Nonprofit Arts Organizations in Grand Rapids, Michigan: An Exploratory Study

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NONPROFIT ARTS ORGANIZATIONS IN GRAND RAPIDS, MICHIGAN:
AN EXPLORATORY STUDY
By
Ruth Terry

December 2006
Nonprofit Arts Organizations:
An Exploratory Study

By Ruth Terry

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And approved by

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ABSTRACT

NONPROFIT ARTS ORGANIZATIONS IN GRAND RAPIDS, MICHIGAN: AN EXPLORATORY STUDY

By

Ruth Terry

To date little research at the local level has been conducted regarding arts and cultural nonprofits. This information is necessary to determine the future course of this subsector in Grand Rapids, Michigan. The purpose of this survey is to create a “snapshot” of area nonprofit 501(c)(3) arts agencies and provide information to arts professionals, arts advocates, and policymakers. Through a review of the literature, questions for an exploratory survey were generated. Findings show that participants in this sample found the local arts community and their own financial systems effective. However, additional findings and other studies show that further investigation is needed to determine the actual efficacy of Grand Rapids’ nonprofit arts sector in comparison with other cities and to develop resources to aid arts practitioners in managerial techniques.
ACKNOWLEDGEMENTS

This thesis is dedicated to family, friends, advisors, and survey participants without whom I could not have completed this project. I would like to acknowledge and thank: Mami, for giving up years of her life to support our family’s academic achievement. Dr. A. L. Terry, who has demonstrated academic perseverance and attainment to me since I was six. Evelyn G. Terry for supporting me for all these years and never asking for anything in return.

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Finally, I would like to thank all the participants of this study for their cooperation and for allowing me to ask questions about and report on their organizations.
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CHAPTER 1
INTRODUCTION TO NONPROFIT ARTS ORGANIZATIONS

1.1 Introduction to Nonprofit Arts and Culture

The question "what is art?" has been debated for centuries by philosophers, art historians, and artists alike. Differing opinions about art's definition are often rooted in disparate ideas about the relationship between the arts and society. A number of challenging questions frame this debate: What benefits do the arts impart on a personal level? Can these individual returns somehow be leveraged to positively impact society as a whole? What advantages does a robust arts sector bring to the general public?

Many arts institutions are nonprofit corporations. In fact, the IRS reports that there are approximately 24,000 arts and culture nonprofits operating in the United States (cited in Wyszomirski. 2002). Nonprofit agencies are distinct from public and private entities in that they are non-governmental, provide services rather than products, and most can solicit tax-deductible gifts from individuals and foundations.

Relative to nonprofits in the fields of health care, social services, education, and religion, arts organizations have greater difficulty justifying their existence and remaining relevant to the communities they serve. In an era of popular and governmental demands for increased accountability, nonprofit arts and culture institutions are expected to tout quantifiable results. Even though the arts provide more intrinsic benefits than tangible outcomes (McCarthy, Ondaatje, Zakaras, & Brooks, 2004), nonprofit arts agencies must report positive effects on their communities in order to compete for funding. The competition is especially fierce in Michigan where economic downtown has diminished
the pool of available funds while simultaneously exacerbating the need for nonprofit services.

Patterns of giving to the arts and culture sector suggest the extent to which it is valued by public and philanthropic institutions. The government’s stated commitment to sustaining the arts in the United States is undermined by the fact that federal giving to the arts is consistently outpaced by international counterparts (NEA, 2000). Arts and culture receive less grant support than education, health, or human service fields (Foundation Center, 2006). Nonprofit arts agencies remain undervalued and underfunded in cities across the United States.

Public support in the state of Michigan has also dwindled in recent years. In 2004, Michigan’s support for the arts decreased drastically. The Governor cut grant money available for arts organizations from $12.5 million to $11.8 million—a 50% decrease from the previous fiscal year (State of Michigan, Office of the Governor, 2003, p. B-60). In Grand Rapids, mainstay arts organizations like the Urban Institute for Contemporary Arts (UICA) and Wealthy Theatre have only recently become financially viable. 2005 marks the first year UICA was able to remain in the black (Wietor, 2005). Wealthy Theatre re-opened in March 2005 after closing for a second time since its establishment in 1911 (“About the Wealthy Theatre,” n.d.).

Despite financial adversity, Grand Rapids’ arts presence has persisted, and various new and exciting projects are underway. Some of these initiatives utilize alternative means of expression and exhibition like non-traditional venues and grass roots organizational structures.
Collaboration with other fields and across sectors has been one way the nonprofit arts community has met funding challenges. Michigan’s Cool Cities program, like other economic development strategies, seeks to use the arts as a tool for economic revitalization, particularly in blighted downtown areas. Economic development plans that include an arts component are often more palatable than stand-alone arts projects to donors seeking to maximize their dollars in the places they serve. For many funders, the arts simply do not provide sufficient measurable returns to make investment seem worthwhile.

The daunting task of quantifying the arts’ societal contribution is made even more challenging by the paucity of baseline data to accurately describe the sector at national, regional, and local levels. According to a report from Princeton University’s Center for Arts and Cultural Policy Studies (1996), while other nonprofit fields successfully generate data sufficient to inform policy and programming decisions, policymakers and arts administrators do not yet have an “information infrastructure” commensurate with their needs (Kaple, Morris, Rivkin-Fish, & DiMaggio, p. ii). Any measurement of the impact of nonprofit arts and culture organizations will remain an imprecise estimation until data are collected that accurately and comprehensively delineate the present composition of the sector.

Available data allows us to piece together a picture of the American nonprofit arts and culture environment. However, this picture cannot be called comprehensive. Certain geographic areas or trends are exposed in sharp detail, and others remain obscured. Data cannot always be generalized across disciplines or geographic locations (Kaple, Morris, Rivkin-Fish, & DiMaggio, 1996). For advocates, policymakers, and cultural practitioners
working in cities like Grand Rapids, studies representing the nation or large metropolitan areas may simply seem irrelevant.

1.2 Purpose this Research Project

The purpose of this study is two-fold. First, it will create a profile of the nonprofit arts and culture environment in Grand Rapids, Michigan that will compliment the efforts of other arts researchers and support the work of policymakers, advocates, and arts professionals. Second, it will, for the first time, document the cultural opportunities Grand Rapids’ nonprofits provide the community.

To accomplish these goals I examine research in nonprofit arts and culture, and I collect, analyze, and report local data in a manner referent to these studies. It is my hope that this study will aid local and state cultural leaders, relate to current cultural research occurring at national, regional, and local levels, and record the work of Grand Rapids’ arts and culture nonprofit organizations.

1.3 Remaining Chapters

Following the introduction (Chapter 1), this thesis is divided into five chapters. Chapter 2 reviews literature originating in fields as diverse as arts administration, cultural policy, economic and community development, and nonprofit management. This chapter will first attempt to answer the question: what does scholarship tell us about how the nonprofit arts and culture sector functions within the national, state, and local environments?
The arrangement of this chapter is similar to that of the survey questionnaire, which was broken down into four main parts. First, I review literature that helps to establish a context for the work on nonprofit arts groups in the United States, Michigan, and Grand Rapids. This section includes an in-depth look at the National Endowment for the Arts (NEA) and some of the controversy surrounding this organization. Trends in arts participation revealed by national survey data demonstrate the extent to which the public values the arts. The chapter also talks about the arts in state of Michigan and Grand Rapids, particularly the ways in which they are being used as part of economic development plans. Management best practices for arts nonprofits are also covered in this chapter to help provide a context for the organizational information reported in the survey.

Chapter 3 describes the research design, methods, and strategies used to collect data about local arts agencies. An exploratory case study was selected because there are so few data about art nonprofits in this area. Surveys were distributed to nonprofit arts and culture organizations in operating within the city limits of Grand Rapids. The organizations were found using a variety of online search tools including the Nonprofit Directory (Johnson Center, 2006) and the U.S. Census website. The survey questionnaire was designed to explore how arts organizations in Grand Rapids function and help fit local organizations into the larger arts context suggested by the literature. The data collected for this study is analyzed in Chapter 4 using basic descriptive statistics appropriate for an exploratory case study. Chapter 5 concludes the study and suggests opportunities for further study, and the entire survey questionnaire used can be found in Appendix B.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

In Chapter 2, I examine the essential aspects of nonprofit arts organizations in the United States. Nonprofit is a legal term that most often indicates an agency’s tax-exempt status. The meaning of “arts and culture” varies by source. This chapter includes a discussion of differing definitions presented in the literature. After establishing a working definition of the term, I explore the relevance of nonprofit arts and culture programs to national, state, and local environments.

All nonprofits operate within a set of legal restrictions. Additionally, many have also adopted additional guidelines to ensure effective management and to increase the likelihood of support from donors. As the nonprofit sector has grown, so has the need to “professionalize”. Adherence to best practices in governance and administration are increasingly standard for arts nonprofits, and are often viewed by supporters as indicators of long-term viability. The literature highlights elements like mission, vision, and strategic planning that contribute to the success of nonprofit arts enterprises. These “best practices” are a standard by which to gauge the effectiveness of local institutions surveyed in this study.

Public and philanthropic aid to the arts, trends in cultural participation, and organizational structures utilized by arts entities are here construed as forms of support for the arts. At the national level, nonprofit arts are supported by a single federal agency, the National Endowment for the Arts (NEA). The NEA’s founding legislation and
structure sheds light on the role of the arts at the national level. National demographics of arts participation provide additional insight by revealing who is most likely to engage arts and culture.

The national context provides a frame of reference for the subsequent look at the arts in Michigan and Grand Rapids. Michigan has a stated commitment to arts and culture that is characterized by its “Cool Cities” agenda. This plan relies on the input of many local groups and individuals and consequently reveals as much about the local context for the arts as it does the state context. Data show that cities increasingly use the arts to predict and expand the economic success in their regions. Grand Rapids is no exception. As a prelude to the findings of this survey, I analyze the current cultural climate of Grand Rapids, Michigan with specific regard to economic development and downtown renewal.

2.2 Defining Nonprofit Arts and Culture Organizations

This thesis examines the nonprofit arts and culture sector in Grand Rapids, Michigan. Before looking at the data collected for this study, a working definition of “nonprofit arts and culture” should be constructed. This term has two principle parts that must be defined. “Nonprofit” is relatively easy to characterize with regards to legal status. However, because of the broad range of activities and organizational types the sector encompasses, it is difficult to establish a comprehensive definition of the term beyond its legal meaning. “Arts and culture” is also difficult to define due to the subjective nature of arts appreciation, divisions between so-called “high” and “low” art, and the varied manner in which other researchers apply the term.
The National Center for Charitable Statistics (NCCS) counts over 1.3 million nonprofit organizations (NPOs) operating in the United States (2004b). “Nonprofit” refers to organizations that function in a manner distinct from private and public sector entities. NPOs may work at both the formal and informal levels. To earn the official IRS designation that allows the nonprofit to solicit tax-deductible donations a nonprofit must be legally incorporated and have appropriate organizational structure (Department of the Treasury, 2005).

The most common IRS status is 501(c)(3), though groups like civic leagues, chambers of commerce, and social clubs may fall under a different categorization (Department of the Treasury, 2005). Some (usually small) groups may choose to operate in keeping with nonprofit structure but are not formally recognized as nonprofits by the federal government. In 2004, nearly 60% of all public charities were registered as 501(c)(3)s (NCCS, 2004b).

There are certain characteristics that make nonprofit entities distinct from other organizations. Unlike private corporations, nonprofits do not distribute products, nor are they accountable to stockholders. Ensuring a return on the investments of stockholders and consumers is of paramount importance to private businesses, thus making the financial “bottom line” the chief consideration in the production, marketing, and distribution of goods. Nonprofits, by contrast, offer services instead of products. They are accountable to the public and their constituencies.

Traditionally, the nonprofit sector has been defined in terms of its role filling the gaps in services private and public agencies cannot provide. The transaction between nonprofits and their clients is very different from that between companies and consumers.
The price (if any) paid for a nonprofit service does not equal the direct and indirect costs of producing these services. In most cases, public dollars and charitable gifts supplement money paid for services.

Data show that there are more than 45,000 recognized nonprofit entities in the state of Michigan alone (NCCS, 2004a). As is the case at the national level, Michigan nonprofits represent a variety of fields, including social services, health care, education, and religion. In Michigan, all hospitals are nonprofit organizations. As a result, health care is increasingly important to both the state's nonprofit environment and overall economy. The Right Place – a local economic development firm – anticipates that by the end of 2006 West Michigan's health care industry revenues will have grown by nearly 10% (2006). Per year, Michigan's nonprofits generate almost $69 billion in economic activity, and provide 315,000 jobs to state residents (Public Sector Consultants, Inc., 2004, p. 1).

Much remains unknown about the history and development of the nonprofit arts (Kriedler, 1996; see also Kaple, et al., 1996). Kriedler (1996) presents a brief history of nonprofit arts in the United States. Through the 19th century, arts agencies typically operated as individual proprietorships. Kriedler writes that the shift to the arts nonprofit of today was a result of a unique funding model originated by the Ford Foundation in the 1950s. Foundation funds were given to help existing nonprofits reduce debt and create endowments, as well as to establish new arts nonprofits, service organizations, and schools. Typically, Ford Foundation grants were limited in duration and required matching funds. In this manner, the Foundation leveraged their assets to provide for long-term funding and viability among grantees. Other foundations and the National
Endowment for the Arts (NEA) have mimicked this funding strategy, and it is responsible for much of the growth in the nonprofit arts sector.

In 2003, arts, culture, and humanities organizations made up 10% of all nonprofits nationally (National Council of Nonprofit Associations, n.d.). These nonprofits present activities in a broad spectrum of disciplines. These range from traditional aesthetic forms like ballet and opera to contemporary creative outputs like multi-media installations and improvisational theater.

In 2002, 9,855 (or 42%) of all arts, culture, and recreation groups in the United States were tax-exempt performing arts companies, museums, historical sites, and other similar institutions. The Census (2002) defines performing arts companies as organizations that provide “live presentations involving... actors and actresses, singers, dancers, musical groups and artists, and other performing artists”. Museums and historical sites preserve and exhibit historically, culturally, and/or educationally significant artifacts and sites. Census data demonstrate a growth of 1,746 such organizations since 1997 (2002).

According to the Michigan Association of Community Arts Agencies (MACAA), there are currently 1,517 nonprofit arts and culture organizations in Michigan (n.d). The U.S. Census (2002) provides a much more conservative estimate, reporting 244 performing arts companies, museums, and historic sites. The differences between these estimates suggest varying definitions of what constitutes arts and culture. MACAA’s online directory (n.d.) allows searches in the following primary areas: dance, music, opera, theatre, visual arts, design arts, crafts, photography, media arts, literature, interdisciplinary, folk arts, non-arts humanities, and multi-disciplinary. Sub-categories
are more specific and include items like mime (theatre), industrial design (design arts), and metals (crafts).

A search for nonprofit organizations in Grand Rapids using the MACAA directory yields 66 organizations. The Arts Council of Greater Grand Rapids (n.d.) has a similar online database of member organizations. The “art forms” represented among their members are arts administration, cultural/humanities, literature, visual, choral, dance, music, crafts, film, and theatre. The Arts Council (n.d.) boasts 47 members working in these disciplines. Based on the criteria for invitation to this study (see Chapter 3 for a full discussion), 45 arts and culture nonprofits were found within the Grand Rapids city limits.

A 2005 survey of arts participation conducted by the Community Research Institute [CRI] among Holland residents identifies (both for- and not-for-profit) venues rather than arts categories. This broadens the definition of arts and culture by validating informal means of participation like festivals, “open mic” music performances, and popular movies (Community Research Institute, 2005).

