

Americans for the Arts

June 7, 2003

### First Phase: Methodology


Queried 28 local arts agency directors in 23 states, all regions

9 quantitative questions:

- FY03 revenue/expenses and FY04-05 projected

3 qualitative questions:

- economic and philanthropic conditions
- current and possible strategies




### Background

Research sponsored by Americans for the Arts in response to concerns from the field

"Develop a more complete picture of what is happening"

Identify possible strategies




### First Phase: Quantitative Findings

Revenue partnership of public + private + earned is holding – but stressed:

- public support projected to drop by \$3m in FY04 and rebound by FY05
- private giving holds steady
- earned income drops by \$6m across all years


3 public dollars leverage 2 private and 1.50 earned



### Background

Three Phases:

- March: survey and interview local arts agencies
- May: audio-conferences linking multiple call-in sites
- June: presentation, discussion, strategizing




### First Phase: Quantitative Findings

Which year will be the peak?

- FY03 (12), FY04 (3), FY05 (8)

Contrasting FY05 with FY03: better or worse?

- FY05 will be worse (14), better (9), flat (5)
- Projected to be worse in some cases by 20% +/-



## First Phase: Quantitative Findings

Rear-view mirror – FY03 vs FY02 expenditures:

- 13 expense budgets increased from FY02 to FY03, 11 decreased, 4 flat or n.a.
- 4 had growth of 10% or more
- 5 experienced declines of 10% or more

Good fiscal management:

- 11 agencies made one or more budget adjustments in FY03, trimming \$1.7m

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## First Phase: Qualitative Findings

Several recurring questions:

- Is philanthropy changing in fundamental ways? If so, how? What are the implications?
- What viable opportunities exist for entrepreneurship and more earned income?
- Is collaboration effective in wringing more value out of assets? What are the models?
- How can national leadership make a local difference?

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## First Phase: Qualitative Findings

What are the headlines?

- Every place is its own story.
- In the absence of certainty, hope springs eternal.
- It's tempting to draw regional conclusions...but the picture is not fine-grained enough.
- Fairly stable data averages mask real differences (example: San Jose vs. Miami/Dade).

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## Second Phase: Audio-conferences

Co-sponsored by AFTA and the six RAOs:

- conducted over the course of 3 days in mid-May
- included 325 people at 120 call-in sites in all 6 regions

A chance to comment on the research, share other experiences and perspectives

Expanded the brainstorming around strategies

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## First Phase: Qualitative Findings

Other insights:

- Small and midsize arts groups are getting hit hardest.
- Small donors provide a wider, more stable base of supporters and advocates.
- Dedicated revenue yields growth and stability...unless the local economy implodes.
- This downturn is cyclical, but **state** fiscal problems could prolong its impact.
- The best case-making is tailored, current, and emphasizes ROI.

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## Themes from the Audio-conferences

**MESSAGE:**

- Use new evidence (cognitive development, creativity = competitiveness).
- Cast the economic impact argument more broadly – community positioning, job creation, revenue inflow.
- Without recipient structures (SAAs, LAAs), some federal funding goes elsewhere.
- Cultivate powerful champions – leadership at all levels is essential.

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## From the Audio-conferences

### MONEY:

- Promote the "consumer side" of the revenue partnership.
- Work toward a dedicated revenue stream to support the local cultural sector and benefit the community.
- Entrepreneurism in the arts – explore how and to what effect.
- Cultivate private wealth during downturns – work through friends, gatekeepers, peers.

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## Two Observations

"Survival of the *fittest* doesn't automatically translate into survival of the *biggest*. We need to ensure the survival of the *most meaningful*."

-Audio-conference participant

"Americans for the Arts should not be distracted by the LAA crisis. Most of us can address it. The opportunity of the Lilly gift is to create a true national congress, when 50,000 people from every service organization and related discipline descend on Washington. That kind of impact that will be felt nationally and trickle down locally."

-Local arts agency executive

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## Themes from the Audio-conferences

### MOXIE

- "No more quiet deeds" – we need lobbyists, political action committees, and campaign clout.
- Sign onto agendas (economic development, workforce education) backed by other interests.
- Aim: "regain our political standing" and "restore the loss of will" among elected officials for support of the arts.

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## Brainstorming Strategies

What can Americans for the Arts – or others – do that would be most helpful to local arts agencies and their constituents in these challenging times?

- ✍ Craft a **strong case** for public support of the arts and take it on the road – especially to public and private funders.
- ✍ Do more **economic impact research** that features the arts and culture.
- ✍ Get into the **tax reform** discussion and stay in it – this issue affects artist, donors, and recipients.

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## Themes from the Audio-conferences

### IMAGINATION :

- Time for creative thinking about new ways of structuring, financing, and delivering content and experiences.
- Collaboration is a new frontier – focus on providing public benefit, linking community resources, defining new roles and relationships.

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## Brainstorming Strategies

- ✍ Sponsor more "real **advocacy training**" – boot camps on grassroots political strategies and tactics, and specific action steps for supporters.
- ✍ **Skills development** – essential to reinventing and stabilizing local organizations.
- ✍ More information about **best practices** around the country – advocacy, coalition-building, marketing, new structures, collaboration, entrepreneurship.

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