

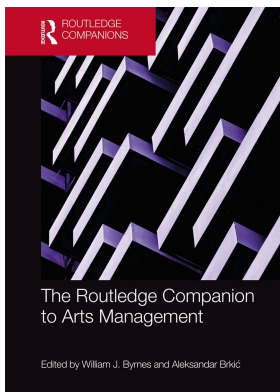
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FUNDRAISING FOR
CLASSICAL MUSIC

Case studies from Hong Kong and Macao

Meggy Cheng, Rebecca Wai In Chou, and Benny Lim

Introduction

Classical music developed substantially in Europe in the last 450 years. The Baroque era (1600–1750) laid the very foundations for different musical genres, including opera, which we still enjoy in theaters and concert halls around the world today. The Classical period (1750–1820) clarified and polished the way music was structured and expressed, while the Romantic era (1780–1850) saw the attempts of musicians to balance between their artistic self-expression and the strict rules of music making laid down during the Classical period. Since the last century, some composers (such as Igor Stravinsky and Frederick Delius) have attempted to experiment and adopt a ‘think out of the box’ approach towards music making, often breaking out of the prescribed norms (Yudkin, 2005). Notwithstanding the evolution, one thing remains fairly constant in classical music – the concept of giving. In the 17th and 18th century, musicians were often supported by patrons, made up of the aristocracy. In return, musicians performed their compositions for the nobles and royalty (Campbell, 1999). The concept of arts patronage still exists today, though it has evolved quite substantially.

The concept of fundraising works alongside giving: in order for sponsors or funders to give, there must be efforts on the artists’ part to promote the cause, establish relationships, and seek the support of the patrons. It is no secret that Mozart’s eventual downfall was very much due to the alienation of the very patrons who once supported him (Harris, 2002). For one, the art has benefits that make apparent the support towards it. Listening to classical music, for instance, has been known to be an intellectual exercise (Johnson, 2002), and at the same time, offers pleasure and relaxation (Lowe, 2007). Successful fundraising campaigns lead to more performances being offered at subsidized prices, and in the process, create better access to the benefits of classical music.

This chapter introduces the reader to the current state of classical music fundraising in Hong Kong and Macao, which are also known as Special Administrative Regions (S.A.R.) of China. Under the “One country, two systems” policy, both cities are part of China, yet they retain autonomy on their economic and administrative systems. To a large extent, both cities develop and manage their arts and cultural policies independent of influences from Mainland China. It should also be noted that Hong Kong was still a colony of the United Kingdom before 1997, and Macao was a Portuguese colony up till 1999, which explain both cities’ Western influences.

The chapter also discusses the current challenges and future possibilities of classical music fundraising in these two East Asian cities.

Types of fundraising in the arts

Government grants and private foundations

Government grants are subsidies awarded by the federal, state or local government to eligible arts organizations (Kaiser, 2015). Generally, government bodies are likely to offer different types of grants, each with clear procedures for application, as well as review and evaluation processes. Such grants are funded by tax money, suggesting the need for stringent compliance and reporting measures to ensure that the money is well-spent and accounted for (Brustein, 1991). According to Foundation Center based in New York, private foundations are non-governmental, nonprofit corporations or charitable trusts that are established by specific individuals, families or corporate companies, with the purpose of making grants available to organizations, institutions or individuals in specific geographical areas, for the sake of scientific, educational, cultural, religious or other charitable causes (Foundation Center, n.d.). Some foundations may also run activities alongside their giving programs.

