

# **A Convening on the Economic Recession and its Impact on the Arts Community**

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Yerba Buena Center for the Arts  
San Francisco

Organizers:



**San Francisco Arts Commission**

**ArtsForum**

**Yerba Buena Center for the Arts**

**San Francisco Foundation**

## **A Convening on the Economic Recession and its Impact on the Arts Community**

### **Introduction**

On January 12, 2009, the distinguished economist, Jeremy Nowak<sup>1</sup>, was invited to speak to the cultural community at the behest of the San Francisco Arts Commission, the San Francisco Foundation, ArtsForum and the Yerba Buena Center for the Arts, where the event took place.

Over 300 individuals, arts organizations, foundations and civic leaders attended and not only joined in a Q & A with Mr. Nowak, but participated in five breakout sessions. These discussions were facilitated by the organizers and gave participants the opportunity to share the impact of the current economic crisis on their organizations and creative fields; how they are responding; and suggestions on possible actions that various public, philanthropic and cultural organizations might take to ameliorate the effects of the recession.

The responses have been organized around four core issues: 1) How does the economic recession impact you and or your organization? 2) What are you doing in response? 3) What do you need? 4) Possible solutions. After the Executive Summary, you will find more detailed notes from each of the five breakout groups' discussions of these four questions.

The Conveners view this event as the first step in a multi-phased process that must engage our local and national elected officials, the philanthropic community, the business sector and the general public, in the task of ensuring that the cultural community of San Francisco and the Bay area make it through the economic crisis and continue to provide quality cultural instruction and experiences for local, national and international audiences.

We cannot forget that cultural tourism contributes mightily to our local economy, through direct and indirect expenditures and taxes paid by visitors. These dollars support the City's General Fund to the tune of hundreds of millions of dollars, and facilitate the City's capacity to meet its social service, educational and health care obligations.

The public dialogue that must be pursued in the months ahead will be greatly informed by the continued participation of those that attended and those that we must engage.

Luis R. Cancel  
Director of Cultural Affairs, San Francisco Arts Commission

### **Executive Summary**

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<sup>1</sup> **Jeremy Nowak, PhD**, is President & CEO of The Reinvestment Fund, and is a nationally recognized leader in urban development. In addition to his work at TRF, Mr. Nowak is a board member of the Philadelphia Federal Reserve Bank, a Fellow at the Aspen Institute, and a member of Harvard University's Executive Session on transforming cities through civic entrepreneurship. He was a keynote speaker at the October 2008 Grantmakers in the Arts conference where he discussed tangible applications for the arts sector to help ease the strain of a looming financial crisis.

## EXECUTIVE SUMMARY

### How does the economic recession impact you and or your organization?

#### Programmatic Activities

- Promote innovation and creativity in order to complete projects.
- Holding back on the scale of productions or new equipment purchases.
- Booked tours are being cancelled by private presenters and schools.
- Major corporations support family days at museums, but they won't do it to the same degree this year. Shift in the next year in loan exhibitions: show the collection more and have exhibitions up for longer.
- Organizations are giving up space, desperate for affordable office space.

#### Artists Livelihood

- The situation is impacting artists' ability to maintain legitimate housing—lots of artists are losing their mortgages or leases. People are forced to accept live-work situations that are illegal, tenuous, and at risk.
- Teaching artists—typically a group that pieces together a livable wage—are faced with far fewer job opportunities.

#### Audiences

- Attendance is soft; ticket purchases are down. Hard to say if it's because of economy or programs. More work to get the audience they **are** getting. A lot harder to fill seats than in the past. Single ticket seats sales rather than season purchases.
- Buying patterns are so far unchanged. After the subprime collapse, there was a fall-off in subscription sales, in school enrollment for adults. Expect to see falloff in contributed revenue.

#### Earned and Contributed Income

- Reduced funding for organizations.
- Individuals must cut spending and find additional forms of support.
- Grants have been **reprioritized** elsewhere leaving the special arts projects in the lurch—this came about suddenly.
- Foundations are focusing only on current grantees—not taking on new organizations and telling us “not to apply this year because we're not giving out money.”
- Cities and counties are losing money from the State of California – “we should not anticipate funding” even for projects underway.
- Some of the large budget institutions are feeling the impact at the trustee level because of concerns about the economy. Also because they have such large audiences they have a larger constituency through which they feel that impact and anxiety. They're doing okay at the moment, but there are people who are waiting for the end of the year to see what happens.
- Endowments are losing money—some dropping by half.
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### What are you doing in response?

#### Collaborative Strategies

- How do we use this as a galvanizing opportunity?
- Pooling resources and information.

#### Advocacy and Policy

- Contacting City officials.
- City of San Francisco: “Things will heat up at City Hall. The Board of Supervisors and Mayor will not agree about arts funding. Show up for those meetings. I encourage you to monitor the situation. Some serious changes will happen. Know your Supervisor; talk to them, tell them you live in their district. Even more important, shoot your Supervisor tangible statistics about how you impact your community. Be specific. Give them the raw numbers that they can use to make the argument for funding.”
- City of Oakland: When City Council was recently looking at slashing programs/staff funding for the arts, what turned the City Council around was the outpouring of the artist community. A new effort has begun to communicate more between the City and City staff, and the arts organizations, new efforts to “funnel and focus” that communication to assist the elected officials in getting the arguments they need for why to sustain the arts. It’s important for the City to have a role in helping organizations to sustain themselves.
- Encouraging senior staff to get involved in policy, join boards. Increase overall engagement to advocate for stabilizing the arts economy.

#### Visibility and Access

- What services can we provide without cash? People are flocking to “free” cultural events. How do we use this as an opportunity to open up our spaces and our sense of culture?
- Increasing communication with the public.
- Viral marketing.
- Discounting tickets.
- Reaching out more strategically—making phone calls instead of just mail/e-mail
- Collaborating in marketing/advertising—combining our money/ad buy with others (it’s a buyer’s market).

#### Resource Development

- Fostering relationships with investors.
- Investigate in-kind sponsorships.

### **What do you need?**

#### Leadership and Advocacy

- Leadership and methods to continue the conversation.
- Better articulation of shared advocacy goals.
- Artists still need be creative and keep making work.

