

A Community Report

THE ARTS



2011

“Economic development will not happen without
a sustained quality of life in our community.”

Columbus 2020! Report
June 2010

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“Emotional connection does drive economic growth in communities.... Surprisingly, social offerings, openness and beauty are far more important than people’s perceptions of the economy, jobs or basic services in creating a lasting emotional bond between people and their community.”

Gallup’s Three-Year Study of 26 U.S. Cities
November 2010





THE OPPORTUNITY

THE ARTS HELP
DEFINE WHO WE
ARE AS A CITY.

They help create the emotional attachment that is proven to be a top driver of economic progress. They define and raise the aesthetics of our community. And they create invaluable opportunities to celebrate and build civic spirit.



THE RESEARCH

Columbus' arts sector has been studied expertly, and thoroughly, over the past four years.

Creative Economy, March 2007

A Cultural Plan Blueprint, January 2009

Creative Columbus, June 2009

Report on the Future of the Arts in Columbus, February 2010

Columbus 2020 Report, June 2010

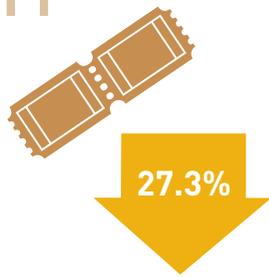
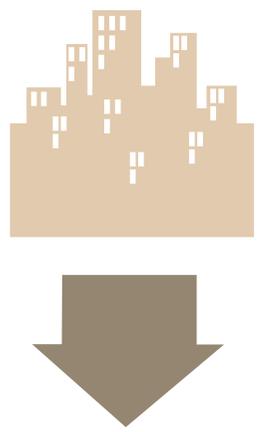
Columbus Arts Market Sustainability Analysis, January 2011

GCAC Agency Review, January 2011

KEY FINDINGS in words:

<p>1</p> <p>The arts have enormous and unique public value.</p>	<p>2</p> <p>There is and has been great financial stress on the cultural sector in Columbus.</p>	<p>3</p> <p>That stress is affecting programming, which, in turn, is affecting attendance.</p>	<p>4</p> <p>Significant advances in efficiency have been achieved by the arts organizations in Columbus.</p>	<p>5</p> <p>There is a severe undercapitalization problem in Columbus, with inadequate cash reserves and endowment leaving little margin for error.</p>	<p>6</p> <p>The Columbus arts sector is clearly not sustainable given the current level of resources and business models in the sector.</p>	<p>7</p> <p>Many communities have faced similar crossroads and have responded successfully through innovative business approaches and enhanced funding vehicles.</p>	<p>8</p> <p>GCAC could play a greater role if it strengthens its own effectiveness and focus.</p>	<p>9</p> <p>Expanded audience research is necessary to build more effective earned income sales efforts.</p>	<p>10</p> <p>Leadership is key to changing the paradigm from crisis to opportunity, and that leadership, whether it comes from the private or public sector, needs to see the arts align with broad economic and community goals and activities.</p>
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KEY FINDINGS by the numbers:

<p>11</p>  <p>27.3%</p> <p>There has been an aggregate loss of earned revenue (i.e., ticket sales and memberships) in the sector, with a decline of 27.3% (\$4.8m), adjusted for inflation. That is the greatest drop among the 15 cities which Columbus uses as benchmarks in the Partnership Benchmarking reports.</p>	<p>12</p>  <p>124% individual 23% public 5% corp.</p> <p>Contributed revenue has increased at all levels, with individual giving having increased the most, by 124%; public sector the next most, 23%; and corporate giving the least, 5%.</p>	<p>13</p>  <p>4%</p> <p>The aggregate working capital of Columbus' arts organizations is just 4% of that of the arts organizations in Indianapolis, and one tenth that of the average of the 15 benchmark cities.</p>	<p>14</p>  <p>30%</p> <p>Nationally, there has been a decline in participation by as much as 30% since 1982.</p>	<p>15</p>  <p>Per capita, public support for the arts is less than half of the average of the other benchmark cities.</p>	<p>16</p>  <p>COLUMBUS CLEVELAND</p> <p>Per capita, private support for the arts is 30% less than the average private support in the other cities.</p>	<p>17</p>  <p>\$\$\$ AUSTIN \$\$ LOUISVILLE \$ COLUMBUS</p> <p>The average budget size of Columbus' arts organizations is second to last (smallest) among the benchmark cities, with only Louisville and Austin being smaller.</p>	<p>18</p>  <p>\$2,000,000 (\$1,000,000)</p> <p>The aggregate operating deficit of over \$1m for the sector as a whole in FY 2005 has been turned into an aggregate operating surplus of nearly \$2m for the sector.</p>	<p>19</p>  <p>1/3</p> <p>Only one-third of Columbus' 36 organizations have an endowment.</p>	<p>20</p>  <p>\$100 million</p> <p>Using national benchmarks, the arts sector in Columbus is undercapitalized by approximately \$100m.</p>
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THE WAY FORWARD:

This isn't about bailing anything out. It isn't about pretending that arts crisis fatigue doesn't exist. It certainly isn't about suggesting that many funders haven't already done heroic things to keep the arts alive in Columbus.



As the research shows, even after years of significant budget cuts and sacrifices, some of the arts organizations are not sustainable based on audience demand and funding supply. The business maxim of “evolve or die” is as relevant to arts organizations as it is to businesses. A way forward must allow for changes in the arts and renewal of the sector, but a way forward for this sector is well worth pursuing, as the arts are central to our community’s economic and social progress.

Given all the challenges that face the people of our city and state today, so many of which also deserve our attention, it is important that any plan to protect and enhance this component of our civic infrastructure be simple and direct.

Here are four basic steps we could begin taking today.



Photo courtesy of CAPA
Photographer: Randall L. Schieber

AUDIENCE

Earned income and expanded audiences need to be a part of any plan to grow revenue for the arts. Market research should be funded to give the arts organizations the sophisticated information they need to be more effective in finding and marketing to their audiences.

CHAMPION

The Greater Columbus Arts Council plays a valuable role and should be strengthened so that it can be the organizational leader in the effort to invigorate the arts that can and will evolve in our community.

LEADERSHIP

Find and support private and public sector leaders to take the lead in advocating for the health and responsible growth of the arts as part of our civic infrastructure at the core of Columbus 2020!

RESOURCES

Adopt the ten-year goals studied and recommended in the Sustainability Analysis (January 2011), with a portfolio of shared growth in earned income, public investment, private sector giving, and endowment for the arts.



We know that the arts are an invaluable part of a civilized life, and they provide opportunities to enhance the competitiveness of our region, in order to attract the workforce needed to reach the goals of Columbus 2020!

We also know that the sector has been studied repeatedly over the past four years, and that national and local experts agree that the arts boards and staffs in Columbus have acted responsibly in recent years: calibrating their organizations to diminished budget levels and expectations, and collaborating impressively to share costs, programming, and planning.

THE QUESTION:

The question is whether we will rally behind a right-sized, right-configured arts sector to ensure its vitality as a valuable part of strategically building our Civic Infrastructure to achieve the goals of Columbus2020!

