

WISE GIVING™

GUIDE

BBB WISE GIVING ALLIANCE : SUMMER/FALL 2014

**LEGACY
OF AID:**

**BENEFIT CONCERTS
THEN & NOW**

**BACK
STAGE**





A Publication of the
BBB Wise Giving Alliance

The *Wise Giving Guide* is published three times a year to help donors make more informed giving decisions. This guide includes a compilation of the latest evaluation conclusions completed by the BBB Wise Giving Alliance.

If you would like to see a particular topic discussed in this guide, please email suggestions to give@council.bbb.org or write to us at the address below.

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president's MESSAGE

Most everyone will agree that music is a universal pleasure that cuts across different cultures and backgrounds. It also carries a special attraction for youth. Music helps define a generation and brings people together to hear performances and celebrate good times. In view of this unifying experience, it seemed natural for charities to turn to benefit concerts as a means to raise funds.

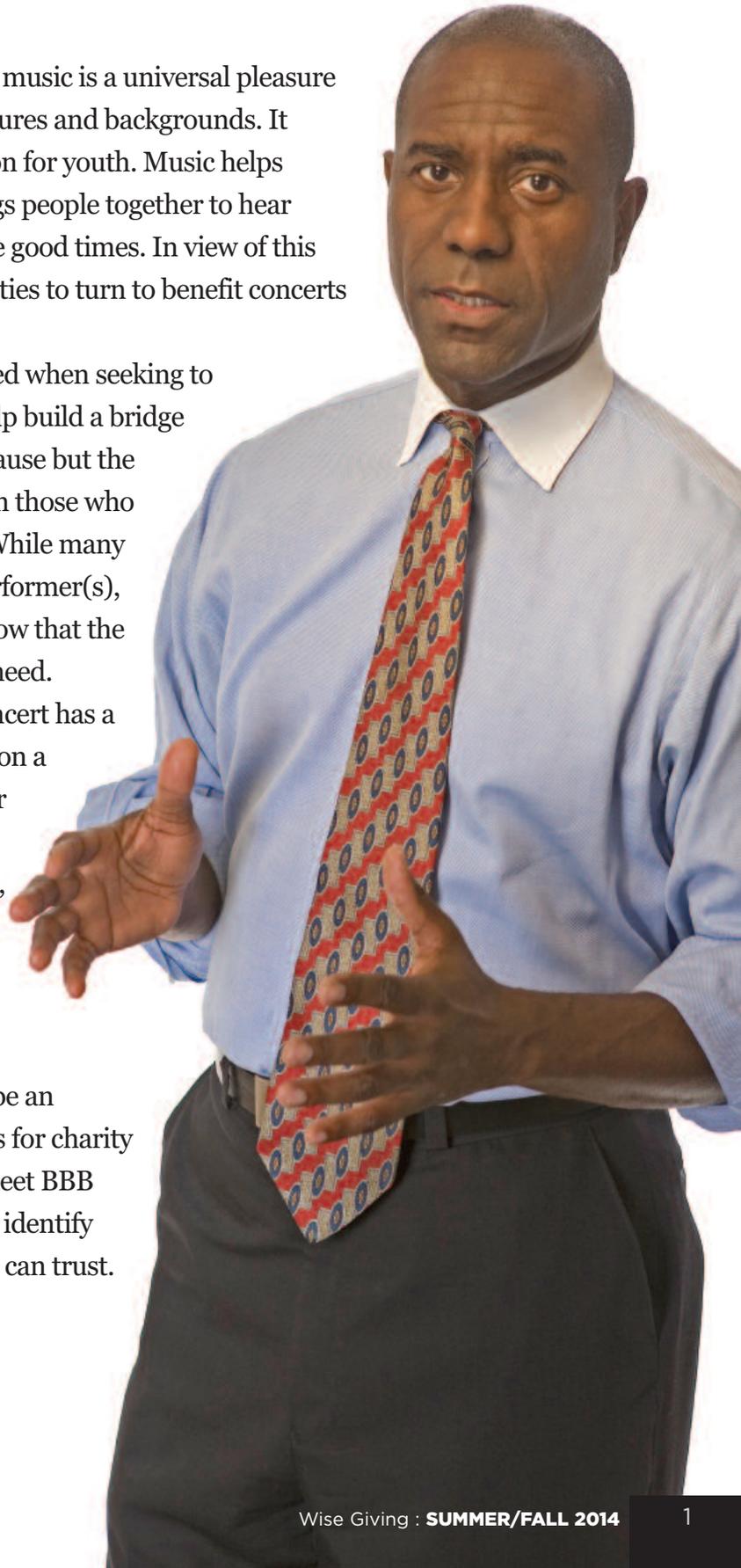
Charitable organizations often are challenged when seeking to connect with younger donors. A concert can help build a bridge not only for recognition and awareness of the cause but the potential to build longer term relationships with those who seek to participate in the philanthropic event. While many will attend just to hear the music of popular performer(s), they will be reminded before and during the show that the reason for the gathering is the cited charitable need.

