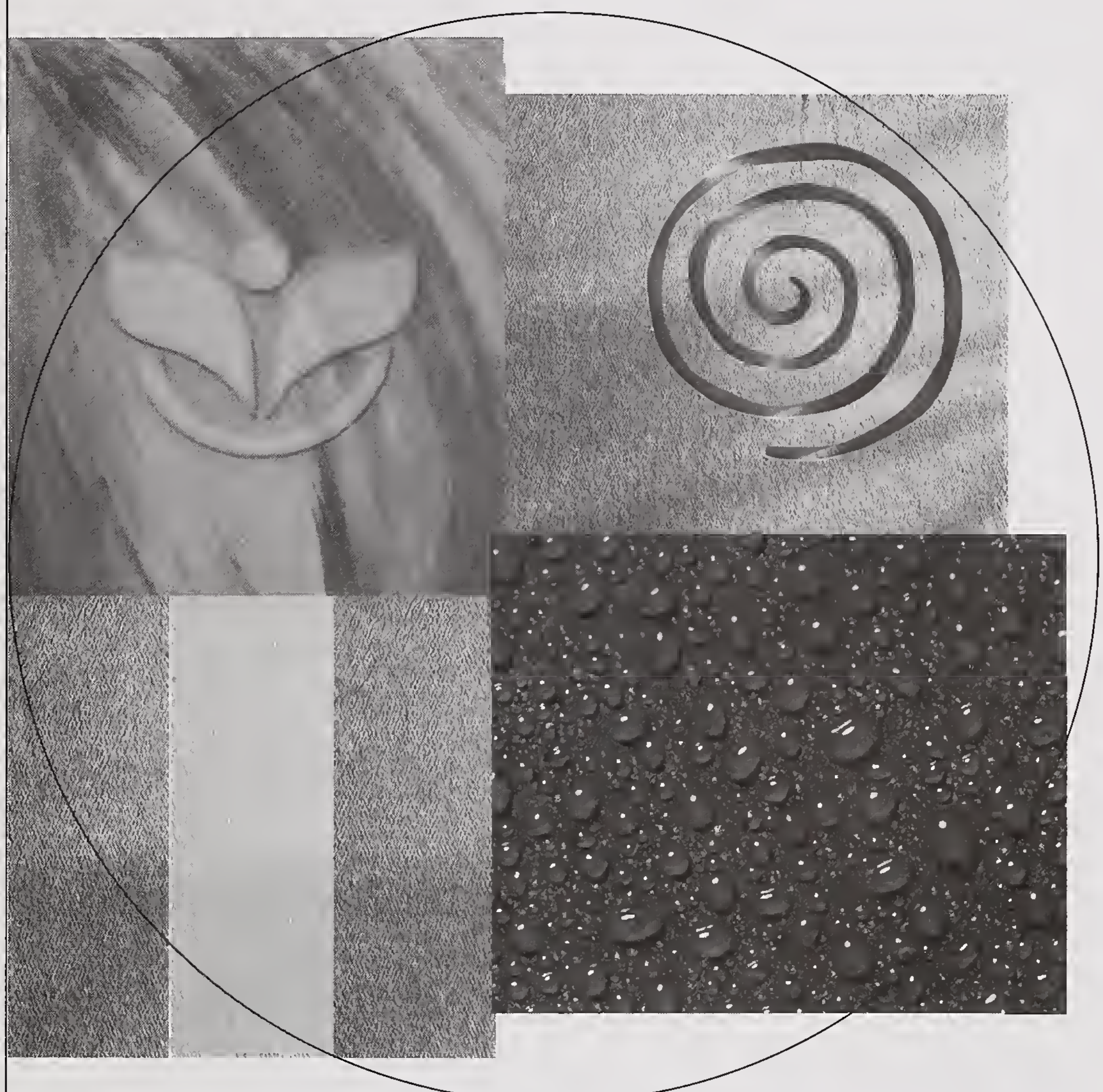
Reassessment of Support for Arts Organization Resources

A Summary Report on a series of ten colloquia
convened by the National Endowment for the Arts
and organized by Bay Consulting Group

November 2000

NATIONAL ENDOWMENT FOR THE ARTS

Reassessment of Support for Arts Organization Resources



A Summary Report on a series of ten colloquia
convened by the National Endowment for the Arts
and organized by Bay Consulting Group

November 2000

NATIONAL ENDOWMENT FOR THE ARTS

Table of Contents

Throughout its history, the National Endowment for the Arts has been a leader in national efforts to promote organizational stability. Today, arts organizations are increasingly asked to respond to the demands of new audiences, new technology, and new sources of competition. After three decades of helping to build a strong arts infrastructure, the NEA is reevaluating its strategies for applying limited federal resources to the challenges facing artists, the cultural community, and arts organizations.

To begin this process of reevaluation, and to better understand the challenges facing America's arts organizations, the NEA hosted a series of ten colloquia in 1999. Representatives from both large and small arts organizations met with experts from such fields as advertising, education, the entertainment industry, Internet services and charitable gift funds to discuss how arts institutions can more effectively serve the citizens in their communities.

The colloquia made several important findings:

1. *Arts institutions remain undercapitalized, understaffed, and fragile.*
2. *During this decade, arts organizations will face a widespread leadership transition.*
3. *Throughout the arts field, there exists a need for sharing knowledge and best practices.*
4. *In the area of technology, the arts are characterized as "have-nots."*
5. *Arts organizations lack resources for risk-taking.*
6. *The nonprofit arts are unable to embrace change with the creativity and flexibility of other sectors.*

In the pages that follow, we share with you highlights from the colloquia. I thank the forty-one speakers for their reflections about the health and future wellbeing of our nation's arts infrastructure. The recommendations and information gleaned from the colloquia panels will help NEA develop grantmaking strategies for building stronger, more resilient arts organizations in 21st Century America.

Bill Ivey
Chairman

List of Colloquia & Presenters

Organizations & the Future, May 14, 1999

Joe Coates, *President, Coates and Jarratt*
Michael Gallis, *Principal, Michael Gallis Associates*
Bruce Kogut, *Professor of Management, Wharton School, University of Pennsylvania*
Stefan Toepler, *Research Associate, Comparative Nonprofit Sector Project, Institute for Policy Studies, Johns Hopkins University*

Audiences of the Future/Building Community Ownership, May 21, 1999

Arnold April, *Executive Director of the Chicago Arts Partnerships in Education*
Juana Guzman, *Director of the Chicago Neighborhood Tours for the Department of Cultural Affairs*
David Halen, *Concertmaster, St. Louis Symphony Orchestra*
Hal King, *Managing Partner of King, Brown and Partners, Inc.*

Information & Technology, May 24, 1999

Anne Green, *Director of Grantmaking Programs, Benton Foundation*
Anthony Riddle, *Executive Director, Manhattan Neighborhood Network*
Douglas Rushkoff, *author, lecturer, and social theorist*
Fred Silverman, *consultant, philanthropy and corporate community relations*

State and Local Funding Partners, June 1, 1999

Peggy Amsterdam, *Executive Director, Delaware Division of the Arts*
Shelley Cohn, *Executive Director, Arizona Commission on the Arts*
Norma Kaplan, *Division Chief, Cultural Affairs Division, Arlington, VA*
Jennifer Severin Clark, *Executive Director, Nebraska Arts Council*
J. Mark Schuster, *Professor of Urban Cultural Policy, MIT*

Innovation & Entrepreneurship, June 2, 1999

Jerr Boschee, *President and CEO, National Center for Social Entrepreneurs*
Nicolas Kanellos, *Founder and Director, Arte Publico Press*
Hal Cannon, *Founding Director, Western Folklife Center*
Van Romans, *Director of Cultural Affairs, Walt Disney Imagineering*

Life Cycles & Critical Junctures of Organizations, June 14, 1999

Dudley Cocke, *Executive Director, Roadside Theater*
David Gockley, *General Director, Houston Grand Opera*
Cora Mirikitani, *Senior Program Director, James Irvine Foundation*
Susan Stevens, *President, Stevens Group at Larson Allen*

Facilities Development, June 15, 1999

Tom Borrup, *Intermedia Arts*
Cora Cahan, *President, The New 42nd Street*
Adrian Ellis, *AEA Consulting*
Sally Jo Fifer, *Executive Director, Bay Area Video Coalition*

Leadership Development & Capacity Building, June 21, 1999

Marian Godfrey, *Senior Program Director, Pew Charitable Trusts*
Allen Grossman, *Senior Lecturer, Harvard Business School*
Jean Horstman, *Manchester Craftmen's Guild*
Emily Todd, *Houston Endowment*

Capitalization & Organization Development Strategies, June 22, 1999

Michael Gehret, *Director of Development, Chicago Symphony*
Clara Miller, *President, Nonprofit Finance Fund/Cultural Facilities Study*
Nancy Sasser, *President, National Arts Stabilization*
John Kreidler, *Senior Program Executive for Arts and Humanities, San Francisco Foundation*

Changes in Philanthropy, November 22, 1999

Jane L. Delgado, Ph.D, *President and Chief Executive Officer, COSSHMO*
Cynthia Egan, *President, The Fidelity Investments Charitable Gift Fund*
David Eisner, *Vice President of Corporate Relations, America Online*
Peter Frumkin, *Assistant Professor of Public Policy, Harvard University*

I Entrepreneurial Strategies for Arts Organizations

"...a means to a much greater end"

Midway through the ten colloquia, NEA Chairman Bill Ivey expressed his sense of two contrasting approaches to arts administration, one stressing the traditional tools of institutional stabilization—endowments, cash reserves, board development, and the like—the other, drawing on more recent economic trends, insisting that "...what's really important is flexibility, entrepreneurship, the ability to seize opportunity...." "These are very different senses of where we go," concluded Ivey, adding at a subsequent session that our very notion of "stability" may be in flux, too. What really matters in this regard, he suggested, might turn out to be the strength of an organization's ties to the community rather than the size of its endowment.

The colloquia participants generally agreed that the two approaches of institutionalization and entrepreneurship are not mutually exclusive, that given the changing climate of the time, few organizations can afford to hew to a single-minded course in either direction. In fact, as Allen S. Grossman of the Harvard Business School observed, the only constant is change itself. "One thing is for sure," declared Grossman. "Change is the constant that we're all faced with—change in funding, change in arts audiences we serve, change in the programs." Urban planner Michael Gallis shared Grossman's sense of the current climate of change, likening the cultural sector to other aspects of American life that have been radically transformed in recent years. "I think we have to recognize we're in a different world, in a ruthless world," declared Gallis. "...If we've created a system of, quote, 'subsidy,' by which we talk about ourselves as a charity, we are missing the boat about what the twenty-first century is about...." Even within the realm of purely institutional concerns, we have to do some "fundamental rethinking," Gallis added, pointing to the shift from a focus on attracting charitable contributions to one of managing strategic investments.

Leveraging financial assets

David Gockley, general director of the Houston Grand Opera, expressed a similar concern, suggesting that arts organizations needed to adjust their perspective on their own financial assets. "I think one of the financial things we have to get away from—the field has to get away from and nonprofits have to get away from," observed Gockley, "is that the only source of being is subsidy," that a nonprofit organization "...can only be healthy if somebody's giving [it] something. Because it takes all the responsibility out of the hand of the organization itself, and puts it into the hand of somebody else...." Gockley went on to distinguish between different kinds of organizational assets, a distinction based not simply on their origin, but on what they represent to the organization as well. "I wouldn't make general operating support and working capital synonymous in an organization," Gockley explained, "even if they were meant to be the same thing, because working capital puts the onus back on the organization—that as an organization, I need to be financially healthy, I have to have a form of discretionary cash to make a difference in my operation or [my] financial health."

Colloquia participants generally agreed that the two approaches of institutionalization and entrepreneurship are not mutually exclusive, that given the changing climate of the time, few organizations can afford to hew to a single-minded course in either direction.

The theme of "venture capital" was raised repeatedly at the colloquia, a reflection of the changing climate in which arts managers toiled as the nineties drew to a close. The Chicago Symphony Orchestra's success in recent years, for example, is rooted in the orchestra's having taken a much more entrepreneurial approach in charting its future. "The Chicago Symphony Orchestra made a conscious decision in the early 1990s that it needed to expand in order to thrive," Michael Gehret, CSO vice president for marketing and development recalled. "...It was at this time that trustees and staff made the decision that the CSO needed to be a bigger operation—one that presented more concerts to more people, that offered a wider variety of programs, that reached an audience more diverse in every way than its current one." The transformation, as Gehret described it, was a dramatic one:

> In the early 1990s, the Chicago Symphony Orchestra was a 25-plus million-dollar-per-year operation, providing 112 subscription concerts and presenting a limited number of additional concerts during the season. Now the CSO operates a symphony center that includes a successful public restaurant, Rhapsody; the ECHO interactive music education center; and a new 2,300-square-foot symphony store, designed to attract destination shoppers.

While the orchestra still performs 112 subscription concerts, the organization also presents more than 100 other concerts, from a sold-out jazz series and Saturday-morning family concerts to chamber music events at various locations around the city. It also continues to maintain a training orchestra and conducts dozens of educational and community-engagement programs.

If all of that sounds typical of multifaceted arts institutions in the nineties, with museums and performing arts centers often fulfilling a variety of roles in their communities, the financial plumbing beneath the surface of the CSO's expansion is much more illustrative of the new era. Through an ambitious capital campaign coupled with the issuance of tax-free bonds, the CSO's net worth over the past decade climbed from $98 million to $245 million. The secret of the orchestra's dramatic growth owes more to Warren Buffett than to either Beethoven or Brahms, as the CSO used "arbitrage," borrowing funds at an effective rate of 4 percent and earning investment income of around 6.5 percent. "This method of increasing the institution's capital base," Gehret hastened to add, "won't work for everyone," but the orchestra's aggressive approach to financial management is typical of some of the more opportunistic strategies that nonprofits have adopted in recent years.

"Risk is a condition of being alive in America today," King declared. "One of the problems that a not-for-profit organization has is that there's no one in the organization or involved in the organization that's trained to accept and manage risk. I think one of the things not-for-profit organizations can do when they enter an area that is going to involve risk, is to rely upon people who routinely have risk as a part of their culture or their business.

Constituencies as assets

A number of other arts organizations are starting to shoulder much more of the responsibility for developing their own financial resources, rather than relying on traditional sources of grant revenue. These are often the same organizations that have adopted other entrepreneurial strategies as well, such as shifting from traditional audience-development techniques to a new emphasis on customer service. Bill Ivey identified this trend as the other side of the entrepreneurial coin, one that stressed customer relations over earned income, and long-term planning over more immediate gains. "...[T]here are a couple ways of looking at entrepreneurial activity as it relates to nonprofits," Ivey observed. "One is to think of it as being about earning dollars by selling things and looking more like a commercial, for-profit business. The other way is that it's the style of operating that puts you in close contact with audiences, and engages you in a long-term, strategic, careful planning process."

Market researcher Hal King agreed that arts organizations need to monitor more closely what amounts to their "customer base," both by gathering information from the attendees in their midst and by re-establishing contact with these individuals after they leave. "Far too many times we allow people to come into our venues, or in contact with us, and we make no record of that contact," King complained. "Part of our responsibility as arts organizations, or any community organization, is to keep in contact with the people who come, to cause them to give their names, to register. When they leave, write them again. Ask them what their experience was. Create a dialogue and an open channel of communication with the community served. Too many places I've gone into have spent too much time at the front end, and no time at the back end, in creating a relationship with that community that they developed."

"I think that being an entrepreneur is very much like being an artist," observed Cannon. "'Entrepreneur' is defined as 'a person who organizes, manages, and assumes the risks of a business enterprise.' Artists take inspiration and the inherent risk of inspiration, crafting it into art. Good entrepreneuring organizations do something similar. They take innovation and the risk of that innovation and then manage it beautifully."

Establishing such relationships proved to be especially important to the Western Folklife Center, whose Cowboy Poetry Gatherings, which started small, gradually developed into enormously popular events. "If there's a secret to any success we've had as entrepreneurs," explained Hal Cannon, the center's founding director, "it's really been in understanding who our audience is and working with them." Other arts organizations have undergone a similar transition in regard to their "customer relations," one that affects a wide variety of organizational activities, from advertising and marketing, to audience tracking and retention, to new forms of collaboration and partnership.

Entrepreneurial readiness

Viewed from another perspective, suggested Juana Guzman, director of community cultural development for the Chicago Department of Cultural Affairs, the distance from arts institution to arts *enterprise* is not really so considerable. "I'd have to say that I've known some organizations that are not-for-profit that have done a phenomenal job of creating an earned-income component in their facilities," Guzman observed. "We have to remember that while many not-for-profit organizations really don't have people who have an entrepreneurial background or a business background, you have to consider the fact that they made this institution happen. They raised all this money. They trained all these people. So they really have the ability to sustain the facilities. I think they have the skills to sustain a business."

Hal Cannon agreed that the gap between the two worlds of art and business is not a large one, touching on one of the hidden strengths of the cultural community. "I think that being an entrepreneur is very much like being an artist," observed Cannon. "…'[E]ntrepreneur' is defined as 'a person who organizes, manages, and assumes the risks of a business enterprise.' Artists take inspiration and the inherent risk of inspiration, crafting it into art. Good entrepreneuring organizations do something similar. They take innovation and…the risk of that innovation and then manage it beautifully."

In the process of following this new path, concluded Boschee, it's important that the organization bear in mind its reasons for undertaking its journey in the first place. "Remember the balance," he cautioned. "Remember that entrepreneurship is not an end in itself. It's a means to a much greater end."

