

A STUDY OF THE MCKNIGHT ARTS PROGRAM: EXECUTIVE SUMMARY

*Center for the Study of Art & Community
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In the summer of 2008, the McKnight Foundation asked the Center for the Study of Art and Community (CSA&C) for assistance as it considered its future role in the development of Minnesota's cultural resources. Recognizing that both the state and the nation were entering a period of unprecedented uncertainty and change, the Foundation felt that the assumptions and expectations that had guided its Arts Program needed to be re-examined and, most probably, recalibrated. In response, the Center suggested a systematic examination of the state's "arts ecology." This examination would both give McKnight a better way to assess the ongoing health of the Minnesota arts community and provide a comprehensive framework for its future decision-making. Key questions framing the inquiry included:

- How do the Foundation's views of the structure and dynamics of the state's cultural ecology correlate with those of its constituents and colleagues?
- How do the Foundation's policies, practices, and investments interact with local and statewide arts ecologies?
- How is the arts program regarded by the Foundation's peers in the state and nationally?
- What best practices in community cultural investment have emerged through the Arts Program?
- Have the assumptions and ideas that helped to determine the design, policies, and guidelines of the McKnight Arts Program proved valid and served their intended purposes?
- What opportunities and challenges are emerging that could advance or limit the impact of the Foundation's long-term cultural investment strategy?
- What investment, management, and assessment strategies can the Foundation employ to maximize the Arts Program's future success?
- What can the Foundation learn from its cultural investment experience that could contribute to the fulfillment of its overall mission?

The research design was informed by two core concepts related to community cultural development. The first, the idea of "the ecology of culture," regards artists, arts organizations, audiences, funders, etc. as parts of a system whose interdependent mechanisms are best understood when studied together as a whole. The second is that of the community cultural continuum. This model, devised for a previous study, (*The Arts in Small Communities: A Study of Ten Minnesota Towns*, Shifferd, 2005) views community cultural development as evolving along a continuum from "emerging" to "sustaining" to "mature."

This current study was conducted from May 2008 through February of 2009. Most of the information collected came from one-on-one interviews, focus groups and online surveys. Those consulted included a diverse representation of artists, arts administrators, arts board members, arts patrons and funders. We also talked to Minnesota community leaders not directly involved in the arts and some nationally prominent arts administrators and arts funders. Altogether, over

150 individuals provided input for the assessment. Other sources included research, articles, and documentary material from the Foundation, CSA&C, and other relevant resources.

It is important to note that our research took place during a significant period of economic turmoil and political change in both Minnesota and the nation. During that time, both the US and world economies went into an historic and precipitous decline and the 2008 presidential election took place. In Minnesota, the passage of the Clean Water, Land and Legacy Amendment amended the state constitution to provide a stable revenue stream for both environmental initiatives and cultural development.

WHAT WE FOUND

Early on, our research reflected an arts environment that was considered relatively robust and stable by arts community members and funders in and out of Minnesota. The cultural environment in rural communities and communities of color were perceived to be persistently less healthy. A number of statewide issues were also identified as having a direct impact on the wellbeing of Minnesota's overall arts environment. These included: the struggling educational system, a neglected physical infrastructure and a persistent lack of attention to the challenges posed by a rapidly diversifying population. As the economy continued to sour, the comparatively high level of optimism we had encountered regarding the state of the arts in Minnesota steadily dissipated.

Although we feel we have made great strides in understanding the structure and dynamics of Minnesota's cultural ecology, at this point, we would conclude that our efforts are a first step of a much larger task. Based on our analysis, though, the following observations stand out.

The weakened economy: The current economic downturn will continue to exacerbate and expose existing weaknesses in the state's cultural ecology. The resulting decline in monetary support and audiences will likely overwhelm a significant number of arts organizations. We anticipate that an increasing number of arts organizations will be forced to close their doors in the coming years. The difficult conditions will also force the remaining artists and arts organizations to revisit their missions and management approaches. In the long-term, we believe Minnesota's cultural landscape will be significantly altered. The shape and direction of that change will depend on how the state's public and private arts leadership responds in the next 24 to 36 months.

