

Local Arts Agency Partnerships: Types, Components, and Impacts

By Clay Lord and Jessica Stern

Introduction

Worcester, MA is a city of 180,000 people an hour west of Boston—a growing technology hub and former manufacturing center that is also home to 75 cultural institutions that make up the membership of the Worcester Cultural Coalition, a three-staff-member public/private hybrid cultural agency formed in 1999. Twenty years after its founding, over the span of nine months in 2019, the small-but-mighty WCC engaged over 2,224 attendees and served over 200 artists and creatives at more than 120 events during the Worcester PopUP, an innovative community-wide festival that intersected community and creativity, exhibition, performance, workshops, and personal participation. The event played out at a financial, geographic, and logistical scale that was only possible because of a unique set of partnerships WCC had cultivated, ultimately interlacing local arts and historical organizations, the city government, the Worcester Business Development Corporation, and the Barr Foundation. While the complexity and success of their partnership is remarkable, in pursuing partnerships to amplify their impact WCC is far from alone.

Ninety-one percent of all local arts agencies¹ (LAAs) in the United States have at least one partnership. Partnership—whether with a for-profit business, a non-arts public agency, or a non-arts nonprofit—is one of the most prevalent and consistent strategies for LAAs to expand their influence and address community issues. What do these partnerships look like? How are they formed—and what keeps them from forming? What are they designed to do, and how do the partners know whether the goals have been achieved? How is risk distributed?

This report reviews results from the 2019 Local Arts Agency Profile, an annual survey deployed in April 2019, with a particular focus on an added module to the survey about how, when, and where LAAs in the United States enter into partnerships with for-profit businesses, government or public sector entities, and non-arts nonprofits. The data was gathered from a broadly representative sample of 633 LAAs in the United States of varying budget size, community size, tax status, geography, etc.

Overall, it indicates that while almost all LAAs enter partnerships, the alchemy of pursuing, setting, and sustaining those partnerships varies. At the same time, with a few marked exceptions, the goals that the LAAs and their partners are pursuing in those partnerships are relatively stable, regardless of the type of partner involved.

Executive Summary

This report is divided into five reporting sections: a general overview of types of partnerships and barriers to pursuing them, followed by a section each examining the nature of partnerships with for-profit partners, government or public sector partners, and non-arts nonprofit partners, and closing out with a brief comparison across the three types of partnerships. While there are some variations in the

¹ Local Arts Agencies (LAAs), of which there are 4,500 in the United States, promote, support, and develop the arts at the local level ensuring a vital presence for the arts throughout America's communities. LAAs are diverse in their makeup—they have many different names and embrace a spectrum of artistic disciplines—but each works to sustain the health and vitality of the arts and artists locally and to make the arts accessible to all members of a community. Each LAA in America is unique to the community that it serves, and each evolves within its community.

numbers based on what type of non-LAA partner is being referenced (as noted), most of the findings are steady regardless of partner type.

Core findings within this report include:

- **Entering partnerships.** 91% of all LAA respondents have entered a formal or informal partnership with either a for-profit business (57%), a non-arts government/public entity (73%), or a non-arts nonprofit (82%) in the last four years. More than half of all respondents indicated partnerships in more than one category.
- **Partnering to impact non-arts areas.** Ninety-five percent of all LAA respondents are currently involved in addressing at least one non-arts issue. Among LAAs addressing non-arts areas, 80-90%, depending on the non-arts area, reported one or more existing partnerships whose primary or secondary goal was to address the non-arts topic.
 - The **top five non-arts areas of focus** were tourism (72%); youth development & education (72%); history, tradition, and heritage (66%); community development (65%); and economic development (62%).
 - The **top five areas where LAAs have developed partnerships** to address these non-arts issues are youth development and education (93%); tourism (91%); economic development (91%); planning (90%); and history, tradition, and heritage (88%).
- **Assistance to create and maintain partnerships.** To create and maintain those partnerships, 4-in-10 LAA respondents seek assistance from their city government, 3-in-10 seek assistance from their Chamber of Commerce, and 2-in-10 seek assistance from other local, county, state, or national support. Eighteen percent engage independent consultants.
- **Barriers to partnership.** Sometimes partnerships are hard to pursue. When asked about such partnerships, 54% of LAA respondents said they had at least one partnership they wanted to pursue but could not. The most dominant reason for this inability was staff capacity or time—8-in-10 respondents cited that as a barrier. The next most common barrier was money (40%).
- **Formatting the partnership.** More than half of LAA respondents, regardless of what type of non-LAA partner was involved, indicated that partnerships were created in collaboration with the non-LAA partner. In fewer than 20% of cases, the responsibility for developing and formatting the partnership changes depending on the partner, and in about 1-in-6 cases the LAA is solely responsible for the development of the partnership.
 - About double the number of partnerships with government/public entities have agreements dictated by a third party compared to other types of partnerships (10% vs. 3-4%).
- **Formality of partnership documentation.** While about a third of LAA respondents (29%) document partnership structure, almost half (47%) have no written agreement, and either verbally agree or simply keep their own record of such things.
 - The **level of formality with which LAAs and their partners enter partnerships** stays basically constant regardless of the partner type. About a third of respondents have written, but non-legally binding, documentation (a number that slightly elevates for partnerships with government/public entities (39% vs. 30%)). Around a quarter of

respondents rely on even less formal written documentation, such as an email thread, and about a fifth of respondents rely on more formal written documentation, such as a legally binding contract. Less than 20% of respondents have no formal agreement at all.

- **Top goals for partnerships.** The goals of partnerships rank in the same order for both the LAA and the non-LAA partner regardless of the type of organization involved, although there is still some variation in how popular certain goals were.
 - The **top five goals for the non-LAA partner** (as indicated by the respondent LAA) were: giving visibility to their organization, getting broader visibility for the arts, giving financial support to the LAA, improving the lives of their employees, and getting expertise.
 - Non-LAA partners were significantly more likely to be seeking visibility for themselves (63% vs. 31%), opportunities to give financial support (45% vs. 9%), and opportunities to improve the lives of the non-LAA's employees (38% vs. 20%).
 - The **top five goals for the LAA partner** were: getting broader visibility for the arts, getting financial support for the LAA, getting visibility for the LAA, getting non-financial resources, and getting expertise.
 - LAA partners were significantly more likely to be seeking broader visibility for the arts (76% vs. 47%), financial support for the LAA (70% vs. 18%), visibility for the LAA (57% vs. 25%), and non-financial resources (42% vs. 22%).
- **Resource, risk, and impact allocations.** In general, for-profit and government/public partnerships look like each other in terms of both investment and impact, while nonprofit partnerships behave differently. In almost half of cases, the financial risk is reported to be taken on by both partners, with the remaining partnerships equally split between the non-LAA partner and the LAA in terms of who incurs more financial risk. The ROI on partnerships for LAAs generally is good—they tend to report accruing more of the financial and staff/capital outcomes than the non-LAA partner, or at the very least are likely to say that they and the partner accrued impact evenly.
 - **Financial investment and impact.** In partnerships with either for-profit or government/public partners, the non-LAA partner is more than twice as likely to provide more financial investment, and the LAA partner is more than 6 times as likely to provide more staff time/human capital. In partnerships with nonprofits, on the other hand, LAAs are most likely to share the financial burden evenly with the nonprofit partner (45% of the time) or carry more financial burden (36% of the time). In terms of ultimate impact of for-profit or government/public partnerships, LAAs report being equally or more impacted with the partnership's financial outcomes about 80% of the time—after reporting that they are equal or primary investors in the starting finances only about 50% of the time.
 - **Staff time/human capital investment and impact.** LAAs in all types of partnerships provide the bulk of the staff time/human capital—indicating they provided more in 60% of cases of for-profit/government partnerships, and just under 40% of nonprofit partnerships. The impact of that investment is generally distributed to both partners—50-60% of partnerships, depending on type, indicated that staff time/human capital resources were equally impacted in the end.
 - **Space and other overhead investment and impact.** All partnerships look generally the same when it comes to the investment of, and impact upon, space and overhead.

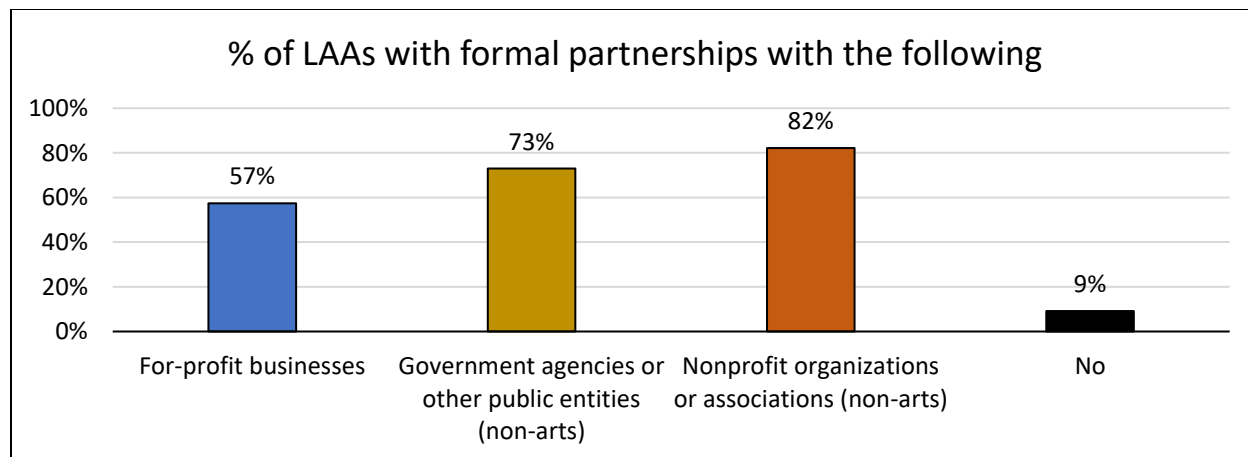
Nonprofit partnerships are slightly more likely to share this burden evenly than other types of partnerships, where the burden of investment is about twice as likely to sit with the LAA as with the non-LAA partner. In 80% of cases, the impact on space and overhead is reported to be equal across partners.

- **Evaluating partnership effectiveness.** Eighty-four percent of LAA respondents indicated that they did some level of evaluation of their partnerships. Of that group, just under half compare outcomes to original stated goals (48%) and/or seek input from the non-LAA partner about effectiveness (45%). About a third of respondents look at community-level indicators (39%) and/or conduct informal surveying of stakeholders (32%).
- **Metrics for success.** The most prevalent success metric for partnerships was impact on the broader constituency and/or community (81%). About 4-in-10 reviewed the financial impact (41%) or non-financial impact (40%) on the LAA, and a similar number (39%) reviewed the non-financial impact on the non-LAA partner.

Collectively, then, LAA partnerships, very broadly, are a common and useful technique for expanding the impact and influence of LAAs, particularly in efforts to address non-arts issue areas in the community. They tend towards collaborations where the LAA is providing human capital and the non-LAA partner is providing financial support. These partnerships tend to be documented, although that documentation can vary in its formality and is relatively rarely legally binding. Documenting the structure of, and evaluating, these partnerships is generally something that occurs and that is often driven by the LAA partner. The goals for partnerships vary between the partners, but in the best circumstances they resonate with each other—allowing both risk and reward to be distributed and appropriate between partners.

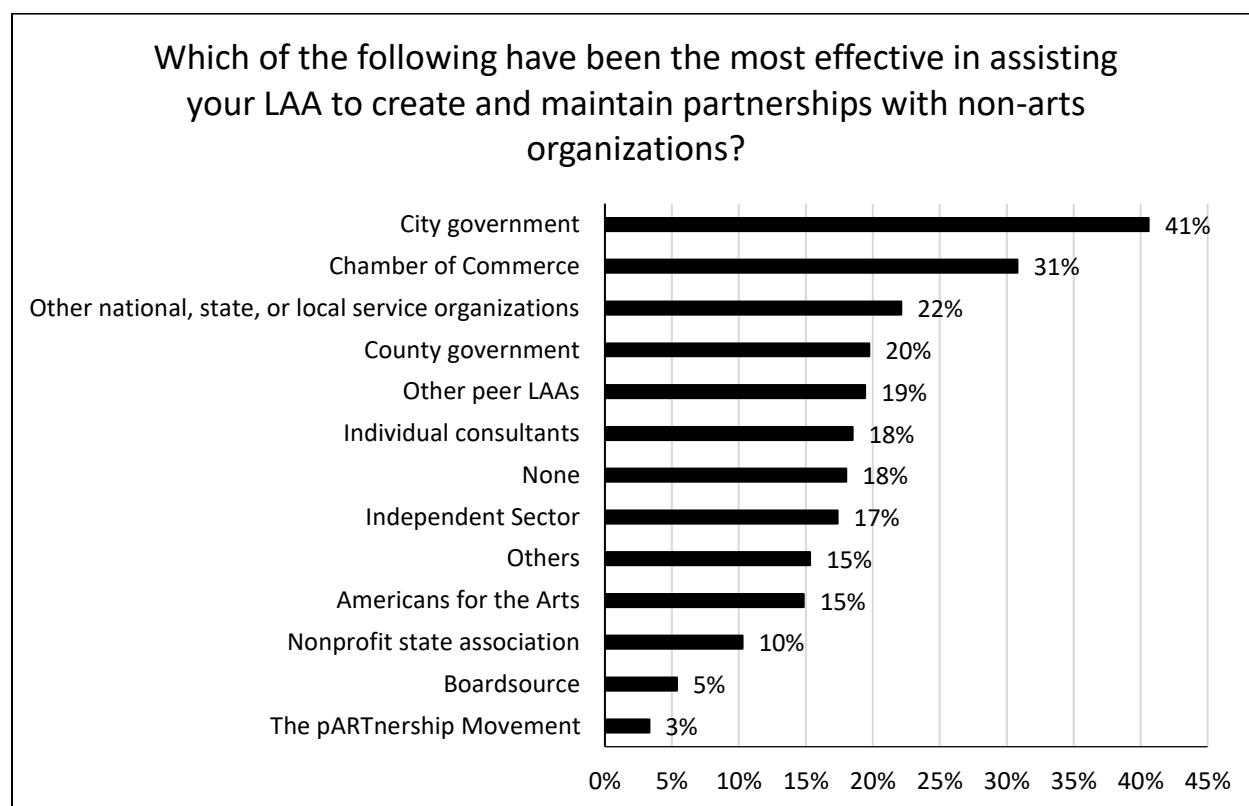
LAA and Non-Arts Partnerships: A General Overview

Partnerships with non-arts partners are a strong and enduring strategy for local arts agencies. Among respondents, 91% of LAAs have entered a formal or informal partnership with at least one non-arts entity in the last four years.



- 82% of respondents have partnered with at least one non-arts nonprofit.
- 73% have partnered with at least one non-arts government or other public sector entity.
- 57% have partnered with at least one for-profit business.
- More than half of all respondents indicated partnerships in more than one category.

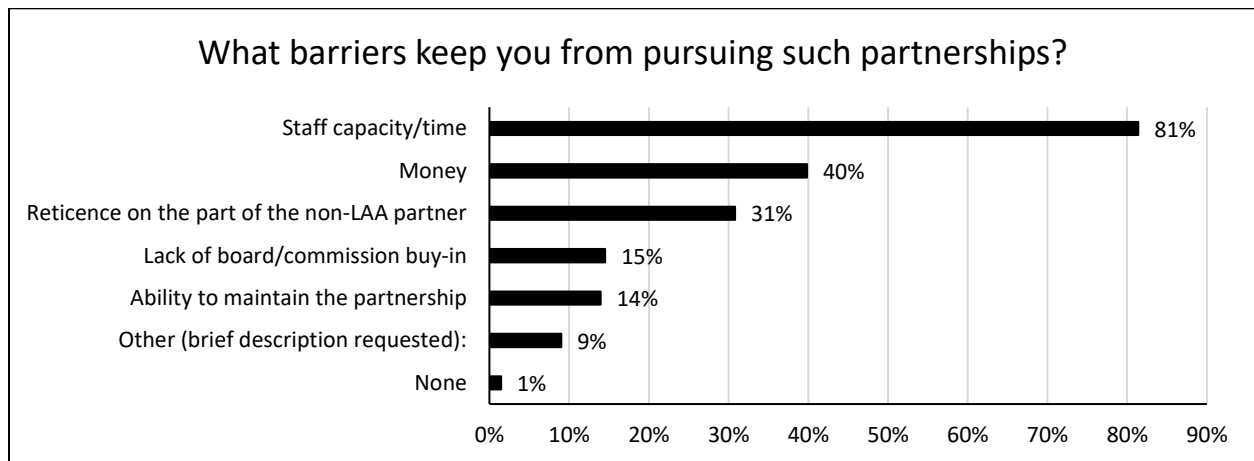
With limited time, capacity, and resources, the process of developing, articulating, and evaluating partnerships with other entities can range in formality and scope. LAAs seek assistance in the creation and maintenance of partnerships, including predominantly from local sources. Agencies also see assistance at slightly lower rates from sister organizations in other cities, consultants, and national service organizations.



