

Finances of a Fledgling Festival

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For more information on the Festival's events and operations visit

<http://www.lakesareamusic.org/> .

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Introduction

After thousands of solitary hours in a practice room, dozens of concerts, and more procrastination-induced, paper-writing all-nighters than one might care to admit, the main goal of most music conservatory graduates is to perform. Hopefully all that hard work will pay off, and someone out there in the real world will actually pay money for what has, until now, only been painstakingly scrutinized by professors and judged by colleagues. The good news is that, despite upsetting reports about supposed declining interest in classical music, there is a large population of people who will attend and support concerts, particularly those given by our younger generation. Innovation is crucial to successfully working your way into an increasingly competitive job market, and what better way to reach a potential audience than to take the reins and plan your own concert?

Festival Background

During the summer of 2009, I was in this exact situation. Having just completed my undergraduate studies in cello performance, I was spending the summer in my native central Minnesota as many typical aspiring artists do – waiting tables. Joined by four colleagues from school also pursuing financial fulfillment, the idea arose to put on some concerts as a fun creative outlet. Being from the land of Lutheran Scandinavians, I knew that the community would fall prey to our young talents with, at the least, quiet appreciation. The result of these circumstances and setting became the inaugural season of the Lakes Area Music Festival (LAMF).

To our delight, the performances that first summer were met not with quiet appreciation, but rather with enthusiastic ovations; by the final concert our attendance had multiplied three-fold, due largely to the electricity of word-of-mouth publicity conducted around an overwhelmingly appreciative community. The initial success inspired not only continuation, but large growth in the organization in subsequent seasons. The recently completed third annual season featured over sixty guest musicians from around the country - primarily talented conservatory students and professional orchestral musicians – collaborating in performances for nearly 3,000 people, many of whom had likely never heard anything like Schoenberg's *Verklärte Nacht* or ever seen a live performance of Mozart's familiar *Symphony No. 40*.

Brainerd, MN is a small town whose population multiplies exponentially as a summer tourist destination and as a seasonal residence for retired “snow-birds”. As a community grounded in tradition, it follows that there would be an interest in classical music performance, especially if it can be made available without the three-hour drive to Minneapolis and St. Paul, where professional musical options abound. While the LAMF depends on its close-knit constituents for success, it shares one of its greatest concerns with almost all arts organizations, especially professional orchestras: financial development. Most aspects of concert production cost money: hiring musicians, renting a venue, printing programs, various methods of promotion to attract an audience... the list goes on. Luckily, raising funds can be done, and while initial attempts for support require rampant creativity, once a successful product is in place to market, the process only gets easier. Within three years the LAMF's budget has increased from less than \$5,000 to

nearly \$50,000, and all of our activities are free of charge, with voluntary donations collected at each concert.

I write colloquially and from my personal perspective in acknowledgment that everything I share is based solely on hands-on learning experience; I am a music performance major, not a trained economist, marketer, or administrator. That said, in sharing how this organization has grown to where it is today (especially in terms of finance), I aim to give my perspective and inspire other students to take advantage of the mutual benefits of program organization for themselves as performers and for their audience.

The LAMF's primary sources of income are private (individual) giving, corporate support, and granting organizations. Before getting into detail about how each of these benefactory sectors have been approached and function, there are a few things to consider. First, especially in an initial trial season (like ours in 2009), it is important to have a clear understanding of what your project will entail. Not only must the intended product directly correlate with the interest, or lack thereof, of potential donors, but having a clear outline of what you plan to do gives you more credibility as an organizer; no one wants to support an enterprise that appears inchoate and destined for failure. Next, depending on your aspirations, presenting a concert can be as involved as you choose. Regardless, getting other people involved on any level, no matter how basic, not only lightens the load on you, but also increases options for reaching a greater population with request for support and in drawing an audience. Finally, and perhaps not so obviously, is the need for non-profit status. Many donors will want to make sure their gift is tax-deductible, and the financial credibility of a legally recognized 501(c)3 organization will ensure this happens and can be sustained in future seasons. Also, nearly without exception, grant applications will require non-profit status in order to be considered. While this may seem daunting, it needs not actually be as involved as it sounds. Short of completing lots of initial legal paperwork and ongoing financial reports, there are at least two simple solutions. The first (which we have pursued at the LAMF) is to find an already established non-profit organization with a related mission to act as your fiscal agent; requiring some sort of formal agreement, a fiscal agent will work your monetary flow, offering tax-exempt status for the solicitation of tax-deductible donations and grants. A second, related option would be to give your concert as a benefit for a charitable

organization. While perhaps not an option for proposed ongoing activities, for single concerts, working with a cause relevant to the potential demographic of your audience would add personal investment and charitable benefit for all parties involved, while again providing tax-exempt status.