McKnight leadership: The Foundation's investment in the state's cultural community over the last decade has made a significant and sustained positive impact on individual artists and arts organizations and greatly benefited the overall cultural environment. That said, it is important for the Foundation to note that its cultural leadership and influence has been as important to the health of the state's arts ecology as its grant making. McKnight has thoughtfully pursued a long-term strategy of investment in cultural infrastructure. As a result, no other state has what Minnesota has in terms of fellowships and arts service organizations. No other state has had the nuanced strategic intelligence to support the advancement of so many cultural development exemplars. McKnight's ability to nurture projects over time has allowed many of the state's most valuable cultural resources to incubate and flourish. These, in turn, have provided models for

others to emulate. It is highly unlikely that public investment alone could have produced this kind of durable cultural development. As the state and national economies struggle, the Foundation will be called upon to help mitigate the damage and assist with the recovery. As this next chapter unfolds, McKnight leadership and authority will be as important as its corpus.

The Foundation's constituents in the arts community are very appreciative of its approach to grant making and cultural stewardship. Here are the program's attributes most often identified as particularly valuable.

- Non-directive and consistent investment over time.
- Non-bureaucratic, developmental relationships with applicants and grantees.
- Identification and informal mentoring of emerging leadership in the field.
- In depth research on cultural issues and periodic convening of arts leaders.
- Support for individual artists through fellowships and arts service organizations.
- Support for critical arts infrastructure (arts service organizations and Regional Arts Councils).

The need for statewide cultural leadership: In these turbulent times, the lack of strong cultural coordination across the state poses significant risks to the state's artists and arts organizations. Foremost among these is the lack of a system to document and respond comprehensively to the unprecedented confluence of opportunities and threats that are confronting Minnesota's arts ecology. There is also no forum for statewide debate, collaboration, and learning relevant to the issues facing the field. Many of the recommendations shared in this report make specific suggestions related to this critical need.

Sustainability: The arts community is beginning to recognize sustainability as both a value and a benchmark. But there is a worry that the sustainable community development movement is bypassing the arts. Some see the trend as a two-edged sword. On the one hand, they see an opportunity to show the rest of the community how the arts sector personifies the idea of a locally developed, renewable, non-polluting, social, and economic resource. Some artists understand that as creators and tellers of meaningful stories, they can be important contributors to the significant shifts in worldview necessary to achieve "sustainability." On the other hand, many from the cultural sector are concerned that both the "impending emergency" and "back to basics" aspects of the sustainability impulse will become the rationale for abandoning the cultural community.

In a similar vein, there is also an increasing concern that the current cultural "system" is flawed, increasingly stressed, and, ultimately, "unsustainable" (ex., lack of health insurance, high unemployment and lack of a living wage for artists, a myriad of nonprofit governance and management issues, etc.). Others view the traditional governance and management structures that support and often define cultural production as becoming increasingly unsuitable and unresponsive for artists navigating a changing cultural landscape.

The essential nature of artists and small/midsized arts organizations: Minnesota artists are responsible for the bulk of the production and presentation of art in the state. As such, the health of the state's overall cultural ecology is highly dependent on the health of its creating and

interpreting artists. The Foundation's support for individual artists through the Fellowship programs and the RAC system are critical to the survival of these artists, who are particularly vulnerable in a failing economy. Many of our interviewees saw this support system as the most important factor in the retention and attraction of talented artists. Institutional respondents pointed to this talent pool as a driving force for the high quality, variety, and increasing availability of the arts in the state.

The state's small and mid-sized arts organizations also are seen as both vital and vulnerable. They not only facilitate the transfer of artwork from its creators to its interpreters, they also provide the creative spaces that serve as the interlocutors between creative products and local audiences. In addition, some cultural researchers and arts leaders believe that building new audiences within "underserved" communities is best facilitated through the advancement of artists working in and for local venues in those communities. We also concur with the vast majority of our respondents, that general operating support is the most productive long-term institutional investment strategy for this segment of the arts ecology.

