

# Fundraising And Financial Management in Performing Arts: With Reference to Theatre Organisations

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**Abstract**—The main purpose of this study is to design and standardize measures to evaluate financial and fundraising strategies of performing arts organisations and to assess the impact of fundraising strategies on satisfaction, artistic and financial outcomes of theatre organisations. Purposive Sampling is used for selecting theatre groups and managers based on their active participation in theatre and Stratified Sampling is used for categorizing respondents based on demographic measurements. Reliability of data was checked through Cronbach's Alpha and Regression analysis was applied to check the hypotheses and result shows that fundraising strategies significantly influence satisfaction, artistic and financial outcomes in Theatre organisations.

**Index Terms**—Art, Management, Theatre, Fundraising, Financial

## I. INTRODUCTION

### Performing Arts

Imagination, conceptual ideas, sentiments, and emotions may all be expressed via art. Among the many different kinds of art, performance art is the most potent and successful as it allows artists to express themselves artistically through their bodies, voices, and inanimate objects. The performing arts encompass a broad range of disciplines, such as dance, music, theater, mime, magic, puppetry, and more, that are presented live to an audience. In its most basic form, it is an action that requires a living individual to physically do.

### Performing Arts Management

Performing arts management combines the tools of management (such as human resource, accounting, financing, marketing, strategic and operational management) with the tools of audience and

community building (such as fundraising, development, education, and volunteerism, etc) to bridge the gap between art, artists, and audiences. It focuses on audience development, fundraising, arts education, regeneration through arts, arts diversity, and social, copyright, and the role of the arts in cultural and state policy. It helps creative companies to flow in the right direction, from recruiting staff to raising funds.

### Theatre Management

The term "theatre management" usually refers to the administrative, financial, box office, marketing, fundraising, operations, board relations, and other non-artistic facets of a theatre business. However, the phrase can also be used to refer to a variety of artistic positions, such as artistic director, stage manager, and company manager. As we've seen, a "manager" is someone who does more than just do a job, like a bookkeeper, box office worker, clerk, or actor; they also monitor financial transactions and organize the work of others.

### Fundraising

"Fundraising is the gentle art of teaching people the joy of giving". But a nonprofit institution that becomes a prisoner of money-raising is in serious trouble and in a serious identity crisis. The purpose of a strategy for fund-raising money is precisely to enable the nonprofit institution to carry out its mission without subordinating that mission to fund-raising (Drucker 1990). Fundraising lies at the core of the development plan and is often the ultimate goal of the plan. Seiler emphasizes that fundraising is a wider concept than asking for money. "Fundraising involves the development of a relationship between prospective donors and the organization; a

relationship fostered by mutual values and shared interests”.

## II. REVIEW OF LITERATURE

Garcia and Lopez (2024) investigated theatre management practices in Latin America, focusing on fundraising and sponsorship strategies. The objective was to identify sustainable financial models for theatre companies. Using surveys of 100 theatre managers and analysis of sponsorship contracts, the study found that diversified funding, including corporate sponsorship, crowd funding, and ticketing innovations, was critical for long-term sustainability, though smaller companies faced barriers in accessing these opportunities.

Iyer and Rao (2022) focused on financial and operational sustainability in Indian regional theatre companies. The objective was to identify effective management practices for small and medium-sized theatre groups. Using case studies, interviews with managers, and financial performance analysis, the study found that diversified revenue streams, strategic collaborations, and adaptive budgeting practices were critical to organizational resilience.

M. Herrero, S. Kraemer (2020) this paper enlightened the most understudied area how fundraisers carry out their work? The study collected data from two research projects on fundraising carried out between years 2014-2016. Fundraisers everyday work was framed as ‘knowing in practice’ and two main challenges are arts and education. Overcoming barriers both internally and externally in their working environment is the main concern of fundraisers. To maintain long term relation with donors is the main challenge for fundraisers. The purpose of the study was to raise “fundraising culture” within the working environment of organizations by giving priority and higher status to fundraisers.

MarijaSain, Maja Harsanji, Marta Boric Cveni (2020) this paper emphasised on cycle model of fundraising. Arts organisations need funds to meet their goal and achieve stable future. Public funds are insufficient to meet all requirements of organisation thus; additional revenue generating methods are required. The article talks about cycle model which consists of following elements: great art, marketing, family and fundraising. First step of model great art (good

standard of work) needs aggressive marketing for the potential audience (family) are important for raising funds. The research was concluded by suggesting proper education and training of fundraising in arts organisations.

