

How Boston and Other American Cities Support and Sustain the Arts

Funding for Cultural Nonprofits in Boston
and 10 Other Metropolitan Centers



Study Questions

- How do Boston's arts organizations compare in depth, breadth, and assets?
- How does Boston's funding landscape compare?
- What levers might Boston use to create systemic change?



Methodology

- 2012 data
 - Guidestar
 - Cultural Data Project
- Focus groups
 - Over 50 Boston arts organizations
 - Different sizes, disciplines
- Interviews
 - Over 50 arts funders and other leaders across the cities

Organizational Landscape

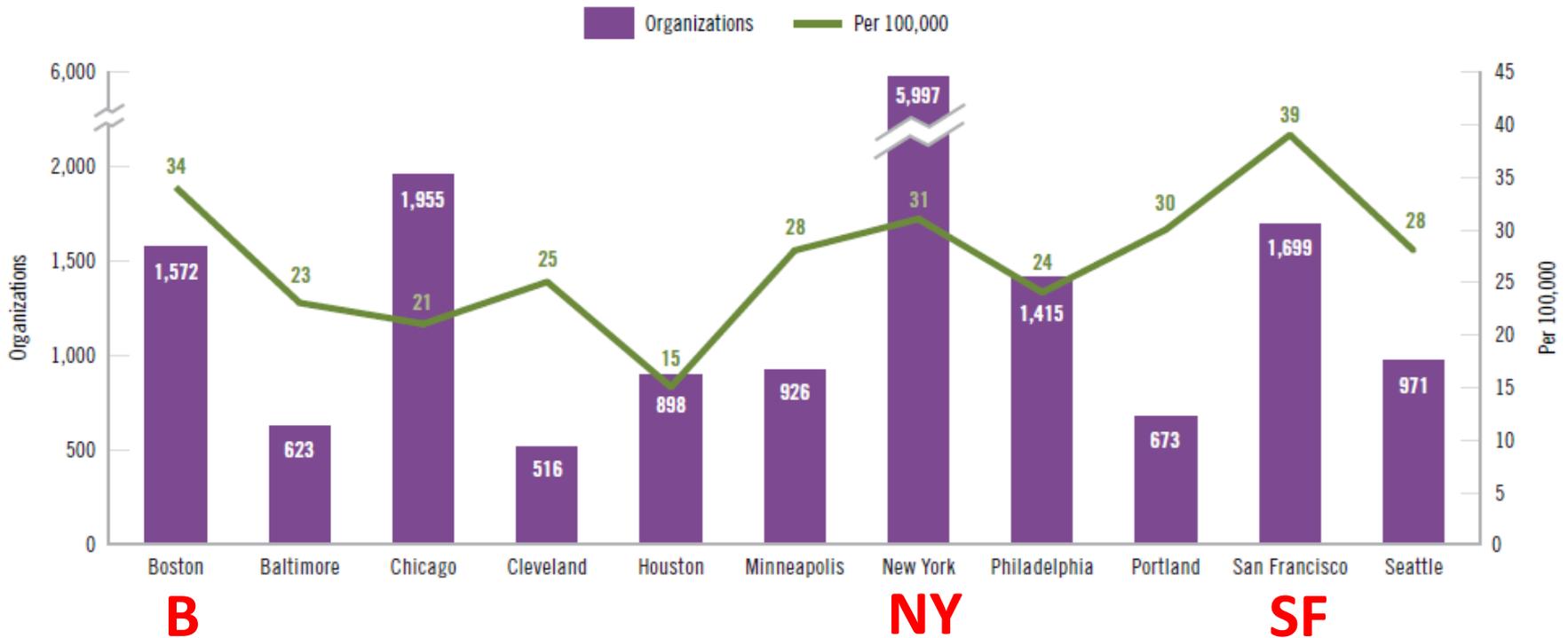
How do Boston's arts organizations compare in breadth, depth, and assets?

Overview of Organizational Landscape Analysis

- **Breadth**
 - Measured broadly scale and density of organizations in each city
- **Depth**
 - Broke down each city's ecosystem by budget size and discipline
 - As suggested by interviews and focus groups, considered cultural equity and program innovation
- **Assets**
 - Reviewed facilities load in each city, in terms of fixed asset value and occupancy expense
 - See report for additional analyses on liquidity

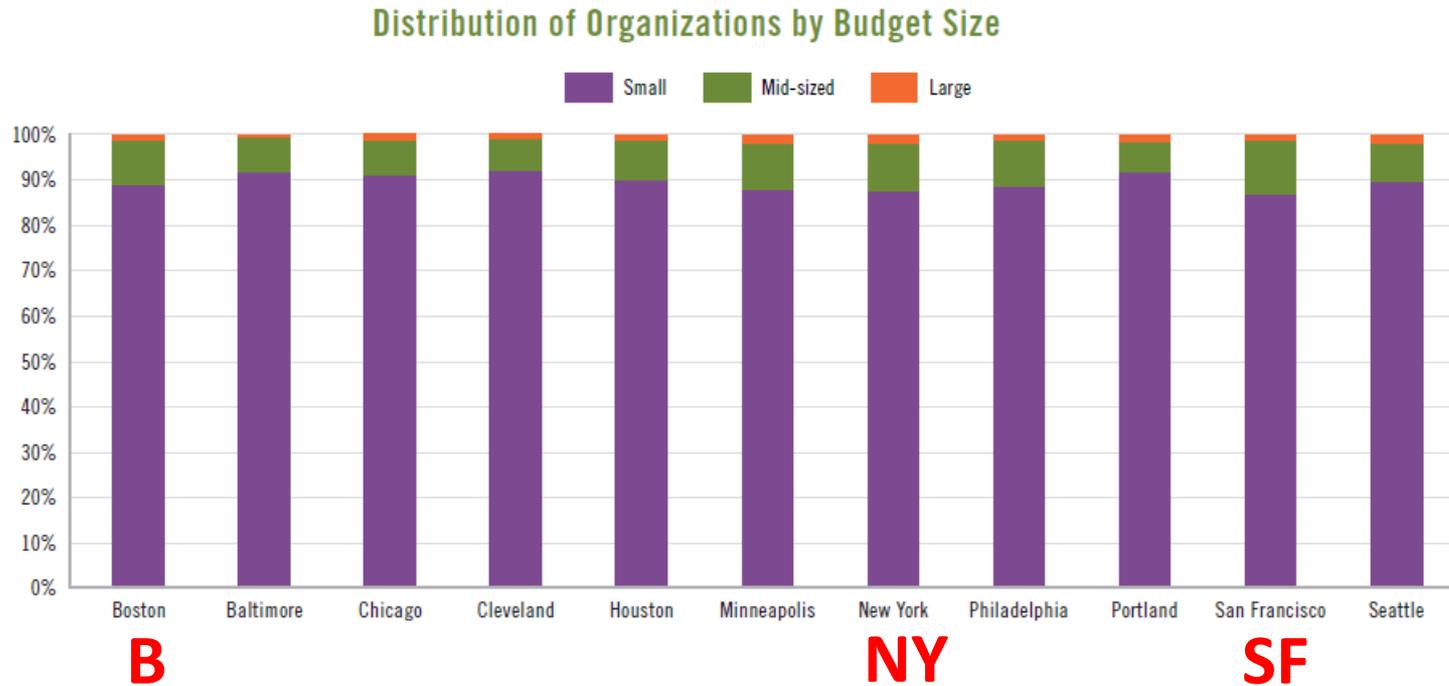
Organizational Landscape: Breadth

Boston has a densely populated arts ecosystem.



