

A quarterly publication of the Business Committee for the Arts, a division of Americans for the Arts

**FACTS AND FIGURES**

**Organizational Changes at Nonprofits**

According to a survey by Campbell & Company, 47.5 percent of nonprofits responding to Survey: The Staff Management Strategies Vary in Tough Economy have laid off staff members in response to decreased donations. Hiring freezes have been reported by 10.5 percent of respondents. The company also found that 43.5 percent of respondents laid off fundraisers while in contrast 13 percent hired additional fundraisers. For information, [www.campbellcompany.com](http://www.campbellcompany.com).

**Fundraising Expectations**

According to the latest Philanthropic Giving Index (PGI), released by the Center on Philanthropy at Indiana University, the fundraising climate continued to decline in the first half of 2009. The national survey found fundraisers' assessments of the giving environment is at its lowest level since 1998 when the survey began. The overall PGI is at 65.4 out of 100, down 21 percent from this time last year. For more information, [www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

**Increase in Volunteers**

The Corporation for National and Community Service found that more than 27 percent of nonprofit organizations reported an increase in the number of volunteers they used between September 2008 and March 2009. Nearly half of reporting organizations foresee an increase in volunteer usage in the next year. [www.volunteeringinamerica.gov](http://www.volunteeringinamerica.gov)

**BCA NOTEWORTHY**

If you would like to receive monthly e-mails about the latest arts and business partnerships across the country, subscribe to BCA's e-newsletter.

[www.AmericansForTheArts.org/go/BCANews](http://www.AmericansForTheArts.org/go/BCANews)

**Shifting Trends in Arts Philanthropy**

On August 4–6, 2009, Americans for the Arts convened 25 leaders from business and philanthropy from across the country for the second annual Seminar for Leadership in the Arts, a collaboration between Americans for the Arts and the Harman-Eisner Program in the Arts at the Aspen Institute.

The Seminar is one of a series of annual policy forums convened by Americans for the Arts throughout the year at locations such as The Redford Center in Sundance, UT; Art Basel-Miami; and Core Club Seminars in New York City. Americans for the Arts uses these recommendations to help inform policy directions and ongoing work.

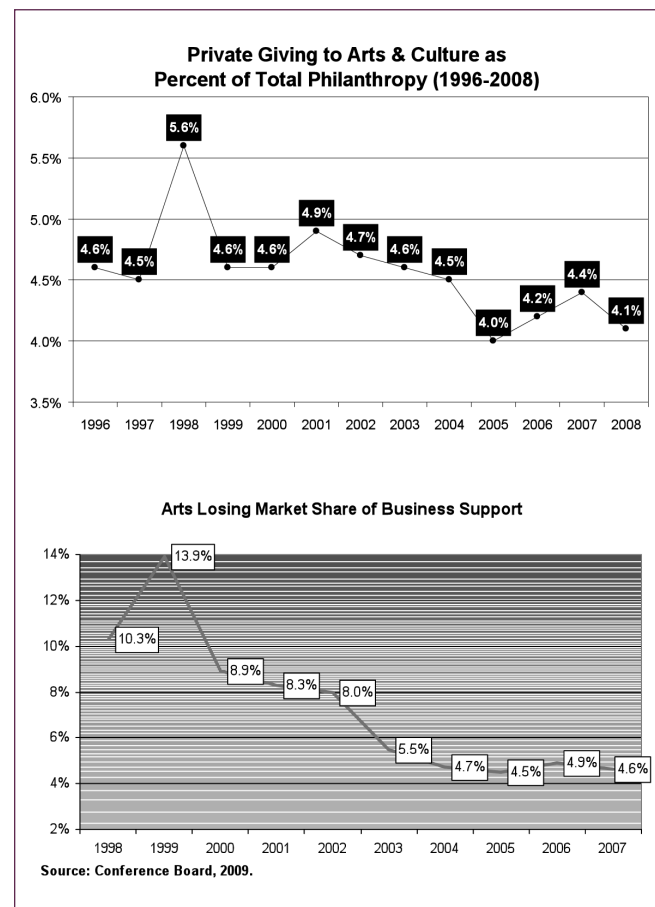
The 2009 Seminar, "The Arts in a Time of Change: Building the 21st Century Case for Philanthropy and Investment in Arts & Culture," focused on the critical role that philanthropy plays in advancing arts and culture in America—how it is changing and how these changes are significantly impacting the arts.

