



# CHALLENGE & OPPORTUNITY

**A Post 9/11 Assessment of the  
New York State Arts Community**

a report to the field by the



Compiled and Written by  
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Participants in Spring 2002 regional meetings convened by the  
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Arts leaders in New York State have been known to turn challenges into re-positioned opportunities. They often turn an opportunity into a personal challenge for success. This became quite evident as the Alliance convened regional meetings throughout the state.

We saw community development specialists as stewards of the creative process and advocates for public policy and public funding. These arts leaders have also assumed roles as the purveyors of hope and healing in response to 9/11. They have further expanded their position in their communities, yet the capacity to expand their resources did not keep pace.

The confluence of events supporting this scenario in New York State began with the inherent fragility of community arts organizations at their inception. Then we saw their growth, and the expansion of their roles as catalysts for change and community development. These organizations are now buffeted by the winds of change in a teetering economy and a charged and unpredictable social environment.

In this report the Alliance documents the triumphant human spirit while acknowledging the daunting challenges. The compilation of this data enables us to assess the current cultural climate and document the impact of 9/11, view the economic uncertainties of the future, the shifts in priorities and giving, and understand the attitude of cultural organizations.

We thank the National Endowment for the Arts for their visionary support of this report as a research tool to help build the community and public support necessary to create new statewide cultural development tools that tap into new resources, job development, and entrepreneurial programs for arts organizations throughout the state. We also thank the New York State Council on the Arts, the State and Local Partnership program, for their ongoing support of Alliance programs and services. And of course, we thank our consultant Anne Ackerson for her understanding and skill in facilitating six regional meetings throughout New York State and writing this report.

Judith Kaufman Weiner  
*Executive Director Alliance of New York State Arts Organizations*



# Introduction and Methodology



Each year the Alliance of New York State Arts Organizations gathers with its constituents in regional meetings throughout the state to share news and advocacy information, and capture concerns and ideas. This year the regional meetings focused on assessing the cultural climate in light of the terrorist attacks of September 11, 2001. It was thought that since the arts and cultural community was playing such an important role in the public's emotional recovery from these horrendous events, it could be viewed as a watershed event for many organizations. Would our findings bear this thesis out?

Regional meetings were held in May and June 2002 in six locations: Rochester, Corning, Huntington, Utica, Saranac Lake, and Hudson. In all, 74 participants representing more than 50 institutions joined the discussion. Institutions represented included arts councils, performing arts organizations, film and literary organizations, museums, and statewide service organizations.

At each meeting the discussion focused on five questions that were developed by the Alliance staff with assistance from the consultant.

The questions were:

1. Identify two specific organizational challenges you face. What are the operative factors in the region that contribute to or create the challenges?
2. Are the challenges different from those faced prior to 9/11?
3. Has 9/11 created new opportunities for your organization?
4. Is the role/position of your organization in your community changing?
5. What are the arts and cultural community's strategic partners in your region in the next 3-5 years? Are these partners new, different, or the same?

The questions were published in the Alliance's newsletter and in a special membership mailing, along with the schedule of regional meetings and an invitation to attend.

Participant responses were captured two ways. Consultant Anne W. Ackerson facilitated the discussions and captured responses on flip charts so that participants could see how the discussion was unfolding and build on each others' comments. Alliance Associate Director Patricia Berman captured responses on a laptop computer. Together, the two sets of notes provided a comprehensive record of each group's comments.

Responses from each meeting were combined by question, then clustered into major themes. Re-occurring responses and geographical variations were noted. Responses have been augmented with news stories, and regional, statewide, and national statistical information in an attempt to present a balanced picture of the state of the arts in 2002.



# Executive Summary



The findings of the Alliance of New York State Arts Organizations' 2002 regional meetings underscore the uncertain, and somewhat fragile, nature of the New York State arts and cultural community as it approaches the first anniversary of the September 11, 2001 attacks on the World Trade Center. Buffeted by funding cutbacks from state and local governments, and declining corporate and foundation philanthropy, arts organizations across the state are struggling to cope with an increasing demand for programs and services.

Overall, the meetings revealed an arts and cultural community that is more focused about its public role as an important force in local, regional, and state economies; a revitalizer of stagnant commercial districts and neighborhoods, and as a facilitator of discovery and dialogue. It is a community determined to create a positive impact on all these fronts.

The challenges facing New York State's arts and cultural community include:

- Funding core staff and programs
- Managing organizational and programmatic growth with the same or reduced resources
- Investing in board and staff leadership development to secure future success
- Growing and keeping audiences in light of tremendous competition for the public's leisure time
- Developing and sustaining meaningful partnerships that go beyond the cultural community
- Keeping up with swiftly changing technologies

The meetings also surfaced a number of immediate and short-term opportunities for these organizations. Among them are:

- Recommitting to the ideal of broad public access to the arts and to involvement in community life
- Responding to the post-September 11th trends of greater community collaboration and creative problem solving, localized/short distance travel and tourism, and increasing local and family audience participation
- Participating in a new or expanded role in community decision-making
- Partnering in new or different ways with business, local government, and non-arts organizations
- Embracing the growing emphasis on the cultural and heritage tourist
- Pooling of strengths and needs as a way to reduce costs while enhancing cross-pollination of ideas and expertise

The next several years are predicted to be years of continued belt-tightening. It is certain that few organizations will survive them unchanged. Arts organizations must become comfortable with constant change and they must become comfortable assuming leadership roles in their communities. These are needs that may best be mitigated by arts funders and arts service organizations through training opportunities, and ongoing technical assistance and advocacy.

