...] I think if they had an exhibition and it was severely criticized by a large segment of their supporters—I think they would have to respond to that. I just don’t think they could ignore it.

To summarize, one fundraiser distinguished between local donors, who showed more interest in education programs, and national funders, who supported visual art exhibitions. This fundraiser acknowledged that donors might have implicit influence. The other fundraiser, however, rejected the notion that donors might exert influence over decision making and indicated that donors would not want to participate in the decision making process. Finally, one donor expressed the view that donor influence was inevitable.

The satisfaction dimension, which asked whether donors are happy with SOE and believe the relationship is mutually beneficial, also generated disagreement. A fundraiser responded to this dimension stating:

I hope so [...] We’ve done all these things in the past—when we send out those things that say what do you know about Space One Eleven. We found out very few people knew anything about Space One Eleven—which just destroys me.

Another fundraiser offered a different view, saying, “Yes, I would assume that if they continue to donate that they are happy.” A donor offered yet a different opinion, suggesting, “I really couldn’t say whether they’re happy or not. I think they’re happy depending on the exhibition.”

Thus, the satisfaction variable revealed complex views. One fundraiser suggested that the organization lacked an appropriate mechanism for measuring donor satisfaction and that an apparent lack of awareness about the organization in the community was an organizational shortcoming related to donor satisfaction. Additionally, a donor suggested that donor satisfaction was contingent upon the success of exhibitions.

The reporting dimension, which asked whether SOE informs donors about fundraising successes and how donations have been used, revealed disagreement between fundraisers and donors. On this topic, one fundraiser stated, “Yes. In the thank-you for general donors, we do that. For major donors we give financial information and everything else. I think we do a pretty good job of that.”

Another fundraiser differentiated between reporting successes and how donations are used, saying, “How donations have been used, yes. In terms of fundraising success, I guess since we’re not setting a goal, there’s no report saying we’ve met or exceeded our goal.” A donor echoed this view stating, “No, I wouldn’t say I hear about that in their letters, but I would like to know.” Thus, differing views were offered on the issue of reporting; and a fundraiser indicated that, absent specific fundraising goals, reporting successes is not particularly meaningful.

The access dimension asked whether SOE provides donors with adequate access to the organization. Analysis of this dimension revealed that while donors believed they had adequate access to SOE, a fundraiser voiced concern that access might be an issue. In response to the follow-up question, which asked the fundraiser how donors would respond to the access question, a fundraiser stated the following:

No. That's because of systems issues, not because of people not being available. It's not because I wouldn't make myself available. It's the phone system—a phone tree that's not designed in such a way that makes it easy. When somebody calls it may not work and/or people get an answering machine. [Also] from a physical standpoint—the office is upstairs, the gallery is downstairs—that becomes a staffing issue. When people find doors closed and you have to ring a bell. It's not for lack of wanting to—that becomes a staffing issue.

Thus, the fundraiser identified three impediments to access: systems issues (antiquated phone system); physical special issues (office upstairs, galleries downstairs); and lack of human resources (to staff the gallery on a continuing basis).

Similarly, the positivity dimension, which asked whether SOE tries to make its interactions with donors enjoyable, generated positive responses from donors, but revealed concern among fundraisers. Indeed, a fundraiser commented:

No, that [interactions with donors] I would say we could expand on. The board is working on that. That's something I really want to do better on. I want to do more preview parties. I'm interested in making it more fun—it's important.

When asked the follow-up question (which asked how donors would respond), the fundraiser stated, “I think they'd say they want more.”

Finally, the openness dimension, which was concerned with whether SOE provides enough information for donors to understand the issues it faces, revealed differing viewpoints. For example, a fundraiser stated, “No. That's something we could be doing better, but I'd say that's another staffing issue. We don't have enough people to enter content, update the website, continually post on Facebook. That's a staff and a systems issue too.” Regarding the openness dimension, a donor offered the following:

I used to be involved with an organization and when I would go to meetings, it was like OK, get ready to be clobbered for the next hour—so now what's the problem? I just don't think you can use that approach.

The donor continued, saying that if the organization was in crisis, she would want to know, “Yes, I would certainly want to know if there was a serious issue—if they were really going to close the doors if they didn't raise a certain amount of money.” Finally, when asked how she felt critical

issues should be communicated, the donor offered the following, “I think a personal meeting—I think if you have a group together, you also have the benefit of ideas from other people.” Thus, the fundraisers cited systems and human resources issues as hindering its ability to communicate with donors about the issues the organization faces. On the other hand, donors voiced concerns that too much negative information could overburden donors and critical issues are best discussed in person with small groups of committed donors.

Thus, SOE donors and fundraisers were in agreement along eight dimensions: trust, commitment, reciprocity, responsibility, relationship nurturing, sharing tasks, networking, and assurances. Responses were assessed as a high level of agreement and suggested that donors trusted and believed in the organization’s integrity. Disagreement occurred along the following six dimensions: control mutuality, satisfaction, reporting, access, positivity, and openness. Control mutuality stimulated considerable conversation in which the issue of curatorial integrity and implicit donor influence was discussed. SOE fundraisers distinguished between local donors interested in the arts education program, and national donors who supported visual arts exhibitions. Disagreement with regard to reporting, access, and openness was attributed to resource issues. Further, a fundraiser differentiated between resource issues including systems (telephone, computer); human (staff); and space-related (office upstairs, gallery downstairs).

### **Co-orientation Analysis Summary**

To summarize, this co-orientation study revealed a high level of fundraiser/donor congruence for all four organizations. Indeed, CET showed fundraiser/donor agreement along the nine dimensions of satisfaction, trust, commitment, reciprocity, responsibility, positivity, access, sharing tasks, and assurances. CDF showed fundraiser/donor agreement along the eight dimensions of satisfaction, trust, commitment, responsibility, access, positivity, sharing tasks, and assurances. Similarly, SOE demonstrated fundraiser/donor agreement along the eight dimensions of trust, commitment, reciprocity, responsibility, relationship nurturing, sharing

tasks, networking, and assurances. Finally, AMIA showed agreement along the five dimensions of trust, access, positivity, sharing tasks, and access. These findings were assessed as a high level of fundraiser/donor attunement.

This analysis also revealed consistency in areas of disagreement across the four organizations. Disagreement along the dimensions of control mutuality, reporting, and openness dimensions occurred in all four organizations. Disagreement along the relationship nurturing and networking dimensions was seen across three organizations (AMIA, CDF, CET). Disagreement along the satisfaction dimension was seen twice (AMIA, SOE). Additionally, disagreement concerning commitment (AMIA), reciprocity (AMIA), responsibility (AMIA), access (SOE) and positivity (SOE) appeared once each. For details concerning the frequency and location of fundraiser/donor disagreement, see the co-orientation analysis chart in Appendix I.

Control mutuality stimulated robust discussion and was identified as a complex issue that centered on the need to balance curatorial integrity with what some individuals saw as inevitable donor influence. Disagreement about reporting, which asked whether the organization provides donors with enough information to understand the issues it faces, focused on whether negative information was detrimental to fundraising. Donors indicated a strong interest in being notified, particularly in the event of a crisis. One donor mentioned that how, when, and to whom such information was conveyed was of great importance, suggesting that negative information should be relayed early, in person, and to small groups of stakeholders. Disagreement along the relationship nurturing dimension, which asked whether donors received personalized attention and access dimension, which asked whether donors have adequate access to the organization, was attributed to a lack of resources.

Regarding access, one fundraiser noted that, in addition to funding and staffing, systems and physical limitations could also be viewed as resource issues. Fundraisers were skeptical about the openness dimension, which asked whether the organization provides donors with

enough information to understand the issues it faces, because of concern that negative information might harm fundraising. Additionally, issues arose around the networking dimension, which asked whether the organization works to establish and maintain alliances with like-minded groups. One fundraiser commented on the perceived value of alliances, noting that donors think favorably about “smart collaboration.” On the other hand, donors were aware of the complications involved with alliances. Thus, in addition to providing information regarding the degree to which fundraisers and donors were attuned along the co-orientation dimensions investigated in this study, rich qualitative data was attained, which provided nuance and subtlety to the analysis of the nonprofit organization/donor relationship.

## **Research Questions**

### **Text Analysis**

RQ 1. What persuasive strategies (social cues and graphic strategies) were evidenced in the fundraising letters analyzed in this study?

The specific contents listed in the social cues category included the following: (a) specific donation amount; (b) personalized appeals (mentioning donor’s name multiple times); (c) list of other donors’ names; (d) factual/statistical information; (e) narrative/experiential information; and (f) gift. Of the 23 fundraising letters analyzed in this study, only five indicated a specific donation amount. However, each organization requested a specific donation at least one time; only CET made a specific amount request twice, suggesting several donation options.

In most cases, participating organizations used personalized salutations, but some mailings were addressed generically. For example, several letters began with “Dear Friend” or “Dear Supporter of the Arts.” It was not possible to ascertain precisely which salutation was used for which mailing. Listing a potential donor’s name (social cue) multiple times in the main text was not employed by any of the participating organizations. On a number of occasions, hand

written, personalized salutations were included in some of the letters, but determining how many personalized letters were mailed was not possible.

Twenty-one of the letters analyzed in this study were framed positively. Both CET and AMIA wrote negatively framed letters; each referenced the loss of arts funding from the Jefferson County Commission as a critical issue. Indeed, the 2008 CET letter was sarcastic in tone, specifically referencing Jefferson County's decision not to renew \$5 million in arts funding. CET argued that this funding decision was difficult to understand in light of a recent economic impact assessment that showed the arts contributed \$125 million annually to the county's economy. An excerpt of the letter read:

In 2007, the Jefferson County Commission in its eternal wisdom, cut \$4.5 million from the Cultural Alliance of Greater Birmingham, despite the fact that not a few months before [a study found that] in Birmingham, nonprofit arts and cultural entities create more than \$125 million in economic activity each year.

Factual and statistical information was present in 17 letters; most often this was information about programs, attendance, and the organization's purported economic impact. The youngest organization participating in the study, CET, detailed fundraising success in several letters. Narrative and experiential information was noticeably lacking in the fundraising letters. AMIA and SOE, however, made use of this social cue strategy. The most extensive use of narrative was provided by SOE, but it was not in the text of a letter; rather, it was incorporated into an insert that provided information about upcoming programs. In its 2011 letter, AMIA mentioned the recent commercial success of a filmmaker associated with the festival, but this was not a fully developed narrative. Gifts were offered by two organizations, CET (free tickets for renewing members) and SOE (an original piece of art for donors), but gifts were not included in the direct mail packages.

The graphic strategies identified in the research on fundraising letters consisted of: (a) use of color; (b) photographs; (c) bulleted lists; (d) boldface fonts; (e) underlining; (f) headlines; and

(g) postscript. By far the most aggressive user of graphic strategies was CDF, which used color and photographs in every one of its fundraising letters. CDF also made use of boldface fonts in four letters and underlining in one. Additionally, CDF was one of only two organizations that employed headlines. In its 2008 letter, CDF led with a quote from the organization's founder, Jennie Robertson: "Dance is a celebration of life, a widening of horizons, an exercise in communication, an exploration into self-awareness; through this discipline all the arts come into focus." Similarly, the 2010 CDF letter began with a quote by Albert Einstein: "Logic will get you from A to B, but creativity will take you anywhere." The 2011 CDF letter began with a testimonial from a teacher, "Their confidence just went from one to 10. It was just incredible to see their eagerness, their willingness, to overcome those barriers of fear, and to just step outside of their comfort zone [...]." In each case, the headline appeared after the salutation, but it was set apart from the text by appearing in an italicized font. The names of the individuals to whom the quotes were attributed appeared below, further differentiating the quotes from the text.

SOE utilized color, photographs, and original artwork extensively in its 2008 and 2009 letters. Indeed, SOE's 2008 letter was the most graphically sophisticated mailing analyzed. Additionally, SOE employed headlines in its 2008, 2009, and 2011 letters. Beginning in 2011, SOE inserted a one-page brochure describing upcoming projects, programs, and exhibitions. The inserts made extensive use of bulleted lists and boldface fonts, but these features were outside of the main text.

Between 2009 and 2012, CET made extensive use of color and photographs in its fundraising letters. Beginning in 2009, CET combined its fundraising appeals with a promotional brochure highlighting upcoming performances. Because of the way this was done, it was not possible to differentiate the fundraising text from the promotional copy. This mailing had manifold purposes: to encourage contributions, sell memberships, and sell individual tickets to performances. Given the limited resources of the organization, this economical and efficient

approach was understandable. Further, combining these functions into one mailing led to the development of a more graphically compelling piece that, in addition to photographs and the use of color, included boldface fonts and underlining. CET was one of two organizations that made use of a postscript in its 2010 and 2011 letters. The AMIA letters made the least use of graphic strategies, employing only bulleted lists, boldface fonts, and one postscript.

RQ 2. What appeals to logos, ethos, and pathos were utilized to persuade donors in the fundraising letters analyzed in this study?

In the context of fundraising letters, *logos* is construed as the use of facts or statistics to encourage action by predicting effects, consequences, or outcomes. Facts and statistics were cited extensively in 17 letters by participating organizations, but were not associated explicitly with effects or outcomes. Facts and statistics typically focused on information about programs, the number of individuals served, and the organization's reputed economic impact. Exceptions to this included CDF, which discussed the positive effects of exposure to dance on children, particularly underprivileged or disabled children; AMIA, which argued that positive national press has had an ameliorating effect on the perception of Birmingham; and SOE, which posited that its programs have provided Birmingham-based artists with much-needed opportunities to exhibit and teach. Further, SOE argued that visual arts training had positive effects on young people.

The content related to appeals to ethos in fundraising letters, elucidated in the text analysis guide, included: (a) trustworthiness (writer's personal experience); (b) 501c3 status; (c) organizational longevity; (d) celebrity endorsements; and (e) funds directed to programs. Trustworthiness, as indicated by the writer's personal experience, was present on three occasions, once in the 2010A AMIA letter and twice in SOE letters (2008 and 2012). In each case, the personal experiences/reflections of the president of the board of directors were presented. An organization's 501c3 status was either mentioned specifically or was implied by comments such as "tax deductible contributions" in 10 letters. Participating organizations

referenced their tax-exempt status with the following frequencies: AMIA (five times); SOE (twice); CDF (twice); and CET (once). It is important to reiterate that 501c3 status was included on the letterhead and/or on inserts included in the direct mail packages (AMIA, CDF, SOE). However, indication of tax-exempt status was not included in this text analysis.

One example of a celebrity endorsement was found in the 2007 SOE fundraising letter. The endorsement consisted of an extended quotation by Lonnie Holley, a Birmingham-based artist who has exhibited extensively in the United States and Europe and has received critical approval from national and international media. Additionally, actress Courtney Cox was listed on the AMIA letterhead, but was not mentioned in the text of any fundraising letters. Finally, the manner in which funds were directed to programs was mentioned twice, once by AMIA and once by SOE.

Scholarly research on fundraising letters categorizes appeals to pathos along one broad dimension—appeals to donor beliefs and moral values. Since NAOs do not deal with life and death situations or seek to eradicate disease and hunger, evoking deeply emotional themes in fundraising appeals is difficult. Predictably, there was a paucity of emotion in the corpus of letters analyzed in this study. Thus, evidence of more subtle references to emotions and moral beliefs was identified in the analysis. Two organizations produced content that was considered an appeal to emotion. In its 2008 letter, SOE sought to cast art and its effect on society as a moral value, stating: Art, by its very nature, has the power to elevate public discourse because it celebrates the creative spirit. Space One Eleven provides artists this forum, and it offers the greater Birmingham community the opportunity to examine broader social issues through the eyes of artists.

In other words, SOE suggested that art and artists might play an important and unique role in society by helping to foster a better understanding of the social, economic, and racial complexities of a community. This message might be especially relevant in Birmingham, given

the city's racial history. However, the argument was not fully developed, and examples of art as a catalyst for social understanding were not provided

While CDF provides for-pay studio classes at its facility in Homewood, Alabama—indeed, studio classes provide significant income for the organization—its fundraising efforts were centered on The Community Partnership Program and The School Touring Program. The Community Partnership Program provides classes for children and adults, many of whom have physical, emotional, or economic challenges, at social service agencies, child development centers, and schools in the Birmingham area. The School Touring Program presents dance as a means of improving academic performance in schools that lack art education opportunities. CDF did not overemphasize the fact that a significant portion of its constituency was underprivileged or physically, emotionally, or economically challenged, yet the current study assessed that there was an intrinsic moral prerogative at play—disadvantaged individuals deserve help. Thus, CDF had a relative advantage over the other organizations participating in the study in terms of its potential to evoke emotional messages.

The cognitive, emotional, and physical benefits provided by CDF's programs, such as “cultivating creativity,” “sparking curiosity,” “empowering students,” and “enriching lives” were emphasized in the letters. These benefits were further emphasized by the strategic use of photographs, many of which depicted children with physical or cognitive disabilities, but in a hopeful and optimistic manner. Further, beginning in 2008, CDF letters made extensive use of testimonials from teachers and therapists to further substantiate the benefits they claimed to provide. All of the above-mentioned strategies constituted clear but subtle appeals to moral beliefs.

CET emphasized the implications of its relationship with the Actors Equity Association, such as equitable pay and work conditions and the availability of health insurance for members. While the management of CET viewed the benefits afforded by its relationship with Actors

Equity in moral terms, it was not clear whether this was salient or evoked moral consideration among donors. Thus, the current study did not consider these arguments to be morally evocative to potential donors. Similarly, AMIA made passing reference to certain values, such as *diversity* and *community*, but these terms did not constitute fully formed appeals to emotion or moral values. The fact that AMIA produces SHOUT, an LGBT focused component of the Sidewalk Film Festival, implied certain moral values, but these values were not explicitly exploited in the organization's fundraising letters.

In summary, in the fundraising letters analyzed in this study, the use of emotional appeals was weak. Even with organizations that might have utilized emotional appeals, in most cases there was not an explicit sense that an injustice needed righting or that a dire situation needed to be improved. This lack of urgency diminished the sense of emotional or moral imperative that might have otherwise been available.

RQ 3. What signals to resolve principal-agent issues and what information to motivate and facilitate giving were utilized to persuade donors in the fundraising letters analyzed in this study?

The literature on fundraising letters assumes that a primary means of establishing legitimacy in the nonprofit sector is to indicate the organization's tax-exempt status. The assumption is that tax-exempt status indicates to potential donors that the organization underwent a complex process of filing for tax-exempt status; that the government accepted the legitimacy of its cause and granted special tax status; and that the organization maintains its tax-exempt status by adhering to government-mandated regulations (Handy, 2000). Thus, the specific content associated with this category was *registered statute of charity—tax credit for donors*. This dimension did not specify indicating the organization's 501c3 status explicitly; thus, any mention of tax deductibility in the main text of the letters was interpreted as compliance with this category.

All of the organizations participating in this study cited their tax-deductible status, but not consistently. Of the 23 fundraising letters analyzed in this study, 13 mentioned the tax deductibility of gifts. Organizational leaders might not have felt compelled to provide this information because they believed potential donors assumed the tax-exempt status of their gift. Further, CDF consistently indicated tax-exempt status on its letterhead, but not in fundraising copy. Nevertheless, identification of tax-exempt status seemed to be a simple way to improve the perception of organizational legitimacy.

Principal-agent issues can exist whenever there is information asymmetry (i.e., one party has more information or knowledge than the other) in a relationship or economic transaction. In the context of the nonprofit sector, a nonprofit organization is seen as facilitating a transaction between a donor and the ultimate recipient of the donation. Therefore, it is essential for the nonprofit organization to maintain its trustworthiness; otherwise, potential donors might not make a donation (Handy, 2000). Research in fundraising letters identified the following specific content intended to establish trustworthiness: (a) board members and affiliations (political, corporate, other charity); (b) money received from government; (c) percentage spent on administration; (d) organizational longevity; (e) past achievements (quantitative); (f) options other than donations; (g) testimonials; (h) citations (newspaper or journal); and (i) celebrity endorsements.

Naming board members in the text of fundraising letters, along with their political, corporate, or charity affiliations, is a straightforward way to establish trustworthiness, especially among smaller, community-based nonprofits. Further, naming board members and their professional affiliations might activate latent social or business ties that could encourage potential donors to give. Therefore, it was surprising that only two of the participating organizations (CDF and CET) employed this strategy in their letters. The most robust use of this strategy was seen in the 2009 and 2010 CDF letters, in which board members and their

professional affiliations were prominently listed and graphically highlighted. Further, in both letters, board members added their signatures beside their printed names. In its 2009 letter, CET provided a list of new board members along with their board titles. However, no affiliations were indicated. SOE and AMIA listed board members on letterhead, but no affiliations were mentioned.

The *received money from government* content seeks to resolve principal-agent issues by implying that government support is difficult to obtain and requires a high level of scrutiny. Therefore, the notion of financial support from the government serves as an exemplar for donors. In its 2008 letter, CET mentioned its fundraising success, indicating grants received from various foundations in the Birmingham area as well as funding from the Alabama State Council on the Arts. Thus, CET expanded this strategy to include Birmingham-based foundation support, which, because it also demanded a high level of scrutiny, might have served as an exemplar.

Similarly, SOE mentioned in its 2011 letter grants received from national foundations, such as the Joan Mitchell Foundation and the Andy Warhol Foundation. While this was not government funding, the strategy was to let national foundations serve as exemplary grantors and to emphasize the fact that the organization successfully competed for funding on a national level. In sum, only one letter indicated the receipt of government funding (CET 2008). However, both CET and SOE expanded this strategy to include Birmingham-based and national foundations as exemplary grantors.

The *percentage of funds spent on administration* content is intended to resolve potential principal-agent issues by substantiating that most of an organization's donated income goes towards programs and not to pay for overhead expenses. This concept is grounded in the widely held belief that a key metric of nonprofit credibility is its efficiency as measured by low overhead costs. At the same time, however, cost-to-overhead ratios as a metric of organizational effectiveness have been challenged in recent years (Pallotta, 2012). Nevertheless, these ratios

remain a widely accepted tool for measuring organizational effectiveness. None of the participating organizations mentioned cost-to-overhead ratios specifically in their fundraising letters. This could be because the organizations' administrative expenses were thought to be too high, that overhead expenses required no explanation, or that the organizations simply wanted to avoid the overhead discussion altogether.

Longevity is also frequently seen as an indication that an organization has withstood scrutiny over time; therefore, indicating longevity can be a strategy for resolving potential principal-agent issues. This strategy was evidenced inconsistently across the fundraising letters. AMIA mentioned longevity in its entire body of letters, while SOE and CDF only indicated longevity twice each. In its 2010 letter, CET stated "since our inception in 2006." It is important to reiterate that SOE and CDF were the oldest organizations participating in this study; thus, claims to longevity as a strategy to resolve principal-agent issues seemed obvious for these two organizations.

There is a significant pressure in the nonprofit sector to provide quantitative evidence of past achievements as a means of resolving principal-agent issues. Frequently, evidence is expressed in terms of attendance, the number of programs offered, the number of individuals served, or the economic impact an organization can claim. The organizations participating in this study provided quantitative evidence of past achievements. Indeed, 14 of the letters analyzed in this study referenced past achievements. Both AMIA and CDF referenced past achievements in their entire body of letters, focusing on the number of programs, attendance, and individuals served. Similarly, CET focused on the number of performances it offered in four of its letters. By contrast, SOE made reference to quantitative achievements in only two letters.

Testimonials from experts, audience members, or participants as a means of resolving principal-agent issues were present in seven of the letters analyzed in this study. Both CDF and SOE employed testimonials on three occasions in the text of their letters. In SOE letters, two

board members and one artist provided testimonials. In CDF letters, the organization's founder provided a testimonial regarding the importance of dance in general; two teachers involved with the organization's outreach programs also provided testimonials. The most comprehensive use of testimonials, however, could be seen on the program insert included in CDF letters between 2009 and 2012. Since these inserts were outside of the main text, they were considered separately. Additionally, SOE provided a testimonial from a former student and current board member on a program insert in its 2012 letter. Testimonials were an effective way to resolve potential principal-agent issues.

Two of the organizations participating in this study cited positive media coverage as a strategy for validating the organization and resolving principal-agent issues. AMIA made the most extensive use of this strategy by citing national press coverage in its entire body of letters. Similarly, CET cited positive reviews from local media in its 2009 letter. While SOE likely had access to positive reviews of recent exhibitions in both local and national media, this strategy was not used.

The use of celebrity endorsements is ubiquitous in the nonprofit sector, particularly among nonprofits with a national or international presence. Because Birmingham is a tertiary market, celebrity endorsements are typically limited to Alabama-based sports and media celebrities. The only celebrity endorsement seen in the body of letters analyzed in this study was in the 2007 SOE letter, in which Lonnie Holley, a Birmingham-based artist with a national and international reputation, provided a testimonial. However, while it is likely that visual art aficionados, especially those located in Birmingham, would know of Lonnie Holley, it is not clear whether he would rise to the level of celebrity to the public at large. Finally, television and film star, Courtney Cox was listed as an honorary board member on AMIA letterhead, but she was not mentioned in the main text of any of the organization's letters.

The first and most basic strategy to motivate and facilitate giving is to convince the reader to open the letter by including *teasers on the envelope (words or pictures)*. Guiding this strategy is the notion that if the letter is not opened it cannot be read, and if it is not read a donation will not be made. Both of the more established organizations, CDF and SOE, used color, graphics, and words on the envelopes to entice potential donors to open them. CDF used teasers on all of its mailings and included phrases such as “because dance is a foundation for life and learning” and “dance to grow.”

In its 2008 mailing, SOE utilized an oversized, brightly colored envelope with an original drawing by Lonnie Holley incorporated into the logo. In its 2009 mailing, SOE used a brightly colored, three-panel postcard with a photograph of a light bulb and with copy reading, “Don’t waste creative energy.” The smaller organizations, CET and AMIA, used their standard envelopes for direct mail campaigns. Some of the organizations encouraged staff and board members to write personalized notes on envelopes, but it was not possible to ascertain which organizations used this strategy or how often this strategy was employed.

The literature on fundraising letters suggests that it is critical to activate an emotional response to motivate giving. The research literature further suggests that there are two types of content that can activate an emotional response: *stories to arouse emotions* and *tone of the letter (urgent)*. To determine whether stories are present in a body of fundraising letters, it is first necessary to define what constitutes a story in the context of fundraising letters. According to Dickerson (2009), the primary responsibility of a fundraiser is to *connect* with potential donors on an emotional level and to *narrate* stories about people who have been helped by a nonprofit. Based on the literature on Kenneth Burke’s *dramatistic pentad*, and recent research in neurolinguistics concerning how the brain processes narrative, Dickerson (2009) concluded that story or narrative is an essential device in fundraising letters:

To be effective a fundraiser must learn how to write a connecting narrative moment—a brief human-interest narrative that paints a compelling word picture of how a philanthropic cause makes a difference in the life of a single human being. (p. 33)

The current study adopted the definition of story/narrative proposed by Dickerson (2009) in the analysis of fundraising letters provided herein.

Utilizing the definition mentioned above, the use of story in the letters analyzed in this study was quite limited. However, two examples of narrative fragments were identified: one at the beginning of the SOE 2008 letter, in which the writer discussed the impact of his involvement with the organization; and another on the insert of the SOE 2012 letter, in which a former student discussed the impact of his involvement with the organization. In neither case was the narrative fragment particularly emotional. As previously discussed, the AMIA 2011 letter mentioned the recent success of a former Birmingham resident and Sidewalk Film Festival participant, but this was more of an appeal to credibility than emotion.

Urgency was defined in this study as a situation that required immediate action. Only one letter analyzed in this study was identified as having an urgent tone. The AMIA 2007 letter conveyed a sense of urgency, stating, “We need your support, and to be frank we need it now, in order to keep this festival and AMIA’s many projects going full steam.” In general, it appeared as though great effort went into making the tone as positive as possible in the letters analyzed in this study. This may have been due to concern that a negative frame would be unappealing to potential donors. It is important to note that this concern is consistent with findings in behavioral economics regarding the implications of negative or positive valence in financial decision-making (Tversky & Kahneman, 1981).

In economics, a free-rider problem exists when an individual utilizes resources, goods, or services but does not pay the full cost of the benefit received. Free-riding becomes a problem when the resource in question becomes overused, not fully funded, and unavailable to some. In the nonprofit context, individuals who take advantage of resources must be persuaded to make a

contribution so that the resource remains available to others (Handy, 2000). National Public Radio (NPR) telethon campaigns are an example of an organization seeking to resolve a free-rider problem. In its radio telethons, NPR commentators discuss the cost of providing its programming, where funding comes from, and how much additional subsidy is needed. The appeal to listeners proposes that, as consumers of NPR programming, listeners have a responsibility to provide support.

According to Handy (2000), there are two specific types of content found in fundraising letters designed to reduce free-riding: *indicate public support (we've got this much money, we need this much more)* and *offer a gift/newsletter with a donation*. In the present context, *public support* was not construed as government support; rather, it was any support from the public at large. Further, the clarifier *we've got this much money, we need x more*, was interpreted either as a simple indication of fundraising progress and remaining need or as indication of a matching grant. One letter utilizing this strategy was identified in this current study (SOE 2011). Specifically, the 2011 SOE letter referenced a \$50,000 matching grant from the Joan Mitchell Foundation.

Similarly, offering a gift as an incentive to make a donation was identified in one letter (CET 2007) in which free tickets were offered. However, this offer was not tied directly to donations; rather, the purpose was to encourage current donors to use the free tickets to invite guests to a production, thereby increasing attendance. Thus, the relationship between the gift and a donation was implied. Additionally, in its 2008 mailing, SOE offered an original artwork for any individual donating \$1,000 or more. This offer appeared on the pledge card and was not mentioned in the main text of the letter.