- 41% of LAAs seek assistance from their city government and 31% seek the same from their local Chamber of Commerce.
- Around 1 in 5 respondents indicated they sought out assistance from other national, state, or local service organizations, and a similar percentage indicated they consulted other peer LAAs in other cities.
- 18% engaged independent consultants, while about 1 in 7 sought resources from national service organizations such as Independent Sector and Americans for the Arts, and 10% consulted their state nonprofit association. Fewer than 5% used resources from Boardsource or the pARTnership Movement.

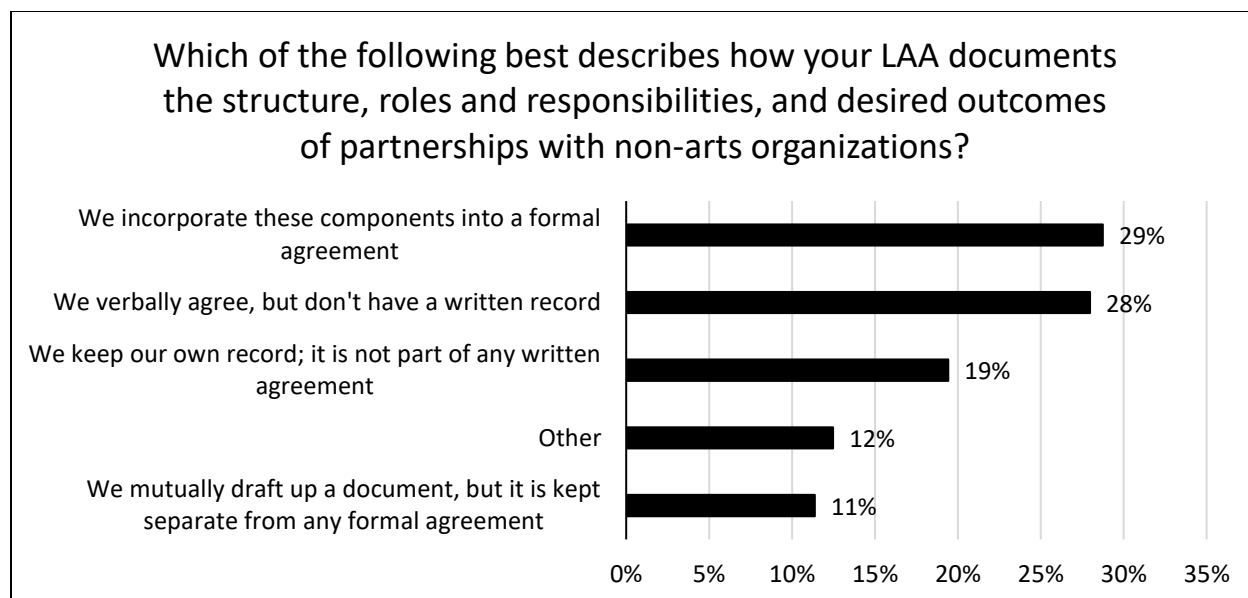
- About 15% of respondents indicated an “other” source of support. Among these: school districts, personal connections/relationships, Convention and Visitors Bureaus and other tourism authorities, trade associations, community planning groups, local philanthropies, and other businesses.

Despite the high percentage of LAAs engaged in partnerships, 54% stated that they identified at least one potential partnership with a non-arts organization that it has been unable to pursue or achieve, but would like to. When asked what barriers exist that prevent them from pursuing partnerships, the lack of staff capacity rises to the top.



- Staff capacity and time were cited as the largest barrier (81%) to pursuing partnerships.
- 40% of respondents indicated that financial resources were a barrier for them.
- Just over one in three respondents (31%) stated that reticence on the part of the potential non-LAA partner was a barrier.

In order to understand how partnerships with non-arts organizations are carried out, LAAs were asked how their partnerships are documented, and to what level of formality. In terms of documenting the structure, roles, responsibilities, and desired outcomes of partnerships with non-arts organizations, there was no clear consensus on practice.



- About a third of respondents (29%) indicated they incorporated documentation of the characteristics of the partnership into a formal agreement, and a similar third of respondents (28%) indicated they created no written record, but verbally agreed on the structure, roles, responsibilities, and outcomes.
- 19% of respondents indicated they kept a record for themselves, but that it was not part of any written, formal agreement with the partner.
- 11% of respondents indicated that they mutually drafted a document articulating the partnership, but that such a document was kept separate from any formal agreement.
- Just over 1 in 10 respondents indicated an “other” way of documenting the partnership. The bulk of those write-in responses indicated that the documentation process varies based on the partner, the partnership, and the nature of the work.

In terms of evaluating the effectiveness of non-arts partnerships, 84% of respondents do some sort of evaluation of partnerships, while the remaining 16% indicate they do not evaluate their non-arts partnerships. Another 4% rely exclusively on the evaluation conducted by their non-arts partner.

Of the remaining respondents who do conduct some form of evaluation:

- Just under half of respondents (48%) compare results to original, stated goal outcomes, and a similar percentage (45%) ask the non-arts partner how effective they think the partnership has been.
- About a third of respondents indicated that they look at broad community-level indicators to measure community impact.
- In terms of surveying, 32% of respondents indicated they conduct an informal survey of stakeholders in the partnership, while 17% indicated they conducted a more formal survey of stakeholders.

- 5% of respondents indicated an “other” way of evaluating the effectiveness of their non-arts partnerships, such as: surveying of participating artists, informal board review, outside evaluators (paid and unpaid), and community feedback sessions. In addition, comments included various iterations of “it depends on the project, partner, and nature of the work.”

Among the respondents who said that they either formally or informally gathered information about the effectiveness of their non-arts partnerships, **the most prevalent metric for success (selected by 81% of respondents) was impact on the broader constituency and/or community.**

- About 4 in 10 tracked the financial impact of the partnership on the LAA, and a similar percentage tracked the non-financial impact of the partnership on the LAA and/or the non-arts partner.
- About a third of respondents indicated tracking the effectiveness of the interpersonal communication with the non-arts partner, and just over a quarter of respondents indicated that they review the financial impact on the non-arts partner.
- 4% of respondents indicated an “other” type of information that they gather to evaluate effectiveness. Responses included: anecdotal conversations, public awareness/visibility gauging, surveying of participants, and academic success.

While subsequent sections of this report will go into more depth on the nature of LAA partnerships with different types of non-arts entities, **the level of formality with which LAAs enter these partnerships stays the same whether the non-arts partner is a non-arts nonprofit, a government or public entity, or a for profit business.**

- Approximately a third of respondents have a written, non-legally-binding document with their partner. This percentage is slightly higher (39% vs. about 30%) for partnerships with government or other public entities.
- Around a quarter of respondents use an informal documented exchange (like an email thread) as the foundation for their agreement. Around a fifth of respondents have a written, legally-binding agreement, while a similar percentage have no formal agreement at all (this number is lower for partnerships with government or public entities (13% vs. about 17%)).

In terms of who is responsible for the format and content of the agreement itself, the data is similarly relatively standard.

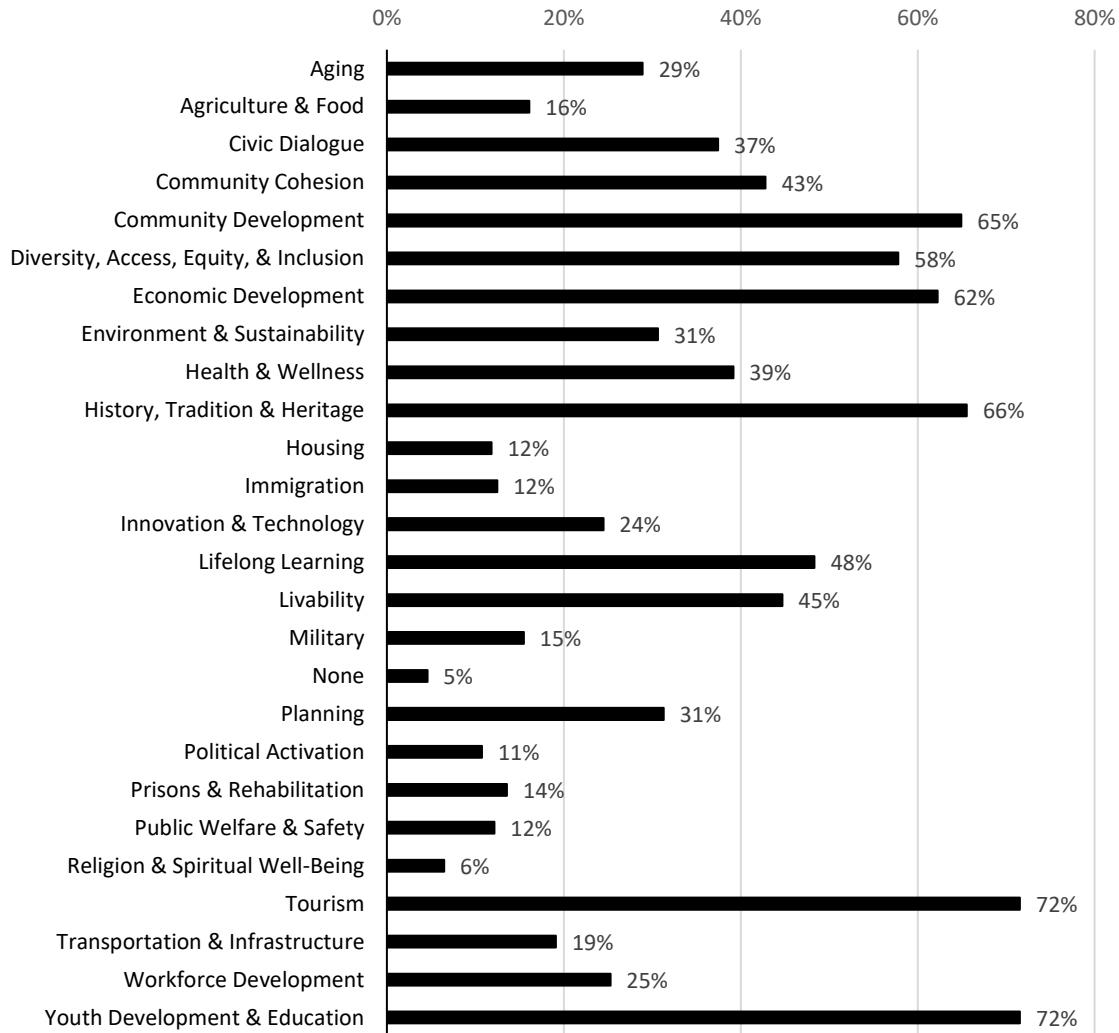
- More than half of respondents, regardless of what type of non-arts partner, indicate that they develop their agreements collaboratively.
- Fewer than 1 in 5 indicate that the responsibility for developing the agreement varies by partnership, while around 1 in 6 indicate that the LAA is exclusively responsible for the creation of the agreement (this number is higher for partnerships with for-profit partners (19% vs. about 13%)).

- About 10% of partnerships with government or public sector entities have agreements dictated by a third party, while almost no (3-4%) of partnerships with other types of partners are developed in this way.
- In almost no cases (1-2%), regardless of partner type, is the format and content of the agreement constructed exclusively by the non-arts partner.

Partnering to Impact Non-Arts Areas

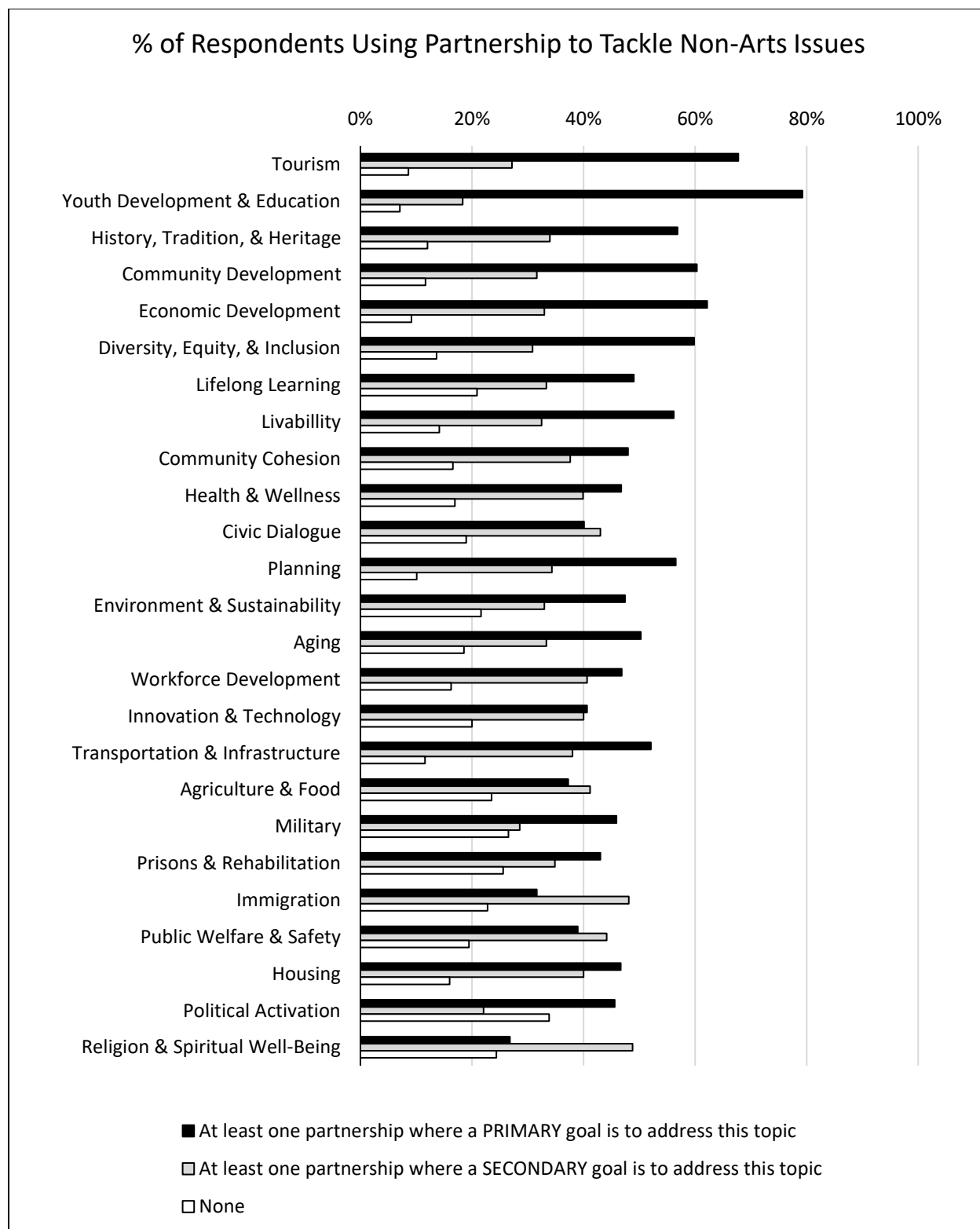
Ninety-five percent of all LAA respondents are currently involved in addressing at least one non-arts issue area—an increasingly common part of an LAA’s portfolio as arts organizations and agencies work to center the arts in community development and enhance the public value proposition for the arts. Creating and maintaining partnerships with non-arts organizations is crucial to that focus—although as this data shows, certain non-arts arenas lend themselves to partnership better than others.

% of LAA Respondents Currently Involved in Using the Arts to Address These Non-Arts Issues



- The top five non-arts areas of focus were Tourism (72%), Youth Development & Education (72%), History, Tradition & Heritage (66%), Community Development (65%), and Economic Development (62%).
- The bottom five non-arts areas of focus were Immigration (12%), Public Welfare & Safety (12%), Housing (12%), Political Activation (11%), and Religion & Spiritual Well-Being (6%).

If a respondent indicated it was using the arts to tackle a specific non-arts issue, they were then asked to indicate if the LAA was in an active partnership with at least one non-arts organization that was either primarily or secondarily motivated by impacting that non-arts issue.



- The general prevalence of a non-arts issue area (i.e. the more LAAs who indicated they were tackling it) correlated with the existence of partnerships where the primary goal of the partnership was to address that issue.