# Realities & Challenges

When participants spoke about their immediate challenges their answers clustered into seven themes: funding, marketing/visibility, physical space issues, organizational development (including staff and board issues), programs and services, community relationship building, and economic and cultural development.

Funding, particularly in this current economic climate, was mentioned at every meeting and is clearly an underlying concern for most arts organizations regardless of their size or location. However, a broad range of inter-connecting issues relating primarily to organizational development, meeting increased public expectations for programs and service, and developing viable community partners are equally important.

## Funding

Virtually every meeting participant noted that today's funding climate is more competitive and uncertain than at any time in recent memory, due in large measure to the fact that the slowdown of the US economy, coupled with the aftershock of September 11th, has significantly impacted all traditional funding sources – federal, state, and local government; school budgets, corporate and foundation philanthropy, and individual giving. Funding core staff and programs is an ongoing challenge that takes top priority despite the fact that there is a growing need for programmatic growth from post-September 11 audiences who are searching for new connections with their communities. As one participant noted, "Our challenge is not only to raise funds and manage them effectively, but plan for longer-term funding needs. The current climate is forcing us to look only at the short-term."

## Organizational Development

### *Responsible Growth Requires Focus and Planning*

Growing responsibly to meet the demands of constituents and funders is a common organizational dilemma. However, the notion of moving forward organizationally in the face of deficits and a weak economy was of particular concern. Many agreed that planning and forecasting are two critical elements in taking an organization to the next level of its development. One participant noted that, if it had not been for a recent strategic planning process, her arts council would not be responding as well in light of her region's economic woes. Strategic planning not only helps organizations focus on key goals and priorities, it can help organizations cut back when necessary.

Keeping up with technology was a second issue that plagues most organizations. Among the participants, technology ran the gamut from state of the art equipment to second-hand, donated equipment that barely accommodated email and Internet service. Very rural areas also contend with power outages in severe weather that, at their worst, can last for days and weeks.

### *Struggling with Leadership*

#### *Gaps at Both the Staff and Board Level*

Also cited was the need for organizations to invest in both staff and board leadership – a dearth of both exist, and there were a number of participants who noted that leadership succession is a challenge their institutions are currently facing. Staff challenges ranged from succession to recruitment, compensation, training, and affording the level of staffing to meet needs. Attracting qualified staff to rural areas is very difficult – sometimes impossible. Compensation and benefits too often lag behind those in comparable professions. One participant noted, "We enable lower salaries. Perhaps the fact that many of us volunteer extra time or use so many volunteers to get the work done colors the way we compensate professional staff."

Board challenges include developing new board leadership, stabilizing boards, and encouraging boards to have vision and to think creatively and strategically. Participants are looking for models that help boards manage their work better, that make the most of the board's business skills, and that foster better communication within the board as well as between the board and staff.

***"If it had not been for a recent strategic planning process, the arts council would not be responding as well in light of the region's economic woes"***



## Programs and Services

A majority of participants reported increased demand for programs and services in the post-September 11th environment from individuals, community groups, and schools. While seen as an important opportunity, the challenge now is how to grow programming without new resources, and whether a lack of funding will force organizations to resort to the tried and true rather than the innovative and the risk-taking. This is further complicated by the fact that there is increasing competition for audience. It was noted at several meetings that the proliferation of arts and cultural activities is so great that it is difficult to choose what events and activities to attend. Arts organizations are committed to keeping their programming approachable and adaptable in an effort to meet the broadest possible needs, but sustaining this commitment demands resources that are in short supply, or may simply not be available.

For rural arts organizations, an ongoing challenge is attracting well-known artists off the beaten track to perform and work. "We want to be able to present a range of excellent talent, but some artists stick only to urban centers and there's little we can do to convince them that our venue would be worthwhile," a participant lamented.

## Viable Community Partnerships

Hand in hand with successful program and service delivery is an organization's ability to forge and sustain relationships that maximize resources invested, tap into larger audience bases, and substantially improve quality of life. These partnerships can be traditional or innovative; impact individuals, neighborhoods, or whole towns; and employ a variety of strategies for cultural development in a community or region. The challenge of partnerships, however, is that it is time-consuming, often money consuming, and requires a real organizational commitment if it is to be well planned and implemented. Furthermore, partnering with non-arts organizations or agencies often requires upfront and ongoing education about who the arts group is and what it does.

A number of the meeting participants indicated that partnering outside the cultural community was critical to achieving visibility, new audiences, and funding, but tools and models for successful partnering were needed.

*"In some ways, we're a victim of our own success," said one participant, "We've created terrific programs that are well attended, and people want more of them."*

# Operative Factors

The factors in a region that create or contribute to the challenges facing arts organizations in the state largely clustered into four categories: the economy and related funding environment; changing/shifting demographics; demands for programs and services, and entertainment/leisure time competition. It is in this section that regional variations became more distinct.

## The Economy and Funding Environment

The economy and its numerous and interrelated impacts on the health of local governments and business, corporation, foundation and individual philanthropy is at the heart of the majority of funding and program development concerns. It's a factor that began well before 9/11, only to be exacerbated by it. Many organizations were beginning to feel the effects of a softening economy by the spring 2001. For example, in May 2001, the City of Buffalo rescinded its cultural funding for 2001-2002.

### *Local Economies Suffering All Across State*

Most of the upstate cities represented at the meetings are struggling with local economic recessions. Corning and Rochester are two communities whose cultural institutions rely on one or a few Fortune 500 companies. As these

companies lost market share and earnings their abilities to fund cultural programming weakened. Their layoffs impacted individual philanthropy and local real estate markets, as well as school budgets and local tax revenues. This ripple effect, which has already been felt by most upstate cities, is expected to continue for the foreseeable future, ultimately impacting every region in the state.

