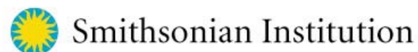
RAISING FUNDS FOR MUSEUMS

A SUMMARY OF THE 2005 SMITHSONIAN INSTITUTION COUNCIL MEETING, OCTOBER 23-24, 2005



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INTRODUCTION

The 53rd meeting of the Smithsonian Institution Council took place on October 23 and 24, 2005. Council Chair and Museum of Modern Art (MoMA) Director **Glenn Lowry** described this year's theme as "fundraising writ large"—how the cultural world generates support from the private sector. Where is the money, and how can museums access it? How do museums develop and sustain effective boards? How should museums deal with the corporate world? How do they create and sustain a network of support?

The meeting began on October 23 with the second James X. Demetrion Lecture at the Hirshhorn Museum and Sculpture Garden, at which Lowry spoke about the recent renovation and re-imagining of MoMA. Afterwards, Council members joined the Hirshhorn board and other invited guests for dinner.

The next day was dedicated to four presentations:

- **Loraine Tsavaris**, managing director of the Family Wealth Group of U.S. Trust, reviewed the giving trends of the affluent;

- A panel consisting of **Morris W. Offit** (CEO of Offit Hall Capital Management, LLC, and a trustee of the Jewish Museum), **Leonard Lauder** (chairman and CEO of Estee Lauder and a trustee of the Whitney Museum of American Art), and **Glenn Lowry** as facilitator-commentator discussed museum boards;

- **Andrew Plepler**, president of the Bank of American Foundation, discussed corporate philanthropy; and

- **Richard Shell**, professor at the Wharton School of the University of Pennsylvania, discussed fundraising as an exercise in negotiation.

SECRETARY'S OPENING REMARKS

Smithsonian Secretary Lawrence Small opened the meeting by thanking Council members for their advice and time, and noted the difficult financial times the Smithsonian faces, with particular attention to deteriorating facilities and aging permanent exhibitions. Small pointed out that the theme of this year's council meeting was particularly pertinent to the latter, because the creation of major new permanent exhibitions and reinstallation of existing ones is both extremely expensive and heavily dependent on outside funding.

TRENDS IN GIVING BY THE AFFLUENT

In the first presentation to the Council on October 24, Loraine Tsavaris reviewed trends in charitable giving by the affluent.[1]

The Overall Picture

Tsavaris began by noting that U.S. Trust's latest survey of affluent Americans reveals deep concerns about future financial conditions. Such concerns explain the dramatic drop in direct gifts to charity by the affluent after the end of the 1990s stock market boom:[2]

Household Net Worth (millions)	Decline in Direct Gifts, 1998-2000 vs. 2002-2004 (percent)
$5 – $10	-93
$10 – $25	-79
More than $25	-38
Total, more than $5	-70

However, looking at the broader picture, growth in charitable donations from all sources (direct and indirect) in the period 1996-2004 was explosive—up 86 percent. Of all charitable giving, 75 percent came from living individuals; 12 percent from foundations; 8 percent from bequests; and 5 percent from corporations. The largest share, 35 percent, went to religious organizations.

At the same time, the number of potential recipients grew significantly. Public charities increased by 56 percent, and nonprofit entities overall rose by 29 percent (to some 1.4 million). Thus, competition for philanthropic funds has intensified.

Giving instruments have become more diverse in recent years. Private foundations were once the primary instrument of charitable giving by the affluent, and these remain extremely important—possibly accounting for over $300 billion in assets, according to the National Center for Philanthropy and Foundations. However, other instruments are increasingly popular among up-market donors, such as direct gifts, support

[1] The Internal Revenue Service currently defines "affluent" as an adjusted gross income of more than $300,000, or a net worth of at least $5.9 million—the top 1 percent of Americans. At U.S. Trust, Tsavaris works with the "ultra-affluent" segment: those with net worth of at least $50 million in liquid assets or $100 million in total assets.

[2] These figures are from the Spectrem Group report *Charitable Giving and the Affluent Market* (June 1, 2005), and cover direct gifts only; they do *not* include contributions to charitable trusts, donor-advised funds, private foundations, and so on. Note that the decline is less pronounced at higher levels of affluence.

organizations,[3] and donor-advised funds (DAFs).[4] Tsavaris indicated that the growing popularity of DAFs—which held $13 billion in assets and distributed over $2 billion in 2004—is beginning to draw the attention of government watchdogs to these instruments, which remain somewhat controversial because they are largely unregulated.