## III. OBJECTIVES OF THE STUDY

The primary objectives of this research are

1. To design and standardize measures to evaluate financial and fundraising strategies of performing arts organisations.
2. To assess the impact of fundraising strategies on satisfaction, artistic and financial outcomes of theatre organisations.

## IV. RESEARCH METHODOLOGY

The study follows a Descriptive and Exploratory research design. Descriptive research design document and analyze existing practices in theatre management and financial models and exploratory research design investigate helps in understanding the conceptual underpinnings of financial and fundraising strategies within theatre organisations.

### Sampling Technique

Purposive Sampling is used for selecting theatre groups and managers based on their active participation in theatre and Stratified Sampling is used for categorizing respondents based on age, gender, education, and frequency of theatre attendance.

### Population

The study focuses on theatre groups, organizations, and institutions engaged in theatrical performances in Madhya Pradesh, with special reference to selected cities known for active theatre culture (e.g., Bhopal, and Gwalior). Population of the study was Theatre managers, directors, Finance Managers, Fundraising teams, actors, administrative staff, and audiences.

### Area of the Study

Theatre groups, organizations, and institutions engaged in theatrical performances in Gwalior and Bhopal are used for data collection. So area of the study is Gwalior and Bhopal.

### Sample Size

Theatre Professionals-100

Theatre audience-100

Therefore, a sample size of 200 respondents was selected for the study

#### Questionnaire Designing

Given the nature of the research, primary data is gathered. Semi-structured tools are used to assist collect the data. The survey was designed in order to establish a conceptualized view of fundraising and financial management in theatre organisations. Data from theatre management was collected through questionnaire.

#### Tools for Data Analysis

The data was analyzed through software IBM SPSS 23.0. Reliability of data was checked through Cronbach's Alpha and Regression analysis was applied to check the hypotheses of the study.

#### Theoretical Framework of the Study

The functioning of theatres is generally defined by the objectives and functions for which theatres were established, such as the expression of ideas, beliefs, and ideologies (Nirandara, Inchan, 20210, but also the new objectives of theatres' activities, e.g., economic promotion and socio-cultural revitalization. The determinants of theatre operation are also defined by the institutional environment (Kiitsak-Prikk, 20170), which is reflected in cultural policies such as those related to the marketisation of the cultural sector and the reduction of theatres' autonomy (Royseng, 2008). Royseng et al. showed a gradual standardization of the operation of the studied entities towards improved results, coupled with a parallel decrease in autonomy and a reduction

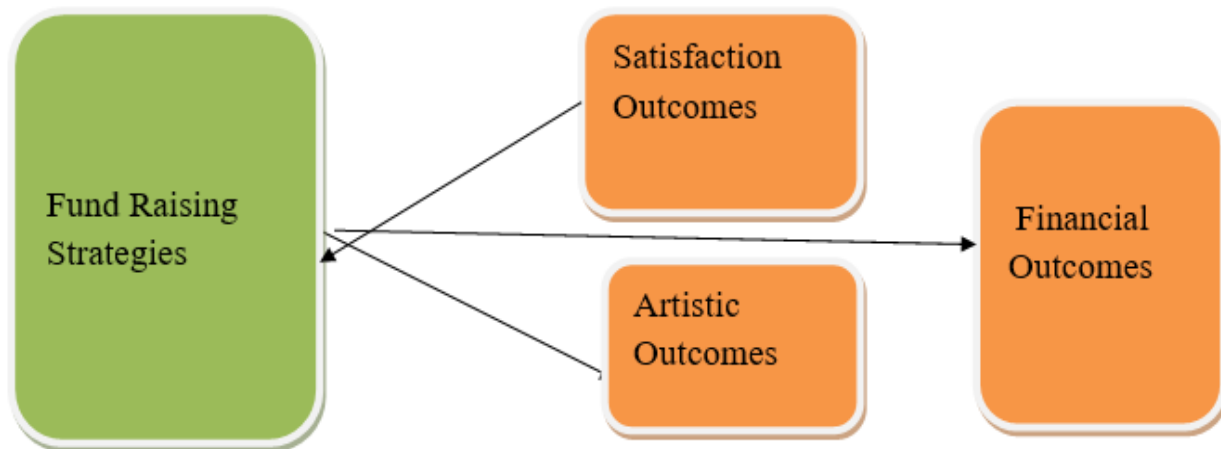
in creative production. In the context of the artistic autonomy a theatre possesses, on the other hand, emphasized the importance of the artistic identity of its director.