Corporate sponsorship: cash and in-kind

The National Council of Nonprofits states that “corporate sponsorship is the financial payment by a business to a nonprofit to further the nonprofit’s mission, with an acknowledgement that the business has supported the nonprofit’s activities, programs, or special event” (Corporate Sponsorship, n.d.). Some companies may view sponsorships to the arts as a form of corporate social responsibility. Corporate sponsorships are also sometimes based on the concept of ‘reciprocity’, where their support to the arts becomes a form of marketing communication tool, and arts groups are required to ensure some form of advertising outreach for their sponsors (McDonnell and Moir, 2013). In-kind sponsorships refer to the sponsors’ provision of goods or services, such as venues, equipment, F&B, and marketing platforms, instead of giving cash directly. More often than not, the goods and services provided are aligned to the sponsors’ business offerings, such as a hotel providing free rooms for international guest artists of an orchestra. In-kind sponsorships may sometimes be deemed as less impactful than actual cash sponsorships. Nevertheless, in-kind sponsorships contribute to cost-cutting and are especially beneficial to smaller arts organizations.

Equity financing and selling IP rights

Equity financing is a fundraising method through selling shares of the arts organization or specific arts productions to the public, financial institutions, or venture capitalists (Walter, 2015). Investors provide the arts organization or productions with the necessary capital to sustain and develop, in exchange for dividends on shares or return of investments through ownership percentage. Intellectual Property (IP) are original creations, which offer the creators rights and protections under the law (Cantatore and Crawford-Spencer, 2018). These include rights for artistic, musical, film and literary works, as well as the creation of symbols, designs, and inventions. Due to the legal protections, creators of the IP can sell the rights to other individuals or corporations for monetary exchange. The producer of a classical music concert can sell partial

IP rights, such as the broadcast rights of the concert to a TV station, in return for funds to produce the performance in the first place.

Donations and crowdfunding

Donation activities could either be ad hoc-based or carefully planned. Arts organizations could simply place a PayPal donation button on their websites to solicit donations all year long. On the other hand, arts organizations could also plan specific donation drives/events, such as a costume ball, a silent or live auction, an annual dinner, etc. where staff and volunteers interact with donors and build visibility at the same time. Crowdfunding is an outcome of the advent of sharing in the digital age, where arts organizations rely on collecting small contributions from a substantial number of backers (Scholz, 2015). Crowdfunding can be donation-based, where there is no financial return to the backers of donation-based crowdfunding. Rewards-based crowdfunding gives backers some form of incentives in return for the monetary support, which may include free tickets or VIP passes to performances. Equity-based crowdfunding works similarly to equity financing, where contributors receive a financial return on their investment in the form of dividends (Pazowski and Czudec, 2014).

Case study – Hong Kong

As Asia's World City, Hong Kong's cultural influence stems from its mixed heritage of Chinese culture and Western colonization (Carroll, 2007). Since the return to China in 1997, the Hong Kong S.A.R. government has been the largest funding body and cultural presenter. Due to the 'high arts' status attached to the art form and its audience profile, corporate sponsorship has been a norm in the fundraising of classical music (Kolb, 2005). Scalable music organizations that have already attained a recognized level of artistic excellence and reputation, such as the Hong Kong Philharmonic Orchestra (HK Phil), seem to be more successful in raising revenue through sponsorships, funding, and donations.

People in Hong Kong are not in the habit of financially supporting the arts. The HKSAR government has invested in 'cultural hardware', such as the West Kowloon Cultural District, a HK \$29 billion (US \$3.72 billion) project started 20 years ago with the vision to create a new vibrant cultural quarter on a cinematic harbor front. Being the major supplier of arts creation, arts organizations (big or small) are 'cultural software' essential to the success of the government's investment in this world-class architecture. The government expects cultural organizations to be relevant to the communities that they operate in (and there is no greater endorsement than financial support from the citizens), and that the cultural organizations are capable of managing the donations they receive and delivering what the supporters expect. This is rapidly professionalizing the industry.

In the next section, the fundraising practice of two distinctively different organizations is explored and discussed. The case of HK Phil demonstrates how corporate endorsement transcends into a commitment beyond being just a sponsor. The case of Music Lab,

a relatively smaller music organization, demonstrates how fundraising can be achieved through innovative means, including its artistic positioning.