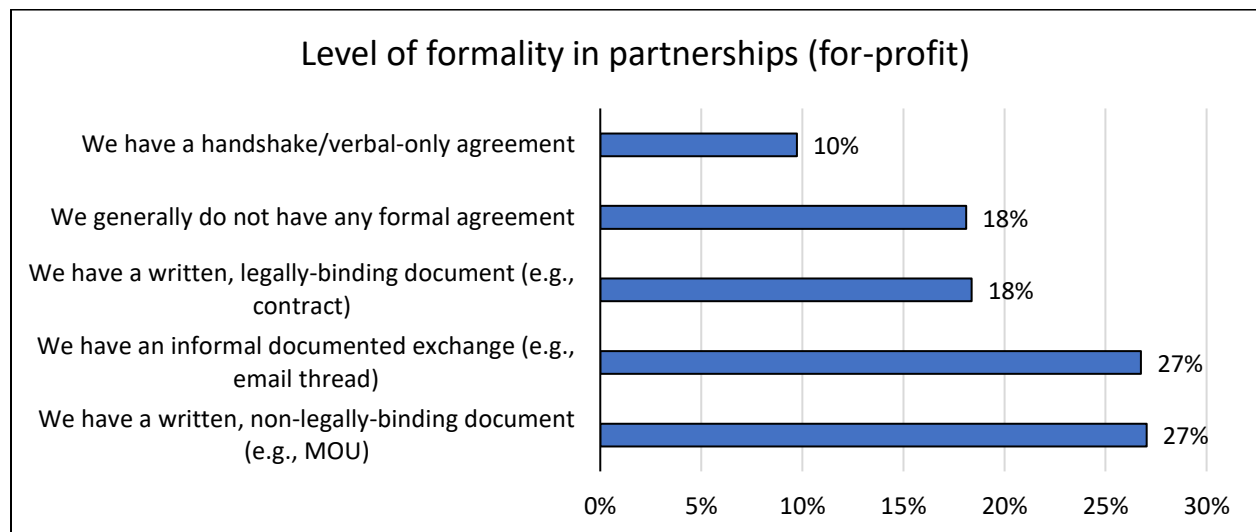
- 79% of LAAs who indicated they worked on Youth Development & Education indicated they had at least one partnership that existed primarily to affect youth development and education through the arts. Alternately, only 18% of LAAs working on this issue indicated they had a partnership where impacting youth development and education was a secondary outcome.
- The trend reversed as the subject area declined in popularity. Among the 12% of LAAs who indicated they were actively working to address public welfare & safety through the arts, only 39% had a partnership where that impact was a primary goal, and 44% had a partnership where that impact was a secondary goal.

How Arts/Non-Arts Partnerships Work

Partnering with For-Profit Businesses

This section further explores the motivations and dynamics of partnerships between Local Arts Agencies and for-profit businesses. As stated earlier, 57% of LAAs responded that they have partnered with a for-profit entity at least once between 2016-2019.

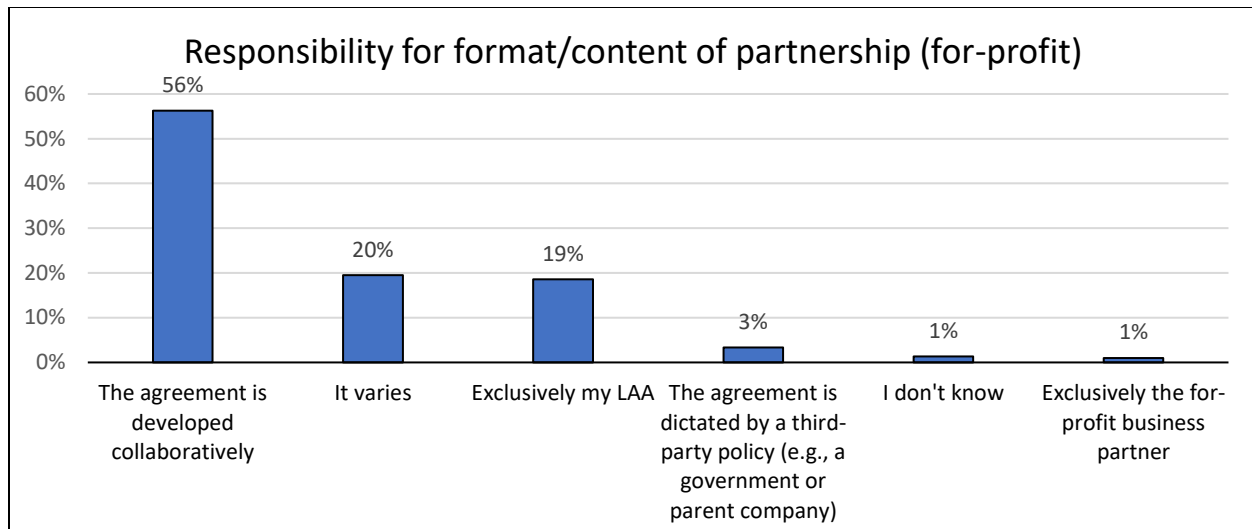
To explore the formality of partnerships with businesses, we asked about the nature of agreements that exist when partnerships are formulated.



Distribution among the types of agreements is relatively evenly spread.

- LAAs who created a non-legally binding document or an informal documented exchange (e.g., an email thread) were even divided (27% each).
- Those that pursued either a legally-binding document such as a contract, and those that did not have any formal agreement were also evenly represented (18% each).
- 10% of LAAs reported that their partnerships are based on a verbal or handshake agreement only.

In terms of which party takes the lead role in developing the format and content of agreements, the work was evenly distributed between partners.



- 56% of LAAs reported that the agreements are developed collaboratively.
- 20% stated that the responsibility varies between parties depending on the partnership, while 19% reported that they have exclusive responsibility for outlining the content of the partnership.
- Very few LAAs (3% and below) indicated that a third party (e.g., a government or parent company) dictates the partnership terms, or that the business partner takes full ownership over the terms.

What the for-profit business partner wants.

LAA respondents were asked what they thought were the top five goals or expected outcomes of their for-profit business partner. By a significant margin, visibility for the for-profit partner was the top reason (selected by 68% of respondents), followed by creating broader visibility for the arts (48%) and giving financial support to the LAA (42%).



- A trio of responses related to the vibrancy of the for-profit partner were selected by about a third of respondents: providing board/volunteer opportunities in the arts (27%), getting expertise from the LAA (27%), and improving the lives of their employees (34%).
- A significant number of the 16% of respondents that reported “Other” cited a desire on the for-profit business’s part to improve the community through the partnerships.
- Responses around encouraging innovation among employees and enhancing the skills of employees were selected by fewer than 10% of respondents. This runs counter to other research, which indicates that more than half of businesses believe the arts stimulate creative thinking and problem solving for employees.² Other low-priority areas for the for-profit partner included accessing the LAA’s contacts and advancing the DEI goals of either the for-profit partner or the LAA.

What the LAA wants.

LAA’s were asked to consider what the top goals and objectives for their LAA were in pursuing partnerships with businesses. Closely aligned, dual objectives of generating broader visibility for the arts (76%) and securing financial support for their LAA (74%) were among the primary objectives.

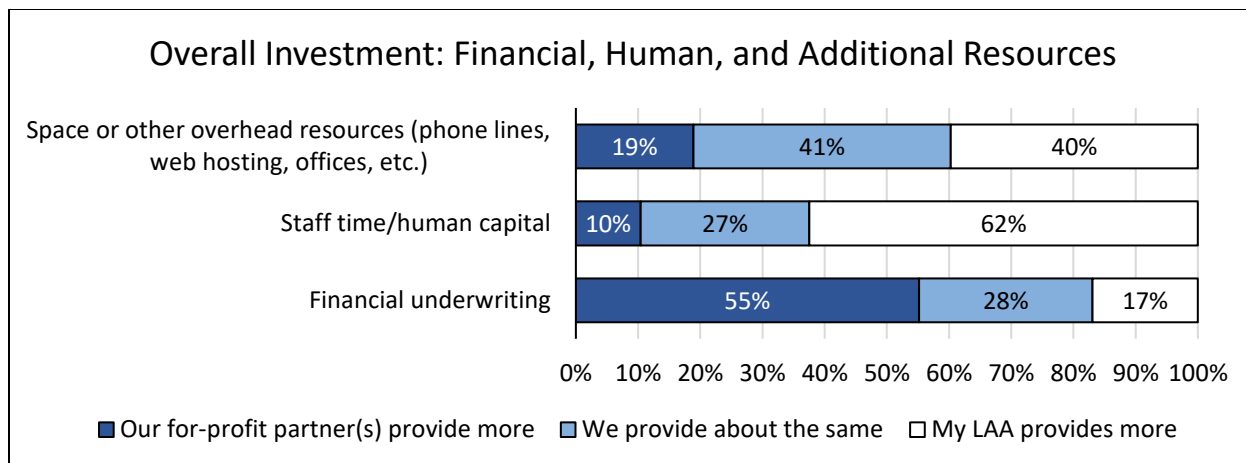
² *Business Contributions to the Arts Survey: 2018 Edition* (Americans for the Arts), <https://www.americansforthearts.org/by-program/reports-and-data/legislation-policy/naappd/business-contributions-to-the-arts-2018>



- The remaining top three goals and objectives related to gaining visibility for the LAA (66%), accessing non-financial resources (42%), and getting expertise (31%).
- The lowest ranking five goals for LAAs in partnering with for-profit businesses were giving financial support (7%), advancing the DEI goals of the for-profit partner (4%), encouraging innovation among the for-profit partner's employees (3%), enhancing the skills of the for-profit partners' employees (3%), and giving the partner access to your contacts (2%).

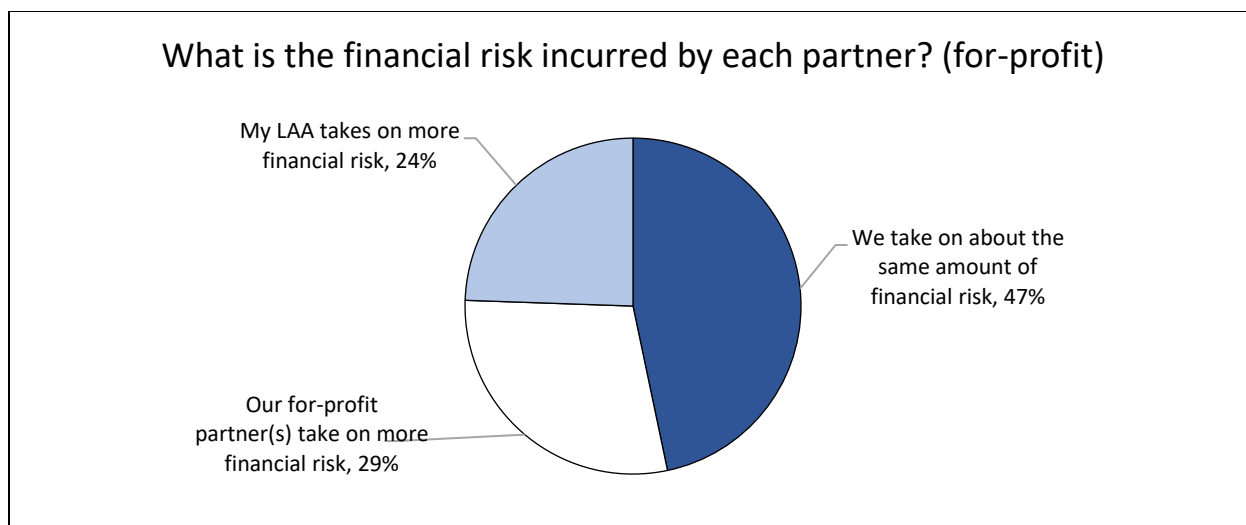
Resources, Risk, and Impact Allocation.

LAA respondents were also asked to outline the types of investment and resource allocations that existed in their partnerships with for-profit businesses. **For-profit partners provided the majority (55%) of financial underwriting, while LAAs provided the majority of staff time and/or human resources (62%) to engage in the partnership.**



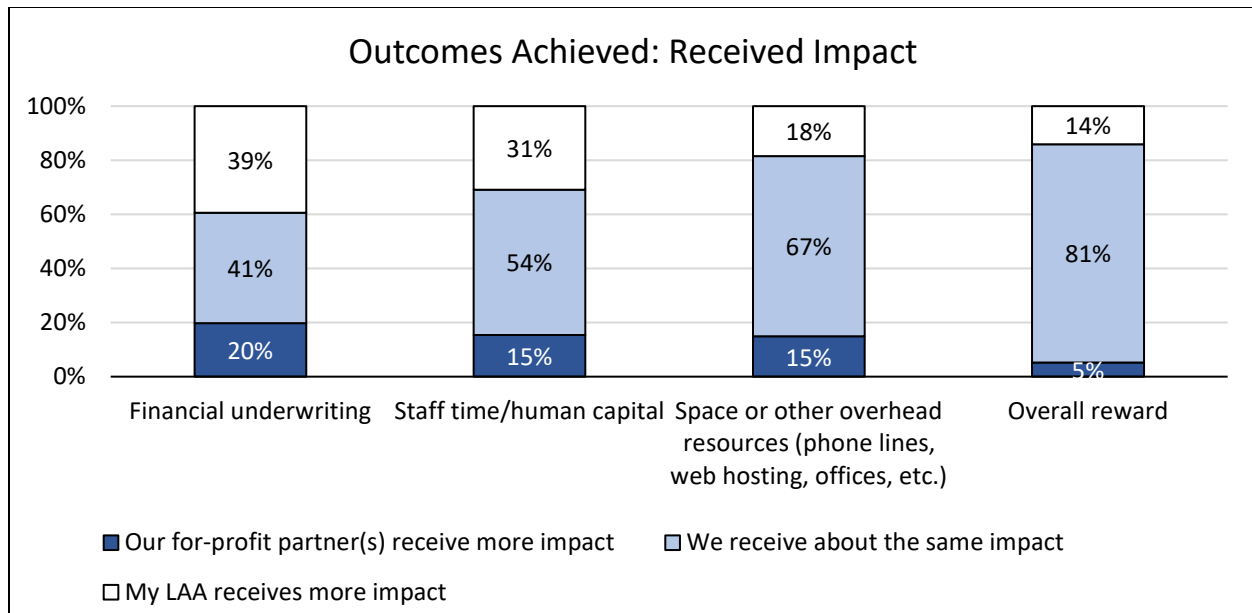
- 41% of LAAs stated that they and their for-profit partner provided about the same investment of space, overhead, or other resources, while 40% stated they provided more, versus 19% stated the for-profit business invests more.

Risk. In terms of risk, almost half of LAA respondents indicated that they and their for-profit partner equally shared the financial risk.



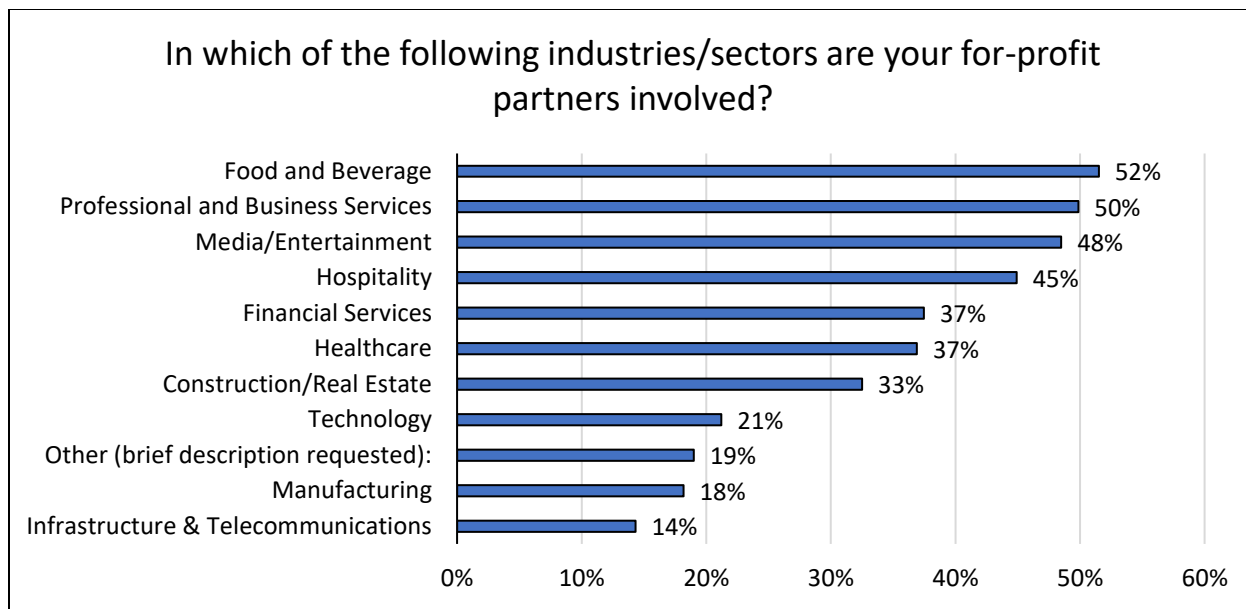
- 29% of LAA respondents stated that the for-profit incurs more risk, while 24% stated that the LAA does.