Recent data suggests that we are in the midst of a paradigm shift in how the arts will be funded, sustained, and valued in the future. In 2008, private-sector giving to the arts (by individuals, foundations, and corporations) decreased by 6.4 percent—from \$13.67 billion in 2007 to \$12.79 billion.

Though private contributions to all charities suffered a 2 percent decrease in 2008, arts giving decreased at a greater rate than all giving.

Several factors have combined to make it more difficult for the arts to maintain their status and market share amongst other giving areas for business in particular:

- Businesses adopting a **single-focus giving** (rarely arts);
- **Mergers and acquisitions** resulting in local dollars redirected to national and global issues, and;



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Summer tends to be a time of rest, relaxation, and reflection, but not at Americans for the Arts. We kicked off the season with our annual convention that took place in Seattle in June. More than 1,100 arts and community leaders shared ideas about cultural and creative sustainability. I was particularly impressed with sessions convened by Grantmakers in the Arts (GIA) entitled Navigating the Art of Change. The sessions were timely in that they focused on arts funding in the recession and opportunities for arts funders to advance cultural recovery during these challenging times. I look forward to continuing these conversations as well as advocacy tools at the GIA Conference in Brooklyn this October.

While we were in Seattle, much work was being done in Washington on President Obama's summer initiative called United We Serve. The program is designed to encourage citizens from across the country to find ways to better their communities

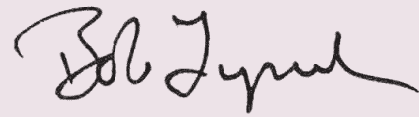
through volunteering and service. The arts sector has a long history of community volunteer action and current volunteer activity in the arts is much larger than many people know. To ensure that our message reaches the largest number of people, Americans for the Arts has partnered with the Corporation for National and Community Service. This collaboration led to the creation of the [serve.artsusa.org](http://serve.artsusa.org) website where stories of volunteer opportunities and programs in the arts are shared. Feel free to share your story, as well.

In August, I participated in our 2009 Seminar for Leadership in the Arts entitled "The Arts in a Time of Change: Building the 21st Century Case for Philanthropy and Investment in Arts & Culture," a collaboration between Americans for the Arts and the Harman-Eisner Program in the Arts at the Aspen Institute. I was delighted to meet with so many philanthropic leaders dedicated to the cause. We view the Aspen gathering and our other annual policy convenings, including

the National Arts Policy Roundtable at Sundance and our Art Basel Miami and Core Club New York seminars, as invaluable opportunities to engage national leaders across the public and private sectors in an ongoing dialogue that is critical to advancing cultural policy. To that end we are committed to ensuring that the ideas, concerns, and strategies surfaced during these discussions lead to meaningful action.

I hope to continue this conversation when I see many of you at THE BCA TEN this November.

Thanks,



President and CEO  
Americans for the Arts

Shifting Trends *continued from page 1*

- a steady **loss in market share** of total business support to the arts.

Individual philanthropy is changing. The 2005 Worth-Harrison Taylor Study on the Status of Wealth in America, a poll sampling 503 families that represented the 750,000 households constituting the top half of one percent of the American economy, found that only eight percent of individuals under 50 became affluent through inheritance. The majority were self-made—"children of the middle class." With no tradition of family giving, they are exploring new philanthropic models in order to define and cultivate their own culture of giving.

The same survey found that only 45 percent of younger philanthropists donate to the arts—compared to nearly 60 percent of those 50 and older.

Participants considered the implications of this data, especially in the wake of the severe economic downturn. Presentations

from leading philanthropists, business leaders, and foundation executives, including Americans for the Arts Board Member Sheila Johnson; George Soros; and John Killacky from the San Francisco Foundation, on new advancements in online tools, giving mechanisms, and messaging strategies served as catalysts for the exchange of ideas and dialogue.

Several common themes emerged: (1) The tradition of supporting the arts because it's the "right thing to do" has passed; (2) The "institution" as authority is changing—individuals are exercising curatorial control; (3) Deep community engagement with the arts is weakening; (4) New philanthropists are less interested in "place-based giving" or "endowment" conversations, and want to make a difference in the here and now; (5) Addressing social issues is more important than "excellence."

