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In 2007, Americans for the Arts engaged AMS Planning & Research to assist in the development of its next strategic plan. As part of this process, AMS undertook a comprehensive, year-long environmental scan to determine the “state of the arts” in America. This process engaged an unprecedented 6,000 participants across multiple sectors, including leaders from arts organizations, universities, and the private and public sectors. AMS learned that, in many ways, the arts and culture sector in America has never been more vibrant, but also has never been under more pressure. In this *Monograph*, AMS presents the 12 most pressing challenges it observed that are affecting all artistic discipline groups and arts service organizations—and also offers a thought-provoking discussion of seven possible strategies to help the field not only respond to these challenges, but guide innovation in the arts in the 21st century.

Monograph

Monograph is one of the benefits of membership in Americans for the Arts.

A Time of Change. A Time for Change: Results and Recommendations from the Americans for the Arts Environmental Scan

by Steven A. Wolff, CMC and Joshua Borenstein

When AMS Planning & Research began working with Americans for the Arts on its strategic planning process, an essential part of the effort was a comprehensive national environmental scan. The scan explored opportunities and challenges facing America’s arts and culture sector by gathering input from more than 6,000 individuals who represent the breadth of the field. The process included literature review, interviews, focus groups, online surveys, and conference workshops. Over the course of AMS’s research, it heard many common refrains from participants—regardless of artistic discipline, geography, or organization’s budget size: the world is changing at a rapid speed and old strategies are becoming increasingly less effective. Participants reiterated their firm beliefs that arts and culture are a central element of the American experience and that it is important that the sector continue to serve its essential role in society as observer, commentator, critic, motivator, community builder, and educator. We were fortunate that so many diverse individuals and organizations offered their observations and insights.

AMS Planning & Research synthesized and distilled the scan’s feedback into 12 thematic challenges facing the entire sector. These key issues challenge much of the “conventional wisdom” that has long guided the arts and culture sector. They are even more critical in our turbulent economic situation, which heightens the importance of efficient and effective operations. AMS identified seven strategies that arts organizations can use to redefine, renegotiate, and redesign their operations, activities, and roles in their communities to better succeed in a world where change has become the mandate. These strategies are illustrated with field-based examples that can serve as models for successful implementation.

Never Bigger, Never Better— Never More Challenged

The American arts and culture sector has never been bigger, engaged more audiences, and had more opportunity to contribute to the success of our communities. At the same time, it has never been under more pressure. The arts sector is facing immediate operating challenges at the same time that it must also address fundamental economic changes in our society and maintain its role as an essential element of successful communities across the country. At the beginning of the Americans for the Arts planning process, Andrew Taylor, director of the Bolz Center for Arts Administration, wrote [a briefing paper](#) to help frame the current arts industry landscape. In the paper Taylor noted:

...the last five years have witnessed a persistent renegotiation in the U.S. arts ecology. The relationships, expectations, balances, standards of practice, and mental models that had defined the professional nonprofit arts industry, in particular, over the past decades were gradually being redefined by environmental changes, and accelerated by the arrival of wide-access broadband telecommunications. The relationship between artist, audience, and arts experience; the interaction of nonprofit, commercial, and informal organizations; the economic models that formed and sustained cultural endeavor; the role and behavior of individual and organizational philanthropy; the boundary between professional and amateur artists; and the perceived place of expressive activity in the life of cities and societies were just some of the areas under renegotiation.¹

The progress the field has undergone is demonstrable. Access to the full breadth of the arts across the country has never been greater. Literally billions of dollars are invested each year in commissions for artists; productions and presentations of theater, music, opera, and dance;

and exhibitions and installations at museums and galleries in communities small and large. The importance and benefit of arts education is gradually being acknowledged more universally. Performing and presenting facilities continue to be developed across the country at astounding rates, despite the current economic downturn. Investment in arts and culture research is helping arts organizations ensure resources and demonstrate long-term impact. For example, during the past several years much has been written about the “instrumental” (or measurable) benefits and “intrinsic” (or intangible) community and personal values of the arts and how both can be applied to the work of arts and culture groups. Experts have developed and tested strategies to broaden and deepen engagement in the arts, and these approaches are being replicated successfully. But despite all this activity, observers inside and outside the arts and culture sector see the sector as a fragile community confronted by change at an increasingly rapid pace.

By undertaking a comprehensive national environmental scan, AMS had the privilege of engaging the breadth of the arts and culture field in a dialogue about the critical issues confronted by not only those on the front lines, but those studying trends in the field as well. Through surveys, interviews, focus groups, review of seminal research, and informal conversation, we heard from more than 6,000 participants. These participants explored a variety of topics like the relationships and interactions between nonprofit, commercial, and informal arts organizations; the economic models that form and sustain cultural endeavors; the role and behavior of individual and organizational arts philanthropy; the artist, audience, and arts experience; the boundary between professional and amateur artists; and the place of expressive activity in civil society.

There is little doubt that the arts and culture sector is being confronted by change on an extraordinary scale and at an unprecedented pace.

Our world is becoming simultaneously more globalized and more segmented, thus testing many long-held assumptions, rendering former “tried and true” strategies less effective, and blurring boundaries that were once clear. The relationships, expectations, balances, standards of practice, and organizational models that have defined the professional nonprofit arts industry are being redefined by societal and economic changes and accelerated with the introduction of universal, on-demand access to content, information, and communication tools, courtesy of the Internet.

