Your Funding Ecosystem

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Who are you?

► Welcome and introductions!
Ecosystem...

- An ecosystem is a geographic area where plants, animals, and other organisms, as well as weather and landscape, work together to form a bubble of life.

- A Funding ecosystem is a system of multiple revenue streams working together to support an organization.
Museum Revenue Streams

OR the 1/3rd rule...

► Earned Income (average 28%)
► Contributions (average 36%)
► Grants (average 24%)
► Investments (also endowments) (average 12%)

Your turn

► Where are your organizations in this picture?
Funding Ecosystem

- Earned Income
- Funder Interest
- Contributed Income
$499.33 billion

In 2022, Americans gave $499.33 billion to charity, a 3.4% decline compared to 2021. Adjusted for inflation, total giving declined 10.5%.

Where did the generosity come from?

**Contributions by source**

By percentage of the total

64% $319.04 billion
Giving by Individuals

- declined by 6.4% over 2021

21% $105.21 billion
Giving by Foundations

- increased 2.5% over 2021

9% $45.60 billion
Giving by Bequest

- increased 2.3% over 2021

6% $21.08 billion
Giving by Corporations

- increased 3.4% over 2021

While giving by individuals continues to grow over time, it has fallen below 70% of all giving for the fourth consecutive year.

Foundations are growing as a share of giving over time. In 2022, over $1 out of every $5 that went to charity came from a foundation.

*All figures on this infographic are reported in current dollars unless otherwise noted. Inflation was especially high in 2022, at 8.0%, and results may differ when adjusted for inflation. Learn more in the chapters.*
Where did the charitable dollars go?

**Contributions by destination**

<table>
<thead>
<tr>
<th>Percentage of the total contributions*</th>
<th>Amount</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>↓ 5.2%</td>
<td>$143.57 billion</td>
<td>Religion</td>
</tr>
<tr>
<td>↓ 0.6%</td>
<td>$71.98 billion</td>
<td>Human Services</td>
</tr>
<tr>
<td>↓ 3.6%</td>
<td>$70.07 billion</td>
<td>Education</td>
</tr>
<tr>
<td>↑ 10.1%</td>
<td>$56.84 billion</td>
<td>Foundations</td>
</tr>
<tr>
<td>↑ 5.1%</td>
<td>$51.08 billion</td>
<td>Health</td>
</tr>
<tr>
<td>↓ 8.4%</td>
<td>$46.86 billion</td>
<td>Public-Society Benefit</td>
</tr>
<tr>
<td>↑ 10.9%</td>
<td>$33.71 billion</td>
<td>International Affairs</td>
</tr>
<tr>
<td>↑ 2.9%</td>
<td>$24.67 billion</td>
<td>Arts, Culture, and Humanities</td>
</tr>
<tr>
<td>↓ 1.6%</td>
<td>$16.10 billion</td>
<td>Environment/Animals</td>
</tr>
<tr>
<td>↑ 0.6%</td>
<td>$12.98 billion</td>
<td>Individuals</td>
</tr>
</tbody>
</table>

*Percentages for recipient categories do not include unallocated giving, which totaled -$28.54 billion in 2022.

Donor-advised funds are among the fastest growing forms of giving. Learn more about where grants from DAFs go in the chapter on donor-advised funds.

Giving to International Affairs organizations grew by 10.9% in 2022, in part due to donors responding to world events. Despite uneven results in 2022, six of nine subsectors continue to exceed pre-pandemic levels, even when adjusted for inflation.

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving. Giving USA: The Annual Report on Philanthropy. It is a privilege to report on Americans’ generosity and related historical trends on U.S. charitable giving.
Individuals
Pyramid of Giving

- First-Timer Annual Giving
- Repeat Annual Giving
- Special/Major Giving
- Major Giving
- Planned Giving

- Size of gift
- Breadth of constituents

Adapted from James M. Greenfield, Fundraising Responsibilities of Nonprofit Boards, 2nd edition
Immerse donors in your mission

Create unique experiences that:

► Facilitate social experiences
► Touch head and heart
► Make them feel like they belong—Be their Cheers!
The Donor Continuum

Create a Gratifying Gift Experience

Identify/Qualify

Build Trust Relationship

Locate Passion

Match Philanthropic Passions

Facilitate Next Steps

Gain Gift Commitment

It is not about the money; it is about what is meaningful to the donor!
Donor Engagement and Cultivation Examples

► Visit with Curators, behind the scenes
► Unique program experience
► Members Only programs
► Ask for feedback on plan for new program
► Lunch with the CEO (or program staff)

Follow up is important
Listen, ask questions, observe
Earned Income
What is Earned Income?

Revenue from:

► Admissions
► Programs
► Retail
► Food service/Liquor (percentage or commission on food provided rentals)
► Facility Rentals
► Landlord/tenant relationships
► Licensing
► Traveling exhibitions/Intellectual property
► Travel programs
► Community program of some sort (Corporate training)
Why Earned Income?

► A diverse revenue stream is critical for sustainability.
► You can make use of your assets for more than just mission delivery to support mission delivery
► It can be marketing-community gets exposure to your facility and will return!
Programs

- Public
  - Camps
  - Lectures
  - Workshops
  - Tours
  - Mission related trips-Paleontology digs, art tours
Programs

► Student
  ● Toddler
  ● VPK
  ● Florida Standard based programs
  ● Internships
Program Tools

► Audio tours
► Gallery Guides
► Topic related books
► Kids activities in your retail store
Space Usage

Make your space work for you-rent it out!
► Weddings
► Corporate meetings
► Corporate parties
► Fundraisers for other non profits
► Private Parties

Price w/r to surrounding venues
Add value to rentals

- Rent equipment such as table, chairs, podium, AV
- Provide mission programming for an upcharge
- Provide event planning
- Secure commission from caterers-preferred list
Hire out Intellectual Property

• Travel your exhibits

• Create corporate/team building programs to use in your space for a fee-
  Escape Room concept

• Create a “guide” with your staff expertise for your region-i.e. a Shell Guide
Other ideas...

► Secure your Liquor License for beer and wine

► Is your property of value to others for long term use? Can you host a wind or solar farm? Cell tower? Rent out a space to another group?

► Do you have a recreation space that can be used by the community (i.e. a pool or park/courtyard)?
Education Opportunities

➢ Tourism
➢ Program in local hotels
➢ Beach walks- Be the local nature guides
➢ Art trips
➢ Workshops-master artist, your museum’s expertise here...
Keep in mind...

Tax! Unrelated income can be taxable. Areas to look at include:

- Store merchandise—what is non mission related?
- Rentals
► New Inspiration or Ideas?
► Past Successes?
THANK YOU!