For her part, Juana Guzman has seized upon a burgeoning cultural tourism industry to assist small, community-based arts organizations in generating new sources of income, using such marketing strategies as gift shops, craft marketplaces, cafes, guided tours, and online sales. Two programs that Guzman initiated in 1997 have been particularly successful in this regard, and they might serve as models for others seeking to integrate community-based organizations into larger economic-development programs. The Chicago Neighborhood Tours Program escorts visitors to community cultural facilities and architectural sites, to a locally owned restaurant for a meal, and to a brief artistic demonstration or performance by a local artist. All of the guides (more than 100) and artisans (more than 50) involved in the program are community residents who are paid for their services. Similarly, the Chicago Neighborhood Gift Shops project works with local community-based arts organizations, providing seed capital and intensive technical support that have enabled eight organizations to open gift shops and portable "arts carts."[1]

[1] The Chicago Neighborhood Tours Web site (www.chgocitytours.com) includes links to the gift shops.

The inherent risk of many entrepreneurial practices poses a problem for nonprofits, suggested market researcher Hal King. But risk, he pointed out, is unavoidable. For that reason, King advises arts organizations to seek the assistance of those who regularly face such challenges in the course of their everyday work. "Risk is a condition of being alive in America today," King declared. "One of the problems that a not-for-profit organization has is that there's no one in the organization or involved in the organization that's trained to accept and manage risk. I think one of the things not-for-profit organizations can do when they enter an area that is going to involve risk, is to rely upon people who routinely have risk as a part of their culture or their business. Find an entrepreneur. Find a person who has started their own business. Find a person who's gotten a bank loan and paid it back. Get them on your board or to be of counsel."

"There are a couple ways of looking at entrepreneurial activity as it relates to nonprofits," Ivey observed. "One is to think of it as being about earning dollars by selling things and looking more like a commercial, for-profit business. The other way is that it's the style of operating that puts you in close contact with audiences, and engages you in a long-term, strategic, careful planning process."

For all of his enthusiasm for entrepreneurial practices and for all of his belief in the value of such strategies for nonprofit arts organizations *(see sidebar, "The Fifteen 'Cs' of Entrepreneurship")*, Jerr Boschee of the Institute for Social Entrepreneurs was also quick to put entrepreneurship into perspective. First, he cautioned, only "a very small percentage of arts organizations are going to be ready to do this. We shouldn't fool ourselves. This requires substantial cultural change and there are an awful lot of obstacles in the path." Second, Boschee added, "...adopting these earned income strategies is simply a tactic. It's a new route to an old destination." And in the process of following this new path, Boschee concluded, it's important that the organization bear in mind its reasons for undertaking its journey in the first place. "...[R]emember the balance," he cautioned. "Remember that entrepreneurship is not an end in itself. It's a means to a much greater end...."

The Fifteen 'Cs' of Entrepreneurship

Jerr Boschee, of the Institute for Social Entrepreneurs, offered a cogent summary of the many challenges that face nonprofit organizations attempting to adopt earned-income strategies. Having worked with many organizations that have made the transition successfully, Boschee offered his list of the "Fifteen 'Cs'"—the "critical success factors that the pioneers in the field of social entrepreneurship in the nonprofit sector have unearthed during the past 10 to 15 years:"

Candor: "Beware of yourself," warns Boschee, since a nonprofit organization needs an honest assessment of its resources, its competition, and its local needs—"all of the things that go into making up an earned-income venture."

Commitment: Everyone in the organization, including the board of directors, must be equally committed to following through on the new undertaking.

Culture: Success as a social entrepreneur requires a cultural change on the part of the nonprofit, taking new risks, making tough personnel decisions, and, as odd as it may sound, being "willing to make money."

Core values: By defining what the organization stands for "and will not swerve from," the organization will be able to resist the temptations of "things you've never been tempted by before."

Conservative: Rather than a radical process, the transformation to entrepreneurship is an essentially conservative, deliberative one, involving considerable planning and a willingness to seek advice and assistance from successful entrepreneurs.

Clarity of purpose: The organization must have both a broad agreement on its motivation for undertaking this process, and a clear sense of how it will measure success, using its core values as benchmarks.

Customer focus: By understanding both the nature of the constituents it serves and their needs and interests, an organization can better negotiate between the aesthetic demands of its artistic mission and the earned income requirements of entrepreneurial strategies.

Core competency: Rather than attempting to undertake money-making projects in unrelated fields, arts organizations should focus on their unique assets and areas of strength.

Collaboration: The organizations should assemble a team that distinguishes among the skills of innovators (who develop prototypes), entrepreneurs (who bring the product to market), and professional managers (who install the infrastructure needed for long-term success), and make sure that all three are included.

Concept: Rather than attempting to serve too many markets, an organization should develop a "niche mentality" based on a well-defined business concept.

Critical success factors: Every enterprise is defined ultimately by a few things that determine success or failure, and knowing precisely what these are—and acting accordingly—is crucial to entrepreneurial endeavors.

Competition: While nonprofit arts organizations are not accustomed to thinking about their competitors, it is essential to have a sense of what other direct competitors are active in the community (those who offer similar types of services) as well as what indirect competitors are present (those who offer different types of services but compete for the same discretionary dollar).

Cost: Although the demand for some kinds of cultural services may be comparatively inelastic, pricing considerations are extremely important in most entrepreneurial undertakings, where competition tends to drive prices down.

Courage: Because entrepreneurial strategies pose enormous risks, attract considerable scrutiny, and offer no guarantees for success, "only do this if...you've got the passion for it."

Continuing to care: The organization's mission must remain the paramount consideration, Boschee concluded: "We must continue to care."

II Art Organizations' Role in the Community

"...an atmosphere of risk and engagement"

Despite all of the exposure it receives for the work it produces, the nonprofit arts sector is not always well understood by the public at large. "From the point of view of the community," Marian Godfrey of the Pew Charitable Trusts observed, "one thing we've learned is that a lot of members of the community make absolutely no distinction between nonprofit or for-profit organizations, and don't particularly know whether they're having a nonprofit or for-profit arts experience. And I think that's something really important to keep in mind."

But that seeming indifference should not dissuade the nonprofit arts sector from remaining faithful to its important role, Nicolas Kanellos of Arte Publico Press declared, however challenging that role may prove to be. Even after enjoying some success in reaching a wider public through commercial distribution of his nonprofit organization's publications (primarily Hispanic literature), Kanellos nevertheless spoke of the social, racial, even geographic barriers—not to mention the financial complications—that tend both to keep the nonprofit sector out of the commercial marketplace, and to frustrate any collaborative efforts to accomplish that goal. Kanellos remained convinced, however, that progress can be made on both fronts, once the unique contribution to American culture that the nonprofit sector makes is more widely acknowledged. "...[B]asically there has to be a willingness to recognize that there is a large sector of nonprofit culture in the United States that gives a different message, and that represents a different view of the country, than may be captured through commercial media," Kanellos declared. "Once that is recognized—that there is indeed an intrinsic art and culture out there that is not being delivered to people, and not being made accessible to people—if we recognize that, then I think some of these other barriers can be circumvented...."

"The reality is there's competition from the for-profit sector and it is more intense than ever before," Grossman observed. "It's competition for people whom we are trying to attract, for essential resources, and for the employees working in these arts organizations. The competition is positive. It will make nonprofit arts organizations function better than ever before."

Allen Grossman of the Harvard Business School shared Kanellos's sense of the singularity of the nonprofit voice, which offers certain kinds of expression that simply cannot be found elsewhere. "Arts organizations...have a responsibility to create the kind of arts that the for-profit world won't support, can't support, and probably shouldn't support," Grossman reasoned. Nonprofit arts organizations, agreed Michael Gallis, provide a context in which individuals can "...explore ideas in the freest format, in the widest range of possibility. There's no other sector that provides an individual with those particular qualities, and gives him that particular range of experience." To be cherished as well, added Arnold Aprill, executive director of the Chicago Arts Partnerships in Education, is the "protected space" that nonprofit arts organizations provide artists. "The function of these organizations is not to compete in the market," noted Aprill. "...I would not want to see an eroding of the distinction between nonprofits and profits and have the function of artists that have a protected space to do difficult, interesting, challenging, and cutting-edge work disappear. If it's all market driven, then that will happen."

"Our mission is to be a catalyst that builds understanding among people through art," explained Borrup. "It's a very socially engaged mission. It comes out of a long history of social engagement through the arts."

And yet the commercial marketplace cannot be ignored altogether, Grossman pointed out, for the popular-culture industry poses a competitive threat to the nonprofit arts. "The reality is there's competition from the for-profit sector and it is more intense than ever before," Grossman observed. "It's competition for people whom we are trying to attract, for essential resources, and for the employees working in these arts organizations. The competition is positive. It will make nonprofit arts organizations function better than ever before."

If entrepreneurial tactics, customer orientation, and for-profit models represent one approach to facing that competition, another lies in community engagement. And unlike their forays into the entrepreneurial arena, a number of colloquia participants pointed out, nonprofit organizations may actually be at a competitive advantage over their for-profit counterparts in carrying out activities that directly touch the lives of Americans.

Community engagement

Intermedia Arts Minnesota, according to Executive Director Tom Borrup, has built its entire operation around such engagement, a process that has developed over the years as the organization sank its roots in the community. "Our mission is to be a catalyst that builds understanding among people through art," Borrup explained. "It's a very socially engaged mission. It comes out of a long history of social engagement through the arts. We organize our programs around youth development, artist development, and community development. That's a series of education programs, of artist support and services and presenting community activities that bring people together, with art as the catalyst." With a budget of about $1.4 million, Intermedia Arts is not a large organization. But as it completes its third decade of operation, it has become a permanent fixture in the Twin Cities' cultural landscape. "Our history…goes back to the early 1970s as a video access and training center," Borrup explained. "We helped people tell their stories through, at the time, the new medium of videotape…. But during the 1980s we began to explore other ways of helping people do the same kind of thing—of animating community, of engaging people in dialogue about contemporary social issues using a variety of forms of contemporary artistic expression."

"From the point of view of the community," Godfrey observed, "one thing we've learned is that a lot of members of the community make absolutely no distinction between nonprofit or for-profit organizations, and don't particularly know whether they're having a nonprofit or for-profit arts experience."

For the Western Folklife Center and its Cowboy Poetry gatherings, the initial challenge was one of explaining its mission to members of the local community in Elko, Nevada. The process turned out to be a gradual one, of mutual exploration, as both the organization and its surrounding community discovered one another. Neither party was especially well prepared for this particular task, Hal Cannon recalled. "It was a shortcoming in my education as an arts administrator," he admitted,

> not understanding how important the audience is in the process of crafting any arts project, and frankly, not really having to prove who my audience was in grant applications, even to the National Endowment for the Arts. So, in our case, we struggled to captivate our local audience, who weren't used to attending arts events. Their basic comment about the Cowboy Poetry Gathering…is that it creates a hell of a traffic jam. So, because it was a bother, because it had the reputation of being a sell-out event to outsiders, they often didn't come. The other important thing is that not everyone is interested in cowboys and our mission is much broader than representing the folk arts of ranching. The way that we've decided to work with our community, which is really many communities that live in our area—the miners, ranchers, the Native Americans, ethnics—is through a project called 'Voices of Youth,' which brings selected students into our organization to learn how to

> document their family and community through radio production and photography. And these kids, in the last couple of years, have been producing radio shows and photography exhibits, and what's happening? The kids are bringing the parents out to our events. We're really starting to build a local audience in a way that we've never been able to before, and it's basically through the youth of our community.

The need for new collaborations

More generally, the St. Louis Symphony Orchestra's David Halen added, arts organizations need to do more to prepare audiences for performances and exhibitions, creating a more comfortable context in which cultural experiences can take place. Particularly in light of the decline in formal arts education within school settings, arts organizations may have to add an educational component to an already busy schedule of activities. But they will have few other options, according to Halen. "One of the biggest challenges facing symphony orchestras and arts institutions like orchestras in the next 100 years," he believed, "is [finding] ways to help explain themselves, and present themselves in a context in which the music that's written or the art that's presented is more understandable to the person that's taking part in it." One solution to this puzzle, added Halen, is for arts organizations to collaborate with churches, schools, and universities in undertaking these educational-outreach activities. "I think collaboration is critical to an arts institution, like an orchestra," he reasoned. "We need to work together more with the other institutions in the community."

"A theater that shall go unnamed, came to me and said, 'How do you do outreach in the black community?'" continued Aprill. "I said, 'You don't do outreach in the black community. You hire black artists. You hire black producers. You don't treat your collaborators as your targets. You treat them as your collaborators.' That's real important."

Too often in the past, Michael Gallis pointed out, many arts institutions have resisted such collaborative ventures in the mistaken fear that these alliances might dilute the artistic message that the group is attempting to convey. The result, ironically, is a message that reaches far fewer recipients than it might have. "...I think one of the biggest dangers that we face in the art world," Gallis declared, "is the insular and isolated nature by which we hope to preserve 'integrity,' and that opening the system and creating open networks represents in some means in our minds a threat to the integrity of our organizations and to the work that we do. And yet, it is just the opposite." Here again, the element of risk comes into play, according to Arnold Aprill. "If your coalitions aren't built on some understanding that there's always a risk in building a coalition," he explained, "then it's not going to be a very interesting coalition. If you enter into something that has risk in it, you have to understand that a lot of the time it's going to fail. So you have to build coalitions that give you some way out."

Such coalitions, on the other hand, should not be regarded simply as marriages of convenience, temporary alliances fashioned for their public-relations value alone. They require considerable effort to establish, they need professional management to be maintained, and above all else, according to Aprill, they demand a sharing of power that does not always come easily to the nonprofit sector. "...[I]f you're building coalitions," Aprill continued, "you can't have the decision-making bodies not be representative of the communities they will serve. This plays out in terms of class, gender, race, geography.... A theater that shall go unnamed, came to me and said, 'How do you do outreach in the black community?' I said, 'You don't do outreach in the black community. You hire black artists. You hire black producers. You don't treat your collaborators as your targets. You treat them as your collaborators.' That's real important."

One solution to this puzzle, added Halen, is for arts organizations to collaborate with churches, schools, and universities in undertaking these educational-outreach activities. "I think collaboration is critical to an arts institution, like an orchestra," he reasoned.

Other collaborators, noted Juana Guzman, should include non-arts as well as arts institutions. "...[T]here are some real advantages of working with other institutions that you would never think to have exchanges with," Guzman observed. "For example, when I started the [neighborhood tours] program I knew this had to go under the Office of Tourism. Because they had all the dollars that were producing all the brochures and marketing all the city's activities. So I had to force them to make sure that not only were they promoting my programs, but they were promoting my coalition members and all their events." Building on this success, Guzman penetrated even further into the civic labyrinth, attracting support from government agencies and businesses alike. "...I had to get non-arts city government agencies to help me," Guzman recalled, "like Planning and Economic Development, so that they would support my request for ten million dollars [out of the empowerment zone funds]. I had to show them that art was big business. I couldn't get into all that touchy-feely stuff about it—and that it does change our life. All they wanted to know was the bottom line. So when they saw the results...they began to be very cooperative with me. Now, there's nothing they won't do to help me."

The concept of "cultural capital"

That focus on the bottom line, other panelists noted, can be a troublesome one for arts organizations, which may need to shift the focus from purely economic terms to other concerns more directly related to the mission of arts organizations. "...I think that the issue of profit and not-for-profit [organizations] is so financially based—and that's not what any organization is about," observed King. "I would prefer language that had to do with the mission of the organization and the strategy of the organization, as opposed to its financial make up.... I think that not-for-profit organizations have to begin describing themselves in light of the benefits they offer to the communities that they serve."

For these organizations, their "audience" is viewed not as ticket holders or subscribers, but more as partners in a variety of efforts to bring culture to bear on community issues.

Thus King prefers a more positive appellation—"*for* service" or "*for* society"—than the traditional "not-for-profit" label. And beyond the designation itself, the new identity should extend to the way nonprofit assets are measured. "Just like a for-profit company is responsible for the accumulation of capital, I believe there are other forms of capital," explained King. "There's intellectual capital. There's cultural capital. There's artistic capital. We need to evolve in the twenty-first century, into the creation of a social economy—just like we have a commercial economy...CPA's don't understand how to measure intellectual capital and social capital."

Stefan Toepler of the Institute for Policy Studies at John Hopkins University explained that "What we see in the nonprofit sector at large, way beyond the arts, is a real struggle right now to develop impact and outcome measures." He theorized that in recent years "as long as impact studies could show that there are economic benefits that the community derives from the arts, it did not really matter what the arts do in the community." According to Toepler there has been little discussion of how the arts can change to become a more integral part of the community or, in other words, how the arts can best benefit communities with their *traditional* artistic and cultural, rather than economic, accomplishments.

Michael Gallis concurred, extending the concept of "cultural capital" to include the benchmarks that urban planners use in assessing the relative health of various communities around the country. "When we evaluate regions," Gallis explained,

> we look at…three things really: connectivity patterns, form and structure of the region, and then systems and resources. One of those is culture and the arts. What have you got, what are your strengths and weaknesses, and how does that participate in the competitive structure of an urban region? It is, in our minds, a measure. While we may not use the term cultural capital, we most definitely evaluate it just along with economic development, transportation, medical facilities, and every other thing that sustains the life of a community. It is one of the 'systems' of settlement that humans have…. [The arts] are as vital to a region as the transportation network…. The social dynamic of a region doesn't work without culture and the arts. It's a vehicle for achieving a goal.

"Just like a for-profit company is responsible for the accumulation of capital, I believe there are other forms of capital," explained King. "There's intellectual capital. There's cultural capital. There's artistic capital. We need to evolve in the twenty-first century, into the creation of a social economy—just like we have a commercial economy."