AMS synthesized what it heard through its survey and interview work and identified 12 critical issues that call for redefinition of what comprises the nonprofit arts and culture field, renegotiation of long-standing relationships within the field, and the redesign of many of our support systems and structures. These issues, which are explored in more detail in [Americans for the Arts’ full environmental scan report](#), help illuminate the context in which artists, arts organizations, community leaders, and supporters are challenged to respond.

Twelve Critical Issues Confronting the Arts and Culture Sector

Throughout the environmental scan process, there were areas that were consistently discussed and rated as the most pressing and critical by all respondents. AMS Planning & Research evaluated and compiled these responses into 12 issues. They are not the only issues facing the arts and culture sector, but they emerged at the top of the list for the majority of the 6,000 participants engaged through the scan process. There is much value



Erik Hellman (Benvolio) and Charles Pasternak (Romeo) in the 2008 Shakespeare Santa Cruz production of *Romeo and Juliet*. Photo by r.r. jones.

for Americans for the Arts and the arts and culture sector in understanding these key issues in order to develop effective responses to current challenges and progress strategically:

1. *The uncertainty that results from the deteriorating state of the American economy.*
2. *The impact of the changing demographics of our country and communities.*
3. *The need for greater leadership capacity from both professional and volunteer leadership.*
4. *The impact of technology on artistic production, issues of intellectual property, and concern about quality and accuracy of information.*
5. *Making the case for the productive link between arts and education.*
6. *Articulating the “arts value” message as boundaries blur between disciplines, art forms, methods of production, and modes of delivery.*

7. *The role of experts (i.e., artists and arts organizations) in a society where customers become “self-curators,” seeking new, more participatory forms of artistic experiences in lieu of passive, more observational forms.*
8. *Managing the changing mix and composition of financial support along with demands for demonstrated, measurable outcomes.*
9. *Contributing to community vitality as cities and places compete to attract “creative class” knowledge workers.*
10. *Reconsidering the traditional nonprofit arts organization business model given shifts in content, delivery methods, and consumption.*
11. *Providing support for individual artists and the creation of new work.*
12. *Positioning the arts sector’s international role in enabling mutual understanding and managing the impact of globalization.*

These issues have influenced Americans for the Arts’ own strategic planning initiative, but they are also essential for the field at large to consider. While some of the concerns are not new, the rapidly increasing demands on resources that have

traditionally supported the arts and culture sector have emerged at the same time that private-sector support was already trending away from the arts. The breadth of competition for time, attention, and increasingly limited money—compounded by the very real economic difficulties the country is facing—demand new actions and different responses from the arts community in order to address these key issues.

To confront these issues, the arts and culture sector must renew its focus on efficiency, impact, and effectiveness. In many respects, this renewed focus will necessitate challenging some of our long-held beliefs. The nonprofit arts field is being constantly redefined by its practitioners, customers, and supporters. Everything from what art is and who makes it to how and where art is delivered is being tested by artists and audiences alike. Long-standing assumptions regarding the nature of business and funding models are being renegotiated by both those who seek funding and those who provide it. These factors—combined with the increasingly rapid pace of change and growing breadth and volume of competition that the arts face—call for a redesign of the structures, relationships, and systems that enable the arts and culture sector to thrive.

Galapagos Art Space in the traditionally industrial DUMBO (Down Under the Manhattan Bridge Overpass) neighborhood of Brooklyn, NY. Photo by Entwined Studio.

Looking Ahead: Seven Strategies for Redefinition, Renegotiation, and Redesign

AMS Planning & Research has identified seven strategies, organized within three themes, to practically address the 12 critical issues that consistently emerged during the environmental scan. These strategies will enable the sector to further demonstrate its value, expand its capacity, and ensure its vital role in our communities. There are many examples of these strategies already working successfully in the field, some of which are highlighted as best practices under each strategy to illustrate application to the broader sector.

Redefinition

Many of the 12 key issues challenge long-standing assumptions of what art is and its role in society. The blurring of artistic disciplines and modes of delivery, as well as the increased interest in more participatory artistic experiences, has transformed the nature of the national cultural landscape. It is no longer correct to assume that the professional artist or performer is “better” than the nonprofessional, or that a “formal” art form is more important than an “informal” one. As a result, the arts and culture sector needs to redefine what arts and arts participation mean in order to encompass a truly broad range of activity, while also articulating and documenting the value of these activities.

STRATEGY ONE: Recognize that the marketplace has a broad definition of arts participation.

