



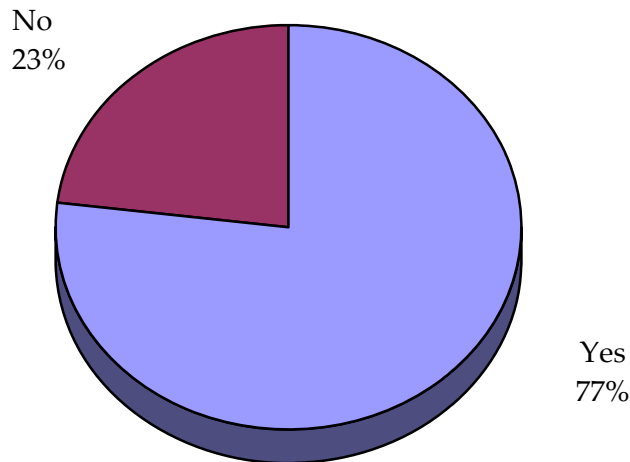
Ohio Arts Council **Economic Hardship Hits Ohio Arts Organizations**

The Ohio Arts Council (OAC) recently designed a short survey that was administered to grantees from the last two years. The survey was part of the OAC’s comprehensive effort to better understand the impact of the country’s and Ohio’s economic downturn on grantees and their communities, as well as the effect of the recent budget reductions to the OAC and the resulting reductions in their OAC grant awards.

The survey was sent to more than 600 organizational grantees including arts and cultural organizations, community organizations with arts programming, schools, and colleges and universities. We received responses from 238 organizations, a 40-percent response rate. The survey contained 25 response items and allowed for extensive open-ended narrative responses. (See Appendix A for survey questions and response items).

Below is an executive summary of those findings organized by response item.

**Fund Raising: Are you seeing a downturn in contributions?**



In response to the questions “Have you seen a decline in contributions to your organization in your most recent fiscal year? An alarming 77 percent responded yes.

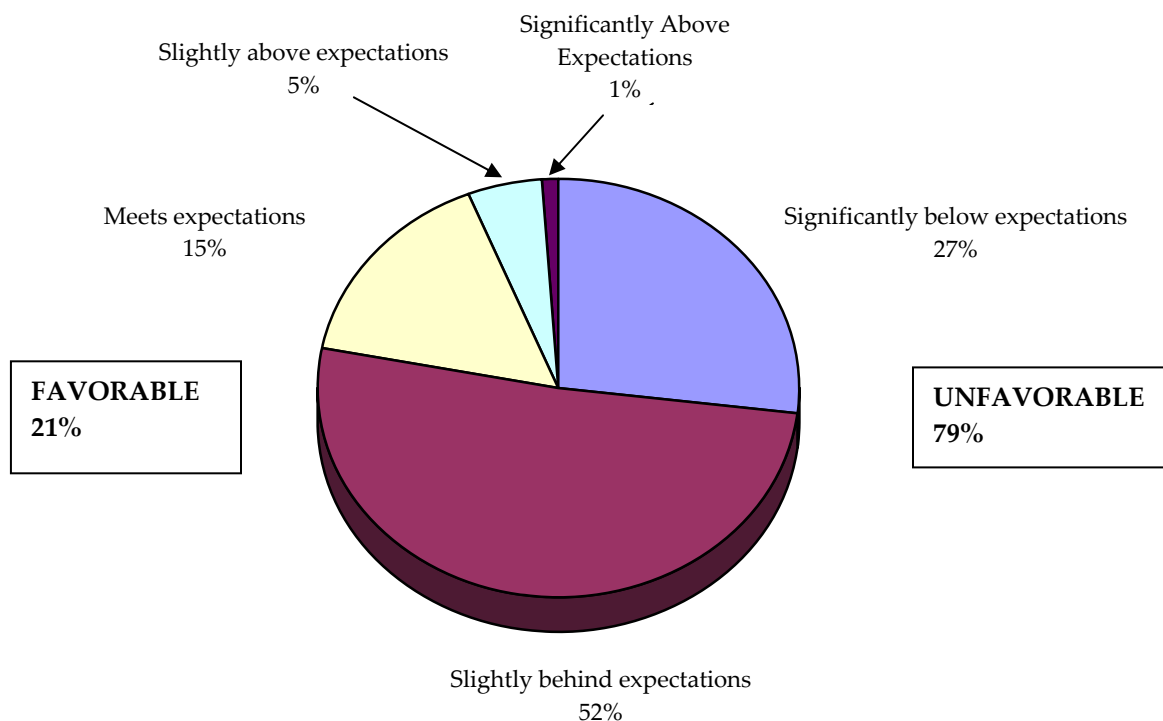
This number decreases slightly when small and medium arts organizations are isolated (those with budgets under \$1.5 million). Seventy-four percent of small- and medium-sized organizations report seeing a downturn in contributions.