Some may question whether the benefit concert has a future in an era of downloading favorite songs on a smartphone, YouTube® music videos, and other technological wonders. While it is difficult to predict what will motivate younger generations, as long as Katy Perry, Lady Gaga, Beyoncé and other artists are packing the arenas, benefit concerts also will take place to help various charities raise donations.

Wise giving, however, also will continue to be an important message to remember as promotions for charity events emerge. Do the participating charities meet BBB Charity Standards? We stand ready to help you identify charity participants at benefit concerts that you can trust.



H. Art Taylor, *President*





Legacy of Aid: Benefit Concerts Then and Now

For over forty years, the benefit concert has served as one of the most easily recognizable forms of aid for charitable organizations. The following article will examine some of the most notable events during this time. Beyond describing the circumstances and the dollar amounts raised, there will be an examination of lessons learned and a discussion of the potential future for this fundraising alternative.

The Concert for Bangladesh

In late 1970, the Bhola cyclone, still considered the deadliest of the modern era, formed in the Bay of Bengal, wreaking havoc on the densely populated region of Eastern Pakistan, killing up to 500,000 people and destroying crops, villages and offshore islands. Then, in 1971 the Bangladesh Liberation War resulted in hundreds of thousands of deaths and caused millions of refugees to flee for India.

In the face of war, famine, flooding, and disease, Indian classical musician Ravi Shankar reached out to George Harrison for help. The former Beatle enlisted his musician friends to produce *The Concert for Bangladesh*, held at Madison Square Garden on Sunday, August 1, 1971. Along with Shankar and Harrison, the event included performances from Ringo Starr, Eric Clapton, and Bob Dylan, who took the stage for the first time since being sidelined after a 1966 motorcycle accident. The event raised more than anticipated, at close to \$250,000 for UNICEF, and in the process became the first benefit concert of its kind.

As the concert was not originally registered as a fundraising event before it was held, confusion arose concerning the sale of the concert recording and the distribution of funds to the intended recipients. The IRS held much of the money raised by the recording in escrow for many years.

The Concert for Bangladesh was a ground-breaking fundraising event but also helps illustrate the importance of advance planning to ensure a successful

result. Musicians, event planners, recording company executives, vendors and nonprofits should coordinate the terms of any benefit concert in advance and discuss the expectations of all parties. Stakeholders should strive for openness and transparency in this process to avoid “surprises” so that aid can be distributed to those in need as quickly as possible. In the end, this concert generated approximately \$18 million for the U.S. Fund for UNICEF.

