

INDUSTRY INSIGHTS

Navigating times of cultural crisis:

The role of private sector support for NGOs amid declining public funding



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The NGO Cultural Emergency Response's point of view on impact measurement to engage with family offices

Introduction

This article explores the current challenges faced by cultural non-governmental organizations (NGOs) due to a significant decline in public funding,¹⁹⁰ and how the private sector can play a vital role in supporting these organizations.

To unlock private sector support, NGOs must understand the needs of next-generation philanthropists and family offices.

Cultural Emergency Response, a Dutch NGO, shares its perspective on the importance of impact measurement in making the case for cultural sector funding.

The shifting landscape of NGO funding

Public funding for NGOs has significantly declined in recent years due to various factors, including economic downturns, shifting government priorities, and increased competition for limited resources.

According to a Philanthropy Europe Association (Philea) report, financial distress is a major concern of foundations in the art and cultural sector due to

*"...public budget cuts to the artistic and creative sector; limited resources of the private sector to fill in the gaps further; and a lack of understanding of its role being complementary/incremental to the public sector rather than substitutive and gap-filling."*¹⁹¹

To fill the void left by the public funding decline, a Social Finance NL paper¹⁹² recommends that NGOs innovate how they operate and obtain financial support. Family offices and next-generation philanthropists are uniquely positioned to support NGOs during these challenging times, given their financial resources and the growing trend toward impact investing.

To secure both financial and non-financial support and build close partnerships, NGOs must develop long-term fundraising strategies in the private sector and understand the motivations and needs of next-generation philanthropists.

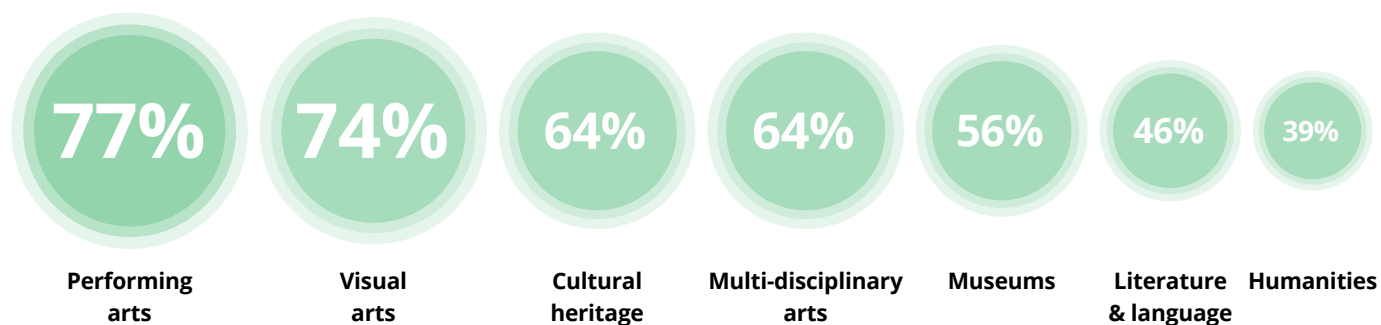
The main focus areas of art and culture foundations to provide functional (non-financial) support are performing arts, visual arts and cultural heritage (Figure 113).¹⁹³ This is a huge opportunity to reveal the power and network of next-generation philanthropists to engage them.



Left: Marta Djourina - Untitled, 2021, direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 172.4 x 124.7 cm
Right: Marta Djourina - Untitled, 2021, direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm
*Exhibition view "CONVERGENCE", organized by Kunzten, 2022
 Photo by CHROMA*

Figure 113: Focus areas within arts and culture

Source: Philea, Arts and Culture at the Core of Philanthropy: Volume 2.



Motivations and needs of family offices and next-gen philanthropists

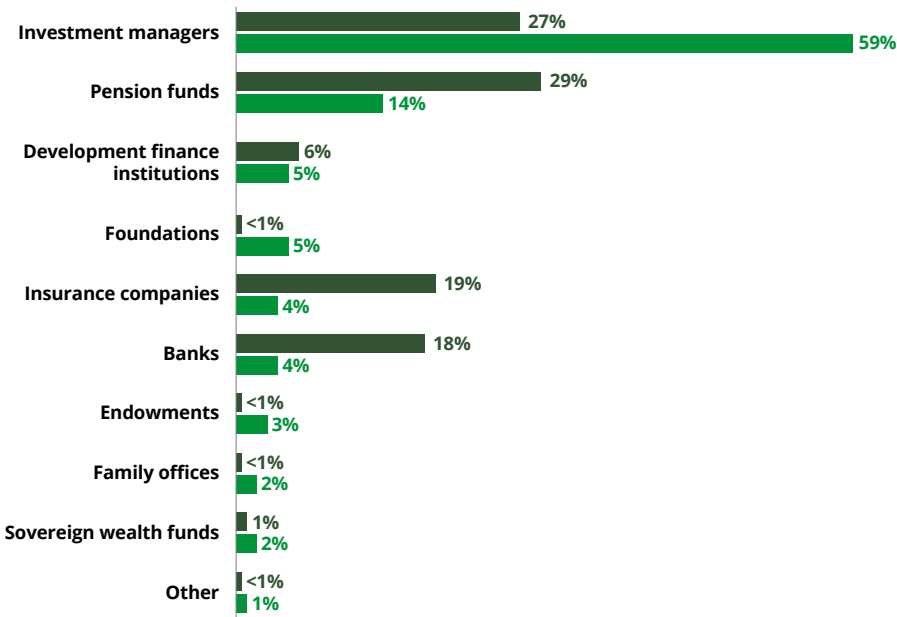
- **Philanthropic behavior:** according to a global study by Ocorian,¹⁹⁴ 70% of family offices expect philanthropic spending to increase by 15% in the next two years. However, around two-thirds (67%) of family office professionals expect to see some financial return on at least 25% of their philanthropic donations.
- **Impact investment:** according to the Global Impact Investing Network (GIIN), impact investment assets under management (AUM) reached over US\$1.571 trillion globally in 2024,¹⁹⁵ demonstrating a robust interest in aligning financial returns with social and environmental impact. Foundations and family offices together represent less than 2% of the global impact AUM (Figure 114).

