FROM SURVIVING TO THRIVING :: SUSTAINING ARTIST RESIDENCIES

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INTRODUCTION

If the last few years have taught us anything, it is to question what we thought we knew about financial stability. Will short-term solutions produce long-term sustainability? Are indicators of permanence — such as endowments and property ownership — signs of maturity or inhibitors? And is bigger really better?

This is a field that welcomes big institutions and scrappy start-ups alike — from well-established artist colonies to small collectives operating outside the nonprofit realm and all the others in between — and shares its wisdom and its struggles so we all may benefit from the work of each other.

Artist residencies are dedicated to serving artists, and those artists have taught us to question the status quo; to recognize the need to experiment, to tweak, to risk failure; and to challenge ourselves to respond to new ideas. The same traits we value in artists — a foundation of skill and professionalism, coupled with bold new ideas, curiosity, and courage — are the best of what we hope for in our organizations.

This report is a beginning, an attempt to capture a snapshot of a thousand living organisms, a collection of individual stories and statistics that celebrate the richness of our differences while still offering the possibility of shared lessons. This study is offered as an invitation to explore together how artist residencies of all kinds can do more than just survive — by recognizing the varied models and tools available to us, we hope artist residency programs of all stripes may thrive.

Caitlin Strokosch  
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COMPARING APPLES TO ORANGUTANS: A METHODOLOGY

What is organizational sustainability, and how might it apply to artist residencies? While many of the approaches to this question revolve around finances, we believe sustainability is also deeply connected to an organization’s culture, constituents, and community.

We asked hundreds of organizational leaders to define sustainability and the answers speak to the day-to-day challenges and uncertainties of this field: “Sustainability would mean having a safety net. We are doing okay financially, but it always feels like we are just one grant rejection away from a crisis,” writes one.

“We want to practice what we preach. We exist to support artists in research-and-development and taking risks, but we never seem to have the resources to catch our own breath, to experiment, to do anything other than what we’re already doing,” writes another.

“We don’t want to just survive; we want to thrive.” For so many organizations, the line between crisis and survival seems razor thin, while the boundary between surviving and thriving can seem like a great divide.

For the purposes of this project, we have defined sustainability as an organization’s ability, over time, to match relevance with resources. While mission and money may often intersect, that is not always the case, and true sustainability depends on a harmony between the two. As WolfBrown, a leading arts consulting firm, defines in greater detail, sustainability is “a balancing act with three interdependent but sometimes competing priorities: community relevance, artistic vibrancy, and capitalization. Together, these elements give organizations the ability to excel in a permanent state of flux, uncertainty, and creative tension.”

“...”

Throughout this report, we examine the programs, priorities, finances, and history of 157 organizations. What we have found is a field struggling but enormously resourceful, placing the needs of artists first (often at significant financial risk), and incredibly generous—in sharing its wisdom and insights, in its trust in the creative process, and in always striving to develop greater resources for artists.

Data set

We define an artist residency as an organization or program providing dedicated time and space to artists of any discipline for the development of new creative work, primarily focused on creation rather than presentation. Artist residencies may operate as stand-alone organizations established primarily for that purpose, as a program within an arts center, university, museum, business, or other institution; as an ad-hoc activity of a group of individuals; or as a private venture. For the purposes of this report, we refer to any of these as “artist residency centers,” recognizing there is no perfect terminology to encompass the many forms residencies take.

Throughout this report, we refer to three groups within our total data set:
- Group 1 – organizations indicating the residency is a priority program (relative to mission as well as to the resources allocated for the residency)
- Group 2 – organizations indicating the residency is the priority program
- Group 3 – organizations indicating the residency is the priority program and with few, if any, other programs

Because this study addresses funding structures as a critical part of organizational sustainability, the research is largely limited to nonprofits based in the U.S. It is our hope, however, that other residency programs—whether in the U.S. or elsewhere, and regardless of legal structure—will find much of the data, examples, and essays in this study to be useful as well.

Research and analysis

In May of 2009, we interviewed Alliance member organizations about the impact of the economic downturn, identifying key challenges, strategies, and priorities. While the responses depict the realities of a particular period of time, they illuminate many of the strengths and fragilities in this field that may otherwise be less visible in an era of greater prosperity.

We launched the Sustainability Project in 2010 by surveying 150 artist residency centers—from start-ups to well-established organizations, large and small alike. We asked the leaders of these residencies to identify what organizational sustainability means to them and what they need to know—about their own organizations and their peers’—to plan for sustainability.

From these responses, we developed a list of key factors impacting an organization’s ability to thrive and we created a second survey designed to measure organizational activity within these factors. The survey explored programming, organizational structure, staffing, board composition, audience, community resources, assets, revenue-generating activities, and other financial data. The survey was sent to over 400 organizations in the U.S., from which 84 participated in the survey—a diverse group of residencies representative of the overall field.

Using 990s and other public records, additional data was collected from 111 organizations from 2007-2009. (At the time of this phase of study in mid-2011, only limited financial data from 2010 was available.) Earlier data was compiled for smaller organizational sets as well—60 organizations from 2005, 41 organizations from 1997, and 21 organizations from 1987.

Lastly, a third survey was distributed to explore organizational behaviors, attitudes, and priorities, and the 85 responses were compared to each organization’s financial and management data to examine alignment and discord between the two.

Then came the fun part—sifting through more than 2,000 pages of data to tease out its meaning. “Trust the numbers have a story to tell,” said one board member, “and find a way to let it sing.” This is in many ways a field full of outliers, and with so many different kinds of organizations, simply totaling and averaging numbers told very little. So we sorted and resorted all the data by subgroups within the field, looking for patterns and then how those patterns interacted with other factors.

On a good day, we were comparing apples to oranges. How do you assess Yaddo (a 100+ year-old, secluded colony in Upstate New York with a budget of nearly $3 million, a large endowment, and virtually no public programming) in the same way as threewalls (a 10-year-old organization in Chicago running a residency, grantmaking programs, exhibitions, publications, lectures, conferences, and salons on $150,000 a year)? And how do you compare either to Bellagio Center’s Creative Fellows residency (a program within a program of The Rockefeller Foundation) or the Exploratorium residency (operating within a science museum)?

Our goal was to find meaningful cohorts within the group of 257 organizations, and allow these cohorts to dissolve and reform new cohorts depending on what factors we were analyzing—for example, by age of the organization, type of geographic community, programmatic complexity, existence of an endowment, property ownership, and budget size. One cohort we followed throughout represents the traditional core of this field—organizations operating exclusively or almost entirely as an artist residency center, with little or no other programming (Group 3).

Case studies
In selecting the four case studies, we sought to identify organizations offering some replicable activities and sharing the following traits:

- organizations are at least 15 years old and have moved beyond the start-up founding phase
- organizations indicate the residency is their highest-priority program
- organizations have some demonstration of resilience, by having worked through a major transition and/or established a track record of financial health

We also sought a variety among the case studies, with differences in age, budget size, programmatic complexity, access to community resources, and organizational culture.

The case studies are intended to reveal how different organizations define success, core characteristics and processes by which organizational leaders have been able to build sustainable organizations, and what is needed to create the necessary resources for the organizations to thrive. Conducted by the Urban Institute and led by Maria Rosario Jackson, the case study research included document review, site visits, and interviews with staff, board members, program participants, and other stakeholders.

Other narratives
We have also included other narrative pieces putting the field in context, understanding artist residencies exist within a larger network of artist-centered organizations and, more broadly, within cultural and nonprofit sectors impacted by external political, economic, and social forces.

Next steps
This report is just one piece of our larger work exploring sustainability for the field of artist residencies. With the information and knowledge gained to date, we plan to:

- develop frameworks for individual organizations to assess their health, relative to the research represented in this study
- provide individual and cohort assessments for artist residency centers
- make recommendations to funders about opportunities for investment in the field contributing to its sustainability
- determine areas requiring further study
- develop survey tools for gathering key data on the field annually so we may continue to deepen our understanding of long-term health and have a living record of the field

Assessing the residency field is more of an art than a science, balancing numbers and nuances, weighing indices with anecdotes. Underlying all of this is a basic assumption: while there is no one-size-fits-all approach for this field, there are some good practices to shine a light on. We have much to learn from each other, and we look forward to sharing our work further.
Artists' communities, colonies, and residency programs – places providing artists of any discipline with dedicated time and space to develop their work – have their roots in Europe with gatherings of painters, writers, and composers seeking community with each other and the opportunity to create new work. In the U.S., similar models were documented in the late 19th century, beginning as informal efforts to create workspace and a collegial atmosphere conducive to creative development.

In the early 20th century, these endeavors became more formalized, with the first colonies in the U.S. – among them, Byrdcliffe Art Colony, The MacDowell Colony, Oxbow, and Yaddo – all grounded in the belief that artists need time, space, and privacy to incubate new ideas and nurture their creative practice. These early programs sought to support artists by offering immersion in a creative space unfettered by the demands of everyday life and with limited interaction with the public. By the 1930s, similar residencies had arisen far from the colonies of the northeast, like Hambidge Center for Creative Arts & Sciences and Montalvo Arts Center.

The 1960s and '70s brought a second growth spurt for the field, supported by a rise in cultural activities, interest in art, and the social movements of the time. Individual artists and art received more prominence in society and there was a proliferation of new artist-founded organizations in both rural and urban areas; the nonprofit sector as a whole expanded. Many academic and professional venues offered opportunities for creative work, though they often required other commitments in exchange for time and workspace. New residencies formed as a natural response to the need for environments exclusively focused on creating new work, including Fine Arts Work Center, The Millay Colony, and Ragdale.

New models emerged in the late 1970s placing a greater focus on collaboration rather than solitude, like Atlantic Center for the Arts. This shift led to stronger support for theater and dance as well as exploring connections between artists, their communities, and other fields. The Exploratorium linked art with science; Headlands Center for the Arts was designed to spark collaborations that promote new approaches to environmental stewardship, foster community-building, and provide a catalyst for social change.

An increase in urban residencies, such as Bemis Center for Contemporary Arts and Capp Street Project, began to change the landscape of programming and offered artists another form of sanctuary in stark contrast to the earlier rural retreats. Industrial buildings and museums became the backdrop for inspiration and supported large-scale work and art installation in addition to the traditional live-work spaces offered at other sites. On-site gallery spaces and public programs provided a connection to the local community.
While individual programs expanded their reach, the number of new organizations in the field slowed in the ‘80s and the focus shifted to stabilization of existing sites rather than creation of new ones. A study conducted in 1990 for The MacArthur Foundation noted an environment where government funding was decreasing, accompanied by programs that were undercapitalized, understaffed, and lacked adequate facilities. While a few programs operated with endowments, the sheer age of the residency sites pointed to the necessity for improved facilities. The MacArthur study revealed a field “house rich and cash poor,” whose wealth in land and facilities often did not mitigate the need for financial resources to support operational expenses. Organizations noted the need for unrestricted funds, endowments, operating support, and capital funds. And yet their greatest concern was adequately serving the growing needs of artists while other sources of support for artists were shrinking.

Since the 1990s, the field has continued to evolve in response to social movements, with newer residencies serving artists whose work revolves around the sciences, environmental art, and social justice. ISLAND (Institute for Sustainable Living, Art & Natural Design) connects art, the environment, and community through residencies. The Arctic Circle, an annual expeditionary residency program, is a nexus where art intersects with science, architecture, and activism – an incubator for experimentation and collaboration around the central issues of our time. The Laundromat Project’s Create Change: Public Artist Residency provides artists working in social justice themes the opportunity to engage with the community in their neighborhood laundromat, providing accessible art to those who may not otherwise frequent mainstream cultural facilities.

The traditional infrastructure of residency programs has also been transformed, showing the adaptive nature of the field. New models may be deeply rooted in a specific place, even without having facilities. Vermont Performance Lab, for example, secures studio and performance space unique to each artist-in-residence and fosters collaborative art-making between artists and the community. Colorado Art Ranch finds hosts in various towns to donate or rent their facilities. And the field also includes alternative outposts like PLAND (Practice Liberating Art through Necessary Dislocation) that invites artists and others to their beyond-the-grid site in the New Mexico desert to experiment together with collective living and art-making.

Today, the field has grown from 60 known residencies in 1990 to 500 in the United States and over 5,500 worldwide in 2012. They span a range of models from those that preserve the field’s traditional models of seclusion to those that embrace community engagement and exploration. They are located on working ranches, warehouses, museums, factories, hotels, churches, and sailing vessels; in remote rural areas, small towns, suburbs, and cities; and they serve artists of all disciplines. Artist residencies are revitalizing local communities, bringing artists, cultural activities, and new businesses into underdeveloped areas. Despite all these differences, the core values of the field remain – to nurture the creative process and strengthen the artist’s voice in society.
SUBSIDIZED BY PASSION

By Ted Berger

At a recent conference session about organizational sustainability, hosted by the Alliance of Artists Communities, I was struck by what I believe is a recurring theme in the evolution of many art-centered efforts: the passion so essential to this field is also what is keeping many organizations alive, frequently camouflaging all-too-real organizational and financial needs we are often afraid and embarrassed to discuss.

After spending nearly 40 years in the arts, I realize there is nothing new about this pattern. Indeed, it is part of the overly-romanticized image of the starving artist-in-the-garret we have all inherited. It has been essential to the development and growth of the field in general and to artist-centered organizations in particular, especially in the last 50 years. So many efforts in the arts started during this period – whether artist-centered, community-based, focused on communities of color, or exploring new artistic practices – have required just such passion to get off the ground.

But now I see another side of this passion as far too many are quietly disappearing or struggling to survive, let alone advancing. While some may argue this ebb and flow is the nature of an ever-changing creative field, I submit a truly healthy cultural ecosystem requires the continuing existence and the strengthened capacities of such diverse efforts.

“Have we tolerated an environment where undercapitalization is accepted by too many: where insufficient salaries and fringe benefits are commonplace; where deferred maintenance of property has become par for the course; and where inadequate support for artists continues, especially for those who cannot afford to participate in residencies?”

I have been privileged to be a worker in these vineyards for a good many years, understanding how important it has been to create a field and increase opportunities for artists and the public. I have been fortunate to be part of an historic, collective effort to increase support for artists and the arts in this country, believing “if we build it, they will come.”

I know the accomplishments during these years are significant. There is no question many new voices have come to the fore, the number of artists has increased dramatically, the field of artists’ residencies has grown significantly, and more people than ever have gained access to cultural opportunities, however fragile the infrastructure behind all these endeavors. The growth of the arts sector grew out of an exciting time of great searching for what we as a people stand for – civil rights, women’s rights, GLBTQ rights, a greater global awareness. The arts community has reflected the intensity of our diverse struggles as well as the opportunities inherent in our vision of human potential and our country’s belief in the fundamental rights of expression for all.

While there were significant economic ups and downs during this period, still it was a time of great idealism, with seemingly endless possibilities. In retrospect, perhaps this period was more like an Edenic moment, a time of great innocence. However naive it may seem now, many of us really believed “With a nickel and a dime, you could change the world.”

And we certainly tried....

But in recent years the idealism of the past has had to face harsh realities: our successes cannot be sustained with only nickels and dimes. Passion alone – however vital to the early development, expansion, and core of the field – can no longer keep the field afloat or pay the heating bill. The human deficit, especially in those organizations committed to artists, I fear, is growing at an alarming rate.

The widening battles of our country’s culture wars and ideological divisions continue to take their toll. The three-legged stool of the nonprofit American support system – public funding, private dollars, and earned income – has become more wobbly than ever before as the economy has shifted. The maturing needs of the arts have grown significantly, the number of artists has increased exponentially, and the arts community is struggling for a place at the table with other sectors in need. And the infrastructure for the field, never as strong as we all wanted it to be, is fraying and becoming ever more fragile. This is especially true for too many artist-centered organizations, raising valid concerns about sustainability.

Facing what we see ahead, the last 50 years do seem Edenic – an idyllic time when we thought we could all keep going and growing. But now so many in the arts are struggling with what to do in the glare of this sobering “after the fall” time. Torn by our innate idealism and the practical realities of what it means to sustain our efforts, we are confused and afraid, unsure of how to find a clear plan to move forward. The passion of an aging ’60s generation which subsidized the field for so long is ebbing and/or disappearing, placing major leadership demands and organizational challenges on a younger generation (equally, though perhaps differently, committed). These leaders must develop new strategies for artist-centered efforts that can respond to the increased needs of artists and cultural organizations into the future. Like the characters in Godot, too many are saying – “I can’t go on...I must go on....”

True, there are artist residency centers surviving for decades on the passion of their founders, through their generous donations of time and resources. But I wonder if this expectation of subsidy through self-sacrifice has become so ingrained in the culture of
our field that we are perpetuating its dysfunction and ignoring real costs. Are we avoiding what we need to move ahead—namely, changing attitudes and behavior, and raising new expectations of ourselves, our organizations, and our field?

Have we tolerated an environment where undercapitalization is accepted by too many: where insufficient salaries and fringe benefits are commonplace; where deferred maintenance of property has become par for the course; and where inadequate support for artists continues, especially for those who cannot afford to participate in residencies? Have the more substantive needs of maturing artist-centered organizations requiring greater investment of human and financial resources become too overwhelming and too costly for funders to deal with, especially at a time when resources are dwindling and new efforts continue to start up? Have our boards, our funders, our artists...have we ourselves...let our undeniable passion for the work we are committed to hide the financial changes we know in our gut are necessary if we are going to advance?

Admittedly, there is an extraordinary amount of new artist-driven start-up activity all over, similar to a time in the 1970s when many projects and organizations we now take for granted came into being. But I keep wondering whether history is destined to repeat itself. Will some of these start-ups ever really have a chance to grow and mature, to become part of the regular landscape and build their capacities in order to continue supporting artists?

One of my beloved former board members regularly reminds me “sometimes too many people have to get sick before we name the disease” and certainly before we even begin to find a cure or think about prevention.

I know there are no easy ways to address these symptoms, let alone change patterns and address some of the looming challenges I have mentioned. More money will certainly help, but we need to be harshly realistic about what is happening with public and private arts funding and where artists and the arts fit in the list of public, political, and economic priorities. Eternal vigilance and strengthened, impassioned, long-term advocacy efforts will be more critical than ever to maintain existing support and build greater support in the future. And we must recognize our idealism and commitment to this work can simultaneously be our greatest strength and our Achilles heel.

In what seemed to be those halcyon days when we sensed passion was enough to keep our organizations going, we pushed ourselves to go way beyond expectations. But too often we were afraid if we demanded and pushed for more from our boards or our funders or our community, we would lose them in the process. Now at this challenging moment when people are just trying to keep their efforts alive, when our passions for entering and staying in this field may need rekindling, how dare I ask you to push for more? Yet I do. We must! A significantly greater investment is needed in financial support for both new enterprises and the maturing needs of the field. So, too, is greater investment needed in human capacity—in leadership development, in time to re-envision organizations, and in the creation of a new openness to speak candidly about the infrastructure needs so often hidden in the past.

At their core, residency programs subsidize creative passion by providing essential time and space to artists. As a result, residency directors understand the complexities and realities of subsidizing passion, perhaps more than many others. From this vital foundation the national network of residency programs has evolved over the years. This network provides one of the best opportunities to strengthen and advance the overall system for artist support in this country and represents extraordinarily diverse approaches to the multiple challenges on the horizon.

This kind of systems support is especially critical. I certainly recognize the importance of what an individual organization can accomplish, but in a country as large as ours with an arts and artist community as diverse as ours, I am interested in how organizations can connect to each other and how a collective momentum can effect change and strengthen the capacities for necessary programmatic, economic, and political growth. That is why a strong national network of artist residency programs is so important to the ongoing and growing needs of artist support. And indeed, such networks that cross national boundaries are critical as well.

The residency network provides models for communities throughout the landscape, showcasing how organizations respond to the constant yet ever-changing needs of artists and how, time and again, residency programs demonstrate the “relevance of place” through their community interactions. By establishing relationships with the public, residency centers are increasingly building community connections and demystifying what artists are all about. Moreover, by discussing “best practices” and “what-needs-to-be-better” practices, a network of residencies can provide strategies for strengthening the capacity of its members, address underlying vulnerabilities within individual organizations, and build a stronger field.

Some years ago I conducted site visits for the National Endowment for the Arts to numerous artist residency centers. I once wrote visiting a particular residency was like going “back to the future” – facing the challenges of a 19th-century facility and
addressing the realities of living in what was then the 20th century, all the while supporting artists who were exploring possibilities somewhere in the 21st century. The centuries may have changed, but the challenges are ever there. What have we learned from our past? How are we facing the realities of our present? And how can we address the inevitable changes in the landscape for artists and for our organizations in our future?

“We must never lose the passion that keeps this community alive. But we need to speak out boldly about what nurturing passion really demands of artists, of administrators, of our organizations, of all of us.”

Now more than ever we must rely on each other to keep going, and to move ahead. As we look “back to the future,” we know artists themselves and the organizations supporting them have far too often subsidized themselves by their own passion and commitment, stretching way beyond their capacities. While this fire and idealism that fuels us may be at the heart of past, present, and future achievements, still, despite its strength, it is ever fragile. It cannot be taken for granted; it cannot be stretched too far or it will break.

We must never lose the passion that keeps this community alive. But we need to speak out boldly about what nurturing passion really demands of artists, of administrators, of our organizations, of all of us. We need a renewed commitment to an informed idealism, savvier about protecting its inevitable vulnerability and its practical needs, ever more vigilant in our advocacy of the importance of our work.

And as always, we need each other, for we must find renewed strength to be prepared for the long, hard, and sustained work of stoking this fire for years and generations to come.

Theodore S. Berger is executive director of NYCreates, project director of the Urban Artist Initiative/NYC, treasurer of the Joan Mitchell Foundation, and a member of the Honorary Board of the Alliance of Artists Communities. He is director emeritus of the New York Foundation for the Arts (NYFA). Ted joined NYFA in 1973, developing its artist-in-residence program, and was named executive director in 1980; he retired from NYFA at the end of 2005. Ted also serves on the boards of the Asian American Arts Alliance, ArtsConnection, the Design Trust for Public Space, IB Studios, the CUE Arts Foundation, and the International Studio and Curatorial Program. He was formerly assistant dean for the Graduate School of Arts and Sciences and the School of International Affairs at Columbia University. Ted writes and speaks extensively on the arts and artists and cultural policy and is considered one of the foremost people in the country focused on support for today’s artists.
LEADING FOR SUSTAINABILITY

An interview with Suzanne Fetscher

Suzanne Fetscher – founding president and CEO of McColl Center for Visual Art in Charlotte, North Carolina, and former executive director of Atlantic Center for the Arts in New Smyrna Beach, Florida – spoke with the Alliance of Artists Communities’ executive director, Caitlin Strokosch, about leading sustainable organizations.

How do you define organizational sustainability?

It’s about developing a healthy ecosystem. You need a balance of everything – good soil, fresh air, an energy source, and resources – so you have a healthy environment in which to do your work and have the strength and ability to grow and stretch without being undernourished. There needs to be balance so one area does not starve the other areas; it can’t be all about finance (what we call the “math story”), all about a “passion” for programs, or all about infrastructure. Trying to hold all of those influences in balance, being honest about that balance, and regulating that balance so you can be flexible in allocating resources, is what sustainable organizations require.

This is where infrastructure and capacity are real challenges in today’s unpredictable environment. We need to be mindful of all of these influences and yet we are all under-resourced and don’t always have the luxury to consider our situations. In order to become healthier – to not be undernourished or get sick as an organization and fail – you have to build your capacity. But what top things are you going to do to be stronger? Where are you going to invest limited resources to increase capacity? You have to determine your priorities and resource commitments in places that have the best chance of making you stronger and minimizing organizational risks. Recognizing the balance between passion and risk is the essence of achieving sustainability. If you can’t capture that balance your organization is going to be in a fragile state.

How much emphasis is there on growth? Is bigger always better?

This is where we need to be honest and sensitive. It’s important we hear from our audience and our community, so they let us know if they want more from us. We can’t let our own egos dominate a vision for growth; growth has to be something we are responding to rather than something we are demanding. That’s where for-profit business models can be really helpful; a good entrepreneur understands the marketplace shifts and you have to respond to those shifts. As nonprofit organizations, we can get caught up in our own ideas – call it “blind passion” – but we really do have to pay attention to our communities and be relevant to them.

What does a leader need to be responsive?

Everything shifts so quickly – political winds, economic winds – so we need to be nimble. And to be nimble, we need to have awareness and not so caught up in ourselves. That’s why I like the idea of the ecosystem because it’s about being in tune. We have to be in tune with our community as well as with what’s going on regionally, nationally, and globally, and with what people are responding to in the world. It could be something taking place in the world we have a responsibility to respond to and we can play a part in, and yet we still need to be relevant locally and in step with our capacity to contribute.

As the founding director, how much does the community associate McColl Center with you?

We have been cultivating more of a leadership team among the five of our senior staff members. We are all very active and visible locally, including serving in other leadership roles in the community apart from McColl Center. I have tried to shift from having the organization associated so much with me as the founder, so McColl Center is bigger and healthier than any one person. This way when I move on some day, it doesn’t become a destabilizing factor.

Naturally, when an organization is first created, it will be deeply associated with the founder until the organization has its own momentum and identity. This transition is already happening for McColl Center and that is really reassuring for the organization’s long-term sustainability.

McColl Center is known for its corporate approach to doing business. Is that organizational culture an extension of your own values or are there other motivations to operate in that way?

A lot of this comes from our community in Charlotte and the business leaders on our board. At Atlantic Center for the Arts, for example, the organizational culture was very different and part of that was a response to the local community in New Smyrna Beach that is very laid back. For us in Charlotte, it is important to manage the professional business practices of running an organization and to demonstrate to our community we run a solid business and we are responsible. There are lots of stereotypes about nonprofit organizations – they are too loose about business practices, about following regulations, about managing budgets, and the like – and overcoming those stereotypes is important to us. McColl Center’s internal culture is part of the larger ecosystem of Charlotte and the city’s culture.
Studio Complex and I felt like I had my time there where I was most productive. But moving forward, I felt the organization needed to consolidate after so much growth – to figure out how to absorb this new capacity and operate well – and that’s not where my strengths are.

A big part of leadership is understanding your strengths and then putting yourself in an environment that needs what you have to offer. It’s also about knowing when to get yourself out of situations that are not the right fit for you. We can’t wrap our ego up in it, because these organizations are more than any one of us. You have to be aware, sensitive, and humble.

Does your background as an artist help you as a leader?

Absolutely. I think it’s one of my strengths, that I have vision for what is possible. And while I do have a right-brain, left-brain balance that is very helpful in leading this organization, I am more right-brained naturally. I have surrounded myself with a lot of left-brained thinkers so I don’t get too carried away with just the vision. Now I actually enjoy spreadsheets and budgets because it is not my normal way of thinking, and it gives challenge and variety to my work. It goes back to the ecosystem again – there is this rich variety you have to keep in mind at all times. To not be too dependent on any one thing or allow other areas to weaken, we have to keep everything in harmony.

What is it about artist residencies that has kept you engaged in this field for more than 20 years?

It’s about empowering artists, making them relevant to the community, having the community connect with an artist in a way that is really powerful, and empowering both in the process. That to me is so inspiring. And there is still so much potential for that in Charlotte. We say it’s very appropriate McColl Center is in an old church because this feels like missionary work in a way, demonstrating the power of artists and the arts in our community and converting one person at a time to the benefit of the entire community.

Suzanne Fetscher is the founding president and CEO of McColl Center for Visual Art in Charlotte, North Carolina, and former executive director of Atlantic Center for the Arts in New Smyrna Beach, Florida. Suzanne received her MFA in printmaking at the University of Florida in Gainesville. She received her BFA from the University of Central Florida where she taught as an adjunct faculty member before having the opportunity to work at Graphic Studio at the University of South Florida in Tampa. She was hired by Atlantic Center in 1990 as the assistant to the program director and became the executive director in 1993. Having been an artist-in-residence at Atlantic Center previously, Suzanne had a special affinity for the organization and, as an artist, understood what was working and what wasn’t in the residency program. Suzanne left Atlantic Center in 1998 to establish McColl Center (originally called Tryon Center), which began operations in 1999.
FROM SOIL TO SOUL: RUNNING AN ALTERNATIVE NONPROFIT

By Brad Kik

A small organic farmer practices a different sort of economics than a banker or industry CFO. The economy of the farm depends entirely on the fertility of the soil, so an experienced farmer—even knowing she can sell all she produces—must limit her demands on the soil so she doesn’t deplete its fertility. She concerns herself to care for the farm first, and then to make a sufficient living, and only then to think of the market’s demands and possible additional profit. The economy of a farm starts with conservation and ends with surplus, and is always in delicate balance. The farmer knows unpredictable setbacks may await, and care solves more problems than money.

Likewise, an artist practices a different sort of management than a business administrator. Artists strike a balance between the interests of the market and their own creative process. Some work from theory toward practice, others work in the opposite direction. Often (though absolutes rarely apply) the artist is focused on process over product and journey over destination. An artist must be willing to meander, to change direction, to experiment, to respond boldly to subtle contexts, and to fail. The term for this journey is practice, and while artists are interested in financial success, few start with business principles as their guiding motive.

Nonprofits typically choose to act like bankers and business administrators. First, because it’s often those folks who fund us and sit on our boards, and who define the trappings of success for us. Further, a nonprofit is simply a different form of small business, and so our college programs, management books, and training courses cover much of the same information as an MBA.

But what would it look like if a nonprofit, understanding the mainstream approach to management, opted instead to operate more like a farm and less like an industry? What would a nonprofit run like an art project look like? And where could those two models intersect? I can’t tell you entirely, but I can tell you ISLAND—the Institute for Sustainable Living, Art & Natural Design—is beginning to answer that question. Here’s what we’ve learned so far.

My wife Amanda and I co-founded ISLAND intending to develop a stable, successful, and financially secure nonprofit. However, instead of adopting business-school measures of success, we look to standards of ecological and agricultural health as our models. As a start, we aspire to the triple bottom line: achieving economic success while creating measurable improvements to the social and ecological communities we call home. Going further, we use the legal framework of ISLAND as a shell to creatively experiment, learn from our mistakes, fail, and revise our work in the community.

A consultant at one of the above-mentioned training courses servicing large, successful nonprofits would point out flaws in our approach. We lack an easily articulated mission. We are less consistent in our programming than they would recommend. We embrace short time frames for many of our projects, which complicates our ability to measure outcomes. We engage in a unique style of board development. We fundraise a little differently. We budget differently. Nonetheless, ISLAND manages to balance the needs of our funders and partners while remaining vibrant, responsive, and creative. We don’t claim we are reinventing the entire administrative structure. Much of what we do is still rooted in nonprofit 101. We do, however, believe we can shift away from orthodoxy and still have a financially stable and developing organization.

Before we go any further, it’s important to be clear: we don’t do this just because it’s fun, or cool, or edgy. We chose our operating structure based on five core values. These beliefs alternately paralyze us with fear and inspire us beyond measure.

- First: Our work takes place in the context of incomprehensibly massive global predicaments—climate change, peak energy, unprecedented environmental destruction, and species extinction.
- Second: Global solutions don’t work. The old model of technology + money + urgency does not work.
- Third: All work must be local, small, and humble. We need to think differently, and we need to match our intelligence to the living detail of the places where we are.
- Fourth: We need to ask questions that take longer than our lifetimes to answer. Our favorite starting point is, How do we learn to care for small places? And more directly, What does a 15-year plan look like?
- Finally, as Wendell Berry says, “the culture is the way a community remembers or forgets how to live in its habitat.” Culture contains and constrains our capacity to respond. More than ever we need artists—visionaries, conceptual explorers, and compelling communicators—to help us reconnect to the ecological, cultural, economic, and social communities where we live.

We know some people, including other environmental organizations, disagree with these values. We don’t concern ourselves with convincing the world these statements are correct. We spend our time working, and let the results speak on behalf of our beliefs.

From Surviving to Thriving: Sustaining Artist Residencies 12
As eager readers, Amanda and I never lack inspiration. Great books serve as an unending source of new ideas that fold into and play against past ways of working. Authors Wendell Berry, Sharon Astyk, Gary Snyder, Stephanie Mills, and John Michael Greer shaped our initial mission, and the continuing conversation with them through their writing helps us evolve our work. These writers teach us the art of the long view. It’s not about prediction — humans consistently make a mess of that. Instead, by thinking of our work as one link in a long chain connecting us to the previous and future inhabitants of this place, we learn humility and patience.

Additionally, these writers have taught us to stay small. The soil — one of the most essential, complex, and fragile compounds on the planet — is continually renewed and improved through work taking place in millimeters and milliseconds, a scale we barely comprehend. Again, humbling. When we look at the world as a collection of small places, each its own fingerprint, we begin to engage our intelligence in the specific problems and practicalities of that place. We steep ourselves in the ecology, economy, community, and history of our place — not through the distance of a microscope or telescope or quarterly report, but as engaged participants in the life of the community. We are learning about a place and creating a place all at the same time.

This is our region: chains of freshwater lakes and rivers, maple beech upland forests, wetlands, jack pine stands, sandy soil, and bitter winters; the seasonal economy of cottages and planked whitefish; the rusted bones of the Detroit-driven manufacturing industry, the aging boomer retirement homes, the fast track from high school graduation to get-out-of-Dodge; the rural conservatism and the surprising tolerance for diversity; the progressive not-quite “city” up the road, the big bridge to the real Northern Michigan where abides deeper pride and the older traditions of the Yoopers; the love of traditional arts, the distrust of government; the hunters and ministers and drinkers and snowmobilers and jet skiers; the small farmers and large farmers and permaculture gurus; the film festival and trout festival and beer festival and bluegrass festival and fiber festival; the super-rich (but not the ultra-rich); the watercolorists and spoken word poets and amateur comedians and artisan timber framers and mandolin makers and blues guitarists; the couple of pissed off old guy abstract expressionists. Ten counties and a handful of major watersheds, containing all this and much more. We work here, and this is what that work looks like.

Projects, programs, and outreach

We came to ISLAND from nonprofit backgrounds and with commercial art skills in writing, print design, and web development. While we had, and still have, steep learning curves in many aspects of running ISLAND, we were able to quickly develop a strong public presence. We believe consistent branding and a strong web presence were key to our early success. We made the mistake, however, of talking about our values, theories, and vision before we had real projects on the ground. Because we didn’t have much to point to by way of concrete work, this led to the “eye-roll factor” where serious people thought we were just flaky, flighty artists. Our joke about the early ISLAND elevator speech — “here, read these” (handing over a tall armload of books) “and let’s grab a beer in a month” — was representative of our difficulty in explaining just why a nonprofit like ours should exist.

Six years, hundreds of events, and dozens of successful programs later, we now have work we can talk about. We can use our past work to help illustrate the bigger picture, and our track record gains us some credibility. The eye-roll factor has been drastically reduced. We use the idea of “community self-reliance” as the starting point for our event planning. Events focus on four categories: the green world (raising a garden or livestock, hunting, wild edibles, etc.), the real home economics (working in the kitchen or craft room to make cheese, beer, fiber, soap, pickles, jam, etc.), tinkering (making and using tools like a seed press or chainsaw, or building a timber frame, strawbale wall, etc.), and art (not workshops so much as events like Chaotic Harmony, a multimedia performance piece based on the work of writer and printmaker Gwen Frostic, or the gallery show Rooting Deep, Branching Out, which invited artists to make work responding to the question “What does it mean to live up north?”). Our events are our most essential outreach tools, accessible to average folks while connected to ISLAND’s values. Events open the door to our potential supporters, while giving us the short-term flexibility to experiment and take risks.

And all of our programs are tied to the development of the ISLAND property, ten acres of rolling hills located a couple of miles outside of Bellaire, Michigan. The property will eventually host our workshops and other events, serve as a demonstration homestead of livestock, gardens, and perennial permaculture plantings; and eventually host the artist residency.

The residency program

We developed our current program in May of 2010, a beta-test called the Hill House Artist Residency, when we realized the full development of the property could take ten to twenty years. We began renting a log cabin in the woods, located near thousands of acres of state forest and one of Michigan’s finest rivers, and began hosting one artist or small collaborative group at a time. We accept writers, emerging musicians, and a mixed category called “non-studio artists” largely defined by the fact that the cabin doesn’t have a studio and artists should respond accordingly.

We stock the kitchen with the best local food, focus on simple, rustic hospitality, and cultivate an experience of solitude and nourishment. And it’s working: in late 2011 we received feedback...
from one of our first residents who was slightly shocked but gratified to say his experience at the Hill House, particularly his access to fresh local food and the requirement to cook for himself, made a long lasting change in his diet. His new diet improved his physical health, which improved his mental health, which has had a potent impact on his art-making. We realized we had stumbled onto an example of how small steps — the selection of a few groceries, combined with the solitude of the cabin — could make a large impact on a person’s life and art. While we always knew we wanted to create an environment of nourishment, we never predicted his specific response and we have no idea what further ripples will come from that short moment in time. It gives us encouragement.

While the current residency focuses on a theme of nourishment, the future residency will focus on a theme of connection. That residency’s fullest expression will come once we move onto the ISLAND property. There, up to twelve artists at a time will interact closely with the life of the land, both as participants in the daily workings of the gardens, livestock, and orchards, and through a number of spaces designed to connect them to the history, ecology, culture, and economy of this small place. We’ve created a document entitled “Sense of Place: 10 ways to connect artists to a residency program” grown from our ideas about how to use place as a touchstone for art-making. We don’t want to change the way artists make art, but we do want to make our space a potent presence in the lives of the artists while they are in-residence.

“We don’t claim we are reinventing the entire administrative structure. Much of what we do is still rooted in nonprofit 101. We do, however, believe we can shift away from orthodoxy and still have a financially stable and developing organization.”

The ISLAND board

Rather than compete with hundreds of other nonprofits for the standard board talent, business executives, and philanthropists, we recruit young leaders who are eager to learn good governance. In particular, we have looked to the community of farmers and artists. We recruited an attorney (who is also a songwriter), a cheesemaker/boatbuilder/tree surgeon, and a home energy auditor. The ISLAND board is gaining experience, which means we move a little slower than we would sometimes like, but we are able to invest in board members’ growth (by hiring facilitators and conducting regular board trainings, for example) and are helping to produce the next generation of nonprofit leaders for our community.

Also, our board members create the kinds of opportunities we need. Whereas a large arts organization may need a major gift from the big bank on the corner, we need connection to small-scale agricultural projects (like our chicken processing trailer we lend to small farmers, or the seed press to produce both culinary oils and bio-diesel we are considering) and to energy experts (our property is powered by an off-grid solar array).

Beyond that, we also want to see these kinds of people take a more active role in their community. While we appreciate the youth leadership program of the local business community, we also see a need to invest in folks who have made alternative choices in their life and work. We’re creating diversity in community leadership while we engage in a slightly unconventional version of good governance.