Participants strongly felt the need to reposition the arts as a benefit to society, and to rebuild the "emotional stake" in the arts

among potential donors, new audiences, and other sectors. Many noted that it was imperative for arts institutions to change the old traditional board culture and build 21st-century board leaders.

Participants were optimistic that the downward trends in arts philanthropy could be reversed. They called for moving away from the "way things used to be" mindset and embracing the opportunities that exist. They acknowledged the need for more outspoken advocacy and support for the arts from leaders at all public- and private-sector levels. They expressed the desire to develop new ways to support the arts in the current economic climate and in helping young philanthropists find ways to support the arts that are meaningful to them.

None of these changes will come easy. However, as one participant noted, "A crisis is a terrible thing to waste—this is an opportunity. We can do amazing things."

## Albert Chao, President and CEO, Westlake Chemical Corporation; BCA Executive Board Member

Mr. Chao has been President of Westlake Chemical Corporation since May 1996 and a director since June 2003. Mr. Chao has over 30 years of international experience in the chemical industry. In 1985, Mr. Chao assisted T.T. Chao and James Chao in founding Westlake, where he served as Executive Vice President until he succeeded his brother James as President. He has held positions in the Controller's Group of Mobil Oil Corporation, in the Technical Department of Hercules Incorporated, in the Plastics Group of Gulf Oil Corporation and has served as Assistant to the Chairman of China General Plastics Group and Deputy Managing Director of a plastics fabrication business in Singapore. He is also a director of Titan Group. Mr. Chao received a bachelor's degree from Brandeis University and an M.B.A. from Columbia University.

### Why did you decide to support the arts as a part of the way you do business and what are some of the current ways you're supporting the arts?

I discovered my passion for the arts early in life through the influence of my parents, Ting Tsung and Wei Fong Chao. This influence for the arts and culture transcended to the businesses my father founded including Westlake Chemical Corporation which was formed 23 years ago. As such, Westlake is proud to be a good corporate citizen in the communities in which it operates by supporting the arts, education, technology and medical advances, all which enrich lives. On a personal side, my wife Anne and I greatly enjoy the performing arts and strongly support Houston Grand Opera where I am a member of the Board of Directors. In addition, I am also a member of the Advisory Board of The Methodist Hospital Center for Performing Arts Medicine, one of the first organizations of its kind in the country. My wife Anne is a member of the Board of Trustees of Houston Ballet, Board of Directors of the Alley Theatre in Houston, and a member of the Advisory Board of The

Shepherd Society of The Shepherd School of Music at Rice University. We, along with the Ting Tsung and Wei Fong Chao Foundation and Westlake, support, in addition to the performing arts organizations, The Museum of Fine Arts Houston, the Rice University Art Gallery in Houston, and The John and Mable Ringling Museum of Art in Sarasota, Florida.

### How do you think arts-business partnerships can be beneficial to the current economic situation?

The arts-business partnerships can work together to attract businesses, foster employment, and to bring visitors in to increase revenue for the community. By businesses supporting the arts, employment is maintained in the arts organization which in turn provides income to their supporting industries and surrounding establishments. This is the right kind of domino effect. Where they can, businesses can provide much needed additional financial support to the arts organizations when the economy has been so brutal to so many individuals who normally provide contributions. It is tough to do because businesses also have to watch their bottom line; but, it's obvious that the stronger partnerships which are formed between businesses and the arts can have long term benefits. On the business side, the benefits can be in the form of community goodwill which attracts and keeps better qualified employees. Businesses can help the arts to provide that economic boost to support the economy. The arts provide cultural exposure, enrichment and enjoyment. This makes it a win-win combination.

### What advice would you give other companies that wish to build relationships with the arts?

Simply get involved to raise awareness of the importance of the arts. Support art programs in terms of participation in time and money. Companies can provide avenues for employees, their families and communities to participate in the arts beyond just attending events. Many executives can join an arts Board and use their business knowledge and expertise to better arts organizations.



### Why do you think it is important to take a leadership position on arts and business partnerships?

Taking a leadership position is essential in promoting arts and business partnerships. Arts organizations can reach out to businesses but it is the business leader who is the one to take action and determine the amount of involvement he or she and the business will undertake in the arts. The business leader is the driving force for action in promoting and maintaining these relationships. Lastly, business leaders can sometimes lend their business knowledge expertise in the governance and operations areas of non-profit organizations.