Overall distribution by budget size in Boston follows the norm.

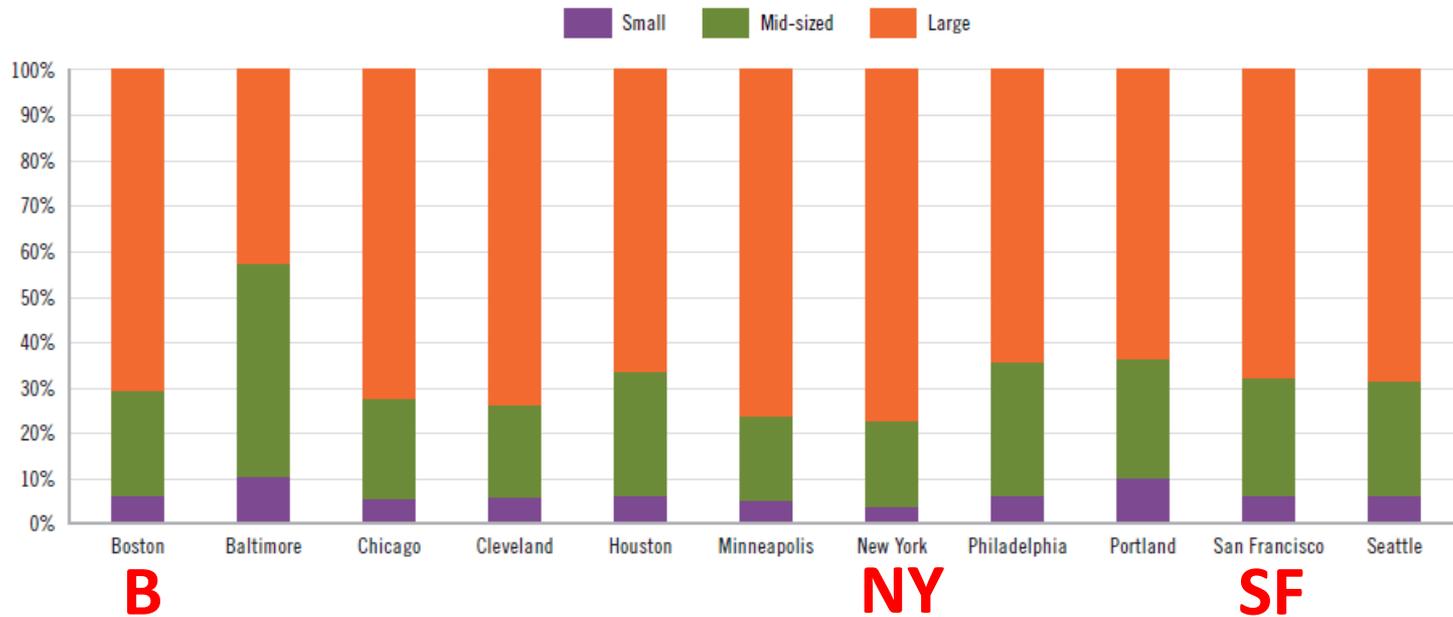
- Small organizations dominate in number.



Overall distribution by budget size in Boston follows the norm.

- Large organizations dominate in dollars.

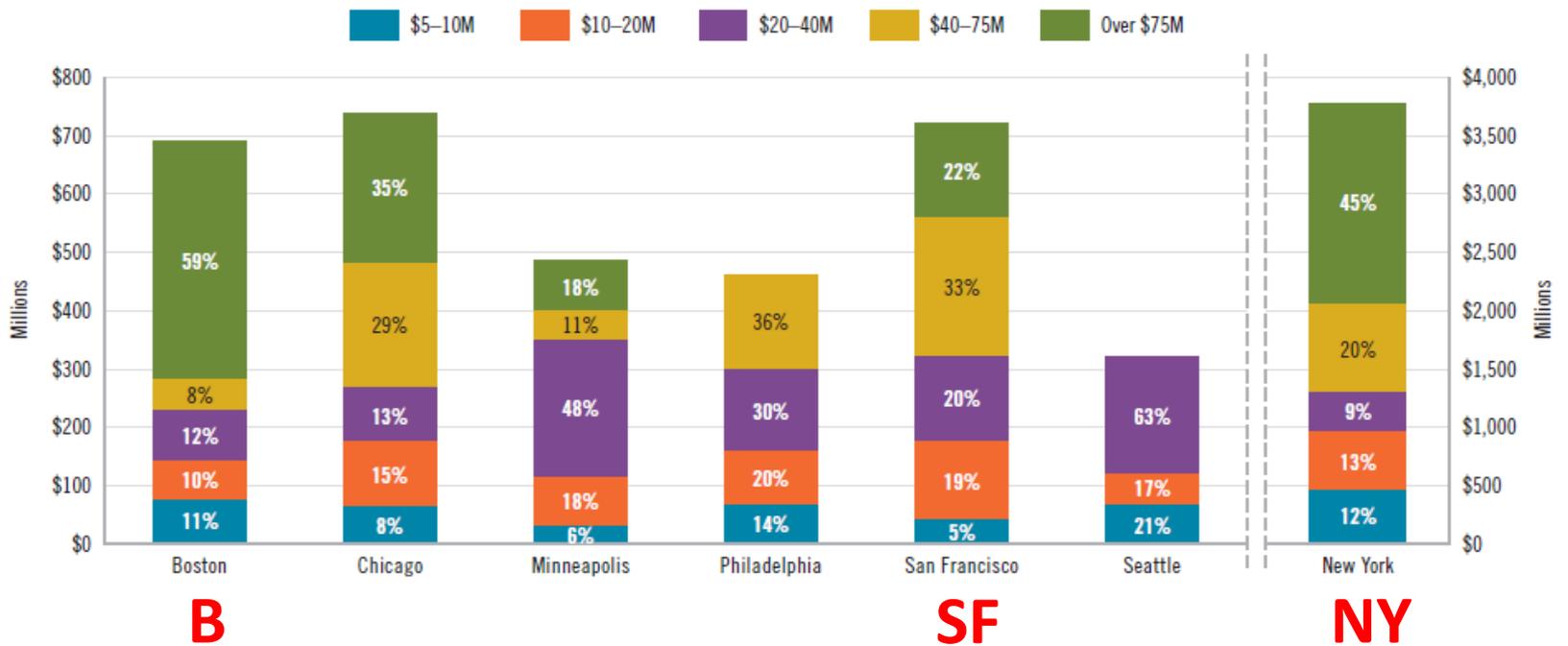
Distribution of Organizational Expenses by Budget Size⁹



Organizational Landscape: Depth

Very large organizations dominate Boston more than in other cities.