Buffalo and Utica represent rustbelt cities in search of revitalization. Older cities often lack the modern infrastructure necessary to attract new business and industry. Both these cities, as well as Syracuse, Albany and Troy are using arts and cultural organizations to anchor the reinvention of portions of their downtowns, but the process can be slow and difficult.

Rural areas contend with several structural factors: a limited number of businesses that can be tapped for cultural philanthropy, generally lower median incomes of local residents, and declining year-round populations. Unless an area is already a tourist destination, many rural communities and organizations find it difficult to package and promote themselves to the extent that tourist dollars can positively impact local economies.

### ***New York City Suffers Immediate and Sustained Economic Impact from Attacks***

Regions of the state that are at or near Ground Zero have felt the most immediate economic impact stemming directly from September 11. The plight of New York City's arts and cultural organizations since the attacks has been well-documented in the press as well as by a number of arts, cultural, private, and public organizations, including the New York City Arts Coalition, the New York State Council on the Arts, the American Association of Museums, the Center for an Urban Future, and Heritage Preservation.

A weakening economy was already in play before September 11th only to be exacerbated by the attacks, which left tremendous physical and programmatic loss and emotional trauma in their wake. In the weeks and months following the attacks, steep declines in travel to and within New York City resulted in lost revenue to cultural organizations from ticket sales and general admissions. These, combined with cutbacks from city government and an uncertainty about the strength of individual and foundation philanthropy made for a difficult fourth quarter that was marked by layoffs, hiring freezes, canceled shows, and reduced hours of operation. In November, the Crain's/DHR-StratfordGroup, Inc. New York Metropolitan

Cultural Index indicated that "...confidence in the health of the city's arts organizations is at its lowest point since 1998." Indeed, in a November 18, 2001 article, the New York Times stated, "New York City's 2000 arts institutions are facing the gravest economic period since the fiscal crisis of the 1970s."

### ***Slow Recovery With an Expanded Role for the Arts***

A variety of efforts were quickly introduced to help stem the tide of red ink and/or provide direct relief to artists, including the New York Arts Recovery Fund and several national foundations; extensive state and national marketing campaigns were launched to encourage tourism to the city. Arts organizations with largely local audiences saw attendance recover faster. In turn, a number of arts and cultural organizations immediately responded to the needs of residents by opening their doors for special programming and offering space for solace and reflection.

In November 2001, the Center for an Urban Future called upon city government to embrace the arts and cultural community in its decision-making about rebuilding Lower Manhattan. Furthermore, the Center recommended that arts policy be an integral part of economic development plans, and that any additional funding cuts first acknowledge arts and culture as critical generators of income to the city.

By year's end, the worst predictions about philanthropy had not come true. In some notable cases, charitable giving to arts and cultural institutions exceeded expectations; in many others, giving held steady or dropped off slightly. Despite this heartening news, many culturals continue to struggle with lower ticket sales and reduced admissions due to the drop off in tourism, reduction in city support, and in reduced contributions from foundations and corporations.

In August 2002, Crain's New York Business reported that, "In 2000, visitors spent \$17 billion in the city and the tourism industry supported more than 280,000 jobs. Spending dropped by 12.2% last year (2001) and is expected to fall again this year." Tourism in 2002 has been worse than expected, especially among foreign visitors. At the Metropolitan Museum of Art, attendance has dropped 20 percent. "We were impacted hugely," spokesman Harold Holzer said, "Attendance plummeted. Now it's building back slowly. We are optimistic with fingers and toes crossed."



## Changing/Shifting Demographics

Every organization grapples with the challenge of successfully meeting the needs of its audiences. There are many demographic trends occurring in New York State that need to be analyzed and understood by arts organizations if they are to achieve their missions. The general economy has produced a population migration from many upstate areas, both rural and urban. The loss of families due to layoffs has both a financial and audience impact on communities. The population left behind is a graying one that may have a reduced capacity to support its nonprofits.

### ***New Audiences, Increasing Need for Programs and Services***

Upstate cities such as Schenectady and Utica are seeing an influx of new, foreign-born populations who are revitalizing older neighborhoods and can benefit from connections to arts organizations. Reaching these potential audiences is both an opportunity and a challenge requiring significant, long-term commitment on the part of the organization to reach out and build bridges to new communities.

Eastern New York has for many years experienced an influx of summer residents and weekenders, largely from metropolitan New York. These potential audiences can be a boon to local arts organizations; the challenge is meeting their needs of quality programming in the quantity they demand, while continuing to attract local, year-round audiences and support. Since September 11th, the numbers of people migrating from New York City, permanently or otherwise, into the Hudson River Valley, the North Country, and to Long Island has greatly increased. These individuals are looking for the safety of the small town or rural area. Some organizations see this migration as positive to the volunteer pool – indeed, many transients and transplants serve on boards of the nonprofits in their adopted communities as well as volunteer in other ways for them.

Many participants also noted that geography plays an important, often frustrating, role in audience development. On Long Island, for example, real and perceived transportation infrastructure problems keep residents from traveling any distance to arts events. "People identify with their own towns and communities and don't travel far," one participant stated.

"The Hudson River is a massive divide," noted a participant in the Hudson meeting, "People find it very difficult to cross over the river." In northern, central and western New York, communities are often located far apart and public transportation outside of urban centers is virtually nonexistent.