The subjective nature of art and the existence of alternative venues for presentation and consumption can generate problems for those attempting to inventory arts and cultural offerings, providers, and participants. The variety of definitions for arts and culture shown among the data speaks to the malleability of arts and culture’s definition. Clearly it can be extended to incorporate a variety of “high” and “low”, formal and informal modes of creative expression.

But if there is no real agreement about what art is, how can researchers comprehensively inventory arts providers and participants? If researchers choose to focus
on only one facet of arts and culture, how can they ensure that their findings will comparable with and relevant to studies by other researchers, policymakers, or advocates?

Additionally, for social science researchers, it seems that the question “what is art?” is trivialized by the question, “what is art worth?” This is especially true in studies relating to public and philanthropic aid to the arts. While most people would agree that truly significant art should be supported, few people agree on what is important enough to merit public and philanthropic aid and individual patronage.

For centuries, artists, historians, and philosophers have tried in vain to conclusively define art. Underlying many arguments is a preoccupation with art’s overall value or worth. Tolstoy wrote that in order to be considered art, a thing must fulfill the following criteria: It must be “of importance to mankind... be expressed so clearly that people may understand it” and its production should be not be solely motivated by “external inducement” (Cooper, 171). He maintained that art should be both widely accessible and uplifting to those experiencing it. Similar reasoning informs the average person’s opinions of what constitutes good art. However, variations in taste and preference prohibit this from being an exhaustive definition of art. Importance and accessibility are entirely subjective and, therefore, so is the definition.

When assessing cultural resources, there is a tendency to focus on “mainstream cultural venues” to the exclusion of artistic products created in non-traditional locations (Jackson, Herranz, and Kabwasa-Green, 2003, p. 3). Because they are not presented in traditional venues, aesthetic expressions like church choir music, urban graffiti, handicrafts, or essays on an online blog are not typically considered art. Ivey (n.d.) also
points out that nonprofit arts organizations often figure far more prominently in these discussions than for-profits, which are often viewed as less valid.

How and where creative outputs are presented affects their designation as art. The works of contemporary artists like Marcel Duchamp corroborates this. Duchamp is best remembered for his “readymades”, exhibitions of found objects that ranged from a bicycle wheel to a signed urinal. The intent of this series was to show that the interaction catalyzed between the viewer and an object on display is what defines that object as art. Duchamp’s work implies that where the audience encounters an object or performance affects whether it will be perceived as art.

The type of venue and organizational structure were an important factor for selecting participants for this study. Only organizations with readily accessible proof of 501(c)(3) status were invited to participate. As this designation strongly depends on organizational structure, it is more likely among larger, mainstream venues. Also larger organizations also seemed to self-identify as arts and culture providers and/or were already included in previous studies or inventories of arts groups in the area. Thus type of venue was, directly and indirectly, a far greater determinant for inclusion than the actual creative outputs of the organization, though these were considered.

This rationale excluded some potential survey participants. As discussed later, Grand Rapids has many opportunities for artists and patrons, including collectives, artists’ live/work spaces, and one-time events that do not originate in nonprofit arts organizations. In some cases, groups had opted out of legal nonprofit incorporation in an effort to remain more “organic” and less hierarchical (personal communication with G.)
Wietor, September 10, 2006). A more in-depth discussion of the criteria used to select
participants for this study, follows in the methods section of this paper.

The nonprofit sector in the United States serves a critical role in offering services
that the government and private sectors are unable to provide. Many arts organizations are
501(c)(3)s that generate revenue through fees for services, federal, foundation, and
corporate funding, and individual donations. Nonprofit arts organizations face unique
challenges in terms of garnering support, which makes them distinct from nonprofits in
fields such as health, education, and religion.

The next section revisits the question of the arts’ value through a discussion of
how arts nonprofits are supported and how they benefit society. In the United States,
nonprofit cultural organizations are supported by federal, state, and municipal agencies;
foundations, charitable gifts, and voluntarism; their own internal structures; and, of
course, the audiences that patronize them. The most common benefits touted by arts
proponents tend to be economic, though some sources focus on long-term personal and
intrinsic gains.

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501(c)(3)s that generate revenue through fees for services, federal, foundation, and
corporate funding, and individual donations. Nonprofit arts organizations face unique
challenges in terms of garnering support, which makes them distinct from nonprofits in
fields such as health, education, and religion. The following section discusses best
practices for nonprofit arts organizations that take these factors into account. This section
is based on a survey of literature in the fields of nonprofit management and arts administration.

2.3 Best Practices for Effectiveness in Nonprofit Arts Agencies

The previous section provides an introduction to nonprofit arts and culture organizations in the United States. With this context in mind, Section 2.3 will attempt to answer the question: what are the characteristics of a successful arts organization? It explores literature published in the field of arts and cultural administration that addresses organizational effectiveness in nonprofit arts agencies. The survey instrument used in this study asks specific questions related to the characteristics discussed in this section.

Essays on organizational effectiveness consistently highlight certain basic qualities that healthy organizations display including clarity of mission, a strong leadership vision, adherence to shared values, capable leadership, articulated goals and objectives, strategic planning, high-quality programming (Anthony Knerr & Associates, 2004; Hardesty, 2003). Research demonstrates that the elements of mission, leadership, and strategic thinking were the most important to an organization’s success.

Organizational effectiveness is “the ability of an organization to fulfill its mission by measurably achieving its objectives through a blend of sound management, strong governance and a persistent rededication to assessing and achieving results” (Grantmakers for Effective Organizations, n.d.). This corroborates other research in the field, which suggests that the key elements of effective organizations are: vision, mission, leadership, strategic planning, and financial balance. These characteristics are found in all successful organizations, and nonprofit arts organizations are no exception. The most

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effective arts institutions recognize these characteristics and adapt them to the unique needs of their agencies. Literature in the field discusses the importance of these attributes to arts organizations and gives advice on how to modify them for use in the arts sector.

Vision is a powerful motivator in any organization. A strong vision is the impetus for change in arts organizations. It is the responsibility of leadership to define the present reality of the organization and provide a vision that will enable it to move forward from its current reality (McDaniel and Thorn, n.d.). Leaders must have a vision, which they conscript others to share and support (Griffin, n.d.).

Closely related to vision is the organization’s mission, which describes the artistic and functional purpose of the agency. Successful arts institutions have understandable, concise mission statements that express the vision of agency and identify the population the organization seeks to serve (Griffin, n.d.; Anthony Knerr & Associates, 2004; Warshawski, n.d.). This statement should be comprehensible to the general public, staff, the board, and donors. Some arts organizations may draft an artistic philosophy statement in addition to a mission statement to further delineate the agency’s artistic vision (Warshawski, n.d.). Anthony Knerr & Associates (2004) write that the most effective organizations,

...relentlessly manage to the realization of their missions, recognizing that all decisions, programs, and activities are critical paths in moving towards achievement of their primary purpose and goal. (¶ 16).

McCann (n.d.) writes that “leadership and decision making are little more than constant improvisation on [an] agreed-upon sense of direction...” (¶ 1). He also maintains that arts organizations have become distant from their original intention of providing support for the expression of artists. McCann adapts eight characteristics of
creative leadership as posited by Malcolm Knowles in his text *The Adult Learner, A Neglected Species.* Arts leadership should reflect the creativity of the discipline. The creative leader is one that:

- Has faith in people and offers them challenging opportunities for growth
- Allows staff, artists, audiences, and communities to be involved in planning processes
- Has high expectations for people affiliated with the organization
- Values individuality
- Exemplifies creativity while stimulating and rewarding it in the work environment
- Fosters a dynamic and innovative organization
- Emphasizes internal motivators such as achievement, growth, fulfilling work, and advancement over external motivators such as salary, supervision, and status
- Encourages employees to be self-directed and intuitive

Literature concerning arts leadership highlights the importance of creativity in leadership and planning within arts organizations. The creativity necessary to generate artistic products should just as visible in the processes of leadership and decision making within the agency. Intuition, dialogue, innovation, and flexibility are greatly important in arts management.

*Arts organizations are not known for effective strategic planning.* Too often, planning is reserved for crisis situations alone. In "Trick or Treat (Or Why Plan?)", Taylor (n.d.) writes:

> Organizational planning, when it does occur, is spurred by crisis, focused on the short term, and not well thought out. To create healthy futures, organizations must construct processes for creating their futures that are not fueled by the energy of crisis and turmoil. (Emergency medicine, ¶ 1).

One reason arts agencies do not plan is that arts administrators often see planning as a business too that is “anal” and quickly obsolete (Taylor, n.d.). However, arts organizations must begin to see planning in more positive terms. One way to transform
the misconception of planning as a “straightjacket” is by linking the planning process with creativity. “An arts organization’s planning process should mimic the creative process and be just as open and flexible” (Taylor, Bambi meets Godzilla, ¶ 1).

Planning should be a system that promotes continual stability and balance by helping leadership plan, solve problems, and improve conditions. In an arts organization, it should be an extension of the artistic and creative values espoused by the organization. “By mirroring the artistic process, planning becomes as organic, logical, and effective as the most effective thing they do (making art), and therefore repeatable and replenishable” (McDaniel and Thorn, n.d., Reconceptualizing the equation, ¶ 8).

Every organization should have a planning process that reflects not only the creative process, but also the type of art showcased by the agency. Kandel (n.d.) designed processes for organizations such as Meredith Monk’s House Foundation and Trisha Brown’s dance company that reflected Monk and Brown’s personal work methodologies. Kandel lists five key strategies to incorporating art into the planning process, which include:

- Fully representing artists in planning sessions and understanding their importance to organizational success
- Resolving questions about mission early in the planning process
- Developing a time frame for planning that corresponds to the time it takes to develop the artistic product
- Creating a vision of the programs the organization wants to present and then refine it with market research
- Everyone involved in the planning process fully understanding the artistic product

Kandel (n.d.) confirms other research by implying that the planning process should echo the creative process and, more specifically, the methodology utilized by artists whose work is presented by the organization.
Another non-traditional planning strategy is called “strategic visioning” and was developed by Grove Consultants International (n.d.). Strategic visioning brings together the strengths of traditional strategic planning and “visioning” – a more flexible and intuitive approach to planning. The strategic visioning process faces two main challenges in combining these two forms of planning. First, this method must embrace both the analytical and the intuitive characteristics of people. Also, it must simultaneously engage both the past and the future (Grove Consultants, n.d.).

Research shows that the nonprofit arts are an important part of the national economy because they create jobs and stimulate economic growth (Americans for the Arts, 2002). McLennan (2003) reports that the arts return eight dollars back to the economy for every government dollar invested. Despite positive external effects on local and national economies, the arts notoriously suffer from internal financial instability as a result of inadequate funding and deficient fiscal administration systems.

Nonprofit arts organizations are funded by government grants, private contributions, and earned income. In 2006, the federal government through the National Endowment for the Arts will give $124,406,353 in grants to support arts initiatives (NEA, n.d.). Foundation giving provides more support to the arts than the federal government. In 2000, approximately 56,000 foundations gave $3.69 billion to the arts sector (Foundation Center, 2003). Earned income accounted for roughly 50% of the overall revenue reported by arts organizations.

Some arts organizations bolster federal and foundation support by requiring heavy financial donations from their board members. Prestigious arts organizations boast high-profile board members such as Harold Prince, Bill Blass, and Henry Kissinger (Glueck,
Arts trustees serving boards at institutions such as the Metropolitan Museum of Art, the Metropolitan Opera, the New York Public Library, and the Whitney Museum of American Art are expected to support the institution with between $50,000 and $100,000 a year in donations. This tactic can generate considerable income for larger arts institutions. However, board members recruited for their potential financial contribution to the agency rather than artistic sensitivity may find it hard to conform to the institution’s artistic vision, or they may have the somewhat unfair advantage of being able to dictate the organization’s programs.

Financial instability is often related to insufficient monetary resources. However, instability can also be caused or exacerbated by a combination of poor planning and unrealistic budgeting. The success of an agency’s strategic plan is directly connected to their ability to maintain a realistic picture of their financial situation. The equation expressing the relationship between artistic and programmatic needs and available resources must be constantly adjusted and fine-tuned in order to maintain the dynamic balance of the institution.

In addition to constant re-evaluation of financial systems, there are specific financial practices that contribute greatly to the success of arts agencies. Rosenberg and Taylor (2003) surveyed arts administrators to determine how they responded to their fiscal environments, and then they reported the best practice strategies these leaders employed in their organizations. Participating institutions included cultural and fine art museums, art colleges, ballet, theatre, arts presenters, and multimedia arts organizations with annual budgets ranging from under $1 million to over $10 million. Rosenberg and Taylor (2003) found that these organizations had a number of characteristics in common.
including: cultures that support long-term organizational and artistic viability; strong financial systems that utilize income-driven budgets, effectual methods of tracking and reporting, and rely on board governance and agencies' missions; and benchmarking. Financial viability can be achieved in arts organizations provided they support adequate funding from federal and private contributions and earned income with strict systems of financial reporting and budgeting. A more rigid approach to financial management will support the flexible, creative processes occurring elsewhere in the organization.

While many general nonprofit best practices apply to arts organizations, there are certain practices that must be adapted for use in the arts sector. Mission and vision should be crafted in accordance with the artistic purpose of the organization. Leadership should be selected because of their commitment to the arts, training in arts and management, and ability to embody creativity in their administrative methods. Strategic planning should imitate the creative process rather than following the more rigid models employed by other sectors. Finally, financial balance can be achieved by utilizing knowledge from business and accounting fields.

Diversity, which factors prominently in the survey for this project, was not much discussed in the arts management literature found. Chapter 4 cites additional literature not discussed in this review from the field of nonprofit management that provides some information about diversity pertinent to the findings of this survey.

The next section revisits the question of the arts' value through a discussion of how arts nonprofits are supported by and offer benefits to society. In addition to their own internal structures, American nonprofit cultural organizations depend on federal, state, and municipal agencies; foundations and charitable gifts from individuals; and, of
course, the audiences that patronize them. The most common benefits touted by arts proponents tend to be economic, though some sources focus on long-term personal and intrinsic gains.

2.4 Nonprofit Arts and Culture in the United States, Michigan, and the City of Grand Rapids

Federal Support for the Arts

Section 2.3 reveals best practice strategies that nonprofit arts leaders should use to increase stability and viability within their organizations—in essence how they can most effectively support the work of their agencies. Literature reviewed in Section 2.4 highlights the ways in which arts organizations are supported at national, state, and local levels, and how they contribute at each of these levels. First, there is a discussion of federal support for the arts in the form of NEA grants and indirect aid through tax exemptions. Next, nonprofit arts and culture in Michigan and the City of Grand Rapids is described. The purpose of this section is to provide a national, regional, and local context for the survey findings detailed later in Chapter 4.

The government supports 501(c)(3) nonprofits by allowing them to solicit tax-deductible donations from foundations, corporate giving programs, and individual gifts. Brooks (2003) estimates that the federal government forgoes more than $1 billion in tax dollars annually from arts nonprofits. Money given through the NEA, appropriations given to the Smithsonian Institution, Library of Congress, National Archives, and the Corporation for Public Broadcasting also help fund humanities-based activities (Center
Arguments for public arts support presuppose that the arts have some intrinsic benefit to the general population. Some proponents also maintain that a prosperous nation should meet its residents’ aesthetic needs, just as it seeks to ensure their basic needs are cared for (Carroll, 1987). Augustine (2003) points out that those both for and against federal arts support reason using moral, economic, and social viewpoints (p. 2). Carroll (1987) provides a synopsis of rationales used to defend public arts subsidies. These theoretical justifications all assume the state has a duty to take care of its citizens’ basic needs, and that the arts in some way relate to such needs. Carroll attempts to debunk this argument by showing that when extended to their logical conclusion, these arguments break down and/or present unfavorable consequences for the artistic community. She writes,

Government support for the arts guided strictly by these arguments may indeed disturb the structure of artistic production and perhaps destroy the art world as we know it. (p. 34)

One argument unmentioned by Carroll (1987) surfaces in Augustine’s (2003) investigation into the relationship between public arts support and arts participation. Augustine presents an argument for public arts funding in which government arts support is viewed as a “democratizing force” that encourages greater access to arts and culture for groups demonstrating low participation (p. 10). Again, this assumes the arts provide benefits to individuals and the community. Economic benefits of non- and for-profit arts are currently a very popular justification used by advocates for the arts.
Though her essay focuses primarily on justifications for direct subsidies, Carroll (1987) also defines indirect and direct funding for the arts. Indirect funding predates direct grant support and may include “land grants, tax exemptions to educational and cultural institutions… and tax advantages for private donations of art to the public” (Carroll, 1987, p. 22). Grants made through the National Endowment for the Arts to state agencies, nonprofit arts agencies, and to individual artists exemplify direct funding.