Total Expenses for Large Organizations, Select Cities (in millions)



The constraints in the system are masked.

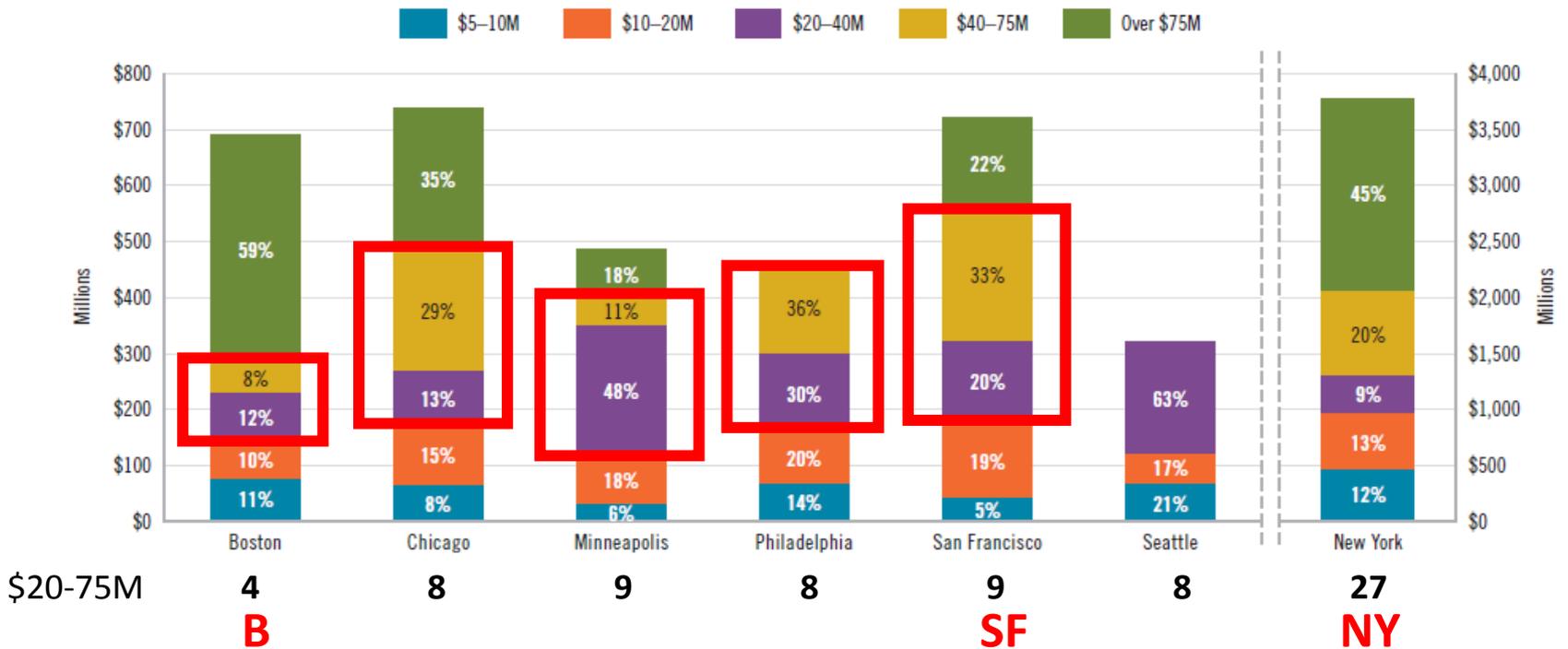
- Boston has about the same dollars as Minneapolis
- But, it has about the same number of organizations as San Francisco



Organizational Landscape: Depth

There is a slim layer of \$20-75M organizations in Boston.

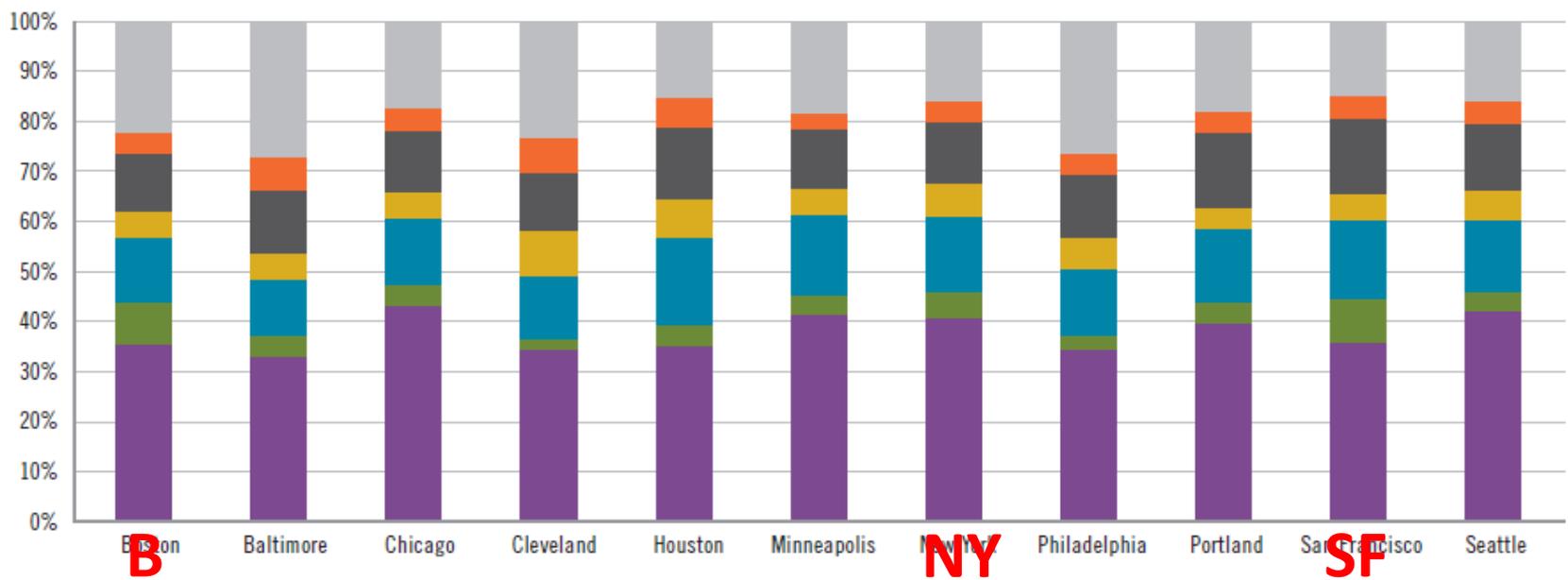
Total Expenses for Large Organizations, Select Cities (in millions)



Organizational Landscape: Depth

Distribution by discipline is as expected in Boston.