Frequently discussed topics include, inter alia, the financing of theatres' activities with a particular focus on the model and sources of funding, including forms alternative to public funding, e.g., fundraising (Bukvic et al., 2016). The ticket pricing strategy adopted is also of great importance. Using the example of a non-profit theatre, Baldin demonstrated the validity of tickets bundling. The financial situation is important in assessing the financial performance of theatres (Bennett, 2009); understanding the coexistence of artistic, political, and managerial logics in theatre organizations, as it can determine how funds are allocated (Amans et al., 2015).

Evaluation issues also arise in fulfilling both artistic and social missions and objectives in the link between funding and the level of public goods delivered (Ardielli, Becica, 2018); in the role of informal organizational practices and the professional identity of the director (Beirne, Knight, 2002); in the impact of an organization's artistic identity on financial performance measurement dimensions (Bennett, 2009); and in the higher efficiency observed in theatres focused on a single art genre. Additionally, uncertainty affects theatre industry outcomes, prompting risk management strategies, including those addressing uncertainty.

### V. RESEARCH MODEL OF THE STUDY

Figure. No. 1 Research Model



### Hypotheses of the Study

H1: Fundraising strategies significantly influence satisfaction outcomes in Theatre organisations.

H2: There is significant impact of Fundraising strategies on Artistic outcomes of Theatre organisations.

H3: There is significant impact of Fundraising strategies on financial outcomes of Theatre Organisations.

Table No. 1 Reliability Statistics for all Variables

Variables	Cronbach's Alpha	N of Items
Financial Strategies	.890	8
Fundraising Strategies	.867	7
Satisfaction Outcomes	.885	10
Artistic Outcomes	.875	7
Financial Outcomes	.823	6

The preceding table indicates that the Cronbach's Alpha values for Financial Strategies, Fundraising Strategies, Satisfaction Outcomes, Artistic Outcomes and Financial Outcomes are 0.890, 0.867, 0.885, .875 and 0.823, respectively. This suggests that every question on the survey is quite trustworthy.

### Demographic Descriptive

A total of 200 people made up the sample size used in the investigation. Males and females from all samples were among the respondents. The respondent's description is further explained in the table below.

Table No. 2 Demographic Descriptive

Variable	Category	Frequency	Percent (%)
Gender	Male	128	64
	Female	72	36
Marital Status	Married	116	58
	Unmarried	84	42
Age Group	18-25 Years	30	15
	26-35 Years	40	20
	36 – 45 Years	56	28
	46 – 55 Years	50	25
	Above 55 Years	24	12
Education	Higher secondary	48	24
	Graduation	64	32
	Post Graduation	58	29
	Others	30	15
Working Experience	Less than 2 Years	80	40
	2-5 Years	74	37
	5-8 Years	30	15
	Above 8 Years	16	8

According to demographic variable descriptive data, 180 (36%), or the majority of respondents, are female, while 320 (64%) are male. The majority of those surveyed—210 are single, and 290 are married. There were 150 respondents in the age category of 31–40 years, 135 in the age group of 41–50 years, 125 in the age group of 21–30 years, and 90 in the age group of above 50 years.

The four categories of education are as follows: the majority of respondents have a graduate degree

(160), followed by post-graduation (145), higher secondary (120), and other respondents (75). According to a descriptive study of working experience, the majority of respondents (200) had less than two years of experience, followed by those with two to five years (185), those with five to eight years (75), and those with more than eight years (40). H1: Fundraising strategies significantly influence satisfaction outcomes in Theatre organisations.

Table No. 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.876 <sup>a</sup>	.767	.766	3.47258	.767	1110.506	1	338	.000	1.828

a. Predictors: (Constant), Fundraising Strategies

b. Dependent, Satisfaction Outcomes in Theatre Organisations.