STRATEGY IN PRACTICE: The Montana Arts Council's Building Arts Participation (BAP) program, funded by The Wallace Foundation, is an initiative that provided grants to seven

organizations in seven distinct rural communities to broaden, deepen, and diversify their audiences.² An important part of this process was listening to the community, and the Hockaday Museum of Art in Kalispell had particular success. To complement its permanent collection, the museum began to curate periodic exhibits that were focused on themes that “Montanans in their region love to respond to,” like fly fishing.³ By exhibiting work that the community found relevant, the Hockaday began to build both membership and overall attendance to the museum, which in turn improved the organization's financial position. Over the three-year period of the BAP program (2002–2005), the seven participating organizations increased their attendance by 30 percent, their number of events by 24 percent, their endowments by 48 percent, and their cash reserves by 14 percent.⁴

Maribel Alvarez, a faculty member at the University of Arizona, has described the prolific and vibrant arts community that exists outside of the traditional nonprofit cultural organizations in her paper “There's Nothing Informal about It: Participatory Arts within the Cultural Ecology of Silicon Valley.” More than half the adults in Silicon Valley, an area of Northern California typically associated with the technology industry, identify themselves as arts makers, with 37 percent of residents stating that “arts play a major role in their lives.”⁵ This level of participation would not be possible without the robust informal arts landscape that Alvarez documents in her study. She describes the defining characteristics of the informal arts experience in relation to a group of Hewlett Packard employees who formed their own symphony orchestra:

...the genius and development of the HP [Hewlett Packard] Symphony covers all the vital elements that generally define the informal/participatory experience: an avocation turned into a 'serious' pursuit; an interest in the arts expressed in admiration and respect toward professional artists and



Tippin Blues Band performs at Galapagos Art Space in the traditionally industrial DUMBO (Down Under the Manhattan Bridge Overpass) neighborhood of Brooklyn, NY. Photo by Entwined Studio.

*arts organizations; a desire to get involved; long hours and resolute passion; and flexible standards leading to inclusiveness and grassroots solidarity.*⁶

Alvarez urges cultural policymakers to acknowledge the value and importance of the informal arts and support the overlap and cross-pollination of professional and amateur arts. She observes that informal arts activity is as important, and legitimate, as the traditional organizations and formal delivery systems that have defined “art” in America during the past half century.

Recognizing and embracing informal arts networks is critical to promoting a comprehensively healthy climate for cultural organizations. Professional arts organizations rely on a community that is actively engaged in all kinds of artistic endeavors, and amateur arts networks are part of this environment. Funders, cultural policymakers, and service organizations can encourage this kind of cross-pollination, but there are lots of ways for arts organizations to exercise initiative as well. Larger arts organizations can provide resources—like back-office services and access to rehearsal facilities, studios, or performance spaces—to help nurture the informal arts community. More informal arts groups can organize an activity—like

gathering a group to attend a performance at the formal arts organization—to help reinforce a symbiosis between the two groups.

By embracing the full potential of partnerships between the formal and informal arts, professional and amateur artists, and the commercial and nonprofit arts, there is an opportunity to describe a much broader field in which more people see themselves engaged in the arts and have increased access to a larger variety of community cultural assets.

STRATEGY TWO: Demonstrate a compelling and well-documented case for the value of the arts and arts education by communicating both the instrumental and intrinsic benefits of participation.

STRATEGY IN PRACTICE: The Greater Philadelphia Cultural Alliance (GPCA) has taken the lead in making the case for the value of the arts and arts education through its series of ongoing *Portfolio reports*. *Portfolio* reports leverage data from the Cultural Data Project (CDP)⁷ into long-term, comparative reports and analyses that support and provide context for new programmatic directions. With support from PNC, the William Penn Foundation, and Dolfinger-McMahon Foundation, GPCA developed the 2008 *Portfolio*, the second in this series, as a comprehensive description of the arts and culture sector in southeastern Pennsylvania that documented the breadth of cultural participation in the Greater Philadelphia region.

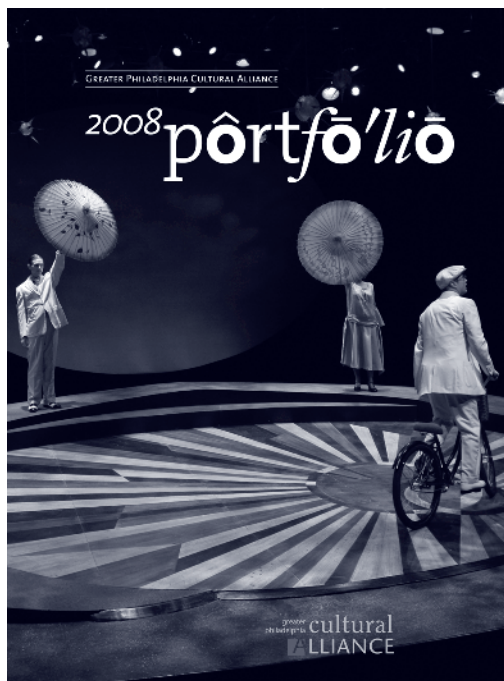
The 2008 *Portfolio* reported impressive arts participation figures. Residents visited cultural organizations more than 15 million times per year, and school children accounted for 1.8 million of those visits. The study also summarized that the regional culture sector was “vibrant, valuable, and vulnerable”—vulnerable because of the harsh reality that many of the city’s cultural organizations find themselves in precarious financial positions, with 40 percent of organizations operating within deficit budgets.

Already active in promoting the arts and culture sector,⁸ GPCA took the lead in responding to the study's findings by initiating Engage 2020, a project aimed at increasing both cultural participation and investment in Philadelphia by embracing three strategies:

- conducting and analyzing research on emerging patterns of cultural participation;
- stimulating learning and collaboration by sharing resources and disseminating cutting-edge thought by our country's most creative minds; and
- applying new technology and emerging social networks in the culture sector.⁹

As a way of enacting these strategies, GPCA has instituted several ongoing, complementary initiatives, including developing learning and leadership networks and programs to improve organizational capacity.

