

# Development Assessment & Planning Report

May 26, 2022



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Presented by



*The Development Consulting Group LLC*

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# Introduction

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- **In February 2022, The Development Consulting Group was engaged to assess and advise on the fundraising potential of Midori & Friends, in particular from the perspective of the 30<sup>th</sup> Anniversary of the organization.**
- **Both Board and staff are aware that while government support, particularly from the City, is essential and helpful, the opportunity and need to diversify the funding base is critical to Midori & Friends' growth and long-term survival as an organization.**
- **The recommendations and plans proposed by TDCG are suggested to take place over 12 to 24 months and should, as much as possible, focus on the 30-year history of Midori & Friends while looking forward to the long-term future.**

## Introduction (continued)

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- **Midori herself and the name recognition are among Midori & Friends' most powerful tools for attracting supporters.**
- **We believe anniversary years can be stretched over two years, particularly with a mid-year fiscal year, to take advantage of promotional opportunities.**
- **While the February 2023 gala will be a centerpiece for anniversary celebrations and a significant fundraising and awareness-raising opportunity, this should not be the exclusive focus of development efforts over the next fiscal year.**

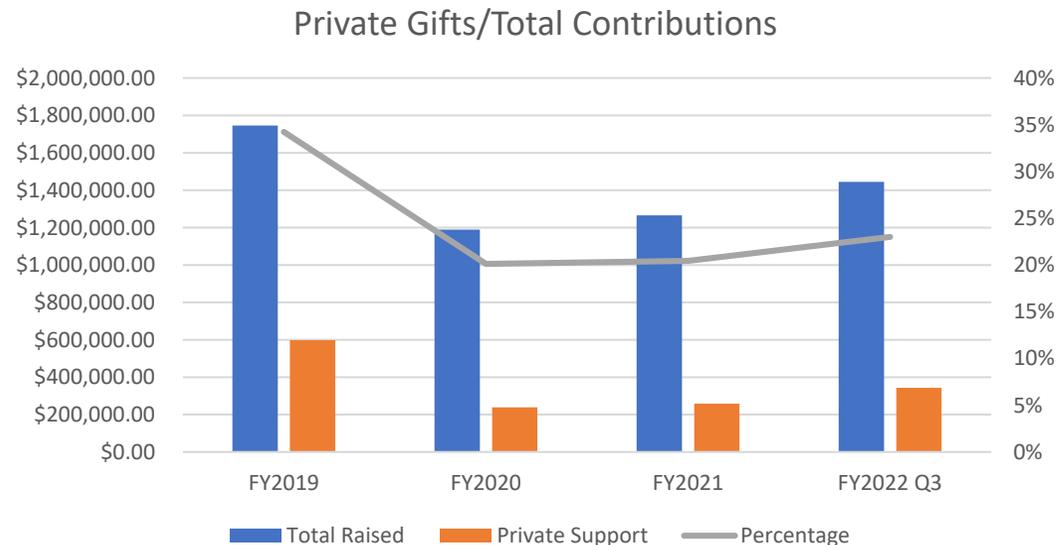
## TDCG Process: February – May 2022

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- **Conducted interviews with 13 Board members.**
- **Met weekly with staff.**
- **Met ~monthly with Marketing & Development Committee.**
- **Reviewed and analyzed past fundraising efforts and results as well as communications materials.**
- **Reviewed individual donors and prospects.**
- **Reviewed and researched foundation prospects.**
- **Created this Development Assessment and Planning Report.**