#### Information and Resource Development

- Source for information on the arts for tourists and community.
- Market research and strategic planning company: information from your audience, what interests them and what do they value. Know what the essence of what you do is in order to define who you’d collaborate with and how that would work, and even whether you should even exist.
- What I’m hearing from people is the need for deeper relationships—deep rather than broad, collaboration, questions about who we talk to that can be an advocate, lobbying program officers and foundation boards about reaching the full 5% of contributions.

## Networking and Resource Sharing

- Artists need access to resources such as affordable space, and skills development, like financial management.
- Collaboration outside the arts sector.
- Overwhelming need for resource networks:
  - Helping each other
  - Mapping the terrain—understanding what is out there and how we might better work together
  - So much capacity within ourselves
    - Trainings for those who don't know
    - Networks
  - Funders can help by convening and encouraging different models for ensuring that vital art and vital missions are delivered.
  - Funders can encourage collaboration and sharing resources.

## Possible Solutions?

### Leadership and Change

- It is important for the leaders to be positive.
  - Instead of awaiting the tidal wave, we should become the tidal wave
- Making radical shifts within our organizations.
  - Give up the idea that it will go back to normal.

### Political Voice and Advocacy

- Strong unified argument for the arts, including support for arts in the schools.
- Have a political voice.
- President Obama's stimulus package should include arts funding. With the Obama administration, we need to be sure that the arts are part of the new New Deal and that there is a cabinet level secretary for the arts.
- To attain political strength, the arts community needs to keep getting to the people with power and politicians to push for what we need.
- Advocacy: tie the arguments into education.

### Collaborations and Centralized Communications

- Solutions will come from collaborations and more effective networks, including networks of artists.
- Build a forum for communication, facilitate thought and interaction.
- Public institutions (e.g., the libraries) can provide space.
- Create a central, online directory for the sharing of resources and making connections. Utilize a central organization for coordinating barter and partnerships.
- Collaboration on creating resources that everyone can access.
- Reach out to tourist industry. Give tour guides 2 free tickets for mentioning where to go see a show or hear music or see an exhibition. Tourists don't know where to find this info and want a local's perspective anyway. How do we do this more systematically?
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**Detailed Notes from Group A**  
**facilitated by Nancy Gonchar, San Francisco Arts Commission**

**How does the economic recession impact you and or your organization?**

- Reduced funding for organizations
- Individuals must cut spending and find additional forms of income
- Greater innovation and creativity
- Ripple effect through the community
- Holding back on the scale of productions or new equipment purchases

Artists and organizations commented that funding is down from grants, foundations and ticket sales. Performing arts groups said that fewer people are going to performances, and many are lowering ticket prices to boost attendance. One participant commented that starting a new organization is very difficult, and the recession restricts entrepreneurial spirit and innovation. Individuals employed in the arts may have to move or downsize to save money. Volunteering is also down because of the time and money it takes to volunteer. On the upside, tough times make good art. This is forcing artists to use a creative spirit to be proactive and innovative. While many can't find new funding, interesting new living styles happen. There was a comment that statewide cuts are promoting uncertainty in arts education. Social services are being pitted against the arts for funding, and organizations are receiving less in donations. One organization said that they are receiving more new low-end donations, but larger donations are pulling back. Visual artists are moving to smaller studio spaces, and putting off any capital expenditures. ArtSpan commented that they aren't seeing new artists stepping up for open studios. A few organizations noted that they are concerned about what will happen next year because it's not hitting as hard at the moment. There is a ripple effect within the community. There are compromises made, like having smaller productions with fewer stagehands.

**What are you doing in response?**

- Contacting City officials
- Pooling resources and information
- Increasing communication
- Fostering relationships with investors
- Viral marketing
- Discounting tickets

Several members of the group urged that a case be made for the arts that includes the link between arts education and critical thinking skills, the beneficial impact on the economy, and how the arts create a culturally vital city which San Francisco is known for. In addition, the arts workforce employs many who may end up being the recipients of social services if arts funding is drastically reduced. It was mentioned that while many organizations may cut advertising, it's the one thing they shouldn't cut back on. In fact, expanding to viral marketing and using the internet for network building could be assets. One organization is fostering investors with launch parties for shows. An artist mentioned grassroots movements to preserve the Hotel Tax money with a letter-writing campaign to City officials. Artists commented they would like to have a better understanding of when meetings about the arts will happen at the Board of Supervisors. One artist commented that she reaches into other states and internationally for greater support from various communities. A painter and instructor said that he is offering more value to his

services and opening up his studio to share with other artists. Similarly, a theater company is merging with another group to share one theater. The crisis is stimulating artists to do what they do best: think and innovate. This could include creating new community spaces and considering bartering to exchange services. An actor commented that while the number of paid opportunities in film and TV are down, theatre is still strong. One person said that sadly, bequests are up, and keeping his organization afloat. To increase communication, students from universities and arts schools should be involved in the discussion. Some commented that organizations can look at where you can cut dead weight to improve efficiencies. Many in the performing arts are discounting tickets or offering tickets at a greater number of price points to preserve the highest price tickets. There was a suggestion for the arts to band together with social services and create public service announcements. The group had an overall desire for greater communication within the community. A representative from Theatre Bay Area commented that most of their information about events comes from individuals on their list. He encouraged those in attendance to e-mail events or other information for distribution. Artists can work with community and be more conscious of supporting local businesses. One idea to do this was to pull together visual artists in SOMA, and open a dialogue with SOMA businesses to get discounts for artists in exchange for patronage.

### **What do you need?**

- Leadership and methods to continue the conversation
- Source for information on the arts for tourists and community
- Better articulation of shared advocacy goals
- Collaboration outside the arts sector

There was a consensus that people need to understand how serious this is and know that the government alone isn't going to take care of the recession. Artists need to be heard by local government and get those outside the arts sector involved. There needs to be clear information and leadership to continue and spread a collective conversation. One artist commented that there needs to be a shift from top-down thinking to understanding the existing wealth of knowledge in the community and finding ways to share that information. Communication must be increased and streamlined within the community and with outside audiences. Some hope that with increased arts coverage, the Examiner will be the Village Voice of San Francisco. The a need for venues for people to show work could be solved with empty commercial used for one time shows or events. Relationships with schools could allow for practice and performance space in exchange for an annual performance. There is a need for an articulation of the joint goals in arts advocacy. There should be collaboration outside the arts sector with other like-minded sectors.