GPCA's *2008 Portfolio* documents success in terms of broad measures of participation. It demonstrates the value of the arts in Philadelphia in understandable, concrete figures and provides



statistics that quantify both the instrumental and intrinsic benefits of the arts in its community. Collecting research, applying new technology, and disseminating key learnings about the scope and impact of the regional arts industry to policymakers and the general public widely proved to be a powerful tool for Philadelphia in making the case for the arts with political and private-sector leadership. Broadly promoting this information increased the visibility of the arts as an important industry, as opposed to an unnecessary “frill” or “luxury” within the community.

Arts organizations do not always have to initiate or adopt responsibility for collecting data and research findings themselves if they do not have the means or capacity. Several organizations (both regional and national) are engaged in studying arts participation. For example, the New England Foundation for the Arts developed CultureCount as a free online resource to provide financial, demographic, geographic, and other information about New England's cultural organizations, businesses, and professionals. Arts organizations in that region can use the information gathered by CultureCount to make their cases locally.

The Americans for the Arts initiative Arts & Economic Prosperity III (AEP III) documents the economic impact of the arts and culture sector on the national and local economies. A tool kit on how to use this information for advocacy and the AEP III calculator, which can be used to estimate organizational impact, is available on the Americans for the Arts website. Creative Industries (CI) research tracks the number of for-profit and nonprofit arts businesses in America, enabling users to view the full ecology of the arts in their local communities. *Creative Industries* reports are also available on the Americans for the Arts website.

While quantitative measures can be effective for communicating the impact of the arts, they should be complemented by qualitative

The cover of the Greater Philadelphia Cultural Alliance's *2008 Portfolio* report. Image courtesy of GPCA.

measures, i.e., those impacts that can only be described. There are many ways in which one can document narratives of the emotional, socio-cultural, and spiritual value of the arts. For example, in work conducted for the **Connecticut Commission on Culture and Tourism** (CCT), Alan S. Brown trained 20 different arts and culture organizations to conduct interviews with their participants in order to explore the ways they engage in the arts. Brown ultimately identified eight “value clusters” that can be used for describing the benefits of arts participation in qualitative terms: cognitive, aesthetic, physical, emotional, socio-cultural, political, spiritual, and identity formation.¹⁰

Identifying measures of qualitative impact through work like CCT’s, or by interviewing patrons or soliciting feedback from students in arts education programs, is necessary for

documenting and promoting the case for the arts. Work like this has provided cultural policymakers, arts agencies, and arts organizations a means for deepening the discussion about the value of the arts by complementing data-driven terms with intrinsic, qualitative terms.

While many people are motivated to support the arts because of its impact on economic development or increasing test scores, many others are motivated by those stories about the emotional impact of the arts—like an audience member who is moved to tears by a Mahler symphony or a high school student who learns something about himself from watching *A Midsummer Night’s Dream*. In order to construct a holistic and compelling case for the arts that resonates with a broad array of individuals, arts organizations need to gather data that helps support both the quantitative as well as qualitative arguments.

Drew Foster (Steindorff), Paul Vincent O’Connor (Kaufmann), and Stephen Caffrey (Fasch) in the 2008 Shakespeare Santa Cruz production of Itamar Moses’s *Bach at Leipzig*. Photo by r.r. jones.



Renegotiation

Arts and culture organizations lack certainty about their traditional sources of support. The current economic recession makes financial resources even more difficult to secure and financial vitality more difficult to ensure. As a result, arts organizations will have to renegotiate their networks and relationships to maximize access to scarce resources. Collaborative strategies will become increasingly important for “increasing the size of the pie” for all.

STRATEGY THREE: Know and value collaboration and the development of broad networks to gain leverage and expand resources.

STRATEGY IN PRACTICE: The United Arts Fund (UAF) movement has had early success with collaborative strategies. UAFs like the Fine Arts Fund in Cincinnati are evolving as their charge moves from supporting strictly traditional arts organizations (such as the local symphony and the ballet) to broadening its efforts by engaging the larger arts community as a way of helping these funded arts organizations develop infrastructure resources for longer-term sustainability. Under the leadership of the Greater Cincinnati Foundation, Cincinnati’s arts and culture sector researched and documented its long-term need to grow both capital and endowment resources. It became clear to the representatives of the arts and culture community that no one organization was likely to accomplish its individual goals in the highly competitive environment in which they were coexisting. The Greater Cincinnati Foundation encouraged the Fine Arts Fund to redefine its mission to include the entire arts and culture sector and lead efforts to build a community-wide consensus about the importance of a vibrant, well-supported sector.

In a related endeavor, the Cincinnati arts and culture sector has joined with regional business and hospitality organizations to develop a

regional tourism initiative partnership called Cincinnati USA; convention and visitors bureaus in Greater Cincinnati and Northern Kentucky are also key players in this partnership. This holistic regional marketing approach emphasizes the region’s arts and culture assets as a central benefit of working, living, or visiting Greater Cincinnati, thereby attracting tourists and residents, which in turn creates greater opportunities for earned and contributed revenue. As a partner in Cincinnati USA, the arts sector is now enthusiastically acknowledged as one of the community’s lead attractions.