# Key Findings: Results of Fundraising Efforts 1

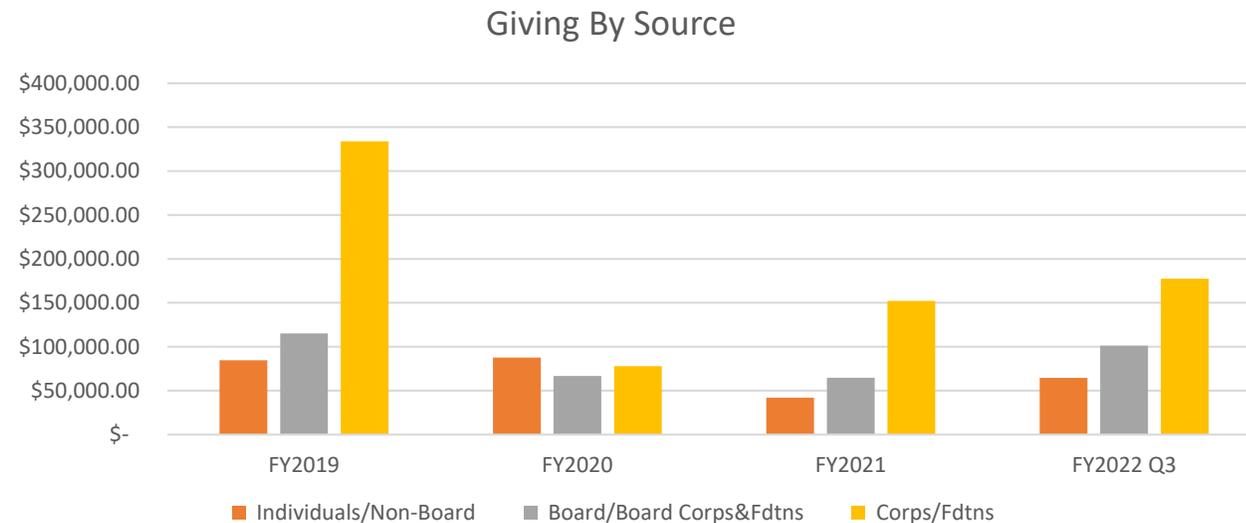
- Private sector (non-governmental support from New York City/ State/Federal ) funding as of FY22 Q3 was 23% of all funds raised.
- Private sector giving reached a high of 34% in 2019 and a low of 20% in 2020 and 2021.



	Total contributions	Private Sector Only	Percentage
FY2019	\$1,746,203.00	\$598,028.00	34%
FY2020	\$1,188,996.00	\$239,281.00	20%
FY2021	\$1,265,790.54	\$258,825.54	20%
FY2022 Q3	\$1,444,653.00	\$343,303.00	23%

# Key Findings: Results of Fundraising Efforts 2

- Midori & Friends raised \$1,288,430 in FY2019 (prior to COVID), not including special events income.
- Grant seeking and the results of these efforts have been inconsistent over time but tracking positively as of FY2022 Q3.



	FY2019	FY2020	FY2021	FY2022 Q3
Individuals/Non-Board	\$ 84,510.00	\$ 87,610.00	\$ 41,975.74	\$ 64,583.00
Board/Board Corps&Fdtns	\$ 115,150.00	\$ 66,711.00	\$ 64,750.00	\$ 101,253.00
Corps/Fdtns	\$ 333,963.00	\$ 77,860.00	\$ 152,100.00	\$ 177,466.00

# Key Findings: Results of Fundraising Efforts 3

- The number of major individual donors (non-board) of \$1,000+ has been relatively consistent in the last four years: 14-17 donors
- The income from major gifts of \$1,000+ had a high of \$76,500 which was sustained for 2 years, dipped during COVID, and as of 2022 Q3 is rising again (\$57,329).