## Demands for Programs and Services

"In some ways, we're a victim of our own success," said one participant, "We've created terrific programs that are well attended, and people want more of them."

There is no question that the demand for arts and cultural programming is on the upswing. Much of it has been spurred on by funders looking to support innovative activities that reach diverse audiences, by the State Education Department's curriculum standards for arts education, by population shifts that are bringing new audiences with differing or greater expectations for programs, and by a proliferation of nascent and emerging arts organizations that rely on arts councils and other arts organizations to provide technical and collegial support.

### ***Arts Help Communities Feel and Heal***

So many arts and cultural organizations around the state offered themselves and their programs as places of refuge, sharing, healing, and creativity that their sheer visibility in the wake of September 11th has led to a renewed interest in the potential these organizations have for bringing communities together. Since September 11th, many participants noted that arts and cultural organizations are more part of the public dialogue regarding community development. Longer term, however, it is difficult for most arts organizations to embrace community issues and needs because they themselves are undercapitalized and stretched to their limits. "Building consistent long-term relationships has become a priority – it's hard to do with a limited staff," said a Huntington participant, "especially if you don't have experience with a particular audience or community group."

## **Entertainment/Leisure Time Competition**

The competition for the public's leisure time is greater and greater. In addition to competing against each other, arts organizations compete with a ubiquitous range of popular culture – from amusement parks to television. Families, who compete against the clock every day juggling jobs, school, and a myriad of youth activities, are compelled to make choices about how they spend their leisure and volunteer time.

While a few participants felt that the emphasis on "cultural tourism" was too great, the majority of participants saw tourism of all types as a growth industry and an engine for community revitalization that could have considerable positive impact on arts and cultural organizations. In some parts of the state, tourism is the major industry – to not actively participate in tourism initiatives would be organizational suicide.

## **Since September 11th**

While September 11th can be viewed as a redefining moment and emotional watershed for many arts and cultural organizations, the current challenges faced by these groups are largely due to the operative factors cited above that have been in play to greater or lesser degrees for years. "The economy is really the issue – that's the critical issue – more than September 11th," noted one Hudson meeting participant.

In the days and weeks immediately following September 11th, virtually all arts organizations experienced severe drops in ticket sales, admissions, and other forms of earned income. Programs were cancelled. Fundraising activities ranging from annual appeals to special events were postponed or cancelled. Capital campaigns were deferred or timeframes were shifted. This was the tip of the iceberg.

### ***Gaining Equilibrium in a Competitive Funding Atmosphere***

Since January 2002, much equilibrium has been regained, but in a highly competitive funding atmosphere that now focuses to a great extent on the individual donor. Corporate support is down and what exists is cautious support. Arts organizations are searching for a new combination of funders, but it is not at all clear what the new combination might be. Most groups fear the real impact of this recession and September 11th may not be felt until later.

"The economic pressures have forced us to look at and let go of things that no longer have meaning or significance," reported one Corning participant. Participants at the Utica meeting echoed this sentiment. For some, programming intensity has increased since September 11th, in large part representing a public desire to make community connections and to volunteer or participate in an organization. Children's programming is in great demand. Local attendance is up.

But some marginal programming will be cut. Armed with a clearer focus about what's important for arts organizations to be doing, some participants talked of putting together "exit strategies" for those programs and services that don't turn a profit, draw diverse audiences, or contribute to the community in some substantive way. Strategic choice - making, prioritizing, and accelerated transitioning are now viewed as critical organizational survival tactics.

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# Opportunities

It is difficult to contemplate that out of the tragedy of September 11th opportunities have emerged for individuals, organizations, and society.

Following September 11th, arts and cultural organizations all over the state offered a vast array of opportunities for people to gather together to mourn, reflect, and reevaluate. "We knew we were all in this together – we shared the need to relate to each other," stated a Corning meeting participant, "September 11th broke down barriers and gave tangible value to the creative process through healing arts activities." Concerts, mask making, poetry reading, special exhibitions, family activities, free access to gardens and galleries all have provided the public with a critical and necessary sense of solidarity.

Meeting participants focused on three themes when contemplating how September 11th has created opportunities for their organizations:

- First, responding to a public stunned by massive violence, arts organizations embraced new levels of community interaction by drawing upon the therapeutic power of arts and culture to soothe and heal.
- In so doing, many organizations revisited, reevaluated, and recommitted to missions of broad public access to the arts and to involvement in community life. As one participant in Utica stated, "You have to focus on your mission and the depth and breadth of what you do."
- From this, a majority of arts and cultural organizations are poised to positively respond to the post-September 11th trends of greater community collaboration and creative problem solving, localized/short distance travel and tourism, and increasing local and family audience participation.

## At the Community Table

"Partnerships and liaisons with diverse organizations is becoming more important and expected by communities and by funders," reported a participant in the Utica meeting. The traditional scope of arts and cultural organizations has broadened considerably in the last fifteen years and has accelerated recently as schools, libraries, local governments and human service agencies seek arts-based programs to enrich educational and community life. "Not a day goes by without a request to do something," a Corning participant stated, "Many of the requests are borderline arts requests." Nonetheless, the demand is real.

The result is that many organizations are becoming increasingly externally focused and facilitative, with more face-to-face constituent interaction – on the lookout to foster bigger collaborations and reach more diverse audiences. In large measure, this turn of events has opened a new role for the arts in community development and decision-making, including greater political acceptance that the arts are economic drivers. The arts can anchor a community's revitalization efforts – notable examples include Peekskill, Hudson, Jamestown, Troy, the Buffalo theater district and Olmstead Crescent, Albany's arts and theater district, and Syracuse's Armory Square.