Distribution of Organizations by Broad Discipline



B

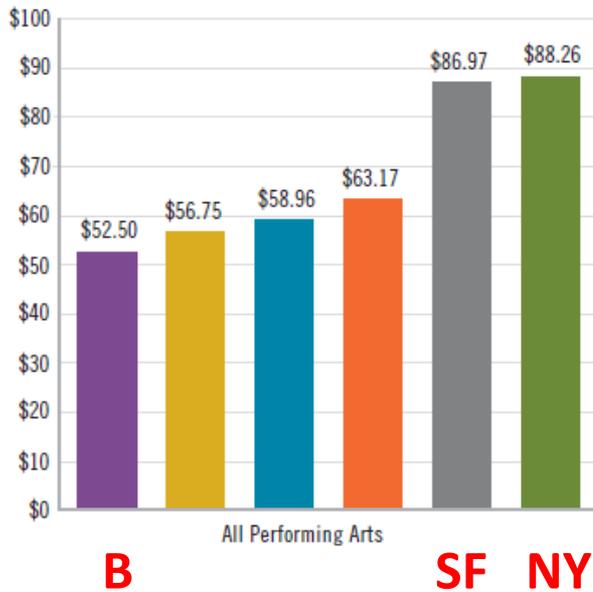
NY

SF

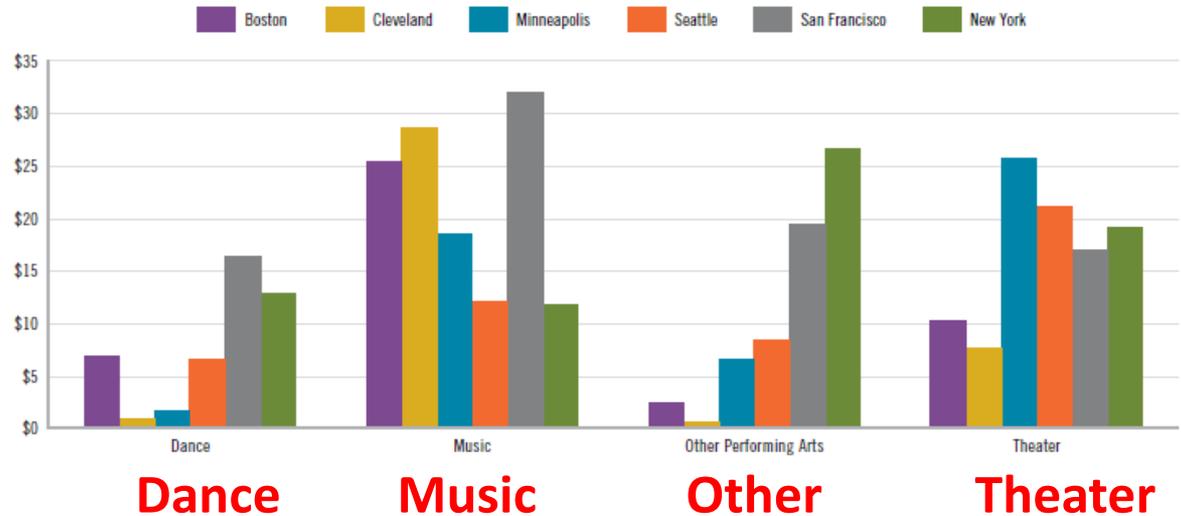
Organizational Landscape: Depth

Performing arts are constrained in Boston, especially dance, theater, and opera.

Top Six Performing Arts Markets by Per Capita Expense



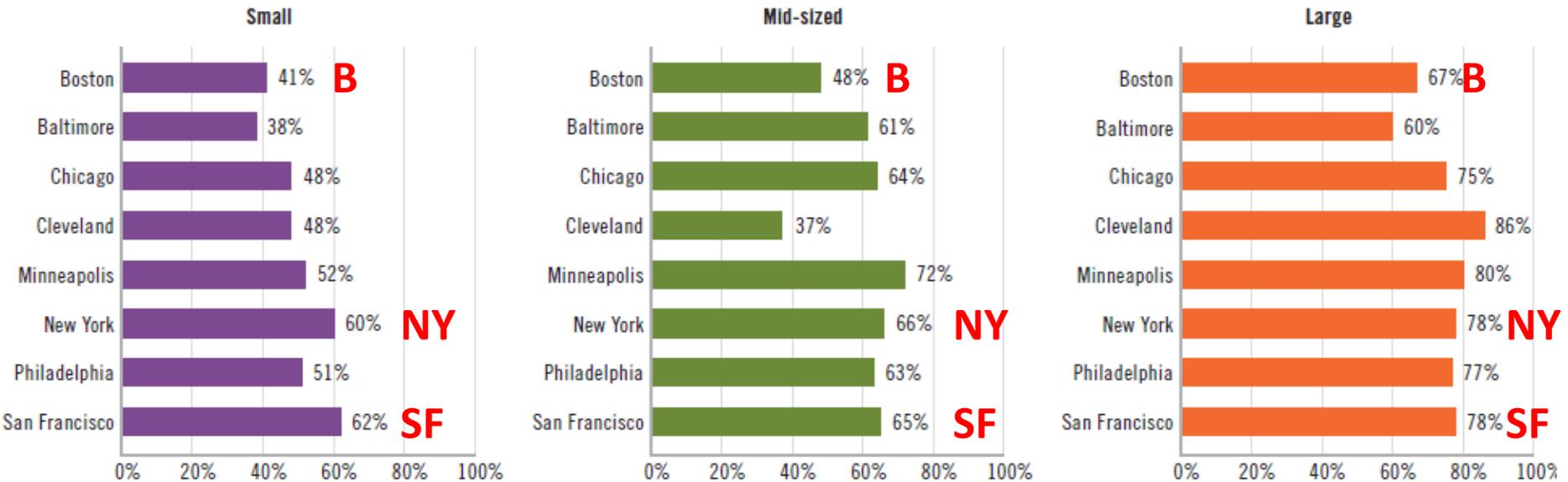
Performing Arts Expense Per Capita, Top Six Markets, by Selected Sub-disciplines