LIVE Aid

Bob Geldof, of the British band Boomtown Rats, coming off the success of his philanthropic supergroup Band Aid’s 1984 #1 single to benefit famine relief in Ethiopia, “Do They Know It’s Christmas,” began organizing *Live Aid*. The event would become one of the largest charity benefit concerts of all time. *Live Aid* was held on July 13, 1985 at two separate venues: John F. Kennedy Stadium in Philadelphia and Wembley Stadium in London, with 100,000 and 72,000 in attendance, respectively. Unlike the Concert for Bangladesh, however, *Live Aid* was televised. An estimated 1.9 billion people in over 150 nations watched the event headlined by David Bowie, U2, Queen, The Who, Elton John, and Paul McCartney, among others. It raised an estimated \$283 million for famine relief with the help of 300 phone operators on duty during the 16 hour broadcast.

The success of *Live Aid* depended largely on coordination, relationships, and expertise. Geldof

produced the event in a few weeks time, making arrangements with 58 bands, all of which played for free. Satellite and pre-fiber optic technology helped obtain an international television audience for this event.

While Geldof receives much of the credit, he relied on the coordination of many team members to make *Live Aid* a success. Relationships and networking served important functions in the facilitating of the event, especially in the absence of the Internet and modern tools of promotion such as social media. The broadcast of *Live Aid* was not without technical hiccups, and the simulcast of the event required the producers to think creatively with the technology available to successfully broadcast to over a third of the world.

While the Concert for Bangladesh included Ravi Shankar and other Indian artists familiar to those in the region the event was designed to help, *Live Aid's* performers were predominantly from the United States and Europe. This oversight demonstrates the potential lost opportunity to strengthen ties with the population receiving assistance.

Sadly, there was speculation that government officials in the recipient countries may have misused funds generated by *Live Aid*. While nonprofits may need to partner with governments at times, charities should make every effort to ensure oversight and transparency in such cases so those who need help are getting appropriate resources.

Farm Aid

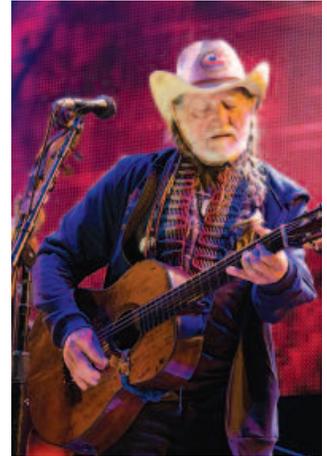
On the domestic front, also in 1985, elder statesman of country music, Willie Nelson, partnered with Neil Young and John Mellencamp to raise money and awareness for the farm crisis in the United States. In the late 1970s and early 1980s, interest rates increased the prices farmers needed to operate. Additionally, markets for U.S. grain were drying up due to political conditions. With crippling debt or foreclosure in the heartland, the first *Farm Aid* was held at Memorial Stadium at the University of Illinois in 1985 with 80,000 in attendance, raising over \$9 million. The *Farm Aid* concert is now an annual event, with the



Neil Young, Willie Nelson, John Mellencamp and Dave Matthews attend Farm Aid Board meeting at Saratoga Performing Arts Center on 9/21/2013.

Farm Aid organization producing the concert at a different venue almost every year since incorporation in 1985.

A June 23, 2014 *Wise Giving Guide* interview with Glenda Yoder, Associate Director of Farm Aid, provides lessons charities can draw on from her experience assembling benefit concerts for the last 24 years. Yoder insists that Farm Aid prefers to be called a “cultural change organization.” Far removed from simply going to see some of your favorite artists and generating income for charity on the side, Farm Aid, attended by 20,000-30,000, is also intended to be a teaching platform, right down to the food served, all of which is from family farms that provide fair prices to farmers and meets particular ecological standards. The event’s HOMEGROWN Village includes exhibitions by farmers, farmers’ rights groups and other nonprofits that teach basic skills such as sustainable gardening and farming practices and educate concertgoers on environmental issues.