The ISLAND staff

ISLAND is relatively under-funded (more on this below), so we don’t pay ourselves or our staff very much. We live in a rural, economically depressed area where young, smart people get out of town as quickly as possible. That makes staffing tough. But we have been lucky to find a few smart people who resonate with the mission and who find value in being a part of this wonderful work. We also do our very best not to burn people out, including ourselves. That means lots of flexibility in scheduling and vacations, lots of check-ins for feedback and course correction, and being as hospitable towards our staff as we are toward our artists and other guests. We encourage the agricultural and artistic practice of our staff members, by giving them time off to pursue their own interests. We now have an accomplished bee-keeping expert on staff, which is paying dividends in ISLAND honey!

We have no full-time staff. We respond to the madness of extra-full-time burnout schedules by capping our employees’ time at 32 hours per week. No doubt that rule is occasionally broken, but as a rule it leaves time to pursue other opportunities and to get away from stress at work. Obviously this also means the paychecks are smaller, but we’ve found the kind of person who wants to work with ISLAND also tends to have income generation on the side, be it shiitake mushrooms or another small-scale agricultural practice.

We seek to be small and dynamic. ISLAND has a staff of six and we delegate well, which means we can tackle new projects quickly. This is the small quick part of the beehive plan. The board helps with the longer view and keeping us on mission. We are nimble enough to test new ideas quickly and evaluate them, and then revamp them (our Sunday Soup model), terminate them (the idea of week-long intensive, high-expense workshops), transition them to other partners (our garden projects), or push them forward (the residency program and lots more).
There are two drawbacks here. First, it can be difficult to know what to measure and how to measure it. This is something we need to get better at and practice more often. Second, we lose efficiency. In any given month we can be drastically over-extended or not have enough to do. Amanda and I, as founders, tend to work longer to cover the added tasks, which keeps us aware of the need to improve our scheduling process.

**Founder’s syndrome**

We are very much a founder’s organization. ISLAND was born of the thousands of conversations, hundreds of books, and dozens of past projects Amanda and I had assimilated. So far that’s great. We’re young, energized, still in an early and rapidly growing lifecycle stage, and we enjoy the challenge of co-directing ISLAND. However, we know at some point ISLAND will need to exist apart from us, with a new director and strangers on the board and staff. We are acutely aware of the problems of founder’s syndrome, but it’s early and we still don’t see the path to total independence.

At some point, as we grow and transition into the next stage of our life-cycle, we’ll face our largest challenge: the integration of our home and the nonprofit. Our ten-acre property will eventually host the lodging and studios for the artists, along with our home and private spaces, as well as a spectrum of shared space: livestock yards, gardens, orchards, a barn, greenhouse, firepit, pond, etc. The long-term vision is to transfer the property in its entirety to ISLAND upon our death, with the home becoming director’s quarters or additional artists’ lodging.

Currently we have a complicated legal arrangement in place. We have no wish to lose our home (in the case of a fallout with the board, for example) yet we need to be sure our personal plans do not hamper ISLAND’s development. The financial and legal obstacles are tricky, and may cause problems as we seek funding to build on the property. We have some ideas and have consulted with attorneys to find solutions, but we need to have a compelling and solid plan in place soon because no one will fund capital development for a nonprofit on property owned by an individual. In other words, we don’t know how to start our first capital campaign.

“As a founder, I long for the sweet spot where we’ve built a stable, independent organization that can exist without us but doesn’t want us to leave.”

The capital campaign will likely be a make-or-break point for our organization in general. We need to come up with strategies to make sure that campaigns is a resounding success, and to have a fall-back plan in case something goes wrong and we are not funded. No doubt this represents a major turning point and growth for ISLAND, or the moment when the support falls away and the scope of the final push is too much for us to carry forward. As with all things, we consider this an exciting project and a fun learning curve to climb. It will take the fullest extension of our creative and professional energy.

**How we think about development**

ISLAND’s development focuses on individual donations. In particular, we find success in building relationships with people who are attracted to our unconventional mission. We treat them as well as we know how and cultivate major gifts from them over time. Our part of the world includes many wealthy retired and seasonal residents, and the running joke is any one of them could fund our program for the year and forget they wrote the check. We’re small enough that the four- and five-figure donations these folks routinely give to ISLAND make a deep impact on our programs. One check for $16,000 from a local family foundation, given in early 2011, created our community garden program nearly from scratch. And the $14,000 a year we spend on the artist residency is an easily achievable fundraising goal.

We also act as a fiduciary for other projects, like the Northern Michigan Small Farm Conference and a modern dance project called Chaotic Harmony, which have their own non-competing revenue streams. We can bring the programs under the ISLAND umbrella, allowing us to increase our annual budget without taxing our development energy. We don’t currently charge to act as a fiduciary; instead, we benefit from the increased capacity and financial growth brought by adding these projects to our bottom line. Grantmakers appreciate our larger budget, which speaks to both continuing success and a stable revenue stream, while individual donors appreciate the programs as a feather in our cap. Further, we benefit from community goodwill, enhanced marketing opportunities, and grateful partners.

We also look to the usual fundraising sources. We write a year-end letter that is a common point for first donations. As of 2011 we also run an annual summer matching gift campaign. In the spring we hold a benefit concert, in partnership with many of the musicians we have developed relationships with, and held at a local micro-brewery. The musicians play for beer and food, the brewery benefits from a large spike in out-of-season business, and
we benefit from having the event almost run itself. We charge $10 to $20 as a sliding scale at the door and we hold a silent auction (which pairs well with beer!). We can raise about $6,000 in one afternoon, while throwing a must-attend party attracting lots of new faces.

We have a letterpress poster in our office that says, “We have a strategic plan: it’s called doing things” (Herb Kelleher). Every once a while, for one reason or another, a large check just shows up in the mailbox, from a person we are sure we’ve never met. We credit that to our ongoing attempts to captivate and delight and our hope people notice. Sometimes they do.

What success looks like

The budget for our current fiscal year is just over $100,000. We do not have a cash reserve. We do not pay Amanda, who works outside of ISLAND to pay the family bills. Financial success for us will include a cash reserve of at least 50% of a year’s budget, a capital campaign raising at least $500,000, and the ability to pay all of our staff a living wage, including Amanda. Program success will include building respect in our community, regularly creating captivating programs, and staying ahead of the curve on the evolving needs of our community while being responsive to its ongoing needs.

I am loathe to get too big. And I fear the perception we’ve gotten too big (which is a pretty good sign you’re too big). Most importantly, as a founder, I long for the sweet spot where we’ve built a stable, independent organization that can exist without us but doesn’t want us to leave. I look forward to retiring at sixty and spending my days on the ISLAND property, cooking dinner for the artists, working on my own music and printmaking, and having meaningful conversations with our new executive director about the future of the organization. What are the odds of that?

What’s left

We have a lot to learn, including how to do some things larger, more mainstream nonprofits take for granted: the endowment, the capital campaign, the planned gift. My hope is we can continue to learn the intricacies of running a nonprofit, while we also find ways to step outside of the standard model. ISLAND won’t function well as a standard nonprofit, and I find it essential we continue learning from agricultural and cultural models. I hope we not only find ways to creatively engage with ISLAND’s growth, we find ways to communicate our work, our values, and our management ideas to other nonprofits, so we can create more advocates practicing the ecological art of being native to place.

Brad Kik is the co-founder/co-director of the Institute for Sustainable Living, Art & Natural Design (ISLAND) in Bellaire, Michigan. The last 20 years of Brad’s life have been a jumbled mess of film study, environmental activism, graphic design, community organizing, woodworking, chicken raising, music, ecology, and permaculture. More recently, Brad found slightly more focus by falling in love with his partner Amanda and, with her, co-directing and now co-directing ISLAND. ISLAND is a nonprofit arts and ecology center in Northwest Lower Michigan dedicated to connecting people with nature, art, and community.

ISLAND helps people become native to place by:

- supporting artists – visionaries, conceptual explorers, and compelling communicators – with dedicated time, space, and resources to create new work
- restoring the old and developing the new skills and traditions of community self-reliance
- creating and sharing a broad collection of tools for ecological living
MARKERS OF HEALTH + FRAGILITY

“It’s not the strongest species that survive, nor the most intelligent, but the most responsive to change.” – Charles Darwin

While much of the research in this study examines finances, we believe organizational culture, programmatic relevance, and human capacity are key components of health.

Markers of health and fragility are often two sides of the same coin – for example, having a single major funder may provide stability but can also put an organization at risk. **Demonstrating fragility does not mean an organization cannot sustain itself, as many organizations surveyed maintain healthy operations despite having several markers of fragility.**

Below are just a few examples of markers of health and fragility explored in this study.

In exploring fragility, we concentrated on two areas – insufficient resources (for example, a history of struggling to break even, few liquid unrestricted net assets, an under-resourced staff, and an under-developed board) and concentration of risk (dependence on few funding sources, focus on a single program, and dependence on a limited geographic base).

In examining organization health, we looked for adaptability, durability, and relevance. These elements can compete – for example, an endowment may provide a solid foundation of support over time (durability) but does not enable the organization to access the liquid capital it may need to respond to new opportunities (adaptability). Likewise, organizations striving to respond to the needs of today’s artists (relevance) may alienate change-resistant supporters and alumni who have provided long-term support (durability). **Somewhere in the balance lies sustainability.**

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**MARKERS OF HEALTH**
- Unrestricted liquid assets (cash)
- Cash reserves, operating surpluses
- Regular planning and assessment, ability to change course
- Regular planning and assessment, ability to change course
- Demonstration of support
- Strong reputation
- Capital reserves, “rainy day” fund
- Adequately compensated staff, sufficient staffing
- Board with diverse skill sets and investment in the organization

**MARKERS OF FRAGILITY**
- Limited assets and/or primarily fixed or restricted assets
- Difficulty breaking even
- Little history of evaluation, resistance to change
- Few stakeholders
- Difficulty making the case
- Dependence on too few staff and/or under-compensated staff
- Under-developed board, little history of personal giving

**ADAPTABILITY**
- Little history of evaluation, resistance to change

**DURABILITY**
- Hand-to-mouth finances

**RELEVANCE**
- Few stakeholders
- Difficulty making the case

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The Warehouse Studio at Del E. Webb Center for the Performing Arts photo courtesy of the Webb Center
REVENUE | OVERVIEW

The following sections examine revenue in three categories: contributed, earned, and investment-related revenue. Because of the impact of the economic downturn that began in 2008, and its effects on investments in particular, we have looked at trends and averages over time to get a clearer picture of organizational revenue composition.

Over the last decade, contributed revenue has made up approximately 60% of all income for the field, 20-25% has come from earned revenue, and 15-20% from investment-related revenue. With shrinking investments in recent years, organizations surveyed showed 70% contributed revenue, 28% earned revenue, and just 2% investment-related revenue in 2009. [Fig. 2.1] In contrast, Americans for the Arts estimates nonprofit arts organizations in general currently receive 40% of all income from contributed revenue, with 60% from earned and investment-related revenue. A breakdown of revenue sources in 2009 by our study groups reveals the following:

<table>
<thead>
<tr>
<th>Group</th>
<th>Contributed</th>
<th>Earned</th>
<th>Investment-Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Residency is a priority program</td>
<td>70%</td>
<td>18%</td>
<td>2%</td>
</tr>
<tr>
<td>2. Residency is the priority program</td>
<td>74%</td>
<td>25%</td>
<td>1%</td>
</tr>
<tr>
<td>3. Residency is the priority program and with few, if any, other programs</td>
<td>59%</td>
<td>29%</td>
<td>2%</td>
</tr>
</tbody>
</table>

This has always been a field largely dependent on contributions and investments. Artist residencies were traditionally designed to provide an environment focused on process and removed from the marketplace – products, promotion, performances, audiences – which meant the environment was essentially removed from the public, and thus the public’s participation and support. Over the years artist residency centers have come to include workshops, performances, and other revenue-generating programs subsidizing a residency. But the field continues to be particularly challenged as the residency program itself offers little in the way of earned revenue – that is, revenue from an organization’s programs, products, and services.

There are, of course, dozens of arts centers and institutes for which the residency is one program among many. But what of those organizations operating primarily or exclusively as a residency? And what of those in remote rural areas where public revenue-generating programming is hardly viable, even if it were desirable? Indeed, more than one-quarter (28%) of organizations in our field derive less than 5% of their budgets from earned revenue, depending almost entirely on contributions and investments.

While conventional nonprofit wisdom suggests a healthy organization come up with at least 50% of its income from earned revenues, this field on average derives less than 30% of total revenues from earned sources, including organizations operating a residency along with other fee-based programs, such as workshops and classes. Changes in earned revenue over the last 25 years reflect the inclusion of the field of more organizations operating a residency among other programs, but also speak to changing attitudes about balancing the public-private nature of residencies and the growing necessity of developing earned revenue to balance the fluctuations of grants and donations.

When asked what organizations need for long-term financial sustainability, activities related to contributed revenue are given the highest priority: increased foundation support, more individual donors and major gifts, more of a fundraising board, better donor stewardship, and more development staff. Just over half of organizations indicate developing earned revenue sources is a high priority for long-term sustainability; the other half is almost evenly split between those organizations that already have well-developed earned revenue sources and those that have none. If sustainability depends on a balanced eco-system, earned revenue is often the elusive element that throws the organization financially off-balance. And yet, sustainability is not just about finances; it’s also about staying true to mission and developing programs supporting rather than detracting from core mission-driven work. Given a choice between developing an earned revenue program that may detract from the intention of the residency or raising more contributed funds, many organizations will choose the latter.

Earned revenue for organizations is also challenging in that it depends on a marketplace of individuals with disposable income willing to pay for the services the organization provides. When those services are directed toward artists, organizations are further limited by the financial capacity of their constituents. And there are other concerns, too – many organizations are committed to supporting artists regardless of financial means, raising important questions about equity and limiting access only to artists who can afford to pay for programs.

There is no perfect earned vs. contributed vs. investment ratio for this field, to be sure. But it is important for each organization to assess how its financial make-up is a reflection of its values and to identify areas for growth based on what is appropriate to mission and relevant to the community.
Current data for the field shows a variety of approaches to earned revenue, including program service revenue (application and residency fees, tuition and room/board for workshop programs, and ticket sales and admissions) and non-program-related revenue (royalties, sales of artwork and merchandise, and facility rentals). Distinctions between these two categories can be difficult to discern and are relevant mostly to auditors and the Internal Revenue Service. We have separated them here, but recognize not all programs are easily distinguishable.

Program service earned revenue

Program service revenue, as defined for U.S. nonprofit organizations, is revenue earned from the programs for which the organization received its tax-exempt status. More importantly, it is the mission-based earned revenue, the raison d’être for an organization. In looking at program-service earned revenue, we organized data by the predominance of the residency program within the overall programming of the organization. Generally speaking, the higher the priority of the residency program, the fewer the number of other earned-revenue sources; the lower the priority of the residency program, the greater number of other earned-revenue sources.

Among all organizations stating the residency program is a priority program (Group 1), program-service revenue makes up 78% of earned revenue (and 25% of all revenue), with 57% of this from workshops and classes. Group 2, however, includes those organizations with well-established education programs — such as Anderson Ranch Arts Center, Penland School of Crafts, and Ox-Bow — and while the residency is an important component of these organizations it is a significantly smaller program relative to overall organizational resources. Narrowing this group down further to only those organizations indicating the residency program is the highest priority program (Group 2), program-service revenue makes up 66% of earned revenue (21% of all revenue), with 50% of this from revenue related to the residency program. [Fig. 3.1]

It is important to note among Group 2 — those organizations indicating the residency program is the highest priority program — 40% have little to no program-service earned revenue (less than 5% of all revenues). Within Group 3 — those organizations with few or no programs besides the residency — 54% earn less than 5% of all revenues from program services. These two subgroups will be discussed further throughout this report.

As program service earned revenue can depend greatly on public participation (workshops and ticket sales, for example), geographic location can have a significant impact. For example, residency centers in small towns and rural areas may become a workshop destination, while organizations within 50 miles of an urban area fare particularly well with ticket sales and admissions revenue. [Fig. 3.2]
Workshops and classes

In many ways, artist residency programs and creative workshops and classes make ideal partners — workshops often utilize current or former artists-in-residence as instructors and the facilities can be suited for both purposes, creating some overlap and efficiencies between the two programs. Both are also deeply tied to mission for organizations whose purpose is to support artists and foster the creation of new work.

Half of organizations surveyed conduct fee-based education programs of some kind (for example, workshops and classes); of these organizations, education program fees make up 21% of total revenues. Within this group, 28% indicate arts education programs are their top priority, while an additional 33% indicate they are their second priority. Revenues from tuition and fees range widely — from $4,000 to $1.7 million annually — and provide between 0.2% and 67% of total income. The style of fee-based education programs varies greatly as well — from casual kids camps and workshops for amateurs and hobbyists, to professional instruction for adult artists taught by well-known artists, to low-residency MFA programs and courses earning college credits.

While many organizations operate education and residency programs simultaneously, some stagger these programs at different times of the year to take advantage of seasonal audiences. For example, Fine Arts Work Center (FAWC) in Provincetown, Massachusetts, runs a seven-month residency from October through April. In the summer months, when Provincetown is bursting with tourists and seasonal residents, FAWC offers weekend and week-long workshops in visual arts and writing. FAWC's workshop program earns 20-25% of the organization's total annual revenues. In addition, the program offers a way for the organization to engage with the local community in a way that does not alter the private, solitary nature of its residency program.

While most of FAWC's workshop participants stay off-campus in surrounding inns and guest houses, there are a number of residential workshop programs that serve the local community and are also a destination for visitors. Arrowmont School of Arts & Crafts in Gatlinburg, Tennessee, for example, hosts out-of-town participants on its 14-acre campus. Arrowmont operates year-round as an arts center, hosting regional and national conferences, exhibitions, and symposia; providing community classes as well as weekend and one- or two-week residential workshops; and offering a 12-month residency program to five emerging visual artists each year. The 100-year-old school launched its residency program in 1992 and there is a natural synergy between the residency and other programs. Artists-in-residence who wish to gain teaching experience, for example, may choose to teach workshops and classes (for which they are paid).

Out-of-town workshop participants are housed in an on-campus dormitory (artists-in-residence are offered separate housing and private studios) and the campus cafeteria provides meals to residents, workshop participants, instructors, and staff during the spring, summer, and fall. Roughly half of Arrowmont's entire budget comes from their education programs (60% of this from tuition, 40% from room and board).

Like the Fine Arts Work Center, Arrowmont benefits from its locale as a popular destination for tourists and seasonal visitors. Arrowmont's signature summer workshop program was launched in 1945 during a period of revival in craft education and the school was opened to people from all over the U.S. who traveled to take art classes in the beautiful Great Smoky Mountains. Today, the workshop program has evolved into intensive spring, summer, and fall course offerings, with more than 160 classes in contemporary art and crafts each year.

While Arrowmont's residency program was introduced well into the organization's history as an arts education center, many organizations created first as a residency center are looking to workshops as a way of generating earned revenue and building greater organizational sustainability. One of the challenges for such organizations is how to develop education programs for the public without losing the character of and sacrificing attention to the residency. For The Millay Colony in Austerlitz, New York, creating a workshop program in 2008 was a way to develop new revenues and engage people who may not otherwise experience Millay. The Colony operates as a rural residency center on seven acres in the Berkshires and was founded in 1933. The site is only open to the public a few times a year and, while Millay is not far from a number of vibrant small towns (including Great Barrington, Massachusetts, which is 12 miles away), it retains a remoteness that is both a challenge and part of its charm.

Millay's new program is a hybrid between instruction-based workshops and a self-directed residency. In four- and five-day retreat workshops in writing and visual arts, attendees receive 12 hours of workshop time (three hours each morning), while the remainder is spent working privately and participating in the communal life of Millay. Participants who stay on-site pay $600 for tuition, private room, private studio, and all meals; off-site participants pay $375 for tuition and meals only. Millay Colony alumni receive a 15% discount. Participants may also receive a 30-minute one-on-one consultation with their instructor for $150.

The workshop instructors are often drawn from Millay's alumni, and this offers another way for the organization both to support and engage its alumni. This past year Millay held three workshops — one in late spring, one in the summer, and one in early fall. Because the site can only accommodate seven live-in residents at a time, the workshops are scheduled during short breaks in
the residency program and are limited to six resident participants each. Artists may also participate in the workshop and stay off-site, expanding the potential capacity of the workshops.

Building the program has been a work-in-progress for Millay. In the first few years, some workshops had to be cancelled because of lack of participants; in 2011, all workshops ran as scheduled. “The biggest challenge for us has been getting people to show up,” says Millay’s executive director, Caroline Crumpacker. “This seems to hinge on finding the right balance between ‘saleable’ workshops and those relevant to who we are and the artists we serve. We aren’t interested in doing boutique workshops for people who may not be particularly serious about their practice; we strive to offer workshops that are fluid with the work being made at the Colony during the residency season. However, we have found many of our artists can’t afford the very workshops that interest them intellectually and creatively. This year, we finally found a balance between relevant and accessible.”

The Millay Colony has not yet received grant funding for its workshops, but continues to grow the program as well as other educational programs — such as a teaching residency in the winter — that complement the residency and provide other ways to deepen an artist’s creative practice. Having instructors with more mainstream name recognition could certainly attract more funders and participants alike, says Caroline, but the organization is committed to developing a style for the program in harmony with the culture of Millay and providing artists with different voices a safe space for self-exploration.

In many ways, running the workshop program is much like running the residency — helping with travel, providing room and board, and orienting people to the space — “but there are some important differences,” says Caroline. “The attendees come with a variety of expectations that differ from those of resident artists. Since they are paying for a class, much more of their satisfaction will come from the class itself than from the facilities or from us.” While the day-to-day residency operations focus mostly on offering hospitality and a supportive environment, “the workshop program adds two huge variables into the mix — the workshop leader and the workshop composition (i.e., their fellow classmates). We can’t control that. While our instructors have all been excellent, there have been a few issues. So that part is very tricky. It’s odd to have the success of a program be so much out of our control. That said, most of the instructors have been absolutely terrific. And we try to make the experience great for them, too, so they get a mini-residency out of it and become part of the fabric and legacy of Millay.”

Millay has used evaluations from participants and instructors to adjust the program and hopes to continue with three workshops from spring to fall, in addition to the new teaching residency in winter. Making the program sustainable will depend on building attendance among returning and first-time participants, as well as finding outside funding so Millay can keep the cost of the workshops affordable.

So how viable are these programs for supporting artist residencies? While some newer classes and workshop programs have seen a revenue decline during the economic downturn of the last few years, many well-established programs have remained steady and in some cases even increased tuition revenues — Anderson Ranch Arts Center, Ox-Bow, Pilchuck Glass School, and Penland School of Crafts, for example. Looking at earned revenues alone doesn’t tell the whole story: many of these have also increased their financial aid and scholarships to workshop attendees in recent years, in order to make high-level instruction accessible to more people. Indeed, of all organizations surveyed currently running fee-based arts education programs, 87% say reducing fees and/or increasing scholarships is a high priority ("essential" or "very important").

“[Success] seems to hinge on finding the right balance between ‘saleable’ workshops and those relevant to who we are and the artists we serve.”

For Millay, their new workshop program earned around $7,000 in 2009, with a net profit of $3,000 — roughly 2% of Millay’s budget. In 2011, Millay netted $4,000 from the program. As residency programs explore new earned revenue options, Millay offers one such approach for a rural residency center with limited on-site capacity in a way that is mission-driven and relatively low-impact. And while the workshop program is not intended as a cure-all for financial sustainability, it does add another element to Millay’s programming that contributes to a healthy ecosystem.

**Ticket sales + admissions**

Ticket sales and admissions make up just 1% of total revenues for this field, but for some organizations these are a significant source of income. Included in this are admissions to performances, readings, tours, open houses, festivals, and other related activities. At Djerassi Resident Artists Program in Woodside, California, for example, the organization earned just over $4,000 in 2009 by providing walking tours of the site-specific sculptures on its grounds. Other residency centers have well-established performance series providing revenue for the organization. The Yard, for example, is located on Martha’s Vineyard and is a dance residency, workshop, and performance center founded in 1973.
The Yard programs a performance season each summer, when the Vineyard is filled with seasonal visitors and residents, and earned over $85,000 in ticket sales and admissions in 2008 (18% of total revenues). The organization hopes to winterize its buildings so it can continue programming year-round on a smaller scale as well.

In contrast, HUB-BUB, located in Spartanburg, South Carolina, relies almost entirely on the local community to support its public programming; the town’s population is 37,000 and the surrounding region is home to 284,000. The organization’s two primary programs, both started in 2006, are the artists-in-residence program and the Showroom Gallery. The Showroom Gallery is HUB-BUB’s exhibition, workshop, and performance space, which is housed in a renovated Nash Rambler dealership. The director of the Showroom manages the space with help from the other two full-time HUB-BUB staff members, the executive director and the director of the artists-in-residence program/special events coordinator.

The Showroom and the AIR Program work very closely with one another. With approximately 200 events a year, the Showroom relies not only on volunteers but also on regularly scheduled work hours from the artists-in-residence (to take tickets at events, sell concessions, hang exhibits, etc.). The artists-in-residence also benefit from the space throughout their 11-month residencies. There are two AIR exhibits at the Showroom each year—one showing the work with which artists applied to the program and one showing the work they made while they were in Spartanburg—as well as other opportunities throughout the year for the artists-in-residence to create programs of their own and use the space as they wish (for art talks, workshops, visiting artists lectures, fundraisers, etc.). And as a community space, the Showroom becomes a natural gathering place for artists-in-residence to connect with the public, breaking down some of the ivory-tower stereotypes of artist residency centers.

The Showroom hosts many free events open to the public, in addition to serving as a space for rent by other community groups. All these help build an audience for HUB-BUB that will hopefully also attend fee-based workshops and ticketed activities like live music, film screenings, readings, plays, poetry slams, and other events bringing in admissions revenue, bar revenue, and merchandise sales. The Showroom can hold up to 270 people and HUB-BUB earned almost $25,000 from ticket sales and admissions in 2009 (around 6% of total revenues), in addition to $5,000 from rentals and $11,000 in workshop fees.

Because HUB-BUB is within 100 miles of Columbia, South Carolina, and Charlotte, North Carolina, and located in an area known for its natural recreation areas, many of Spartanburg’s residents leave town on the weekends. Despite this challenge, HUB-BUB has built a regular audience for Showroom events in a short period of time. The Showroom initially targeted college students but quickly attracted adults of all ages, local artists, college professors, musicians, community leaders, activists, and families. In the past year, programming for high school students has also been very successful. Audiences continue to grow, particularly for ticketed events with more name recognition, such as “The Santaland Diaries,” a one-man play based on an essay from David Sedaris’ book, Holidays on Ice.

HUB-BUB recognizes the Showroom as, for the time being, one of the only venues of its kind in town. While the number of events offered at the Showroom each year is a little overwhelming for staff, HUB-BUB is filling an important need in the community. Over the last six years, some community programs have developed that are organized, and in some cases staffed, entirely by volunteers (for example, high school open mic nights and Talk2o’s), which make use of the Showroom without burdening the HUB-BUB staff. Part of HUB-BUB’s sustainability plan is to help foster more dynamic arts sector in Spartanburg so other venues open and provide cultural programming, and HUB-BUB can scale back programming in the Showroom to a more manageable level. “The Showroom and the Artists-in-Residence program work well together to provide diverse and quality arts programming in downtown Spartanburg,” says HUB-BUB’s former ART director, Alix Refshauge. “HUB-BUB is an incredible place playing an important role in an evolving and changing Spartanburg, thanks to a wonderful community of folks who are passionate about what goes on here.”

The Showroom at HUB-BUB photo courtesy of HUB-BUB

**Studio rental**

Among the organizations surveyed, 10% offer studio space for rent to local artists and/or former artists-in-residence. Many of these organizations have large shared workspaces accommodating multiple artists at a time or providing special equipment to which most artists would not have access; others have private studios not filled to capacity at certain times of the year. **Sculpture Space** in Utica, New York, for example, offers former artists-in-residence studio space for $100 a week and housing for $220 a week, space permitting. This allows artists already familiar with Sculpture Space’s facility and equipment an opportunity to work there for a short period of time. **Kala Art Institute** in Berkeley, California, which has a large printshop providing shared space to several artists at a time, recently developed two new private studios for rent. While the 125-square-foot studios do not include any special equipment, they allow artists a private space to work within the Kala community and 24-hour access to the studio. Fellowship artists may request a private studio for free; current artists-in-residence (who otherwise receive space in Kala’s shared studio space) may rent a private studio for $150 a month, and other artists rent the space for $300 a month.
Organizations located in rural communities have also developed studio rental programs, offering local artists access to facilities and a community of other artists. **Hambidge Center for Creative Arts & Sciences** in Rabun Gap, Georgia, for example, offers local potters use of the Antinori Pottery Studio for $100 a month, building on Hambidge’s commitment to provide a place benefiting local and visiting artists alike. **Anderson Center for Interdisciplinary Studies** in Red Wing, Minnesota, rents year-round studio space to more than 15 area artists. Anderson Center also serves as a creative business incubator, housing several organizations “whose related missions add to the synergy among disciplines” at its historic Tower View estate, including the Environmental Learning Center, the Sheldon Theater Scene Shop, and Tower View Alternative High School. While the studio rentals and business incubation make up around $80,000 a year – over 15% of Anderson Center’s total revenues – these programs are more than just revenue streams to support the residency program (which charges no fees to artists). They are part of Anderson Center’s creative eco-system and deeply rooted in the Center’s mission “to uphold the unique wealth of the arts in the region; to develop, foster, and promote the creation of works by artists of all kinds; and to provide leadership and services that help to insure a strong, healthy arts community and a greater recognition of the value of the arts in society.”

![Shared printmaking studio at Kala Art Institute](photo courtesy of Kala)

### Residency + application fees

In addition to programs for the public, organizations may also earn revenue from the residency program itself.

#### Application fees

Most residency centers charge an application fee – ranging from $10 to $60 – particularly since organizations are utilizing online application services that typically charge per-applicant fees to the organization. Those with the highest fees are more likely to be residency programs offering stipends and other significant financial support to accepted artists, while those charging little or no application fees state a desire to make their programs as accessible as possible to artists, regardless of financial means.

Application fees make up just 1% of all revenues among Groups 1 and 2, though some organizations in Group 3 without other programs and few other funding sources derive as much as 30% of total revenue from application fees. The percentage of revenue from application fees has increased significantly in the last few years, as the number of applications has risen; in some cases, organizations received more than double the number of applications in 2009 than in previous years. While the shift to online applications already led to a steady increase in applicants over the last five years, the economic downturn is presumed to be responsible for the significant surge in applicants in 2009.

Running an open application process is costly and time-consuming, to be sure, requiring investments in online processing programs, honoraria for jurors, travel and hospitality expenses for selection panels, duplication of materials, and more. But like many fee-based activities, there is a tension between what fees organizations can charge and what they should charge. “Since 1976, Sculpture Space has never charged an application fee,” says Sculpture Space’s office manager, Holly Flitcroft. “We feel now, more than ever, artists should not be burdened with an application fee. According to our artists’ assessments, we find many of them would not apply if an application fee was charged... Sculpture Space wants as many applicants as possible, and we believe charging an application fee would hinder the diversity of our applicants.”

### Residency fees

In addition to application fees, 27% of organizations surveyed charge residency fees as well. Of these organizations with fee-based programs, residency fees range from $10 to over $600 a week, and 94% indicate fellowships, scholarships, and additional subsidies are available to qualifying artists.

Among all organizations charging residency fees, the revenue from these fees makes up 18% of all revenue. Additionally, among those organizations indicating the residency program is the highest priority program (Group 2), residency fees make up 28% of all revenue. More than one-third of the organizations in this group have little to no other programming besides the residency program (Group 3), leaving few other earned revenue-generating options; among these, residency fees make up 39% of all revenue.

And yet, knowing there are few other earned revenue options available, 73% of all artist residency centers currently charging residency fees say reducing fees is a high priority (with 53% indicating this as “very important” and 20% indicating “essential”).

Some organizations have residency tiers or multiple residency programs, with different fee structures for each. For example, **Ox-Bow** in Saugatuck, Michigan, operates separate summer and fall residency programs. Summer residencies are concurrent with Ox-Bow’s renowned education program, when the campus welcomes hundreds of students, instructors, studio assistants, and others to more than 40 classes. Part- and full-time college faculty in visual and literary arts are eligible for summer residencies; artists-in-residence spend two weeks at Ox-Bow and pay $550 (which includes a private studio, housing, and all meals). Space is at a premium in the summer, and the residency fee reflects the benefits artists-in-residence receive from Ox-Bow’s faculty, visiting artists, and academic director that are part of the core curriculum, as well as events and exhibitions offering public exposure. During the fall, artists are in-residence for four to five weeks and have
access to the main workspaces otherwise used for classes in the summer. The fall residency fee is $250 a week, though ten fall artists-in-residence are fully subsidized and also receive a $1,000 stipend, thanks to support from The Joan Mitchell Foundation.

For many of the organizations charging residency fees, the practice is part of the start-up phase, with the long-term goal of providing residencies with minimal or no fees. The Chicago Artists Coalition’s BOLT Residency, for example, currently charges $390 to $525 a month for studio residencies for local artists. Nine visual artists are provided with a year-long residency in a shared facility in Chicago’s thriving West Loop neighborhood, and the artists-in-residence also receive exhibition space and professional development support. The BOLT Residency is less than a year old and the Coalition needs to charge fees for the time being in order to cover the costs of the new space, but their hope is within two years the residency fees will be greatly reduced through grant support. “While we are determined to significantly subsidize the rent, we will require participating artists to contribute some monthly fee toward their rent,” says Cortney Lederer, director of exhibitions and community initiatives. “We believe it is a really important experience for artists — in our BOLT Residency and all our programs, for that matter — to invest in their careers financially in some capacity.”

Reducing fees for BOLT artists-in-residence further supports CAC’s mission to be an inclusive, community-driven organization that does not limit participation due to economic means. “We never want to turn someone down due to an artist’s financial status,” says Cortney. “As an arts organization that ultimately seeks to be an art center, it is critical we support programming that provides opportunities to all Chicago artists regardless of economic status, through our residency as well as other programs. We also feel it is critical all of our programs reflect the Chicago community by representing artists from diverse economic, racial, and ethnic backgrounds. The diversity of BOLT’s participants importantly defines this program and contributes to the challenging work and critical dialogue that enriches both CAC as an organization and the Chicago arts community at large.”

“As we advocate for greater support for artists — regardless of means or access to resources — it is critical these residency centers are able to continue providing dedicated support to artists at no cost.”

So what of the nearly three-quarters of organizations not charging residency fees, particularly those in Group 3 operating a residency program with little or no other programs? Earned revenue is just 6% of total revenues among this group, and the largest source of earned revenue is application fees.

“We wouldn’t dream of asking creative people for money to spend time at what is ostensibly meant to help them get their own careers moving forward, at a time when they likely can’t afford to pay any extra fees for anything at all,” says Jakob Holder of The Edward F. Albee Foundation, which provides residencies to visual artists, writers, and composers in Montauk, New York. Not charging fees is more than a financial decision — requiring artists to pay for a residency would go against the foundation’s core values of supporting artists who demonstrate talent and need. “This does not only mean financial need, necessarily, but that is one of the considerations,” says Jakob. “If you are a famous sculptor who has a large summer cottage in East Hampton but would love to ‘slum it’ in Montauk for a month, you are much less likely to get in than a painter who holds a terrible day job and lives in Brooklyn with her three roommates. If you have never been seen in print before you are more likely to get in than a novelist who is about to enjoy his third major contract with a large publisher. Basically, we look for people who are earlier on in their careers (not necessarily younger by age, just younger by obvious measures of success).”

These organizations (Group 3) are the essential core of the field — those operating primarily or exclusively as a residency center and providing residencies to artists at no charge. They are disproportionately dependent on donations and grants, and yet they are limited in the ways they can engage potential contributors in the work of the organization because they are often private by nature. The largest of these organizations are heavily dependent on endowments; the smallest are most likely to be largely subsidized by a founder or other single donor. There may indeed still be some potential earned-revenue opportunities for these organizations. But as we advocate for greater support for artists — regardless of means or access to resources — it is critical these residency centers are able to continue providing dedicated support to artists at no cost.

Other earned revenue sources
In addition to program-service revenue, organizations may also earn revenue from royalties, sales of artwork and merchandise, and facilities rentals.
Royalties
Very few residency programs earn royalties, and all of these are in Group 3. Annual revenues from royalties vary widely—from $1,000 to $120,000, making up 0.5% to 6% of total revenues. Of these, the revenue is largely from one or two significant works of art created as a result of a residency, whereas the artist has donated a portion of the rights of the work to the organization. However, as organizations strengthen connections to alumni, royalties may become a more viable revenue source.

Sales of artwork + merchandise
Selling artwork and other merchandise related to the organization offers the public a tangible piece of what is otherwise often an intangible concept. Gallery sales are the most common type of merchandise sales among organizations surveyed. In addition, some organizations develop an inventory of artwork donated by instructors and artists-in-residence that is then sold in the organization’s gift shop, at events, or online. Others have traditional merchandise for sale, such as t-shirts, coffee mugs, and tote bags. Still others have developed items connecting the public more deeply to the organization and its unique sense of place and purpose, such as artisanal honey from beehives kept on the grounds of Atlantic Center for the Arts in New Smyrna Beach, Florida.

For all organizations, net sales of artwork, merchandise, and other inventory make up 8% of earned revenue and 2% of all revenue. While the data indicates no significant differences between Group 1 and Group 2 or by geography, Group 3 earns the least—less than 1% of all revenue—from sales of inventory.

As artist-centered organizations, residency centers typically retain a much smaller percentage of art sales than a commercial gallery—10% to 30% on average. And not all sales take place during a traditional gallery exhibition. For example, Sculpture Space receives a 25% commission if artists-in-residence sell work as a result of a work-in-progress reception or open studio event. Women’s Studio Workshop in Rosendale, New York, specializes in artists’ books and has produced over 180 limited editions since 1979. WSW sells a number of the books to special collection libraries and through a private dealer, and has developed an online archive featuring every page of every book with complete metadata, which serves as a study resource as well as a sales portal. WSW also markets exhibition catalogs and hand-made papers from WSW’s art farm. Sales are a significant source of income for WSW—over 13% of total revenues—and are tied to WSW’s mission that includes providing professional opportunities for artists and promoting programs designed to stimulate public involvement, awareness, and support for the visual arts.

Facility rentals
With a wealth of unique and desirable properties in this field, many organizations have developed significant facility rental programs to support their operations. Separate from studio rentals to local artists and other program service-related space usage, these facility rentals include wedding and special events, business retreats and conferences, and other uses of the site not directly related to the organization’s artistic programming. Within Group 1, 6% of earned revenue and 2% of all revenue comes from net rental income.