HK Phil and the Swire Group

HK Phil is the flagship arts organization in Hong Kong, with 96 full-time musicians and 37 staff members, presenting more than 150 concerts over a 44-week season, and attracting 200,000 music lovers annually. Originally named the Sino-British Orchestra, it was renamed the Hong Kong Philharmonic Orchestra in 1957 and became professional in 1974. As a registered charitable organization, HK Phil receives a significant subsidy of over HK \$74 million (US \$9.5 million) per year from the HKSAR government through the direct subvention for the nine Major Performing Arts Groups. Other sources of income include long-term financial support from The Swire Charitable Trust, the Hong Kong Jockey Club Charities Trust, and other supporters. Funding, donations, and sponsorships make up approximately 79% of the total operating cost of HK Phil annually.

The Swire Group, or Swire, a company established two centuries ago in the United Kingdom, is well known in Hong Kong and East Asia as the property giant with a range of businesses including Cathay Pacific Airlines and as Coca-Cola franchisee. Swire has been the principal patron of the HK Phil since 2006, contributing about HK \$14.7 million (US \$1.9 million) to HK Phil yearly. Swire endeavors to promote artistic excellence, fosters access to classical music, and stimulates cultural participation in Hong Kong. Then, the *giver/receiver* hierarchy was obvious. Traditional sponsor entitlements are VIP tickets, media exposure and ticket discounts for the sponsored programs.

Eventually, Swire and the HK Phil begin to strategically bond at various levels and operate as a tight partnership. Every single piece of publicity material the orchestra produces is contractually required to carry the logo of Swire on a parallel level to the HK Phil's logo. Even when there is a third party sponsoring a specific programme, Swire's logo will still share the 'stage' with HK Phil. Such sharing of space likens the marriage of the two brands on equal and mutually beneficial terms. Each season, four dedicated series are branded under Swire, with programs tailored for different target segments: *Swire Maestro Series* consisting of masterpiece programs; *Swire Denim Series* for young urbanites; *Swire Sunday Family Series* for kids and families and *Swire Classic Insights* for university-level inspiration. On top of the series, Swire's *Symphony Under the Stars* is an annual free concert held at the Central Harbourfront, attracting over 18,000 audience members on a single evening. This event, which is co-presented by both Swire and HK Phil, is regarded as a mega concert contributing to Hong Kong's brand as an international cosmopolitan city with excellence in its arts.

A senior Swire representative sits on the HK Phil's board and contributes to the governance of finance and artistic development of the orchestra. Such an assimilated partnership at the executive management level implies mutual trust and the sharing of risks and responsibilities. This is a solid commitment of a corporate patron rarely seen in any other art organization in Hong Kong. One might argue that Swire's overwhelming presence

may undermine other potential corporate sponsors' (especially those of similar business nature) desire to be affiliated with HK Phil. This puts the orchestra at risk of over-reliance on one principal patron, which could lead to catastrophic impacts to HK Phil if funding from Swire were to be withdrawn due to any changes in Swire's leadership, philanthropy direction, and business performance. Through its patronage, Swire has empowered HK Phil to make strategic plans with less financial constraint, and at the same time, enables the orchestra to take creative risks in achieving its artistic mission. Swire's generous contributions over the last 11 years, and its anticipated future support, will help ensure the orchestra's legacy as a premiere arts organization in Hong Kong.

Planned giving as another opportunity

In order to encourage individual giving through alternative means, HK Phil diversifies its fundraising efforts by capitalizing on its long history and connections with their patrons over the last 45 years. In 2018, the orchestra introduced a bequest programme, namely, *The Continuo Circle*, asking patrons to leave a legacy to secure HK Phil's future. Death has always been a taboo in Chinese society and is seldom being discussed publicly. The bequest programme is a planned giving campaign centered in this sensitive context. The design of the bequest programme has to go beyond the negative connotations of death and to be anchored on the idea of future continuity. The words used in the publicity materials are meticulously chosen and crafted. Strategically targeted on donors and patrons with the longest connections with the HK Phil, the bequest programme invites a dedicated group of patrons to become a Continuo Circle member by including the orchestra in their will as a gift. The gift enables the patrons' passion towards HK Phil to be remembered, shared and carried onto future generations as the orchestra flourishes through their ongoing support.