***"Building consistent long-term relationships has become a priority"***



## Strategic Partnerships

### *Finding Meaningful Ways to Reach Out and Be Recognized*

A number of meeting participants noted that, while the partners they work with now and in the foreseeable future may not be new, the relationships with them are/will be more strategic. For example, local governments have traditionally been funders to many arts organizations; new partnerships with local governments are focusing on decision-making -- helping to providing planning, zoning, and economic development solutions.

The relationships with business partners are changing, as well. Organizations are being more creative in an effort to capitalize on the needs of businesses, whether it's providing tailored programming to employees or offering businesses opportunities for participatory involvement in the work of the organization. Small to mid-sized businesses are emerging as important strategic partners as larger businesses merge, move or reduce the extent and amount of their nonprofit participation.

*Partnering outside the cultural community was critical to achieving visibility, new audiences, and funding, but tools and models for successful partnering are needed.*

More than just a vehicle to promote events, the media is seen as a strategic partner for public education about the arts and its role in community life. Participants cited the following organizations and agencies as critical partners in the next 3-5 years:

- Health and human service agencies/organizations
- State Department of Labor
- State Department of Education
- State Division of Tourism
- Colleges and Universities
- Festivals and sporting events
- Convention and Visitors Bureaus and other non-cultural tourism and business organizations
- State Division of Youth and youth groups
- Supermarkets
- Economic development agencies
- Financial planners
- Local, regional and national arts organizations

## Trends

### Philanthropy

"A variety of factors influenced giving in 2001," Leo P. Arnoult, chair of the American Association of Fundraising Counsel (AAFRC) Trust for Philanthropy, noted in a recent survey of charitable giving in the US, "Many donors gave less or stopped giving because of the worsening economy. New donors, increases in giving from other donors, and changes in the mix of causes that donors support occur every year. These factors, along with recent growth in the number of foundations and giving for September 11th relief, all affected giving in 2001."<sup>1</sup>

#### **Giving to Charity Posts Mixed Results in 2001**

AAFRC's Giving USA Annual Report for 2001 shows mixed results in a year of recession and crisis. An estimated \$212 billion was given to charity in 2001 representing a 0.5% rate of growth significantly lower than the 6% rate of growth in 2000. Donations from individuals, which represent 75.8% of all giving estimated for 2001, dropped 1.7% from the previous year when adjusted for inflation. Bequest giving dropped 7.1% when adjusted for inflation.

Corporate giving, which represented 4.3% of all giving in 2001, fell an estimated 14.5% when adjusted for inflation from the previous year. Corporate charitable contributions, including grants made by corporate foundations, are estimated to be \$9.05 billion in 2001.

<sup>1</sup> Press release, "Charitable Giving Reaches \$212 Billion" American Association of Fundraising Counsel, June 20, 2002

**Tourism of all types is a growth industry and an engine for community revitalization that could have considerable positive impact on arts and cultural organizations.**

Foundation grants (excluding corporate foundations) are estimated to be at \$25.90 billion in 2001. This is an increase of 2.5% when adjusted for inflation. Foundation giving represents 12.2% of total contributions in 2001.

### **Giving After September 11th**

Gifts made to relief and recovery after September 11 came to slightly less than 1% of the total estimated \$212 billion in contributions.

Independent Sector, a coalition of leading nonprofits, foundations, and corporations, presented findings from a national survey conducted by Wirthlin Worldwide that measures the charitable giving of Americans since the terrorist attacks of September 11th. Among the key findings:

- 73% of September 11th givers say they will continue to give as much or more than they usually give to other charities
- 50% of Americans say an economic slowdown will reduce giving<sup>2</sup>

Moving forward, individual giving will continue to prevail as the single largest source of philanthropy. Existing individual donors remain the backbone of membership programs, annual and special gift appeals, fundraising events, and planned giving programs. Organizations must continue to cultivate, manage, and prospect for individual supporters.

"In recent years, as arts and cultural organizations have experienced unprecedented growth, American businesses have increasingly viewed them as venues for sponsorship both to serve the public interest and to address corporate relations and marketing goals."<sup>3</sup> Despite losses suffered by business in the last 18 months, the fact remains that corporate funding of the arts is a complex and important partnership.

## **Cultural Tourism**

The Travel Industry of America reports that in 2000, 65% of adult American travelers indicated they included a cultural, arts, heritage or historic activity or event while on a trip of 50 miles or more. Of those travelers, 30% visited a museum, 23% attended live theater, 21% attended art galleries, 20% attended heritage or ethnic festivals, and 19% attended music concerts.

### **The Cultural Tourist Profile**

Travelers who include cultural events on their trips differ from other US travelers in a number of ways. They are more likely to:

- Have annual household incomes over \$50,000
- Have completed college

They also share similarities to other travelers:

- 56% are married
- 40% are Baby Boomers
- 36% have children under 18

*(The above statistics come from the January 2001 survey of resident US adults, conducted by the Travel Industry of America.)*

"Cultural tourists tend to be slightly older than other travelers and spend more on their trips than other age groups. The sophistication of this market will demand an experience that is authentic, high quality, and in many cases, customized to meet individual interests and needs."<sup>4</sup>

New York State ranks first in overnight travel from Canada; 3rd in overseas visitors; and 4th in terms of both total domestic and domestic leisure travel. In 2000, there were 131.2 million person trips to New York State. These visitors spent an estimated \$37.5 billion in the state during the year. More than one-quarter of these visitors attended cultural activities and historic sites.<sup>5</sup>

### **A Crippling Blow to Tourism**

Indeed, September 11th created a tourist drought in New York State. While regions further from Ground Zero seem to be faring better with the post-9/11 trend of short-distance travelers, New York City continues its struggle for visitors. International travelers, for whom New York City was a key destination, have not rebounded well.<sup>6</sup>

"The reality is that nobody knows what to expect for the future – whether tourists will come back anytime soon, or whether another terrorist attack will deal a crippling blow to New York City's attractiveness for visitors and businesses. So the arts world is caught in a spiral of uncertainty in which immediate crises loom, displacing long-term aspirations, which in turn threatens to prolong the agony."