### Why do the arts matter to you personally and professionally?

Again, it's the passion, the excitement and appreciation it instills in those experiencing art whether it be visual or performing arts. The arts provide enjoyment through sights, sounds, and senses. This has been the case for not only my family but to many others as well. The arts have been influential for me in my approach to life, and my involvement provides Westlake an avenue to be the good corporate citizen it is.

## PRIVATE SECTOR NETWORK

Americans for the Arts is committed to building private-sector support for the arts. A network of Arts & Business Council affiliates (ABC), Business Committee for the Arts affiliates (BCA), and United Arts Funds (UAF) works to achieve this goal on the local level. [www.AmericansForTheArts.org/go/privatesector](http://www.AmericansForTheArts.org/go/privatesector).

### Allied Arts Names Deborah McAuliffe Senner President and CEO

Allied Arts announced Deborah McAuliffe Senner as president and chief executive officer of Allied Arts, Central Oklahoma's only United Arts Fund. The announcement came after an extensive nationwide search for a leader of the organization. Senner succeeds Donna Rinehart-Keever who announced her retirement earlier this year.

Allied Arts Board President Mark Funke said, "Deborah's leadership, community knowledge, fundraising expertise, and vision for the future of Allied Arts placed her head and shoulders above the other candidates. The selection committee and the Allied Arts Board are confident that Deborah is the ideal person to usher Allied Arts into a new era of strategic, planned growth and an elevated level of advocacy for the arts in our community."

### Arts & Business Council of Chicago

The Arts & Business Council of Chicago implements the Inclusion of Multicultural Perspectives in Art, Culture and Theatre (IMPACT) project. One of the critical findings of the project is that organizations which see diversity as an intrinsic value—and essential to their success—are the organizations that are effectively achieving diversity among their leadership in a meaningful way. With primary funding from the Joyce Foundation, and additional support from Chicago Community Trust and The Boeing Company, this program works to increase the cultural diversity on the boards of institutions with budgets of \$5 million and above. A&BC Project Manager Mignon McPherson Nance concluded, "An organization with diverse voices and different perspectives and insights among its leadership is better equipped to adapt to our changing landscape, to meet challenges and maximize opportunities."

### The Arts Council of Kansas City

The Arts Council of Kansas City showcased the creative talents of the Kansas City's metro area corporate employees at the third annual Art/Work – Creativity from the

Cube, sponsored by DST Systems. From January through June, each participating company held its own art exhibition where they chose winners in categories including visual, literary, and musical performance to move on to compete at a citywide exhibition. The visual and literary exhibition was on display at Union Station from August 1–9, 2009. The new musical component titled On Stage was presented at the Copaken Stage, H&R Block World Headquarters on August 5, 2009.

Awards were presented for Best On Display, People's Choice, Best On Page, and Best On Stage at a public reception at Union Station. Winners of the various Best On Display categories include Alex Wilson, Art & Frame Warehouse; Tajsheena Leggs, Truman Medical Centers; Dan Compton, DST Systems, Inc.; Megan Capper, Art & Frame Warehouse; Jacqueline Caskey, UMB Financial Corporation; and J. David Kriet, Medical Missions Foundation. On Display People's Choice was awarded to Travis Roth, UMB Financial Corporation.

Winners of Best On Page included Ryan Thurnam, UMB Financial Institution; Lynn Renfroe, Stinson Morrison Hecker LLP; Britt Wagner-Reed, Burns & McDonnell; Tom Woodward, H&R Block; James F. Kneee, DST Systems, Inc.; and Gloria Seron, American Century Investments. On Page People's Choice was awarded to James F. Kneee, DST Systems, Inc.

Best On Stage selections included David Wagler; Burns & McDonnell and Brookside Express; and DST Systems, Inc. People's Choice for On Stage was a tie going to Ten String Symphony; DST Systems, Inc.; and Old Band Wallace, Barkley.

### COMPAS and Young Audiences of Minnesota Merge

COMPAS and Young Audiences of Minnesota, two of the most exemplary arts education organizations in the state, have merged to create an even stronger organization. Offering multidisciplinary programs to more youth than any other Minnesota arts education organization. The newly merged organization will unite two rosters of artists, combine arts education programs, and utilize joint marketing efforts. By saving these and other expenses,

COMPAS will be even more effective in reaching people of all ages across Minnesota.