Table No. 4 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	13391.407	1	13391.407	1110.506	.000 <sup>b</sup>
Residual	4075.887	498	12.059		
Total	17467.294	499			

a. Dependent Variable: Satisfaction Outcomes in Theatre Organisations.

b. Predictors: (Constant), Fundraising Strategies

Table No. 5 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.503	1.049		2.480	.632
	Fundraising Strategies	.473	.014	.876	33.324	.000

a. Dependent Variable: Satisfaction Outcomes in Theatre Organisation

The regression analysis's results are displayed in the above table. The test statistic's value is 1110.506, and the R-squared value is .767, meaning that 76.7% of the variance in satisfaction outcomes can be attributed to fundraising strategies. Given that the P-value is smaller than  $\alpha=0.05$  and is 0.000, our hypothesis is accepted and shows that Fundraising strategies significantly influence satisfaction outcomes in Theatre organisations.

The equation for regression is shown below.

$$Y = a + bx + \text{error}$$

$$\text{Satisfaction Outcomes} = 3.503 + .473 (\text{Fundraising strategies})$$

H2: There is significant impact of Fundraising strategies on Artistic outcomes of Theatre organisations.

Table No. 6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.904 <sup>a</sup>	.818	.817	3.22171	.818	1514.868	1	338	.000	2.129

a. Predictors: (Constant) Fundraising strategies

b. Dependent Variable: Artistic outcomes

Table No. 7 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	15723.460	1	15723.460	1514.868	.000 <sup>b</sup>
Residual	3508.246	498	10.379		
Total	19231.706	499			

a. Dependent Variable: Artistic outcomes

b. Predictors: (Constant), Fundraising strategies

Table No. 8 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.718	.973		3.822	.000
	Fundraising strategies	.513	.013	.904	38.921	.000

a. Dependent Variable: Artistic outcomes

The regression analysis's results are displayed in the above table. The test statistic's value is 1514.868, and the R-squared value is .818, meaning that 81.8% of the variance in Artistic outcomes can be attributed to Fundraising strategies. Given that the P-value is smaller than  $\alpha=0.05$  and is 0.000, our hypothesis is accepted and shows that there is significant impact of Fundraising strategies on Artistic outcomes of Theatre organisations.

The equation for regression is shown below.

$$Y = a + bx + \text{error}$$

$$\text{Artistic outcomes} = 3.718 + .513 (\text{Fundraising strategies})$$

H3: There is significant impact of Fundraising strategies on financial outcomes of Theatre Organisations.

Table No. 9 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.852 <sup>a</sup>	.727	.726	5.39840	.727	897.872	1	338	.000	1.782

a. Predictors: (Constant), Fundraising strategies

b. Dependent Variable: financial outcomes

Table No. 10 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26166.449	1	26166.449	897.872	.000 <sup>b</sup>
	Residual	9850.245	498	29.143		
	Total	36016.694	499			

a. Dependent Variable: financial outcomes

b. Predictors: (Constant), Fundraising strategies

Table No. 11 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.239	1.630		.147	.884
	Fundraising strategies	.661	.022	.852	29.965	.000

a. Dependent Variable: financial outcomes

The regression analysis's results are displayed in the above table. The test statistic's value is 898.872, and the R-squared value is .727, meaning that 72.7% of the variance in financial outcomes can be attributed to Fundraising strategies. Given that the P-value is smaller than  $\alpha=0.05$  and is 0.000, our hypothesis is accepted and shows that there is significant impact of

Fundraising strategies on financial outcomes of Theatre Organisations.

The equation for regression is shown below:

$$Y = a + bx + \text{error}$$

$$\text{Financial outcomes} = 1.239 + .661 (\text{Fundraising strategies})$$

## VI. CONCLUSION

The present study examined how fundraising strategies influence satisfaction levels, artistic performance, and financial results within theatre organisations. The analysis reveals that fundraising plays a central role in strengthening both the creative and economic foundations of theatre institutions, rather than functioning solely as a means of generating revenue.

The findings suggest that theatre organisations adopting varied and well-structured fundraising approaches are more successful in building satisfaction among key stakeholders, including artists, audiences, donors, and sponsors. Transparent practices, ethical financial management, and meaningful engagement with supporters foster confidence and long-term commitment, which in turn enhances organisational credibility and stability.

In terms of artistic outcomes, effective fundraising provides the necessary financial flexibility to support creative experimentation, skill development, and high-quality productions. When financial constraints are minimized, theatre organisations are better positioned to preserve artistic autonomy, explore innovative narratives, and contribute meaningfully to cultural discourse.

Overall, the study concludes that fundraising strategies significantly affect satisfaction, artistic achievement, and financial sustainability in theatre organisations. A balanced and mission-driven approach to fundraising is therefore essential for ensuring the enduring growth and relevance of theatre in the performing arts sector.

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