The idea of incentivizing donations through offering gifts is somewhat controversial. Economists have argued that *crowding out effects* might come into play when a gift is offered to encourage a contribution. In the present context, crowding out effects suggested that the extrinsic

benefit of offering a gift to encourage donations could displace (or crowd out) the intrinsic benefit associated with the philanthropic impulse (i.e., warm glow), and the positive cognitive and emotional benefits associated with it (Frey, 2003).

As noted in the research literature, individuals will take actions and incur costs (e.g., voting in elections, recycling, making charitable donations) for benefits that are uncertain if they believe that their actions are virtuous. Economists often define an action resulting in a feeling of virtuousness as a *warm glow effect* (Feddersen & Sandroni, 2009). Economists also note that warm glow effects are difficult to measure, because: (a) a key assumption is that decision-makers are motivated to make decisions that they deem virtuous; and (b) the discernable basis for this assumption is unclear (Feddersen & Sandroni, 2009). However, Feddersen and Sandroni (2009) argued that warm glow, while different from other economic models of choice, has empirical value and can be tested like other theories of choice.

The literature on fundraising letters identifies the discussion of *past achievements* (*qualitative*) as the specific type of content associated with the warm glow strategy. The majority of the letters analyzed in this study (14) utilized this strategy. In every case, the focus was on programmatic success (past and current), historical contexts, pride-of place issues, shaping/changing perceptions of Birmingham, quality of life issues, and fundraising success. However, with the exception of CDF, the qualitative discussions of past achievements were not particularly evocative of emotion. Thus, it was unclear how a sense of virtuousness or warm glow effects might accrue to potential donors. In this regard, CDF had an advantage because much of its work involved disabled or disadvantaged children.

It seems obvious that a simple way to facilitate giving is to *indicate how donations can be made*. Therefore, it was surprising that only five of the letters analyzed in this study utilized this

strategy in their fundraising letters. Specifically, the 2007, 2010, and 2011 AMIA letters referenced an inserted pledge card, as did the SOE 2008 and 2009 letters. It is important to note that both SOE and CDF enclosed pledge cards in all of their mailings. Research to determine if it is efficacious to include a pledge card *and* refer to it in the text of the fundraising letter may be worth further consideration.

RQ 4. To what extent did the letters analyzed in this study conform to the seven-move genre structure?

Upton (2002) identified a seven-move genre structure that is typical of fundraising letters: (a) get attention; (b) introduce the cause/establish credentials; (c) solicit response; (d) offer incentives; (e) reference inserts; (f) express gratitude; and (g) conclude with pleasantries. While all of the content proposed above was present in the body of letters analyzed in this study, its use was inconsistent, and the seven-move sequence was not in evidence. Several of the content items included in the seven-move structure were interpretive and required establishing a baseline for consistency. For example, this study defined *get attention* to be any introductory language intended to evoke an emotional response. Even with this relatively low threshold, only four letters were determined to contain this type of content (CDF 2008, 2010, 2011, and 2012). In each case the letter began with either a quote or a testimonial.

The *introduce the cause/establish credentials* content was present in a majority of the letters (15). However, confusion between cause/mission and programs was seen. In other words, the organizations typically focused on *what* they did (programs) but not *why* they did it (cause/mission). An exception to this was CDF letters, which alluded to cause/mission and frequently referenced the cognitive, emotional, and physical benefits provided by the organization's programs.

Further, the organizations established credentials in programmatic terms by referencing organizational history, citing positive media attention, and mentioning fundraising success. For example, CET focused on its relationship with the Actors Equity Association and the artistic quality that relationship implied. AMIA focused on positive media attention and the organization's role in improving the perception of Birmingham. On the other hand, SOE discussed its role in providing Birmingham-based artists with opportunities to teach and exhibit.

The *solicit response* content (explicitly requesting a contribution), was nearly universal across the letters. Indeed, 21 letters included this content. However, where the content was placed and how often it occurred varied significantly. For example, in its 2007 letter, SOE began by saying, "Please think about Space One Eleven as you plan your year-end giving." The solicitation was reiterated in the last paragraph of the letter, "Your contribution will come at an exciting time for Space One Eleven." While some organizations repeated the solicitation at the beginning and end of their letters, others included it only toward the end of their letters. CET was the one organization that did not specifically solicit donations. However, CET did imply that donations were needed and explicitly solicited ticket sales. This was more of an indication of the organization's focus on audience building than any shortcoming as a fundraising entity.

*Offering incentives* as a strategy to gain financial support was employed in three letters analyzed in this study. In its 2007 letter, CET made arrangements with a local restaurant to provide pre-show discounted meals to supporters. The following year, CET indicated that supporters would be listed in a roster published in the organization's brochure. In 2008, SOE offered an original artwork by Lonnie Holley for donors who contributed \$1,000 or more. It is important to note that both of the CET offers were made in the text of the letters, while the SOE offer was included on the pledge card.

It was not possible to ascertain how many of the mailings analyzed in this study contained inserts, because not all of the original materials were available. However, it was clear that there were two types of inserts, pledge cards and announcements (brochures or one-sheets) detailing information about upcoming programs. CDF made the most extensive use of both pledge cards and program inserts, including them in its entire body of letters between 2008 and 2012. Similarly, SOE included pledge cards in all of its mailings; and in 2011 and 2012, one-sheets providing information about programs and fundraising successes were provided. AMIA enclosed pledge cards in some of its mailings, but it was not possible to determine which ones. Beginning in 2009, CET began to combine its fundraising letter with a brochure outlining its upcoming season. While all of the organizations utilized some type of insert, only three referenced inserts in the main text of their letters. To reiterate, it was unclear what the effect of drawing attention to an insert might be, but given that this is an item in the seven-move genre structure, the strategy is worthy of investigation.

All of the organizations participating in this study employed the technique of *express gratitude* in their fundraising letters, but they did so inconsistently. CET, AMIA, and SOE expressed gratitude in four letters, while CDF expressed gratitude in only three letters. Expressing gratitude seems like an obvious way to build rapport with donors. It might be that expressions of gratitude were not universal across the letters because they requested donations that had not yet been made. SOE resolved this issue by using language such as “Thank you for considering Space One Eleven in your gift giving this season.”

The final dimension of Upton’s (2002) seven-move genre structure is *conclude with pleasantries*. This was a difficult dimension to assess because what might be considered pleasant is somewhat ambiguous. Therefore, it was necessary to establish criteria and then apply it across the body of letters. The *conclude with pleasantries* content was interpreted as any concluding remark that was pleasant in nature, *not* reiterative of factual/statistical information, *not* a

solicitation for a contribution, and *not* an expression of gratitude. For example, in its 2010 letter, SOE concluded with, “We look forward to welcoming you to all of our events in 2011.” Using the above-mentioned criteria, it was determined that all of the organizations concluded with pleasantries, but again they lacked consistently. In total, 10 letters concluded with pleasantries. Both SOE and CET used this content in two letters, while CET employed it in four and AIMA used it in three letters. It seemed difficult to strike a tone that was sufficiently urgent to express need while remaining pleasant and hopeful. The balance between urgency and hope is a central communication challenge for fundraisers.

RQ 5. Which individual and instrumental benefits of arts participation and which non-user benefits were discussed in the fundraising letters analyzed in this study?

The text analysis conducted in this study investigated the fundraising letters provided by the participating organizations to determine which intrinsic and instrumental benefits of arts participation were used to persuade donors to make a contribution. As previously mentioned, arts advocates utilize a variety of pro-arts arguments ranging from intrinsic/private benefits to instrumental/public benefits. Focusing on intrinsic/private benefits has historically been problematic because measuring these effects has proven difficult and identifying the mechanisms by which they might accrue to the public has been elusive. Utilizing the McCarthy et al. (2004) arts benefits continuum, which proposed both intrinsic and instrumental benefits, the analysis of fundraising letters in this study sought to identify arguments that reflected the following dimensions: (a) *pleasure*; (b) *cognitive stimulation*; (c) *emotional stimulation*; (d) *the desire for a rewarding experience*; and (e) *the production of meaning*.

*Pleasure* as an explicit motivation for participation or making a contribution was absent across the entire body of texts analyzed in this study. However, not surprisingly, references to both *cognitive stimulation* and *emotional stimulation* were identified eight times each in the

materials generated by the two organizations that work extensively with children (CDF and SOE). CDF referenced *cognitive stimulation* and *emotional stimulation* in its body of letters and SOE referenced these dimensions in its 2007 and 2008 letters. Similarly, the *desire for a rewarding experience* dimension was seen in all of the CDF letters, two of the SOE letters (2007 and 2008), and one CET letter (2009).

The *production of meaning* dimension was difficult to assess because, in many respects, art itself is about interpretation and meaning making. Nevertheless, an overt reference to art and meaning was required to assess the presence of this dimension in the fundraising material. Thus, *the production of meaning* was seen in only two letters (SOE 2007 and 2008), in which the organization discussed the capacity of art to help in the understanding of the social, racial, and economic complexities of Birmingham.

Instrumental or extrinsic benefits constitute the remaining dimensions of the arts benefits continuum proposed by McCarthy et al. (2004). Instrumental benefits include: (a) *economic impact*; (b) *social cohesion*; (c) *shared identity*; and (d) *civic pride*. Economic impact arguments were identified in five of the letters analyzed in this study: AMIA 2007, 2010A, 2010B, 2011, and CET 2009. The CET 2007 letter referenced a countywide study, which showed that arts and culture accounted for \$125 million of economic activity annually. However, this discussion was framed negatively, because it was presented in the context of the loss of approximately \$5 million in county funding for the arts. AMIA also referenced the Jefferson County study and the loss of funding in its 2007 letter. However, the AMIA 2010A, 2010B, and 2011 letters indicated that the organization's signature event, the Sidewalk Film Festival, generated \$1.5 million (2010A) and \$1.3 million (2010B, 2011) in economic activity for the city.

The *shared identity* dimension was not identified in the letters analyzed in this study. However, *civic pride* was a strategy seen in six letters (AMIA 2009, 2001A, 2010B, 2011, and SOE 2008, 2012). The SOE letters manifested civic pride by discussing the quality of the artists

living in Birmingham. On the other hand, in its 2009 letter, AMIA specifically claimed to “Build pride of place for many Birmingham residents,” adding that “Accolades from national publications such as *Time Magazine* [...] propels Birmingham into the national spotlight as a place of cultural awareness, creative spirit, and true hospitality.” Similar language was used in the AMIA 2010A, 2010B, and 2011 letters.

To summarize, with the exception of the *cognitive stimulation*, *emotional stimulation*, *the desire for a rewarding experience*, and *civic pride* dimensions, the individual and instrumental benefits of the arts were rarely in evidence. CDF and SOE, the organizations that worked extensively with children, frequently referenced cognitive stimulation, emotional stimulation, and the desire for a rewarding experience. Finally, AMIA made the most frequent use of civic pride arguments, and SOE evoked civic pride in the context of the quality of visual artists living in Birmingham.

Cultural economists conceptualized non-user benefits as a justification for public funding for the arts. This study sought to determine whether non-user benefits were discussed in the fundraising letters analyzed in this study. Predictably, education value was indicated in all of the CDF letters, because arts education is a mainstay of their operations. Specifically, CDF discussed the intellectual, emotional, and physical education provided by the dance programs they offer to disadvantaged and disabled youths. Moreover, CDF captured the community-oriented benefits of arts education. For example, the text of their 2007 letter stated:

Imagine the experiences which cultivate creativity, confidence, and a sense of community—experiences which build skills and spark curiosity. This is the business of the Children’s Dance Foundation and has been since 1975. We use dance to empower students young and old, of all abilities and from all incomes and backgrounds.

Similarly, SOE, which also provides arts education to underprivileged children, mentioned education value, stating, “Since moving to our current location in 1989, we have provided over 4000 children with access to quality arts education classes.”

It was assessed that AMIA indicated prestige value in four of its letters by quoting positive reviews from national media sources. For example, the text from their 2010 letter stated, “Recognized by Time Magazine as one of the top 10 ‘Festivals for the rest of us,’ Sidewalk [Film Festival] puts Birmingham on the national radar as a cultural destination.” This study distinguished between two related dimensions, civic pride, which was considered an internal value, and prestige value, which was considered an external value.

RQ 6. What is the level of reading ease evidenced in the letters analyzed in this study?

According to Goering et al. (2011), conventional wisdom maintains that effective fundraising letters are written at a relatively low level of readability (ninth grade level). On the other hand, experimental research on fundraising letters showed that, contrary to expectations, letters written at a higher level of sophistication were more successful than simple ones. However, this experimental research concerned letters asking for donations to institutions of higher learning, and all of the participants in the experiment were college educated (Goering et al., 2011). Therefore, this observation might not be generalizable across the nonprofit sector as a whole. Nevertheless, it is clear that the education level of potential donors is an important factor when determining an appropriate level of complexity in letter writing. Further, Frey (2003) argued that arts participation correlates to higher levels of education; as such, higher levels of complexity in fundraising materials are warranted.

Predictably, 17 of the letters analyzed in this study were written above a 12<sup>th</sup> grade level, while six letters were written below. The lowest average grade level identified in this study was written at a 9.7 average grade level (CET 2012) and the highest average grade level was 15.6 (AMIA 2009). In sum, the level of complexity seen in the letters analyzed in this study was consistent with the notion that arts donors are an educated contingent.

## **In-depth Interviews**

RQ 7. What types of benefits did study participants believe arts participation provides and how frequently were specific benefits mentioned?

Debate about arts funding in the United States often involves discussion of the benefits provided by arts participation. This study investigated the perceived benefits of arts participation by asking interviewees their opinions on the subject. In addition to collecting data about arts benefits, this study also categorized the benefits along the arts benefits continuum proposed by McCarthy et al. (2004), which conceptualizes a range of benefits from intrinsic, private (e.g., pleasure) to instrumental, public (e.g., economic development). The purpose of categorizing benefits was to determine the types of benefits donors were aware of and which ones they valued. This is significant because knowing the types of benefits donors value might help fundraisers craft more effective fundraising appeals and establish more meaningful relationships with donors.

This current study identified 44 different benefits, 12 of which were of the intrinsic private type (i.e., pleasure/entertainment, self-expression, surprise/magic, self-awareness/identity, self-awareness/body, alternative to the day-to-day, levity, creative fulfillment, well-being, peace/relaxation, catharsis, gratitude). This finding suggested that participants were aware of and valued a range of intrinsic private benefits. Participants also identified 11 intrinsic private benefits with public effects (i.e., quality of life/enrichment, intellectual growth, emotional growth, problem solving, openness to different world views, expanded imagination, examination of existing beliefs, heightened empathy, confidence building, discipline building, awareness of shared humanity). This further reinforced the notion that donors had a strong awareness of a variety of intrinsic benefits associated with arts participation.

Instrumental private benefits with public effects were identified 12 times in this study (i.e., supports artists, provides healthy options for underprivileged children, enables critical thinking skills, offers an alternative to “football” culture, reinforces progressive values, balances math/science education, encourages professional development skills, facilitates networking, combats racism, improves educational outcomes, promotes teamwork/cooperation, moves people to social action). Additionally, four intrinsic public benefits (i.e., exploration of difficult questions, bridging effects, bonding effects, better citizenry) and four instrumental public effects were identified (i.e., improved perception of Birmingham, economic development/creative class, downtown revitalization, cultural variety/options).

In addition to identifying the types of benefits participants believed arts participation provided it was important to determine how frequently the various types were mentioned. Bridging and bonding effects generated 10 responses each; pleasure/entertainment received nine responses; economic development/creative class and openness to different worldviews received eight responses each; intellectual growth and emotional growth received seven responses each; quality of life/enrichment, alternative to “football” culture, and improved perception of Birmingham generated four responses each; artists ask difficult questions, surprise/magic, self-awareness/identity, and alternative to the day-to-day generated three responses each; and expanded imagination, self-expression, professional development, networking, downtown revitalization, heightened empathy, confidence building, and teamwork/cooperation received two responses each. Additionally, 19 benefits were noted a single time.

These results led to three observations. Individuals participating in this study were well aware of the role the arts played in their lives, particularly the intrinsic benefits they received. Second, an individual’s awareness of the personal benefits did not necessarily translate into a broader understanding of how the benefits accrued to the community-at-large. Finally, there was no coherent platform for discussing the benefits of art for the individual or society at-large.

Indeed, with the exception of a small community of scholars, philosophers, arts experts, and arts enthusiasts, the art experience must speak for itself. Further, the art experience in general is a highly individualized experience.

RQ 8. What types of pro-arts funding arguments did study participants believe to be effective, and how frequently were these arguments cited in the in-depth interviews?

Study participants generated 28 responses to the question, “Which arguments in favor of arts funding do you find compelling?” Five of the arguments coded in this study were of the intrinsic private benefits type, including pleasure/entertainment, personal enrichment, joy, inspiration, and alternative to the day-to-day, which to some extent reinforced the idea that interviewees valued the intrinsic benefits provided by the arts. Four of the arguments identified were intrinsic private benefits with public effects, including personal economic benefits [students], supporting artists, cognitive growth, and emotional growth/empathy. Instrumental public benefits were also noted four times and included quality of life/enrichment, bonding effects, bridging effects, and lowering ticket prices. Instrumental private benefits (i.e., improved educational outcomes) were only cited once.

The most frequently cited argument type was instrumental private benefits with public effects, which were identified eight times and included: options for children not interested in sports, breaks down racial/cultural barriers, students work towards Equity membership, brought Actors Equity Association to Birmingham, vibrant arts scene equates to a healthy city, the arts and physical health, quality programs, and trustworthiness of staff. This result was not surprising. By shifting the focus from benefits to pro-art arguments, justification for funding becomes the dominant factor; as a result, public benefits begin to weigh more heavily.

Finally, instrumental public benefits were cited six times and included: civic pride, provides jobs, pays taxes, economic development/creative class, improves perception of Birmingham, and civic responsibility.

The most frequently occurring argument cited by participants was the economic development/creative class argument. To reiterate, this was not surprising, because arts funding appeals often rely on public benefits arguments. Additionally, in recent years, economic development arguments have dominated the public discourse about arts funding (Brown & Ratzkin, 2012). While the economic development argument was cited often, it did not generate enthusiasm or particularly robust discussion from donors. Fundraisers indicated that they believed that economic development arguments might be effective for some institutional donors, but doubted that individual donors would be moved by this type of appeal. Additionally, fundraisers suggested that tailoring messages to specific donor interests was necessary.

Study participants cited civic pride and pleasure/entertainment as pro-arts arguments five times each. Several of the civic pride comments were centered on the Sidewalk Film Festival (AMIA) and sought to compare Birmingham favorably to other, larger cities. For example, a participant noted, “Anything that makes us feel good about Birmingham is a good thing.” This sentiment was echoed by a fundraiser who offered, “I think for us, the primary success we see with individual donors is pride-of-place arguments.” Regarding the arts as a source of pleasure as a justification for funding, an interviewee noted, “[The arts] are all about pleasure, peace and calm—relaxation.” Yet another participant commented, “Well, it makes us feel better.”

Study participants identified five pro-art arguments that were each cited four times, including improved educational outcomes, supporting artists, cognitive growth, improved perception of Birmingham, and quality of life/enrichment. Predictably, fundraisers from organizations that provided arts education to children cited improved educational outcomes and cognitive growth as justifications for funding. Representatives of CET, SOE, and AMIA saw

supporting artists from Birmingham and the artistic community-at-large as effective arguments for support. Regarding arts-stimulated cognitive growth as a justification for arts funding, an interviewee stated, “I think we all need to grow and learn more, to have challenging [arts] experiences. For some people, they need it all the time.” Participants associated with AMIA were quite clear concerning the organization’s capacity to improve Birmingham’s image, citing national media coverage as a compelling justification for funding. Quality of life/enrichment was another pro-arts funding argument cited by study participants. For example, an interviewee noted, “Of course [the arts] contribute to a rich and fulfilled life and they contribute to a community’s quality of life. I strongly believe that the quality of a community’s cultural landscape is one of its greatest assets.”

Two pro-arts arguments were noted three times each, including emotional growth/empathy and bridging effects. Additionally, the arts provide options for children not interested in sports and bonding effects were cited twice each. Finally, 16 arguments were noted a single time. These arguments included such notions as joy, inspiration, and the arts break down racial barriers. While these levels of frequency clearly did not constitute data saturation, several of them were worthy of mention because they provided a picture of the wide variety of pro-arts arguments that participants found compelling.

RQ 9. What significant challenges facing the nonprofit arts sector did donors and fundraisers identify?

In the in-depth interviews, fundraisers expressed concern that discussing challenges faced by their organizations or the nonprofit arts sector as a whole might discourage donors. The reluctance to discuss challenges reinforced the importance of this research question, which was intended to determine how well donors understood the challenges fundraisers and nonprofit arts managers face on an ongoing basis. If the individuals who deal with challenges facing the

nonprofit arts sector are reluctant to talk about them, how will donors know what the challenges are, how serious they might be, and how best to respond?

Predictably, the most frequently cited challenge facing the nonprofit arts sector was the difficulty of obtaining funding. Twenty-one of the 23 participants (14 donors and seven fundraisers) identified lack of funding as the sector's most pressing challenge. The next most frequently cited challenge, competition, was cited 11 times (six donors and five fundraisers). Competition was contextualized in three ways. First, competition was seen as a cross-sector phenomenon, in which small NAOs competed against a variety of large nonprofits involved with social services, healthcare, and education. Second, competition was seen as an inter-sector issue, in which a large number of small NAOs competed against each other for funds. Third, competition was viewed as a matter of large-organization dominance, in which the older, better-established organizations disproportionately received funding. Fundraisers and donors arrived at similar conclusions regarding competition.

Fundraisers cited the lack of arts advocacy as a challenge five times, noting that the existing umbrella arts advocacy organization, the Cultural Alliance of Greater Birmingham, lacked the necessary stability to be truly effective. Fundraisers further indicated that the city and county also lacked a strong governmental entity that was empowered to oversee cultural affairs. Donors did not share the concern regarding the lack of arts advocacy. Donors voiced concern on five occasions about unpredictable and poor attendance at arts events, which caused concern regarding the sustainability of participating organizations.

Lack of government support was mentioned on four occasions (three donors and one fundraiser). Donors indicated the lack of arts policy and the onerous process through which public funding is made available as highly problematic. Similarly, four interviewees (two donors and two fundraisers) suggested that people in Birmingham take the arts for granted.

Several challenges were noted on a limited number of occasions, but warrant mention because they provide important insights. Lack of public policy in Birmingham was mentioned three times (one donor and two fundraisers). One donor stated that public policy support was necessary to effectively use the arts as an economic development tool. Further, the donor made a distinction between public policy, which drives considerable resources to public goals, and philanthropy, which is privately driven and necessarily limited in scope.

The geographic fragmentation of the arts infrastructure in Birmingham was cited on three occasions (twice by donors and once by a fundraiser). Interviewees noted that this fragmentation had both physical and psychological implications. In other words, because Birmingham lacks an arts district, people have to go to destination venues. Further, because there is no central arts district, people do not think about the importance of the arts in a holistic way. Twice, donors cited concern about the changing interests of audiences and expressed the need for arts organizations to stay current with the interests of both young people and a tech-savvy audience that may be more interested in engagement than passively-delivered entertainment. It is important to note that donors, not fundraisers, voiced these latter concerns. Finally, a challenge that was acknowledged across the interviews (but was not mentioned in the challenges question) was a lack of organizational resources, which was expressed as a lack of human resources, financial resources, systems resources, and physical (building-related) resources.

RQ 10. Who did donors and fundraisers believe the beneficiaries of donations to the participating organizations to be?

In the nonprofit sector, principal-agent issues, or potential conflicts brought on by information asymmetry in economic relationships, can manifest in numerous ways. It is imperative for the nonprofit to establish and maintain its trustworthiness and to ensure that the majority of donations it receives benefit the cause. If a nonprofit exists to provide famine relief,

most of the donations the organization receives must benefit those suffering from famine. A primary way principal-agent issues arise in the nonprofit sector is if cost-to-overhead ratios are deemed too high, thereby limiting the amount of money that is available to directly serve the organization's cause.

It was the position of this study that, in the nonprofit arts sector, principal-agent issues can manifest as ambiguity regarding who the beneficiary of a donation might be. This is especially problematic with nonprofit arts organizations that might have manifold beneficiaries. For example, a film festival might benefit filmmakers, audience members, community members, the municipality in which the event takes place, the organization's staff, and volunteers. One way institutional funders manage principal-agent issues is by assigning donations to a particular program thereby restricting what funds can be used to pay overhead expenses. Fundraisers participating in this study affirmed that ambiguity concerning beneficiaries is a significant concern. On this issue, a fundraiser stated:

I think it's very important, not just in our organization—it's an important question to have an answer to and we definitely don't have it in the bag. Part of the reason—and this is true for a lot of nonprofit arts organizations—you've got the artist who benefits, you've got the audience, you've got the staff and volunteers, all sorts of people who have a vested interest in what you do. It certainly makes messaging complicated.

In the in-depth interviews, 11 types of beneficiaries were identified including: artists, children, the community-at-large, staff, volunteers, the audience, "myself", the filmmaker community, the City of Birmingham, downtown Birmingham, and donors. The range of beneficiaries identified in this study was quite broad and some surprising responses were revealed. For example, donors identified staff members (10 times) as primary beneficiaries of donations to the participating organizations. This finding contradicts the notion that donors are resistant to fund overhead expenses. Fundraisers cited artists (five times), children (four times), and the community-at-large (four times). Thus, fundraisers placed approximately the same emphasis on artists and the community-at-large (which was interpreted to include the audience

and a sense that Birmingham is better because of the existence of the organizations participating in this study). CDF and SOE identified children as beneficiaries, because they provide arts education for underprivileged children.

Two donors identified themselves as beneficiaries. One contextualized his support as a matter of responsibility and the other as a matter of responsibility and identity formation, saying, “[Supporting the Sidewalk Film Festival] says something about me, about who I am, and it says something about my company, which supports the festival.”

To summarize, donors identified a variety of beneficiaries, including staff members, which suggested that the cost-to-overhead ratios and ambiguity about who benefits from donations to the participating organizations were not issues. Fundraisers considered artists and the community-at-large to be beneficiaries; and two donors indicated that they were beneficiaries because contributing to an organization fulfilled a responsibility, informed personal and corporate identity in a positive way, and simply felt good.

RQ 11. What reasons for supporting the arts did donors give?

Donors interviewed in this study were asked, “Why do you support the arts in Birmingham?” The purpose of this question was not only to determine the reasons donors identified for supporting the arts, but also to investigate the *types* of reasons that were given. To accomplish this, interviews were coded; designated by type along the arts benefits continuum; sorted by organization; and, finally, calculated in terms of total frequency. In some cases structural coding was used, and in other cases *in vivo* coding was necessary to accurately capture participant sentiments. The most frequently occurring reason by type was intrinsic private benefits.

Pleasure and passion were each indicated five times as reasons for support. Indeed, one participant typified the enthusiasm with which interviewees responded, noting, “Why do I

support the arts? Because I love the arts, I'm passionate about the arts." Another interviewee commented, "I'm just passionate about the arts, especially music. I always have been. It makes me a better person."

Community enrichment, which is an instrumental public benefit, was cited on four occasions during the interview process. On this subject, one participant noted, "Another reason I keep coming back to is the enrichment of the community. The more people support festivals and music events, the more we're likely to have. It just grows the whole circle." Another donor echoed this sentiment stating, "For me it's about the enrichment of the community. The arts make Birmingham a better place—a better place to live. But isn't that the case everywhere?"

Three reasons for support were noted three times each; and while this level of frequency did not constitute data saturation, these comments provided interesting insights. For example, three individuals indicated that the reason they supported the arts in Birmingham was that giving simply made them feel good, which was considered an intrinsic private benefit. One participant noted, "[Giving] just makes you feel good. It makes you smile."

Additionally, three donors commented on the potential for the arts to assist with downtown revitalization (instrumental public benefit). Indeed, one participant stated, "Yeah, things like Sidewalk, Secret Stages, ArtWalk—all of those things get people downtown. And they have a great time. I think it really helps people to think about downtown in a different way [...]"

Finally, three items were coded twice each and 11 items were noted a single time; perhaps what is most noteworthy about these infrequently coded items is that the notion of the arts as a driver of economic development was mentioned only once. This contradicted the citation as both a benefit of arts participation (eight times) and as a compelling argument for arts support (10 times). Three CDF donors indicated that they supported the organization because their children

participated in the program, but since this was specific to a single organization, the item was not coded. Thus, instrumental public benefits were the most frequently coded type of reason given for support, but three of these items were cited a single time and two of them were cited twice each; as a result, data saturation along these dimensions could not be claimed. Thus, the intrinsic private benefits of passion and pleasure were the most consistently cited reasons donors provided for supporting the arts, which further reinforced the importance of intrinsic benefits to individual donors. Details of these findings of the in-depth interviews are provided in Appendix H.

### **Co-orientation Study**

RQ 12. On which organization-donor relationship dimensions, stewardship strategies, and cultivation strategies were donors and fundraisers in agreement/disagreement?