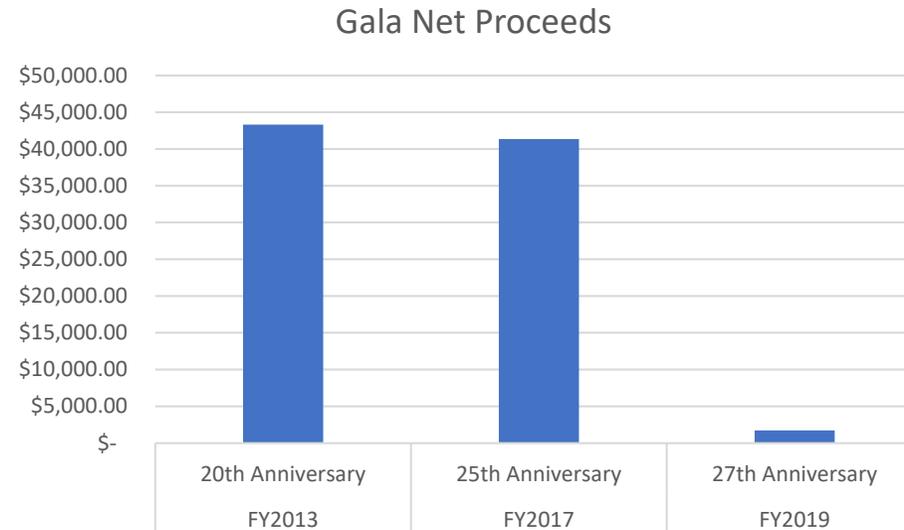


FY2019	FY2020	FY2021	FY2022 Q3
\$ 76,500.00	\$ 76,000.00	\$ 31,300.00	\$ 57,329.82

# Key Findings: Results of Fundraising Efforts 4

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- There is a history of low net on fundraising galas.



FY2013	20th Anniversary	\$	43,320.00
FY2017	25th Anniversary	\$	41,351.00
FY2019	27th Anniversary	\$	1,734.00

## Key Findings: Board Interviews

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- **Thirteen (13) Board members were interviewed by TDCG. All of them understand and can articulate the mission of Midori & Friends, and they are dedicated to the organization.**
- **Board members felt well informed about the needs of the organization and several were especially complimentary about the transparency at Board meetings.**
- **Board engagement with fundraising has traditionally centered around special events and solicitating support from Board members' employers, when appropriate.**
- **At least 8 Board members are willing to entertain (solo or jointly) donors and prospects to help with cultivation.**

## Board Interviews (continued)

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- **Board members spoke about the need to diversify fundraising methods—e.g., citing the importance of digital marketing, appealing to younger audiences, and engaging more corporate support.**
- **Two prospective new potential institutional prospects were suggested by Board members: Robin Hood Foundation and Mizuho.**
- **Most Board members cited events as their primary vehicle for raising funds from friends and introducing new prospective donors to the organization. In-school and salon events are of interest to many Board members for these opportunities.**
- **Several Board members believed that there was inconsistent Board giving and that a core group carries the weight of philanthropy.**

# Board Members' Self Assessment

<b>Evaluation of Board Participation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average</b>
Understanding of development/fundraising		1	5	3	3	<b>3.6</b>
Understanding of Board role in development/fundraising		1	4	5	2	<b>3.6</b>
Understanding of Midori & Friends funding needs		1		6	5	<b>4.4</b>
Personal financial support for Midori & Friends *		3	4	4		<b>2.8</b>
Willingness to introduce and solicit friends/colleagues to Midori & Friends **			7	2	1	<b>2.8</b>

\*DON'T KNOW (1)

\*\* DON'T KNOW (2)

Note that one of the 13 Board members interviewed was not asked to participate in this self assessment.

# Strengths: Programs

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“There are not a lot of programs like this.”

“Quality of the programming is consistently high.”

“This is an organization that stepped into the breach to provide music education that was desperately needed in the City’s public schools.”

“This provides exposure and experience not just instruction to kids who otherwise might not have this opportunity.”

## Strengths: People

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“Midori is an actively involved Founder.”

“Midori is an inspiration.”

“Marilyn, Ron, and Alan have been great at bringing their contacts to the parties.”

“Larissa is great and has outstanding energy and experience .”

“The staff is very small and they have so much to do but they are dedicated and passionate.”

## Strengths: Operations

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“We’ve improved the website. Social media is improving and has consistent quality.”

“Very effective operation with a small footprint.”

“Consistent flow of smaller donations.”

## Strengths: Impact

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“It’s fairly well accepted that music teaches life skills.”

“Music teaches leadership skills, how to allocate and use time effectively, how to prioritize, prepare, handle pressure. Music provides the mental framework of being prepared.”

# Weaknesses: Planning

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“Strategic planning should be a priority.”

“We need to think outside the box with Midori front and center.”