As an example of the arts' important role in this regard, Gallis cited the "Gateway to the City" in Rock Hill, South Carolina, a public art project in which he had been involved. A one-time textile center twenty miles south of Charlotte, the city's fortunes had declined sharply in recent years, the result of global competition that closed most of the factories and drove the city's unemployment rate up to 25 percent. Among the various solutions (including the usual package of welfare measures and economic incentives) the single-most effective investment—and it was viewed as an investment, Gallis made clear—was for the commissioning of a gateway arch that designated the entrance to a new business and industrial park, and that signaled the economic rebirth of the city.

The key to insinuating culture into Rock Hill's civic-rebuilding effort, Gallis noted, was the explanation of "a cultural initiative in non-cultural terms, by linking it to other initiatives, by demonstrating its roles in the larger development of the city." As a result, "the city not only came up with money…, but the investment had a very direct payoff. Land prices doubled within the park, unemployment went down, the tax base went up…, and the city ended up with an enormous cultural future."

Despite the success of the Gateway project, and despite his optimism concerning the role that culture can play in addressing civic issues, Gallis also acknowledged that the arts community is often excluded from participation in this arena. "[W]hen you sit down to talk about the strategy of urban regions," Gallis noted, "you don't have people from culture and the arts at the table. They're not invited. Not on purpose, [they're] just not seen as relevant to anything important.... This frames for me the most important issue that we face."

Many arts organizations, on the other hand, have undertaken civic and community projects of their own design. Rather than waiting for official invitations that may never come, they have taken matters into their own hands, with projects that engage the community in explorations of topics of mutual interest. For these organizations, their "audience" is viewed not as ticket holders or subscribers, but more as partners in a variety of efforts to bring culture to bear on community issues. As the Chicago Arts Partnerships in Education's Arnold Aprill observed, "For me, the most important thing is that we need to think about our support for arts initiatives opening up multiple avenues of problem solving between audiences and artists, for artists, for communities. We have to create an atmosphere of risk and engagement."

III The Potential of Technology for Arts Organizations

"This is not just about boxes"

"Right now, our society has fastened upon technology as a means towards extending the marketplace," complained media critic Douglas Rushkoff at a colloquium devoted to information and technology. "We are attempting to automate marketing techniques, consumption, and expansionist economic principles. If those are the only things we choose to accelerate through automation, we will succeed in reducing the diversity of cultural influences, and there will be some severe moral and ethical repercussions. If no other values besides the bottom line are augmented by technology, then the true nonprofit sector may very well disappear."

Technology opportunities and limitations

Sounding a more optimistic note, AOL Vice President for Corporate Relations David Eisner explained that his company

> had spent a long time talking about the democratizing potential of the [online] medium, and how the medium was going to help turn information into a commodity that would bridge the divide between the haves and the have-nots by helping people who didn't have traditional access to political voice, or to capital, or to otherwise be able to participate in society, that somehow this new medium was going to help give them those things, that it would reinvigorate excitement in the political process, help spur more people to feel like they want to give back, [to] contribute to society.

But such optimism has to be tempered, Eisner warned, by the recognition that the technology itself will not solve social inequities, and may actually exacerbate such problems if care is not taken in the deployment of the new networks. "The medium in and of itself isn't inherently democratizing...," Eisner explained. "[I]t could just as easily be an alienating influence, ...[and] take political discourse to a lowest common denominator, focused on rumor and innuendo, ...[and] in fact turn information and technology into another resource that people who have traditionally been disenfranchised and underserved now don't have access to..., and the gap becomes even wider."

AOL's effort to bridge this gap, through the AOL Foundation, targets five areas, supporting projects that are designed to expand citizen participation in philanthropy, improve civic discourse, enhance health-care information and services, increase educational opportunities for both children and adults, and address the digital divide. "Helping.org[2] is probably the strongest tool that we have developed out of that mission...," Eisner noted, referring to the foundation's Web site. "We have been dabbling with a lot of tools and utilities that help improve civic discourse, that focus on public access to technology. Helping.org is really the first thing that we've done that gives everybody on the Internet [the means] to use the medium in a way that benefits society."

Despite AOL's efforts in this area, both the relationship between real-world communities and their virtual counterparts, and the ways in which various sectors of American society will migrate to the online environment, remain vital topics of concern. How will the issue of community engagement, for example, which for most arts organizations involves assembling warm bodies within a physical space, be affected by a new definition of *virtual* community? Will these loose-knit confederations of individuals (who may not even be aware of one another's existence) replace communities in the traditional sense? Or might the new technology, as the Manhattan Neighborhood Network's Anthony Riddle believes, actually *enhance* arts organizations' community-building efforts. "I wonder if we can't figure out how to use the technologies to cause *more* physical interactions between people," Riddle suggested, "so that the virtual world is something that encourages people to actually *be* places and *do* different things. Because that is sort of a problem when we become disembodied. And that in some ways we need to be able to use this technology to draw people back into a deeper connection as opposed to causing a greater disembodiment."

"We are attempting to automate marketing techniques, consumption, and expansionist economic principles," complained Rushkoff. "If those are the only things we choose to accelerate through automation, we will succeed in reducing the diversity of cultural influences, and there will be some severe moral and ethical repercussions. If no other values besides the bottom line are augmented by technology, then the true nonprofit sector may very well disappear."

Rushkoff strongly concurred, pointing out that it was actually the television set, rather than the computer, that first served to isolate young people from the world around them.

[2] Helping.org was launched by AOL to connect volunteers and donors with nonprofit organizations via the Web.

The computer, in fact, might turn out to be the means by which they will re-connect with the world. "I think the television screen was actually the screen that isolated and disempowered young people," observed Rushkoff. "It kept them all in their separate homes in a passive role. I think the computer screen if anything represents the first baby steps, ...remedial help for a society that's lost its ability to communicate with itself."

Building community through technology

As the executive director of a community-access cable-television station (which airs some 90,000 tapes annually on four channels that reach 500,000 cable households in New York), Riddle spends much of his time facilitating that communications process, using both new technology and old.

"I wonder if we can't figure out how to use the technologies to cause more physical interactions between people," Riddle suggested, "so that the virtual world is something that encourages people to actually be places and do different things."

Linking the two worlds of television and computers for Riddle are the distinct qualities of "noncommercial" and "participatory," found all-too-rarely in the current media marketplace. "I represent the public-access community," explained Riddle. "It's a community where all these questions that we're dealing with [in the colloquia], we have to grapple with on a daily basis. We've had to invent from about twenty years ago, ways in which to use technology to help communities become more community-like, to help people interact with new technologies, to use new technologies in ways that will improve their own lives."

Riddle's field has changed a lot in recent years, and it is about to change even more dramatically as the television industry makes the federally mandated transition to digital broadcast by 2006. In the process, the TV set itself, already having traded its tubes for transistors, will now swap analog broadcast signals for streams of digital data, bringing the vast resources of the Internet to millions of Americans. It is a fundamental transition that has affected everyone in the industry, including public-access operations like the Manhattan Neighborhood Network. "We used to view ourselves as television studios," Riddle recalled. "I think what's happening now is that we're viewing ourselves as community communications centers. We are community centers which use telecommunications as a means of bringing communities together."

Far from weakening the bonds of community, then, the new technologies hold the potential to strengthen those ties (or at the very least to make it a little easier, as many arts organizations have already discovered, to build new audiences through online promotion). But the communities themselves, based either on geographical proximity or shared tastes, won't change. "I'm not a techno-determinist," declared Rushkoff. "Technology will not change our definition or experience of community. What it will do *perhaps* is give us new opportunities to forge community. But it's the same basic drive."

David Eisner expressed the concern that too many nonprofits had overlooked the community-building potential of the Internet in favor of its alleged fundraising potential, an approach that he thought was unsound. "To the extent that nonprofits have been able to focus on technology," Eisner noted, "what's happened is someone on the board has basically said, 'your revenue streams, your income, [are] threatened if you're not on the Web. You've got to figure out how to do fundraising on the Web.' From my point of view, it's a threat to the medium. Because it means that the medium, the Internet, which has all these incredible possibilities to be building communities around passions and causes, becomes another kind of direct-mail tool."

"We used to view ourselves as television studios," Riddle recalled. "I think what's happening now is that we're viewing ourselves as community communications centers. We are community centers which use telecommunications as a means of bringing communities together."

Douglas Rushkoff is even less sanguine about the World Wide Web in this regard, finding its dominant mode of one-way-traffic to be ill-suited to the kind of mutual exchange that true communities need in order to be sustained. "But the other thing you have to remember too is that the World Wide Web is not the Internet," Rushkoff pointed out. "The World Wide Web is one piece of software that's been overlaid on the Internet, and it's probably the least effective and least communicative—the least 'network-like' piece of software that's being used.... I mean, it's better at showing the Mona Lisa than a chat room would be, but it's not a two-way medium. You can't really talk to a page.... There aren't pages that you could draw on, pages where you can affect what's there. Nor can you conduct conversations there. For the most part, it's an access-only medium. This is why institutions and companies and businesses have gravitated towards the Web, because it feels safer and the content can be much more controlled than in the open exchange of the real Internet."

Policy questions

Connected to the particular uses of technology, other participants noted, are larger policy and regulatory issues, relating especially to noncommercial, public-interest applications. "[T]his is not just about boxes," declared consultant Fred Silverman. "In the earlier days of technology, it was like, 'get me the box, give me word processing, call it a day, thanks a lot.' Now we are dealing increasingly with all these surrounding issues around technology: organizational structure, community, policy, much, much more than just the application." These are issues that the supporters of arts organizations need to bear in mind, too, added Silverman, "...so you can help guide grantees in exploring those questions. Not to give them the answers, but to help them through their own exploration. Because unless they explore it themselves they're not going to make the effective use of this technology that's possible. It cannot be imposed."

Both factors—understanding not only the actual use of technology but also the broader social and cultural implications of that use—are critical to the future of the nonprofit sector.

Anne Green, former director of the capacity building program for the Benton Foundation, agreed that both factors—understanding not only the actual use of technology but also the broader social and cultural implications of that use—are critical to the future of the nonprofit sector.[3] "We need to get involved in these policy issues regarding technology and access," she urged, "and to get the arts community involved...they need to understand how to use the tools. Especially as this medium moves very quickly. So arts organizations really need the capacity to use these tools in a holistic way so they understand what the ramifications are."

Among those ramifications, the issue of *access* to technology seemed uppermost in the minds of a number of colloquia participants, who recognized that existing inequities will affect arts organizations and their audiences alike. "Right now I think it's fair to say that the nonprofit sector is a have-not sector," observed David Eisner, "and it's going to

---

[3] The Benton Foundation's joint venture with the NEA, Open Studio (www.openstudio.org), has been an important force in developing a critical mass of nonprofit arts resources online. The Benton Foundation's "Best Practices Toolkit" (www.benton.org/Practice/Toolkit) is a perfect example of what nonprofit arts organizations need, according to Fred Silverman. "First of all they just need exposure to good models," he declared. "There are lots of fantastic things happening out there and there's no reason for any non-profit working in any area to have to start from scratch or reinvent the wheel. But there needs to be ways that they can be exposed to these models so that they can pick up on where they've gone, or [what] others have done, or collaborate on expanding those...."

require positive attention to bring the sector up to parity with the rest of the community." Other colloquia participants echoed Eisner's concern, including Hal King, who spoke of the unequal access to technology in the U.S. today. "I'm concerned that there will be a Balkanization [in] access [to] the technology," declared King, "and for deliberate or inadvertent reasons, people who should have access to it will not have access to it. It is only due to that pervasive basic access, like it was to books and like it is to the telephone and all the other tools that we've got, that we're able to mediate and mitigate and control those things so that they respond to our needs."

At the same time, the panelists recognized that technology itself offers no magic bullets, and competition for the attention of the American public will become even greater in an era in which they will enjoy vastly more access to multimedia entertainment. Overall, suggested Arnold Aprill, the new technology may prove to be something of a mixed blessing. "...[T]here will be some losses and some gains," he observed. "We don't know what they are yet. I think we have to not see ourselves as the passive receptors of these changes, but rather make some heavy choices. Some beauties are going to emerge that we had not anticipated. I think it has more to do with our political organization of social justice—about who gets access—than it has to do with the technology."

IV Cultivating Human Resources in Arts Organizations

"Just providing noble work won't guarantee effectiveness"

Jerr Boschee of the Institute for Social Entrepreneurs identified a certain tension between entrepreneurial strategy and organizational mission, a subset of the more fundamental dichotomy that has long constrained organized cultural practice—between the artist's vision and a project's budget, between any given aesthetic endeavor, in fact, and the need to marshal additional resources in order to share the fruits of that endeavor with others. Ironically, the search for financial resources often demands an increasing share of organizational resources itself, an equation that has come to define the nonprofit sector. "There's a joke that exists among nonprofit leaders that's not so funny when you think about it," observed Harvard Business School's Allen Grossman. "It's that the better I do, the more I'm going to be punished. And the harder I work and more successful I am, the more time I have to spend raising money.... [M]ost CEOs spend fifty, sixty, seventy percent of their time raising money."

"There's a joke that exists among nonprofit leaders that's not so funny when you think about it," observed Grossman. "It's that the better I do, the more I'm going to be punished. And the harder I work and more successful I am, the more time I have to spend raising money."

Viewed from the perspective of overall organizational health, on the other hand, the chief executive's heroic effort to raise funds may be more than a little shortsighted, according to Jean Horstman, at the time of the colloquia the director of organizational development services for the Manchester Craftsman's Guild: "[M]ost of us, regretfully, are still hiring the top positions because they're good at raising money, rather than they're good at raising people." That notion of "raising people"—changing the culture of nonprofit arts organizations by training the staff therein—and building organizational capacity and grooming new leadership in the process, was the topic of much conversation at several of the colloquia.

Developing arts entrepreneurs

On the question of whether organizations themselves, or individuals within organizations, need to be trained to adopt entrepreneurial practices, for example, several panelists suggested that the two processes are inextricably linked. *Organizations* need to change, if they are to become sufficiently flexible to maneuver through entrepreneurial waters, but it is *individuals* within those organizations who will have to chart that course. "...[T]his is not an either/or kind of a formulation," concluded Marian Godfrey of the Pew Charitable Trusts. "It's really about the interactions between individuals and institutions."

However, according to Jerr Boschee, we have to "learn how to build entrepreneurial organizations, as opposed to training individuals to become entrepreneurial. Because the individuals tend to move on, and if we want to have stability and capacity increases over time, that means we have to work at the board level, the senior management level, the staff level, the stakeholder level." This kind of organizational change requires considerable time and effort, Boschee added. "...[W]e have to take them through a cultural change. That is something that is not easy to do; it's not going to happen quickly. But it's the kind of thing that foundations and federal agencies could support more of. It has to be done on a demonstration-basis level with a few selected organizations, but it needs to be done."

"[M]ost of us, regretfully, are still hiring the top positions because they're good at raising money, rather than they're good at raising people," said Horstman.

For Jean Horstman, an advocate of coaching organizational managers, the issue is rather one of training individuals and then working with them to overcome the institutional "blockages" that often frustrate their efforts to change organizations. "All organizational change is based on change with individuals...," Horstman insisted. "The concept of coaching is as appropriate for adults as mentoring is for our kids at MCG.... Coaching provides a sounding board and guidance from outside the organization that's not based on expertise, but rather on supporting internal problem-solving. Coaches don't advise. They create a framework of questions that allow the 'coachees' to problem-solve for themselves...." In MCG's coaching program, Horstman explained, "What we went back to was the blockage.... [U]ntil we could get an individual to learn, and to conceptualize, and to have the courage to take on often very large and entrenched procedures, and bring about new procedures that were going to be effective...for the goals of building an effective arts program, they were being stopped." Thus Horstman viewed individual coaching and organizational "training" as complementary rather than dichotomous—"that for an organization to become effective in terms of systems, it...has to pay attention to the fact that those systems are created and delivered by individuals—and [to] what will enable the individual to have the ability to do so."

Full utilization of boards

Boards also play an important role in the operation of arts organizations, but they are an often underutilized and poorly understood resource, according to Harvard's Allen Grossman. "One of the areas that doesn't have a lot of understanding is the optimum role of boards," Grossman declared. "Boards in the nonprofit world are very unique.... Understanding the responsibilities of serving on a board, and the relationship that boards have with the staff and leadership of a nonprofit, is important to the welfare of the organization. A great deal of what a nonprofit arts organization needs to accomplish is heavily dependent on the collaboration and resources of a governing board."

According to Boschee, we have to "learn how to build entrepreneurial organizations, as opposed to training individuals to become entrepreneurial. Because the individuals tend to move on, and if we want to have stability and capacity increases over time, that means we have to work at the board level, the senior management level, the staff level, the stakeholder level."

Other participants, including Marian Godfrey, Culture Program director of the Pew Charitable Trusts, acknowledged that boards, much like the institutions they represent, can prove remarkably resistant to change. "We try to build board development and board issues into our capacity-building program," Godfrey explained. "And we've had a series of barriers that have kept us from doing that to our satisfaction.... But...a lot of it has to do with the lack of readiness of the boards of many of the cultural organizations in Philadelphia, and I suspect other cities as well, to go through this kind of self-reflective process that you have to go through to get at some of the issues we've been talking about. And this is a place where we just feel that we have no leverage. And to try to be heavy-handed about demanding certain kinds of interventions with boards is going to be worse than useless. And yet there seems to be very little appetite on the part of the nonprofit cultural boards to engage in this work." The real problem, added market researcher Hal King, is the tendency of many boards to lose sight of the critical governance function in their eagerness to manage instead—"because they believe that once they write the checks, they get to run the organization."

