

PHILANTHROPY'S NEW ROLE IN BUILDING THE CAPACITY OF U.S. ARTISTS

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Glossary

The arts: A broad field of creative expression encompassing many disciplines, genres, and media. This research, while at times acknowledging separate disciplines such as the visual arts, music, dance, theatre, film, and literature, will generally refer to *the arts* as an interdisciplinary field.

Artist, individual artist: For the purposes of this research, *artists* and *individual artists* are defined as adults who actively engage in creating works of art and presenting them to the public.

Direct support: Financial, material, or non-material supports that are provided directly to artists. Sources of direct support for U.S. artists include: private individuals and businesses; private, community, and family foundations; nonprofit service and trade organizations and artist residencies; and public funding at the local, state, and federal level.

Indirect support: Programs, policies, and services that impact artists, their work, and their working conditions. Sources of indirect support for U.S. artists include: tax policies, arts advocacy, arts criticism, education, exhibition and collection of their work, economic development strategies, and cultural tourism.

Scientific philanthropy: Foundation processes and giving strategies that emphasize identifying and funding the underlying causes of social problems, rather than their symptoms (such as hunger, poverty, and homelessness). *Scientific philanthropy* largely replaced ‘charity’ and ‘almsgiving’ in the 20th century.

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Artists are their own primary support system ... it takes the responsible support of others, however, to keep their hopes and enthusiasms for their work alive....

—Gerald Freund, *Narcissism and Philanthropy: Ideas and Talents Denied*

Introduction

Improving support structures for artists in the U.S. will not be accomplished simply by restoring budget cuts. . . . Making a real difference in the creative life of artists will entail developing a new understanding and appreciation for who artists are and what they do, as well as financial resources from a variety of stakeholders.

—Alison R. Bernstein and Margaret B. Wilkerson, *Investing in Creativity*

A work of art is rarely created without significant investments of time, labor, materials, and money by the artist.¹ Yet, research has shown that, for most artists: creating art is not a full-time occupation; income earned solely from art is insufficient to meet the expenses of producing it; and the prospects for future earnings from art are highly uncertain. To sustain an art practice, then, requires artists to seek out diverse streams of income, relying to varying degrees upon related activities such as teaching and commercial art, unrelated employment, loans and investments, support from friends and family, and direct support in the form of awards, grants, and fellowships.²

For the relatively small number of U.S. artists who receive grants and fellowships each year—about one in five, by one estimate—such direct support is an important source of supplemental income, recognition, and professional opportunities.³ Yet, grants and fellowships for U.S. artists have remained limited by economic, cultural, and political constraints and are often imperiled by negative views of artists and of their work.⁴

1. The era of aristocratic patronage of artists and the Western European subsidy model are exceptions to the modern paradigm of the artist supporting his or her own practice through independent means.

2. See Maria Rosario Jackson, et al., *Investing in Creativity: A Study of the Support Structure for US Artists* (Washington, D.C.: Urban Institute, 2003).

3. Estimate according to research conducted by Joan Jeffri, “Information on Artists II” (Research Center for Arts and Culture, Columbia University, New York City, 1998).

4. See Jackson, et al.

While in some Western European countries, publicly-funded grants and fellowships for artists are considered subsidies to encourage the production of art, in the U.S., intense scrutiny has come to bear upon public funding associated with controversial artists, ideas, and imagery.⁵ For their part, private funders—primarily individuals and corporations—have overwhelmingly supported arts organizations and cultural institutions rather than artists. Moreover, private funding for artists is often seen as (even if necessarily) driven by the tastes and biases of individuals and the marketplace.⁶ Both systems have garnered criticism for fostering perceived excess, elitism, novelty, and mediocrity in the arts.⁷ For these reasons and undoubtedly others, the report *Investing in Creativity* stated that, with notable exceptions, “public as well as private funding for artists has been an uneven, often limited source of support even in the best of times economically.”⁸

Thus, as support for artists has remained limited in the two largest sectors of the U.S. economy, the challenge of building support infrastructure for artists has increasingly been left to philanthropy and the nonprofit sector. As this paper will show, recent research and practices in philanthropy suggest that foundations and nonprofits have responded to the conditions described, and to the forces shaping this century, by changing the terms on which

5. For a discussion of the subsidy models for artists, see Tyler Cowen, *Good and Plenty: The Creative Successes of U.S. Arts Funding* (Princeton and Oxford: Princeton University Press, 2006); See Michael Brenson, *Visionaries and Outcasts: The NEA, Congress, and the Place of the Visual Artist in America* (New York: The New Press, 2001).

6. See Gerald Freund, *Narcissism and Philanthropy: Ideas and Talents Denied* (New York: Viking Penguin Books, 1996); Cowen, *Good and Plenty: The Creative Successes of U.S. Arts Funding*.

7. See Marjorie Garber, *Patronizing the Arts* (Princeton and Oxford: Princeton University Press, 2008); Bill Kaufman, “Subsidies to the Arts: Cultivating Mediocrity,” *Cato Policy Analysis*, Washington, D.C., (August 8, 1990).

8. Jackson, et al., 8.

they support individual artists—in the process, radically altering the landscape of U.S. arts funding.

In Chapter One, a review of the literature on philanthropy as it relates to U.S. artists focuses on two recent modes of grantmaking: venture and creative philanthropy. Leaders from all sectors of the U.S. economy have expressed views on the subject of ‘venture philanthropy’, a term used broadly to refer to business-oriented foundation and nonprofit practices and expanded modes of charitable giving.⁹ More recently, the term ‘creative philanthropy’ has been used to signify foundation practices that emphasize the diffusion of knowledge and innovations over a span of many years.¹⁰ The literature review also takes into account important research on U.S. artists and the direct supports available to them.

Following a review of the research methodologies, Chapter Three offers a case study and three profiles of organizations that have adopted new approaches to building the entrepreneurial capacity and financial sustainability of U.S. artists. These philanthropists view their grants as long-term investments and apply their resources accordingly, distributing artists’ work to new audiences, linking artists to their vast professional networks, and delivering business knowledge and skills directly to artists. The assumption being tested is whether by employing the ideas and practices of venture and creative philanthropy, these grantmakers have met their own stated objectives to build long-term infrastructure for U.S. artists. Chapter Four analyzes the findings of this research, and Chapter Five offers conclusions and recommendations for future research.

9. Nina K. Cobb, “The New Philanthropy: Its Impact on Funding Arts and Culture,” in *Journal of Arts Management, Law, and Society* 32 (Summer 2002), 125-143.

10. Helmut K. Anheier and Diana Leat, *Creative Philanthropy: Toward a New Philanthropy for the Twenty-First Century* (London and New York: Routledge Press, 2006).

The development of a new approach to supporting U.S. artists has important economic, political, and cultural dimensions that should be considered by arts administrators, philanthropists, arts advocates, and policymakers. Additionally, this research presents important evidence that the underlying rationale for making grants to artists has changed. What has for some time been a confused argument for subsidizing the costs of artistic creation to encourage either more art or better works of art is perhaps less relevant; in its place is a clear, and distinctly American, rationale for supporting artists to build their entrepreneurial and professional capacity and self-sufficiency.

Chapter 1

Literature Review

1.1 Recent Practices in Philanthropy and the Impact on U.S. Artists

In a way we are back to where we were in the 1950s when I first starting tapping into philanthropy in a big way. I'd go for the risks now like we did then and go on risking all the time.

—W. McNeil Lowry

At their best, foundations are innovative, risk-taking funders....

—Helmut K. Anheier and Diana Leat, *Creative Philanthropy*

Background

U.S. foundations played a significant role in supporting individual artists during the 20th century. In 1925, the John Simon Guggenheim Memorial Foundation established a highly visible fellowship program for mid-career artists, which is still in existence today. Then in 1957, the Ford Foundation, under the leadership of W. McNeil Lowry, chartered an unprecedented “exploratory program” to provide direct funding to visual artists at critical stages of their careers. The effort was later expanded to include writers, dancers, and filmmakers and made the Ford Foundation the largest non-governmental arts funder in the U.S.—in its own estimation, “[paving] the way for other foundations ... [and] other funding sectors to support artists.”¹ The Ford Foundation’s efforts foreshadowed the establishment of the National Endowment for the Arts (NEA) Visual Artists Fellowship program in 1967, which, along with the Rockefeller Family Fund fellowships of the same era, exemplified a progressive commitment to emerging artists and innovative art. By the

1. Ford Foundation, *Support for the Arts in the United States* (Ford Foundation working paper 448, 1986): 14.

late 1970s, many newly-established state art agencies and regional grantmakers like the Bush Foundation had formed artist fellowship programs; during the same period, the MacArthur Foundation announced the Fellows Program, a major new award for creative individuals—including artists—making breakthroughs in their respective fields. Each of these programs represented another important source of support for U.S. artists.

Despite differences in size, scope, and historical context, U.S. foundations' efforts to support individual artists were remarkably similar for the greater part of the 20th century. Nearly all subscribed to the ideas of traditional scientific philanthropy, which held (and still holds) that a foundation's primary objective is to identify and direct resources—mainly money—to organizations, programs, and individuals that are best poised to solve problems, deliver change, or to produce innovations. The notion that innovative individuals—among them, artists, scientists, and researchers—need primarily financial support to realize their vision or to produce an innovation is central to traditional philanthropy; therefore, most foundations' commitment to individual artists was limited to a cash grant and created little accountability to either the artist or to the work beyond the grant period.

The 1980s marked the first changes to this paradigm, as public and foundation support for U.S. artists began a steady decline.² During that decade and into the next, arts philanthropy was embroiled in the broader “culture wars” being waged in the public sphere. One foundation director observed at the time that “what remains of individual artists' support at most of the largest foundations ... is driven by those foundations'

2. Fewer than 10% of foundations that gave to the arts during the early 1980s provided direct grants to artists. Freund, 42. The percentage of state arts agencies grants devoted to artists and arts organizations declined by approximately 20% from 1987 to 2004. Laura Zakaras and Julia F. Lowell, “Cultivating Demand for the Arts: Arts Learning, Arts Engagement, and State Arts Policy,” (Santa Monica, CA; Arlington, VA; and Pittsburgh, PA: Rand Corporation, 2008): 73.

social and political agendas.”³ Then, in 1995, after repeated attacks on controversial artworks associated with grants made by the NEA, Congress eliminated nearly all NEA artist fellowships and delivered a 40% cut to the agency’s budget. The measurable loss of the NEA’s direct support—approximately \$9 million annually⁴—was compounded by the loss of matching funds, professional opportunities, and public recognition generated by the fellowships.⁵ As then-Warhol Foundation President Archibald Gilles reflected on the era, “It was hard not to feel as though society as a whole had ceased to care about artists.”⁶

In response to the sharp decline in public funding, arts leaders convened a series of discussions to identify new approaches to supporting artists. “Like many long-range planning efforts in the arts,” Larson noted of one conference, “this one began in the midst of crisis . . . and with a perceived need to act quickly to find a replacement for these lost [NEA] funds.”⁷ One proposal called for the establishment of a national artists’ trust to “offer financial support [to artists] across all disciplines and in all states.”⁸ But NEA consultant Anne Focke argued that, “Future thinking about ways to strengthen artists’ economic circumstances should consider the whole range of ways that [artists] get a

3. Ibid., 43.

4. In real dollars. The figure was obtained by comparing peak NEA funding for artists to 2003 funding levels. Jackson, et al.

5. Congress did not eliminate all NEA individual fellowships; fellowships in American Jazz Masters, Literature, and National Heritage in Folk and Traditional Arts were left intact.

6. Archibald Gilles, “A New Commitment: To Artists, Creativity, and Freedom of Expression in the 21st Century” Andy Warhol Foundation for the Visual Arts (January 2001).

7. Gary O. Larson, *American Canvas* (National Endowment for the Arts, 1997): 140.

8. Larson, 138; Carol Becker, “Survival of the Artist in the New Political Climate” in *The Artist in Society: Rights, Roles, and Responsibilities*, eds. Carol Becker and Ann Wiens (Chicago: New Art Examiner Press, 1995), 62.

living, not just ... grant programs.”⁹ Moreover, Focke was unconvinced that a national funding initiative could be sustained:

I strongly suggest that we find an energy that does not rely on a sense of crisis. Running on the fuel of one crisis after another is exhausting, seems likely to foster shallow argument, and probably can't be sustained in any case. We need to base our efforts on a deeper energy with longer lasting momentum.¹⁰

As arts leaders debated the future of direct support for artists, major changes in the private and public sectors of the U.S. economy were impacting the nonprofit sector. Decreased public investments in human services, education, and the arts were seen during the 1980s, which, coupled with higher rates of wealth accumulation, private investment, and charitable giving during the 1990s, contributed to the rapid growth of private and community foundations and to the overall expansion of the nonprofit sector during the late 1990s and early 2000s. (Recent data suggest that increases in charitable giving and the growth of the nonprofit sector continued through 2007).¹¹

The concurrent decline in public funding and rapid growth of the nonprofit sector spurred arts leaders to act. As Galligan and Cherbo have noted, "... the nonprofit arts and cultural world is an ecosystem with moving parts; when one part shifts, it produces a response in another part of the system.”¹² Though an NEA planning document placed support for individual artists, “avant-garde” art, and interdisciplinary work among the

9. Anne Focke, “Financial support for artists: A study of past and current support, with reflections on the findings and recommendations for the future” (Seattle: Grantmakers in the Arts, 1996).

10. Ibid.

11. The nonprofit sector expanded between 1998 and 2008 in terms of the number of legally incorporated entities, employment, revenue, and as a part of U.S. gross domestic product. Lucy Bernholz, “The Edge of Change: New Philanthropy Enters the 21st Century,” 2; Also see *Giving USA* (2007), published by Giving USA Foundation and written and researched at the Center on Philanthropy at Indiana University.

12. Ann M. Galligan and Joni Maya Cherbo. “Financial Support for Individual Artists,” *The Journal of Arts Management, Law, and Society* 34 (Spring 2004): 23-42.

most “unattractive” areas to funders at the time, Focke and others contended that the nonprofit sector was well positioned to increase its financial support of artists.¹³ So, in spite of public disinvestments—and partly as a result of them—the nonprofit sector increased its share of direct support for artists during the 1990s, in terms of the number of contributing foundations and aggregate spending.¹⁴

During this same period, important reconsiderations took place in philanthropy around foundation roles and processes. The modus operandi of traditional philanthropy—making one-time grants over a short duration, with little accountability to the grantee and little support available beyond funding—faced a direct challenge from different approaches and practices outlined in the literature on foundations and in the field. The following section examines the fundamental characteristics of each approach and their observed relevance to supporting individual artists in the U.S.

Venture Philanthropy

The term ‘venture philanthropy’ is used widely in the literature, as well as in the field, to refer to a set of foundation and nonprofit practices that emerged during the late 1990s and early 2000s. Sometimes referred to as “new philanthropy” or in the context of related practices such as social venture capitalism, strategic and value-added philanthropy, and social entrepreneurship, which share an orientation towards investing and business

13. Freund, 42.

14. The number of foundations directly funding artists increased from 41 to 116 during 1991-1999. Total support increased from \$11 million to \$56 million during the same period. Foundation spending on direct funding for artists increased by \$34 million, or more than 500%, between 1997 and 1998 alone. Galligan and Cherbo, 35.

strategies, venture philanthropy has been applied to areas as diverse as youth development, education, job training, and the arts.¹⁵

Venture philanthropy derives its name and principle ideas from venture capital (VC), a form of private equity investing preferred by start-up enterprises in industries with high risk.¹⁶ VC demands a close working relationship between the investor and entrepreneur and involves three stages of investment: seed, start-up, and expansion funding.¹⁷ In the U.S., VC has been recognized as a catalyst for economic growth and innovation since World War II and played an integral role in the rapid development of technology and information-based industries in recent decades—peaking during the ‘dot.com’ bubble of the late 1990s and subsequent recession of 2001-02.¹⁸

Cognizant of VC’s role in stimulating growth and innovation, philanthropic, business, and academic leaders debated the merits of applying the VC model to the nonprofit sector during the late 1990s. This consideration was raised not only in light of the growing size and demands of the nonprofit sector, but also in accordance with a new generation of wealthy entrepreneurs; for many of these ‘new philanthropists’—centered in California’s Silicon Valley—the perceived failings of traditional philanthropy could be

15. See Cobb; Michael Moody, “The Construction and Evolution of Venture Philanthropy,” research paper no. 26, (The Center on Philanthropy and Public Policy at The University of Southern California, July 2006); Christopher Capers, et al., “Assessing Venture Capitalist Approaches to Philanthropy,” prepared for a course at Harvard Business School, 1998.

16. Aloys Rigaut, “The Development of Venture Capital Fundraising in Europe: Evidence Across Countries, Prospects, and Policy Issues,” Master’s Thesis, College of Europe-Bruges, 2002.

17. *Ibid.*, 10.