As the sector broadens its definition of “the arts,” it will be important to engage traditional funding organizations in subsequent opportunities to expand the local base of resources and partners within a community. Quite often, the local community foundation plays a major role in setting not just the private sector’s agenda but the public sector’s as well, and a healthy relationship between the community foundation and arts organizations is mutually advantageous. By working with community foundations in the Cincinnati region, the Fine Arts Fund gained access to local corporate leadership and dedicated philanthropists—delivering more than just a development pitch, but demonstrating its leadership in the community as a key partner.

STRATEGY FOUR: Engage in strategic partnerships that maximize both efficiency and effectiveness.

STRATEGY IN PRACTICE: California’s Arts Council Silicon Valley has developed the strategic and effective Artsopolis Marketing Partnership. Among its chief projects is Artsopolis.com—a consolidated online resource for arts and culture information for Silicon Valley residents. The partnership began in 2004 between the Arts Council Silicon Valley and the San Jose Convention and Visitors Bureau (CA) and

has grown to include a diverse group of other participants, including approximately 600 arts and culture organizations, various funding organizations, and local press. The Artsopolis website is becoming a “one-stop” resource, promotional tool, and point-of-sale for all arts and culture activities in Silicon Valley. The project has been so successful that other arts organizations across the county are replicating this model.

Partnerships are not only opportunities to develop efficiencies, they also create opportunities for increased organizational effectiveness through knowledge and data sharing. Many national service organizations have been administering and reporting on their annual fiscal surveys for years. More recently, their research has shifted focus from simple comparative data to comprehensive data that can be more useful when shared with survey participants. For example, Theatre Communications Group has designed its website so that any fiscal survey participant can pull detailed, customized reports in order to explore data that is most useful in their own analyses. Access to in-depth data sharing helps the arts and culture sector identify best practices, informs their decision-making and planning, and improves performance across sectors. These types of healthy partnerships between national service organizations and their members in which two-way data sharing is integral to the success of the whole sector is an excellent model that can be replicated at the state or local level.

As arts and culture organizations seek to adapt to changing conditions, it becomes even more important for smaller organizations to share information and resources like national organizations currently do on a large scale. In many cities across the country, shared ticketing initiatives like Artsopolis create data resources that can be mined to reveal buying trends and identify new marketing opportunities. By collaborating through partnerships, small and

midsized organizations can gain leverage, demonstrate fiscal responsibility to donors, and devote more financial resources to artistic programs. Access to accurate information is extremely important as stakeholders are increasingly asking arts organizations to place their operations within a local, regional, or national context. When organizations share information, they can identify trends, communicate successes, and share challenges with a broader audience—ultimately creating unified messaging to key constituents and benefiting the entire field.

Redesign

All of the 12 critical issues confronting the arts and culture sector suggest that organizations must evolve and adapt their operations to survive in a changing world. Certainly, remaining nimble can be challenging and change can be daunting. But there are arts and culture organizations that are successfully meeting these challenges, shifting their programs and redesigning their business practices and models to keep pace with the changes in their communities while still staying true to their missions and core purposes.

STRATEGY FIVE: Invest in experimentation and explore new solutions to promote, make, and deliver the arts. Recognize that change is not absolute and that multiple strategies will be essential.

STRATEGY IN PRACTICE: Recognizing that during the last 15 years the Greater Miami community had undergone significant change, the Miami-Dade Department of Cultural Affairs (FL) began experimenting with great success. The department has redefined how it supports and promotes the arts, even supporting sporting events, a fashion initiative, a food and wine festival, and extensive real estate development. Michael Spring, the department’s director, noted that “the department [of cultural affairs] has become so diversified that it doesn’t even look like a traditional arts agency.”

A large part of the agency's success, he explained, has been its openness to collaborate on initiatives that do not seem to connect to arts and culture, but "as you fuse them together with your activities, you correlate them to your mission," consequently expanding the sector's reach and visibility. The Department of Cultural Affairs is, in fact, the administrator of the county's Tourist Development Council, and as such has been able to integrate arts activities into initiatives as diverse as horse racing and the Super Bowl. As an example, Spring noted that by "working with the producers of the MTV Video Music Awards, I was able to connect local artists to create a site-specific public art work that was featured in the television production."

The Miami-Dade Department of Cultural Affairs has also been aggressive in using technology (e.g., developing an online grant system) and

social networking sites (e.g., Facebook, MySpace, Twitter, and MeetingWizard) to promote and achieve the department's objectives and greater visibility. Spring explained that:

All the information we publish through our regular channels (website, e-mails, and brochures) are posted to these sites, resulting in a more dynamic interaction with the arts community. Arts managers and artists are taking a more interactive role in reacting to news items and sharing resources. At the same time, Miami-Dade's cultural organizations are creatively using these free Internet opportunities to leverage greater visibility with their audiences. It's a great marketing tool for promoting cultural activities.

