



Connecting Arts and Business: Conversations for a New Generation

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Over the past two years as the first-ever Metcalf Arts Policy Fellow, with funding support from Business for the Arts, I have spent time taking stock of current industry trends at home and abroad in order to identify ways in which the arts sector can better adapt to its changing environment. I met with more than 100 cultural leaders across Canada, the U.S., the U.K., and Australia, and arrived on the other side of this arts policy immersion with a better understanding of how Canada might begin to address its own process of systemic evolution and innovation in order to realign policy and practice in today's dynamic social, cultural and political climate.

In recent years, the economic recession has incited new conversations across industry sectors about how to adapt to a volatile, unpredictable and rapidly changing economic environment. In the arts, we have been closely monitoring government decision-making across jurisdictions in order to protect the important investments that underpin the arts ecosystem in Canada. A political focus on deficit reduction, financial recovery and the negative impact of failing global markets have informed major cuts to important public resources. To the credit of arts advocates, many governments in Canada have protected arts spending while affirming their understanding of the positive social and economic impacts the arts have in communities. Some have even championed the notion of increased support, though in the short term, most governments still face significant challenges in funding these convictions.

While arts supporters are admirably defending the sector's fragile ecosystem in this time of economic instability, there is simultaneously a quiet, large-scale arts industry (r)evolution ensuing based on major shifts in the environment that are redefining our working reality. New technologies, global interconnectedness and the changing nature of public engagement in the arts are all at the root. Art is created everywhere, by anyone. It is broader, more innovative and boundary-less. The culture of participation and personal creative expression is growing rapidly, defining a more multi-modal form of engagement in the arts that goes beyond simple consumption. Equally, the gap between government investment and industry growth is widening. Public dollars alone can no longer support professional arts practice as it once did. Our system of public investment has catalyzed significant organizational infrastructure growth for over 50 years and today, the industry is prolific and now expanding at an accelerating rate. Consequently, the relationship between governments and the arts has become more and more challenging as growth in the sector has far outpaced the growth of investment. A recent report by the Martin Prosperity Institute *From the Ground Up: Growing Toronto's Cultural Sector* shows that between 1991 and 2009, the creative industries grew in Toronto at a rate of 2.9% per year, now exceeding the growth rate of financial services, the medical and biotechnology industries, and the food and beverage industry.¹

And so, we in the professional arts sector have found ourselves in a difficult situation, asking questions about how to adapt to this new environment. Inevitably, new partnerships, new systems, new structural models and new ways of working must emerge.

¹ City of Toronto. *From the Ground Up: Growing Toronto's Cultural Sector*. Prepared by Martin Prosperity Institute, edited by Daniel Silver. 2011.

The resourcing model that succeeded in past phases of industry growth makes less sense today when existing organizations are struggling to find stability and so many new high potential ideas and innovations are left unsupported by the long relied-upon government sources. The new generations of artists that are attempting to replicate an existing business model focused heavily on public investment and unlimited organizational infrastructure growth are not succeeding at effectively supporting their artistic pursuits. So while we are waiting for the economic storm to pass, with our attention fixated on sustaining our current assets within the current limitations of public support, irreversible and long-term changes in the operating environment for the arts are taking hold.

Given this new reality, it's clear that the need to re-define our working practices and reconsider our structures is imminent. We need to re-imagine how we articulate our public value and pursue new supporting partners to help us fulfill our mandates. Policy makers in the cultural sector must work to realign critical support structures with current practice. Current and future generations of artists and arts organizations will need to move from a culture of growth and independence to a culture of adaptability and collaboration. In his 2010 article *Entering Upon Novelty: Policy and Funding Issues for a New Era in the Arts*, U.S.-based arts consultant Richard Evans tells us that we need to develop our adaptive capacity – our ability to remain relevant and sustainable in a changing environment. He encourages arts organizations to innovate by questioning old assumptions, discontinuing outdated practices and forging new pathways to mission fulfillment.²

Key to the future success of arts enterprises is building new relationships with the private sector based on shared values and mutual goals. How to expand such relationships is an active topic of discussion in the communities and countries I visited throughout my fellowship.