18. VC investments increased from approximately \$1 billion to \$100 billion in the U.S. between 1990 and 2000. See Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002); Also for an overview of venture capital, see William A. Sahlman, et al., *The Entrepreneurial Venture, 2nd Edition*. (Boston: Harvard Business School Press, 1999).

remedied by applying business strategies to key foundation and nonprofit processes.¹⁹ As Cobb has remarked, “The impulse to harness the power of the for-profit sector [was] inherent in ... the new philanthropy.”²⁰

The literature from the period 1997-2002 reflects the tremendous amount of interest that surrounded venture philanthropy. In *Virtuous Capital*, perhaps the most widely acknowledged essay on the subject, Letts, Ryan, and Grossman outlined six areas in which foundations could adopt the practices of venture capitalists:

- Taking a more proactive approach to evaluating and managing risk
- Developing a set of performance measures, quantifiable where possible, that serve as clear objectives for the grantor and grantee
- Moving from an oversight role to a partnering role by providing grantees with capacity-building assistance and strategic management tools
- Decreasing the number of grants, or investments, made overall while increasing the amount of funding to those that show high growth potential
- Extending the length of the relationship and making a multi-year commitment
- Defining clear strategies for exiting a relationship with a grantee²¹

While the approach described by Letts, et al. was a touchstone in the literature on venture philanthropy, the model was interpreted and implemented in vastly different

19. See Mario Morino, “A New Philanthropy for the New Economy” A paper delivered for the Morino Institute at the “Value and (Values) in the New Economy Conference” (May 9, 2000).; Brock Bower, “The New Philanthropists and the Emergence of Venture Philanthropy,” (Center for Strategic and International Studies, 2003).

20. Cobb, 132.

21. Christine W. Letts, William Ryan and Allen Grossman, “Virtuous Capital: What Foundations Can Learn From Venture Capitalists,” *Harvard Business Review* vol. 75, no. 2 (March/April 1997).

ways on an organizational level.²² Early adopters like New Profit, Inc. and NewSchools Venture Fund used the model to encourage reforms in entrepreneurship and education, while other organizations utilized venture philanthropy as a vehicle for simply reorganizing their processes. LaFrance and Latham noted of one effort in environmental education that they judged to be especially successful: “Grantees built physical, communications, fundraising, evaluation, and board capacity. They coalesced around common metrics of success and a standard set ... of best practices. And they connected with new networks and solidified the network relationships among themselves.”²³

Comparatively little research, much of which is non-scholarly and was written before 2002, has examined the relevance of venture philanthropy to the arts. Culbert and Wolf concluded in 2001 that the model had very limited appeal for new philanthropists in the arts.²⁴ Cobb evaluated the model in the context of other tools used to support the arts and cultural sector, such as program-related investments, working capital funds, and recoverable grants, and described venture philanthropy’s role as providing capital and technical assistance to nonprofits. Cobb added that “venture philanthropy is not an immediate source of funds for arts and cultural institutions, let alone individual artists.”²⁵

The literature identifies several funders that have utilized the venture model to support individual artists. These foundations, nonprofits, and social entrepreneurs have

22. More recently, Letts and Ryan have argued that “high-engagement funding”—their preferred term for the venture model—should emphasize the mutual accountability of both the funder and grantee, as opposed to only capacity-building and technical assistance. See Christine W. Letts and William P. Ryan, “Filling the Performance Gap,” *Stanford Social Innovation Review* (Spring 2003).

23. Stephen LaFrance and Nancy Latham, “Taking Stock of Venture Philanthropy,” *Stanford Social Innovation Review* (Summer 2008): 65.

24. Jane Culbert and Dr. Thomas Wolf, *Will Venture Philanthropy Revolutionize the Arts?* Americans for the Arts Monograph (November 2001): 2.

25. Cobb, 8.

Table 1. Venture Philanthropy Programs for U.S. Artists

Name of program	Year(s)	Program methodology
Creative Capital	1999-	Project-based grants, advisory support, and capacity-building
Literary Ventures Fund	2005-	Publicity, marketing, and publishing support and direct grants
Echoing Green	1998	Social entrepreneurship; funded artists through New Urban Art
Bronx Council on the Arts Cultural Ventures Fund	2000-2004	Applied the venture model to artist-based organizations

emphasized capacity-building and measurable outcomes related to their objective (see table 1.1).²⁶ Much of the more recent research literature has singled out Creative Capital Foundation (Creative Capital) as the most prominent example of the venture model in the arts. Since its founding in 1999, Creative Capital has been recognized in the U.S. arts and cultural industry as a leading supporter of artists in the visual, literary, and performing arts fields. In one national survey, the Creative Capital program was identified as the best example of a comprehensive approach to direct support.²⁷

Some research has disagreed with Creative Capital’s self-assessment as a venture philanthropist, however. In 2004, Whitlock studied the effect of Creative Capital’s grantmaking procedures on the creative processes of its grantees.²⁸ Whitlock concluded that “Creative Capital Foundation adopts the outward appearance of a venture capitalist and employs a few of the techniques; however, they do not do so with measurable

26. Several grantmakers have used the language of VC to describe their programs without adopting the methodologies of venture philanthropy. United States Artists, which makes one-time cash grants worth \$50,000 to established artists, has compared its approach to venture capital. United States Artists, “United States Artists Launches” press release from September 5, 2006 <http://www.unitedstatesartists.org/Public2/NewsRoom/PressReleases/index.cfm> (accessed May 5, 2009).

27. Jackson et al., 59.

28. The research methodology was a survey of nearly 50 grantees from the 1999-2004 cycles. See Leisel Whitlock, “Creative Capital Foundation’s Impact on the Creative Process of its Grantees: A Look at Venture Philanthropy and the Creative Process” (master’s thesis, The School of the Art Institute of Chicago, 2004).

consistency. Though venture philanthropist by design the foundation acts more like a traditional grantmaker.”²⁹

Another example of the venture philanthropy approach applied to the arts is Literary Ventures Fund (LVF). Founded in 2005, LVF supports independent publishers of fiction, literary non-fiction, and poetry and describes itself as an “active partner” in its projects by providing assistance with the writing, publication, and marketing of new works.³⁰ LVF’s cash grants, which range from \$7500 to \$50,000, can be used by publishers to defray their costs or to support writers while they complete a book, and the nonprofit aims to reinvest any returns that it earns on its investments in future work. As of early 2008, each of the twelve projects supported by LVF had returned a profit.³¹

The terms venture philanthropy and venture capital have been used extensively in the literature, though they are now viewed more as a loosely-related set of ideas, principles, and foundation practices than as a clearly defined funding model. As Letts and Ryan have noted more recently, “venture philanthropy has come to mean so much to so many it now means very little.”³² Moreover, even venture philanthropy’s strongest proponents have acknowledged that many of its core ideas were debated and, in some cases, adopted before the era of ‘new’ philanthropy.³³

29. Ibid., 59.

30. Ann Trubek, “Venture Capital for the Literary Set” *Poets and Writers* (October 2008) <http://www.pw.org> (accessed on November 2, 2008).

31. Ibid.

32. Letts and Ryan, *Filling the Performance Gap*, 26.

33. Moody notes at least three foundations that adopted “the approach of venture-type investing and management-assistance business models” during the mid-1980s and early-1990s. Moody, 8-9.

The concept of introducing the venture approach to the arts, in particular, has important precedents. First, many years of research in the social sciences have confirmed the importance of networks in creative fields.³⁴ DiMaggio has observed that professional networks and organizational learning are crucial in relation to art practices, particularly those in which there is little existing institutional structure.³⁵ Though DiMaggio did not specifically observe individual artists in his research, his findings are germane to the grantee networks established by Creative Capital in relatively new disciplines such as ‘innovative literature’ and ‘emerging fields’.

Second, the concept of measurable outcomes was introduced prior to new philanthropy. Williams, Webb, and Phillips have argued that “outcome funding” could improve grantmaking in the public sector by actively seeking to measure and evaluate the results of grants. The authors observed that,

If a venture capital firm used the same criteria to select entrepreneurs and business plans in 1990 that it used in 1950, it would be dead in a year. Yet government agencies continue to use precisely the same ... funding questions and criteria through the years and even the decades. So long as procedural compliance and internal criteria can be tightened without knowledge of outcomes, there is no reason to change the process to achieve higher returns.³⁶

Third, the relationship between risk and reward—an investing fundamental cited by many venture philanthropists who invest in artistically or financially ‘risky’ projects—was the subject of earlier discussions in the arts. As president of the Rockefeller Family

34. LaFrance and Latham, 63.

35. Paul DiMaggio, “Constructing an Organizational Field as a Professional Project: U.S. Art Museums, 1920-1940” In Walter W. Powell and Paul J. DiMaggio, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991).

36. Harold S. Williams, Arthur Y. Webb, and William J. Phillips, “Outcome Funding: A New Approach to Targeted Grantmaking,” 2nd ed. (Rensselaerville, New York: The Rensselaerville Institute, 1993): 9.

Fund, a prominent funder of artists during the 1970s, David Rockefeller, Jr. used the term ‘venture philanthropy’ to convey the “hope that overall returns are enough to justify higher risks.”³⁷ During the same period, the Ford Foundation’s National Arts Stabilization Fund (NASF) seeded the endowments of financially vulnerable arts organizations—thus accepting risk in promoting the long-term sustainability of the field.³⁸ While such capacity-building programs—now adopted in cities and regions across the U.S.—have been praised for stabilizing arts organizations and building the capacity of the field over the long term, few comparable efforts to build the capacity of individual artists existed prior to the last decade. As Larson noted in 1997, “the only real “stabilization program” that exists for most individual artists today is a steady job.”³⁹

Despite a lack of advancement or capacity-building programs for artists historically, earlier grantmaking programs did contain elements of the venture approach. One particularly interesting precursor was the Julius Rosenwald Fund Fellowship Program, which supported the work of African-American artists, musicians, dancers, and writers during the late-1920s and 1930s. Rosenwald program administrators were directly engaged with fellows, and grants could be renewed for a second or third year if fellows met the conditions of the program. As Schulman notes, “the fund’s connections with fellows did not necessarily end with the conclusion of the fellowship year.”⁴⁰

37. “Rockefeller Family Fund Issues Venture Philanthropy Report.” *The New York Times*, October 22, 1972. John D. Rockefeller III also used the term during a 1969 Congressional hearing. Moody, 12.

38. The NASF model, closely related to the cash reserve grant, has been widely adopted in the U.S. by regional and community cultural funds. Culbert and Wolf, 4-8.

39. Larson, 136.

40. The Fellowship Program, begun in 1928, accounted for \$15 million in annual giving at its peak. Daniel Schulman, ed. *A Force for Change: African American Art and the Julius Rosenwald Fund* (Evanston: Northwestern University Press, 2009): 31.

Another early example of the venture approach in the arts was the Public Theatre in New York City. During the 1970s and beyond, Public Theatre Director Joseph Papp had a hand in nearly every aspect of new productions and supported many emerging playwrights and directors beyond their first work—regardless of their financial success.⁴¹ As Freund notes of Papp’s work at the Public Theatre and the New York Shakespeare Festival, “creative individuals had their first real break ... in protected, experimental settings ... and confidence was instilled in them as artists at early, vulnerable stages of their careers.”⁴² Papp also took a small ownership stake in each production with the intent of redirecting any gains towards supporting future work.

The notion of reinvesting financial returns in future work—a concept described by author and Professor Lewis Hyde as ‘the arts funding the arts’—has guided numerous efforts to create reciprocal wealth in the arts in the U.S. and abroad prior to, and concurrent with, the era of venture philanthropy.⁴³ One of the most successful efforts is the Theatre Development Fund, whose recyclable subsidies have supported more than 900 productions and returned more than \$1.5 billion dollars to New York City performing arts venues since 1968.⁴⁴

41. Levine, 106.

42. Freund, 91.

43. These efforts include ‘droit moral’ laws in California based upon European droit suite; the failed U.S. ‘Arts Endowing the Arts Act’ of 1994, which would have transferred any royalties that accrued during a twenty year copyright term extension to a fund for supporting new artists; the Arts Pension Trust and Music Trust Fund; and artist-endowed charitable funds, like the Joan Mitchell Fund and The Andy Warhol Foundation for the Visual Arts. See Lewis Hyde, “Being Good Ancestors: Reflections of Arts Funding since World War II” *Kenyon Review* 30, no.1 (Winter 2008): 7.

44. The TDF acts as a revolving fund for theatre by supporting Broadway and off-Broadway performances through its ‘subsidy program’, which entails purchasing advance tickets at a premium to increase a show’s earned income. Profitable productions return a portion of their earnings to the TDF.

As a loose framework of ideas and strategies borrowed from the worlds of business, government, and foundations, venture philanthropy clearly has many antecedents in theory and in practice. Yet, with noted exceptions, grantmakers that support individual artists have been slow to embrace many of the tenets of venture philanthropy. The literature offers numerous reasons for why this is the case.

One of the most contentious aspects of venture philanthropy is the notion of measureable outcomes or metrics. Proponents of the venture approach have suggested that just as venture capitalists can evaluate their investment in a company in terms of its prospects for profitability, an initial public offering of stock (IPO), patents, or return on investment (ROI), grantmakers should measure their grantees' progress by one or more social, artistic, financial, or project-related criteria. In the realm of individual artists, these criteria might include attendance at a performance or exhibition, sales of artwork, or successfully meeting project timelines and benchmarks. However, metrics have proven very difficult in practice for grantmakers that support artists. Grantors like Creative Capital have acknowledged the highly subjective and individualized nature of evaluating artists and their capacity to achieve success.⁴⁵ Others have questioned whether objective, standardized criteria have a place in the arts; according to noted community arts advocate Arlene Goldbard, "the very quest for metrics is contaminated with ideas and assumptions borrowed from worlds that have nothing in particular to do with community and creativity."⁴⁶ Yet, even if many in the field have questioned the applicability of metrics,

45. Creative Capital Foundation has not defined 'success' broadly and has asserted that it must be self-defined by each grantee. Grantmakers in the Arts, "Artist-to-Artist Teaching Model: The Creative Capital Workshop Series," (proceedings from the Annual Conference, October 2003).

46. Arlene Goldbard, "The Metrics Syndrome" Community Arts Network/API Publication (October 2008) <http://www.communityarts.org> (accessed November 3, 2008).

many have embraced their language. Creative Capital President Ruby Lerner has stated that her organization's objective is "to take [a project] public where other people will invest in it," in terms of additional funding and professional opportunities.⁴⁷ And Chris Vroom, founder of Artadia, has compared his foundation's awards to "a little IPO for the artists," and added that, "we launch [artists] and give them after-market support."⁴⁸

A second obstacle to the venture model is a preference among many artists for unrestricted fellowships. *Investing in Creativity* noted that "artists value fellowships and other forms of unrestricted money the most, because of their flexibility."⁴⁹ By contrast, project-based grants, which are typically awarded on the basis of a proposed project, have requirements as to how the funds are used, and have a stronger focus on outcomes, are less popular with artists.⁵⁰

Critics of project-based funding have noted that unrestricted grants encourage more realistic expectations of outcomes. As one grantmaker has explained,

We're not very big on evaluation. We're small and when we give individual artists grants, we really don't do a lot of follow-up because we just don't see the point of it. If you give someone a grant for \$25,000 one year, maybe the work that year wasn't very good. But maybe five years from now, the impact of that grant will be felt.⁵¹

Lourdes Pérez, a United States Artists fellow in 2006, expressed a similar sentiment: "It's like a quiet ripple. You can't measure that ripple, the impact of the

47. Michelle Falkenstein, "Capital Gains" *ARTnews* (January 2001) <http://creative-capital.org/aboutus/media/id:34> (accessed March 28, 2009).

48. Maureen Farrell, "Democratizing the Art World" *Forbes* (May 8, 2008) <http://www.forbes.com> (accessed April 15, 2009).

49. Jackson et al., 42.

50. *Ibid.*, 42-43.

51. Grantmakers in the Arts, "Arts and Philanthropy in the 21st Century," Proceedings from the Annual Conference (November 1999): 9.

fellowship. That's the magic of it."⁵² And Theaster Gates, the recipient of an unrestricted artist fellowship from the 3Arts Foundation of Chicago, has put it this way:

Wouldn't it be great ... to know my resources ... and allow my imagination to slowly brew something, instead of always having to over-articulate the end before I've started? Having the resources on the front-end gives you the freedom to not have to worry about the market. It creates a different art-it just does."⁵³

Considerable disagreement remains among foundation leaders and artists as to which method is superior. However, *Investing in Creativity* noted that approximately 60% of all direct funding for individual artists was unrestricted.⁵⁴

A third, and likewise controversial, aspect of venture philanthropy is the 'high engagement' or hands-on approach that characterizes most grantor-grantee relationships. Foundation leader Bruce Sievers was an early critic of "interference" on the part of funders, while others have pointed out that mutual objectives and a shared sense of accountability between grantor and grantee are difficult to maintain over long periods of time.⁵⁵ Moreover, a close working relationship between a grantor and a grantee may require human, technical, and financial resources that exceed a nonprofit's capabilities; as LaFrance and Latham have noted, the significant overhead costs of high-engagement philanthropy restrict its applicability to much of the nonprofit field.⁵⁶

52. Jori Finkel, "A Matchmaker Finds Patrons for Artists' Work," *The New York Times*, November 10, 2008.

53. <http://www.threearts.org/video/index.html> (accessed 11/2/2009).

54. Jackson et al., 56.

55. See Cobb; Bruce Sievers, "If Pigs Had Wings: The Appeals and Limits of Venture Philanthropy" (speech delivered at the Centre for Public and Nonprofit Leadership, Georgetown University, Washington D.C., November 16, 2001).