Private Sources

With no idea where the LAMF would be today, letters of support preceded the project's inception and were sent to try to raise startup funds. Unfortunately, we had two big issues which made the attempt less than successful: first, as mentioned earlier, having a very clear outline of activities is crucial, and we only had vague ideas; second, I did not yet have a strong support structure of individuals involved, and therefore, I could only appeal to a small number of acquaintances who I thought might be interested. As a result, it wasn't until the concerts began that we started receiving generous gifts through the free-will donation collection.

That said, having learned from our initial attempts, private giving now makes up over half of our income. While concert donations (or ticket sales, should you choose to have them) are a great way to create income, the downside of relying on these is that a budget of expenses is likely set, and waiting until after the event to determine if the financial needs are met makes any income overdue. Therefore, requesting donations prior to your event is crucial, and preemptively approaching a large, varied population with potential interest in your music or your cause can alleviate some of the uncertainty.

While some potential donors may be willing to give merely for the sake of giving, many will want to know what is in it for them. Knowing at the time of solicitation how these gifts will be recognized can catch the attention of someone who might not otherwise be interested, whether it be inclusion and ownership in the organization or a mere listing of their name in the program. Many of our organization's donors give because they are interested in not only the music itself, but also in the musicians who come from around the country to perform here in our small town. This is often the case, and a performance is generally going to be more enjoyable if the audience feels a sense of connection to what is happening on stage, whether through a relationship with

the performers, or through an augmented understanding of the music itself. This is especially evident between our young, energetic roster of musicians and our generally older audience.

All these things considered, we now offer various options for private giving, all of which are importantly tax deductible through our fiscal agent. A common practice in pretty much every nonprofit organization, we have various sets of funding levels. Having a distinction between gifts of \$100 or more in the program does inspire donors to reach deeper into their pockets in exchange for recognition of their generosity, even though this is often times not their primary motivation for giving. Beyond this, we are able to take advantage of the large number of quality musicians performing in our ensembles, and do so through Musician Sponsorship opportunities. As mentioned earlier, audiences will enjoy concerts more when they feel ownership in the organization and connection to the music, and by giving \$250 or more, we offer donors more recognition in the donor section of our program and their name printed with the biography of “their” musicians. Through musician sponsorship, donors are invited to a special reception where they have a chance to mingle with all of the musicians, in particular the one they sponsor. With a greater personal connection to the organization, many of these sponsors not only continue sponsorship in future seasons, but also offer to volunteer and promote the concerts by inviting their friends (word of mouth continues to be our most successful method of advertising). This is merely one example of a benefit, like comp tickets or reserved seating, which can be provided to donors, but goes a long way in recognizing their generosity.

Corporate Support

Depending on location, a great way of sustaining an organization with a positive role in a community is through sponsorship by local businesses, and appealing to the marketing aspects of a business is a great place to start. Looking through a typical orchestra program booklet, you may notice that many of the advertisements are for financial consultation groups and health care organizations. When targeting corporate marketing departments, it is important to consider your audience and appeal to businesses targeting the same demographic. When we approach businesses, we do so with a media guide in hand, including information on our audience and activities and an outline of benefits which we are able to offer for various levels of contribution; as mentioned in the previous section, corporate support is typically even more based on

recognition. Our main areas of corporate interest are the opportunity to sponsor one of the concerts on our series at the \$1,000 level, for which we offer recognition verbally at concerts as well as in various methods of print, including posters, press releases, program books, etc. Another popular method of support is through the sale of advertisements in our program book, the most recent of which was forty pages, in full color, and more than paid for by the advertisements found inside. In addition to the important marketing benefits of sponsoring events, many organizations also have a philanthropy budget in order to get tax breaks from the revenue they collect, through tax-deductible donations. While geographically expanded businesses often give through grant programs with more detailed application requirements, in my experience local businesses are more likely to respond to a request for assistance.

Beyond the obvious necessary cash needs, there are also many ways in which businesses can assist through in-kind gifts. For example, a venue may waive rental fees, a printing company may print programs for free, or a business may cater a post-concert reception. I have found that often times, in-kind gifts are easier to come by, as they can be provided by the business at a fraction of the cost of paying out of pocket. This may be done either philanthropically or for marketing purposes, so even though cash flow may not exist, proper recognition is equally important.

Granting Agencies

Though carrying a daunting reputation, a successfully written and approved grant can lift a huge financial burden off the fundraising process. No matter the amount, it is pretty much “free money” to help supplement the ongoing process of individual and corporate support solicitation. However, grants can be incredibly competitive, and in order to not spend excessive amounts of time only to receive a rejection, there are certain issues to consider:

First, with the understanding that grants can be very competitive, doing research before beginning the writing process will give you the ability to select which grant programs to apply to based on a variety of conditions; there may be local grants particularly interested in assisting with projects within their geographical influence, or there may be national common interest groups particularly interested in what you propose. Though perhaps time consuming, putting

time into research and the compilation of a varied list of options will lead to more success than starting the writing process blindly.