The results of the co-orientation study revealed high levels of donor/fundraiser congruence across a variety of co-orientation dimensions. However, AMIA fundraisers were in agreement with donors on a single relationship dimension, trust. On the other hand, fundraisers and donors representing both CET and CDF were in agreement along the relationship dimensions of satisfaction, trust, and commitment. Fundraisers and donors representing SOE were in agreement along the trust and commitment dimensions. Disagreement was found among all of the participating organizations along the control mutuality dimension. Additionally, the co-orientation analysis revealed disagreement along the satisfaction dimension (AMIA, SOE) and the commitment dimension (AMIA).

Donors and fundraisers participating in this study were in agreement along several stewardship strategies. For example, agreement was seen along the reciprocity dimension (CET and SOE); responsibility dimension (CET, CDF, and SOE); and the relationship-nurturing dimension (SOE). On the other hand, all of the participating organizations showed disagreement

along the reporting dimension. The relationship-nurturing dimension revealed disagreement among three organizations: AMIA, CET, and CDF. Finally, disagreement between donors and fundraisers representing AMIA was seen along the reciprocity and responsibility dimensions.

Agreement between donors and fundraisers was seen along several cultivation strategies. For example, agreement along the access dimension was seen among AMIA, CET, and CDF; agreement along the positivity dimension was seen among AMIA, CET, and CDF; agreement along the sharing tasks dimension was in evidence among AMIA, CET, and CDF; agreement was seen along the assurances dimension among all of the organizations. Agreement was seen along the networking dimension for SOE. On the other hand, disagreement was seen along the openness dimension for all of the participating organizations. Additionally, disagreement occurred along the networking dimension for AMIA, CET, and CDF. Finally, disagreement between donors and fundraisers was seen along the access and positivity dimensions for SOE. Details of the findings of the co-orientation study can be seen in Appendix J.

## CHAPTER V

### DISCUSSION

The discussion section of this study is organized as follows: First, a brief discussion of the key findings of the text analysis, in-depth interviews, and co-orientation study are presented. Second, the implications of the findings for fundraising practitioners are presented. Third, the study's implications for the understanding of arts philanthropy as a function of communication and the maintenance of the organization/donor relationship are discussed. This section is intended to indicate what the study's findings mean and the context in which they are best understood. The chapter concludes with a brief discussion of the study's limitations and recommendations for future research.

Before summarizing the study's findings for fundraising practitioners and scholars interested in arts philanthropy, it is necessary to briefly summarize the research protocol, the goals of the study, and key propositions. This study was a mixed method multiple case study of four small nonprofit arts organizations (NAOs) in Birmingham, Alabama (i.e., Alabama Moving Image Association, The Children's Dance Foundation, City Equity Theatre, and Space One Eleven).

The goal of this study was to provide a critical framework for understanding NAOs; how they function in society; how they understand and communicate the need for financial support; and how they understand their relationships with donors. To accomplish this goal, the study engaged in four critical aspects of inquiry: (a) the historical, theoretical, and structural context in which NAOs and their participating organizations exist; (b) the communication challenges and the various persuasive strategies used by the organizations in direct mail fundraising letters; (c) the perceptions of donors and fundraisers associated with these organizations along several key

variables; and (d) the organization/donor relationship of these organizations from the co-orientation perspective.

Context was provided by a comprehensive literature review that discussed historical, structural, and theoretical issues that inform the nonprofit arts sector in the United States. Additionally, a text analysis of 23 direct mail letters was conducted. A qualitative text guide was developed for this study based on previous research of fundraising letters investigating the use of various persuasive strategies.

A series of in-depth interviews with donors and fundraisers explored the organization/donor relationship in two ways. First, interviews sought to understand the perceptions of participants related to the benefits of arts participation, the efficacy of various justifications for arts funding, the challenges nonprofit arts organizations face, perceptions regarding who the beneficiaries of donations to the participating organizations might be, and the reasons donors gave for supporting the arts. Responses were coded and typed along the arts benefits continuum proposed by McCarthy et al. (2004). Additionally, the frequency of responses was noted. This section of the in-depth interviews was intended to provide fundraisers with comprehensive information about donor perceptions along the previously described dimensions.

Second, in-depth interviews included a co-orientation study that investigated agreement/disagreement between donors and fundraisers along relationship dimensions (i.e., control mutuality, satisfaction, trust, commitment); stewardship strategies (i.e., reciprocity, reporting, responsibility, relationship nurturing); and cultivation strategies (i.e., access, positivity, openness, sharing tasks, networking, assurances).

The co-orientation study was incorporated into the in-depth interviews because it was determined by the researcher and NAOs that a survey was not feasible; further, incorporating the co-orientation study into the in-depth interviews was methodologically consistent with previous co-orientation research studies of small groups.

Key propositions of this current study were as follows: (a) small NAOs have positive effects disproportionate to the modest resources they draw upon; (b) in light of declining public funding and increased competition for foundation support, individual donors will be increasingly important; (c) small NAOs lack the resources to conduct and benefit from fundraising research; (d) the discourse of arts philanthropy is particularly complex because it relies upon a combination of intrinsic and instrumental justifications; (e) additional research investigating the intrinsic benefits of participation in the arts is needed; (f) it is imperative for fundraisers to understand the perceptions, values, and beliefs of donors; and (g) to be effective, fundraisers in the arts must be equipped with a variety of arguments to appeal to varying donor interests, values, and beliefs.

### **Context**

The literature review of this study provided context necessary for understanding the nonprofit arts sector in the United States by first orienting it historically in the broader nonprofit realm. This review included an overview of the history and development of the nonprofit sector in the United States, challenges based on exponential growth of the nonprofit sector in recent years, changes in public attitudes towards the nonprofit sector, the evolution and extraordinary growth of the nonprofit arts sector since the mid-1960s, and the challenges currently facing the nonprofit arts sector. The literature review also provided a discussion of key theoretical approaches to understanding the arts and their function in society developed in the mid-1960s, largely in response to conceptualism. These theories focused on the institutions of the art world and differentiated between production (the creation of art), distribution (venues that make art available to the public), and reception (an audience that understands the artistic conventions on

display) of art (Becker, 1982; Danto, 1964; Dickie, 1971, 1974). The underlying thought was that, in light of conceptualism, almost anything could be considered art if experienced in the proper (institutional) context (e.g., an art gallery, museum, concert hall).

Over time, institutional theories gave way to another series of sociological theories of art, including the theory of artistic field, which illuminated the complex relationships and interactions between individuals in the art world; the symbolic nature of the arts economy; how artistic prestige is achieved; and how artistic prestige is translated into financial capital (Bourdieu, 1996). Actor network theory, which is considered an ethnomethodological approach to understanding art, emphasizes the autonomy of artists and interactions between the various individuals involved with art (Heinich, 2003). Art as a social system conceptualizes art as a form of communication rooted in perception rather than in language (Luhmann, 2000).

The literature review noted that in art worlds, distribution is of critical importance because it is the nexus at which production and reception take place. Van Maanen (2009) argued that various conditioning factors affect the distribution of art. Specifically, five factors were identified: (a) economic (mechanisms through which art subsidy is provided); (b) political (the governmental structures through which decisions about the arts are made); (c) social (the reception of art and how value is conveyed); (d) education (the means by which students develop receptive technical and reflective aesthetic abilities); and (e) technological (e.g., sound recording, filmmaking, radio, television, the Internet). Each of these conditioning factors exerts influence on distribution systems and therefore on how art manifests in different communities.

In this current study, attention was also given to cultural economics, which contemplates issues such as various forms of public subsidy for the arts, individual choice (preferences and constraints), the implications of supply and demand, and principal-agent issues (Frey, 2003). DiMaggio (2006) noted structural peculiarities in the nonprofit arts sector that present

methodological complications in the analysis of the sector. For example, unlike other nonprofit realms, such as education and health care, the nonprofit arts sector is dominated by small organizations that are often embedded in other organizations (i.e., churches, schools, community centers). As a result, NAOs are poorly institutionalized, lack resources, and rely more on volunteerism and individual donations and less on public funding.

Another issue identified by DiMaggio (2006) was that of minimalist organizations, which are unincorporated, lack tax-exempt status, have minimal programming, and rely on part-time or volunteer staff. Based on these observations, DiMaggio (2006) proposed a conceptualization of the nonprofit sector as existing in three rings, in which the innermost ring consists of well-established organizations and the outer rings are comprised of less well-institutionalized and minimalist organizations. Further, DiMaggio (2006) argued that when assessments of art systems are conducted disproportionate weight is given to well-established organizations, which produces a distorted view of the sector as a whole.

Finally, the literature review section of this current study discussed the different types of arguments used to justify arts funding and suggested that the arts benefits continuum conceptualized by McCarthy et al. (2004), which proposed a range from intrinsic private benefits to instrumental public benefits, was an accurate and effective means of categorizing arts funding arguments.

To summarize, the literature review section of this study explicated the theoretical underpinnings that guided the qualitative text analysis, the in-depth interviews, and the co-orientation research conducted in this study. Additionally, the literature review contextualized the nonprofit arts sector in the United States by discussing the historical, structural, and situational factors that shape the sector.

It is the position of this study that the nonprofit arts sector is complex; that it has defining features that can only be understood in an historical, theoretical, and structural context; that, in general, the nonprofit arts sector in the United States is poorly understood (even by fundraisers and arts advocates); and that to craft effective arts funding appeals for a variety of individual, institutional, and governmental funders, fundraisers must be fully cognizant of the sector's history and defining features. In addition to providing much-needed context for arts advocates and fundraising practitioners, the literature review was also intended to serve as a resource for scholars interested in arts philanthropy as a function of communication and public relations.

### **Qualitative Text Analysis**

The qualitative text analysis conducted in this study investigated 23 fundraising letters generated by the participating organizations over a six-year time frame. To accomplish this, research into fundraising letters from a variety of academic perspectives was codified into an analysis guide. These academic perspectives included communication, social psychology, cultural economics, behavioral economics, and philanthropy studies. The guide included social cue strategies, Aristotelian Proofs, graphic strategies, signals to resolve principal-agent issues, information to motivate and facilitate giving, the seven-move genre structure, individual/instrumental arguments, non-user benefits, and readability scores.

Text analysis revealed that the letters focused heavily on providing readers with information about the organization's programs along with abundant factual/statistical information, often concerning attendance, and/or the number of individuals served. AMIA mentioned its purported economic impact in several letters, but appeals to emotions or donor values and beliefs were very limited. Graphic strategies, such as the use of color and photographs, were employed most consistently by CDF. Text-based graphic strategies, such as

the use of bold-faced fonts and bulleted lists, were seen frequently across the body of letters. Organizational longevity, past achievements, testimonials, and identification of tax-exempt status were often employed as a means of resolving potential principal-agent issues. Additionally, CDF employed teasers on envelopes to motivate giving.

The components of the seven-move genre structure were in evidence across the letters, but not necessarily in sequence. Not surprisingly, cognitive and emotional stimulation were often cited by the two organizations that provide arts education. AMIA emphasized civic pride and the organization's capacity to improve the perception of Birmingham by citing positive recognition for the Sidewalk Film Festival by national media outlets. AMIA also indicated prestige value in its letters (which was assessed in this study to be similar to civic pride, but externally focused). Reading level of the letters was assessed as generally appropriate for the target audience of well-educated donors.

Summarizing the results of the text analysis gives rise to several observations. First, the analysis guide identified many persuasive strategies that were readily available and had been used successfully by other nonprofit organizations, but that were underutilized in the fundraising letters analyzed in this study. As such, the analysis guide may provide important information for individuals who are responsible for writing fundraising letters.

Second, the letters were largely expository (concerned with providing information) in nature. Business letters are typically cited as an example of expository discourse. To a large extent, the letters analyzed in this study were transactional rather than relational, and the only explicit call to action was the request to donate. Further, each organization's cause/mission was rarely stated explicitly. Instead, programs were emphasized heavily.

Third, the letters analyzed in this study focused heavily on appeals to reason and credibility. Developing the means for infusing emotion into the fundraising letters generated by NAOs is advisable.

Finally, fundraisers would benefit from a clear understanding of argumentation and the elements necessary for constructing effective arguments.

Concerning the analysis guide and its potential use as an aid for constructing fundraising letters, there were several social cue strategies that were rarely used by the organizations in this current study. For example, indicating a specific donation amount, personalizing the appeal by mentioning the donor's name multiple times, and including narrative or experiential material are simple, proven strategies identified in fundraising research. Appeals to credibility could be strengthened by consistently mentioning the organization's 501c3 tax-exempt status and organizational longevity, when appropriate. Surprisingly, 501c3 status was mentioned in only 10 of the letters analyzed in this study.

With some exceptions, the use of graphic strategies was underdeveloped in the fundraising letters as well. While some graphic strategies, such as the use of color and photographs, might be prohibitively expensive, text-based strategies, such as bulleted lists, boldfaced fonts, and underlining, are readily available and cost neutral strategies to highlight written material. Findings from previous research studies have shown that the use of headlines and postscripts are effective strategies in fundraising letters. Nevertheless, their use was quite limited across the letters analyzed in this current study.

Similarly, indicating the names of board members along with their professional affiliations is a simple strategy that helps resolve principal-agent issues and reveals latent professional and social connections that might encourage potential donors to contribute. The use of teasers on envelopes sets fundraising letters apart from other forms of mail and has been shown to encourage potential donors to actually open and read the letters. Indicating how donations can be made, potentially by referencing an insert, is also a simple strategy that was largely overlooked in the letters analyzed in this study.

There was scant mention of the participating organizations' missions. Indeed, the assumption appeared to be that programs were synonymous with missions. However, according to Klein (2011), mission is concerned with *why* an organization exists, while programs define *what* an organization does to fulfill its mission. Indicating the organization's mission in a clear and consistent way might add depth to fundraising appeals. In some cases the letters analyzed in this study seemed to have an inward focus, seeking to appeal primarily to management and a few key stakeholders. Finally, while testimonials were used in several letters, there was little use of narrative as a means of compelling donors.

Previous researchers have noted that it is often difficult to infuse arts funding with emotion. However, this study determined that including testimonials, stories, and narratives about how an individual's life was positively affected by an organization can potentially serve as a means of evoking emotion.

Further, this study concluded that fundraisers would benefit greatly from the study of public communication. A point of departure for this pursuit would be to develop a series of arguments for a variety of audiences based on the proposition that arts funding is necessary, even in light of pressing social issues, such as poverty, hunger, and poor education. Further, this study holds that components of the text analysis guide, such as the arts benefits continuum and non-user benefits, would provide useful information in developing pro-arts funding arguments.

### **In-depth Interviews**

The purpose of the first part of the in-depth interviews was to collect data regarding donor and fundraiser views on several key questions concerning the benefits of arts participation, justifications for arts funding, perceptions of the challenges NAOs face, who the beneficiaries of donations to the participating organizations might be, and the reasons donors give for supporting the arts. An underlying assumption of this study was that, for fundraisers to create effective fundraising appeals and maintain meaningful donor relations, it is critical to understand the

perceptions, beliefs, and values that guide the decision-making processes of donors. Thus, the intent of the interviews was to gain a better understanding of donor perceptions and thereby enhance fundraisers' ability to be effective.

To provide fundraisers with comprehensive and useful information, donor perceptions were categorized along the arts benefits continuum proposed by McCarthy et al. (2004). At the time of this investigation, the current researcher was not aware of any other study that utilized the arts benefits continuum to categorize donor perceptions. The arts benefit continuum was of interest to this study for two reasons. First, it provided a means for categorizing benefits from intrinsic/private to instrumental/public benefits. This is significant, because much of the public discourse concerning arts funding is dominated by instrumental benefits arguments, such as the arts as a driver of economic development. Second, if donors interviewed for this study cited a plethora of intrinsic/private benefits, it suggests that the discourse around arts funding (at least appeals directed at individual donors) might be unnecessarily constrained.

Study participants identified a surprising variety of benefits associated with arts participation. The most frequently cited types of benefits were intrinsic private benefits (12), intrinsic private benefits with public effects (12), and instrumental private benefits with public effects (12). Bridging and bonding effects were noted 10 times each; pleasure/entertainment was cited nine times; economic development/creative class benefits and openness to different worldviews were identified eight times each; and emotional growth and intellectual growth were identified seven times each. Additionally, quality of life/enrichment, alternative to "football" culture, and improved perception of Birmingham were noted four times each. Several benefits were cited a single time, and while their infrequent occurrence did not achieve data saturation, many of them were of interest to fundraisers.

These findings suggested that the individual donors interviewed in this study contemplated a wide variety of intrinsic/private benefits and, as a result, intrinsic/private benefits arguments might be effective for identifying future individual donors. Therefore, fundraisers might be advised to mention dimensions such as pleasure, personal enrichment, joy, inspiration, and improved self-awareness in their spoken and written fundraising appeals directed toward individual donors. This does not, however, negate the importance of instrumental benefits; rather, it indicates that expanding the vocabulary of arts advocacy to include an array of intrinsic benefits might be advisable.

The number and variety of responses to the arts benefits question also suggested that the perception of benefits was highly personal and influenced by place. For example, several donors indicated that the arts as a driver of downtown redevelopment and as a means of improving the image of Birmingham were important benefits. Therefore, fundraising practitioners would be advised to develop the means for capturing this information to include in donor profiles.

Regarding the efficacy of various pro-arts funding arguments, donors cited economic development arguments (10) and civic pride (5) as the most compelling ones. This might mean that the economic development argument is simply compelling. On the other hand, it might mean that the argument has so thoroughly insinuated itself into the discourse about arts funding that it is the first argument that comes to mind. It is important to reiterate that while the economic development argument was mentioned often neither donors nor fundraisers discussed it with enthusiasm. That the arts as a means of bolstering civic pride was mentioned several times further suggested that pro-arts arguments were influenced by place. Study participants identified 28 different pro-arts arguments, including arguments such as the arts provide joy, inspiration, and personal enrichment; the arts provide jobs and generate tax revenue; and the arts provide options for children not interested in sports.

Not surprisingly, participants identified the lack of funding and competition, both across the nonprofit sector as a whole and among nonprofit arts organizations, as the most pressing challenges for NAOs. This finding reinforced the significance of this study, because it aimed to provide fundraisers with information intended to improve their abilities to gain philanthropic support.

Participants were asked who they believed the beneficiaries of donations to the organizations might be. The purpose of this question was to investigate whether ambiguity concerning beneficiaries might give rise to principal-agent issues. This question revealed consistency between donor and fundraiser responses. Further, and more importantly, artists were identified as beneficiaries most frequently (12). Children, the community-at-large, and organizational staff were each cited 11 times. This is significant, because a key assumption in the nonprofit paradigm is that overhead expenses are problematic and that benefit should accrue to the public, not the nonprofit organization. That artists and staff were among the most frequently cited beneficiaries might suggest that principal-agent issues were not at play because the participating organizations are well respected; that there was awareness that arts organizations are generally under-resourced and that staff is overworked; and/or simply that some donors had personal relationships with fundraisers.

When asked why they supported the arts in Birmingham, donors provided 20 responses that varied significantly. Interestingly, the intrinsic private benefits of passion and pleasure were the most frequently heard responses. Similar to other questions, it was clear that place played an important role in the decision to support nonprofit arts organizations. For example, responses included: the arts promote a thriving downtown; engender civic pride; bring interesting people to Birmingham; and provide an alternative to football culture.

To summarize, the first part of the in-depth interviews provided robust, varied, and highly personalized responses and suggested that donors valued the intrinsic aspects of arts

participation. Donors' perceptions reflected a much more nuanced view of arts participation than the current discourse on arts funding would suggest. Additionally, when asked about pro-arts arguments, donors indicated that economic development arguments were probably effective, but the responses on this dimension were unenthusiastic. Fundraisers indicated that a variety of arguments were needed to appeal to different types of donors (i.e., institutional, governmental) and the different interests of individual donors.

Across the interviews, responses that were influenced by place suggested that it is necessary for fundraisers to incorporate locally-oriented arguments into their fundraising appeals. In other words, some appeals, whether they are based on intrinsic or instrumental benefits, can be generalized across a spectrum of individual donors; some appeals should have a place-based element; and some appeals would be better suited as highly personal and informed by an individual's experience, as well as how the individual is connected to the art form and interacts with the organization.

Summarizing the in-depth interviews gave rise to four observations that might be helpful to fundraisers as they contemplate donor base segmentation and craft new fundraising appeals. Donors expressed enthusiasm for programs in which their children participated; and this enthusiasm lingered, in some cases, for years after their children were no longer involved with the program. Second, interviewees were particularly excited about programs and events that were uniquely "of Birmingham," but had relevance beyond the city. For example, AMIA donors mentioned the uniqueness of the Sidewalk Film Festival, citing that it takes place in downtown Birmingham, rather than a suburban multiplex theatre, as is often the case with smaller film festivals; that it occurs in non-traditional venues; and that it attracts filmmakers from around the world. AMIA donors also expressed enthusiasm about the festival receiving positive national media attention.

Third, fundraisers might benefit from thinking in terms of *Terroir*, which arts consultant Sara Lutman (2014) described as unique qualities that can be evoked only because of the characteristics of a specific place (e.g., history, culture, climate, food, music). Fourth, fundraisers might also benefit from thinking of the arts in terms of *intersectionality*, or how the arts intersect with various disenfranchised groups. This might be a particularly relevant concept given Birmingham's complicated history regarding matters of race and labor relations.

Finally, it might be advantageous for fundraisers to utilize components of the interview guide developed for this study to ascertain valuable information about the perceptions, values, and beliefs of donors to help optimize fundraising appeals and to improve the quality of the organization/donor relationship. This might be accomplished through formal data collection via surveys, interviews, and focus groups, as well as conversational settings.

### **Co-orientation Study**

As previously noted, the researcher determined early in the research process that a co-orientation survey was not feasible; therefore, the co-orientation study was incorporated into the in-depth interviews. In retrospect, this was an advantageous decision for three reasons. First, based on a review of the literature, co-orientation research in the context of the nonprofit arts sector has not previously been undertaken; therefore, the validity of the measures used in other co-orientation research was uncertain. Second, it was possible to gain insights by interviewing donors and fundraisers involved with four separate organizations – organizations that present different art forms (film, dance, theatre, and visual art); have different organizational foci (presentation, art education, and professional development); have existed for different lengths of time; have different size budgets; and have very different institutional cultures. Third, while the co-orientation study did not generate statistical data, the interviews provided rich, qualitative

data that illuminated many aspects of the organization/donor relationship that would not otherwise have been available.

The co-orientation study revealed a high level of fundraiser/donor agreement for all of the participating organizations along several relationship dimensions, stewardship strategies, and cultivation strategies, including: trust, satisfaction, commitment, reciprocity, responsibility, access, positivity, sharing tasks, and assurances. The co-orientation study also revealed consistency in areas of disagreement, primarily along the control mutuality, reporting, and openness dimensions.

The majority of donors expressed very positive impressions of the participating organizations and the individuals who were responsible for organizational fundraising. Indeed, words like “very trustworthy,” “conscientious,” “admirable,” and “courageous” were used to describe some of the fundraisers participating in this study. The only negative comments by donors involved failures of communication and issues of controversial or offensive programming. It is important to note that these donors had ongoing relationships with the organizations and as such could be considered stakeholders. As a practical matter, these were simply the kinds of donor that organizations were comfortable asking to participate in the study. It also should be noted that the organizations were extremely accommodating in providing unfettered access to important donors.

Control mutuality stimulated robust discussion among donors and fundraisers. It was identified as a complex issue because of the need to balance curatorial integrity with what some viewed as inevitable donor influence. Only donors expressed the probable inevitability of donor influence, stating that they simply did not see how donors could not exert influence. One fundraiser indicated that donors might have direct influence if they decided to fund a new

program, but insisted that the program would have to be consistent with the organization's mission to be considered. On the other hand, fundraisers were adamant about the separation between fundraising and programming, insisting that the integrity of the organizations they represented would be compromised if donors were allowed to influence programmatic decision-making.

Lack of resources was a constant refrain, echoed by donors and fundraisers alike. Indeed, whenever organizational shortcomings were mentioned, it was nearly always blamed on insufficient resources. This was an interesting finding, because donors did not identify lack of resources as a primary challenge to NAOs in the first part of the in-depth interviews. One fundraiser wisely differentiated resources into four categories: capital (funding), human (administration, volunteers), systems (telephone, computers), and physical (space limitations/orientation). This specificity was significant because it helped delineate the various areas in which the lack of resources may negatively affect operations. To summarize, there was a very strong awareness on the part of donors as to resource limitations.

Another issue that stimulated considerable discussion was that of openness and how to best communicate with donors about serious challenges the organizations might face. Fundraisers voiced concern that conveying negative information might hinder fundraising efforts. On the other hand, donors indicated that they would want to know if the organizations were facing dire challenges, but also noted that frequently communicating too much negative information would be burdensome for stakeholders. Thus, it is imperative for fundraisers to strike a balance between presenting encouraging, positive information and serious challenges.

One donor proposed that how negative information is communicated is of paramount importance, suggesting that serious negative information should be communicated in person, preferably among a group of stakeholders. Further, the donor suggested that crises should be

discussed early and carefully. It is important to note that the combination of limited resources and the reluctance to communicate negative information appeared to place serious practical and psychological burdens on fundraisers.

The question of free riding was discussed often across the co-orientation study. Free riding occurs when individuals use goods or services without paying for their fair share of them. This is particularly complicated for organizations that generate income through ticket sales, fees, or tuition. The issue is that some individuals feel that buying a ticket, or paying a modest fee to partake in an arts activity, fulfills the ticket buyer's obligation to support the organization. How fundraisers encourage individuals to purchase tickets *and* contribute is a complex matter – and one of considerable concern to the fundraisers in this co-orientation study.

Fundraisers representing SOE elucidated an unusual circumstance that complicated their fundraising efforts considerably. The organization has two primary programmatic areas, visual art exhibitions and art education programs. The art education programs are supported largely by Birmingham-based funders, and the exhibitions are funded by nationally-based entities. Therefore, the communication around fundraising is necessarily bifurcated – one message to local funders interested in art education and one to national funders interested in exhibitions. Another complication arises for SOE because their mission is to support artists by providing opportunities to exhibit and teach; supporting children by providing art education opportunities; and supporting the community-at-large are not explicit components of the organizational mission. It would be advisable for SOE to resolve any mission-related confusion that might exist in both internal and external communication.

To summarize, the co-orientation research conducted for this study showed that there was a high level of agreement between donors and fundraisers along a variety of relationship

dimensions, stewardship strategies, and cultivation strategies. Incorporating the co-orientation study into the in-depth interviews was advantageous because the interviews generated rich qualitative detail that would not have been possible in a survey. Additionally, the interview approach to co-orientation was consistent with previous research on dyads and small groups. This study might assist in the development of a co-orientation survey specifically intended for nonprofit arts organizations. However, as it pertains to NAOs, especially small NAOs, an interview approach might yield more useful results.

On numerous occasions fundraisers reported that the co-orientation questions caused them to think about their relationship with donors in new and helpful ways. Control mutuality emerged as an important issue that has particular implications in the nonprofit arts context. Curatorial integrity demands that donors do not directly influence programmatic decisions. In many respects, donors must rely on the curatorial expertise of the organizations to establish and maintain compelling programs. Free riding was identified as an important and complex issue, particularly for organizations that generate income from ticket sales, fees, and tuition. The lack of resources, including capital resources, staff, systems, and space, was consistently identified as a confounding issue across the co-orientation study. Finally, the kinds of negative information and how negative information is communicated to donors was a serious concern for fundraisers.

What emerged from the totality of this study (text analysis, in-depth interviews, and the co-orientation study) was a critical view of arts philanthropy that incorporated the historical, theoretical, and structural context in which nonprofit arts organizations in the United States exist; the unique communication challenges fundraisers representing small nonprofit arts organizations must face; and the complications associated with establishing and maintaining the organization/donor relationship in a highly productive, but significantly under-resourced, paradigm.

## **Implications for Communication Scholars Interested in Arts Philanthropy**

This study has implications for communication scholars in several ways. First, communication scholars could assist fundraisers in the development of effective pro-arts funding arguments as well as arguments to counter anti-arts funding sentiments expressed by individuals, institutions, and government funders. A position of the current researcher is that anti-arts funding sentiments are often unknowingly based on a narrow, opportunistic reading of Maslow's hierarchy of human needs, which holds that self-actualization (morality, creativity, spontaneity, problem-solving) should be strived for after more basic needs have been attained, including physiological (food, water, sex, sleep); safety (physical security, employment, health); belonging (friendship, family, intimacy); and esteem (confidence, achievement, respect).

Anti-arts funding arguments often suggest that the arts are fundamentally unimportant compared to other areas of human existence and that funding of the arts is not justified as long as the basic needs of some elements of society are not being met. If this were the case, then clearly arts funding would never be justified, because in every community there are and always will be hungry, undereducated, and ill citizens.

It is not uncommon for parents to discourage their children from becoming involved with the arts, typically because the arts are believed to lack economic utility. In other words, since a career in the arts is unlikely, time spent on the arts may be considered unproductive. Ivey (2008) noted that at the turn of the 20th century, the arts were well integrated into the fabric of everyday life in America. Indeed, facility with some art form was considered a matter of literacy, and amateurism in the arts was thought to be virtuous. On the other hand, Ivey (2008) argued that in the early 20<sup>th</sup> century, sports were not particularly integrated into everyday life. During that time, professional sports were largely limited to horse racing and boxing.

However, beginning in the 1920s and accelerating exponentially after World War II, sports became an increasingly important aspect of American life; the arts increasingly focused on the rarefied echelons of professionalism; amateurism in the arts became pejorative; and amateurism in sports became a virtue.