In particular, the need to build the capacity for small- and mid-scale arts enterprises to cultivate private sector partnerships is essential to the future economy of the arts as a whole. Large institutions have exceptional competencies in fundraising and corporate engagement, and traditionally seek private sector support in a competitive way. That is to say, they pursue individual relationships focused on growing the commitment of a private sector partner or philanthropist in support of the work and mandate of their organization. However, if we want to grow private support overall as an industry sector, it's important to acknowledge that major institutions as a group are ultimately limited in how many new partners they can interest in their particular product. Furthermore, building support exclusively by cultivating one-to-one relationships between arts and business may not be appropriate for the kind of growth that is needed.

Collectively, small- and mid-scale arts enterprises represent the vast majority of Canada's professional cultural infrastructure. According to Imagine Canada, over half (54%) of arts and cultural organizations report annual revenues of less than \$30,000. An additional 39% of arts and culture organizations are mid-sized, with annual revenues of \$30,000 to

² Evans, Richard. *EmcArts. Entering Upon Novelty: Policy and Funding Issues for a New Era in the Arts*. 2010.

\$499,999.³ This segment – 93% of arts and culture organizations – is diverse and present in every community across the country. It could, if properly leveraged, connect to a different and widely diverse set of business and philanthropic interests, tapping into new segments of potential arts supporters. But without the capacity to cultivate this support, and without new collaborative strategies, the sector as a whole will be unable to significantly expand its resource base.

Finding ways to build both the fundraising and friend-raising capacity of small- and mid-scale arts enterprises is a challenge that requires new thinking, new tools and a lot of courage. To do things differently, we have to take risks, build new skills, and learn from our failures along the way. But of course, here in Canada, we are not the first to tackle this issue and we can certainly learn from successful models and initiatives beyond our borders. New initiatives and tools for support are being developed and there are already successful examples we can look to for inspiration, including some right here at home. A new generation of arts development calls for new conversations, including new conversations about connecting arts and business. Here are five examples of innovative initiatives that are leading the way.

1. Focus on Capacity Building: Artsupport Australia

Launched in 2003, Australia's Artsupport program focuses on growing philanthropic support primarily for small- to mid-sized arts enterprises with annual budgets of under \$1 million. Led by National Director Louise Walsh and housed at the Australia Council for the Arts, Artsupport has facilitated over \$50 million in philanthropic income for over 200 artists and 600 arts organizations in Australia over its seven-year existence, all for a government investment of just over \$5 million. To achieve such exceptional results, Artsupport works with both arts and philanthropic sector players including individual artists and arts organizations, as well as individual philanthropists, and private and corporate foundations.

For arts organizations, Artsupport provides access to expert advisors and mentors, in six regions across the country, who work one-on-one with program clients to build their fundraising capacity. For most of the organizations Artsupport works with, fundraising is not a core activity and many lack the staff and resources for development. For these organizations, Artsupport provides coaching and strategic advice on developing philanthropic funding sources, helps to engage board leadership, and provides advice on trusts and foundations relative to an organization's activities. Beyond the tailored guidance it provides to individual arts companies, Artsupport also hosts annual lectures and master classes and takes on special projects, such as the publication of *An arts guide to philanthropic gifts and tax: the dry stuff*.

Programs and services for philanthropists, trusts and foundations include the active encouragement of high net worth Australians to become more strategic and structured with their philanthropy. Artsupport introduces them to the arts and demonstrates how the

³ Imagine Canada. *National Survey of Nonprofit and Voluntary Organizations*. 2006.

arts can also address a vast number of social and community needs. Partnerships with private banks and wealth management arms of investment banks, financial advisors and planners, trustee companies and tax lawyers have all been essential networks that help to build new philanthropic prospects for the arts. Artsupport connects them to arts giving opportunities, provides seminars promoting the tax benefits of philanthropic trusts, and hosts networking events in order to forge a community of arts philanthropists.