56. LaFrance and Latham, 62.

Fourth, some have contended venture philanthropy's principle problem is that it remains as constrained by scarce resources as traditional philanthropy. Pallotta has argued that, "venture philanthropy doesn't address the real problem, which is the need for capital...."⁵⁷ To that end; though Creative Capital has been described as "responsive and attuned to artists' needs," *Investing in Creativity* noted its very modest resources relative to the size and demands of the field.⁵⁸

Fifth, economist Tyler Cowen has raised the possibility that the success of the VC model in the arts depends upon clear economic incentives to find and support marketable artists. Speaking to the success of VC in the recorded music industry, Cowen notes that, "it is the prospect of finding new stars that motivates music companies on unknown artists."⁵⁹ Such a clear economic incentive is not inherent to many niche cultural products and unconventional art forms, however. Although several organizations in the publishing and theatre industries have adopted the venture approach in underwriting a small number of less marketable works—Literary Ventures Fund and the Theatre Development Fund being the prime examples—they remain not-for-profit and unlikely to compromise artistic vision for a clear profit motive. To Cowen's point, literary critic R.P. Blackmur's assessment from more than a half century ago may still be valid: "The theory of a cultural market does not work ... unless it be on the lines of Hollywood."⁶⁰

57. Dan Pallotta, *Uncharitable: How Restraints on Nonprofits Undermine Their Potential* (Hanover and London: University Press of New England, 2008): 86.

58. The report notes the fact that Creative Capital receives thousands of applications annually for less than 50 grant awards. Jackson et al., 43.

59. Cowen, 113.

60. R.P. Blackmur in Will Broaddus, "Who'll Support Artists Now?" *Foundation News and Commentary* 38, no. 6 (November/December 1997) accessed at <http://www.foundationnews.org> (April 21, 2009).

Additional obstacles to venture philanthropy's integration into funding for artists, as cited in the literature, are: a general disinterest in the arts among young, wealthy investors who were educated during a period of heavy disinvestment in arts education; the difficulty of developing clear and predefined exit strategies; and a preference among funders for investing in basic human services, education, and job training, which may offer more measurable outcomes as well as greater social return on investment.⁶¹

Creative Philanthropy

In the research literature, the term 'creative philanthropy' is used by scholars Helmut K. Anheier and Diana Leat to describe a more recent and evolving model of foundation practices. The authors have defined the basic tenets of the creative approach as:

- mobilizing resources in the short term to help bring about innovations and their diffusion in the long term
- seeking sustainable outcomes with impact beyond immediate beneficiaries
- offering long-term support, often for ten years or more
- utilizing grantmaking as one strategy in a toolbox of other means of support
- moving from metrics and a 'return on investment' mentality to 'risky learning' and flexible evaluation over the long-term
- sharing knowledge, building and connecting networks, and increasing communication among grantees and stakeholders⁶²

61. See Culbert and Wolf; Zakaras and Lowell.

62. Anheier and Leat, 201-212.

Much as *Virtuous Capital* did for venture philanthropy, Anheier and Leat's research has substantiated creative philanthropy by challenging many of the assumptions of traditional philanthropy. They have observed that where foundations have often failed to deliver results because of an overemphasis on finding and funding innovative programs, the creative philanthropist seeks to enable, and increase the capacity of, innovative individuals and organizations to develop and diffuse their ideas.⁶³ Moreover, whereas foundations have often avoided supporting programs or initiatives with uncertain long-term outcomes, and focused instead on what is achievable in the immediate to short-term, creative philanthropy calls for grantmakers to accept challenging projects that require multi-faceted and multi-year support—in some cases, over a decade or more.⁶⁴

Anheier and Leat have also framed the 'creative' approach against the backdrop of new philanthropy. According to the authors, while creative philanthropy is interrelated with the strategic and venture models, its outlook and desired outcomes are distinct. From their perspective, venture philanthropy rightly aims to increase the capacity of grantees through high-engagement, long-term relationships; yet, they note that the approach is hampered by an over-emphasis on organizational processes and structures, project planning and outcomes, and inflexible metrics. By contrast, they have argued that while desired outcomes must initially dictate strategies, greater flexibility on the part of grantors and grantees is required to take advantage of unforeseen opportunities, new points of access, and leverage for change.⁶⁵

63. Ibid., 201-212.

64. Anheier and Leat, 201-212.

65. Ibid., 201-212.

In addition to Anheier and Leat’s work on the subject, many have championed the creative approach indirectly through arguments for its principle ideas. In lamenting the limited role of foundations in supporting individuals, former MacArthur Foundation program director Gerald Freund has stated: “[Foundations] appear to have forgotten what earned them recognition in former times: a culture that encouraged experimentation, repeated efforts, action, and learning.”⁶⁶ He has also noted that “... grants for publications and dissemination of any kind are not popular with foundations [Foundations] shy away from endorsing the results of their grantees’ research and the opinions they express.”⁶⁷ Freund has criticized this position as “shortsighted” and argued that “too many discoveries ... made possible by grant funds are not well disseminated to others working in the same or related fields. Lack of publication ... can lead to duplication of effort, with a further drain on foundation funds.”⁶⁸

In terms of foundation processes and the power inequities of philanthropy, Freund has stated that too many executives-turned-philanthropists believe that their “talents are automatically transferable to the “‘business’ of creative philanthropy.”⁶⁹ To that end, Independent Television Service President Sally Fifer has argued that correcting the deep power imbalance inherent to every mode of philanthropy requires foundations to recognize their limited role in the arc of a project “from an idea to its full manifestation.” Instead, she has contended that foundations must enhance their grantees’ capacity to join broader networks and access expertise beyond the foundations’ resources:

66. Freund, 157.

67. Freund, 31.

68. Ibid., 31-32.

69. Ibid., 67.

... Ask yourself [as a foundation], who needs to be brought in? Who do I need to bring in to complete this arc? When you start to broaden your networks and make partnerships ... you get ... new contacts, new creative potential. You have a real sense of your power.⁷⁰

Within this same context, art critic Michael Brenson has urged that “the full range of possibilities for supporting artists needs to be considered,” including “... outlets ... that can help gifted people to reach others and build a new base.”⁷¹ Freund has more bluntly asserted that,

It cannot be overlooked: [our] foundations’ role is not simply to hand out money. Supporting individual grantees ... should emphasize giving recognition, ongoing encouragement, and help with whatever the work requires—all without intruding or imposing. To ... administer these awards simply as “a grant” of money ... is a loss of an opportunity for larger supportive impact.⁷²

On similar terms, Surdna Foundation Executive Director Edward Skloot has criticized traditional philanthropy for operating “in isolation.” He has challenged foundations to become “connectors of people to information and enablers of ... collaborative investigation, open communication and broad dissemination.”⁷³

Summary

Over the last two decades, the U.S. nonprofit sector has increased direct support for individual artists while many private and public sources of support have been in decline.

70. Grantmakers in the Arts, “Going Off-Road with the Arts as Venture Philanthropy” (Proceedings from the Annual Conference, November 1999): 12.

71. Michael Brenson, *Convenience and Process: Private Versus Public Arts Funding*, The Andy Warhol Foundation for the Visual Arts series on the Arts, Culture, and Society, paper no. 9 (November 1998).

72. Freund, 157.

73. Edward Skloot, “Is Distinguished Philanthropy Still Possible?” in *Beyond the Money: Reflections on Philanthropy, the Nonprofit Sector and Civic Life, 1999-2006* (Surdna Foundation, 2007) <http://www.surdna.org> (accessed November 29, 2008).

Leading up to, and throughout much of, this period, a reconsideration of traditional philanthropy by foundation, business, and academic leaders produced two new and distinct frameworks for grantmaking: venture philanthropy and creative philanthropy. Despite the attention focused on it during the late 1990s and early 2000s, venture philanthropy remains limited in its usefulness for funding U.S. artists, according to the most recent literature. While organizations such as Creative Capital and Literary Ventures Fund have built and maintained successful programs around the model, several nonprofits reconfigured or ended their programs after adopting the approach.⁷⁴ Notably, many of the principle ideas of venture philanthropy were derived from earlier research and practices; it was the combining of these ideas that could be described as ‘new’. Cobb has concluded that although the model is “neither as innovative nor as revolutionary as its proponents have claimed,” major foundations look at philanthropy through “a different lens and with a changed set of priorities.”⁷⁵ And according to Moody, “Critics have allowed that the core ideas of venture philanthropy forced a productive and ongoing reconsideration of foundation processes.”⁷⁶

The creative philanthropy model, as articulated by Anheier and Leat and supported by Freund and others, emphasizes long-term, flexible support and diffusing knowledge—as opposed to a focus on short-term programs or projects, planning, and nonprofit processes. Foundations that practice creative philanthropy seek to: achieve sustainable outcomes that may have their greatest impact well beyond short-term

74. Noted exceptions are found in Table 1. Little data have emerged recently to suggest that venture philanthropy has gained broader acceptance in the field.

75. Cobb, 125.

76. See Moody.

beneficiaries; promote innovation within broader social networks; and form long-term relationships and partnerships with grantees. The model is also characterized by flexible, long-sighted performance measurement and evaluation tools, a high tolerance for risk, and non-monetary forms of support for grantees, such as professional development workshops, advisory services, and networking opportunities. Though the literature does not identify specific practitioners of creative philanthropy in the arts, related research suggests that the model is applicable to the field.

The literature also notes several areas of overlap between the venture and creative approaches. LaFrance and Latham have observed that venture philanthropy relies upon “scaling successful models” up to size for the greatest impact—a defining characteristic of creative philanthropy as well.⁷⁷ And advocates of both approaches have emphasized multi-faceted support programs that address the entrepreneurial capacity of individual grantees and ‘risky learning’. Moreover, both approaches cultivate an engaged relationship and mutual expectations between the grantor and the grantee. Finally, and perhaps most significantly, both the venture and creative approaches challenge and reexamine some of the core tenets of traditional philanthropy, giving grantmakers a different lens through which to view their work.

77. LaFrance and Latham, 64.

Research on Support Systems for U.S. Artists

U.S. Artists

The number of artists in the U.S. has increased significantly over the last 60 years. Between 1948 and 1998, the workforce of professional artists grew at approximately twice the rate of the entire labor force.¹ This rate of growth intensified between 1970 and 1990, as more women entered the workforce and the number of professional degree programs for artists increased.² Though more normal growth rates were observed between 1990 and 2005, as many as 2.4 million people—roughly 1.5% of the labor force—earned income from art-related jobs in 2000.³

The NEA report, *Artists in the Workforce: 1990-2005*, offers evidence of shifting demographic trends among U.S. artists. The report notes that as of 2005:

- Approximately 28% of all U.S. artists lived in California or New York, and half lived in one of 30 metropolitan areas.
- The median age for all U.S. artists was 40; for writers, musicians, and fine artists, respectively, median ages were in the forties.
- Increasing ethnic and racial diversity in the artist workforce closely tracked increases in the overall labor force.
- The number of artists with professional degrees continued to increase.⁴

1. Data were obtained from the U.S. Department of Labor's Bureau of Labor Statistics. Zakaras and Lowell, 2; Galligan and Cherbo, 25.

2. National Endowment for the Arts, *NEA Artists in the Workforce: 1990-2005*, 1.

3. Galligan and Cherbo, 25. Data were obtained from the 2001 Current Population Survey, U.S. Census and the Bureau of Labor Statistics.

4. National Endowment for the Arts, *Artists in the Workforce: 1990-2005*, 9-17.

Significantly, while the largest ranks of professional artists were designers and commercial artists, the number of independent and self-employed artists, including photographers, writers, and performers, increased sharply during the last decade.⁵ The NEA report noted of artists' income and employment status that,

Compared with the American labor force as a whole, artists are much more likely to be self-employed. Almost one-third of artists were self-employed in 2000, compared with less than 10 percent of the labor force This pattern of high self-employment was evident in the 1990 census data, but the 2003-2005 data indicate that the numbers of self-employed artists are increasing....⁶

Direct Support Systems

While the number and diversity of U.S. artists increased steadily in the decades prior to 2000, the growth of financial, material, and professional development supports for artists lagged far behind.

As noted, the nonprofit sector of the U.S. economy has accounted for most of the recent increases in direct support for artists. Key research and policy initiatives have provided a basis for many of these efforts.

In 2003 the Urban Institute, leading a consortium of 38 private foundations, released a landmark study on U.S. artists. Drawing from census data, national polling, and case studies in nine regions of the country, including major metropolitan centers and rural areas, *Investing in Creativity: A Study of the Support Structures for US Artists*

5. NEA, *Artists in the Workforce: 1990-2005*, 6; The number of independent artists, performers, and writers in the U.S. increased by 25% between 2000 and 2005 based on federal income tax filings. U.S. Census Bureau Nonemployer Statistics (June 2007) <http://www.census.gov/epcd/nonemployer/index.html> (accessed June 21, 2009).

6. Thirty-five percent of all artists were self-employed, with each artist occupation showing more than a 20% self-employment rate. The highest rates of self-employment were approximately 50% among fine artists and writers, 42% among photographers, and 35% among musicians. NEA, *Artists in the Workforce: 1990-2005*, 18.

afforded arts leaders and comprehensive overview of the resources available to artists.⁷

Of primary interest to this research are the report's findings related to individual artist grants and awards programs. Analyzing data collected by the New York Foundation for the Arts (NYFA), the report's investigators found that:

- 65% of individual artist awards had an expected duration of less than, or equal to, one year. Only 4.5% had an expected duration of two or more years.
- Roughly 50% of cash grants were less than \$2,000 and more than 75% of cash grants were less than \$10,000.
- 79% of programs had an open application process; however, 80% of the top award programs (in terms of monetary value) were by nomination only.
- 25% percent explicitly targeted a career stage; of these programs, 17% targeted emerging artists, less than 7% targeted mid-career artists, and 5% targeted elderly artists.⁸

Investing in Creativity also recorded the impressions of arts funders through a nationally conducted poll and noted that:

- Funders often refrained from funding individual artists, because by comparison to arts institutions, they perceived the funding process to require more effort and artists to be less accountable; yet among those who did fund individual artists, these concerns were rarely raised.

7. For information on artist grants and awards, see Jackson et al., 34-56.

8. Thirty percent of individual artist awards had a duration of 'unspecified' or 'other'. Jackson et al., 34-50. Data were collected through the NYFA Source (formerly the Visual Arts Information Hotline).

- Funders were perceived to be outcome-oriented and biased towards project-specific grants and awards; however, 60% of all arts funding was unrestricted.
- It was generally thought that arts funders did not ‘strategically target’ artists by career stage or artistic discipline; in fact, less than 30 percent of awards did target by these criteria.⁹

Based upon interviews, the report drew some important conclusions about how U.S. artists perceive of the opportunities available to them, including:

- Unrestricted funds, such as fellowships, were highly valued for their flexibility. Respondents found large awards (more than \$20,000) to be the most helpful.
- Artists valued grants of long duration, because they provide some relief from the uncertainty of having to continually piece together a living. Specifically, respondents indicated that they want multi-year funding.
- Peer recognition was “essential” to an artist’s professional practice; grants, awards, and artist-centered networks were considered the primary forms of peer recognition.
- Public recognition of artists' work was viewed as “very important.”
- Older and mid-career artists were most concerned with peer recognition and national awards programs; younger artists were more concerned with the proximity of artist-centered organizations and networks.
- External validation from key markets, such as New York City, was highly valued; however, many respondents felt that the distribution of awards unfairly favored those in the largest urban centers.¹⁰

9. Jackson et al., 56.

The report also made some assessments related to how U.S. artists work within and across existing systems of support, noting that:

- For many artists, the “dichotomy between an ‘individual artist’ and a ‘small nonprofit organization’ is a distinction without much difference.
- Artists engage in commercial, nonprofit, public and informal sectors of the U.S. economy and “benefit when there is a wide range of opportunities” among them.¹¹

Finally, the report considered the ‘Training and Professional Development’ opportunities available to U.S. artists and found that:

- Artists desire “training and professional development that helps them make shifts throughout their careers” in terms of artistic, career, and skill levels.
- ‘Peer-to-peer’ and ‘mentoring’ relationships are considered important to “successful career transitions.”
- Successful programs and initiatives have not been “exposed to rigorous evaluation or comparative study,” limiting the potential of the field to emulate these practices.¹²

Investing in Creativity has had important implications for many foundations and grantmakers profiled in this research. Several have directly cited the report as a motivating factor for their formation, or the formation of a new support program for individual artists. In the tradition of working papers issued by the Ford Foundation and Rockefeller Brothers Fund in past eras, *Investing in Creativity* stands as one of the most

10. Jackson, et al., 15-20.

11. Ibid., 32-34.

12. Ibid., 64.

comprehensive efforts yet to study the support systems for U.S. artists and continues to be referenced in the literature.¹³

Other recent studies on the needs of individual artists have been cited by the literature, as well. A major study commissioned by the Bush Foundation to evaluate its Artist Fellows Program—a grantmaking program for artists in Minnesota, Wisconsin, and the Dakotas—offered important evidence of the varying needs of emerging and mid-career artists. Data from the report, which spanned a decade, showed that older, mature artists are more focused on “deepening their investigations and honing their craft rather than making leaps in new directions.”¹⁴ The report notes that this factor, among others, has contributed to a perceived bias towards younger, emerging artists; “Among most funders, both within and outside the region, the preference is to more often fund early career artists over established ones.”¹⁵

Research conducted by Professor Joan Jeffri over a fifteen-year period examined the support available to artists in the San Francisco Bay Area. Jeffri’s report, published in 2004, revealed that a moderate percentage of artists said that they required professional development assistance: 25% reported needing marketing support, 17% needed support applying for grants or other funding, 16% needed assistance with financial matters, and 15% needed support with “strengthening their community of artists.”¹⁶

13. Ford Foundation, *Support for the Arts in the United States*; The Rockefeller Brothers Fund’s report is cited in Brenson, *Visionaries and Outcasts: The NEA, Congress, and the Place of the Visual Artist in America*, 4.