The mid-20<sup>th</sup> century obsession with sports was reinforced by public policy, which led to the development of athletic facilities and school-based athletic programs across the United States. Today, parents rarely object to their children becoming involved with sports, even though the potential for them to become professional athletes is remote, as remote as becoming a professional artist. In other words, Americans criticize the arts but do not apply the same criteria when thinking about sports. Rather, support for sports appears to be based on deeply entrenched assumptions about the positive effects sports participation is believed to produce. Thus, there are fallacies in the ways many Americans think about the arts. It is a position of this study that communication scholars could assist the nonprofits arts sector by crafting pro-arts arguments that take these fallacies into consideration.

Another potential area of interest to communication scholars is nascent research that seeks to identify and better understand the intrinsic benefits of arts participation (Brown & Ratzkin, 2012). In communication, there is a longstanding and venerable body of research in media effects/processes. While there are clearly differences between media effects and the benefits of arts participation, the current researcher holds that media effects research could provide important insights and methodological approaches for researchers studying the benefits of arts participation. For example, in media effects research there is a line of scholarship investigating the effects of film and television watching from the theoretical perspective of *mood management* (Bryant & Zillmann, 1984; Zillman, 1988a, 1988b). Similarly, communication scholars have researched the implications of *narrative transportation* (Green & Brock, 2002) or the psychological absorption into story/character one can experience from

various forms of narrative fiction. To a large extent, arts benefits research is concerned with positive long-term effects.

Scholars interested in arts philanthropy might also want to investigate which of the stewardship strategies (i.e., reciprocity, reporting, responsibility, relationship nurturing) and cultivation strategies (i.e., access, positivity, openness, sharing tasks, networking, assurances) are most relevant to donors and fundraisers. Even though these dimensions have been tested in other nonprofit contexts (Waters, 2007), their relevance to a number of the dimensions in the nonprofit arts context is questionable. Further, the stewardship and cultivation strategies used in the co-orientation study appear to assume a level of human, financial, and systems resources that is unrealistic for small arts organizations.

For example, reporting fundraising successes requires a fundraiser with sufficient time to devote to the task (e.g., culling information, writing a report, developing a newsletter, constructing an annual report, emailing stakeholders) and a computer to complete the work. Similarly, relationship nurturing, networking, and providing assurances can be an expensive and time-consuming pursuit. This would not be an issue for large nonprofit organizations with abundant resources and numerous fundraising staff dedicated to specific aspects of stewardship and donor cultivation. For a small nonprofit organization, however, relationship nurturing might be seen as a misuse of staff time and resources. Additional clarity on these points would serve communication scholars and fundraising practitioners by helping to determine which stewardship and cultivation strategies are of greatest importance to arts donors. It may also be of interest to determine whether volunteers or board members could undertake some aspects of stewardship and cultivation. If so, board training in these areas would be essential.

Additionally, the suitability of the four relationship dimensions (i.e., control mutuality, trust, commitment, satisfaction) should be further investigated. Control mutuality is a complex issue in the present context because the fundraisers insisted that the integrity of the organization

was dependent on maintaining curatorial control, which necessitated that donors had no explicit control over programmatic decision-making. Indeed, in this context, the donor and nonprofit management existed in a symbiotic relationship in which the donor was highly dependent on the curatorial expertise of the organization. In a sense, the donor's only means of registering dissatisfaction was to withdraw support.

It is important to reiterate that the fundraisers participating in this study were also involved with making programming and curatorial decisions. In a large nonprofit arts organization, such as a museum or a symphony orchestra, reflections on the relationship dimensions might be quite different because in large organizations fundraisers rarely control curatorial decisions.

As previously mentioned, donors used words like “admirable,” “courageous,” “trustworthy,” and “grateful” to describe the fundraisers participating in this study. This might suggest that the relationship dimensions used in other co-orientation research lacked depth as compared to the relationships investigated in this current study. Even though the donors and fundraisers were in a high state of agreement along the relationship dimensions, a question arises: What other variables might be relevant to the arts donor/fundraiser relationship?

According to Waters (2007), *admiration* has not been included in the discussion about the organization/donor relationship; however, it has been studied in the interpersonal communication literature (Furman & Buhrmester, 1992). Further, Lopes, Salovey, and Straus (2003) argued that admiration enhances the quality of social relationships. According to Waters (2007), admiration could also be relevant to the organization/donor relationship. While admiration might seem to be similar to satisfaction and commitment, Waters (2007) noted that there are distinctions. For example, satisfaction and commitment do not necessarily evoke deeply held emotions. On the other hand, an individual might feel a strong sense of admiration for an organization that works to cure critically ill children or bring a social injustice to light.

In addition to admiration, Waters (2007) proposed that the interrelated notions of *appreciation*, *acknowledgement*, and *gratitude* might be suitable additions to the relationship dimensions. This suggestion is consistent with the findings of the current study. According to Alder and Fagley (2005), appreciation is defined as “acknowledging the value and meaning of something – an event, a person, a behavior, an object – and feeling a positive emotional connection to it” (p. 81, as cited in Waters, 2007, p. 227). As noted by Waters (2007), acknowledgement is similar to the recognition component of reciprocity, and gratitude is a reflection of the positive emotional connection. Further, Waters (2007) argued that, in the for-profit paradigm, small examples of acknowledgement and gratitude have been shown to contribute to increased sales and brand loyalty.

Waters (2007) indicated that expanding the relationship dimensions to include appreciation and acknowledgement would make measuring the organization/donor relationship more difficult. Therefore, the author proposed that the cultivation strategies be reexamined. Specifically, Waters (2007) questioned whether the *keeping promises* strategy was close in intent to the responsibility dimension. Similarly, Waters (2007) noted that access and openness are both concerned with sharing information with donors, and that positivity and making assurances are conceptually similar. Waters (2007) regarded all of the relationship dimensions as positive in nature, and suggested that it might be advisable to include a conflict resolution component to the relationship dimensions, such as Plowman’s (1996) resolution strategies (i.e., contending, avoiding, accommodating, compromising). The current research concurs with this assessment.

On the other hand, the stewardship strategies (i.e., reciprocity, responsibility, reporting, relationship nurturing) proposed by Kelly (1998) were based on the author’s experiences as a professional fundraiser and a comprehensive review of literature written by fundraising practitioners.

In this research, Kelly (1998) found support for practitioner-based dimensions in scholarly research. Thus, the stewardship dimensions used in this current study were thought to be reliable.

## CHAPTER VI

### CONCLUSION

This study provided a critical framework for understanding philanthropy in the arts by pursuing four areas of inquiry. First, the literature review section of this study provided context by discussing the historical, theoretical, and structural factors that define the nonprofit arts sector in the United States.

Second, a qualitative text analysis of 23 fundraising letters generated by the participating organizations was conducted. This analysis showed that the letters were constrained in their use of persuasive strategies; the focus of the letters was to provide information about the organizations' programs. Further, stories and narrative intended to evoke emotion were limited. It is hoped that the text analysis guide might provide fundraisers with practical information regarding persuasive strategies that other nonprofits have successfully employed.

Third, in-depth interviews offered insights of donors' perceptions regarding the benefits of arts participation; justifications for arts funding they identified as effective; and their personal reasons for supporting the arts in Birmingham. Ambiguity as to who benefitted from donations to the participating organizations did not give rise to principal-agent issues among the donors interviewed in this study, but fundraisers noted sensitivity to the issue. Responses to the in-depth interviews were categorized along the arts benefits continuum proposed by McCarthy et al. (2004) to provide fundraisers with information concerning which types of benefits donors valued.

Further, a co-orientation study was incorporated into the in-depth interviews to investigate the organization/donor relationship along key relationship dimensions, stewardship strategies, and cultivation strategies. The co-orientation study revealed a high level of

fundraiser/donor agreement along several dimensions and provided important qualitative data showing that donors held fundraisers in high regard and had a deep understanding of the challenges the organizations faced. Finally, the co-orientation study showed that donors appreciated artistic programming that was “of Birmingham” but also had relevance on a national level.

This study has value for fundraisers (particularly those involved with small nonprofit arts organizations) and communication scholars interested in arts philanthropy for several reasons. First, the nonprofit arts sector faces serious challenges related to fundraising. According to the Urban Institute (2012), the nonprofit sector in the United States has experienced exponential growth over the past decade, but philanthropy as a share of the national income has actually declined over the same period. Thus, increased competition and declining funding pose serious challenges for the nonprofit sector as a whole. Competition is particularly acute in the nonprofit arts sector, which in recent months has seen the demise or restructuring of venerable arts institutions such as the New York City Opera (Opera News, 2013) and the San Diego Opera (Los Angeles Times, 2014), as well as symphony orchestras in Memphis (Memphis Business Journal, 2014) and Green Bay, Wisconsin (StarTribune, 2014).

Second, the contributions that small NAOs make to the cultural vitality of the communities in which they exist are highly significant and often disproportionate to the meager resources they draw upon. Further, small NAOs often lack the human and capital resources, training, information, and institutional stability to compete effectively against other nonprofits. The findings of this study confirm these assumptions. Communication scholars can ameliorate this situation by focusing more research on the nonprofit arts sector and making the findings of that research available, understandable, and applicable to the fundraising practices of small NAOs.

The present study assists small NAOs in their fundraising efforts in three important ways. First, the literature review section of this study provides scholars and fundraising practitioners with critical information regarding the unique historical, theoretical, structural, and economic circumstances of the nonprofit arts sector in the United States. This study holds that this contextual information is necessary for the construction of effective fundraising appeals to a variety of arts funders, including individual donors; corporations; private and community-based foundations; and governmental funders on the city, state, and national levels. In other words, a full understanding of the nonprofit arts sector, how it has evolved, and the current state of affairs is critical for creating targeted, effective, fundraising appeals.

Second, the text analysis guide developed for this study compiled research from a variety of disciplines concerning the persuasive strategies used in fundraising letters. Further, the text analysis showed that the use of these strategies was quite limited in the letters analyzed in this study. Knowing what persuasive strategies have been used successfully by other nonprofit organizations will enable NAOs to experiment with different strategies and determine which are most effective for their particular organizations. It is important to note that even in the Internet age, direct mail fundraising letters remain relevant. Indeed, a recent study argued that Internet-based fundraising is not expected to surpass direct mail until 2030 (Blackbaud, 2014).

Third, the in-depth interviews conducted in this study identified and categorized numerous benefits of arts participation that are valued by individual donors. This study proposes that elucidating this spectrum of benefits will help fundraisers craft more effective, targeted appeals and establish and maintain more meaningful relationships with donors.

Fourth, while the co-orientation study did not address the critical issue of identifying potential donors, the relationship dimensions, cultivation strategies, and stewardship strategies do provide important insights that are necessary to establish and maintain meaningful relationships with donors. Knowledge of the relationship dimensions, cultivation strategies, and stewardship

strategies enumerated in this study will certainly be valuable to fundraisers as they conceptualize and prioritize their communication with donors. From a methodological perspective, co-orientation interviews would provide a valuable means of evaluating lapsed or problematic donor relationships.

### **Limitations of the Study**

This study intended to assist communication scholars interested in arts philanthropy and fundraising practitioners by proposing a critical framework for understanding arts philanthropy. To accomplish this, a mixed method, multiple case study design was developed. With the support of four small nonprofit arts organizations, access was provided to fundraising materials, fundraisers, and donors. The results of this study provide insights into the discourse of arts philanthropy and the nonprofit/donor relationship. However, this study has several limitations that require acknowledgement.

The first limitation is generalizability. As previously noted, this study was not designed to generate statistical or quantitative data; rather, the intent was to provide qualitative data that might be naturalistically generalizable. In other words, case study research often captures relevance between cases. However, all of the organizations that participated in this study were located in the same area. Given that arts funding differs greatly from city-to-city, state-to-state, and region-to-region, the applicability of this study's findings would have to be assessed on a case-by-case basis. It is doubtful that the findings of this study could be generalized beyond the study location.

Another limitation concerns the kinds of donors that participated in this study, all of which had ongoing relationships with the participating organizations. No former donors or donors in conflict with the organizations participated in this study. To some extent this was simply because these were the types of donors that were willing to participate in the study. The funding level at which the donors contributed to the participating organizations was not

determined. In the future, it would be advisable to ascertain this information from donor records if the information is readily available and the organizations participating are willing to provide it. This information is significant because it might inform the donor's level of commitment and help to differentiate between low, mid-level, and major donors. Comparing the views and the nature of the organization/donor relationship of different types of donors (e.g., annual giving, major gift) would also be advisable in the future. This information would help fundraisers craft donor-specific appeals and build relationships based on mutual understanding.

In this current study, the primary means of communication between fundraisers and donors was not assessed. It would be helpful to determine what forms of communication donors preferred. Whether the organization/donor relationship was based on personal interaction, program participation, written communication, or Internet-based interactions was also not assessed. While this study had the cooperation of four small nonprofit arts organizations, the number of individuals participating in this study also was limited.

The overall number of fundraisers participating was limited as well. Additionally, the fundraisers who participated in the study were involved with programming and curatorial decision-making. This was largely because the organizations were small and lacked full-time staff dedicated specifically to fundraising. It might have been possible to engage volunteers or board members involved with fundraising, but the researcher decided to limit participation to paid staff and donors only. However, in one case, a donor had served as a board member for one of the participating organizations. Important ways to expand the scope of this research would be to investigate organizations of different sizes and from different geographic locations.

The text analysis conducted in this study focused exclusively on direct mail letters and did not attend to Internet or social media-based fundraising programs. Even though a recent study (Blackbaud, 2014) suggested that Internet-based fundraising initiatives would not surpass direct mail until 2030, the impact of new technologies on the practice of fundraising is very significant.

When this study began, with the exception of AMIA, the participating organizations did not actively engage in fundraising online. This evolved somewhat during the course of this study, but the online fundraising of the participating organizations remains quite modest. Therefore, this study focused on the analysis of direct mail fundraising letters. However, the fact that this study did not attend to Internet and social media-based fundraising can be seen as a limitation.

Finally, in order to incorporate the co-orientation study into the in-depth interviews, an interview guide was developed based on the relationship dimensions, stewardship strategies, and cultivation strategies. To ensure that the interview process was not overly burdensome, each of the 16 dimensions was represented by one question, with the exception of control mutuality, which included two questions. The survey instrument on which the interview guide was based included six questions per dimension. Since the co-orientation study was only one part of the interview process, and each question was followed by discussion, the researcher deemed this approach suitable. In the future, co-orientation interviews might include additional questions for each dimension.

### **Recommendations for Future Research**

This study indicated several new research streams that could benefit fundraising practitioners and communication scholars interested in arts philanthropy. First, this study raised questions about the communication issues fundraisers in the arts face. These complications have an impact on the construction of fundraising material and the relationship between fundraisers and donors. To investigate this issue a text analysis of fundraising letters revealed multiple persuasive strategies that have been used successfully by other nonprofits that were absent from the letters analyzed in this study. Additionally, this study investigated the perceptions of donors on key topics (i.e., benefits of arts participation, justifications for funding, perceived challenges, reasons for support) that are at the core of communication difficulties arts fundraisers must face. This study also investigated the organization/donor relationship from the perspective of co-

orientation theory, which showed a high level of agreement along the relationship dimensions, stewardship strategies, and cultivation strategies.

While it is clear that advancing effective arguments and testing various persuasive strategies in fundraising programs is essential for the sustainability of the nonprofit arts sector in the United States, they alone are insufficient measures. Researchers have noted that the nonprofit arts sector is in real peril, due to overbuilding, hyper-competition, and a reluctance to let permanently failing organizations close gracefully (Ivey, 2008; Meyer & Zucker, 1989). The present researcher agrees with this sentiment. Therefore, future communication research focusing on the discourse policy makers, arts advocates, community leaders, and funders employ during episodes of crisis in the nonprofit arts sector would be advisable.

As previously noted, the nonprofit arts sector in the United States faces serious challenges, including a lack of adequate resources, increased competition, and declines in public funding. Compared to other nonprofit domains, the fundraising function in the nonprofit arts sector is quite unsophisticated. As a result, little fundraising research has been dedicated specifically to this sector. It would be quite illuminating for fundraisers representing small nonprofit arts organizations to study the operations of other fundraising realms, such as nonprofit healthcare organizations; educational nonprofits, which hire the most fundraising staff; and religious institutions, which receive the bulk of individual donations in the United States. Investigating the fundraising apparatus of these kinds of organizations might help arts fundraisers develop ways to shift some of the responsibilities for cultivation and stewardship to volunteers or board members.

Much of the knowledge about the importance of the organization/donor relationship is based on literature written by fundraising practitioners. While this literature contains important insights, considerably more research needs to be conducted to investigate the specific qualities of the organization/donor relationship, especially in the context of the nonprofit arts paradigm. For

example, it would be helpful to investigate the types of relationships that exist among nonprofit arts organizations and their donors. It seems likely that since donors have dissimilar interests and are connected and interact with organizations differently, they may view the relationship through a unique lens. In other words, individuals who volunteer with an organization, practice an art form, or have children involved with an organization might be connected to the organization in a specific way. Public relations scholars and fundraisers in the arts would benefit from the development of scales that investigate the different types of relationships and their impacts on the organization and its fundraising efforts.

While the relationship dimensions, stewardship strategies, and cultivation strategies used to measure the organization/donor relationship have been shown to be valid, research investigating aspects of the relationship that might be particularly germane to the nonprofit arts paradigm would be advisable. Additionally, future researchers are encouraged to explore how these dimensions might be codified into a more parsimonious series of measures. This is particularly relevant to the cultivation strategies used in this study. The findings from this current study were consistent with Waters' (2007) admonition that conflict resolution strategies in the context of the organization/donor relationship should be investigated. These strategies might be relevant in dealing with a spectrum of issues including controversies around questionable business practices and challenging exhibitions and performances.

Research on the efficacy of various communication and persuasive strategies in fundraising letters would certainly benefit fundraisers and communication scholars. Testing persuasive strategies in fundraising letters is a systematic process that involves writing a series of letters utilizing different persuasive strategies, mailing the letters to a random sample of donors, and comparing the results of each approach, as determined by the amount of funds raised. Since nonprofit arts organizations frequently lack the resources to test fundraising material, this kind of

research is rarely conducted. Research to determine if it is efficacious to include a pledge card *and* refer to it in the text of the fundraising letter may be worth further consideration.

Further, warm glow effects are difficult to predict and the strategy could be difficult to effectuate in the context of arts philanthropy. Nevertheless, warm glow effects are an important aspect of the philanthropy equation. Therefore, more research is called for on this dimension, particularly in the context of arts philanthropy. In addition to testing fundraising letters, it would be advisable for future investigators to audit all physical and electronic forms of nonprofit communication to determine the consistency of messaging and whether certain persuasive strategies might be effective across different types of communication.

As Internet-based fundraising programs gain in importance, it would be helpful for communication scholars to investigate the efficacy of various persuasive strategies used in online platforms, including organization-specific fundraising programs and crowdsourcing platforms such as Kickstarter, Indiegogo, Fundraise.com, CauseVox, and Fundly. Further, it would be beneficial for communication scholars to investigate the implications of social media as it pertains to identifying, cultivating, and maintaining the organization-donor relationship.

The discourse of arts funding has long been dominated by tangential arguments; and to a large extent, in their scramble for funding, arts advocates have failed to challenge this approach. As they attempt to craft effective arts funding appeals and respond to anti-arts funding messages that emanate from various sources, fundraisers would benefit greatly from the insights provided by communication scholars. Research investigating the efficacy of various pro- arts funding arguments among different funding cohorts would be advisable.

A nascent line of research seeks to identify and understand the intrinsic, long-term benefits provided by arts participation (Brown & Ratzkin, 2012). It is the position of the researcher that many of the theoretical perspectives and methodological approaches used by

media effects scholars are highly relevant to this new research paradigm. A comprehensive literature review of media effects research that is particularly relevant for the study of arts benefits would be advantageous.

Focus group and structured interview research that investigates donor perceptions regarding potential principal-agent issues and free riding in the context of the nonprofit arts sector would be advisable. The issue of free riding should be investigated, as it pertains to both organizations that generate income from ticket sales, fees, and tuition, as well as organizations that have minimal or no earned income.

While it is clear that advancing effective arguments and testing various persuasive strategies in fundraising programs is essential for the sustainability of the nonprofit arts sector in the United States, they alone are insufficient measures. Ivey (2008) noted that the nonprofit arts sector is in real peril, due to overbuilding, hyper-competition, and a reluctance to let permanently failing organizations (Meyer & Zucker, 1989) close gracefully. The present researcher agrees with this sentiment. Therefore, future communication research focusing on the discourse policy makers, arts advocates, community leaders, and funders employ during episodes of crisis in the nonprofit arts sector would be advisable. Additionally, research documenting best practices in the nonprofit arts sector, particularly as it pertains to communication, methods of assessing audience/donor interests, as well as leadership and governance, is needed.

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APPENDIX A  
LETTERS OF SUPPORT

June 1, 2013

Dear IRB Compliance Officer,

I am writing to inform you that the Alabama Moving Image Association (AMIA, DBA Sidewalk Film Festival) has agreed to participate in and fully supports William Webb Robertson's dissertation research, *Persuasion, Context, and Relationship Management: Towards a Critical Framework for Understanding Philanthropy in the Arts*. The research protocol has been thoroughly explained to us. Our support includes providing fundraising letters, as well as access to donors and key fundraising personnel.

If you have any questions, please do not hesitate to contact me at 205-324-0888 or via email at [chloe@sidewalkfest.com](mailto:chloe@sidewalkfest.com).

Thank you,

Chloe Collins  
Executive Director



**enriching** the spirit  
enlivening the **imagination**  
celebrating **community**

June 1, 2013

Dear IRB Compliance Officer,

I am writing to inform you that the Children's Dance Foundation has agreed to participate in and fully supports William Webb Robertson's dissertation research, *Persuasion, Context, and Relationship Management: Towards a Critical Framework for Understanding Philanthropy in the Arts*. The research protocol has been thoroughly explained to us. Our support includes providing fundraising letters, as well as access to donors and key fundraising personnel.

If you have any questions, please do not hesitate to contact me at (205) 870-0073 or via email at [diane@childrensdancefoundation.org](mailto:diane@childrensdancefoundation.org).

Thank you,

Diane Litsey  
Executive Director

*...for life, for learning, for all!*



P. O. Box 10165  
BIRMINGHAM, AL 35202-0165  
(205) 951-3029  
[CITYEQUITYTHEATRE.ORG](http://CITYEQUITYTHEATRE.ORG)  
[CITYEQUITYTHEATREMAIL@GMAIL.COM](mailto:CITYEQUITYTHEATREMAIL@GMAIL.COM)

June 1, 2013

Dear IRB Compliance Officer,

I am writing to inform you that City Equity Theatre has agreed to participate in and fully supports William Webb Robertson's dissertation research, *Persuasion, Context, and Relationship Management: Towards a Critical Framework for Understanding Philanthropy in the Arts*. The research protocol has been thoroughly explained to us. Our support includes providing fundraising letters, as well as access to donors and key fundraising personnel.

If you have any questions, please do not hesitate to contact me at (205) 252-9241 or via email at [jfuller@asfa.k12.al.us](mailto:jfuller@asfa.k12.al.us).

Thank you,

Jonathan Fuller  
President & Co- Artistic Director  
CITY EQUITY THEATRE

June 1, 2013

Dear IRB Compliance Officer:

I am writing to inform you that Space One Eleven (SOE) has agreed to participate in and fully supports William Webb Robertson's dissertation research, *Persuasion, Context, and Relationship Management: Towards a Critical Framework for Understanding Philanthropy in the Arts*. The research protocol has been thoroughly explained to us. SOE's support includes providing fundraising letters, as well as access to donors and key fundraising personnel.

If you have any questions, please do not hesitate to contact me at (205)328-0553 or via email at [peterprinz@spaceoneeleven.org](mailto:peterprinz@spaceoneeleven.org).

Sincerely,

Peter Prinz  
CEO, Co-Founder

**Board Members**

**President**

Mary Ann Culotta

Margaret Alexander

Anne Arrasmith

Susan Colvin

Derrick Franklin

Alex Goldsmith

James Lewis, Sr.

Cheryl Morgan

Shirley Osband

Peter Prinz

Webb Robertson

Alan Tichansky

Scott Vowell

Paige Wainwright

John White

Rick Lowe (honorary)

Space One Eleven

Space One Eleven is a member of The Andy Warhol Foundation for the Visual Arts Initiative

**SPACE ONE ELEVEN (SOE) • A VISUAL ARTS NON-PROFIT**

2409 Second Avenue North • Birmingham, Alabama • 35203-3809 • Phone (205) 328-0553 • Fax (205) 254-6176

APPENDIX B  
FUNDRAISING LETTERS

November 1, 2007

Mr. Wendell Allen  
1136 Glen View Road  
Birmingham, AL 35222

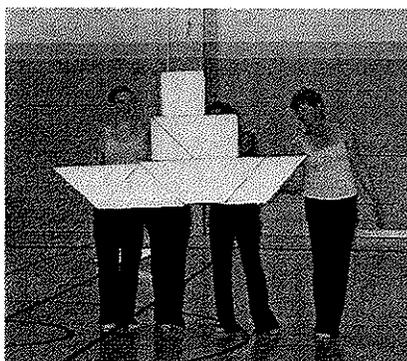


Dear Mr. Allen,

Imagine experiences which cultivate creativity, confidence and a sense of community...experiences which build skills and spark curiosity. This is the business of Children's Dance Foundation and has been since 1975. We use dance to empower students young and old, of all abilities and from all incomes and backgrounds.

This year, with your renewed help, we can enrich the lives of more than 6,000 children, teens and adults through two community programs:

**The Community Partnership Program** provides ongoing weekly creative classes for 2,000 participants at more than 35 social service agencies, child development centers, senior centers and schools throughout Birmingham. Many of these students live with physical, mental, emotional and economic challenges.



**The School Touring Program** presents the professional dance performance *Math In Motion* to eight underserved area schools each year. The performance and related classroom sessions introduce math concepts from the elementary curriculum in a visually intriguing and interactive format. This program has been touring the state since 1998.

Please consider how many lives profoundly benefit from these programs offered by Children's Dance Foundation. Will you help us continue by renewing or increasing your gift of \$20? The annual budget for these community programs is \$255,000. We earn only 35% of this cost from fees for these services, and need your help to bridge the gap. Thank you in advance for your generosity on behalf of all those we serve.



Sincerely,

Amy Nicholas  
President, Board of Directors

Diane Litsey  
Executive Director



Give to what moves you.

November 20, 2008

Tom Dalton  
708 Fairfax Drive  
Birmingham, AL 35209

Dear Mr. Dalton

*"Dance is a celebration of life, a widening of horizons, an exercise in communication, an exploration into self awareness; through this discipline all the arts come into focus,"*

– Jennie Webb Robertson

Jennie founded Children's Dance Foundation in 1975, creating an inclusive and nurturing program for students of all ages and abilities to explore dance. CDF stays true to that vision today. We use dance as a tool to teach development fundamentals, build self confidence, investigate concepts in science and math, cultivate an appreciation for the arts and most importantly to experience the joy of movement! For our challenged and underprivileged students, CDF brings the opportunity they deserve to engage the arts. Three compelling community programs embody Jennie's vision.

- Ⓢ **The Community Partnership Program** provides ongoing weekly creative classes for 1,500 students, toddlers to teens, at more than 30 social service agencies, child development centers and schools throughout Birmingham. Many of those we serve at these sites live with physical, mental, emotional or economic challenges and more than half are very young...at the age for developing skills critical for success in school. In the Community Partnership Program young children build skills through creative movement, 4<sup>th</sup> graders explore science concepts through dance, and teenagers gain confidence by participating in ballet, jazz and modern dance.
- Ⓢ **The School Touring Program** presents the professional dance performance *Math In Motion* to local underserved area schools each year. The performance introduces math concepts in a visually intriguing and interactive format. For many students this is their first exposure to a live dance performance. This year alone, more than 3,000 students and teachers will experience *Math In Motion* at elementary and middle schools in Jefferson County.
- Ⓢ **The Scholarship Program** provides financial assistance to more than 20 students each year in CDF's Studio Program.

These skill building programs can continue to reach these children only with your support. Will you help us provide these programs by renewing your gift to **The Jennie Robertson Memorial Fund**? We earn 35% of the \$225,000 necessary to make these programs happen. Your support is essential to helping us continue Jennie's work and the number of lives CDF can change.

Your gift will help strengthen the bodies, enliven the imaginations and enrich the spirits of more than 4,500 toddlers, school children, teenagers and adults in our community. Today more than ever, we cannot underestimate the need for community and the power of joy.

Sincerely,

Diane Litsey  
Executive Director

James Johnston  
President, Board of Directors

*Hi Tom! Hope you're well. We love you*

Children's Dance Foundation is a 501(c)(3) corporation. Your contribution is tax deductible as allowed by law.  
1715 27<sup>th</sup> Court South • Birmingham, AL 35209 • 205-870-0073 • [www.childrendancefoundation.org](http://www.childrendancefoundation.org)

*Help this year!*

...because dance is a foundation for life and for learning.



Inquisitive, active, joyful children have a strong foundation to learn, grow, and achieve. You can help cultivate these creative thinkers with your support of ongoing classes and performances provided by Children's Dance Foundation. We are a not-for-profit organization, and we travel throughout our community each week teaching children through movement and music, children who are very young, who have no other arts experiences, children who have disabilities. We build skills, creativity, and confidence through these two imaginative community programs.