2. Focus on Arts and Business Partnerships: Americans for the Arts - The pARTnership movement

“When arts and business partner, everyone profits.” That’s what Robert L. Lynch, President and CEO of Americans for the Arts, said at the January 2012 launch of the pARTnership movement – an initiative to enhance business and arts partnerships. The pARTnership movement is a national campaign to demonstrate how the arts can help business achieve their goals by “enhancing the critical thinking, team building and creative skills of the corporate workforce, while also helping communities to attract and retain talent.”⁴

The campaign is placing ads directed at corporate America within major newspapers, magazines and other publications that demonstrate how partnering with the arts is good for business. In Times Square, a video ad played four times an hour for a week, capturing the artists, business people, New York City tourists and residents that make up the over 1.5 million people, 56,000 cars and 15 bus lines that pass through Times Square daily.

The pARTnership movement also provides a series of tools that help arts organizations advocate for greater engagement from business and better equip them to propose new collaborations. Through their website www.thepartnershipmovement.com, online resources (including a publication dedicated to small- and mid-sized organizations) help prepare arts partners to connect with business in innovative ways. For businesses, they provide the necessary information they need to engage in a rewarding partnership with an arts organization, including case studies that showcase innovative ideas and program concepts, and a zip code finder that will help interested businesses locate potential local partners.

Since its launch, the movement has been growing rapidly, spreading the word that partnering with the arts can give business a competitive advantage. New arts and business partnership success stories are posted online regularly. Ongoing research conducted by the Americans for the Arts research team provides compelling and supportive data on the Arts and Economic Prosperity. Robert L. Lynch will be launching a book bearing the campaign’s namesake in the coming months.

3. Focus on Collaborative Models: America’s Creative Capital

Creative Capital is a national nonprofit organization in the U.S. that provides integrated financial and advisory support to artists pursuing adventurous projects in all disciplines.

⁴ <http://www.partnershipmovement.org/>, accessed on June 23, 2012

Founded in 1999, in response to the defunding of individual artists by America's National Endowment for the Arts, it is the only national grant-making organization with an open application process that supports individual artists on a multi-year basis. Their approach to grant-making integrates financial and advisory support to help artists realize their projects while building individual capacity to sustain their careers beyond the grant term.

In its pioneering model of support, Creative Capital confronts the realities that working artists face in increasingly challenging times by offering career-, community- and confidence-building tools to enhance capacity for creative and professional success.⁵

They work in a long-term partnership with their grantees, providing the time and advisory services that are crucial to artistic and financial success. Over the course of a funded project, they work with each artist to establish a range of external partnerships, as well as partners with them directly to determine how funding and services can best help them achieve their goals. Creative Capital's grants include up to \$50,000 in direct funding, and career development services valued at \$40,000, a total commitment of up to \$90,000 for each project. Funding for Creative Capital comes from over 500 individuals and institutions, including a quarter of past grantees. Leading donors include The Andy Warhol Foundation for the Visual Arts, The Nathan Cummings Foundation, The Robert W. Deutsch Foundation, The Doris Duke Charitable Foundation, The William and Flora Hewlett Foundation, The Kresge Foundation, Toby Devan Lewis, The Andrew W. Mellon Foundation, and The Theo Westenberger Estate. Creative Capital has reached over 4,000 artists in 50 communities across the U.S. and has been the subject of two Harvard Business School case studies.

4. Focus on Corporate Leadership: Boeing

When I visited Chicago in early 2011, I came across a great example of forward-thinking corporate arts philanthropy and engagement. [Boeing](#) – the airplane maker – is a company interested in arts and culture and positions itself as a partner interested in supporting participation and innovation, including “performances and exhibitions that introduce new voices and perspectives to our community; collaborative efforts developed to create a more sustainable arts and cultural environment; and programs that engage people to become lifelong arts and cultural participants, patrons or practitioners.”⁶