14. Bush Foundation 2005 Artist Summary. Melanie Beene. “An Evaluation of the Bush Foundation’s Artist Fellows Program: 1995-2004.” Melanie Beene and Associates, San Francisco.

15. *Ibid.*

16. Joan Jeffri, “Information on Artists II” (Research Center for Arts and Culture, Columbia University, New York City, 1997).

In addition, a 2007 report commissioned by Creative Capital to evaluate the Multi-Arts Production Fund—a national grantmaking program for mutli-disciplinary and performing artists—found that 65% of artists believed that it is ‘somewhat or much more difficult’ to find support for their work, compared to when the MAP Fund began in 1988. And 89% said that there were “few or no other funding sources offering comparable support.”¹⁷

17. Edward A. Martenson, “The Impact of the Multi-Arts Production Fund from the Artists’ Perspective” (New York: Creative Capital Foundation, 2007).

Chapter 2

Research Hypothesis and Methodologies

Hypothesis

The assumption, or hypothesis, being tested by this research is that U.S. foundations have created effective and sustainable models of support for individual artists by adopting the principles and methods of venture and creative philanthropy.

Research Methodologies

The research methodologies are: a case study of a single organization, supported by shorter profiles of related organizations; interviews with professionals in the field, and a survey of grantees. The data referred to in the case study have been obtained through the author's primary research.

Interview Procedures

Standardized and exploratory interviews were conducted with individual grantees and key stakeholders of national foundations and grantmaking organizations.¹ Six exploratory interviews were conducted to obtain additional information about profiled organizations. All interview subjects received a list of 10-15 questions in advance of the interview, along with a research abstract. Most interviews were conducted by phone, though several were conducted via e-mail due to time and availability limitations. Interviews were formally transcribed where possible and informally transcribed in other cases

1. Standardized interviews are most commonly used in public opinion polling and human resource management and take into account only those answers given in response to a standardized question. Exploratory interviewing seeks out and collects ideas from open-ended questions and takes into account all of the interviewees' responses (including follow-up questions and responses).

(paraphrasing is denoted by brackets in the interview transcripts). Interviews were conducted during the period November 2008-April 2009.

Five standardized interviews were conducted with Creative Capital Foundation grantees. Interview subjects indicated that they were willing to answer “additional questions about their experiences as a grantee” on the survey questionnaire and provided an e-mail address at which they could be contacted. All standardized interviews with grantees were conducted via e-mail during April 2009.

Survey Procedures

A survey questionnaire was developed in consultation with the thesis advisor and Columbia College Chicago faculty member Paulette Whitfield, an expert on quantitative research and survey design. Creative Capital Foundation President Ruby Lerner reviewed the final survey, pre-distribution, for accuracy of information and a notice of independent research. All survey questions and answer choices were designed to communicate with the highest degree of clarity. Survey questionnaires were distributed to 65 individual e-mail addresses between March 1 and April 30, 2009. The response rate was 30%.² Surveys were distributed electronically via the SurveyMonkey.com template and personal e-mail. Contact information was obtained from the Creative Capital Foundation Web-site, which lists either a personal or business Web-site for all grantees.³

Only grantees in the 2005 and 2006 award cycles were selected to receive the survey questionnaire; these two cycles were selected for the following reasons:

2. Five e-mails could not be delivered to the intended source and were returned with an automatic error message. One individual replied that he was not a recipient of a Creative Capital grant.

3. Where unavailable on the Creative Capital Web-site, grantee contact information was obtained through a web engine search. Only those individuals whose identity as a grantee could be confirmed by multiples sources were added to the list of survey questionnaire recipients.

- to obtain a manageable yet meaningful sample size
- all five eligible disciplines were represented in these two cycles
- several Creative Capital grantee programs were not in place in earlier grant cycles—most notably, the Professional Development Program (started in 2003)
- data on earlier grant cycles was available from prior research conducted by Whitlock in 2004⁴
- questions that involved recollection of past communication were better suited to recent grantees (e.g. 2005 grantees have a higher likelihood of accurately recalling their communication with Creative Capital staff during 2006 and 2007 than do 2001 grantees).

4. Whitlock, 2004.

Chapter 3

Research Results

Profile: Leveraging Investments in Creativity

Background

In July 2003, a consortium of foundations and philanthropists that included the Ford, Rockefeller, Nathan Cummings, and Doris Duke Charitable foundations provided the initial funding for Leveraging Investments in Creativity (LINC), a national initiative “to improve the conditions for artists working in all disciplines” through increased access to financial support, health care and insurance, and housing and live-work spaces.¹

The founding of LINC was interrelated with the publication of a landmark report by the Urban Institute that documented the living and working conditions for individual artists in ten major U.S. cities and in the nation’s rural communities.² In response to the report’s findings that additional financial, material, and information supports were needed to improve the infrastructure for U.S. artists, LINC’s founders developed a broad range of strategies that would be implemented over a ten-year period, including building online resources, shaping public policies, and disseminating “knowledge and best practices” in the fields of arts philanthropy and cultural policy. According to LINC Executive Director Judilee Reed, “[The report’s release] was a very strategic phased set of activities, where—once the report was almost finished—there were several roundtables with artists

1. <http://www.lincnet.net/about>

2. See Ch. 1 for further discussion and analysis of “Investments in Creativity.” See Jackson, et al.

to vet some of the findings. When the idea for LINC came about, many of the foundations [that supported the report] were excited to continue with this project.”³

Methodologies

LINC, which maintains offices and a small staff in New York City, operates primarily through strategic partnerships at the regional, state, and municipal levels with arts service organizations, nonprofits, foundations, and public agencies. The LINC network encompasses fifteen cities in twelve states—including six statewide efforts.⁴ As Reed notes, “For us, infrastructure is locally based.”⁵

An integral part of LINC’s diffuse network is the Creative Communities program. Through targeted funding to address local needs, Creative Communities connects visual, performing, and literary artists to financial support, critical validation, peer networks, professional development training, and business and marketing skills. Though LINC does not directly fund individual artists, LINC funds are redistributed to organizations that, in turn, directly support artists through grants, fellowships, and material resources.

All grants made through the Creative Communities program require a 1-to-1 match, meaning that for every \$1 contributed by LINC, \$1 must be raised by the partner. In many LINC partnerships, this match is much higher; according to Reed, on average, \$4-\$5 is leveraged by the artist for every \$1 contributed by LINC.⁶ Moreover, artists

3. Judilee Reed, telephone interview by David Schmitz, March 9, 2009.

4. As of June 2009, partnering communities and states included: Chicago, Cleveland, Houston, Kansas City, Los Angeles, Massachusetts, Miami, Montana, New York, Philadelphia, San Francisco (Bay Area), South Carolina, Washington State, Washington D.C., and Native American Artists of the Northern Great Plains. See <http://www.lincnet.net/creative-communities> (accessed May 15, 2009).

5. Reed, interview.

6. Reed, interview.

receiving LINC funds from partner organizations must raise all, or a portion, of this match from the local community—often in donations ranging from \$20 to \$100 each.⁷ Many new and infrequent donors are cultivated through this process, according to Reed, creating a dynamic “on a local level between the organization and the artists ... that [hopefully] will be sustained long beyond our initial investment.”⁸

Reed describes the first five years of the initiative as a period of “research and development” for partnering organizations.⁹ During 2003-2008, ten LINC partners received \$10,000 planning grants to generate ideas and then actionable steps for implementing programs or services relevant to the specific needs of artists in their communities. After the planning process, each partner submitted a full proposal to LINC, which, if approved—and all but a handful were—served as the basis for a \$100,000 ‘implementation grant’ over a period of two years. Additional funding from LINC could only be obtained through a competitive process.

The second phase of the LINC initiative—began in 2008 and extending through 2013—centers on disseminating the successful models established during the first phase. Reed uses terms like “scaling” and “replication” to describe this process, noting that LINC’s role will be to continue building, or scaling, the capacity of support structures that will exist beyond the life of the initiative, while in other cases replicating those structures in new communities.¹⁰

7. Ibid.

8. Ibid.

9. Ibid.

10. Reed, interview.

The LINC board and staff members have maintained a “light touch” in working with most partnering organizations, according to Reed. “We do a strong vetting process to make sure an organization has the right processes, but we trust them to be guided by their own intuition,” Reed remarks. “We’re not implementing these programs; the organizations are.”¹¹

The extent of LINC’s involvement in various communities has been influenced by the reputation and presence of the partner organization there. While some established and well-connected organizations have not required much additional support from LINC to build long-term capacity, for others, LINC has been the primary lever for building a local base of support.¹²

LINC operates several additional initiatives, including the Artist Space Development program (ASD), the National Artist Health Insurance Initiative, and the Artist Economic Survey. The following profiles examine three regional programs supported through LINC’s Creative Communities initiative.

11. Ibid.

12. Reed cited the Center for Cultural Innovation as a well-established partner in the local community that did not require additional support from LINC. She also identified Kansas City as a community where LINC’s role was of ongoing importance. Ibid.

The Fund for Artists

In California's Bay Area—one of ten LINC Creative Communities—the East Bay Community Foundation (EBCF) and The San Francisco Foundation (TSFF) have utilized their partnership with LINC to convert individual donors into patrons of individual artists—in the process, providing financial and professional development resources to hundreds of individual artists in the visual, media, and performing arts.

The foundations' signature program, The Fund for Artists (The Fund), is supported by the James Irvine Foundation and its Communities Advancing the Arts (CAA) initiative, a statewide effort to increase local investment in the arts.¹³ The Fund has established multiple program components, including the Awards, Matching Commissions, and Arts Teacher Fellowship programs. Aimed at strengthening artists in local communities and increasing the perceived value of artists' work, the Awards and Matching Commission programs offer two distinctive approaches to connecting individual artists to resources, other artists and arts organizations, and individual funders.

The Awards provide Bay Area artists with unrestricted fellowships, ranging in size from \$1,500 to \$15,000, along with exposure to arts institutions, professional resources, and public recognition of excellence. In 2008, 20 fellowships were awarded to composers, music ensembles, choreographers, playwrights, theatre ensembles, and visual and media artists.¹⁴ Awardees were invited to attend an annual retreat—an important networking event in the Bay Area arts community—and entrepreneurial workshops that

13. Through a three year, \$400,000 CAA grant, EBCF and TSFF established and jointly administered The Fund, beginning in 2008. Additional support from the Ford, Surdna, and Hewlett Foundations and individual donors increased The Fund's starting capacity to approximately \$1 million. See <http://www.sff.org/programs/arts-culture/fund-for-artists> (accessed June 10, 2009); <http://ebcf.org/> (accessed June 10, 2009).

14 . <http://www.sff.org/programs/arts-culture/fund-for-artists>

focused on financial knowledge and small business management skills. In addition, awardees were eligible to attend free marketing and development workshops organized by collaborators throughout the year.

The Awards program utilizes existing adjudication systems for each artistic discipline through partnerships with other arts grantmakers. While drawing on the expertise and judgment of funders within each discipline, the arrangement allows EBCF and TSFF to make grants to individual artists without establishing multiple adjudication systems or dealing with concerns related to re-granting funds.¹⁵ Partnering arts service organizations included Artadia in the visual arts, American Composers' Forum in music composition, Theatre Bay Area for playwrights, and World Arts West for choreography.

Like the Awards program, the Matching Commissions program has supported the development of new artistic work by Bay Area artists. However, Matching Commissions has placed as much emphasis on cultivating relationships between arts organizations and donors as on individual artists. The program requires applicants, who are primarily artist-run organizations and small to mid-sized arts groups that propose to commission a new artistic work, to match the Fund's contribution with donations from individuals. In the first cycle, Matching Commissions was effective in leveraging foundation funds to raise additional contributions; the 100+ projects awarded a \$5,000 Matching Commissions

15. For many community and operating foundations, such as EBCF and TSFF, respectively, there are restrictions placed on funding individuals, leaving them with the choice of establishing separate adjudication systems or re-granting to nonprofit organizations, which are permitted to make grants to individuals. However, both methods have perceived drawbacks, in terms of the costs of forming new organizational processes and concerns that artists may not receive the funds dedicated to them. As Killacky has observed, "...we've seen the trickle-down effect; that, when you give money just to organizations, artists are the last ones paid." John Killacky, telephone interview with David Schmitz, April 28, 2009.

grant—a total outlay of more than \$500,000—have earned an equivalent amount in matching contributions from more than 1,700 individual donors in the Bay Area.¹⁶

Through the Awards and Matching Commissions programs, TSFF and EBCF have worked to “mobilize resources to underserved communities and to be a catalyst for philanthropy,” according to TSFF Program Officer for Arts and Culture John Killacky.¹⁷ As one of these underserved communities, Killacky notes that Bay Area artists “had not traditionally been getting money from philanthropy.”¹⁸

As a formal initiative associated with LINC, The Fund is slated to end in 2010. Before then, The Fund’s leadership will complete a psychographic survey of individual donors and participate in ongoing research by Professor Joan Jeffri. Using the results to inform future efforts, TSFF will continue its broader efforts to help individual artists.

Creative Workforce Fellowship Program

In the greater Cleveland, Ohio region, the Creative Workforce Fellowship Program (CWFP) is an initiative to build the capacity of individual artists by providing them with direct financial support, access to professional networks, and small business training. In addition to developing and sustaining a workforce of professional artists, the program, which views artists as “the entrepreneurs of the arts and culture sector,” is intended to stimulate economic growth and innovation in the region.¹⁹

16. The exact number of individual donors was 1,078. Killacky, interview.

17. Donor outreach events to individual artists took place from 2004-2007. Ibid.

18. Ibid.

19. Creative Workforce Fellowship guidelines. See http://www.cpacbiz.org/ftp_file/09-10/CreativeWorkforceFellowship2.pdf (accessed on March 12, 2009).

Momentum for CWFPP was building for more than a decade before the program was announced in 2008. During the mid-1990s, numerous studies were conducted on how the arts and culture sector could survive—and help remedy—the financial crises plaguing Cleveland and other former industrial centers. Based upon this research, the Community Partnership for Arts and Culture (CPAC), a Cleveland nonprofit arts service organization that now manages CWFPP, was charged with creating and implementing a comprehensive arts and culture plan for Northeast Ohio, which focused attention on how professional artists were linked to economic development.²⁰

Since releasing the plan in 2000, CPAC has maintained its focus on artist services while addressing several areas of particular concern for the arts and culture sector: business practices, public policy, and research.²¹ According to CPAC Executive Director Tom Schorgl, “Our approach ... has been to identify and define things that are lacking for individual artists. What are the common cause pieces that we can address?”²² In recent years, this strategy led CPAC to form the Artist as an Entrepreneur Institute, a popular small business seminar for artists, and to conduct research on artists’ live/work spaces. Eventually, the organization’s emphasis on small business training as a capacity-building tool for artists became the impetus for a new kind of artist fellowship program, one that would acknowledge, in Schorgl’s view, the reality that “artists’ having some knowledge about business is an asset, not a detriment, to their process.”²³

20. CPAC’s plan drew on vast quantitative and qualitative research, including the participation of thousands of citizens.

21. <http://www.cpacbiz.org/about/background.shtml>

22. Tom Schorgl, telephone interview with David Schmitz, March 25, 2009.

23. Ibid.

Accordingly, CWFP was designed to make direct investments in artists, their research, and their economic contributions—within a framework already established and understood for entrepreneurs and using some existing resources that were underutilized by artists. In 2009, the program gained crucial funding through a grant from Cuyahoga Arts and Culture (CAC), a public agency formed to oversee a portion of tax revenues directed to arts and culture. Public funding enabled CPAC to complete two cycles of the program in 2009, serving a total of 40 artists across all disciplines and media.²⁴

The fellowship offers a \$20,000 financial award that permits artists to create or finish a body of work or to pay for career development expenses, health care benefits, and entrepreneurial training and workshops. Fellows also receive a one-year membership in the Council of Smaller Enterprises (COSE) Arts Network, a program designed to help small arts businesses tap into larger financial resources, and have access to the Artist as an Entrepreneur Institute, where they gain a better understanding of their customers and learn the basics of finance, accounting, marketing, and business plan writing.²⁵ CPAC also provides counsel and advisory services over the duration of the fellowship. From Schorgl’s perspective, the program is a “good balance between an open-ended fellowship and the business world you have connections to the private sector, and you can work with business to develop a concept.... [so] the program is training and professional development, as well as funding.”²⁶

24. The local tobacco tax is projected to levy \$16 to \$18 million annually for the next three to five years. This money is distributed among four areas of strategic interest—one being individual artists. Schorgl, interview.

25. Ibid.

26. Ibid.

Each CWFP cycle begins with a one-day orientation for each artist. General guidelines for how the financial award may be spent, as well as general expectations for the fellowship year, are discussed. CPAC has encouraged artists to communicate and collaborate with one another during their fellowship through an online forum for sharing work, ideas, and future projects. This component is another form of networking and is related to the goal of building a supportive environment for creativity and innovation. As Schorgl has observed, “It’s common for a couple of artists to recognize that what they are doing can be beneficial to one another . . . [as a result] there are some pretty nice partnerships that form.”²⁷ The cycle concludes with an exit interview after the Artist as an Entrepreneur Institute; however, fellows are not required to attend.