### **Possible Solutions?**

- Collaboration and more effective networks
- Strong unified argument for the arts
- Have a political voice
- President Obama's stimulus package should include arts funding

The group agreed that a solution will come from collaboration and more effective networks of artists. It is important that artists still be creative and to keep making work. There was also the comment that there should be a clear augment for the arts and support for arts in schools. To attain political strength, the arts community needs to keep getting to the people with power and

politicians to push for what we need. With the Obama administration, we need to be sure that the arts are part of the new New Deal and there is a cabinet-level secretary for the arts. One participant suggested that there should be a response team in every neighborhood to get the word out to those outside of the arts sector. There is also a campaign to hire artists in schools and community centers.

**Detailed Notes from Group B**  
**facilitated by Brad Erickson, Theatre Bay Area & Arts Forum**

**How does the economic recession impact you and or your organization?**

- Grants have been **reprioritized** elsewhere and leaving the special arts projects in the lurch – came about very suddenly
- Some foundations are telling us not to apply this year “because we’re not giving out money”
- Foundations focusing only on current grantees – not taking on new organizations
- Cities and counties losing money from the state of CA – “we should not anticipate funding” even for projects underway (City of Fremont)
- Booked tours are being cancelled, from private presenters and schools

**What are you doing in response?**

- Focus on individual donors, which so far are coming strong
- Since individuals are giving less, organizations must build relationships with donors (lots of work, very personal)
- From the City of Oakland: When City Council was recently looking at slashing programs/staff funding for the arts, what turned the city council around was the outpouring of the artist community. A new effort has begun to communicate more between the city and city staff and the arts organizations, new efforts to “funnel and focus” that communication to assist the elected officials in getting the arguments they need for why to sustain the arts. It’s important for the city to have a role in helping organizations to sustain themselves.
- AXIS has a very diversified earned income base because we have so much education.
- AXIS is presenting a deficit budget to the board for the first time in 20 years. Can do this by going into our reserves
- AXIS is refocusing a lot of energy on booking smaller performing and teaching engagements. We do a lot of work in schools, and we don’t know how many of those we’ll continue.
- Advice: Now is the time to dip into your reserves. This is the rainy day you saved for.
- Earplay has scaled back current programming, postponing one large project to a later date
- Earplay actively reached out to individual contributors. Got board to increase giving. Trimmed budget everywhere we could.
- Earplay is developing lower cost marketing tools. Cutting back on print and mailing, targeting a more specific segment. Called mailing list to see if they’d like to go green.
- Cut budget by 20%, exploring online marketing to the max, strategies in viral marketing, redirecting resources to new media
- Looking to explore “intimate partnerships” – share our space for presenting/operating/taking advantage of the IT infrastructure
- Reaching out more strategically – making phone calls instead of just mail/email
- Collaborating in marketing/advertising – combining our money/ad buy with others (it’s a buyers market)
- Investigate in-kind sponsorships

## What do you need?

- Money
- Free tools – free space (i.e., public library, small spaces that are open to NP's free of charge)
- Work collaboratively to facilitate cross-recommendations between companies that share audiences
- Contact your counterpart at other organizations, explore partnerships
- Need a model to manage highly-skilled volunteers
- Focus on the volunteer as a resource that has needs, and figure out what satisfies the volunteer (volunteer profile), create needs that can be filled by volunteers – volunteering as a “donation”, so don't treat it as less than that.
- AXIS – we need a way to know who is out there in terms of potential partners with other arts groups. What they're interested in partnering in? How do they want to share? – Create a “freecycle” for non-profits
- Return to a “village mentality” of mutual cooperation and sharing.
- We need to discover the *right* kind of advocacy tools. How do you argue in favor of continuing to support the arts, and how do you teach officials to advocate for you?
- We need a new vocabulary for talking about “the arts” because that's too amorphous to put a purpose to. If law makers don't know the purpose, they won't put it in the budget.
- Create a forum for communication and interaction
- We need good information and good advice on what to do
- Advice: look at every person in your organization and see how they contribute to the realization of your mission. Make some strategic changes in your organization— manage cautiously and stay ambitious. Basic principles of human management – organization and people need to be aligned to power your mission.
- Provide financial management for individual artists
- Provide network of artist mentors,
- Provide access to exhibition, rehearsal and performance spaces
- Individual artists feel isolated. “A lot of things happen in a network and when you don't come up in that network it's hard.”

## Possible Solutions?

- As an independent artist, we work too often autonomously – there's a collective way to voice and share and collaborate
- Organizations can use the Volunteer Center as a resource
- Advocacy: tie the arguments into education
- Build a forum for communication, facilitate thought and interaction
- Public institutions (e.g. the libraries) can provide space
- Create a central, online directory for the sharing of resources and making connections. Utilize a central organization for coordinating barter and partnerships.
- Collaboration on creating resources that everyone can access
- Create communication networks and convenings for the combination of information and politics. What would we need to do as a community to facilitate that intersection?

- Create central online resource for advocacy, facilitating contact with elected officials. Current resources include AmericansfortheArts.org, California Arts Advocates.
- Creative Capital – a model for partnerships with artists to articulate and meet mutually designed goals.