- ◆ **The Community Partnership Program** provides weekly creative dance classes for more than 1,000 students, from toddlers to teens, at 25 sites throughout Birmingham. The classes reach boys and girls who are typical, at risk, or have special needs. Movement-to-Music classes for young children and those with special needs are filled with imaginative songs, stories, and live music to build skills and inspire minds, while Dance Fundamentals classes for school age children and teens instill confidence and teamwork while teaching them the basics of ballet, modern, and jazz.
- ◆ **The School Touring Program** presents the new professional dance performance *The Magic Circle* and our much loved *Math in Motion* to local underserved elementary and middle schools. These shows juxtapose two disciplines, math and dance, finding a means of expression for one through the other. Oversized and whimsical props help explore circles, circular motion, patterns, and rhythm. In the 2009-10 school year, we will reach more than 5,000 students and teachers in Jefferson County through this program.

Please give generously to our annual fund and keep these innovative programs in our community. Your gift towards our goal of \$175,000 will encourage more than 6,000 children to be active, creative thinkers, ready for what comes next.

Sincerely,

JamesD. Johnston,  
*Board President*  
El Paso Corporation

K.C. Hairston  
Balch & Bingham

Bill Pearson  
Morgan Stanley Smith  
Barney

Michelle Amaral  
Microbiologist, UAB

Kristal Lamb  
Eating Disorder Center of  
Alabama

Kimberly Till Powell  
Balch & Bingham

Leigh Davis  
Alabama Power

Tom Larkin  
The Larkin Firm

Gregory T. Reagan  
Reagan Accounting &  
Consulting Group

Catherine Dew  
CTS

Jason Meredith  
Midsouth CFO

Emily Redmon  
Maloy & Company

Elisabeth French  
Attorney

Anna Nelson  
Marketing Consultant

Andrew Wyatt  
Purpose PR Firm

Alison Ingram  
President, Childrens' Arts  
Guild

Betsy Nolen  
Barfield, Murphy, Shank &  
Smith

Diane Litsey  
Executive Director

W. Patton Hahn  
Baker Donelson, Bearman,  
Caldwell & Berkowitz

Monti Parrott  
Pearce, Beville, Leesburg &  
Moore

...because dance is a foundation for life and for learning.



October 28, 2010

Ms. Emily Redmon  
Maloy & Company  
2212 3rd Avenue North  
Birmingham, AL 35203

Dear Ms. Redmon,

*"Logic will take you from A to B. Imagination will take you anywhere."* – Albert Einstein

Our children are in need of ways to feed their imaginations, work together, explore big ideas, and strengthen their bodies and minds. By encouraging creativity, our children are more able to be innovators, problem solvers, and collaborators, not only now but as adults. Children's Dance Foundation has two inspiring arts education programs that cultivate curiosity, active lifestyles and creative thinking.

- **The Community Partnership Program** reaches more than 1,100 children each week at 25 sites throughout Birmingham providing creative explorations in dance. Movement-to-Music classes for young children and those with special needs use imaginative songs, stories and live music to help build skills and inspire minds. Dance Fundamentals classes for school age children and teens instill confidence while providing a fun, healthy activity.
- **The School Touring Program** travels two professional modern dance shows, *Math in Motion* and *The Magic Circle*, to underserved elementary and middle schools. Both performances use dance to investigate the world of math including patterns, shapes and rhythm and show how math is more than numbers and equations, but something that is all around. These shows will reach 5,000 students and teachers at 10 schools in Jefferson County during the 2010-11 school year.

To keep everyone moving and learning, we ask you to please give generously to help us reach our \$200,000 annual fund goal. Your contribution will allow these engaging programs to impact the lives of more than 6,100 children in our community this year. Your gift will immediately go to work investing in the next generation of creative thinkers.

Sincerely,

Monti Parrott,  
Board President  
Pearce, Bevill, Leesburg & Moore

Angie Harris  
BlueCross BlueShield of  
Alabama

Chris Robbins  
ServisFirst Bank

Michelle Amaral, PhD  
University of Alabama at  
Birmingham

Tom Larkin  
Larkin Law Firm

William O. Whitt, III  
Dent, Baker & Company

James E. Bolles  
El Paso Corporation

Betsy Nolen  
Barfield, Murphy, Shank &  
Smith

Mary Ellen  
Red Diamond

Elisabeth French  
The French Firm

Bill Pearson  
Morgan Stanley Smith  
Barney

Kerri Windle  
Children's Arts Guild

W. Patton Hahn  
Baker Donelson, Bearman,  
Caldwell & Berkowitz

Kimberly Till Powell  
Balch & Bingham

Andrew Wyatt  
Purpose PR Firm

K.C. Hairston  
Balch & Bingham

Emily Redmon  
Maloy & Company

Diane Litsey  
Executive Director



...for life, for learning, for all!

«First\_Name» «Last\_Name»  
«Address»  
«City», «State» «Zipcode»

Dear «Salutation» «Last\_Name»,

*"Their confidence just went from 1 to 10. It was just incredible to see their eagerness, their willingness, to overcome those barriers of fear, and to just step outside of their comfort zone. They talked about it the entire night, and on to the next day, and on to the next week, about how they performed in front of hundreds of people, and how excited they were."* Pamela Phipps, Executive Director, Grace House Ministries

Children's Dance Foundation's (CDF) programs spark creative thinking, encourage collaboration and build confidence in the lives of these teens and many more children in our community. And, you can help - make a donation today. With your support, CDF's dance classes and performances will continue to inspire the child who is homeless, very young, disadvantaged or at-risk, and the child who has special needs.

The Community Partnership Program is CDF's constant heartbeat. Artists teach dance with care and creativity to 1,000 children each week at more than 20 sites including The Bell Center, Birmingham Healthcare Coalition for the Homeless, Unite Cerebral Palsy Center – Hand In Hand, Avondale Elementary, and the YWCA. CDF provides these children with much-needed opportunities to feed their imaginations, work together, and strengthen their bodies and minds.

Our School Touring program presents "Math In Motion" and "The Magic Circle" performed by professional dancers. The shows travel to elementary and middle schools and juxtapose two disciplines, math and dance, showing the many connections one has to the other, and to the world around us. The dance performances explore math through audience participation, diverse music, and a curious collection of props. Almost 4,000 students and educators at underserved schools benefit each year.

Your generous donation will help young people like the teens with Grace House be inspired with healthy, positive experiences -- through dance. Thank you for learning more about Children's Dance Foundation -- for life, for learning, for all.

Sincerely,

Monti Parrott,  
Board President

Diane Litsey  
Executive Director



**CDF Mission:** To provide comprehensive dance education for all, enriching the spirit, enlivening the imagination and celebrating community.



*"Music and movement is a must in preschool!"*

- Brookwood Forest Elementary, Teacher

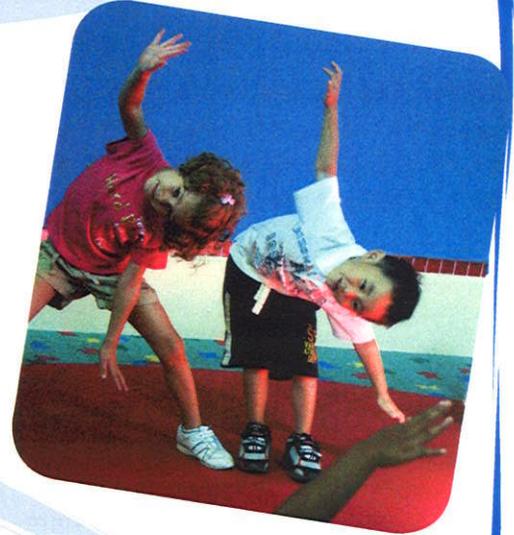
*"[The performance] got the students to think outside the text."*

- Teacher



*"We love seeing our shy students take part in the dance classes because they can really let their guard down and enjoy themselves in a different way than they can in the classroom."*

- St. Luke's Preschool Partners, Director

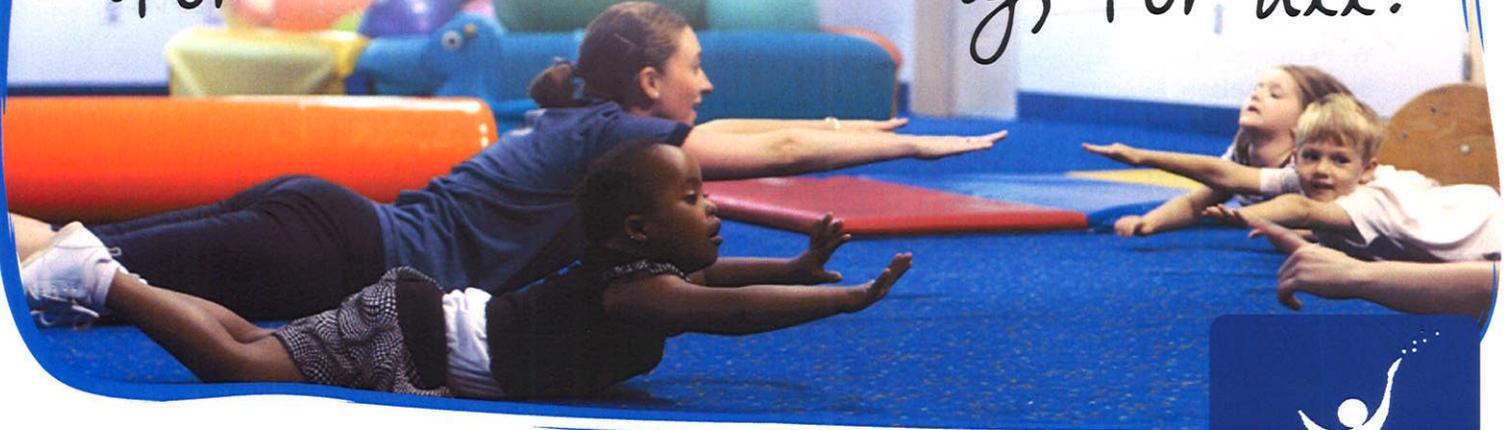


*"The girls had the opportunity to perform at the Alabama Theatre, and it was such an awesome experience for them. Their confidence went from 1 to 10. It was incredible to see their eagerness, their willingness to overcome those barriers of fear, and to step outside of their comfort zone."*

- Gracehouse Ministries, Executive Director



*..for life, for learning, for all!*



**Children's Dance Foundation** CDF dances with students of all ages and abilities in our community arts center in Homewood and at more than 20 social service agencies, child care centers and schools throughout Birmingham. Our dance classes and performances inspire the child who is homeless, very young, disadvantaged or at-risk, and the child who has special needs. CDF provides these children with much needed opportunities to feed their imaginations and strengthen their bodies and minds. CDF is a non-profit organization supported by generous corporations, foundations and individuals like you.

1715 27th Court South, Birmingham, AL 35209  
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358





*...for life, for learning, for all!*



*"I have seen firsthand the difference these classes have made in students who may be hesitant to participate in the classroom, but 'shine' when they are in dance class. These dance classes have helped to boost confidence in our students, as well as to foster their creativity."*

- Executive Director, PreSchool Partners

You know how vital it is for each child to have opportunities to shine...to believe they can do anything. At Children's Dance Foundation (CDF), we see every day that children in our community are lacking those experiences. We believe that dance is more than art, it is a pathway to learning and a sense of accomplishment. CDF's curriculum uses dance as a tool to cultivate collaboration, reinforce academics, build confidence, and develop fine and gross motor skills. Our dance classes and performances inspire all children, including the child who is homeless, very young, disadvantaged or at-risk, and the child who has special needs. We provide these children with much-needed opportunities to feed their imagination and strengthen their bodies and minds.

CDF's Community Partnership Program brings engaging dance classes to nearly 1,000 children each week. We travel to 24 preschools, elementary schools and social service agencies across the Birmingham community, bringing consistent opportunities for children to learn through the arts.

Our School Touring Program presents two modern dance shows, performed by professional adult dancers, which explore math and dance together. The performances travel statewide to elementary and middle schools and are rich with audience participation, diverse music, and a curious collection of props. Almost 4,000 students and educators at schools that are underserved in the arts benefit each year.

CDF is a non-profit organization supported by generous corporations, foundations and individuals. Your thoughtful donation will help ensure that more children in our community will be inspired with healthy, positive experiences through dance. Please donate today.

Sincerely,

W. Patton Hahn  
Board President

Diane Litsey  
Executive Director





5350 Cornell Drive  
Birmingham, AL 35210

Keith & Dalia Abrams  
976 Linwood Road  
Birmingham, , AL 35222

Dear Keith and Dalia,

Alan and I wanted to contact all of our membership personally to bring you up to date on CITY EQUITY THEATRE's growth. Since our Gala on June 21<sup>st</sup>, with our invited performance of FAITH HEALER we have raised over \$12,500 in membership donations and \$9,000 in grants for our next season. We have paid our contract bond to Actors' Equity Association making us the only professional theatre in the Birmingham area operating under a union contract.

As a result, we not only will be able to offer student's points towards their union membership after three years' time as promised, but also have had the extra privileged of being able to make two Birmingham artists union members **this summer** before they move to New York and Atlanta, respectively. This will greatly increasing their ability to make a full living as theatre artists in those cities. Ultimately, we wish Birmingham will be able to support its artists with such amenities as health insurance and pension benefits, but this is a wonderful and unforeseen first step.

This season we will be presenting the Birmingham professional premiers of two plays by one of America's most original playwrights, Sam Shepard; brought to with the generous donations of The Alabama State Council on the Arts, The Community Foundation of Greater Birmingham, the Daniel Foundation as well as Alagasco. We have also applied for grants from Compass Bank, the Hugh Kaul Foundation and the Robert Meyer Foundation which are still to be determined.

Because of your personal, and these institutional generosityes, we are moving to the main stage at the Alabama School of Fine Arts, greatly increasing our seating capacity. We have reached an agreement with Ticket Biscuit, so our patrons can buy tickets on line, over the phone or through the mail. We have also partnered with John's City Diner so we can offer "Dinner and Show Combos" for \$90.00 which include A \$50.00 certificate for dinner at John's City Diner as well as 2 tickets for one of our shows at a 20% discount.

So please look over the enclosed season brochure and check out what we're doing. We want you to **Hold the Date of June 18<sup>th</sup> Open for a Special Preview of our first production, *True West*.** We will be inviting you to come for free and to bring a pair of guests that you think should be introduced to the work that you, our membership have so enthusiastically supported. While you're looking over the brochure, choose a date to come see the Birmingham premier of the challenging political drama, *The God of Hell*. We assure you that it will be unlike anything you have ever seen in this city!

Sincerely,

Jonathan Fuller  
Co-Artistic Director  
CITY EQUITY THEATRE





**5350 CORNELL DRIVE  
BIRMINGHAM, AL 35210**

Dear ,

We hope you are all having happy holidays and looking forward to the New Year. Here at City Equity Theatre, we have been quietly getting all of our ducks in a row and have news for you.

First of all, we have received grants from the Alabama State Council on the Arts, The Daniel Foundation , and the Community Foundation of Greater Birmingham, totaling \$8,100, with more in the works! Those, along with the generous memberships and donations from such higher culturally evolved individuals as you, have amassed our coffers to a very respectable amount of approximately \$17,500.00.

We have been deep in the process of planning our Sam Shepard season here at City Equity and have secured the professional rights to produce TRUE WEST from June 19 – 29, 2008 and THE GOD OF HELL from July 17 – 27, 2008. We have been in talks with Actors Equity Association, and are close to securing a Small Professional Theatre Agreement with the union. Also, we pleased to announce that we are moving our home to the ASFA Mainstage Theatre, allowing us to expand our audience base next summer.

Please help us reach our goal of doubling our membership base by inviting friends who you think would be membership candidates to our summer productions.

We would also like to gratefully thank you for your generous donation of , and your membership subscription on the level. Your name will be in our program's roster of members this season.

Let this letter also serve as your official receipt of your tax deductible contribution for the IRS for your 2007 taxes. No goods or services were obtained from this donation.

On behalf of our board and myself, I want to thank you for supporting City Equity Theatre. We look forward to entertaining and challenging you next summer and beyond.

Very sincerely yours,

Jonathan Fuller  
Co-Artistic Director  
CITY EQUITY THEATRE

July 5, 2010

Mr. & Mrs. CET Supporter  
1234 Donation Drive  
Birmingham, AL 35200

Dear Mr. and Mrs. Supporter:

You have shown yourself to be an enthusiastic and discerning member of the Birmingham theatre community with your choice to attend a City Equity Theatre production. With your help, CET can bring a new professional level to both student and adult actors in Birmingham. **Will you help us bring high-quality, exciting productions and the option for local actors to achieve professional standards and benefits with your gift of \$ , \$ or \$ ?**

Since our inception in 2006, CET has been the only professional theatre in Birmingham operating under the auspices of the professional stage actors' union, Actors' Equity Association. Please see a summary of what this can mean for adult and student actors on the second page of this letter

Because of our excellent production track record, the New York office of Equity has allowed us to be **the first and only theatre company in Birmingham ever to offer the Equity Members Candidacy Program.**

This program will enable CET to offer non-professional actors and students the option to earn points towards their Equity membership *at their own pace*. In a rare decision, **Actors Equity Association has granted CET permission to offer this program to students at the Alabama School of Fine Arts**, beginning with our production in February of 2011 of the *original* classic Frank Wedekind play about adolescence, *Spring Awakening*.

**This will be the one of a very few such partnerships with a high school in the United States!**

Not only that, but CET will be able to offer this program to Birmingham actors of any age in their regular seasons, allowing our company to give back to the Birmingham theatre community. **CET's establishment of the Equity Membership Program is probably one of the most significant events, EVER in the growth of Birmingham's professional theatre scene.**

In addition to *Spring Awakening*, other shows under consideration for 2011 are *The Collector*, *The Sea Horse*, David Mamet's recent Broadway hit, *Race* and Tracy Letts' poignant comedy, *Superior Donuts*.

In this economy, we need your support! By donating to City Equity Theatre's 2010/2011 season, you will directly help ASFA students and the entire Birmingham acting community take a major step forward in their professional careers.

Your support will help the Birmingham theatre scene progress in a way unlike any other event in Birmingham's recent theatrical history. Won't you help us make this dream a reality?

**By supporting CET's Equity Membership Candidacy program, you will actively help "raise the bar" in Birmingham's theatre scene and impact professional theatre in our community probably more than any event in the past decade!**

Won't you help us make this dream a reality?

**BENEFITS FOR A THEATRE ARTIST AS A MEMBER OF ACTORS' EQUITY ASSOCIATION**

- Decent pay that values actors' and stage managers' talent and hard work.
- Access to auditions for Broadway, Off-Broadway and companies in major cities in the U.S.
- Benefits—Health, Pension and Workman's Compensation
- Improved working conditions and rehearsal hours.
- Protection against uncompensated video and audio recordings of performances.
- Membership in a professional actors' organization which will celebrate its 100th anniversary in 2013!

Sincerely,

Jonathan Fuller  
Co-Artistic Director  
CITY EQUITY THEATRE

P.S. Your gift will help the Birmingham theatre scene progress in a way unlike any other event in Birmingham's recent theatrical history!

**RACE**



5350 CORNELL DRIVE  
 BIRMINGHAM, AL 35210  
 (205) 532-2967 / (205) 951-3029  
[WWW.CITYEQUITYTHEATRE.COM](http://WWW.CITYEQUITYTHEATRE.COM)

Dec. 9, 2011

Dear City Equity Theatre supporter,

This is Alan Gardner, President of CET and I am writing to ask for your help with our June 2012 production of Tracy Letts' play **SUPERIOR DONUTS**; a funny and moving evening in the theatre, as fresh and tasty as a doughnut right out of the fryer!

Since the play takes place in a Chicago doughnut shop and I will be playing the shop owner, Arthur, I am asking 500 people to donate \$10 for "donut holes". For your tax-deductible contribution we'll put your name in our program for the help that you will be giving CET to fund this production,

Of course, if you would like to make a donation of an *entire* donut, like a regular Sugar -Glazed or Chocolate Glazed, there is nothing that prevents you from giving say...\$20 or \$30. Or maybe you prefer Apple Fritters, Crullers or Crème-filled donuts and would donate \$50, \$75 or even \$100 to have your favorite. You can do that too!

Just note what you want in the "for" section of the check. For example, make your check payable to City Equity Theatre in the amount of \$10 and put "for donut hole fundraiser." Or something else if it appeals more to you. And please remember that your "dough"-nation is entirely tax deductible!

We would appreciate your support of our fundraising campaign and please understand how important your continued support is to the success of City Equity Theatre, Birmingham's longest running professional Equity theatre company.

Sincerely,

Alan Gardner  
 President & Co-Artistic Director  
 City Equity Theatre



**DONUT HOLE = \$10**



**APPLE FRITTER = \$50**



**SUGAR GLAZED DONUT = \$20**



**CRULLER = \$75**



**CHOCOLATE GLAZED DONUT = \$30**



**CRÈME FILLED DONUT = \$100**





Mr. Alan Zeigler  
1019 Glenview Road  
Birmingham, AL 35222

Dear Mr. Zeigler,

You have shown yourself to be an enthusiastic supporter of the Alabama School of Fine Arts' Theatre Arts Department in the past. With your help, we can bring a new professional level to ASFA's Theatre Arts students in their specialized education far beyond any other school in Alabama. **Will you help us aid ASFA students towards membership in the professional stage actor's union, *Actors' Equity Association* and bring high-quality, exciting co-productions with Birmingham's only professional union theatre with a gift of \$50.00, \$100.00, \$250.00 or more?**

As you may be aware, there have never been any Advanced Placement (AP) courses in Theatre Arts programs in the United States. However, **CITY EQUITY THEATRE is about to initiate one of the most far-reaching, innovations in the history of both ASFA's and Birmingham's theatre arts community.** This program will advance ASFA Theatre students in their professional field far beyond what any AP course could possibly promise to do.

Because of City Equity Theatre's excellent production track record, the New York office of Equity has allowed CET to be **the first and only theatre company in Birmingham ever to offer the Equity Members Candidacy Program. And in a rare decision, Actors Equity Association has granted CET permission to offer this program to students at the Alabama School of Fine Arts.** This program will enable ASFA students the option to earn points towards their Equity membership when they work with City Equity Theatre.

To ensure this, CET is initiating an **annual collaborative production** with the Alabama School of Fine Arts. **This will be the one of a very few such partnerships with a high school in the United States!**

**ASFA Students will be working side-by-side with adult professional actors and stage managers in an apprentice/master relationship, all the while earning weekly points towards their equity membership. Please see a summary of what this affiliation can mean for ASFA student actors on the second page of this letter.**

We will inaugurate our collaboration in February of 2011 with our production of the controversial classic play by Frank Wedekind about adolescence in an oppressive society, *Spring Awakening*. This play was turned into the Tony Award winning rock musical in 2007. We will be producing Wedekind's *original* play in a new translation by Jonathan Franzen.

Not only that, but CET will be able to offer the EMC program to Birmingham actors of *any* age in their regular seasons, allowing our company to give back to the Birmingham theatre community.

(2)

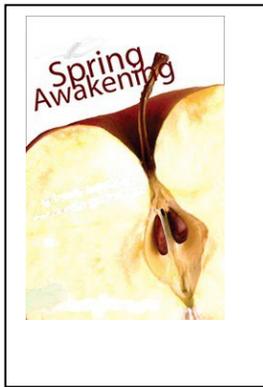
**CET's establishment of the Equity Membership Program is probably one of the most significant events, EVER in the growth of Birmingham's professional theatre scene.**

In addition to *Spring Awakening*, other shows under consideration in coming years which will feature large student-age casts are: *The Prime of Miss Jean Brodie*, *Romeo & Juliet*, *The Children's Hour*, *Tea and Sympathy*, *Ah, Wilderness!* *Life With Father*, etc.

**In this current economy, we need your support to make this happen!** By donating to City Equity Theatre's 2010/2011 season, you will directly help ASFA students and indeed, the entire Birmingham acting community, take a major step forward in their professional careers.

**By supporting CET's Equity Membership Candidacy program with ASFA, you will actively help "raise the bar" in Birmingham's theatre scene and impact professional theatre in our community probably more than any event in the past decade!**

Won't you help us make this dream a reality?



February 10 – 20, 2011  
at ASFA

Sincerely,

Jonathan Fuller  
Instructor of Acting & Directing  
ALABAMA SCHOOL OF FINE ARTS  
&  
Co-Artistic Director  
CITY EQUITY THEATRE

P.S. Your gift will help the Birmingham theatre scene progress in a way unlike any other event in Birmingham's recent theatrical history!

**BENEFITS FOR A THEATRE ARTIST AS A MEMBER OF ACTORS' EQUITY ASSOCIATION**

- Decent pay that values actors' and stage managers' talent and hard work.
- Access to auditions for Broadway, Off-Broadway and companies in major cities in the U.S.
- Benefits—Health, Pension and Workman's Compensation
- Improved working conditions and rehearsal hours.
- Protection against uncompensated video and audio recordings of performances.
- Membership in a professional actors' organization which will celebrate its 100th anniversary in 2013!



**CITY EQUITY THEATRE**  
5350 CORNELL DR.  
BIRMINGHAM, AL 35210

September 1, 2012

Dear City Equity Fans and Supporters,

Being particularly discerning theatre patrons in Birmingham, you know excellent theatrical productions when you see them here in our fair city. Why, just in the past couple of months, CITY EQUITY THEATRE had critics S.D. Burch of Tuscaloosa's *Vanishing Sights* website and Alec Harvey of *The Birmingham News* say of our **sell-out** production of SUPERIOR DONUTS:

"Two things make this play work and work exceptionally well: Letts' affection for all of his characters and the director's affection for actors and the craft of acting.... Jonathan Fuller directed this with a sure hand, and avoids the trap of over-directing, relying instead upon the text and his actors and his subtle uses of the space"... "I urge each of you to get over to the Virginia Samford Theatre and catch this wonderful production." - S. D. Burch - *Vanishing Sights*.



Alec Harvey said, "City Equity Theatre's superb production of "SUPERIOR DONUTS," another in a long line of successes for the company, once again shows us two things – at times there is no substitute for Equity actors, those who have professional credentials behind them and belong to Actors Equity Association; and there's nothing that says non-Equity actors can't rise to the occasion and perform just as well." – *The Birmingham News*.

This fits in so well with our mission statement:

**"CITY EQUITY THEATRE is Birmingham's flagship professional Actors' Equity Association company. Our Mission is:**

- **To Enrich theatre Artists' process and the community's life, by producing provocative, modern and classic plays that enlighten the Human Condition. AND**
- **To Expand the presence of Actors' Equity Association in the region for both professional and emerging theatre artists.**

With our two productions this past year of STAGE DOOR (with the Alabama School of Fine Arts) and SUPERIOR DONUTS, we now...in just a few short years have made 9 Birmingham actors full union members and 41 ASFA Students and members of the adult acting community Equity Membership Candidates.

With your Support, we can increase those numbers to at least 60 Equity membership Candidates and possibly 12 full-Equity members who will be on the road to making a complete living with benefits in their chosen profession.

**Look what we have lined up for next year!**



**THE SEA HORSE**



**by Edward J. Moore. Directed by Patrick Ian McCall & Starring Francie & Alan Gardner.**

September 13 – 23 in the Martha Moore Sykes Studio. In the vein of C.E.T.'s hit FRANKIE & JOHNNY IN THE CLAIRE DE LUNE, THE SEA HORSE is a tender, ribald, and complex love story. Set in a waterfront bar, where seaman Harry Bales spends his shore leave. "The Sea Horse" is run by Gertrude Blum, with whom Harry enjoys a purely physical relationship; Gertrude has encased her heart behind a facade of toughness following a failed marriage. Now Harry has a dream; he wants to buy a charter fishing boat and to have a son. This City Equity production will be the first time husband and wife Alan and Francie Gardner have acted together in 20 years!

**RUINED** By Lynn Nottage

**A co-production between City Equity & the Aldridge Repertory Theatre.**

February 28 – March 10, 2013 in the Martha Moore Sykes Studio  
Co-Directed by Cheryl Hall and Jonathan Fuller. RUINED is a haunting, probing work about the resilience of women during times of war. Set in a small mining town in Democratic Republic of Congo, it centers on the shrewd bar and brothel owner Mama Nadi. Is she protecting or profiting by the women she shelters? How far will she go to survive? Can a price be placed on a human life? This play with music which mixes elements of CABARET and BLOOD DIAMOND won the 2009 Pulitzer Prize for Drama.



**AUGUST: OSAGE COUNTY** By Tracy Letts, (Author of SUPERIOR DONUTS) Directed by Jonathan Fuller

May 23 – June 2 2013 on the Main Stage of the Virginia Samford Theatre. AUGUST is a fraught, densely plotted saga of an Oklahoma clan in a state of near-apocalyptic meltdown. Fiercely funny and biting sad, this turbo-charged tragicomedy tells the story of the Weston family with its vanished father, pill-popping mother, and three sisters harboring shady little secrets. 2008's winner of the Tony and Pulitzer Prize for Best Play.

**WE CAN'T EXIST WITHOUT YOUR SUPPORT! PLEASE SEND US YOUR TAX-DEDUCTIBLE DONATION TODAY, AND/OR INVITE YOUR FRIENDS TO JOIN OUR MAILING LIST. TICKETS CAN BE PURCHASED TODAY BY GOING TO [www.cityequitytheatre.com](http://www.cityequitytheatre.com) [www.virginiasamfordtheatre.org](http://www.virginiasamfordtheatre.org) or calling (205) 251-1206!**

See you at the show!

Alan Gardner & Jonathan Fuller  
Co-Artistic Directors  
CITY EQUITY THEATRE

December 18, 2007

Dear Friend of the Arts:

The holidays are right around the corner and the spirit of giving is in full swing. This year, we hope you will be able to extend some of that generosity to the Sidewalk Moving Picture Festival.