COMPAS strengthens people and communities in Minnesota by engaging them in creating art. With more than 55 years of arts education and four decades of community arts programming, the COMPAS/Young Audiences of Minnesota merger creates the state's most widely used resource for artist residencies, arts education, and community-building through the arts, engaging more than 100 Minnesota communities, 196 schools, and 48 other sites each year.

#### What is a BCA affiliate?

The BCA affiliates program enables a community to draw on the national resources of the Business Committee for the Arts, a division of Americans for the Arts, to create an organization that develops and increases business support to the arts in its operating area.

#### What is an A&BC affiliate?

Arts and Business Council affiliates promote mutually beneficial partnerships between arts and business. In addition to working to stimulate more financial support for the arts, efforts are also made to stimulate and support volunteerism, services the arts can offer to business, the transfer of management expertise from business to the arts, and sharing of knowledge and best practices.

#### What is a UAF?

United Arts Funds (UAF) are community-specific fundraising organizations that distribute earned funds to the arts organizations in their communities. A UAF is a combined or federated appeal for arts funding conducted annually to raise unrestricted money on behalf of three or more arts, culture, and/or science organizations. While these campaigns traditionally focus on corporate, individual, and workplace giving, they also may include government support.

For information, [www.AmericansForTheArts.org/information\\_services/arts\\_business\\_partnerships](http://www.AmericansForTheArts.org/information_services/arts_business_partnerships)

## PARTNERSHIP NEWS

### Woodruff Arts Center Corporate Campaign Raises \$8.6 Million

The 2008–2009 Woodruff Arts Center Corporate Campaign led by Campaign Chairman Mike Garrett, Chairman and Chief Executive Officer of Georgia Power Company, raised \$8.6 million, 4.5 percent less than the \$9.0 million goal. This is the first time in decades that the annual campaign did not reach its fundraising goal. The funds help cover operating expenses for the Woodruff Arts Center and its divisions, including the Alliance Theatre, Atlanta Symphony Orchestra, High Museum of Art, and Young Audiences. The top corporate sponsors for the 2008–2009 campaign include Georgia Power Foundation, UPS, The Coca-Cola Company, Deloitte, Holder Construction Company, Coca-Cola Enterprises, and SunTrust.

### Houlihan's Campaigns for Music Education

Houlihan's Restaurants ran its second nationwide fundraising campaign to support the VH1 Save the Music Foundation. The fundraiser ran from July through September. The franchise donated \$1 of every Mojito Margarita and S'Mores Fondue dessert sold, up to \$30,000, at nearly 90 Houlihan's across the country to the VH1 Save the Music Foundation. Guests at Houlihan's restaurants also had the opportunity to make personal donations by noting the desired donation amount on their guest checks. Vice President of Marketing at Houlihan's Jen Gulvik said, "We strongly believe that every child should have the chance to play an instrument, join a band, and enjoy the many benefits music brings to life. In partnering with VH1 Save the Music Foundation, we hope to help restore music education in our schools." The 2008 campaign raised more than \$54,000 for the VH1 Save the Music Foundation which provided music education for two schools.

### Bergdorf Goodman & American Visionary Art Museum

Bergdorf Goodman in New York City partnered with Baltimore's American Visionary Art Museum to transform one of

its retail window spaces into an art exhibition. Approximately 50 pieces from the museum's collection were placed in the heavily viewed windows of the 5th Avenue store. The exhibit was on view for nearly a month this summer, featuring staples of the American Visionary Art Museum including FiFi the pink poodle and a 10-foot-tall statue of Divine. Bergdorf Goodman estimates that nearly a million people, both on foot or on public transit, pass by the windows each month, providing quite the audience for this exhibit.

### Gap's (PRODUCT) Red Artist Collection

This July, Gap introduced their new (PRODUCT) RED Artist Edition T-Shirt collection. The collection will feature t-shirts with original designs by 12 established to up-and-coming artists. Gap also hosted a temporary pop-up art gallery at its flagship store in New York City. The gallery featured the original art of 10 of the participating artists. The t-shirt collection is available at Gap stores nationwide and gap.com. The Whitney Museum of American Art in New York City partnered with Gap by selling a portion of the collection at the museum store this summer. Fifty percent of the profits from sales of the collection will go to the Global Fund which focuses on eliminating AIDS in Africa.