Impact. In terms of the outcomes actually achieved in partnerships with for-profit businesses, **in 8-in-10 cases, LAA respondents indicated that the LAA and their for-profit partner were equally impacted overall.** When the type of impact was taken into consideration, however, variation appeared.



- In terms of who was impacted more *financially*, just over a third of LAA respondents indicated the LAA was impacted more, about 40% indicated the financial impact was spread equally, and 20% indicated the for-profit business partner was impacted more.
- In terms of *staff time/human capital*, more than half of respondents indicated the impact was felt evenly between the partners, while a third said the LAA received more impact and the remaining 15% indicated the for-profit business partner was impacted more.
- In terms of *space or other overhead resources*, two-thirds of respondents indicated the impact was felt evenly. The remaining third of respondents divided evenly between the LAA or the for-profit partner being impacted more.

Areas of Partnership. LAA respondents were asked an additional question specifically related to for-profit partners to analyze what areas of industry they had partnerships within. **Around half of respondents indicated partnerships with food and beverage, professional/business services, or media/entertainment.**

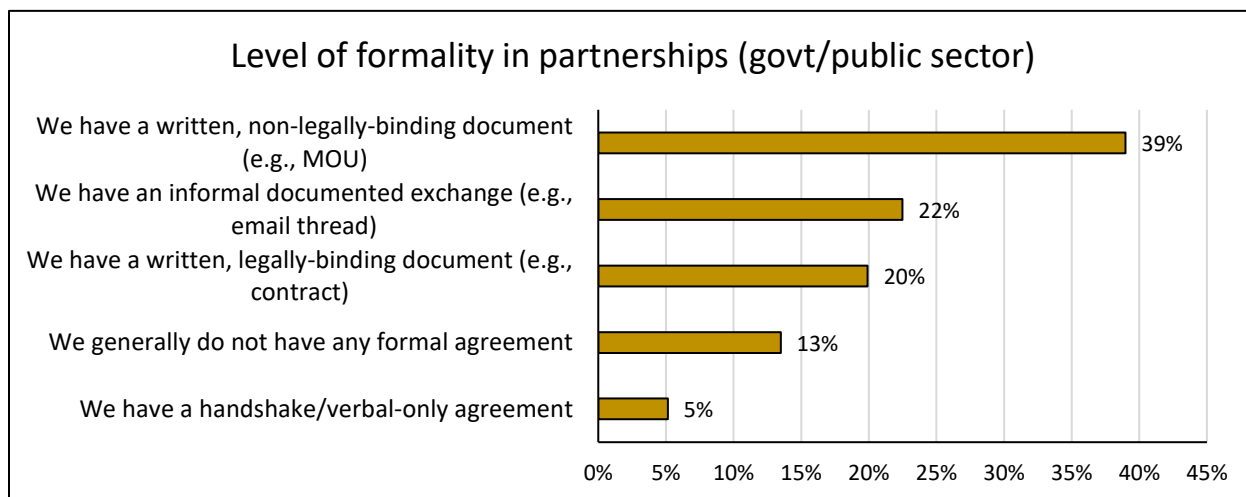


- The least-selected options were infrastructure/telecommunications, manufacturing, and technology.
- Dominant “Other” choices included retail and for-profit arts entities such as galleries and for-profit arts centers.

Partnerships with Government or Public Sector Entities

This section further explores the motivations and dynamics of partnerships between Local Arts Agencies and public sector partners. As stated earlier, 73% of LAAs responded that they have partnered with a public sector partner at least once between 2016-2019.

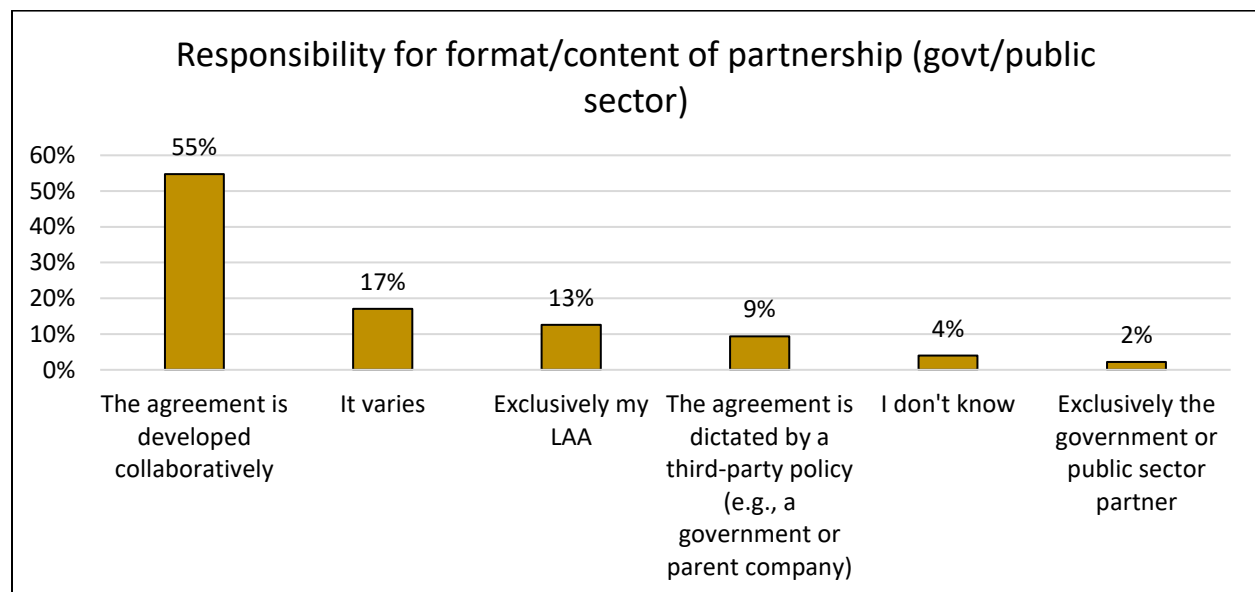
To explore the formality of partnerships with the public sector, we asked about the nature of agreements that exist when partnerships are formulated.



Written agreements, of some nature, are by far more common than verbal or non-documented agreements (81%).

- LAAs who created a non-legally binding document made up most of these partnerships (39%).
- Those that pursued either some form of informal documentation (22%) or a legally binding document such as a contract (20%) were also evenly represented.
- Less common were those LAAs that their partnerships had no formal agreement (13%) are based on a verbal or handshake agreement only (5%).

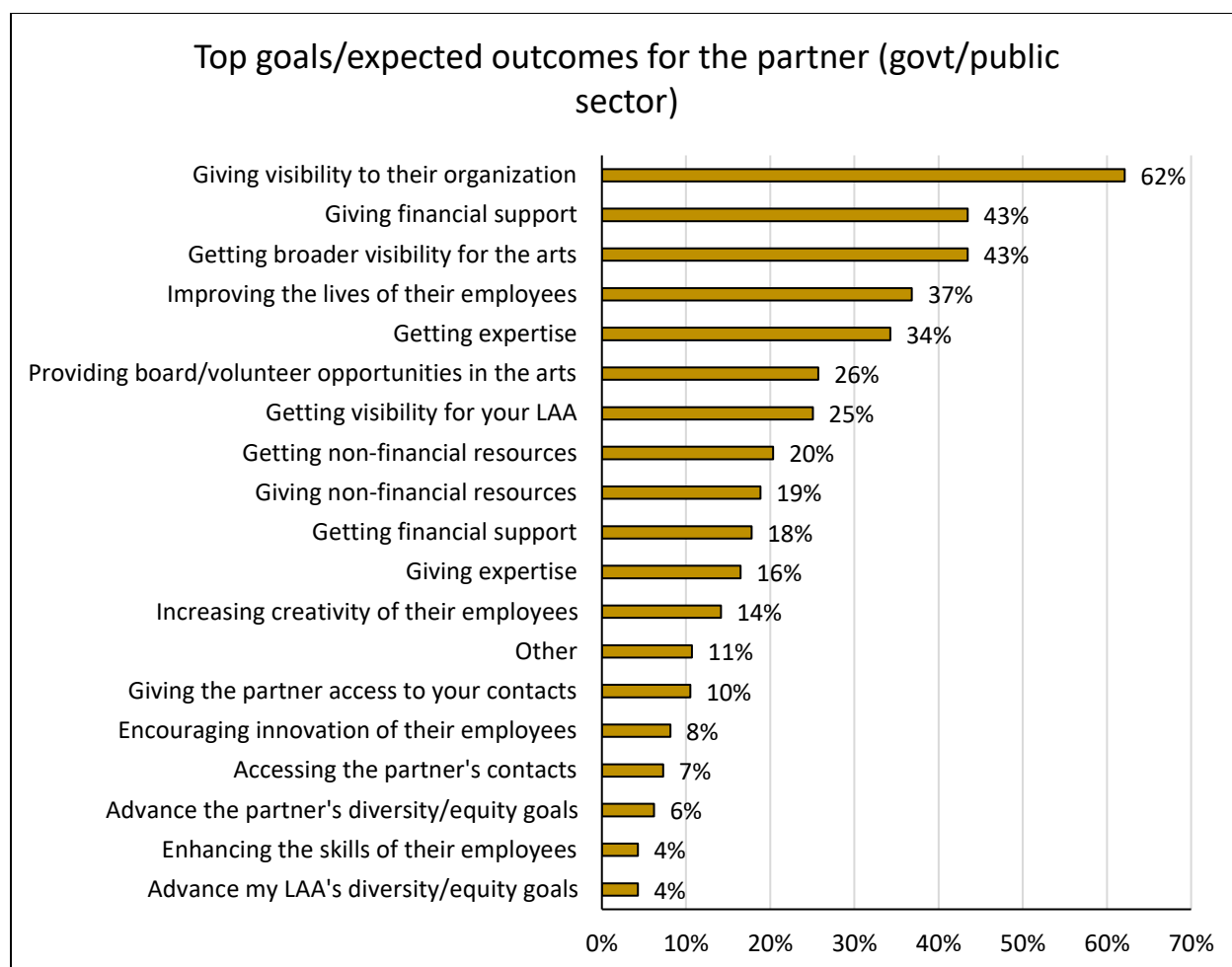
In terms of which party takes the lead role in developing the format and content of agreements, the work was evenly distributed between partners.



- 55% of LAAs reported that the agreements are developed collaboratively. This is closely aligned with those developing for-profit partnerships (56%).
- 17% stated that the responsibility varies between parties depending on the partnership, while 13% reported that they have exclusive responsibility for outlining the content of the partnership.
- Very few LAAs (9% and below) indicated that a third party (e.g., a government or parent company) dictates the partnership terms, or that the public sector partner takes full ownership over the terms (2%).

What the public sector partner wants.

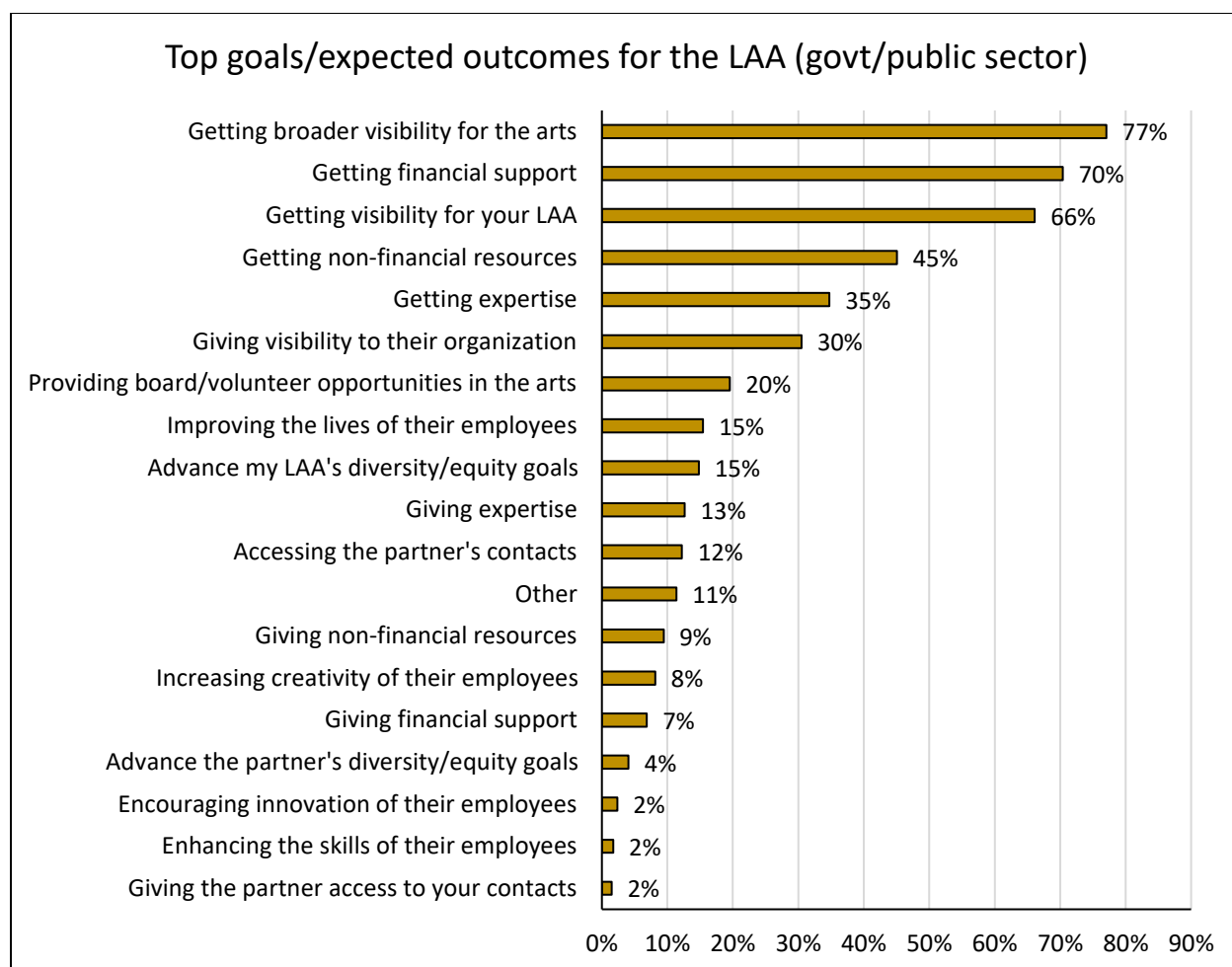
LAA respondents were asked what they thought were the top five goals or expected outcomes of their public sector partner. By a significant margin, providing visibility for the public sector partner was the top reason (selected by 62% of respondents), followed equally by creating broader visibility for the arts (43%) and giving financial support to the LAA (43%).



- The top fourth and fifth expected outcomes LAAs believed their public sector partner pursued was to improve the lives of their employees (37%) and getting expertise (34%).
- Several the 11% of respondents that reported “Other” cited a desire on the public sector partner’s part to improve the community through the partnerships.
- Responses around encouraging innovation among employees and enhancing the skills of employees were selected by fewer than 10% of respondents. Other low-priority areas for the public sector partner included accessing the LAA’s contacts and advancing the DEI goals of either the public sector partner or the LAA.

What the LAA wants.