Despite these reservations about the performance of boards, most panelists would probably agree with Emily Todd's assessment of the importance of an active board to the success of an arts organization. Having viewed nonprofit arts governance as both a grantor (with the Warhol Foundation and now the Houston Endowment) and as a grantee (as executive director of Houston's DiverseWorks Artspace for three years), Todd was unequivocal in her declaration that "the long-term success of an organization rests with a visionary, committed, generous, and well-trained board.... They are only as good as their training. They need to feel comfortable in their role as emissaries and fundraisers."

Transfer of knowledge between generations

An experienced, active board can prove especially valuable during those inevitable periods of transition, particularly when the first generation of leadership moves on. Many arts organizations bear the unmistakable—and often irreplaceable—stamp of their founders, and passing the baton from one generation to the next in this context proves especially difficult. "Cultural not-for-profits are...often very personality-driven," observed NEA Chairman Bill Ivey. "There is frequently a strong director or a founding director, which makes issues of transition very important and somewhat complex, and there also tends frequently to be a great deal of ego involved on the part of top management in maintaining the character of a not-for-profit—and in fact committing that not-for-profit to a kind of for-profit model of endless growth as the defining characteristic of quality or of excellence."

"The real problem," added King, "is the tendency of many boards to lose sight of the critical governance function in their eagerness to manage instead."

A related issue, Dudley Cocke pointed out, concerns the need to find ways to tap the expertise of founders once they leave their original organizations. Citing his "*compadres*" Pedro Rodriguez of the Guadalupe Cultural Arts Center, Jerry Yoshitomi of the Japanese American Cultural and Community Center, and Marta Vega of the Caribbean Cultural Center, who've left these organizations, Cocke expressed the fear that these leaders and others like them will not have a formal means of sharing their expertise with others. "I'm afraid we're going to lose a lot of knowledge," warned Cocke.

More consideration should also be given to arts administrators *before* they leave their organizations, added Allen Grossman, by creating more humane and rewarding work environments than is currently the norm in the nonprofit arts. Referring to the "unwritten contract" that binds many arts professionals to long hours and low wages, Grossman warned that the hidden costs of such false economies can be catastrophic. "The tacit contract goes something like, 'you're serving a noble cause and we are without adequate resources, therefore we don't have to create interesting and rewarding work environments,'" explained Grossman. "'We're going to just work you until you burn out. As soon as you burn out, there'll be someone else,' and that is true because it's a sexy field to go into. The reality is, the cost to the sector is enormous. The lost talent is incalculable. Turnover and demoralization is a source of significant inefficiency in many arts organizations, and for that matter many nonprofits. Just providing noble work won't guarantee effectiveness."

Leadership development and training

Even if such noble work *were* enough, other participants noted, the arts community would still not be relieved of the responsibility to find ways to do that work more efficiently and effectively, and to ensure that a new generation will both be prepared to enter the field, and will be able to obtain help from others once they arrive.

Referring to the "unwritten contract" that binds many arts professionals to long hours and low wages, Grossman warned that the hidden costs of such false economies can be catastrophic.

Bruce Kogut, professor of Management at the Wharton School, spoke of the "importance of understanding the power that has gone to the individual, and to the small organization." Technological resources that were once available to only a handful of institutions are now available to all. Kogut continued, "It remains to be seen whether or not there will be a corollary in the arts to the kind of shared research and development that has been facilitated by the 'open-source' movement in the technology sector. The wider availability of both hardware and software applications will certainly make such joint creative enterprises among artists or small arts organizations more feasible."

The National Arts Stabilization's Nancy Sasser stressed the importance of professional development, of investing some of the arts' admittedly scarce resources in staff training and skills development. Emily Todd suggested that one approach to this problem, with the added benefit of answering Dudley Cocke's plea for sharing the expertise of arts management veterans, is the establishment of mentorship programs. One such effort in this regard, the National Arts Administration Mentorship Program, is being undertaken by Todd's former organization, DiverseWorks, in conjunction with other members of the National Performance Network.

Some types of leadership, much like certain types of organizational performance, are easier to define than others, Marian Godfrey pointed out. "I think it's easier for us to grasp the role of managerial leadership and board leadership," she suggested, "than it is to grasp the role of artistic leadership and a high organizational performance." And so will the various means of developing such leadership and performance skills differ, with one set of techniques (e.g., grants and fellowships) used for artistic performance, while other approaches (e.g., technical assistance and executive-training programs) used for management skills. "What we're seeing," according to Godfrey, is a "...completely different mechanism in Philadelphia for developing artistic leadership than we [have] for developing managerial leadership. And I think one of our tasks for the future is to try to find a way of drawing those two tactics together and making them a more coherent part of our overall strategy."

"I think it's easier for us to grasp the role of managerial leadership and board leadership," Godfrey suggested, "than it is to grasp the role of artistic leadership and a high organizational performance."

A far different approach, but one that is equally valid as a model for shoring up the arts' managerial resources, is AOL's Executive-Matching program. David Eisner, AOL's vice president for corporate relations, described this pilot project, undertaken in conjunction with a nonprofit organization called D.C. Cares, as one that meets the needs of nonprofit organizations and corporate executives alike. "[W]e take twenty relatively senior AOL executives, and twenty nonprofits that would like to add new blood to their board of directors, and put them together," Eisner explained. "And we train the executives about how to be appropriate members of the board of directors, and we train the nonprofit on how to take best advantage of someone who really doesn't have the nonprofit experience, but has really good corporate experience."

Many of these corporate representatives, in their commitment to shoring up an arts organization's human resources, will bring entrepreneurial expertise to the nonprofit arts. But there are also other knowledge resources within the arts community itself that need to be shared more widely, several panelists pointed out. These resources include basic information and experience in the several disciplines, best practices in nonprofit administration more generally, and the "collective wisdom of the elders"—those leaders and visionaries, that is, who were responsible for founding many of the arts organizations that have become fixtures in their communities over the years.

V Approaches to Organizational Development

"...keep re-inventing yourself"

Organizations, like individuals, change over time, and there was much discussion at the colloquia of such institutional evolution *(see sidebar, "Organizational Life Cycles").* David Gockley, who has been through any number of evolutionary stages and critical junctures in the course of his 27-year tenure with the Houston Grand Opera, offered his own first-person account of six critical junctures in an organization's life:

> Number one is the identifying of that first visionary professional leader. Sometimes that person could be the founder, like John Crosby of the Santa Fe Opera, who founded and has remained. But I think most often it is a post-founder who can separate the organization from himself and his own very proprietary impulses. Number two is working with the governing body, a board, to establish a specific artistic identity that is defined by break-out activities, programs or production. Number three is the engaging of critical division-of-labor staffers, like my development director, without whom we could not have made the steps that we did. Number four is formalizing relationships with primary artist and technical units. Number five is to build, adapt, or adopt a facility that is identified with your organization and which optimally serves the art form. And a sixth, perhaps, ...is to keep breaking out and keep re-inventing yourself.

Even knowing in advance the pitfalls that lie ahead is no guarantee of success. But neither should failure be regarded as something to be avoided at all costs. "What about failures?" Gockley asked. "We've had a lot of them, but we haven't failed as an institution. I guess a good institution and failures go together."

"What about failures?" Gockley asked. "We've had a lot of them, but we haven't failed as an institution. I guess a good institution and failures go together."

On the other hand, neither does success come with any guarantees that it can be sustained, other panelists observed. "I think that the thing I would worry about is that we're all expanding on top of a business cycle," cautioned Clara Miller, founder and president of the Nonprofit Finance Fund (previously the Nonprofit Facilities Fund). That's one of the reasons that Miller warned against giving too much credit to any single approach to sustaining arts organizations, when the key to that sustenance may actually lie somewhere else entirely. "While we could all sit here and take credit for all this managerial training that we're dishing out," Miller declared, "I actually think that it's the environment that's had the biggest impact."

That environment, with its leading economic indicators all pointing in the right direction, won't always be so favorable, Miller added, which is why her organization counsels its clients to take precautionary measures now, even in the midst of plenty. "One of the reasons we made the decision to diversify into asset building ourselves was that we felt our clients shouldn't really be taking on debt out of context to expand their facilities or programs, even if they saw income in the future. They need to bolster themselves for a rougher sea, to equip themselves better for the journey ahead. And the journey isn't always going to be this great of a cycle." Miller put it even more succinctly in response to NEA Chairman Bill Ivey's rhetorical question—"What's going to happen to nonprofits when the economy goes south?" Answered Miller: "Start whistling 'Dixie.'"

"The first thing I had to do," Fifer explained, was evaluate the strengths and weaknesses of our organization to see how to move forward. And I was surprised to find out that what I thought were all the strengths of BAVC were actually kind of weaknesses in a capital campaign [and] the facility move."

Recognizing developmental stages

Regardless of such environmental factors, organizations also need to be aware of their own developmental status, in order both to adapt to changing conditions (internal as well as external) and to manage the various "turnarounds" along the way. At times, change in one aspect in an organization's circumstances—even favorable developments—can produce unexpected changes elsewhere. That was the case for the Bay Area Video Coalition (BAVC), according to Executive Director Sally Jo Fifer, who successfully oversaw her organization's move into spacious new quarters, only to discover that the organization itself had to change, too, with both new staffing needs, and a new, more "professionalized" organizational outlook, that seemed to be an unwritten part of the new building lease. Fifer also recalled how her organization's changing conditions affected its efforts to proceed through another one of those "critical junctures" that pose challenges for so many organizations—the capital campaign. Aptly describing the effort as rather like "running as fast and [as] hard as you can toward a brick wall and knowing you're going to pass through it," Fifer recalled some of the unforeseen challenges that arose in the course of the capital campaign. "The first thing I had to do," she explained, "was evaluate the strengths and weaknesses of our organization to see how to move forward. And I was surprised to find out that what I thought were all the strengths of BAVC were actually kind of weaknesses in a capital campaign [and] the facility move. That is to say, we had strong earned income. We were earning around, over 75 percent, 78 percent a year actually—which was a great thing in our old facility, but as we moved into a capital campaign it meant that we really had a pretty small base of funders.... We had a community board, which had been a real asset as we built our facility because these were the users of our organization. But again, it wasn't a fund-raising board, which is the critical shift that we had to make.... The other thing...is that we were a real workhorse organization, and that's something we were very proud of. We didn't do exhibitions, we weren't really on the front lines, but we were [at] the back end. That meant that we had a really low profile, which is just a death knell in a capital campaign, when you've got to really drum up all the support to raise the money."

That environment, with its leading economic indicators all pointing in the right direction, won't always be so favorable, Miller added, which is why her organization counsels its clients to take precautionary measures now, even in the midst of plenty.

Roadside Theater Director Dudley Cocke described a similar juncture for his organization, when it had to re-examine its relationships with audiences and the communities it served. Long recognized for its strong community ties, both in its Appalachian home of Whitesburg, Kentucky, and through its touring program, the theater eventually found itself with more work than it could reasonably handle. "By 1989," Cocke recalled, "the theater company had more engagements...than we could fulfill. But we saw that we were rapidly approaching a wide fork in the road. Either we would spin off another company to meet the market's demand, or we could make a commitment to buck the market and insist on deepening the work in each community that we visited, and to insist on the goal of diversifying audiences. This was a big moment for us...[and]...we chose the latter." The decision was not immediately accepted by all members of the company, Cocke added, but it turned out to be the right one. "The big pay-off in making this choice for Roadside would be in artistic vitality," he explained. "Our work would re-connect to the rural and working-class sensibility from which it sprang, and we would remain an ensemble. Eventually, too, we were able to make the economics work."

The kinds of critical junctures that BAVC, Roadside, and many other organizations have had to confront are all processes of negotiation, in effect, rather than steady states. They will inevitably vary for different groups, but the skill with which they are handled will in large measure determine whether a particular organization flourishes or languishes. But there is no single standard by which a growing, changing arts organization can be assessed, other participants pointed out. "...[W]hen we look at organizational capacity," Harvard's Allen Grossman observed, "...it means a different thing for organizations at each stage of their growth. What does capacity mean to a two-person arts group that's a part of a community-development organization? Their capacity needs are very different from the Metropolitan Museum of Art."

Developing healthy organizations across a community

There is also a need, according to Arnold Aprill, to assess the larger arts "ecosystem" within which these organizations operate, to determine both where individual groups fit into that scheme, and in what ways they might be encouraged to work together. "What I think we need to do," Aprill suggested, "is collectively [to] develop a taxonomy of the strengths and functions of different sorts of institutions. Some of the larger ones are more bureaucratic, less flexible, more territorial between departments. Some of the smaller ones don't have departments. We need to start collectively being better at analyzing the functions of different institutions. Then we can figure out some way of stimulating better negotiation between those different functions."

"But we saw that we were rapidly approaching a wide fork in the road," said Cocke. Either we would spin off another company to meet the market's demand, or we could make a commitment to buck the market and insist on deepening the work in each community that we visited, and to insist on the goal of diversifying audiences. This was a big moment for us and we chose the latter."

An overriding question in promoting organizational health, added Allen Grossman, is "what is the knowledge that we need to capture on an institutional level so that we can learn and manage our organizations better in the future. How does an organization codify that knowledge, spread it systematically within the organization and use it effectively without overly restricting creative leadership?" But some organizations, a number of panelists noted, neither want, nor need, to be stable. These include, "small, particularly young, artist-founded, artist-driven" groups, Marian Godfrey suggested. Norma Kaplan, chief of the Cultural Affairs Division of Arlington County, VA, expressed a similar viewpoint in regard to local funding recipients: "Not every arts organization that gets funded by a local [arts agency] needs to be a 501(c)(3). Not every arts organization needs a strong board of directors. Not every one needs to be artistically excellent to do a viable, community arts program. And not every arts organization needs to be around in twenty years to be funded for what they do today."

"In the Bay Area," Kreidler added, "my experience is that many of these 800 smaller organizations that haven't moved up remain very productive even if they're on the edge of solvency. They continue to produce significant art, they continue to attract reasonable-sized audiences and they continue to create."

John Kreidler, formerly the senior program officer for arts and humanities at the San Francisco Foundation, agreed:

> My sense is that many arts organizations do not regard themselves as permanent institutions and therefore have little need for planning and institutional advancement strategies. At the same time, organizational advancement strategies have been at the heart of many private and governmental arts funding programs. Given the incentive of funding, it is undoubtedly the case that many arts organizations have formed themselves as formal nonprofit organizations and then pursued organizational development when their natural inclination is simply to produce artistic work by the most expedient means possible.

"We need to start collectively being better at analyzing the functions of different institutions," Aprill suggested. "Then we can figure out some way of stimulating better negotiation between those different functions."

Kreidler has been looking at these larger "ecological" issues for years, having annually reviewed the full range of arts organizations within the San Francisco Bay Area *(see sidebar, "Supporting the Arts Ecology")*. The dimensions of that community may vary from those of other areas, but its ratio of large organizations (just 25 in number) to small (around 800) is probably typical. A small handful of all arts organizations (3 percent) account for some 84 percent of the Bay Area nonprofit arts economy ($300 million out of a $350 million total).

But financial figures alone, noted Kreidler, do not capture "the essential resource dynamic of these smaller organizations," which is based much more on human capital than on other kinds of assets. "Virtually all of the small arts organizations employ artists, administrators and technicians at vastly discounted wages," Kreidler explained, a work force that endures "...very low incomes considering the levels of education." Nor is it reasonable to expect that the vast majority of these organizations will ever be anything but what they are now. "It's been my experience over the last decade," Kreidler observed, "that very few of the small organizations have been able to move up the institutional ladder and aspire to be stable in the sense of those large twenty-five." But this should not be regarded as a failure, Kreidler added, either for the organizations themselves or for those funders who have supported them. "In the Bay Area, my experience is that many of these 800 smaller organizations that haven't moved up remain very productive even if they're on the edge of solvency. They continue to produce significant art, they continue to attract reasonable-sized audiences and they continue to create."

"Not every arts organization that gets funded by a local [arts agency] needs to be a 501(c)(3)," Kaplan expressed. "Not every arts organization needs a strong board of directors. Not every one needs to be artistically excellent to do a viable, community arts program. And not every arts organization needs to be around in twenty years to be funded for what they do today."

Speaking of the nonprofit arts more generally, Kreidler concluded that this symbiotic relationship—between committed individuals who are willing to accept sub-standard wages, and organizations that operate perpetually "on the edge"—may be the key to understanding the majority of nonprofit arts organizations: "Most cultural organizations have started because there have been artists or other people strongly attracted to the arts who have been willing to commit themselves to the production of particular productions or exhibitions or books." For Kreidler, then, the key to the future of the nonprofit arts lies not so much in efforts to stabilize these smaller organizations, as it does in attempts to stabilize the environment in which they operate. It would be a "great mistake," Kreidler believed, to attempt to transform all of these smaller organizations into full-fledged institutions. The emphasis should rather be on strengthening the sector as a whole. That sector "grew very dramatically in the 60s, 70s and into the early 80s," Kreidler noted, "largely as a result of a massive generation of artists coming out of colleges at that time. If nothing is done, that large wave that came in may simply recede and we will lose a lot of that vitality that has taken place."

Organizational Life Cycles

Veteran arts consultant Susan Kenny Stevens shared the theory of organizational development, based on discrete stages of evolutionary growth, that she had developed after years of working with organizations. "I began to think about the fact that the challenges that are faced by organizations are not...one-size-fits-all...in the nonprofit world," Stevens explained, "and in fact cut across budget size, age, artistic versus human services, and all disciplines. I'd say they boil down to the varying stages of evolutionary life that an organization finds itself in." Even within a given arts organization, its several "vital sectors"—administrative systems, financial resources, board, management, and programs—may respond differently as the organization passes through the following seven stages:

Idea: Often associated with a founder, or a group of founders, this initial stage marks the beginning of the transition of a particular concept, skill, or vision into organizational form, however rudimentary.