Organizational Landscape: Depth

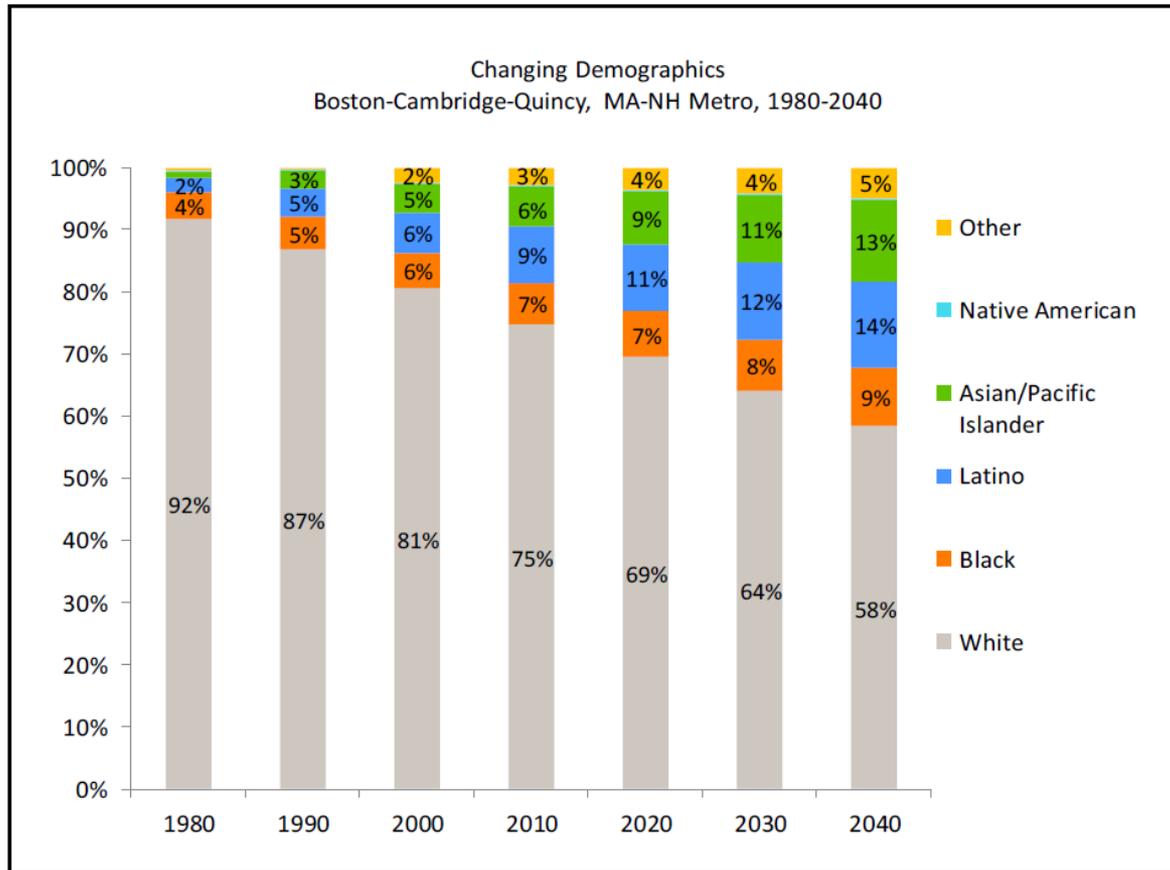
Boston's organizations are less likely to present new works than those in other cities.

Percentage of Organizations with at Least One New Work, by Budget Size



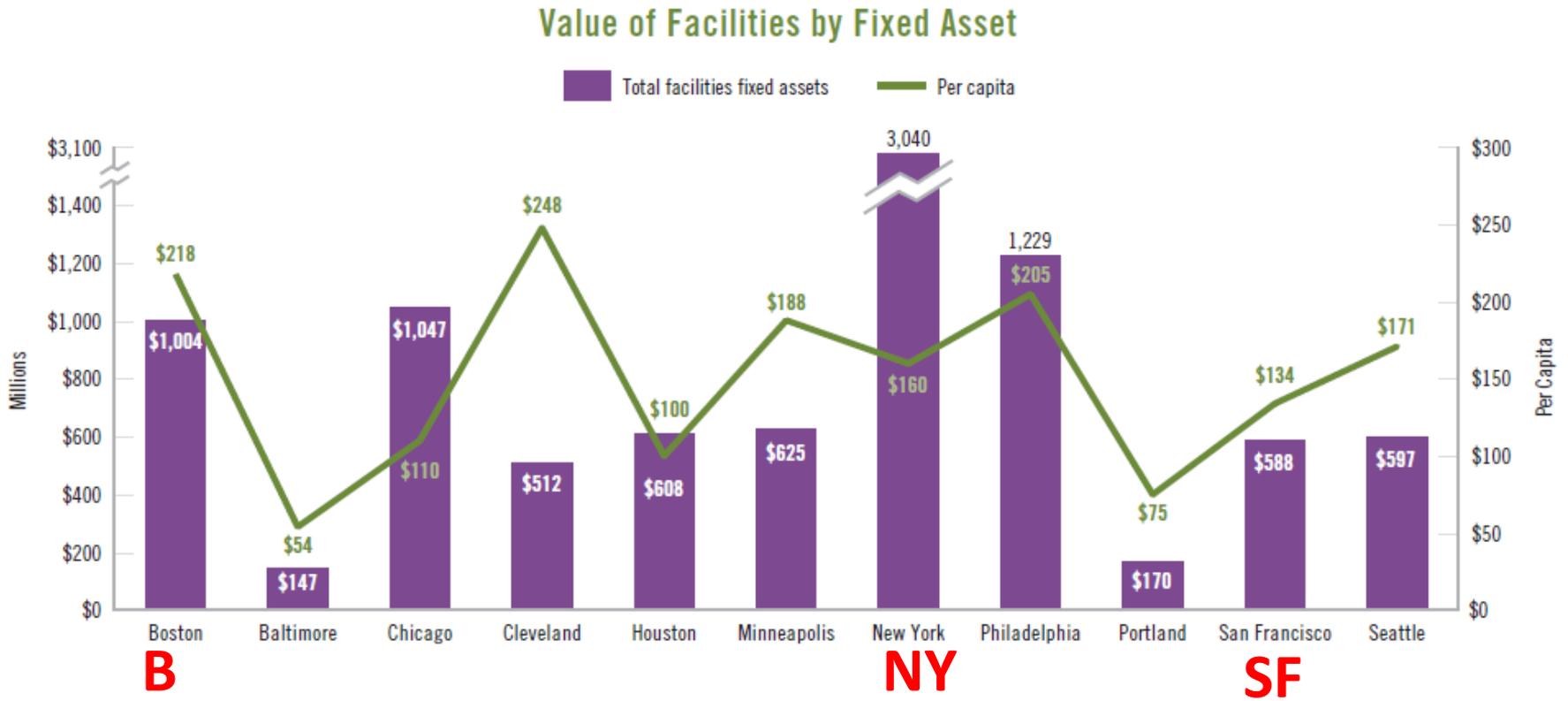
Organizational Landscape: Depth

Boston's arts community wants to talk about cultural equity.



Organizational Landscape: Assets

Fixed assets are subsidized in other cities.