Discussions of public arts funding typically relate to direct subsidies through grantmaking. Yet indirect subsidies through foregone taxes are estimated to have considerably higher value than direct aid. Brooks (2003) estimates that the ratio of indirect support to direct funding is $14 to $1. His research focuses primarily on tax-deductible donations by individuals and does not factor nonprofit tax exemptions into his estimations. Brooks responds to arts advocates that drastically under represent the government’s true contribution to the arts. He also corroborates earlier research by O’Hare and Feld (1984) that posits, “the bulk of government aid to the arts in the United States in provided outside direct grant mechanisms” (p. 133). Like Brooks, O’Hare and Feld call for greater awareness regarding the distinctions between the two methods of support and increased activism by advocates regarding the government’s ratio of indirect to direct aid.

Indirect funding in the form of forgone income taxes is stimulated through private philanthropy to arts and cultural organizations. The Independent Sector (cited in Brooks, 2003) reported that in 1999 private contributions to the arts totaled over $11 billion. According to Brooks’ calculations, the following year giving at this level translated into over $1.6 billion of indirect federal support for the arts (p. 9). In addition to charitable
donations from individuals, nonprofits receive enjoy tax-exempt status—another way that indirect federal support for the arts is realized.

Though it features less prominently in debates than direct subsidy, indirect arts support is criticized. O'Hare and Feld (1984) contend that indirect aid to the arts burdens taxpayers and gives excessive power to the affluent donors. They conclude that for every deduction resulting from a charitable gift, taxpayers make up the difference in that donors’ deduction. O'Hare and Feld also call attention to the difficulty of ascertaining the exact cost of charitable giving to nonprofits based on data currently available.

O'Hare and Feld (1984) argue that it is individual taxpayers who pay the property taxes from which nonprofit arts organizations are exempted. Where suburban patrons frequent a cultural organization in a neighboring city center, it is resident taxpayers—not patrons—that bear the cost of the agency’s tax-exemption. O’Hare and Feld write:

This geographical distinction may imply other demographic differences: to the extent that suburban arts consumers on average are better educated or wealthier than inner-city residents, the less well-off will be paying for activities enjoyed by those better off. (p. 140)

The authors admit that the actual impact of this situation is difficult to assess when other factors are considered. Also, as discussed later, various studies highlight the economic benefits that arts, culture, and recreation offer cities (and consequently their residents) when used as part of comprehensive development strategies.

Another drawback of charitable giving is the power it affords affluent arts donors (O’Hare and Feld, 1984). Data from arts participation studies show that those with higher income and educational attainment are most likely to appreciate and patronize the arts (Augustine, 2003; NEA 2003). O’Hare and Feld find that the wealthy may be more likely to give money and are certainly more likely to donate pieces of art to organizations than
less affluent persons. Like other nonprofits, arts institutions tend to recruit board members that have the capacity to contribute financially to the organization they serve. Gubernick (1999) writes that arts institutions expect board members to donate anywhere from $2,500 to $100,000 annually. The ability and willingness to give and holding positions of leadership within arts organizations both increase the likelihood that wealthy patrons will exert influence over the programs and collections of arts and cultural nonprofits.

Research shows that indirect aid to nonprofit arts organizations is a substantial method of support. Though not uncontested, the government’s system of indirect aid is less frequently discussed than direct funding to artists and cultural organizations through the National Endowment for the Arts. In the past, due to a handful of controversial exhibitions the agency funded, the NEA has been used repeatedly as a political target. The Endowment has been the subject of hot political debate and boycotts, yet most people know little about its place within the federal government or its method of appropriating money.

The NEA is the only federal agency specifically devoted to the arts in the United States. It follows an organizational pattern used by the New York State Council on the Arts (NYSCA), which was established in 1960. Before the NYSCA, the only government support for the arts was indirect aid and a temporary New Deal project that employed artists (Augustine, 2003). These organizations follow a British rather than continental European approach to public arts funding (2003). As mentioned earlier, the Ford Foundation’s funding model influenced NEA’s style of grantmaking.
The NEA was founded in 1965 in an effort to bring arts and culture into every area of American society. Founders saw a need for an independent government agency to facilitate and promote the arts in this country. A main goal of the NEA is to prevent the restriction of the arts to a few major cities. Through grants, the Endowment supports the creation of a variety of art forms, including visual, performance and dramatic arts, music and literature. The National Council on the Arts advises the NEA on grant applications; regulations for categories, objectives, and eligibility of funding; collaborations with other organizations; the budget, including funding priorities and distributions; Congressional legislation and other significant issues relating to the arts.

Specifications as to the type of projects that can be funded by the NEA are also addressed in its founding legislation. Funded projects and productions must be of national or international cultural significance; meet professional standards of authenticity or tradition; provide artists with more exposure for their work; and encourage public knowledge and appreciation of the arts (20 U.S.C. § 951, 1965). The National Endowment specifically encourages arts initiatives that come from underrepresented and diverse groups.

The NEA has a close relationship with the government because of the legal framework it operates within. The President appoints the Chairman of the Arts Endowment, who also serves as the Chairman for the National Council for the Arts. As of 1992, Congress members also sit on the National Council forming a further connection with the government.

The NEA financially assists state and local initiatives, ensuring ties between itself and state governments. This has earned the state arts agencies the criticism that they are
nothing more than “little NEAs” (cited in Augustine, 2003). In fact, soon after the Endowment was founded, legislation was passed that required 20% of NEA funds go to states with arts agencies of their own. Within two years, all 50 states had formed arts councils with state funding to match the allotted federal funds. In 2000, the combined budget from the states reached $396 million, which far surpassed the National Endowment budget of $99 million (Wiprud, 2000).

Unfortunately, the relationship of the National Endowment for the Arts to the government and the general public is not always cooperative. The most memorable conflict involving the NEA was the “culture wars” in the late 80s. During the Cold War, the arts were perceived to be part of a broad political agenda. By the 1980s, the national social and political climate had changed greatly and the arts were no longer useful politically. Additionally, the political climate was dominated by both fiscal and ideological conservatism (Free Expression Policy Project [FEPP], 2003). This coupled with major wins by the religious right made the National Endowment for the Arts a very vulnerable target.

The NEA, already reviled by some as an “elitist” and unnecessary organization, came under intense attack in 1989 after funding two controversial artists. Conservative groups leveled charges of obscenity at the Arts Endowment for funding exhibitions that included photography by Andres Serrano and Robert Mapplethorpe. That year the NEA granted $15,000 to the Southeastern Center for Contemporary Arts to support a traveling exhibition of visual artists. The exhibition was comprised of works by ten artists, including eight pieces by artist Andres Serrano. Serrano’s work entitled Piss Christ attracted the notice of conservative leaders, beginning a series of events that erupted into
a national crusade against the Arts Endowment. Soon after, the Republican majority in Congress voted to phase out the National Endowment by 1998. In 1995, funding was cut by 40% to $99 million (Wiprud, 2000).

*Piss Christ* is a 60x40 inch photograph depicting a cheap plastic crucifix submerged in a clear container of the artist's urine. The combination of a religious image with a human excretory substance produced what DiMaggio, et al. (n.d.) called “an immediacy that words or even music lack” (p.17). After an attack by the American Family Association (AFA), the artist defended his work, explaining that it was not intended to disrespect the Christian faith “but to explore the many meanings of bodily fluids and critique the cheapening of sacred symbols” (FEPP, 2003, p.6). Soon after, organizers learned that the NEA had also contributed $30,000 to support the retrospective exhibition *Robert Mapplethorpe: The Perfect Moment*. The exhibition displayed over 150 of the artist’s photos, which varied in subject from flowers and traditional portraits to explicit homoerotic and sadomasochistic themes. The show also included pictures of nude minors.

Over the next year, the general public, conservative organizers, members of Congress, and the media barraged the National Endowment for the Arts with obscenity charges. The culture wars unearthed concerns about the fiscal sense of a federal arts agency, the values of the arts community being endorsed federally, and the entire process of NEA grantmaking. Underlying the accusations and emotionalist appeals to morality was a conflict between the conservative socio-political climate and the values of the arts community. Lewis and Brooks (2005) maintain that society generally tends toward the
conservative. By contrast, the arts community tends to be more liberal, specifically about issues like religion, sexuality, and civil liberties. They write:

In an era of morality politics – hot-button issues driven by deeply held beliefs rather than expertise – artistic values were virtually guaranteed to come into conflict with public morals. (p.1)

NEA’s status as a federal agency, successful grassroots initiatives by fundamentalists, minimal organizing by the arts community, and conservative Congressional lobbying ensured that the government would attempt to resolve the issue through legislation. In 1990, a “decency and respect” clause was included in the NEA’s reauthorization bill. The amendment charges the NEA Chairman to “[take] into consideration general standards of decency and respect for the diverse beliefs and values of the American public” when identifying grant recipients (100 F.3d 671, 1998, Headnote, ¶ 1).

Since its inception, the National Endowment for the Arts has given more than 120,000 grants (NEA, n.d.). Through Endowment initiatives people from all ethnic and socioeconomic backgrounds can enjoy arts programming in all 50 states in fields as varied as visual arts, sculpture, dance, literature, and music. Despite this overall success, the NEA has been maligned for a handful of questionable grants to individual artists—a mere fraction of a percent of their overall historical grantmaking. However, the NEA continues to be an important source of funding for nonprofit arts and culture organizations in the United States.

Charitable Giving to and Participation in Arts Activities

As shown above, the federal government supports nonprofit arts and culture agencies through direct and indirect subsidies. The National Endowment for the Arts
disburses funds directly to state agencies, as well as to arts organizations and artists. Indirect funding comes in the form of tax exemptions to nonprofits and the tax deductions donors claim on their income tax returns. Charitable giving from foundations and individuals and participation in the arts also supports nonprofit arts and culture. This section will briefly highlight statistics relating to foundation and charitable giving, and then it will delve into current research about arts participation in the United States.

The Independent Sector (2001) reported that in the year 2000 American households that made charitable contributions gave around $230 to arts, culture and humanities organizations. Independent Sector also found that 89% of people gave to religious and secular organizations; the average annual contribution was $1,620. In 2000, households gave an average 3.1% of their income to charitable organizations.

Interestingly, people with lower incomes tended to give a higher percent of their income than those with higher incomes. America’s 56,600 foundations also contribute greatly to American arts and culture. The Foundation Center (Lawrence, 2002) reports that in 2000 foundation giving to cultural nonprofits reached $3.7 billion. This figure represents 13% of all grant money disbursed by foundations that year.

Individuals also support arts and culture through participation in arts-related activities. According the 2002 Survey of Public Participation in the Arts (SPPA), 39% of American adults attended at least one of seven benchmark arts activities in the twelve months prior to the survey. In other words an estimated 81 million American adults were exposed to at least one of these arts activities, which included jazz, classical music, opera, musical plays, plays, ballet, and art museums (NEA, 2003). Many adults participated in
other cultural activities like arts and crafts fairs, literature events, visiting historic sites and non-ballet dance performances.

Numerous studies have been conducted to document patterns of cultural engagement. The oldest and probably the most notable is the Survey of Public Participation in the Arts, conducted every five years by the National Endowment for the Arts. The results of this study are used to show how arts participation varies by type of activity attended, as well as demographic characteristics such as the respondents' age, race or ethnicity, gender, and educational attainment.

Results of the most recent survey (NEA, 2003) show that 76% of adults had some involvement in the arts during the year, though only about one-third participated in one of seven benchmark activities. This has been tracked since the 1982 SPPA. When these benchmark activities are expanded to include pastimes such as visiting a historic site or reading literature, the percent of respondents participating in them climbs to more than 60%.

This survey also reports the number of people who actively created art or took an arts-related class. Forty percent of respondents performed or created art in the 12 months prior to the surveys, while five percent claimed to have taken an art class of some kind (NEA, 2003). These figures suggest that at least some arts participants desire a more significant depth of engagement with the arts than that afforded by simply attending an exhibition or performance. Ostrower (2005) writes that cultural participation can be "strongly motivated by a desire to learn something new" (¶2).

In terms of demographics, the SPPA survey reported that gender, age, educational attainment, and income all affect the likelihood of participation in the arts, as well as the
type of activities participated in. The 1997 survey found that as frequency of participation increased, respondents tended to be older, more educated, and more affluent (Dirks, 1999). The 2002 survey indicates that women are more likely to engage the arts than men and more likely to attend activities such as musicals, arts and crafts fairs, and ballet performances (Nichols, 2003). For the seven benchmark activities, respondents tended to be older. For example, young people ages 18-34 accounted for 9% of those present at ballet performances (2003).

Rates of participation tend to increase with education, especially for benchmark activities. Data show that five times more college graduates attended a classical music performance than high school graduates. The results of the SPPA study also indicate that income plays a part in arts engagement, though there is not as strong a correlation demonstrated here as with education (NEA, 2002).

This survey reveals that race and ethnicity also have some bearing on arts participation, both in terms of overall likelihood and type of activity. Patterns of participation do not necessarily follow overall race/ethnic makeup of the sample. Non-Hispanic whites accounted for 73% of the adult population in 2002. However, among survey respondents, more than 80% of participants were non-Hispanic whites for all activities investigated (Nichols, 2003).

African-Americans made up nearly 12% of the survey sample but for selected activities like jazz performances they comprised up to 14% of attendees (Nichols, 2003). Of all groups, Hispanics were least represented across all arts activities followed by the survey (2003). While race/ethnicity was examined in SPPA, researchers are quick to note

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that it is not the best indicator of attendance and that age, income, and education are far more likely to influence arts and cultural engagement (2003).

A potential drawback of SPPA is that it does not speak to issues such as behavioral patterns, decision-making processes, or early childhood involvement with the arts. Walker and Scott-Melnyk (2002) establish a theory of cultural participation based on “person-specific factors” (p. 13). Through an emphasis on behavior patterns Walker and Scott-Melnyk’s research contrasts with the SPPA, which tend to present socio-economic and demographic indicators as the primary determinants of cultural participation. Their model of cultural participation builds on the traditional model of civic voluntarism to arrive at a new theory of cultural engagement. As with political participation, cultural activity occurs on a range of levels – from attendance to monetary contributions to creation. The underlying determinants of all participation, regardless of level include:

- Individual factors including background, motivation, time, money, and skill; and “paths of engagement,” i.e., social or organizational links, that bridge consumers with opportunities
- Community factors such as the range, type, and availability of arts activities

Together these factors determine the way in which a person will engage arts and culture in their community.

Walker and Scott-Melnyk (2002) posit key findings that correspond to the factors above. Like previous studies, this research suggests the existence of a relationship between educational attainment and participation in arts activities. This could be in part due to the translation of advanced education with higher income, which also shares a direct proportion with arts engagement.

Another individual factor influencing one’s cultural participation may be an educational background including courses in the arts, or exposure to history or other
humanities subjects. These findings are similar to those reported by the National Endowment for the Arts in the SPPA. However, in contrast to SPPA, Walker and Scott-Melynk (2002) found that race/ethnicity showed a statistically significant relationship with participation in arts activities for only one site in the sample.