Arts-based community development: We foresee an increased focus on arts-based community development in the near term as interest in, and support for, community-centered initiatives, leadership, and action grows. There are signs that the new administration in Washington will invest heavily in both workforce development and public service employment that could include the arts. There are also indications that the new Bush Foundation focus on comprehensive community development will place a greater emphasis on the arts in that context. While there are some exemplars of effective community arts practice in the state, overall, the state's cultural community is not adequately prepared for this type of work.

Note: In this report, the terms "community arts," "arts-based community development," and "community cultural development" generally refer to arts-centered activities that contribute to the sustained advancement of human dignity, health and/or productivity within a community.

Big ideas: A number of "big ideas" were proffered by interviewees as both focusing agents and as practical benchmarks. One of these, mentioned above, is to define and invest in the long-term development of a sustainable cultural ecology. Another interesting idea is related specifically to the access question. Simply put, "Every Minnesotan should have access to lifelong active involvement in the arts, both through an arts integrated K-12 education and the availability of a multi-disciplinary arts center within a reasonable distance from their home." But many feel that the single most critical infrastructure issue facing the cultural community is healthcare. Helping to bring about universal healthcare could be the most significant thing McKnight could do for artists and arts organizations.

RECOMMENDATIONS

None of our recommendations relate to the basic operation and management of the Arts Program. It is abundantly clear to us that the values and instincts that have guided the McKnight Foundation's generous contributions to Minnesota's cultural life have served both the Foundation and the state's citizenry very well. Given this, we would love to be able to deliver a simple stay-the-course message, with a few suggested tweaks here and there. Unfortunately,

current economic conditions and other longer-term trends necessitate a more complicated message. There are three overarching themes that emerge in our recommendations.

First we believe that the flexibility, accessibility, responsiveness, and respect that characterize the Arts Program are extremely valuable assets that should be treated with the same level of stewardship and accountability as the Program's financial resources.

Secondly, we recommend that the Foundation view the state's arts community as an interdependent cultural ecology; this way of thinking provides a useful way to both guide the difficult investment decisions that lay ahead and better understand their impact.

Lastly, it is our contention that many of the most significant long-term issues facing Minnesota's cultural community will require an unprecedented level of cooperation and joint action among the state's arts supporters and leaders. Given this, we call for an increased commitment to joint deliberation, action, and/or advocacy with appropriate partners.

The following summarizes key recommendations.

1. Articulate and institutionalize the Arts Program's most productive, non-financial strategies.

While the McKnight Foundation's financial contribution to the development of Minnesota's arts community has been significant, the Foundation's conduct as a grantor and cultural policy leader has been equally beneficial to the growth of the arts field in the state. Given this, we suggest that the Arts Program take steps to formalize the most productive of these behaviors.

There are a number of things that the Arts Program is currently doing that should be maintained and/or amplified. These include the Program's long-term developmental approach to grantmaking and its ongoing efforts to simplify the granting process. The Artists Fellowship Program has also had a particularly positive impact on the health of the state's arts ecology. We encourage the Foundation to explore ways to extend the usefulness and adaptability of the fellowship experience for artists, and possibly arts administrators and artistic collaborators. We also contend that the Arts Program's good reputation is an extremely valuable asset that should be employed to stimulate much needed statewide discussion and collective action.

2. Strengthen the Foundation's commitment to the maintenance and development of critical cultural infrastructure. Big change often precipitates calls for new structures or programs. While we do make the case for some new approaches in this report, we are confident that the organizations, networks, and partnerships currently serving Minnesota's cultural community can be used to address the major issues confronting the field. Because of this, we suggest that the Regional Arts Councils and the state's unique community of arts service organizations are essential to the future health of the state's arts ecology. We recommend their continued support to strengthen their capacity to meet the significant challenges facing the arts sector. We also advocate that these entities work with institutions of higher learning and the philanthropic community to undertake a range of system wide cultural development initiatives. These include: the study of the structure and health of the state's arts ecology, statewide cultural planning, arts leadership development and an exploration of the role of the arts in community development.