“To compete, we need to be more tech savvy, use electronic marketing and drip campaigns.”

## Weaknesses: Fundraising

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“Didn’t raise a lot of funds through the last gala.”

“We rely too much on government entities and there’s volatility in politics.”

“Weakness is the concentration risk of NYC funding, but it does give the organization strong footing.”

“There’s an overreliance on board member contributions.”

“I think we’ve struggled with fundraising ideas. We need to get out there and be the name that attracts funds.”

## Weaknesses : Fundraising (Continued)

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“We need to make more inroads into corporations.”

“ We need to bring in more money from bigger individual givers, family and friends.”

## Weaknesses: Other

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### **Visibility**

“For a tiny peanut of an organization, it has been outsized...We need more recognition. There is a lot of competition.”

### **People**

“There is an argument for adding Board members but we need to get more out of what we have now.”

### **Competition**

“In NYC there are so many nonprofits competing for the same money and there are so many problems in the country now.”

# Opportunities: Fundraising

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## **Fundraising**

“Midori can have a direct impact on our ability to attract artists and money.”

“We have an opportunity to hold small concerts as cultivation events.”

“We should leverage the anniversary as much as possible.”

“We should explore the tech angle for fundraising; i.e., music and tech and approach Spotify, Apple, etc.”

# Opportunities: Fundraising (Cont'd.)

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## **Fundraising**

“We need a Facebook fundraising effort.”

“We should be more aggressive and have envelopes on the table so people write checks immediately.”

“We need to develop an elevator pitch to help the Board raise money.”

“Materials are great but not visible enough. We need better public relations.”

## Recommendations: Fundraising Priorities

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- **Develop a 30<sup>th</sup> Anniversary year-long program of fundraising and cultivation activities.**
- **Focus on increasing Major Individual Donors by:**
  - a) **Developing a “circle” of \$1,000+ individual donors**
  - b) **Identifying through research, and developing and implementing solicitation strategies for potential supporters of \$10,000+**
- **Develop a “junior board” to attract young patrons.**
- **Analyze Board composition and set goals for growth in FY 23.**

## Fundraising Priorities (Continued)

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- **Intensify mail and online solicitations in the anniversary year**
- **Create and promote a bequest program.**
- **Solicit all current and past (lapsed) foundation supporters for special 30<sup>th</sup> anniversary gifts.**
- **Set priorities among and solicit newly identified additional foundation grant prospects.**
- **Approach existing corporate donors and newly identified prospects for special 30<sup>th</sup> anniversary support for the gala or underwriting programs like the Teen Leaders, as appropriate.**

# 30<sup>th</sup> Anniversary

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- **Develop the 30<sup>th</sup> Anniversary as an ~18-month initiative, building messaging, marketing and fundraising around a 30-year history.**
- **The February 2023 gala should serve as a centerpiece of the Anniversary year, but not an exclusive priority which absorbs all energies.**
- **Develop promptly a full 18 months of fundraising and cultivation activities and initiatives, perhaps 30 activities, ranging in scale from cultivation dinner parties to school concerts to salon events in private venues to the Gala.**

# 30<sup>th</sup> Anniversary Gala

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- **Create timeline for production and fundraising (9 months out to day of event) to include:**
  - **Confirm honorees including honorary chairs, if any**
  - **Confirm major sponsors, including corporations and individuals**
  - **Design/print/distribute save-the-date and invitation**
  - **Develop consistent marketing of 30<sup>th</sup> anniversary to include historical milestones, present, and future programming**
- **Confirm 100% Board participation in Gala.**
- **Hold Fall Gala Committee Kick-Off at a Board member/committee member's home or club.**

## Other Special Events for the 30<sup>th</sup> Anniversary

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**Cultivation events, preferably in-person, are key to expanding the prospect and donor base for the 30<sup>th</sup> Anniversary Gala and for the longer term. We recommend a planned series of up to 30 events and activities over the course of the next 18 months (through December 2023). Possibly including:**

- **Board-hosted receptions/recitals in New York and other communities**
- **“Lunch and Learn” events about music for potential donors (including some parents) and Young Leaders/Patrons members**
- **School visits and small-scale recitals/concerts featuring Midori & Friends teens performing.**