Miami-Dade has drawn increased attention to the fact that the arts and culture sector is a vibrant part of the county's economy. Spring points to the role of the arts in transforming neglected

Stephen Bel Davies (Mercutio), Charles Pasternak (Romeo), and Erik Hellman (Benvolio) in the 2008 Shakespeare Santa Cruz production of *Romeo and Juliet*. Photo by r.r. jones.

and abandoned neighborhoods, most recently evidenced by voter support for more than a half-billion dollars of investment in communities across the county. Miami-Dade's arts and culture community has experienced a three-fold growth in organizations during the past 20 years, which now translates to an annual impact of more than \$922 million.¹¹ Spring said that "by always being alert for opportunity, engaging policymakers and stakeholders at all levels, and deploying multiple strategies that engage broad-based community input into our planning, the department has seen its budget and impact grow every year."

While most arts organizations are using e-mail and Internet marketing tactics, some organizations continue to experiment and push the technological envelope. For example, Arena Stage in Washington, DC, has been using personalized URLs (PURLs) to communicate with constituents with great success. PURLs are customized webpages with unique addresses for each customer that enable organizations to customize messages to individuals on their marketing list. Arena Stage developed a direct mail prospecting piece that encouraged recipients to set up PURLs. The piece enticed individuals to confirm contact information and answer a few basic questions about what factors guide their purchasing decisions in exchange for an opportunity to win VIP tickets to a performance. Arena Stage then developed highly customized offers for each prospect based on their responses. Director of Communications Chad Bauman said that the greatest benefit of PURLs is the speed and accuracy of response from the theater's subscribers.

Additionally, PURLs have also improved communication with the theater's patrons. When Arena Stage had to relocate to a temporary facility for a construction project, subscribers were able to get step-by-step directions from their individual homes to the temporary theater location. Though directions could certainly have been sent using e-mail, the use of PURLs allowed the

theater to send customized information to more than 10,000 accounts. Using PURLs, Arena Stage has been able to engage each patron individually through a system that maximizes its own internal efficiency.

Organizations of any size can start experimenting with new partnerships and marketing and delivery mechanisms, but it is important to note that in these examples the organizations embraced new initiatives while maintaining focus on their "core" activities. Both the Miami-Dade Department of Cultural Affairs and Arena Stage found new ways to expand their reach and more effectively deliver on their missions.

STRATEGY SIX: Recognize that traditional forms of governance and business models may not be appropriate for our changing world, and explore and document new solutions.

STRATEGY IN PRACTICE: The Pittsburgh Cultural Trust has evolved its business model over time to respond to changing circumstances and opportunities. Founded in 1984 by the late Sen. John Heinz, the trust's original purpose was largely to rehabilitate a blighted part of the city and "transform the cultural district in downtown Pittsburgh through ongoing, successful integration of cultural and economic development."¹² Initially the trust's efforts focused on capital development and shared services. More recently, to ensure the continued presence of dance and children's theater in the cultural district, the trust merged functions with two midsized arts organizations, the Pittsburgh Dance Council and the Pittsburgh International Children's Theatre, in order to reduce operational burdens on the community.

In the case of the Pittsburgh Dance Council, the trust assumed operational responsibilities while sharing governance roles. By merging with the trust, the Pittsburgh Dance Council eliminated overhead, which in turn allowed it to focus more resources on its artistic mission: presenting dance. Eight years after the merger, the Pittsburgh Dance Council is still presenting top-quality dance companies in Pittsburgh, which may not have been possible if

Strategies for Strong, Smart, and Savvy Success

When AMS Planning & Research began the planning process with Americans for the Arts, it recognized that shifts in our society are challenging long-held beliefs and practices. Strategies for making and delivering art, usually labor intensive and seldom benefiting from economies of scale (thus not highly efficient enterprises), are also perceived as becoming less effective. Control of content is moving from the hands of producers and artists to consumers. Technological advances are impacting everything from how art is made and delivered to how we communicate and the pace at which we have access to information. Add to all this the economic collapse that is unfolding on a global scale, and it becomes even more difficult to conceive and gain a foothold in a strategic plan for the future.

With adversity comes the opportunity for change, for experimentation, and for new solutions. Throughout AMS's conversations with field representatives, some new and some not-so-new ideas emerged that every nonprofit arts and culture organization—regardless of size, geography, discipline, or ability to implement—should be thinking about and assessing. AMS also developed several thoughts from the environmental scan process that it believes are important ideas for arts leaders to be thinking about.

1. EMBRACE CHANGE. Art itself is constantly evolving to reflect and inform society, yet our production systems, facilities, and business models seem slow to change. For example, why do we still teach arts managers that success is a balanced budget? Consider budgeting for an operating surplus to fund an endowment or invest in people, systems, and tools. Be open to mergers and acquisitions as appropriate measures for sharing resources and achieving common objectives.

2. ABANDON BOUNDARIES. The arts and culture sector, particularly its nonprofit segment, has created all kinds of boundaries by defining its arts organizations, its work, and itself as professional or amateur, for-profit or nonprofit, formal or informal, established or emerging. Most of these definitions are meaningless to consumers. Organizations should engage in marketing and messaging that focuses on the benefits of their activities, as opposed to reinforcing these boundaries.

3. ENGAGE INCLUSIVE LEADERSHIP. One place to begin is by inviting leaders onto advisory groups and boards of directors who are diverse and/or new to the field and have not traditionally been involved in governance. Organizations that better represent the communities they serve will benefit from fresh ideas and new perspectives.