New trends in philanthropy and NGO support

Collaborative partnerships: according to a recent Bridgespan Group study,¹⁹⁶ the number of philanthropic collaboratives that channel resources from multiple donors to NGOs is on the rise. These collaboratives enable high-net-worth individuals (HNWIs) to amplify the impact of their contributions by acting together.

Focus on technology: the integration of technology in philanthropic efforts is growing, with family offices investing in platforms that enhance NGOs' capabilities in outreach, fundraising and service delivery. Raised with technology, next-generation philanthropists expect nothing less than a seamless donation process that is user-friendly, mobile, and secure.

Figure 114: Representation of the global market size by organization type and AUM
Source: GIIN, *Sizing the Impact Investing Market 2024*.



A wider variety of payment options can also attract new donation sources, such as cryptocurrency.¹⁹⁷

Next-generation philanthropy: the younger generation, born after 1981, is characterized by a desire for transparency and measurable impact. Therefore, next-generation philanthropists are more likely to support NGOs that demonstrate clear outcomes and accountability for how donations are used. As a result, NGOs should consider implementing impact measurement reporting.

Spotlight on Cultural Emergency Response: A case study

Cultural Emergency Response (CER) is an NGO that mobilizes support for culture in times of crisis, particularly in protecting cultural heritage during emergencies, such as natural disasters or armed conflicts. CER can swiftly respond to threats against

cultural assets, which are often overlooked amid humanitarian efforts.

The need for CER

In recent years, the frequency of cultural heritage crises has risen dramatically. According to UNESCO, nearly 5% of the world's cultural heritage sites are at risk due to conflict or disasters¹⁹⁸, with 56 entries—both natural and cultural—listed on the World Heritage in Danger List as of April 2024.¹⁹⁹ The significance of these sites extends beyond historical value: they are fundamental to community identity, stability and recovery efforts.

As CER states in its *2024 Impact Report*:²⁰⁰ "At its core, cultural heritage protection is not just about preserving monuments, artefacts, or traditions—it is about people. The true value of cultural heritage lies in the connections it fosters between individuals, among communities, and across generations."

CER's impact measurement highlights the NGO's work through clear indicators, which reflect both the scale and nature of its cultural emergency interventions. These include the number of projects supported, the regions and types of heritage reached, and the strength of collaboration with local partners.

Visual tools, such as maps and infographics, are combined with detailed case studies to show not just where CER works but also how interventions unfold—from urgent assessments to on-the-ground recovery. Voices from local partners add depth to the data, emphasizing CER's commitment to locally driven response.

While these indicators effectively demonstrate meaningful short-term impact, capturing the longer-term effects remains complex.

Impact measurement

For CER, long-term impact measurement remains challenging. Although there are compelling anecdotes of success, robust quantitative data to support these narratives is often limited.²⁰¹ This is partly due to a lack of standardized metrics and the difficulty in tracking long-term outcomes in rapidly changing and complex environments.

CER believes the true value of cultural heritage is in fostering connections between individuals, communities, and across generations. Therefore, impact measurement must also highlight the qualitative effects on those whose heritage has been preserved or rescued.

These effects are often best understood through the stories of individuals and their resilience following emergency interventions. For funders, this raises important questions about the type of data that best demonstrates impact, and how NGOs like CER can be supported in collecting and reporting this data as part of an ongoing collaborative process.

The role of family offices

Family offices can play a crucial role in supporting NGOs like CER by providing flexible funding, leveraging networks and promoting awareness.

Family offices make particularly meaningful partners for NGOs due to their flexibility, sense of urgency and deep engagement. These unique qualities encourage an adaptive and tailored partnership rather than one constrained by fixed opportunities.

A compelling example is CER's "pooled funding" model, a collaborative fund where multiple donors contribute flexible funding for a specific emergency.

Based on a set of criteria, funding is released in a decentralized manner via CER's emergency mechanism and local networks. This structure enables rapid, efficient and context-specific interventions that meet urgent needs on the ground. Donors receive regular updates throughout the emergency phase, with comprehensive reporting provided periodically.

This collaborative partnership model not only provides funding but also boosts impact, which is tailored to the NGO's specific needs in a particular situation.

Challenges ahead

While family offices and next-generation philanthropists offer hope for NGOs, several challenges remain.

- 1. Sustainability of funding:** Unlike the often long-term stability of public funding, private donations can be sporadic and unpredictable.
- 2. Evaluation of impact:** The pressure for measurable results can lead to a focus on short-term projects to the detriment of long-term initiatives that require sustained investment.
- 3. Capacity building:** Many NGOs lack the infrastructure to effectively engage with private donors, which can hinder their ability to secure funding.

Conclusion

As public funding for NGOs continues to dwindle, the support from family offices and next-generation philanthropists is becoming increasingly crucial.

By recognizing the evolving landscape and fostering collaborative partnerships, particularly in initiatives like CER, the private sector can help ensure NGOs can meet the growing demand for their services.

Protecting cultural heritage during emergencies is not merely a question of conservation; it is essential for fostering resilience and identity among communities. While the potential for meaningful impact is immense, it requires a commitment to long-term support and a willingness to adapt to the changing dynamics of philanthropy.

Endnotes

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