## Major Individual Donors Circle

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**Create a major donors circle for \$1,000+ supporters to recruit and steward individual donors.**

- **Suggested titles include Counterpoint Circle or Crescendo Circle.**
- **Recruit from existing donors/Board members a chair or co-chair of the Circle to lead and help recruit supporters.**
- **Attract and cultivate donors and prospects with a series of exclusive intimate events, such as salon recitals including teachers and students.**
- **Develop a “moves management” system to track prospects and donors.**
- **Solicit support annually for “membership” in this donor circle.**

## Major Individual Donors of \$10,000+

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**Midori's contacts, relationships, and dedication to the mission are central to leveraging the 30<sup>th</sup> anniversary to attract funding from individual major donors.**

- **Develop a list of 20-30 top prospects to be reviewed by Midori for her connections and comfort level to engage with Midori & Friends.**
- **Create a strategy and “mini-campaign” to cultivate and solicit 5 of the top prospects qualified as such by Midori and the Executive Director.**
- **Implement the strategies to cultivate and solicit these top 5 prospects.**

## Young Leaders/Young Patrons

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**Attracting younger supporters is a priority among Board members and a best practice in cultural and youth education nonprofits to groom the next generation of philanthropy and leadership volunteers.**

- **Create a charter and structure for a Young Leaders or Young Patrons (working titles), including anticipated age range, to complement the Governing Board.**
  - **Include leadership structure, meetings, and expectations such as annual contribution (suggest \$250-\$500 and Gala support, possibly at reduced rate).**
  - **Create materials to recruit leadership and membership.**
  - **Develop a nominating and vetting process.**

## Young Leaders/Young Patrons (continued)

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- **Identify and recruit**
  - **Set a goal of 10-20 members in FY 2023.**
  - **Strategically source companies that have been supportive of Midori.**
  - **Gather suggestions from Board members (next gen and peers, as appropriate).**
  - **Consider online recruitment through LinkedIn and/or Facebook.**

# Board Development

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**The 30<sup>th</sup> anniversary offers an opportunity for the Board to evaluate its composition in relation to Midori & Friends needs and to consider longer-term leadership development and succession. Steps for this process include:**

- **Review committee structure and re-energize nominating committee with specific goals**
  - **Identify gaps in demographics, expertise, industry, philanthropy**
  - **Discuss leadership roles short- and longer-term**
  - **Set new Board member recruitment goal to meet the gaps**
  - **Establish the process for building pipeline of new Board members and identification, recruitment, vetting, orientation, and engagement.**

# Mail and Social Media Appeals

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- **Plan and execute three mail and social media appeals for smaller donations in FY 23 (Fall, Year-end, and Fiscal Year-end).**
- **Develop themes for these appeals to distinguish each request, such as 30<sup>th</sup> Anniversary Honor Roll listing; Underwrite a student, teaching artist or number of music lessons; Help fund a school in an underserved community.**
- **Build the database with new prospective donors through consistent efforts to:**
  - **New prospects garnered from Feathrs into the database**
  - **Potentially exchanging lists with a like-minded nonprofit**
  - **Consistently capturing parent and student email contact information to build alumni connections and giving**

# Bequests/Planned Giving

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**The 30-year history of Midori & Friends, the longevity of involvement of many Board members, and potentially the demographics of the individual donor base suggest that a planned giving/bequest program should be developed to encourage longer-term gifts. Recommended steps are:**

- Create a bequest “society” (working name of The Cadence Society) to recognize individuals who include Midori & Friends in their will or estate plan.**
- Discuss with interested, long-standing Board members.**
- Develop a promotional description of the society to encourage bequests, including benefits such as an annual gift of a recording.**

## Bequests/Planned Giving (continued)

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- **Create response vehicles (print and online) for making a bequest.**
- **Identify leadership for the bequest society to promote giving in print materials (a short profile of why and how to give).**
- **Develop an ongoing calendar and regular practice for promoting bequest giving on print materials and appeals.**