Among the factors influencing charitable giving by the affluent, Tsavaris listed

- Donors' level of wealth;
- Donors' tax and estate planning needs;
- The nature of property available for giving (for example, cash, securities, illiquid assets, and so on);
- Donors' basic motivations for giving;
- A family tradition of philanthropy associated with inherited wealth;
- Donors' capacity and inclination to devote time to philanthropy; and
- The time horizon contemplated for a donor's philanthropic efforts—for example, whether the donor wishes these efforts to continue in perpetuity and possibly to involve subsequent generations of family members.

Tsavaris also discussed the importance of changes in the federal estate tax. Currently, about $20 billion passes to charities each year via testamentary bequests, and a Boston College study from the late 1990s estimated that from 1998 through 2052, between $6 trillion and $24 trillion will pass to charities in this way. However, according to a study by the Congressional Budget Office, full repeal of the estate tax—as favored by the current administration—could cut charitable bequests by one-third. More generally, any reduction in estate tax rates would probably mean less money for philanthropy in the long run.

Results and Accountability

Turning to the concept of "venture philanthropy," Tsavaris expressed some personal concerns. Venture philanthropy aims to create a more engaged donor-recipient relationship. Venture philanthropy organizations—many of which are associated with entrepreneurs who made their fortunes in the recent technology boom—seek to establish direct, ongoing relationships with recipients and to carefully monitor their progress.

[3] A support organization is attached to one or more specific charities, which in turn are directly involved in oversight of the support organization.
[4] A DAF pools charitable contributions from a number of donors under the auspices of a professional asset-management organization to reduce administrative and overhead costs.

Tsavaris suggested that venture philanthropy was somewhat over-hyped in the press, and that its big moment may have already passed. However, the lasting legacy of the venture philanthropy movement is a growing emphasis on quantifying the short-term results of charitable giving. While Tsavaris sees this as positive on the whole, she also expressed concern that it may encourage donors to set inappropriate standards for assessing nonprofit organizations that work in areas where direct impact may be difficult to quantify. Indeed, she noted that many initially enthusiastic venture philanthropists with business backgrounds quickly became frustrated by the difficulties they encountered in attempting to measure the outcomes of their philanthropic contributions.

These observations on venture philanthropy led to a more general discussion of the differences in approaches to giving between inherited wealth and new wealth. Families with inherited wealth often have a long history of philanthropy and a multigenerational ethic of "giving back to society." This leads them to take a relatively passive, patient, and long-term approach. By contrast, many of the new technology and finance entrepreneurs are first-generation philanthropists. Many are willing to make bold giving decisions involving large sums of money, but they are more likely to insist upon measurable results. They also typically have a greater interest in seeing the accomplishment of goals within their own lifetimes—sometimes even making provisions for sunsetting their charitable instruments after they are gone. This is fostering a trend toward a shorter-term focus in philanthropy. Tsavaris emphasized that her point was not that one approach is better than the other, but simply that nonprofit leaders must be prepared to deal with this cultural shift as more "new money" pours into philanthropy.

The challenge for cultural organizations such as the Smithsonian in these circumstances is clear. Such organizations are not used to thinking in terms of measuring the direct impact of their programs, and this may be genuinely difficult. However, organizations that can adjust to the changing expectations of an increasingly results-oriented donor community will have an edge in the growing competition for philanthropic funds.

UNDERSTANDING MUSEUM BOARDS

Morris Offit, Leonard Lauder, and Glenn Lowry brought their considerable experience with museum boards to the task of addressing how to assemble, interact with, and utilize boards.

The Board Chair

The panelists agreed that the board chair plays a critical role. The museum director and board chair must work together as a team, which means staying in close contact; Offit suggested this means talking on the phone at least several times per week. Handling governance issues and cultivating trustees are also big parts of the job. Finally, the chair should serve, in the eyes of the other trustees, as a living model of what real commitment to the museum looks like.

In response to a question about the relationship between the board chair and board president on boards with a dual leadership structure, the panelists agreed it is impossible to generalize. While the division of labor between the chair and president may be clear on paper, the roles typically blur in practice. What can be said is that regardless of the formal division of responsibilities, the chair and president must be able to work together well and support each others' efforts. Offit observed that in his experience, regardless of leadership structure, there will usually be a single *de facto* leader on the board who makes the big decisions, subject to the other trustees' approval. Lowery and Lauder, however, noted that at both MoMA and the Whitney, a genuine division of leadership between the chair and president exists.