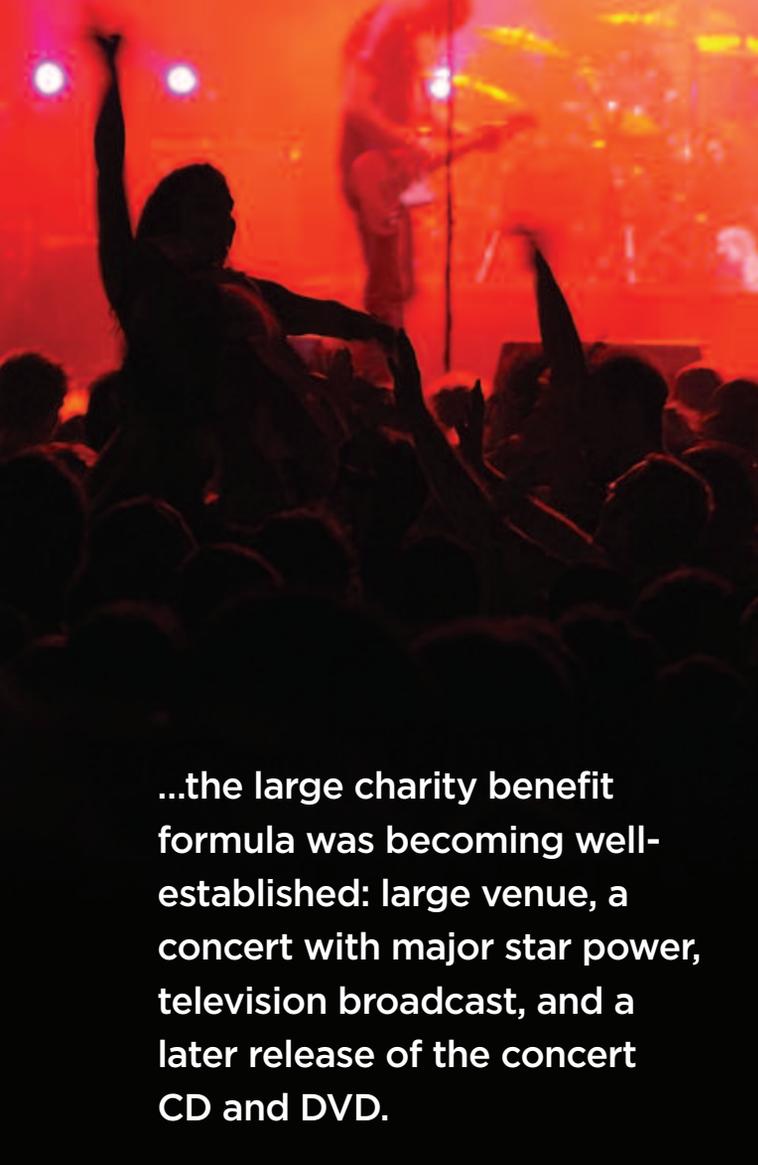


Willie Nelson performing at Farm Aid 2012 at Hersheypark Stadium, Pennsylvania.

Another takeaway from *Farm Aid* concerts comes in the form of measurement. The concerts are broadcast on Sirius XM radio as well as on the organization’s YouTube® channel, and the organization tracks the number of times individuals listen to the concert via each of these avenues. Additionally, the number of social media interactions through Facebook®, Twitter® and Instagram® are closely followed, and a collection is kept that houses a record of press events before the event and the number and depth of media mentions after the completion of each concert. Concert attendees are also asked to complete a survey so the organization can get a feel for how individuals are changed by their experience. Farm Aid has recently developed an event app for attendees to learn about exhibits and shows while serving as another measure of public interaction.