Funding Landscape

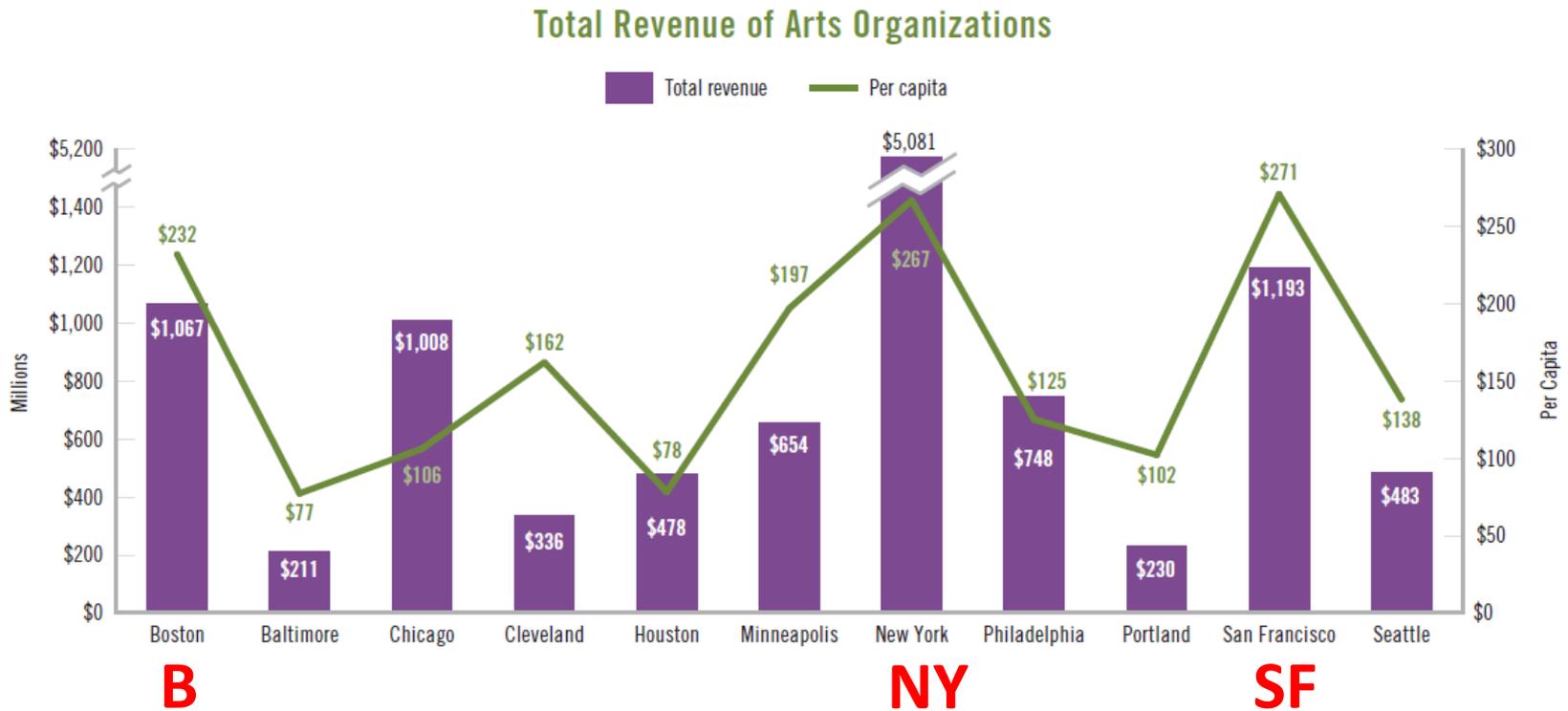
How does Boston's funding landscape compare to other cities?

Overview of Revenue Analyses

- Analysis focused on participation-based earned revenue.
 - These are audience-related revenues: admissions and sale of inventory.
 - Aimed to remove influence of stock market and focus on trends related to the arts market.
- Contributed revenue breakdown was based on CDP data.
 - CDP allows a view into components of contributed revenue: individual, foundation, government, corporate.
 - Reported on medians rather than per capita totals because of difference in sample.
 - Removed two outliers in campaign: one in Boston, one in San Francisco.
- Look for more detail in the report on:
 - Endowments and capital campaigns
 - Corporate giving

Funding Landscape: Overview

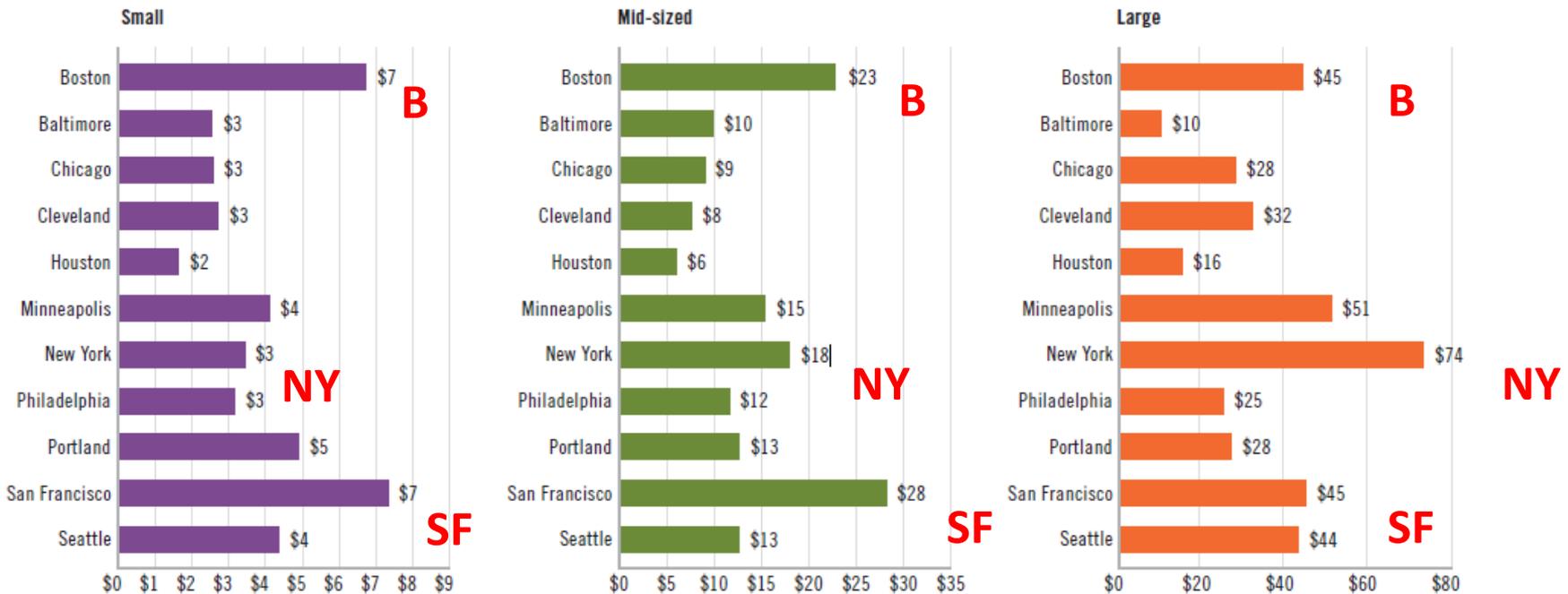
Overall scale of revenue in Boston is large.



Funding Landscape: Earned Revenue

Small and mid-sized organizations in Boston earn more than peers in most other cities.