Recruiting Board Members

What are the characteristics of a good trustee? First and foremost, a good board member must *care* about what the museum does; you do not want "money without passion." A good trustee will also be actively involved with the museum; for this reason, Lauder advised against bringing in trustees who live at great distances from the institution, or who are on too many other boards. Finally, while the ability to provide financial support is an important consideration, trustees who can contribute in other ways—for example, artists and academics—are also valuable. (As an aside, Lauder noted that sports and entertainment figures have a reputation for being less generous in their financial contributions.)

Invitations to new trustees should be personally issued by the museum director and board chair. The museum should be honest with new trustees about expectations for attendance, participation, and money. The director, chair, and as many trustees as possible should send newly elected members a personalized letter of welcome and congratulations. New trustees should be given an orientation to board business and opportunities to get to know the rest of the board. In sum, new trustees should be made to feel genuinely welcome.

Lauder emphasized that new trustees should not be immediately asked for financial contributions. He used the following analogy that drew smiles from the audience: "How many of you who are married asked your spouse to marry you on the first date?" Lauder suggested there are steps leading up to the first request for money that should be taken slowly. For example, a new trustee could first be asked to serve on a committee, or to accompany the director to look at a potential acquisition. When trustees do give money, the museum director should send a customized thank-you letter for every check received, no matter how modest. An impersonal thank-you letter from the development office is unlikely to be appreciated. If the museum handles the first gift well, subsequent ones are more likely.

What Board Members Want

When asked about the biggest mistakes a museum director can make with trustees, Offit stressed that directors should *never do anything to embarrass a trustee in the community*.

He suggested that individuals are often more exposed in their roles as trustees than in their roles as private businesspeople, and what the museum does reflects strongly on them in their communities. Museum directors must be sensitive to this.

Lauder offered a two-word elaboration on this theme: *no surprises*. Never spring anything controversial on your board as a *fait accompli*. This does not mean avoiding controversy, but it does mean keeping the board apprised of possible controversies in advance. The panelists agreed that if trustees are kept informed, they will generally be supportive in the face of controversy. Lauder also added that board members expect museums to be fiscally responsible, and that they want the director to communicate with them face-to-face.

The panel agreed that board members like to see innovation and creativity. In Lauder's words, "If you don't invent tomorrow, tomorrow will never arrive for you." However, he also added that innovation must be done in a balanced way, with an eye on the needs of existing constituencies. If the drive to innovate causes a museum to turn its back on current constituencies, it may end up with no constituencies at all.

Last but by no means least, board members want to feel they are part of a family or a team; they want to know their contributions are appreciated. This is where the people skills of the director and board chair come in. Lowery noted that he spends at least half of his phone time every day in conversations with board members, and that many of these conversations are not about specific museum business, but are simply person-to-person contact to keep trustees engaged. Lauder suggested that every museum director should have a budget for informal dinners and social events with board members, and that such events should occur on a weekly basis.

Cultivating trustees is a challenging and time-consuming task. Indeed, it is difficult for a museum director today to draw a clear line between private and professional life; he or she must be willing to put in many hours outside the normal workday engaging with trustees on a personal level. In Offit's words, museum directors are not really in the museum business—they are in the "people business." The traditional model of the museum director as an exalted curator has been replaced by the more demanding model of the director as a specialist in relationships and positioning. However, the investment in cultivating trustees is well worth making. Trustees who feel valued will be strongly supportive of the institution when the need arises.

Board Responsibilities

Board members are also in the "people business." One of their primary responsibilities is to build relationships in the community on behalf of the museum. This does not mean asking for money; most trustees remain understandably uncomfortable about soliciting financial support, and this task remains primarily the responsibility of the museum's professional staff. However, trustees should be willing to help build and maintain a network of support for the museum in their communities and among their peers, and should be willing to lay the groundwork for fundraising activities.

Attendance and participation at meetings are also responsibilities of board membership. In response to a question about whether an individual who cannot attend meetings can still be a successful trustee, Lauder expressed doubt. He noted that when some members are consistently absent, other trustees begin to wonder why they need to be there. He suggested that regular attendance at board meetings should be enjoined in the bylaws. (At the Whitney, these bylaws state that if a trustee misses a certain number of consecutive meetings without being excused, this is tantamount to resignation from the board—although he quickly added that the board chair would never let such an eventuality come to pass without first talking personally with the trustee in question.)

Ideally, members will also get involved with the museum outside of formal board meetings—in terms of social functions, fundraising, and the day-to-day life of the institution. Lowery noted that the deeper this involvement goes, the more supportive trustees tend to be.