9/11 Concerts

Other more recent charity benefit concerts include two concerts held in the aftermath of 9/11: *America: A Tribute to Heroes* and *The Concert for New York City*. *A Tribute to Heroes* was a partnership between NBC, CBS, ABC, and Fox and produced and directed by Joel Gallen,



...the large charity benefit formula was becoming well-established: large venue, a concert with major star power, television broadcast, and a later release of the concert CD and DVD.

a filmmaker also in charge of the Rock and Roll Hall of Fame induction ceremonies. Actor George Clooney facilitated the music performances and celebrity telephone bank. The telethon-style event was aired on September 21, 2001 from studios in New York, Los Angeles, and London, raising over \$200 million for the United Way's September 11th Fund established to help 9/11 first responders and victims and their families. The concert was produced in studios in New York, London and Los Angeles, with artists performing at each of the venues while other celebrities manned phone banks and delivered messages from a stage surrounded by candles in memory of those lost in the attacks.

The Concert for New York City was a more traditional concert to benefit firefighters, police officers, and other victims through a New York-based charity. The concert was held at Madison Square Garden on October 20, 2001, and again included a who's who of British and American stars such as Keith Richards, Mick Jagger, James Taylor, Jay-Z, and Billy Joel, recruited by Paul McCartney. The concert included short films by Martin Scorsese, Spike Lee and Jerry Seinfeld, among

others. By this time, the charity benefit concert formula was becoming well-established: large venue, a concert with major star power, television broadcast (this time provided by VH1), and a later release of the concert CD and DVD. The concert raised over \$35 million.

Hope for Haiti

After the devastation wrought by the Haitian earthquake in January of 2010, *Hope for Haiti Now: A Global Benefit for Earthquake Relief*, another telethon event, aired on January 22, 2010, again in New York, London and L.A. While the Entertainment Industry Foundation was in charge of processing donations, which reached \$61 million just two weeks after the earthquake, the donations benefited several charities providing aid in Haiti, including the Red Cross, Oxfam America, UNICEF and Yéle Haiti.

While the concert drew over 83 million viewers in the U.S., it also serves as a cautionary tale to donors. Yéle Haiti, a charity founded in 2005 by Haitian-born Wyclef Jean, formerly of the Fugees, came under scrutiny for not filing their 2005, 2006 and 2007 IRS Forms 990 until August 2009. According to the 2010 IRS Form 990, the organization received contributions and grants of close to \$16 million while spending less than \$7 million on program expenses, and some questioned how over \$1 million given to a Florida farm labor organization was used.

The Yéle Haiti controversy underscores the importance for charities and benefit organizers of screening any organizations before partnering with them. By properly vetting organizations in advance, they can make their best effort to ensure that those charities with the most relevant experience and resources will be delivering aid in times of crisis. Unfortunately, the time pressure to produce these events as quickly as possible to help those in need can result in cutting corners and less than ideal preparations.

Sandy Relief

After Hurricane Sandy devastated the East Coast of the United States in October of 2012, *The Concert for Sandy Relief* was held at Madison Square Garden. The event included performances by Bruce Springsteen, Bon Jovi and the Rolling Stones, among others, and reported raising more than \$30 million from its ticket sales.

However, controversy arose when scalpers began hoarding tickets bought through the concert's authorized ticket distributor and selling them at inflated prices. There were also reports that some scalpers used computer programs to snatch up large blocks of tickets in the minutes after they were released for sale at noon

on December 3, 2012. While the original ticket price went to aid the hurricane victims, none of the higher resale price benefited anyone other than the scalper. This also potentially misled consumers into thinking they were providing more support for the cause. While the cost of resale for the tickets to attend this concert varied, figures for floor seats were in the tens of thousands of dollars thereby likely pricing many out of the market for tickets.

Whether or not the concert is for charity, scalpers will continue to try to snatch up tickets and make quick money, but organizers can take some measures to help reduce this practice. For example, placing limits on the volume of tickets purchased from a single buyer, using technology to avoid high volume sales by computer programs the very second tickets are available, and having charities sell tickets directly to the public are some ways organizations can exert more control to avoid scalping activities.



In 2009, Ravi Shankar receives U.S. Fund for UNICEF's George Harrison Humanitarian Award from Olivia Harrison, wife of late former Beatle.