The bequest programme had a monumental start with Mr. Daniel Ng's family bequeathing a still-life oil painting by the Flemish artist Edwaert Collier to the orchestra. Ng was a board member of HK Phil between 2006 and 2013. Music and visual art lover, Ng remembered the HK Phil in his estate with a gift that reflects his passion for both art forms. His family and the HK Phil are celebrating the legacy of Mr. Ng and proceeds of his gift will be invested in a fund to support the education outreach of the orchestra. Planned giving is not uncommon in the western contexts, but it is a concept unfamiliar in Hong Kong, especially amongst the local Chinese. However, since HK Phil has a long history and a loyal following, it has been able to create a bequest programme which has provided a means for the most dedicated long-term patrons to express their devotion to the orchestra.

Music lab

Founded in 2013, Music Lab is a nonprofit arts organization that serves as a collaborative platform to unite artists and promote diversity to the Hong Kong's arts scene. Music Lab positions its contemporization of classical music making as "pouring old wine into new bottles". Their programs make age-old classical music relevant to the current society

through the exploration of societal issues and cultural meaning. Kar Jing Wong, or KJ, is the founder of Music Lab. His name is popularized after a documentary, *KJ – Music & Life* (2009), was made on his passion, pursuits, and ideals in music. The documentary has received rave reviews and awards, including the ‘Best Documentary’ award at the Golden Horse Film Festival in 2009. Breaking the pilgrimage status of conventional classical music, KJ’s passion and visions of ‘Classic; Timeless; and Original’ was shared by many young musicians, as well as people beyond the classical music scene. KJ has also successfully established himself a key opinion leader of contemporized classical music on social media, where he accumulates a wide pool of supporters and fans. With his rising popularity, Music Lab has utilized an unconventional fundraising means for classical music – crowdfunding for the *Music Lab Festival*.

Music Lab Festival celebrates Hong Kong’s best talents to present a series of concerts of the highest originality, dynamism and artistic quality. Centred on classical and original music by local artists, Music Lab Festival aims to display the originality of the city’s young music-makers, compose the new sound of tomorrow, and reimagine Hong Kong itself. (*Music Lab Festival’s* crowdfunding website)

Music Lab Festival appeals in particular to the younger crowd which celebrates localism and its boldness. A critical feature of the festival is the crowdfunding project running on its website since it first started in 2016. For *Music Lab Festival 2018*, they set a target to fundraise HK \$100,000 (US \$12,821) by offering three tiers of reward-based crowdfunding – HK \$1,200/\$800/\$650 (US \$154/103/83). Supporters receive tickets to the festival and merchandises such as CDs, posters, postcards, and others, depending on their level of contribution. In just 27 days, HK \$102,600 (US \$13,154) was raised from 68 patrons. Music Lab’s success is not just about the ability to reach their fundraising target. Rather, they have successfully engaged their publics to participate in making the festival possible via the collective fundraising effort. The social media engagement and dialogues induced by this act create an invaluable return on investment for the brand. The idea to fundraise for tangible and intangible return, as well as the return on social engagement through the crowdfunding process, is opening up more fundraising possibilities for arts organizations.

Case study – Macao

Macao is located on the southeast coast of Mainland China with a mere total land area of 30.8 square kilometers. Before the return to China in 1999, Macao was the colony of Portugal for over 400 years since the mid-16th century. According to Macao’s Statistics and Census Service (2018), the city has a population of 653,100 and a GDP per capita of

approximately US \$76,000 in 2017. Macao's economy relies heavily on the tourism, gaming and hospitality industries, which contribute to a major portion of GDP and government spending. Despite the small population, Macao is a city full of nonprofit associations, and many music organizations are established as nonprofit associations. The proliferation of associations has affected how fundraising in Macao works, as most of the subsidies and grants are only applicable to these associations.