## Institutional Supporters: Foundations & Corporations

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**The 30<sup>th</sup> Anniversary is a special opportunity to acknowledge long-time grant funders and potentially to revive foundation relationships which have lapsed. To do so:**

- Conduct research to document the longevity and scale of each foundation's support.**
- Develop individual approaches to each foundation, acknowledging past support and requesting a special anniversary gift of unrestricted or project support, as appropriate.**
- Acknowledge these supporters in anniversary materials and potentially at the Gala.**

**For corporate supporters and prospects, Gala sponsorships should be the initial focus of 30<sup>th</sup> Anniversary solicitations.**

## Potential Institutional Supporters: Prospect Research

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**Prospect research for additional institutional supporters was undertaken by TDCG consultants as part of this assignment. Some of the foundation prospects identified do not currently accept unsolicited applications. These will require identifying contacts through Board members and/or colleagues. The following were identified as new potential funders:**

# Potential Institutional Supporters

<u>Foundation</u>	<u>Assets</u>	<u>Highest Grant</u>	<u>Most Common Grant</u>	<u>Funding Interests/(Gifts)</u>
Theodore H. Barth Foundation	\$26.5 Mil	\$260K	\$5K	Performing arts, education (\$100K+ to Met Opera, 2019)
The Bay and Paul Foundations	\$54.8 Mil	\$1 Mil	\$5K	Arts-in-education (\$45K to Bloomingdale Schl of Music, 2018)
Alexander Bodini Foundation	\$11.7 Mil	\$1.17 Mil	\$5k	Arts and culture (\$15K to Doublestop Foundation --started by violinist Michelle Kim of NY Philharmonic, 2013)
Constans Culver Foundation	\$5 Mil	\$55K	\$3K	Orchestral music, education (\$45K to BAM, 2018)
The Marc Haas Foundation	\$104.2 Mil	\$1 Mil	\$25K	Performing arts, education (\$300K to Carnegie Hall, 2015)
The Hermione Foundation	\$1.6 Mil	\$600K	\$1K	Performing arts, education (\$556K to Carnegie Hall, 2015)
Gerald L. Lennard Foundation	\$51.5 Mil	\$160K	\$1K	Arts and culture, education (\$25K to NY Philharmonic, 2018)
Billy Rose Foundation, Inc.	\$10 Mil	\$135K	\$10K	Orchestral music, education (\$25K to SAB, 2014)
Shubert Foundation	\$756.5 Mil	\$334K	\$10K	Performing arts education (\$250K to Ailey Dance Foundation, 2018)
Rose M. and Robert W. Stubbs Foundation	\$1.5 Mil	\$18K	\$1K	Performing arts, youth development (\$15K to Roundabout Theatre Co., 2018)
Tiger Baron Foundation	\$109.8 Mil	\$26.8 Mil	\$5K	Performing arts, education (\$100K to Orpheon/Little Orchestra Society, 2019)

## Resources Required: Staff

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**We recognize that this report and planning document is ambitious and will require “all hands on deck”. The required people resources to increase private sector fundraising while leveraging the 30<sup>th</sup> Anniversary include:**

- Continue to work towards balancing Executive Director’s program, administrative and fundraising involvement to allow for high-level prospect and donor engagement and solicitation.**
- Hire a Development Associate to support expansion of individual gift program by implementing moves management, creating materials/briefings, acknowledgments and other media for consistent outreach and communication.**
- As program grows, assess the need for additional staffing at this level.**

## Resources Required: Volunteer & Consultant

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- **Secure commitments from Board members to be engaged in fundraising initiatives and to support financially 30<sup>th</sup> Anniversary fundraising efforts.**
- **Recruit leadership from the Board and beyond for new initiatives such as the Young Leaders/Young Patrons, Donor Circle and bequest society.**
- **Continue with consultant involvement to guide implementation of all fundraising and development initiatives and to lead prospect identification, and strategies.**

# Thank You!

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**It has been a pleasure to work with the Midori & Friends Board and staff through this process. Thank you for the opportunity to do so!**



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