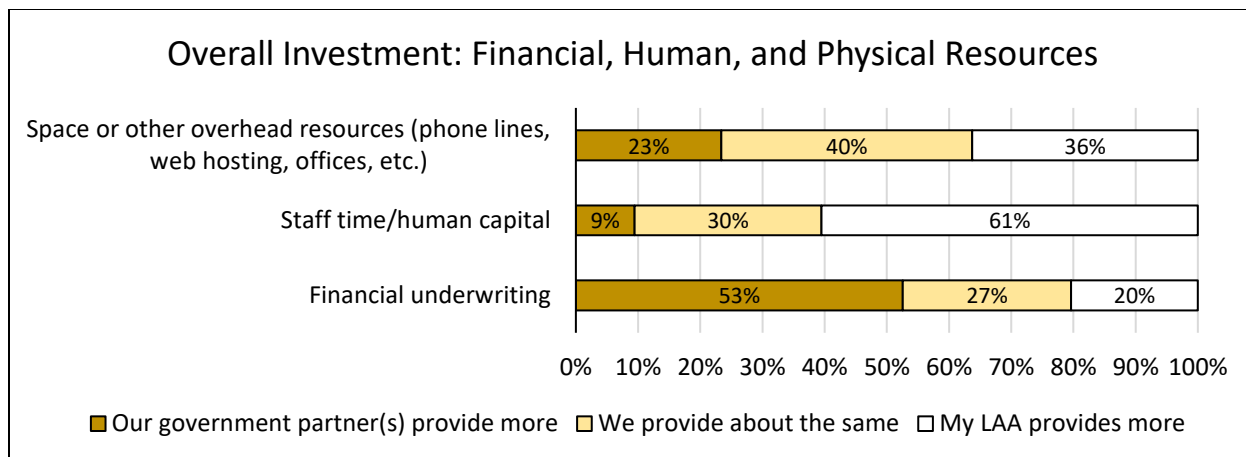
LAAs were asked to consider what the top goals and objectives for their LAA were in pursuing partnerships with public sector partners. Closely aligned, dual objectives of generating broader visibility for the arts (77%) and securing financial support for their LAA (70%) were among the primary objectives.



- The remaining top three goals and objectives related to gaining visibility for the LAA (66%), accessing non-financial resources (45%), and getting expertise (35%).
- The lowest ranking five goals for LAAs in partnering with public sector partners were giving financial support (7%), advancing the DEI goals of the public sector partner (4%), encouraging innovation among the public sector partner's employees (2%), enhancing the skills of the partner's employees (2%), and giving the partner access to your contacts (2%).
- Both the top five and lowest ranking five expected outcomes for the LAA mirrored those that LAAs seek with for-profit business partners.

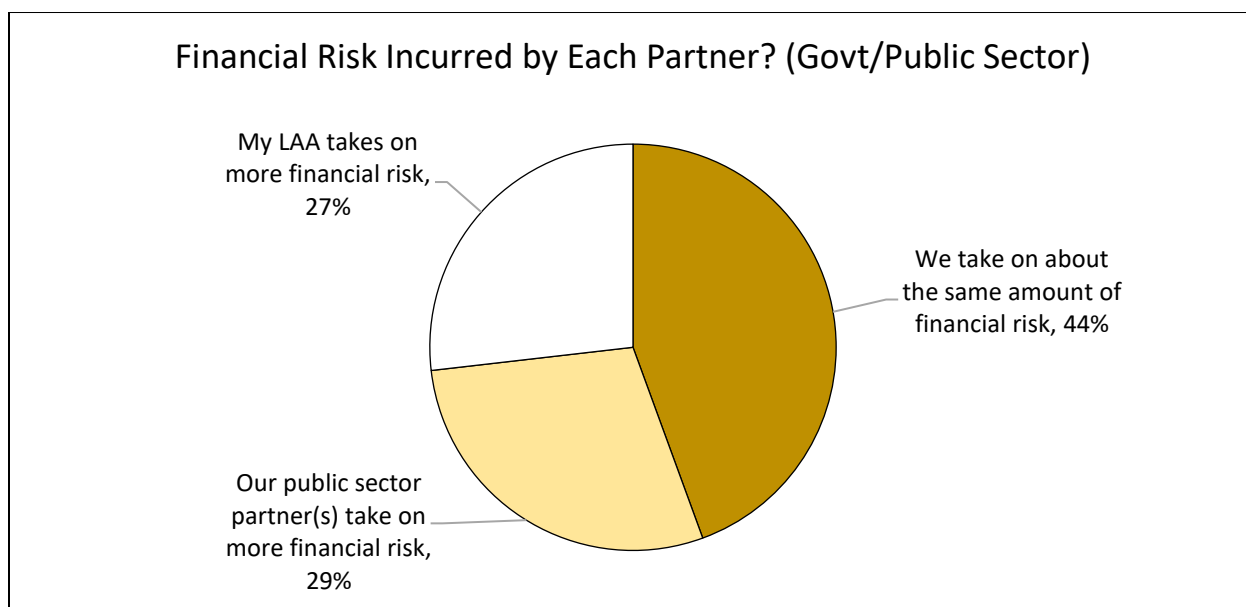
Resources, Risk, and Impact Allocation.

LAA respondents were also asked to outline the types of investment and resource allocations that existed in their partnerships with public sector partners. **Public sector partners provided the majority (53%) of financial underwriting, while LAAs provided most of the staff time and/or human resources (61%) to engage in the partnership. This also mirrors the investment distribution of LAA/for-profit partnerships.**



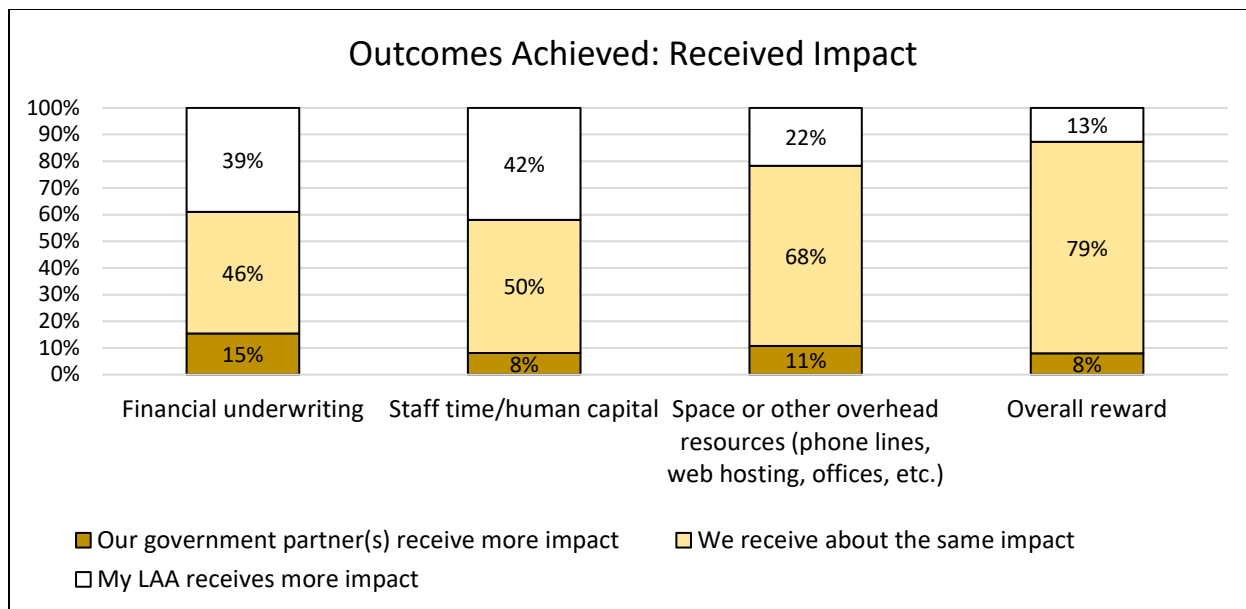
- 40% of LAAs stated that they and their public sector partner provided about the same investment of space, overhead, or other resources, while 36% stated they provided more, versus 23% stated the public sector partner invests more.

Risk. In terms of risk, almost half of LAA respondents indicated that they and their public sector partner equally shared the financial risk (44%).



- 29% of LAA respondents stated that the public sector agency incurs more risk, while 27% stated that the LAA does.

Impact. In terms of the outcomes achieved in partnerships with public sector partners, in 8-in-10 cases, LAA respondents indicated that the LAA and their public sector partner were equally impacted overall. When the type of impact was taken into consideration, however, variation appeared.

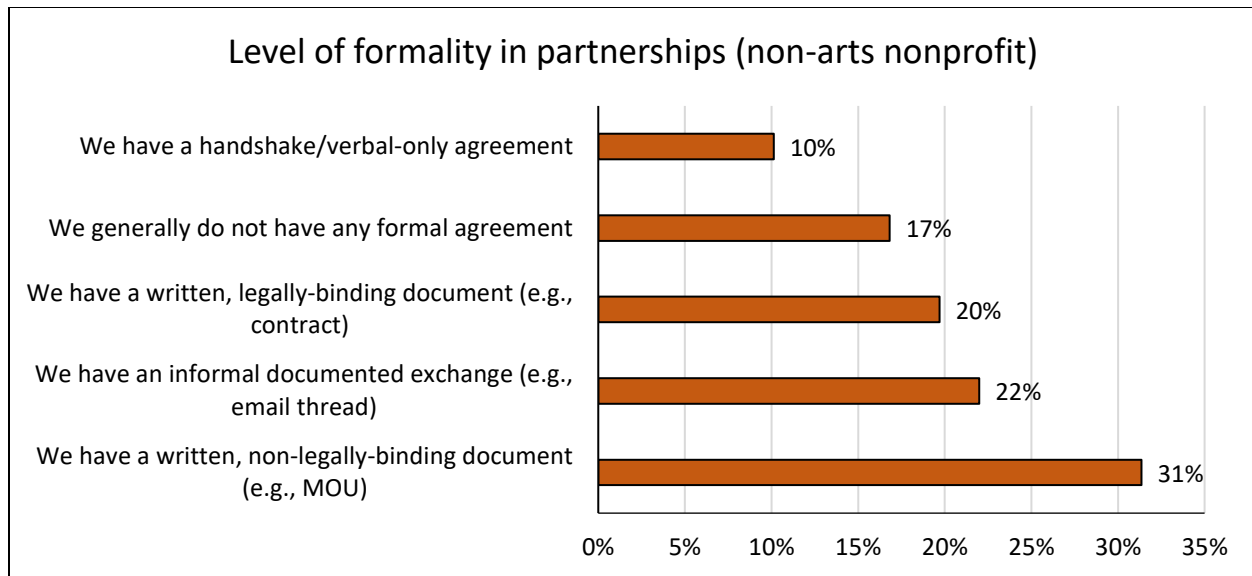


- In terms of who was impacted more *financially*, just over a third of LAA respondents indicated the LAA was impacted more, about 40% indicated the financial impact was spread equally, and 15% indicated the public sector partner was impacted more.
- In terms of *staff time/human capital*, half of respondents indicated the impact was felt evenly between the partners, while 40% said the LAA received more impact and the remaining 8% indicated the public sector partner was impacted more.
- In terms of *space or other overhead resources*, more than two-thirds (68%) of respondents indicated the impact was felt evenly. The remaining 22% of respondents indicated that they were impacted more, while 11% stated that their partner was impacted more.

Partnerships with Non-Arts Nonprofit Organizations

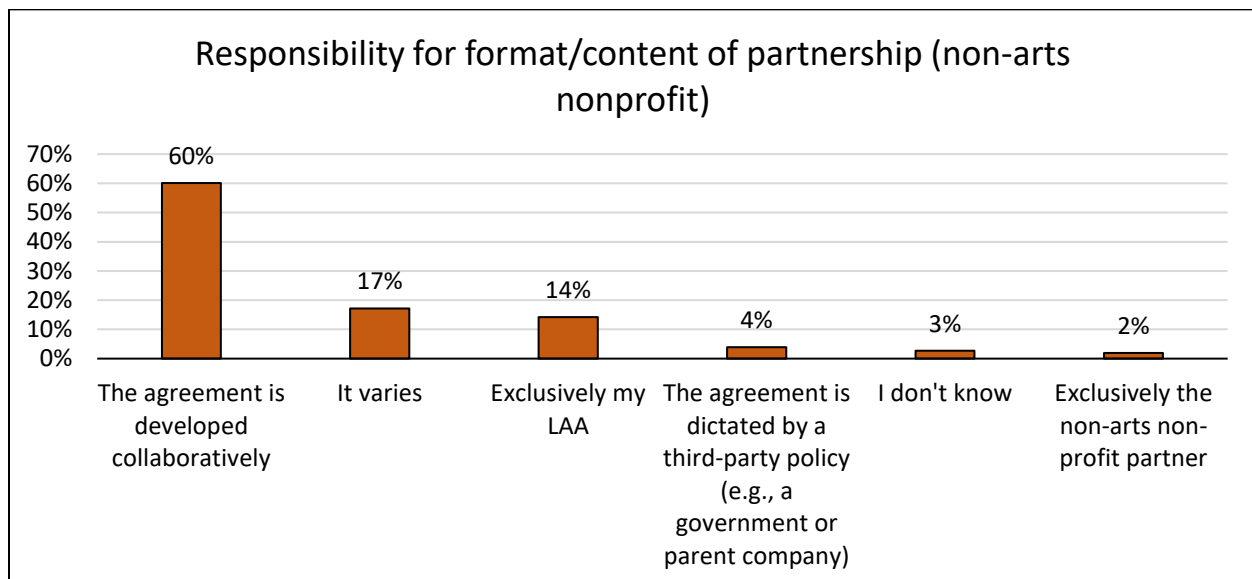
This section further explores the motivations and dynamics of partnerships between Local Arts Agencies and non-arts *nonprofit* organizations. As stated earlier, 82% of LAAs respondents indicated that they have partnered with a non-arts nonprofit at least once between 2016-2019.

To explore the formality of partnerships with non-arts nonprofits, we asked about the nature of agreements that exist when partnerships are formulated. **In a third of cases, LAAs and non-arts nonprofits report creating a written, but non-legally binding document such as an MOU.**



- Approximately 1-in-5 respondents each indicated they either had a written, legally binding document such as a contract (20%) or an informal documented exchange such as an email thread (22%).
- 17% of respondents indicated they had no formal agreement, while 10% reported that their partnerships are based on a verbal or handshake agreement only.

In terms of which party takes the lead role in developing the format and content of agreements, almost two-thirds of respondents indicate they developed their agreements collaboratively with the non-arts nonprofit partner.

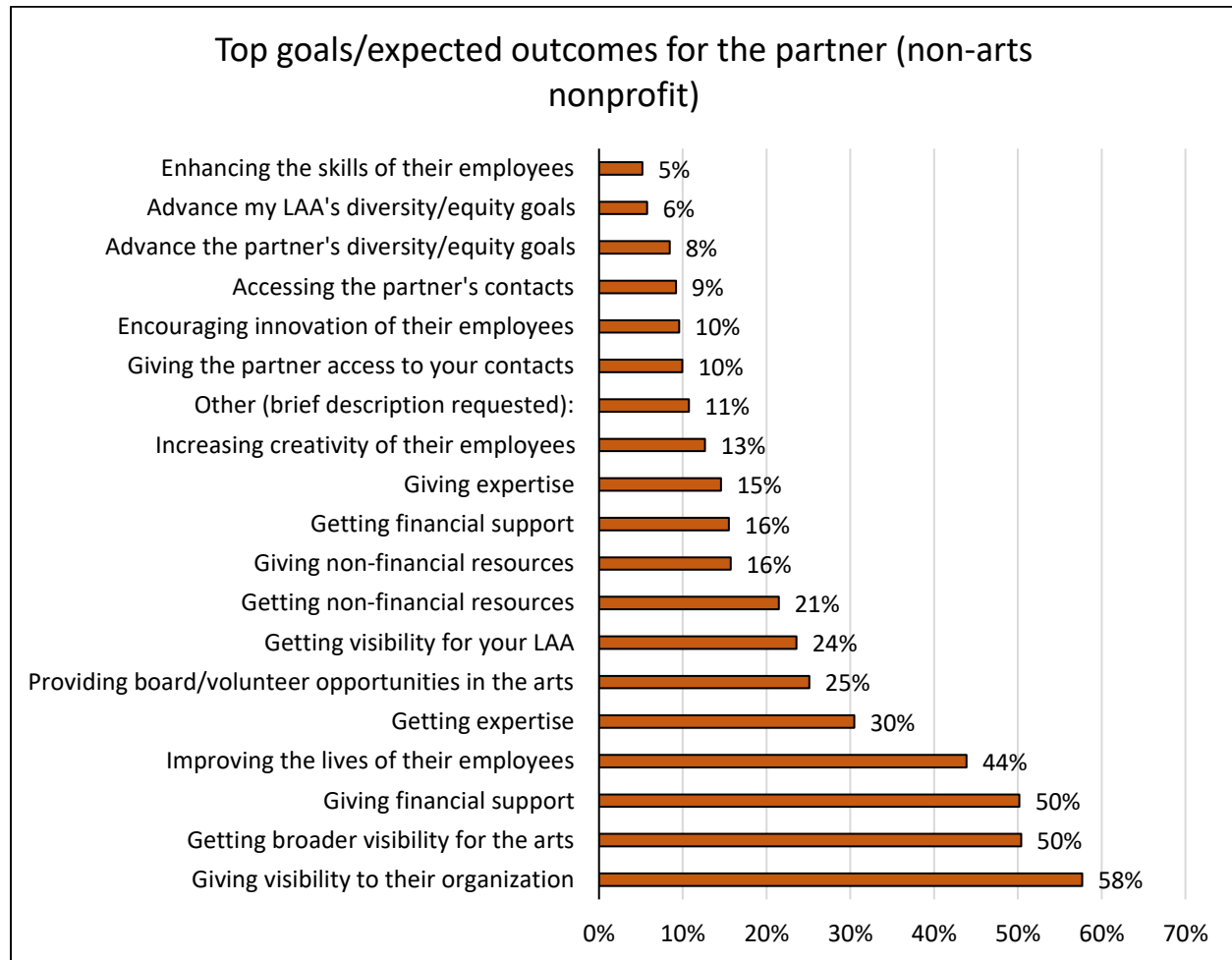


- In 17% of cases, respondents indicated that the responsibility for format and content varies from partnership to partnership.