According to the Macao Music Yearbook 2014, there were over 200 concerts or music events in the city that year, of which over 90% were classical music concerts. There is only one professional orchestra in the city, Macao Orchestra, which is directly under the purview of the Cultural Affairs Bureau (CAB) of the Macao S.A.R. Government. Around a dozen from the hundreds of music associations are considered active, and they are the major organizers of concerts in Macao. They include the Macau¹ Strings Association, Macau Band Directors Association, Macao Youth Symphony Orchestra Association, Macau Piano Association, and Macao Percussion Association, to name a few. Besides holding regular concerts and activities annually, these associations also provide music training to those interested

Fundraising for the arts and culture in Macao

Fundraising in Macao can be attributed to two major sources – government funding and foundation funding. Only a small percentage of financial support to the arts comes from private donations and corporate sponsorships. Government funding is available from different governmental departments depending on the nature of the arts activities. For instance, an organization may apply for subsidies from the CAB for classical music concerts or from the Education and Youth Affairs Bureau for educational concerts. Where relevant, arts organizations may even apply for funding from the Civil and Municipal Affairs Bureau or the Tourism Government Office. The Office of Secretariat for Social Affairs and Culture may sometimes award funding to special projects, such as the touring of arts activities out of the city.

Amongst all the governmental department, CAB has a more comprehensive subsidy programme for local nonprofit associations to apply. The subsidy programme is classified into three different categories – Financial Support for Local Associations (Activities and Cultural Projects); Talent Training Programme in Arts Management; Community Arts Projects Support Programme. Subsidy amounts range from MOP5,000 (US \$610) to MOP250,000 (US \$30,500) for a single project. The Talent Training Programme in Arts Management offers a yearly subsidy for associations to hire full-time or part-time art administrators for the day-to-day operations of the association. The Bureau also offers subsidies for groups or individuals going overseas for cultural exchanges and competitions. Hence, most of the associations rely on annual subsidy programs to finance their music projects and hire arts administrators.

Funding from foundations is extremely important in Macao. Macao Foundation, one of the major foundations, is a public organization comprising of the Trust Committee,

Executive Committee and Board of Advisors. The major source of funds comes from the tax income of the gaming industry, where it is mandatory for gaming companies to contribute 1.6% of their gross income into the foundation every year. Including other government funding and private donations, the Macao Foundation raised more than MOP42.09 billion (US \$5.13 billion) worth of funds in 2017, of which MOP159 million (US \$19.4 million) was allocated to art organizations and cultural events. Henry Fok Foundation and Oriental Foundation are two other foundations that contribute enormously to the cultural activities.

Macao orchestra

Macao Orchestra is the only professional orchestra in Macao, set up as a chamber orchestra in 1983, and developed into a double winds orchestra by the government in 2001. As of October 2018, the orchestra has over 60 musicians from more than ten countries and regions. The orchestra runs an 11-month concert season from September to July every year, offering over 90 concerts and outreach programs to the public each season. Operating under the auspices of CAB's Performing Arts Development Department, the orchestra is fully funded by the government, providing all the necessary resources that the orchestra needs through an annual budget, as well as the support of the performance venue. Indeed, the orchestra has to undertake the responsibility, adhere to regulations being the government's entity, and encounter several limitations in its operations and management. This means they lack flexibility when compare to other major privatized orchestras in the world.