**Detailed Notes from Group C**  
**facilitated by Rachelle Axel, San Francisco Arts Commission**

**How does the economic recession impact you and or your organization?**

- Attendance is soft at YBCA; ticket purchasing is down. Hard to say if it's because of economy or programs. More work to get the audience they ARE getting. A lot harder to fill seats than in the past. Single ticket seats, in particular vs. season.
- Berkeley Rep says, "So far so good." Buying patterns are so far unchanged. After subprime: fall off in subscription sales. Fall off in school enrollment for adults. Expect to see fall of in contributed revenue. Too soon to say if contributed dollars (ie grants) are going to come in lower.
- Berkeley Rep: Doing more programs for youth (parents will cut themselves off before their kids). Anticipation of drop in funding. They have made budget cut scenarios: three different drafts of budgets for next fiscal year based on cuts to x, y, z. Will have a smaller organization. Committed to programming the same way and taking the same level of risk because that's a priority. But will have less actor weeks (less transparency). More work at senior level to make sure maximizing efficiencies, cutting expenses out of marketing that aren't directly income generating. Cut things before people to maintain payroll. Focus on activating audience: arts bail out on website for patrons to read, inviting dialogue through all of communications at the theater and on the website. Try to do risky work, so make sure people love the institution even if they don't love the work because not cutting prices. Enhance their experience: they can park, eat, get info on the website, give feedback, deepen experience of the art work (post show discussion, blog, beer night). Wine tastings are done through collaboration, so no real cost.
- Individual donors are far more cautious...delaying their commitment, saying, "I have to wait and see".
- Hillbarn Theatre says that some foundations that were all "green lights" a few months ago are not responding to calls and emails. They have just halted conversations.
- MOCHA says their contracts are gone or are decreasing. It's either less people asking for school residencies OR they are asking for the same services for less of a fee. Decrease in contracts off-site: afterschool, school visits are down (20-40%). Returning clients want same level of service, but want to pay less. Increasing or desiring an increase in collaboration; takes more hours than dollars.
- Promote the free days and the freebies at YBCA. Collaborate through community engagement program (other arts groups and community groups) to expand audience base, marketing in particular (trading email promotions, YBCA will send one for you if you send one for us). Prompted by economic need. 2-for-1 ticket offer leads to selling more full price tix (only for opening night, and maybe folks want to come on a subsequent night).
- Working theater artist—individual artist: Institute on Aging – hospital. She's not affected by economy because flexible (will get a job at Rite Aid), good to hear the emphasis on collaboration.
- Trying to remain sensitive and listen closely to foundation's priorities. If they are funding advocacy, then we need to ask for advocacy dollars.
- Hillbarn Theater: single tix sales drop by 35% since Sept. Subscription rates: 6 year high in renewals (pre-Sept subprime). Contributed income slowing (donors say they'll have to see before they make a contribution, so year end appeal has taken a drop, but hopefully in Jan/Feb, they'll give).

- Institute on Aging: Social service foundation tend to fund advocacy rather than direct service. Making it hard to raise money for the arts program. Fewer places to go to.
- SFMOMA: Major corporation supports family days at museums, but think they won't do it to the same degree this year. Shift in the next year in loan exhibitions: show the collection more and have exhibitions up for longer
- Consulting Firm: small preservation institutions did well in the \$10 range for adults. Lots of activity over the holidays because of price range and quality offering. Exhibit opening at \$5/head and it was packed on a Sunday. Good price, all ages. Low budget meets what families can afford.
- Carnival: last year sponsorships went down. Last year main sponsor, Toyota, disappeared. Series of events throughout the year: cutting back on those (junior king and queen)...fundraising and special events. Have to cut those.
- Museum of Children Art: Foundations: corporate way down, family are steady, donor advised are way down.
- GFTA: anxiety in their grantees. Income is in flux. Fear of the unknown. City depends on the work these groups are doing and hope that their daily operations won't be affected by fear. Asking for \$\$ in next few days or will shut down. People want inside scoop on next year's budget.

### **What are you doing in response?**

- TV producer: want public funding for the show, Dhalia Tonight. Doesn't have distribution. Arts orgs should get behind it so that they can have the TV, general audience viewership
- Berkeley Rep is trying to maximize efficiency. That includes cutting all marketing dollars that don't directly lead to revenue generation.
- Commitment to cut "things" before people.
- Independent producer (TV show): soliciting corporate sponsorships; they are more stingy about who gets their money. Target seems to be consistent about giving support to the arts. Holding on to their money to see what happens. But if they gave money, then their ads will show up and that'll benefit them. School arts programs: schools aren't set up to bring artists in. Get kids interested in arts.
- Encouraging senior staff to get involved in policy, join boards. Increase overall engagement to advocate for stabilizing the arts economy.
- Berkeley Rep is trying to activate their audiences more. If there's an article recently published that articulates the situation, they insert it into their programs, put more info on their web site, etc. Trying to invite more dialogue about the issue.
- SFMOMA is decreasing new exhibitions that they import or design. They are increasing their show of collections, extending the length of shows.

### **What do you need?**

- Market research and strategic planning company: information from your audience, what interests them and what do they value. Know what the essence of what you do is to define who you'd collaborate with and how that would work and even should you even exist.
- SFMOMA: what are other ways to collaborate: work with the small orgs, different orgs bring different aspects to the partnership
- Berkeley Rep: The Big List good for big and small, Samplist for Southbay, collaborative arts website would be useful: a go-to place for arts listings

- GFTA will do a new sfarts.org in the next two weeks, personalized arts resource for SF broadening to the Bay Area. Do you need more advocacy at City Hall, more convenings? Listings are more than just GFTA grantees. 8 disciplines, each with a curator, ticket buying function. It's going to be a one-stop shop for info, mostly SF arts info.
- Gallery spaces: gray market of borrowing from other organizations. We're good at doing a lot for very little. Call Camerawork of the Lab for mic stand, 10 volunteers, projector, person to install whatever. Others could benefit from the knowledge that Amy, who's been around, has. Make this networks be more visible. Strengthen it by institutionalizing it; make it less informal.
- Make a listserv for the kind of thing that Amy mentioned.
- Need new audiences.
  - CHALLENGED: isn't it time to focus on your core audience. In a downtime, it's hard to spend money on audience development.
  - BR: Core gives the best return on the least effort. But will never stop cultivating new audiences. Might have to do it smarter and cheaper.
- Tourists want to know what's going on tonight. Have tour guides promote if they get a pair of tix. They get tips based on how they turn on the tourists.
- David Gluck: Methodology about forecasting what kind of decrease to expect in attendance and giving. Can a national service agency do this for us?
- Younger audiences have potential for us because they didn't lose their stock market investments. They have jobs and didn't see their portfolio decline. And young philanthropists.
- New ways to reach people.
- More cross-pollination; looking for new ways to reach new people.
- Should we be focusing on ongoing audience development or nurturing core audiences? Both?

