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.

![Graph comparing the number of organizations and organizations per 100,000 residents across various cities, including Boston (B), New York (NY), and San Francisco (SF).]
Organizational Landscape: Depth

Overall distribution by budget size in Boston follows the norm.

• Small organizations dominate in number.
Organizational Landscape: Depth

Overall distribution by budget size in Boston follows the norm.

• Large organizations dominate in dollars.

Distribution of Organizational Expenses by Budget Size

B: Boston, NY: New York, SF: San Francisco
Organizational Landscape: Depth

Very large organizations dominate Boston more than in other cities.

![Total Expenses for Large Organizations, Select Cities (in millions)]
Organizational Landscape: Depth

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.
Organizational Landscape: Depth
Distribution by discipline is as expected in Boston.
Performing arts are constrained in Boston, especially dance, theater, and opera.
Organizational Landscape: Depth

Boston’s organizations are less likely to present new works than those in other cities.
Boston’s arts community wants to talk about cultural equity.
Organizational Landscape: Assets

Occupancy expense reflects high cost of living.

![Occupancy Expense Per Capita Chart]

- Boston: $10.58
- Baltimore: $3.75
- Chicago: $4.88
- Cleveland: $4.93
- Houston: $3.87
- Minneapolis: $10.37
- New York: $12.90
- Philadelphia: $8.16
- Portland: $4.76
- San Francisco: $10.59
- Seattle: $8.54

Legend:
- Small
- Mid-sized
- Large
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.
Contributed revenue in Boston is dominated by individuals.
Funding Landscape: Individual giving

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

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

- Boston: 15% Local, 46% State, 47% Federal
- Baltimore: 47% Local, 28% State, 25% Federal
- Chicago: 67% Local, 33% State, 3% Federal
- Cleveland: 28% Local, 71% State, 7% Federal
- Minneapolis: 25% Local, 78% State, 7% Federal
- New York: 78% Local, 22% State, 0% Federal
- Philadelphia: 78% Local, 22% State, 0% Federal
- San Francisco: 78% Local, 22% State, 0% Federal
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.