Due to the direct link to the Macao government, Macao Orchestra is not in any position to fundraise for cash through other foundations, private donations, or corporate sponsorships. Nevertheless, the orchestra is allowed to seek in-kind support from corporations. In recent years, the orchestra has actively sought in-kind support from hospitality corporations or the tertiary education institutes, with the hope to expand the influence and better promote the orchestra to the public and tourists on the one hand, and on the other, solve the critical issues that the orchestra is facing. One such issue is the lack of venues in Macao. Currently, the only professional performance venue is the Macao Cultural Centre, in which there is a multi-purpose grand auditorium for the performances in Macao. In-kind support from the University of Macau has enabled the orchestra to use the rehearsal space and the University Hall for concerts, in return for some free concerts for the university's students as part of their general education programme. Another example venue support is The Venetian Macao, an integrated luxury resort of leisure and entertainment, with a handful of theatres and performance venues within the resort. The orchestra has partnered with the resort in recent years on projects such as multimedia concerts or festivity concerts such as the Valentine's Day Concert. Again, these collaborations between Macao Orchestra and corporations do not involve direct cash support, yet they encourage

corporations to support the arts, and open doors to other art organizations seeking for direct cash sponsorships.

Macau band directors association

Macau Band Directors Association is a nonprofit music association founded in 1996, with aims to promote wind music activities and its development. Their members include wind band conductors, instruments instructors, and students. With around 150 active members, the association organized around 30 wind music activities every year, of which the major activity is the annual Macau Band Fair. Many experienced wind band conductors, wind soloists, and educators join their performances and deliver master classes in the fair. The Association is also a member of the Asia Pacific Band Directors' Association since 1998, and they had hosted the *14th Asia Pacific Band Festival* and *Asia Pacific Band Directors' Association Conference in Macau* in 2006. Being one of the leading music associations in Macao, their main sources of revenue include the CAB, Education and Youth Affairs Bureau, and the Macao Foundation. With funds from the above entities, the association can fully finance its annual activities and the operations, as well as to purchase instruments. Besides direct cash funding, the association also seeks in-kind support from the government, churches, and the Oriental Foundation, mainly for subsidized or free performance venues.

Macau strings association

Macau Strings Association is a nonprofit music association set up in 2011, with aims to create a platform for performances, information, and training for strings musicians. In order to enhance the capabilities and professional techniques of their members (around 300), the association organizes around ten concerts and regular workshops. The association also partners with high schools to deliver instrumental training classes. The fundraising situation of Macau Strings Association is similar to Macau Band Directors Association in that both organizations receive funding from the CAB and the Macao Foundation. Moreover, Macau Strings Association also seeks in-kind support for performance venues, such as the Macao Cultural Centre and Dom Pedro V Theatre. Nevertheless, there are also some crucial differences. A private donation, including a venue, was offered to Macau Strings Association to set up the association in 2011, and this has remained as a major source of funds for the association. The Historic Centre of Macao has been listed on the UNESCO's World Heritage List since 2005. The association has also made use of heritage sites for small music concerts, bringing about extraordinary and enjoyable experiences to audiences at the world heritage sites. With the approval from CAB, the Macau Strings Association do not have to pay for the use of these heritage sites.

Fundraising for classical music – present and future

Having presented the current state of classical music fundraising in Hong Kong and Macao, this section focuses on some critical issues of the current development and attempts to offer some thoughts on future possibilities of fundraising in these two cities.

Governmental vs. non-governmental giving

From the discussions thus far, one observation is the reliance of public money for classical music organizations in both Hong Kong and Macao. This reliance on public money could be interpreted in two ways. First, the organizations *receive* public funding, which covers a large percentage of their total expenditure. This is especially evident in Macao case studies. When public funding is deemed sufficient, organizations become less motivated to raise funds via other means, such as ticket sales. Organizations might, therefore, cut down the number of performances and have a lesser drive to develop new audiences. The second approach suggests that organizations *expect* public funding to cover a large part of the expenses, but in reality, public funding is often a moderate percentage of what they need. This funding scenario is more common in the case of Hong Kong (and the rest of the world). In Hong Kong, there is a clear divide between performing arts organizations (MPAOs; HK Phil included), and other small- and medium-sized ones. While MPAOs are not fully funded by the government, they do receive a sizeable amount of public money and can devote a budget for fundraising efforts. Smaller organizations receive projects or yearly grants from the Hong Kong Arts Development Council (HKADC), an independent statutory body of the government. However, HKADC operates with a very limited budget, and it struggles to meet the demands of the smaller organizations that lack the resources to implement fundraising strategies if any at all.