CPAC has established several long-term indicators to measure the success of CWFP. First, the organization looks at the number of exhibitions and sales an individual artist has before, during, and for two to three years after the fellowship. CPAC also seeks to establish a baseline of where fellows come from and to compare that to census tracks. CPAC will also track retention to see if Cuyahoga artists stay in the area for a year or more after the fellowship.” Both measures are related to the original goal of the program: to retain artists in Cuyahoga County and to encourage economic dynamism and innovation. Schorgl has emphasized that tracking these indicators of success and the fellows is a long-term proposition. “The return on this for us is long term,” Schorgl stated. “. . . We want the area to be artist-friendly and to [build] the creative workforce.”²⁸

27. Schorgl, interview.

28. Ibid.

Center for Cultural Innovation 'Investing in Artists' Program

California's Center for Cultural Innovation (CCI) is a nonprofit arts service organization that seeks to address the "most pressing needs of artists" through a range of programs in three primary areas: enhancing business knowledge, providing access to capital, and building information resources and networks.²⁹ CCI, which was founded in 2001 and currently has offices in San Francisco and Los Angeles, is also a member of the LINC Creative Communities program.

Like other profiled grantmakers, CCI's strategies were shaped by the findings of *Investing in Creativity: A Study of the Support Structures for U.S. Artists*.³⁰ Prior to the 2003 report, CCI's had developed several professional development programs, including a series of business training workshops in partnership with the Small Business Administration, a micro-lending program for Los Angeles artists, and a Project Incubator for emerging artists. However, *Investing in Creativity* suggested to CCI that a more comprehensive approach to grantmaking was required—one that would go beyond enabling individual artists to complete projects or to realize short-term goals to instead building their entrepreneurial capacity and financial independence. As the organization has publicly mused,

what is largely missing from the current grants-to-artists landscape are grants that support the individual capacity-building and self-sufficiency of artists—investing in the working tools and market strategies that will allow them to create high-quality work more consistently, and to distribute that work to new audiences and "investors" to achieve greater long-term creative independence and financial sustainability...³¹

29. Center for Cultural Innovation 2008 Annual Report. <http://www.cciarts.org/whoweare.htm> (accessed March 10, 2009).

30. See Chapter 1.

31. <http://www.cciarts.org/grantsprogram.htm> (accessed March 21, 2009).

In response to this need, the Center started a pilot program called “Investing in Artists” in June 2007 with funding from The James Irvine Foundation. The pilot program was structured to include three rounds of grants over two years, with applicants in visual and literary arts considered in the first round and applicants in media and performing arts considered in the second. The third round returned to the visual and literary arts.

The grant program was structured into two categories: Grants for Artistic Equipment & Tools, worth up to \$5,000, and Grants for Presenting & Marketing Work, worth as much as \$15,000.³² While Grants for Artistic Equipment & Tools were made in a single award, Grants for Presenting and Marketing Work were made through competitive rounds of funding for project planning and implementation. According to CCI President and CEO Cora Mirikitani,

There were two underlying assumptions in this program design: First, that formalized planning is critical for successful implementation of marketing strategies and/or the public presentation of artistic work...; and second, that the Planning process was, in itself, a worthwhile product for participating artists, even those who did not receive an Implementation grant.³³

Indeed, a majority of artists who received a planning grant did not receive an Implementation grant during the program’s first 14-month cycle; out of 33 projects awarded planning grants, only 9 projects received additional funds for implementation.³⁴ Overall, three rounds of the Investing in Artists pilot program in 2007-2008 resulted in 63 grants to 54 artists, for a total outlay of \$450,000.³⁵

32. The average grant in the Grants for Presenting & Marketing Work was closer to \$10,000. Cora Mirikitani, interview with David Schmitz via e-mail, March 2009.

33. Ibid.

34. Ibid..

35. Center for Cultural Innovation 2008 Annual Report. <http://www.cciarts.org/whoweare.htm> (accessed March 10, 2009).

The Investing in Artists pilot program coincided with an expansion of CCI's "Business of Art" entrepreneurial training series, which was designed to "provide artists with fundamentals on how to manage their life more efficiently."³⁶ In 2008, CCI produced 42 workshops through the Business of Art series, serving more than 1,700 artists.³⁷ Individual workshops, which were taught by arts and business leaders from across the state, covered topics such as grantwriting, strategic planning, marketing, taxes, money management, and health insurance.

Following the pilot phase of the program, CCI eliminated Grants for Planning and Marketing and replaced it with a new category: "Grants for Artistic Innovation." The new category is designed to support the direct costs of an artistic project that "pushes the envelope of an artist's creative process, explores new artistic collaborations, or supports artistic growth and experimentation..." Though Mirikitani stated that the new category "could include creation of work, as well as new ways to market or present it to audiences," more recent guidelines from CCI have stated that costs related to presenting work to the public are ineligible for funding in this category.³⁸

Investing in Artists will continue through 2011, due in part to The James Irvine Foundation's commitment of \$1.5 million over three years to the program. Five rounds of funding are expected to be completed between 2009 and 2011, with 100 artists receiving \$10,000 grants for the purchase of new equipment or for the implementation of a project.

36. <http://www.cciarts.org/business.htm> (accessed March 21, 2009).

37. Center for Cultural Innovation 2008 Annual Report. <http://www.cciarts.org/whowere.htm> (accessed March 10, 2009).

38. Ibid.

Summary

In less than six years, the LINC initiative has developed a clear model for building the support structures for individual artists in the U.S. This multi-faceted approach has several components that are observed in the three profiles.

The first part of the LINC model is leveraging its national reputation to raise funds from individuals and organizations in Creative Communities. As previously noted, most Creative Communities programs have far exceeded the 1 to 1 match required by LINC. More importantly, the matching component seeks to create relationships between individual donors and individual artists that will last beyond the duration of the initiative. The Fund for Artists' Matching Commissions program is exemplifies this strategy.

The second part of the model is supporting programs and developing resources that build the entrepreneurial capacity of individual artists. This includes business training workshops, professional development seminars, advisory services, and information resources. CPAC's Artist as an Entrepreneur Institute, supported by LINC, is one example of this strategy, but there are others in nearly every Creative Community. In the case of LINC's efforts in Chicago, program funding was directed towards the development of a comprehensive Web-site for artists that features job postings, live/work spaces, and other opportunities.³⁹ According to Reed, the goal of such information resources is to "get information to [artists] faster than if they had to get it on their own."⁴⁰

The third part of the LINC model is allocating resources to organizations that will redistribute funds directly to artists through fellowships and grants. While LINC's

39. LINC worked with the Chicago Department of Cultural Affairs to develop a Web-site called Chicago Artists' Resource (CAR).

40. Reed, interview.

financial resources are limited on a national scale, it has made significant commitments to regional fellowship and awards programs across the country, which are comparable to other well-established programs (see table 2). All three of organizations profiled have redistributed LINC funds directly to individual artists.

Finally, the fourth part of the LINC model is what Reed has referred to as “learning communities”: opportunities for arts leaders, artists, and funders to gather and to discuss insights and successes from their work. Whether informal meetings or annual retreats, learning communities provide a platform for sharing best practices and jumpstart the process of replicating successful programs in different communities.

The LINC initiative will come to end in 2013 as originally designed. As Reed has stated, LINC’s responsibility is to “build the capacity” of those who will continue to serve artists before “exiting the field.”⁴¹

Table 2. Comparison of Regional Nonprofit Grant Programs for Individual Artists

Organization	Award range	Avg. award	Grantees per year	Length of support	% of applicants funded
Pew Fellowships in the Arts, Philadelphia	\$60,000	\$60,000	12	1 year	3% (12/400)
Bush Foundation Artist Fellowships Minnesota, N. and S. Dakota	\$50,000	\$50,000	15	12-24 mo.	N/A
The Artists’ Trust, Seattle	\$1,500- 7,500	\$2,000	16	1 year	4.2% (16/382)
NYFA Artist Fellowships, New York	-	\$7,000	131	1 year	N/A
Creative Workforce Fellowships, Greater Cleveland area	\$20,000	\$20,000	20	1 year	8.1% (20/248)
Creative Work Fund, San Francisco	\$30,000- 40,000	\$37,200	17	1 year	13.1% (17/130)
Fund for Artists, San Francisco	\$1,500-15,000	N/A	20	1 year	N/A
Investing in Artists, California	\$10,000	\$10,000	20-25	1 year	5.6% (13/233)

Source: All figures were obtained from information available on the organizations’ Web-sites and in their annual reports. Some figures represent estimates.

41. Ibid.

Case Study: Creative Capital Foundation

Creative Capital Foundation (Creative Capital) is a national nonprofit organization that provides financial, advisory, and promotional support to individual artists in the literary, media, performing, and visual arts. Through its core grantmaking program and career development services, Creative Capital has committed nearly \$20 million in funding and non-monetary support to more than 400 individual artists since 2000, with an additional 2,400 artists served by its professional development workshops in communities across the U.S.⁴² Additionally, the foundation operates two ancillary programs for supporting art criticism and the performing arts in the Art Writers Grant Program and the MAP Fund, respectively.⁴³

Background and Organizational History

Creative Capital began as an experiment during a turbulent period in arts funding. Leaders in the private and nonprofit sectors had begun searching for new sources of funding and support structures following the decline of public funding for individual artists in the mid-1990s.⁴⁴ Among those engaged in conversations about the future of arts funding was Archibald Gilles, then president of The Andy Warhol Foundation for the Visual Arts (the Warhol Foundation). While attending a conference concerning the state of arts funding in 1996, Gilles listened with particular interest to discussions and presentations about strengthening links between the arts, scientific research, and

42. Creative Capital 2009 Annual Report.

43. Creative Capital provides operational support for The MAP Fund, a performing arts-support organization founded by the Rockefeller Foundation in 1989 and funded by the Doris Duke Charitable Foundation, and the Art Writers Grant Program, funded in partnership with the Warhol Foundation.

44. See Chapter 1 for further discussion of this period.

business—particularly by focusing on innovation and freedom of expression.⁴⁵ Among the presenters was author and professor, Lewis Hyde, who captured Gilles’ attention with his ideas about how the arts might generate sufficient wealth to fund future work. As Gilles recalls,

[it was] a crucial moment for the development of my own thinking on the issue.... Shortly after the conference ended, I began to meet with a small group of other arts leaders to plan a strong response. Slowly and carefully, we developed a model of a new, national enterprise that would support the work of individual artists in an innovative way—one appropriate to the times we live in.⁴⁶

From the outset, Gilles and other arts leaders envisioned an endowed foundation that would directly support the capacity of individual artists with advisory services, promotional support, and career development training—not just one-time cash awards. As importantly, the new organization would not shy away from work that, in Gilles words, “directly [challenges] cultural and aesthetic conventions.” Rather, the founder declared, “In this organization’s absolute principles, one comes first and that is funding experimental, challenging art on its merit. Then after selecting it, we’ll see what the marketing potential is.”⁴⁷

Under Gilles’ leadership, the planning for a new private source of funds for individual artists received early support from the Warhol Foundation, which made a three-year, \$1.2 million commitment—contingent upon additional funders joining the

45. “American Creativity at Risk”, held at Brown University in November 1996, was organized in part because of recent cuts to the NEA and to discuss new funding models.

46. Ibid.

47. Judith Dobrzynski, “Private Donors Unite to Support Art Spurned by the Government,” *The New York Times*, May 3, 1999.

effort—and agreed to house the new initiative within its New York City offices.⁴⁸ Gilles spent much of the next three years soliciting contributions from other foundations and individual donors, assembling a consortium of at least 21 funders by early 1999. The founder’s efforts raised more than \$5 million for the new organization, meeting the Warhol Foundation’s challenge and moving Creative Capital towards making its first round of grants in 2000.⁴⁹

Foundation Methodologies

Creative Capital’s “very particular methodology,” as Lerner has described it, is interrelated with the ideas and strategies of venture capital and venture philanthropy.⁵⁰ According to Lerner, “we were founded with a venture capital model. First you raise the money; then you start looking for projects to invest in.”⁵¹

Creative Capital’s early orientation to the emerging field of venture philanthropy translated to practices and processes that were unfamiliar to many artists and many in the arts funding community. Though even today, grantees do not necessarily recognize the foundation as a venture philanthropist or use the language associated with venture philanthropy, Lerner claims that the ideas supporting the model are explicitly conveyed

48. This sum included \$400,000 in support during three consecutive years. Approximately \$1 million went directly to grants. See The Andy Warhol Foundation for the Visual Arts, “20 Year Report 1987-2007” <http://www.warholfoundation.org/pdf/volume1.pdf> (accessed April 5, 2009).

49. Dobrzynski.

50. Ruby Lerner, telephone interview with David Schmitz, November 19, 2008.

51. Community Arts Network/API, “A Bridge Conversation on Innovative Approaches Linking Nonprofit and For-profit Models” (April 2008) www.communityarts.net (accessed June 10, 2009).

to artists and that many understand the process intuitively.⁵² Creative Capital's contributors, in Lerner's estimation, "really get [the venture model] and have been very interested in the model from the beginning." And, she says, it is likely that some individuals have supported the foundation specifically because of the unique model.⁵³ While venture philanthropy is the subject of less debate in funding circles today, Creative Capital still identifies strongly with the model; according to Lerner, "to the extent possible, I'm interested in exploring venture philanthropy and fulfilling it."

Apart from the venture philanthropy model, Creative Capital has defined its grantmaking methodology in terms of a four-part system of support: support for the funded project, the individual artist, the community, and engaging the public. Within this system, and with the notion that 'time and advisory services are as crucial to artistic success as funding,' the foundation has established a range of practices and programs that utilize its resources.⁵⁴ The primary methods Creative Capital has employed include:

- forming open application and peer reviewed selection processes
- making an extended length of commitment (multi-year support)
- grantmaking through an initial award and additional restricted funding
- providing technical and advisory services (career development program)
- seeking return on investment (artistic, cultural, and financial)
- identifying measurable outcomes (benchmarking and metrics)
- conducting marketing and promotional activities

52. Lerner, interview.

53. Ibid.

54. <http://creative-capital.org/theprogram/approach>.

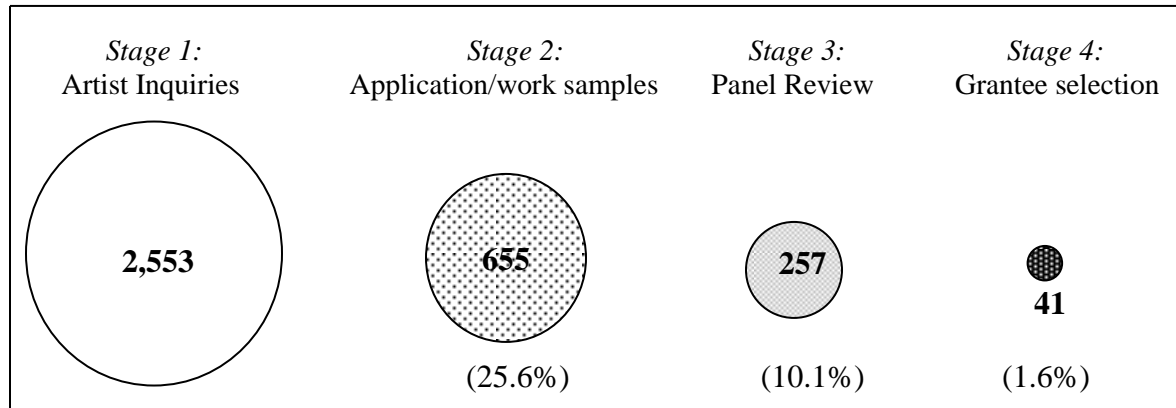
Application processes and selection criteria

Beginning with its first round of grants in 2000, Creative Capital rejected what was then, and remains, a common practice in arts grantmaking: the closed, nomination-only awards system. Instead, the foundation implemented an open application process with few restrictions—a decision based partly on the expected demand for the foundation’s resources and partly on the principle of democratizing foundation processes.

While embracing a wide-net approach to finding potential grantees, Creative Capital has taken steps to improve both its efficiency and effectiveness in narrowing the applicant pool. The foundation made major revisions to its selection processes in 2004, after seeing significant increases in the number of applicants and hearing concerns from many artists who felt their work was not being adequately considered. Since then, the foundation has developed and refined a three-stage process for evaluating and sorting out thousands of potential grantees, which includes: an initial review of artist inquiries by readers and foundation staff, a review of full applications and work samples by arts professionals, and a final panel review by arts professionals from across the country. After three stages, approximately 40 artists—typically less than 2% of all applicants—are recommended to the Board for funding (see fig. 1).⁵⁵ The entire process is coordinated by a team of program consultants and requires more than 100 professionals from across artistic disciplines to read, evaluate, and recommend applications. Artists that advance to the final panel review but do not receive funding may discuss the decision and receive feedback from Creative Capital staff by phone.

55. The number of considered artists has generally increased from year to year, reaching an all-time high of over 3,500 in 2005. Though the number of inquiries has dropped in recent years, the number of considered artists increased by 40% from 2000 to 2008. The number of grantees has remained between 1-2% of all considered artists.