U.S. Fund for UNICEF

A twist on the established relationship between music stars and charity benefit concerts can be seen in the relationship between UNICEF, the U.S. Fund for UNICEF and its celebrity ambassadors. By establishing relationships with recording artists Katy Perry, a UNICEF Goodwill Ambassador and Selena Gomez, a UNICEF Ambassador,

the U.S. Fund for UNICEF can reach audiences that might otherwise be hard for the organization to reach. In a June 30, 2014 *Wise Giving Guide* interview, Brian Meyers, Chief of Staff for the U.S. Fund for UNICEF, explained that Gomez put on three concerts in Los Angeles and New York in 2010, 2012 and 2013 to benefit the organization, not only raising money but also exposing her fans to UNICEF's work and leveraging her social media presence on behalf of the charity.

Meyers points to Katy Perry's April 2013 trip to Madagascar as a turning point for the artist's awareness of UNICEF's work in that country. By traveling to Madagascar, Perry learned about the work of the

organization, including its health, nutrition, education, water, sanitation and hygiene efforts. Perry gained a deeper understanding of UNICEF's impact and \$1 of each ticket sold for the North American leg of her current Prismatic World Tour benefits the U.S. Fund for UNICEF, not to mention the exposure to young Perry fans.

This model allows the two parties to do what they do best; Perry can focus on staging concerts and the U.S. Fund for UNICEF can focus on their fundraising, advocacy and education work.

Another U.S. Fund for UNICEF effort, 2011's *Month of Giving*, drew on the success of the original Concert for Bangladesh on the

40th anniversary of the concert. During August of 2011, over 70 artists, including Arcade Fire, My Morning Jacket, and benefit concert stalwarts such as Ringo Starr and Eric Clapton, took to social media to promote aid for the Horn of Africa, a region containing Somalia, Kenya, Ethiopia and Djibouti. Artists also played video footage of the situation in the Horn during their concerts to support the aid effort, which raised over \$1.2 million for relief. The *Month of Giving* also highlights the type of creative thinking that can be used by charitable organizations to generate funds through the power of celebrity. The *Month of Giving* also included the first sale of the Concert for Bangladesh CD and DVD on iTunes, as well as partnerships with Lollapalooza, Cirque du Soleil and Filter Magazine, emphasizing the variety of relationships that can be utilized to help a benefit effort. While the standard model of a charity benefit concert can be an effective method in certain situations, tweaking the model can also reap rewards. The diversity of artists involved with the *Month of Giving* alone could benefit the U.S. Fund for UNICEF, along with the relatively low cost of social media and word of mouth.

Selena Gomez performs at 2013 U.S. Fund for UNICEF benefit concert.



Chesapeake Bay Foundation

The Chesapeake Bay Foundation was founded in the late 1960s and works towards saving the Bay through advocacy, education, litigation and restoration. Its

annual *Bands in the Sand* event provides insight for charities aiming to organize smaller benefits to raise awareness in their communities. The event is held each year at the Phillip Merrill Environmental Center in Annapolis, Maryland on the Saturday night before Father's Day. Half of the \$100 ticket is priced at fair market value and half is a tax-deductible donation to the charity. Each ticket includes all food and beverages and the event takes place on the property of the charity, enabling the charity to connect the event to showcase the energy-efficient Merrill Center while avoiding the costs associated with an offsite venue. In addition to ticket sales, which produced net revenue of \$186,000 in 2014, the Chesapeake Bay Foundation offers sponsorships at the event for between \$2,000 and \$30,000, as well as a raffle with opportunities to win items ranging from a motor scooter to guitars.