While there is some evidence of corporate sponsorships in classical music, the current trend of giving seems to be directed towards the major organizations in the two cities. Moving forward, the government of Hong Kong and Macao needs to rethink its strategies to encourage further non-governmental giving (such as corporate sponsorships) directed towards the arts, and special considerations must be given smaller and medium-sized groups. Since 2016, HKADC has rolled out the Matching Fund Scheme (MFS) to stimulate non-governmental giving towards arts organizations, especially small and medium ones. Under MFS, eligible organizations could receive up to 1.5 times of matching fund for cash sponsorships received. Moreover, the minimum sum of sponsorship is set at HK \$30,000 cash (US \$3823). The MFS, though helpful, does not quite address the root of the problem. While arts organizations may work harder to seek for donors, the existence of a matching grant from the government does little to boost donors' motivation towards giving to the arts. Furthermore, smaller arts organizations may be further marginalized in the process, as donors, especially corporate companies, may be keen to give to organizations with higher visibility.

On a yearly basis, HKADC presents the Award for Arts Sponsorship to several donors who have provided financial support to the development of the arts in Hong Kong. In 2017, only four companies were given this award, and their impacts were not significant. A case-in-point for both governments to explore is the Patrons of the Arts Award initiated by Singapore's National Arts Council in 1983. This award is given to individuals or corporate companies who have supported

arts organizations either in cash or in-kind. Non-cash sponsorships that lead to arts organizations reducing their real cost of operations are accepted. This encourages a whole new paradigm of sponsorship activities for arts organizations of all sizes and scales. For smaller arts organizations, they may benefit from office and rehearsal spaces sponsored by corporate companies with extra rooms in their buildings. Support could also come from technology firms, providing free hardware and software for daily operations (such as computers and web servers). Across the board, arts organizations benefit from in-kind sponsorships in printing, hotel accommodations, flight tickets, and the list goes on.

Another highlight of the Patron of the Arts Award is in its tiered system with three categories of award. With different amounts of sponsorships, starting from a minimum of SGD \$10,000 (HK \$57,200 or US \$7300) for individual donors SG \$50,000 (HK \$286,000 or US \$36,500) for corporate donors, one may receive a Friend of the Arts Award, a Patron of the Arts Award, or a Distinguished Patron of the Arts Award. To attain the highest giving level, sponsorship amounts must reach at least SG \$100,000 (HK \$572,000 or US \$73,000) for individuals and SG \$1.5 million (HK \$8.59 million or US \$1.09 million) for corporate donors. With a tiered system, corporate donors (especially) are keen to reach high levels to reflect their excellent corporate citizenry. The final highlight of this award lies in the capitals generated in its entire organization. The annual award ceremony is held in the presence of a special guest, usually the President of the Republic of Singapore, and the minister for Culture, who gives out the awards to the patrons (cultural and symbolic capital for the donors). Arts organizations and artists (recipient of the economic capital) are also invited to the ceremony, with a reception for further networking (social capital for the arts organizations/artists). Usually, the event will be well reported in the local news media, often with a full list of awardees mentioned in the national newspaper (more symbolic capital for the donors). In 2017 alone, 302 donors in Singapore supported the arts with SG \$51.6 million (HK \$295.2 million or US \$37.6 million) worth of cash and in-kind sponsorships.