### AT&T Enters the Dallas Arts Scene

The soon to be opened, Downtown Dallas Arts complex will be opening as the AT&T Performing Arts Center. AT&T will be providing crucial support that will go towards the center's annual operations, programming and new technology. AT&T relocated its corporate headquarters to Dallas last year and is working to become more involved in its hometown arts community. They will be offering free Wi-Fi throughout the center's three main venues and keeping patrons informed on future performances and happenings at the center through a new text messaging platform.



Ten laudable companies will be honored at this year's THE BCA TEN: Best Companies Supporting the Arts in America.

### The companies on THE BCA TEN – 2009 are:

- **Adobe Systems**, San Jose, CA
- **Applied Materials**, Santa Clara, CA
- **Arketype Inc.**, Green Bay, WI
- **Brainforest Inc.**, Chicago, IL
- **Dollar Bank**, Pittsburgh, PA
- **Duke Energy**, Charlotte, NC
- **Hanesbrands Inc.**, Winston-Salem, NC
- **Reliance Standard Life Insurance Company**, Philadelphia, PA
- **UMB Financial Corporation**, Kansas City, MO
- **Williams & Fudge Inc.**, Rock Hill, SC

### BCA Leadership Award

- **Thomas A. James**  
Chairman and Chief Executive Officer  
Raymond James Financial, Inc.  
St. Petersburg, FL

### BCA Hall of Fame

**Movado Group, Inc.**, Paramus, NJ

These companies, recently selected by a distinguished panel of judges from the arts and business communities, represent a diverse range of industry, size, and geography and will be celebrated for their exemplary art support at the annual gala at the American Museum of Natural History in New York on Thursday, November 19, 2009. Broadway actor Matt Bogart, whose talents are currently lent to the Tony Award winning musical Jersey Boys, will provide the evening's entertainment.

For more information and to reserve a ticket or table,  
[www.AmericansForTheArts.org/go/BCA10](http://www.AmericansForTheArts.org/go/BCA10)

## ROUND UP

### ★ Galleries

**THINKfoodGROUP**, Washington, DC, provided in-kind support to *The Art of Power: Royal Armor*, and *Portraits from Imperial Spain* at the National Gallery of Art, Washington, DC.

Walter Goodman's *The Printseller's Window: Solving a Painter's Puzzle* is being shown at the Memorial Art Gallery in Rochester, NY, from August 14–November 8. The exhibit is supported in part by **Alesco Advisors**, Pittsford, NY.

### ★ Museums

*50 Photographs by Jessica Lange* at the George Eastman House, Rochester, NY, is sponsored by **First Niagara**, Buffalo, NY; **Woods Oviatt Gilman LLP**, Rochester, NY; and **PowerHouse Books**, Brooklyn, NY.

*Kids Design Glass* Exhibition at the Museum of Glass, Tacoma, WA, is sponsored by **Russell Investments**, Tacoma, WA; **Key Bank/Key Foundation**, Cleveland, OH; **The News Tribune**, Tacoma, WA; and **Click! Cable TV**, Tacoma, WA.

**Saunders and Associates**, Bridgehampton, NY, was the corporate sponsor for *Under the Sea*, the first annual Summer Family Fair held by The Children's Museum of the East End, Bridgehampton, NY.

*Turner to Cézanne: Masterpieces from the Davies Collection*, National Museum Wales organized by the American Federation of Arts and National Museum Wales at the Oklahoma City Museum of Art, Oklahoma City, OK, is sponsored in part by **Clements Foods**, Oklahoma City, OK.

### ★ Theater

**The Lowell Co-operative Bank**, Lowell, MA, is season sponsor of *Merrimack Repertory Theatre*, Lowell, MA.

**Arvig Communication Systems**, Perham, MN; **Midwest Minnesota Community Development Corporation**, Detroit Lakes, MN; and **Shooting Star Casino**,

Mahnomen, MN, are season sponsors of the Historic Holmes Theatre, Detroit Lakes, MN.

**UBS**, New York, NY, is the Presenting Corporate Sponsor for the Harris Theater, Chicago, IL.

**Time Warner**, New York, NY, is a season sponsor for the Signature Theater, New York, NY. Also, **Target**, Minneapolis, MN, sponsored an open house at the theater which included a highlights concert and performance samples of the upcoming season.