<sup>2</sup> www.independentsector.org/sept11/survey.html

<sup>3</sup> Association of Art Museum Directors, "Managing the Relationship Between Art Museums and Corporate Sponsors." n.d.

<sup>4</sup> Webb, Amy Jordan. "2001 Outlook for Cultural Heritage Tourism." National Trust for Historic Preservation. 2001

<sup>5</sup> US Department of Commerce, International Trade Administration; D.K. Shifflet & Associated LTD.; *Season Year End 2000 Visitor Travel Report for New York State*. May 2001

<sup>6</sup> Davidson, Justin. "State of the arts." *Newsday*. April 28, 2002



## Economic Impact

### **Arts and Cultural Organizations are a Recognized Economic Force**

*Arts programs have served as components of high-impact economic development programs by assisting state and local government in: leveraging human capital and cultural resources to generate economic vitality in underperforming region...; restoring and revitalizing communities by serving as a centerpiece for downtown redevelopment and cultural renewal; creating vibrant public spaces integrated with natural amenities, resulting in improved urban quality of life, expanded business and tax revenue base, and positive regional and community image....<sup>7</sup>*

In its recent report, *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences* (2002), Americans for the Arts gathered compelling new evidence that the nonprofit arts are a significant industry in the United States – "one that generates \$134 billion in total economic activity. This spending -- \$53.2 billion by nonprofit arts organizations and an additional \$80.8 billion in event-related spending by their audiences – supports 4.9 million jobs and delivers more than \$23 billion in total government revenue...."

This represents a 45% increase over the \$36.8 billion spent just eight years earlier in 1992. Significant to this increase was corporate support (45% increase); state legislative support (47% increase); foundation giving to the arts (100% increase); total private sector giving to arts and culture (23.4% increase); and local government support (30% increase)<sup>8</sup>.

### **Central New York Study Finds Arts Organizations Contribute Significantly to Local Economy**

"One of the solid bases in the community is the arts," stated a Utica meeting participant, "A concentration of arts organizations and activities is a selling point." In the spring of 2001, the Central New York Community Arts Council studied the impact of the nonprofit arts and cultural sector on the Council's three-county service region (Oneida, Madison, and Herkimer Counties). Among the findings:

- the total economic impact of the arts organizations in the three-county area exceeds \$118 million
- each year arts organization spend a total of more than \$22 million, nearly all of this money remaining in the local economy (nearly \$10 million of this expense is for salaries and benefits for employees)
- arts organizations spent nearly \$24 million on capital projects in the area in the last four years
- arts organizations in the area provide or create more than 3,350 jobs
- furthermore, arts and cultural organizations contribute significantly to the education and entertainment landscape that reaches over 1 million participants every year<sup>9</sup>

With discussions of lower Manhattan's future well underway, many individuals and groups are urging New York City government to use arts and cultural organizations as a lynchpin in the revitalization of this devastated area. Among the recommendations are a handful that could be applied in any community, such as the development of affordable real estate that employs a variety of creating purchasing and leasing options; tax incentives for landlords and developers; creation of incubator spaces for nonprofit arts groups; and the issuance of "arts bonds" for capital needs.<sup>10</sup>

For arts organizations to successfully embrace new roles in community and economic development, they must be prepared and comfortable to sit at the table. Participants generally agreed that a level of confidence building is needed. "We need to prepare ourselves as leaders so that we can step up to the plate," one Hudson meeting participant concluded.

<sup>7</sup> National governors association. *Role of the Arts in Economic Development*. [www.nga.org/common/issuedBriefDetailPrint/](http://www.nga.org/common/issuedBriefDetailPrint/).

<sup>8</sup> Americans for the Arts. *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audience*. 2002 pp.2-3.

<sup>9</sup> Central New York Community Arts Council. *Arts Impact Study: We mean Business!*. 2002. pp. 1-2

<sup>10</sup> New York City Arts Coalition. *Creative Downtown: The Role of Culture in Rebuilding Lower Manhattan*. 2002. pp. 22-27



## **Proliferation of arts organizations**

In more than one regional meeting this spring, several arts council participants indicated that they were seeing an upswing in the number of new, grassroots arts organizations, primarily presenting groups. This is also a phenomenon among museums and historical organizations where there are a growing number of groups with missions serving narrow niches. The quantity of nascent organizations is heightening the need for technical assistance from arts councils, museum service organizations, and some funders, as well as turning up the competition for audience share and limited funding (at least at the local, and perhaps regional, levels). Given the fact that all are in short supply, the proliferation of arts and cultural groups is of guarded concern among established organizations. While this trend appears strong, it is not at all clear whether these new organizations will be able to sustain themselves over the long haul. No doubt, some will go out of business, while others may merge with or be superceded by stronger organizations.