Like other public-influenced earned revenue, geography can play a significant role in which organizations have developed strong facility rental programs. [Fig. 3.2]

For Headlands Center for the Arts in Sausalito, California, net income from facility rentals made up 11% of all revenues in 2009. Headlands rents its main building—which houses galleries, offices, a kitchen, and dining hall—for weddings and special events on Saturdays and for weekday meetings. (The building also houses two studio spaces on the top floor, and there is no access to that floor at any time for rental groups.) There is a flat rate fee of $4,500 for all event rentals taking place on Saturdays, and hourly pricing by room for meeting and event rentals taking place Monday through Friday. The space is typically booked two or three Saturdays and an average of two weekdays each month. Headlands’ proximity to San Francisco, the natural beauty of the site, the uniqueness of the main building, and the capacity (spaces can accommodate up to 170) make renting the facility particularly viable.

Managing facility rentals requires about half of Headlands’ full-time events coordinator’s time, plus an on-site event monitor for large events and/or Saturday rentals, who is paid hourly as needed. As the rental program has grown, it has required more staff time but has also become more efficient, particularly in the ability to systematize weekday rentals for meetings. Interest from the community in using weekday meeting rooms has increased significantly over the years, and Headlands offers discounted rates to nonprofit organizations. Wedding rentals have also become more popular. With this growing demand, Headlands has adopted a maximum number of rentals and a blackout date system to ensure flexibility and priority for its own programming. Though wedding rentals and weekday meetings are at capacity, Headlands is currently exploring the possibility of adding group visits and tours to its revenue-generating programs. “Because of new interests from the community for guided tours and private artist studio visits, we are currently evaluating what resources and energy would be required to formalize a program here at Headlands for tours and guided visits,” says Rebecca Pfiffner, events coordinator.
The availability of a facility separate from residency studios and housing means events can take place with minimal impact on the artists-in-residence. The program is not without its challenges, though. “The attraction to expand or increase our rental program is tempting, as we know the interest is there, and we know the income from these rentals directly supports our artists and organization,” says Rebecca. “Yet we are actively aware of the impact more rentals would have on our artistic programs. Renting out the space far in advance prevents us from having the flexibility to offer programs on those same dates if we want to develop programs later on in the year.”

The facility rental program is not just a revenue source; it is directly tied to Headlands’ mission, which includes building understanding and appreciation for the role of art in society. “Through the rental program, we bring in thousands of new visitors to Headlands every year who may not have even known we existed. These visitors become repeat visitors to our programs and events, and to the National Park in which we are located,” says Rebecca. “The couples who rent Headlands for their wedding are fiercely passionate not only about the beauty of the site, but also the history of place. One consistent phrase I hear over and over from both wedding couples and from groups who rent the site for meetings is how much they appreciate knowing their rental fee goes to support the mission and artists of the organization. Our weekday meeting program not only allows us to connect with and serve like-minded organizations working to support the arts and innovation, but to connect with other organizations that may not traditionally be involved in the arts as well. A rental here at Headlands can and does act as a catalyst for these groups to appreciate and value the arts.”

Residency centers in rural and small-town communities have also developed rental programs, particularly when there are few comparable facilities in the area. Art Omi International Art Center, for example, is located in Ghent, New York, on a 300-acre site overlooking the Catskill Mountains and the Hudson River Valley. Year-round, Art Omi rents their visitor center gallery and café as well as their sculpture park, The Fields. The gallery can seat 90 and the café seats 80; the flexible spaces can be combined or rented separately for events, performances, meetings, and receptions. The Fields offers a unique outdoor event space on 60 acres with more than 80 works of world-class sculpture on display. When artists are not in residence from Thanksgiving to mid-March, The Retreat at Art Omi—a three-building complex with 20 guest rooms, a library, a kitchen, conference rooms, communal spaces filled with modern art, and a reception area that can accommodate up to 40 seated—can also be rented for family gatherings, business meetings, retreats, and weddings. Most of the rental guests come from the New York City area, which is two- and-a-half hours away. The Retreat is usually rented at least nine of the 12 weekends it is available; the visitor center spaces are rented at least once a month.

In 2012, Art Omi plans to earn over $40,000 from rentals—about 4% of total revenues—at minimal cost to the organization. “We charge on a par with other historical and art-based sites in the area,” says Dorothy Randall, who manages marketing for The Retreat, “but we stress this is a fundraising effort for Art Omi and do not attempt to compete with other sites in the area.” Like Headlands, Art Omi rents space only for events planning, catering, equipment, and other services are the responsibility of the client, though Art Omi has a list of suggested vendors. The facility director conducts tours for potential guests and arranges for housekeeping and check-in, while Dorothy works part-time from home on marketing.

“The attraction to expand or increase our rental program is tempting...and we know the income from these rentals directly supports our artists and organization. Yet we are actively aware of the impact more rentals would have on our artistic programs.”

Art Omi’s market budget for their rental program is very limited, so the organization relies on word of mouth, free website listings, recommendations from caterers, florists, and other vendors, and promoting to visitors who come to the site on weekends. Several activities—including the new café and Art Omi’s education programs—have greatly increased visits to Art Omi recently. The Café at The Fields, located in the visitor center at The Fields sculpture park, offers lunch on Saturdays and Sundays, with seasonal food sourced from neighboring farms. The café has become so popular Art Omi is considering offering dinner as well. Art Omi’s education programs include year-round Saturday morning art classes for children and teens in the visitors center, and Camp Omi—one- and two-week day camp sessions providing arts-based instruction as well as recreation. With new tents and pavilions at The Fields increasing the capacity of the program, Camp Omi can now accommodate 45 campers each week and has a wait-list. All these new visitors to Art Omi help feed the rental program as well.

Art Omi’s mission is to support artists through its residency programs and bring arts to the public. The Fields, the education programs, and open studios all complement this mission, while the rental program helps support it. Art Omi also makes the space available at little or no cost to local nonprofits, which supports the local community and brings many guests who have never before visited the site.

Those organizations with the strongest earned revenue programs have found a balance between core mission-based work, relevance to the community, and capacity of the site, facilities, and staffing. But few earned revenue-generating programs are self-sustaining, and there are still some grants and contributions. As more organizations develop scholarships, reduce fees, and increase other efforts to make their programs more affordable, artist-driven earned revenue may decrease, making organizations once again more dependent on contributed revenue.
CONTRIBUTED REVENUE

Contributed revenue is made up of grants (from foundations, corporations, government agencies, and other grant-makers), donations from individuals, memberships, fundraising events, and in-kind support. [Fig. 4.1 and 4.2] In our research, we not only looked at contributed revenues within each of these categories but also further divided each category by the donor’s proximity to the organization’s location, support for operations vs. endowment and capital campaigns, and board- and alumni-related contributions.

Organizations in Group 1 received 46% of all individual donations and grant funding from local sources, with 24% from state/regional sources, 29% national, and 1% international. (These numbers are the same regardless of whether the organization’s programs only serve a local audience). Organizations were asked to categorize the level of resources in their local community and state/region, not based simply on the financial support the organization itself receives but rather the overall philanthropic and government support for the arts in the area. Thirty-eight percent of organizations surveyed categorized the philanthropic base (foundations and individual donors) in their local community as “minimal;” likewise, half of all organizations categorized local and state/regional government support for the arts as “minimal.”

While 70% of current funding comes from local and state/regional sources, two-thirds of organizations surveyed indicated developing financial support outside of their local and regional communities is a high priority for long-term sustainability. “Our board is well- rounded and our community relationships are extremely strong,” says one residency director, “but local support will always be low because our community has a population of less than 1,500 residents, which means our public programming attendance is limited as well. And because of our modest attendance numbers, we cannot compete nationally for funding, no matter how hard we continue to try.” While national funding makes up less than one-third of contributed revenue overall, 19% of organizations receive more than half of all funding from national sources (evenly divided between individual donations and grants). Some of these organizations have well-known, long-established programs attracting national and international recognition, while others are relatively new; all of these organizations describe their local philanthropic base as “minimal.”

This section explores further the sources of contributed revenue for the field of artist residencies, with examples from organizations new and established, large and small, as well as input from funders who are taking on the challenges of organizational sustainability.

Grants

Grants currently make up 20% of all revenues to the field – more than half from foundations – and organizations indicate greater foundation support is the number one priority for long-term sustainability. And yet the field of artist residencies, by the ephemeral nature of its work, is particularly challenged in making its case to funders, especially as most foundations only provide project-based funding rather than general operating support. “In an increasingly results-based philanthropic environment, how do you quantify the ultimate service provided to the public by nurturing creativity?” asks the development director of one residency center.

While there are still a handful of national foundations giving to this field, the majority of foundation funding comes from local sources. In contrast, most government funding to the field comes from the federal level, as many state and local arts councils have drastically reduced their grantmaking in recent years, and the National Endowment for the Arts – while its overall budget has been cut as well – has increased grants to the residency field, particularly since the creation of its Artist Communities division in 2009. [Fig. 4.3]

So how much of this grant funding is actually supporting residency programs? Among organizations indicating the residency is a priority program (Group 1), just 40% of grant funds are designated for an organization’s residency program. Even for organizations indicating the residency is the priority program (Group 2), just 58% of grant funds are designated for the residency. [Fig. 4.4]

Separating funding by its designated purpose – residency programs, other arts programs, and non-arts programs – shows some striking changes from overall funding trends. For example, whereas 53% of all grants come from local sources and 22% from
state/regional sources, just 33% of grants for residency programs come from local sources and 6% from state/regional sources. National and international funders, on the other hand, are much more likely to give to an organization's residency program and to non-arts programs. The difference is not surprising—as local and state/regional funders are more likely to be interested in programs directly benefiting the public in their community—but worth noting as organizations consider what kind of funders are willing to support them.

"I feel like I'm always selling our other smaller programs to funders in our area," says one residency director, "but it's nearly impossible to get our residency program funded, which is our core purpose. Everyone wants to hear about outreach or school visits or other public programs. That's just not what we do." And while several funders acknowledge it is easier to fund programs with a more obvious public component, some offer a different take on the challenges of funding residency programs: "I'd like to fund the residency program itself, but I can't go to my board and just say 'Let's give money so artists can just go there and create.' I need to be able to say how this is going to have an impact on these artists, how the organization is tracking that impact, and what steps the organization is taking to reach artists not already well served by the field." Another funder says, "It's not so much about the public as it is about relevance. Is the program holding itself to a standard of responding to a contemporary need, or is it just doing what it has always done because that's what it does? It's not that I don't believe these places are necessary. I just need them to address relevance." Many funders do not take issue with the often private, hands-off approach of residencies, but encourage the field to connect its work to the need for greater public understanding of artists and the creative process. "The arts operate largely in isolation from the world around them. We need to reintegrate the arts and artists into the world around us. It's okay to provide isolation for artists to work, but then what? What impact does it have? People need to know that."

Demonstrating the impact of a residency is a make-or-break issue for many funders, particularly when grant proposals for residency programs are reviewed alongside museums, theater companies, and community arts centers that can point to audience numbers, critical reviews, and other more tangible measures of success. Those organizations operating primarily as a residency program, with few—if any—public programs, place enormous trust in artists that the experience will transform itself into something that will enrich the public, months or years later. "Each time I have been to The MacDowell Colony," writes painter and MacArthur Fellow Anna Schuleit, "I have been struck by its curious contradiction: Out of such privacy comes the art that finds a public audience. In art galleries, concert halls, movie theaters, and on bookshelves everywhere, the work done in the cloistered, protected setting of Peterborough has had a major impact on the outside world." But translating this trust and transformation into something others can support is one of the great challenges of this field.

Even for organizations with other programs that attract funders, the restricted nature of those funds means the residency program itself remains under-resourced. In the last few years “funding specific to the residency program has decreased substantially,” says the director of one such organization. “We have multiple program areas, and although the overall organizational funding
is down about 30%, our residency-specific funding is reduced by almost 50%. As a result, we’ve had to cut stipends in a climate where artists need those stipends more than ever.”

Corporate grants to residency centers are less than one-quarter the national average for all nonprofit arts organizations, according to Americans for the Arts, and several factors may contribute to this discrepancy. In addition to the lack of outcome-based work that is the nature of this field, corporate funders also tend to be less interested in programs that do not engage the public. And many small or emerging organizations have found themselves overlooked by corporate funders that require annual reports and other significant financial tools few small organizations have. “It’s difficult to know if this corporate form of determining financial authenticity is just hard-wired accountancy or a filter for straining out the dimmer stars,” says one residency director. “Corporations offer a lot of rhetoric in their publicity about supporting risk; this is one risk they could consider taking.”

The foundation sector is looking at its role in developing more sustainable organizations, challenging the predominance of project support over general operating support, helping organizations build their organizational capacity through investments in capital, and examining the organizational culture of nonprofits and grantmakers alike. Project and operational funds are not enough, as the Nonprofit Finance Fund details in its 2011 report, *Case for Change Capital in the Arts*. “To truly cover the full cost of doing business, arts organizations also need flexible funding and an enterprise-wide approach to capitalization that supports long-term liquidity, adaptability, and durability rather than short-term or narrowly defined goals.”

This is good news for the entire sector, and for residency centers in particular so often operating hand-to-mouth, deferring maintenance on older facilities, and struggling to respond to the changing needs of today’s artists.

While most funding is still project-based, a small number of foundations provide general operating support; primary among them are state arts councils. The Ohio Arts Council, for example, offers Sustainability Grants, providing general operating support to arts and cultural organizations to “ensure that public support of the arts continues to play an integral role in celebrating the rich past and sustaining the vibrant future of Ohio’s cultural legacy through flexible and reliable funding for annual arts programming.” The OAC looks for a balance of artistry, relevance, and management — “demonstrated excellent artistic, educational and cultural value; responsiveness to their community; credible planning and evaluation strategies; and a high level of financial and managerial accountability” — for organizations to qualify for Sustainability Grants. The Sustainability program separates organizations into two categories based on budget size — greater or less than $1.5 million — and the OAC’s Arts Access program provides general operating support to organizations with budgets of $30,000 or less.

“To truly cover the full cost of doing business, arts organizations also need flexible funding and an enterprise-wide approach to capitalization that supports long-term liquidity, adaptability, and durability rather than short-term or narrowly defined goals.”

The OAC recognizes investing in organizational sustainability is critical if these organizations are to play an integral part in the health and stability of our communities. “The primary goals of the OAC are to protect Ohio’s quality of life, to support the creative economy, to protect the investment Ohioans have already made in the state’s artistic and cultural heritage, and to help make sure the arts are accessible to all citizens,” says OAC director Julie Henahan. “As Ohio continues its trek back to prosperity, we believe the state’s economic health is intricately linked to having exciting, thriving communities where businesses want to stay or relocate and where people want to live, learn, work, and play.”

There is increasing focus today on capitalization, as distinct from operating and programming resources, for developing more sustainable organizations. Grantmakers in the Arts (GIA) launched the National Capitalization Project in 2010 to examine the capital needs of the nonprofit arts sector and the role funders can play in building more sustainable organizations. GIA defines capitalization as “the accumulation and application of resources in support of the achievement of an organization’s mission and goals over time” and describes a well-capitalized organization as one with “the ability to access the cash necessary to cover its short- and long-term obligations, to weather downturns in the external operating environment, and to take advantage of opportunities to innovate.”

The project acknowledges how grantmakers and grantees have both contributed to a culture often counter to long-term health — focusing on break-even operations rather than accumulating surpluses, not including overhead in project budgets, and taking on projects not central to an organization’s mission, for example. In setting a course for change, GIA proposes practices addressing both funding needs and organizational culture: encourage surpluses and operating reserves, take the long view and embed capitalization principles in conversations, encourage organizations to right-size, offer general operating support, fully

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fund projects that are targeted to core mission, and be clear about the structure and timeline of grants.

These practices have significant implications for funding the field of artist residencies, particularly in developing operating reserves and supporting core mission-related work. And yet "foundations do not have all of the levers to institute sweeping change nor the requisite funds to capitalize the arts and cultural sector as a whole," the GIA report points out. Healthy organizations require investments from individuals as well, and the following sections highlight some of the ways residency centers are building such support.

**Fundraising events**

More than half of organizations surveyed (56%) hold fundraising events, making up an average of 10% of total revenues among these organizations. Comparing fundraising event revenue is especially difficult, as financial reports may list event income within contributions, program revenue, other revenue, or as a combination of these. Special events that include the sale of artwork or other merchandise may list sales and other event revenue separately. Most indicate net vs. gross revenue, though not all. Because of these discrepancies, we do not attempt to draw definitive comparisons around special event revenue, but we can make a few conclusions. We combined fundraising event revenue from different sections of financial reports to estimate total net revenues, and the following numbers are drawn from that data.

A small number of organizations lose money on fundraising events; among those making money, net revenue ranged from $138 to $1 million in 2009. The percentage of total revenues derived from fundraising events varies widely—two-thirds of organizations make less than 10% of total revenues from fundraising events, one-quarter make between 10% and 20%, and one-tenth make more than 20% of total revenues from fundraising events. In each of these groupings, the organizations are small and large, young and established, urban and rural.

A number of organizations hold events in nearby cities, instead of or in addition to on-site events—Pilkerton Glass School, for example, whose annual auction is held in downtown Seattle, an hour from its Stanwood, Washington, site; or The MacDowell Colony, who holds a summer event on-site in Peterborough, New Hampshire, a winter gala in New York City, and smaller salons in cities where MacDowell alumni have a strong presence.

The types of fundraising events vary, including auctions (live, silent, and/or online), benefit concerts, receptions, and art sales; from casual to black-tie events. At MacDowell's Medal Day celebration in Peterborough each August, attendees picnic on the Colony lawn and tour the artist studios. At MacDowell's formal winter gala, guests are treated to cocktails and a seated dinner at the New York Times Center. While the formal setting is a far cry from the Colony grounds, the event consciously revolves around the Colony Fellows (MacDowell's alumni) — from the first save-the-date cards to the evening's performances to the gift bags all guests receive filled with books and mementos from Fellows. The main attraction happens in the theater, with a presentation by composers, writers, filmmakers, and visual artists of work created at MacDowell. The evening is as polished as it gets, and yet there is a charming folksiness in the speeches by board and staff, in the teasing between Colony Fellows, and the heartfelt admiration the patrons and artists show for each other that gives attendees a taste of what the Colony itself is all about: world-class and homey at the same time.

There is a celebrity factor to the event, to be sure, as well-known artists, broadcast journalists, and the like are frequently in attendance. MacDowell has learned relying on name recognition to sell event tickets is not a sustainable strategy, however. "Unless you have great access to celebrity and advertising, you should work on events that relate to the mission so you keep the acquisition cost down," says MacDowell's executive director, Cheryl Young. "When we have done events using celebrity, we sold out the house but we didn't get the audience back the next year. The attendees are buying a ticket, rather than giving a gift to the organization, and the transaction really has nothing to do with the mission of the organization."

Patrons purchase tickets ranging from $1,000 to $5,000. Tickets for Fellows are offered at-cost ($150), and a limited number of Fellows receive complimentary tickets—in recognition of other service to the Colony during the year. About 17% of attendees are Colony Fellows.

Revenues for MacDowell's gala were down significantly in 2009, as they were for many organizations, but they have risen again. MacDowell sets a 3:1 ratio between income and expenses for the gala, and the organization has used this ratio for many years. This 3:1 return-on-investment ratio is not uncommon for other organizations, regardless of the budget of the event, though
some events gross as much as 20 times the amount of expenses, particularly if many of the event-related costs are donated in-kind.

The Colony itself is only open to the public one day a year — for Medal Day — so many of the gala’s guests may never visit MacDowell in person. But the gala lifts the veil on what happens at the Colony, allowing attendees to hear from artists about their experiences and reminding the guests many of the works of art they already love have their roots at MacDowell.

“When we have done events using celebrity, we sold out the house but we didn’t get the audience back the next year. The attendees are buying a ticket, rather than giving a gift to the organization, and the transaction really has nothing to do with the mission of the organization.”

The event itself depends on a committee of patrons, trustees, and Fellows for planning, soliciting sponsorships, selling tickets, getting media coverage, and following up after the event. “MacDowell was doing a New York benefit before there was a development office, and it was all volunteer run,” says Cheryl. “The power of the committee, both in terms of legwork and the ability to sell tables, is what makes or breaks the financial success of a party.” Gala chair Stephanie Olimsted adds, “Strong board involvement in their area of expertise and connections is vital. Those of us on the committee rely on the board members in many ways throughout the process, and the board is as important to the committee as the staff. The board helps us articulate and realize our dreams, and the staff executes what we dream up.”

The gala planning begins a year in advance, and there are two staff members who manage the logistics during that time, in addition to other duties. The staff members meet with the working committee once a month, though working with the same production team — caterer, event designer, printers, graphic designers, and program director — over several years means they have been able to reduce the number of committee meetings throughout the year. “We can skip the process of identifying vendors and distilling MacDowell’s essence for them,” says Elena Quevedo, director of individual giving and special events. “It helps greatly to work with the same crew and the same venue.”

Whether an organization uses paid staff or volunteers, the event itself requires people-power. MacDowell puts all seven New York-based staff members to work at the gala and has relied on volunteers as well to stuff gift bags, hand out programs, greet guests, and put out place cards. Knowing how to best make use of staff time throughout the year is especially important in a small organization, says Cheryl. “Without the legwork of the committee, the staff spends more time working on an event and this takes away from time devoted to raising funds from other sources like the annual appeal and foundations. It means the cost of doing an event is even greater than what the financial report shows.”

**Djerassi Resident Artists Program** in Woodside, California, also conducts an annual event to offer a rare opportunity for the public to experience the site and to learn first-hand about the unique nature of residency programs. Djerassi’s primary fundraiser, Artful Harvest, is held each fall; the event began as Art Interrupted in 2003 and was reworked into its current format in 2006. Artful Harvest is a harmonious melding of Djerassi’s values — supporting artists, protecting the environment, and celebrating the natural beauty and bounty of its landscape — with an auction that includes artwork as well as creative experiences, performances by Djerassi alumni and local artists, and a culinary feast drawn from organic produce grown on the neighboring SMIP Ranch.

The event has raised net revenues of $30,000 to $50,000 in recent years (5% to 10% of total revenues), though ticket sales have plateaued and Djerassi is considering a re-tooling of the benefit for 2012. The event has a capacity of 150, and 40% of attendees are current and former board members, with the remainder a mix of general public and board-cultivated donors from throughout the Bay Area. Patrons who contribute $1,000 for the event — the Artful Harvest Circle — receive a pair of tickets; general admission tickets are $200 each. One of Djerassi’s challenges is attracting new attendees each year, particularly so there are new bidders for the art auction. Around one-quarter of each year’s attendees are new to the event, and most of those are brought as guests by regular attendees.

“The event has worked very well but it does seem there needs to be a regular cycle of small rethinks to keep people interested,” says Michelle Finch, Djerassi’s communications and development associate. “While the overall event structure is popular — people love the food, entertainment, being at the ranch, and mingling — the auction is challenging. After a few years, the regular attendees

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Muriel Maffre performing at Djerassi’s Artful Harvest photo by Dina Scoppettone
have artwork from the artists already and are less likely to bid. On the other hand, one very popular auction item is a dinner thrown by one of our former artists-in-residence in her studio collective (with help from several members of our alumni in the same collective). We may rethink the auction entirely this year to include more of these kinds of experiences.*

Memberships

While some organizations offer memberships that function as earned revenue, where members pay a fee for services and other benefits, many view membership as an extension of individual donations. Some organizations call all their donors “members” and provide membership benefits for different contribution levels. Member benefits may include event invitations, discounts on admissions and merchandise, and special publications. The real difference between members and donors may be semantic; “membership” implies belonging, which appeals to some individuals in a way simply donating may not. Members often include alumni of the residency program, past participants in other programs, community members, and others. Of those organizations surveyed, 18% have memberships, with membership income making up 3% of total revenues. For the remainder of this study, memberships have been included within total contributions from individuals, except in the case of museums and other organizations where membership more clearly represents a fee for services rather than a donation.

Individual donors

More than one-third (38%) of all revenues for the residency field come from individual donors, and this percentage is on the rise. In 1997, individual contributions made up 27% of all revenues; in 1987, just 22%. In exploring individual giving for the field, we asked several questions: What is the individual’s affiliation with the organization? What size gift is the individual giving? And what is the individual giving to?

Of all organizations receiving individual contributions, 91% of revenues are for operations (through individual gifts and memberships) and 9% are restricted to endowments and capital campaigns. Of contributions for operations, 3% are designated for scholarships and stipends.

While almost all organizations depend on both board members and other individuals for contributions, most lean strongly in one direction or the other. For example, 44% of those surveyed receive less than 30% of individual contributions from board members, while 33% receive more than 70% from board members. Gauging the true balance between board giving and other individual giving is difficult, however, as these figures do not include fundraising events nor do they measure other board-influenced income, such as soliciting donations from others.

Fundraising experts cite the “80/20 rule” – 80% of donations come from 20% of donors. And while most of the organizations we surveyed demonstrate this as well, 40% show a high dependence on a single donor. This group is explored further in this section (see “Angels”).

Where board giving and non-board giving is most distinct is in the number and size of gifts. For example, of all gifts over $100,000, 60% are from board members. And yet, board members make up a much smaller pool of donors, averaging between 7% and 25% of all donors, with 82% board participation among organizations surveyed – that is, the percentage of board members who make a personal contribution to the organization. (More detail about board composition is included in the section “Boards.”)

Like foundation and corporate giving, individual contributions largely come from the local community, accounting for 64% of all individual giving. But because most organizations have boards made up primarily of local community members, the source of non-board gifts shows a different picture – donations from non-board individuals are more spread out among local, state/regional, and national donors. [Fig. 4.5]

For organizations with main offices in a separate location from the residency site (13% of organizations surveyed), the development focus is more likely to be centered around donors local to the administrative site, while on average only 5% of contributions

![Fig. 4.5: Individual donations by proximity (Group 1)*](image)

* Donations based on the donor’s proximity to the organization, as a % of all donations. 

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come from donors local to the residency site. (These organizations are not included in the numbers in Fig. 4.5.) For example, Hambidge Center for Creative Arts & Sciences maintains an administrative office in Atlanta, while its residency site is in Rabun Gap, Georgia, a remote rural community two hours north of Atlanta. More than two-thirds of Hambidge's donations come from the Atlanta area, while just 3% are from donors around Rabun Gap. Hambidge, which was founded in 1934, opened its Atlanta office in 1998. The majority of the board and the organization's fundraising efforts were already centered around Atlanta by that time, so having an office there has allowed the organization to be more directly responsive to board members and donors. The Atlanta office has had other benefits as well: "It has solidified our connection to Atlanta and added new exposure, especially since our office is in the Atlanta Contemporary Art Center," says Hambidge's director, Jamie Badou. The Atlanta office also enables Hambidge to hire from a much larger staffing pool. One of the challenges with fundraising in Atlanta, however, is that being so removed from the Hambidge site offers "limited show-and-tell opportunities" for donors, says Jamie.

Building stronger relationships in the community around Rabun Gap is important to the organization as well. Hambidge has been holding community meetings with local leaders "to hear what the general needs, hardships, and wants are for the community and what role Hambidge could play in the future." Hambidge just elected three new board members who are all local to Rabun Gap, and together they are exploring programs that serve the community while maintaining the mission and creative integrity of Hambidge. There have always been tensions within the local community around what Hambidge could be, particularly in the balance of the residency program with other community programs, and Jamie says "the bottom line is communication" about where local interests, Hambidge's vision, and capacity intersect. In the meantime, Hambidge continues to cultivate support in Atlanta, Rabun Gap, and the North Georgia Mountains, and from individuals around the country with an affiliation with Hambidge.

For organizations receiving contributions from national donors, these gifts come from residency program alumni, previous participants in workshops and classes, out-of-town visitors, and other individuals on whom the organization has had an impact. Alumni donations can be a significant source of revenue for some organizations, and 64% of organizations surveyed indicate better alumni cultivation is a high priority ("essential" or "very important") for long-term sustainability. Many have recently developed alumni councils, assigned staff or volunteers as alumni liaisons, and explored other ways of keeping alumni engaged with the organization.

While 80% of organizations surveyed received less than 10% of all individual giving from alumni in 2009, several received as much as 70%. The average for all organizations has remained roughly the same since 1997, with 4% of all individual giving from alumni, representing 1.5% of total revenues.

Alumni giving depends, of course, on the alumni pool, so age of the residency program and number of artists-in-residence each year are important factors. For example, alumni donations make up 10% of total giving for residency programs more than 20 years old, and less than 1% of total giving for residency programs less than 20 years old. Likewise, for organizations providing residencies to 75 or more artists per year, alumni giving makes up 12% of all giving; with 30 to 74 artists-in-residence per year, alumni giving is 6% of all giving; and with less than 30 artists-in-residence per year, alumni giving is less than 3% of all giving. [Fig. 4.6]

And yet there are anomalies — long-established residency programs with over 100 artists-in-residence each year whose alumni giving is only 3% of all donations; younger, smaller residency programs where the majority of all donations come from alumni. For some residency centers, there is still a great deal of reluctance to ask alumni to contribute, given the traditional "no strings attached" values of the field. Artists, on the other hand, are often happy to give back to an organization. "I expected to be asked," says one former artist-in-residence. "I was kind of disappointed when they didn't ask me, actually, because I wanted to have a way of saying thank-you for my residency."
years, the artist finally received an appeal letter, “and I gave a small donation, but I probably would have given more had they asked when the experience was still fresh.” Another artist says, “I would much rather be asked to donate money than artwork. Asking me to donate my work just feeds into the lack of value we put on artists and their work, but asking me to make a financial contribution feels more respectful.”

Roger “Whit” Shepard, a fundraising consultant and board member of Ragdale in Lake Forest, Illinois, warns organizations against thinking of their alumni as either “Lady Bountiful or Starving Artists, a false (and dangerous) dichotomy” that expects either too little or too much from the artists we serve. One young organization with a growing number of alumni donors says, “From the start, we have encouraged our artists-in-residence to think of themselves as part of our organizational family. We don’t really know who has the capacity to contribute financially or not, so we don’t assume one way or the other. This spirit of ‘we’re all in this together’ begins as soon as the artists are selected and continues well after they are gone. We keep in touch, and just as we want them to be successful, they very much want us to succeed as we continue to grow as well. So giving back is a part of that, but donations are just one demonstration of the relationship we have with our alumni.” Artists echo this, stating they give to the organizations they feel most connected to after a residency. “I’ve included one residency in my will,” says an established sculptor who has participated in many residency programs. “I just feel the most kinship with that one even though I haven’t been back in years.”

“‘Budget relief’ is not a vision,” and organizations need to ask themselves, “What is the most important thing we do, the jewel at the core of the organization?” and shape a campaign around that powerful idea.”

Endowment and capital campaigns

As noted previously, 9% of all individual giving among organizations surveyed is designated for endowment and capital campaigns. While these two kinds of campaigns have frequently been separate in the past, more organizations are combining endowment and capital needs into a single campaign. The total amount may include both funds for future use (scholarships, building maintenance, and operating expenses drawn from endowment income, for example) and those for immediate use (capital projects and capacity-building).

Organizations are either largely dependent on direct board giving or largely dependent on non-board giving for endowment and capital campaigns, with roughly half receiving less than 30% of gifts from board members, and half receiving more than 75% from board members. As with other contributions, the true level of board-related giving is difficult to assess, however, as board members are often the primary solicitors of campaign gifts from others. Alumni can play a strong role in a campaign as well – particularly in the public phase – by advocating for the organization in ways few others can. Not surprisingly, more than 80% of campaign gifts come from local donors, with another 15% from the state and surrounding area and less than 5% from outside the region. Like other fundraising efforts, campaigns often depend on a few larger gifts at the top of the pyramid expanding out to many smaller gifts at the bottom.

Whit Shepard, who – in addition to conducting the feasibility study for Ragdale’s most recent capital campaign – was part of a leadership team at the University of Chicago that launched a $175 million campaign, says the most successful campaigns are those tied to core values and the organization’s core mission. “‘Budget relief’ is not a vision,” and organizations need to ask themselves, “What is the most important thing we do, the jewel at the core of the organization?” and shape a campaign around that powerful idea.” For organizations whose “jewel” is the residency program, those leading a campaign have to find a way to translate the often intangible impact of a residency into something donors will connect with, recognizing in order to convey the magic of a place, sometimes “it has to be experienced to be understood,” says Whit.

Ragdale has found success in connecting donors with different aspects of its organization, from its reputation for nurturing successful artists to its legacy as the historic home of prominent Chicago architect Howard Van Doren Shaw. Ragdale has asked several well-known former artists-in-residence to assist in fundraising efforts, from writing letters to participating in salons, and to-date over 10% of the money raised for the capital campaign has come from alumni contributions. “While the alumni give because the magic of Ragdale helped them write their best books, local people give out of civic pride,” says Ragdale’s executive director, Susan Tillett. “Howard Van Doren Shaw was an early and important architect in Lake Forest, designing many large homes as well as the town’s Market Square. There are still people who feel support of the arts is a Lake Forest tradition and the creation of excellent artwork is one of the things that sets this community apart,” says Susan.

Residency sponsorships

Half of all organizations surveyed have been successful in developing sponsorships to underwrite at least one individual artist’s residency, with an average of 11% of all artist’s residencies sponsored in 2009 (that is, if an organization provides residencies
to 100 artists per year, 11 of those are sponsored). The majority of these sponsorships come from foundations and individual donors (43% and 37%, respectively), with an additional 10% from local, state, or regional arts councils, and 5% each from schools and international partners. While some sponsorships underwrite a general residency, others are designated for particular types of artists – artists working in a specific discipline or medium, for example (59% of all sponsored residencies), from a specific geographic area (28%), or representing a specific ethnic, racial, or cultural group (12%). [Fig. 4.7] These partnerships have played a critical role in the field by providing resources to reach underserved artists, as in the case of foundations sponsoring residencies for artists of color, artists with disabilities, and others. And for organizations operating primarily as a residency center, pursuing sponsored residencies offers them a way to shape their core operations into a project, which many foundations require. For organizations otherwise charging residency fees, these sponsorships offer a way to provide a residency at no cost. Many sponsorships also include a stipend to the selected artists and may also provide other benefits, such as inclusion in a special exhibition or additional professional development services.

The Jentel Foundation in Banner, Wyoming, which provides more than 60 visual artists and writers with residencies annually, has a partnership with Poets & Writers, for example, supporting one or two awardees of the Maureen Egen Writers Exchange Program each year with residencies at Jentel. Poets & Writers started the Writers Exchange Program in 1984, to encourage the sharing of works and resources among emerging writers nationwide. The partnership with Jentel began in 2004, and the residency complements the professional development focus of Poets & Writers’ program. “We are thrilled with the partnership and what it has to offer writers and the Wyoming community,” says Mary Jane Edwards, Jentel’s executive director. “The partnership further enhances the quality of writers who come to Sheridan County and interact with members of the community through Jentel Presents, our monthly outreach program.”

While residency centers have sought funding partners to underwrite residencies, grantmakers also seek out residency partners that will complement the foundation’s work. The Ohio Arts Council, for example, established out-of-state residency awards at Headlands Center for the Arts in Sausalito, California, for its fellowship artists in 1989; it remains the only program of its kind among state arts agencies. In addition to Headlands, the OAC also partners with the Fine Arts Work Center in Provincetown, Massachusetts, and Vermont Studio Center in Johnson, Vermont. Artists who have received an OAC Individual Excellence Award – selected through a rigorous, juried process – are eligible to participate in one of these residency programs. Awardees are then invited to be considered for a residency, and must submit a separate application. The OAC covers the costs of the residency and provides a stipend to each artist. The OAC recognizes, by providing Ohio artists with creative development opportunities elsewhere, the artists return to the state with transformative experiences that enhance the cultural fabric of Ohio. “Creating a program to support residencies for Ohio artists was extremely important since there were no artist colonies in Ohio at the time,” says Dr. Wayne Lawson, director emeritus of the OAC, who established the agency’s residency partnerships. “The residency programs give our artists an opportunity to work outside the state and have a period of time for themselves, without interruption, to create. In addition, the artists are able to meet others from around the country and the world to share ideas and experiences. They return to Ohio renewed in their vision of what they want to do and they share that with other Ohioans. There is no question support of the creative process makes for healthy communities.”

In addition to its U.S. residency partners, the OAC has also collaborated with CEC ArtsLink since 1994, and created the Dresden Residency Exchange in 1998. CEC ArtsLink is a New York-based nonprofit providing residencies for international artists through host organizations in the U.S. The OAC identifies institutions in Ohio to host artists and arts managers from Central and Eastern Europe, and then works with these institutions to make a proposal to ArtsLink. Additionally, the Dresden Residency Exchange is part of an ongoing cultural-artistic link between the State of Ohio and the City of Dresden, Germany. This program enables printmakers from Ohio and Dresden to become...
acquainted with the art and artists of each community, provides time for the artists to explore the printmaking resources of each location, and establishes ongoing artistic relations between Ohio and Dresden. Each year, the Dresden Residency Exchange brings Dresden artists from various stages of their careers to Zygote Fine Art Press in Cleveland, Ohio, and sends two Ohio artists to work in Dresden at the Grafikwerkstatt for a period of up to six weeks.

The OAC has sponsored nearly 250 residencies since beginning these programs, which have strong support from the OAC’s board. “The residencies provide Ohio artists with time and resources to have the opportunity to explore, experiment, and deepen their artistic practices,” says Ken Emerick, director of individual artist grants and services at the OAC. “The artists also become ambassadors for the OAC and the state of Ohio. Many of the Ohio artists have invited artists they met during their residencies to visit Ohio to continue artistic collaborations or to participate in exhibition opportunities or other programs.”

The OAC recognizes no single approach will work for everyone, so the agency “works with all of the residency partners to customize each of these selection processes to accommodate the needs of the partner organizations,” says Ken. Likewise, other foundations seeking to extend the impact of existing fellowships look for residency partners who are willing to collaborate in a way that works for all parties involved. When Pew Fellowships in the Arts began researching in 2010 the possibility of offering residencies to Pew Fellows at multiple sites, for example, the foundation “partnered with the Alliance of Artists Communities to recognize the expertise the organization has and to acknowledge the Alliance’s important role in the ecology of the artists communities field,” says PFA’s director Melissa Franklin. The Alliance and PFA worked together to identify residency centers willing to select an artist from a pool of Pew Fellows, interested in the kinds of artists PFA supports, and that could offer a one-month residency. The PFA partners for 2012 include 18th Street Arts Center in Santa Monica, California, Banff Centre for the Arts in Banff, Alberta, Headlands Center for the Arts in Sausalito, California, and Ucross Foundation in Ucross, Wyoming. PFA is also partnering with The MacDowell Colony to support Fellows who apply to and are accepted through MacDowell’s general application process.

