

For arts nonprofits, attendance at events unlikely to influence donors

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Arts and cultural nonprofit organizations promote arts appreciation and strengthen communities by providing a wide range of arts programs in music, theater, visual arts and dance. These organizations rely on donations to exist. One way that the nonprofit sector currently measures these organizations' successes is by the number of people who attend their programs. However, new research from the University of Missouri finds no evidence to support the idea that donors are influenced by high attendance numbers; in fact, large audience numbers may actually lead to fewer donations.

"Performance measurement has emerged as a new way to ensure accountability of nonprofit organizations that rely heavily on charitable giving," said Mirae Kim, assistant professor in the MU Truman School of Public Affairs. "Philanthropic culture has long emphasized greater accountability of nonprofit organizations, often creating strict measures that can impact how a nonprofit operates. However, we found that arts nonprofits that perform better according to philanthropic standards are not necessarily rewarded with more contributions from individual donors."

Kim and Cleopatra Charles, associate professor in the School of Public Affairs and Administration at Rutgers University-Newark, analyzed data from the Cultural Data Project (CDP), an organization that documents and disseminates information on the arts and culture sector. They used attendance as a performance metric because it can measure success across various types of events or exhibits and because it is considered



one of the critical tools in measuring performance of arts and culture organizations' successes. In their analysis the researchers found that donations to arts and culture organizations actually decreased when attendance increased.

"A plausible explanation for our findings is that better performance—for example, strong attendance—creates an image of success," Charles said. "This can make the organization appear less needy which may lead to donors being less inclined to support them."

The study, "Do donors care about results? An analysis of nonprofit <u>arts</u> and cultural organizations," was published in *Public Performance and Management Review*. Any interpretation of the data is the view of the researchers and does not reflect the views of the CDP.

More information: Cleopatra Charles et al. Do Donors Care About Results? An Analysis of Nonprofit Arts and Cultural Organizations, *Public Performance & Management Review* (2016). DOI: 10.1080/15309576.2015.1137775

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