## **Insurance and Security Issues**

The increasing cost of insurance and its very availability to arts and cultural organizations is a trend that bears watching. Several meeting participants indicated that they are being overwhelmed with the skyrocketing costs of property and liability insurance. Certainly, much of this can be tied directly to September 11th and to the huge financial claims paid by insurance companies. Since September 11th, many organizations have enhanced security procedures, adding staff and/or equipment to do so and thereby bearing additional new costs to protect visitors, collections, and artists/performers.

## **Human Resource Issues**

Although it has been discussed in other areas of this report, the concerns facing arts and cultural organizations in terms of staff and board recruitment, training, and retention; compensation and benefits; staff and board succession; and building leadership and managerial skills must be addressed in some systematic way by service organizations and funders in order for the field to grow and prosper.

Many rural areas have a difficult time attracting staff and artists/performers. Rural arts organizations might benefit from incentive programs that would allow them to offer highly competitive salaries and benefits, job training, and ongoing subsidized networking opportunities with colleagues on a regional and statewide basis.

## **Consolidation**

The notion of pooling needs, be it for purchasing energy or for job training, is one that merits consideration as a way to reduce some costs while enhancing the cross-pollination of ideas and expertise. It was suggested at the Hudson meeting that organizations partner with each other in ways to specifically fill the skill gaps at individual organizations. This might involve sharing staff or board members, co-developing and implementing programs, sharing work or performance spaces, or engaging in joint fundraising initiatives. Consolidation requires leadership and coordination, which adds another layer of responsibility and accountability.

***Many organizations revisited, reevaluated, and recommitted to missions of broad public access to the arts and to involvement in community life, as one participant in Utica stated, "You have to focus on your mission and the depth and breadth of what you do."***



# Conclusions



The Alliance's regional meetings marked a critical opportunity to gather and reflect upon the role of arts and culture in community life and to better understand how this role has changed or remained the same since September 11, 2001. Now as we mark the first anniversary of the attacks, many arts and cultural organizations are moving forward with a clearer focus about their importance, as well as the challenges and opportunities before them. Those challenges and opportunities encompass sustaining a renewed commitment to the idea that the arts can transform, revitalize, and heal the human spirit; maintaining programmatic leadership and a competitive edge in fundraising, service, and audience development; and leading and fostering community and economic development.

Arts and cultural organizations in New York State are grappling with a host of environmental forces, many of which are beyond their control. Among them are a weak national economy, uncertainty in all levels of government funding, a migrating population that drains some areas while overwhelms others, as well as a universally aging population who may be unable to provide growing support for arts and cultural activities. Those organizations with clear visions and missions, those who have engaged in strategic planning and the hard work of balancing growth and resources, those who have reignited their relationships to broad and diverse communities are those who will survive the difficult months ahead.

Was September 11th a watershed? Emotionally and psychologically the events of September 11th brought individuals and organizations together in a new understanding of community caring, and this has generated greater interest and support in the work of arts and cultural programs. In a majority of cases, the public demand for arts programming is as great as it has ever been. So in this regard, September 11th is a watershed of sorts. However, the underlying factors for the challenges now faced by the arts and cultural community are factors that have long been in the making only to be worsened by the economic and political climate since September 11th.

As one participant at the Utica meeting stated, "September 11th opened doors to new audiences and partnerships, whether they stay open for the long term will be up to us."

***For arts organizations to successfully embrace new roles in community and economic development, they must be prepared and comfortable to sit at the table. Participants generally agreed that a level of confidence building is needed. "We need to prepare ourselves as leaders so that we can step up to the plate," one participant concluded.***



# Appendices

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## HOSTS AND PARTICIPANTS

Regional Meeting May 20, 2002

Arts & Cultural Council for Greater Rochester

Sarah Lentini, Jim Anderson, Susie Cohen Ginna Moseson, Mollie Grattan, *Arts & Cultural Council for Greater Rochester*; Renee Coombs, *Hornell Area Arts Council*; Jackie Grey, *Wayne County–Cider Mill Regional Arts Council*; John Thorne, *Alliance Board Member*; Larry Naylor, *ArtsReach in Rochester*; Jack Langrack, *Young Audiences of Greater Rochester*; Susie Chodorow, *Arts Consultant, Coordinator SAS Program in Upstate New York*; Lisa Huff, *Wayne County Council of the Arts*; Nicole Kagen, *Rochester Philharmonic Orchestra*; Susan Przybyl, *Keenan Center*; John Dabolt, *Rochester Broadway Theater League*; Kelly Kiebal, *Genesee-Orleans Regional Arts Council*; Celeste Lawson, *Arts Council for Buffalo and Erie County*; Judith Kaufman Weiner, Martha Strodel, Pat Berman, *Alliance of New York State Arts Organizations*; Anne Ackerson, *Facilitator*

Regional Meeting May 21, 2002

The Arts for the Southern Finger Lakes Corning, New York

Jan Newcomb, Sandy Frank-Nolan, Julie Holder, Lynn Rhoda O'Brien, *The Arts of the Southern Finger Lakes*; Sue Vahl, Kim Driscoll, *Cattaraugus County Arts Council*; Gigi Albrecht, Jennifer O'Hara, *Rockwell Museum of Western Art*; Anne Marx Hazlett, *Corning Museum of Glass*; Ellen Kodadek, *171 Cedar Art Center*; Tom Wiedemann, *Clemens Center*; Kathryn Hollinger, *Genesee Valley Arts Council*; Robert Taylor, *Olean Public Library*; Judith Kaufman Weiner, Pat Berman, Martha Strodel, *Alliance of New York State Arts Organizations*; Anne Ackerson, *Facilitator*