Data also indicate a relationship between a person’s level of civic and community involvement and the likelihood that they will participate in arts activities (Walker & Scott-Melnyk, 2002). People that contribute to other social, political, or religious organizations are more likely to continue that engagement in the arts subsector. This corroborates earlier research that shows arts activities, particularly drama and music, are included in religious or other community organizations (NEA, 2002; Jackson, Herranz, and Kabwasa-Green, 2003). Through regression analysis, Walker and Scott-Melnyk determined that the five personal influences most likely to affect arts participation are: religious involvement, organization membership; childhood experiences with the arts, taking art lessons, and income.

Walker and Scott-Melnyk (2002) also propose key community factors that may affect decisions to pursue forms of artistic engagement. This section of the report is less extensive that that dedicated to individual or personal factors. Research indicates that where arts organizations are located influences who takes advantage of programming. Diversity and availability of arts opportunities within a geographic location is a determinant of participation. In fact, the study found that when available arts opportunities coincide with personal interests and motivations the result is an increase in participation. Their data show that 92% of survey respondents took part in a cultural event at a university, church, or other venue not explicitly designated for arts promotion.
In a related study, McCarthy and Jinnett (2001) attempt to construct a theoretical framework from which to analyze patterns of arts participation. Like Walker and Scott-Melnyk (2002), McCarthy and Jinnett found earlier research highlighting only individual’s social, economic, and racial/ethnic backgrounds to be inadequate to elucidate the process of arts participation. They found it did not provide arts organizations “with enough information to determine what strategies may be appropriate for encouraging participation of those who constitute their target populations” (p. xi). As this excerpt implies, their study is distinct from the others in that it is specifically intended for use by arts administrators and in their efforts to develop audiences.

McCarthy and Jinnett (2001) do connect with Walker and Scott-Melnyk (2002) in their treatment of arts participation as a decision-making process. Integral to their discussion is the idea that the process can be broken down into steps. These stages coincide with the individual and community factors that Walker and Scott-Melnyk propose in their evaluation. The first stage is the background stage and relates to a person’s predilection for arts participation. This is the stage that socio-economic, race/ethnic, education, and prior arts experience influence. In the second stage, individuals assess the availability, diversity, and variety of arts activities present in their environment. With the third stage, McCarthy and Jinnett move beyond the other studies reviewed in this paper to insinuate that a person’s experience affects future cultural participation.

In addition to the internal best practices that arts organizations use to support themselves and aid from the public and private donors, individual participation in programs generates a considerable amount of support for nonprofit arts and culture.
organizations. To fully understand support for the nonprofit arts, trends in arts patronage and participation must be examined.

Studies show that education and income were two factors that emerged from every study reviewed, albeit to varying degrees of importance. Related to these indicators were variances in cultural participation resulting from race and ethnicity. Another feature suggested by research in arts participation was the necessity of diverse programming that appeals to a variety of interests and backgrounds.

Research concludes that the availability and accessibility of arts opportunities were both of strategic importance to agencies looking to link programs with audiences. These two studies also showed that a person’s prior experience with arts, whether in the form of a childhood experience, repeat engagement, or an art class taken, can influence their degree of cultural participation. A unique contribution arising from the literature was the significance of civic, social, or religious involvement in predicting the likelihood of arts participation.

Unfortunately, arts participation data is primarily available at the national level and for selected cities. To date, there is no such data available for Michigan or the Grand Rapids area. The following section focuses on what has become another important means of support for local arts initiatives. The use of arts and culture to spur economic development and urban growth is increasingly common among cities seeking to revitalize downtown areas and attract a young, creative workforce. By touting economic benefits, nonprofit arts agencies have the opportunity to generate fiscal support and buy-in from community leaders ensuring their existence in years to come. The next portion of this thesis discusses the arts in Michigan and Grand Rapids with specific regard to supposed

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economic benefits. This section is especially relevant to survey findings presented in Chapter 4 that relate to respondents’ perceptions of Grand Rapids’ arts community.

Nonprofit Arts in Michigan and Grand Rapids

The previous sections emphasized funding for nonprofit arts organizations through public and private gifts and individual patronage. Even though many people participate in the arts, the arts community is still pressed to justify the worth of the arts to society. Especially when confronted with offensive, bizarre and sometimes disturbing art funded by foregone tax revenues and direct subsidies, critics demanded to know: what do the arts contribute to society, and are these benefits worthy of public and individual support?

Founding legislation for the federal National Endowment for the Humanities (20 U.S.C. § 951, 1965) intimates that arts and culture have the power to expand worldviews, encourage tolerance and diversity, and forge a national identity. The United Nations Educational, Scientific and Cultural Organization (UNESCO) corroborates this—using the arts to facilitate intercultural dialogue and understanding, preserve traditional forms of expression worldwide, and compliment sustainable development efforts (UNESCO, 1997; 2006).

The Survey of Public Participation in the Arts reveals that many Americans derive great personal enjoyment from involvement in arts and culture. In 2002 more than 80 million Americans participated in at least one of seven “benchmark” arts activities throughout the year (NEA, 2003). In the past, media coverage of controversial art (especially that supported by federal dollars) has generated negative perceptions of the
arts among the general public. Numerous instances of the arts being cut from school curricula imply that, while many people appreciate the arts, they are often viewed as a luxury rather than a necessity.

The founding legislation for National Endowment for the Arts proposes lofty benefits of the arts to American citizens. Unfortunately, for many, these are not tangible enough to warrant the use of tax dollars to gain them. Emphasis is now being placed on proving more quantifiable benefits of arts and culture on state and local economies. Even though arts and culture are an important part of the lives of many Americans, there is still debate about their overall societal impact.

In Michigan, economic downturn and a poor job market make it increasingly difficult to advocate for arts funding. The benefits of the arts tend to be more tangible at the state and local levels than those offered at the national and international levels. In today’s nonprofit arts environment, many successful appeals for arts support include enumeration of the economic benefits of arts and culture.

Arts practitioners have begun forging partnerships and collaborations with public and private sector groups. An especially successful tactic has been to partner arts institutions with local organizations seeking to further economic goals. Several studies of the economic impact of the arts lend credibility to the claim that arts and culture not only provides personal enjoyment and enhances our national image, but also contributes to economic well being.

The federal government supports the arts for a number of reasons, including the fact that “a great nation deserves great art” (NEA, n.d.). By contrast, at the state and local level the arts are often incorporated into pragmatic schemes economic and community
renewal. This section discusses how arts and culture can be used in Michigan and Grand Rapids as part of a strategy for economic growth.

Use of the arts for as a tool of economic revitalization is enjoying popularity with state and municipal governments. In Michigan, Governor Granholm established the “Cool Cities” initiative. A primary goal of this program is to help communities all over the state develop the cultural infrastructure necessary to draw and maintain creative young people (State of Michigan, Office of the Governor, 2003). Young, educated workers are needed to foster growth in today’s “New Economy”—an economy powered by creative, hi-tech careers.

The state government supports these agencies through the department of History, Arts and Libraries, which is comprised of the Mackinac Island State Park Commission, the Michigan Council for Arts and Cultural Affairs (MCACA), the Michigan Film Office, the Michigan Historical Center and the Library of Michigan. Despite severe budget restrictions, MCACA continues to disburse grants to support arts projects throughout the state. Last year, requests for funds exceeded available dollars by more than $20 million (State of Michigan, Department of History, Arts, and Libraries, 2005, p.4).

Cool Cities focuses on creating a sense of place and a “brand” for individual communities and the state as a whole. It seeks to retain existing residents while attracting more; garner capital; and offer jobs, “creative opportunities”, and housing (State of Michigan, Office of the Governor, 2003). To promote this initiative, the state has made grants, networking opportunities, and other resources available to Michigan’s cities.

Michigan also has a relatively new Department of History, Arts, and Libraries, which includes the Michigan Council for Arts and Cultural Affairs (MCACA), Mackinac
Island State Park Commission, the Library of Michigan, the Michigan Film Office, and the Michigan Historical Center. MCACA disburses grant monies to fund various arts and culture projects statewide.

At the municipal level, Mayor Heartwell has endorsed the transition to the New Economy, as have other community leaders. However, the city has actually cut funding to arts and culture due to severe budget restrictions. Recently, the Public Museum lost City funds. Local support for arts and culture projects also comes from the Downtown Development Authority and from individual neighborhood associations.

While the for-profit arts and entertainment industry is clearly big business in this country, data also reveal the economic impact of the nonprofit arts sector. According to Americans for the Arts (2002), at the national level nonprofit arts account for $134 billion in economic activity. Florida (2002, 2003) writes that the arts amenities are becoming more and more vital for local economies because they draw innovative and talented workers. He also maintains that art and culture’s main contribution to an economy is the attraction and retention of a highly educated and skilled workforce. Both for- and not-for-profit arts organizations attract new workers.

Studies, papers, and policy briefs disseminated by groups like the National Governors Association (NGA) Center for Best Practices (2001), the National Assembly of State Arts Agencies (NASAA) (Ellis, 2005), the Center for Arts and Culture (Galligan, 2001), and the Urban Institute and the Fund for Folk Culture (2003) discuss how the arts support a vibrant workforce, expand opportunities for tourism, and build healthy communities.
Americans for the Arts (2002) writes that arts nonprofits are responsible for economic activity that is “more than the gross domestic product of most nations in the world” (p. 2). They go on to claim that this spending supports nearly five million full-time equivalent jobs (p.2). Michigan’s Cool Cities initiative focuses primarily on building the creative sectors of cities in order to make them “more attractive to young job seekers, job creators, and urban pioneers” (State of Michigan, 2003, p.2). Florida (2002, 2003) corroborates this, reasoning that a thriving arts sector will undoubtedly draw creative workers, and, thereby, attract the companies that seek to hire such talented laborers.

The Cool Cities report (State of Michigan, 2003) and Florida’s (2002, 2003) essays continually defend the ability of arts and culture to attract workers, but neither presents a clear plan for leveraging cultural resources into actual jobs. The State of Michigan lists the elements of a “cool city”, but, beyond the initial argument for worker attraction, does not propose a convincing plan to entice companies to follow this young, talented workforce into the city.

These sources all downplay the reality that the benefits of arts and culture are often indirect and require a long-term commitment to supporting the arts. Figures from Americans for the Arts (2002) are projections of the total economic activity related to nonprofit arts. This includes spending and jobs directly connected to arts organizations, as well as spending at restaurants, parking garages, and retail establishments that occurs concurrent with cultural participation.

Various groups nationwide conduct regular studies attempting to document the economic impact of the arts. A quick review of a few of these studies (see Americans for the Arts, 2002; Tennessee Arts Commission, 2002; California Arts Council, 2003)
reveals that each group employs a similar research model. These studies all report on elements such as total economic activity, the number of arts participants, number of jobs directly and indirectly caused by arts nonprofits.

The economic impacts of cultural activities were assessed as early as the post-war era. Throsby (2004) writes, that when conducted with respect for "economic and statistical rigour" evaluations of economic impact can be quite useful. However, Throsby continues,

There have been a number of dubious applications of the technique over the years; it seems that poorly-executed studies are particularly likely to arise when the motive is advocacy rather than economic analysis. (p. 1).

Chong (2002) points out a number of failings found in most evaluations of the arts’ economic impact. Of particular note are the contentions that “multiplier effects are often overstated” and there is no way to prove that existing art organizations are the direct cause of the economic benefits shown. Both Chong and Throsby concur that measurements of economic impact should include a qualitative element.

Despite the shortcomings of economic impact studies, qualitative evidence suggests that arts and culture can help a city economically. Chong (2002) states:

As a basis for innovation in an economy, arts-programming is viewed as making a contribution to wealth creation and improving the overall quality-of-life of a community” (p. 22).

Florida (2002, 2003) contends that the arts help cities compete more effectively in today’s economy. Ellis (2005) writes, “existing cultural assets… can be connected or nurtured to meet specific economic development goals” (p. 4). As the economy shifts and community and economic development methods change accordingly, the arts may become useful in catalyzing “co-developments” (see Jacobs, 2000) — concurrent,
interrelated, interactive innovations that, while perhaps seemingly disparate, contribute to a community's economic health.

Though unlikely ever to find arts and culture to be the one-size-fits-all solution to growth, economic development studies can point us to a framework for analyzing the viability of a city's cultural sector. A report from the State of Michigan (2003) highlights the importance of arts and culture to overall vitality of the state, while a marketing plan prepared by J.C. Williams Group (2005a, 2005b) discusses opportunities for increased cultural engagement in downtown Grand Rapids. Their analysis suggests that the arts are important to economic development strategies because they expand and creatively enable the labor force, improve quality of life, support small businesses, and encourage the redevelopment of underused facilities.

Business attraction and worker retention broaden a city's tax base, and they serve as a quintessential piece of many economic development frameworks. At the heart of Florida's (2002, 2003) research is the simple formula that in the New Economy firms follow workers. This elevates workers' location preferences above those of the company. While in the past courting firms through tax incentives was used to spur development, cities must now coax "the creative class" of workers to their communities.

A well-established cultural sector signals diversity, creativity, and ingenuity to hi-tech workers, suggesting a place they "fit in" (Florida, 2002). Florida recounts the story of a Carnegie-Mellon graduate, who began working for an Austin-based software company after being won over by Austin's burgeoning music scene, diversity, and nightlife. In the New Economy, sustainable business ventures will be entirely contingent on attracting and retaining hi-tech workers.
The NGA (2001) maintains that rather than actively seeking out individuals, firms will begin to establish branches in areas that they know have a creative, highly educated workforce. Austin again serves an example: state and local efforts successfully targeted businesses that were attracted to the area’s creative class, competitive wage market, the University of Texas, and the quality of life. The paper concludes, “...Austin has worked to preserve cultural vibrancy as a key competitive asset through its sustained period of high-technology growth” (p. 7).

Grand Rapids lags behind metropolitan areas of comparable size in terms of a creative class labor force. Despite frequent iterations concerning the city’s transformation from a manufacturing town into a hi-tech health sciences corridor, Florida’s (2002) data show that Grand Rapids, along with Las Vegas and Memphis, does not have a high enough concentration of creative class workers to support New Economy industries. At a time when other communities are able to leverage cultural assets to attract new talent and, thereby, new businesses, Grand Rapids continues to lose members of the young, educated, creative class.

Instead of retaining workers, data show that Grand Rapids is losing residents to other locations (see Pyne, 2005; State of Michigan, Office of the Governor, 2003). In a qualitative study called “The Interviews Project” conducted through online blogging community www.g-rad.org, Schaafsma and Wietor (2005) found out some of the personal reasons young people have left the city. Participants frequently cited insufficient arts and cultural activity and low levels of diversity and tolerance. Based on this anecdotal evidence, Grand Rapids seems to have a negative reputation among the very group the state is attempting to court through the Cool Cities and other projects.
Interviews Project participants also reported that they moved from Grand Rapids for a
gradient programs or employment opportunities in their respective disciplines.

Florida (2003) asserts that tolerance and talent are two factors requisite for
success in the New Economy. Grand Rapids’ current flight of young, educated workers
and their (albeit, anecdotal) personal reasons for leaving indicate that increased cultural
activity, diversity and tolerance, and opportunities for higher education and employment
are necessary for the City to attract and retain creative class members and the firms that
would seek to employ them.

The literature suggests that the arts afford benefits to traditional industries. They
impel creativity and ingenuity among workers and employers regardless of the sector
they work in. In 2000 Anderson Economic Group wrote that Grand Rapids had an
“excellent labor climate”, touting favorable employer-employee relations and a relatively
high job growth rate (p. 41). However, this study also shows that these strengths related
to the performance of the manufacturing and industrial sectors. As the knowledge
economy expands, manufacturing and other forms of traditional industry will become
increasingly obsolete.