- 14% of respondents indicated that their agreements with non-arts nonprofit partners were entirely developed by the LAA, while the opposite—agreements entirely created by the non-LAA partner—occurred in 2% of cases.
- Very few LAAs (4%) indicated that a third party (e.g., a government or parent company) dictates the partnership terms.

What the non-arts nonprofit partner wants.

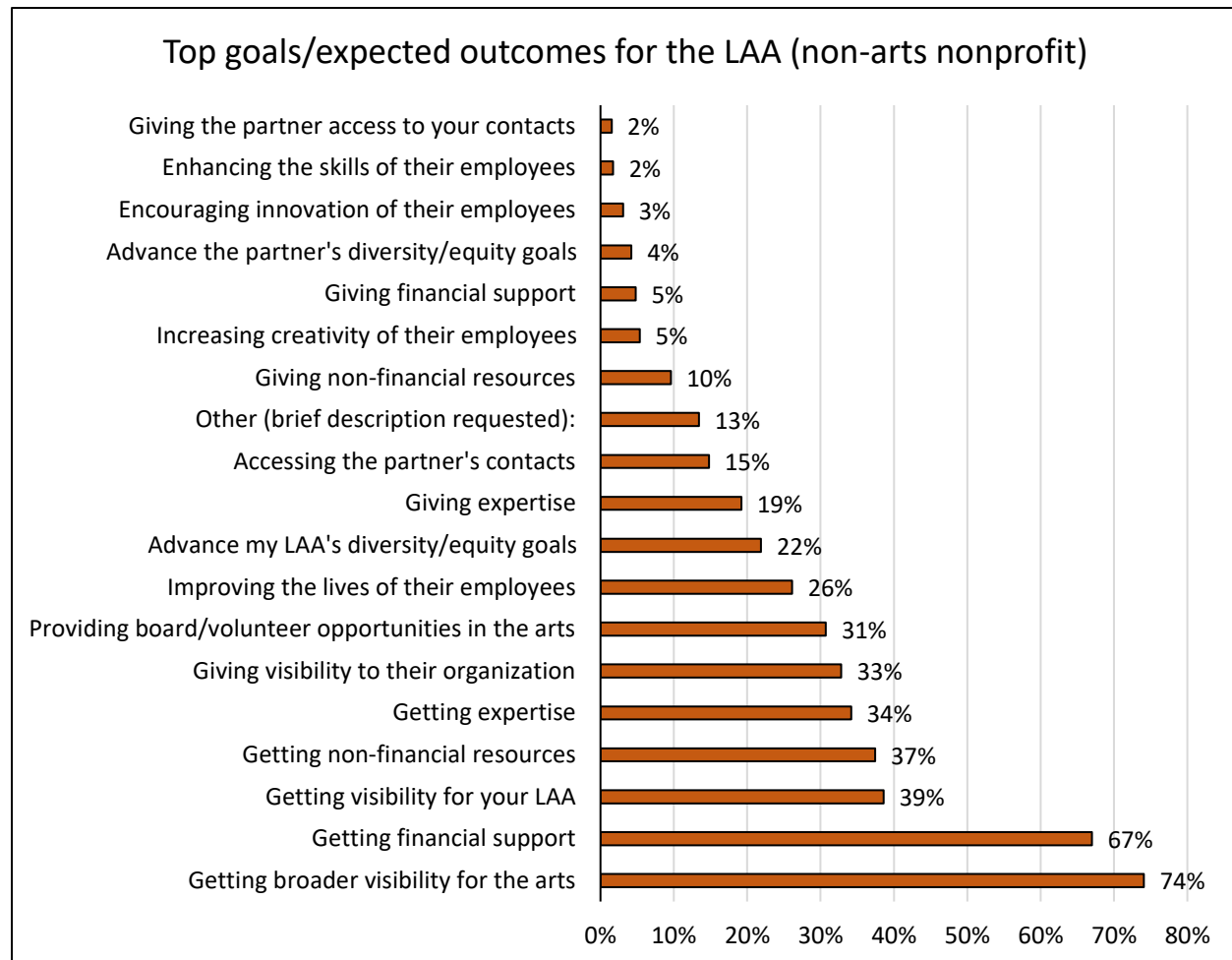
LAA respondents were asked what they thought were the top five goals or expected outcomes of their non-arts nonprofit partner. As with partnerships with other types of partners, in this case the LAA respondents indicated that the primary goals for the non-arts nonprofit partner were visibility for the partner (58%), creating broader visibility for the arts (50%) and giving financial support to the LAA (50%).



- 4-in-10 respondents said the non-arts nonprofit partner was looking to improve the lives of their employees, and about 3-in-10 indicated that the partner was seeking expertise from the LAA.
- 10% or fewer of respondents indicated they thought the non-arts nonprofit partner was seeking any of the following: providing the LAA access to their contacts (10%), encouraging innovation among their own employees (10%), accessing the LAA's contacts (8%), advancing either the partner's (9%) or the LAA's (6%) DEI goals, or enhancing the skills of their employees.

What the LAA wants.

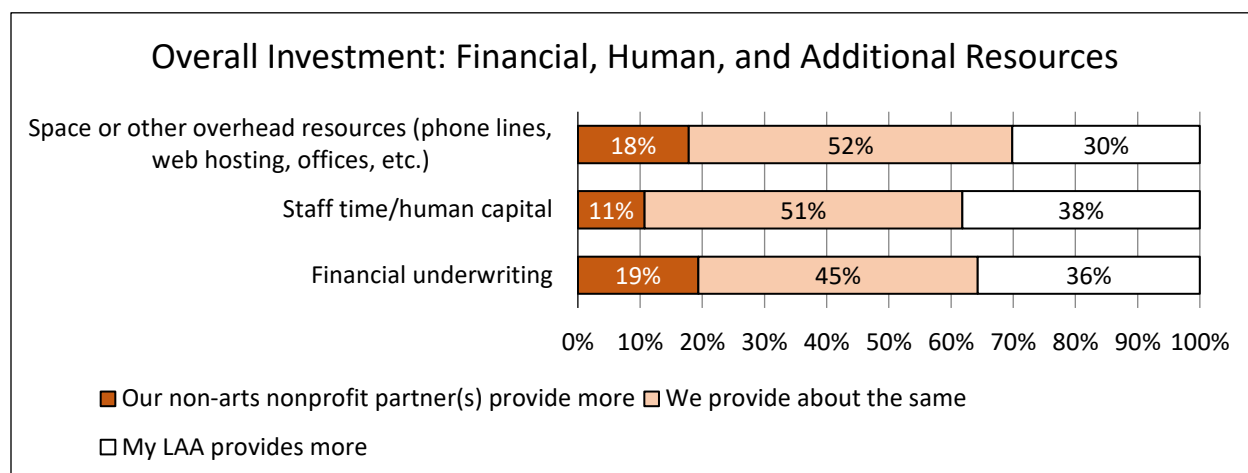
LAAAs were asked to consider what the top goals and objectives for their LAA were in pursuing partnerships with businesses. As in other types of partnerships, generating broader visibility for the arts (74%) and securing financial support for their LAA (67%) were the top objectives.



- The remaining top three goals and objectives related to gaining visibility for the LAA (33%), accessing non-financial resources (37%), and getting expertise (34%).
- 10% or fewer of respondents indicated they sought any of the following outcomes: giving non-financial resources to the non-arts nonprofit partner (10%), increasing creativity of the LAA's employees (5%), giving financial support to the non-arts nonprofit partner (5%), advancing the partner's DEI goals (4%), encouraging innovation of their employees (3%), enhancing the skills of their employees (2%), or giving the partner access to the LAA's contacts (2%).

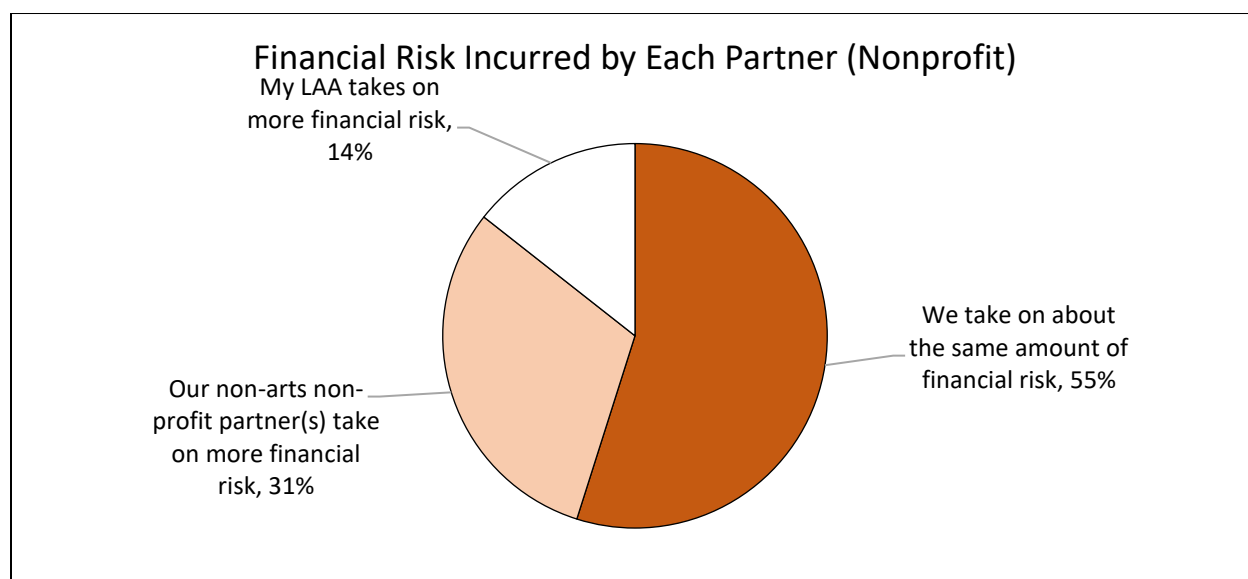
Resources, Risk, and Impact Allocation.

LAA respondents were also asked to outline the types of investment and resource allocations that existed in their partnerships with non-arts nonprofits. **Non-arts nonprofit partners behaved differently than other types of partners, in that they did not provide most of the financial underwriting. In fact, in about half of all cases, LAA respondents indicated that the two partners equally invested in terms of financial underwriting, staff time, and overhead expenses.**



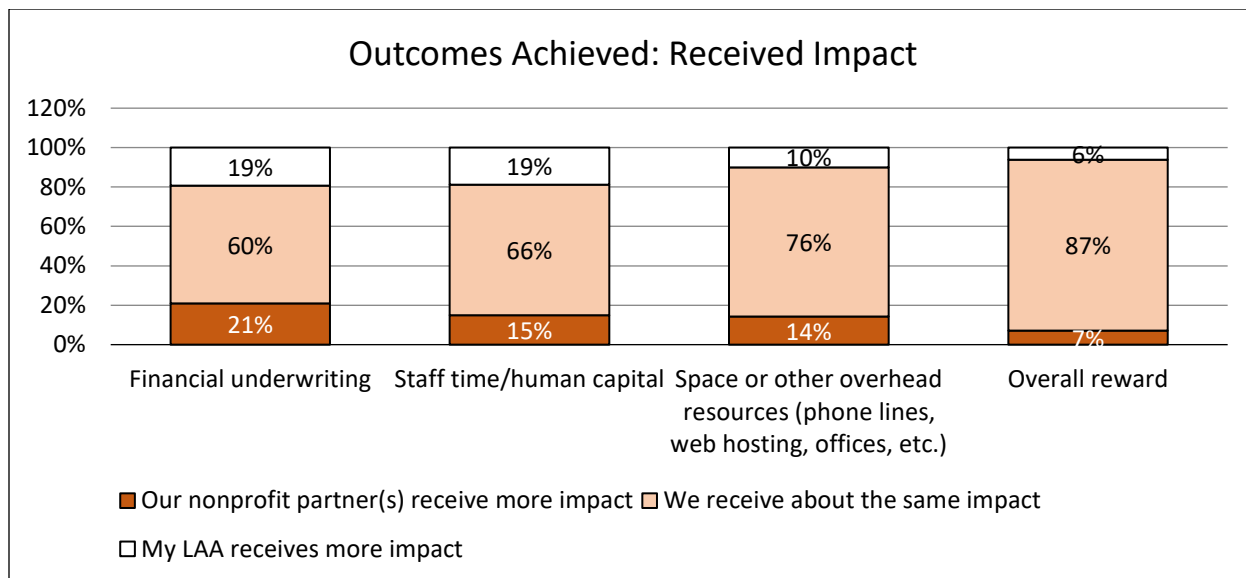
- In cases when the investment was not evenly shouldered, the LAA partners were about twice as likely to indicate they invested more (in all categories of investment).

Risk. In terms of risk, over half (55%) of LAA respondents indicated that they and their non-arts nonprofit partner equally shared the financial risk.



- About a third of respondents (30%) indicated that their non-arts nonprofit partner took more financial risk—about twice the rate of respondents who said the LAA took more financial risk (14%).

Impact. In terms of the outcomes achieved in partnerships with non-arts non-profits, in nearly 90% of cases, LAA respondents indicated that the LAA and their non-arts nonprofit partner were equally impacted overall.

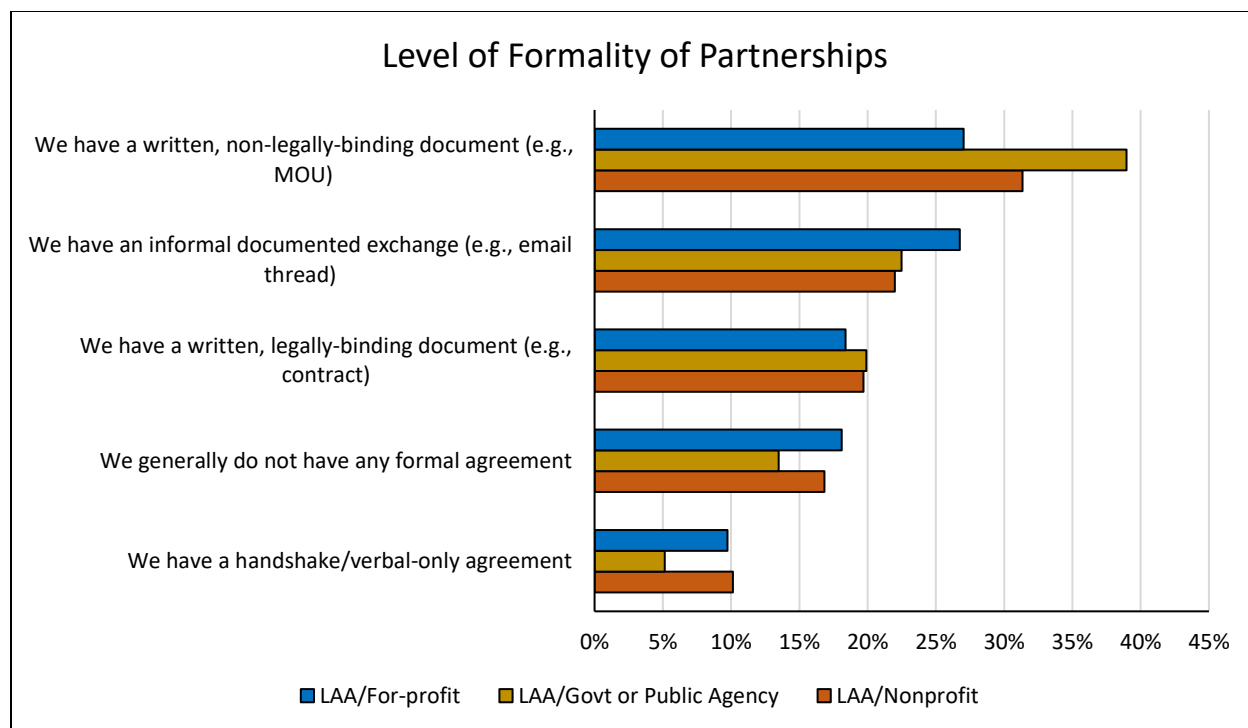


- In terms of who was impacted more *financially*, 60% of respondents indicated the impact was distributed evenly between partners, and about 20% each indicated that the LAA or the non-arts nonprofit were impacted more.
- In terms of *staff time/human capital*, two-thirds indicated the impact was felt evenly between the partners. About half of the remaining respondents each indicated that the LAA or the non-arts nonprofit were impacted more.
- In terms of *space or other overhead resources*, over three-quarters indicated the impact was felt evenly. The remaining quarter of respondents divided evenly between the LAA or the non-arts for-profit partner being impacted more.