Regional Meeting May 30, 2002

Huntington Town Hall Huntington,  
New York Hosted by Huntington Arts Council

Dorothy Blumstein, *Town of Oyster Bay Arts Council*; Barbara Pepe, *Babylon Arts Council*; Dawn Kraus, *Islip Arts Council*; John Coraor, *Town of Huntington Cultural Affairs*; Ed McEvoy, JoAnne Nielson, *Art League of Long Island*; Diana Cherryholmes, Nancy Dettman, *Huntington Arts Council*; Polly Whitehorn, *LI Arts Council at Freeport*; Pat Snyder, *East End Arts Council*; Elsa Eisenberg, *Coe Hall, Planting Fields Arboretum*; Beth Levinthal, *Heckscher Museum of Art*; Judith Kaufman Weiner, Pat Berman, *Alliance of New York State Arts Organizations*; Anne Ackerson, *Facilitator*

## *Alliance of New York State Arts Organizations*



Regional Meeting June 17, 2002

Munson Williams Proctor Art Institute Utica, New York

Hosted by Central New York Community Arts Council, Munson Williams Proctor Art Institute

Ron Thiele, Megan Koenig, *Central New York Community Arts Council*; Milton Bloch, *Munson-Williams-Proctor Art Institute*; Deborah O'Shea, *Rome Art and Community Center*; Victoria Kappell, *Chenango County Council on the Arts*; Gina Murtagh, *Sculpture Space*; JoAnn Gottsleben, *Broome County Arts Council*; Marge Balder, *Mohawk Valley Center on the Arts*; Susanna White, *The Exhibition Alliance (GANYS)*; Liz Williams Kelly, *Cape Vincent Art Council*, Judith Kaufman Weiner, Pat Berman, Martha Strodel *Alliance of New York State Arts Organizations*; Anne Ackerson, *Facilitator*

Regional Meeting June 18, 2002

Hotel Saranac

Saranac Lake, New York

Hosted by Arts of the Northern Adirondacks

Caroline Rubino, Karin Keene, Phil Gallas (Board Member), *Arts Council for the Northern Adirondacks*; Jody Malloy; *Council on the Arts for Clinton County*; Pam Pratt, *Arts Guild Old Forge*; Nadine Duhaime, *Lake Placid Center for the Arts*; Dave Cook, *Sacandagua Valley Arts Network*; Tom Fowler, *Adirondack Film Society*; Judith Kaufman Weiner, Pat Berman, Martha Strodel, *Alliance of New York State Arts Organizations*. Anne Ackerson, *Facilitator*

Regional Meeting June 19, 2002

Hudson Opera House

Hudson, New York

Gary Schiro, *Hudson Opera House*, Raona Roy, *Arts Center of the Capital Region*; Joyce Picone, Ellen Haven, *Putnam Arts Council*; Ariel Shanberg, *Center for Photography in Woodstock*; Joe Ahern, *Columbia County Arts Council*; Judy Staber, *Spencertown Academy*; Stuart and Helene Bigley, *Unison Arts and Learning Center*; Dare Thompson, *Hudson Writers Center*; Sara Sterling Board of Directors, *Columbia County Arts Council (and Hudson Opera House)*; Loretta Spence, *Dutchess County Arts Council*; Emily Caigan, *Ulster County Arts Council*; Tony Devito, *All Arts Matter*; Judith Kaufman Weiner, Pat Berman, Martha Strodel, *Alliance of New York State Arts Organizations*. Anne Ackerson, *Facilitator*



The **Alliance of New York State Arts Organizations** has a 27-year history as New York's primary service association for community based arts and cultural organizations. The Alliance provides leadership and vision, and delivers services, resources and tools that strengthen community cultural organizations. The Alliance monitors, informs and mobilizes the field on statewide and national issues affecting the arts and assists local arts agencies in building community support and developing effective grassroots public policy.

Alliance programs include a **Rural Arts Initiative** with dedicated staff to provide organizational development and one-on-one assistance to 34 organizations serving 32 counties of the State. An annual statewide **Arts Conference** provides new skills and networking opportunities for arts administrators, board members and artists. **Management training** workshops, the **E-Institute for Leadership** and individually tailored consultancies provide unique professional development opportunities. **Staff site visits** and **regional coalitions and partnerships** are supported by Alliance staff. A vast **electronic network** informs the field on advocacy issues, action items and generally mobilizes the arts community for annual events like **Arts Day in Albany** and **advocacy information and training sessions**. **Publications directories, networking and referrals** round out the information services.

#### **Professional Development and Technical Assistance**

- Annual State-wide Conference
- Rural Arts Program
- E-Institute for Leadership
- Rural Workshops
- Management Training Workshops: Alliance on the Road
- Professional Consulting Services and Referrals
- Staff Site Visits
- Assistance to Regional Coalitions

#### **Publications**

- Local Advocacy Handbook
- Consulting Resources for NYS Arts Organizations
- Monthly Member Memos
- Directory of Members, Associates, Affiliates
- Growing Your Organization
- How're We Doing?

#### **Information Services**

- Referrals
- Networking
- Electronic Communications
- Community Cultural Organizations lists
- Personnel & Benefit Analysis

#### **Public Policy**

- Legislation in support of the arts
- NYS Representation in national forums

#### **Advocacy Education**

- Local Advocacy Training
- Pro-active Updates and Alerts
- Budget Legislation and Language
- Arts Day in Albany



# Alliance Board of Directors 2002

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Seymour H. Knox IV  
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Celeste Lawson  
*Executive Director, Arts Council in Buffalo & Erie County*

Janet T. Newcomb  
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*Director Rural Arts Program*

Amy Frost Wippert  
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