The NGA (2006) reports that participation in arts and culture helps keep “the
creative skills of a knowledge-based workforce sharp”. It also benefits workers seeking to
hone “analytical, creative, and managerial” competencies required for success in
manufacturing, retail, or service sectors (2006, p. 6). A well-developed cultural program
can help embed “new value” into and stimulate innovation within Grand Rapids’
dwindling manufacturing sector.
Small business development is another indicator of a community’s success in engaging both the New Economy and arts and culture. The arts affect small business directly as galleries, cooperatives, and incubators (Phillips, 2004). Galleries are one of the primary locations for the exhibition and retailing of artwork. Artists’ cooperatives are typically nonprofit enterprises where new talent can display or perform their work. Artists may have opportunities to sell their work through cooperatives. (Profits go directly to individual artists.) Arts incubators have been gaining in popularity in locations such as Chicago, Dallas, Portland, and smaller cities like Sheffield, Alabama. Arts incubators help artists build the skills to succeed at running their fledgling business.

Grand Rapids has numerous galleries, many of which are located in the downtown area or emerging neighborhoods. The city also has a few arts cooperatives and collaborations. Currently there is no arts incubator. In order to nurture local artistic talent, the city should consider such a venture. Programs like Grand Rapids Opportunities for Women do teach business skills, but, in this case, are limited to women and are not specifically geared to arts entrepreneurs. In the past year, Dwelling Place has begun offering business classes for resident artists. The closing of downtown galleries like SWIM and nonprofit Lo-Fi and ongoing financial concerns among collaborative organizations the Ideal Collective and the Division Avenue Arts Cooperative suggest that artist-entrepreneurs have passion for the arts but may not have the financial, business, or managerial training to make their ventures successful. The long-term benefit arts and culture can bring to Grand Rapids is threatened by the inexperience of up-and-coming arts professionals and the lack of opportunities for them to expand their knowledge.
through graduate or professional courses in areas like museum studies or arts administration.

Arts-related activities stimulate spending through spillover effects. Attendance at non- and for-profit cultural events often entice people into the city center where they come into contact with restaurants, cafés, bars, shops, nightclubs, and salons. Lunch, dinner, dessert, coffee, drinks, or retail purchases may accompany a night at the theater or an afternoon in a gallery (Americans for the Arts, 2002). At present, Grand Rapids does not take maximum advantage of these spillover effects. In downtown and neighborhood areas, many retail stores, restaurants, and cafés are not open at night or at all on Sundays, which is when people are most likely to be enjoying cultural amenities. To cater to the lifestyles of young, creative professionals, Grand Rapids needs a thriving downtown that “is exciting and doesn’t roll up the sidewalks at five p.m.” (State of Michigan, Office of the Governor, 2003).

Utilization and improvement of existing, underused spaces is another way that the arts can contribute to the local economy. The arts have proven effective at generating attention for abandoned buildings, vacant lots, or old warehouses. These underused spaces may become sites for one-time events, galleries or performance venues, arts incubators, or artists’ live/work spaces (NGA, 2001).

Over the last few years, Grand Rapids has been the site of a number of events that strategically incorporate underused sites in the city. In September 2005, local visual and performance artists and fashion designers turned the parking garage located at the corner of Cherry and Commerce downtown into an exhibition space and fashion runway. During Free Radical Gallery, an annual project of local community development corporation
Dwelling Place, art is installed and displayed at businesses, nonprofits, and in vacant properties in the downtown and surrounding areas. Portable Cinema is a series of guerilla movie showings takes place in sites relevant to the film—previous sites have included parks, abandoned lots, and vacant spaces near train lines. Undergraduate students enrolled in Grand Valley State University’s Civic Studio course intensively study a neighborhood, then use public art to revitalize a space within it.

Though Grand Rapids artists have been quite successful in utilizing vacant spaces, these initiatives, with some noted exceptions, typically occur outside of any formal plans for economic development. Often they are projects by individuals or informal networks of young people. If the city or local nonprofits could harness the passion of these individual organizers, these projects could become a longstanding tradition in the community and part of the overall plan to integrate the arts into community development.

As was noted earlier, a city seeking to better position itself in the New Economy must have an atmosphere that prizes diversity and encourages creative risk-taking. Florida (2003) presents a number of diversity indices that evaluate diversity, openness, and creativity. The Bohemian Index utilizes Census data to determine how many arts professionals a given city has. Other indices highlight the number of minority, gay, and foreign-born persons in a given area. The rationale behind these measures is that that there is a relationship between the city’s diversity and its willingness to offer cultural amenities that will draw creative elites. Grand Rapids has large racial and ethnic minority populations—38% of Grand Rapids’ residents are non-white, a figure that climbs to 42% in the downtown area (U.S. Census, 2000). However, many neighborhoods in Grand Rapids suffer from racial, economic, and educational segregation. In the downtown area
for example, residents have lower educational attainment and annual income than those in other areas of the city (U.S. Census, 2000).

The stronghold of political and religious conservatives in Grand Rapids may compromise the City’s ability to attract gay people and alternative households. Patterns of segregation and traditions of religious and political conservatism existing within the City suggest that the climate may not be conducive to creativity. Cutting edge music, art, and performance are unlikely to be well received. Until the overall climate changes, Grand Rapids will have great difficulty using arts and culture to acquire creative class workers.

The presence of arts and cultural amenities is strong determinant of success in the New Economy. The primary goal of this research is to catalog the arts amenities currently available in Grand Rapids. Data show that over 130 nonprofit arts, culture, and recreation organizations operate within the Grand Rapids city limits, and there are number of for-profit arts businesses (Johnson Center for Philanthropy, 2006). The Grand Rapids Art Museum and the Public Museum both showcase traveling exhibitions that have toured through larger cities. The Art Museum will soon be relocated to a larger space in the heart of downtown Grand Rapids. The Urban Institute for Contemporary Arts (UICA) is a multidisciplinary arts center located in downtown’s Heartside District. UICA has an alternative film program, resident performance group, galleries and “portal” spaces to exhibit visual arts, a writers’ group, and a community darkroom and kiln. Grand Rapids also boasts a Children’s Museum, St. Cecilia’s Music Society, the Civic Theater, Grand Rapids Symphony, Actor’s Theatre, Grand Rapids Ballet, and the Grand Rapids Opera.
As previously mentioned, in addition to formal nonprofit entities there are cooperative performance and exhibition venues, artists’ collectives, for-profit galleries, and businesses that provide arts opportunities to their patrons. Artists’ live/work spaces have recently been installed along Division Avenue. Fine arts programs are offered through many local major universities and colleges, but whether graduates will choose to stay in the area after they graduate is uncertain. These are mainly undergraduate courses, though Kendall College of Art and Design does offer Master’s of Fine Arts degrees in painting, drawing, photography, and printmaking.

Even though there are many arts organizations in Grand Rapids, the city still suffers from a lack of a unified arts presence. To rectify this, a commercial market analysis was undertaken and a strategy to increase arts and entertainment in downtown Grand Rapids drafted. The plan calls for “attitude districts” that reflect the tastes of different demographic groups (J.C. Williams Group, 2005a). By branding districts and having offering “something for everyone”, it is hoped that more people will recognize and identify with Grand Rapids arts and culture.

Infrastructure and support organizations supplement state and city provisions for the arts. They may include foundations, arts councils, or local community development corporations. Economic development organizations like the Downtown Development Authority (DDA), the Downtown Alliance, and Dwelling Place have worked to maintain existing arts agencies, while generating new opportunities for cultural engagement.

Grand Rapids has a strong tradition of funding arts and culture through foundations. The Grand Rapids Community Foundation, Dyer Ives Foundation, and Steelcase Foundation all support Grand Rapids’ arts. Individual donors and their families...
have provided generous financial support for arts, culture, entertainment, and education. Noted examples include Meijer Gardens and Sculpture Park and downtown’s Van Andel Arena.

Michigan Association of Community Arts Agencies disseminates resources to individual artists and organizations across the state through their website, conferences, and printed materials. ArtServe, a nonprofit based in Lansing, provides advocacy for arts-related causes. The Arts Council of Greater Grand Rapids is a membership-based nonprofit that supplies arts agencies and, more recently, individual members, with information, seminars, and mini-grants. Dwelling Place began the transformation of Heartside’s Division Avenue into the Avenue for the Arts by spearheading the construction of artists’ live/work spaces, a branding project, the Free Radical Gallery, and the Ionia Street Market. Private development firms like Second Story Properties contribute to the city’s overall cultural resources through a demonstrated commitment to historic preservation and architectural history.

As shown above, there are agencies that offer both information and financial backing to cultural entities and artists. However, their reach is limited. MACAA and ArtServe both operate statewide, making the Arts Council the only infrastructure or support organization specifically dedicated to serving Grand Rapids. Dwelling Place has shown strong support for the arts, but its mission is primarily oriented toward housing for low-income persons.

According to the National Assembly of State Art Agencies (2005), “a robust creative sector” is imperative to contend in the New Economy, which is knowledge-based and creatively powered (Florida, 2003). The New Economy calls for new economic
development strategies—no longer will tax inducements be used to coax firms into the area. Today’s economy requires development strategies oriented towards workers, not companies.

As Grand Rapids continues to work towards full participation in a hi-tech economy, the city must begin to attract a young, highly educated, inventive workforce—the creative class. Florida (2002, 2003) writes that technology and other New Economy firms—unlike the industrial companies of the past—bow to the location preferences of the workers they seek to employ. Cities with thriving cultural centers are better able to compete in the New Economy. A vital arts sector provides numerous benefits to a city—it improves the overall quality of life, encourages small business, and promotes the utilization and improvement of existing buildings. Quality of life is a key indicator in many economic development assessments and is closely tied to the presence of arts and culture in a community (Chong, 2002).

This section analyzed the current arts and cultural environment in Grand Rapids according to economic indicators suggested by the literature. State initiatives were also mentioned. The literature shows that arts and culture are being used at the state and local levels as a tool for urban revitalization. However, data indicate that while on paper members of the young, creative class are being courted, residents that fall into this category are leaving for jobs and advanced degree programs in other states. Additionally, anecdotal evidence suggests that young people may find the Grand Rapids community to be insufficiently tolerant and open-minded to meet their needs. This section provides context for a later discussion (see Chapter 4) of community relations among arts organizations that participated in this survey. Their responses suggest that their
perception of the local arts community may differ from young creatives being targeted by Cool Cities and other initiatives.

2.5 Conclusion

The main purpose of this literature review was to provide a backdrop against which the responses of survey participants could be held. The first section of this review attempted to define nonprofit arts and culture through a discussion of the legal status of nonprofit 501(c)(3) organizations and the differing definitions of arts and culture. The findings of this study show that, just as the literature would suggest, Grand Rapids has a diversity of programs and organizations that fall under the designation “arts and culture”. Chapter 3 details the process involved in determining whether organizations fit the criteria necessary to participate in this study.

Next the review discussed the internal best practices arts groups could employ. Effective management strategies, particularly in the area of finances, are imperative to the long-term vitality of art nonprofits. After a review of these best practices, the broader national context for arts and culture was fleshed out. Federal aid in the form of direct and indirect subsidy impacts all nonprofit arts organizations. Foundation grants and individual donations – in the form of charitable contributions and costs associated with participation – also have a great effect on the sustainability of arts groups. As shown in Chapter 4, agencies included in this survey depended less on grant funding and more on individual contributions than previously anticipated.

Finally, arts and culture at the state level and in Grand Rapids was discussed. In Michigan and Grand Rapids, the arts are connected with economic development plans.
The Cool Cities initiative (State of Michigan, Office of the Governor, 2003) seeks to court young, creative workers by increasing the availability of arts and culture opportunities. A number of arts advocacy and other groups have hyped this approach as a way to compete in the new economy. Studies (Schaafsma and Wietor, 2005) suggest that Grand Rapids is losing rather than gaining young residents; also, the reported economic impacts of the arts may be inflated (Chong, 2002). The connection of local arts nonprofits to the greater community is revisited in Chapter 4, in which participants' opinions about Grand Rapids are recorded.
CHAPTER 3
RESEARCH METHODS

3.1 Introduction

As revealed in earlier chapters, nonprofit arts practitioners and advocacy groups suffer from a lack of viable academic literature (Kaple, et al., 1996). This is especially true at the local level. The purpose of this study was to inventory arts and culture organizations in Grand Rapids to provide a foundation for further academic exploration in this region. The specific goals of this project were to:

- Create a “snapshot” of the arts community in Grand Rapids
- Provide data to aid planners, legislators, arts advocacy groups, and arts organizations in policy and program decisions
- Suggest opportunities for further study in this area

A review of the literature guided the formation of the survey questionnaire (see Appendix B), which was distributed to local organizations. A case study design was selected because this method is well suited to exploratory research that seeks to provide a snapshot of a sample of participants at a given time and place.

This chapter describes the survey questionnaire used to gather data, explains the rationale used to select survey participants, and presents limitations of the study in the form of internal and external threats to validity.
3.2 Research Design

This section discusses the research questions that guided this study, variables being tested, and the reasoning behind choosing a case study design for the project. Three basic questions guided this study:

- What nonprofit arts organizations currently operate in Grand Rapids and what kinds of programs do they offer?
- What organizational structures do these nonprofits utilize?
- How do Grand Rapids' arts nonprofits understand their place within this community?

Many studies seek to uncover causal relationships between dependent variables (e.g., improved patient outcomes) and independent variables (e.g., medical treatment). This study is different. Because the sample size for this study was so small, and variables like geography, time, and tax status were held constant, there was no way to isolate independent and dependent variables at the onset of this project. To effectively determine causality between two variables, a larger sample size and a non-exploratory research model must be employed.

A descriptive case study method using a survey was selected because this method is appropriate for creating a snapshot of a restricted sample in a given time and place, which fits with the main priorities of this research. Case study research also affords flexibility in terms of blending data sources—something quite desirable in a field known for relatively few data. The case study can also provide insights and suggest opportunities for future researchers conducting studies of a more quantitative nature. A descriptive study was also beneficial because of the small number of responses anticipated. Based on
the original list of potential participants, the number of responses would have made too small a sample to statistically prove relationships among variables.

Case study research can be exploratory in nature and, as such, is suitable for situations where there are no existing data. Rather than test relationships or establish causality among variables, the main purpose of this research is to inventory and explore the nonprofit arts community in the Grand Rapids area. This study is the first of its kind for this region. The case study method allows for the use of multiple data sources, including, but not limited to, existing organizational documents, interviews, and survey results. This freedom was especially desired for this study because of the paucity of data related to nonprofit arts entities in general, and the Grand Rapids arts community in particular. At the planning stages of this project, it was unknown whether or not surveys alone would yield sufficient data or if additional information would be needed to accurately portray the local nonprofit arts sector.

Case study findings can also be used to guide later research by suggesting avenues where further study could (and should) be pursued. It is my intention and my hope that data generated from these surveys will be used to inform the work of later researchers by providing valuable context for their studies.

A case study methodology was also appropriate because of the small, restricted sample of organizations selected for participation in the study. Forty-five organizations were identified as possible candidates for this study. From this group, 16 returned surveys. One respondent was disqualified from the study because, after reading their survey, it became clear that art is only their primary focus was not art (see Selection of
Participants). A small, non-random sample size does not allow for conclusive analysis using common measures like chi-square and regression calculations.

Finally, another goal identified for this project was to generate findings relevant to policymakers, advocates, and the regional nonprofit arts community. Case study responses can be analyzed simply without statistics and effectively presented in tables and charts. Findings presented without jargon or statistics may prove more significant for arts practitioners and advocates than traditional quantitative, academic research. In an effort to reach this audience, an abbreviated summary of findings will be made available to survey participants upon request (it is not included in this thesis).