Board Size and Composition

What is the right size for a museum board? Lauder expressed a personal opinion that about 40 members is optimal. This is enough to see the museum through financially and to ensure a critical mass at meetings, but not so large that it becomes unwieldy. Once a board reaches a certain size, a five- to ten-person executive committee often becomes necessary. This may create an awkward two-tier board, where the executive committee does the real work and the other trustees are "ornamental." If an executive committee is deemed necessary, it is wise to rotate members through it, because trustees who perceive themselves as "ornamental" are not likely to stick around for long.

Terms limits, with the possibility of renewal, provide a gentle way of getting uninvolved trustees off the board. However, systematic rotation of members off the board, as is often practiced on university boards, should be avoided. This is because for arts and cultural institutions, there simply may not be a large reservoir of interested and qualified individuals to fill empty board seats. Moreover, some board members may be critically important to the museum; in many cases, the core strength of the board rests with two or three members. (As Lauder put it, it would have been unwise for MoMA to say, "David Rockefeller, your term is up—here's a wristwatch.") The same problem applies to other limitations on service that do not allow exceptions, such as strict age limits.

If for some reason a museum decides it needs to completely turn over its board, this is an extended process that will take at least five-to-ten years. Boards tend to be self-perpetuating; they develop a culture, and changing that culture is slow work.

Of the committees formed within the board, two stand out as serving key functions: the audit committee and the nominating committee. In the nonprofit sector today—with the increased scrutiny of finances and the threat of Sarbanes-Oxley-inspired regulation—the importance of a good audit committee is obvious. The importance of the nominating committee, on the other hand, rests with its power to choose the all-important board

chair. This can be a tricky task, as the nominating committee must simultaneously select someone who can work well with the museum director, and maintain a measure of independence from the director—which can be difficult in the case of an established director with real clout.

Smithsonian Boards

The boards of Smithsonian museums function differently from those at many other museums, because Smithsonian museums are government entities, and their boards are advisory rather than governing bodies. The panel conceded that the idiosyncracies of this arrangement raise a particular challenge: how do Smithsonian museums keep their board members feeling engaged and valued, when they have no real governance power or responsibility? As already mentioned, few board members see the appeal of an arrangement in which their sole purpose is to write checks.

Lauder argued that Smithsonian museums must be creative in finding tasks that keep their board members engaged. He suggested possibilities such as soliciting their advice and participation on facilities projects or acquisitions; having them sponsor development events or social activities; asking them to network with their peers or in their communities to drum up support for the museum; involving them in liaising with Congress; and so on. Regardless of how Smithsonian museums choose to utilize the talents and energies of their advisory board, one thing is certain: if they look to their boards only for money, board members will not stay.

CORPORATE PHILANTHROPY

In a luncheon presentation, Andrew Plepler described the Bank of America's corporate philanthropy, and discussed some general issues in corporate giving.

The Bank of America

The Bank of America Foundation is a giant in the area of corporate philanthropy; in 2005 it gave $130 million, and it has committed $1.5 billion to philanthropy over the next 10 years.[5] It funds philanthropic activities in some 30 states.

The Foundation's philanthropy focuses on strengthening communities where the Bank has a retail presence. The Foundation does not focus on specific issues; rather, it gives local representatives considerable autonomy to identify priorities in their neighborhoods, and then bases giving decisions on those priorities. Thus, the character of the Foundation's philanthropy varies among local markets. In some, the focus may be on education; in others, on affordable housing; in others, on health care; and so on. However, Plepler noted for the benefit of the assembled museum directors that many

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[5] Some firms count sponsorships to nonprofit organizations in their figures for philanthropic giving, although as discussed below, sponsorship and philanthropy are conceptually (and often operationally) separate categories. The Bank of America does not; the $130 million figure excludes all sponsorships.

local Foundation representatives have identified arts and culture, broadly speaking, as a high priority.

Another element of the Foundation's approach involves investing in capacity-building, sustainability, and leadership in the nonprofit sector of particular communities, with the goal of building up the human resources and institutions required to address critical local needs in the long run. A last element of the Foundation's philanthropy involves support for "anchor institutions" in communities—including performing arts organizations, colleges and universities, and hospitals. Such institutions contribute greatly to the health and vitality of their communities, so any strategy to improve lives in these communities must pay special attention to them.