Revisiting crowdfunding

Crowdfunding for classical music is not a common practice in the two cities studied. In Macao, crowdfunding for the arts is almost non-existent, likely due to the generous public funding. In Hong Kong, on the other hand, crowdfunding seems to be a more popular option for choral music and acapella performances, both targeting seemingly younger audiences. One possible explanation lies in the public perception of classical music. Many deem classical music as an art form for the rich, by the rich. It is not surprising to receive occasional remarks that orchestras are very well endowed. In fact, it might seem weird or even degrading for orchestras or other classical music organizations to raise funds through crowdfunding. Moreover, research has shown that classical music audiences are generally more affluent and have better social status (Gibson and Connell, 2016; Sawyer, 2012). While they have the means to support the orchestra, these audiences are likely to prefer other modes of engagement with the organization, such as attending fundraising galas and subscribing to meet-the-musicians' sessions.

Classical music organizations ought not to exclude crowdfunding from the list of fundraising strategies too quickly. Increasingly, there are more organizations that fuse classical and contemporary music, seeking to push forward a new look and feel for classical music and attracting wider support from younger people. These organizations, such as Music Lab, could

make use of crowdfunding and the impacts of going viral on social media to raise funds. Through reward-based crowdfunding, organizations could secure audiences for their performances, where backers receive tickets to the performances for contributing to the production cost. The direct access to backers also mean that crowdfunding could even be an opportunity for organizations to establish good relationships with their supporters, with constant updates of the creation and rehearsal process. Conventional classical music organizations could also adopt crowdfunding for specific projects or activities beyond their musical cause, such as building an archive for educational purposes or making music accessible to subordinated communities.

Generating IPs as a fundraising strategy

The nonprofit nature of most classical music organizations in Hong Kong and Macao meant that equity financing would be a less adopted approach. While the performing arts is categorized as part of the creative industries in both cities, there has never been clear evidence of how the performing arts in these two cities contribute to the economy, other than the simplified explanation of the multiplier effect. Nevertheless, there are opportunities for performing arts to work towards generating IPs that would eventually contribute to the creative economy. An artistic product, such a classical music concert, has the potential to create multiple IPs that could contribute to the fundraising process of an organization. A concert, once recorded, can be stored in a medium for further distribution and sales. Immediately, this opens up a new opportunity for classical music fundraising. One such example is HK Phil's live recording of the four-part *Wagner's Ring Cycle*, which is available for sale on CD/Blu-ray. Partial IPs of upcoming concerts can also be pre-sold to arts-related TV channels and cinemas with performing arts programming anywhere in the world to raise funds to cover the costs of production. With more advanced technology, including high definition screens, it is even possible for concerts to be streamed live, reaching out to more audiences in the process. For instance, a concert in Hong Kong or Macao can be broadcast live to another group of classical music audiences in Beijing and Shanghai at the same time. All the preceding possibilities mean that the income generated from audience attendance can increase exponentially, breaking away from the two major limitations of a conventional live performance – a fixed number of seats at a fixed time.

Conclusion

The chapter has discussed the current state of classical music fundraising in both Hong Kong and Macao, through the case studies of five organizations. This section extends the fundraising discourse into the performing arts in general. Assuming that government funding for the performing arts in both cities is going to continue for many years to come, organizations should still work towards developing multiple sources of funds from multiple corporate sponsors, as well as other avenues, such as crowdfunding and selling partial IP rights. Definitely, it might be an impossible task for performing arts organizations directly under the purview of the government (such as Macao Orchestra) to accept other sources of funding. For the majority of other non-governmental arts organizations, having multiple funding sources would gradually reduce their

reliance on government funding. The additional financial resources from the government could be redirected to support other small and medium arts organizations with good potential, or be injected into infrastructural development for the performing arts. Policies should also allow and encourage performing arts organizations to develop strong endowment fund, to better prepare themselves for any major reduction or cuts of funding due to unforeseen circumstances. For instance, funding policies may change significantly when the “One country, two systems” policy comes to an end in Hong Kong and Macao by 2047 and 2049 respectively. At this stage, it is impossible to predict what will exactly happen to the state of public funding for the arts then.

Note

- 1 ‘Macao’ is the official English name of the city, while ‘Macau’ is the official Portuguese name and sometimes used by organizations as their registered name.

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