### **Possible Solutions?**

- MOCHA: Who does funding us make an impact? Called major donors personally and encouraged to give at the same level. Ask to buy membership for a family member. Ask them to build the audience. (Teaching artists and the staff). "Your money can save MOCHA." Institutionalize development; make everyone do it. This worked for them.
- SFAC: didn't have money to produce a catalogue. Short term strategy. Started Big 20 Club. Made ask for \$20 to board members, core community to raise \$2,000. Fast, direct way for donors to see impact.
- Models for space sharing? MOCHA donated space to small arts orgs in Oakland. There's a listserv that facilitates trading spaces.
- Increase points of free access as a way to build new audiences. Someone will come the first time for free...pay the next time.
- More 2 for 1s.
- Can't afford advertising, so either stop it or look for discounts.
- Reach out to tourist industry. Give tour guides 2 free tickets for mentioning where to go see a show or hear music or see an exhibition. Tourists don't know where to find this info and want a local's perspective anyway. How do we do this more systematically?
- Deepen younger, urban participation in the arts.
- Find out if there are employees who can get health and other benefits through spouse or partner; if they can, make them contractors.

**Detailed Notes from Group D**  
**facilitated by Ken Foster, Yerba Buena Center for the Arts &**  
**Judy Nemzoff, San Francisco Arts Commission**

**How does the economic recession impact you and or your organization?**

As you may know, Magic Theater is in the middle of an emergency funding drive to keep their doors open. I'm concerned about how this will impact the education project I run with them: the Young California Writers Project. I'm not sure what will happen with the project if they close.

I work with some of the large budget institutions like the Opera. They are feeling the impact at the trustee level because of the concerns they have about the economy. Also because they have such large audiences they have a larger constituency through which they feel that impact and anxiety. They're doing OK at the moment, but there are people who are waiting for the end of the year to see what happens. Endowments are losing money—some dropping by half. So that means my organization now has an \$8 million hole they need to cover. It's also hard to maneuver because with opera productions, we have contracts made years ahead of time, we can't just cancel those. So we're finding it difficult to steer on a dime.

Even as a smaller organization I also worry about cancelling shows. Many people don't realize that at the San Francisco Arts Commission Gallery we must raise money—we're not completely funded by the City. I worry about some of the projects I've been working on over several years. I'm also seeing scared individual donors. I'm concerned about the moral and ethical issues around working with artists I've made these promises to. In some cases I've been working with them for several years to prepare for exhibitions. It's heartbreaking because I see my role as one that empowers artists. So it's a moral issue to see how I can uphold these commitments.

That question of ethics and morals is important.

My organization is the Circus Center and we're actually doing OK at the moment because the circus traditionally does well in a bad economy. People want to be cheered up. We also just had a free open house event which was very well attended.

The Marsh has been ok – but what I want to know is have there been any edicts from GFTA yet?

Well, what we do know is that the Mayor has asked all Department heads to cut their budgets by 12½%. It could end up being more. There is a task force looking at the budget for efficiencies and ways cuts can be made. There haven't been any public announcements yet but I think there will have to be cuts for next fiscal year. This fiscal year the largest budget organizations have already been asked for cuts.

Does that also apply to smaller organizations?

No. That's from the three largest budget organizations at the moment but it may be the six largest.

Well, beyond that question The Marsh is doing well. We have very inexpensive tickets. But it's hard to project these things because it's show by show. But for instance, we recently had a kids show which was fairly costly but it did well and the tickets sold out.

Dance Brigade's income is higher this year than last year. But on the other hand our foundation support is down by 50%. Most of that funding was small grants to our children's education program. So that's impacting things. But I think it's important to note that The Marsh is doing OK and Dance Brigade is doing OK because we don't pay salaries. We're not dealing with salaries and benefits and all of those things. If we had to do salaries we'd be out of business immediately. Right now the information I'm getting is anecdotal. I'm looking for information. I know there are conversations taking place between foundation staff and program officers but I don't feel like that information is being translated to us in any real way. They're making these decisions like, "these are the organizations we're trying to save, there are those who we think will go by the wayside." I want more transparency. I know the foundations meet on a regular basis. I want more transparency on how they're thinking about these issues because they're making decisions that impact us. Work with us. There are people who predicted this economic collapse would happen. How do we prepare for a devaluation of the dollar? I may be doing ok at the moment but how long does that last?

I'm from an organization in San Jose. We're a glass facility. We're doing well. We offer free facilities for the public to access. One of the benefits we present to artists is that we are a visual space that can display work and can help artists with sales if they're in there holding a demonstration or working in the facility. We partner with other non-arts non-profits with large patron bases to tap into. We give back to them as well. For instance, we might have private sessions with their people through our artists who donate time. And we also partner with Palo Alto. We also work with Public Glass up here in San Francisco as well, so we're not limited geographically.

So you feel like you're doing well because of other resources?

It's how can I do something for you? And from there things usually work out and they bring something too.

I work with Triple Base Gallery and we rely heavily on art sales. We're fiscally sponsored so we're limited in what grants we can apply to. We've made most of our money from sales. The art market has tanked recently—the last art fair was depressing, people were walking around with their heads down. We're planning for half as many art sales in the next year. Last year was a peak and we restructured based on that, but now I'm planning for other jobs and finding ways to get other income. We have a staff of two people and our time will be divided by other jobs even further. I'm also concerned because some of the artists we represent are moving out of the City because they can't afford it. They had come depend on sales a bit but now those aren't happening. The art market is changing and we're going to lose great people here in the city. We might make a few small sales but definitely nothing big.

I'm with the Jewish Music Festival. I just wanted to speak about the question of collaborations and co-sponsorships. On one hand they're going to be useful to get the word out for programs from both organizations. On the other hand, we had a relationship with an organization that had problems that has now pulled out of co-sponsoring a project. So now we either have to cover the budget costs ourselves or we cancel. It makes me leery of entering into those relationships and makes planning more difficult.

That connects back to the earlier question of moral and ethical issues.

That's about monetary partnerships, but for instance, my organization has a community partner that's a food pantry. So they're happy if we can put out barrels to collect food at our events and in return, we get access to their patron base and lists. So we use what we have to make do. It's not just about funding. We also need patrons.

There are different collaborative relationships. But when you're co-commissioning a new work, if that partner drops out, what do you do?

Try somewhere else? Find another partner.