Next, researching the grant program guidelines and the organizations' mission is crucial before you start writing. Not only will this help you select which applications may have the best chance of success, but it can also help lead the writing process. Using the LAMF as an example, depending on the scope of the organization, foundation, or business, we can focus our writing on our artistic planning, on adult and childhood education elements, on the inclusion of a broad volunteer base, or on our catering to low-income households by offering our concerts free of charge. Though presenting virtually the same information, knowing a specific area of our organization to highlight can bring extra strength to our request. In addition to learning which grants to apply for and how to improve your chances, carefully considering the guidelines is also important in deciding which grants aren't worth your time. Grant review committees often have a large number of applications to sort through, and if there is any question whether or not yours is a good match for their funding, you're probably not going to get it. This past year we spent about thirty cumulative hours on an application for a large grant, however there was one criterion on their eligibility requirements that did not entirely fit. Even with special permission to apply and acknowledgement of this permission early in the narrative; after review we received a letter that our application had been immediately dismissed upon initial review because of that one excepting factor.

Writing the grant itself requires careful detail and you must have all of your resources accessible to help the process. Some applications carefully outline exactly what information is needed – you just fill in the blanks; other applications leave more of the organizational prose up to you. Again, having a clear understanding of the project you are requesting funds for is important, including your mission, proposed activities, who it will benefit, a budget, list of key board and staff, expectations and plans for review, and specific information from your fiscal agent. In writing, keep in mind that your application will be just one in a large stack for the review committee to peruse; therefore using a concise voice is very favorable to excessively flowery and adjective-heavy writing about the unparalleled grandeur of the inspiration your unique project will selflessly, but successfully, bring to an underserved, but not underappreciated, audience. Even

better than writing the grant yourself- find someone with grant-writing experience, or even someone who does it professionally. Collecting and providing them with all of the information is a project in itself. However, once one application is complete, a lot of the content and prose can be reused with simple adjustments in subsequent applications for other grant programs.

Perhaps even more important than writing itself, is careful proofreading of all sections of the application. Again, with lots of deserving requests, committees may use anything to help weed out applications, and typos, bad grammar, or poorly outlined content might be just the thing to get yours tossed into the “denied” pile. Having multiple people proofread the application is exceptionally helpful, and finding a seasoned grant-writer may be the best option.

Just like waiting to hear about college acceptance or summer festival audition results, once your application is submitted, you just have to wait for the committee to meet, make decisions, and send notification. This can be an inconvenient lapse of time, particularly if you must continue the process of planning without knowing your financial status. Fingers crossed, your request has been granted. In this case, there are likely going to be report deadlines to note; missing the deadline on submitting these updates will make it hard to successfully reapply in the future. Also, as soon as a grant is received, don’t forget to start acknowledging the assistance whenever appropriate in your promotional materials and at your event.

There are lots of resources through academic institutions, nonprofit assistance programs, and online resources that can provide more inclusive information on how to produce a successful application.

Follow Up

Between individual, corporate, and grant support, and the potential of collecting money from your audience, hopefully you will be able to cover your budget. Assuming you do, congratulations! Don’t forget to give proper recognition of all of your donors and granting agencies in promotion leading up to the event, as well as at the event itself. Later, following the event, it is obvious that the people who made it possible ought to be thanked. Sending thank you cards or meeting with important donors can have a large impact in creating a lasting relationship

should you want to present more events in the future. Additionally, keeping careful record of donors, the capacity they gave, and contact information will make the whole process a lot easier in the future.

Leading this organization has proven to be the highlight of my musical career so far, and playing the last note of every concert and hearing the applause of an audience can become even more fulfilling when you have a deeply rooted connection with the planning process. Back in 2009 I would have never dreamed that the LAMF would be where it is today, and as I continue to learn about all the aspects of artistic administration and production, I look forward to many more years of inspired collaboration, both with musicians and with our volunteers, donors, and audience – all of whom are incredibly important throughout the process. So when you find yourself out of school, out of a job, and sick of waiting tables, take advantage of the situation and take some risks. Your entrepreneurship can change not only your future within the music world, but the future of other musicians and non-musicians alike.

Summary Checklist for Grant Seeking

- Develop a clear understanding of what your project will entail
- Figure out how to become or become affiliated with, a 501(c)3 organization
- Approach Private Sources
- Solicit Corporate Support
- Apply to Granting Agencies
- Acknowledge supporters / Send thank you cards