Its Chicago office houses about 450 employees who are deeply engaged in the company's local charitable mandate. Boeing contributes to the arts through business sponsorships, cash grants, in-kind support, as well as through their employee volunteering initiatives and Employee Contribution Program, where employees direct regular paycheck deductions to causes of their choosing. Their charitable focus on innovation means that, in addition to supporting large organizations and events through sponsorships, they also support small- and mid-scale arts organizations through their granting programs. They recognize the

⁵ <http://www.creative-capital.org/>, accessed on June 23, 2012

⁶ http://www.boeing.com/companyoffices/aboutus/community/nw_region/wa_art.html, accessed on June 23, 2012

inverse relationship between organizational size and innovation, with the largest organizations acting as anchors with established reputations that attract tourism to the city, and smaller organizations as innovative risk-takers that not only play a role in enriching the local cultural scene, but also tend to be more mobile, frequently exporting Chicago's cultural products and reputation internationally.

5. Focus on Investment Incentives: artsVest™

Business for the Arts' artsVest™ program is one of Canada's homegrown solutions to cultivating new partnerships between arts and business. The national initiative is a sponsorship training and matching incentive program that aims to "spark innovative business sponsorship opportunities, offering the local private sector the potential to double the impact of their investment."⁷ Arts and culture organizations with annual budgets under \$1 million are invited to apply to the program. Those selected benefit from matching funds, free sponsorship training workshops, as well as community-building and networking events that catalyze cross-sector partnerships.

This May, I had the opportunity to attend the launch of artsVest Ottawa and witnessed first hand the enthusiasm of local arts, civic and business leaders including Mayor Jim Watson, Chamber of Commerce Chair Dave Donaldson and Jean-Claude Des Rosiers, Président du Conseil d'administration, Le regroupement des gens d'affaires de la Capitale Nationale, as well as government funding agencies, local businesses and over 80 cultural organization representatives. It's clear that the program is rooted in a spirit of collaboration and mutual benefit for arts, business and community, with all three sectors wholeheartedly engaging in the program.

artsVest is currently active in Ontario, Saskatchewan, Calgary, Winnipeg and Vancouver thanks to over \$3.5 million in investment from Canadian Heritage; the Government of Ontario; the Saskatchewan Ministry of Tourism, Parks, Culture and Sport; the Winnipeg Foundation; the Ontario Trillium Foundation; the Calgary Arts Development Authority; the B.C. Ministry of Community, Sport and Cultural Development; and the City of Vancouver. Since the inception of the program in Ontario in 2002, 502 businesses have partnered with 180 cultural organizations through artsVest – 282 of these businesses were first-time sponsors of the arts, according to Business for the Arts. The program continues to expand. National Program Manager Laura Adlers estimates that from 2011–2013, artsVest will generate approximately \$3.9 million in private sector sponsorship and result in an influx of approximately \$6 million to the cultural economy. It will provide 40 free, full-day sponsorship training workshops to approximately 1,000 arts and culture organizations and will create synergistic new partnerships between an estimated 750 local businesses and 280 arts groups across the country.

These initiatives and others are the bright spots that we can look to for guidance as we devise our own solutions to expanding and creating new relationships between arts and business – strengthening our current cultural assets and fostering the next generation of

⁷ <http://www.artsvest.com/>, accessed on June 24, 2012

arts development. Arts institutions that are experienced in engaging private sector interests could act as valuable resources as could governments, civic leaders, businesses, and business leaders with deep knowledge about the benefits of supporting and partnering with the arts.

It's clearer now than ever before that the current and future vitality of the arts in Canada relies on our collective ability to embrace change, to innovate and to challenge old assumptions. Firmly rooted in the value of the arts as defined by contemporary society, we must focus on new forms of engagement with a diverse set of partners. While we may not yet know what approaches and strategies will succeed, we must employ new thinking, new partners, new initiatives, new models and new structures. Hungarian psychiatrist Thomas S. Szasz said: "Clear thinking requires courage rather than intelligence." With this in mind, our task is to embrace change, engage our creativity to find innovative solutions, be prepared to learn from our experiments, and remain determined not to fall prey to the comforts of the status quo.