Start-up: This stage represents a more formal organizational structure, with incorporation, by-laws, and a board of directors, but with little institutional baggage—"probably when an organization is closest...to its mission," according to Stevens.

Growth: One of the most difficult and challenging stages, when demand for services begins to outstrip an organization's capacity to deliver, and when difficult resource-allocation and seat-of-authority decisions have to be made.

Established: Once the growing pains have subsided and the requisite systems are in place, an organization moves into the "established" phase when its reputation in the community is secure, and its aesthetic and administrative imperatives are in balance.

Decline: Unable to sustain the established phase and seemingly powerless to cycle back to the growth stage, an organization begins to decline once it starts resting on its laurels—longing for the past, in effect, rather than planning for the future.

Terminal: Since a period of decline can last only so long, an organization is deemed to be "terminal" once it loses sight of its original mission and focuses almost exclusively on its own internal problems, which, under the circumstances, it has very little chance of improving.

Stevens also discussed five critical junctures that affect an organization's passage through these stages, a journey that may include cycling through several of them repeatedly as these junctures are reached:

- **Founder transition**: when the artist who launched an organization leaves
- **Professional management**: when administrators are brought in to manage a successful start-up operation
- **Shared ownership**: when the artist/founder, the management team, and the board attempt to arrive at a balance of power
- **Understanding the economic model**: when an organization solves the resource-allocation and -acquisition puzzle, and can thus answer the question, "What is it that makes [us] tick financially?"
- **Balancing the economic model with artistic integrity**: when an organization is able to solve both sides of the artistic-mission and institutional-support equation.

Supporting the Arts Ecology

During his long tenure at the San Francisco Foundation, John Kreidler developed a variety of approaches to assisting the larger cultural community in which arts organizations operate:

- Supporting **intermediary organizations** that "connect the output of artists and small arts organizations to the public," including presenting organizations, performing arts facilities, small presses, book distributors, and media centers.
- Developing the capacity of **amateur cultural groups**, many of which sponsor numerous public celebrations and events, and which in the process provide employment to local artists.
- Building the capacity of **fiscal sponsors**, organizations that handle grants and contributions for individual artists and arts organizations that lack official nonprofit status. (On fiscal sponsorship, Kreidler recommends Greg Colvin, *Fiscal Sponsorship: Seven Ways to Do it Right*).
- Assisting in the establishment of **centralized financial-management** organizations, which provide accounting and other business services to nonprofit organizations.
- Enhancing **pathways from higher education** into the nonprofit arts sector, using such techniques as career counseling, student loans, and the promotion of careers in the arts, as a means of ensuring that one of the arts community's primary sources of labor will be replenished.
- Recognizing the work of distinguished **veteran artists and administrators**, as a way of compensating them, at least symbolically, for long years of work for which they were poorly paid.
- Collecting more complete **data on the career paths** of those in the nonprofit cultural sector, focusing especially on smaller organizations, in order to enhance our understanding of this sector.

VI The Changing Practices of Arts Philanthropy

"...to view them as investments rather than grants"

Speaking of the philanthropic sector in general, Harvard's Peter Frumkin expressed the belief that "...the future is very bright, but that clouds are lurking on the horizon. Some recent estimates have predicted a $40 trillion—not billion—a $40 *trillion* intergenerational transfer of wealth that is due to occur in the coming decades. This means that a large number of very wealthy individuals will soon be facing important decisions about their estates. Many are surely going to turn to foundations; I don't doubt that. But others, a large number, I think, will turn to new channels, look for new ideas, and demand change." The subject of change within the philanthropic sector was the focus of one entire colloquium, and the general theme of philanthropy's impact on the arts was one that ran through many of the conversations at the colloquia.

Many foundations, Frumkin pointed out, have turned to project support as a means of reducing the tendency of organizations to become overly dependent on any one source of funding. But "...by only making short-term grants for well-defined projects," he explained, "huge problems have arisen.... There is a growing realization that short-term philanthropic interventions may not achieve their goals. They may not achieve the goal of building independence, and they may actually undermine the ability of recipient organizations to build the kinds of capacity to deliver quality programs." It was this concern for organizational capacity, for the overall health of nonprofit institutions, coupled with a sense that the old ways of philanthropy simply aren't working, that has led many in the field to consider new funding models.

"There is a growing realization that short-term philanthropic interventions may not achieve their goals," Frumkin pointed out. "They may not achieve the goal of building independence, and they may actually undermine the ability of recipient organizations to build the kinds of capacity to deliver quality programs."

New money, new approaches

"...[T]he donor side of the field is changing," Frumkin declared. "The donor side of philanthropy is on the move." This is especially the case with those philanthropists who have recently entered the field. "...[T]here is a great deal of interest," he observed,

"…brewing out there in this new generation of donors, to reinvent the grant-making process, to look at this venture-capital model, and to [ask], how can donors and recipient organizations interact in constructive ways that both build capacity and quality on the nonprofit side, while giving the giver a sense of satisfaction, engagement and involvement?"

"Venture philanthropy," in fact, has become something of a hot topic in philanthropic circles, although the ultimate impact of the new movement—if that's what it is—remains to be seen. To a certain extent, such philanthropy simply reflects the background of the givers, many of whom come from the technology sector, in which venture capital—a combination of investment and hands-on assistance and advice—has proved so valuable. "Since many of these donors are high-tech entrepreneurs and business people who have made fortunes on the information-technology revolution," Frumkin explained, "an idea has emerged lately that donors should act more like highly engaged, deeply connected venture capitalists.

"They are beginning to realize that they have to fashion longer-term relationships with their grant recipients," Boschee noted. "They have to view them as investments rather than grants. And they have to provide the technical assistance in the same way that venture capitalists do when they invest in ten companies and go on the boards of directors and roll up their shirt sleeves and have at it for a period of time."

"According to this logic, a critical part of giving includes more than just handing money away. Real venture capitalists in the business world provide ongoing technical assistance, consulting, advice, support, to those who receive their money." Wharton Professor Bruce Kogut agreed that this combination of financial and technical assistance is a potent one. "I think it's quite useful for this group," he explained, "because you're not just giving money, but you're also giving advice…. One of the big changes is this move towards smaller projects, or venture-capital-oriented [support], coupled with the consulting aspect…."

Another facet of the new philanthropy, according to AOL Foundation Vice President David Eisner, is the demand for measurable results. "It's not enough just to say, we've done some good," he insisted. "You have to find a way to measure how much good has been done, and how do you weigh it versus the amount of dollars that I've given you." And in that connection, some of the older foundations that are also interested in more quantitative assessments are also investigating new funding relationships *(see* *sidebar, "Assessing Organizational Health").* "The Kellogg Foundation, the Pew Charitable Trusts, Ford Foundation, and others," noted Jerr Boschee of the Institute for Social Entrepreneurs, "are beginning to think in this vein. What it means is they are beginning to realize that they have to fashion longer-term relationships with their grant recipients. They have to view them as investments rather than grants. And they have to provide the technical assistance in the same way that venture capitalists do when they invest in ten companies and go on the boards of directors and roll up their shirt sleeves and have at it for a period of time."

Peter Frumkin, on the other hand, referring to research that he has conducted at Harvard's Kennedy School of Government, expressed doubts concerning the amount of venture philanthropy that is actually being carried out. "There is a lot of talk about this venture capital, [about] high engagement...," noted Frumkin. "In reality, there is very little practice right now that...tells us what it is. We actually have done a number of case studies of the more visible high-engagement grant making, and there is just not that much of it actually going on." The results thus far have been mixed, according to Frumkin, with some tangible benefits, but also with reports of "micro-auditing and nagging" on the part of those new philanthropists who are ostensibly rolling up their sleeves and bringing for-profit expertise to the nonprofit sector. Ironically, for an approach that places so much emphasis on measurable results, venture philanthropy itself is in need of its own set of metrics, Frumkin added, if we're ever going to be able to assess its effectiveness. "...I think it's very early," he observed, "and...it's a lot more conversation than practice. There is no accepted body of practice related to this kind or form of grant making. It is working itself out. But the biggest obstacle to its ever going to its full completion is that you need to have some kind of performance metrics to make this model meaningful, ...some kind of metric for measuring return. And that is just totally in the Stone Age, at least in the practice of these sorts of philanthropy."

"There is a great deal of interest," Frumkin observed, "brewing out there in this new generation of donors, to reinvent the grant-making process, to look at this venture-capital model, and to ask, how can donors and recipient organizations interact in constructive ways that both build capacity and quality on the nonprofit side, while giving the giver a sense of satisfaction, engagement and involvement?"

The advent of technology

To the extent that it's simply too early to determine precisely where the new philanthropy may ultimately be headed, AOL's David Eisner agreed with Frumkin's assessment. "If you look at where philanthropy is going as a result of the new wealth, the new business cycles in entrepreneurialism, the new technology, and the new models that are being developed," Eisner observed, "we're below Cro-Magnon man, we're below chimpanzees, we're really at single-cell organisms, or amoebas—amoebas.com."

But the Internet, he was convinced, will also play a role in shaping the new philanthropy, although here, too, it is too early to determine its ultimate impact. "...[T]he question is," according to Eisner, "to what extent do nonprofits use [the Internet] to supplement their personal interface with donors? To what extent does it become just another direct-mail marketing vehicle that people are taking a cut off of, and to what extent does it become more of a community-based thing?" But that the new communications revolution will profoundly affect charitable giving, just as it has affected so many other aspects of American life, he had no doubt. "I think you're going to see basically the same revolution in this space that we saw with e-commerce, where there was a lot of window shopping, a lot of complaints around privacy, a lot of system-integrity problems, but over the period of a year to a year-and-a-half, that all gets sorted out, and I think what you're left with is a very efficient, good information system that is incredibly easy for consumers to use and manipulate to find out what they're interested in."

"You need to have some kind of performance metrics for it to make this model meaningful," Frumkin continued, "some kind of metric for measuring return. And that is just totally in the Stone Age, at least in the practice of these sorts of philanthropy."

Cynthia Egan, whose donor-driven Fidelity Investment Charitable Gift Fund is a prime example of another aspect of the new philanthropy, agreed. "I look at the tool that the Web is putting in place for us and enabling us, and I think...that the world of philanthropy is going to change very dramatically just like the world of investing has, just like the world of retirement has, philanthropy is on its way." For all the emphasis on change, on finding new models of support, however, some patterns of philanthropy have proved remarkably persistent. Even the highly touted Charitable Gift Fund, whose powers of aggregation have been impressive in harnessing the charitable instincts of thousands of individuals—with more than $2.2 billion raised, and over $1 billion disbursed—has generally adhered to traditional patterns of support. "Our granting patterns are very similar to the patterns that you all are familiar with [in] *Giving USA*," explained Egan, referring to the survey conducted annually by the American Association of Fund Raising Counsel. "In 1998, …32 percent of the grant making went to education, 28 percent went to religion, 23 percent went to public and community service, 9 percent went to the arts and culture, 6 percent to health and research, and 2 percent to the environment."

Support for creators and producers

The colloquia produced no shortage of other recommendations for things that arts funders should and should not do, from the off-repeated pleas for support for technology training, to the need to create separate funds specifically for new ideas and for experimentation, to Emily Todd's plaintive reminder that the health of our culture tomorrow depends largely on the support we provide to individual artists today. "They're at the very, very center of this," insisted Todd. "So my plea is that we value their work, and their process, value the intellectual capital and creativity. Support these artists. Feed the artists everywhere, including those working quietly in their studios. Support the organizations that support the artists."

"The question is," according to Eisner, "to what extent do nonprofits use the Internet to supplement their personal interface with donors? To what extent does it become just another direct-mail marketing vehicle that people are taking a cut off of, and to what extent does it become more of a community-based thing?"

Those "organizations that support the artists," noted Norma Kaplan, chief of Arlington County's Cultural Affairs Division, provide a wide variety of services, achieving economies of scale that far outstrip what multiple grants to multiple artists and arts organizations might accomplish on their own. Arlington County's Arts Incubator, for example, recipient of an Innovations in American Government Award from the Ford Foundation and Harvard's John F. Kennedy School of Government, offers a varied menu of assistance to individual artists and arts organizations alike:

- Facilities to create and present work, including artists' studios, theaters, rehearsal rooms, galleries, a 10,000-piece costume collection and construction shop, dance studios, and a truck.
- Professional staff with expertise in theater design and production, master craftsmen, guest curators; training to enhance program development and community outreach; and facilitation for international exchanges.

- Mechanisms to increase earned income, including retail venues, paid-performance opportunities, commissions for new projects, and grants.
- Management assistance, including support for consultants and assistance with organizational development, audience development, fundraising, media relations, and publicity.

The results of the program, based on a before-and-after comparison over its ten-year existence, have been impressive. In 1990, for example, Arlington County hosted 198 arts events by eleven arts organizations, with audiences totaling 98,000. In 1999, more than thirty groups presented over 1,400 arts events to a total audience of over 300,000. In 1990, similarly, cultural affairs staff assisted thirty individual artists, while 175 artists received such assistance in 1999, and the county's arts industry in that period grew from $1 million to $6 million. These accomplishments came at a time, moreover, "when the NEA was experiencing cuts," Kaplan pointed out, "when our state funding level had been cut by 72 percent, and an economic slump in the Washington region was causing a lot of local arts agencies and local governments to have cuts to the arts." The key, she believes, in addition to the synergy of shared resources, is the parallel focus on developing self-sufficiency among the participating groups, "so that we could be working with new groups as they were coming into the incubator program."

Emily Todd [gave a] plaintive reminder that the health of our culture tomorrow depends largely on the support we provide to individual artists today. "They're at the very, very center of this," insisted Todd. "So my plea is that we value their work, and their process, value the intellectual capital and creativity. Support these artists. Feed the artists everywhere, including those working quietly in their studios. Support the organizations that support the artists."

The formula, according to Kaplan, is really quite simple, and it is one with implications for all arts organizations facing the competitive funding environment of today. "I…listen to a lot of the presentations that talk about *raising* more money for the arts," Kaplan explained. "At the local level, we thought about trying to *lessen* the cost of producing art for artists and arts organizations, which in the end has the same effect."

Assessing Organizational Health

Two funding organizations that took part in the colloquia, San Francisco's James Irvine Foundation and Philadelphia's Pew Charitable Trusts, have been working on developing ways of measuring the performance of the arts organizations they support, focusing on several keys to institutional health. It's a topic that has reached "near-obsessive status for most funders," noted Cora Mirikitani, who was then Senior Program Director at the James Irvine Foundation, "and for a fairly obvious reason. I think we recognize that we have no better way, and this really is true for the Irvine Foundation and for many foundations, to support art—that elusive thing called art and those elusive creatures called artists—outside of [the] institutional context. So it's very much in our interest to try to understand this idea of what arts organizations' lives are like and how we can indeed intervene critically." **In putting together Irvine's Cornerstone Arts Program, Mirikitani has identified five "Categories of Wellness":**

Identity and purpose: Does the organization have a clear sense of who it is, why it exists, and what it hopes to accomplish; and do its programming and other activities reflect this self-awareness?

Leadership: Is there a leadership vision for the organization, and does this vision manifest itself in the organization's programming? Has the institution positioned itself as a leader within its community?

Programming: Does the organization have a clarity of vision about the art it presents, and do these presentations achieve high standards of excellence?

Management of resources: Is the organization well run, and has it secured the needed resources to realize its mission?

Audience and community ownership: Whom does the organization serve, and what is the strength of its relationship to these constituents?

Another effort to assess arts organizations along quantitative lines is **Pew's "Index of Organizational Health,"** part of a larger effort, noted Marian Godfrey, Culture Program director of the Pew Charitable Trusts, "aimed at strengthening not just individual arts and cultural organizations in the Philadelphia area, but the cultural system as a whole." At the center of Pew's three-pronged attack (which also includes fellowship and project support for artists and arts programming, along with research and advocacy initiatives) is the Philadelphia Cultural Leadership Project (PCLP), designed to "stimulate leadership and best practices within the cultural community by providing multi-year operating support to organizations that meet high standards of programmatic, fiscal and management performance." Coupled with that grant program is a capacity-building effort that provides management technical assistance to strengthen cultural organizations. The foundation's assessment is directed not simply at the grantees—"[did]...the PCLP grantees become artistically and managerially stronger and more nimble? Did they become high-performance organizations as a result of our grants and capacity-building resources? And did they increase or improve their services to their constituencies?"—but also at the foundation itself. "We also wanted to measure the outcomes for our own work," Godfrey explained. "Did our strategies strengthen the individual organizations and the cultural community as a whole?"

VII Meeting the Resource Needs of Arts Organizations

"...no one is well served when authentic nonprofit needs are repressed"

The ultimate purpose of convening the Colloquia by NEA was to stimulate discussion about the changing resource needs of arts organizations and the various ways in which these needs can be met. All who participated in the Colloquia shared a common belief in the multiple important roles that arts organizations play in their communities and in the important societal benefits of sustaining the arts sector in top form. Continued discussion of these matters, along with efforts such as the Colloquia to focus attention on the legitimate needs of the sector, should result in progress towards positive changes in practice among arts organizations and their supporters, resulting in a vibrant and contributing arts sector.

The power of convening

Such is the "power of convening" that was cited by a number of Colloquia participants as among the most effective tools at the arts community's disposal. It is also one that is not employed often enough. "Sometimes we don't even look beyond our own backyard to see what's happening, ...what's going on with other organizations," observed Chicago Department of Cultural Affairs' Juana Guzman. "Because there's no interexchange between one not-for-profit to another in the same city. So I rarely see that exchange happening, even within our own city." Consultant Adrian Ellis, on the other hand, suggested "that most organizations...are not very good at sharing best practice, at talking to one another honestly. We're all out there hyping things, and putting the best possible face on things. Sitting down and honestly saying, 'This is new territory, and I'm not sure I know what the hell I'm doing,' is often quite difficult."