Season Sponsors of the ZACH Theatre, Austin, TX, are **Clutch Creative**, **Documation**, **Hilton Austin**, **Kirk R. Tuck Photography**, **Sol Marketing Concepts**, **Strait Music Company**, **The Steam Team**, Austin, TX; **Golds Gym**, Irving, TX; **IKEA**, **Delft**, the Netherlands; **American Airlines**, Fort Worth, TX; **Target**, Minneapolis, MN.

**RBC Wealth Management**, Minneapolis, MN, is sponsoring *Little House on the Prairie: The Musical* at Paper Mill Playhouse, Millburn, NJ.

### ★ Dance

**Ballet Tech** Cincinnati presented the eighth annual Gala of International Dance Stars at the Aronoff Center for the Arts. The Gala is sponsored in part by **Macy's**, Cincinnati, OH; **PNC Bank**, Pittsburgh, PA; **The Millennium Hotel**, Cincinnati, OH; **The Cincinnati Herald**, Cincinnati, OH; and **Duke Energy**, Charlotte, NC.

### ★ Opera

**L. Wynn Sound**, Dover, NH; **Waste Management**, Houston, TX; **Foster's Daily Democrat**, Dover, NH; and **Rotary International**, Evanston, IL, are all major season sponsors of the Rochester Opera House, Rochester, NH.

*The Barber of Seville*, performed at the Opera Colorado, Denver, CO is sponsored in part by **CIBER, Inc**, Greenwood Village, CO. *Tosca* is sponsored in part by **The Colorado Trust**, Denver, CO.

### ★ Symphony Orchestras

**Credit Suisse**, Zurich, Switzerland, is the global sponsor for the 2009–2010 season of the New York Philharmonic, New York, NY.

**Banknorth**, Portland, ME, is the series title sponsor for the *Classics Series* by the Cape Cod Symphony Orchestra, Cape Cod, MA.

The *Symphony 'Pops' on the Green*, Fallbrook, CA, summer concert is sponsored in part by **Banc of America Investment Services Inc.**, Charlotte, NC.

### ★ Festivals

The River to River Festival, New York, NY, was presented by **American Express**, New York, NY. It was sponsored in part by **Target**, Minneapolis, MN; **JetBlue**, Forest Hills, NY; **The Village Voice**, New York, NY; **Lower Manhattan Development Corporation**, New York, NY; **tkts seaport**, New York, NY; **EmblemHealth**, New York, NY; and **Marriot**, Washington, DC.

The Virginia Highlands Festival, Abingdon, VA, was sponsored in part by **Matt Smith's Music**, Abingdon, VA; **Appalachian Power**, Charleston, WV; **Heritage TV**, Norton, VA; **Bristol Herald Courier**, Bristol, VA; **Alpha Natural Resources**, Abingdon, VA; **Johnston Memorial Hospital**, Abingdon, VA; **Baker Electrical Contractors, Inc.**, Abingdon, VA; **ALLTEL Communications**, Newark, OH; **Four Seasons**, Toronto, Canada; **Kroger Super Market**, Cincinnati, OH; **Wright Equipment Company**, Abingdon, VA; **First Bank of Virginia**, Strasburg, VA; **Dent K. Burk Associates**, Kingsport, TN; and **Embarq**, Overland Park, KS.

The North Carolina Dance Festival, Greensboro, NC, is sponsored in part by **Lincoln Financial**, Radnor, PA, and **Target**, Minneapolis, MN.

The Downtown Harvest Festival, Franklin, MA, is sponsored in part by **Middlesex Savings Bank**, Natick, MA.

## Funders Respond to the Economy

While arts organizations are hurting financially, foundations are hurting too. Drops in foundation endowments have caused some funders to consider the validity of their current business models and determine how they can be reshaped to help organizations weather difficult economic climates.

To explore the future of arts funding, grant makers gathered at the 2009 Americans for the Arts Annual Convention in Seattle at the featured session Navigating the Art of Change: Grantmakers in the Arts. Here they discussed how foundations are adapting to the current economic climate. Presenter Holly Sidford, president, Helicon Collaborative, explored foundation trends which were illustrated in her report: "In the Face of Recession, What Are Arts Funders Doing?" She found that funders are reacting to the recession in three ways: major reductions in current year budgets, distributing reductions over a number of years to decrease impact, and reshaping programs.