It has been an exciting year for the Alabama Moving Image Association. The ninth Sidewalk Moving Picture Festival was our best ever and year 10 is already in the planning stages. Despite this recent success, AMIA still needs assistance from loyal supporters like you. As a 501©(3) nonprofit organization, we rely on outside assistance to support our year round community outreach and programming. Your donation would help to support programs like our statewide Teen Filmmaking Challenge, the festival's Life & Liberty sidebar (a program of films dedicated to Human Rights issues), our monthly networking meeting for filmmakers (Sidewalk Salon), and our weekend filmmaking competitions (Sidewalk Scrambles).

As you may know, the Jefferson County Commission voted to cut the funding for the Jefferson County Community Arts Fund (JCCAF). In light of the Arts & Economic Prosperity III study which revealed that Jefferson County's nonprofit arts industry generates over **\$125 million** in economic activity annually, this decision seems contrary to the growth and preservation of a vibrant, attractive Magic City. Nevertheless, the Sidewalk Film Festival must find new ways to make up this shortfall.

Rest assured, with your support we will be able to do so much more than merely survive. Our festival, named one of TIME Magazine's "Film Festivals for the Rest of Us," will continue to bring an even more diverse group of movies and people together in downtown Birmingham for a weekend of culture, while attracting hundreds of visitors to experience the magic of our city. In the Ultimate Film Festival Survival Guide, respected film critic Chris Gore named our festival one of his "best vacation film festivals."

We need your support, and to be frank, we need it now, in order to keep this festival and AMIA's many projects going full steam. Your contribution will enhance Birmingham's image as a progressive city that understands the importance of independent cinema and a festival like Sidewalk that nurtures it. Please consider filling out the enclosed pledge card and returning it by **January 15, 2008**. Your contribution is 100% tax deductible. For your records, we will send you a letter acknowledging your donation.

If you have questions please do not hesitate to call Catherine Pfitzer, the AMIA Executive Director, at the office at 205-324-0888. We look forward to hearing from you soon.

Happy Holidays,

Alan Hunter  
Board President

December 4, 2009

Dear :

The 11th Annual Sidewalk Moving Picture Festival was a huge success - 1 master class, 3 youth workshops, 8 networking events, over 70 visiting filmmakers, and more than 170 independent films in 8 of Birmingham's coolest venues! The success we experienced this year would not have been possible without the overwhelming support of the community; we had more volunteers than ever before, our largest membership roster on record and attendance breaking the 13,000 mark. But Sidewalk is about more than a specific number of events or films; Sidewalk starts important conversations about social issues, strengthens the filmmaking community and builds pride of place for so many Birmingham residents. Each year Sidewalk receives accolades from national publications such as *Time* magazine, which propel Birmingham into the national spotlight as a place of cultural awareness, creative spirit and true hospitality. Just this year, Sidewalk was named to *MovieMaker* magazine's "Top 25 Coolest Film Festivals" list (and there are over 400)!

Sidewalk is just one of many projects of the Alabama Moving Image Association, a federally recognized 501(c)3 non-profit organization that is dedicated to encouraging filmmaking in Alabama and building audiences for independent film. AMIA also hosts the SHOUT gay and lesbian film festival, Sidewrite Screenplay Writing Competition, Teen Filmmaking Challenge, quarterly Scrambles (48 hour filmmaking competitions) and monthly educational events. And we have such huge potential for growth. AMIA not only impacts filmmakers and film lovers, but the entire community- through positive media attention, educational outreach and economic development efforts, exemplified most recently when the Alabama State Film Office chose Sidewalk as the platform for the announcement of the state's new film incentive program.

Our goal is to raise \$350,000 this year, which will allow us to continue our most popular programs but expand our educational offerings and bring back our monthly independent film screenings. Please help us reach our goal and ensure the growth of the Association into 2010 and beyond.

- A \$100 gift will provide one Digital Storytelling Workshop scholarship to a deserving child
- A \$250 gift will cover a screening fee for a really spectacular film
- A \$500 gift will purchase a plane ticket for a filmmaker who will not only participate in a Q & A after his film but will lead a master class, network with other filmmakers, and later talk about his great experience in Birmingham
- A \$1000 gift will rent audio/visual equipment for one screening venue

Make a difference. Make an investment in Birmingham. Make your 100% tax deductible donation today!

Thank you so much for your support and generosity!

Sincerely,

Chloe C. Collins  
Executive Director

Alan Hunter  
President

**ALABAMA MOVING  
IMAGE ASSOCIATION**

**BOARD OF DIRECTORS**

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**HONORARY MEMBERS**

Courtney Cox Arquette

Rep. Artur Davis

Dear

On April 24<sup>th</sup> I took the helm of the Sidewalk Moving Picture Festival, one of Alabama's most relevant non-profit cultural organizations, providing the region with a high quality, annual weekend event (September 25-27, 2009) and serving as a year-round resource for the area's flourishing film community.

Recognized by *Time* magazine as one of the top 10 "Festivals for the Rest of Us", Sidewalk puts Birmingham on the national radar as a dynamic cultural destination. Beyond the long-term benefits of helping to create a more livable city, Sidewalk has positive immediate ramifications on the city's economy. In fact, the Convention and Visitors Bureau estimates that the economic impact is approximately \$1.1 million annually.

I am very excited about the opportunity to lead Sidewalk into its second decade and hope that you will show your support of me, in my new role as executive director, and Sidewalk, as one of the region's premiere cultural events, by making a donation today. Please know that any amount will be greatly appreciated and thoughtfully budgeted for projects that make Alabama a better place to live and work.

You can donate by sending a check to:

Sidewalk Moving Picture Festival  
2312 First Avenue North  
Birmingham, Alabama 35203

If you'd like to learn more about Sidewalk or explore other ways to get involved don't hesitate to call me at 205-602-3648 (cell) or send me an email at [chloe@sidewalkfest.com](mailto:chloe@sidewalkfest.com). Certainly visit [www.sidewalkfest.com](http://www.sidewalkfest.com) for the latest information about Sidewalk events.

With warmest regards,

Chloe C. Collins

*The Alabama Moving Image Association/Sidewalk is a federally recognized 501(c)3 organization and all donations are 100% tax deductible.*

August 26, 2010

Mr. Steve Mote  
2923 5th Ave S  
Birmingham, AL 35233

Dear Mr. Mote:

The 11th Annual Sidewalk Moving Picture Festival was a huge success - 1 master class, 3 youth workshops, 8 networking events, over 70 visiting filmmakers, and more than 170 independent films in 8 of Birmingham's coolest venues! But Sidewalk is about more than a specific number of events or films; Sidewalk starts important conversations about social issues, strengthens the filmmaking community and builds pride of place for so many Birmingham residents. Each year Sidewalk receives accolades from national publications such as *Time* magazine, which propel Birmingham into the national spotlight as a place of cultural awareness, creative spirit and true hospitality. Just last year, Sidewalk was named to *MovieMaker* magazine's "Top 25 Coolest Film Festivals" list (and there are over 400)! The success we experienced last year would not have been possible without the generous support of our sponsors.

Sidewalk is just one of many projects of the Alabama Moving Image Association, a federally recognized 501(c)3 non-profit organization that is dedicated to encouraging filmmaking in Alabama and building audiences for independent film. AMIA also hosts the Sidewrite Screenplay Writing Competition, Teen Filmmaking Challenge, quarterly Scrambles (48 hour filmmaking competitions) and monthly educational events. And we have such huge potential for growth. AMIA not only impacts filmmakers and film lovers, but the entire community- through positive national media attention, educational outreach and increased travel and tourism spending (the economic impact of Sidewalk alone is estimated at \$1.5 million annually). Plus, our events are a lot of fun!

This year's event, scheduled for September 24-26, will showcase over 200 films (a Sidewalk record) in 8 venues all within easy walking distance of the Alabama Theatre and I sincerely hope I see you on the Sidewalk this year as a sponsor at the \$2,500 level, for which we can offer sponsor benefits (VIP passes, logo recognition for your business, opportunities to "present" specific films etc..) or acknowledgement of a charitable donation for tax purposes. I've included a full sponsor book for you to review and of course I'm happy to answer any questions you might have.

I look forward to hearing from you soon.

Best,

Chloe C. Collins  
Executive Director

**ALABAMA MOVING  
IMAGE ASSOCIATION**

**BOARD OF DIRECTORS**

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Brett Shaffer

Kristina Scott

Arik Sokol

Representative  
Patricia Todd

Ashley Vrocher

**HONORARY MEMBERS**

Courteney Cox Arquette

Representative  
Artur Davis

Dear -

The cultural life of a city is a vital indicator of a city's growth potential and a major factor in tourism and its external perception. I am writing to you in regards to the Alabama Moving Image Association and its major project, the Sidewalk Film Festival -- beacons of success on Birmingham's cultural landscape.

Recognized by *Time* magazine as one of the top 10 "Festivals for the Rest of Us", Sidewalk puts Birmingham on the national radar as a dynamic cultural destination. Beyond the long-term benefits of helping to create a more livable city, Sidewalk has positive immediate ramifications on the city's economy. In fact, the Convention and Visitors Bureau estimates that the economic impact on Birmingham's economy is approximately \$1.3 million annually. Sidewalk is in its second decade, and is poised to grow and to contribute to Birmingham and Alabama in new and exciting ways.

The Alabama Moving Image Association is a federally recognized 501 (c)3 non-profit organization that not only produces the annual Sidewalk Film Festival but also provides numerous educational programs for students and professional filmmakers, such as Sidewalk Scramble (48 hour filmmaking competition), Sidewrite (short screenplay competition), monthly Salons, Sidewalk Academy (summer camp experience for middle school students), master classes, workshops and panels.

In support of one of the region's premiere cultural events, I urge you to make a contribution to Sidewalk in an amount that reflects your appreciation and understanding of its importance. You can donate by sending a check to:

2310 1<sup>st</sup> Avenue North  
Birmingham, Alabama 35203

You can also donate online at [www.sidewalkfest.com](http://www.sidewalkfest.com)

Thank you so much for your consideration and support.

Best,

December ??, 2007

Mr. and Mrs. Blank Blank  
Address  
Birmingham, AL zip

Dear Mr. and Mrs. Blank,

Please think about Space One Eleven as you plan your year-end giving. Here is what the internationally recognized artist and Birmingham native Lonnie Holley has to say about us. We hope it will help you see what Space One Eleven has to offer:

“ **We as artists have been born to be who we are for the greatness of the society. We were born to be that. Space One Eleven showed me that this is a place that you can come to and hopefully express yourself, and they'll get behind you 100 and more percent to make it happen. Space One Eleven to me is a place that I can always depend on, where I know my young artist friends can always come to, and hopefully Space One Eleven can continue to develop and show its ability. I really think that anybody interested in helping to further its kindness and its outreach should get 100 percent behind them.**

**I mean they are the ones going into the alleys and going into the neighborhoods and going into these conditions and finding these children who want to be artists. They are to me like the pied pipers, leading them out where they can expose their talents, and when they work together it's like the magic of Birmingham all over again to me. No matter how tiny the objects they may be using to make it happen, they use it beautifully together. One [child] may cut their pieces of clay in a dimension a little different from the other [child], but when they put it together it forms one great big masterpiece or a mural on the wall, no matter what wall size it is. A little dab of paint from each one of them makes a masterpiece. And I think that's what Space One Eleven is all about.**

”

**Lonnie B. Holley  
Artist**

For twenty years, Space One Eleven (SOE) has been an integral part of Birmingham's cultural life. Since its founding in 1986, Space One Eleven has displayed the work of more than 1,000 local and regional artists with their international colleagues, presented over 100 exhibitions inspired by Birmingham's complex history while offering its presenting artists complete artistic freedom. Additionally since moving to its current location in 1989, SOE has provided over 4,000 children with access to quality arts education.

We hope you agree with Lonnie Holley about the importance of Space One Eleven to our community. Your contribution will come at an exciting time of growth for Space One Eleven. On behalf of our board, thank you for considering Space One Eleven in you gift giving this season.

Webb Robertson  
Board President, Space One Eleven (SOE)

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annearrasmith

I have always subscribed to John Dewey's belief that "art is how we experience life." And, while I have always known that art is essential to my well-being, I have come to recognize through my involvement with Space One Eleven, where I currently serve as President of the Board, what a vital role art plays in the lives of others, and the tremendous contribution Space One Eleven makes to the life of Birmingham.

Space One Eleven supports Birmingham-based artists by providing them with opportunities to exhibit and teach. SOE encourages everyone to learn about the work of Birmingham based artists and their colleagues, often world-renowned artists. This has resulted in collaborative national and international exhibitions and life long artistic partnerships – plus the work of these special artists has provided much needed and essential arts education to underserved Birmingham-area children for over twenty years.

Art, by its very nature, has the power to elevate public discourse because it celebrates the creative spirit. Space One Eleven provides artists this forum, and it offers the greater Birmingham community the opportunity to examine broader social issues through the eyes of artists.

The artists-run visual arts movement, of which Space One Eleven is the leader in Birmingham, is based on the idea of art as communication rather than artifact. It recognizes the need for public venues and for community discourse about art. Space One Eleven, recognized for many years as a nationally exceptional artists-run organization, has unparalleled opportunities to engage its audience in this dialogue.

With its unique position in the Birmingham area, and with your help, Space One Eleven will continue to explore with wit and outrage the issues that help to fuel our community's vitality and growth. Contemporary art and contemporary artists encourage us to address issues head on by inviting us to use our brains, to think, to analyze, and to explore our own minds. Rather than running from the issues, artists ask questions about it, research it, and talk with others about many of the essential matters that constitute our common purpose and our higher ideals. Art says about what the mind, the heart, and the soul cannot frame into words.

At Space One Eleven, we will continue to create opportunities for people to experience art in their lives and use art to elevate public discourse because we are not afraid to ask the tough questions. While art is fundamentally about self-expression, it is also an expression of our shared humanity.

Space One Eleven depends on your support as we move forward with plans to present more cutting-edge and insightful exhibitions in the year ahead. Our heart and soul are the artists of Birmingham, but our work is also about people and the relationship of art in their lives. So expect to see more of us, and to hear more from us. We are art for thought. We are your brain on art.

On behalf of the board, the staff and the artists, who all make Space One Eleven possible, I challenge you, the citizens of Birmingham, to invest in yourselves and to invest in the life of Birmingham by investing in Space One Eleven. As we elevate art and public discourse in 2009, and as we approach our 25<sup>th</sup> anniversary, the support of

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annearrasmith

our friends is more vital than ever. I hope we can count on you to join us in creating a  
greater Birmingham.

Webb Robertson

# Sustain Artists!



**2009** was an exciting year for Space One Eleven (SOE) as the three year project **Found Around the South Two** kicked off with the critically acclaimed public art of **The Compassion Project**. Billboards created by the artist team of Shana Berger and Nathan Purath are up in Atlanta, Memphis and New Orleans with plans to install more in Knoxville and Birmingham.

Tuition free art education projects continued with the addition of a new pilot **Alabama Charcoal**. **Alabama Charcoal** is dedicated to helping high school students increase their college opportunities through creating competitive visual arts portfolios. Artist mentors help with writing skills and college applications.

**2010** is shaping up to be another terrific year of exhibition projects, art education for youth and exciting art events serving individual artists, teaching artists, youth and audiences. Your help will allow SOE to continue to bring artists to communities in the Deep South and to send the sizzling creative heat of the Deep South out into the world!



Please check the box if your address has changed and provide the most up to date information below. No change—No need to fill in below. Thanks.

I want to support this exciting non-profit organization!

I have enclosed my tax-deductible donation to Space One Eleven, a 501(c)(3) non-profit organization

(\$ \_\_\_\_\_ )

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zipcode: \_\_\_\_\_

Phone: \_\_\_\_\_

Please provide your email address, if you would like to receive updates and exhibition announcements.

Email: \_\_\_\_\_

Please make check out to: SPACE ONE ELEVEN

\* Some employers and companies offer matching gift programs \*

2409 2nd Avenue North, Birmingham, AL, 205-328-0553 [www.spaceoneeleven.org](http://www.spaceoneeleven.org)

November 2010

Dear Friend:

Now, more than ever, is the time for action to ensure Greater Birmingham's cosmopolitan future through the support of the arts and the creative class it attracts. Recognition and support are crucial to every human endeavor. For successful artists it is, or should be, that great patron—that person or group or organization—that gives light to their vision and substance to their genius.

Michelangelo had the Medici and a very determined Pope; Picasso had a strict Spanish art instructor father and many female muses, married or not! After World War II, the Expressionists had the Cedar Bar in Manhattan while they fought each other verbally and physically to shift the world's artistic center to America. Andy Warhol had his mom, the Factory, the Velvet Underground and Leo Castelli. **In the Deep South, artists, youth and audiences have the encouragement of Space One Eleven.**

Space One Eleven needs you to add your brushstroke to the free and always changing work that is so vital to the cultural health of Birmingham, the Southeast and the country. If at least 500 patrons contribute a minimum of \$60 each, Space One Eleven will be able to meet its 2010 budgeted goals, and we can lay the foundation for next year's programming. Please be that pivotal patron to the artists, youth and audiences with whom we work. Give less or give more—we truly appreciate your gift in any amount.

Thank you so much. We look forward to welcoming you to all our events in 2011!

For the Board,

Peter Prinz  
CEO and Founding Director

Anne Arrasmith  
Founding Director

**Board Members**

**President**

Webb Robertson

**Vice President**

Alex Goldsmith

**Secretary**

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Mary Ann Culotta

James Lewis, Sr.

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Peter Prinz

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Alan Tichansky

Scott Vowell

*Space One Eleven*

Space One Eleven is a member of The Andy Warhol Foundation for the Visual Arts Initiative

**SPACE ONE ELEVEN (SOE) • A VISUAL ARTS NON-PROFIT**

2409 Second Avenue North • Birmingham, Alabama • 35203-3809 • Phone (205) 328-0553 • Fax (205) 254-6176

[www.spaceoneeleven.org](http://www.spaceoneeleven.org)

# Programs and Upcoming Events!

## Space One Eleven (SOE) 2012

2012 will be the kickoff of Space One Eleven's professional development project entitled "**Creating A Lasting Legacy**" or **CALL**. The Joan Mitchell Foundation developed this initiative to support individual visual artists in organizing and creating a comprehensive documentation of their careers.

SOE is partnering with The University of Alabama at Birmingham's Visual Arts Department to create the curricula for this unique and exciting project which will pair emerging artists with senior artists. The use of studio assistants, professional tools and resources will greatly increase opportunities for visual artists.

***Look for more information in the coming months!***

**\*\*\*\*\***

### **Space One Eleven's ongoing education programs:**

- Lectures and conversations centered on its programs will happen throughout the year.
- ***City Center Art (CCA)*** SOE's nationally recognized free arts education program for low income youth continues afterschool and in the summer.
- **Alabama Charcoal**, SOE's advanced drawing and portfolio development class for high school students, is a big success. Each student has an artist mentor guiding them in portfolio development and preparation for college admission.
- ***ARTfix!*** is a for fee adult figure drawing class for all skill levels.

**\*\*\*\*\***

Space One Eleven's Visual Arts series "**Found Around the South, Two**" continues with a partnership between SOE and Houston's **Project Row Houses (PRH.)** In an exciting exchange, Alabama artists will exhibit in Houston and Texas artists will present their work in Birmingham. **PRH** is a neighborhood-based nonprofit art and cultural organization in Houston's Northern Third Ward, one of Houston's oldest African-American communities. This project is supported by the Andy Warhol Foundation for the Visual Arts and the National Endowment for the Arts.

**\*\*\*\*\***

*And in the fall ...* "**Relationships.**" Long planned, it is an exhibition honoring Birmingham's beloved artist, **Toni Tully** (1939-2010.) Along with selected works by Tully, the show will feature the works of Tully's artist colleagues and her daughter **Rebecca Tully Fulmer**. Colleagues are **Sara Garden Armstrong, Catherine Cabaniss, Carol Cooper, Carolyn Goldsmith, John Dillon, Beverly Erdreich, Scott Fuller, Betty Kent, Cumbee Tyndal, Maralyn Wilson, and Ellen de Mello Weiland.**

[Type text]

T:\Robertson, Webb\Fundraising letter FY 2011 Back.docx

December 2011

Dear Friend of the Arts:

**Wonderful news!**

Space One Eleven (SOE) has been selected by the Joan Mitchell Foundation (JMF) as one of five organizations nationwide to participate in their new initiative, *Creating a Lasting Legacy* (CALL.) This program recognizes the extraordinary work of the talented visual artists who are critical to the vibrancy of our community. (More about this program on the reverse of this page.)

In addition to this project grant the **Joan Mitchel Foundation decided to support Space One Eleven by contributing \$50,000 in unrestricted funds for operating costs and programs. This is a challenge grant. If SOE matches this extraordinarily generous grant by the end of 2011, the Joan Mitchell Foundation will award SOE an additional \$25,000! WOW! What an opportunity!**

These monies will allow SOE to continue its work benefiting the visual artists in Birmingham and our surrounding communities. Also, be sure to take a look on the back page for more on SOE's exciting plans for 2012!

Any gift, large or small, will help towards meeting this special challenge. Your tax deductible contribution will ensure ongoing visual arts programming for Birmingham's artists, youth and audiences. SOE's board, artists and staff thank you in advance and hope you'll visit us soon.

Sincerely,

Peter Prinz  
CEO, Co-founder

Anne Arrasmith  
Co-founding Director

**Board Members**

- Mary Ann Culotta, President
- Margaret Alexander
- Anne Arrasmith
- Susan Colvin
- Alex Goldsmith
- James Lewis, Sr.
- Cheryl Morgan
- Shirley Osband
- Peter Prinz
- Alan Tichansky
- Webb Robertson
- Paige Wainwright

*Space One Eleven*

Space One Eleven is a member of The Andy Warhol Foundation for the Visual Arts Initiative

**SPACE ONE ELEVEN (SOE) • A VISUAL ARTS NON-PROFIT**

2409 Second Avenue North • Birmingham, Alabama • 35203-3809 • Phone (205) 328-0553 • Fax (205) 254-6176

## APPENDIX C

### TEXT ANALYSIS GUIDE WITH RESULTS AND THE READABILITY SCORES

**Qualitative Text Analysis Guide  
AMIA Totals**

**Persuasive Strategies**

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Persuasive strategies (social cues)	• Indicate specific donation amount	4	1
	• Personalized appeals (mentioning donors name multiple times)	5	0
	• List other donors names	5	0
	• Positive versus negative frame	1	4
	• Factual/statistical information	0	5
	• Narrative/experiential information	4	1
	• Include gift	5	0
Persuasive strategies (Aristotelian Proofs)			
Logos (Reason)	• Facts/statistics to encourage action by predicting effects, consequences, or outcomes	1	4
Ethos (Credibility)	• Trustworthiness (writer's personal experience)	4	1
	• 501 c 3 status	0	5
	• Organizational longevity	0	5
	• Celebrity endorsements	5	0
	• Funds directed to programs	4	1
Pathos (Emotion)	• Appeals to donor beliefs and moral values	5	0
Persuasive strategies (graphic)	• Use of color	5	0
	• Photographs	5	0
	• Bulleted lists	4	1
	• Bold face fonts	2	3
	• Underlining	5	0
	• Headlines	5	0
	• Postscript	4	1

## Information to Signal Trustworthiness

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Establish the legitimacy of the cause	<ul style="list-style-type: none"> <li>Registered status of charity</li> <li>Tax credit for donors</li> </ul>	0	5
Signals to resolve the principal-agent issues	<ul style="list-style-type: none"> <li>Name of board members and affiliation               <ul style="list-style-type: none"> <li>Political or official</li> <li>Corporate</li> <li>Other charity</li> </ul> </li> <li>Received money from government</li> <li>Percentage of funds spent on administration</li> <li>Longevity</li> <li>Past achievements (quantitative)</li> <li>Options other than donations</li> <li>Testimonials</li> <li>Citations (newspaper or journal)</li> <li>Celebrity endorsements</li> </ul>	5	0
		5	0
		0	5
		2	3
		5	0
		5	0
		0	5
		5	0

## Information to Motivate and Facilitate Giving

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Convince the reader to open the letter	<ul style="list-style-type: none"> <li>Teasers on envelopes (words or pictures)</li> </ul>	5	0
Activate an emotional response	<ul style="list-style-type: none"> <li>Stories to arouse emotions</li> <li>Tone of letter (urgent)</li> </ul>	5	0
		4	1
Persuade the reader not to free-ride	<ul style="list-style-type: none"> <li>Public support (we've got this much money and need x more)</li> <li>Offer a gift/newsletter with donation</li> </ul>	5	0
		5	0
Provide a warm glow related to making a donation	<ul style="list-style-type: none"> <li>Past achievements (qualitative)</li> </ul>	1	4
Facilitate giving	<ul style="list-style-type: none"> <li>Indicate how donations can be made</li> </ul>	2	3

## Fundraising Letters as a Rhetorical Genre

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Genre moves (7 move structure)	• Get attention	5	0
	• Introduce the cause/Establish credentials	4	1
	• Solicit response	0	5
	• Offer incentives	5	0
	• Reference inserts	3	2
	• Express gratitude	1	4
	• Conclude with Pleasantries	2	3

## Individual/Instrumental Benefits Continuum

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Individual Benefits	• Pleasure	5	0
	• Cognitive stimulation	5	0
	• Emotional stimulation	5	0
	• The desire for a rewarding experience	5	0
	• The production of meaning	5	0
Instrumental Benefits	• Economic impact	1	4
	• Social cohesion	5	0
	• Shared identity	5	0
	• Civic Pride	1	4

## Non User Benefits

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Non User Benefits	• Existence value	5	0
	• Option value	5	0
	• Bequest value	5	0
	• Prestige value	1	4
	• Educational value	5	0

**Qualitative Text Analysis Guide**  
**CDF Totals**

**Persuasive Strategies**

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Persuasive strategies (social cues)	• Indicate specific donation amount	5	1
	• Personalized appeals (mentioning donors name multiple times)	6	0
	• List other donors names	6	0
	• Positive versus negative frame	0	6
	• Factual/statistical information	0	6
	• Narrative/experiential information	6	0
	• Include gift	6	0
Persuasive strategies (Aristotelian Proofs)			
Logos (Reason)	• Facts/statistics to encourage action by predicting effects, consequences, or outcomes	0	6
Ethos (Credibility)	• Trustworthiness (writer's personal experience)	6	0
	• 501 c 3 status	4	2
	• Organizational longevity	4	2
	• Celebrity endorsements	6	0
	• Funds directed to programs	6	0
Pathos (Emotion)	• Appeals to donor beliefs and moral values	0	6
Persuasive strategies (graphic)	• Use of color	0	6
	• Photographs	0	6
	• Bulleted lists	6	0
	• Bold face fonts	2	4
	• Underlining	5	1
	• Headlines	3	3
	• Postscript	6	0

## Information to Signal Trustworthiness

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Establish the legitimacy of the cause	<ul style="list-style-type: none"> <li>Registered status of charity</li> <li>Tax credit for donors</li> </ul>	5	1
Signals to resolve the principal-agent issues	<ul style="list-style-type: none"> <li>Name of board members and affiliation               <ul style="list-style-type: none"> <li>Political or official</li> <li>Corporate</li> <li>Other charity</li> </ul> </li> <li>Received money from government</li> <li>Percentage of funds spent on administration</li> <li>Longevity</li> <li>Past achievements (quantitative)</li> <li>Options other than donations</li> <li>Testimonials</li> <li>Citations (newspaper or journal)</li> <li>Celebrity endorsements</li> </ul>	4	2
		6	0
		6	0
		4	2
		0	6
		6	0
		3	3
		6	0
		6	0

## Information to Motivate and Facilitate Giving

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Convince the reader to open the letter	<ul style="list-style-type: none"> <li>Teasers on envelopes (words or pictures)</li> </ul>	1	5
Activate an emotional response	<ul style="list-style-type: none"> <li>Stories to arouse emotions</li> <li>Tone of letter (urgent)</li> </ul>	6	0
		6	0
Persuade the reader not to free-ride	<ul style="list-style-type: none"> <li>Public support (we've got this much money and need x more)</li> <li>Offer a gift/newsletter with donation</li> </ul>	6	0
		6	0
Provide a warm glow related to making a donation	<ul style="list-style-type: none"> <li>Past achievements (qualitative)</li> </ul>	0	6
Facilitate giving	<ul style="list-style-type: none"> <li>Indicate how donations can be made</li> </ul>	6	0

## Fundraising Letters as a Rhetorical Genre

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Genre moves (7 move structure)	• Get attention	2	4
	• Introduce the cause/Establish credentials	0	6
	• Solicit response	0	6
	• Offer incentives	6	0
	• Reference inserts	6	0
	• Express gratitude	3	3
	• Conclude with Plesantries	3	3

## Individual/Instrumental Benefits Continuum

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Individual Benefits	• Pleasure	6	0
	• Cognitive stimulation	0	6
	• Emotional stimulation	0	6
	• The desire for a rewarding experience	0	6
	• The production of meaning	6	0
Instrumental Benefits	• Economic impact	6	0
	• Social cohesion	5	0
	• Shared identity	6	0
	• Civic Pride	6	0

## Non User Benefits

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Non User Benefits	• Existence value	6	0
	• Option value	6	0
	• Bequest value	6	0
	• Prestige value	6	0
	• Educational value	0	6