Consultant Adrian Ellis, on the other hand, suggested "that most organizations are not very good at sharing best practice, at talking to one another honestly. We're all out there hyping things, and putting the best possible face on things. Sitting down and honestly saying, 'This is new territory, and I'm not sure I know what the hell I'm doing,' is often quite difficult."

Nor, cautioned Michael Gallis, will merely "talking to ourselves" be sufficient, a reference to the "insular and isolated nature" that he feared had come to characterize the arts community. "I feel we have fallen [into a trap] in searching for answers to our questions," he explained, "that we have become so introspective, that we talk to ourselves so much, that we have lost the dialogue of the world around us." Another part of this detachment, Gallis suggested, may be a product of traditional philanthropy—"...that by subsidizing art we have disconnected ourselves, ...[becoming] a hat-in-hand culture, and that has become a barrier to direct engagement in the enormous social and economic change we're in the middle of."

Meeting authentic nonprofit needs

And yet the *other* party in that equation, the philanthropic hand that places money in the cultural hat, must also bear a measure of responsibility, Peter Frumkin pointed out. Having left the foundation world for an academic position at Harvard, Frumkin has had a rare opportunity to solicit the candid opinions of his erstwhile beneficiaries, conducting a survey of former grant applicants that produced unsettling, if not altogether surprising, results. "Most pronounced was a sense of fatigue and bitterness over having to constantly reinvent, recast and reposition nonprofit activity just to ensure financial survival," Frumkin recalled. "This process ultimately produced fund-raising appeals that have increasingly little connection to the lived reality of nonprofit organizations."

Frumkin continued, "Nonprofit organizations have a broad set of requirements that may or may not fit within existing donor guidelines. Donors need to understand that no one is well served when authentic nonprofit needs are repressed."

Elaborating further on the issue of funder-grantee relations, Frumkin described a basic breakdown of "the candor and quality of communication between grant maker and recipient organizations":

> I think it comes down to one main problem, and that is that the language of needs, be it for general operating support, capital construction, capacity building, or anything else you want to term it, has been replaced by a language of opportunities, designed to appeal to the interests of donors.... As the sheer number of nonprofit organizations continues to escalate, there is a sense that there will always be a

> nonprofit organization out there willing to do whatever it takes to get a grant, even if it means accepting onerous terms.... Foundation guidelines often appear immutable and definitive to many nonprofits, and the best response is often simply to craft proposals that represent funding opportunities fitting these parameters. As a result, I think, a tremendous amount of energy is wasted on grant writing and positioning rather than on serious program planning and delivery.

Finding our way out of this a predicament won't be easy, Frumkin conceded, but he remained convinced that foundations will have to take the lead. "I believe that foundations, and all donors for that matter, need to constantly remind themselves that nonprofit organizations have a broad set of requirements that may or may not fit within existing donor guidelines. Donors need to understand that no one is well served when authentic nonprofit needs are repressed."

"Most pronounced was a sense of fatigue and bitterness over having to constantly reinvent, recast and reposition nonprofit activity just to ensure financial survival," Frumkin recalled. "This process ultimately produced fund-raising appeals that have increasingly little connection to the lived reality of nonprofit organizations."

Among those "authentic needs," other participants noted, surely the most basic is the need to create art. Thus efforts to improve the ways arts organizations manage their affairs may be useful, the Chicago Symphony Orchestra's Michael Gehret believed, "As long as no one forgets that being a well-managed arts organization isn't the goal. The goal is to produce art." And that goal often supersedes purely financial considerations, insisted Nicolas Kanellos, founding publisher of Arte Publico Press. "If it's your mission to do something, and you can't figure out a way to earn money from it, you do it anyway." In that connection, Jerr Boschee spoke of the "double bottom line," of "the artist simultaneously pursuing both a financial and [a] social return." "...[A]t the end of every year when you're doing the financial audit, you've got to do a social audit as well, ...treating the social return on an equal basis with the financial return."

Complicating the issue of social return still further, however, is the determination of whose interests are really being served by the arts. "Arts organizations are being called upon more and more to be agents of change and development in different urban communities," observed Intermedia Arts' Tom Borrup.

> I think that's a potentially dangerous position to be in. You have to ask whose interests are you serving?... Are you serving the interests of people in a community? Or are you serving the interests of real-estate developers and other people...who are more interested in making safe places in urban areas for suburbanites to move back into the cities, and thereby dislocating those who are there? As opposed to nurturing communities from within, and building and strengthening the fabric of the existing communities.

Building strong balance sheets

Adding to the complexity, finally, is the nagging sense that the fate of arts organizations may ultimately rest in other hands entirely, beyond foundation guidelines, mission statements, good intentions, and hard work. The larger economic environment itself may be the determining factor, and embarking on new ventures, regardless of how potentially rewarding they may appear, can be especially daunting. "It's a question that we hear frequently all over the country," explained Nancy Sasser, recent president of National Arts Stabilization (NAS), referring to the fear that arts organizations often have that a new undertaking might prove to be their financial undoing. "I don't have any margins for error" is the complaint that Sasser hears most often. "If I invest in a new program, if I take a risk and it doesn't return for me, I'm on the edge. I'm done. I can't do that." The answer, according to Sasser, is to build in some room for maneuvering, by maintaining sufficient cash reserves to insulate the organization from external pressures and internal mishaps alike. "...[P]roper capitalization provides that cushion," she explained. "I've had organizations call it 'courage money.' So they can take those risks." For the Houston Grand Opera's David Gockley, it isn't so much a matter of courage as it is of confidence, the indescribable sense of well-being that sufficient cash on hand engenders. Recalling a Ford Foundation program of the late 70's that encouraged arts institutions to maintain 20 to 25 percent of their budgets in cash reserves, Gockley observed that "there's no feeling to describe the kind of peace of mind that that engenders within [an] organization."

Sasser concluded that the distinction between the "haves" and the "have-nots," in other words, already a source of concern both inside and outside of the arts, may loom even larger in the future.

National Arts Stabilization has worked out its own formula for such assets, Sasser explained, recommending the maintenance of working capital levels at about 10 to 30 percent of an organization's operating budget, while its endowment should total anywhere between 200 and 500 percent of annual expenses. But those levels represent ideals that may prove more relevant to major museums and orchestras than to smaller organizations, she conceded, noting that a 1998 survey revealed that only four theaters in the entire country met NAS's recommended standards. Organizational size can also affect a group's access to capital, as well as its ability to attract charitable contributions, Sasser added. She cited a 1988 study in New York City, which found that smaller institutions spend five to ten times as much as major institutions for each dollar raised. Thus even in the midst of a booming economy, many small and mid-sized organizations may find themselves at a comparative disadvantage. The distinction between the "haves" and the "have-nots," in other words, already a source of concern both inside and outside of the arts, may loom even larger in the future. "I think when we end this period of wonderful growth in the capital markets," Sasser concluded, "we're going to see a much bigger dichotomy...."

Boschee noted, "At the end of every year when you're doing the financial audit, you've got to do a social audit as well, treating the social return on an equal basis with the financial return."

In the past, the arts world has relied on government funding, particularly at the federal level, to help close the gap between rich organization and poor. Dudley Cocke, whose Roadside Theater traces its origins back to the era of the Department of Labor's CETA funding, spoke passionately of both the importance of public support— "I believe that the NEA's first obligation is to stand for a level playing field..."—and of the dire consequences of cutbacks at the federal level. "In '95 Roadside received [NEA] support from three discipline programs—Expansion Arts, Theater, Opera-Musical Theater," Cocke recalled. "The total was $123,000. In '98 Roadside received $15,000, an 88 percent reduction, as our slice of our parent organization's grant. So that cut meant, of course, reduced creation, reduced presentation, reduced time for research and planning, and for participation in policy discussions, such as this one."

Build in some room for maneuvering, by maintaining sufficient cash reserves to insulate the organization from external pressures and internal mishaps alike. "Proper capitalization provides that cushion," Sasser explained. "I've had organizations call it 'courage money.' So they can take those risks."

While the effects of federal cutbacks have been reduced somewhat by modest increases at the state and local levels (which annually contribute around $400 million and $800 million, respectively), it is rather to the private sector that most arts organizations have turned in recent years. And little wonder. Private support accounts for somewhere between $10 billion and $11 billion in arts funding every year, and the booming economy invariably holds out the promise that there is even more where that came from.

Miller observed, "we're still talking about the 50 to 100 that we all know as the usual suspects. There are the 39,900 others who are registered as philanthropies..."

John Kreidler, on the other hand, expressed the concern that the arts' share of all charitable giving had in fact declined in recent years, although Clara Miller remained convinced that a collaborative appeal on the part of the nonprofit arts could attract new supporters from among the many new foundations that have been established in the 90s. Too often when we talk about arts funders, Miller observed, "we're still talking about the 50 or 100 that we all know as the usual suspects. There are the 39,900 others who are registered as philanthropies, and we might put something out there for them to consider."

Addenda

"A Place that is Yours": The Challenge of Facilities Development

"If you have a place that is yours," observed Cora Cahan, president of the New 42nd Street project, at a colloquium devoted to facilities development, "funders and other artists will know that you're going to be around...for a long time. It's so solidifying. It gives roots, and those roots deepen with every year that you're in a place." That, at least, is the positive side of an arts organization owning the building in which it operates. But the process of acquiring such property, as consultant Adrian Ellis made clear, can be a daunting one.

Cautioning that a building is a *means* to an end, rather than an end in itself, Ellis described the building boom in the arts both here and abroad. "There is an unprecedented level of investment in America and in Europe in cultural infrastructure or, for want of a better term, arts buildings, theaters, galleries, museums," Ellis observed. "...It's of historic proportions, probably without parallel, and as a result of this the boards and senior management of many, many arts organizations are completely preoccupied with issues which are supplementary to the basic mission of the organization...." Ellis cited four factors that have played a role in stimulating this heightened interest in cultural facilities: (1) the "rising expectations" of both artists and audiences, who demand better surroundings for the arts, and of arts organizations themselves, who face an ever-more-competitive environment; (2) the success of arts organizations (citing the New 42nd Street project as a prime example) in placing their activities in the larger civic agenda of their communities; (3) the "conventional wisdom" that "part of growing up as an organization means getting a building"; and (4) the sheer challenge of undertaking a capital construction project, which "...is more fun and exciting than the other things that may be immediately around and pressing at your agenda."

Against this rationale, which Ellis admitted can be all but irresistible for many groups, are an equal number of reasons "that arts organizations can get into such terrible tangles when attacking buildings": (1) the inherent complexity of facilities projects in general, and of meeting the specialized needs of the arts in particular; (2) the tension that exists between the realism of planning for a project and the hyperbole of raising funds for it; (3) the high profile of many arts organizations in their communities, which subjects their project to more scrutiny than similar undertakings in the commercial sector; and (4) the "...mismatch between the legal and organizational structures of a nonprofit organization, and the sorts of risks that are inherent in property development."

Ellis and his colleagues on the panel who had undertaken facilities projects in recent years (including Ton Borrup of Intermedia Arts Minnesota and Sally Jo Fifer of the Bay Area Video Coalition) agreed that the singular nature of such endeavors—most organizations only go through the process once—makes them a particularly imposing challenge. Many organizations, Ellis noted, "underestimate the organizational toll that a serious capital project will take on them."

Thus Ellis counseled an essentially bifurcated approach to cultural construction projects, one that marries the analytical powers of an experienced project manager with the "untrammeled enthusiasm" of the artist gone mad. "When I look at projects," Ellis declared, "I'm always looking for two things. I'm looking for a combination of a maniac and some analysis to answer that maniac. If you have the maniac without the analysis, it may make you go right off the rails. And if you have the analysis without the maniac, [the project] never goes anywhere. It just sits where it is. You genuinely need both the analysis and the maniac, and some sort of rapport between the two."

"Come to us with a Plan": State Arts Agencies Find New Ways to Support the Arts

Representatives of three state arts agencies—Arizona, Delaware, and Nebraska—were on hand at one of the colloquia to share their experiences with alternative funding mechanisms in the public sector. Two approaches in particular, involving trust funds and entertainment taxes, have never attracted sufficient political support to be implemented at the federal level, although variations on both themes are certain to be explored in Congress in the coming years.

"The elements that contributed to the development of the cultural trust were first the controversy surrounding the National Endowment for the Arts," explained Jennifer Clark, executive director of the Nebraska Arts Council, referring to the so-called culture wars of the late 1980s and early 1990s. "…And secondly, just a need for stable arts funding. We saw in the state of Nebraska sort of up and down arts funding from our state appropriations over the course of the ten years preceding my employment there…." Clark cited a number of factors that contributed to the establishment of the Nebraska Cultural Preservation Endowment in 1998, including a well-connected steering committee, a sizable state budget surplus, and "a champion in the state legislature." With a $5 million appropriation and matching support from the private sector, the endowment generates revenues that support three separate funding programs in the arts and humanities.

In both Delaware and Arizona, the driving force behind the creation of cultural trust funds was a financial crisis in the arts community. "[A]s in Delaware," reported Shelley Cohn, executive director of the Arizona Commission on the Arts, "some of our arts organizations came to us and said, 'We are threatened with bankruptcy. What are you going to do to help us?' And we strategized with the leadership and the legislature. The Speaker of the House is now our current governor, and she said, 'We don't want any more negative headlines. Come to us with a plan, and we'll see what we can do.'" The plan put forth led ultimately to the creation of the Arizona Arts Trust Fund, which addresses not only issues of financial stability, but also of cultural diversity and community representation, equally important components of long-term institutional health.

Peggy Amsterdam, executive director of the Delaware Division of the Arts, stressed the element of planning—both before and after the development of the Delaware Arts Stabilization Fund—that proved to be crucial to the success of her state's program. Persuading the corporate community not simply to re-allocate its existing arts support to the new program was important, for example, as were the subsequent efforts to get arts organizations in the state to collaborate in joint promotional and planned-giving projects.

Finding the means to seed trust funds with the requisite capital needed to generate sufficient income to fund arts programs remains a major challenge. Both the Arizona Arts Trust Fund, and a more recent program called Arizona Art Share, have used public means to tap private resources, an approach that has always been more popular in Europe than in the U.S. For the trust fund, revenues derived from a $15 annual filing fee for for-profit corporations generate over $1 million annually. Arizona Art Share draws on the state's commercial entertainment tax (a sales tax on movie theaters and sporting events) to support its institutional-development efforts.

Such programs as these, effectively calling on the for-profit Peter to pay the nonprofit Paul, may not find a place at the federal level, where corporate lobbyists wield so much power. But plans are already afoot for a similar revenue stream, resulting from the auction of the publicly owned electromagnetic spectrum (estimated by the Congressional Budget Office to be worth some $18 billion over the next few years) to commercial broadcasters and wireless entities. As a twenty-first-century corollary to the Morrill Act of 1862 (which sold public lands to create over 100 land-grant colleges), the sale of the "virtual" real estate that the broadcast spectrum represents could prove no less important to the promotion of American culture.

APPENDIX A
Presenter Biographies

Peggy Amsterdam was appointed director of the Delaware Division of the Arts in 1993 after having served as a staff member at the DDOA since 1984. As one of fifty state arts agencies in the United States, the DDOA oversees the distribution of federal and state funding to nonprofit arts organizations and artists. Amsterdam was a founding member of the Delaware Arts Stabilization Fund, which now serves as a national model for private, public and corporate collaboration for sustaining arts organizations.

Arnold April is executive director of the Chicago Arts Partnerships in Education, a network of 23 Chicago Public Schools, 35 professional arts organizations, and seven community organizations dedicated to co-planning whole school improvement through the arts. Mr. Aprill has taught at the School of the Art Institute of Chicago, the University of Chicago, and Columbia College. He is the former artistic director of National Jewish Theater and of the City Lit Theater.

Tom Borrup is executive director of Intermedia Arts Minnesota, a multidisciplinary community-based arts center, founded in 1973 and dedicated to building understanding among people through art. Intermedia Arts provides grants, fellowships, commissions and other services to artists in the Upper Midwest Region, and presents regional and national artists in performance, media, installation and interdisciplinary forms. Borrup also serves as chair of the board of directors of the Jerome Foundation, and is past co-chair of the National Alliance for Media Arts and Culture.

Jerr Boschee helped start the National Center for Social Entrepreneurs in 1984 and served as its president and chief executive officer from 1990 until the spring of 1999. He remains of counsel to the Center and a member of its board of directors and is in the process of launching an international organization to foster social entrepreneurship around the world. Boschee created the National Center's primary decision-making tool for nonprofits, the Mission/Money Matrix®, in 1989; and is the author of a monograph entitled *Merging Mission and Money: A Board Member's Guide to Social Entrepreneurship.*

After a career as a modern dancer, **Cora Cahan** became an arts administrator, co-founding and serving as executive director of the Feld Ballet, developing the Lawrence A. Wein Center for Dance and Theater, and acquiring and transforming the Elgin Cinema into the award-winning Joyce Theater, New York's pre-eminent theater for dance. In 1990, Cora Cahan was named president of The New 42nd Street Inc., a not-for-profit organization dedicated to restoring and recreating seven ancient legitimate theaters on the historic block between Broadway and Eighth Avenue. Cahan serves on the boards of the NY Convention and Visitor's Bureau, the Governor's Commission Honoring the Achievements of Women in New York State, the New York Foundation for Architecture, and is founder and trustee emeritus of the Joyce Theater.