Total Participation-Based Earned Revenue Per Capita by Budget Size

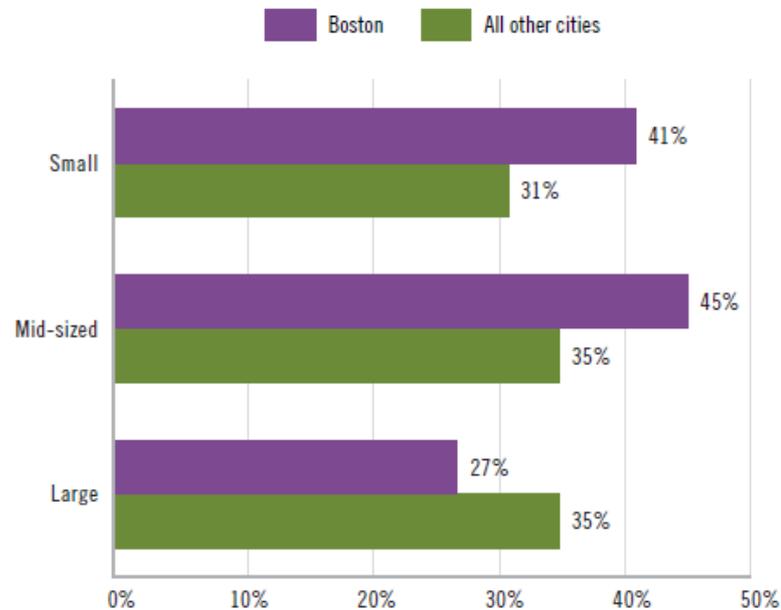


Source: Guidestar 2012

Funding Landscape: Earned Revenue

Small and mid-sized organizations in Boston are more **dependent** on earned revenue than in other cities.

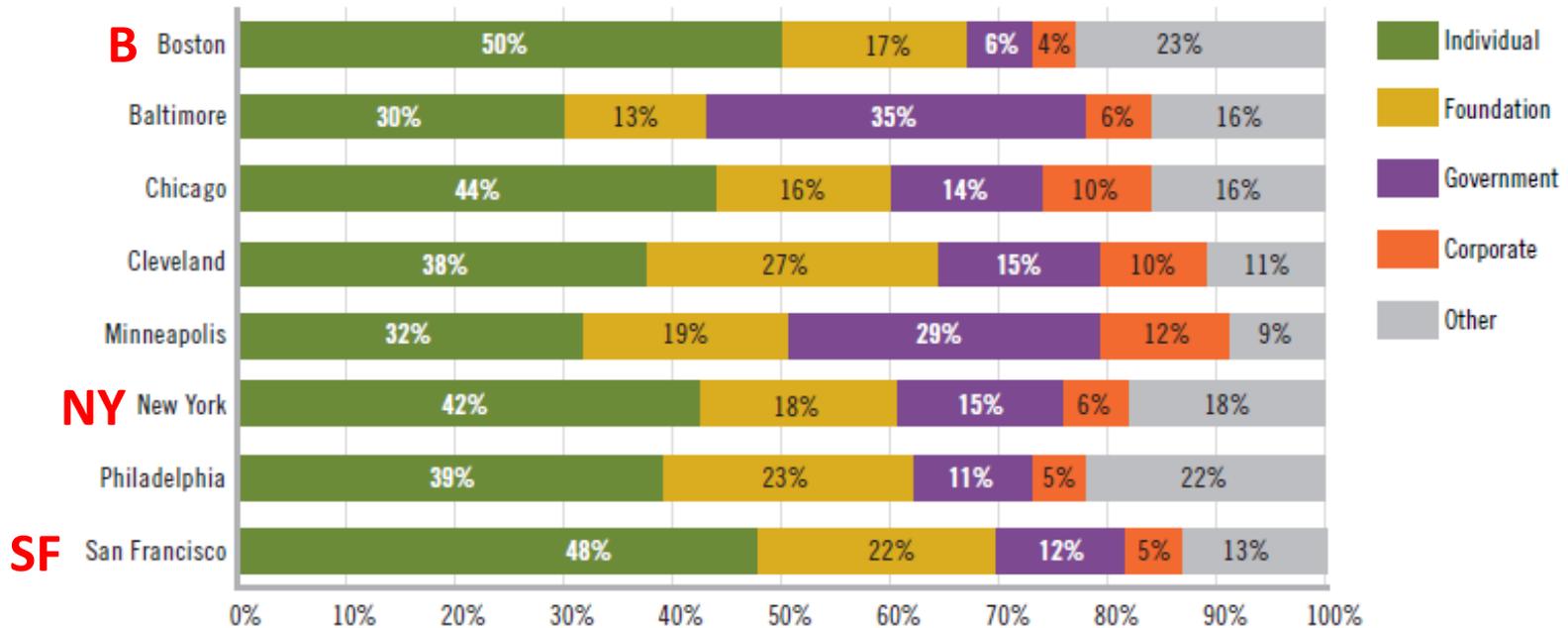
Participation-Based Earned Revenue by Budget Size, Boston vs. All Other Cities



Funding Landscape: Contributed Revenue

Contributed revenue in Boston is dominated by individuals.

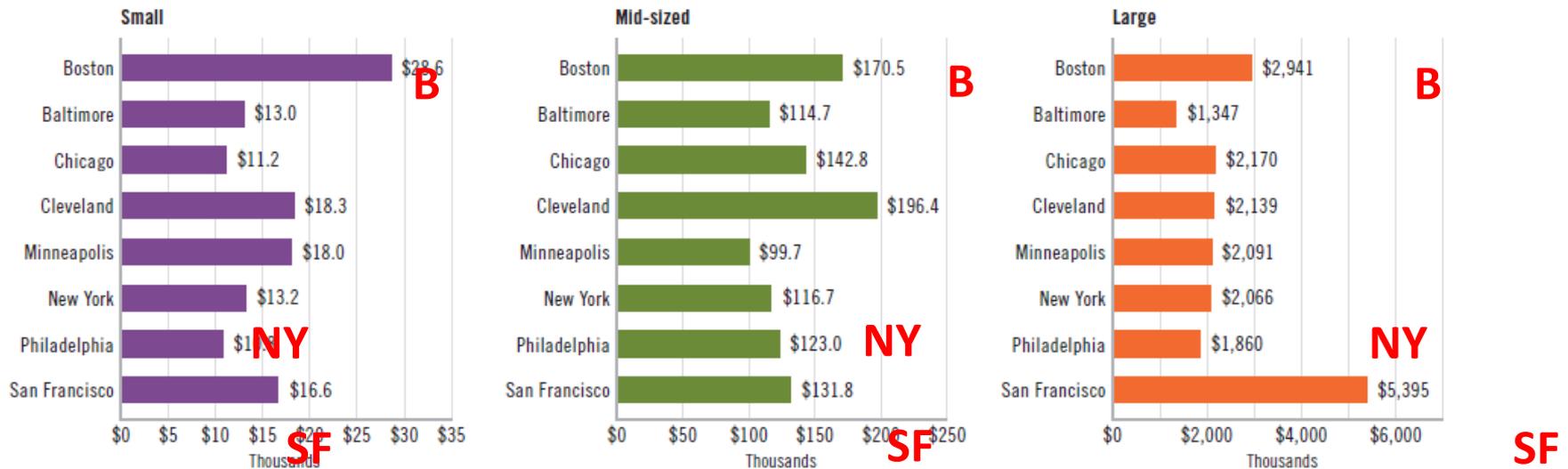
Distribution of Contributed Revenue by Type



Funding Landscape: Individual giving

Small and mid-sized organizations in Boston are notably successful at raising money from individuals.

Median Individual Giving by Budget Size, Select Cities



Sources: CDP 2012, ACS 2012

Funding Landscape: Foundations

Small and mid-sized organizations in Boston receive low median giving from foundations.