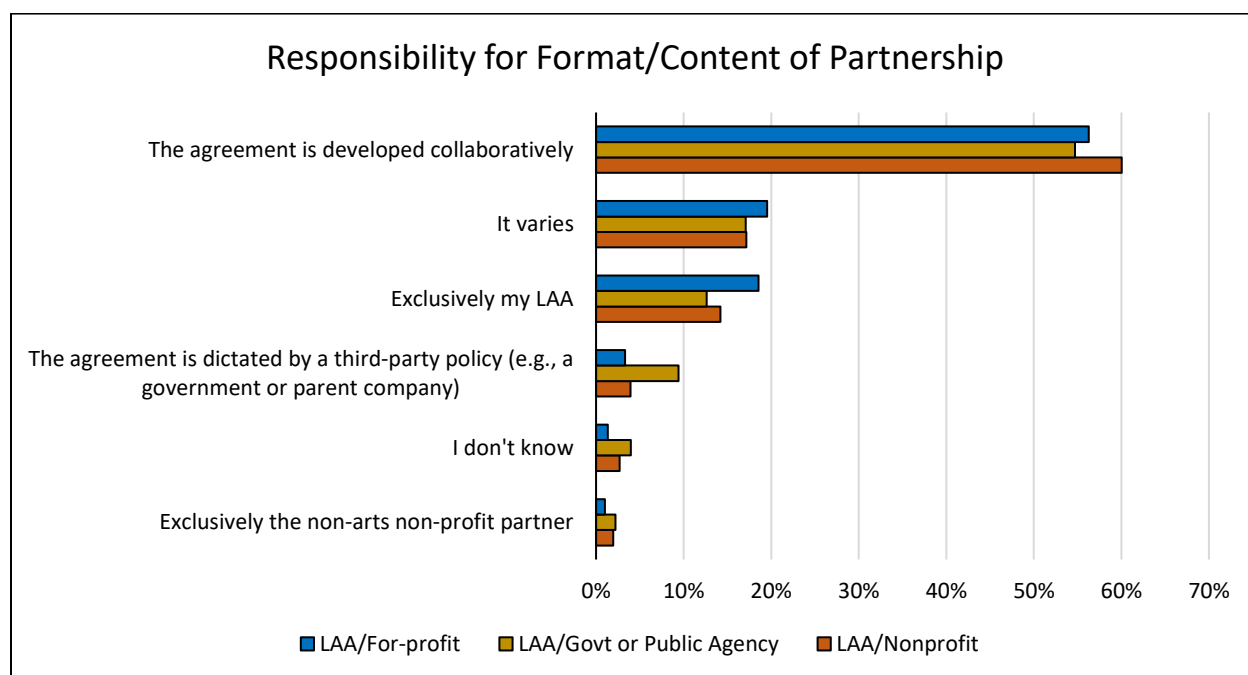
Comparing Partnerships

When one cross-references the aggregated findings for each type of partnership, the dominant finding is that they are relatively like each other. In most aspects, from the level of formality to formation, investment, and risk, the nature of partnerships between LAAs and other entities stays generally steady.

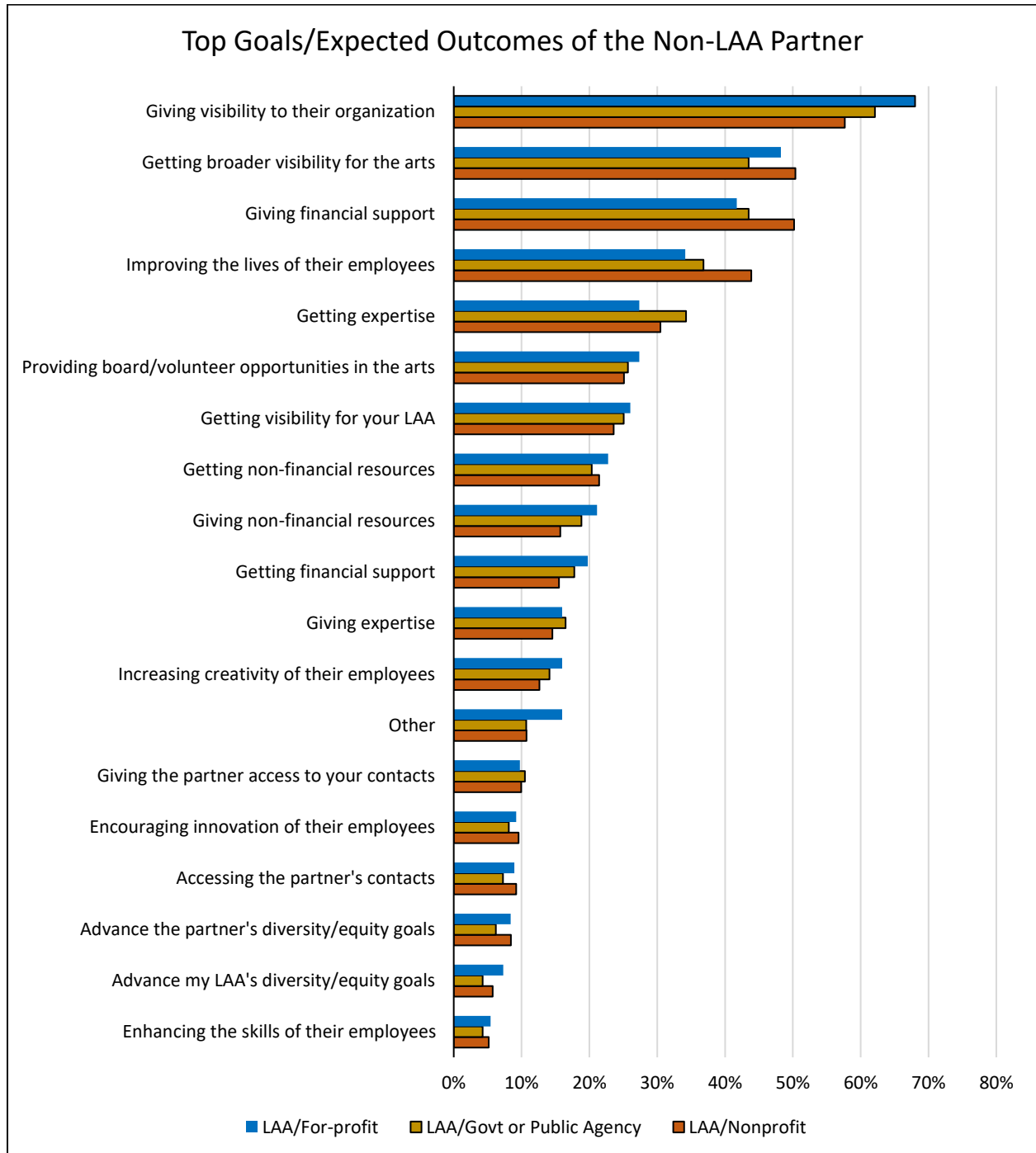
That said, there *are* some areas of difference.



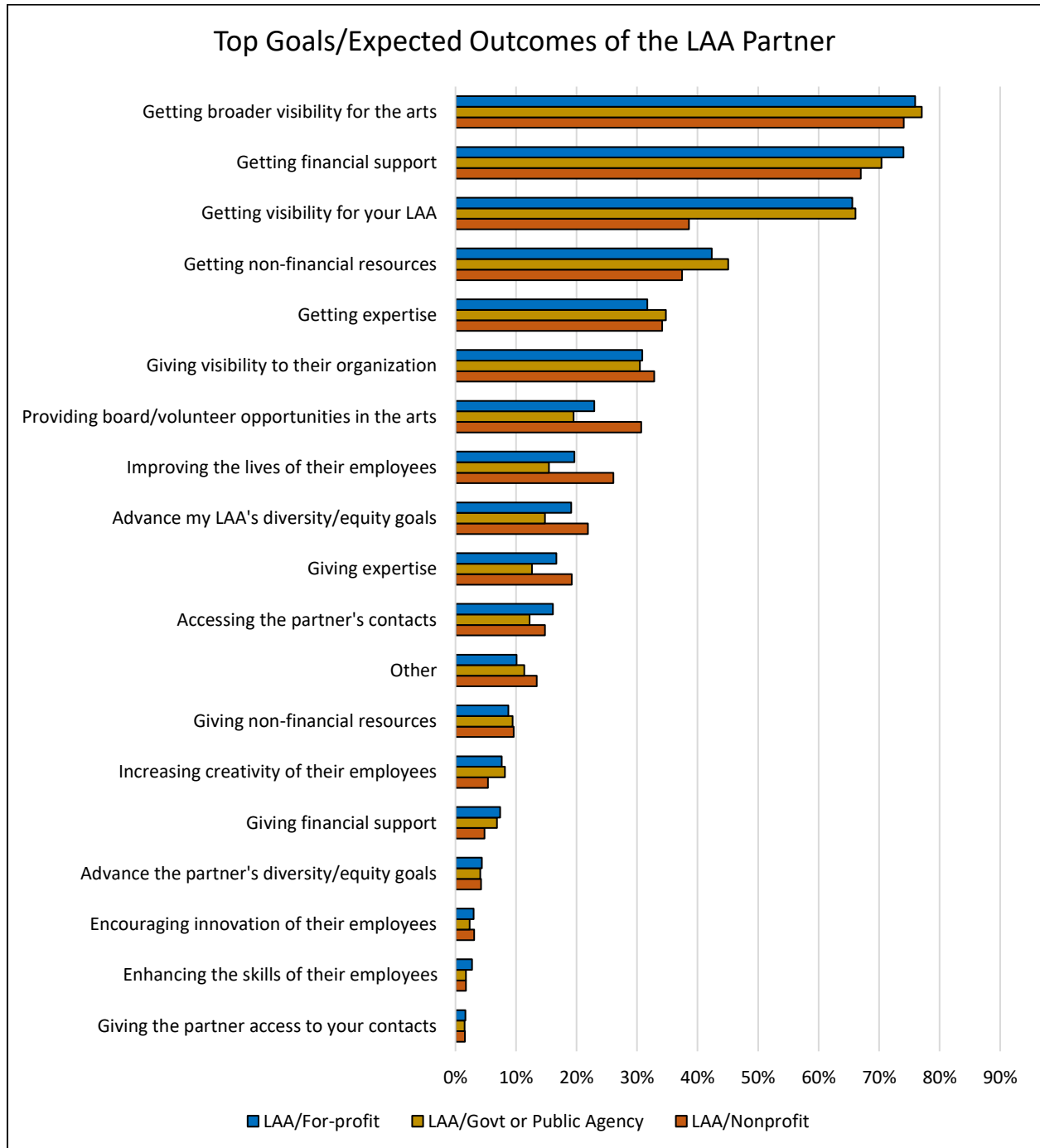
- Partnerships between LAAs and government or other public agencies are about 10% more likely to have as their basis a written, but non-legally binding document such as an MOU. Correspondingly, such partnerships are about 5% less likely to have no formal agreement compared to other types of partnerships.
- Partnerships between LAAs and for-profit partners are about 5% more likely to have an informal documented exchange as their base.



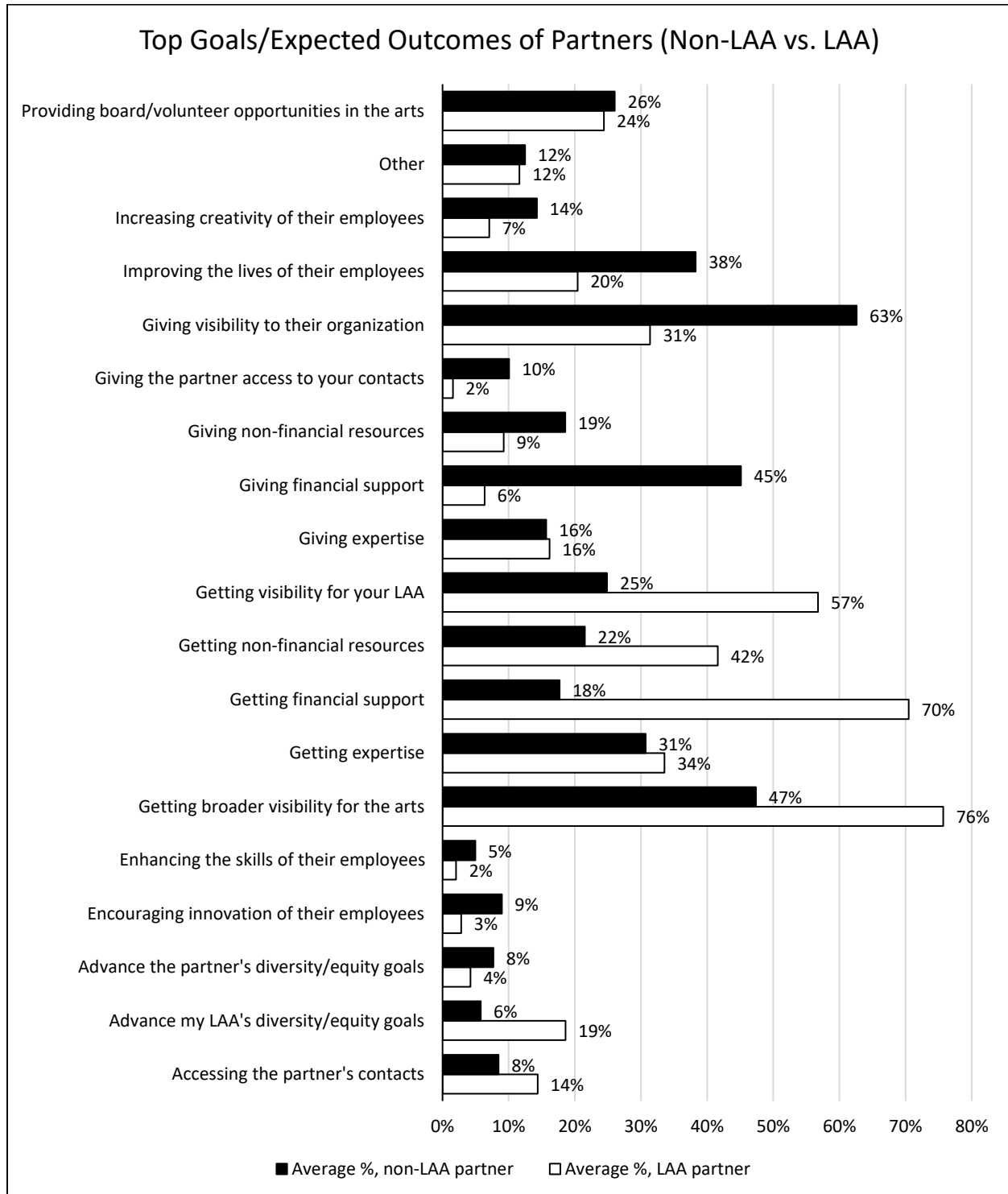
- In terms of how the format and content of the partnership are developed, the data is remarkably stable. In all types of partnerships, in more than half of all cases, the nature of the partnership is determined collaboratively.
- The only small differences are a slightly higher percentage (about 5% higher) of LAA/for-profit partnerships where the nature of the partnership is dictated exclusively by the LAA, and a similarly slightly higher percentage of LAA/government or public agency partnerships where the nature of the partnership is dictated by a third party.