Endowments at arts organizations have dropped by around 20–25 percent, funders have responded to these drops by

making necessary budget cuts. Nearly 60 percent of respondents to the Grantmakers in the Arts May survey cut their grantmaking budgets by 10 percent or more. Approximately 20 percent of the respondents have dealt with cuts of 50 percent or greater. And according to the Foundation Center's Foundation Giving Forecast Survey, 21 percent of funders are anticipating cuts in 2010 while 20 percent are unsure of future changes.

Foundations have been forced to rethink their giving guidelines as well as their overall business structure to ensure that they are working effectively and making maximum impact with more limited funds. Existing commitments are still a priority for the majority of funders facing budget cuts. This has led to additional limitations on the applicant pool. In more extreme cases, foundations have moved to invite-only grants, not accepting unsolicited grant

requests. While some restrictions are popping up funders are also looking for opportunities to provide more flexibility for arts organizations. For example, a number of grantmakers are renegotiating the length of a grant term while keeping the dollar value the same. There has also been a trend of project grants being repurposed into general operating support dollars.

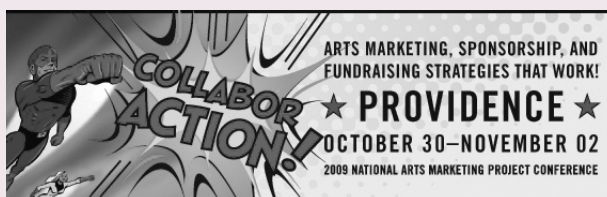
Despite the cuts on endowments, grantmakers are working on ways to help arts organizations cope with the effects of the recession. Sidford found that grantmakers are looking for different ways to benefit grantees which can be separated into four categories: re-characterizing endowment grants to general operating support; changing multiple year grants to single year grants; releasing restrictions on program grants for operating funds; dipping into the corpus of the endowment in order to satisfy endowments. A number of funders have expedited grants and adjusted payout policies to assist with cash flow. Some creative funders have boosted grants to service organizations to increase assistance for artists and arts organizations; leading to consulting services, joint ventures, and knowledge exchange networks.

The adaptations that funders have made over the course of the recession have led to overall reflection on their business models. Sidford discovered that many funders are evaluating their past actions and looking for ways to change their giving habits. Grantmakers are working on re-laying the groundwork of past arts giving; considering joint ventures, hybrid business models, and deeper development on long term projects. Some are considering making fewer short-term project grants and focusing more on projects that are investments or collaborations, including the development of knowledge networks, technological initiatives and business training programs.

### WORTH YOUR WHILE

#### National Arts Marketing Project Conference

Gather new ideas to reach new audiences using new methods in the new economy at *CollaborAction*:



*Arts Marketing, Sponsorship, and Fundraising Strategies That Work!*, October 30–November 2, 2009, in Providence, RI. This year, the best minds in arts marketing and fundraising will teach attendees how to work together to achieve more. Experience conference sessions to redefine and reflect on best practices in your organization.

The National Arts Marketing Project Conference (NAMP) offers sessions from a variety of marketing, sponsorship, fundraising, for-profit, and nonprofit professionals. Share your practical ideas and strategies on successful collaboration! For information and to register, [www.ArtsMarketing.org/Conference](http://www.ArtsMarketing.org/Conference).

#### Grantmakers in the Arts

Grantmakers in the Arts 2009 Recession Conference: Navigating the Art of Change will take place in Brooklyn, NY, October 18–21. The conference will work to prepare grantmakers for the future while dealing with these hard economic times. Join Americans for the Arts for specialized sessions including The Art of Change: How and Why Advocacy Is Part of Effective Arts Philanthropy led by Americans for the Arts President and CEO Robert L. Lynch. For information and to register, [www.conference.giarts.org](http://www.conference.giarts.org).



## Business Committee for the Arts

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**The mission of the Business Committee for the Arts, a division of Americans for the Arts, is to ensure that the arts flourish in America by encouraging, inspiring and stimulating business to support the arts in the workplace, in education and in the community.**

# BCA news

September 2009  
Number 175

A quarterly publication of the Business Committee for the Arts, a division of Americans for the Arts

*“Through our support of the arts, we’re investing in innovation. A vibrant arts scene fosters an atmosphere of creativity – the kind that brings new ideas into workplaces and classrooms, stimulating communities and preparing youth for tomorrow’s challenges. Our employees and the Adobe Foundation are proud of the positive impact we have by championing creative expression.”*

Shantanu Narayan, President and CEO, Adobe Systems Incorporated; Board of Directors, Adobe Foundation

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