“These residency programs accommodate artists practicing in all disciplines, in keeping with the multidisciplinary scope of the fellowships,” says Melissa. “They represent a diverse group of creative communities and the working environment each offers is very different, reflecting the wide variety of artists we support.”

“The artists] return to Ohio renewed in their vision of what they want to do and they share that with other Ohioans. There is no question support of the creative process makes for healthy communities.”

These kinds of sponsorships can be challenging, however, for organizations requiring all artists go through the residency’s own selection process. Some funders are not involved in the selection of the participating artists, but instead designate residency sponsorships in alignment with the foundation’s interests. The Santa Fe Art Institute, for example, receives funding from the Witter Bynner Foundation—a national foundation located in Santa Fe supporting poets and organizations that advance the art of poetry—to sponsor residencies for poetry translators. Among the foundation’s key priorities are the translation of poetry from languages not currently available to English readers, and poetry which has not been translated or merits a new translation. SFAI is a natural partner with the foundation, not only by ensuring selected artists have the time and space to complete such work but also in the Institute’s commitment to supporting diverse artists from around the world. The foundation has made ten years of grants to the Institute, which in turn enables SFAI to offer residencies at no cost and stipends for travel and living expenses to Witter Bynner fellows. Between one and three translators are in residence in a given year, depending on the level of funding received. “We have never had a shortage of qualified applicants, and have hosted some of the most interesting and innovative translators working today,” says Michelle Lafllamme-Childs, SFAI’s deputy director. The Institute re-applies to the foundation each year for funding, and poetry translators apply directly to SFAI. “One of my favorite aspects of the program is that the previous year’s SFAI-Witter Bynner translators choose the awardees for the upcoming year,” says Michelle. “It makes such a nice cycle, and the grant includes an honorarium for each of the jurors so we can offer one last bit of support to these artists.”

Similarly, 3Arts, a Chicago-based grantmaking organization, has teamed up with Ragdale since 2008 to provide 3Arts Fellowships at Ragdale to six Chicago artists on an annual basis. 3Arts offers annual awards, residency fellowships, and project support to women artists, artists of color, and artists with disabilities working in the performing, teaching, and visual arts in Chicago. The partnership with Ragdale gives 3Arts a way to reach more artists and support their creative process, while enabling Ragdale (located just 30 miles north of Chicago) to increase its service to Chicago artists and diversify its residency program. 3Arts covers the costs of each two-week residency and provides each artist with a $1,000 stipend. Ragdale selects the fellows through a nomination-jury process. Ragdale has several other sponsored residencies as well, established as endowed gifts in memory of the donors—including the Alice Hayes Writing Fellowship for

Etching stations at Grafikwerkstatt photo by Ryan McCullough, a 2011 artist in the Ohio Arts Council’s Dresden Residency Exchange
to find good partners and work towards a mutual respect for each other. We also had to break down the walls of prejudice some folks had about Ohio artists and the Midwest. Our success had to do with the rigor of our selection process – a blind jury and non-Ohio adjudicators – and finding administrators who believed in the same mission: all artists deserve the same opportunities to have time for themselves and create, no matter where they live."

Angels

While most organizations strive for a mix of revenue sources, the field of artist residencies is particularly dependent on “angels” – a single funder providing more than 30% of an organization’s total revenue. (Organizations who received a one-time gift for a special project are not included in this percentage.) Some researchers set the threshold much lower, identifying as angels any single funder providing at least 5% or 10% of total revenues.

Angels straddle the "markers of sustainability" and "markers of fragility" boundary. While angels can be exceptionally loyal, provide a consistent and significant source of funds over time, and/or offer an organization a foundation of support from which to develop their start-up operations, angels also represent a concentration of risk.

Among those organizations where the residency program is the primary program (Group 3), 40% have angels. Not only is the number of organizations supported by angels significant, but the level of dependence on angels is striking: more than half of these organizations receive 75% or more of their total funding from one or two angels.

We all want angels, of course – a few major contributors who free us from the constant scramble for many smaller gifts and who share our devotion to our cause. But do angels remove the burden of being relevant to our communities? And how sustainable is this level of support?

Planning for the future – with or without continued support from an angel – is critical for such organizations. Indeed, in recent years several residency centers discontinued operations when funding from an individual or foundation angel diminished unexpectedly.

Angels are often associated with start-up organizations – key donors who help an organization get off the ground, the venture capitalists of the nonprofit sector. And yet, among angel-supported organizations surveyed with angels, only one-third are less than a decade old. We have found most emerging organizations consider their angels a temporary solution and are developing plans to decrease their dependence on these donors (often the founder) over time.

For more mature organizations, recognizing the role – and risk – of angels is also important. Linda Pace – an artist, businesswoman, and philanthropist – founded Artpace in her hometown of San Antonio, Texas, in 1993. While her generosity was always a significant source of funding for Artpace, Linda encouraged others to join in her support and began the process of transitioning Artpace to a self-sustaining board-directed foundation early on. Since Linda's passing in 2007, the Linda Pace Foundation continues to provide an annual grant to Artpace, while the organization also receives nearly two-thirds of its funding from other sources.
“Artpace is Linda’s living enduring artwork,” says Riley Robinson, Artpace’s studio director. Linda imagined the organization as more than just a reflection of her own vision, but as a shared endeavor with broad community and national support.

The Studios of Key West in Key West, Florida, recently navigated its transition from founder-funded to community-supported, and is emerging as a stronger and more sustainable organization as a result. Founded by the Rodel Foundation and inspired by the benefactors’ experiences at Anderson Ranch Arts Center, The Studios of Key West (TSKW) is a residency center, workshop program, gallery, and performance space. When TSKW began formal operations in 2006, Rodel Foundation pledged $500,000 for 10 years (two-thirds of TSKW’s annual budget), but a change in personal circumstances and the onset of the recession forced the foundation to announce in March of 2009 they would not continue funding after that year.

What may have set many organizations into a tailspin became a positive turning point for TSKW, which had previously struggled to demonstrate a need for community support. "I told the board, ‘we have good news and bad news,’ says executive director Jay Scott. “The good news is we just lost half a million dollars for next year. The good news is now we have a clear financial need we can ask the community to support.”

Jay, who joined the board in 2009 and was hired as director in 2010, first became involved with TSKW to help the organization develop a strategy for diversifying its funding base so they could replace Rodel Foundation funding by the end of the ten-year pledge. “We were blindsided by the new timeframe, but it actually inspired us to do something we knew we needed to do anyway,” says Jay. “For the Rodel Foundation to fund us for the first few years was an incredible gift to the community, and when their funding changed we had the opportunity to diversify our revenue and develop our business model.”

And so the organization made a plan: cultivate support from the business community, build a broader base of patrons, further develop earned revenue-generating programs, reduce expenses, and increase capital—fast. “We weren’t going to get there with any one strategy,” says Jay. “To be really sustainable in the long run, we needed to focus on a network of revenue our community could support.”

As the community learned of the organization’s funding woes, many assumed TSKW would close its doors. So Jay focused first on the business sector, knowing even small gifts would offer validation and demonstrate others in the community believed in The Studios. In the summer of 2009, The Studios increased its business sponsorships from ten companies to 85 and raised an additional $50,000. With gifts ranging from $250 to $2,500, The Studios put every company’s name in their catalog and used that to leverage further support. “The support from the business community inspired the staff, the board, and the artists. All of a sudden, they saw the community believed in them and in The Studios of Key West,” says Jay.

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TSKW turned its attention next to the Patrons Society, a group of 50 households who were each contributing $1,000. Organizational leaders approached one of the founders with a bold proposition: Help us build our donor base by establishing a personal matching gift and we will decrease our asks to you in the future. In 2009, thanks to the matching gift challenge, the Patrons Society grew from 50 households and $50,000 to 90 households and $220,000. “I don’t think any one donor should make up more than 5% of our total budget,” says Jay. “Building a broader base of patrons makes us more sustainable and positions us for the long-run. And by asking our founders to make a matching gift so we could ultimately decrease our dependence on her, she served as a catalyst rather than as life support, inviting members of the community to join her as partners in supporting TSKW.” The organization also launched a “Friends of The Studios” campaign for gifts under $1,000 and invested in their online capacity to accept donations through their website, so donors at smaller giving levels could easily contribute to TSKW as well.

TSKW built up its earned revenue-generating programs at the same time, including studio rentals for local artists, ticket sales and admissions to performances, workshops, and gallery sales. In 2009, the organization generated around $100,000 in earned revenue; now they earn almost $300,000, over 40% of TSKW’s budget. Gallery sales in particular have increased more than ten-fold—from a gross of $6,000 in 2009 to $80,000 in 2011—and the artists receive between 60% and 80% of this back. “Coming to events and buying artwork has become another vital way the community supports us,” says Jay. “It’s not just about asking for donations.”

The organization also took a hard look at expenses. In addition to overall budget trimming, they renegotiated their rent which was based on the property’s estimated fair-market value before the economic downturn. Fluctuations in the real-estate market continue to make TSKW vulnerable in their current lease, but they hope to stabilize their rent further in the future.

Lastly, TSKW launched a capital campaign to expand the residency program. They called the campaign Giving the Gift of Key West to artists / Giving the gift of artists to Key West. "We really made the case for why bringing artists from around the world to Key West..."
Finding the fundraising balance

Whether raising funds from individual donors or foundations, through special events or capital campaigns, with gifts large and small, from neighbors or funders around the globe, the right balance is important so organizations are not overly dependent on any single funding source and yet are not spread too thin. A growing number of organizations are considering from the onset how to cultivate this balance, and what follows is a snapshot of how one residency center relying almost entirely on contributed revenue is developing a sustainable organization.

The Hermitage Artist Retreat in Englewood, Florida, was founded in 2002 with the mission to "nurture creativity, preserve a Florida historic site, protect native ecology, and serve our Gulf Coast communities." Its primary function is as a residency center, inviting mid-career artists of all disciplines to live and work in a setting of solitude and natural beauty. The Hermitage welcomed its inaugural artist-in-residence in 2003 when the first building was completed. The pioneer beachfront homestead near Sarasota on Florida's west coast has a long and storied history inspiring historians, preservationists, and environmentalists to ensure the property was not destroyed. Through the leadership of the Sarasota County Arts Council, the vision of local arts patron Syd Adler, and a handful of community leaders, plans emerged for the property's transformation into a haven for artists. Together they sold the idea to the County Commissioners—who granted a long-term, $1-per-year lease on the property—and the State of Florida Division of Historical Resources, the Gulf Coast Community Foundation of Venice, and other pioneer donors, who contributed the funds to begin the restoration of the property. The $1.3 million project to restore the five Hermitage buildings was completed in 2009.

For many young organizations, there is a transitional moment, a sudden period of growth that moves the organization into a different league. For The Hermitage, that moment came in its 2008-2009 year. This moment is easily detected in the organization's financial reports—the budget for The Hermitage was in the mid-$200,000s for several years, before jumping to $325,000 in 2009—and it is evident in the good-will of the community, the professionalization of the staff, media attention, attendance at events, and many other ways as well.

Two significant things happened in that year: First, The Hermitage was contracted by the Greenfield Foundation to create a prize of national significance. The Greenfield Prize offers a $30,000 commission for a new work from a major American artist, rotating each year among drama, music, and visual art. The foundation fully funds the prize and all related expenses, and The Hermitage administers the program. The selection process for the prize is modeled after The Hermitage’s own residency selection process and winners of the Greenfield Prize are given a residency at The Hermitage. The Hermitage also arranges for the premiere of the commissioned work (artists have two years to realize the commission) during Greenfield Weekend, which includes a dinner, a major national speaker, and the announcement of the next prize winner; previous speakers include Oskar Eustis, Jim Rosenquist, and David Lang. The budget allows all of this to be done in a world-class manner and also includes significant administrative costs, which enabled The Hermitage to go from a staff of one to a staff of three. Greenfield Prize winners so far have been playwright Craig

"The most important thing is to create something the community values.... I go to work every day to keep the founders' initial investment alive and to continue to give this gift to the community."

What does the organization see as their key to sustainability?

"The most important thing is to create something the community values," says Jay. "The initial support from the Rodel Foundation allowed the organization to get off the ground with some capacity for programs and staffing already in place, so TSKW could take the opportunity to develop something the community cares about before having to ask the community to support it." Losing the Foundation’s funding also gave the organization a chance to envision its own future, one that balanced the intent of the founders with new ideas. "I go to work every day to keep the founders' initial investment alive and to continue to give this gift to the community," says Jay.
Lucas, composer Eve Beglarion, visual artist Sanford Biggers, and playwright John Guare. Like all Hermitage artists-in-residence, the Greenfield Prize artists participate in two public engagement programs during their residencies, increasing the profile of The Hermitage's residency program in the process.

The second thing that happened during that year was The Hermitage completed the restoration of the last building in February 2009, so the organization was no longer raising money for major capital expenditures and could concentrate on fundraising for operating costs. With the buildings completed and with greater staff capacity, The Hermitage was also able to increase the number of “artist days” — a standard measure of the residency field multiplying the number of residents each year by the number of days each artist is in residence — from 56 in 2009, to 68 in 2010, and to 99 in 2011. More artists-in-residence means more public engagement as well. Each artist-in-residence is asked to contribute two programs for the community — readings, artist talks, performances, workshops — which translates into over 85 programs last year featuring renowned artists, up and down the west coast of Florida. For off-site programs, The Hermitage partners with all the major arts organizations in the region. The Hermitage also offers “beach readings” on-site, where the public is invited to the beach an hour before sunset to hear writers read from their work. Over 100 people come to each reading, bringing their own beach chairs, wine, and picnics.

The Hermitage’s public programs receive a lot of local press and “there is a direct correlation between the number of times the public is exposed to our artists and the public’s willingness to support the residency program with their philanthropic gifts and their participation in our fundraising events,” says Bruce Rodgers, director of The Hermitage. While engaging the public through events and demonstrating the residency’s impact on the community is important, building public support starts with making sure the public knows you exist. “People don’t give to organizations they haven’t heard of, and more specifically, they don’t give if they’re not aware of the beneficial impact of the organization to the community,” says Bruce. “Philanthropy follows awareness.” This awareness can start in unconventional ways. For example, Bruce recently asked the weatherman at the local ABC affiliate in Sarasota, “If I install a weather station at The Hermitage and have it automatically send weather updates to you, would you use them and mention The Hermitage in the weather report?”

The weatherman agreed. “Now it’s not uncommon to hear him say, ‘The artists have to bundle up at The Hermitage this morning where it’s 45 degrees.’ All the different things we do to create awareness in the community pay off when it’s time to ask for support. The two are intrinsically connected.”

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While the Greenfield Prize makes up around 25% of The Hermitage’s annual budget, the balance of other funding includes roughly 30% from individuals and 70% from grants. The grants have mostly been from the local area or within the state — a mix of operating grants from smaller foundations and capital grants for maintenance and equipment (The Hermitage received around $70,000 in capital grants this past year). The Hermitage received its first National Endowment for the Arts grant in 2010, and will pursue other national grants in the coming year to support the performance and exhibition of the Greenfield commissions outside of Florida.

Now that operations are well underway for The Hermitage, the organization is considering other ways it can continue to serve its local community while still maintaining its core residency program as a private retreat. In 2011, The Hermitage created the STAR (State Teacher Artist Residencies) program during the summer, a residency for Florida public school arts teachers. On the one hand, the program addresses a very practical issue: The Hermitage did not want to invite out-of-state artists to be in-residence during hurricane season who may not have cars and have no experience with evacuations, which left the site underutilized during the time when artists tend to have the most availability. More importantly, the STAR program offers critical support to teaching artists who have few opportunities to focus on their own work and extends The Hermitage’s commitment to artists in its own region. The Hermitage partners with the Florida Alliance for Arts Education (FAAE) and the teaching artists apply directly to FAAE. Two visual arts teachers, two creative writing teachers, and one music teacher (corresponding to The Hermitage’s five studios) are selected based solely on artistic merit. In the program’s first year, 78 teachers applied and FAAE selected, through peer review panels, five artists from five different Florida counties. “This coming year, we have grant support from a family foundation,” says Bruce, “but I want corporate support for this program – an investment company, bank, or real estate company with branches throughout the state.” The Hermitage conducts PR in each of the STAR artists’ home communities, and in the future Bruce hopes the teachers will perform or show their work in their own town during the school year, so students and community members see them as artists as well as teachers.

The Hermitage is also exploring other funding opportunities and partnerships that extend the impact of the residencies. For example, Sanford Biggers’ Greenfield commission will be exhibited at the Los Angeles County Museum of Art (LACMA) in the future.
and Bruce is considering what role The Hermitage might have in partnership with LACMA. And through a relationship with The Kennedy Center, The Hermitage invites five artists-in-residence each year who are creating work for, or otherwise working with, young audiences, which gives The Hermitage an opportunity to seek funders who are particularly interested in arts education. Bruce is in conversation with a donor to endow this portion of the residency program for $500,000. The Hermitage’s approach is to develop long-term investment in particular programmatic areas so the organization is not seeking the same funding year after year. “The strategy here is to find a capable donor with a passion for a portion of our program, and to ask them to make sure part of our program will be funded beyond both our tenures at The Hermitage.”

Like any residency center, funds still need to be raised for the primary residency operations, and not all of it fits into a distinct interest area in the way that artists working with young audiences does. The Hermitage has been particularly successful by focusing on three development areas: residency sponsorships, annual gifts, and endowment gifts. Donors can sponsor a residency for $5,000 each, and the residency is named for the donor — much in the way universities name a fellow or chair — in all publicity and public activity associated with the resident artist. Annual gifts to The Hermitage range from $25 to $5,000 and in 2011 the organization increased the number of individual donors as well as the donation amounts. “This is a result of all those free public programs,” says Bruce, “the large amount of PR we get in the community, and branding ourselves as a successful national organization” that is still rooted in the local. The Hermitage also established two endowments in 2011, one for capital and one for operating. The capital endowment was launched with a lead gift of $100,000. The Hermitage also qualified for an incentive program from a local foundation: if The Hermitage raised an additional $42,000 for the capital endowment, the organization would receive $10,000 from the foundation in general operating funds. So in one year, the organization raised $442,000 toward their initial capital endowment goal of $250,000 to support the site’s maintenance and repair. The Hermitage has seen revenues increase from their two fundraising events as well — the Greenfield Weekend dinner and a lobster bake on campus — which together now net over $110,000. The Hermitage’s 2011-2012 budget is expected to reach $500,000, which includes a $50,000 reserve built in; the goal is to have a $100,000 operating reserve by the end of the next fiscal year.

While all of this represents a great deal of growth in a short time, The Hermitage’s physical site itself dictates how big the residency program itself can be and allows the organization to focus on quality and impact, while maintaining a small residency program. By establishing partnerships and developing programs that complement the residency rather than run independently of it, the organization has been able to accomplish a tremendous amount with a small staff. Bruce is also quick to acknowledge the community support The Hermitage receives. “We’ve been pretty good at turning them on, but there is an undeniable tradition of cultural philanthropy here that we’ve been able to tap into.” And by bringing world-class artists to their “Old Florida” community, “we’ve filled a void the community didn’t know it had.” The Hermitage’s long-term vision reflects the organization’s founding values that blend excellence in the arts, engagement with the community, and environmental and historic protection. This eco-system offers a framework for sustainability — “thriveability,” as Bruce likes to think of it — that considers how these priorities can co-exist in balance, and how that balance includes a strong foundation while still allowing The Hermitage to be nimble and responsive to new opportunities.
EXPENSES | OVERVIEW

The following is a snapshot of organizational expenses, highlighting three categories: property-related costs, personnel, and fees to artists. (Property and personnel are explored more in-depth elsewhere in this report.) There are other residency-related expenses we tried to track — exhibitions, food service, and art-making supplies, for example, as well as the percentage of overall expenses attributed to the residency program (for those organizations operating multiple programs) — but we found too many discrepancies in financial reporting practices between organizations, and data is primarily anecdotal in these regards.

Among all organizations indicating the residency is a priority program (Group 1), property-related costs, personnel expenses (payroll, benefits, payroll taxes), and fees to artists make up 74% of all expenses, with the remaining 26% for marketing, contracted services, general administrative expenses, exhibitions or performances, publications, hospitality, and other costs combined. [Fig. 5.1]

Fees to artists

Fees to artists include direct payments (rather than the value of non-monetary support provided) and only those separate from payroll wages and salaries. Under this category, we include stipends to artists-in-residence, fees to artists as instructors, honoraria to artists as jurors, and other payments. In reality, the number of fees to artists is higher than indicated here, as some organizations combine payments to artists for services within all contracted services.

One-third of all fees to artists are in the form of stipends to artists-in-residence, ranging from $50 to $500 a week. In Groups 1 and 2, 47% of organizations surveyed provide stipends to some or all artists-in-residence; in Group 3, 40% provide stipends. And while some organizations have reduced stipends in recent years, the field wants to do more to provide direct monetary support to artists, focusing many fundraising activities — residency sponsorships, scholarship funds, and other initiatives — on increasing stipends to artists. Among those organizations already offering stipends to artists-in-residence, 62% indicate further increasing stipends to artists is a high priority ("essential" or "very important"). Among organizations currently providing residencies for free but not offering stipends, 44% indicate adding stipends for artists is a high priority.

The amount of stipends is largest in Group 2 — those organizations indicating the residency is the priority program, though not necessarily the only program. Organizations in this group are more likely to provide free residencies and/or offer stipends to more artists and larger stipends per artist, as they have other programs that develop revenue for the organization. Stipends to artists-in-residence make up 9.5% of all expenses in Group 2, compared to 6% in Group 1 and 3% in Group 3.

These organizations are looking for other ways to offer financial support to artists as well. At Archie Bray Foundation for the Ceramic Arts in Helena, Montana, for example, financial support for artists is embedded within all the organization’s programs. Concerned with the financial sustainability of its resident artists, the organization successfully raised funds recently to offer financial support for all its artists-in-residence. Long-term resident artists receive a $5,000 fellowship, and all summer resident artists receive $700 to $800. The Bray also offers exhibitions in its three gallery spaces so the artists it serves have a venue for showing and selling their work, and employs resident artists as instructors for the Bray’s education program.

For further exploration of expenses, see “Property + Facilities,” “Personnel,” and “Liquidity, Capital + the Struggle to Break Even.”
PROPERTY + FACILITIES

The following section explores the physical infrastructure of artist residency centers — buildings, land, and equipment — and its impact on organizational sustainability. We address infrastructure as more than its value on a balance sheet or even the resources required to maintain property, but also how it supports or inhibits an organization's ability to fulfill its mission.

Among all organizations surveyed, 82% own facilities of some kind — with resident housing, studios, and offices making up the majority of these spaces. Of these, 11% are also leasing space and 4% plan to purchase additional facilities in the next five years. More than half (55%) of all organizations surveyed own land as well — in total, over 45,000 acres, or twice the size of Manhattan. Among organizations owning property, 25% have property-associated debt, equal to 44% of gross fixed assets (value less depreciation) on average. Ten percent of these organizations owe more in property-associated debt than the value of their net fixed assets.

Of those organizations that do not own facilities, 83% lease space and one-third use borrowed or donated space, with an additional 15,000 acres of land. Nineteen percent of these organizations also have debt associated with their property, equal to 44% of net fixed assets. More than three-quarters (78%) have no plans to purchase space, and only 11% expect to buy facilities in the next five years. Three percent of all organizations surveyed rely entirely on borrowed or donated space with no plans to own their own facilities. Of all organizations that do not own their buildings or grounds, two-thirds are responsible for maintaining and renovating them, with property-related expenses actually higher among organizations that do not own their own facilities.

Not included in this data are the more than 50 artist-in-residence programs run by the National Park Service, which operate out of federally-owned facilities around the country on tens of thousands of acres.

Among all organizations in Group 1 (those indicating the residency program is a priority program), 20% of all annual expenses are related to property, including occupancy costs (rent/mortgage, mortgage interest, and utilities, for example), maintenance/repairs, equipment, property taxes, property-related insurance, and depreciation. (Fig. 6.1) While many of these costs remain fairly steady from year to year, maintenance/repairs and equipment purchases decline in years organizations reduce their budgets, raising concerns about the long-term impact — and cost — of deferred maintenance and an organization’s ability to best serve its artists with aging equipment and space. Equipment costs vary widely among all organizations surveyed — from $50 to $50,000 in a given year — as some residency centers offer a low-tech environment with little specialized facilities or tools, while others maintain digital media labs, printshops, recording studios, theaters, kilns, glass-blowing studios, or other spaces requiring significant investment in equipment.

Property taxes
As indicated in Fig. 6.1, a small percentage of overall property-related expenses include property taxes. Of those that own their buildings and/or grounds, 22% of organizations pay property taxes or PILOTS (payments in lieu of taxes) to local, county, or state governments. Most organizations paying taxes on property they own are taxed on just a portion of the property — buildings used for employee housing, for example, undeveloped grounds designated as agricultural land, or other property not deemed for “charitable use.” While the amount of taxes currently paid is relatively small, losing property tax exemptions would be devastating to the field, with more than 20% of organizations indicating they may be forced out of business and another 32% indicating they would likely sell land or property and face programmatic and financial uncertainty. Several residency centers have gone out of business in the past after their property tax exemptions were revoked, and the field has very real concerns about the erosion of tax exemptions for nonprofits. “We do not have a property tax exemption for our residency house and probably won’t be able to get one under our current form of operation,” says one residency director. “Our state is starting to challenge tax exempt status of nonprofit organizations, particularly hospitals, and there are long-term implications for the rest of us.”

Several nonprofit organizations operate residency programs on National Park Service property — including Headlands Center for the Arts and Weir Farm Art Center — and these are included in this data.
property tax exemptions. “While some community members have made off-handed remarks, we haven’t been threatened in any official way,” says one director. “We try to communicate with the area officials and the community at large about the fact that the organization is really an economic engine in the region, paying over $1 million to local personnel and vendors each year. Those who are thoughtful are appreciative of the role we play in the economy and aren’t prone to engage us in a long battle regarding tax exemption.” But even large organizations with obvious contributions to the local economy have faced property tax troubles. In 2005, the Town of Peterborough, New Hampshire, challenged The MacDowell Colony’s tax-exempt status and the organization spent two years battling the town in court, during which time the Colony paid out an additional $93,000 in property taxes, in addition to legal fees. The town’s primary objection was that MacDowell did not serve a public good, and the case hinged on whether residency programs contribute to society at large rather than simply the select artists they serve. Many artists came to MacDowell’s defense, including writer and Colony Fellow Micah Garen, who wrote, “While art may be valued in our society, the process of creating art is rarely supported. Artists struggle to find inspirational and nurturing places to create art. A creative haven is rare, and where it exists, must be protected.” The State Supreme Court ultimately ruled in MacDowell’s favor, with Justice Gillian Abramson writing, “For society to enable the production of art, it must necessarily support the artist. Art does not appear from thin air. It is created by an artist…. Charitable institutions, such as MacDowell, that are aimed towards enabling artists to significantly contribute to the well-being of our society should be supported, not discouraged. By fostering the creation of the arts,” artist residency programs serve “a charitable purpose for the benefit of the general public.”

MacDowell’s property tax case was not the first to be brought against an artist residency center, nor the last. With more than $250 million worth of land and facilities owned by those organizations surveyed, organizational sustainability must include the ongoing articulation of the value artist residency programs (and artists in general) contribute to our local communities and our society as a whole.

Asset or albatross?

In a field known for its historic buildings, quirky spaces, and magnificent settings, these properties are often a blessing and a burden. Of organizations responsible for the upkeep of the space in which they are housed, 59% maintain as their primary facility buildings over 100 years old. Another 11% maintain facilities from the 1910s and 1920s. This means 70% of organizations will be maintaining 100-year-old facilities by the end of the next decade. Another 6% maintain as their primary facility buildings from the 1930s, 1940s, and 1950s; 12% from the 1960s, 1970s, and 1980s; and just 5% from the 1990s and 2000s. [Fig. 6.2] “I know what it says on the balance sheet,” says the director of one residency center with aging facilities, “but sometimes I feel like this property is more of an albatross than an asset.”

It is no surprise 65% of organizations indicate raising funds to improve existing facilities is a high priority (23% indicate “essential,” 42% “very important”) for long-term sustainability. In fact, improving facilities ranks third of all priorities, just below developing cash reserves and endowments. (It is worth noting many of the organizations including cash reserves and/or endowments as a top priority cite the need for these funds in order to support the upkeep of property, meaning that improving existing facilities ranks even higher.) More than half of all organizations also indicate acquiring or improving equipment (presses, pianos, digital media labs, kilns, etc.) is a high priority. Acquiring new facilities, on the other hand, ranks last, with just 30% indicating they would spend funds to buy, build, or lease new space.

Leveraging historic sites

Hundreds of artist residency centers are located in or on historic properties, and many have been officially designated as such. Of organizations surveyed, 34% are on sites listed on the National Register of Historic Places and 9% are part of historic districts. For the Woodstock Byrdcliffe Guild in Woodstock, New York, for example, the 300-acre site is designated as a historic site, the building complex is on the National Register of Historic Places, and the campus is within the greater Byrdcliffe Historic District.

While maintaining historic properties is costly and challenging, organizations may be eligible for government funds when restoring, preserving, and maintaining such designated sites. Many government subsidies are underutilized, however, as propertyholders are not always aware of what is available or how to take advantage of subsidies.

Historic tax credits are one example of government subsidies available to organizations and individuals renovating historic properties. Qualified historic buildings renovated according to historic standards may be eligible for a federal tax credit equal to 20% of the allowable cost of the renovations; some states offer tax credits as well. Upon successful completion of a project, the tax credits are issued and can be used to reduce income taxes dollar for dollar. Typically, the property-holder sells the tax credits to an investor who can use the income tax credits; the property-holder then uses the proceeds from the sale to offset the costs of the development.
For example, if the total allowable costs for a renovation project are $5 million, the 20% federal income tax credit would amount to $1 million. An investor may pay $0.90 per federal credit, yielding $900,000 to the property-holder. In Rhode Island, a 25% state tax credit amounts to another $1.25 million, and an investor may pay $0.80 per credit, yielding an additional $1 million. These combined tax credits would provide $1.9 million in equity to the property-holder, reducing renovation costs by nearly 40%.

AS220 in Providence, Rhode Island—a community arts space and artist residency center—has made extensive use of state and federal historic tax credits and historic grants. The tax credits, coupled with other financing sources, have made it possible for AS220 to re-develop three severely blighted and almost entirely vacant buildings—Empire Street, The Dreyfus, and The Mercantile—into award-winning preservation projects in the heart of Providence’s historic downtown.

The first of these projects was Empire Street, which AS220 purchased in 1993 after years of renting space elsewhere. The 21,000-square-foot building was in deplorable condition and unfit for occupancy. With a bare-bones budget, the organization initially focused on code compliance and a very simple build-out of the space. Ten years later, AS220 launched a $1.75 million capital campaign to address years of deferred maintenance and fund the redesign of several spaces in order to better serve the organization’s programmatic needs. AS220 took advantage of a progressive state historic tax credit equal to 30% of the qualified cost of the rehab work, and the sale of the state tax credits generated approximately $475,000. In addition, a preservation grant of $300,000 was awarded by the Rhode Island Historical Preservation and Heritage Commission for facade improvements. Lastly, the Providence Revolving Fund—an agency providing loans, grants, and technical assistance for the renovation of historic downtown buildings—provided a $20,000 storefront grant.

Soon after the renovation of Empire Street, AS220 purchased the Dreyfus. Located on Washington Street and originally built in 1890, the building had a long history as a hotel, lounge, and restaurant serving the bustling downtown theater district and travelers coming from the nearby train station. From 1975 to 2000, the building was used as a dormitory by Johnson & Wales University. AS220 purchased the vacant Dreyfus in 2005, and the adaptive re-use of the building was undertaken as a historic preservation project to bring new life to the exquisite architectural details—terra cotta ornamentation on the exterior, stained glass windows, and ornate interior woodwork—and to the neighborhood. The street level includes an upscale bar and restaurant (with a restored pub on the building’s lower level which was once a speakeasy) and a gallery which is run by AS220. Upper floors were converted into 14 affordable residential studios and five work studios for artists, as well as AS220’s offices. The renovations, completed over 18 months, cost $7.8 million and the building was fully occupied upon completion in 2007. Federal and state historic tax credits provided approximately $2.85 million toward the project. The Providence Revolving Fund again provided a $20,000 storefront grant; New Markets tax credits net $830,000; and the remainder of the project costs were subsidized by several affordable housing grants, sponsor equity, and $1.5 million in debt financing.

“The resulting body of work is an artful illustration of how artistic creativity, innovation, and historic preservation can combine to effect the revitalization of a community without losing its soul in the process.”

In 2008, AS220 purchased its third downtown building, the 50,000-square-foot Mercantile Block which directly abuts the Dreyfus. This turn-of-the-century building was built as a commercial block in 1901, housing a variety of small businesses. In recent years it was the home of a local printing company. AS220’s $13.5 million rehab developed 22 new affordable residential studios on the upper floors. On the second floor are 11 studios providing affordable space for other nonprofits, individual artists, AS220’s community print shop, and AS220 Labs—a computer fabrication and technology collaboration with MIT. On the first floor, the one-of-a-kind local retail includes a bar, Mexican restaurant, and locksmith as well as AS220 program space. The building was 100% occupied by the end of 2011. Federal and state historic tax credits provided approximately $4.2 million and the project received a $400,000 storefront grant along with a bridge loan from the Providence Revolving Fund. New Markets tax credits accounted for almost $3 million; remaining funding was composed of affordable housing grants, sponsor equity, and almost $3 million in debt financing.

The National Trust Community Investment Corporation, a subsidiary of the National Trust for Historic Preservation, has facilitated most of the historic and New Markets investments—amounting to close to $9 million for AS220 at the Dreyfus and the Mercantile. Erica Stewart, outreach coordinator for the National Trust’s Community Revitalization Department, says of the Trust’s support of AS220, “The resulting body of work is an artful illustration of how artistic creativity, innovation, and historic preservation can combine to effect the revitalization of a community without losing its soul in the process.”
who cannot obtain space to exhibit or perform from traditional sources because of financial or other limitations.” Known for its uncompromising values and insistence all business partners buy into the organization’s “uninjured, uncensored” spirit of openness and equity, AS220 has demonstrated the organization’s ability to live up to its promises one building at a time by restoring property, revitalizing the neighborhood, engaging the community through its programs, and providing a safe, beautiful, welcoming space for all.

**Environmental stewardship**

In addition to preserving historic facilities, artist residency centers also have a long history of environmental stewardship, balancing dual missions to support artists and to protect the land on which their programs are situated. The mission of the [Sitka Center for Art & Ecology](https://www.sitkaartandecology.org) in Otis, Oregon, for example, is to “expand the relationships between art, nature, and humanity.” The Sitka Center offers workshops, residencies, and community events, while maintaining a facility appropriate to its needs in harmony with its inspirational coastal environment near Cascade Head and the Salmon River estuary.” Similarly, [A Studio in the Woods](https://astudiowoods.org) in New Orleans, Louisiana, is “dedicated to preserving the endangered bottomland hardwood forest and providing within it a peaceful retreat where visual, literary, and performing artists can work uninterrupted.”

Many new organizations are also addressing intersections between art-making and ecology, and developing revenue sources that reflect this focus. [Madróño Ranch: A Center for Writing, Art, and the Environment](https://www.madronoranch.org), in Medina, Texas, for example, has three inter-related purposes “inspired by the rhythms of the Texas Hill Country” – as a working ranch and farm providing organically grown food to local consumers, as an artist residency center where environmental writers and visual artists work in seclusion and in community with each other, and as a model of sustainable practice to benefit the local community and “serve as a source of nourishment both literal and metaphorical.” As a for-profit / nonprofit hybrid, Madróño Ranch seeks to integrate environmental and organizational sustainability, considering how the business of the ranch and the mission of the residency program can complement each other. “We are witnessing a radical shift in thinking about the nature of commerce,” says co-founder Heather Kohout, and “there is a fruitful overlap between the arts and business beyond the mere sale of art objects.”

As with the [Institute for Sustainable Living, Art & Natural Design](https://www.isladanyc.com), other residency centers look to the local bounty to connect artists with a sense of place and foster a deeper understanding of the connections between nature and community-building. At [Wild Rose Farm](https://www.wildrosefarm.org), for example – an artist residency center and organic farm outside Toronto, Ontario – the residency program is subsidized by revenue from the farm, which also provides fresh, organic food for the artists’ meals. The [International Sonoran Desert Alliance](https://www.isda.org), in the former copper-mining town of Ajo, Arizona, combines economic development, cultural preservation, and environmental conservation through a variety of programs, including an artist residency. Among its many projects, the ISDA is developing gardens and food-related businesses to support job creation in the local community, provide food for its residents, and bring greater awareness to the fragile eco-system of the Sonoran Desert.
Some organizations are focusing on energy conservation, with a few noting recent success in raising capital funds to address environmental concerns. “We have been talking with our local electric provider to assess our electricity usage to maximize efficiency, and we have received a grant from a local foundation to install a solar hot water system, saving us $2,000 a year by three years’ time,” says one residency director. Not all environmentally-conscious decisions are financially advantageous, however. Conservation easements represent one such choice, challenging organizations to weigh environmental protections against potential future financial gain. Among all organizations in Group 1 that own land, 11% have placed some or all of it – forests, wetlands, endangered species habitats, beaches, scenic areas, etc. – in conservation easements with land trusts. Conservation easements allow property owners to maintain ownership of the land while permanently limiting some or all future development of the property, by donating the rights to the land to a qualifying government agency or conservation/preservation nonprofit, such as the Nature Conservancy. The conservancy is responsible for enforcing the terms of the easement in perpetuity, while the landowner can be assured the property will be protected forever, regardless of who owns the land in the future. The landowner retains full rights to control and manage the property within the limits of the easement, and continues to bear all costs and liabilities related to ownership of the property. The conservancy monitors the property to ensure compliance with the easement’s terms, but has no direct control over other activities on the land.

Ox-Bow in Saugatuck, Michigan, for example, donated 80 of its 115 acres to the Land Conservancy of West Michigan. The arrangement has created a partnership between Ox-Bow and the Land Conservancy, with the two organizations coming to agreement on what development rights were limited by the easement and what would still be permissible. The Conservancy has also assisted Ox-Bow in managing the property when there have been environmental concerns – such as removing invasive plant species – through the Conservancy’s expertise, staffing, and resources. Located in a popular tourist area near the shores of Lake Michigan, Ox-Bow has long advocated for the protection of other local property in the face of widespread development. Placing the majority of its own land in a conservation easement was one way to demonstrate Ox-Bow’s commitment to land preservation that has resonated with others in the area.