There are some drawbacks to the case study method. Unlike other forms of social science research, results from a case study can only be used to highlight possible trends and issues within a selected group. Because participants are not selected randomly the results cannot be generalized to any other groups. Cross-tabulation of responses may suggest patterns or possible causality, but this relationship can in no way be proven by case study data.

This case study inventories a non-random sampling of nonprofit arts agencies in Grand Rapids, Michigan. To date, there has been no other research like this in the area. An exploratory case study method was employed for this study because it can incorporate a variety of data sources; findings are accessible to non-academic audiences; and it is appropriate for situations where a snapshot is more important than proving relationships or generalizing findings to other groups.
Survey Instrument

The survey questionnaire was drafted in keeping with major issues arising from the literature. The survey was five pages long and was divided into four sections. The four sections of the survey related to key issues covered in the literature reviewed in Chapter 2 (see also Chapter 4). The first part included questions about the respondents' respective organizations. The second part questioned participants about their organizations’ personnel and their opinions about the diversity of personnel in their organizations. The next section of the survey related to organizations’ finances. The fourth and final part of the survey asked questions about planning and community relations. Questions in this section dealt with issues ranging from organizations’ missions and strategic plans to their perceptions of the Grand Rapids arts community.

The first six questions of the survey focus on the organizations. The name of the organization and the name and title of the person filling out the survey are asked. In addition, the approximate number of visitors, the date the organization was established, and a brief description of the organizations’ programs are also included. As Chapter 2 indicates, art appreciation is fairly subjective, and there is no exhaustive definition of art. Consequently, survey participants are intentionally not forced to select a discipline in which they work from a list of possible fields. Instead, participants are encouraged to self-identify their discipline(s) by writing a brief description of the types of programs they offer and (in a later section of the survey) their mission statements. This allows each respondent to describe how his or her organization views its own work, identifies itself to the public, and perceives the context surrounding the organization’s work.

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The second part of the survey is comprised of questions relating to organizations’ personnel. Respondents are asked how many full- and part-time staff, board members, and volunteers their organizations have and how many from each group are women and/or from diverse racial/ethnic backgrounds. The section also includes questions relating to participants’ opinions about how well the diversity of their staffs reflect those of their constituents. Diversity questions require “yes or no” responses. A few questions in this section ask participants to “check all that apply” on a list of answers or specify another response not included in the list.

Section three focuses on financial resources. Participants are asked to report their revenue and expenses for fiscal year 2005. They are also asked to provide a detailed breakdown of their revenue by source. Some opinion-based questions are also included in this section, such as “does your organization have a strong base of financial support?” Participants answered one opinion question using a Likert scale that ranged from “never” to “all of the time”. Other such questions could be answered by selecting “yes” or “no”.

The final part of the survey covers planning and community relations. This is the most varied of the four parts and features questions dealing with mission, strategic planning, and use of data from outside sources. This section also has eight questions that ask participants to indicate their opinions about the diversity of their organizations’ constituents (relative to that of Grand Rapids) and the arts community in Grand Rapids. These questions are answered using a five-point Likert scale that ranges from “strongly agree” to “strongly disagree”. For questions related to their organization’s use of data, survey respondents checked the sources they use or wrote in others that are not found on the list.
The survey was distributed to selected arts and culture nonprofits in Grand Rapids. All participants were invited to complete the survey through “interview, paper, or electronic form”, but all surveys were filled out, and then returned by mail, fax, or e-mail. Surveys were accompanied by a cover letter that described the purpose and rationale for conducting the study and the two main components of the research: a survey for organizations and a corresponding questionnaire for patrons of participating agencies. The second component of this study was eliminated because of the response rate for the organizational survey and the time it took the 15 participating organizations to return their surveys. Based on the demand completing the organizational survey placed on some participants, it seemed unlikely that a similarly extensive survey of patrons would be feasible for the researcher or the agencies involved.

The cover letter also mentioned that results would be kept confidential to the study, that the research posed no risk to participants, and that participation in the study was entirely voluntary and could be discontinued at any time. Survey recipients were directed to contact the primary researcher by e-mail or by phone should they have any questions about the study.

Selection of Participants

The number of nonprofit arts organizations in the city of Grand Rapids varies by source (see Chapter 2). A master list of organizations was compiled using online search tools like the Nonprofit Directory maintained by the Dorothy A. Johnson Center for Philanthropy (2006) and the Arts Council of Greater Grand Rapids’ online database (n.d.). Many online tools (e.g., the Census, Nonprofit Directory) include arts nonprofits
under the same heading as recreation, preservation, and humanities groups. The list of potential survey participants was composed by comparing and editing the outputs of various databases in accordance with commonly accepted definitions of arts and culture indicated by the literature.

Agencies were invited to participate in this study based on one or more of the following criteria: 501(c)(3) nonprofit status or primary support by a 501(c)(3) foundation of the same name; programming in the visual arts, music, theater or other performing arts, literature, or film/TV; and readily accessible information confirming the agency's nonprofit status. Three of the 15 final respondents included in the study were not officially listed as 501(c)(3) nonprofits, but they were supported by a single-purpose foundation of the same name.

A number of organizations helping to provide arts and cultural opportunities to the Grand Rapids area were not invited to participate in this study. These organizations fell into four categories. The first group was comprised of arts support or service organizations such as associations, arts councils, guilds, and "Friends of..." The second group of organizations removed from the original list included those affiliated with religious or educational institutions, such as galleries within colleges or arts programs through churches. An overlapping category included groups such as Boys and Girls Clubs that may have provided arts programs, but had a primary focus other than the arts. (One responding agency was removed from the study because their survey revealed that history and government, not the arts, were their programming area.) Finally, duplicates, agencies whose existence could not be proven, nonprofits without 501(c)(3) status, and organizations that did not have readily accessible information about them through fairly
comprehensive online databases like the Nonprofit Directory and GuideStar were deleted from the original list. The rationale behind exclusion was that organizations falling into any of these four categories would be unrepresentative of mainstream local arts 501(c)(3)s and would compromise the snapshot of established, independent Grand Rapids arts nonprofits this case study intended to reveal.

Forty-five organizations were contacted. A total of 15 viable surveys were returned. Most surveys were e-mailed back to the researcher, though some organizations chose to return their surveys via fax and regular mail. Organizations that responded had programming in disciplines as diverse as ballet, opera, theater, literature, and visual and performing arts. Data demonstrate that there is great variance among these agencies in terms of revenue, number of annual visitors, and years of operation. Annual revenue ranged from about $22,000 to nearly $11 million. Over two million people patronized these organizations in 2005. The youngest institution was established five years ago, while the oldest was formed in 1871.

A contact person for each organization was identified. Staff members holding many different positions completed surveys. Individuals were approached via e-mail or postal mail with a cover letter and the survey instrument. To encourage participation, organizations were sent postcard reminders, and they also received phone calls. The original deadline was extended more than once to accommodate major institutions whose participation was particularly desirable, as well as any other groups committed to participating that simply needed more time.


Limitations of the Study

While there are many benefits to the case study method, there are a number of threats to validity that come along with it. The primary external threat to validity is that case study findings cannot be generalized to other groups. Limitations resulting from sample size and location, the non-random method used to select participants, and the lack of existing comparable data for the Grand Rapids area, also compromise the generalization and comparability of these findings.

A unique threat to the internal validity of this study was the varied positions survey respondents held within their organizations. In some cases, executive directors filled out the survey, in others communications or other staff members assumed the responsibility. It is possible that in some cases, more than one staff member may have filled a survey out. As a result, it is unclear whether answers to perception-based questions represent individual respondents’ own opinions, opinions individuals suspected their supervisors would have, or the opinions of a group of staff members. Another internal threat specific to this study arises because some respondents completed only part of their surveys. This was perhaps due to reasons like insufficient time, interruptions, decreased interest, or unavailability of information.

For this study the main threat to external validity is directly connected to the research method utilized. Internal threats range from answer inconsistency due to multiple respondents to incomplete survey questionnaires.
3.3 Statistical Analysis

Survey findings are analyzed using basic descriptive statistical tools because they are appropriate for use with the type of data collected through case studies. Also, they are more relevant for the audience for whom this research was intended. Like the survey instrument, findings are divided into four main sections.

Frequencies, means, and medians are used to analyze the data. Frequencies are shown in distribution tables and pie charts, and they show the number (n) and percent (%) of responses for each category. As mentioned earlier, results from this study cannot be used to generalize to other groups or verify causality. Means and medians exemplify the range of answers to questions dealing with revenue, expenses, number of visitors, etc. Narrative answers are analyzed by identifying and grouping common themes. These are reported in the same manner as frequencies by using distribution tables and pie charts. In some instances, direct quotations from the surveys are listed to illustrate the range of responses.

3.4 Conclusion

This thesis attempts to portray the Grand Rapids nonprofit arts sector at a specific moment in its history. This chapter discusses why the case study method was chosen for this research. It gives specific benefits like the method's utility in exploring areas where there is little prior scholarship, as well as drawbacks like the fact that results cannot be generalized to larger populations. The chapter outlines the ways in which various data are analyzed and reported in the subsequent findings section.
CHAPTER 4
SURVEY FINDINGS

4.1 Introduction

The chapter is a summary of the findings from a survey of Grand Rapids-based nonprofit arts organizations. These findings reveal details about organizations’ histories, management and governance structures, and strategic planning. The survey reveals specific details about diversity among staff, board members, and constituents; practitioners’ opinions about their local arts community; and the use of data to inform organizational change within arts nonprofits.

The purpose of this research is to provide a glimpse into the current state of nonprofit arts organizations in Grand Rapids and to show how these organizations interface with the community outside their doors. Findings are grouped into four sections like the survey questionnaire and relate to issues raised by the literature reviewed in Chapter 2. The definition of nonprofit arts and culture, effective nonprofit management, public and private arts support, and the growing popularity of using the arts in economic development initiatives are issues that are relevant to the agencies that participated in this study. This select group of participants represents a variety of disciplines, organizational forms, and relationships with the public.

The body of research for nonprofit arts continues to grow. However, as yet, there are very few data relating to arts and culture in Grand Rapids. Exploratory research is a crucial first step in identifying opportunities for future investigation and generating data that will inform planning and catalyze growth in this sector.
4.2 Findings

Of the 45 agencies invited to participate in this study, 15 returned viable surveys. The organizations that returned surveys work in a variety of disciplines. All respondents are located within the city limits of Grand Rapids, are incorporated as 501(c)(3)s (or supported by a tax-exempt foundation of the same name), and offer arts and culture programs to the public.

Organizations

In the “Organization” section of the survey respondents were asked to report basic information about their agencies including when they were established, how many visitors they had received in 2005, and a brief description of the programs they currently offer.

Among the 15 institutions included in the survey, 11 were formed within the last 50 years. This fits with literature (Kriedler, 1996) that shows an upsurge in the number of arts nonprofits in the 1950s and 60s due in part to Ford Foundation funds and the creation of the National Endowment for the Arts. The oldest organization in this study is a library established in 1871. The average age for the arts nonprofits sampled is 41 years.

The questionnaire next asked for the approximate number of visitors organizations had in 2005. Together, the 12 organizations that answered this question had 2,027,420 visitors in 2005. The average number of visitors was nearly 170,000, while the median was approximately 23,000. There was a wide range of visitor attendance among agencies in this sample. One participant reported having only 20 visitors last year, while the maximum number was 1,044,550 (Table 1).
The programs that participants offer fall into six categories: literature, multidisciplinary, music, performing arts, visual art, and “other”. The researcher determined these based on narrative answers respondents gave when asked to “briefly describe the type of programs your organization offers”. More than one-third of participants work in the performing arts, which for this study included theater, opera, or ballet. Four of the 15 agencies offer music programming.

Only one participating agency – a local library – focuses on literature programs, though one of the three multidisciplinary nonprofits does offer literature activities in addition to other programs (Table 1). One organization in the study provides visual arts exhibitions as their primary cultural attraction. However, even in this institution, exhibitions are offered alongside science-based programs.

“Multidisciplinary” refers to an organization that has programs in two or more of the fields represented by other participating agencies. For example, one multidisciplinary participant offers programming in literature, music, performing arts, visual arts, and film. The other two multidisciplinary agencies target youth and present varied arts programs, usually in the visual and/or performing arts.
Those in the “other” category have programs unlike those of other respondents. Thirteen percent of the participants in this study fell into the “other” category (Table 1). These two agencies offer activities rooted in education. One agency – a historic house that is affiliated with a larger museum – focuses on Victorian period decorative arts like interior design and textiles. The other institution in this category serves youth through after school arts activities and homework help.

Table 2

<table>
<thead>
<tr>
<th>Field</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature</td>
<td>1</td>
</tr>
<tr>
<td>Multidisciplinary</td>
<td>3</td>
</tr>
<tr>
<td>Music</td>
<td>4</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>4</td>
</tr>
<tr>
<td>Visual art</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>

The first part of the survey shows that most of the arts organizations in this study were established within the last 50 years. This corroborates what Kriedler (1996) found at the national level. In terms of patronage, organizations in this study varied greatly with the number of visitors per year ranging from 20 to over one million (Table 1). Five distinct arts fields (and one “other” category) were suggested by narrative responses describing agency programming. Nonprofits specializing in music and performing arts (i.e., theater, opera, and ballet) made up more than half the sample, and at least one of the multidisciplinary organizations consistently provides music programming.
**Personnel**

The purpose of the “Personnel” part of the survey was to ascertain the level of diversity among participants’ staff and boards. As Chapter 2 noted, arts management literature did not much discuss the issue of diversity, though some nonprofit management sources (not included in the literature review) do.

Diversity spurs creativity and can lead to unity, success, and even individual satisfaction (Lisagor, 2006). Creativity and innovation are important aspects of effective leadership in arts organizations (McCann, 2004). The innovation needed for organizations to remain competitive is inextricably connected to diversity and tolerance (Florida, 2002, 2003). By incorporating the diverse views of various racial/ethnic and gender groups, arts organizations can incite creativity and innovation and become more relevant to the communities they serve. As arts and culture are used progressively more to help power the New Economy and foster urban regeneration, the providers of arts amenities will need to expand the diversity of leadership and the potential for creativity and innovation within their own institutions.

The “Personnel” section of the survey asked about diversity among staff and board members at participating organizations. This section also asked for opinions about the diversity among personnel, particularly as related to the (observed) demographic make-up of the organization’s constituents. Finally, there were questions regarding board members’ areas of expertise, incentives for volunteers, and recruitment and training of all personnel.

Organizations were asked to report the number of staff and board members that worked for them. As Table 3 shows, some organizations had only one paid staff member,
while others had 150 or more. In terms of diversity among staff, most organizations had relatively low rates of minority staff members but showed high rates of female staff. Twelve of 14 respondents had one-third or less minority staff, while 12 of 15 had staff populations that more than half female. As women tend to be very well represented within the nonprofit sector, this is not unexpected. Board diversity seemed to exhibit similar patterns in terms of racial/ethnic minority membership, however boards were more likely to be more male-dominated than staff.