The Trend in Corporate Philanthropy

While corporate philanthropy has a branding dimension and must ultimately serve the interests of a firm's shareholders, Plepler contended that corporations are becoming more serious about addressing social needs through their philanthropic efforts. To this end, the major trend today is that corporate philanthropy is becoming more disciplined, rigorous, and strategic.

This is tied to the decline of what Plepler calls "relationship philanthropy." In the past, personal connections often exerted a strong influence on giving decisions; the fast track to corporate philanthropic funds often ran through the boardroom or the CEO's office. This is much less the case today, as Sarbanes-Oxley has refocused the public's attention on what firms do with shareholder money, and the bad press surrounding some cases of "relationship philanthropy" has led firms to reflect on the public relations consequences of undisciplined funding decisions. Instead, many corporations are setting a clear strategic direction for their philanthropic efforts (as the Bank of America Foundation has done with its focus on strengthening communities), and are carefully considering how individual giving decisions fit into this framework.

Sponsorships

Plepler discussed the important distinction between corporate *sponsorship* and corporate *philanthropy*. Not only are the two categories conceptually distinct, but they are often funded from different budgets and administered by separate staffs.

Sponsorships are a way for a firm to promote its brand, generate revenues, entertain clients, and pursue other bottom-line ends; they have an explicit marketing orientation. By contrast, corporate philanthropy takes a longer-term and more indirect approach to building goodwill and promoting an environment favorable to a firm's interests. Sponsorship of major sporting events and institutions is the most high-profile form of corporate sponsorship; Bank of America has sponsored the Olympics, golf tournaments, and baseball teams. However, sponsorship of arts and cultural events is also a potentially important, if currently relatively undeveloped, area. Plepler indicated that the Bank of America Foundation's approach to arts and cultural sponsorship is still evolving.

Approaching Corporations for Funds

Within the philanthropic world, some see funding for museums as a distraction from bread-and-butter social needs such as affordable housing, health care, and education. By contrast, Plepler insisted that a compelling case can be made for investments in arts and cultural organizations. For example, he pointed to evidence that exposure to cultural events and activities provides significant educational benefits to children—which helps to make them better customers, employees, and citizens in the future. Similarly, cultural organizations can provide substantial economic benefits to host communities. Here, Plepler pointed to corporate support for the New Jersey Performing Arts Center in Newark; to the extent that there has been a measure of economic revitalization in that troubled community, the Performing Arts Center has been a critical component of it.

Thus, Plepler suggested that when organizations such as Smithsonian museums make their pitches to corporate funders, they should emphasize the links between culture and economic/human development. Arts and culture organizations that neglect to make this connection are missing a huge opportunity. Unfortunately, such organizations have not generally done a good job in making this case.

Plepler also noted that nonprofit organizations often fail to appreciate the distinction between sponsorship and philanthropy, and admitted there is some frustration on the corporate side with poorly tailored proposals. For sponsorships, firms want to hear about things like revenue generation and client entertainment possibilities; these would not enter into the sort of conversation Plepler would have with someone seeking the Foundation's support for community revitalization efforts.

At the same time, Plepler conceded that some firms do lump the sponsorship and philanthropy portfolios together. Further, some arts and cultural organizations propose projects that clearly overlap both categories—he mentioned programs at the Kennedy Center and the Museum of Fine Arts Boston as examples of Foundation-funded projects that combined a sponsorship component (performances or exhibitions) and a philanthropy component (educational materials and programs). Thus, the bottom line when approaching corporations is that applicants must do their homework. They must be aware of how the distinction between sponsorship and philanthropy is made at specific firms, and approach the right people with the right type of argument. If they want to pitch a project that incorporates elements of both sponsorship and philanthropy, they should be aware that this is what they are doing, and make it explicit in their proposal.

FUNDRAISING—AN EXERCISE IN NEGOTIATION

In the last presentation, Richard Shell made the point that, while it is rarely thought of in these terms, museum staff are engaged in negotiation whenever they approach a donor. The basic process of negotiation does not change, although the circumstances, personalities, and details do. Thus, Shell emphasized he does not attempt to teach tactics for negotiating, so much as emphasize a few basic insights.

The Successful Negotiator

Everyone has his or her own negotiating style. The successful negotiator must recognize his or her strengths and weaknesses, so as to exploit the former and accommodate the latter. A good negotiator must also assess his or her attitudes toward conflict, and how they relate to specific negotiating situations. For example, in some situations, a more assertive negotiator is likely to be more successful; in others, someone who is more conciliatory may be the more suitable choice. (As an aside, Shell noted that gender differences in negotiating styles do exist; specifically, women tend to be more accommodating.)