Ox-Bow’s easement exemplifies the potential friction between mission and money many organizations face. On the one hand, the easement means the physical character of Ox-Bow as a natural haven – which is such an essential part of Ox-Bow’s campus and its organizational culture – will be preserved, and the historic property in a rapidly developing area will be protected forever. On the other hand, the easement eliminates Ox-Bow’s ability to sell the land to developers should the organization face a future financial crisis. “I knew when I signed the easement agreement that selling off even ten acres for development may have yielded a few million dollars for the organization,” says Ox-Bow’s executive director, Jason Kalajainen, “but it’s the right thing to do – for the land, the community, and Ox-Bow.”

Partnerships for space

In the quest for organizational sustainability, some are forgoing property altogether. “We don’t own anything,” says Sara Coffey, director of Vermont Performance Lab in Guilford, Vermont. “I have space envy sometimes when I hear about other residency centers, but not having our own space means I can put all our resources into the program and into supporting the artists.” This practice also means VPL can be responsive to the needs of their artists-in-residence on a case-by-case basis. “We figure out with the artists in advance what they might work on while they are here and what kind of space they might need. Then we can find those spaces in the community to use for free or very little money.” Artists are often surprised at the abundance of space in VPL’s small, rural community. “But actually we have so many great facilities,” says Sara, from grange halls to covered bridges to community centers, as well as a professional recording studio with which VPL regularly partners. This approach reflects VPL’s mission “to take creation of new work beyond the walls of the studio and into the community by fostering experimental approaches to research and performance.” “It’s not for everyone,” says Sara, “but it really works for us.”

Like Vermont Performance Lab, many other organizations are exploring alternatives to owning or maintaining their own space. The trend speaks to many practical concerns – the cost of purchasing, building, and maintaining space, for example, as well as the availability of many vacant commercial, industrial, and residential properties. But there are philosophical motivations as well – a preference for less institutionalization and more alternative organizational structures, an interest in collaboration through shared space, skepticism toward the “old school” approach to developing infrastructure that gives preference to permanence (buildings and endowments, for example) over flexibility.

Many of the organizations moving from space to space echo Sara from Vermont Performance Lab, in benefiting from the flexibility and responsiveness it enables. But this cohort is quick to recommend finding a consistent set of partners for rented or donated space so the organization can anticipate how well the facilities will serve the artists. “As a nomadic residency our facilities are ever changing,” says one director. “We no longer have the funding to rent the places we would like for our residents and
Since its inception in 1997 at the World Trade Center, LMCC’s artist residency programs have provided hundreds of visual, literary, and performing artists with studio space in some of the city’s most noted landmarks, turning more than 300,000 square feet of vacant real estate into studio, rehearsal, and presentation space for artists. The adaptive and mobile strategy works for LMCC’s public programming as well, allowing the organization to hold events, performances, exhibitions, and workshops according to the needs of the community. Having successfully operated this way for so many years, the activation of temporarily vacant space has become a significant part of LMCC’s brand. LMCC’s ability to transform space of any kind for use by artists has also positioned the organization for new opportunities, such as the development of Building 110: LMCC’s Arts Center at Governors Island, in partnership with The Trust for Governors Island. The historic former army warehouse on the island’s northern shore has been transformed into a multi-use arts facility for the development and presentation of new work, with 20 visual arts studios, two rehearsal studios, and an exhibition space, all with sweeping views of the Lower Manhattan skyline and New York Harbor. During the first season at Governors Island in 2020, LMCC served more than 40 visual artists and 23 performing arts groups in residence; held three unique exhibitions, four major open studio events, and 12 performances; and welcomed over 10,000 visitors.

**Capital funds + building reserves**

For those organizations responsible for their own facilities (either by ownership or through lease agreements), raising funds for repairs and renovations is especially challenging. "We are really struggling to match a $300,000 construction grant and have found it almost impossible," says one organization. "We are continuing our restoration but in little fits and starts."

Ten percent of organizations have conducted capital campaigns in the last five years, though such campaigns rarely include an adequate reserve fund for maintaining property over time. "Our current capital campaign only includes money for the renovations themselves, without additional reserve funds," says one residency director. "On smaller projects in the past we have added a 10% maintenance reserve, but given how hard it is to raise major bucks these days we didn’t add it this time. We’re two-thirds of the way to our goal after three years, and while I am confident we will pick up the remainder of the money, it has been a slow, difficult march this time around. If we go over our campaign goal, a maintenance reserve is certainly where the money will go."

The Kresge Foundation in its 2011 report, A Guide to Building Reserves, recommends "A comprehensive capital campaign (or other fundraising strategy) will include physical development costs, costs of moving and furnishing the facility, transitional operating funding to help the organization adapt to higher annual maintenance costs and, often, seeding a building reserve.... While a common impulse is to disregard the need for reserves for a new or newly renovated facility, assuming that there will be no immediate need for reinvestment or repair, this is not an accurate assumption. New system components may put pressure on other elements previously thought sound; brand new equipment can fail and need replacement pending warranty claims, or some other unanticipated emergency can strike."

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Square Feet Chicago, a service of Chicago Artists Resource assisting artists and arts organizations in navigating all the considerations of acquiring space, recommends before launching a facility project organizations should have debt equal to no more than 20-25% of its assets, a positive unrestricted fund balance, and three or more primary sources of revenue; and should not have a consistent history of cash flow problems or deficits. Square Feet Chicago also encourages organizations to forecast budget needs for the first two to three years in a new building so adequate reserves can be planned for, before moving forward with a project. The Kresge Foundation’s report affirms the “creation and observation of building reserves and reserve policies have not been common practices among arts and culture organizations.... At a minimum, an organization without a building reserve but with ownership responsibility for a facility must maintain higher-than-normal working capital levels, to have the ability to respond to an unexpected call on capital.”

Indeed, 68% of residency centers indicate a building/facilities reserve fund is a high priority (“essential” or “very important”) for the long-term sustainability of their organizations. And yet year after year, residency centers stress their facilities are under-maintained and the organization is for an unexpected building repair or major equipment replacement. Of all organizations in Group 1, only 20% currently have capital reserve funds while the rest rely on one-time contributions and cash on hand to cover capital expenses. The ideal — or even minimum — amount of capital reserves varies widely from organization to organization, depending on the status of existing facilities, depreciation schedules, plans for replacing property and major systems, programmatic capacity, and other factors.

“At a minimum, an organization without a building reserve but with ownership responsibility for a facility must maintain higher-than-normal working capital levels, to have the ability to respond to an unexpected call on capital.”

Making a place for artists

Many residency founders begin with a space and then develop a program, which is often a successful way to repurpose existing assets but can be constraining as well. A good number of residency facilities are adapted from buildings originally intended for other use — warehouses, castles, churches, barns, and train depots — and while artists are remarkably adept at working in unconventional spaces, there are real infrastructural challenges for organizations and artists alike. For example, the electrical grid, ventilation systems, fire safety, or weight-bearing loads required by some art forms can necessitate extensive (and expensive) retrofitting of facilities not originally built for that use. Some residency centers rely too much on artists’ ability to “make do” with what’s available, sacrificing quality — and even safety — of a space because of limited resources. “Barns are charming,” says one dance artist, “but it’s difficult to work when you’re contending with bats and dirty floors and all the challenges that come with that kind of space. There’s really no substitute for a proper studio.” One artist writes of his surprise at “the inspiration derived from the sense of a fresh start that a clean, empty, and beautiful studio affords.... The fact of a pristine studio ready to be enacted upon was enormously stimulating and generative of new thoughts and ideas and experiments.”

Many organizations maintain a low-tech residency program, offering spare, multi-purpose space suited for artists who do not require specific equipment beyond what they can bring themselves. That so much work is done on laptops today means the hundreds of residency programs taking this low-tech approach can still provide support to artists working in both traditional and new genres. The facilities themselves still require upkeep, but the organization forgoes the costs of repairing presses, tuning pianos, maintaining large-format printers, purchasing up-to-date software and computers for digital media labs, installing new lighting grids in theaters, and other equipment-related expenses.

Whether low-tech or state-of-the-art, many organizations indicate their property-related expenses focus on just preventing the buildings from falling down or equipment from failing, while worrying they are not keeping up with the needs of artists and changes in art-making — for example, more collaborative work, interdisciplinary art forms, art making use of rapidly-changing technology, and creative practices that blur process, product, and presentation and depend as much (or more) on audience as on solitude — that have real implications for physical infrastructure.

Some of the challenges are logistical: do we have a studio space big enough to accommodate four collaborators? Others raise philosophical questions: do we even want to provide wireless internet access, acknowledging many artists need to be online to conduct research, communicate with collaborators, and stay in touch with families, but also believing in the value of unplugging, of offering the gift of a natural landscape and time away from other demands?

While many administrators imagine how they might do things differently if they were developing the property anew, few have the opportunity — for better or worse — to do just that. Starting in the 1930s, the property that would become Dorland Mountain Arts Colony in Temecula, California, was a peaceful retreat for visual artists, writers, and composers, intended to nurture the land and the creative process in a kind of harmony. The Nature Conservancy, which held the land in stewardship from 1974 to 1988, designated the site as a nature preserve. When the Conservancy deeded the property back to Dorland, it was with the restriction that it be protected from development in perpetuity. A habitat for unique plants and wildlife, Dorland is also recognized as a Native American burial ground and considered sacred by neighboring tribes. One hundred miles from Los Angeles and just 30 miles from the coast, the 340-acre site served as an artist residency center for decades while rapid development filled in the surrounding areas. Nestled into a mountain ridge and functioning off the grid, Dorland offered an alternative: "A long quiet days at the work table, lamplight suppers, the hoots of owls, and morning sun edging over the mountain," a former artist-in-residence and Dorland board member, Julia Gibson, writes. Its intentional remove from otherwise chaotic physical and personal landscapes was always core to Dorland’s mission and character. "As the technological clutter of our lives becomes ever more intrusive, and the mall culture almost universal," writes board president Curtis Horton, "Dorland has offered a respite, a retreat, a literal wellspring for the creative impulse."

Then in 2004, a wildfire swept through Dorland, destroying all ten buildings. For an organization of environmentalists, the natural destruction was especially bittersweet. "Nature, aided by the light and sure touch of Robert and Ellen Dorland, produced a simple heaven of oaks and spring-fed pools surrounded by 300 mountainous acres of classic California chaparral," writes Curtis. "Capriciously, in an otherwise minor wildfire by local standards, the same chaparral that breathes year-round life and beauty into Dorland suddenly took it away."

Already operating on a shoestring budget, the board of directors wondered how to rebuild. And if they could rebuild, would it change the essential character of Dorland? "After the fire, I felt sure that Dorland was over for me," says Julia. "I’d had three transformative residencies. The land and light were in my marrow. But how could a rebuilt Dorland be the enchanted place it had always been?" In addition to raising the necessary funds, Dorland’s challenge lay in how to make some must-needed improvements to the property — turning the former narrow washboard road into a 30-foot wide pass with drainage ditches and culverts, for example, and installing a 12,500-gallon tank providing water for hydrants and an irrigation system for the native plants that will prevent erosion on the fire-ravaged slopes — while maintaining the original vision of Dorland (not to mention the environmental and historical integrity of the site).

Dorland turned to the artists who, like Julia, had been touched by their experiences there. But the artists alone could not provide for Dorland’s rebuilding. For an organization in so many ways about seclusion, Dorland needed to demonstrate its relevance to its community, and found new support from locals that share the organization’s values. "The loss of the first Dorland has awakened the young, explosively-growing community in nearby Temecula Valley to the value of this cultural jewel on its doorstep," says Curtis. "For an arts-hungry community, with precious little real connection to its historic California roots (Temecula’s post office was only the second in California), Dorland provides a living, a reminder of what drew people to California in the first place, and why this still-extraordinary place inspires such creativity in all the arts." Rebuilding also gave Dorland the opportunity to develop something it never had before — a community performance and open studio space “to give the public a new window onto the creative process, its relationship to nature, and its value to restore the spirit being crushed by so much in our everyday experience," says Curtis.

There was much work to be done, physically and financially. A leadership gift in 2006 enabled Dorland to begin the planning process, inventory its financial resources, and establish new goals. Dorland conducted a feasibility study to assess the organization’s readiness to launch a capital campaign. The new community house was envisioned at this time, making use of strawbale construction and solar energy, and architectural plans were drawn for eight new artist residency cottages and an art barn. An arborist was hired to clear out all the fire-damaged trees and branches. Aerial and topographical surveying, percolation and soil testing, and many other essential steps were conducted. County codes were checked and checked again as Dorland planned for the installation of water tanks and fire hydrants. The site was graded and foundations were prepared for the ten new structures. "Our first post-fire event at the site was an afternoon gathering of potential supporters to show off the work done to date," says Julia. "I’d been told foundations had been poured for two new cabins, but when I stood on the concrete slab where Horton’s once stood, I was overcome.... A large white tent had been put up on top of the slab for the event, so it was easy to imagine walls, windows, roof, a rocking chair on the porch.... We toasted days and nights to come."
During the capital campaign and rebuilding process, Dorland has held off-site community events throughout the Temecula Valley—six-week drawing and painting workshops for at-risk teens, poetry workshops for young adults, and chamber music concerts. The programming has raised much-needed funds for Dorland, demonstrated Dorland’s commitment to the local community, and given the public a sneak preview of what a new community house at Dorland could offer. Two endowment funds have been established—one for operations and one for sustaining the facilities and grounds.

It continues to be a difficult process to rise from the ashes. “In spite of significant contributions, the tremendous costs of satisfying government requirements for rebuilding and fire safety have drained our resources to the near breaking point where even our shoestring budget is strained,” says former executive director Karen Parrott. Fire insurance proceeds were used to clear debris from the site, prepare for structural rebuilding, widen and pave the half-mile access road, and pour foundations, but were not enough to build the new structures. Each residency cottage would cost around $75,000, and Dorland was left with an enormous fundraising task.

“As the technological clutter of our lives becomes ever more intrusive, and the mall culture almost universal, Dorland has offered a respite, a retreat, a literal wellspring for the creative impulse.”

The fire also destroyed Dorland’s records of previous residents. “With the constant and loving generosity of time and talents from our staff and volunteers,” says Jill Roberts, Dorland’s colony manager, “we have created new databases to keep our followers up to date.” The necessity of recreating everything from scratch has given the staff and volunteers an opportunity to develop more efficient administrative processes, and the organization is now using social media to reach out to past and future artists-in-residence.

Dorland re-opened its residency program in May 2009, five years after the Eagle Mountain Fire, welcoming back during its first year artists who had been in-residence previously. While earlier plans had called for ten new buildings, now only eight are planned, and just two have been built. But even with two live-work cottages, Dorland has been able to return to its core programming, albeit on a smaller scale. “Once the residents arrive at Dorland, they are now greeted with two new well-insulated cottages with electricity, lots of windows, a full bathroom and bedroom, and a kitchenette with cooking and dining area included in the large open work room. Each cottage also has a wood-burning enclosed fireplace for heat,” says Jill. “Although the facilities are all new, the land has beautifully regrown its signature chaparral, flora, and fauna surrounding the colony. The original oak grove endured the fire and is back in bloom and growing abundantly. The breathtaking views across the Temecula Valley’s wine country are still there, along with the quiet and solitude Dorland offers for its residents’ working retreats.”

Dorland expects to be operating at full capacity in 2012, with the two residency cottages filled throughout the year. And despite not yet having a community house, Dorland has begun holding open houses in the existing studios, welcoming the local community and sharing the creative process. “We have been providing private and group tours of the grounds and facilities,” says Jill, “inviting people to the colony for Open House events, and spending time at other venues sharing the news that Dorland is excited to be back in business.”

While Dorland’s story appears unique, it resonates with other residency centers citing the tremendous costs associated with any new construction or major renovations, even for spare, low-tech facilities. Many of Dorland’s unexpected costs have come from compliance with new fire-management regulations. Meeting new building codes and zoning requirements can also be particularly challenging for organizations operating in older buildings. Some residency directors express concern that if they begin any significant work on their properties, they will be required to bring facilities up to modern standards the organizations cannot afford.

Dorland’s story also demonstrates the importance of working in phases, when possible, rather than all-or-nothing construction projects. Many new residency centers have begun in this way, allowing for programming to start on a smaller scale while the organization continues to fundraise and/or plan for the next phase. Prairie Center of the Arts in Peoria, Illinois, for example, began its residency program in 2003 within an underutilized portion of a 90,000-square-foot factory building housing Tri-City Machine Products. The owners of Tri-City Machine, Joe and Michele Richey, founded Prairie Center of the Arts to provide artists with opportunities for research and development of new work, and to provide an accessible facility for art and creativity embracing the Peoria community and offering equipment and new technologies not currently available to the general public. Tri-City Machine donates space to Prairie Center, which allowed the organization to launch its residency program with limited expenses in the first few years. An additional 6,000-square-foot space in the Tri-City Machine building has been converted into a gallery, with another 15,000 square feet of raw space available for large-scale installations, events, and performances.
In the beginning, the residency supported local artists at first or artists who were visiting-faculty at nearby Bradley University, since Prairie Center did not have housing for artists-in-residence. Then in 2007, Prairie Center purchased a five-bedroom house in nearby Germantown Hills, enabling the organization to host artists-in-residence from outside Peoria and to develop an internal community of artists who live and work together during their residencies, which can last from two weeks to a year. The purchase of the house expanded Prairie Center’s programmatic capacity as well. While the studio space at Tri-City Machine has always been geared toward visual artists, the house provides workspace to other kinds of artists — writers and composers, for example. In support of these artists, Prairie Center bought two digital pianos and made sure residents who would be working from the house would have ample space in which to work.

By the time the house was purchased, the organization had established a reputation in the community, was beginning to make a name for itself regionally and nationally, and had hired a part-time program director. Working one phase at a time continues to be a critical part of Prairie Center’s plans. “It’s not an easy path; it’s more of a ‘let’s see what happens’ path,” says Michele. This phased approach has allowed Prairie Center to test different strategies over time before committing to major expenses. For example, the organization just purchased a van to transport artists between the house and studios so artists are not required to have their own cars while in residence. And in early 2012 the organization will welcome a new program director who is also an artist and will have a studio at Prairie Center.

Prairie Center artists, and other employees from Tri-City Machine and local master printers have gotten involved to work with artists-in-residence. Michele and Joe are considering what else Prairie Center might be able to offer its artists-in-residence and the local community, ever mindful of how few resources artists have access to once they graduate from school.

By benefiting from so many of the services and physical resources of Tri-City Machine, Prairie Center is able to focus more on its programs, on connecting artists-in-residence with the local community, and on developing partnerships. Other residency centers hosted by a parent company or under the umbrella of another institution echo these advantages, citing access to space as well as the reduction of staffing needs, fundraising, and other operations.

Providing specialized facilities and equipment is critical to the mission of many organizations. Whether focusing on state-of-the-art visual arts studios, music recording equipment, or dance and theater production facilities, the property costs of these residency centers include much more than just the buildings and grounds. Archie Bray Foundation for the Ceramic Arts in Helena, Montana, for example, was created to offer, “for all who are sincerely interested in any branches of the ceramic arts, a fine place to work.” The “fine place to work” includes classroom and workshop spaces, more than 20 studios for resident artists, dozens of kilns of various size and use, a glaze lab, spray booth, woodworking and metal fabrication equipment, community kitchen, meeting room, computer lab, library, and much more. Providing high-quality and specialized facilities requires significant resources, which is offset by tuition to workshops and classes, income from its clay business and gallery, an annual auction, and contributed revenue. There is no cost to resident artists, other than materials (which are subsidized by the Bray) and firing fees.

The Bray is located on 26 acres on the site of a historic brickyard, with some of the buildings built as early as 1883. In 2004, the Bray successfully raised $3 million on a $2.5 million campaign to build new studio facilities for the resident artists and increase the endowment; the building was completed on time and without debt. The Bray’s total property (land, buildings, and equipment) was valued at $1.7 million at the end of 2009, and property-related costs are around $200,000 a year, or 20% of all expenses. The organization holds approximately $2 million in board-restricted reserve funds for operating and capital needs.

Maintaining its property is an ongoing effort. The Bray replaces computers and technology-related equipment every two to three years and in the last two years has developed a comprehensive maintenance schedule. The Bray also has a replacement policy on kilns and designates any surplus funds at the end of the year for repair or maintenance. The organization raised $250,000 in 2009–2010 to upgrade its facilities with energy-efficient kilns. The upgrade enabled the Bray to reduce the firing fees paid by resident artists while also increasing the variety of firing possibilities for artists, such as offering kilns accommodating large-scale sculpture. The Bray is considering how all of its capital improvements can address environmental and energy concerns. “We are currently looking at improvements to our education facilities operating out of a studio building built in 1954,” says Steven Young Lee, Archie Bray’s resident artist director. “In the past three years, we have

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made significant efforts to reduce overall energy use through conservation efforts and facility improvements, and as a result have lowered our energy costs by 5% three years in a row. We hope to make improvements to our lighting systems in the next year and we will continue to look for ways to make the facilities more efficient."

**Accessibility, studio safety + emergency preparedness**

The cost of bringing facilities up to the minimum legal requirements can be high, but doesn’t necessarily end there. Beyond what organizations must do there are also important considerations for what organizations can or should do to provide safe and accessible facilities.

The National Endowment for the Arts, in its *Design for Accessibility: A Cultural Administrator’s Handbook*, makes the case, "In the new millennium, inclusion must be ever present in our vision... Many Americans with disabilities now have the opportunity to create and participate fully in the arts and humanities. Much work, however, remains to be done." The NEA declares "the assurance of equal opportunity for all people to participate in the humanities and the arts should be a fundamental starting point." Yet for many residency centers, the costs and complications of retrofitting older facilities to accommodate artists with disabilities are simply overwhelming. Just 40% of organizations surveyed indicate they have wheelchair-accessible facilities for artists-in-residence, and many of these are located on terrain presenting significant difficulties for people with disabilities.

"It is important for arts organizations to have a vision in their strategic plans identifying priority projects in line with increasing accessibility. Just as important is developing strategies to address the barriers preventing artists with disabilities from realizing they could be included in the first place."

Prairie Center of the Arts considered how they might accommodate artists with disabilities before purchasing their residency house a few years ago. The organization converted the lower level of the house – which previously had two bedrooms, a bathroom, and a laundry room – into an accessible apartment. The space has lots of natural light and a three-season porch, and now includes a one-bedroom suite, a wheel-in shower and heated floor in the main bathroom, a guest bathroom, and an accessible kitchenette; outlets were raised and light switches lowered throughout the floor. The suite also has a private entrance, which required a new driveway, parking pad, and covered entry. The renovations cost $70,000 (not including donated labor) but Prairie Center considered them critical and factored the renovations into the cost of the house, never wanting to have to turn an artist away because of a disability.

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Organizations without wheelchair-accessible sites can consider how they might serve artists with other disabilities as well, for example by making accommodations for vision-impaired artists. "Part of this work is recognizing the importance of consultation with and representation by people with disabilities in the development of an organization’s plan," says Jeannine L. Chartier, executive and artistic director of VSA arts of Rhode Island, part of the international VSA network creating opportunities in the arts for youth and adults with physical and developmental disabilities. VSA affiliates around the world serve as consultants, assisting arts organizations in evaluating accessibility.

**While accessibility considerations often focus on facilities, there are other investments organizations can make as well.** The United Nations has developed standardized symbols representing levels of accessibility for different disability types, for example, and all cultural facilities are encouraged to adopt these symbols in promotional materials and displays. Likewise, the World Wide Web Consortium (W3C) has developed accessibility standards for websites in its *Web Content Accessibility Guidelines 2.0*. "Frequently there is a lack of information in accessible formats about the availability and accessibility of venues," says Jeannine. "Information barriers, such as inaccessible information on opportunities for participation, can be major disincentives for artists with a disability." Regardless of facilities, all organizations can address access and inclusion for artists otherwise underserved.

"It is important for arts organizations to have a vision in their strategic plans identifying priority projects in line with increasing accessibility," says Jeannine. "Just as important is developing strategies to address the barriers preventing artists with disabilities from realizing they could be included in the first place."

Health and environmental concerns are also priorities for residency centers, and there is growing awareness of long-term health risks associated with some art-making practices. Planning proper ventilation, disposal of toxic materials, adequate soundproofing, and other safety measures all need to be factored into the cost of developing and maintaining an art-making facility.
Often, attention to health and safety concerns intersects with risk mitigation. For example, a properly designed dust collection system lessens fire risk as well as addresses health concerns. In renovations and new construction, organizations should consider fire prevention and natural disaster risks such as floods, earthquakes, hurricanes, and tornadoes; enlightened design and materials use may significantly lessen damage in the case of an emergency, while also paying dividends in lower insurance premiums. For the New England Youth Theatre, flood-proofing measures — including installation of low-tech floodgates, a floor reinforced to resist hydrostatic pressure, elevation of HVAC equipment, and installation of backflow preventers — paid off when Tropical Storm Irene dumped massive amounts of water on Brattleboro, Vermont, in 2011, for example. While neighboring businesses were devastated, the Theatre sustained relatively minor damages and was hosting performances within a week.

Emergency preparedness not only protects investments in buildings, equipment, and materials in times of crisis, but also important records and office resources critical to organizational sustainability. CERF+ (Craft Emergency Relief Fund + Artists’ Emergency Resources) provides artists and organizations with the resources and information they need to “cover their A’s” (art, assets, and archives). CERF+’s Studio Protector wall chart and companion website offer a complete soup-to-nuts for artist studios, from preparing for emergencies to responding to an emergency if one occurs. Arts organizations can also consult with ArtsReady to assess their emergency readiness and develop or improve their business continuity plan, with a library of resources on emergency readiness and recovery, information on insurance policies, and an online tool for planning and critical data storage. Whether investing in strategies requiring significant time and resources or making low-tech, low-cost choices, organizations planning for long-term sustainability should consider prevention and preparedness in order to be ready in case of an emergency, respond effectively, and rebound quickly.

There is no one-size-fits-all approach to addressing the space needs of this field — from spare studios to state-of-the-art facilities, from acres of open land to dense urban hubs — though property of any kind requires significant resources for day-to-day operations as well as for long-term viability. Poorly maintained facilities and inadequate planning for maintenance and repairs place organizations at significant financial risk and limit their ability to adapt to and serve the needs of artists. Capital reserves and investment in the quality, health, and safety of facilities are critical for this field, not only for organizational sustainability but also for the ability to fulfill a mission of serving artists with the gifts of time and space.

Property-related resources
ArtsReady
www.artsready.org
CERF+
www.craftemergency.org
Design for Accessibility
www.nea.gov/resources/accessibility/pubs/DesignAccessibility.html
Fractured Atlas’ Art Space Solutions Network
www.fracturedatlas.org/site/technology/spaces
Making Homes for the Arts in Sacred Places
www.sacredplaces.org/what-we-do/arts-in-sacred-places
Square Feet Chicago
www.chicagoartistsresource.org/node/8689
Studio Protector
www.studioprotector.org
VSA
www.vsarts.org
Web Content Accessibility Guidelines
www.w3.org/TR/WCAG
Personnel costs are consistently the largest single expense for organizations surveyed, and include salaries and wages, payroll taxes, retirement plan contributions, and health insurance and other benefits. Among all organizations surveyed, approximately 42% of all expenses are related to personnel, with little difference between those operating a residency as a priority program (Group 1) or the priority (Groups 2 and 3).

Among organizations in Group 1, 63% contribute to healthcare plans and 37% contribute to employee retirement plans. Employee benefits have declined in recent years, however. In 2005, 72% of organizations contributed to healthcare plans and 44% contributed to employee retirement plans. The portion of healthcare plans paid by the organization has decreased as well: of organizations who contributed to healthcare plans in 2005, 55% paid the full cost of the plan; in 2009, just 37% paid the full cost of healthcare plans, while 63% made a partial contribution.

How much of this field is “subsidized by passion,” as Ted Berger describes in his essay? For starters, 16% of organizations surveyed do not have any paid staff, and another 5% spend less than $10,000 annually on personnel costs. Of these, 75% are in Group 3 – those organizations operating primarily as a residency center with little to no other programming. And while 79% of all organizations surveyed have paid staff and more than $10,000 in personnel costs, 40% pay all or most of their staff below the national wage average.

The staffing of this field has improved over the last two decades, with significantly more paid staff (24% of organizations surveyed in 1991 had no paid staff, compared to 19% in 2005 and 16% in 2009) and larger staffs today (from an average of five year-round full-time staff in 1991 to seven in 2009). Total payroll increased 20% from 2005 to 2009, owing to both larger and better-paid staff (while the national wage average increased by 20% over the same time period). But the numbers don’t tell the whole story of operating day-to-day, and many organizations state the leaness of the staff – both in compensation and in numbers – as one of the primary obstacles in the path from surviving to thriving.

More than three-quarters of all organizations surveyed (78%) indicate adding staff and/or increasing salaries and benefits for existing staff is a high priority (“essential” or “very important”). On the other hand, when asked how organizations would respond to a significant deficit, 57% indicate they would cut staff and another 8% indicate they would ask staff to work without pay. While directors recognize the fragility these short-term practices place on an organization, few feel they have much choice. “We are trying to operate a full program with a reduced crew, so we are all pitching in to clean studios, drive residents to the airport, etc.,” says one residency director. “This is a recipe for burnout if it continues for long, but we do what we have to do.”

As noted previously, organizations operating primarily as a residency, with few distinct programs to eliminate or scale back, rely heavily on cuts to property upkeep and personnel in difficult financial times. But it’s more than just about cutting what’s available to be cut. Artist-centered organizations will often do anything before reducing direct services and programs to artists. “We have looked hard at administrative costs, staff travel, etc., to cut instead of cutting any funding for artists,” says one residency director. “We believe, in times like this, it is a great opportunity to step forward and continue to invest in our artist programs. In support of this philosophy, the staff received token monetary awards instead of performance salary raises.” But how sustainable is this? Just as deferring maintenance has financial and programmatic implications down the road, not investing in personnel also takes its toll. Though the results are not always as obvious as when a roof caves in or expensive equipment breaks, systemic under-investment in personnel costs the organization money and more.

Of all organizations without paid staff, 55% are less than 10 years old and almost all have annual budgets of less than $100,000.
Many are run by founders. While it is common practice in the early stages of an organization for a founder to work for free or little money, it places the organization at tremendous risk if the founder leaves, in much the same way angel donors put an organization at risk. Brad Kik touches on this in his essay, “From Soil to Soul,” and many other founding directors talk about struggling to balance the self-sacrificing passion it takes to get their organizations off the ground with a long-term view of sustainability. One director, recognizing his low salary would make it difficult for the organization to replace him, made a deal with the board: the organization increases his pay over five years until the salary is at a competitive level, and the director donates the salary increase back to the organization to be used specifically for other capacity-building. While there is still a high dependence on the director to subsidize operations, over time the organization will be able to fund more competitive salaries on its own by investing in its capacity, and the organization is building a culture that values employee compensation. Suzanne Fetscher, in her interview “Leading for Sustainability,” talks of being mindful of other ways of thinking about the organization’s dependence on a single leader, particularly in building a leadership team that engages with funders, artists, and the community so the organization is better positioned to sustain a change in leadership.

The staffing needs of residency centers vary widely by the size of the organization, number of artists served, demands of the property, and other programming. There is no standard formula multiplying staff by square footage to assess what is sufficient. In the following data, “staff” includes all regular personnel – whether paid or unpaid – in order to assess staffing needs among all organizations. Volunteers, in the sense of non-obligated, temporary workers, are not included.

Among all organizations indicating the residency is a priority program (Group 1), they operate, on average, with seven year-round staff (in full-time equivalents, or FTEs) and 10 seasonal staff. Among those organizations indicating the residency is the priority program (Group 2), they operate with six year-round staff and four seasonal staff. Similarly, for those residency centers with little or no other programming (Group 3), organizations operate with six year-round staff and three seasonal staff. These numbers do not show the broad range within the field, with most organizations operating at the very low or very high end of the spectrum. For example, of organizations in Group 1, 24% operate with one or less full-time-equivalent staff person year-round. In Group 2, more than 27% operate with one or less. In Group 3, more than one-third (34%) of organizations have just one part-time or full-time staff person year-round.

Looking at the percentage of staff positions dedicated to individual functions gives an indication of staffing priorities and needs for the field. With maintenance/facilities/housekeeping being the most common staff function after directors and general administrative personnel, this data demonstrates an impact of physical infrastructure has on this field. Among year-round personnel, as many as 24% of all full-time-equivalent staff positions are dedicated to maintenance/facilities/housekeeping. Among seasonal staff, these staff positions make up as much as one-third of all staff.

In contrast, other staff functions are less likely to be filled by a dedicated staff person. Many organizations stress the need for dedicated staff for development and fundraising work, with 64% indicating this is a high priority (“essential” or “very important”) for long-term sustainability. Of all organizations in Group 1, almost half (48%) have dedicated development staff; in Group 2, 43% have development staff; and in Group 3, just 32% have development staff. Of all the organizations with dedicated development staff, 50% have a single development position, either part-time (20%) or full-time (30%).

Like many other nonprofit and for-profit businesses in the last few years of economic downturn, organizations surveyed are turning to more part-time, temporary, and contracted workers, rather than taking on full-time and permanent staff in times of such uncertainty. Temporary and contracted workers are being hired for one-time or seasonal projects – for example, capital campaigns, summer programs, conferences, or festivals – as well as ongoing administrative functions like bookkeeping and human resources. While there are challenges to this strategy, some organizations are considering how temporary and contracted workers can be an important part of a plan for long-term sustainability. “We hired a marketing person on a contract basis earlier this year and it has made a world of difference,” says one residency director. “She works from home five to 10 hours a month so we aren’t limited by our location or our offices. We’ve been able to contract people to tackle really specific functions like this – for example, she sends out press releases and e-blasts and she keeps our social media updated – without us having to cobble together all those different functions into a regular staff position.”

Many directors talk of relatively modest staffing dreams that would have tremendous impact: “Ideally, we would just have one more person,” says one director who operates an organization with a full-time staff of five. “It’s not about taking on new projects, it would just allow all of us to catch our breath once in a while and not be so burned out.” But getting to that next staffing level represents a huge step for many organizations. “I am so worried that even if I can pay someone this year,” says one director, “I don’t know where the money will come from the year after, or the year after that, or the year after that. I don’t want to hire someone I can’t keep – it takes too long to train someone and I don’t think it’s fair to anyone to not have some confidence we can keep the position. Then if we can’t keep it, the work never seems to go away; it just gets absorbed by everyone else. And I can’t seem to raise enough additional money now to cover another salary in the long-term.”
Having under-developed, under-paid staff is not unique to the artist residency field, and is widespread throughout the nonprofit sector. There are a few factors for this field, however, that contribute to staffing challenges. Geography can play a major role in staffing, for example. Not surprisingly, organizations in rural and remote areas -- accounting for one-half of all surveyed -- indicate the greatest degree of difficulty in attracting and retaining qualified staff. The under-valuing of artists also plays a role in this field, as many directors are themselves artists and are all too accustomed to working for little or no pay. Other directors talk of “not feeling right” paying themselves more when they know how little the artists they serve earn from their work.

But the field has some advantages to offer its staff, as well. Twenty-four percent of organizations surveyed provide housing on-site for directors and/or other staff. While not all residency centers prepare food for their artists-in-residence, many that do also welcome staff at meals. One-third provide studio space, access to equipment, workshops, materials, and other benefits to support the creative practices of staff members who are practicing artists. While there are ephemeral benefits of working in this field as well -- the opportunity to meet significant artists, working in scenic sites and historic buildings, and being part of a vital and growing field -- organizations able to offer housing, studios, meals, access to classes, and other services are also providing a tangible, financial benefit to staff that can deepen an employee’s level of investment in and commitment to the organization.

“Breaking bread together leads to real relationships between the staff and the artists-in-residence. Often the dialogue continues all month long.”

Vermont Studio Center in Johnson, Vermont, for example, offers its staff both tangible and ephemeral benefits of working at an artist residency center. Each year, eight staff artists are hired for a one-year term to work in various administrative roles at VSC. The staff artists receive a weekly stipend, housing, a private studio, and all meals. “For the right person at the right time, working at the Studio Center as a staff artist is life-changing,” says David Grozinsky, admissions coordinator.

Being a part of the creative community at VSC means interacting with over 50 visual artists and writers who are in residence each month. “Breaking bread together leads to real relationships between the staff and the artists-in-residence,” says David. “Often the dialogue continues all month long during a residency, and even after the artists leave VSC.” Staff artists also receive studio visits from prominent visiting artists who spend a week each at VSC, providing invaluable exposure to the staff artists’ work. “The visiting artists really extend themselves for the staff artists and offer a lot of one-on-one time,” says David. “By the time the staff artists leave here, they have the contacts and the contexts for engaging with established artists.” Several other staff members receive studio space as well -- there are 12 staff studios in all -- and join the artists-in-residence for lunch during the workweek. Being in a remote, rural area, “there really aren’t spaces to rent for studios,” says David. Staff members also receive discounts at the local art supply store – the only one for miles. Besides the practical benefits, VSC’s practices towards the artists on staff reflect the organization’s commitment to nurturing today’s artists and supporting their ability to make work, in whatever capacity they may find themselves at the Studio Center.

The “subsidy of passion” may always fuel this field, and indeed the passion of people dedicated to serving artists is essential. Yet, under-resourced salaries and benefits, limited investment in professional development, and operating beyond the reasonable capacity of staff take their organizational and human toll, which is ultimately a disservice to the artists we support. From engaging in honest conversation with funders about capacity-building and including overhead costs in grant proposals, to making burnout avoidance a real priority, to providing mentors and skill-building opportunities to the field’s future leaders, we can make a greater investment in the human resources so critical to the sustainability of our organizations.
BOARDS

Boards play a critical role in the health of organizations. Not only do board members have a responsibility to provide legal and fiduciary oversight, they are often an organization's most passionate supporters and advocates. For younger or smaller organizations, board members may also fill critical administrative needs, often operating like staff members.

Board composition

Board Source defines small boards as those with 14 or fewer members, medium-sized boards as those with 15 to 22 members, and large boards as those with 23 or more members. Of all organizations in Group 1, 62% have small boards (averaging 9 members), 20% have medium-sized boards (averaging 18 members), and 18% have large boards (averaging 29 members). Size of board in many cases is relative to the age of the organization, though there are plenty of exceptions. The average age of organizations with small boards is 19 years old; for medium-sized boards, 34; for large boards, 50.

Among all organizations surveyed, most rely greatly on board members who are local to the residency center location. (One exception to this is those organizations maintaining an office separate from the residency location; in these cases, board members tend to be local relative to the location of the office.) For small boards, 74% of board members are local; for medium-sized boards, 79% are local. Large boards are more likely to extend beyond the local area, with just 49% local board members.

Half of the organizations surveyed are satisfied with the geographic make-up of their current board, while 19% indicate cultivating more board members from the local area is a high priority (“essential” or “very important”) for long-term sustainability, and 32% indicate cultivating more national board members is a high priority. Those most interested in cultivating more national board members cite the minimal resources and pool of potential board members in the local area and indicate having national board members would better reflect and/or expand the organization’s national reputation.