Table 3

Percent of Racial/Ethnic Minorities and Women

Among Staff and Board Members

<table>
<thead>
<tr>
<th>Staff Members</th>
<th>Minority Staff Members</th>
<th>Female Staff Members</th>
<th>Board Members</th>
<th>Minority Board Members</th>
<th>Female Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>4</td>
<td>0%</td>
<td>75%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>171</td>
<td>15%</td>
<td>69%</td>
<td>7</td>
<td>14%</td>
<td>71%</td>
</tr>
<tr>
<td>13</td>
<td>15%</td>
<td>54%</td>
<td>20</td>
<td>30%</td>
<td>55%</td>
</tr>
<tr>
<td>3</td>
<td>--</td>
<td>33%</td>
<td>20</td>
<td>15%</td>
<td>60%</td>
</tr>
<tr>
<td>21</td>
<td>19%</td>
<td>62%</td>
<td>20</td>
<td>20%</td>
<td>45%</td>
</tr>
<tr>
<td>2</td>
<td>50%</td>
<td>100%</td>
<td>11</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>150</td>
<td>3%</td>
<td>60%</td>
<td>30</td>
<td>13%</td>
<td>43%</td>
</tr>
<tr>
<td>6</td>
<td>0%</td>
<td>83%</td>
<td>10</td>
<td>10%</td>
<td>80%</td>
</tr>
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<td>0%</td>
<td>14</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>0%</td>
<td>100%</td>
<td>8</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>0%</td>
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<td>12</td>
<td>42%</td>
<td>50%</td>
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<tr>
<td>39</td>
<td>3%</td>
<td>44%</td>
<td>32</td>
<td>3%</td>
<td>31%</td>
</tr>
<tr>
<td>30</td>
<td>23%</td>
<td>63%</td>
<td>21</td>
<td>14%</td>
<td>43%</td>
</tr>
<tr>
<td>48</td>
<td>13%</td>
<td>75%</td>
<td>22</td>
<td>5%</td>
<td>50%</td>
</tr>
</tbody>
</table>

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When asked whether they felt the diversity of staff accurately represented that of the organizations constituents, respondents were almost equally divided. Of the 13 that answered this question, seven said “no”, and six said “yes”. Eight (57%) of 14 participants felt that their boards reflected the diversity of their constituents, interesting because boards were more likely to have fewer female and racial/ethnic minorities than staff.

If they answered “no” for these two questions, respondents were asked to answer the question “how do you feel that diversity among staff/board can be improved?” Their narrative responses shed light on why participants felt diversity was lacking in their organizations (Table 4). There are recurring themes in the responses: many relay the need to more actively recruit minorities for positions. Others indicate a desire to fulfill a certain quota of diversity. Some seemed very proactive about diversity, taking steps to build diversity among their constituent base, as well as their staff and boards.

A comment of particular note came from an agency that employs only three staff members and yet still demonstrates a strong commitment to diversifying the organization. The respondent wrote, “With only three employees, it is very difficult to improve diversity among staff. The Theatre practices non-traditional and open casting, and puts on minority-voiced plays each season to increase theatre diversity.”
Table 4

Narrative Responses to Selected Diversity Questions

- “Current constituents are accurately represented, but our ideal would feature a much more diverse constituent base and more diverse staff.”
- “Recruit and hire more minority staff, especially for professional and management positions.”
- “…Most likely through different recruiting venues.”
- “We would like to attract a more diverse group of men to our chorus.”
- “Our organization is open to all women 18 years and up…”
- “[We] began [our] drive toward diversity by changing the complexion of [the] performing company, which is 12 to 15% minority. As vacancies occur in the staff we will actively recruit minority members.”
- “We are hoping to add two more minority members this summer. At one time we had six minority persons on the board but, due to attrition and board demands, that number decreased this year.”
- “Need Hispanic representation.”
- “…[T]hrough tapping into a broader base and developing additional contacts.”
- “[We have] been actively recruiting members of minorities for almost two years. As the company continues to build contacts in various minority communities, we hope to add more.”

Many of these narrative responses (Table 4) indicate a desire to begin more actively courting diverse candidates for staff and board positions. Yet, later, when questioned about their methods for recruiting new staff and board members, eight out of 15 participants cited things like “networking”, “word of mouth”, “referrals from current staff”, and similar techniques. Other methods included (but were not limited to) advertising online, in newspapers, and trade publications, human resources consultants, recruiting at job fairs, and, for artistic staff, auditions and performance reviews.

Researchers posit that diversity is linked with creativity (Lisagor, 2006) innovation, strong leadership, and long-term organizational vitality and competitiveness (Florida, 2002, 2003). Participants in this study were asked about the diversity of their staff and boards. Among respondents, most staff groups showed the greatest diversity in
terms of gender, and boards tended to have limited diversity both in terms of racial/ethnic minorities and gender. Narrative responses indicated that participants would like to more effectively recruit members of racial/ethnic minority groups, but their current recruitment practices may be too traditional to yield these desired results.

**Financial Resources**

Chapter 2 notes that arts nonprofits face unique challenges in acquiring funds. Today’s overall nonprofit environ demands high levels of accountability and quantifiable impacts among constituent populations. The financial resources portion of this survey asked for annual revenue and expenses for fiscal year 2005. Participants estimated the percent of revenue that came from selected sources. At the end of this section, respondents were asked to give their opinions regarding the effectiveness of their agencies’ financial resource management. These questions were intended to show if organizations sampled broke even in 2005; whether or not they had diverse streams of revenue; and to see how staff perceived the relative strength of their institutions’ financial base.

For FY 2005, the maximum annual revenue among participating agencies was over ten million dollars—a figure over 472 times greater than the minimum revenue shown by this sample (Table 5). The averages in Table 5 suggest that annual expenses tended to be slightly greater than revenues for most groups in the study. In fact, eight of the 14 organizations that reported both income and expenses had operating costs that exceeded their annual revenues.
Table 5
Descriptive Statistics of Annual Revenue and Expenses for FY 2005

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Annual Revenue</th>
<th>Annual Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>n=15</em></td>
<td><em>n=14</em></td>
</tr>
<tr>
<td>Maximum</td>
<td>$10,812,810</td>
<td>$10,860,757</td>
</tr>
<tr>
<td>Minimum</td>
<td>$22,907</td>
<td>$26,034</td>
</tr>
<tr>
<td>Mean</td>
<td>$1,979,383</td>
<td>$1,372,277</td>
</tr>
<tr>
<td>Median</td>
<td>$315,000</td>
<td>$360,000</td>
</tr>
</tbody>
</table>

Organizations were next asked to estimate what percentage of their revenue came from each of a list of different sources. These sources include grants, individual donations, and sales (Table 6). In Table 6, each row represents a different survey respondent. The grants category represents funds from foundation, federal, and state sources. Research shows that in 2000, foundations gave 13% of all funds disbursed to nonprofit arts and culture groups. The National Endowment for the Arts and state arts agencies are other important sources of grant funds for nonprofits. As the percents show, organizations had varying degrees of dependence on grants. Five of 13 agencies barely utilized grants in 2005, and only one organization’s revenue was made up primarily (60%) of grant money.

Not one of the 13 groups represented generated a considerable portion of their income from corporate sponsorship. Seven reported that 5% or less of their income came from corporate sponsors.

“Individual donations” came from private supporters, as well as board members. Independent Sector (2001) states that in 2000 American households giving to nonprofits gave approximately $230 to arts organizations of their choice. To sit on arts boards,
members are often required to give (and/or raise) large annual sums. Depending on the institution's size and location, this gift can be as much as $100,000 (Gubernick, 1999).

It is unlikely that Grand Rapids-based nonprofits solicit major gifts of this size from their directors or consistently receive over $200 from every household. However, four participants in this study were able to raise at least one-quarter of their annual incomes from individual donors. Interestingly, the group that attracted the highest percent (54%) of revenue from individual donations is located in a transitioning urban area with a client base largely comprised of racial/ethnic minorities (80%) and low-income persons (95%).

Organizations raised more through ticket and merchandise sales than any other stream of revenue. This could be related to the fact that eight organizations in the sample were music and performing arts agencies, and multidisciplinary groups offered performing arts programs. These groups may be more likely to consistently command higher prices than other arts and culture organizations for admission to their activities because they attract more affluent patrons (NEA, 1999).

Special events created relatively little revenue for participating organizations when compared with grant funding and tickets/merchandise sales. Only nine organizations reported other additional sources of funding. Other specified categories included facility rentals, advertising, affiliated schools, and endowment support. One theater participating in this survey was able to generate 40% of their yearly revenue from tuition alone.
Table 6
Estimated Percent of Revenue from Selected Sources

<table>
<thead>
<tr>
<th>Grants</th>
<th>Corporate Sponsorship</th>
<th>Individual Donations</th>
<th>Ticket and Merchandise Sales</th>
<th>Special Events</th>
<th>Other Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>n=13</td>
<td>n=13</td>
<td>n=14</td>
<td>n=13</td>
<td>n=13</td>
<td>n=9</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>2%</td>
<td>80%</td>
<td>17%</td>
<td>--</td>
</tr>
<tr>
<td>3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>--</td>
</tr>
<tr>
<td>36%</td>
<td>2%</td>
<td>20%</td>
<td>38%</td>
<td>5%</td>
<td>--</td>
</tr>
<tr>
<td>15%</td>
<td>5%</td>
<td>30%</td>
<td>45%</td>
<td>5%</td>
<td>--</td>
</tr>
<tr>
<td>21%</td>
<td>10%</td>
<td>19%</td>
<td>35%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>45%</td>
<td>15%</td>
<td>22%</td>
<td>5%</td>
<td>13%</td>
<td>--</td>
</tr>
<tr>
<td>1%</td>
<td>6%</td>
<td>9%</td>
<td>20%</td>
<td>5%</td>
<td>27%</td>
</tr>
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<td>19%</td>
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<td>24%</td>
<td>6%</td>
<td>49%</td>
</tr>
<tr>
<td>1%</td>
<td>10%</td>
<td>30%</td>
<td>41%</td>
<td>--</td>
<td>17%</td>
</tr>
<tr>
<td>0%</td>
<td>0%</td>
<td>25%</td>
<td>54%</td>
<td>21%</td>
<td>0%</td>
</tr>
<tr>
<td>22%</td>
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</tr>
<tr>
<td>17%</td>
<td>12%</td>
<td>15%</td>
<td>31%</td>
<td>16%</td>
<td>8%</td>
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<tr>
<td>5%</td>
<td>5%</td>
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<td>--</td>
<td>2%</td>
<td>22%</td>
</tr>
<tr>
<td>60%</td>
<td>5%</td>
<td>11%</td>
<td>15%</td>
<td>3%</td>
<td>7%</td>
</tr>
</tbody>
</table>

After answering questions their financials, participants reported whether or not they had chief financial officers (CFOs) at their agencies. Of the 11 respondents this question, nine answered "no". These respondents were then prompted to give the title of the person who manages funds. In all of the organizations, a treasurer or director (executive, associate, artistic, or managing) handled funds. The survey also asked if agencies had endowments. Seven organizations from answered this affirmatively.

Finally, respondents were next asked to give their opinions about financial resources within their organizations (Figure 1). When asked, "In your opinion, does your organization manage financial resources appropriately?" 100% of respondents to this
question answered "all of the time" or "most of the time". No one selected "some of the time" or "never".

This item was followed with two yes/no opinion questions. The first inquired whether the respondent thought their organization had a "strong base of financial support". The second asked if the agency had "diversified sources of revenue". Answers were split down the middle regarding the strength of organizations' bases of fiscal support. In terms of revenue streams, a large majority (82%) felt their organizations' sources of income were sufficiently diverse (Figure 1).

![Figure 1](image)

**Percent of Responses to Selected Financial Resources Questions**

Participating agencies were asked to reveal details concerning their organizations perceived financial health and stability. Responses to these questions seemed to relate to the types of organizations included in the sample. For example, the percent of revenue generated through ticket and merchandise sales was generally higher than expected. This
was perhaps due to the performing arts, music, and multidisciplinary institutions offering performances and concerts that were included in the sample. Organizations tended not to depend as heavily on corporate sponsorship or grants as anticipated. Interestingly, other sources of revenue such as facility rentals and school tuition turned out to be an important source of revenue for some participants.

Overwhelmingly, survey participants reported that their agencies managed funds appropriately, even though the person handling finances often had other roles (e.g., artistic director) within the agency. With such great divergence among organizations in terms of their operating budgets, it is interesting that all respondents were so confident about the efficacy of their agencies' fiscal management practices.

Planning and Community Relations

The fourth and final section of the survey asked participants to answer a variety of questions about their mission statements, strategic planning efforts, constituent demographics, and perceptions of the Grand Rapids community.

Research in the field nonprofit leadership continually cites mission and planning as two key elements of effective management (see Chapter 2). Nonprofits lacking strong missions and strategic plans simply are not competitive in the current nonprofit arena where accountability and quantifiable outcomes are demanded by board members, individual donors, and other funders. Organizations in this study were asked about their missions and strategies to help gauge their present efficacy and the likelihood of future sustainability.
Almost every organization that participated in this study had a mission statement (Table 7). Along with the description of programming that respondents completed earlier, the mission gives a sense of what the organization serves and why. The fact that almost all agencies had a carefully crafted mission statement suggests a certain level of professionalism and familiarity with current trends in nonprofit management. Table 7 contains a few of the most informative statements used by participating groups. (Names have been removed to protect the anonymity of participants.)

Table 7

Selected Mission Statements from Participating Agencies

- “To explore and present the lifestyle, customs, and traditions of late nineteenth century and early twentieth century Grand Rapids as represented by the [name of family] and the resources of the house and related collections.”
- “Connecting people to the transforming power of knowledge.”
- “Fostering cultural dialogue and creative experience through innovative and diverse events and services.”
- “Celebrate childhood and the joy of learning by providing an interactive hands-on environment that inspires learning and encourages self-directed explorations.”
- “Using the power of art and apprenticeship so that youth and the community will thrive.”
- “To foster and develop an interest in the wide variety of music and to encourage men to participate in the pleasure of singing. We are a group of men who love singing, enjoy our camaraderie and strive for excellence in performance to the delight of our audience.”
- "A community handbell ensemble representing the greater Grand Rapids area... founded in the fall of 1995 to be a professional level group that promotes the arts of handbell ringing by providing a high quality musical experience for diverse audiences.
- “Transforming lives in the Grandville Avenue neighborhood through reading and the arts and by celebrating the community's cultural richness.”
- “To lift the human spirit through the art of dance.”

Organizations were asked how often they review their mission statements. This is very important for nonprofits to do in order to remain relevant to their communities. As
agencies become more adept at achieving their goals, their missions must be evaluated – and if necessary changed – to keep them from becoming stagnant or from working toward a mission that has already been realized. Every one of the six respondents who answered the question, “How often is the mission of your organization reviewed?” undertook this process at least every five years (Table 8).

Table 8

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>n=6</td>
<td></td>
</tr>
<tr>
<td>Once per year</td>
<td>2</td>
</tr>
<tr>
<td>Every other year</td>
<td>1</td>
</tr>
<tr>
<td>Every three years</td>
<td>2</td>
</tr>
<tr>
<td>Every five years</td>
<td>1</td>
</tr>
</tbody>
</table>

The survey then asked if the mission had actually changed as the result of a review within the last five years. Of the responses to this question, 46% were affirmative. The reasons for changing the mission varied. One person wrote, “The mission was redrafted to reflect a change in the scope of service, as well as a broadened and simplified mission.” Another respondent said, “To expand our audience and financial base and to recruit new... members.”

Participants were also asked about the strategic plan of their organizations. Thirteen respondents answered this question; eleven had strategic plans. Groups in the sample typically relied on their board to draft the plan, though some utilized outside consultants along with staff input.

The next few questions in this section dealt with constituents and the relationship of the nonprofit to the outlying community. The survey included 11 opinion-based
questions related to these issues. Respondents were asked to indicate their agreement to selected statements using a five-point Likert scale ranging from “strongly agree” to “strongly disagree” (Table 9). Participants were asked if they thought the constituents of their organizations were receptive to arts and culture. All respondents agreed with this statement. The following question asked the same the same thing about the overall Grand Rapids community. Eighty-five percent of respondents “agreed” with this statement, while 15% declared they were “undecided”.