Performing Arts Workshop is an arts education organization. We're funded by Department of Children, Youth and their Families and California Arts Council. We don't have an immediate indicator of where things are like ticket sales. Our individual donors are down. We have some long time individual funders who are cutting back or not funding us. We're affected by the school district which is in turn affected by the state budget deficit. People are being more tight fisted than what they could be because they're unsure. DCYF cuts are really effecting us in the field. Uncertainty is affecting the arts community. And we employ a lot of the artists who in turn perform work at your presenting organizations so we're a key part of the arts ecology.

My organization, Center for Art in Translation, has a publishing arm and education arm. We work in schools. But we're reaching out to private schools now, too. We teach students to use their language skills to translate poetry. We charge low fees to schools. Now we're looking at differently structured options. Should we do something after school? Have a summer camp? Working with the school system is problematic. They don't know what's happening to their budget right now. They're unsure so they're not planning right now. So we don't know if any schools are going to book us at all. We also have a free series of lunchtime readings. We have money for next year, but we're going to have to look at what happens the following year. We are looking at different options: we may use more local writers and not fly anyone in, not pay anyone or pay less. Fortunately we aren't going to cancel the program yet. New donors dropped off. People who might give \$50-100 cut their donations in half. But we had a small group of loyal donors, who come every week to the lunchtime program, who increased their donations because they were worried we would close. That was heartening.

There's a phenomenon: people who can't give, aren't, but there is a group with money that does give. If they're involved in the organization, they do give. It's a winnowing of the donor base in some ways.

I'm finding that's not quite true. The people with money are also nervous. I'm finding that it's people who don't have money are giving. Our donations have been coming from artists and people without a lot of money.

Either way I think it gets to the idea about why people give to an organization. People will stretch for what they care about.

In my experience, we have a drop of donations from people who truly can't afford it. We work with low income folks. Our giving has been less broad but deeper. So the people who are giving are hearing the call. They are responding to the case that we need the arts in hard times. They're hearing that. I just wanted to encourage folks to talk about things they're doing that have been successful as well.

Let's get a few more responses around how things have been going first.

We're seeing the effect of fear. Individual donors are afraid. They're taking a wait and see approach. Single event ticket buyers are waiting longer to buy their tickets. This has been hard because last year was the first year without our organization's founder and now this. But on the other hand, in December we saw 20 new, first time donors.

How was your box office?

We were under our projected goals, but then again, those were pre-collapse goals. So we did ok.

At Lamplighters we made a conscious choice to go positive in our fundraising drive and to not talk about how the economy is bad. We focused on what we were able to accomplish in the past year. And we met our goal by staying positive.

It goes back to the general rule of fundraising that people want to give to successful organizations, not a struggling one.

At the Community Music Center we had a record breaking enrollment for our classes in the Fall. We were worried about our Winter session but it's been doing well so far. People still want to make music. But it will be challenging starting with the 2010 fiscal year. We're OK through 2009.

To add to that, one thing we've noticed—we usually announce our performance series for the year in May or June, but of course in order to do that we have to plan for those events now. But things aren't falling right in the timing of our usual grants. For instance, with one of them, we won't hear back about the status until May. Ordinarily we can go on faith that things will come through, but this year we're making two budgets—one version as if we're doing OK and one that's in triage.

Let's move to the next question: knowing all of this, **What are you doing in response?**

There's a challenge now to have a different relationship to our donors. We need to have real investors in the mission of our organization. I spend a lot more time taking individual donors to lunch and spending time talking with them—even if we don't have the money to be extravagant. But the foundation issue is different. Foundation officers typically create a wall between us and them. But I've found that there's a little receptivity and that behooves us to call our traditional funders and ask them for help. Tell them, "we're trying to plan for the next year, can you help us?" It's too late to be shy anymore. I think they'd be receptive. We might not like the news they have for us, but at least the uncertainty would be diminished.

We can also lobby the foundations around the 5% payout. This is our chance to challenge them to do more than the 5%.

I agree, but I caution that we need to approach foundations carefully. Especially with family foundations that are run by older generations of the family because they tend to have a high value placed on intergenerational equity and making sure there is money for future generations.

Yes. My language was blunt there.

What I want to know is: Is there a strong lobbyist for the non-profit arts sector that is working with the people involved in the stimulus package? If all our cities had lobbyists with access it would be great.

Marc Vogel from Hewlett is on the transition team. But he can't say much right now. Dana Gioia from the NEA has been hired to do some work with the administration as well.

What's he been hired to do?

To lead an arts and culture planning group.

Luis Cancel and I met today with a staff member from Nancy Pelosi's office to talk about the stimulus package and getting art in there. She wants to hear from you all as an arts community. Her name is Stina Skews-Cox.

Well we had a WPA program in the 30's. We need to let them know that this is an important sector to put people to work in. I feel like arts education is of strategic importance.

At California Lawyers for the Arts we see our role as conveners. We had a dialogue about the arts and the environment in November. In a conversation with the state PUC we learned about funds that are going toward alternative energy and training and communication around those issues. There's an artist in the agency interested in directing funds toward the public through the arts. They're talking about art as a communicators but also innovative approaches by artists to the issues themselves. There were people from the SF Arts Commission who were there. So there were conversations about the commission being a conduit for those funds. In essence, reaching out to other sectors is important.

The reason we're even here today is that Luis Cancel sent out an email trying to get information about how we can get in front of these cuts. Marc Vogel did talk to him about that. I think that if there are 4 or 5 clear things that come out of these conversations about California artists doing something about that, those things will be taken out to other policy makers. The results of this meeting today can be passed on to Marc Vogel and other people working with Obama.

There is also a website run by Obama's people that you can post comments to directly.

I do hope you are reading the newspaper and keeping up with local politics. Things will heat up at City Hall. The Board of Supervisors and Mayor will not agree about arts funding. Show up for those meetings. I encourage you to monitor the situation. Some serious changes will happen.

Know your Supervisor. Talk to them. Tell them you live in their district.

Even more important, shoot your Supervisor tangible statistics about how you impact your community. Be specific. Give them the raw numbers that they can use to make the argument for funding.

We haven't done well as a community around advocacy—especially as small organizations. In my organization we happened to make the commitment organizationally to do more work around advocacy.