“Not all artists are poor, and artists give in other ways, too, by donating work for our auction or giving readings or studio tours for our patrons. And they are our best advocates, which helps us attract other support.”

Most boards include a mix of professionals with legal, fundraising, education, policy, grantmaking, business, and other backgrounds, though there are some professional areas of expertise in which residency directors are particularly interested in developing within their boards. Business expertise stands out as a priority, with 31% of organizations surveyed indicating recruiting more board members with business expertise is a high priority for long-term sustainability. Organizations are also concerned with the board’s ability to open doors for the organization, with 65% indicating a board with more influence and connections is a high priority for long-term sustainability.

Artists feature prominently on boards among organizations surveyed: 90% of all organizations in Group 1 have at least one artist on the board, and 47% of all board members are artists. Among artist board members, 39% are alumni of the organization’s residency program. Many organizations have policies requiring artist representation on the board, and almost all organizations in Group 1 indicate having artists on the board is essential for the governance of an artist-centered organization. “Our board is made up of mostly artists,” says one residency director, “and while this is great for overseeing the mission and direction of our programs, few of them are able to contribute financially and this holds us back as an organization.” Others disagree: “We always assume artists won’t be able to serve on our board because of the ‘give or get’ financial requirements we have for all board members, but not all artists are poor,” says one director. “And artists give in other ways, too, by donating work for our auction or giving readings or studio tours for our patrons. And they are our best advocates, which helps us attract other support.”

Residency governance + oversight

Among organizations where the residency is the primary program (Groups 2 and 3), 93% indicate the board oversees the residency program directly, while just 5% have a separate residency committee. On the other hand, for organizations operating a residency as one of several programs, 31% have a separate residency committee overseeing the residency program. Residency committees may be made up of board members, community members, and artists (and in particular, alumni of the residency program).

Committees, advisory groups, and artist councils offer organizations a way to engage individuals that may not otherwise have a formal board role. Hedgebrook on Whidbey...
Island, Washington, for example, launched its Creative Advisory Council in 2006 to function as ambassadors and a brain trust for the organization. Co-chaired by Hedgebrook alumnae Gloria Steinem and Carolyn Forché, this group of 15 influential women writers work with Hedgebrook staff, board, and alumni to raise Hedgebrook’s visibility and impact in the world. While Hedgebrook’s Board of Directors is comprised of members from the local area, the Creative Advisory Council is a national and international group, giving Hedgebrook greater presence beyond its own region.

Board training

Overall, organizations indicate relations between staff and board are positive, and 78% have clear reporting and accountability between staff and board. Staff members express several common areas for board improvement, however, in addition to fundraising — including greater understanding of the organization’s programming and more awareness of staff roles and the impact of burnout. Among organizations operating primarily as an artist residency center (Groups 2 and 3), staff members also frequently express concern with board members’ ability to articulate what the organization does and why it is important. While honing the “elevator speech” is important for all nonprofit organizations, this field is particularly challenged by the ephemeral nature of its work, especially for those organizations with few public programs. On the other hand, board members indicate they do not have the information and tools they need to make the case on behalf of the organization, including copies of grant proposals, clear talking points, and information placing their residency programs in the context of the greater residency field.

Board giving

Of all organizations surveyed, there is 83% board participation in individual giving — that is, the percentage of board members who make a personal contribution of any size to the organization. Thirty-nine percent of all organizations surveyed have 100% board participation. These figures are similar to national nonprofit data, which indicates an average of 84% board participation in individual giving. Board participation, however, is lowest among organizations in Group 3 with small or medium boards. [Fig. 8.2]

As noted in the section on Contributed Revenue, board giving as a percentage of all individual donations tends to be either high or low. The size of board gifts, however, is consistently higher than non-board gifts, with 60% of all gifts over $100,000 coming from board members. But board fundraising is more than just making personal donations; other board-influenced giving is critical for organizations, including selling tickets to benefits, soliciting gifts from donors, and identifying corporate and foundation contributors.

According to BoardSource, 53% of nonprofit executives and 54% of board members indicate fundraising is the most important area for board improvement. In our survey, 75% of organizations indicate having more of a fundraising board is a high priority for long-term sustainability. The good news is, these concerns are not unique to the field of artist residencies, or even to the arts in general, and there are many resources focused on helping nonprofits develop more effective boards.

An evolving board

Many respondents indicate the challenges of evolving the board to keep pace with the organization. While best-practices around nonprofit lifecycles often present a relatively linear approach to boards — for example, a board fulfills staff functions in the start-up stages, or a board focuses on big-picture governance in organizational maturity — organizations may require a balance of styles at every stage in order to remain responsive to change and address the many aspects of overseeing a successful organization. “Our founding board had a really hard time transitioning once we had paid staff,” says one residency director. “They were used to deciding every little thing as a group, and they micro-managed a lot at first. It was a tough transition for about two years but once we established new boundaries, the board members who were not effective in the new environment came to that conclusion on their own, and the other board members began to thrive. Now, about one-third of our board members are worker bees and pretty hands-on, another third and really hands-off and focused on the long-range, and the rest kind of shift back and forth between the two depending on what’s needed. Even as a 20-year-old organization, we still seem to experience a lot of shift, so the balance of macro and micro board involvement is really healthy for us. I know there are people I can call on to roll up their sleeves for a specific project, and I know there are people who have their eye on the horizon.”

Each of the organizations profiled in the Case Studies reflects on board growing pains, particularly during significant organizational transitions. In some cases, entire boards were disbanded and reformed anew. For others, reducing the board size allowed for a refocusing of vision, centered around individuals who were both committed to the core values of the organization and willing to embrace necessary change.

Like so many other considerations for long-term sustainability, organizations note the need for balance in developing an effective board — a balance between different skill sets, between individuals representing the core constituency of the organization and those offering other external perspectives, and between board members who turn their attention to current operations and those who are future-focused.

![Fig. 8.2: Board participation in individual giving](image-url)
LIQUIDITY, CAPITAL + THE STRUGGLE TO BREAK EVEN

Sustainability depends on more than breaking even. From a financial standpoint, breaking even is about surviving, generating surpluses and building capital is about thriving. "By building their net assets through years of surplus operations, organizations develop the capacity to plan for the future, react quickly to new opportunities, and support missions that require major fixed assets and a long term view," states Grantmakers in the Arts in their National Capitalization Report. Getting beyond break-even requires changing not just the financial practices of nonprofits but the prevailing attitudes of staff, boards, and funders alike.

But first, let’s start with the part about breaking even. In understanding income-to-expense patterns, we looked at organizations’ six-year profit/loss history (and in some cases, 10-20-year histories). Among all organizations surveyed, 70% have an overall history of operating in the black, with an average surplus equal to 13.5% of expenses. Group 3—those organizations operating primarily as a residency program with little to no other programming—fared the best as a group, with 71% of organizations operating in the black and an average surplus equal to 11% of expenses, compared to 68% of organizations in Group 1 and Group 2 with an average surplus of 11%. [Fig. 9.1]

Looking only at more recent history reveals a very different picture, however. In all groups, just 46% of organizations operated in the black from 2008 to 2010 (down from 70% over a longer period of time). In Groups 1 and 2, the 11% average surplus as a percentage of expenses seen over the longer-term was dramatically reduced by 13% in 2008-2010 to deficits of an average of 2% of total expenses. In Group 3, the 14% average surplus was reduced to an average deficit of 8%. Only 40% of organizations surveyed indicated they expected to break even in 2011. [Fig. 9.1]

Responding to financial downturns

One measure of an organization’s resilience and adaptability is fixed vs. variable costs, and the residency field demonstrates some significant challenges in this respect. For example, the high overhead of many residency centers— with two-thirds of costs related to personnel and property (fixed costs) — means scaling back programs (variable costs) may have little impact on overall expenses when organizations face financial difficulties, particularly when the organization only operates one primary program. And as artist-centered organizations, residency centers will do almost anything before reducing the level of support provided to artists. More often than not, the alternative is to defer investment in facilities and cut staff. "When demand is increased or steady, the challenge of continuing services with less staff is huge," says one residency director. "In other sectors it seems that staff reductions are in relation to decreased demand or fewer sales. Not the case.

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for us. And reducing the number of service days or number of artists served doesn't seem to translate to reduced costs in light of the ongoing big costs of staff, insurance, utilities, etc."

When asked how organizations are likely to respond to a significant deficit or financial crisis, 52% of those surveyed relate to increasing revenues, 26% to cutting expenses, 13% to financing or deferring debt, and 12% to liquidating or eroding assets. [Fig. 9.2]

How long can organizations sustain these downward trends? Eighteen percent of those surveyed indicate a deficit equal to 10% of the annual budget would threaten the organization's ability to stay in business. And 27% of all those surveyed are already running an average deficit of over 10% of the annual budget (from 2008-2010). Fortunately there is little overlap between these two groups of respondents, though the 55% of organizations operating in the red since 2008 are all too aware the practice is not sustainable.

**Endowments**

Approximately one-third (33%) of organizations in Group 1 currently have endowments, ranging from $60,000 to $16 million (as of the beginning of 2010). Generally speaking, endowments are considered permanently restricted, with only the interest on investments available as income while the principal remains intact. There are other so-called quasi-endowments, which are board-restricted funds with the principal available as income should the board determine it necessary.

Only 3% of organizations surveyed have undertaken endowment campaigns in the last five years, with most organizations instead designating a portion of larger capital campaign funds for an endowment. Just 3% of all individuals giving in 2009 was for endowments, with another 8% for capital campaigns. (Endowment and capital campaigns are discussed in more detail in "Contributed Revenue").

While many still consider an endowment the holy grail of financial sustainability, some are questioning the wisdom of relying heavily on investments and building restricted funds not available for operations. The economic downturn of the last few years shows those organizations with endowments struggling to make up for lost revenues, with an overall decrease in net investment-related income (interest less sales of securities) of 78% from 2007 to 2009. And while endowments grew in 2007 by 21% overall, they shrunk in 2008-2009 by 27% — with some individual endowments shrinking by as much as 60%.

**Cash is king**

For organizations to thrive, they require unrestricted liquid net assets — essentially, cash on hand. Too often, organizations are assessed only by their profit/loss statements, though it is the balance sheet that can tell a more accurate story. We used The Kresge Foundation's "Unrestricted Net Assets Tool" to evaluate the liquidity — the cash available for operations — of all organizations surveyed. Liquidity is what's left over when you subtract from all assets those tied up — in endowments, long-term investments, and property — and not readily available to support operations. While organizational balance sheets already show unrestricted net

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"Unrestricted Net Assets Tool," The Kresge Foundation
http://www.kresge.org/library/unrestricted-net-assets-tool

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61 Alliance of Artists Communities
assets, this figure includes fixed assets – buildings, property, and other long-term inventory – and does not accurately demonstrate an organization's true liquidity. For example, 20% of organizations showing positive unrestricted net assets on their balance sheets are actually illiquid, with negative unrestricted liquid net assets. [Fig. 9.3]

Separating assets into net equity, restricted assets, and liquid net assets shows 8% of all assets in Group 1 are unrestricted liquid net assets, compared to 13% in Group 2, and 17% in Group 3. [Fig. 9.4] Many resources advise organizations to have three months’ worth of annual expenses in a cash reserve, in order to move away from a hand-to-mouth existence, though there is no one-size-fits-all standard for developing an organization with the resources to adapt, respond to new opportunities, and weather the storms. Of organizations surveyed, 75% say a general cash reserve fund is a high priority (“essential” or “very important”) for long-term sustainability: 9% indicate one to two months’ worth of expenses in cash reserves is optimal, 25% indicate three months’ worth, 30% indicate six months’ worth, and 25% indicate a year’s worth or more is optimal. (An additional 7% indicate the organization should not build cash reserves.)

So how liquid is the field? Of all organizations surveyed in Group 1, 25% of organizations are illiquid, with negative unrestricted liquid net assets. Another 13% have less than one month’s worth of expenses in liquid form, while 18% have more than a year’s worth of expenses in liquid form. Organizations large and small, young and established, are represented across the spectrum, as well as those with significant property-related assets and those owning nothing. Those without endowments (where assets are permanently restricted) and those with little long-term debt associated with fixed assets are more likely to show positive liquidity. Of the 75% of organizations surveyed with positive unrestricted liquid net assets, half of these have dedicated cash reserves, with reserves ranging from 2% to 25% of annual operating expenses.

Financial planning

Developing surpluses and building cash reserves takes planning. For example, an organization with a $1 million budget aiming to build a cash reserve equal to three months of expenses ($250,000) will need to operate with a 10% surplus for about two-and-a-half years to reach this goal. Organizations surveyed indicated a wide range of financial practices: roughly one-quarter of organizations claim a strong history of financial planning and demonstrate the ability to generate reserves over time, and another quarter claim little long-term planning practices and a consistent tendency to operate with significant financial risk.

Not surprisingly, those indicating they have established clear financial goals (76%) are most likely to indicate a history of attaining those goals (77%). Organizations were also asked, in the event of a surplus, to what they would attribute that surplus: 26% of organizations attribute the surplus to planning, 61% indicate an unexpected increase in revenue or decrease in expenses, and the remaining 13% indicate a surplus would not be likely in any event. Around half (53%) of organizations indicate they have systems and predictive tools in place to forecast five years and 81% have effective accounting and cash flow forecasting tools in place to measure progress.

Organizations also indicate a range of behaviors related to financial risk. When asked how far in advance of a program they make sure funding has been secured, 20% indicate one year or more, 46% indicate six months, and 38% indicate three months. Another 3% indicate they make certain funding is secured as little as one month in advance and 14% indicate they “would run the program anyway and find the money afterward.” Likewise, 39% of those surveyed indicate they would be willing to dramatically deplete organizational resources to produce a single successful program, with 10% of those indicating they would do so even if it endangered the organization’s long-term financial position.

Many organizations operate in this “by the seat of our pants” manner for years, and while they may in fact survive, are they ever able to truly thrive? Indeed several residency directors indicate long-term organizational sustainability is not a primary goal. “We’re not really planning for a long life,” says one. “We just take all we’ve got and throw it into our residency program every year. I know it’s not a good business model, but I really believe all our resources should go toward serving our artists.” And what about stabilizing the organization so it has continued resources to serve artists farther into the future? “Not if that means having fewer resources for artists today,” says the director. “It’s not really about rational financial planning, it’s about believing in these artists and risking everything to give them the support they deserve.”

For those that are planning for the future of their organizations, directors indicate cash reserves would make the most critical difference. “We have always been financially strong, even without an endowment,” says one residency director. “But these days donations are down significantly, grants are really down, and earned revenue is down. I don’t know anymore if an endowment is the way to go, but I know that we need a cash reserve if we are going to be sustainable.”
As part of the Alliance of Artists Communities’ “Sustaining Artist Residencies” project, the Urban Institute conducted case studies of residency programs at four exemplar organizations: Bemis Center for Contemporary Arts in Omaha, Nebraska; 18th Street Arts Center in Santa Monica, California; Hedgebrook on Whidbey Island in Washington; and Escape to Create in Seaside, Florida. The organizations, selected by the Alliance of Artists Communities, all met the following criteria: They had to be at least 15 years old. They had to demonstrate resilience by surviving significant transitions or challenges. Also, the artist residency program had to be the organization’s primary function or a significant element of its operations. While the organizations selected have these characteristics in common, they also vary. They are located in different parts of the country, and they range in budget size, financial liquidity, dependence on contributed revenue, and access to community resources in relation to the local areas’ philanthropic support, local government support of the arts, and the robustness of the local arts community.

The Urban Institute’s inquiry was intended to reveal (1) how staff and leaders from these organizations define success and sustainability, (2) the challenges they face in operating artists’ residency programs, and (3) the core principles and practices that have enabled them to survive significant transitions and thrive. Findings from this inquiry are intended to advance the Alliance of Artists Communities’ efforts to serve the field and provide tools for both strengthening existing artist communities and fostering new organizations and programs.

The Urban Institute’s research included document review; site visits to the organizations; and interviews with key staff, selected board members, artists-in-residence (past and present), and people outside of the organization familiar with the residency program. Research staff also attended the Alliance of Artists Communities’ 2011 annual conference in Chicago and learned about key issues of concern to the artist residency field.

In this report, we briefly describe each organization, its trajectory to its current configuration, the challenges faced in the process, and views on sustainability. In our conclusions we discuss the key organizational characteristics, principles, and practices these four organizations rely on and see as essential to sustainability.

The Urban Institute Research staff would like to thank all of the people we interviewed for graciously sharing their time and thoughtful insights with us. We thank our hosts at the residency programs for their hospitality.

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(See bios on pg. 95)
BEMIS CENTER FOR CONTEMPORARY ARTS

Founded in 1981 as an artist-in-industry program, the Bemis Center for Contemporary Arts is located in Omaha, Nebraska. Omaha, a city long associated with the cattle industry, is home to a number of Fortune 500 and 1000 companies and many millionaires. The city also has a rich history in the arts, notably in theater and increasingly in contemporary visual arts. Omaha is racially and ethnically segregated and has areas marked by deep poverty, a point made by several people with whom we spoke as often as they commented on the presence of millionaires.

Generally, respondents exuded a sense of civic pride and possibility. Many were mindful of the generosity of wealthy community members and their support of local institutions. Respondents thought people of moderate means have been able to support local organizations as well because the cost of living in Omaha is low and the city has not been as severely affected as other U.S. cities by the economic downturn. Omaha’s size also came up as a factor. One respondent said, “Omaha is a medium-size town. People know each other and are accountable to community members. You can see the impact that gifts have.”

Respondents noted Omaha residents’ strong civic-mindedness, as well as their recognition that the arts are an important dimension of the city’s health. There was also a sense that the city is drawing young artists and others interested in establishing businesses. Two Bemis staff members moved to the city because of its reputation as a vibrant arts community. And enough young people have left Omaha and since returned to earn their own nickname – “boomerangs.”

Omaha has a sense of energy, and Bemis is seen as a key part of this energy. The director of a new nonprofit cinema said “Bemis makes my job easier [by increasing] the level of awareness of art in general in the community.” The organization is perceived as a draw for other investments in the city as well. A nearby residential loft development is believed to have been built in part because of Bemis’ presence. A director of another arts-related organization said people “understand there’s great potential [in Omaha] that has yet to be fulfilled. It’s on its way now.”

Bemis grew out of a program begun by Ree Kaneko in 1981 that placed artists in area industries, such as a brickyard and a paper scrap yard, where they could use industrial spaces and materials in their work. From this start, Ree and three other artists developed an independent residency program in 1984, in response to artists’ interest in having more time and space in which to work. Since then, programming has expanded to include exhibitions, events, and community education. The residency program, which hosts artists for up to three months, remains the core of the organization.

Initially, the residency program hosted participants for a year in a warehouse a few blocks from Bemis’s current location in the city’s historic warehouse district. Today, Bemis is based in a building acquired in 1992, renovated, and then opened in 1993. Purchase of the building was made possible by a significant grant from The John D. and Catherine T. MacArthur Foundation via the Alliance of Artists Communities. In 2008, a second building across the street from the first was gifted to Jun Kaneko – a noted sculptor and Ree Kaneko’s husband – who then gave it to Bemis.

Bemis’s primary building is a five-story warehouse that includes, on the first floor, an entry and reception area, three exhibition galleries and an art-sales gallery, office space, and a library/conference room. The

Bemis Center At-A-Glance

MISSION: The spirit and programs of the Bemis Center for Contemporary Arts are based on the conviction that exceptional talent deserves to be supported.

LOCATION: Omaha, Nebraska (pop. 409,000)

ORGANIZATION FOUNDED: 1981

RESIDENCY PROGRAM FOUNDED: 1981

ARTISTS-IN-RESIDENCE PER YEAR (2011): 36

ARTISTS-IN-RESIDENCE AT A TIME: 12

ARTIST DAYS PER YEAR*: 2,555

LENGTH OF RESIDENCY: 3 months

DISCIPLINES SERVED: any visual arts

SIZE OF BOARD: 23

FACILITIES / PROPERTY: OWNS 2 buildings, totaling 100,000 sq ft on 0.5 acres

BUDGET (2011): $1.4 million

CONTRIBUTED — EARNED — INVESTMENT INCOME (EST.): 60% — 40% — <1%

EARNED REVENUE SOURCES: application fees, workshops, facilities rental, art sales, art management, contracted services

www.bemiscenter.org

*The number of residents each year multiplied by the number of days each is in residence
residency program's live/work studios are located on the second and third floors, along with some storage and 11,000 square feet of installation and work space. The two upper floors were used for storage at the time of the site visit. The second building, the Okada Sculpture Facility, has been renovated to support large-scale sculpture fabrication and metalworking, and a large ceramics gas kiln will soon be acquired.

“Omaha is a medium-size town. People know each other and are accountable to community members. You can see the impact that gifts have.”

Revenue

Bemis’ revenue was $1.4 million in 2010. Resources come from earned income, contributed income, and in-kind contributions. Earned income includes proceeds from an art auction and sales of art works, space rentals, events, residency applications, and contracted services. Bemis receives 50% of the sales price on consigned art and 50% to 100% on sales made at the annual art auction. Contributed income includes donations, memberships, grants, and sponsorships. In-kind contributions include plumbing and engineering donations, food, and wine. Development staff write about 15 grant proposals per year to cover operational and programming expenses. Bemis has a number of individual, corporate, foundation, and government sponsors and donors — including the Nebraska Arts Council and National Endowment for the Arts. The names of sponsors who fund the live/work spaces are placed on a studio door. Despite the breadth of contributors, respondents noted the organization relies on a handful of large donors for most of its budget.

Members of the board of directors sponsor key events and have proven effective at fundraising. For example, the board pursued an ambitious capital campaign in 2008. In light of the weak national economy at the time this was a risk, but the board took advantage of other organizations’ reluctance to engage in major fundraising. Area foundations responded strongly to the idea, telling the board to move forward with the campaign because “you’re Bemis.” The organization raised $2.6 million and was able to expand and renovate facilities. As a result, board members estimate the organization is prepared for 10 years of growth. The task now becomes mapping what that growth should look like, including, as some board members noted, the possibility of creating an endowment.

Residency program

Bemis’s residency program draws international applicants who work in diverse media. An advantage of the facility is that it provides space for work at many different scales. Bemis hosts 36 artists per year for three-month residencies, on average. Having switched from paper to online submissions in 2010, Bemis now asks applicants to submit 10 work samples, a resume, a brief overview of what they think they will do while at Bemis, three references, and a $40 application fee. Applications in the past few years have increased from just under 400 to nearly 1,000, and geographic diversity has increased as well.

The selection process occurs twice per year and the artists are judged solely on the quality of their work. A changing pool of three jurors — made up of alumni and local and national arts professionals — conducts a blind review of the work samples and rates the applicants. The residency program manager narrows the pool to approximately 75 candidates based on jurors’ scores. Finally, jurors gather on-site at Bemis to score the candidates on a three-point scale and select finalists plus a few alternates. The program manager checks the finalists’ references and offers residencies to the awarded artists. While the process has worked well, staff raised some concern that if applications continue to increase, the selection process may have to be modified to keep the jurors’ workload within reason.

Artists-in-residence are provided a comfortable live/work studio that includes a small kitchen and bath, and an inventory of donated furniture and materials is available to residents during their stay. Artists receive a monthly stipend of $750, access to equipment and tools, and other perks — including a gym membership, library access at a local university, and reduced-price tickets at a nonprofit cinema.

Requirements for artists are modest. They must present their work, current or past, during one of Bemis’s monthly Art Talk events, which are open to the public. Artists are asked to donate a work of art that is representative of their time at Bemis for the art sales program or the annual art auction. Additionally, they must participate in an exit interview and complete an evaluation survey. If interested, the residents can participate in open studios — periodic two-hour events that allow the public to visit artist studios to view and discuss the work. Otherwise, the residents use their time and resources as they wish. There is no requirement to work on or complete any specific project, and there are no structured gatherings or community engagement requirements beyond the one Art Talk presentation. If an artist wants to work on a project in the community, however, Bemis will help facilitate it.

Other programs

In addition to the residency program, the organization hosts Bemis Underground, an exhibition program located on the lower level of the warehouse featuring emerging local and regional artists. Bemis also curates five or so exhibitions per year in its three galleries. In some instances, the shows include residency program alumni.

The Bemis Center’s Okada Sculpture Facility. Photo courtesy of Bemis Center for Contemporary Arts
Bemis’ annual auction is one of Omaha’s largest arts events. The 2011 event auctioned approximately 400 works by 288 artists and grossed over $400,000. Works of art sold at the art auction and through the art sales program come from donated work by artists-in-residence and from local artists who consign their work, and most buyers are local. Beyond the auction, Bemis offers art consulting services to private and corporate clients and has approached owners of new condominium buildings to provide art for their lobby areas. Additionally, the organization offers installation services and soon will offer appraisal services as well.

Bemis’s community arts program is separate from the residency program but aligns with the organization’s purpose of supporting artists. Many activities under the community arts umbrella are initiated by prospective community partners. As a few respondents commented, Bemis is viewed as the “go-to” place for arts-related public projects, locally and regionally. Bemis’s community arts initiatives have included working with a local foundation on a large-scale mural in Omaha and partnering with a local social service agency to place artists in service centers as part of an “artists in community” residency. The resident artists are paid, clients of the social service organization benefit, and Bemis is able to build relationships in the community.

Over the years, Bemis’s executive director and former director and funder have informally mentored many people in the arts community on running a successful organization and managing staff. Bemis is currently working with a Chicago artist to establish a residency program in North Omaha, a disinvested African American area of the city with a significant history related to jazz and blues. Bemis plans to incubate the new organization until it can stand on its own as it did for another arts organization, the Kent Bellows Studio and Center for Visual Arts.

Staffing + board
At the time of the site visit, Bemis had 17 staff and was considering hiring two or three more. In addition to the executive director, who has served since 2003, Bemis staff includes an operations director; managers of the residency, community arts, and art sales programs; curators; communication, events, membership, and development managers; midlevel assistants; installation and maintenance staff; and reception desk staff. Many staff members have a background in the arts or are artists themselves. The organization also hosts six to ten interns who typically work in three-month intervals.

The 24-member board of directors, the majority of whom live in Omaha, reorganized in 2003 to focus on governance and fiduciary responsibilities. Members now include business and corporate professionals as well as artists. Staff and board members themselves described the board as passionate and engaged. There are no term limits and some members have been on the board for well over a decade, which is viewed as providing organizational stability. Many board members are also active on the boards of other arts and community-based organizations. The sense of pride and ownership is strong among Bemis’s staff and board. One staff member summed it up, “I’m proud of our work here.”

Sustainability, transitions + challenges
Staff and board view the organization in its current form as sustainable – defining sustainability primarily in financial terms but also with an awareness that other factors matter. While the organization is, for the most part, strong and thriving, it has endured growing pains and significant challenges related to financial health, organizational leadership, and growth management. During the early 1990s, the board of directors stepped back to consider the organization’s core mission and reaffirmed that the residency program and support of artists needed to be the focus of all programming. At that time, programs were assessed for their alignment with the core mission and dropped if they were not aligned or if they were redundant with offerings from other entities in the Omaha arts community. Around 2000, the board reconsidered closing Bemis because the stock market decline had seriously affected the organization. In that period, the board was not sufficiently engaged with Bemis’s financial aspect or with fundraising to adequately address the fiscal crisis. Around the same time, the founding director decided to step down. The first person hired to replace her left Bemis within a year and was replaced by an interim executive director. Respondents with a long history at Bemis described the situation as the “perfect storm of challenges,” leading to about two-and-a-half years of stagnation.

Committed to the core mission of supporting artists, a group of about six board members decided to keep the organization going. In 2002, the remaining board members made a large financial contribution and identified key tasks, which they then addressed. These included building the board and recruiting members who could be significant financial donors. They also focused on getting procedures, such as board by-laws and an employee guide, in order and improving communication between staff and the board. As one board member put it, Bemis “grew up as an organization.” In 2003 the current executive director was hired and initiated new fiscal controls, energized fundraising, and expanded operations and programming.

Staffing considerations
Since 2003 Bemis has grown considerably and has faced challenges associated with managing that growth. The board and staff have continued to develop policies and operating procedures, including
processes for interviewing job candidates, employee policies, clear communication and reporting practices that involve weekly full staff meetings, a shared calendar, and weekly written staff reports and blog.

As the organization has expanded, senior and midlevel positions have been created. However, staff turnover, especially in entry-level positions, has been a problem. Staff and board have recognized low wages and the lack of growth opportunities within the organization as key factors contributing to turnover, and the board plans to address the issue. Lead staff and board members also recognize some positions might be best understood as “stepping stones” to opportunities outside of the organization rather than paths to long-term careers at Bemis. People want to work at Bemis because of its vibe, what it can teach them, and its standing in the arts community.

Staff indicated growth has created some strains. If Bemis takes on more projects, staff members think they will need to hire additional people. At the time of the site visit, there were plans to increase personnel, and there was recognition among senior staff that Bemis might soon need a designated human resource staff member.

Reputation among artists
In addition to board dedication, staff dedication, and commitment to mission, other qualities surfaced as important for Bemis’s sustainability. A good reputation among artists was seen as crucial. In addition to furnishing time and space to develop creative endeavors at their own discretion, artists noted the stipends, quality of other artists-in-residence, on-site library, interns and assistants, and attentive staff as important. The sense of community among the artists also surfaced as a key feature of a quality program. All artists we spoke with said they would recommend the experience to others. Mindful of the value of networks and the sense of community that develops among artists-in-residence, staff noted Bemis wants to improve its connection with alumni and improve record-keeping to make contacting alumni about opportunities, such as art sales and exhibits, easier.

Community involvement and visibility
Bemis has found that it must manage increasing demands on the organization as an important player in Omaha, especially in the last five years as the organization has gained stature and visibility and has increased its community involvement. For the most part, having a clear mission and keeping an eye on organizational capacity has helped Bemis refrain from taking on more than it can handle. A culture of recurrent assessment has been crucial to monitoring organizational capacity. For example, board members bring in a moderator each August to lead a strategic planning session for the subsequent three years. The leadership discusses potential threats to the organization and thinks through plans for dealing with them should they arise. Balancing internal organizational demands with community demands can be tricky, but it is essential. Bemis’s perceived impact on the city as an energetic hub for creative people and its reach into various communities through its public programming and community residencies both contribute to its public image and the community’s will toward the organization. These qualities are critical in a town that is civic-minded and small enough to know readily who contributes in positive ways.
18th STREET ARTS CENTER

Located in a semi-industrial area of Santa Monica, California, the 18th Street Arts Center is an important resource and gathering place for contemporary artists from all disciplines and at various career stages. While an independent city within Los Angeles County, Santa Monica is adjacent to the cities of Los Angeles and Malibu. Its population is largely affluent, primarily white, and with a large population employed in creative industries. As a beach city, Santa Monica is a destination for residents throughout the southern California region as well as for tourists from all over the world. Santa Monica has a reputation for liberal politics and environmental consciousness. Adjacent Los Angeles is an important arts and entertainment nucleus drawing thousands of artists and aspiring artists seeking work as well as art education and training at the region’s various colleges, universities, and art schools.

With its mission to “provoke public dialogue through contemporary art making” and its belief that art making is an essential component of a just, vibrant, and healthy society, the organization plays significant roles in both Santa Monica and the more economically and ethnically diverse Los Angeles region.

What is now known as the 18th Street Arts Center started in the late 1980s as a collection of artist live-work spaces and the base for High Performance magazine, a publication that, with Astro Artz publications, critically documented the alternative art world. Visual artist Susanna Dakin and writer Linda Frye Burnham noted artists needed more affordable places to live and work. Seeking to meet this need, Dakin purchased the former production studio of Judy Chicago’s Dinner Party on an acre of land with five buildings in Santa Monica’s Pico neighborhood. Together, Dakin and Burnham developed the spaces as affordable art studios. Very quickly, with about 30 tenants, the place became a bustling creative center for artists of different ages and ethnic backgrounds as well as from various artistic disciplines – visual, performing, and media arts. The entity housed individual artists and arts organizations, as well as short-term and long-term projects.

In 1988, the entity incorporated as the 18th Street Arts Complex and was led by Steve Durland and Linda Frye Burnham, one serving as executive director and the other as artistic director. Five years later, those leaders left the organization and the West Coast to start a new entity and continue work on High Performance on the East Coast. Following its official formalization and the first attempt to staff it, 18th Street experienced several years of organizational turmoil as it grappled with its identity and purpose and with creating the appropriate structure to sustain its pulse and creativity. After the first staff left, a new director was hired and 18th Street attempted a merger with its tenant organization, Highways Performance Space. The merger came apart within two years, and the new director and most of the remaining staff were let go or moved back over to Highways’ staff.

As board president, Dakin stepped in as acting executive director. She owned the property and had been master-leasing it to the nonprofit which, in turn, leased space to individuals and organizations. Jan Williamson, currently the organization’s executive director, had been Dakin’s assistant and eventually took on the property management position in an interim capacity. Following several attempts at finding a permanent director, Clayton Campbell was hired as the fourth interim director and within the year, he and Jan Williamson began serving as co-directors. For a time, they were the only staff and the organization was

18th Street Arts Center At-A-Glance

MISSION: To provoke public dialogue through contemporary art making.

LOCATION: Santa Monica, California (pop. 90,000)

ORGANIZATION FOUNDED: 1988

RESIDENCY PROGRAM FOUNDED: 1992

ARTISTS-IN-RESIDENCE PER YEAR (2011): 16 visiting artists, 4 exhibition residents, 21 mid- and long-term residents (18th Street is also home to an additional 8 arts organizations with long-term leases and independent programs)

ARTISTS-IN-RESIDENCE AT A TIME: 3 visiting artists, 1 exhibition resident, 21 mid- and long-term residents

ARTIST DAYS PER YEAR*: 9,124

LENGTH OF RESIDENCY: 2 months for visiting artists, 3 months for exhibition residents, 3 years for mid-term residents, 5 + years for long-term organizations and mentor artists

DISCIPLINES SERVED: primarily visual arts, though also open to art curators, writers, performance artists, and musicians

SIZE OF BOARD: 14

FACILITIES / PROPERTY: Owns 5 buildings totaling 30,000 sq ft on 1.25 acres

BUDGET (2011): $950,000

CONTRIBUTED – EARNED – INVESTMENT INCOME (EST.): 52% – 48% – <1%

EARNED REVENUE SOURCES: rental fees

www.18thstreet.org

*The number of residents each year multiplied by the number of days each is in residence
concerned chiefly with its tenants as there was little, if any, other programming. Quickly, however, the programming dimension of the organization began to build. In some respondents’ opinions, during this time, the property rental dimension of the operation got less attention than it required and cash flow issues were not completely understood.

Around 1999, Dakin generously turned the mortgage over to 18th Street for $3.5 million, leaving the organization with $1.5 million in equity and a $2 million note. Then in 2000 the market crashed, stalling a capital campaign still in the quiet phase for renovations and to pay off (or at least pay down) the note. Split over the direction for the facility plans, the board weakened and shrank, and the organization found itself at another crossroad. In the following years, 18th Street worked to sustain the property and both normalize and expand its program activity. In 2003, the organization changed its name to the 18th Street Arts Center to more accurately reflect its range of activity.

Over the next few years, the organization began new plans to redevelop the site’s aging buildings, better address the need for affordable space for artists, and maximally leverage the value of the property. There were zoning studies, architectural concepts, and community meetings. The process was in motion, but then the economy collapsed again, undermining many of the assumptions used in the planning work.

Today, 18th Street Arts Center occupies the buildings and offers live/work and studio spaces for artists, an international residency program, a local residency program, gallery spaces, and a presenting program, as well as spaces for arts organizations such as California Volunteer Lawyers for the Arts and Highways Performance Space. The organization also leases space to Otis College of Art and Design, hosts a wide range of arts events, and collaborates with many organizations in Santa Monica and the greater Los Angeles area.

The present executive director is active in the region’s arts community – on the board of the region’s arts advocacy organization, visible at meetings and events, and actively collaborating with other players in the arts field. She is knowledgeable of key issues and changes in the arts terrain. The organization appears to have a good sense of how it fits in the arts ecology and of the niches it can and does fill. For example, 18th Street is keen on developing its role in relation to artists emerging from the region’s many art schools, colleges, and university programs. The organization’s relationship to Otis College of Art and Design is an example of how it is acting on this intention.

The value of 18th Street to Santa Monica and the larger Los Angeles arts community came through strongly in our interviews. One respondent said, “I think of 18th Street as a center for artistic innovation and support. It’s a crossroads for many artistic perspectives to come together.” Another respondent astutely noted 18th Street is deeply concerned with arts processes, not only with art products. People commented that many artists associated with 18th Street are involved in experimental art and social justice issues, and the organization offers the public opportunities to see work they would not typically find in commercial galleries or even large mainstream arts venues. 18th Street serves as a laboratory for artists—a safe place where they can take risks. In interviews, respondents also noted the organization is a good citizen, collaborating with other local organizations and schools. Additionally, 18th Street supports artists who work in other parts of the region as well, such as Skid Row in downtown Los Angeles and several other economically disadvantaged areas.

The organization is in a somewhat isolated area of Santa Monica, though this, for the most part, has not appeared to be a significant challenge. While some lamented being far away from the bustling arts scene further east in Los Angeles and there was some sense the organization can be difficult to find for fundraising events, it was also noted that in many ways the location is conducive to the residency program by offering some necessary privacy and isolation. And, by virtue of the work some associated artists do and their reach into other parts of the region, 18th Street transcends its location.

Revenue

The annual budget at 18th Street is just under $1 million, with 48% of resources from rent and other earned income and about 52% in contributed income (grants and individual contributions); there are also periodic in-kind contributions. Certainly Susanna Dakin’s contributions related to the property (as well as other overtures) have been crucial. Many respondents underscored the importance of Dakin’s generosity.

Increasing the individual donor pool—previously not a significant strategy—is now a primary goal. Interviewees are exploring how to more proactively and strategically include a greater number of 18th Street alumni in efforts to support the organization. There is also some interest in figuring out how to attract resources and donors from the region’s entertainment industry.

Most recently, 18th Street staff has been pursuing a range of fundraising events. The Beer, Arts, and Music Festival is one example, as is an annual benefit dinner. The organization is also experimenting with vehicles similar to Kickstarter and plans to host smaller VIP events.
Residency programs

Four categories of artists are in residence at 18th Street: (1) long-term residents who have been with the organization since the beginning (or close to it), (2) artists who became residents after 18th Street had enacted a three-year term-limit policy, (3) visiting artists (international and domestic) who are in residence with the organization for one to three months, and (4) artists in exhibition residencies who occupy 18th Street's gallery space in three-month increments. Long-term artists occupy 14 spaces at 18th Street; artists who came to 18th Street after the term-limit policy occupy about 10 spaces.