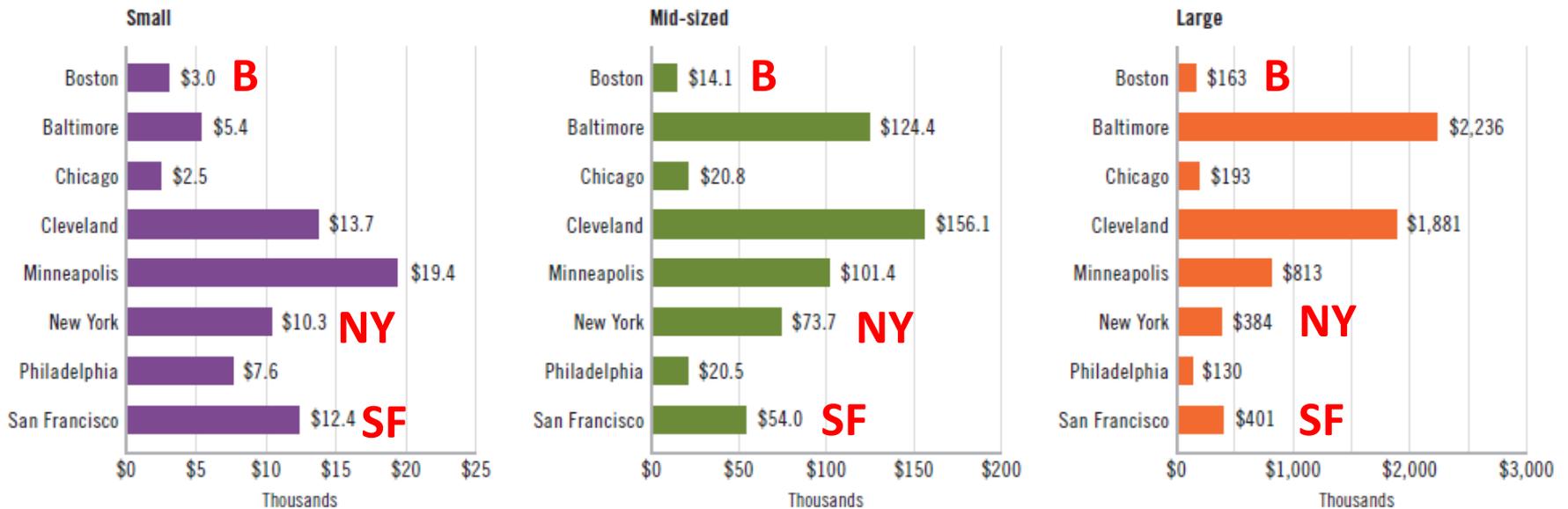
Median Foundation Giving by Budget Size, Select Cities (in thousands)



Funding Landscape: Government

Boston has very low medians in government support.

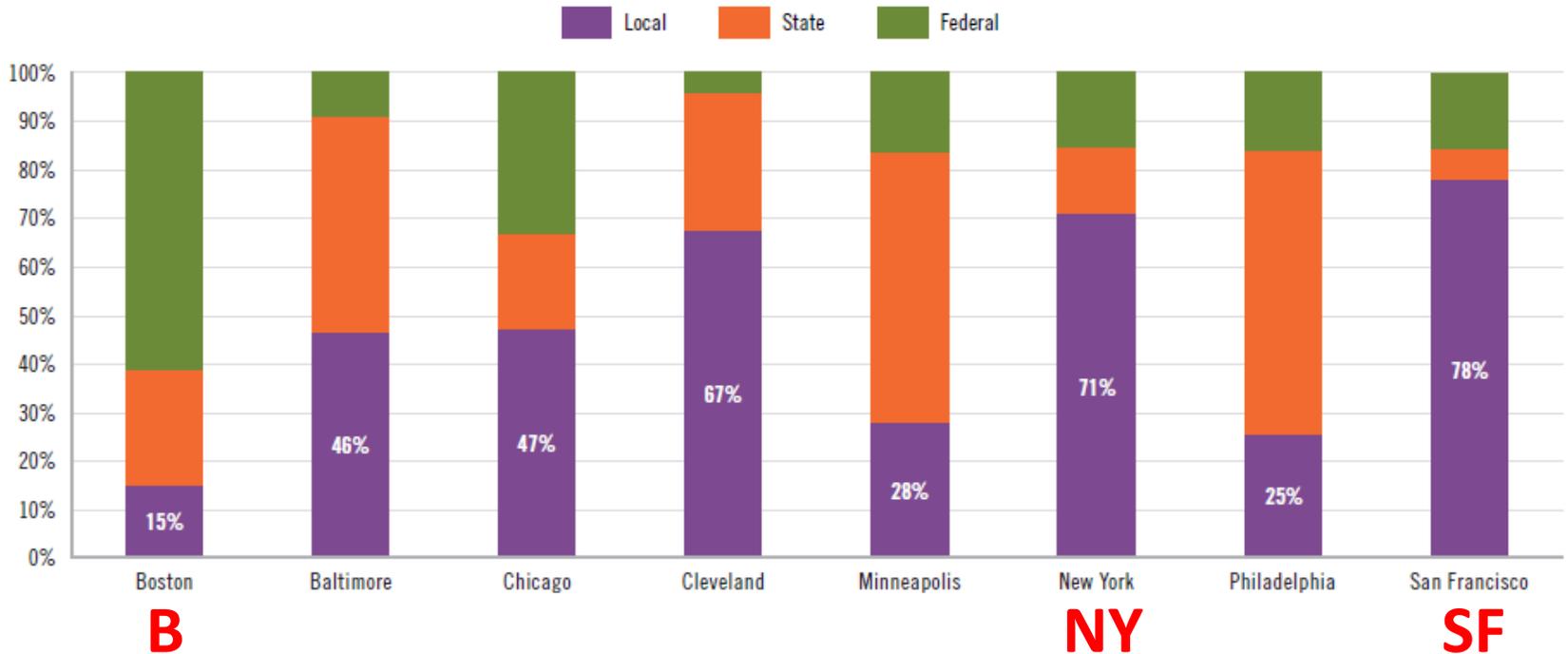
Median Government Support by Budget Size, Select Cities (in thousands)



Funding Landscape: Government

Boston is the only city where federal dollars outweigh state and local.

Distribution of Government Support by Type, Select Cities



Potential for Growth, Potential for Change

What levers might Boston use to create systemic change?

Observations on the Ecosystem

- Richly dense with vibrant array of organizations large and small
- Organizations skillfully tapping revenue sources they can access
 - Participation-based earned revenue
 - Individual giving
- Very generous arts patrons
- Gaps are masked:
 - Slim layer of \$20-75M organizations
 - Constrained performing arts
 - Limited programmatic innovation
 - Limited support on facilities costs
 - Limited support from foundations and government
- And, issue of cultural equity needs exploration.

If study repeated in 10 years, are these the findings we want to see again?

Drivers for Systemic Change

- Boston's existing revenue sources are not geared toward systemic change.
- To drive systemic change in the ecosystem, Boston will need a change to its funding landscape.
 - Other communities have found the commitment, creativity, and consensus to drive change, as detailed in the report.
 - With cultural planning and new civic leadership, it may be Boston's moment.