Event planning for *Bands in the Sand* relies on local involvement, beginning with a committee made

up of community members. Deanna Brusa, Manager of Events and Promotions, emphasizes the importance of engaging community members for the success of the event, and by including them in the planning process, the organization and its supporters can cement a relationship in which individuals can transition from casual supporter to stakeholders with an active interest in the protection of the Chesapeake Bay. These community members can also provide connections and resources which the charity can draw on to produce the concert. These relationships with the Annapolis community, as well as the larger Washington and Baltimore metropolitan regions, enable the organization to produce a "very intentional event to raise awareness," according to Wendy Thomas, their Director of Major Gifts. The bands for the event are local, and other sponsors include a home goods store based in Baltimore and an Annapolis restaurant. While the major portion (85%) of the organization's funds comes from individual giving and grants, the event provides an "opportunity to meet people in the community and engage people for the future." This type of engagement can also serve as a model for other nonprofits intent on producing their own charity benefit concert.

Benefit Concert Advice for Donors

- Check out the benefit concert charities. Do they meet BBB Charity Standards? Visit Give.org for the latest BBB WGA evaluation information on charities mentioned in this article.
- Will gifts be restricted to a specific disaster or event? Don't assume unless specified.
- Do the charity sponsors have the skills and experience to carry out the promised charitable activities?
- If the benefit concert tickets are being sold at their fair-market value (what they would normally sell for), then none of your ticket purchase will be deductible. See IRS Publication 526.
 - Don't assume merchandise sold at the concert (e.g. t-shirts, etc.) will benefit the participating charities unless they are authorized and specify otherwise.
 - Watch out for ticket scalpers. Inflated ticket prices they charge will not provide more benefit to the sponsored charity.

Do's and Don'ts for Charities and Benefit Concert Promoters

- Charities should check out any other charity participants for transparency and capabilities to carry out the announced objective. Don't assume it is well managed just because it has a 501(c)(3) charitable tax-exempt status.
- Make sure any state regulatory requirements have been met, including verifying that the participating charities are registered to solicit in all appropriate states.
- If the benefit concert tickets are sold in a charitable fundraising context, seek out a tax advisor to find out about tax-deductibility disclosures that may need to be made, depending on the circumstances.
- Take reasonable measures to reduce ticket scalping. Examples might be: limiting the number of tickets sold to a purchaser and taking steps to avoid computer "snatching" of ticket sales as soon as they are made available.
- Make sure answers are readily available for reasonable questions about participating charities, target amounts to be raised, and how collected funds will be used.
- If the intention is to collect funds restricted for a specific purpose (i.e., disaster relief) make sure that the participating charities have agreed to this restriction.
- Be transparent about finances: share information on the total amount collected, the cost to hold the concert, and how much went to each specified charity. Post this information on the charity's and concert's websites.

The Future of Benefit Concerts

It seems likely that large charity benefit concerts will continue to play a role in generating funds and advocating issues, especially in times of major crisis or when a big star has an emotional or personal stake in a cause. Young people will often be a key target audience for such events and it is reasonable to believe that the revenue generated through these concerts may be worth it if charities prepare appropriately and the stars in support of the show have wide appeal.

Smaller, targeted local events can be successful as well. A benefit with local bands and resources combined with a coordinated effort between multiple nonprofits may be a good option for some charities. Whether large or small, however, the expense and coordination efforts for events can be prohibitive and should be considered carefully in terms of the investment of time and resources.

While many nonprofit organizations spring up during times of crisis, the large, traditional organizations are continuously fighting issues such as poverty, inadequate education, and disease. Whether packing a large event venue or a local concert hall, organizers must think creatively and coordinate effectively to ensure that benefit concerts are an effective tool for raising awareness and charitable dollars. For the public, benefit

concerts can be an opportunity to do good and see their favorite artists.

In February of 2011, Olivia Harrison, widow of George Harrison, made a trip to Bangladesh, where the music from a concert four decades before is still played each year on Independence Day. She was the first member of the Harrison family to visit the country. She was able to see the legacy left by her husband. Clearly, what started out as a way to help a friend and raise a few thousand dollars spawned dozens of campaigns that have benefited countless people throughout the world and inspired others to stand up for those less fortunate. ■

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