Figure 1. Number of Considered Artists in Creative Capital Selection Process in 2008



Source: Creative Capital 2008 Annual Report.

Note: Percentages were found by dividing the number of considered artists at each stage by all artist inquiries (2,553).

In contrast to its selection processes, Creative Capital’s selection criteria have remained largely unchanged. These criteria include a project’s artistic merit and feasibility within the grant period and an applicant’s professional record and likelihood to benefit from the program. More specifically, the project’s feasibility is based upon the project budget and schedule submitted by prospective grantees during the application stage, while an applicant’s likelihood to benefit from the program takes into account an artist’s career stage, working style, and receptiveness to a high-engagement, multi-year relationship. “If an artist simply wants money to make the next project,” Lerner has stated, “it’s not a good fit for us.”⁵⁶ The foundation cautions as much in its guidelines: “Our approach to grantmaking does not suit all artists.”

56. Philanthropy News Digest, “Newsmakers with Ruby Lerner,” (October 8, 2007) <http://foundationcenter.org/pnd/newsmakers> (accessed July 8, 2009).

Multi-Year Support

The relationship between many grantors and grantees is defined by two dates: when an award is distributed and when a final report is received. In most cases, the time between these two dates—the grant period—is predetermined and can only be extended through reapplication or special circumstances.

By contrast, Creative Capital makes a three-year commitment to every grantee and project it funds and extends its support as long as project benchmarks are met and its resources allow.⁵⁷ By delivering its resources to grantees at crucial points over the life of a project—stages such as production, development, promotion, and expansion—Creative Capital encourages grantees to view their project and grant period through a long-term lens. As Lerner recalls, “In the beginning, we were encouraging [artists] to slow down, asking ‘where’s the fire?’ Grant cycles are so vicious; it’s as if 12 months later you have to have everything done. We told people, you don’t have to do that for us.”⁵⁸

While the foundation allows flexibility in the duration of the grant period, its multi-year commitment is nevertheless closely linked to a three-year funding cycle. A cycle includes a round of funding in both the first and second years, with approximately 40 grantees announced in each round. The third year of the cycle is dedicated to follow-up support for those 80 grantees and projects and does not include a new round of grants (see fig. 2). The cyclical approach does not dictate the length of a grantee’s engagement with the foundation but does provide a sense of forward momentum. Though some have been supported longer, the average project receives support for three to five years.

57. The foundation has set some limits on its support per project; each project can receive a maximum of \$50,000 in funding and grantees may only attend some programs once or twice, for example.

58. Lerner, interview.

3-Year Cycle		
Year 1	Year 2	Year 3
<p>New Grantees in:</p> <p><u>Visual Arts</u> <u>Film/Video</u> <i>(approx. 16 grantees in each)</i></p>	<p>New Grantees in:</p> <p><u>Performing Arts</u> <u>Innovative Literature</u> <u>Emerging Fields</u> <i>(approx. 16 grantees in each)</i></p>	<p>Follow-up with Year 1 & 2 grantees in <u>all disciplines</u> <i>(approx. 80 grantees total)</i></p>
<p><u>Visual Arts & Film/Video grantees have access to:</u></p> <p>Group Orientation and Project Planning Meeting Project Development Meeting with CCF Staff \$10,000 Project Funding</p>	<p><u>Performing, Lit., & EF grantees have access to:</u></p> <p>Group Orientation and Project Planning Meeting Project Development Meeting with CCF Staff \$10,000 Project Funding</p>	<p><u>CCF Staff Contact all Grantees to:</u></p> <p>Track Progress Assist with any future opportunities</p>
<p><u>Visual Arts & Film/Video grantees have access to:</u></p> <p>Group Orientation and Project Planning Meeting Project Development Meeting with CCF Staff \$10,000 Project Funding</p>	<p><u>Visual Arts & Film/Video grantees have access to:</u></p> <p>Follow-Up Meetings and Stakeholder Meetings</p>	<p><u>Performing, Lit., & EF grantees have access to:</u></p> <p>Follow-Up Meetings and Stakeholder Meetings</p>
<p><u>At any point during cycle, grantees may apply for:</u></p> <p>Strategic Funding (up to \$5,000) Special Opportunities Funding (up to \$2,000) Follow-up Funding (up to \$20,000) Project Premier Funding (up to \$5,000) Project Expansion Funding (up to \$5,000)</p>	<p><u>At any point during cycle, grantees may utilize:</u></p> <p>Artists' Coaching Project/Strategic Planning** Attending two Artist Retreats Professional Development Program** Legal Services Program Follow-up meetings and consultation with staff</p>	<p>*total value of funding will not exceed \$50,000 **may only be utilized once over the cycle</p>

Figure 2. Creative Capital's Three-Year Grantmaking Cycle

The multi-year approach has enabled Creative Capital to provide more attention to each individual project, according to Lerner. As she states,

We're not a grants factory. Because we make a long-term investment, we want to make sure that we have the resources not just to give people money for their projects, but also to be able to pay attention. When you have 40 projects a grant round, you have to be available for the project.⁵⁹

Lerner reports that most projects have “naturally ended” or “run their course,” yet acknowledges that some grantees have continued to draw support – sometimes on an off-and-on again basis – beyond the usefulness of that additional support to the project. To this point, the foundation has not developed a policy to deal with these situations; however, one option before Lerner is to “put a time limit—say 7 years—[on projects] and after that you can only come back to us for premiere funding, for example.”⁶⁰

Grantmaking

Creative Capital provides direct financial support over the course of its engagement with each funded project.

The foundation's initial grant award—known as a ‘production grant’—is \$10,000 for all funded projects.⁶¹ While the production grant is the only guaranteed funding for grantees, additional funding is awarded for further development and expansion of projects. Available ‘follow-up’ funding includes:

59. Ibid.

60. Lerner, interview.

61. Early on, production grants ranged in size from \$5,000 - \$20,000 according to the specifications of the grantee's project and budget (e.g. 50 projects were to receive \$5,000 and 10 projects were to receive \$10,000-\$20,000). However, in an effort to simplify the grantmaking process and to eliminate any perception of a hierarchy among grantees, the production grant was standardized at \$10,000 for all funded projects beginning in 2004.

- up to \$5,000 in infrastructure funding (formerly called ‘strategic funding’), available for tools, equipment, materials, or assistance needed to create a project
- up to \$2,000 in special opportunities funding, available to offset expenses related to special presentations or exhibitions
- up to \$20,000 in project funding (formerly called ‘follow-up funding’), intended for the costs of project production that exceed the initial grant

Other funding opportunities exist to help with the project’s debut or to realize it on a larger scale, including:

- up to \$5,000 in project premiere funding, awarded for promotional and marketing costs when a project premieres to the public
- up to \$5,000 in project expansion funding, available for expanding the distribution of a project after its premiere presentation or public debut

Creative Capital has committed a total of \$50,000 in financial support per project. But for some large-budget projects, such as films or touring performances, the production grant and additional funding may cover only a small fraction of the overall project budget.⁶²

Return on Investment

Return on investment, or ROI, refers to an investment’s potential profitability in the venture capital world, but the term is used more broadly by Creative Capital. “We

62. The MAP Fund, a program administered by Creative Capital, estimated that its grants to performing artists represented only 20% of an artist’s overall project budget, on average.

think of profit in terms of maximizing a project's impact," says Lerner, "whether that's artistic impact, broader cultural impact or financial impact."⁶³

One means by which Creative Capital measures the return on project grants is the recognition achieved by grantees. Grantees' accomplishments serve as important anecdotal evidence of the program's effectiveness for foundation leaders. The foundation routinely reports the achievements of its grantees, such as: gaining inclusion in prestigious exhibitions, festivals, institutions, and performance venues; entering private or public art collections; securing teaching positions; and receiving major awards.⁶⁴

Return on Investment- Financial

Creative Capital emphasizes the financial impact of its grants through the payback provision built into every grantee contract. In theory, the payback provision or "return on investment policy", as the foundation has called it, is similar to the recoverable grants or recyclable subsidies used by many organizations. In practice, however, the provision operates differently; by design, once a grantee has recouped his or her expenses on the funded project, Creative Capital is entitled to receive a dividend—called a 'grantor's percentage'—of any profit that the project earns in the future.⁶⁵

63. Ruby Lerner in Michelle Falkenstein, "Getting Encouragement to Push Boundaries" *The New York Times*, September 2, 2001.

64. Following their Creative Capital grant period, grantees have premiered their projects on Broadway and at venues such as the Lincoln Center, exhibited at the Whitney Museum of American Art and the Los Angeles County Museum of Art, screened films at the Sundance Film Festival, and received Academy Awards and Tony Awards.

65. At the point that profit on a project is made, the foundation receives a 'grantor's percentage', starting at 10%, of the earnings. Creative Capital is entitled to receive this percentage, plus an additional percentage for any additional funding, until its original investment has been recovered. Once that has occurred, Creative Capital's percentage of all future proceeds is halved. The specific terms of this arrangement, are set out in a contract between each grantee and Creative Capital.

Built upon the notion of “the arts funding the arts,” the payback provision was established as mechanism by which the foundation might finance future grants and support the next generation of artists from its investments in financially successful projects.⁶⁶ Yet, Creative Capital has emphasized that potential profitability is not among its selection criteria and has instructed its reviewers and evaluators not to take a work’s commercial viability into account during the selection process. “While the organization does not expect all of its projects to be profitable,” the foundation states in its materials, “this policy is integral to Creative Capital's design.”⁶⁷

The foundation initially expressed hope that the provision would account for four to five percent of its operating budget by 2007.⁶⁸ As of 2009, however, Creative Capital reported that less than two percent of all funded projects had paid back money, with an average return of \$1,800-\$2,000.⁶⁹ A total of five projects have returned funds to Creative Capital.

Despite the limited financial impact of the payback provision, artists have contributed to Creative Capital in other significant ways. One quarter of supported artists become donors of the organization during or after their grant period.⁷⁰ And many former grantees lead workshop sessions or serve as an artist coach for new grantees. Lerner

66. See Chapter 1 for a brief discussion of the “arts funding the arts”; Hyde, “Being Good Ancestors.”

67. Creative Capital 2004 Annual Report, 5.

68. Falkenstein.

69. 5 of 325 (1.5%) funded projects have returned a profit. Creative Capital 2009 Annual Report; The average return figure was omitted from the formal interview transcript but included in the author’s notes from the interview. Lerner, interview; Filmmaker Barbara Hammer became the first artist to direct a share of earnings to the foundation when her project netted a profit of \$3,500. Since Creative Capital invested 31% of the project’s income, Hammer paid back \$1,100. Creative Capital 2004 Annual Report.

70. Creative Capital 2009 Annual Report.

describes the provision as “mandated generosity” and downplays the importance of financial returns:

The profit-sharing provision creates a kind of responsibility on the artist’s end to come back and support future work....To me the radical notion of this [provision] is that we are actually accountable to the artist; if you think you’re actually going to benefit in some way by funding a project, then you have a vested interest in working your butt off on behalf of the project.⁷¹

A second part of the foundation’s emphasis on financial return on investment is the number of secondary grants and fellowships that grantees receive following their initial award from Creative Capital. In 2002, after three rounds of funding, nearly 40% of grantees had received other grants, fellowships, or awards following their project grant—totaling \$2 million and nearly equaling the \$2.5 million invested by Creative Capital.⁷² By 2008, grantees had received a total of \$8 million in external funding.⁷³

Measurable Outcomes and Benchmarking

Benchmarking is part of Creative Capital’s methodology for evaluating the progress of funded projects and the needs of grantees. The foundation establishes benchmarks for each project during an initial project development meeting with grantees. Benchmarks set out for over the next three years may relate to when the grantee hopes to complete the production phase or when the grantee anticipates the project having a premiere, for example. Benchmarks are addressed again in follow-up meetings with Creative Capital staff, where grantees may be asked to reevaluate the needs of the project based on changes to the project timeline. Typical questions from foundation staff might

71. Ibid.

72. Creative Capital 2002 Annual Report.

73. Creative Capital 2008 Annual Report.

include: “Is this project on track? What do you need at this stage of the project? What will you need at the next stage?” Grantees must be actively working towards a project benchmark in order to receive additional funding from the foundation.

Creative Capital uses some analytical measures, or metrics, to evaluate the performance of its grantees and the ‘return’ on its funded projects. As recently as 2007, the foundation began giving new grantees a questionnaire to gather what it calls ‘baseline information’ about their career goals and objectives for the grant period. When grantees exit the relationship with the foundation, a second questionnaire seeks to find out how grantees have spent their time, what they have accomplished, and whether they feel that support from Creative Capital has enabled them to be successful.

The foundation remains more focused on the individual stories of grantees than on analytical measures to gauge its success. As Lerner remarks,

We have so much anecdotal evidence [of our program’s success], and what we’re trying to do is to take that evidence and to collectivize it to tell a ‘metric’ story. ...at this point, we have enough information about our artists that we could kind of collectivize it to tell a metric story, but I would never, ever want to reduce it to that. You’d lose all the richness of what’s been accomplished.

Marketing and Promotional Activities

The final piece of Creative Capital’s grantmaking methodology—what it has termed ‘engaging the public’—entails promoting grantees and their projects.

Through its extensive network of arts presenters and professionals, Creative Capital frequently helps connect grantees to prestigious exhibitions, film festivals, and performance venues. In addition, Creative Capital staff members routinely attend and speak at arts-related conferences, fairs, and panel discussions, expanding the organization’s reach and awareness of its grantees and funded projects.

The foundation has developed an online presence for grantees through the ‘Studio’ (formerly called the ‘Channel’), an extension of the Creative Capital Web-site that contains in-depth and up-to-date information about each artist and project.⁷⁴

Creative Capital also maintains an online calendar, RSS feeds, and an e-newsletter that delivers updates about grantees and funded projects to the organization’s extensive mailing list and base of supporters. Finally, Creative Capital has commissioned profiles of supported project, which may be used by grantees for their own promotional needs. Profiles have also been included in the organization’s annual reports.

Artist Services Program

Over the last decade, Creative Capital has expanded its role as a grantmaking foundation by developing a portfolio of career development services for grantees. These services are collectively referred to as the ‘Artist Services Program’ and include:

- *Self-assessment surveys* are completed by grantees prior to their first meeting with staff to determine specific needs and individual goals
- *Group orientations* are held in metropolitan centers across each region of the country and provide an opportunity for grantees to meet one another and to become better acquainted with Creative Capital’s resources. For grantees living outside of these cities, Creative Capital covers the travel expenses.
- *Individual project planning meetings* with Creative Capital staff focus on establishing benchmarks and a final project budget for the development and completion of the grantee’s project. Project planning meetings are the only service grantees are required to take part in and occur during the group orientation.

74. <http://creativecapital.org/theprogram/studio> (accessed March 4, 2009).

- *Follow-up meetings* can be arranged with Creative Capital staff and consultants throughout the life of the project to discuss concerns or questions.
- *Promotional support* entails foundation staff working directly with the stakeholders in a project's premiere to maximize its success. Creative Capital may facilitate stakeholder meetings, which bring together the grantee, representatives of the premiere venue, and others to discuss marketing and publicity efforts. And because they are bringing funds from Creative Capital, grantees have a significant voice in these discussions and participate in making strategic decisions about advertising and promoting their work.
- *The artist retreat* is an annual networking event for current grantees, Creative Capital staff and Board members, and invited arts professionals. Many new collaborations, exhibitions, and partnerships have been formed as a direct result of the Artist Retreat, according to feedback collected by Creative Capital.
- *Legal services* are available to all grantees through a nation-wide network of pro-bono lawyers that have agreed to work with Creative Capital.
- *The artist coaching project*, one of the newest services, matches former grantees with new grantees to assist in the strategic planning process
- *Alumni services* are available to all grantees after their period of funding and support has ended. Creative Capital alumni may attend the annual Artist Retreat at cost, access the organization's mailing list, and continue to update their online profile on the foundation's Web-site.

Professional Development Program

The Professional Development Program (PDP) is an outgrowth of the Artist Services Program developed by Creative Capital for grantees. The PDP was formed as a stand-alone program in 2003, with the goal of delivering many of the tools and strategies developed specifically for grantees to individual artists across the country. Through partnerships with regional, state, and local arts agencies, nonprofit arts organizations, and colleges and universities that agree to sponsor or host a PDP workshop, Creative Capital has extended its curriculum on subjects including management, marketing and public relations, communication, and information resources to 40 communities and more than 2,400 artists.⁷⁵

PDP workshops include an array of day, evening, and weekend sessions taught by trained facilitators called artist leaders and topic leaders. Artist leaders are current and former Creative Capital grantees who have applied the methodologies of the curriculum to their own practice and are comfortable teaching other artists how to do the same. Topic leaders, many of whom are artists working as arts consultants, are skilled in areas such as strategic planning, marketing, and fundraising and instruct artists on how to apply those skills to their individual practice.⁷⁶ The artist leaders and topic leaders are selected by Creative Capital staff and work closely with the foundation and with individual grantees to develop and continually revisit the program curriculum.

PDP curriculum was initially adapted from a component of the Artist Services Program that introduces the process of strategic planning to artists. However, Creative

75. Creative Capital 2009 Annual Report.

76. All but one of the current topic leaders are practicing artists, as well. Alyson Pou, telephone interview with David Schmitz, June 19, 2009.

