

Inside Philanthropy

Who's Funding What, and Why

Think Fundraising is Hard Now? Just Wait Until You're Competing With the Louvre

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Say what you will about Donald Trump's presidential campaign (or [his philanthropy](#)), he's tapped into Americans' suspicion of global trade deals. Agreements like NAFTA, the argument goes, hurt American workers by creating a "race to the bottom" in which increased global competition drives down wages and sends manufacturing jobs overseas. Competition isn't always a good thing.

Could a similar phenomenon affect American arts philanthropy? According to the *New York Times*, that just might [be possible](#).

We here in the states keep hearing that, unlike our counterparts in enlightened places like Europe, the U.S. government fails to effectively fund our museums. But that doesn't tell the whole story. We all know that private philanthropy does much to fill this void, thanks in part to favorable tax laws that encourage giving. Conversely, since governments do far more to provide public goods in Europe, the Old World lacks a comparably extensive culture of private philanthropy.

Now, though, the situation is changing.

Faced with exploding deficits and anemic growth, European countries are cutting support for their museums. Take the Prado in Spain, for example. In 2006, the museum received 64.9 percent of its funding from the government. Last year, the government provided just 32.4 percent of the museum's 38.5 million euro budget. Meanwhile, the Louvre received 57 percent of its budget from the French government in 2002, while in 2014, the government provided 50 percent of the overall budget.

And so, lacking a robust private philanthropic infrastructure, European museums are increasingly looking across the Atlantic to American expertise, corporations, and individual donors to fill the funding gap.

"They are becoming more hip to what Americans are doing as they shift from public to private funding," said Ellena E. Fotinatos, deputy director of donor and nonprofit services at the King Baudouin Foundation United States, whose mandate is to help European and African nonprofits raise money in this country. "With increased austerity in Europe, professional fundraising is growing more focused around this area."

On the surface, a structural shift shouldn't worry American arts organizations too much. Their European counterparts are simply trying to replicate the American private philanthropic model and all the administrative, operational, and strategic bells and whistles that go along with it. For example, representatives of 38 organizations are expected for the King Baudouin Foundation United States' annual spring seminar in New York on "The Art and Science of the American Fundraising Model."

Some museums are ahead of the curve. Take the U.K.'s Tate, for instance. It created the Tate Americas Foundation with a \$6 million gift in 1989. To date, it has raised about \$300 million, according to Richard Hamilton, director of the Tate Americas Foundation. "The Tate has benefited from the American model."

It's actually pretty cool, right? The leading lights of Europe are taking a page from the American philanthropic playbook. We should be flattered.

But U.S. arts organizations may worry when European museums, faced with increasingly severe public funding cuts, more aggressively vie for finite American private donations. It's stark math. More museums appealing to [deep-pocketed American donors](#) means less money to go around. Competition isn't always a good thing. (What global-minded U.S. donor will refuse a sophisticated, Americanized fundraising pitch from the Prado?)

All that being said, it's still too early to panic. This process will play out, like most things in the philanthropic world, according to the rules set in place by public and private governing bodies. In countries like France, it's more beneficial from a tax perspective for a corporation to donate than an individual. Meanwhile, gifts to European museums, like those in the states, come with strings attached that may deter U.S.-based donors. And lastly, assuming this cross-Atlantic fundraising phenomenon grows in scope, U.S.-based arts organizations will want to keep their politicians' feet to the fire, lobbying for tax laws that incentivize donors to keep their dollars within U.S. borders.

We can see the billboards now: "Donate American!"

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