Hal Cannon explores the culture and folk arts of the American West through "The Open Road," a regular feature on Public Radio International's weekly program, *The Savvy Traveler*. Cannon is the founding director of the Western Folklife Center and the Cowboy Poetry Gathering, now in its 16th year in Elko, Nevada. He has compiled over a dozen books and recordings on the folk arts of the American West. His band, variously known as the Bunkhouse Orchestra and the Desert String Band, has been together for twenty-five years and has performed the authentic music of the American West all over the world.

Jennifer Severin Clark is executive director of the Nebraska Arts Council (NAC). Under her leadership, the NAC played a key role in passing Nebraska's Cultural Endowment legislation in 1998. Clark has served as a board member, as well as on the executive committee of the National Assembly of State Arts Agencies and has been a panelist for the NEA. Prior to her current appointment, she served as executive director of the Arts Council of San Mateo County in California.

Joe Coates is a thinker, writer, and speaker on the future. He is president and founder of Coates and Jarratt, a firm which has produced research studies of the future of technology, business, and government since 1979. Coates is the author of over 300 articles and currently writes columns for *Technological Forecasting and Social Change*, *Research and Technology Management*, and *Personnel Management*. He is co-author of *2025: Scenarios of US and Global Society Reshaped by Science and Technology*, *Future Work*, and *What Futurists Believe*.

Dudley Cocke, director of Roadside Theater, is a producer, stage director, and writer. He recently directed *New Ground Revival*, and *Corn Mountain/Pine Mountain*, a bilingual collaboration between traditional Native American Zuni artists and the Roadside Ensemble. He has taught theater at Cornell University and the College of William and Mary, and often speaks and writes about rural culture, including the book he co-edited/authored, *From the Ground Up, Grassroots Theater in Historical and Contemporary Perspective* (Cornell University, 1993), and his contribution to *Voices From the Battlefront: Achieving Cultural Equity* (Africa World Press, 1993).

Shelley Cohn is executive director of the Arizona Commission on the Arts, having served in that capacity since 1984. She has been involved in seeing the appropriation of the Arts Commission grow considerably and in developing special funding initiatives including the Arizona Arts Trust Fund and Arizona ArtShare, the Arizona arts endowment fund.

Jane L. Delgado, Ph.D. is president and chief executive officer of COSSMHO, an organization dedicated to improving the health and well-being of Hispanics through its representation of ten million Hispanic consumers. Dr. Delgado serves as a trustee of the Kresge Foundation, on the board of the National Assembly, on EPA's Clean Air Act Advisory Council and is a member of Mrs. Rosalyn Carter's Task Force on Mental Health. She also serves on the board of Hispanics in Philanthropy and writes a column for the LA Times Syndicate. Dr. Delgado came to her position at COSSMHO after serving under the secretary of the U.S. Department of Health and Human Services where she developed the landmark "Report of the Secretary's Task Force on Black and Minority Health."

Cynthia Egan is president of The Fidelity Investments Charitable Gift Fund, a donor advised fund launched in 1992. Egan has served in executive leadership positions at Fidelity Investments since 1989. As executive vice president of Fidelity Management Trust and the Institutional Retirement Services Group, she was responsible for trust fund client management as well as the client services and operations management for the retirement plans of multiple for-profit and nonprofit institutions nationwide. Before joining Fidelity, Ms. Egan lived in New York and Washington where she was employed by Bankers Trust Company, KPMG Peat Marwick and the Federal Reserve. Ms. Egan graduated from Boston College with a BA in English.

David Eisner is vice president of Corporate Relations at America Online. He has helped manage the company's corporate communications since 1995, first as a consultant and since May, 1997, in his current position. Eisner is also vice president of the AOL Foundation. He served as senior vice president at Fleishman-Hillard International Communications where he led the telecommunications practice until joining the AOL team in 1997. From 1990 to 1993, Eisner worked as director of communications for the Legal Service Corporation, a quasi-federal, Congressionally supported agency, and one of the largest public nonprofit institutions in the United States. Eisner began his career on Capitol Hill as press secretary for several Members of Congress from 1985-1990. He graduated from Stanford University with a BA in creative writing.

Adrian Ellis is the CEO of AEA Consulting, a company which specializes in strategic planning in the cultural sector. AEA has offices in London and, since 1998, in New York. Ellis has assisted clients on facilities development projects ranging from the very large scale (the National Gallery, the British Museum, the Hermitage, the Deutches Theater) to smaller community-based theaters and workshops. He has also advised a number of funding bodies, including the UK Department of Culture, on policy with respect to facilities development, most recently for the UK National Lottery.

Sally Jo Fifer is executive director of the Bay Area Video Coalition (BAVC), a media arts center specializing in access and training on the latest communication technologies for artists and nonprofits. Fifer has worked in the media arts field for the last fifteen years. She has been executive director of BAVC since 1992, and is responsible for the organization's growth, relocating the organization in the heart of the SF Mission District, and opening up new opportunities for the organization as a leader in economic development workforce initiatives and training for technology industries. She has emerged as a nationally recognized authority on high technology and digital media as they impact and support the non-commercial missions of nonprofit organizations and artists. Fifer co-edited *Illuminating Video: An Essential Guide to Video Art*, which remains the definitive text used in universities and schools in media studies.

Peter Frumkin is assistant professor of Public Policy at Harvard University's John F. Kennedy School of Government. His research and teaching interests include public and nonprofit management, philanthropy, and organization theory. He is currently studying public policies affecting the nonprofit sector, the interaction of public and nonprofit managers, and the performance of private philanthropic foundations. Recent publications have included articles on the governance of community foundations, competition between nonprofit and for-profit social service providers, and professionalization in the nonprofit sector. Frumkin has served as a program officer of the Lloyd A. Fry Foundation, consultant to the MacArthur Foundation and the Council on Foundations, ombudsman of the University of Chicago, and site evaluator for Arizona's statewide School-to-Work initiative. He received his Ph.D. in sociology from the University of Chicago.

Michael Gallis is principal of Michael Gallis Associates, a strategic planning and design firm; the Gallis Information Group, and GWI Property Resource Group. He was formerly a professor of architecture and planning in the College of Architecture, University of North Carolina, and was named the first Institute Fellow at the Institute of Urban Studies in 1991. Gallis is currently involved in planning projects with various groups including the Cincinnati Metro Region, the Connecticut Institute for the 21st Century, the Rhode Island Economic Policy Council, the Detroit Chamber, the Memphis Area Chamber of Commerce, and the Charleston Metro Chamber of Commerce.

G. Michael Gehret has served as vice president for marketing and development for the Chicago Symphony Orchestra (CSO) since 1993. In that role, Gehret is responsible for annual fundraising, special underwriting, endowment development, planned giving, government grants, and volunteer activities. Under his direction, the CSO recently completed a capital campaign for the renovation of Orchestra Hall and construction of Symphony Center, which opened in 1997. Gehret also supervises the Orchestra's marketing, communications, and ticket sales programs. Prior to joining the CSO, Gehret was development director for the San Francisco Symphony (1981-93).

David Gockley has been general director of Houston Grand Opera since 1972. By producing operas such as *Nixon in China*, *Harvey Milk*, *Florencia en el Amazonas*, *Porgy and Bess*, *Treemonisha*, and *Resurrection*, HGO under Gockley's direction has earned a reputation for reaching out to new audiences. Gockley served two terms as president of OPERA America and was chairman of Houston's Theater District for four years.

Marian Godfrey is senior program director at Pew Charitable Trusts, having worked in the theatre arts field before joining the Trusts in 1989. Godfrey has taught theater management at New York University, has written articles on arts management and arts philanthropy for publications including *Theatre Times* and the *Grantmakers in the Arts Newsletter*, and has served on numerous national advisory committees and panels.

Anne Green was director of grantmaking programs at the Benton Foundation's <www.benton.org>, which works to realize the social benefits made possible by the public interest use of communications. Through its grantmaking, Benton equips nonprofit organizations with the technology tools and training they need to solve social problems and share lessons as they tap into the power of communications tools to advance their missions. Anne joined the Benton Foundation in 1996, as project manager of Open Studio: the Arts Online <www.openstudio.org>, a partnership with the National Endowment for the Arts to train the nonprofit arts community with the necessary skills to effectively use the World Wide Web for online communication, publication, and creative expression.

Allen S. Grossman is a senior lecturer of Business Administration at the Harvard Business School's Initiative on Social Enterprise and a visiting scholar at the Harvard Graduate School of Education. He served as president and chief executive officer of Outward Bound USA for six years before stepping down in 1997 to work exclusively on the challenges of creating high performing nonprofit organizations and the relationship between a nonprofit's management and its social impact. Mr. Grossman is co-author with Christine Letts and William Ryan of *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact*, to be published this fall by John Wiley & Sons, Inc.

Juana Guzman is director of the Chicago Neighborhood Tours for the Department of Cultural Affairs where she has developed successful partnerships and innovative entrepreneurial models. Guzman rallied and received over $8.1 million as part of the City of Chicago's Empowerment Zone's Cultural Diversity Program. The program provided crucial capital development dollars for the creation and expansion of community based arts centers and museums. Her most recent efforts with Chicago Neighborhood Tours involve creating awareness and enhanced economic opportunities for Chicago's diverse communities.

David Halen has been acclaimed by audiences and critics in the United States and Europe for his performances both as soloist and as concertmaster of the St. Louis Symphony Orchestra. Halen was named concertmaster in 1995, and prior to his appointment was a member of the Houston Symphony Orchestra, where he played from 1984 until 1991, serving as assistant concertmaster for five of those years.

J. Jean Horstman directed MCG Organizational Development Services, a program at Manchester Craftsmen's Guild that seeks to partner with nonprofit funders to increase the organizational capacity and effectiveness of their grantees. Horstman managed the Community Development Corporation/Arts Resource Initiative (CDC/ARI) for Manchester Craftsmen's Guild. She is a member of the Society for Organizational Learning, the American Society for Training and Development and the Organizational Development Network.

Nicolas Kanellos has been professor at the University of Houston since 1980. He is founding publisher of *The Americas Review* (formerly *Revista Chicano-Riquena*) and the nation's oldest Hispanic publishing house, and the largest nonprofit publisher of literature, Arte Publico Press. His monograph, *A History of Hispanic Theater in the United States: Origins to 1940* (1990), was the recipient of three book awards. In 1994, Kanellos was appointed to the National Council on the Humanities. In 1996, he became the first Brown Foundation Professor of Spanish at the University of Houston.

Norma Kaplan, chief of Arlington (Virginia) Cultural Affairs Division, has over twenty years experience in arts administration. The Division provides a comprehensive program of services to local artists as well as numerous arts programs serving the general population of Arlington County. Ms. Kaplan was instrumental in the creation of the national award-winning "Arts Incubator" program in Arlington County. Prior to beginning her work as chief of the Cultural Affairs Division in 1986, she spent ten years in New York as both an arts administrator and theatre director.

Hal King is managing partner of King, Brown and Partners, Inc., a full service market research firm based in San Francisco. KB&P provides strategic marketing research to many of America's most respected Fortune 100 companies, including such business leaders as Bank of America, Hewlett Packard, Levi Strauss & Co., Sun Microsystems, the Discovery Channel, and the Walt Disney Company.

Bruce Kogut is Dr. Felix Zandman Professor of Management at the Wharton School, University of Pennsylvania, and co-director of the Reginald H. Jones Center on Strategy, Organization, and Management. Kogut has published widely on such topics as labor markets for ideas and the effects on organizations, the expansion of U.S. and Japanese firms internationally, strategic alliances and networks, technology transfer and diffusion, privatization, international strategy, and the competitiveness of countries. His current research focuses on the virtual location of software and intellectual labor activities in the global economy.

John Kreidler served as senior program executive for Arts and Humanities at the San Francisco Foundation since 1979. In that position, he administered a grant program that supports the advancement of more than 100 cultural organizations with emphasis on direct citizen participation in cultural activities, advancement of nonprofit cultural organizations, cultural diversity and experiential forms of arts education. Early in his career, Kreidler worked for the U.S. Office of Management and Budget where he was responsible for a portfolio of Federal programs involving youth employment and occupational health. After a year at UCLA's Arts Administration program, he became director of the Alameda County Neighborhood Arts Program, and was active in a national movement to employ artists using Federal CETA funds.

Clara Miller is founder and president of the Nonprofit Finance Fund, a leading national community development financial institution. Nonprofit Finance Fund (NFF) provides financial and advisory services to nonprofit organizations, and since 1980 has made approximately $23 million in loans for more than $100 million in projects. NFF focuses on hard-to-finance needs such as leasehold improvements, capital campaign receivables, construction loans and working capital. Borrowers and advisory service clients include organizations in health services, child care, education, arts, culture, recreation, religion and community development. Miller chairs the board of the National Community Capital Association and is a board member of the Local Initiatives Managed Assets Corporation.

Cora Mirikitani was senior program director at the James Irvine Foundation, and director of the Arts program. She came to that position from the Pew Charitable Trusts where, from 1991 through 1996, she served as program officer for Culture in charge of national grantmaking activities. Before becoming a grantmaker, Mirikitani worked for fifteen years in the nonprofit arts as the director of performing arts and film at the Japan Society in New York, managing director for programs at the Japanese American Cultural and Community Center in Los Angeles, and executive director of the Greater Philadelphia Cultural Alliance.

Anthony Riddle is executive director of the Manhattan Neighborhood Network. For over twenty years, Riddle has worked in the many forms of media for the purpose of effecting positive social change. He served as executive director of Minneapolis Television Network from 1989 to 1995. In this capacity, he became a regular contact for USAID/State Department tours, explaining community media to public information officers and filmmakers from nearly three dozen countries. Riddle has attended important conferences in Eastern Europe, North Africa and throughout North America for the purpose of sharing information about community media.

Van Romans is director of cultural affairs for Walt Disney Imagineering. At Disney he has developed the international exhibition program for Epcot Center, the Disney Gallery program, Art in Embassies and other arts related public programming. Before coming to Disney, Romans taught at the University of Southern California and the University of California, Irvine where he received full professorships in Studio Art. He is a member of the American Association of Museums, and serves on the Board of the California Arts Alliance.

Douglas Rushkoff is an author, lecturer, and social theorist, whose books have been translated into 16 languages. His first novel, *Ecstasy Club*, was published by HarperCollins last summer, and has been optioned by Miramax Films. His most recent non-fiction book, *Children of Chaos* (called *Playing the Future* in the U.S.) explores the internet, video-game, comic-book, sci-fi culture of the "screenagers" for their insights on thriving in an increasingly chaotic age. He is probably best known for his book *Media Virus! Hidden Agendas in Popular Culture* (Ballantine, 1994), a controversial analysis of today's datasphere and media obsessions. Rushkoff regularly contributes features about pop-culture, media, and technology to magazines including *Time*, *Esquire*, *Details*, *The Modern Review*, *Paper*, and online publications from *The Site* to *Nerve*. He gives workshops and lectures around the world on technology and culture, and has taught at the Esalen Institute and Banff Center for the Arts.

Nancy Sasser was president of National Arts Stabilization (NAS), a nonprofit organization which partners with communities to strengthen arts organizations. NAS programs develop the managerial and financial skills required to adapt and thrive in a changing environment. She became president of NAS in 1995; two years later, she launched NAS executive education for arts leaders, the organization's first programmatic departure from stabilization, and a $2 million evaluation research program to develop an assessment tool to measure the impact of stabilization and capacity building programs nationally and internationally.

J. Mark Schuster is professor of Urban Cultural Policy in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology. Schuster is a public policy analyst who specializes in the analysis of government policies and programs with respect to the arts, culture and environmental design. He is the author of numerous books, articles and reports including *Patrons Despite Themselves: Taxpayers and Arts Policy*, *Supporting the Arts: an International Comparative Study*, and *The International Search for Models of Arts Support*. Schuster is joint editor of the *Journal of Cultural Economics* and a member of the editorial boards of the *Journal of Planning Education and Research* and the *International Journal of Cultural Policy*.

Fred Silverman is a consultant in the area of philanthropy and corporate community relations. He was the lead consultant to the National Strategy for Nonprofit Technology, an initiative by foundations, corporations, and nonprofits to develop a blueprint for how nonprofit groups can access and use high technology more effectively. Other clients include Hispanics in Philanthropy, Tides Foundation, Open Society Institute, and Community Foundation Silicon Valley. Until 1997, Silverman was senior manager of Apple Computer's Worldwide Community Affairs department, which planned and implemented the company's global community involvement activities.

Susan Kenny Stevens is president and founder of The Stevens Group, a firm specializing in strategic, financial and management advice to foundations and nonprofits throughout the country since 1982. A recent merger with Larson, Allen, Weishair and Co. expanded The Stevens Group's consulting, training and program/loan fund management services to include nonprofit audit and accounting. Stevens is a frequent lecturer, public speaker and trainer on organizational, management and motivational topics and has written extensively on financial and management issues pertaining to the nonprofit sector.

Emily Todd currently serves as a grant officer at Houston Endowment Inc., a philanthropy endowed by Mr. and Mrs. Jesse H. Jones. Previously, Todd was Executive Director of DiverseWorks Artspace in Houston, a nonprofit art center dedicated to presenting new visual, performing, and literary art (1995-99), program director for the Andy Warhol Foundation for the Visual Arts, Inc. in New York (1988-95), and worked in various curatorial positions on the staff of the Contemporary Arts Museum in Houston (1980-86).

Stefan Toepler is research associate, Comparative Nonprofit Sector Project at the Institute for Policy Studies, Johns Hopkins University, where he coordinates research efforts focusing on Eastern and Central Europe. Before joining the Center, Dr. Toepler was a research scholar at the Free University of Berlin's John F. Kennedy Institute for North American Studies, where he earned his doctorate. Previously, he was an International Philanthropy fellow at the Johns Hopkins Institute for Policy Studies.