I think the California Cultural Data Project is eventually going to be doing that work in collecting the data we need. We'll be able to do that work and collect that information. So it's going to be in that repository.

The politically left-leaning supervisors are supportive about the arts. They're not necessarily supportive of all the arts organizations but I think they already have a good sense of the role the arts play. I think the problem is the rhetoric from the higher up foundations—the call has been for stability. But what does that mean? How is that determined? Is it just based on the Ballet doing well? What about us as a small organization? The rhetoric needs to change. I heard them talk about the necessity of having a commercial aspect to our programming in order to survive. But Broadway is commercial and half the shows there are closing down now. So what is the answer? The money should be pumped into the lower echelon of the arts community. If the money is coming in it should come in from the bottom. I think it's important to keep more people marginally employed instead of a small group with higher salaries. There's this talk about making sure we have 401k's and stuff that's not necessarily even going to be sustainable into the future. And I'm not the biggest fan of the Data Project. I think in the end it's the same thing about who's organized and who's not organized. I've had conversations with Haas Foundation and they aren't behind it. There's all these ideas around rigidity and I think they need to go to the wayside.

People are really focused on solution building. The ideas around endowment building, earned revenue, and the like aren't working. There is this massive shift happening. Those who get that are the ones who are going to survive. The ones with wealth and power now might not be able to come around to that view. I think the key is resilience—not meaning stable but resilient. It's the heart of what it means to be an arts organization. The money is not the heart of that.

The SFAC Gallery is getting ready to celebrate our 40<sup>th</sup> anniversary. We've changed a little in that time but we need to look at the smallest organizations and learn from them. I just want to highlight the work being done at Triple Base Gallery. They're an organization that isn't quite a commercial gallery or a non-profit organization. They don't have a board. It's exactly what I'd do if I was starting out again. It's being done by these younger folks starting out. They're nimble—only run by two people. It's the new hybrid models we need to look to. I might need to strip off the traditions and move toward that kind of hybridization—entirely new models of what arts organizations are.

It's think ambitiously and manage cautiously.

I also think we need to make sure there are more artists and students in the room. I brought some from my program with me. But many weren't that interested yet. It's not that fun to come to these meetings yet. So there is a certain arm twisting that needs to happen. It's always these arts administrators that get together but artists aren't there. And the people who are both artists and administrators get frustrated.

As a region—we have clout as a region—what organization can function as an advocate for us? Who has connections to deliver that message? I'd be more than happy to donate to the group who can do that work. I want to connect with them. Who is going to be the effective group in that role? I'm also concerned about the Program Officers at the foundations—they do talk and affect each other's policies as well. So we need to take a hold of that. I've had bad experiences with foundations asking for community feedback and not doing anything with that information. There's no communication or real stake in what the community thinks.

I'm hearing a desire for a centralized voice.

If my organization hadn't learned from the lessons from both the for-profit and non-profit sectors we would have closed two years ago. We get some individual and funder support, but we want to learn from what people want. We are talking with the people who come to our space. We're trying to find out what our strengths are and what makes us special. What you would pay for from us? What can we offer that would be new?

So what I'm hearing from people are the need for deeper relationships, deep rather than broad, collaboration, questions about who we talk to that can be an advocate, lobbying program officers and foundation boards about the 5%.

I think we need to talk about education. Our future is what we can offer students. Education in California is getting the ax. On one hand I hear Obama talking about education and on the other the governor is cutting education. So I feel like we're at cross purposes between national and state governments. I'm interested in partnering with other organizations if mine doesn't survive. I think it's important to remember that there will be a whole range of California people in the new government—in a range of fields. How do we connect to them?

I think it's important that funders shouldn't bail anyone out. If an organization is consistently meeting goals they should give to them. But don't push to consolidate organizations. I see that tendency in funding to lob money to certain organizations. Like they think there should be three theater groups and three visual spaces and three dance groups.

There seems to be a lack of reality. I hear a lot of theories and ideas. But not a lot of understanding of what works and doesn't work. I want to know, funders what are you doing? You're missing so much. The theoretical approach doesn't connect to what organizations are doing.

I think it's important to get the word out not just to the funders but to our audiences. Marketing. I think there are collaborative ways to do marketing. Like in New York where the restaurants do collective marketing in January because people don't go out to eat in January. Or how Theater Bay Area does a one night of theater free.

I've found that when you have events pay what you can along with an ask, people usually pay on the higher end.

I have a weight on my shoulders about the issue raised earlier about artists potentially not surviving and leaving the area. Where do they live now? How do they support themselves? How do we give them jobs? Can we pay them an honorarium for small jobs at least? I have a big commitment to artists. And beyond money, I think there are resources we have as organizations that we can share with them. There are artists I've met that don't know about resources like Scrap or electronic resources and equipment to exhibit their work. Or programs at the SF dump. So we all have our secrets and organizations can give those resources to our artists.

For me, with all I've learned today, I need to remember to turn around and pass that on to my artists. I need to get them to understand that they're a part of this larger picture. I feel a commitment to that.

I have a question about venue costs as a producing organization. We're always taking on a huge risk with those venue costs. Is there a way to work with venues?

Well, as a venue I know we also have to worry about the risk as well. But I do think that this is an opportunity to negotiate or talk with one another.

At ArtSpan, we've been very good about leveraging resources. We forward contract on a lot of things. But I can't do that right now. For publishing, we work with printers to do forward contracting around paper costs. We had forward contracted trucking costs around gas that saved us when gas prices shot up over the summer. But now we call to try to secure those things, but nobody will call me back or do that now because of the uncertainty of the economy. So I don't know what my costs will be for the next year.

I just want to say that I think the San Francisco Arts Commission Individual Artist Commissions program is essential to the well being of the arts ecology. It's one of the only cities that funds individual artists. I received one ten years ago and it's changed my life.

## **Detailed Notes from Group E** **facilitated by Deborah Cullinan, Intersection for the Arts & Arts Forum**

A group of more than 30 people gathered in a breakout session. The goal was to gather information about how the state of the economy is impacting artists and arts organizations. The group was made up of artists, arts administrators, members of the press, and representatives from the Mayor's Office and the California Arts Council. There were participants from some of the large budget institutions in the Bay Area and participants from collectives and organizations with very small operating budgets. The mood was deeply collaborative, tentative and hopeful all at once.