Term limits were enacted to make possible healthy resident turnover, thus bringing a flow of new people into the center and enabling the organization to serve more artists. (At the time when the term-limit policy was put in place, artists who had been with the organization since the beginning were grandfathered in as tenants with indefinite terms.) Term limits had been effective until redevelopment appeared eminent. At that point, term limits were temporarily suspended and several artists have been allowed to stay beyond three years. The organization did not want to begin three-year rental agreements with new residents, only to break the agreements and relocate them because of demolition and construction.

Long-term residents, as well as those who have term-limited spaces, have modest requirements. They are asked to publicly acknowledge being a resident at 18th Street. They must do some type of project within the 18th Street community. Sometimes this involves being a “buddy” to visiting artists, gardening, or technical skill sharing with other artists. There were different points of view about how much should be required of long-term artists in residence, with some people supporting enforcement of more stringent policies and criteria about art production and community involvement and others feeling less inclined to support hard and fast rules.

In general, long-term residents as well as artists who have now been at 18th Street for several years learned about these residency opportunities through word of mouth and their networks. Many residents first learned of 18th Street because they came to an event or knew someone who was working there. In the earliest days, there was no formal application to become part of the resident community. Only later were application processes developed, and most residents recall the process was not heavily bureaucratized. Currently, applications for term-limited spaces are considered with regard to artistic merit, career stage, financial need, membership in an underrepresented group, and level at which artistic practice engages the public, with a preference for socially-engaged artists.

“I think of 18th Street as a center for artistic innovation and support. It’s a crossroads for many artistic perspectives to come together.”

Annually, 18th Street hosts 16 to 18 visiting artists, each for one-to three-month periods at a time. About 85% are funded through grants or partnerships with host countries, and about 15% are self-funded residencies (mostly domestic). There is no requirement to take part in public programming, unless it is a condition of the artist’s funder. Visiting artists are encouraged to participate in center events and make themselves available to guest tours from time to time, but primarily they are expected to focus on their own work.

Recently, 18th Street began offering three-month exhibition residencies for four local artists per year. These Lab Residencies furnish gallery space and a $5,000 stipend, and are especially suitable for artists interested in an open studio format and who want to engage the public.

All of the artists we spoke with appreciated the ability to commune with other creative people at 18th Street. Artists who have been there for years appreciate seeing new artists come through the organization. Visiting artists appreciate the opportunity to interact with the longer-term residents. Some of the long-term artists-in-residence with whom we spoke are aware 18th Street is providing them with extraordinary support. One artist who has been with the organization for about 19 years and is at a juncture in his career said 18th Street exhibits “great compassion and appreciation for the life of working artists…. More business-oriented people would have said, ‘you’re out of here!’” There was some sentiment the organization has made choices that may not have been the best business decisions but were in the best interest of their artists. That said, there were palpable concerns about artists being able to continue to afford 18th Street if rents increase.

Other programs

Besides residencies, 18th Street offers more than 40 public programs including exhibitions, art talks, presentations, and special events throughout the year. In addition, individual organizations and artists also host events and exhibitions at 18th Street. For example, Highways Performance Space programs 50 out of 52 weeks per year. Otis College of Art and Design’s Master of Fine Arts Public Practice Program uses 18th Street for instruction and exhibitions as well. Staff noted attendance has been increasing and events often receive positive reviews in the Los Angeles Times and LA Weekly.

At the outset, 18th Street played an incubator role, seeking to help arts organizations get started and spin off into independent entities. Eventually, the organization put a five-year limit on
incubating a new entity. In 2008, formal incubation activity ceased. After strategic planning, 18th Street decided this was not a role the organization needed to play in the Los Angeles arts ecology, as other organizations were already meeting that need and 18th Street had reservations about the wisdom of encouraging individual artists to incorporate as nonprofits.

Staffing + board

Staffing of 18th Street has been lean, historically. Changes in organizational structure have typically been the result of strategic planning initiatives. At the time of the site visit, 18th Street was at the tail end of a restructuring process — going from a dual-hierarchical structure of co-directors to a structure with one executive director and new staff positions. Staff positions currently include the executive director, a director of residency programs, a director of communications and outreach, a director of development, a business manager, a programmer and volunteer coordinator, and a housekeeper.

Staff members are dedicated and passionate, and several are new to the organization. Some staff interviewed felt overextended but interpreted this as just part of work life in the nonprofit art world. As a result of the most recent restructuring, 18th Street has made some effort to cross-train staff on different organizational functions. One staff member, who has been with the organization for a few years, said the change has been tough but having more skills and range makes one feel more beneficial to the organization.

Respondents identified the executive director as a huge asset to 18th Street. People recognized her long tenure with the organization and described her as committed, visionary, flexible, and strategic. Interviews showed that as the organization begins to operate with its new structure, staff and board trust and support her.

The 18th Street Arts Center board of directors currently has 12 members, including artists, arts administrators, two lawyers, and three people with political and property development expertise, among other perspectives and skills. The bylaws allow for 18 board members and the organization intends to build the board to its maximum size.

18th Street has had a board since it officially incorporated, but building and sustaining a strong board with the right personalities and capabilities has been a challenge. Respondents noted that in previous times the board did not have a significant financial commitment to the organization, and in some instances board members were not sufficiently aligned with the mission. Susanna Dakin, at various stages of the organization, has been key in helping to build, lead, and redirect the board to be more consistent with the organizational mission. Currently, 18th Street is building a board with “the right mix of perspectives and skills” to take it into its next phase, including launching and completing redevelopment of the property.

Sustainability, transitions + challenges

Respondents at 18th Street defined sustainability not only in fiscal terms — being in the black, having a good mix of revenue streams, and having significant cash reserves, for example — but also in other ways. Interviews revealed five key elements of sustainability in addition to — and, in fact, directly or indirectly impacting — basic fiscal well-being crucial to the organization.

Appropriate organizational and business structure

Some respondents long associated with 18th Street defined its main challenge as arriving at the appropriate organizational and business structure to sustain the creative spirit, social concerns, and sense of community that generated it in the first place. Long-timers said there always been debate about whether property concerns and programming should live in the same organizational structure or be separate. While the organization has committed to a unified approach, its leadership is aware of compelling arguments for either option.

“18th Street experienced an identity crisis for the first several years. Was it just the sum of its parts, or more than that?”

Mission and public perception

Respondents believe sustainability also requires focus on mission and having a public image consistent with what the organization does. There was much evidence staff and board are committed to the organizational mission. Succinctly conveying the full range of 18th Street Art Center’s activities and the various roles it plays in support of its mission, however, is still challenging.

Staff and board know a coherent public identity is crucial to some dimensions of fundraising, and they are making good strides toward this. But the history and culture of the organization does not lend itself easily to this task. One respondent said 18th Street experienced an identity crisis for the first several years. Was it just the sum of its parts, or more than that? Additionally, high-profile entities within 18th Street have, at times, overshadowed the identity of the organization.

When we asked respondents to describe 18th Street, there were many different answers, and the definition was often colored by the individual respondent’s relationship with it. Some emphasized its space-provision element (for example, “18th Street is where I live”). Others emphasized its role as a welcoming hub for creative people. In some cases 18th Street was associated with a particular tenant organization or event. Still others emphasized the organization’s more general programming aspect, noting it is a place to see and experience art not available anywhere else in the region.

A strong staff and board

A third element of sustainability is appropriate staffing and a strong board. Staff and board noted that keeping an eye on organizational capacity is key. While the culture of the nonprofit arts world is one in which staff — though resourceful and passionate — are typically stretched, staff and board realize an organization will not be healthy in the long term without appropriate provisions. Board members and staff also noted key elements of a successful board: it must be passionate about what artists do. It must make
hard decisions and be willing to take risks. And it must have a strong commitment to fundraising. The board is currently working to satisfy these criteria.

Organizational values versus funder/donor interests
A fourth necessity for sustainability is balancing the need to appeal to funders and donors with the organization’s commitment to supporting emerging and midcareer artists who explore difficult or controversial issues and sometimes work in unconventional ways. At times, the commitment to these artists does not align well with funders and donors interested in high-profile personalities and artwork that might be validated in more commercial or mainstream venues. The organization’s values – its commitment to supporting artists and work sometimes at the edges of the art world – increase the need for robust earned revenue streams such as the income generated from rental property. For this and other reasons, redevelopment of the property is paramount.

Redevelopment: a clean slate?
A fifth element of sustainability is the sentiment among various respondents that redevelopment will not only physically change the organization, allow it to meet more artists’ needs, and provide more earned revenue, but will make space to create clearer policies, rules, and procedures. For several respondents, this is a welcome opportunity. The board knows it will have to make some hard choices about how the organization operates. What should be the policy for dealing with aging long-term artists whose productivity may wane? In establishing rent structures, how should it consider artists’ financial needs while also developing a structure to sustain the organization?

In general, respondents felt 18th Street was in a good place and on its way to being in a better place. There is great hope, optimism, and a little bit of healthy skepticism that the new organizational structure is the right one to carry 18th Street forward. There is great faith in the executive director. The board seems to have momentum as it continues its focus on resource development and redevelopment of the property. And there is awareness of the context in which the organization operates. No one seemed naïve about the formidable and interrelated challenges that lie ahead.
Committed to “women authoring change” – amplifying and nurturing women’s voices – Hedgebrook supports a global community of women writers and offers residencies at a retreat facility on Whidbey Island in Washington, about 30 miles north of Seattle. More than half of Whidbey’s population of about 60,000 lives in rural areas. At the northwest end of the island is a naval air station, the largest economic driver for the area. The south end of the island, where Hedgebrook is located, is the site of small-scale agriculture, a concentration of arts activity, and tourism. Access to Whidbey Island from Seattle requires travelling across Elliott Bay by ferry – the visitor’s first indication that Hedgebrook provides a respite from the regular grind. The Hedgebrook retreat overlooks Useless Bay and offers views across Puget Sound to Mount Ranier. While Whidbey Island feels separated from Seattle, many people who live there work in the metropolitan area. Hedgebrook has an office and does some programming in the city, and many of its supporters come from the Seattle area.

Nancy Nordhoff, a philanthropist, purchased a farm on Whidbey Island and, working with her friend and a writer Sheryl Feldman, converted it into a retreat to nurture women writers. With the objective of women finding their voices as they reconnected with the land, Hedgebrook opened to writers in 1988 and operated as a private foundation with support from Nordhoff from through 2001. After 2001, the organization became a 501(c)(3). Nordhoff gave Hedgebrook the property and a substantial financial gift, and stepped off of the board. She was relatively uninolved with Hedgebrook for several years, allowing the organization to “find its footing” without her at the helm. The organization shifted gears into become a public charity, and went through a transitional period for several years, involving leadership changes on board and staff.

Hedgebrook was able to survive almost solely on Nordhoff’s gift for several years. By 2006, however, the organization was clearly at a critical juncture, and the board recognized Hedgebrook was going to be in trouble unless the move was made to evolve to a sustainable model. An endowment had not been established, and the cash reserves established by Nancy had been drawn down and not replenished. While Nancy herself had cultivated a circle of major donors and annual appeals had gone out to a modest list of donors and alumnae each year, less than 20% of the budget was being supported by contributed income. Minimal earned income was being generated by the annual application process and the sale of a few items of merchandise.

From 2002 to 2006, Hedgebrook underwent a major transition. The board undertook a visioning and strategic planning process to determine if outreach programs were necessary to sustain the residency program, and launched a feasibility study that gathered perspectives and feedback from about 25 donors and prospective donors from the community to determine if a major campaign would be successful. The overarching message from that study was that Hedgebrook needed a larger support base to be healthy into the future, and that base would come as a result of engaging with its local (Whidbey and Seattle) community, raising the organization’s profile locally and nationally in literary and funding circles, and reconnecting with alumnae. The board learned Hedgebrook was a “best kept secret,” even after 14 years of serving its mission successfully, known mostly to women writers and almost exclusively in the Pacific Northwest. While there was always a commitment to supporting a diverse community of writers, being a private foundation meant a diverse community of funders had not been cultivated. The organization’s
reputation was solid, and the perception was that Nancy Nordhoff was funding it and support from others was not essential.

The organization was at a crossroads. Could it persist? Could it continue to provide the transformational opportunities afforded women writers through the residencies? Would it fold? And if it were to continue, what changes would have to be made to become financially sustainable? In 2002, the executive director of 12 years left her post and an interim executive director carried out the board’s directive to reduce staff size from 14, mostly full-time to seven mostly part-time staff members. From 2003 to 2005, a new executive director was hired who established a new Seattle office and hired senior level fundraising, communications, and program staff, but did not generate income quickly enough to offset the major increase in expenses.

In 2006, Amy Wheeler, the current executive director and a former writer-in-residence and board member, lead the effort to stabilize and eventually expand the organization. The anchor of her vision was to put alumnae at the center of all of Hedgebrook’s outreach activities: to re-engage them as ambassadors and build a grassroots community that would raise the profile of the writers and of Hedgebrook.

Today Hedgebrook is on its way to a stable financial position. It offers its core residency program along with a range of public programming on Whidbey Island, in the Seattle area, and increasingly, throughout the country. The organization has a strong and growing alumnae network and relies on various means of support. For example, Gloria Steinem worked with Wheeler to establish the Creative Advisory Council, a group of influential women writers who work with Hedgebrook staff to raise the organization’s visibility, raise funds, build community, and help it fulfill its mission.

Revenue

The budget of Hedgebrook is approximately $900,000. Revenue is a mix of contributed and earned income, although the lion’s share of funding comes from individual donors, with some support from foundations, government agencies, and corporations. As Hedgebrook has demonstrated an innovative spirit and momentum in building the organization and meeting its mission, Nancy Nordhoff has re-engaged and activated her own network for contributions.

Amy Wheeler has been especially entrepreneurial and resourceful in simultaneously advancing its mission and creating earned revenue streams. In 2009, Hedgebrook started offering writing workshops with master teachers, often alumnae or seasoned writers who want to experience Hedgebrook and who generously offer their classes for no fee to Hedgebrook in exchange for a future residency. This revenue-generating activity creates awareness of the organization, cultivates new supporters, allows women writers to advance with expert guidance, and furnishes more writers the retreat experience. The executive director and several board members noted once they opened up the organization’s educational dimension, huge opportunities followed. Hedgebrook also sells its own wine and items such as mugs, tote bags, t-shirts, and aprons bearing its tagline, “women authoring change.”

Board members and staff are aware owning the property free and clear is a huge boon. Several respondents also noted that, in some ways, the Seattle area is an ideal context for Hedgebrook because philanthropy is strong there and it is among the most literate cities in the country. That said, raising funds, rapidly growing the annual fund while developing new earned income programs, and finding the right mix of earned and contributed income is not without challenges. The board is in the midst of a $5 million sustainability campaign.

Residency program

Through Hedgebrook’s core residency program, the organization offers two- to six-week residencies to about 40 women writers per year, free of charge. Up to seven writers are in residence at Hedgebrook simultaneously. The residency season runs February to November.

Each writer-in-residence stays in a modest but beautifully appointed cottage crafted in the Amish “post and beam” style, which includes spaces for writing and reading, a wood-burning stove, a small kitchenette, large windows, a sleeping loft with a stained glass window, and fixtures created by local artisans. Six similar but unique cottages are strategically sited on the wooded property to both offer privacy and create a sense of community. “Meadowhouse,” a seventh cottage (originally built as the groundskeeper’s home), is offered to the invitational fellows and master class teachers. Each cottage has a historic journal in which

Linda Mabry, Hedgebrook’s 2005 Adrienne Reiner Hochstadt Award Winner photo courtesy of Hedgebrook
residents are invited to write; the cumulative entries chronicle the experiences of the cottage’s resident writers over the years.

Writers-in-residence have no obligations other than to gather together for dinner every evening at the retreat’s farmhouse, a communal space overlooking a lagoon and Puget Sound. Otherwise, writers are free to use the time and space in whatever manner they feel will advance their creative process. Hedgebrook prides itself on practicing “radical hospitality” — making sure all guests are cared for and offering fresh, organic, locally sourced homemade food for all meals. Writers fill out “food forms” prior to arrival, with information for Hedgebrook’s chef about any food allergies they may have, foods they like and dislike, or comfort foods that have special meaning to them. Special attention is made to providing meals from different cultures, and occasionally a writer may even join the chef in the kitchen to prepare a meal from her country or culture.

Writers interviewed spoke passionately about their experiences at Hedgebrook, calling their time there transformative. There was strong sentiment that the retreat, as well as the intimate community created among writers in-residence, provides nurturing and care crucial for women to find their voices and be validated as writers. Several writers interviewed said the treatment they receive at Hedgebrook makes them feel their work as writers is important — that what they have to say matters. Respondents described their experiences as a curious mix of nurturing and self-reliance. While residents are well-fed and housed, they are also living in the woods, sharing a communal bathroom, and warming their cottages primarily with a wood-burning stove. The cottages have no televisions and Internet access is intentionally limited. Writers are encouraged to go deeply into their processes and tune into their own rhythms. Respondents also noted the program and facility being for women only was crucial for Hedgebrook.

Staff said in the past women found out about the residency through word of mouth and many of the writers-in-residence were from the region. But over time, Hedgebrook’s reach has grown. More than 50% of Hedgebrook alumnae are women of color, the result of a strong commitment to diversity and a concerted effort to attract a wide range of applicants -- diversity in terms of career stage and generation, topics treated, type of writing, culture, nationality, and demographic characteristics. The application process has not changed significantly over the years. Applicants are evaluated using a fall through a two-round “blind selection” process, based on anonymous biographical information, a work sample, and statement of purpose. Hedgebrook alumnae initially review all applications. From this pool, approximately 300 applicants move to the second round. In the second round a selection committee made up of writers, editors, educators, agents, and literary managers judge and rank each applicant based on quality of writing, originality of voice, strength of the proposal, and diversity considerations, as well as considerations about how writers might give back to the Hedgebrook community once they are alumnae. Respondents said they found it hard to imagine anyone, after experiencing Hedgebrook, would not want to somehow give back to the organization.

Most recently, Hedgebrook received about 1,000 applications for its core residency program, up from 400 to 500 applications three years ago.

Hedgebrook also offers fellowship residencies for seasoned writers, by invitation only. Writers participating in these fellowships are also not asked to pay for anything, but they typically do contribute in some way after their stay. Toward the end of their time at Hedgebrook, they are offered opportunities for continued involvement and support.

Residents during Hedgebrook’s 2011 Women Playwrights Festival (from left) Molly Smith Metzler, Radha Blank, Susan Soon He Stanton, Lisa Loomer, Alva Rogers photo courtesy of Hedgebrook

Other programs

In addition to the core residency program and fellowship residencies, Hedgebrook does public programming in collaboration with other organizations on Whidbey Island and in Seattle, and new national partnerships are being formed as well. The organization also recently organized a virtual writers’ weekend through which writers around the country gathered, wrote, and communicated about their work and the writing process. Staff described it as an organizing strategy to help people connect to the Hedgebrook experience. Also, as a means of activating alumnae, the organization has formed a national Alumnae Leadership Council — 20 alumnae selected by the staff to help organize events in places such as Los Angeles, San Francisco, and New York, where there are concentrations of women who have experienced Hedgebrook. Additionally, since 1998, the organization hosts an annual Hedgebrook Women Playwrights Festival in partnership with regional theatres around the country. Other public programs include: Hedgebrook/Whit Press Series, a publication series featuring poetry collections by alumnae; Hedgebrook/Whidbey Island Center for the Arts “Literary Series,” a series of evening readings and conversation with alumnae; and Hedgebrook Songwriters Week, residencies for six women songwriters chosen through a national nomination process launched in 2012.

Since 2009, Hedgebrook has offered revenue-generating education and training opportunities at the retreat facility. Writers’ master classes last a week and are open to women writers seeking to improve their craft. Hedgebrook tries to make these opportunities accessible by offering payment plans; once in a while, a donor might underwrite someone’s participation. One-day
salons and long weekend workshops and salons are also offered, as well as professional development workshops led in different cities by alumnae.

Staffing + board

Hedgebrook has a staff of 10, with four full-time and six part-time positions. The executive director oversees all of the organization’s operations, including fundraising, creating revenue streams, marketing and communications, developing programs, and managing the board. The residency director oversees all aspects of the retreat – including food services, gardens, land services, and retreat staff – and the annual selection process, which takes place locally and nationally. The director of external relations works out of the Seattle office and supervises part-time development and marketing/communications staff. The alumnae relations coordinator, a part-time position, is the primary liaison to Hedgebrook’s 1,300 alumnae and oversees the alumnae leadership council. All of these staff members work together to produce events locally and elsewhere on behalf of Hedgebrook. The house chef is the fourth full-time employee, overseeing the running of the kitchen, creating menus, and supervising guest chefs. The rest of the part-time staff include two Whidbey office administrative positions, a gardener, and facilities manager/groundskeepers. Hedgebrook contracts with housekeeping staff, a bookkeeper, and accountants.

Executive director Amy Wheeler has a long history with Hedgebrook. As a former writer-in-residence and board member, her perspective on the organization is multifaceted and comprehensive. In 2006, when Wheeler took the executive director position, the organization hired a consultant to help her determine a new organizational staffing structure. This organizational infrastructure assessment ultimately resulted in a strong team to run the organization.

Staff and board have great faith in Amy Wheeler’s commitment to Hedgebrook and her ability to grow the organization. Several of the key staff members – the residency director, the director of external relations, the alumnae relations coordinator, and the fundraising consultant – have worked together previously through other organizations. Some staff members noted their in-common theater experience equipped them with skills invaluable in their efforts at Hedgebrook, including working as a team, being able to improvise, being able to produce events, and understanding how to stage memorable experiences. There was evidence of great respect and support among staff members interviewed. Staff, having made impressive progress with fundraising and new program development, are exhilarated and proud of their accomplishments but somewhat stretched. The organization also relies on outside consultants to help with some fundraising functions and with evaluations.

The organization also relies on an outside consulting team who work closely with board and staff and founder on fundraising, marketing/communications and strategic direction.

The Hedgebrook board of directors typically includes eight to 10 members, with a goal of reaching 12-15 members and growing into a national board over the next two years. At one point, the board was down to less than half its normal size; it was rebuilt iteratively. The current board is enthusiastic and taking its charge seriously. Relations between board and staff are positive. Both sides noted the importance of trust and transparency between them.

“Requiring writers-in-residence to assume responsibilities for public relations is not consistent with the residency’s ultimate goal and would diminish its impact.”

Sustainability, transitions + challenges

Respondents aspired to build an organization with a good mix of revenue sources, including earned income and fundraising in an annual fund that supports 90% of operations. Hedgebrook aspires to have robust cash reserves for at least six months of operations, money and time for experimentation, and an adequate staff that is not on the brink of burnout. Both board and staff feel the organization has made progress toward these goals and they are effectively facing unavoidable challenges.

Hedgebrook’s historic and dominant challenge has been addressing the transition from being a foundation to an organization requiring fundraising and outside revenue streams. Inherent in this change have been the needs to (a) change the public perception of the organization; (b) develop revenue streams consistent with the mission; (c) build a strong staff and a board that is passionate about the organization, expansive in its interpretation of the mission, willing to take calculated risks, and committed to fundraising; and (d) activate a network of alumnae who can support the organization through staff and board efforts.

Public perception

Changing the public perception of Hedgebrook has been a challenge. The public perception of an organization impacts its ability to garner support and ultimately affects its viability. When Amy Wheeler took the position, she quickly prioritized addressing how people interpreted and connected to Hedgebrook. In its days as a foundation, Hedgebrook was largely insular, with little connection to the rest of Whidbey Island.
Wheeler describes her initial work as going on a “listening tour,” conducting a town-hall meeting at the retreat to learn what community residents thought about the organization. Having learned that some had negative views of Hedgebrook as an elitist enclave cut off from the rest of the island, Wheeler took steps to rectify the situation: building partnerships with local organizations for joint programming, committing to patronizing local businesses as much as possible for goods and services, finding ways to open the facility to the local community without sacrificing residents’ privacy, and devising mechanisms by which local community members might interact with artists-in-residence, if both parties so desired.

Out of the town hall meeting came the idea of the Hedgettes – women who volunteer to show visiting writers around the island and offer some social outlets – as well as a series of events with Whidbey Island Center for the Arts four times a year with writers, actors, and audiences. There is greater appreciation now that, by attracting people to the island, Hedgebrook is positively benefiting the local economy and arts community.

Hedgebrook’s visibility in Seattle also has grown. There are regular readings at Elliot Bay Book Store and there is a reading series at Town Hall during poetry week. There have been readings at places such as Children’s Hospital and Port Authority. Staff said the events do not draw big crowds but are well received.

Hedgebrook has an open house once a year during the summer. That Amy Wheeler and residency director Vito Zingarelli live on Whidbey Island and have active relationships with other arts nonprofits is an important positive factor. Changing the public image of Hedgebrook also required, to some extent, explanation for why the residencies were limited to only women.

Beneficial collaborations
Staff and board have learned assessing prospective partners’ capacity to carry their own weight is vital in collaborations. After instructive experiences that stretched Hedgebrook staff, the organization is becoming more judicious and strategic in committing to partnerships – asking hard questions about whether the collaboration is a good fit with Hedgebrook’s mission, whether the prospective partner has adequate staff and resources to carry out a project, and whether the proposed collaboration is unique or requires long-term commitment.

Protection for the residency experience
Another challenge lies in balancing the desire to be a good neighbor with the need to protect the private nature of the residency experience. To address this, staff have taken on the responsibility of interacting with the public and have strategically relied on Hedgebrook alumnas to help. Staff were clear that requiring writers-in-residence to assume responsibilities for public relations is not consistent with the residency’s ultimate goal and would diminish its impact.

Expansion and new revenue streams
Both Hedgebrook’s mission and its need to create revenue sources have led to expansion in various ways. The organization is no longer focused on the Pacific Northwest, as it was in its early days. In fact, Hedgebrook is committed to developing a national and even perhaps, eventually, an international profile. Increasing and diversifying applicants to the core residency program, candidates for the fellowship residencies, and participants in the training opportunities now available at Hedgebrook is imperative to both addressing its mission at a larger scale and cultivating revenue streams. Inherent are concerns about the rate of growth and the staff capacity to manage and address it. Doubling the applicant pool in the last three years has led to more nuanced interpretations of the organization. As the residencies become more competitive, the organization is transitioning from an entity that exists to nurture women and facilitate the creative process to one that also grants prestige. What impact, if any, this transition will have on attracting funding is still unknown.

Effective messaging
Staff and board noted another dimension of developing revenue streams, especially contributed revenue streams, is effective messaging – the ability to tell a compelling story about the organization that conveys its relevance, impact, and urgency. The organization’s tagline – women authoring change – has been important in this purpose, with some respondents noting it helps expand the concept of Hedgebrook from a place to an intention. Personal testimonials from writers who have benefitted from Hedgebrook also are imperative, especially since much of what the organization offers, in some ways, intangible. Reflecting on the importance of communicating value, Amy Wheeler noted one must be mindful of the subtle ways in which the purpose of an organization might change over time. At Hedgebrook, the original concern was with making an impact on women writers. The concern has now expanded to making an impact on women writers so they can impact the world.

A suitable staff and board
While Hedgebrook has a great team that has made huge strides, there was some sentiment that the pace of progress was not sustainable and to continue cultivating stakeholders more staff resources will be necessary – additional employees, more investments in technology, and more adequate office space. At the time of the site visit, the Seattle staff was enthusiastic about their move into more suitable office space.
Building the board at Hedgebrook has been challenging. Over the years, the size and composition of the board has fluctuated in instructive ways. The biggest challenge has been to build a board willing to think expansively and strategically about how to grow and sustain the organization. There was some sentiment among interviewees that, in previous years, some board members had a narrow, conservative concept of what was possible at Hedgebrook. Most board members who left when the body dwindled to less than half its normal size did not support a more expansive vision of the organization. There was trepidation in thinking of Hedgebrook as providing services that could generate income despite the organization’s clear need to be entrepreneurial. Thinking of expansion in a climate of retrenchment posed a big challenge for some former board members.

The current board is eager to think creatively and strategically. They noted the importance of the organization being able to track its progress and see results. In this hands-on board, members see their role as more than just writing a check. That said, the board is deeply committed to strengthening its fundraising capacity. They are concerned about figuring out the tipping point to motivate and sustain contributions. When does one go from being persuasive, persistent, and passionate in seeking support to being off-putting? What is the best way to utilize existing donors and alumnae in activating friends and contacts who might contribute to the organization?

Board members interviewed were passionate about Hedgebrook’s mission and deeply knowledgeable about the status of women in the publishing world; rectifying their under-representation is a source of great concern. While board members have been primarily from Whidbey Island and the Seattle area, there is interest in developing a national board to include people from other parts of the country.

Alumnae involvement
Having been a writer-in-residence, Amy Wheeler knows firsthand Hedgebrook’s value and impact, as well as its potential to engender a network of women committed to making that experience available to others. A great accomplishment in recent years has been reconnecting the organization to people who have been to Hedgebrook before and value its importance. While writers were previously only able to participate in one residency at Hedgebrook, the organization changed its terms, allowing former residents to apply again.

Wheeler noted it is a real benefit to have the story of Hedgebrook told by storytellers – the very writers who know it best. Currently, most alumnae live in Seattle, San Francisco, Los Angeles, and New York (more than 200 in each city). The organization has also created alumnae mechanisms with specific charges, such as the Creative Advisory Council and the Alumnae Leadership Council, which operate in the cities with a strong alumnae presence. Board and staff noted that they and active alumnae knowledgeable about the plight of women in the publishing world are excited about developing a “new girls’ network” that will create space for the work of women writers.
ESCAPE TO CREATE

Escape to Create At-A-Glance

MISSION: To foster the creation of art that teaches and inspires by offering artists a supportive environment for creative work and to further the appreciation of the arts as an integral part of community life.

LOCATION: Seaside, Florida (pop. 1,000)
ORGANIZATION FOUNDED: 2009
RESIDENCY PROGRAM FOUNDED: 1993
ARTISTS-IN-RESIDENCE PER YEAR (2011): 12
ARTISTS-IN-RESIDENCE AT A TIME: 6
ARTIST DAYS PER YEAR*: 360
LENGTH OF RESIDENCY: 1 month
DISCIPLINES SERVED: literary, visual, and interdisciplinary arts; music; scholarship
SIZE OF BOARD: 6
FACILITIES / PROPERTY: none
BUDGET (2011): $60,000
CONTRIBUTED — EARNED — INVESTMENT INCOME (EST.): 83% — 17% — 0%
EARNED REVENUE SOURCES: application fees, workshops, contracted services
www.escapetocreate.org

*The number of residents each year multiplied by the number of days each is in residence

The Escape to Create (E₂C) artist residency program is located in Seaside, Florida, on the panhandle between Panama City Beach and Destin. Seaside is a master-planned community of approximately 80 acres and 300 homes, many of which are the owners’ second or vacation homes. The community has played a major role in the New Urbanism movement – concerned with walkable neighborhoods and livable environments – serving as a model of New Urbanist planning principles and hosting seminars and other educational events.

E₂C began as a program of the nonprofit Seaside Institute, whose mission is to provide leadership in new urbanism and traditional neighborhood development. When the Institute began in 1982, however, it focused on the development of cultural and educational opportunities in Seaside. A member of the Institute’s executive committee devised the idea of an artist residency program, largely because it could bring people to the community during the off-season. When the idea began to take shape in the early 1990s there were about 100 homes in Seaside. During the winters, businesses were closed and few people were in town. Artists had been in the area for years, so an artist residency program seemed like a good fit.

The first group of artists came to the program in 1993. E₂C incorporated as an independent 501(c)(3) in 2009. The organization is the residency program – activities such as public talks and performances, community service with schools, and fundraisers are either part of the residency program or support it in some way. The program model is one of integration with the community.

E₂C’s formal statement of purpose is to “celebrate artistic endeavor through residencies, concerts, literary conferences, theatrical events, lectures, workshops, exhibitions, and educational outreach throughout the year.” This purpose can be restated as a mission to provide a supportive environment in which artists can focus on their work and to educate local citizens about the arts.

Revenue

The organization is able to operate on a shoestring budget. In 2010 total income and expenses came to approximately $66,000. Because the executive director left early in 2011, expenses declined and the board accordingly raised less income. The organization is supported by individual gifts, a small grant, sponsorships, and fundraisers. Other revenue comes from the residency program itself, in application fees and art sales.

E₂C owns no assets but relies on homeowners to donate space for artists. Performances and other public events take place in community spaces, including the Repertory Theater, the local bookstore and music shop, and venues in neighboring communities.

Financially, the organization has been able to raise the revenue it needs to cover operating and program costs. E₂C has not had a steady funding stream since it split from the Seaside Institute. The board anticipates continued success raising funds, though they are somewhat concerned about donor fatigue and the need to expand their base of contributors. Unless the organization hires an executive director who could raise funds, it appears unlikely the percentage of income from grants could increase.

Residency program

E₂C selects emerging and established artists whose medium and work requirements fit well with the program and who also have a clear idea of the specific project they will create while in residence. Artists at E₂C have included writers, composers and songwriters, musicians, photographers,
playwrights, videographers, painters, and multidisciplinary artists. The program is not a good fit for artists making large visual work or those who need special facilities such as kilns or metal or woodworking equipment a residential setting could not normally provide.

The application requires artists to submit a cover sheet and letter, a proposal for creative work and community service, two reference letters, a curriculum vitae, and an application fee ($35 for electronic applications and $50 for paper applications). After initial review by the board, alumni jurors review applications by discipline. Taking into consideration the jurors’ recommendations, the board serves as the final selection committee.

When the residency program began, it offered one session in January each year. It has since expanded to two four-week sessions as a way to strategically expand its presence in the community at minimal cost. Each January and February, five or six artists are in residence. The artists are provided a live/work space, a weekly stipend of $100, and use of a bicycle. The program provides worktables, tarps, lighting, and other items, but not art materials. During the residency, each artist is expected to offer a public presentation or performance and engage in a community service project. Service projects have consisted of giving a lecture, offering a workshop, or otherwise engaging with school children in the Seaside area. Artists are also required to participate in a weekly dinner at the home of the president of the board of directors.

According to the E2C alumni with whom we spoke, the program enjoys a reputation for offering beauty and time. The location along the Gulf Coast and the quiet of Seaside during the winter helps create a space in which artists can retreat and focus on their work. As one artist said, “the beautiful environment made it easy to be thoughtful.” Another artist described her stay as “extremely productive” and spoke favorably of the opportunity to “take yourself out of the world for a while” and work in a supportive environment. The artists heard about the program through word of mouth from friends and from other arts events. Both artists said they had already recommended the residency to other artists.

At the time of the site visit, formal involvement with the program post-residency was limited. Artists are invited to serve as jurors and some might return to Seaside to give a reading or presentation. The board plans to establish an alumni advisory board to help the program stay current and identify artists who would be a good fit.

Other programs
Currently, E2C hosts visiting artists and scholars but does not have a formal program per se. The anticipated benefits of establishing one include extending the organization’s footprint by offering additional public events, heightening the organization’s profile by bringing back successful alumni, and supporting local merchants who would host participants’ book signings or performances.

Staffing + board
The organization is run by volunteer board members, most of whom do not live in Seaside year-round. The board president has led E2C since 1995 along with four other board members. There was a paid executive director from 2009 to 2011 but a difference in vision saw a return to board control in the spring of 2011. In addition to the board, the organization retains an accountant who is paid by the hour. E2C plans to hire a webmaster short-term to update its web site. Organization business is conducted both virtually and in an office E2C rents in Seaside.

Sustainability, transitions + challenges
E2C has experienced three significant challenges since it began and has faced other pressures along the way. The first challenge came in 1995, shortly after E2C began, when the then-director of the Seaside Institute, who also led the residency program, left for a position elsewhere. Artists had been accepted to the program and were due to arrive shortly but no one was designated to take over. To prevent the program from folding, the current E2C president volunteered to run it. She served in a voluntary capacity for a few years before being invited to join the Seaside Institute board. She ran the program as a board member until 2009, when E2C faced its next significant transition.

As the Seaside Institute shifted its focus to pursue a more national and international education mission centered on New Urbanism, it decided to end sponsorship of locally-oriented programs. In 2009 E2C was eliminated from the Institute’s budget. Under the leadership of the Institute board member who had been running the program, E2C attained its own nonprofit status and established an independent board of directors. Though this shift in structure was unanticipated by program leaders, they were able to transition to a separate organization without a lapse in the residency program.

The third challenge again involved a change in program leadership. After becoming an independent organization, E2C hired an executive director who lived in the area to handle the day-to-day work. Over time the executive director, who also worked with the Seaside Institute, developed a vision for the residency program the board did not believe aligned with its mission. When the executive director and the board parted ways early in 2011, program management returned to the board.

A competing vision for E2C would have it evolve into a program with world-renowned artists and an international reputation. However, the board has remained committed to the vision of a
program that not only supports artists and their work, but also educates people in the Panhandle region about the arts while creating more demand for it.

The first two challenges could have ended the artist residency program. The primary factor that has sustained E2C during these challenges is a strong belief in the program’s worth. The energy of key people committed to ensuring the program continues and succeeds has been crucial and remains so today. In addition to their energy is their ability to access financial and in-kind support and their focus on a clear program mission. Another important factor is the size and simplicity of the program structure. It has been possible, so far, for volunteer board members to run E2C even from off-site locations; the program has not needed regular, on-site staff.

The last challenge could have led the program down a different path. Changing the focus might not necessarily have been a negative turn of events. Had the program turned away from its strong interest in benefiting local and regional communities, it might have lost some of its local support but it might have gained support from other quarters.

Program scale
Today, leaders of E2C speak of program sustainability in terms of keeping the program at scale. Given its reliance on community support, it must have access to sufficient live/work and performance spaces and keep operating costs at a level fundraising can support. In short, the prevailing thinking is the program needs to exist at a scale that can be supported by the community and it needs to contribute to the community to ensure ongoing support.

Community engagement
Fundamental to E2C’s program model is community engagement. Without its integration with community members and institutions, the program would probably not exist in its current form. As a board member stated, “our job is to keep the community engaged, which is why operating to scale is critical.” Elements of this engagement fall into two categories—those benefitting the organization and those benefitting the community.

Community-based benefits to the organization include the use of homeowners’ housing for artists’ live/work space, collaborations with area businesses and organizations to host program events, and individuals’ donations to cover program costs. Benefits to the community include providing events that draw people to Seaside during a time of year when little else happens, serving as a catalyst for other arts-related events in the area, and building a reputation for the community as, in the words of a local business owner, “a place to come for art events.”

The benefit mentioned by respondents most often is the community service component of the residency program that brings artists into schools and youth facilities. With offerings ranging from a one-class lecture to a multisession workshop, interactions with artists offer children a “broader sense of what they can do in life,” said a respondent from the school. This requirement helps ensure the residency program is relevant to the community, which then helps the board ask for community support.