The next three questions related to the diversity of organizations’ constituencies relative to that of Grand Rapids. More than one-third of respondents “disagreed” that the people they served matched the demographic make-up of the area, and exactly half “agreed” or “strongly agreed” to the statement. Nearly 40% disagreed or were “undecided” as to whether their patrons matched the economic diversity of the city. Over half of participants felt that the area’s gender diversity was represented among their constituents.

The most surprising answers were those offered in response to statements about the local arts community and the need for more arts and culture amenities. While other studies (Florida 2002, 2003; Wietor, 2005) statistically prove and anecdotally suggest, Grand Rapids does not have enough arts and culture amenities to attract highly educated, creative workers or retain the creative class members it already had. Yet “Grand Rapids needs more nonprofit arts and culture organizations” was the only item in this section of the survey that not a single respondent agreed with. Approximately one-third were “undecided” while 69% “disagreed” or “strongly disagreed”.

83
Respondents were mainly unable to decide (46% "undecided") how they felt about increasing the number of for-profit arts institutions in the area. This may relate to 46% of participants’ agreement that “the Grand Rapids arts community has sufficient infrastructure to enable new arts initiatives” and 77% agreement that the local arts community “nurtures local artists”. More than half also “agreed” that Grand Rapids’ arts and culture community provides “sufficient opportunities for local artists”.

Table 9

Percent of Responses for Selected Statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your opinion, are the constituents this organization serves receptive to arts and culture?</td>
<td>13</td>
<td>54%</td>
<td>46%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>In your opinion, is the Grand Rapids community receptive to arts and culture?</td>
<td>13</td>
<td>0%</td>
<td>85%</td>
<td>15%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>The constituents of this organization reflect the racial/ethnic diversity of the Grand Rapids community.</td>
<td>12</td>
<td>8%</td>
<td>42%</td>
<td>25%</td>
<td>33%</td>
<td>0%</td>
</tr>
<tr>
<td>The constituents of this organization reflect the economic diversity of the Grand Rapids community.</td>
<td>13</td>
<td>15%</td>
<td>46%</td>
<td>15%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>The constituents of this organization reflect the gender diversity of the Grand Rapids community.</td>
<td>12</td>
<td>33%</td>
<td>25%</td>
<td>25%</td>
<td>17%</td>
<td>0%</td>
</tr>
<tr>
<td>Grand Rapids needs more nonprofit arts and culture organizations.</td>
<td>13</td>
<td>0%</td>
<td>0%</td>
<td>31%</td>
<td>54%</td>
<td>15%</td>
</tr>
<tr>
<td>Grand Rapids needs more for-profit arts and culture organizations.</td>
<td>13</td>
<td>8%</td>
<td>0%</td>
<td>46%</td>
<td>38%</td>
<td>8%</td>
</tr>
<tr>
<td>The Grand Rapids arts community has sufficient infrastructure to enable new arts initiatives.</td>
<td>12</td>
<td>8%</td>
<td>33%</td>
<td>33%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>The Grand Rapids arts community nurtures local artists.</td>
<td>13</td>
<td>0%</td>
<td>77%</td>
<td>23%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>The Grand Rapids arts community provides sufficient opportunities for local artists.</td>
<td>13</td>
<td>0%</td>
<td>54%</td>
<td>15%</td>
<td>31%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Later in the survey, participants were asked to estimate the percent of their constituent base that came from racial/ethnic minority groups, underserved economic, and female gender. The distribution of percent responses for these questions reveal, that in terms of racial/ethnic minorities, most respondents (nine of 12) estimated that 15% or less of their constituent base came from diverse racial/ethnic heritage. For one organization, this figure climbed a startling 65 percentage points. More organizations served economically disadvantaged groups—nine of 11 served populations comprised of up to 35% low-income persons. At least half of all patrons were women for most organizations.

Finally, participants were asked to comment on what they felt were the key challenges that faced their organizations. For this question, respondents wrote narrative answers that were analyzed later by the researcher for themes. Eight of 13 respondents cited funding and money for specific agency needs as a major challenge. The next most popular response to this question relate to marketing and public relations. Other groups mentioned things like limited space and prevalent stereotypes about art. Some specific responses to this question are included in Table 10:
Table 10

Selected “Key Challenges” Faced by Participating Agencies

- “...[F]unding cuts, advertising programs, and ‘letting people know we’re here.’”
- “Creating brand/identity and product differentiation, as well as customer/brand loyalty.”
- “[L]ack of funding that comes ‘without strings attached’; too few points of entry to quality contemporary [art]work in our schools and general population; lack of realization among the general population that the arts are necessary and vital to a thriving community; and the predominant demand (in West Michigan) for homogenization and discomfort with things that are different and challenging.”
- “Marketing and funding.”
- “Money.”
- “Becoming more visual in the community and having people know we exist for the betterment of the community.”
- “Reaching new audiences with programming they want without alienating the base.”

“Planning and Community Relations” asked participants to answer questions about their missions and long-term planning. Most participants had strong mission statements that were reviewed on a regular basis and amended as needed. Among this group of participants, board members were most likely to create the strategic plan for their organizations.

This final part of the survey was comprised of items relating to constituent diversity among sampled agencies and respondents’ perceptions of the Grand Rapids community. Many respondents voiced strong perceptions of the (lack of) need for more arts nonprofits. This was of particular interest because studies reveal there is a need for more arts and culture activities to attract creative workers (Florida, 2002, 2003) and retain local talent (Wietor, 2005). They were fairly ambivalent about for-profit entities, perhaps because as Ivey (n.d.) suggests, people tend to minimize the importance of the for-profit arts, relegating them to the status of “low art” and mere entertainment.
Diversity among constituent groups was highest in terms of gender, with at least of 50% female constituents at most agencies.

4.3 Concluding Remarks on Survey Findings

These findings allow us a glimpse into the internal structures of Grand Rapids arts nonprofits, as well as respondents’ own perceptions of the local arts community. The 15 surveys in this study represent agencies working in a wide range of arts disciplines, each at a different point in its organizational development.

Findings reveal a number of contradictions – among participants’ responses to different items within the survey and to external factors – that may be opportunities for further study. For example, many respondents indicated a recognized need and desire for increased diversity within their institutions, yet narrative answers to other items show that many continue to utilize fairly traditional methods of recruiting personnel. Also those completing the survey reported their organizations all had strong and effective systems of financial management. Yet many also mentioned inadequate funding as a key challenge for their agency. Finally, when asked whether they felt the Grand Rapids community needed more nonprofit arts and culture organizations, every single respondent answered negatively. Additionally, most felt that the Grand Rapids arts community sufficiently supported and nurtured local artistic talent. This sharply contrasts with other sources (see Chapter 2) that suggest Grand Rapids is not drawing the young, creative workers attracted to varied arts amenities. In fact, some ex-residents cite insufficient jobs and academic opportunities that cities with truly vibrant arts and culture communities reportedly offer as their reason for leaving the city (Schaaafsma & Wietor, 2005).
The next and final chapter thesis summarizes each of the major sections of this thesis in turn. Special emphasis is placed on connecting the literature reviewed in Chapter 2 to both survey findings and recommendations for further study.
CHAPTER 5
CONCLUSION

The purpose of this project was to ascertain what arts and culture programs nonprofit organizations in Grand Rapids offer. A small sample of organizations revealed variety among arts providers in terms of agency size, age, and types of programs offered. Participants reported favorable perceptions of the Grand Rapids arts community. They did not see a need for more nonprofit arts providers in the city. Respondents also felt that their organizations managed finances effectively, though many cited lack of funding as a key challenge. Respondents saw a need for more diversity among personnel in their organizations, yet many still practiced traditional methods of recruitment.

Gaps in available data for the nonprofit arts field and survey findings suggest options for further research. First and foremost, data should be generated that shows trends over time and is comparable with those from other studies. This would be help researchers gauge the success the Grand Rapids arts community in relation to other similar cities.

Next, disparities between the opinions of arts practitioners and what the literature shows regarding the overall success of Grand Rapids’ arts sector should be explored. An in-depth examination of best versus current management practices for arts nonprofits would be extremely useful, especially if this work could be translated into curricula for arts practitioners. Such curricula could be disseminated through conferences, seminars, workshops, and websites, and would facilitate increased professionalization and accountability among Grand Rapids-based arts groups.
Dear Arts Professional:

You have been selected to participate in research being conducted through the School of Public & Nonprofit Administration at Grand Valley State University, under the supervision of Donijo Robbins, Ph.D. and Paul Wittenbraker, M.F.A. The purpose of this research is to:

- Create a “snapshot” of the arts community in Grand Rapids;
- Describe the key characteristics of current arts participants;
- Develop a framework for further study in this area; and
- Provide data to aid planners, legislators, arts advocacy groups, and arts organizations in policy and program decisions.

Particularly at the local level, very little data exist about arts and cultural institutions and the patrons that support them. As the Grand Rapids arts community continues to develop, data must be compiled to delineate the nature and extent of cultural participation. This study is the first of its kind in Grand Rapids.

This research has two main components:

1. We would like to find out more about your organization. By completing the survey questionnaire (through interview, paper, or electronic form), you are consenting to full participation in the study.

2. We would like to survey patrons of your organization. The patron survey will be available in paper form, and it will also be available online. Should your organization prefer to eliminate contact between the researcher and patrons, paper copies of the survey and/or a link to the online version of the survey will be provided so your organization can administer it to patrons.

Information will be kept confidential to the study. This study poses no risk to any of its participants. Participation in the study is voluntary for all parties and may be discontinued at any time. If you have any questions regarding this research, please do not hesitate to contact the primary researcher Ruth Terry either by email (bfly081@yahoo.com) or by phone (630-957-7789). Please return the completed survey by August 1, 2006.

Sincerely,

Ruth Terry
APPENDIX B

SURVEY INSTRUMENT

Please answer each of the following questions to the best of your ability by clicking on the most appropriate box or filling in the necessary information in the box provided. When you are finished, please save the document and email it to Ruth Terry at bfly081@yahoo.com by Tuesday, August 1, 2006. Thank you for your cooperation and participation!

I. Organization:

1. Name of organization;
2. Name of person completing survey (optional):
3. Title of person completing survey:
4. Date your organization established:
5. Approximate number of visitors in the year 2005:
6. Briefly describe the type of programs your organization offers:

II. Personnel:

1. How many paid staff members do you have?
2. How many of your paid staff members come from minority racial/ethnic groups?
3. How many of your paid staff members are women?
4. How many board members does your organization have?
5. How many of the board members are women?
6. How many of the board members come from minority racial/ethnic groups?
7. How many volunteers (not including board members) do you have?
8. How many of the volunteers are women?
9. How many of the volunteers come from minority racial/ethnic groups?
10. Do you feel that the diversity among your staff members accurately represents that of your constituents? □ Yes □ No

10a. If you answered “No” to question 10, how do you feel that diversity among staff can be improved? Please, specify:

11. Do you feel that the diversity among your board members accurately represents that of your constituents? □ Yes □ No

11a. If you answered “No” to question 11, how do you feel that diversity among your board members can be improved? Please, specify.
12. Do any members of your board have expertise in the following areas? (Please check all that apply.)
- Fund development
- Accounting
- Legal
- Human resources
- Other, please list here:
- Extensive knowledge of the community
- Public relations/marketing
- Nonprofit administration
- Arts administration

13. What incentives does your organization provide for volunteers? (Please check all that apply.)
- Written "thank yous"
- Verbal "thank yous"
- Plaques or certificates
- Organization merchandise
- Other incentives? Please, specify:
- Public recognition
- Free/reduced rates for organization programs
- No incentives are provided
- Professional recommendations

14. Please briefly describe how your organization recruits new...
   a. Staff members
   b. Board members
   c. Volunteers

15. Please briefly describe how your organization trains new...
   a. Staff members
   b. Board members
   c. Volunteers

III. Financial Resources:

1. What was your total annual revenue for FY 2005?

2. What were your total annual expenses for FY 2005?

3. Please estimate what percentage of your organization's revenue in 2005 came from each of the following sources?
   a. Foundation grants:
   b. Federal or state grants:
   c. Corporate sponsorship:
   d. Individual donations (not including those made by board members):
   e. Individual donations from board members:
   f. Ticket sales (regular programs):
   g. Merchandise sales:
   h. Special events:
   i. Other, please specify:

4. Does your organization have a Chief Financial Officer to manage funds?
   - Yes
   - No

   4a. If you answered "No" to question 4, what is the title of the person that manages your organization's funds?

5. In your opinion, does your organization manage financial resources appropriately?
   - All the time
   - Most of the time
   - Some of the time
   - Never

6. In your opinion, does your organization have a strong base of financial support?
   - Yes
   - No
7. In your opinion, does your organization have diversified sources of revenue?
□ Yes □ No

8. Does your organization have an endowment?
□ Yes □ No

IV. Planning and community relations:

1. What is the mission of your organization?

2. How often is the mission of your organization reviewed?

3. In the past five years, has your mission changed as the result of a review process?
□ Yes □ No □ Don’t know

3a. If so, what was the reason for this change?

4. Does your organization have a strategic plan?
□ Yes □ No

4a. If you answered “Yes” to question 4, who is primarily responsible for drafting your organization’s strategic plan?

5. How frequently is the mission of your organization discussed in program planning meetings?
□ Often □ Sometimes □ Rarely □ Never

6. How frequently is the mission of your organization discussed in board meetings?
□ Often □ Sometimes □ Rarely □ Never

7. In your opinion, are the constituents this organization serves receptive to arts and culture?
□ Strongly Agree □ Agree □ Undecided □ Disagree □ Strongly Disagree

8. In your opinion, is the Grand Rapids community receptive to arts and culture?
□ Strongly Agree □ Agree □ Undecided □ Disagree □ Strongly Disagree
9. Please, check the box that best represents your opinion to each of the following statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The constituents of this organization reflect the racial/ethnic diversity of the Grand Rapids community.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. The constituents of this organization reflect the economic diversity of the Grand Rapids community.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. The constituents of this organization reflect the gender diversity of the Grand Rapids community.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Grand Rapids needs more nonprofit arts and culture organizations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Grand Rapids needs more for-profit arts and culture organizations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. The Grand Rapids arts community has sufficient infrastructure to enable new arts initiatives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. The Grand Rapids arts community nurtures local artists.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h. The Grand Rapids arts community provides sufficient opportunities for local artists.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Please estimate what percentage of your constituents comes from the following groups?
   a. Racial/ethnic minority groups:
   b. Underserved economic groups:
   c. Women:

11. What is the key challenge your organization faces in expanding your audience base?

12. In the past year, has your organization used supporting data or research in organizational materials (i.e. a website, fliers, annual reports, grants, and the like) from any of the following sources? (Please check all that apply.)
   □ Census
   □ National Center for Charitable Statistics
   □ Urban Institute
   □ Community Research Institute
   □ Bureau of Labor Statistics
   □ National Endowment for the Arts
   □ Wallace Foundation
   □ Other, please specify:
13. In the past year, has your organization conducted its own data collection/research in any of the following areas? Please check all that apply.

- Market research
- Visitor satisfaction
- Program evaluation
- Staff evaluation
- Economic impact
- Board evaluation
- Benchmarking/“Best practices”
- Audience participation
- Other, please specify:

14. In the past year, has your organization hired a consultant to conduct research on any of the following areas? (Please check all that apply.)

- Market research
- Visitor satisfaction
- Program evaluation
- Staff evaluation
- Economic impact
- Board evaluation
- Benchmarking/“Best practices”
- Audience participation
- Other, please specify:

15. If available, would your organization use local level arts and culture data in any of the following areas? (Please check all that apply.)

- Visitor satisfaction
- Arts attendance/participation
- Economic impact of the arts
- Arts administration benchmarking/“best practices”
- Other, please specify:
- Not interested in such data

If you would like to receive a summary of our findings, please provide us with your name and address.
Name:
Address:
City:
Zip code:

Thank you for completing this survey!
REFERENCES


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