4. STAY VISIBLE AND CONNECTED.

We are living through a time in which it may be even easier for the arts and culture sector to be brushed aside as secondary, not a priority, even unimportant. Connect with local elected officials and business leaders in a way that demonstrates that your work integrates with their goals, especially your role in community development. Cultural vitality is a proven key element of successful communities. Engage in local, state, and national networks to learn about best practices, communicate the benefits of the arts, and mobilize for action when needed.

5. LEVERAGE TECHNOLOGY. Learn about the latest in social networking and encourage communication through new channels. Also keep in mind that there is still a large population out there that likes it just fine “the way it has always been,” whether its subscription tickets or a hard copy of your newsletter.

6. COMPETE. IT IS A PROVEN MOTIVATOR. These times are difficult ones, and clearly there are no excess resources waiting to be deployed. As a field, we must reassess our priorities and make difficult decisions to reallocate resources and build capacity for success now and in the future.

the trust hadn't assumed responsibility for the operation's overhead. Similarly, the Pittsburgh International Children's Theatre was able to eliminate overhead costs as a result of its merger, and its core programs continue to be successful as well.¹³

Organizations of all sizes are experimenting with different models to accomplish their objectives. Galapagos Art Space in Brooklyn, NY, is a performance art space that is dedicated for nurturing emerging artists and new work. It is extremely proud of its for-profit status, marketing on its website that "we're not sitting around dreaming of the grant we applied for." However, Galapagos does borrow some elements of the nonprofit model. For example, it has an "advisory board" that counsels and provides complimentary expertise and points of contact within its community—just like on an advisory board for a nonprofit organization. Additionally, just because Galapagos is for-profit does not mean that the organization generates large profits. In order to accomplish its mission, Galapagos requires subsidized rent, which it was able to successfully negotiate with its landlords because the organization communicated how its programming—which includes chamber bands, film screenings, and art installations—would be an asset to the developer. Galapagos believes that the arts are relevant to the advancement of society, and chose a business model that it felt reflected that mission, clearly acknowledging that, "If we don't produce strong, communicative, and effective work, then we won't survive."

STRATEGY SEVEN: Identify strategies to build the capital resources necessary to manage economic cycles, invest in research and development, and fund experimentation.

STRATEGY IN PRACTICE: Organizations are starting to experiment with new capital structures in order to sustain operations over the long term. In Ohio, the Cleveland Orchestra has implemented a novel capital structure. In the 2004–2005 season,

it created a \$17 million "Bridge Fund" to cover the orchestra's structural deficit, providing a financial cushion for the organization as it implements a long-term turnaround plan for the organization that will balance its financial operation by 2010. Money for the fund was raised from 12 major donors, and so far the strategy is paying off. The orchestra has been steadily growing earned and contributed revenue and changing its business model while also raising endowment funding. Meanwhile, the orchestra is reducing its dependence on the Bridge Fund, drawing \$6 million in funds in 2006 and \$2.26 million in 2008.¹⁴

Not all arts and culture organizations will have the time or access to resources to develop such a thoughtful, long-term capital structure. They may have to develop strategies to raise resources rapidly to save their organizations, especially in the current economy. One success story of a nimble and prompt response to current economic trends is the California theater Shakespeare Santa Cruz. The theater, which produces a summer season of three productions, is comparatively small as arts organizations go, with seven full-time staff members and a \$1.5 million operating budget. Faced with the predicament of either raising \$300,000 within 10 days or ceasing operations, the theater launched an extremely aggressive fundraising campaign that combined old-fashioned techniques, like community meetings, and techniques powered by technology through their website, e-mail database, and social networking tools. In order to quickly obtain the funding it needed, the theater collected nearly all of its contributions online. Not only did Shakespeare Santa Cruz achieve its goal—it surpassed its goal by more than \$100,000.¹⁵ The funds were donated by more than 2,000 individual donors located all over the country, and most of whom gave in increments of \$25–\$100. Organizations of any size, when faced with a crisis like this one, can draw on these tactics in times of urgency.

Managing Change

Change is never easy—and often quite risky. As AMS Planning & Research was drawing closure on the report to Americans for the Arts, the deep international economic crisis hit, and AMS reflected on whether its observations would change given the shifting landscape. While it may seem that in the current economy the timing is not right to implement new ideas, AMS proposes that the opposite is actually true. It is AMS's belief that these recommendations are even more valid and the need for action is more pressing now than ever before. It is precisely because of the nation's economic circumstances that strategic changes in programming, governance, business models, and collaborations are critical. It is too risky not to change with a rapidly changing world. The 12 key issues identified by the Americans for the Arts environmental scan have become pronounced during recent years and even more critical during the few past months. Those organizations that do not adapt are likely to face fundamental challenges to business-as-usual.

Recent research by [The Urban Institute](#)¹⁶ has demonstrated that one of the essential components of community vitality is a healthy arts and culture sector. The presence of a broad base of arts and culture opportunities, participation in the arts and culture sector by the public-at-large, and support for arts and culture programs constitute “cultural vitality.” This cultural vitality in turn contributes to vibrant and successful communities—a goal shared by leadership in all sectors of most every town and city.