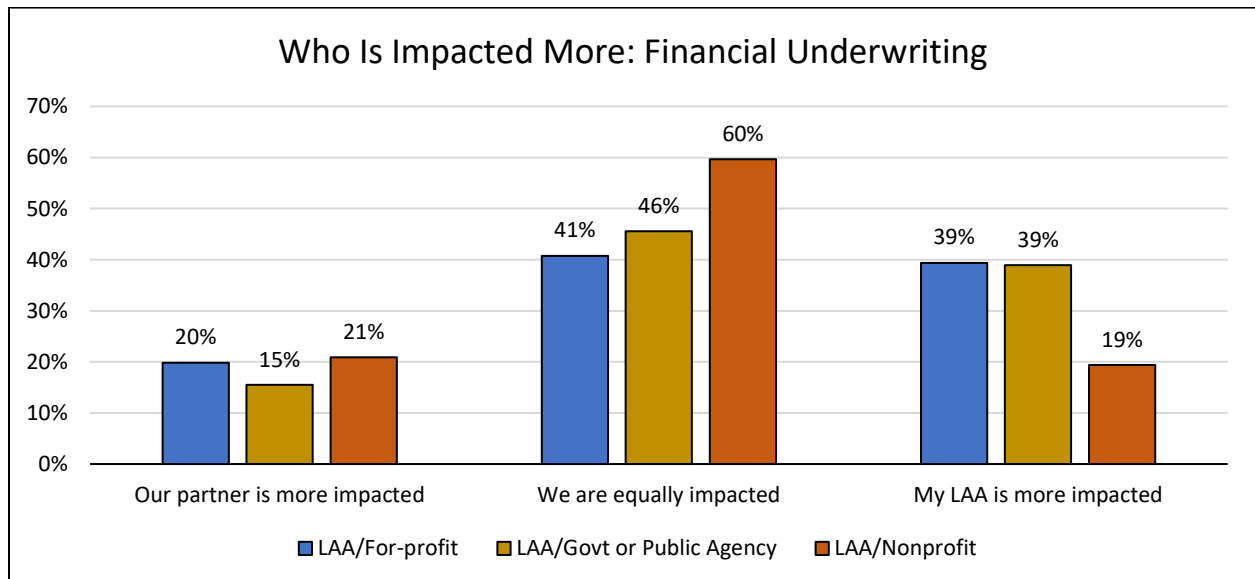
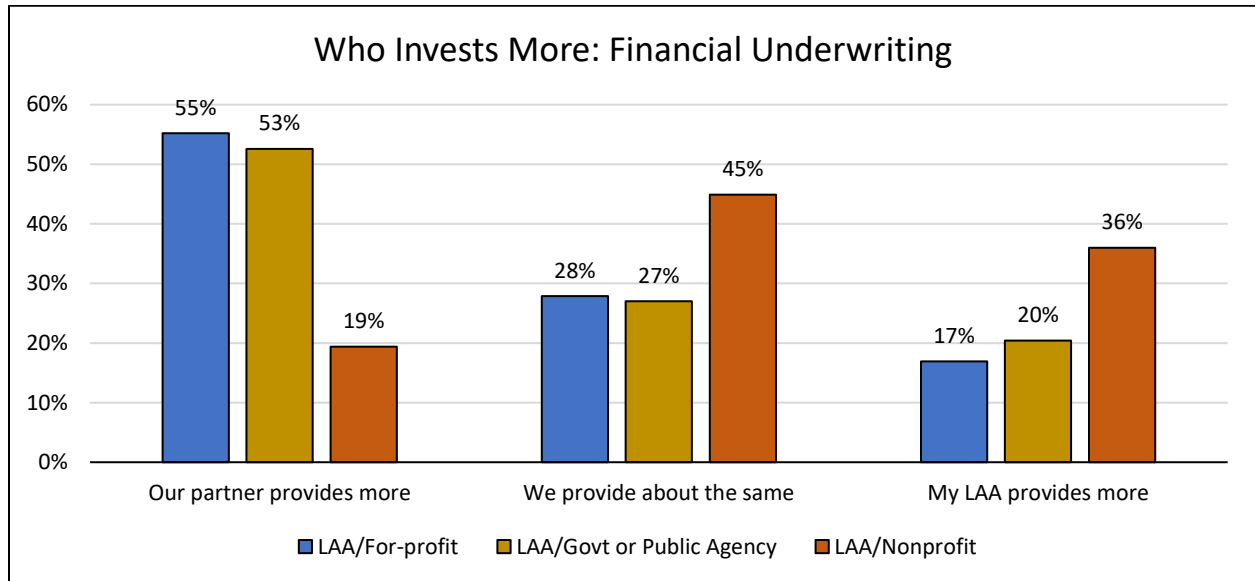
- The goals of partnerships for the non-LAA partner (as indicated by the LAA respondent) are also remarkably consistent across partnership types. In fact, the entire 19 possible categories emerge in the same order of popularity across all three types of partnerships.
- Partnerships with non-arts nonprofits do have slightly elevated (about 5-7% higher) rates of response related to giving financial support to the LAA partner and improving the lives of the nonprofit's employees. A similar slightly higher percentage of partnerships with for-profit entities indicate getting visibility for the for-profit as a core goal.



- LAAs are predominantly seeking the same things regardless of type of partner, although partnerships with non-arts nonprofits are less likely to prioritize getting visibility for the LAA in favor of providing board/volunteer opportunities in the arts, improving the lives of the LAA's employees, advancing the LAA's DEI goals, and providing expertise.

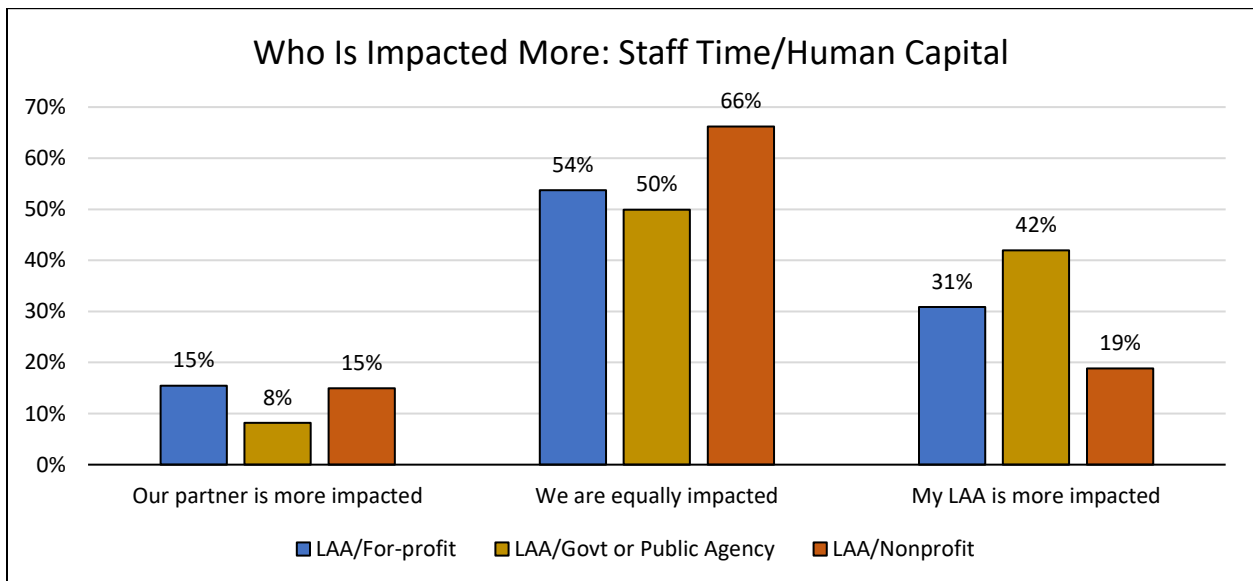
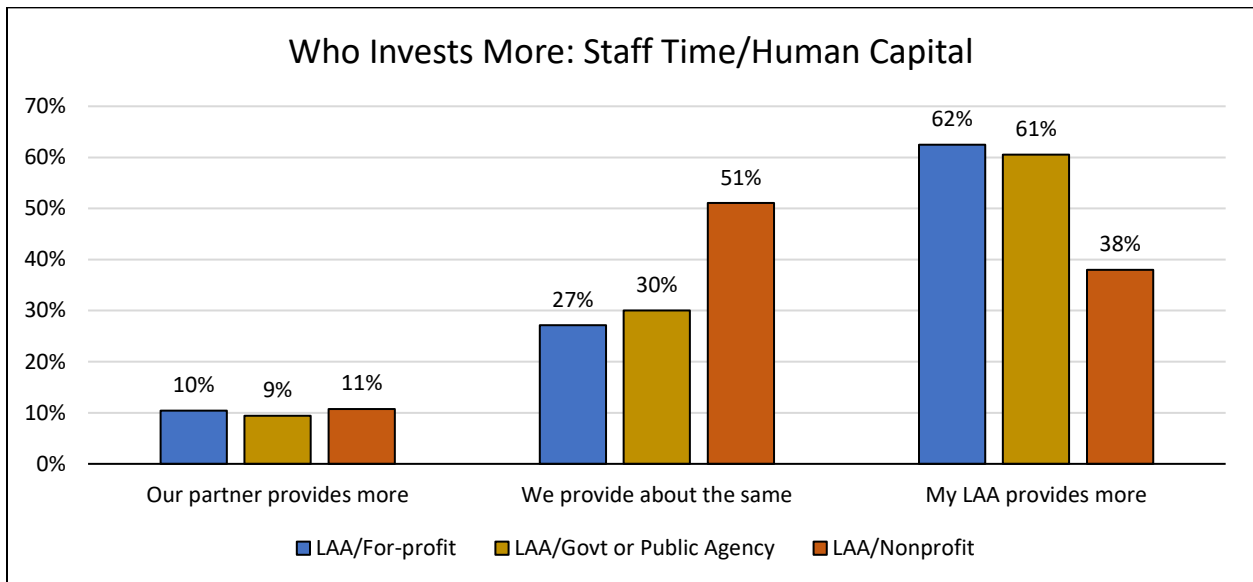


- Certain goals are held commonly between LAA and non-LAA entities in partnership. For example, approximately equal percentages of each believe that providing board/volunteer opportunities in the arts is an important outcome—which is also true of giving expertise.
- In terms of the major goals, however, the percentages diverge—non-LAA partners are more likely to be seeking visibility for their organization, while LAA partners are more likely to be seeking visibility for their LAA or the arts overall.
- In certain circumstances, the divergent answers are compatible. For example, 45% of non-LAA partners indicated that “giving financial support” was a priority outcome—and 70% of LAA partners indicated that “getting financial support” was a priority outcome.



Respondents were asked to indicate which of the partners invested more and which of the partners, in terms of outcomes, was impacted more, as parsed by different types of investment.

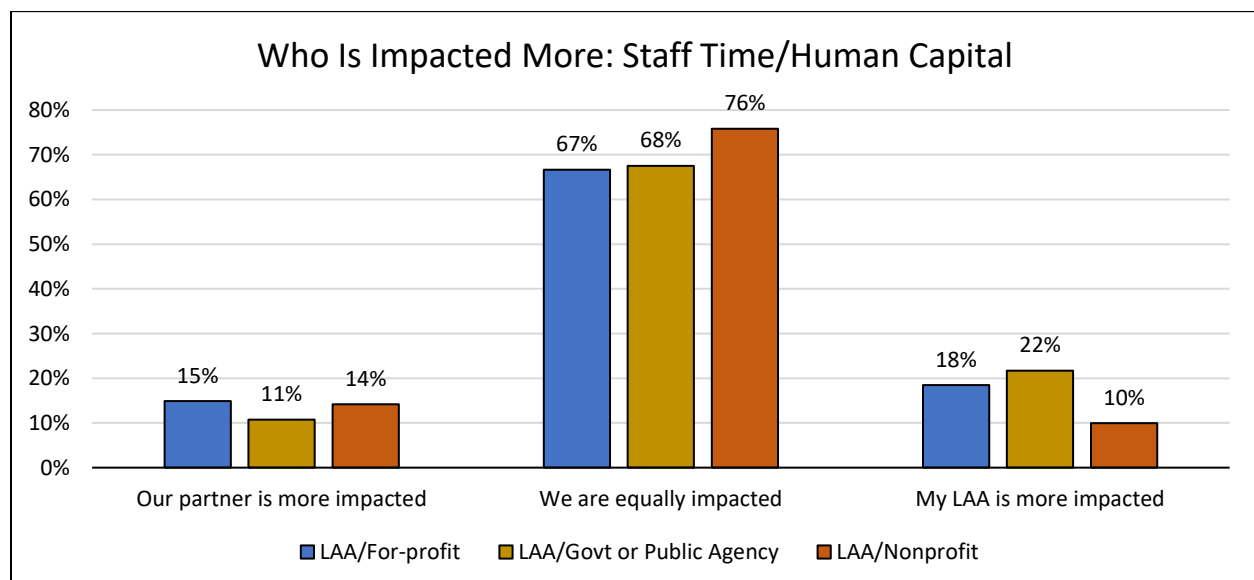
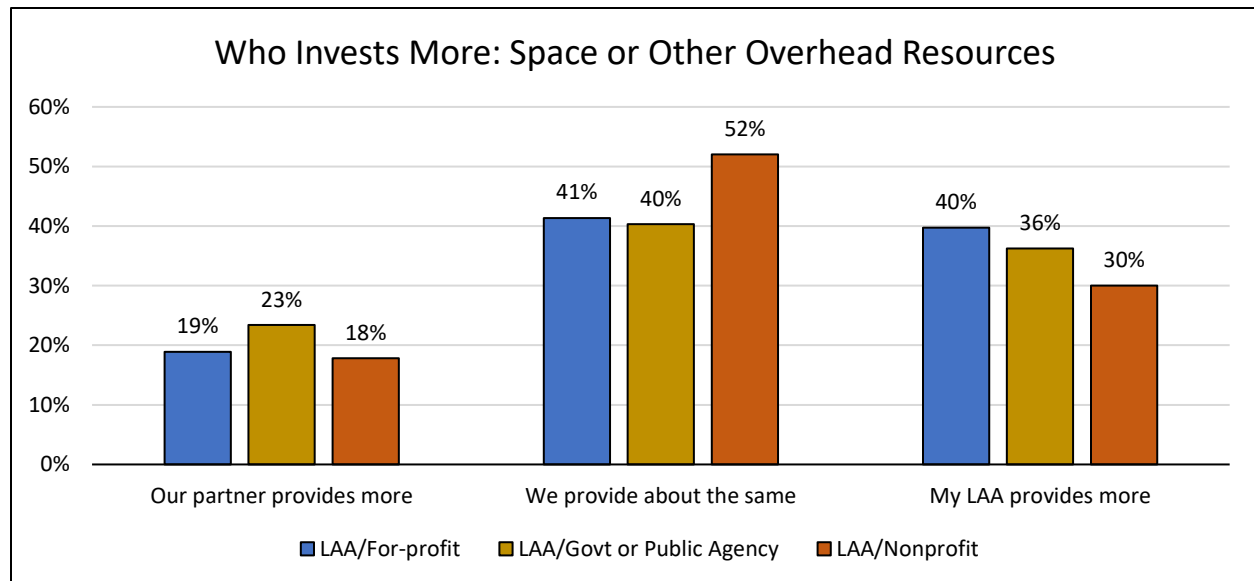
- In terms of the financial underwriting, the main item that becomes clear in comparing the three different partnership types is that LAAs partnering with non-arts nonprofits have a different division of investment as well as impact. Such partnerships with nonprofits tend to come with a decreased financial investment from the non-LAA partner (the non-LAA nonprofit provides more financial underwriting in only 19% of cases compared to more than 50% in other types of partnerships) and an overall increase in shared responsibilities (and shared impact).
- Partnerships with for-profits or non-arts government/public entities, in over 50% of cases, are predominantly underwritten financially by the non-LAA partner.



- In terms of the investment of human capital, including staff time, the respondent results reinforce that human capital is the general currency of not-for-profit enterprises, including both LAAs generally and nonprofit partners. In only 10% of cases did the non-LAA partner provide more staff time/human capital to the equation, and in more than 60% of the partnerships with

for-profit or government/public sector partners, the LAA partner provided more. Staff time, being a common currency between LAAs and nonprofits, was provided equally about 50% of the time in LAA/nonprofit partnerships.

- In terms of outcome-related impact, respondents indicated that in more than half of all cases—including nearly two-thirds of LAA/nonprofit partnerships—the impact was felt equally among the partners. LAAs working with government/public agency partners indicated an elevated impact related to their staff time/human capital (42% vs. 31% for LAA/for-profit partnerships and 19% for LAA/nonprofit partnerships).



- Space or other overhead resources prove to be an investment with less of a clear trend. Approximately equal percentages of respondents, answering about for-profit or government/public agency partnerships, indicated that such investment occurred equally

between partners (40-41%) or mostly by the LAA (36-40%). An elevated percentage (52%) of nonprofit partnerships indicated the investment of space or overhead was a shared endeavor.

- The outcome/impacts of partnerships that related to staff time or human capital in two-thirds of all cases (regardless of partner type) were felt equally among partners. The remaining third was divided essentially evenly between the partners.
- An overall note: LAAs indicated they were impacted equally or more than the non-LAA partner across all types of impact and regardless of partner type.