Corporate giving is down and corporations seem more reluctant to give. Many reported a significant drop in foundation support. People are still renewing memberships but at a lower level and the economy is having a negative impact particularly on individual giving.

On a positive note, the majority of arts organizations (57 percent) report that donors were not asking for more time to fulfill pledges; and a majority (58 percent) also reported that donors were still able to fulfill pledges.

While most donors are not necessarily asking for more time to fulfill pledges or stating that they are unable to fulfill their pledges, organizations that are seeking new requests are simply being turned down.

When we asked organizations to **compare contributions received this year to the past five fiscal years**, here's a summary of the responses:



While already feeling the pinch, most organizations are bracing for next year, which they expect to be even more difficult.

### **Ticket Sales: Are you seeing a downturn in ticket sales for your events?**

Sixty-nine percent of organizations responding are reporting slow or declining individual tickets sales, as well as drops in subscription sales – which were reported as declining faster

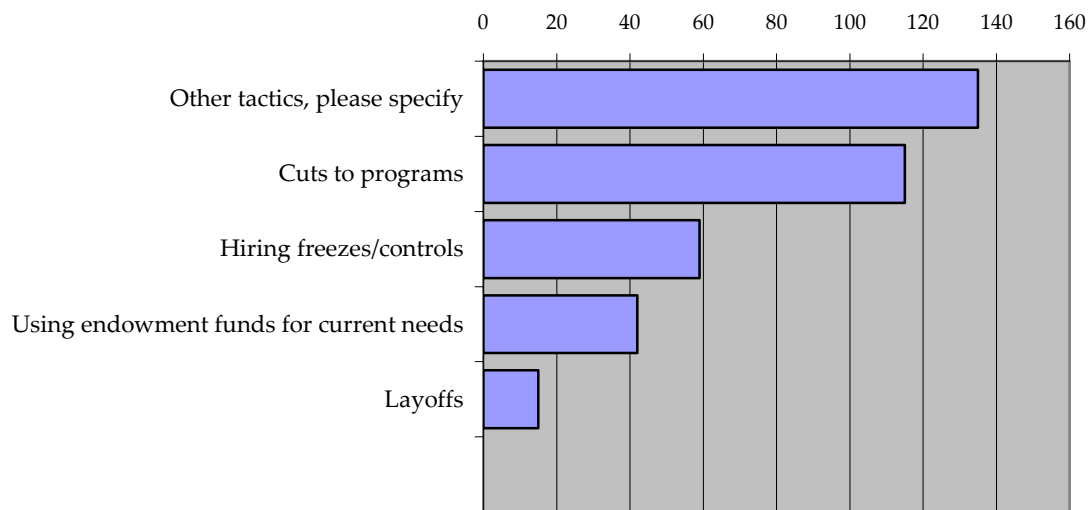
than single ticket sales. Organizations are seeing more ticket buyers choose discounted or cheaper-ticket options. Some have chosen to offer more of these programs to fulfill the need.

Organizations that sell visual art work and have gift shops are overwhelmingly reporting a drop in sales and a need to do more reductions and sales offers in order to move the products.

Organizations that work with schools are reporting a drop in school visits and bookings due to both organization and school budget cuts.

### Impact of OAC Grant Reductions

OAC grant reductions hit organizations hard—with responses that included cuts in number of programs, reductions in staff, staff salaries and artist stipends, reductions of office hours, using annual funds or endowments and closing of venues. The most significant single response (115 responses out of a total 265) was cuts to programs.



Children were the most affected population due to cuts. Particularly hard hit were programs for lower-income populations and at-risk children because public funds and donated funds are used to subsidize this program population to a greater level than others.

The number of low-income people and at-risk youth needing services is rising dramatically while resources available to help them are declining—this puts a tremendous strain on the budgets of organizations that provide subsidized programming and limits their ability to further outreach efforts.