Clearly the arts and culture sector cannot continue to rely on “tried and true” methods as it responds to the challenges it faces. It must address both the substantial shifts in the environment in which we make our work and the harsh realities of the economic climate. From exploring new strategies to generating revenue from nontraditional sources,

from embarking on new and unusual partnerships to adopting a broader definition of “what is art,” the willingness to change will decide the degree to which the sector will thrive in the future. The field needs to continue to document and communicate the benefits of the arts and culture sector while adapting to the change that is all around us—growing and developing so that the work of the sector remains compelling, available, accessible, and viable. The field owes it not just to itself, but to its civic well-being to be open to risk-taking and change as it faces the current and coming challenges head on. By taking full advantage of its innate creativity and distinctive ability to innovate, the arts and culture sector will be able to ensure a vibrant future.

¹ Andrew Taylor, “Renegotiation: An Overview of U.S. Arts Industry Insights 2003–2007” (briefing paper for AMS Planning & Research Corp., 2007).

² Louise K. Stevens, *Building Participation in Rural America—Success Stories—Learning from Montana's Arts Organizations* (Helena, MT: Montana Arts Council, 2007).

³ *Ibid.*, 28.

⁴ *Ibid.*, 37.

⁵ Maribel Alvarez, *There's Nothing Informal About It: Participatory Arts Within the Cultural Ecology of Silicon Valley* (San Jose, CA: Cultural Initiatives Silicon Valley, 2005).

⁶ *Ibid.*, 34–35.

⁷ Administered by the Pew Charitable Trust and supported by a number of funders, the Cultural Data Project, began in response to the desire of regional funders to measure the collective health of local arts organizations. The project collects information from grant applicants and then uses the data to understand the health and impact of the arts and culture sector in particular cities.

⁸ See www.phillyfunguide.com. The Philly Fun Guide has complete listings of all types of entertainment offerings, from dance to sports to dining. The website is geared to both residents and visitors. Partnerships with regional tourism organizations help promote the website to out-of-state visitors.

⁹ Greater Philadelphia Cultural Alliance, www.philaculture.org/campaign/campaign.htm (accessed January 2009).

¹⁰ Alan S. Brown and Associates LLC, *The Values Study: Rediscovering Meaning and Value of Arts Participation* (Hartford, CT: Connecticut Commission on Culture and Tourism, 2004).

¹¹ Miami-Dade County Office of Cultural Affairs, *The Impact of the Arts in Miami-Dade County: Creating a New Global Center* (Miami, FL: Miami-Dade County, 2007). See also: Daniel Chang, “Dade State of the Arts is ‘Very Good,’” *Miami Herald*, April 30, 2007.

¹² The Pittsburgh Cultural Trust, Pittsburgh Cultural Trust Strategic Plan 2006–2010 (Pittsburgh: The Pittsburgh Cultural Trust, 2006).

¹³ Adrian McCoy, “Children's Theater Merging with Cultural Trust,” *Pittsburgh Post-Gazette*, April 29, 2008.

¹⁴ Zachary Lewis, “Bridge Fund Helps Cleveland Orchestra Balance Its Budget Again,” *The Plain Dealer* (Cleveland, OH), December 4, 2008.

¹⁵ Karen D'Sourza, “Shakespeare Santa Cruz Reaches Do-or-Die Goal,” *The Mercury News* (San Jose, CA), December 22, 2008.

¹⁶ Maria-Rosario Jackson, Florence Kabwasa-Green, and Joaquin Herranz, *Cultural Vitality in Communities: Interpretation and Indicators* (Washington, DC: The Urban Institute, 2006).



Washington, DC Office

1000 Vermont Avenue, NW
6th Floor
Washington, DC 20005
T 202.371.2830
F 202.371.0424

New York City Office

One East 53rd Street
2nd Floor
New York, NY 10022
T 212.223.2787
F 212.980.4857

membership@artsusa.org
www.AmericansForTheArts.org

Authors

Steven A. Wolff, CMC and
Joshua Borenstein

Editor, *Monograph* series

Randy Cohen

Managing Editor

Kirsten Hilgefjord

About the Authors

Steven A. Wolff is the founding principal of AMS Planning & Research, and for 25 years has provided counsel to leading arts and entertainment enterprises in the planning and development of capital facilities, strategic initiatives, and arts market and consumer research. Wolff has also conducted assignments in program design and evaluation, management audits, long-range strategic planning, and market research for major philanthropic foundations and leading producers, presenters, and national service organizations. He has participated in the development of more than \$3 billion of new and renovated capital facilities for the arts and is also on the faculty of the Yale School of Drama, where he teaches theater management students a course on decision support.

Joshua Borenstein is a project manager at AMS Planning & Research, where he has worked on strategic planning and facilities projects for theater companies, arts agencies, performing arts centers, and municipalities. He was a participant in Theatre Communication Group's "New Generations: Mentoring the Leaders of Tomorrow" program, and has been a guest lecturer at Yale University and Boston University.

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AMS Planning & Research Corp. (www.ams-online.com) was founded with a deep commitment to the role of the arts in our communities and is dedicated to working with arts and community leaders to develop projects and initiatives that are both effective and sustainable. For 20 years, AMS has provided counsel, planning, and research services to hundreds of arts and cultural organizations. Each year, AMS measures and analyzes the operations of hundreds of arts organizations and facilities across North America. Audience Insight, the firm's consumer and audience research practice, monitors market behavior and customer preferences throughout the nation.