

Restarting a Pandemic-Stalled Capital Campaign

Nan Keeton, Senior Vice President

Capital Campaigns for arts and culture organizations are ambitious, often visionary, ventures in the best of times—requiring the commitment and momentum of well-cultivated major donors, excellent campaign infrastructure, and a healthy pool of prospects. During times of crisis, however, many capital campaigns can come to a halt as arts and culture organizations unexpectedly find themselves refocusing on operational stability and survival. Ambitious campaigns are put on hold as the loss of earned and contributed revenues require institutions to put a singular focus on the annual fund.

The Chronicle of Philanthropy recently shared a number of economic indicators that are encouraging, including a strong gross domestic product rate, positive regional economic indicators and market performance, and new government stimulus programs. A thoughtful planning process is essential before hastily resuming an integrated multi-year campaign. As the arts and culture sector begins to experience a bit more predictability, this issue of *Arts Insights* explores six steps to keep in mind before restarting a pandemic-stalled capital campaign.

Step 1: Assess Leadership and Organizational Changes

Arts and culture leaders should begin with a thorough review of how the organization has changed and which changes are likely to become part of its permanent scope of activity. In the last year, many organizations invested in digital programs, venue modifications, and experimental engagement initiatives, developing creative new capacities in response to the pandemic. These business and program model adaptations—along with new or renewed commitments to diversity, equity, and inclusion—may need to now be formally integrated into strategic and campaign planning. New leadership at both the board and staff level may also invite a reexamination of capitalization priorities in relation to a paused campaign. Many of these changes can be captured by revisiting and clarifying the strategic plan for the organization. This strategic plan update will set an essential foundation to relaunch and sustain a multi-year campaign.

Step 2: Assess Financial Health and Capitalization

A comprehensive financial review of the pandemic's impact on the organization is the next important step. Most arts and culture institutions have experienced significant economic setbacks as a result of the pandemic.¹ For many organizations, annual operating revenues and expenses, as well as debt and staffing structures, have changed significantly. It is important to understand if the organization secured stabilization funds or loans, borrowed from endowment, or dipped into operating reserve funds. Donors to a campaign will want to be updated on the organization's current financial stability and operating plan and will likely have a deeper understanding of the need for endowment funds as a critical component of financial stability. It is also important to review individual major donors and foundations that provided incremental contributions due to the pandemic. These supporters demonstrated an important commitment during a very challenging time and will have meaningful input on the intended impact of these incremental pandemic-related gifts, as well as an organization's readiness to relaunch a capital campaign.

Step 3: Reconvene the Campaign Steering Committee

The campaign steering committee should be invited to reconvene and briefed on the organizational and financial changes to the institution, transitions in staffing and volunteers, and adaptations to the business model that have taken place in the wake of the pandemic. Accountability to the committee is an important component of donor stewardship and sets the stage for a constructive evaluation of any renewed campaign fundraising. A working agenda for a regathered campaign leadership committee should include:

¹ Greg Guibert and Iain Hyde, Analysis: COVID-19's Impacts on Arts and Culture, National Endowment for the Arts, <https://www.arts.gov/sites/default/files/COVID-Outlook-Week-of-1.4.2021-revised.pdf>.

- Input and feedback on organizational, leadership, and staffing changes
- Review of the organization's financial health, operational outlook, and public perceptions
- Discussion of market changes and philanthropic giving priorities for the community
- Counsel on any potential modifications to the campaign, either in the giving priorities or its structure
- Stewardship guidance for existing campaign donors
- Assessment of donor fatigue

The committee conversation needs to be focused on the viability of restarting the campaign and the readiness of the organization and its fundraising volunteers to recommit to the effort.

Step 4: Restructure and Rescale for Relevance

One of three pathways can be selected after the campaign committee reconvenes. The campaign can continue to remain on hold, it can be restarted as originally conceived, or it can be restructured and financially rescaled to be more relevant in response to the post-pandemic world. This is an essential moment to refocus the goals and intent of the campaign. If the campaign is moving forward, the campaign committee and staff team need to reinvest in campaign planning, update the case for support, and consider ways to reenergize the campaign committee. Early campaign committee members may need to step down to provide space for new members to join. This is a critical moment to consider the diversity of the committee and the inclusive voices involved in campaign leadership. Communication should emphasize a unified campaign, perhaps with a pre-pandemic foundation, and the next phase to be relaunched as the pandemic begins to wane.

Step 5: Update and Thank Existing Campaign Donors First

No matter which direction the organization chooses, it is imperative that all of the donors who have already given to the campaign be contacted, thanked, and updated on the institution's decisions during the pandemic before any campaign activity begins anew. These donors committed to the organization early. It is important that they know the status of their gifts, the impact of their gifts on the organization, and the future plans for the campaign. Major donors will welcome the opportunity to be apprised of the path forward, and this should happen with direct communication from both campaign committee and staff leadership teams. Major donors will also have the opportunity to re-engage in the effort, provide additional support, and possibly suggest new campaign volunteers and donor prospects.

Step 6: Recommit and Relaunch

If a decision to relaunch the capital campaign is made, revisiting the campaign case statement and infrastructure will ensure the organization is on solid footing for this effort. Given the significant changes in the field due to the pandemic, reconfirming campaign feasibility with refreshed wealth screening and stakeholder interviews will be important. Re-energized campaign leadership and a renewed investment in thoughtful campaign planning and implementation will be critical. A refreshed campaign case for support will reassert the visionary and aspirational goals for an organization and can optimistically focus donors on a longer-term, brighter future for arts and culture organizations in the communities they serve.

Conclusion

The pandemic has created tremendous needs for support across the globe and fundamentally challenged the arts and culture field to address a new era. A capital campaign represents the highest aspirations for an organization's future and can be confidently relaunched with a thoughtful plan. Success is possible by recognizing and honoring early progress in the campaign and incorporating any new strategic priorities, business models, program initiatives, and commitments to equity, diversity, and inclusion throughout the community. A revitalized case for support combined with the best practices in fundraising will build new momentum and put a stalled capital campaign back on track and result in a deeper connection to the organization.



Nan Keeton, Senior Vice President

Nan Keeton is a strategic revenue leader, delivering successful cultural program and venue projects and serving artists and communities. With more than 20 years of national leadership experience connecting the arts to broad and diverse audiences, Ms. Keeton has a deep understanding of the needs of arts and culture organizations, the economic realities they face, and the imperative to shape an equitable future that advances inclusion and belonging for all. Prior to joining ACG, Ms. Keeton served as Deputy Director, External Relations for the San Francisco Museum of Modern Art, where she was responsible for leading the capital campaign, annual fund, membership, communications, marketing, visitor experience, museum store, legal, and community gallery programs. In addition to completing a campaign that raised more than \$610 million for the museum's expansion, her leadership enlarged and diversified the donor community, doubling the museum's annual fund and membership. She also served as a

key staff liaison to the board nominating group for the 70-member museum board, advancing a multi-year commitment to diversity. Ms. Keeton previously led External Affairs for the San Francisco Symphony and served as the Vice-President of Marketing and Business Development for Lincoln Center for the Performing Arts. She is current board mentor for the Amateur Music Network, a recent board member for San Francisco Travel, and a founding member of San Francisco's Civic Center Community Benefit District. Ms. Keeton holds a bachelor of fine arts degree and a bachelor of science, business administration degree from the University of Florida, as well as a master of fine arts in drawing from New York Academy of Art.

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or restart your organization's capital campaign.**

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