APPENDIX B
Bibliography

Books and Articles

Anheier, Helmut K. and Toepler, Stefan. "Commerce and the muse: Are art museums becoming commercial?" from *To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector*, Edited by Burton A. Weisbrod, Cambridge University Press. (1998): 233-248.

"AOL Foundation Launches Helping.org to Make Philanthropy Easy and Convenient." AOL Foundation Press Release, October 20, 1999.

"The Arts and the Public Purpose." *Final Report of the Ninety-Second American Assembly*. Harriman, New York: Columbia University, May, 1997.

Baumol, William. "Symphony Orchestra Economics: The Fundamental Challenge." *Harmony*, forum of the Symphony Orchestra Institute, Number 2. (April, 1996): 52-54.

Beene, Melanie. "No Slow Fix, Either." *Grantmakers in the Arts Newsletter*. (Spring, 1996).

Billitteri, Thomas J. "Moving Giving off the Dime: Can White House increase share of U.S. income that goes to charity?" from *Chronicle of Philanthropy*, Vol. XII, No. 1 (October 21, 1999): 1.

A Blueprint for Infusing Technology into the Nonprofit Sector. Preliminary report of the National Strategy for Nonprofit Technology. (April 1999). http://www.nsnt.org.

Boschee, Jerr. *Merging Mission and Money: A Board Member's Guide to Social Entrepreneurship* (monograph). National Center for Nonprofit Boards. (March, 1998).

Brown, Alan S. and Sankey, Laura. "Learning about Audiences." *Dance/USA Journal*. (Winter 1998): 16-20.

Buki, Charles, Pyatok, Michael and Robbins, Ed. "On the Limits and Arrogance of Design." Panel discussion at the Congress of the New Urbanism VII – The Wealth of Cities. Milwaukee, WI. (June 4, 1999).

Carver, John. *Boards that Make a Difference: A Design for Leadership in Nonprofit and Public Organizations*. San Francisco: Jossey-Bass, 1990.

Chouinard, Claudia. *Measuring Stabilization*. Prepared by Results Group and funded by the Ford Foundation and the Andrew W. Mellon Foundation. (August, 1996).

Cocke, Dudley. "Theater of Place." *Grantmakers in the Arts Newsletter* Vol. 10, Number 1. (Spring 1999): 1-6.

Curtis, Jody. "The Future of Philanthropy." *Foundation News & Commentary*. (March/April 1999): 18-19.

De Monchaux, John and Schuster, J. Mark. "Five Things to Do." *Preserving the Built Heritage: Tools for Implementation*. Hanover, New Hampshire: University Press of New England, 1997.

DiMaggio, Paul J. "Decentralization of Funding from the Federal Government to the States." *Public Money and the Muse*. Stephen Benedict, ed. New York: WW Norton, 1991.

Dove, Kent E. "Trends Affecting the Future of Capital Campaigns." *Conducting a Successful Capital Campaign*. San Francisco: Jossey-Bass (1998): 160-172.

Drucker, Peter. "The Discipline of Innovation." adapted from *Innovation and Entrepreneurship: Practice and Principles*. Harper & Row, 1985.

________ "Management's New Paradigms." *Forbes*. (October 1998): 152-176.

________ "The New Commandments of Change." *Inc. Magazine Online*. (June 1999). http://www.inc.com/incmagazine/archives/06990641.html

Eisenberg, Pablo. "Academic Centers Don't Develop Charity Leaders." *The Chronicle of Philanthropy*. (March 25, 1999).

Eisenberg, Pablo. "The Courage to Profit From Failure." *The Chronicle of Philanthropy*. (May 20, 1999): 41-42.

Evans, Richard and Jones, Laurel. *Beyond Stabilization: Arts Funding and Organizational Development*. Prepared by Bay Consulting Group for the Pew Charitable Trusts. (October 1996).

Frumkin, Peter. "Evaluating for Success." *Philanthropy* (September/October, 1999): 9-12.

__________ "Failure in Philanthropy: Toward a New Appreciation." *Philanthropy* (July/August 1998): 7-12.

__________ "Fidelity in Philanthropy: Two Challenges to Community Foundations." *Nonprofit Management & Leadership*, Jossey-Bass Publishers, Vol. 9, No. 1 (Fall 1997): 65-76

____________ "He Who's Got It Gets to Give It." *The Washington Post, OUTLOOK* (Sunday, October 3, 1999): B1 & B4.

____________ "Private Foundations as Public Institutions: Regulation, Professionalization, and the Redefinition of Organized Philanthropy." *Philanthropic Foundations New Scholarship, New Possibilities*. Edited by Ellen Condliffe Lagemann. Indiana University Press. 69-98.

Gallegos, E. Herman and O'Neill, Michael. *Hispanics and the Nonprofit Sector.* The Foundation Center, April 1991.

"Giving Back, the Silicon Valley Way," a report by the Community Foundation of Silicon Valley, November 1998.

"Growing Up Nonprofit: An Essay on Nonprofit Life Cycle Development." The Stevens Group. (1993).

Handy, Charles. "Unimagined Futures." *The Organization of the Future*. Editors Frances Hesselbein, Marshall Goldsmith, Richard Beckhard. Jossey-Bass. (1997): 377-383.

Handy, Charles. *The Age of Unreason*. Harvard Business School Press. (1989): 3-29.

"Hatching Art: Creating a Vital Arts Presence in Your Community." *Americans for the Arts Monograph*, Vol. 1, No. 4. (April 1997).

Heifetz, Ronald A. and Donald L. Laurie. "The Work of Leadership." *Harvard Business Review*. (Jan.-Feb. 1997).

"Institutionalization: The Developmental Challenge of Mid-size Arts Organizations." Excerpt from "Working Capital Fund: A Report and Program Plan to Build Capacity Among Minority Cultural Institutions." Prepared for the Ford Foundation by The Stevens Group. (August 1995).

Kanter, Rosabeth Moss. "From Spare Change to Real Change: The Social Sector as Beta Site For Business Innovation." *Harvard Business Review.* (May-June, 1999): 122-132.

Kelly, Kevin. "New Rules for the New Economy." *Wired Magazine.* (September 1997). http://www.wired.com/wired/archive/5.09/newrules.html

Kramer, Mark R. "Venture Capital and Philanthropy: a Bad Fit." *The Chronicle of Philanthropy.* (April 22, 1999): 72-73.

LaBarre, Polly. "What's New, What's Not." *Fast Company,* Issue 21. (January, 1999).

LeFevre, Camille. "Constructing Art." *Architecture Minnesota.*

Letts, Christine, Ryan, William and Grossman, Allen. "Benchmarking: How Nonprofits are adapting a business planning tool for enhanced performance." *The Grantsmanship Center Magazine.* (Winter 1999).

Letts, Christine. "Performance Counts." *Foundation News and Commentary.* (July-August 1998).

____________ "Virtuous Capital: What Foundations Can Learn From Venture Capitalists." *Harvard Business Review.* (March-April 1997).

Light, Paul. *Sustaining Innovation: Creating Nonprofit and Government Organizations that Innovate Naturally.* San Francisco: Jossey-Bass, 1998.

"Local Arts Agency Facts 1998." *Americans for the Arts Monograph,* Vol. 2, No. 3. (1998).

Lombreglia, Ralph. "Where the Rubber Meets the Road." *Atlantic Unbound.* (1998).

Love, Jeffrey. "Sorting Out Our Roles: The State Arts Agencies and the National Endowment for the Arts." *Journal of Arts Management and Law,* Vol. 21, No. 3. (Fall, 1991): 215-226.

Lyman, Rick. "A Theatrical Building With Its Own Drama: Bright Lights, Big Hopes on 42nd Street." *The New York Times.* (November 19, 1997).

Marchetti, Domenica. "Managing Turnover at the Top." *The Chronicle of Philanthropy,* Vol. XI, No. 16 (June 1999).

Melcher, Richard, Mallory, Maria and Maremont, Mark. "Floating a Bond, Not Passing the Hat." *Business Week.* (June 26, 1995).

Miller, Leslie. "Charitable giving takes a cyber turn." *USA Today.* http://www.usatoday.com/life/cyber/tech/ctf068.htm.

"Moving from Personal to Professional: The Brighton City Community Foundation." Case study. The Stevens Group. (1993).

Myerson, Allen R., "A Techie Twist to the Charity Circuit." *The New York Times on the Web.* (January 30, 1999).

O'Connor, Judith. "It's Time for Boards to Rethink How They Govern." *The Chronicle of Philanthropy.* (May 20, 1999).

"An Overview of the National Cultural Facilities Study." Nonprofit Finance Fund. (1992).

Pasternak, Bruce, and Viscio, Albert. *The Centerless Corporation: A Model for Tomorrow.* Booz, Allen & Hamilton (Reprint). (1998).

Peloquin-Dodd, Mary, Maxwell, Christine T., and Neel, Jennifer. "Gardens, Galleries, and Grants: New Nonprofits Issuing Debt." *Standard & Poor's CreditWeek Municipal.* (January 26, 1998): 19-23.

Peterson, Richard A. and Kern, Roger M. "Changing Highbrow Taste: From Snob to Omnivore." *American Sociological Review,* Vol. 61. (1996): 900-907.

Pine, Joseph and Gilmore, James H. "Welcome to the Experience Economy." *Harvard Business Review*. (July-August 1998): 97-105.

Pinkerton, Stewart and Androshick, Julie. "Making Teachers Smile." *Forbes*. (June 1999).

Reardon, Christopher. "The Arts Mean Business." *Ford Foundation Report*. (Winter 1999).

"Replacing the Founder: Outreach, Inc." Case study. The Stevens Group. (1993).

Salamon, Lester M. "Holding the Center: America's Nonprofit Sector at a Crossroads," report for the Nathan Cummings Foundation. (1997).

Salamon, Lester M. and Anheier, Helmut K. & Associates. "The Emerging Sector Revisited" (summary). The Johns Hopkins University Institute for Policy Studies Center for Civil Society Studies. (1998).

Sautter, R. Craig. "An Arts Education and School Reform Strategy." *Phi Delta Kappan*. (February 1994): 432-437.

Scheff, Joanne. "Building Audiences for Dance." *Dance/USA Journal*. (Fall 1997): 14-18.

Senge, Peter M. "The Leader's New Work: Building Learning Organizations." *Sloan Management Review*, No. 7. (Fall 1990).

"State Arts Agency Support for Arts Organizations" (overview). NEA/NASAA. (May 1999).

Stern, Gary J. *Marketing Workbook for Nonprofit Organizations*, St. Paul, MN:Amherst H. Wilder Foundation. (1990).

Taylor, Barbara E., Chait, Richard P., and Holland, Thomas P. "The New Work of the Nonprofit Board." *Harvard Business Review*. (Sep.-Oct. 1996).

Taylor, Paul. "In Search of New Structures." *Financial Times*. (May 5, 1999).

United Arts Fundraising '98: A Statistical Report. Americans for the Arts. (1999).

Warshawski, Morrie. "The Grasshopper and the Ant." *Grantmakers in the Arts Newsletter*, Vol. 9, Number 2. (Fall, 1998).

Wheatley, Margaret and Kellner-Rogers, Myron. "Turning to One Another: The Possibilities of Y2K." from "Y2K Citizen's Action Guide," *The Utne Reader*. http://www.utne.com/y2k/turning.html.

Williams, Caroline. "Financing Techniques for Non-profit Organizations: Borrowing from the For-profit Sector." Essay prepared for *Creative America*, a report by the President's Committee on the Arts and Humanities. (1998).

Wolf, Michael J. *The Entertainment Economy: How Mega-Media Forces are Transforming Our Lives* (excerpt). Times Books, a division of Random House. (1999).

Wolf, Thomas and Keens, William. *Rethinking Stabilization: Strengthening Arts Organizations During Times of Change*. Prepared by Strategic Grantmaker Services and funded by the Ford Foundation. (May 1995).

Zimmer, Annette, and Toepler, Stefan. "The Subsidized Muse: Government and the Arts in Western Europe and the United States." *Journal of Cultural Economics 23*. (1999): 33-49.

NEA Case Studies

All of the following Case Studies have relevance to the issues discussed at the Colloquia, and can be found on the NEA's website at the "Lessons Learned Planning Toolsite,"

http://arts.endow.gov/pub/Lessons.

Allen, Davis. *An Accelerated Strategic Planning Process.*

Borrup, Tom. *Intermedia Arts: A Multicultural Home Away From Home.*

DeNobriga, Kathie. *Movin' On Up: One Theatre's Struggle to Change the Face of Its Audience.*

Deussing, Ryan. *MOMA.org: The Evolution of a Museum Web Site.*

Edward, Deborah. *Evaluation: Patching It Together.*

Farrell, Anne. *Abrazando La Diversidad/Embracing Diversity: Museum of Contemporary Art, San Diego.*

Finger, Ellis. *Programming Challenges for the Campus-Based Music Presenter.*

Greensfelder, Sara. *Organizing Traditional Artists.*

Hebard, Midge. *The Three by 3 Consortium – INTAR, New Federal Theatre and Pan Asian Rep: From Marketing to Individuals to Building Multicultural Constituencies.*

Hirschfield, Laura. *Richard Hugo House: A Study in Social Entrepreneurship.*

Hoover, Joanne. *The Very Special Arts New Mexico Facility: Oasis in the Desert.*

Jiminez, Lillian. *Third World Newsreel.*

Kaiser, Michael. *American Ballet Theatre: A Classic Turnaround.*

Kanellos, Nick. *The Launch of Piñata Books: A Study in Diversification.*

Matterson, Melissa. *Heartland Arts Fund: Breaking through Bureaucracy.*

Moore, Colin. *Jim Hirsch and the Old Town School of Folk Music: A Study in Leadership.*

Peeler, Heather. *Mission-based Planning: The Bricks and Mortar of a Successful Facility Project.*

Porterfield, Donna. *Mountaineers, Farmers, and Cowfolk Create Two Plays about Place.*

Pritikin, Renny. *New Wine in an Old Bottle, Old Wine in a New Bottle: A Collaboration between Two Contrasting Museums.*

Sapadin, Larry. *How the Delaware Cultural Community Organized an Arts Stabilization Fund.*

Seeman, Charlie. *The Cowboy Poetry Gathering: Rounding Up the Dollars to Grow a Home on the Range.*

Teitelman, Judith. *Risky Business: PEN Center USA West's Planning Process That Led to a Greater Commitment to Risk-Taking.*

Underwood, Consuelo. *Workplace Giving: A Source for Arts Support.*

Websites

National Endowment for the Arts
www.arts.endow.gov

Arizona Commission on the Arts
http://az.arts.asu.edu/artscomm

Arlington Cultural Affairs Division
www.arlingtonarts.org

Arte Público Press
http://www.uh.edu/~artepub

Arts Business Council of Chicago's Arts Marketing Center Library
http://www.artsbiz-chicago.org/marketing.html

American Assembly
http://www.columbia.edu/cu/amassembly/

Americans for the Arts
http://www.artsusa.org

AOL Foundation
www.corp.aol.com/foundation.html

Bay Area Video Coalition
http://www.bavc.org

Benton Foundation's "Best Practices Toolkit"
www.benton.org/Practice/Toolkit

Community Foundation Silicon Valley's Giving Center
www.siliconvalleygives.org

Cowboy Poetry Gathering and Western Folklife Center
http://www.westfolk.org

DiverseWorks Artspace
http://www.diverseworks.org/home.html

Delaware Division of the Arts
http://www.artsdel.org

The Fidelity Investments Charitable Gift Fund
www.giftstothefuture.gov/

Hauser Center for Nonprofit Organizations at the Kennedy School of Government
www.ksghauser.harvard.edu

Helping.Org
www.helping.org

Houston Grand Opera
http://www.hgo.com

Intermedia Arts
http://www.intermediaarts.org

Internet2
www.internet2.org

James Irvine Foundation
www.irvine.org

Journal of Cultural Economics
http://www.wkap.nl/journalhome.htm

Manchester Craftsmen's Guild
http://artsnet.org/mcg

National Assembly of State Arts Agencies
Legislative Appropriations Annual Survey: FY98-99
http://nasaa-arts.org

National Center for Social Entrepreneurs
http://www.socialentrepreneurs.org/

National Center for Nonprofit Boards
http://www.ncnb.org

Nebraska Arts Council
http://www.gps.k12.ne.us/nac_web_site/nac.htm

New Victory Theater
http://www.newvictory.com

The Pew Charitable Trusts
http://www.pewtrusts.com

Roadside Theater
http://www.appalshop.org/rst

Douglas Rushkoff
www.rushkoff.com

Social Venture Partners
www.svpseattle.org

CREDITS

Colloquia organization and publication

mail	55 San Fernando Way
	San Francisco, CA 94127-1503
voice	415-681-9450
fax	415-661-5307
email	laureljones@bayconsulting.com
web	www.bayconsulting.com
web	www.i-context.com

BCG Project team

Laurel Jones, Project Director
Richard Evans
Helen Graves
Gary O. Larsen
John McCann
Morrie Warshawski

NEA Project team

Lee Dennison
Anne Jarboe
John Morgan
A.B. Spellman

Graphics

Cover design: Alison S. Salter, eBluegoose and Associates, Sausalito, CA
Book design: Rhonda J. Boothe, nothing spectacular graphics, Bremerton, WA

Mission Statement

The National Endowment for the Arts, an investment in America's living cultural heritage, serves the public good by nurturing human creativity, supporting community spirit, and fostering appreciation of the excellence and diversity of our nation's artistic accomplishments.

For information about programs of the National Endowment for the Arts, visit the NEA website at: www.arts.gov

National Endowment for the Arts
The Nancy Hanks Center
1100 Pennsylvania Avenue, NW
Washington, DC 20506-0001
Phone: 202-682-5400
www.arts.gov