Less tangible benefits among community members who become involved with the organization include a sense of satisfaction from supporting it, enjoyment from attending events and meeting artists, and pride in the program and its existence in their community. A community leader said “people who spend more time here value [E2C’s] contribution to cultural life.”

Reflecting on the exchange between E2C and the community, a board member said, “As long as the community is receptive to fostering the work of artists who make contributions to the cultural and civic life, we are sustained. The rest will fall in place.”

Board effectiveness
Several factors stand out as facilitating E2C’s sustainability. First and foremost is the effectiveness of the board. According to board members with whom we spoke, members work well together and both enjoy and believe in the work they do. The importance of this cannot be understated. Much of the board’s work is carried out via telephone and Internet; they have to be able to trust each other without the motivations and pressures of working in the same space. As already noted, board members have built effective relationships with supporters to secure sufficient funding and in-kind donations for running the residency program and other events.
Clarity of purpose
A component of the board's effectiveness is its clarity of purpose. Running through several interviews were the themes of being clear about and staying true to the program's purpose. Inflexibility about program identity and purpose has allowed the board to be flexible with details, such as the number of artists in a residency cohort, approaches to fundraising, or new events or program elements. Clarity of purpose has provided a position against which to weigh opportunities and make decisions. For example, the board turned down a grant that would have required E2C to offer an event perceived as outside its mission.

Succession and program continuity
Many board members have been involved with E2C since the program began. Though board members' lengthy involvement provides depth of knowledge and experience, the degree to which the program depends upon current leadership does raise questions about succession and program continuity. The board has professionalized the program over time by creating formal processes, such as those for submitting residency applications and selecting artists. Board members and the accountant have documented their business processes to make the program less dependent on any one person. The board is also considering adding two members, which would help program sustainability by bringing new people and perspectives into the leadership.

Additional sources of funding
Another challenge will be expanding the sources of funding. As a board member put it, the organization cannot "dip into the same pockets forever." One way to look beyond individual contributors would be to identify grant opportunities, although the organization's all-volunteer structure makes that difficult.

Related to these challenges is the ongoing need to pay close attention to program scale. While the residency program and other events can grow and expand, the board wants to ensure all activities remain within its capacity to raise funds and access space. Careful management of E2C's events and number of residents in each cohort is critical to ensuring the organization can manage revenue generation and costs and not compete with other organizations for housing and event venues.

"As long as the community is receptive to fostering the work of artists who make contributions to the cultural and civic life, we are sustained. The rest will fall in place."

Possible challenges
The board did not identify significant current challenges to sustainability nor were any such challenges evident. Board members and other parties have identified issues that could affect sustainability if they were to receive insufficient attention, the first of which is housing availability. More people are spending time in Seaside during the winter months as homeowners age and more off-season events in the area draw owners and renters. Though no one expressed an immediate concern with the organization's ability to locate live/work units, this could become a challenge.

Another factor identified by at least a few stakeholders was the move to organizational independence. The program has been able to maintain its sharp focus on both artists and the local community. Were it to have remained a program of the Seaside Institute, it might have been pulled in different directions by the Institute's shift toward a national and international focus. A shift away from program integration with the local community might have proved costly over time if community support were to wane. Even if the community's financial support could be replaced, the program would not be sustainable in its current form were housing donations to decline.

As unique as the program might be, people involved with it were quick to say they believe it can be replicated elsewhere. Perhaps the most unique aspect of the program model is the reliance on community members' homes. Communities with many vacation homes or residences with guest suites could be the best locales for a similar program. Beyond the issue of space, many elements are not unique to E2C or to Seaside and are more replicable—for example, having resourceful leaders, operating on a manageable scale, remaining true to an organization's mission, offering support to artists, and enabling interactions among artists and between artists and community members.
CASE STUDIES | CONCLUSIONS

This discussion of artist residency programs, their evolution, their challenges, and ultimately their quest for sustainability offers insights about organizational choices and perhaps also calls to mind considerations for anyone concerned with supporting artists through residency programs.

General thoughts about sustainability
While usually the conversations about sustainability started with observations and concerns about organizational finances, respondents were keenly aware their sustainability in general and even their financial circumstances specifically are tied to a web of other interrelated issues: a strong staff and board; focus on mission; the extent to which funders, donors, artists, and community members value the sponsoring organization and, in some cases more than others, the residency program itself; and the organization’s ability to adapt and innovate in order to thrive.

“Clarity about mission only propels an organization forward when it is the foundation from which to think and act creatively, not a straitjacket.”

Positive financial position
Respondents from all organizations regarded a positive financial position as central to sustainability. This idea of "positive financial position" was about more than just being in the black. Respondents at Bemis, 18th Street, and Hedgebrook talked about the importance of dependable cash flow that includes earned income as well as contributions (cash and in-kind from foundations, individuals, and other sources), and also robust cash reserves. There was consensus that a financially healthy organization can adequately pay its staff, support reliable access to its space, and provide resources for programmatic experimentation and risk taking.

Mix of revenue sources
Cultivating and sustaining individual donors surfaced as an important goal and challenge, and finding the right mix of earned revenue and contributed income is a continual quest. Respondents also indicated that designing viable earned revenue streams consistent with the mission of the organization/residency program requires much deliberation and creativity. What is the right formula for an organization given its size, mission, values, portfolio of activity, relationship to real estate, and the universe of funders and donors it might reasonably attract?

Endowment
The idea of an "endowment" to help ensure sustainability, which in the past many organizations (in and outside of the arts) have considered, did not feature very prominently in our conversations. There was a sense that, in the future, this might be something to look into, but in this economy, even significant resources yield little. There was much more interest in the idea of robust cash reserves.

Relationship to property
The organizations that own property (all but Escape to Create) are interested in figuring out the best ways to both conserve and leverage that asset. Owning property free and clear, as is the case for Hedgebrook, surfaced as a huge boon. Ownership of the property at Bemis was also an important positive factor. At 18th Street, owning the property has been more complicated. Despite the struggles to address deferred maintenance, optimize rental income, and figure out the appropriate organizational structure to support both the property and programming, general sentiment held that ownership is central to what 18th Street does and how it will survive in the future. In all instances where the organization owns property, the organization’s identity was significantly tied to specific physical spaces.

Escape to Create’s financial concerns are smaller because it runs on a shoestring budget, does not own any assets, and holds modest goals for expansion. That said, its commitment to the Seaside community is a defining characteristic.

Clarity of mission and compelling organizational narratives
Clarity of mission for staff, board, and other stakeholders is essential to all of the organizations. Focus is crucial for avoiding mission drift and activity that detracts from the organizations’ main purpose. But clarity about mission only propels an organization forward when it is the foundation from which to think and act creatively, not a straitjacket. This was certainly evident at Hedgebrook and 18th Street.
Along with clarity of mission, respondents spoke of the importance of a compelling narrative about the organization—being able to speak in an easily understandable way about what the organization is, what it does, and why it is important. Communicating value to different audiences or stakeholders—including artists, arts funders, other arts organizations, and the surrounding community—often requires an adaptable narrative. Devices that can efficiently encapsulate an organization’s value are important tools. These include taglines such as Hedgebrook’s “women authoring change” and Bemis’s “because exceptional talent deserves to be supported,” as well as testimonials from artists and others who have benefitted from the organization.

For Bemis and 18th Street, which have several programs in addition to the residencies, arriving at a narrative that encompasses everything that happens in these organizations has been a challenge. As Hedgebrook expands from its focus on residencies to other programs on-site and in other cities, it too will reckon with similar challenges. Developing a current, compelling organizational story or even an organizational brand requires keeping up with the entity’s evolution. For example, Hedgebrook, Bemis, and 18th Street are mindful of their plausible evolution from organizations that facilitate and support the creative process to organizations that also grant prestige and propel artists to new career heights. At what point does this new identity or inclination become part of the organizational narrative?

For E2C, conveying why the residency program matters—primarily, why it is good for Seaside—is absolutely crucial. It is the belief in that story that compels locals to make their properties available to the artists.

**Awareness of role in arts ecology**

Awareness of other players in the local arts world, as well as a sense of the organizations’ place beyond that, is important—regionally, nationally, internationally, and even in the ecology of organizations specific to targeted populations or artistic disciplines. Such awareness is useful in strategizing for fundraising, helping ensure the organization is relevant, creating alliances and collaborations, and avoiding unproductive redundancy and competitiveness, as well as in creating goodwill for the organization.

Executive directors, some board members, and other key staff were frequently active participants in the local arts community—citywide or regional events and planning or advocacy efforts. Through this engagement, they become aware of important issues and identify ways to contribute to collectively held goals. Key questions organizational leaders must recurrently consider are: Who are our peers? Who are our competitors? Who offers services or programs that might complement ours? Who are potential allies in meeting our mission? What new practices and issues in the arts impact our mission? These considerations help inform the organizational narrative, they can lead to new ideas for programming and income-generating activity, and they are important in being a good citizen of the arts community and garnering goodwill.

**Awareness of role in larger community**

In addition to considering arts ecology, it is crucial to understand how the organization fits with and contributes to (or can contribute to) the larger community. Leaders from all four organizations had some grasp of the roles their organizations play. For example, for many community leaders and some local residents, attracting artists to a town or neighborhood could be understood as positive. Both Bemis and 18th Street, located in large urban areas, are hubs for local artists as well as those visiting—formally and informally. Hedgebrook and E2C, while not hubs in the same sense, attract selected artists from outside the immediate community and create local buzz in doing so. In Seaside, presentations and projects related to E2C residencies have become features of the town. At Hedgebrook, partially in response to Whidbey Island residents having registered their frustration with the organization’s introversion, the executive director has been especially mindful about being a good citizen. At Bemis, the organization has a history of artists working with disadvantaged local populations, and the organization is known to mentor leaders and incubate arts activity beneficial to the larger community. Many artists from 18th Street Art Center are engaged in community-minded activity and take on important urban issues; however, the public connection between 18th Street and artists doing this kind of work is not as prominent as it could be. In some ways, 18th Street is a behind-the-scenes player in supporting civic-minded art.

“It is often a challenge to generate goodwill and an appreciation of artists while still protecting the essence of the residency experience and providing artists with an opportunity to retreat from the public.”

Questions to recurrently consider in defining an organization’s role include: What benefits do we offer to the community at large? Do we make the community more vibrant? Are there economic and social impacts? How are the arts and artists framed in larger planning and policy discussions? Who are our allies outside of the arts in helping us carry out our mission? How does, or can, our mission align with other community concerns and priorities? What are the forums outside of the arts world where we may contribute or benefit? These considerations help inform the organization’s narrative, can lead to new ideas for programming and even income-generating activity, and are indispensable in any efforts to garner public goodwill.

**External goodwill**

External goodwill was viewed as crucial, especially because the organizations rely on contributed public and private resources. Awareness of roles in both the arts sector and outside of it is central to this theme. Yet, respondents noted that it is often a challenge to generate goodwill and an appreciation of artists while still protecting the essence of the residency experience and providing artists with an opportunity to retreat from the public.

Bemis and 18th Street have minimal requirements for artists-in-residence in engaging with the public, while Hedgebrook had none. These organizations rely less on artists-in-residence to generate goodwill in the community and more on staff and other programs besides the residency. For Hedgebrook, this had been a challenge in the transition from being privately supported
to requiring a mix of contributed and earned revenue, but the executive director has been strategic in deploying staff and Hedgebrook alumnae to help with community outreach and partnerships. E2C, in contrast, requires its artists-in-residence to participate in a public presentation, a community service project, and weekly dinners with the board president and selected community members. Without other programs independent of the residency or staff and board on-site, E2C’s artists-in-residence have greater responsibility for engaging the community and their compliance with these requirements is crucial because the residency exists only as a result of external goodwill.

Appropriate staff considerations
A strong executive director and a staff that can operate as a team surfaced as imperative. Generally, executive directors and staff experienced in working with artists and who enthusiastically support artists’ work were seen as extremely beneficial. There was acknowledgement that many art organizations and residency programs are staffed by passion-fueled people willing to give their all without robust compensation. There was also recognition that such staff often work at the brink of burnout and that this is not sustainable. Respondents significantly tied financial goals to compensating staff adequately (among other priorities). Reorganization strategies were largely focused on making sure that the organization was structured with positions that aligned with programmatic goals, as well as an adequate number of workers. As with many nonprofits, with the exception of E2C, leaders were challenged to find adequate core operating support from foundations.

Some respondents recognized the limitations of their organizational structures and have come to terms with them. For example, Bemis acknowledged staff in some positions will likely only be there for a short time and that their tenure must be regarded, by both management and staff, as a stepping-stone toward other aspirations.

Appropriate board considerations
All of the organizations struggle, or have struggled, with building boards that can support their evolution. The following board characteristics emerged as essential:

- Passionate about the organizational mission and the importance of artists in society.
- Knowledgeable about issues the organization seeks to impact. (For example, board members at Hedgebrook are deeply knowledgeable about statistics on women writers and the lack of representation for women in publishing.)
- Balanced in its treatment of artistic considerations and business considerations.
- Balanced with regard to prudent financial management and necessary organizational innovation and risk.
- Capable of telling the story of the organization and why it is important in a compelling way (including its role in arts ecology and the broader community).
- Committed to giving or helping to get resources for the organization.
- Dedicated to transparency between board and staff.
- Trusting of the executive director.

Alumni involvement
For all four organizations, alumni involvement surfaced as a necessary component for a sustainable organization. The extent to which alumni were intentionally and strategically integrated into each organization varied; however, all of the organizations rely on alumni to assist with referring or selecting new artists-in-residence. Bemis, 18th Street, and E2C expressed a desire to more proactively enlist alumni support. Hedgebrook is most intentional and strategic about their use of alumnae: the executive director has built an array of mechanisms that allow alumnae to reconnect with and contribute to the organization.

“Continuing to do the same thing after careful consideration is often prudent; continuing to do the same thing out of neglect or fear of change is not.”

From conversations with artists who have been in residence as well as some staff, we can conclude that alumni seem most inclined to actively support the organization (1) if their experience was transformative and (2) if there are already mechanisms through which they can easily contribute or connect. Transformative experiences were typically characterized as those in which artists were nurtured, trusted to use their time well, and taken seriously as an artist. Hedgebrook’s concept of “radical hospitality” lends itself well to providing a transformative experience that artists want to help provide for others. A board member from Hedgebrook recalled a writer telling her, “All of this is being lavished on me. I must have something to say.”

Recurrent assessment, adaptability, and innovation
Last, recurrent assessment of (1) the environment in which the organization operates, (2) the premises that guide the organization’s work, and (3) the configuration of the work (its organizational form) is seen as imperative. Equally imperative is the organization’s willingness to adapt and innovate to better serve its mission. From many conversations we gleaned the following: continuing to do the same thing after careful consideration is often prudent; continuing to do the same thing out of neglect or fear of change is not. Respondents from all of the organizations acknowledged the importance of evaluation and planning, with some having just gone through extensive evaluation and planning processes themselves. Many concluded that sustainability is ultimately fueled by a sense of relevance and informed innovation.
CONCLUSIONS

If there is one resounding theme that emerges throughout this study as essential to organizational sustainability, it is balance – balancing money and mission, risk and stability, passion and pragmatism, scrapiness and solidity.

In evaluating the organizations in this study, we have asked time and again, “What is solid to the core, and what is adaptable?” The lessons for organizational sustainability that have revealed themselves in this research are in many ways about finding this balance.

The Case Study Conclusions lay out considerations relevant to the field overall, and we encourage readers to apply them to the study as a whole. To this we reinforce the following:

Property: Owning property is not for everyone, and many organizations find they are able to adapt and sustain operations better with donated or leased space, for a time or even for the long-term. For those that do own or are otherwise responsible for property, investing in maintenance and upkeep is critical. We recognize under-investment in property as one of the greatest areas of risk for this field, and cannot over-emphasize the importance of capital reserves.

Staffing: Many nonprofits – in the arts and elsewhere – ask too much of their staff, and burnout is an epidemic. In a service-oriented field, our human resources are often the most valuable service we offer, and we must all be mindful of how we can better maintain an engaged, energized, well-trained staff with the capacity to manage our operational and programmatic needs.

Knowing when to say no: As each of the case study organizations demonstrate, times of growth are often followed by a need to reassess and let go of or decline programs, partnerships, or activities that do not advance the organization. Clarity of mission and purpose are essential in this process, and the discipline of restraint is often tied to a healthy staff and board and the capacity to manage and grow our resources.

Remaining artist-centered: Many organizations in this field will always be heavily dependent on contributed revenue, as residencies seek to balance public programs with private time and space for artists to create. It is critical that any earned revenue-generating activities honor the intent of the residency program and reflect the organization’s mission. Furthermore, we as a field need to continue our efforts to reduce financial barriers for participation, in order to serve artists otherwise excluded, and we do so knowing this often requires even greater contributed revenue.

This field has demonstrated its resilience over a century of growth, contraction, financial crises, culture wars, and an explosion in the number of professional artists seeking services. In 1994, The MacArthur Foundation advocated for the creation of the Alliance of Artists Communities to “nurture the process of creation...at a time when it is important to reaffirm the essential freedom that is necessary for all creative accomplishment.” These words are no less true today, and it is imperative that this field continues its work.

As organizations devoted to supporting artists in their creative development, we too can take on the qualities we value in artists – laying a solid foundation and attending to our management craft, while allowing our organizations to be shaped by the creative process and making space for exploration, imagination, and risk. In this balance, we find the keys to our sustainability.
ORGANIZATIONS SURVEYED

18th Street Arts Center (Santa Monica, CA)
ACRE (Steuben, WI)
The Edward F. Albee Foundation (Montauk, NY)
Alternate Roots (Atlanta, GA)
American Dance Festival (Durham, NC)
Anchor Graphics (Chicago, IL)
Anderson Center for Interdisciplinary Studies (Red Wing, MN)
Anderson Ranch Arts Center (Snowmass Village, CO)
Angels Gate Cultural Center (San Pedro, CA)
Apex Art (New York, NY)
Archie Bray Foundation for the Ceramic Arts (Helena, MT)
Arrowmont School of Arts & Crafts (Gatlinburg, TN)
Art Farm (Marquette, NE)
Art Omi (Ghent, NY)
Art Students League of New York | Vytacil Campus (Sparkill, NY)
ART342 (Fort Collins, CO)
Artcroft (Carlisle, KY)
Artpace (San Antonio, TX)
Atlantic Center for the Arts (New Smyrna Beach, FL)
The Banff Centre (Banff, Alberta)
Baryshnikov Arts Center (New York, NY)
Bates Dance Festival ( Lewiston, ME)
Bemis Center for Contemporary Arts (Omaha, NE)
Berkeley Taconic Community Foundation (Stockbridge, MA)
Blue Mountain Center ( Blue Mountain Lake, NY)
Bogliasco Foundation | Liguria Study Center (Bogliasco, Italy)
Brooklyn Arts Exchange (Brooklyn, NY)
Brush Creek Ranch ( Saratoga, WY)
Caldera (Sisters, OR)
Carving Studio & Sculpture Center (West Rutland, VT)
CEC ArtsLink (New York, NY)
Center for Contemporary Printmaking (Norwalk, CT)
Centrum (Fort Worden State Park, WA)
Chicago Artists Coalition | Bolt Residency (Chicago, IL)
The Clay Studio (Philadelphia, PA)
The Cleveland Foundation | Creative Fusion (Cleveland, OH)
Collingwood Arts Center (Toledo, OH)
Colorado Art Ranch (Arvada, CO)
Corning Museum (Corning, NY)
The Cultural Center at Eagle Hill (Hardwick, MA)
DeBartolo Performing Arts Center (South Bend, IN)
Djerassi Resident Artist Program (Woodside, CA)
Dorland Mountain Arts Colony (Tecumla, CA)
East Village Dance Project (New York, NY)
Escape to Create (Seaside, FL)
Exploratorium (San Francisco, CA)
Fine Arts Work Center (Provincetown, MA)
Flux Factory (Long Island City, NY)
FOR-SITE Foundation (Nevada City, CA)
Franconia Sculpture Park (Shafer, MN)
The Gaia Foundation | Sea Change Residency (Provincetown, MA)
Golden Apple Art Residency (Harrington, ME)
The Sam & Adele Golden Foundation for the Arts (New Berlin, NY)

Goldwell (Beatty, NV)
Grand Arts (Kansas City, MO)
Grand Central Art Center (Fullerton, CA)
Hambidge (Rabun Gap, GA)
Hammer Museum (Los Angeles, CA)
Harvestworks (New York, NY)
Headlands Center for the Arts (Sausalito, CA)
Hedgebrook (Whidbey Island, WA)
HERE Art Center (New York, NY)
Hermitage Artist Retreat (Englewood, FL)
The Homestead AK (Sunshine, AK)
HUB-BUB (Spartanburg, SC)
Hungarian Multicultural Center (Budapest, Hungary)
Hyde Park Art Center (Chicago, IL)
I-Park (East Haddam, CT)
Institute for Electronic Arts (Alfred, NY)
Institute for Sustainable Living, Art & Natural Design (Mankato, MN)
International Sonoran Desert Alliance (Ajo, AZ)
International Studio & Curatorial Program (Brooklyn, NY)
Jacob's Pillow (Lee, MA)
Jentel Foundation (Banner, WY)
Kala Art Institute (Berkeley, CA)
Rebecca Kelly Ballet (New York, NY)
Kentucky Foundation for Women | Hopscotch House (Prospect, KY)
Kimmel Harding Nelson Center for the Arts (Nebraska City, NE)
John Michael Kohler Arts Center (Sheboygan, WI)
La Napoule Art Foundation (La Napoule, France)
La Reunion TX (La Reunion, TX)
Lanesboro Arts Center (Lanesboro, MN)
Legal Art Miami (Miami, FL)
Lower Manhattan Cultural Council (New York, NY)
The MacDowell Colony (Peterborough, NH)
MACLA (San Jose, CA)
Maggie Allesee National Center for Choreography (Tallahassee, FL)
MASS MoCA (North Adams, MA)
The Mattress Factory (Pittsburgh, PA)
McColl Center for Visual Art (Charlotte, NC)
Mendocino Arts Center (Mendocino, CA)
The James Merrill House (Stonington, CT)
Miami Light Project (Miami, FL)
Millay Colony (Austerlitz, NY)
Montalvo Arts Center (Saratoga, CA)
New York Live Arts (New York, NY)
Ora Lerman Charitable Trust (Laceyville, PA)
Oregon College of Art & Craft (Portland, OR)
Osage Arts Community (Belle, MO)
Ox-Bow (Saugatuck, MI)
Penland School of Crafts (Penland, NC)
The Pfister Hotel (Milwaukee, WI)
Philadelphia Live Arts & Fringe | Live Arts Brewery (Philadelphia, PA)
Pilchuck Glass School (Stanwood, WA)
PLAND (El Prado, NM)
Platte Forum (Denver, CO)
Playa (Summer Lake, OR)
Prairie Center of the Arts (Peoria, IL)
Pyramid Atlantic (Silver Spring, MD)
Ragdale Foundation (Lake Forest, IL)
RedLine (Denver, CO)
The Rockefeller Foundation | Bellagio Center (Bellagio, Italy)
Rocky Neck Art Colony | Goetemann Residency (Gloucester, MA)
Roswell Artists-in-Residence Program (Roswell, NM)
Instituto Sacatar (Itaparica, Brazil)
Saint-Gaudens National Historic Site (Cornish, NH)
Constance Saltonstall Foundation (Ithaca, NY)
Santa Fe Art Institute (Santa Fe, NM)
Sculpture Space (Utica, NY)
Shangri La (Honolulu, HI)
Signal Fire (Portland, OR)
Sitka Center for Art & Ecology (Otis, OR)
Skopelos Foundation (Skopelos, Greece)
Skowhegan School of Painting & Sculpture (Skowhegan, ME)
Lillian E. Smith Center for Creative Arts (Clayton, GA)
Spiro Arts (Park City, UT)
Spudnik Press Cooperative (Chicago, IL)
Starry Night Retreat (Truth or Consequences, NM)
Stone Mills Art Center (Stone Mills, NY)
Stonehouse Residency Center for the Creative Arts (Miramonte, CA)
STUDIO for Creative Inquiry (Pittsburgh, PA)
A Studio in the Woods (New Orleans, LA)
The Studios Inc (Kansas City, MO)
The Studios of Key West (Key West, FL)
Sundance Institute (Park City, UT)
Texarkana (Texarkana, AR)
threewalls (Chicago, IL)
Thurber House (Columbus, OH)
Toledo Museum of Art (Toledo, OH)
Ucross Foundation (Clearmont, WY)
Vermont Performance Lab (Guilford, VT)
Vermont Studio Center (Johnson, VT)
Virginia Center for the Creative Arts (Amherst, VA)
Watermill Center (Water Mill, NY)
Watershed Center for the Ceramic Arts (Newcastle, ME)
Del E Webb Center for the Performing Arts (Wickenburg, AZ)
Weir Farm Art Center (Wilton, CT)
Wild Rose Farm Artist Retreat (Mansfield, Ontario)

From Surviving to Thriving: Sustaining Artist Residencies 88
### Contributed Revenue

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</tbody>
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**Group 1** organizations indicating the residency is a priority program (relative to mission as well as to the resources allocated for the residency)

**Group 2** organizations indicating the residency is the priority program

**Group 3** organizations indicating the residency is the priority program and with few, if any, other programs
<table>
<thead>
<tr>
<th>Earned Revenue</th>
<th>Residency Application Fees</th>
<th>Residency Fees</th>
<th>Workshops (tuition + room and board)</th>
<th>Ticket Sales + Admission</th>
<th>Facilities Rental (net)</th>
<th>Sales of Inventory (net)</th>
<th>Other Earned Revenue</th>
<th>ALL EARED REVENUE</th>
<th>INTEREST + INVESTMENT REVENUE</th>
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</table>

From Surviving to Thriving: Sustaining Artist Residencies 90
### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Personnel</th>
<th>Operating</th>
<th>Maintenance &amp; Repairs</th>
<th>Equipment</th>
<th>Property Taxes</th>
<th>Insurance</th>
<th>Depreciation</th>
<th>ALL PROPERTY RELATED COSTS</th>
<th>Fees to Artists</th>
<th>All Other Expenses</th>
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<td>43%</td>
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<td>7%</td>
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<td>owns property</td>
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<td>26%</td>
<td>9%</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Artist Residencies At-A-Glance

**OVERVIEW**

- estimated # of artist residency programs in North America .......................................................... 500
- artist residency programs worldwide .................................................................................................. 1,500+
- artists provided with residencies in North America annually .............................................................. 10,000+
- applications for residencies in North America annually ........................................................................ 80,000+
- average length of residency .................................................................................................................. 8 weeks

**ARTISTIC DISCIPLINES**

Artist residency programs that offer residencies in:

- visual arts (exclusively or in addition to other disciplines) ................................................................. 91%
- writing ...................................................................................................................................................... 77%
- media arts .................................................................................................................................................. 64%
- music .......................................................................................................................................................... 58%
- architecture/design ................................................................................................................................... 49%
- scholarship ................................................................................................................................................ 40%
- dance .......................................................................................................................................................... 32%
- a single field or discipline only ............................................................................................................. 30%

**GEOGRAPHY (WITHIN NORTH AMERICA)**

Artist residency programs in:

- rural, remote areas .................................................................................................................................. 11%
- small town, remote ...................................................................................................................................... 14%
- rural/small town, within 100 miles of an urban area ................................................................................. 26%
- rural/small town, within 50 miles of an urban area .................................................................................... 20%
- urban areas .................................................................................................................................................. 27%

**LEGAL STRUCTURE (AMONG ALL SURVEYED)**

- 501(c)(3) public charity ............................................................................................................................. 72%
- 501(c)(3) private foundation ..................................................................................................................... 12%
- Privately funded, unincorporated* ............................................................................................................. 11%
- LLC ............................................................................................................................................................ 3%
- Charitable trust ............................................................................................................................................ 2%

*We estimate this number is actually significantly higher – as many as 20% of all residency programs in the U.S. – as most of the grass-roots, under-the-radar residency programs fall within this bracket and data is difficult to obtain.
### AGE OF ORGANIZATION (AMONG ALL SURVEYED)

- 0 - 5 years old ................................................................. 6%
- 6 - 10 years old ............................................................... 12%
- 11 - 15 years old ............................................................. 15%
- 16 - 20 years old ............................................................. 14%
- 21 - 30 years old ............................................................. 15%
- 31 - 50 years old ............................................................. 23%
- 51 - 75 years old ............................................................. 4%
- 76 - 100 years old ........................................................... 6%
- > 100 years old ............................................................... 5%

### AGE OF RESIDENCY PROGRAM (AMONG ALL SURVEYED)

- 0 - 5 years old ................................................................. 16%
- 6 - 10 years old ............................................................... 18%
- 11 - 15 years old ............................................................. 13%
- 16 - 20 years old ............................................................. 9%
- 21 - 30 years old ............................................................. 17%
- 31 - 50 years old ............................................................. 18%
- 51 - 75 years old ............................................................. 5%
- 76 - 100 years old ........................................................... 1%
- > 100 years old ............................................................... 3%

### ORGANIZATIONAL BUDGET (AMONG ALL SURVEYED)

- > $50,000* ................................................................. 27%
- $50,000 - $99,999 ......................................................... 8%
- $100,000 - $249,999 ...................................................... 10%
- $250,000 - $499,999 ...................................................... 17%
- $500,000 - $749,999 ...................................................... 11%
- $750,000 - $999,999 ...................................................... 7%
- $1M - $1.49M ............................................................... 8%
- $1.5M - $1.99M ............................................................. 6%
- $2M - $2.99M ............................................................... 3%
- $3M - $4.99M ............................................................... 6%
- $5M + ................................................................. 7%

* We estimate this number is actually significantly higher – as many as 25% of all residency programs in the U.S. – as most of the grass-roots, under-the-radar residency programs fall within this bracket and data is difficult to obtain.

### NUMBER OF ARTIST DAYS’ ANNUALLY (AMONG ALL SURVEYED)

- < 100 ................................................................. 9%
- 100 - 249 ................................................................. 11%
- 250 - 499 ................................................................. 17%
- 500 - 999 ................................................................. 14%
- 1,000 - 2,499 ............................................................ 25%
- 2,500 - 4,999 ............................................................ 14%
- 5,000 - 9,999 ............................................................ 8%
- 10,000 + ................................................................. 4%

* The number of residents each year multiplied by the number of days each is in residence
Sustainability + related topics


Grant Thornton. Not-For-Profit Pulse Survey. Chicago: Grant Thornton LLP.


Kurre, Frank L. Maintaining Sufficient Reserves to Protect Your Not-For-Profit Organization. Chicago: Grant Thornton LLP, 2010.


Resilience


Maintaining cash reserves


Other resources

In addition to the publications above, the following organizations provide a rich source of material on issues of sustainability:

The Center on Nonprofits and Philanthropy at The Urban Institute <http://www.urban.org/nonprofits>

Nonprofit Finance Fund
Research and Resources: Case Studies, Planning Guides, Studies, and Reports: <http://nonprofitfinancefund.org/articles-publications/research-resources>
RESEARCH TEAM

Maria Rosario Jackson
Dr. Maria Rosario Jackson is a senior research associate in the Metropolitan Housing and Communities Center at the Urban Institute (UI) and director of UI’s Culture, Creativity and Communities Program. Her research focuses on arts and culture in communities, art spaces, support systems for artists, urban policy, neighborhood revitalization, comprehensive community planning, and the dynamics of race and ethnicity in urban settings. Her work has typically integrated both quantitative and qualitative research methods. Her writing has appeared in academic and professional journals as well as edited volumes in the fields of urban planning, sociology, community development, and the arts. She has been a speaker at numerous national and international conferences focusing on arts and society, artists’ support systems, quality of life, and communities and cities of the future. Dr. Jackson earned a doctorate in Urban Planning from the University of California, Los Angeles and a Master of Public Administration degree from the University of Southern California.

Florence Kabwasa-Green
Florence Kabwasa-Green is a senior consulting research associate at the Urban Institute and has conducted research on support systems for individual artists and arts and community development/planning-related initiatives including the Arts and Culture Indicators Project; Artists Space and Community Revitalization; Marketplace Empowerment for Artists Program (examination of artists’ training and professional development programs); and Investing in Creativity: A Study of the Support Structure for U.S. Artists, among others. She is co-author of several publications on artists and arts in communities with Maria Rosario Jackson. Ms. Kabwasa-Green has formerly worked on housing and transportation planning issues in the United States and has been involved in evaluation of local and self-help organizations in Senegal and the Democratic Republic of Congo. Ms. Kabwasa-Green earned a bachelor’s degree in economics and a master’s degree in urban planning from the University of California, Los Angeles.

Diane Levy
Diane Levy is a senior research associate in the Metropolitan Housing and Communities Center at the Urban Institute. Ms. Levy has extensive qualitative and quantitative research experience. Since joining UI in 1998, she has studied the impact of community development corporations on neighborhood change, public housing desegregation efforts, and housing discrimination in the rental and sales markets. She also directed a six-site case-study project that examined relationships between the strength of local housing markets and strategies used to reduce gentrification-related displacement. Building on her public housing-related research, Ms. Levy and a colleague initiated a line of inquiry into the sustainability of the HOPE VI mixed-income housing developments. She recently completed a foundation-supported study of the benefits from living in mixed-income communities for low-income families and a Housing and Urban Development-funded study of the benefits and costs of inclusionary zoning programs. Ms. Levy holds advanced degrees in Cultural Anthropology and City Planning.

Alix Refshauge
Alix Refshauge joined the Alliance of Artists Communities on a contractual basis in 2012, setting up a west coast satellite office in San Diego to assist with research and special projects. From 2007 to 2011, she was the Director of the Artists-in-Residence Program at HUB-BUB in South Carolina, a community-based residency for emerging young visual artists and writers. During that time she wrote successful grant proposals to the National Endowment for the Arts, the Andy Warhol Foundation for the Visual Arts, the Nimoy Foundation, and the Dedalus Foundation. In 2009-2010, she was selected as the Alliance’s Emerging Leader Ambassador by Americans for the Arts. Previously, she worked at Christie’s Auction House in New York and then for Burton Snowboards out of Vermont, a one-year opportunity involving continuous travel to 25 countries. Alix is a painter and printmaker with a BA in Fine Art from Furman University and an MPA in Arts Management from the College of Charleston.

Caitlin Strokosch
Caitlin Strokosch has been involved in professional arts management for nearly two decades. She has served the Alliance of Artists Communities since 2002 and was appointed Executive Director in 2008. Under her leadership, the Alliance membership has grown by 40%, conference attendance has doubled, and the organization has granted nearly $2 million in funds to artists and residency programs. Prior to joining the Alliance, Caitlin served as General Manager of His Majesties Clerkes (now named Bella Voce), an early-music choral ensemble, and as Executive Director of CUBE, a new music group, both in Chicago. Caitlin has served as a grants panelist for the National Endowment for the Arts, The Joyce Foundation, and Rhode Island State Council on the Arts. She serves on the Support for Individual Artists steering committee of Grantmakers in the Arts, as an advisor to Girls Rock! Rhode Island, and on the advisory board of Outpost Journal. She holds a Bachelor’s Degree in music performance from Columbia College Chicago and a Master’s in musicology from Roosevelt University, where her research focused on music as a tool for building communities of resistance and social dissent.

Lori Wood
Lori Wood has an extensive background in the field of artist residency programs and social entrepreneurship, and conducted one of the first field assessments for artists’ communities in the early 1990s. Lori directed the Villa Montalvo Artist Residency Program in California from 1991 to 1995, where she organized international residencies. She spent two years on the boards of both the Alliance of Artists Communities and ResArts: The International Network of Residential Arts Centres, and helped run artist residency conferences and planning sessions in Budapest, New Delhi, and Dublin. She has created literary arts programming and fundraising programs for organizations such as the National Steinbeck Center and UCSC Division of Humanities. She managed a two-year collaboration between the Salinas Public Library and the National Steinbeck Center, re-imagining Salinas, California, as a City of Letters. For the National Steinbeck Center, Lori produced two NEA Big Read programs, conceived literary landmark and literary mapping programs, created and/or implemented five Steinbeck Festivals, and founded the Steinbeck Festival International Fringe Fest, which has expanded the Steinbeck Festival to Cities of Letters such as Cairo, Paris, Jerusalem, Ho Nui, Buenos Aires, Berlin, Aracataca, and the Greek island of Ithaka. Lori initiated and coordinates the Alliance’s residency series for Arab authors, a collaboration with the Hay Festival’s Beirut39 project. She is also the founder and director of a social venture project in Fes, Morocco, which restores traditional properties in Fes’ medieval medina to provide nonprofit residencies for artists from around the world. Lori holds a BA in Literature from Harvard College, an MBA in Entrepreneurial Management from The Wharton School, and a Masters in International Studies from the University of Pennsylvania with a focus on France and North Africa.
ACKNOWLEDGEMENTS

This project is the result of dozens of advisors, champions, critics, and conversants, all of whom have been essential.

To The Kresge Foundation’s President, Rip Rapson, for inspired leadership in building healthy organizations and communities; and to Regina Smith, Senior Culture Program Officer, for extending her insight and thoughtfulness to the Alliance of Artists Communities and the artist residency field, for being a gracious partner and guide in the undertaking of this project, and for leading the charge in challenging the nonprofit arts and cultural philanthropy sectors to address organizational sustainability in new ways – we are forever grateful.

To the Alliance Board of Trustees, an amazing crew of leaders, ambassadors, thinkers, doers, humorists, pragmatists, dreamers, and schemers; and especially to Board Chair Wayne Lawson, Treasurer Paul Hogan, and Bruce Rodgers – thank you all for your encouragement and guidance.

To Maria Rosario Jackson, for patience and prodding, expertise and enlightenment, and generous partnership throughout, and to Florence Kabwasa-Green and Diane Levy for your thoughtfulness and care – we are honored by your contributions to this project.

To Carla Wahn and Flannery Patton, for such inspiring service and camaraderie in all the work of the Alliance; to Alix Resch, for taking on even the more mundane parts of this study with cheerfulness and enthusiasm; and to Lori Wood, for asking all the right questions, boundless devotion to this field, and countless hours invested in this research – we are so fortunate to have such soldiers in our army.

To Ted Berger, Suzanne Fetscher, and Brad Kik – thank you for your time and wisdom, and for your transformational service to this field.

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Caitlin Strokosch
Executive Director
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The Alliance of Artists Communities is an international association of artists' communities, colonies, and residency programs—places that support artists of any discipline with time and space for the creation of new work. Believing that the cultivation of new art and ideas is essential to human progress, the Alliance's mission is to advocate for and support artists' communities, to advance the endeavors of artists.

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front cover: Artist Lauren Moore works on "Vessel" at Franconia Sculpture Park in 2010. Photo courtesy of Franconia Sculpture Park.