Regardless of negotiating style, successful negotiators will have a thorough knowledge of the subject matter and specific factors pertaining to the negotiating situation. Indeed, this is the defining characteristic of the strong negotiator. There is no substitute for systematic planning and preparation; negotiators who do not do their homework are at a great disadvantage.

Successful negotiators will also demonstrate good listening skills, good verbal skills, and self-confidence. They will strive to cultivate a reputation for reliability and integrity. And finally, they will set ambitious goals. As a general rule, negotiators who enter the process with high expectations tend to do better—although clearly, expectations must also be informed and realistic.

The Negotiating Process

Negotiators must know their interlocutors as well as themselves. They must be aware of, and sensitive to, their interlocutors' interests and desires. For example, every potential donor to a Smithsonian museum has unique interests, and museum staff should have a good sense of what these are, so as to convince the donor that giving to the museum will serve these interests. Some donors want access to museum curators or other experts; some want the social relationships that membership in the museum community offers; some want a role in shaping the museum; some want recognition in the philanthropic community; and so on.

An effective negotiator must also be aware of the leverage he or she possesses. In the case of fundraising, it may appear that museums do not have much leverage—that they are, in essence, "begging." But this is not necessarily the case; museums can offer donors unique opportunities—access to expertise; membership in a community; influence in shaping the museum's future; the emotional satisfaction of supporting a worthy institution; and so on. Once again, the key is to be *informed.* Museum negotiators must discover what donors want, and leverage it.

Finally, Shell stressed that one norm everyone expects to be observed in negotiation is the norm of reciprocity, or fairness. If one party makes a concession, he or she expects to get something back. If this does not happen, there is a sense of betrayal. In any

negotiation, both parties subtly keep an account of gains and losses, so sensitivity to the norm of reciprocity is important to maintaining a constructive negotiating relationship.

COUNCIL CHAIR'S CLOSING REMARKS

At the end of the Council meeting, Glenn Lowry offered some final comments that drew together several of the threads covered in the presentations.

He first noted that the differences in funding and governance arrangements between the Smithsonian and private museums are overriding considerations in discussions of fundraising at the Institution. On the one hand, the Smithsonian has a safety net in the form of federal government support that is the envy of every other museum in the nation. On the other hand, the very presence of this safety net leads some potential donors to dismiss overtures from the Smithsonian on the assumption that it does not need outside support. Likewise, Smithsonian museums have a unique challenge with their boards; it is more difficult to keep board members engaged and committed when their governance responsibilities are so limited. In sum, Smithsonian museums' negotiations with donors and boards are complicated by the widespread perception that, in the final analysis, these museums are funded and controlled by the government—not by the private individuals and organizations who are asked to support them.

Lowery also noted that for institutions with the prominence of MoMA and the Smithsonian, much of the truly transformative support comes from a segment of donors with wealth reckoned not in the millions or even the tens of millions, but in the hundreds of millions or more. According to Lowery, these people "operate in a completely different world," and understanding and responding to their unique interests, motivations, and expectations is a special challenge for elite cultural institutions.

Returning to the underlying theme of the panel with Offit and Lauder, Lowery stressed that when dealing with prominent donors, potential donors, or board members, there is no substitute for personal cultivation. Museum leaders literally cannot spend too much time with powerful supporters. The need to pursue donor cultivation with energy, persistence, and a personal touch places great demands on museum leaders' time. But—as Lowery himself demonstrated with his recent successes at MoMA—the payback can be enormous.

Lowery also emphasized the importance of a strategic approach to fundraising. Brilliant tactics are never sufficient. Every museum needs a concrete plan that lays out well-defined strategic objectives, and that has received buy-in from major museum stakeholders.

Lowery ended the Council meeting by returning to the basics: museums succeed in their fundraising by forming deep connections with the people who can help. Lauder's insistence that trustees should be made to feel a part of the museum "family"—with the attendant sense of affection and commitment—applies to relations with other major

museum supporters as well. Thus, if the strategic issue for Smithsonian museum fundraising is magnifying the impact of private sector support, Lowery suggested that the strategic plan for doing so must focus on creating vehicles for giving that create a genuine and enduring sense of *attachment* between major donors and the Smithsonian units they support. The challenge is to come up with creative ways to get donors to take a personal interest in the growth and success of these units, even though the rewards of giving to Smithsonian museums may be less tangible, and the consequences of failing to do so less dramatic, than with privately-governed and -funded museums.