**Qualitative Text Analysis Guide  
CET Totals**

**Persuasive Strategies**

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Persuasive strategies (social cues)	• Indicate specific donation amount	4	2
	• Personalized appeals (mentioning donors name multiple times)	6	0
	• List other donors names	5	1
	• Positive versus negative frame	1	5
	• Factual/statistical information	1	5
	• Narrative/experiential information	6	0
	• Include gift	5	1
Persuasive strategies (Aristotelian Proofs)			
Logos (Reason)	• Facts/statistics to encourage action by predicting effects, consequences, or outcomes	1	5
Ethos (Credibility)	• Trustworthiness (writer's personal experience)	6	0
	• 501 c 3 status	5	1
	• Organizational longevity	5	1
	• Celebrity endorsements	6	0
	• Funds directed to programs	6	0
Pathos (Emotion)	• Appeals to donor beliefs and moral values	6	0
Persuasive strategies (graphic)	• Use of color	2	4
	• Photographs	2	4
	• Bulleted lists	3	3
	• Bold face fonts	1	5
	• Underlining	4	2
	• Headlines	6	0
	• Postscript	4	2

## Information to Signal Trustworthiness

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Establish the legitimacy of the cause	<ul style="list-style-type: none"> <li>Registered status of charity</li> <li>Tax credit for donors</li> </ul>	5	1
Signals to resolve the principal-agent issues	<ul style="list-style-type: none"> <li>Name of board members and affiliation               <ul style="list-style-type: none"> <li>Political or official</li> <li>Corporate</li> <li>Other charity</li> </ul> </li> <li>Received money from government</li> <li>Percentage of funds spent on administration</li> <li>Longevity</li> <li>Past achievements (quantitative)</li> <li>Options other than donations</li> <li>Testimonials</li> <li>Citations (newspaper or journal)</li> <li>Celebrity endorsements</li> </ul>	5 5 5 2 5 6 5 6	1 1 1 4 1 0 1 0

## Information to Motivate and Facilitate Giving

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Convince the reader to open the letter	<ul style="list-style-type: none"> <li>Teasers on envelopes (words or pictures)</li> </ul>	6	0
Activate an emotional response	<ul style="list-style-type: none"> <li>Stories to arouse emotions</li> <li>Tone of letter (urgent)</li> </ul>	6 6	0 0
Persuade the reader not to free-ride	<ul style="list-style-type: none"> <li>Public support (we've got this much money and need x more)</li> <li>Offer a gift/newsletter with donation</li> </ul>	6 5	0 1
Provide a warm glow related to making a donation	<ul style="list-style-type: none"> <li>Past achievements (qualitative)</li> </ul>	5	1
Facilitate giving	<ul style="list-style-type: none"> <li>Indicate how donations can be made</li> </ul>	6	0

## Fundraising Letters as a Rhetorical Genre

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Genre moves (7 move structure)	• Get attention	6	0
	• Introduce the cause/Establish credentials	2	4
	• Solicit response	2	4
	• Offer incentives	4	2
	• Reference inserts	5	1
	• Express gratitude	2	4
	• Conclude with Pleasantries	4	2

## Individual/Instrumental Benefits Continuum

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Individual Benefits	• Pleasure	6	0
	• Cognitive stimulation	6	0
	• Emotional stimulation	6	0
	• The desire for a rewarding experience	5	1
	• The production of meaning	6	0
Instrumental Benefits	• Economic impact	5	1
	• Social cohesion	6	0
	• Shared identity	6	0
	• Civic Pride	6	0

## Non User Benefits

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Non User Benefits	• Existence value	6	0
	• Option value	6	0
	• Bequest value	6	0
	• Prestige value	6	0
	• Educational value	6	0

**Qualitative Text Analysis Guide  
SOE Totals**

**Persuasive Strategies**

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Persuasive strategies (social cues)	• Indicate specific donation amount	5	1
	• Personalized appeals (mentioning donors name multiple times)	6	0
	• List other donors names	4	2
	• Positive versus negative frame	0	6
	• Factual/statistical information	5	1
	• Narrative/experiential information	5	1
	• Include gift	5	1
Persuasive strategies (Aristotelian Proofs)			
Logos (Reason)	• Facts/statistics to encourage action by predicting effects, consequences, or outcomes	4	2
Ethos (Credibility)	• Trustworthiness (writer's personal experience)	4	2
	• 501 c 3 status	4	2
	• Organizational longevity	4	2
	• Celebrity endorsements	5	1
	• Funds directed to programs	5	1
Pathos (Emotion)	• Appeals to donor beliefs and moral values	5	1
Persuasive strategies (graphic)	• Use of color	4	3
	• Photographs	3	3
	• Bulleted lists	6	0
	• Bold face fonts	1	5
	• Underlining	6	0
	• Headlines	3	3
	• Postscript	6	0

## Information to Signal Trustworthiness

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Establish the legitimacy of the cause	<ul style="list-style-type: none"> <li>Registered status of charity tax credit for donors</li> </ul>	3	3
Signals to resolve the principal-agent issues	<ul style="list-style-type: none"> <li>Name of board members and affiliation               <ul style="list-style-type: none"> <li>Political or official</li> <li>Corporate</li> <li>Other charity</li> </ul> </li> <li>Received money from government</li> <li>Percentage of funds spent on administration</li> <li>Longevity</li> <li>Past achievements (quantitative)</li> <li>Options other than donations</li> <li>Testimonials</li> <li>Citations (newspaper or journal)</li> <li>Celebrity endorsements</li> </ul>	6	0
		6	0
		4	2
		5	1
		6	0
		3	3
		6	0
		5	1

## Information to Motivate and Facilitate Giving

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Convince the reader to open the letter	<ul style="list-style-type: none"> <li>Teasers on envelopes (words or pictures)</li> </ul>	4	2
Activate an emotional response	<ul style="list-style-type: none"> <li>Stories to arouse emotions</li> <li>Tone of letter (urgent)</li> </ul>	5	1
		6	0
Persuade the reader not to free-ride	<ul style="list-style-type: none"> <li>Public support (we've got this much money and need x more)</li> <li>Offer a gift/newsletter with donation</li> </ul>	5	1
		6	0
Provide a warm glow related to making a donation	<ul style="list-style-type: none"> <li>Past achievements (qualitative)</li> </ul>	3	3
Facilitate giving	<ul style="list-style-type: none"> <li>Indicate how donations can be made</li> </ul>	4	2

## Fundraising Letters as a Rhetorical Genre

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Genre moves (7 move structure)	• Get attention	6	0
	• Introduce the cause/Establish credentials	2	4
	• Solicit response	0	6
	• Offer incentives	5	1
	• Reference inserts	6	0
	• Express gratitude	2	4
	• Conclude with Pleasantries	4	2

## Individual/Instrumental Benefits Continuum

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Individual Benefits	• Pleasure	6	0
	• Cognitive stimulation	4	2
	• Emotional stimulation	4	2
	• The desire for a rewarding experience	4	2
	• The production of meaning	4	2
Instrumental Benefits	• Economic impact	6	0
	• Social cohesion	5	1
	• Shared identity	6	0
	• Civic Pride	4	2

## Non User Benefits

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Non User Benefits	• Existence value	6	0
	• Option value	6	0
	• Bequest value	6	0
	• Prestige value	6	0
	• Educational value	3	3

## Qualitative Text Analysis Guide Aggregate Totals

### Persuasive Strategies

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Persuasive strategies (social cues)	• Indicate specific donation amount	18	5
	• Personalized appeals (mentioning donors name multiple times)	23	0
	• List other donors names	20	3
	• Positive versus negative frame	2	21
	• Factual/statistical information	6	17
	• Narrative/experiential information	21	2
	• Include gift	21	2
Persuasive strategies (Aristotelian Proofs)			
Logos (Reason)	• Facts/statistics to encourage action by predicting effects, consequences, or outcomes	6	17
Ethos (Credibility)	• Trustworthiness (writer's personal experience)	20	3
	• 501 c 3 status	13	10
	• Organizational longevity	13	10
	• Celebrity endorsements	22	1
	• Funds directed to programs	21	2
Pathos (Emotion)	• Appeals to donor beliefs and moral values	16	7
Persuasive strategies (graphic)	• Use of color	11	12
	• Photographs	11	12
	• Bulleted lists	19	4
	• Bold face fonts	6	17
	• Underlining	20	3
	• Headlines	17	6
	• Postscript	20	3

## Information to Signal Trustworthiness

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Establish the legitimacy of the cause	<ul style="list-style-type: none"> <li>• Registered status of charity</li> <li>• Tax credit for donors</li> </ul>	13	10
Signals to resolve the principal-agent issues	<ul style="list-style-type: none"> <li>• Name of board members and affiliation               <ul style="list-style-type: none"> <li>• Political or official</li> <li>• Corporate</li> <li>• Other charity</li> </ul> </li> <li>• Received money from government</li> <li>• Percentage of funds spent on administration</li> <li>• Longevity</li> <li>• Past achievements (quantitative)</li> <li>• Options other than donations</li> <li>• Testimonials</li> <li>• Citations (newspaper or journal)</li> <li>• Celebrity endorsements</li> </ul>	20	3
		21	2
		23	0
		13	10
		9	14
		22	1
		18	5
		17	6
		22	1

## Information to Motivate and Facilitate Giving

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Convince the reader to open the letter	<ul style="list-style-type: none"> <li>• Teasers on envelopes (words or pictures)</li> </ul>	16	7
Activate an emotional response	<ul style="list-style-type: none"> <li>• Stories to arouse emotions</li> <li>• Tone of letter (urgent)</li> </ul>	23	0
		22	1
Persuade the reader not to free-ride	<ul style="list-style-type: none"> <li>• Public support (we've got this much money and need x more)</li> <li>• Offer a gift/newsletter with donation</li> </ul>	22	1
		22	1
Provide a warm glow related to making a donation	<ul style="list-style-type: none"> <li>• Past achievements (qualitative)</li> </ul>	9	14
Facilitate giving	<ul style="list-style-type: none"> <li>• Indicate how donations can be made</li> </ul>	18	5

## Fundraising Letters as a Rhetorical Genre

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Genre moves (7 move structure)	• Get attention	19	4
	• Introduce the cause/Establish credentials	8	15
	• Solicit response	2	21
	• Offer incentives	20	3
	• Reference inserts	20	3
	• Express gratitude	8	15
	• Conclude with Plesantries	13	10

## Individual/Instrumental Benefits Continuum

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Individual Benefits	• Pleasure	23	0
	• Cognitive stimulation	15	8
	• Emotional stimulation	15	8
	• The desire for a rewarding experience	14	9
	• The production of meaning	21	2
Instrumental Benefits	• Economic impact	18	5
	• Social cohesion	22	1
	• Shared identity	23	0
	• Civic Pride	17	6

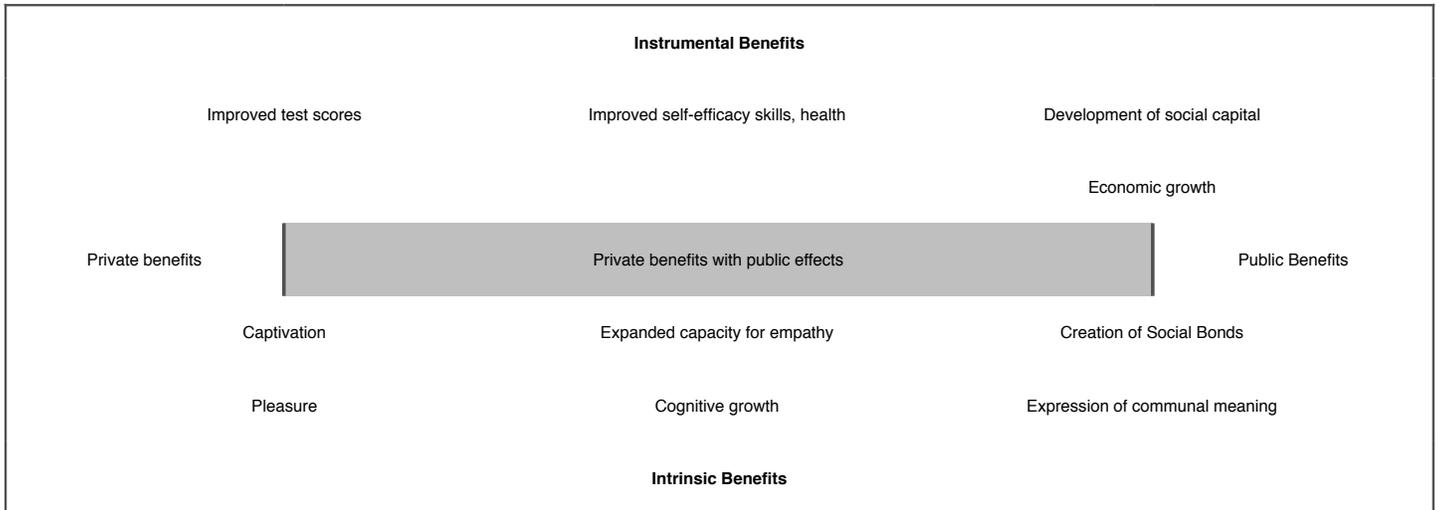
## Non User Benefits

<i>Category</i>	<i>Content</i>	<i>Results</i>	
		NO	YES
Non User Benefits	• Existence value	23	0
	• Option value	23	0
	• Bequest value	23	0
	• Prestige value	19	4
	• Educational value	14	9

APPENDIX D

THE ARTS BENEFITS CONTINUUM

Benefits of the Arts Continuum



(Adapted from McCarthy et al. 2004 Rand MG218-1.1)

APPENDIX E  
IRB LETTER OF APPROVAL

June 7, 2013



William Robertson  
College of Communication & Information Sciences  
Box 870172

Re: IRB#: 13-OR-204 "Persuasion, Context and Relationship Management:  
Towards a Critical Framework for Understanding Philanthropy in the Arts"

Dear Mr. Robertson:

The University of Alabama Institutional Review Board has granted approval for your application.

Your protocol has been given expedited approval according to 45 CFR part 46. Approval has been given under expedited review category 7 as outlined below:

*(7) Research on individual or group characteristics or behavior (including, but not limited to, research on perception, cognition, motivation, identity, language, communication, cultural beliefs or practices, and social behavior) or research employing survey, interview, oral history, focus group, program evaluation, human factors evaluation, or quality assurance methodologies.*

Your application will expire on June 5, 2014. If your research will continue beyond this date, complete the relevant portions of the IRB Renewal Application. If you wish to modify the application, complete the Modification of an Approved Protocol Form. Changes in this study cannot be initiated without IRB approval, except when necessary to eliminate apparent immediate hazards to participants. When the study closes, complete the appropriate portions of the IRB Request for Study Closure Form.

Please use reproductions of the IRB approved stamped consent forms to obtain consent from your participants.

Should you need to submit any further correspondence regarding this proposal, please include the above application number.

Good luck with your research.

Sincerely,

  
Carpantato T. Myles, MAM, CIM  
Director & Research Compliance Officer  
Office of Research Compliance  
The University of Alabama



APPENDIX F

SAMPLE INFORMED CONSENT FORMS (DONOR AND FUNDRAISER)

**PARTICIPANT INFORMED CONSENT FORM (DONORS) FOR PERSUASION,  
CONTEXT, AND RELATIONSHIP MANAGEMENT: TOWARDS A CRITICAL  
FRAMEWORK FOR UNDERSTANDING PHILANTHROPY IN THE ARTS**

You have been invited to participate in a research study conducted by William Webb Robertson, a doctoral candidate at the University of Alabama's College of Communication and Information Sciences.

The purpose of this study is to investigate the rhetorical challenges nonprofit arts organizations face in the construction of arguments in favor of arts funding. This study also investigates the relationship between donors and the management of the organizations participating in this study. You have been asked to participate because you are either an arts donor. Your opinions are important because they will help me better understand the perspectives as a donor. This study is intended to expand the theoretical and practical base of knowledge regarding the construction of effective arts funding appeals and the nature of the organization-donor relationship, as such it will be beneficial to scholars investigating the subject as well as fundraising practitioners. Your participation will be greatly appreciated.

If you agree to participate, I will conduct an in-depth interview with you. The first part of the interview asks general questions about your involvement with the arts in Birmingham. The second part of the interview asks more specific questions about your relationship with one of the participating organizations. The interview will take approximately one hour and will take place in a private setting so that our conversation cannot be overheard. Your responses will be recorded, analyzed using qualitative methods, coded thematically, and reported in the dissertation. The organizations participating in this study will be provided a copy of the completed dissertation, if so desired.

The information you provide during this interview will be kept confidential. Your name will not appear in the reporting of the results. Your participation in this study is completely voluntary. You may skip any question you do not wish to answer. You may choose not to participate or you may withdraw from the study at any time without any penalty or ill effects. There is no foreseeable risk associated with participating in this study.

This study is exclusively dissertational research and is not being funded.

If you agree to participate in this study, please indicate so by signing this informed consent form in the space provided below.

If you have any questions, please feel free to contact me, William Webb Robertson, by phone at (205) 567-4110 or by email at [wwrobertson@crimson.ua.edu](mailto:wwrobertson@crimson.ua.edu). You may also contact my advisor Dr. Karla Gower at (205) 348-0132 or via email at [gower@apr.ua.edu](mailto:gower@apr.ua.edu).

If you have questions about your rights as a person taking part in a research study, or if you would like to make suggestions or file complaints and concerns, you may call Ms. Tanta Miles, the Research Compliance Officer of the University at (205) 348-8461 or toll-free at 1-877-820-3066. You may also ask questions, make suggestions, or file complaints or concerns through the

IRB Outreach Website at [http://osp.ua.edu/site/PRCO\\_welcome.html](http://osp.ua.edu/site/PRCO_welcome.html). You may email the IRB office at [participantoutreach@bama.ua.edu](mailto:participantoutreach@bama.ua.edu)<<mailto:participantoutreach@bama.ua.edu>>. Participating in an interview constitutes your consent to participate in this study.

Thank you,

William Webb Robertson

---

Please print your name

---

Signature

---

Date

**PARTICIPANT INFORMED CONSENT FORM (FUNDRAISER) FOR  
PERSUASION, CONTEXT, AND RELATIONSHIP MANAGEMENT: TOWARDS A  
CRITICAL FRAMEWORK FOR UNDERSTANDING PHILANTHROPY IN THE ARTS**

You have been invited to participate in a research study conducted by William Webb Robertson, a doctoral candidate at the University of Alabama's College of Communication and Information Sciences.

The purpose of this study is to investigate the rhetorical challenges nonprofit arts organizations face in the construction of arguments in favor of arts funding. This study also investigates the relationship between donors and the management of the organizations participating in this study. You have been asked to participate because you are either a fundraiser. Your opinions are important because they will help me better understand the perspectives of fundraising practitioners. This study is intended to expand the theoretical and practical base of knowledge regarding the construction of effective arts funding appeals and the nature of the organization-donor relationship, as such it will be beneficial to scholars investigating the subject as well as fundraising practitioners. Your participation will be greatly appreciated.

If you agree to participate, I will conduct an in-depth interview with you. The first part of the interview asks questions about the benefits participating with the arts provides and the types of arguments that are used to justify arts funding. The second part of the interview asks more specific questions about your organizations relationship with donors. The interview will take approximately one hour and will take place in a private setting so that our conversation cannot be overheard. Your responses will be recorded, analyzed using qualitative methods, coded thematically, and reported in the dissertation. The organizations participating in this study will be provided a copy of the completed dissertation, if so desired.

The information you provide during this interview will be kept confidential. Your name will not appear in the reporting of the results. Your participation in this study is completely voluntary. You may skip any question you do not wish to answer. You may choose not to participate or you may withdraw from the study at any time without any penalty or ill effects. There is no foreseeable risk associated with participating in this study.

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IRB Outreach Website at [http://osp.ua.edu/site/PRCO\\_welcome.html](http://osp.ua.edu/site/PRCO_welcome.html). You may email the IRB office at [participantoutreach@bama.ua.edu](mailto:participantoutreach@bama.ua.edu)<<mailto:participantoutreach@bama.ua.edu>>. Participating in an interview constitutes your consent to participate in this study.

Thank you,

William Webb Robertson

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Please print your name

---

Signature

---

Date

## APPENDIX G

### IN-DEPTH INTERVIEW SCHEDULE AND DESCRIPTION

## Interview Schedule and Description

		<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Duration</b>
<b>1</b>	Fundraiser/Male	6/18/13	1:00 PM	Office	59m
<b>2</b>	Fundraiser/Female	6/18/13	3:00 PM	Office	57m
<b>3</b>	Fundraiser/Female	7/18/13	1:00 PM	Conference	126m
<b>4</b>	Fundraiser/Male	7/19/13	9:00 AM	Conference	115m
<b>5</b>	Fundraiser/Male	7/23/13	10:00 AM	Conference	73m
<b>6</b>	Fundraiser/Female	7/23/13	1:00 PM	Office	47m
<b>7</b>	Fundraiser/Female	7/24/13	10:00 AM	Office	54m
<b>8</b>	Donor/Male	7/30/13	2:00 PM	Home	75m
<b>9</b>	Donor/Female	8/5/13	10:30AM	Home	45m
<b>10</b>	Donor/Male	8/13/13	12:00 PM	Conference	120m
<b>11</b>	Donor/Male	8/14/14	4:30 PM	Conference	66m
<b>12</b>	Donor/Male	8/16/13	10:00 AM	Conference	46m
<b>13</b>	Donor/Female	8/21/13	2:30 PM	Home	54m
<b>14</b>	Donor/Male	8/27/13	10:00 AM	Office	56m
<b>15</b>	Donor/Male	9/2/13	9:00 AM	Conference	46m
<b>16</b>	Donor/Female	9/2/13	10:30 AM	Conference	32m
<b>17</b>	Donor/Female	9/5/13	10:30 AM	Conference	51m
<b>18</b>	Donor/Female	9/19/13	8;00 AM	Conference	76m
<b>19</b>	Donor/Female	9/22/13	3:30 PM	Conference	78m
<b>20</b>	Donor/Male	9/23/13	12:30 PM	Office	66m
<b>21</b>	Donor/Female	9/25/13	1:30 PM	Home	85m
<b>22</b>	Donor/Male	9/27/13	9:00 AM	Conference	108m
<b>23</b>	Donor/Male	11/17/13	5:30 PM	Office	90m

Total Interview Time	1625m
Average Duration	71m

APPENDIX H  
IN-DEPTH CODE LIST WITH RESULTS

## CODE LIST WITH RESULTS

### CATEGORY: BENEFITS

Organizations				Code	Type	Frequency
AMIA	CDF		SOE	Bridging effects	IN PU	10
	CDF		SOE	Bonding effects	IN PU	10
AMIA	CDF	CET	SOE	Pleasure/Entertainment	IN PR	9
AMIA		CET	SOE	Openness to different world views	IN PR/PU	8
AMIA		CET	SOE	Economic development	IS PU	8
		CET	SOE	Emotional growth	IN PR/PU	7
AMIA	CDF	CET		Intellectual growth	IN PR/PU	7
	CDF	CET	SOE	Quality of life/enrichment	IN PR/PU	4
		CET	SOE	Alternative to "football" culture	IS PR/PU	4
AMIA				Improved perception of Birmingham	IS PU	4
			SOE	Artists ask difficult questions	IN PU	3
	CDF	CET	SOE	Surprise/Magic	IN PR	3
AMIA	CDF			Self awareness/Identity	IN PR	3
AMIA		CET		Alternative to day-to-day	IN PR	3
AMIA				Creative fulfillment	IN PR	3
	CDF	CET		Improved educational outcomes	IS PR/PU	3
			SOE	Expanded imagination	IN PR/PU	2
	CDF		SOE	Self expression	IN PR	2
AMIA				Professional development	IS PR/PU	2
AMIA				Networking	IS PR/PU	2
AMIA				Downtown revitalization	IS PU	2
	CDF	CET		Heightened empathy	IN PR/PU	2
	CDF	CET		Builds confidence	IN PR/PU	2
	CDF	CET		Teamwork/Cooperation	IS PR/PU	2
	CDF	CET		Awareness of shared humanity	IN PR/PU	2
			SOE	Supports artists	IS PR/PU	1
			SOE	Provides healthy options for underprivileged children	IS PR/PU	1
	CDF			Critical thinking skills	IS PR/PU	1
		CET		Problem solving	IN PR/PU	1
			SOE	Reinforces progressive values	IS PR/PU	1
	CDF			Self awareness/Body	IN PR	1
AMIA				Levity	IN PR	1
AMIA				Balances math/science education	IS PR/PU	1
AMIA				Examine existing beliefs	IN PR/PU	1
AMIA				Wellbeing	IN PR	1
AMIA				Arts combat racism	IS PR/PU	1
AMIA				Cultural variety/options	IS PU	1
	CDF			Better citizenry	IN PU	1
	CDF			Builds discipline	IN PR/PU	1
	CDF			Peace/Relaxation	IN PR	1
	CDF			Builds appreciation for art	IN PR/PU	1
		CET		Catharsis	IN PR	1
		CET		Arts move people to social action	IS PR/PU	1
		CET		Gratitude	IN PR	1

**CATEGORY: ARGUMENTS**

Organizations			Code		Type	Frequency
		CET	SOE	Economic development/Creative class	IS PU	10
AMIA			SOE	Civic pride	IS PU	5
AMIA	CDF	CET		Pleasure/Entertainment	IN PR	5
AMIA	CDF	CET	SOE	Improved educational outcomes	IS PR	4
	CDF	CET	SOE	Supporting artists	IN PR/PU	4
	CDF	CET	SOE	Cognitive growth	IN PR/PU	4
AMIA			SOE	Improves perception of Birmingham	IS PU	4
AMIA		CET	SOE	Quality of life/Enrichment	IN PU	4
	CDF	CET	SOE	Emotional growth/Empathy	IN PR/PU	3
	CDF	CET	SOE	Bridging effects	IN PU	3
			SOE	Provides options for children not interested in sports	IS PR/PU	2
		CET		Bonding effects	IN PU	2
			SOE	Personal economic benefit (students)	IN PR/PU	1
			SOE	Provides jobs	IS PU	1
			SOE	Pays taxes	IS PU	1
			SOE	Donations keep ticket prices low	IN PU	1
AMIA				Personal enrichment	IN PR	1
AMIA				Arts breakdown racial/cultural barriers	IS PR/PU	1
		CET		Students work towards equity membership	IS PR/PU	1
		CET		Brought Actors Equity Association to Birmingham	IS PR/PU	1
		CET		Vibrant art's scenes equates to healthy city	IS PR/PU	1
	CDF			Joy	IN PR	1
	CDF			Inspiration	IN PR	1
	CDF			Physical health	IS PR/PU	1
	CDF			Alternative to the day-to-day	IN PR	1
	CDF			Quality programs	IS PR/PU	1
	CDF			Trustworthiness of staff	IS PR/PU	1
	CDF			Civic responsibility	IS PU	1

**CATEGORY: CHALLENGES**

Organizations				Code	Type	Frequency
AMIA	CDF	CET	SOE	Funding	NA	23
AMIA	CDF		SOE	Recession	NA	8
		CET	SOE	Conservative “football” culture	NA	6
	CDF	CET	SOE	Competition	NA	6
AMIA			SOE	Lack of government support	NA	6
	CDF	CET	SOE	Audience/Attendance	NA	6
AMIA	CDF	CET		No coherent advocacy (no effective support organization)	NA	5
AMIA		CET	SOE	Lack of marketing/advertising	NA	5
AMIA		CET	SOE	Lack of leadership (for small organizations)	NA	4
AMIA		CET	SOE	Lack of public policy	NA	4
			SOE	Lack of media interest (locally)	NA	4
AMIA			SOE	Instability	NA	3
AMIA			SOE	People in Birmingham take arts for granted	NA	3
AMIA			SOE	Lack of art education	NA	2
				People generally misunderstand art	NA	2
AMIA				Geographic fragmentation of arts infrastructure	NA	2
AMIA		CET		Constrained donor base	NA	2
	CDF	CET		Changing audience expectations	NA	2
		CET	SOE	Lack of visibility	NA	1
			SOE	Ubiquity makes it difficult to value art	NA	1
AMIA				Restricted funds	NA	1
AMIA				Misunderstand need (free riding)	NA	1
AMIA				Few (conspicuous) corporate sponsors	NA	1
AMIA				Government fragmentation	NA	1
AMIA				Social media (competition based on the interests of friends)	NA	1
		CET		Competition/Technology (Netflix, DVR, etc)	NA	1
	CDF			Funders demand for measurable outcomes	NA	1
	CDF			Changing economic climate in Birmingham (Bank restructuring)	NA	1

**CATEGORY: BENEFICIARIES**

Organizations				Code	Type	Frequency
AMIA		CET	SOE	Artists	NA	12
			SOE	Children (Inner city/outreach)	NA	9
AMIA		CET	SOE	Community at large	NA	9
AMIA	CDF	CET	SOE	Staff	NA	9
AMIA		CET		Audience	NA	6
AMIA				Downtown	NA	5
AMIA				Filmmakers from other places	NA	4
AMIA				Film lovers	NA	3
AMIA				Filmmaker community	NA	3
AMIA			SOE	Volunteers	NA	2
AMIA		CET		City of Birmingham	NA	2
AMIA		CET		Donors	NA	2
AMIA				Myself	NA	1