The group was charged with responding to four basic questions: What is going on (how is the economic situation impacting you)? How are we dealing with this? What do we need? What are potential solutions?

Following is a recap of the discussion:

### **How does the economic recession impact you and or your organization?**

- It was reported that we should anticipate at least a 25 percent cut in public funding. City cuts at this level will come into play July 1 or earlier.
- It was reported that – regardless of where an artist or organization is in their trajectory – we are incapacitated to cultivate new foundation or corporate relationships. This is a time of pulling back and focusing on what is known.
- The situation is impacting artists' ability to maintain legitimate housing - lots of artists are losing their mortgages or leases. People are forced to accept Live Work situations that are illegal, tenuous, and at risk.
- Organizations are giving up space, desperate for affordable office space
- Teaching artists- typically a group that pieces together a livable wage – are faced with far fewer job opportunities.
  - Example: L.A. is holding off on Arts Ed funding because of fear of layoffs- illegal?

Participant cuts? Specific stories?

- Contemplation of moving out of state i.e.,: disability, accessibility
- we don't know how to fund aggressive outreach, increase of rent, space is seen as precarious to landlords
- Anecdotal need for galvanization, belief in the history of activism outside of a cash economy= centralized strategy.
- Accessibility funds cut- not everyone can participate
  - City is consistently and increasingly de-valuing the role of the arts
- enrollment decline in state university system impacts everyone
- cuts are already permanent – there is no going back
- hiring freezes – no room for growth i.e., SFAI had closed for a month: bigger institutions through smaller ones
- individual donors and audience members challenged to step up to the plate.

Possible Responses:

Be more flexible

- what services can we provide without cash? People are flocking to “free” cultural events. How do we use this as an opportunity to Open Up our spaces and our sense of culture?
- How do we use this as a galvanizing opportunity?

### **What are you doing in response?**

#### Morale issues

- Board members rallied in some cases/Burnt out in others.
- Staff more active in some cases/lost and scared in others
- Increased awareness in engagement
  - people paying closer attention, a year ago more complacent, now you have to be on top of things to be productive
- persistence is key!

#### ON OTHER HAND: (Morale)

- Morale has to do with personal resources
- cant see end in sight
- people are more agitated, less patient, and feel less productive
- edgy - there is a fear of survival, and the possibility of increased competitiveness that will not serve well.

### **What do you need?**

#### Overwhelming Need for Resource Networks

- helping each other
- Mapping the terrain – understanding what is out there and how we might better work together
- so much capacity within ourselves
- trainings for those who don’t know
- Networks
- Funders can help by convening and encouraging different models for ensuring that vital art and vital missions are delivered
- Funders can encourage collaboration and sharing resources
- Calendar of activities: eliminate competition
  - Lesser/ smaller schedule
  - Example: IDEA MAP- connecting organizations: what’s missing and what’s overlapping- seeing groups who could talk to one another – a real view of the terrain
    - Look for similar programming, new tools

### **Possible Solutions?**

#### Involving artists

- being insistent and positive that we will find a solution
- it is important for the leaders to be positive
  - instead of awaiting the tidal wave, we should become the tidal wave
- making radical shifts within our organizations
  - give up the idea that it will go back to normal
    - open a lemonade stand!

- Commit to our role as integral parts of a larger community – be part of the solution
- Make our spaces vital in the here and now – open, accessible, relevant

#### NEW TOOLS:

Work together while holding onto our own specific goals

- we need to look at vital missions and programs instead of holding onto every organization
- Merging to sharing office space  
Example: applying for funding is easier with merging

#### Centralization

- clarity about where people need to go and how to get there (and through whom?)  
Example: 2 organizations applying for same grant with same goals
- eliminating competitors, a way to encourage collaboration?

Being TRANSPARENT as well as being CREATIVE with resources to staff

- sharing personnel resources
- sharing the truth about what is happening

How to organize and respond to opportunities

- apply to be sponsored project (as opposed to starting a new org)
- plug into existing networks
- encourage real leadership in our region and our field

This is a great time to recruit volunteers

- A lot of job hunters, people applying to jobs and want to help
- Incredibly time-consuming to work with volunteers – a potential distraction. So keep your eyes open.

Partner outside of the arts

- Look for help beyond our normal borders
  - Example: SF Chamber of Commerce, business people and programs that we are not tapped into that could really help out/ cosponsor  
Example: California Arts Council
- Voice of individual donors be introduced
  - These voices are central to our organizations, members who in the past are on the sidelines will motivate to collaboration and involvement

The government needs to know what the arts means to SF

- It is incumbent upon you to relay the message of arts
- Opportunity to influence policymakers
  - Advocacy CAN mean meeting your policymaker or writing a letter
- Get out, get heard, make sure the arts and culture is not taken for granted
  - they need to be briefed about what you are going through and how you are addressing community and City priorities
    - Example: In Oakland, hundred of people from the arts council showed up, and the cuts didn't happen (this was reactive)
    - How can we be more proactive – tell the story of the arts everywhere all the time.

Models: Letting people figure it out/ or coming together as a community

- innovation to fill the gap once we know what the gap is for our own organizations
  - o Union organizers? Leaders who can help negotiate within our own organizations
    - Example: The Arts license plate, \$2 million a year

Radical rethinking

- The more you open it up, the better chance of surviving, or at least adapting
  - o Midlevel or larger institutions
- Creating programs that re- use our sites as CULTURAL centers
  - o All of these unused spaces, creates another opportunity
    - notion of the annual fundraiser
      - rethink, perhaps throw out
  - o The paradigm has shifted, one must think outside the box
    - Re-think the nonprofit vs. for-profits
      - changing the ideology surrounding the business model: people doing good things are put down
- Re-investing in education
  - o \* educating the youngest of us to be advocates from the start
    - - Example: Yerba Buena alliance
      - integration into community issues

There was a strong sense of momentum that after we leave this meeting we must be doing things in the meantime to work through these issues and find tangible solutions. It is essential that the organizers of the meeting ensure leadership and follow through. People are eager and ready to evolve the paradigm.