On a positive note, some small to mid-size organizations in smaller communities cite an upturn in attendance that they attribute to people feeling their dollar goes farther within their own community.

Many organizations have done what they can to cut costs but not programs; however, they acknowledge that if this trend continues they will have no choice but to reduce programs.

Many organizations cite a concern of whether they can survive the economic downturn at all. Sixty percent of organizations anticipate cutting programming within the next six to twelve months. Forty-seven percent anticipate implementing hiring freezes and/or controls during the same time period.

Cuts made to budgets in the current program year are especially hard on organizations because they have already spent money to implement the programs for which they receive funding.

Additionally under “other tactics,” organizations listed some of the following:

- Cost cutting—reduced marketing, advertising, printing, mailing, office supply purchases
- Cutting stipends to artists or reducing the number of artists used for programs
- Reducing travel and professional development for employees
- Increased donation solicitation (which they noted as not meeting with success)

### **What can the OAC do to help?**

We asked organizations what role the state arts council could play in helping them through these difficult times. They had a number of suggestions, including:

- Assist organizations in developing a “weathering the storm” plans—including advice for cost cutting and suggestions on other funding options.
- Share best practices that are working elsewhere and could be adapted.
- Make the case for public support of the arts as strongly as possible. Emphasize why the arts are even more important during difficult economic times, and how they support economic revitalization and community development and are a vital component of a healthy state.
- Continue to keep the field updated on the budget and continue research and gathering of relevant data.
- Continue to be leaders in the field both statewide and nationally.
- Continue to be a transparent agency with a responsive staff.
- Continue operating support.
- Programs aimed at training smaller organizations to reach out to new and different sponsors. Coordinate the message of the arts to private funders to help smaller organizations be more effective in their fund-raising.

- Continue support of educational programs that subsidize ticket prices for low-income and at-risk children.

Second to monetary support, organizations find the OAC's state-level leadership on behalf of the arts and culture sector to be most valuable.

## **Conclusions**

It is clear that OAC grantees are being affected in significant ways by the economic downturn in our state and nation and the recent reductions in their grant awards for fiscal years 2008 and 2009. Grantees, especially those in urban areas and the northwest and southeast areas of the state, are facing very tough economic conditions that result in less revenue from public, private and corporate sources. This in turn creates a destructive cycle that impacts organizations' ability to pay qualified performers, produce quality promotional materials and plan outreach efforts that would involve a wider range of individuals in their programs, thus further reducing their revenues. Unfortunately, hardest hit programs are often those that reach out to underserved audiences—including low income families, youth at risk and seniors, because these programs are traditionally subsidized with public funds.

Nonetheless, these organizations believe they can clearly demonstrate their relevance in their communities and they remain hopeful and determined to survive the current crisis. Throughout the survey grantees shared "survival" strategies including being more creative in seeking funds and selling tickets, more innovative in their programming, more conservative in budgeting and more aggressive in developing collaborations and partnerships.

The survey's findings also underscore what these organizations need from the OAC. While individual organizations are tackling their unique local challenges, the situation also calls for state-level action. Grantees emphasized the importance of the OAC's leadership and voice for the arts, arts education and Ohio's cultural assets. The agency, as a state arts council, must use its unique bundle of resources – arts policies, state-level planning, research, funding, staff expertise, technical assistance, professional resources, etc. to help organizations "weather the storm" in the short term and to effectively and efficiently sustain their organizations.

It is important to note that we have not begun to explore the issues facing individual artists who are even more susceptible to the challenges of a deteriorating economy. Any solutions we propose for the arts and cultural community must include their voices and address their needs. We are planning to develop a similar survey for the state's individual artist community.

The OAC understands the magnitude of Ohio's current economic challenges. To maximize existing resources and reach, the agency anticipates nurturing strategic partnerships with both the public and private sectors. Current and potential state partners include the Ohio Department of

Education, the Ohio Department of Development and the Governor's Office of Appalachia. In addition to these vital partnerships, we are committed to working shoulder-to-shoulder with Governor Strickland, the 128th Ohio General Assembly and our constituents to strengthen the state's economy and education system and to ensure that even the most vulnerable and underserved citizens are supported and have opportunities to live lives of hope, consequence and productivity.