Capital attempted to refine its strategic planning lessons—mostly taken from an organizational level—by tailoring them to the needs and concerns of individual artists.

According to PDP Director and Creative Capital Associate Director Allyson Pou,

...there is so much we know about [strategic planning] on an organizational level, but what needed to happen was for all of that information to be translated, or in a sense, reinterpreted, from an individual point-of-view... For an individual artist, you have to translate [strategic planning] so that they understand how they can take it and apply it towards their own individual needs.

One of the key ways in which the PDP achieved greater relevance for individual artists was by recognizing and taking into consideration the diverse sources of income and varied occupational status of many artists today. Thus, in contrast to organizational planning processes, PDP workshop leaders have approached strategic planning as an inclusive and open-ended process and refrained from placing rigid timeframes upon the myriad projects and activities that artists engage in. As Pou explained:

Artists seem to compartmentalize their lives, sometimes to the extreme. We found that many of the artists we were working with had a hard time integrating all the parts of their life.... So, in a sense, it was using the strategic planning process to integrate needs in your personal life and in your professional life so that you could look at the whole picture. I believe that could work for anyone, but particularly for artists, because they live an entrepreneurial life.⁷⁷

The PDP curriculum also focuses on a varied and multi-disciplinary approach to learning. Workshops have multiple “learning modalities,” as described by Pou, including small group discussions, lectures, and private consultations.⁷⁸ Further, participants are not separated by artistic discipline, allowing for rich and varied conversations and various areas of expertise to overlap. Pou has observed that:

77. Pou, interview.

78. Ibid.

Each group has a different set of strengths that they can offer to the other groups. ... Visual artists are very good at helping with non-visual artists think about the presentation of their work and Web-sites. Filmmakers are really good at budgets ... and can really be helpful to visual artists, in that respect. So the artists can really be good resources for each other, in addition to what the Artists Leaders bring.⁷⁹

Another area of emphasis in the PDP is cultivating personal relationships and a sense of community before, during, and following the workshops. As a result of the low leader-to-artist ratio—there are generally four leaders per 24 artists—a high level of one-on-one communication is possible throughout the process. Prior to the workshop, program leaders receive information about participants and contact them to address any advance questions or concerns. During the workshops, leaders facilitate opportunities for artists to converse and share with one another and with leaders. And following the workshop, artist leaders follow-up with each participant to ask how their practice is going and to offer advice, if needed.

According to Pou, many alumni of the PDP program have remained in touch with their peers through local alumni groups. Creative Capital also offered a closed, online community called NING that allowed artists to exchange information and work with PDP alumni from across the country. Despite its early popularity, the utilization of NING has since decreased significantly.⁸⁰

Creative Capital has collected an evaluation from every PDP workshop participant so far and reports that the “vast majority” of more than 2,000 artists have given positive evaluations. Creative Capital has also collected evaluations from workshop leaders and partnering organizations and regularly reviews them.

79. Pou, interview.

80. Pou cited popular social media like Facebook and MySpace for the decline. Pou, interview.

Research Survey Data

Survey data collected from the 2005 and 2006 grantees are discussed in the following section. Several grantees provided further insights about the outcomes of their projects and the role that Creative Capital played in those outcomes.

The 2006 performing arts grantee, Alessandro Moruzzi, works with music, video, and film. For his Creative Capital project, Moruzzi collaborated with composer Joan Jeanrenaud to create *Aria*, an art installation that incorporates found images and audio samplings, cello recordings, and scientific data related to environmental politics.⁸¹ Nearly 2,000 people viewed the project during its premiere at the Yerba Buena Center for the Arts in San Francisco in July 2008, and it remains on tour.

Architect and artist Daniel Mihalyo, a 2005 visual arts grantee, produced a site-specific installation with support from Creative Capital. Mihalyo's now-completed collaborative project, titled *Maryhill Double*, sought to create a scale model of the Maryhill Museum in Oregon using natural and commonly-found materials.⁸² Mihalyo has received numerous fellowships and a residency since receiving support from the foundation.

Photographer Liz Cohen, a 2005 visual arts grantee, produced a performance and sculpture project titled '*BODYWORK*' during her grant period.⁸³ Through photographs and collected memorabilia, Cohen's project focused on the construction of identity in American culture. Cohen's project was exhibited abroad since its completion in 2005.

81. Alessandro Moruzzi and Joan Jeanrenaud, *Aria*, performed at the YBCA Forum, San Francisco, July 2008.

82. Daniel Mihalyo, *Maryhill Double*, installation in Biggs Junction, Oregon, July-October 2006.

83. Liz Cohen, *BODYWORK*, 2006.

Grantee Disciplines

Creative Capital’s grants were very evenly dispersed across four artistic disciplines in 2005 and 2006 (see table 3), with innovative literature garnering no responses from the small number of first-time grantees.⁸⁴ This parity is reflected in the breakdown across artistic disciplines from 2000-2009 (see fig. 3).

Table 3. Creative Capital Grantees in Career Stage by Artistic Discipline, 2005-2006

	Visual Arts	Film/Video	Performing Arts	Emerging Fields	Total
Growth/emerging	10.53%	15.79%	5.26%	15.79%	47.37%
Midcareer/maturity	15.79%	5.26%	15.79%	15.79%	52.63%
Total	26.32%	21.05%	21.05%	31.58%	100.00%

Source: Based on a research survey of 20 grantees from the 2005 and 2006 funding rounds completed from March 1–April 30, 2009.

Note: Grantees self-selected either ‘growth/emerging’ or ‘mid-career/maturity’ as the phase that best described their career stage from among four options.

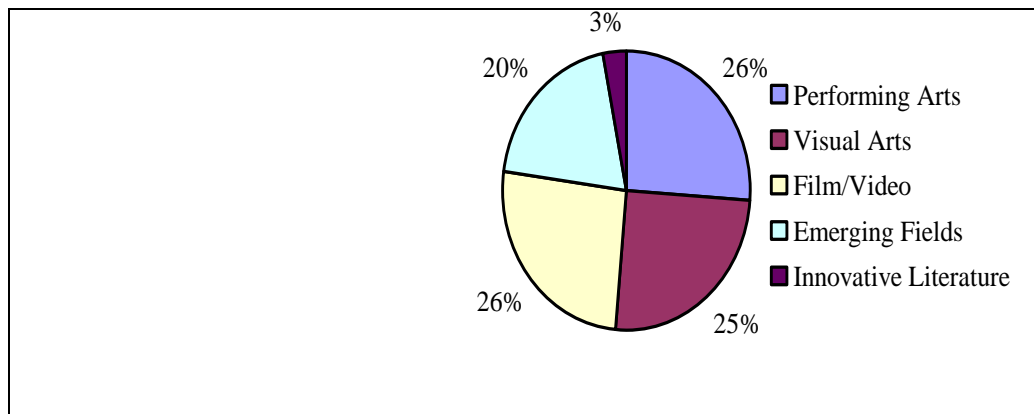


Figure 3. All Creative Capital-Supported Projects by Artistic Discipline, 2000-2009

Source: Creative Capital 2009 Annual Report, 3.

84. The first round of funding for Innovative Literature was in 2006.

Additional Funding

All grantees surveyed in this research had applied for and received some form of additional funding. In addition, nearly all had received infrastructure funding and the majority had received special opportunities funding and follow-up funding (see fig. 4). Furthermore, 89% of grantees who had received additional financial support characterized it as “extremely useful” in completing their project.

Grantees utilized additional funding for many aspects of their projects. For Mihalyo, strategic funding was used for hiring an assistant and bookkeeper, premiere funding covered the costs of transportation for rehearsals, and expansion funding enabled publishing the project in an unrelated exhibition catalogue. Similarly, Cohen applied strategic funding towards an exhibition in Sweden, while one grantee (anonymous) utilized strategic and follow-up funding to create more work and to buy basic necessities.

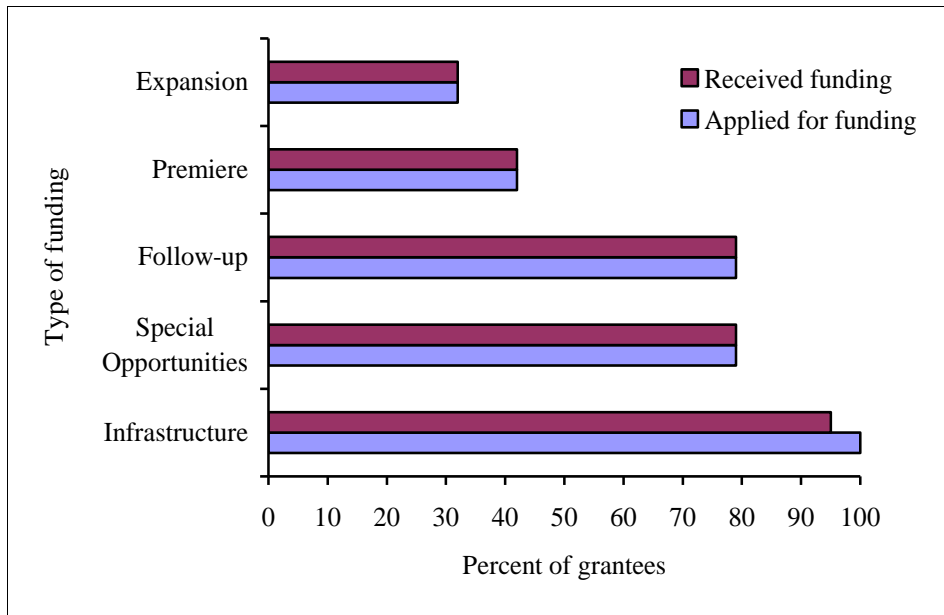


Figure 4. Utilization of Additional Funding by Creative Capital Grantees

Source: Research survey of 20 grantees from the 2005 and 2006 funding rounds. Completed March 1–April 30, 2009.

Only 40% of grantees applied for and received premiere funding. One grantee suggested that the foundation could enhance premiere funding,

if there was some way to have some money be re-directed for future awardees to hire a part-time event coordinator and PR specialist to broadcast the premiere to the widest possible audience. The artist meanwhile can concentrate on making the art the best it possibly can be rather than playing the dual role of the promoter which can be very time consuming at exactly the most demanding point in a project's creation.

Career Development Services

Utilization of, and satisfaction with, the career development services varied among grantees surveyed. Notwithstanding the group orientation and project planning meeting, for which attendance was mandatory, rates of utilization were highest for the Artist Retreat and the Professional Development Program (PDP) workshops (see fig. 5).

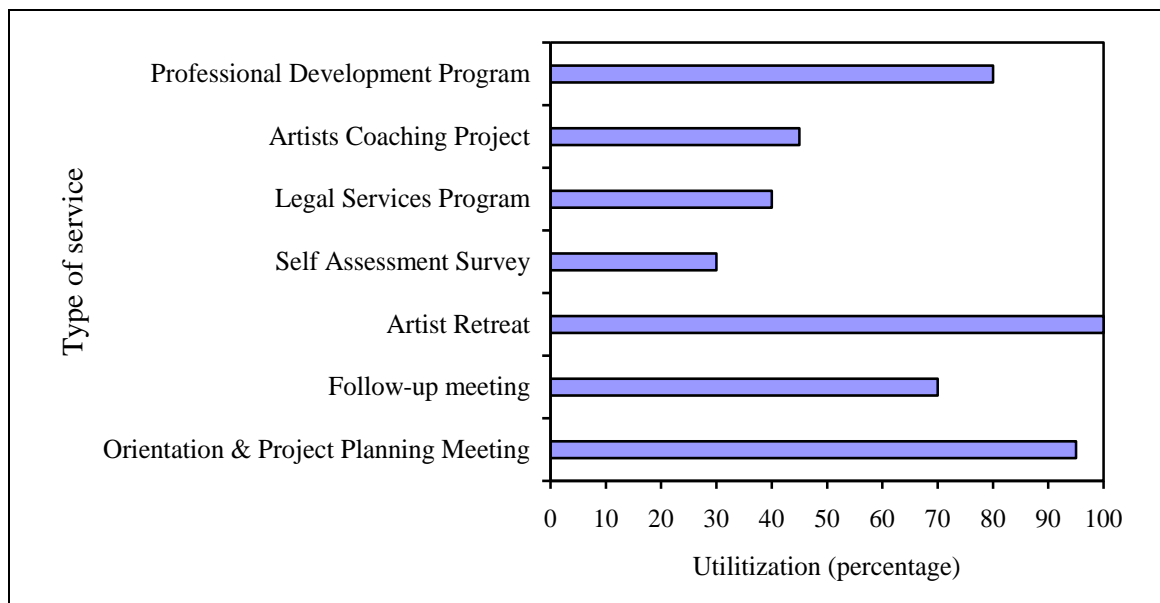


Figure 5. Utilization of Career Development Services by Creative Capital Grantees

Source: Research survey of 20 grantees from the 2005 and 2006 funding rounds. Completed March 1–April 30, 2009.

All of the grantees surveyed in this research attended the Artist Retreat, with 70% describing the experience as ‘extremely useful’ in helping them to network with other artists and arts professionals. For one grantee,

After the monetary support, the retreat is of incredible importance. I formed several relationships with colleagues and curators that continue. I also secured a significant solo exhibition through the retreat.

And for another, the artist retreat served

...primarily as an inspiration and as a way to connect to individuals with advice, experience and connections to secondary contacts with specialized information (liability, press and further experience).

The PDP workshops were utilized by more than 80% of grantees, and 63% found them “extremely useful” or “useful.” Mihalyo commented that the PDP gave grantees “access to people who have been through similar experiences” and the chance to “plumb areas of uncertainty,” while for Moruzzi, the workshops brought a new perspective to the economic realities facing artists. However, not all grantees thought of the PDP as a productive use of time; one artist observed that

perhaps all those professional development classes would have helped, but trying to make the work consumes my entire life, and chasing curators is not something that my resources allow.

Communication Between Grantor and Grantee

Over 75% of grantees reported that they communicated “very frequently” or “frequently” with Creative Capital during the first year of the grant period; more than 50% of grantees responded that they had communicated “infrequently” with Creative Capital during the second year. The percentage of grantees that described information received from

Creative Capital as “very useful” declined from 74% in the first year to 47% in the second year of the grant period (see fig. 6).

Responses varied among grantees regarding the nature and timing of the communication with Creative Capital:

They were always available for any questions and they often checked in with us on the progress of the project.... We discussed artistic developments, possible future connections and venues, financial considerations. We called them and they checked on us equally (Moruzzi).

There was a period during the project when I had regular discussions with Artists' Services. I initiated the conversations, and they generally centered around giving me advice with my business dealing (Cohen).

Communication was primarily initiated by us when we were in need of advice or additional funding or when we were in NY.... We most often discussed what funding remained available and the likelihood of winning the additional support and ongoing advice about how best to continue promoting the project (Mihalyo).

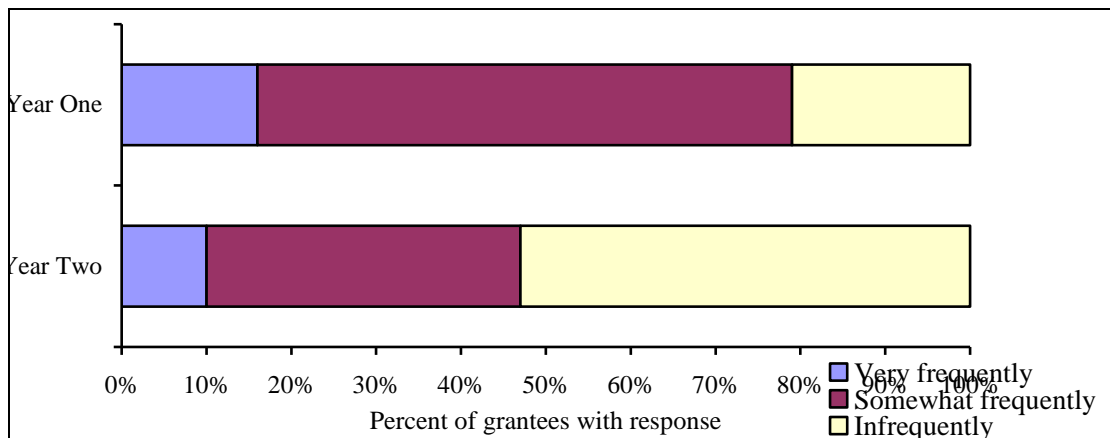


Figure 6. Frequency of Communication with Creative Capital During Grant Period

Source: Research survey of 20 grantees from the 2005 and 2006 funding rounds. Completed March 1 – April 30, 2009.

