

From the AACT Knowledge Base

Back Stage Barter

Charlotte Repertory Theatre's Keith Martin wrote the book on in-kind donations

When Charlotte [NC] Repertory Theatre needed to relocate its business offices, the management of Charlotte Plaza, a major downtown office complex, responded with a dramatic donation-- 1,200 premium square feet on the 20th floor.

Not only did CRT get world-class office space, but Charlotte Plaza could crow about its generosity in advertisements while it touted the virtues of its product.

"A jewel in this city's cultural crown,' the ad explains, "Charlotte Repertory Theatre applauds our College Street location between Third and Fourth, the lobby full of amenities, skybridge connection to Overstreet Mall, and what is undoubtedly the most easily accessible vehicular entrance and exit uptown.'

The move to Charlotte Plaza may be the piece de resistance (CRT signed a thirty-month lease valued at \$60,000), but it's only one example of how CRT Executive Director Keith Martin has turned in-kind donations into something of an art form.

Basically, with an in-kind donation no money changes hands. Instead a business or individual donates an item or a service. If they get something in return, such as free season tickets, the transaction is called a "trade out.' But sometimes, as with the Charlotte Plaza example, the donor can get a great deal in return in the form of community goodwill and public relations.

It's Out There

Not surprisingly, in today's economy, this sort of bartering system has become of increasing importance to many arts organizations.

In one recent two-year period Charlotte Rep took in more than \$350,000 in in-kind contributions--including plane tickets from a major airline, hotel rooms from a national hotel corporation, computers from an international corporation with offices in the city. Legal services alone--donated by a local law firm--would cost CRT thousands of dollars if secured in the normal fashion.

The theater company's list of in-kind donors includes more than 40 businesses who give more than \$2500 in in-kind donations each year.

"The direct impact is that we're better able to live within our means without lowering our standard of living,' Martin told the Charlotte Observer in 1992. "We're not just telling our board, 'Raise more money.' We're finding ways to do more with the money they do raise.'

Martin's presentation on in-kind donations has been one of the most popular workshops at national and regional AACT/Fests. And no wonder.

Take, for example, the case of the 1200 square feet of premium office space. What will the property management company get in return? Free tickets to CRT performances, to distribute to employees or customers, for one thing. Notices in programs and other perks. But nothing worth \$60,000, which is what the floor space is worth.

According to Don Deutsch, Jr., development director for Trammell Crow, the company that manages the office space, the donation is good publicity. The arts enhance the market the building is in. And the company can write off part of the contribution on its taxes.

"If we can't support our arts organizations,' Deutsch told the Observer, it reflects badly on the city. But if we can do our part to keep these arts groups healthy and in this market, then we all benefit.'

What Do YOU Need?

But, you say, my company doesn't need 1200 feet of office space in a downtown high-rise. Then what about office furniture, a fax machine, copier, printing, legal services, computers, wine for a party, flowers for the stage, or candy for children's matinees? These are all examples of the products and services that Martin has bartered for CRT.

He breaks down in-kind donations into four basic types: services, equipment, materials, and facilities.

Services. Legal services are one example, of course, as are accounting and auditing. The firm provide the service and in return the theater company offers free tickets, ads in the program, and other perks. But Martin has come up with some particularly innovative bartering. Take printing, for instance. Many print jobs do not use all of a sheet of paper; what's not used is trimmed and thrown out or recycled. Martin approached a printer and asked to be notified when a large job would entail a significant amount of wastage. Then his graphic designer would design something that would be printed on the otherwise unused portion. Thus, when a major corporation printed its four-color annual report, CRT was able to print book marks and other pieces on the otherwise wasted paper at no cost. "Strike up a good relationship with a local printer for the same service,' Martin advises. "We've been able to produce some beautiful color work that we otherwise couldn't have afforded. The only thing you have to remember is that you have to go with the same paper and ink colors that the paying customer has specified.'

Equipment. A local corporation regularly upgrades its computers, and when it does so, it gives the old ones to CRT. "When they upgraded from 386 to 486 computers, we got the 386s,' he explains. "Then we turned around and gave our old 286s to other local arts organizations. The corporation could declare the old equipment as a charitable gift. So everyone benefitted.' Martin has also arranged for new models of copiers to be installed at CRT so that the copier company could refer potential customers to a current user. The possibilities seem endless as long as your imagination holds out.

Materials. Everything from lumber to paint can be bartered in return for tickets or program mentions. "We have found that many companies use our tickets as employee incentives, or to give to major customers as recognition for their business,' Martin says.

Facilities. CRT brings in actors, directors and designers from out of town, and while in Charlotte they stay in a local hotel at no cost. How did Martin swing this? By taking the time to learn how these people do business. He found that most hotels have rooms that go empty, and there's no revenue in an empty room. But if that room is donated, the hotel can write off the expense of that room (less than the asking price) on its corporate income taxes. So it's in the hotel's best interest to make a certain number of rooms available in this way. More important, since most hotels belong to a chain, CRT can get free rooms in other cities, when staff travel for conferences or other company business.

Where to Start

How to begin your own bartering? Martin advises that you "look at your canceled checks over the past few years. See where your major expenses are. In our case we found they were hotel rooms, equipment, printing, and storage space. Once you know where you are spending the most money, you can begin to approach people to work out a mutually agreeable arrangement.'

When you go to talk to a business or corporation, have a list of what you can offer in return. Even if you're a small theater company, you can offer free tickets. If the company doesn't understand how these tickets could be used to improve employee morale or reward loyal customers, tell them. Offer free ads in your program or a display in the lobby. And always push the human element.

"People don't give to causes or theater companies,' Martin says. "They give to people. Emphasize what the donation will do for the people in your audience, for the children that take part in your youth theater, or for the customers who get free tickets.'

Do your homework. Over the years, Martin has bartered for just about every conceivable product and service. His secret is establishing a link between what CRT needs and the business that can provide it. "We work to find what will appeal to the donor in terms of payback--community goodwill, free tickets, a mention in the program, a sign in our lobby. There's no one-size-fits-all here. You have to do some research in advance, and you have to really listen to the potential donor to find out what will interest them.'

One last bit of wisdom from Martin. "There are so many great opportunities for bartering. The problem is that most theater companies don't think to ask. And they don't take stock of what they can offer in return.'

The secret to success, he says, is staying alert to the opportunities around you. "They're there,' he explains. "You just have to keep your antenna up.'

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