**CATEGORY: REASONS FOR SUPPORT**

Organizations			Code	Type	Frequency	
AMIA			SOE	Passion	IN PR	5
AMIA		CET	SOE	Pleasure	IN PR	5
AMIA		CET		Community enrichment	IS PU	4
AMIA			SOE	"Giving makes you feel good."	IN PR	3
AMIA				Promotes a thriving downtown	IS PU	3
		CET		Civic responsibility	IS PU	3
			SOE	Civic pride	IS PU	2
			SOE	Promotes a vibrant art scene	IS PU	2
	CDF			Arts help people that are disadvantaged	IS PU	2
			SOE	Alternative to the day-to-day	IN PR	1
AMIA				Networking (professional)	IS PR/PU	1
			SOE	Economic development/Creative class	IS PU	1
			SOE	Art is a way of understanding reality	IN PR/PU	1
AMIA				Bridging effects	IN PU	1
AMIA				Bonding effects	IN PU	1
AMIA				Arts challenge prejudice	IN PR/PU	1
AMIA				Sidewalk is important nationally	IS PU	1
AMIA				"Brings interesting people to Birmingham."	IS PU	1
		CET		Inspiration	IN PR	1
		CET		Alternative to "football" culture	IS PU	1

**FREQUENCY BY TYPE**

Type	Benefits	Arguments	Reasons for Support
IN PR	12	5	5
IN PR/PU	12	4	2
IN PU	4	4	2
IS PR	0	1	0
IS PR/PU	11	8	1
IS PU	4	6	10

**LEGEND**

IN = Intrinsic benefits  
 IS = Instrumental benefits  
 PR = Private benefits  
 PU = Public benefits  
 PR/PU = Private benefits w/ Public effects

APPENDIX I  
CO-ORIENTATION STUDY RESULTS

Co-orientation Analysis AMIA

FR 3 Co-orientation	Donor 10		Donor 11		Donor 20		Donor 23	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence		X		X		X		X
2. Enough Say		X		X		X		X
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X			X
6. Acknowledge		X	X			X		X
7. FR Success		X		X		X		X
8. Wisely	X		X			X	X	
9. Attention	X		X			X	X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues	X			X	X			X
13. Flexible	X		X		X		X	
14. Alliances		X		X	X			X
15. Seriously	X		X		X		X	

Co-orientation Analysis AMIA-1

FR 4 Co-orientation	Donor 10		Donor 11		Donor 20		Donor 23	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X			X	X	
2. Enough Say	X		X			X	X	
3. Happy	X		X			X	X	
4. Promises	X		X		X		X	
5. Long Term		X		X		X		X
6. Acknowledge		X	X			X		X
7. FR Success		X		X		X		X
8. Wisely	X		X			X	X	
9. Attention	X		X			X	X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X	X			X	X	
13. Flexible	X		X		X		X	
14. Alliances	X		X			X		X
15. Seriously	X		X		X		X	

Co-orientation Analysis AMIA-2

Donor Co-orientation/FR3	Donor 10		Donor 11		Donor 20		Donor 23	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X			X		X
2. Enough Say	X		X			X	X	
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term		X		X		X		X
6. Acknowledge		X	X		X		X	
7. FR Success		X		X		X	X	
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues	X			X	X			X
13. Flexible	X		X		X		X	
14. Alliances	X		X		X			X
15. Seriously	X		X		X		X	

Co-orientation Analysis AMIA-3

Donor Co-orientation/FR4	Donor 10		Donor 11		Donor 20		Donor 23	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X			X		X
2. Enough Say	X		X			X	X	
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term		X		X		X		X
6. Acknowledge		X		X		X		X
7. FR Success		X		X		X	X	
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X	X			X		X
13. Flexible	X		X		X		X	
14. Alliances	X		X		X			X
15. Seriously	X		X		X		X	

Co-orientation Analysis CDF

FR 7 Co-orientation	Donor 15		Donor 21		Donor 16		Donor 19	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence		X		X		X		X
2. Enough Say	X		X		X		X	
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X		X	
8. Wisely	X		X		X		X	
9. Attention		X		X		X		X
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues	X		X			X	X	
13. Flexible	X		X		X		X	
14. Alliances	X		X			X	X	
15. Seriously	X		X		X		X	

Co-orientation Analysis CDF-1

FR 6 Co-orientation	Donor 15		Donor 21		Donor 16		Donor 19	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X		X		X	
2. Enough Say		X		X		X		X
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X		X	
8. Wisely	X		X		X		X	
9. Attention		X		X		X		X
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues	X		X			X	X	
13. Flexible	X		X		X		X	
14. Alliances	X		X			X	X	
15. Seriously	X		X		X		X	

Co-orientation Analysis CDF-2

Donor Co-orientation/FR7	Donor 15		Donor 21		Donor 16		Donor 19	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X		X		X	
2. Enough Say		X	X		X			X
3. Happy	X			X	X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X		X	
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues	X		X			X	X	
13. Flexible	X		X		X		X	
14. Alliances	X		X			X	X	
15. Seriously	X		X		X		X	

Co-orientation Analysis CDF-3

Donor Co-orientation/FR6	Donor 15		Donor 21		Donor 16		Donor 19	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X		X		X	
2. Enough Say		X	X		X			X
3. Happy	X			X	X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X		X	
8. Wisely	X		X		X		X	
9. Attention		X		X		X		X
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X		X		X		X
13. Flexible	X		X		X		X	
14. Alliances	X		X			X	X	
15. Seriously	X		X		X		X	

Co-orientation Analysis CET

FR 5 Co-orientation	Donor 12		Donor 14		Donor 17		Donor 22	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X		X			X
2. Enough Say	X		X		X		X	
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success	X			X	X		X	
8. Wisely	X		X		X		X	
9. Attention	X		X			X	X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X		X	X		X	
13. Flexible	X		X			X	X	
14. Alliances	X		X		X		X	
15. Seriously	X		X		X		X	

Co-orientation Analysis CET-1

Donor Co-orientation/FR5	Donor 12		Donor 14		Donor 17		Donor 22	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X		X		X		X	
2. Enough Say	X		X		X		X	
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X		X		X		X
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X		X		X	X	
13. Flexible	X			X		X	X	
14. Alliances		X	X		X		X	
15. Seriously	X		X		X		X	

Co-orientation Analysis SOE

FR 1 Co-orientation	Donor 8		Donor 9		Donor 13		Donor 18	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence	X			X	X		X	
2. Enough Say		X		X		X		X
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X			X
8. Wisely	X		X		X		X	
9. Attention	X		X		X			X
10. Access		X	X		X		X	
11. Enjoyable		X		X		X		X
12. Issues		X		X	X		X	
13. Flexible	X			X		X		X
14. Alliances		X		X		X		X
15. Seriously	X		X		X		X	

Co-orientation Analysis SOE-1

FR 2 Co-orientation	Donor 8		Donor 9		Donor 13		Donor 18	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence		X	X			X		X
2. Enough Say	X			X	X			X
3. Happy	X		X		X		X	
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X			X
8. Wisely	X		X		X		X	
9. Attention	X		X		X			X
10. Access		X		X		X		X
11. Enjoyable		X	X		X		X	
12. Issues		X		X	X		X	
13. Flexible		X	X		X		X	
14. Alliances	X		X		X		X	
15. Seriously	X		X		X		X	

Co-orientation Analysis SOE-2

Donor Co-orientation/FR1	Donor 8		Donor 9		Donor 13		Donor 18	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence		X		X		X		X
2. Enough Say		X		X		X		X
3. Happy	X			X	X			X
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X			X
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable		X		X		X		X
12. Issues		X		X	X		X	
13. Flexible	X		X		X		X	
14. Alliances	X		X		X			X
15. Seriously	X		X		X		X	

Co-orientation Analysis SOE-3

Donor Co-orientation/FR2	Donor 8		Donor 9		Donor 13		Donor 18	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
1. Influence		X	X			X		X
2. Enough Say		X		X	X			X
3. Happy	X			X	X			X
4. Promises	X		X		X		X	
5. Long Term	X		X		X		X	
6. Acknowledge	X		X		X		X	
7. FR Success		X	X		X			X
8. Wisely	X		X		X		X	
9. Attention	X		X		X		X	
10. Access	X		X		X		X	
11. Enjoyable	X		X		X		X	
12. Issues		X		X	X		X	
13. Flexible	X		X		X		X	
14. Alliances	X		X		X			X
15. Seriously	X		X		X		X	

**Co-orientation Data AMIA**

AMIA Co-orientation	FR 3			CO-R			FR 4			CO-R			Don 10			CO-R			Don 11			CO-R			Don 20			CO-R			Don 23			CO-R					
	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK									
<b>1. Influence</b>		X		X				X			X			X			X			X			X			X			X			X			X			X	
<b>2. Enough Say</b>	X				X		X			X			X			X			X			X				X			X		X			X			X		
<b>3. Happy</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		
<b>4. Promises</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		
<b>5. Long Term</b>		X		X				X			X		X			X			X			X			X			X				X		X					
<b>6. Acknowledge</b>	X			X				X		X				X		X			X			X			X			X				X		X					
<b>7. FR Success</b>	X			X			X			X				X			X			X			X		X			X				X		X					
<b>8. Wisely</b>	X			X			X			X			X			X			X			X				X		X			X			X			X		
<b>9. Attention</b>	X			X			X			X			X			X			X			X				X		X			X			X			X		
<b>10. Access</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		
<b>11. Enjoyable</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		
<b>12. Issues</b>		X			X		X			X				X			X		X			X				X			X		X							X	
<b>13. Flexible</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		
<b>14. Alliances</b>	X				X		X			X			X			X			X			X				X		X				X					X		
<b>15. Seriously</b>	X			X			X			X			X			X			X			X			X			X			X			X			X		

**Legend AMIA**

Relationship Dimensions	Stewardship Strategies	Cultivation Strategies
1. Influence (Control mutuality)	6. Acknowledge (Reciprocity)	10. Access (Access)
2. Enough said (Control mutuality)	7. Fundraising Success (Reporting)	11. Enjoyable (Positivity)
3. Happy (Satisfaction)	8. Wisely (Responsibility)	12. Issues (Openness)
4. Promises (Trust)	9. Attention (Relationship nurturing)	13. Flexible (Sharing tasks)
5. Long term (Commitment)		14. Alliances (Networking)
		15. Seriously (Assurances)

**Co-orientation Data CDF**

CDF Co-orientation	FR 7			CO-R			FR 6			CO-R			Don 15			CO-R			Don 21			CO-R			Don 16			CO-R			Don 19			CO-R					
	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK									
1. Influence		X				X		X			X			X			X			X			X			X			X			X			X			X	
2. Enough Say			X	X					X	X			X			X					X	X					X	X					X	X					
3. Happy	X			X			X			X			X			X					X	X			X			X			X			X					
4. Promises	X			X			X			X			X			X			X			X			X			X			X			X					
5. Long Term	X			X			X			X			X			X			X			X			X			X			X			X					
6. Acknowledge	X			X			X			X			X			X			X			X			X			X			X			X					
7. FR Success	X			X			X			X				X			X		X			X			X			X			X			X					
8. Wisely	X			X			X			X			X			X			X			X			X			X			X			X					
9. Attention	X				X			X			X		X			X			X			X			X			X			X			X					
10. Access	X			X			X			X			X			X			X			X			X			X			X			X					
11. Enjoyable	X			X			X			X			X			X			X			X			X			X			X			X					
12. Issues	X			X				X		X			X			X			X			X				X			X		X			X					
13. Flexible	X			X			X			X			X			X			X			X			X			X			X			X					
14. Alliances	X			X			X			X			X			X			X			X				X			X		X			X					
15. Seriously	X			X			X			X			X			X			X			X			X			X			X			X					

**Legend CDF**

Relationship Dimensions	Stewardship Strategies	Cultivation Strategies
1. Influence (Control mutuality)	6. Acknowledge (Reciprocity)	10. Access (Access)
2. Enough said (Control mutuality)	7. Fundraising Success (Reporting)	11. Enjoyable (Positivity)
3. Happy (Satisfaction)	8. Wisely (Responsibility)	12. Issues (Openness)
4. Promises (Trust)	9. Attention (Relationship nurturing)	13. Flexible (Sharing tasks)
5. Long term (Commitment)		14. Alliances (Networking)
		15. Seriously (Assurances)

**Co-orientation Data CET**

CET Co-orientation	FR 5			CO-R			Don 12			CO-R			Don 14			CO-R			Don 17			CO-R			Don 22			CO-R					
	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK
<b>1. Influence</b>		X			X			X			X			X			X			X			X		X							X	
<b>2. Enough Say</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>3. Happy</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>4. Promises</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>5. Long Term</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>6. Acknowledge</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>7. FR Success</b>		X			X			X		X			X			X				X				X		X		X			X		
<b>8. Wisely</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>9. Attention</b>	X			X			X			X			X			X				X		X			X			X			X		
<b>10. Access</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>11. Enjoyable</b>	X			X			X			X			X			X			X			X			X			X			X		
<b>12. Issues</b>		X			X		X			X			X			X				X				X		X			X			X	
<b>13. Flexible</b>	X			X			X			X					X			X			X			X	X			X			X		
<b>14. Alliances</b>	X			X					X			X	X			X			X			X			X			X			X		
<b>15. Seriously</b>	X			X			X			X			X			X			X			X			X			X			X		

**Legend CET**

Relationship Dimensions	Stewardship Strategies	Cultivation Strategies
1. Influence (Control mutuality)	6. Acknowledge (Reciprocity)	10. Access (Access)
2. Enough said (Control mutuality)	7. Fundraising Success (Reporting)	11. Enjoyable (Positivity)
3. Happy (Satisfaction)	8. Wisely (Responsibility)	12. Issues (Openness)
4. Promises (Trust)	9. Attention (Relationship nurturing)	13. Flexible (Sharing tasks)
5. Long term (Commitment)		14. Alliances (Networking)
		15. Seriously (Assurances)

**Co-orientation Data SOE**

SOE	FR 1			CO-R			FR 2			CO-R			Don 8			CO-R			Don 9			CO-R			Don 13			CO-R			Don 18			CO-R					
	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK	Y	N	DK									
<b>1. Influence</b>			X	X				X			X		X			X				X			X		X			X			X			X			X		
<b>2. Enough Say</b>		X			X				X			X			X	X				X				X			X			X	X			X					
<b>3. Happy</b>	X			X			X			X			X			X			X				X		X			X			X					X			
<b>4. Promises</b>	X			X			X			X			X			X			X			X			X			X			X			X					
<b>5. Long Term</b>	X			X			X			X			X			X			X			X			X			X			X			X					
<b>6. Acknowledge</b>	X			X			X			X			X			X			X			X			X			X			X			X					
<b>7. FR Success</b>	X			X			X			X				X				X	X			X			X			X				X			X				
<b>8. Wisely</b>	X			X			X			X			X			X			X			X			X			X			X			X					
<b>9. Attention</b>	X			X			X			X			X			X			X			X			X			X			X			X					
<b>10. Access</b>	X			X			X				X				X	X			X			X			X			X			X			X					
<b>11. Enjoyable</b>		X			X		X			X					X	X			X			X			X			X			X			X					
<b>12. Issues</b>		X			X			X			X		X			X			X			X				X			X			X			X				
<b>13. Flexible</b>	X					X	X			X					X	X			X			X			X			X			X			X					
<b>14. Alliances</b>	X					X	X			X			X			X			X			X			X			X			X			X					
<b>15. Seriously</b>	X			X			X			X			X			X			X			X			X			X			X			X					

**Legend SOE**

Relationship Dimensions	Stewardship Strategies	Cultivation Strategies
1. Influence (Control mutuality)	6. Acknowledge (Reciprocity)	10. Access (Access)
2. Enough said (Control mutuality)	7. Fundraising Success (Reporting)	11. Enjoyable (Positivity)
3. Happy (Satisfaction)	8. Wisely (Responsibility)	12. Issues (Openness)
4. Promises (Trust)	9. Attention (Relationship nurturing)	13. Flexible (Sharing tasks)
5. Long term (Commitment)		14. Alliances (Networking)
		15. Seriously (Assurances)

APPENDIX J

SAMPLE REQUEST FOR PARTICIPATION LETTERS

## **Email Request for Donor Participation from an Executive Director**

June 1, 2013

Dear (arts donor),

I am writing because Webb Robertson, a doctoral candidate at the University of Alabama's College of Communication and Information Sciences, is conducting a case study of four nonprofit arts organizations in Birmingham. Webb's dissertation research focuses on the benefits that are gained by participating in arts activities, the kinds of arguments that are typically used to justify arts funding, and the relationship between individual donors and fundraisers.

I am contacting several donors that I would like to consider participating in this study by agreeing to be interviewed by Webb. The interview will take approximately one hour and will include questions concerning your opinions about the arts in Birmingham and the relationship you have with (participating organization). Of course, your responses will be confidential and your participation is completely voluntary.

If you are interested in participating in this study, please indicate so by responding to this email. Thanks so much for your consideration.

All the best,

(Executive Director)

## **Email Request for Fundraiser Participation from an Executive Director**

June 1, 2013

Dear (Fundraiser),

I am writing because Webb Robertson, a doctoral candidate at the University of Alabama's College of Communication and Information Sciences, is conducting a case study of four nonprofit arts organizations in Birmingham. Webb's dissertation research focuses on the benefits that are gained by participating in arts activities, the kinds of arguments that are typically used to justify arts funding, and the relationship between individual donors and fundraisers.

I am contacting you as a fundraiser to see if you would consider participating in this study by agreeing to be interviewed by Webb. Interviews will take approximately one hour and will include questions concerning your opinions about the arts in Birmingham and the relationship you have with donors. Of course, your responses will be confidential and your participation is completely voluntary.

If you are interested in participating in this study, please indicate so by responding to this email. Thanks so much for your consideration.

All the best,

(Executive Director)

## Letter Request for Donor Participation from an Executive Director

June 1, 2013

Dear (arts donor),

I am writing because Webb Robertson, a doctoral candidate at the University of Alabama's College of Communication and Information Sciences, is conducting a case study of four nonprofit arts organizations in Birmingham. Webb's dissertation research focuses on the benefits that are gained by participating in arts activities, the kinds of arguments that are typically used to justify arts funding, and the relationship between individual donors and fundraisers.

I am contacting several donors that I would like to consider participating in this study by agreeing to be interviewed by Webb. The interview will take approximately one hour and will include questions concerning your opinions about the arts in Birmingham and the relationship you have with arts organizations. Of course, your responses will be confidential and your participation is completely voluntary.

If you are interested in participating in this study, please indicate so by responding to this letter. Thanks so much for your consideration.

All the best,

(Executive Director)

APPENDIX K  
INTERVIEW GUIDE (DONOR AND FUNDRAISER)

## INTERVIEW GUIDE FOR NONPROFIT ARTS ORGANIZATION DONORS

### Investigating the Organization-Donor Relationship, Donor Cultivation, and Stewardship Strategies in the Nonprofit Arts Sector

Thank you for agreeing to participate in this study by sharing your thoughts about the arts in Birmingham. I would like to ask you several questions that will help me understand why you support the arts, what benefits you believe participating in the arts provides, and which arguments in favor of arts support you find compelling. Additionally, I would like to ask you several questions about the relationship you have with (participating organization), why you began contributing, and why you continue to do so.

1. How often do you attend arts events in Birmingham and what kinds of events interest you?
2. What benefits (private and public) do you think participating in the arts provides?
3. Do you have any training in the arts?
4. Do you believe that nonprofit arts organizations in Birmingham face any significant challenges and if so, what are the challenges?
5. Why do you support the arts in Birmingham?
6. What are your impressions of (participating organization) and why do you support it?
7. Are you aware of a narrative that tells the story of (participating organization)?
8. Which arguments in favor of arts funding (economic development, social cohesion, etc.) do you find compelling?
9. Who do you believe the ultimate beneficiary of a donation to (participating organization) is? Is that important to you? (Principle-Agent Issues)

Now I want to ask you several questions about your relationship with (participating

organization). First, I will ask for your opinion and then I will ask how you think (participating organization) would respond to the same question. The purpose is to understand both your perceptions and what you think the perceptions of (participating organization) might be.

10. Do you believe that donors influence the decisions (participating organization's) management makes? (Control Mutuality)

How do you think (participating organization) would respond to that?

11. Conversely, do you believe that (participating organization) gives donors enough say in the decision-making process? (Control Mutuality)

How do you think (participating organization) would respond to that?

12. Do you believe donors are happy with (participating organization) and that the relationship is mutually beneficial? (Satisfaction)

How do you think (participating organization) would respond to that?

13. Do you believe that (participating organization) can be relied on to keep its promises to donors? (Trust)

How do you think (participating organization) would respond to that?

14. Do you believe that (participating organization) is trying to build and maintain long-term relationships with its donors? (Commitment)

How do you think (participating organization) would respond to that?

15. Does (participating organization) acknowledge donations in a timely and sincere way? (Reciprocity)

How do you think (participating organization) would respond to that?

16. Does (participating organization) inform donors about its fundraising successes and how donations have been used? (Reporting)

How do you think (participating organization) would respond to that?

17. Do you have confidence your donations will be used wisely? (Responsibility)

How do you think (participating organization) would respond to that?

18. Do you receive personalized attention from (participating organization) – are you invited to special events? (Relationship Nurturing)

How do you think (participating organization) would respond to that?

19. Do you feel that you have adequate access to (participating organization) and that it is willing to respond to your/donor's questions or inquiries? (Access)

How do you think (participating organization) would respond to that?

20. Does (participating organization) try to make its interactions with donors enjoyable? (Positivity)

How do you think (participating organization) would respond to that?

21. Does (participating organization) provide donors with enough information to understand the issues it faces? (Openness)

How do you think (participating organization) would respond to that?

22. If donors have an issue or concern, is (participating organization) flexible working with you reach a solution? (Sharing of Tasks)

How do you think (participating organization) would respond to that?

23. Do you think (participating organization) works to build alliances with like-minded organizations to address issues that donors care about? (Networking)

How do you think (participating organization) would respond to that?

24. Does (participating organization) take donors concerns seriously? (Assurances)

How do you think (participating organization) would respond to that?

## **INTERVIEW GUIDE FOR NONPROFIT ARTS ORGANIZATION FUNDRAISERS**

### **Investigating the Organization-Donor Relationship, Donor Cultivation, and Stewardship Strategies in the Nonprofit Arts Sector**

Thank you for agreeing to participate in this study by sharing your thoughts about the arts in Birmingham. I would like to ask you several questions that will help me understand which benefits you believe participating in the arts provides and which arguments in favor of arts support you find compelling. Additionally, I would like to ask you several questions about the relationship you have with your donors, why you believe they began contributing, and why they continue to do so.

1. What benefits (private and public) do you think participating in the arts provides?
2. Which arguments in favor of arts funding (economic development, social cohesion, civic pride, etc.) do you find compelling?
3. Who do you believe the ultimate beneficiary of a donation to your organization is? Is that important to donors? (Principle-Agent Issues)
4. Is there a narrative telling the story of your organization that is used in fundraising appeals?
5. In your opinion, what significant challenges are facing the nonprofit arts sector in Birmingham?

Now I want to ask you several questions about your relationship with individual donors. First, I will ask for your opinion and then I will ask how you think your donors would respond to the same question. The purpose is to understand both your perceptions and what you think the perceptions of donors might be.

6. Do you believe that donors influence the decisions the management of your

organization makes? (Control Mutuality)

How do you think donors would respond to that?

7. Conversely, do you believe that your organization gives donors enough say in the decision-making process? (Control Mutuality)

How do you think donors would respond to that?

8. Do you believe donors are happy with your organization and that the relationship is mutually beneficial? (Satisfaction)

How do you think donors would respond to that?

9. Do you believe that your organization can be relied on to keep its promises to donors? (Trust)

How do you think donors would respond to that?

10. Do you believe that your organization is trying to build and maintain long-term relationships with its donors? (Commitment)

How do you think donors would respond to that?

11. Does your organization acknowledge donations in a timely and sincere way? (Reciprocity)

How do you think donors would respond to that?

11. Does your organization inform donors about its fundraising successes and how donations have been used? (Reporting)

How do you think donors would respond to that?

13. Do your donors have confidence their donations will be used wisely? (Responsibility)

How do you think donors would respond to that?

14. Do donors receive personalized attention from your organization – are they

invited to special events? (Relationship Nurturing)

How do you think donors would respond to that?

15. Do donors feel that they have adequate access to your organization and that it is willing to respond to their questions or inquiries? (Access)

How do you think donors would respond to that?

16. Does your organization try to make its interactions with donors enjoyable? (Positivity)

How do you think donors would respond to that?

17. Does your organization provide donors with enough information to understand the issues it faces? (Openness)

How do you think donors would respond to that?

18. If donors have an issue or concern, is your organization flexible working with them to reach a solution? (Sharing of Tasks)

How do you think donors would respond to that?

19. Do you think your organization works to build alliances with like-minded organizations to address issues of mutual concern to you and your donors? (Networking)

How do you think donors would respond to that?

20. Does your organization take donors concerns seriously? (Assurances)

How do you think donors would respond to that?

APPENDIX L

INDICES OF RELATIONSHIP DIMENSIONS, CULTIVATION STRATEGIES, AND  
STEWARDSHIP STRATEGIES

## Indices of Relationship Dimension Measures

Variable	Operationalization
Control Mutuality	<p>The organization and donors are attentive to each other's needs.</p> <p>The organization does not believe the opinions and concerns of its donors are important. (Reverse)</p> <p>I believe donors have influence on the decision makers of the organization.</p> <p>The organization really listens to what its donors have to say.</p> <p>When donors interact with this organization, they have a sense of control over the situation.</p> <p>The organization gives donors enough say in the decision-making process.</p>
Satisfaction	<p>Donors are happy with the organization.</p> <p>Both the organization and its donors benefit from their relationship.</p> <p>Most donors are happy in their interactions with the organization.</p> <p>Generally speaking, I am pleased with the relationship the organization has established with me.</p> <p>The organization fails to satisfy the needs of its donors. (Reverse)</p> <p>Most donors enjoy dealing with this organization.</p>
Trust	<p>The organization respects its donors</p> <p>The organization can be relied on to keep its promises to donors.</p> <p>When the organization makes an important decision, I know it will be concerned about its donors.</p> <p>I believe that the organization takes the opinions of donors into account when making decisions.</p> <p>I feel very confident about the organization's ability to accomplish its mission.</p> <p>The organization does not have the ability to meet its goals and objectives. (Reverse)</p>
Commitment	<p>I feel that the organization is trying to maintain a long-term commitment with donors.</p> <p>I cannot see that the organization wants to maintain a relationship with its donors. (Reverse)</p> <p>There is a long-lasting bond between the organization and its donors.</p> <p>Compared to other organizations, I value my relationship with this organization more.</p> <p>I would rather have a relationship with this organization than not.</p>

Adapted from Waters (2007)

## Indices of Relationship Cultivation Strategies

Variable	Operationalization
Access	<p>The organization does not provide donors with adequate contact information.</p> <p>The organization provides donors with opportunities to meet its staff.</p> <p>When donors have questions or concerns, the organization is willing to answer their inquiries.</p> <p>The organization provides donors with adequate contact information for specific staff on specific issues.</p>
Positivity	<p>Receiving regular communications from the organization is beneficial to donors.</p> <p>The organization's communication with donors is courteous.</p> <p>The organization attempts to make its interactions with donors enjoyable.</p> <p>The information the organization provides donors with is of little use to them.</p>
Openness	<p>The organization's annual report is a valuable source of information for donors.</p> <p>The organization does not provide donors with enough information about what it does with donations. (Reverse)</p> <p>The organization provides donors with enough information to understand the issues it faces.</p> <p>The organization shares enough information with donors about the organization's governance.</p>
Sharing of Tasks	<p>The organization and donors do not work well together at solving problems. (Reverse)</p> <p>The organization is involved in managing issues that donors care about.</p> <p>The organization works with donors to develop solutions that benefit donors.</p> <p>The organization is flexible when working with donors to come to mutually beneficial solutions to shared concerns.</p>
Networking	<p>The organization effectively builds coalitions with groups that address that address issues that donors care about.</p> <p>The organization's alliances with other like-minded groups are useless to donors. (Reverse)</p> <p>The organization's alliances with government agencies are useful for its donors.</p> <p>The organization's alliances with other community groups are useful to its donors.</p>

## Indices of Relationship Cultivation Strategies

Variable	Operationalization
Assurances	The organization makes a genuine effort to provide personal responses to donors' concerns. The organization communicates the importance of its donors. When donors raise concerns, the organization takes these concerns seriously. Donors do not believe that the organization really cares about their concerns. (Reverse)

Adapted from Waters (2007)

## Indices of Stewardship Strategies

Variable	Operationalization
Reciprocity	<p>The organization acknowledges fundraising donations in a timely manner.</p> <p>The organization always sends me a thank you letter for my donations.</p> <p>The organization is not sincere when it thanks donors for their contributions. (Reverse)</p> <p>Because of my previous donations, the organization recognizes me as a friend.</p>
Reporting	<p>The organization informs donors about its fundraising successes.</p> <p>The organization tells donors how it has used their donations.</p> <p>The organization's annual report details how much money was raised in that year.</p> <p>The organization does not provide donors with information about how their donations were used. (Reverse)</p>
Responsibility	<p>The organization considers its donors when deciding how to use their donations.</p> <p>The organization uses donations for projects that are against the will of the donors. (Reverse)</p> <p>Donors have confidence that the organization will use their donations wisely.</p> <p>The organization tells donors what projects their donations will fund.</p>
Relationship Nurturing	<p>The organization tells donors what projects their donations will fund.</p> <p>Donors only hear from the organization when it is soliciting for donations. (Reverse)</p> <p>The organization is more concerned with its fiscal health than with its relationships with donors. (Reverse)</p> <p>Donors receive personalized attention from the organization.</p> <p>The organization invites donors to participate in special events that it holds.</p>

Adapted from Waters (2007)