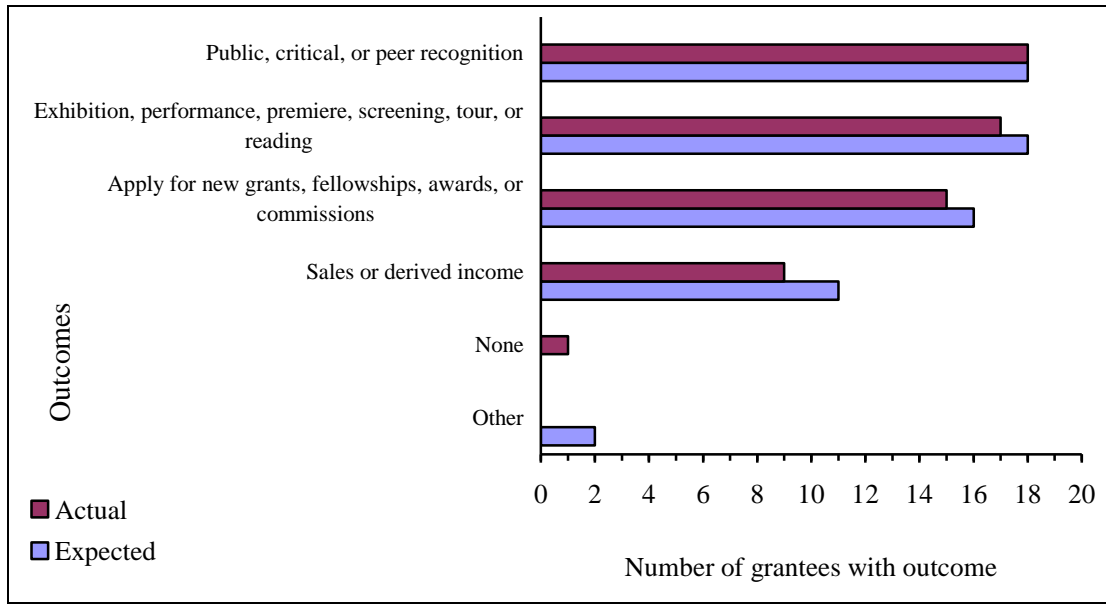


Figure 7. Results of Creative Capital-Supported Projects- Expected and Actual Outcomes

Source: Research survey of 20 grantees from the 2005 and 2006 funding rounds. Completed March 1–April 30, 2009.

Grant Period Outcomes

Grantees reported the expected, as well as actual, outcomes of their projects (see fig. 7).

All surveyed grantees reported receiving public, critical, or peer recognition as a result of their funded project, which was an expected outcome for most. As expected by most grantees, more than 90% took part in an exhibition, performance, screening, premiere, tour, or reading related to their funded project. Roughly half of grantees reported sales or income directly related to their project. About 37% reported that they had earned profit from sales or activities directly related to their project—well above the one to two percent of all grantees that have reported and returned a portion of their profits to Creative Capital.

Many of the outcomes of Creative Capital-supported projects were difficult to measure, but were significant to grantees nonetheless. For some, recognition from

Creative Capital attracted attention to the project from institutions and media in the other regions of the country:

...our project would simply not have happened without the influence of institutional legitimacy and financial backing provided by the award. ...The results were that other institutional partners became interested in participating and contributing. ...Winning press coverage was made easy through CC support because of the professional clout and significant reputation that CC enjoys (Mihalyo).

The amount of press I receive has increased due to the exposure....The project simply would not have been possible without the organization's support (Cohen).

By contrast, for one anonymous grantee, neither the imprimatur nor the network associated with the Creative Capital grantmaking program was particularly helpful:

Oh sure, being c-c supported impresses people, but.... basically my [do-it-yourself] network has been my primary exhibition outlet... even though I'm a [Creative Capital] artist, and a Guggenheim fellow, the straight art world has not really picked up on my work.

Although nearly 50% earned income and 37% realized some profit from their projects, none of the grantees reported having paid back any monies to Creative Capital—at least not through the profit sharing provision. While one grantee reported making a contribution to the foundation each year, and another expressed the desire to return money to the foundation once her project becomes profitable, for other grantees, profitability appeared highly unlikely. In the words of one anonymous grantee,

I can't even imagine what would constitute a profit. If i [*sic*]paid myself 25 cents an hour the piece wouldn't make a profit. I operate in a financial black hole.... profit is an alien concept.

Grantmaking Capacity

Creative Capital continues to increase its total committed support per project. The foundation's total support per grantee—monetary and non-monetary support—has increased significantly since 1999, and the average financial support per project has increased from just over \$10,000 to \$36,000. Moreover, the value of career development services now exceeds the average total financial support per project (see fig. 8).

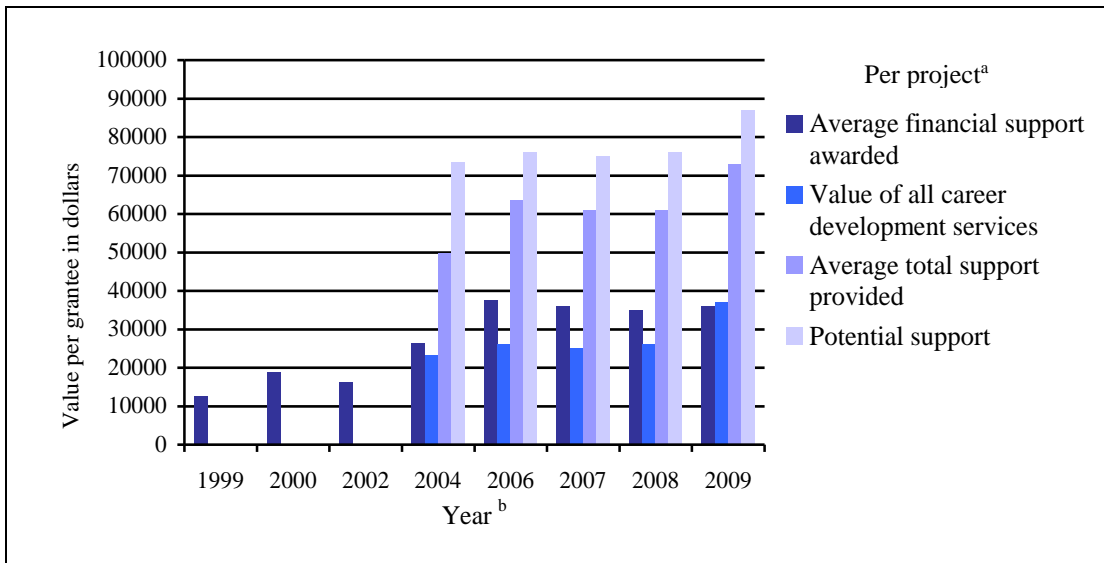


Figure 8. All Direct Support for Creative Capital Projects, 1999-2009

Source: Data adapted from Creative Capital Annual Reports.

Notes: Some data were missing or incomplete.

^aAverage total support reflects the total amount of support utilized per project, on average. Values for career development services were not available prior to 2004.

^b2004 was significant in that it marked the first funding year in which Creative Capital made \$10,000 production grants to all new grantees, instead of amounts ranging from \$5,000-\$20,000.

Table 4. National Grantmaking Programs for Individual Artists, by Grant Awards

Organization	Award range	Avg. award amount	Grantees/yr	% of applicants funded (for most recent year)
The John Simon Guggenheim Memorial Foundation	-	\$43,200	220	6.3% (220/3,500)
Multi-Arts Production Fund (MAP Fund)	\$10,000-\$45,000	\$23,066 ^a	40	6.2% (40/650)
Rockefeller Foundation Renew Media Fellowships	\$20,000-\$35,000	\$31,500	26	-
Creative Capital	\$10,000-\$50,000	\$37,000	40	1.6% (41/2,553)
United States Artists	\$50,000	\$50,000	50	-

Source: All figures were obtained from information available on the organizations' Web-sites and in their annual reports.

Notes: Some figures represent estimates by the organization. The Rockefeller Foundation Renew Media Fellowships and United States Artists Fellowships are by nomination only.

a. Represents a 20-year average, 1988-2008.

Creative Capital's average grant award amount is near the median of average award amounts by other national grantmaking programs for artists. However, the percent of applicants that it funds is significantly lower than those of other fellowship programs with an open application process (see table 4). While this can be attributed to the foundation's intention to devote more of its resources to a small number of projects, the large volume of applications could result in staff spending a disproportionate amount of time and resources on administering the application process. Creative Capital has addressed this problem by hiring a team of consultants to manage the application process.

The foundation continues to modify its career development services, as well. Recent initiatives such as the Artist Coaching Project and Alumni Services have extended its support of grantees beyond the multi-year grant period. Additionally, Creative Capital

has explored the notion of implementing the Professional Development Program on a regional basis to serve more artists.

Financial and Organizational Capacity

Creative Capital continues its close partnership with the Warhol Foundation. Following up on its original gift in 1999 and second gift in 2004, the Warhol Foundation made a 10-year, \$15 million matching grant to the organization in May 2009 and continues to provide office space.

Creative Capital has also recently received \$1.5 million from The Kresge Foundation for the purpose of continuing and expanding the Professional Development Program through 2012 and \$150,000 from the Rockefeller Foundation Cultural Innovation Fund for researching new initiatives to support individual artists.⁸⁵ The foundation now claims nearly 400 individual donors.

The foundation has made only modest progress towards its original goals of establishing a \$40 million endowment within its first 20 years and obtaining a modest percentage of the annual operating budget from the payback feature included in each grant. The foundation's endowment was reported at \$1.03 million in 2007. Additionally, less than two percent of all grantees have returned funds to the organization through the payback provision.⁸⁶

85. See <http://www.creative-capital.org/aboutus/story> (accessed on June 28, 2009).

86. Creative Capital 2007 Annual Report; Creative Capital 2009 Annual Report.

Chapter 4

Discussion of Results

The following section provides a summary of key findings from the research.

Direct Support-Grantmaking Methodologies

- Creative Capital's total support per grantee—monetary and non-monetary support—has increased significantly since the foundation made its first grants in 1999.
- The value of career development services now exceeds the average total financial support per project.
- Grantees of Creative Capital and LINC-supported organizations were successful in leveraging financial support to raise additional funds, develop new relationships with individual donors, and to attract additional funding. (Though Creative Capital's support and the support of other foundations cannot be directly correlated from this research, the survey responses indicated that some funders and adjudicators took Creative Capital's support into account).
- Creative Capital's average grant award amount is near the median of average award amounts by other national grantmaking programs for artists. However, the percent of applicants that it funds is significantly lower than those of other fellowship programs with an open application process.
- A majority of grantees have previously applied to the foundation. In 2008, 58% percent of grantees had previously applied to Creative Capital.

- Creative Capital’s grants were evenly dispersed across artistic disciplines and grantee career stage.
- Both Creative Capital and LINC-supported organizations have developed analytical measures, or metrics, to evaluate the performance of grantees and the ‘return’ on its funded projects. However, Creative Capitals primarily measures return through anecdotal evidence.
- Creative Capital has not defined a clear exit strategy policy for projects that continue past the three-year funding cycle or that no longer warrant the foundation’s support.

Communication

- Communication between Creative Capital staff and grantees decreased from year one to year two of the grand period. However, Creative Capital grantees expressed satisfaction with both the quantity and quality of communication with foundation staff.

Professional Development-Capacity Building

- Grantmakers play an integral role in building a sense of community among artists— especially those separated by geographic distance or disciplinary concerns—through annual retreats, online networks, and group orientations. For artists, annual retreats and similar networking opportunities with curators, arts administrators, and collectors are invaluable opportunities. Artists with varying skill sets may also be a resource for one another in these settings. For grantors,

these highly anticipated and well-attended events provide an opportunity for meeting with grantees one-on-one and discussing their projects or grants.

Financial

- With the payback provision, Creative Capital has not met its stated goal of funding a small portion of annual operating expenses. However, the provision has resulted in modest returns and encouraged grantees to contribute to the foundation in other important capacities.
- Creative Capital is not on track to meet its endowment goals and its annual operating expenses are funded almost entirely by foundations and individual donors.
- Among the Creative Capital grantees from the 2005 and 2006 funding rounds who responded to the survey, nearly half reported sales or income directly related to their project and about 37% reported profit from sales or activities directly related to the project. This was significantly higher than the 1-2% of Creative Capital grantees that have returned a portion of their profits to Creative Capital.

Analysis of Findings

Through its support of innovative programs and resources in the communities where artists predominantly live and work, LINC has not only tapped into existing local resources and ideas to build infrastructure for artists, but has often become a part of a larger and interconnected set of strategies in those communities. For example, LINC's support of CWFPP and the Artist as an Entrepreneur Institute was in step with the Cleveland region's broader emphasis on economic development, innovation, and the

creative workforce. And the San Francisco Foundation's Fund for Artists program, supported by LINC, has moved in sync with other Bay Area funders in seeking to bring donors and patrons together.

The findings also suggest that multi-year support offers advantages and disadvantages for the grantor and grantee. The extended commitment gives grantees additional time to develop their projects and to potentially see project outcomes within the grant period. It also provides staff and program leaders with an opportunity to benchmark progress against goals and objectives, providing a basis for awarding additional funds. Furthermore, the three-year cycle focuses greater attention on each individual project and grantee. However, multi-year support also carries potential drawbacks for foundations. The extended and highly visible commitment by the grantor carries additional risks if the project proves to be disappointing or a failure in some respect. Also, projects may change significantly from how they were originally envisioned by the grantee and the grantor. These findings point to the importance of developing 'exit strategies', or clear policies under which grantors may prematurely end their support of a project and grantee.

Both the case study and profiles suggest that the creative and venture approaches require balancing short-term and long-term interests. To cite an example from the literature review, the Jules Rosenwald fellowship program actively endorsed and published the work of fellows in order to achieve its long-term desired outcome—the broader integration and acceptance of African-American artists. Similarly, for LINC's Creative Communities program, supporting individual grantmaking programs over a period of ten years is a long-term strategy for building a sustainable national

infrastructure for individual artists. Creative Capital, which has combined elements of the venture and creative models, appears to understand this, as well; it has balanced its short-term interest in supporting grantee projects with its long-term objective to increase the capacity of individual artists across the country through an expansion of its Professional Development Program.

Implications for Hypothesis

Several key findings point to acceptance of the hypothesis that the approaches to grantmaking adopted by Creative Capital and LINC are *effective* at building support infrastructure for U.S. artists:

- High rates of success by grantees in leveraging additional funding, gaining professional opportunities, and utilizing career development services are all evidence for acceptance of the hypothesis. Data from the research survey also support this judgment.
- Second, and perhaps more significantly, the programs have directly addressed and made significant progress towards resolving the core issues and problems identified by key reports in the literature review. These issues include: multi-year funding, professional development support, linking artists to broader networks, and larger grant award amounts.

However, several findings challenge the assumption that the approaches exemplified by Creative Capital and LINC are *sustainable* in the long-term.

- It is not clear that another effort like LINC, which was established as a ten-year initiative in conjunction with a major report and capitalized by a consortium of foundations and philanthropists, could raise the funds to support as many grantmaking programs. This points to a problem identified by the literature review: a chronic undercapitalization of nonprofit organizations
- The negligible effect of Creative Capital’s payback provision—originally estimated to account for four to five percent of the foundation’s budget by 2008—casts doubt upon the ‘arts funding the arts’ experiment inherent to the organization’s founding and signals that the recoverable grant feature might need to be revisited.

Chapter 5

Conclusion

Limitations of the Research

The conclusions and recommendations resulting from this research are limited by the scope of the research methodologies, which included a single case study and multiple profiles of grantmaking organizations in the research area; a research survey; and interviews with key individuals. Conclusions drawn from the research survey are further limited by the small sample size and narrow distribution of the survey.

Conclusion and Recommendations for Future Research

By responding to identified needs of artists and to the forces shaping the arts and philanthropy in the 21st century, U.S. foundations have created more effective approaches to building the professional and entrepreneurial capacity of U.S. artists.

Grantmakers including Creative Capital and LINC are building the direct support infrastructure for U.S. artists by employing the ideas and practices of venture and creative philanthropy. These philanthropists view their grants as long-term investments and apply their resources accordingly, effectively building the capacity of artists by deploying funding and professional development support in a strategic and sequential manner over a period of several years or more. These practices address areas of crucial importance to artists as identified by recent research and reports in the field.

This research also offers evidence that foundations have enhanced the entrepreneurial and professional capacity of U.S. artists by increasing financial support, distributing their work to new audiences, linking them to professional networks and

individual donors, and delivering business knowledge and skills to them directly. These practices have been effective in achieving their stated aims, as measured by artists' additional opportunities and successes, project completion rates, utilization of funding and professional development resources, and overall satisfaction with grantmaking programs.

To paraphrase Creative Capital President Ruby Lerner, the “radical” nature and inherent strength of the Creative Capital model may be as much in ‘its greater accountability to the grantee’ as in the grantees’ increased accountability to the funder. This shared sense of responsibility fosters mutual respect and responsiveness between the grantor and grantee and results in shared goals and flexible, long-sighted performance measures. And while embracing their role as a catalyst in the success of funded projects and taking an active role at each stage of a project’s development, Creative Capital and other creative grantmakers encourage artists to be self-directed and to share responsibility for project outcomes. As one grantee put it: “The Creative Capital model doesn’t try to neaten up an artist’s process but, rather, values the chaos and has found real ways to help artists channel that creative energy into building strong business infrastructures that will support their work over the long-term.”

Future research should examine how these new approaches—particularly the Creative Capital model—could be implemented on a regional or even state level. Though highly effective as a national grantmaking organization, Creative Capital’s impact and scalability are constrained by its large applicant pool and limited resources. The foundation has already made progress towards expanding its Professional Development Program on a regional basis.

Additional research should also consider how foundations and grantmaking organizations can better leverage their support for individual artists through matching contributions at the state and local levels. Requiring artists to obtain matching contributions is an effective way for foundations to maximize their funds and for artists to cover a larger portion of their overall project budget.

Finally, future research on project-based grants should address whether recoverable features like Creative Capital's payback provision are an effective mechanism to support future work, and if not, what changes could be made to increase their effectiveness.

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