3. Increase the presence and strategic focus of the Foundation's cultural leadership in the state.

The economic downturn will exacerbate existing weaknesses in the state's arts ecology with considerable disruption likely. We believe a new regime of coordination and collective action among the state's arts supporters would help mitigate the damage. Unfortunately, there is no apparatus for a systematic response to the state's cultural concerns. Given its leadership position, we believe the McKnight Foundation should use its influence with colleagues in the public and private arena to explore ways to change this state of affairs. We also recommend some specific collective actions aimed at mitigating the impact of the economic crisis on the cultural community. These include:

- Advocating a short-term focus on funding for general operations by all funders to help stabilize the state's arts ecology.
- The development of a quick response data collection system to measure the economic condition of the arts community.
- The development of a coordinated strategy for long-term cultural investment in the state.
- Advocacy for affordable healthcare for the Foundation's constituents.

4. Reconfigure the Arts Program's investment strategies. For the foreseeable future there will be less funding available to all McKnight programs for grant making and greater need in the arts community. Unfortunately, this presents the Foundation with some difficult decisions. In the near term, we are advising the Foundation to focus its support on those parts of the ecology that are first, most critical to the future health of the cultural ecology and second, appear most vulnerable at this time. Because there are no obviously unimportant elements of the arts ecology our recommendations are based on what we see as the "least bad" choices. As criteria for cultural investment in the near term we suggest:

- Maintaining funding levels for individual artist fellowships, arts service organizations, and the RACs. Suspending capital funding during the recession and restricting future capital funding to projects that will serve communities with limited access to cultural resources.
- Decreasing funding for major institutions and tying major institution support to projects that stimulate the work of Minnesota artists and/or local arts organizations.
- Increase periods for funds distribution. (ex., a three-year, \$100,000 grant becomes a four-year grant, a one year grant becomes 15 months)
- Giving priority to arts resources that are particularly unique to Minnesota's cultural environment.
- Creating a small quick grant program to respond to sudden needs or opportunities.

We also make the case that this is not a time to shrink from spurring innovation in the field. But, rather than trying to stimulate innovation by tying it directly to funding, we recommend investing in the general operations of organizations whose approach to art making and/or management is intrinsically inventive. Another recommendation is made in response to artists and arts organizations that find themselves increasingly constrained by the 501(c)(3) structure. We suggest that the Foundation explore fiscal sponsorships that both support short-term artistic projects and satisfy the Foundation's requirements for stability and accountability. Other suggestions in this vein include the exploration of new partnerships with other arts funders and collaborations with other Foundation programs.

Our final funding related recommendations are aimed specifically at the worst-case scenario relevant to the economic situation. If the recession deepens considerably, we believe discerning “good” and “bad” investment opportunities will become increasingly difficult. When this occurs, funding decisions should focus on the mitigation of organizational failure across the full spectrum of the arts ecology. Relevant strategies include:

- Shortening the time between application and release of funds.
- Increasing the number of grants by decreasing the average amount of awards.
- Considering the economic interdependency among artists and or arts organizations in a particular geographic or discipline-based arena as criteria for investment.
- Considering the potential for entrepreneurial innovation as a criterion for funding.
- Creating a short-term low-interest loan fund.

5. Establish evaluation as an ongoing part of the Arts Program. Given the significant changes that will be occurring in both the cultural community and at the Foundation, assessing impact will become even more important in the coming years. To do this with limited resources, we suggest using a discrete part of the program (ex. RAC or Fellowship funding) to begin testing an evaluation regimen focused specifically on documenting and mapping the dynamics and structure the cultural ecology. We recommend using a hybrid arts and social science approach that emphasizes quantitative and qualitative data sources. We also feel there is a need for a coordinated statewide cultural evaluation regimen. We encourage the Foundation to approach colleagues in both the public and private funding sectors to explore the creation of a cultural research partnership. The first iteration of such a project could be the development of an online data retrieval system to provide a quick and accurate picture of the economic condition of the field in these difficult times.

In closing, it has been a privilege working with the McKnight Foundation in this endeavor. We sincerely hope our efforts have been helpful to the Arts Program during this challenging time. We would like to thank the Foundation’s staff for their cooperation, flexibility, and good humor during the research process. We would also like to acknowledge the contribution made by the many people who generously shared their insights and opinions during the course of this study.