

Culture Pulse

5-YEAR ANALYSIS

OF ARTS AND CULTURE NONPROFITS

IN CUYAHOGA COUNTY

 metris
arts
consulting SM


COMMUNITY
PARTNERSHIP
FOR ARTS AND CULTURE



ABOUT CPAC

CPAC is a nonprofit with a mission to strengthen, unify and connect greater Cleveland's arts and culture. Research is a core component of our work, and one of many ways we support arts and culture. CPAC provides counsel related to public policy that benefits the sector and the broader community. It provides a number of tools through cultureforward.org and mycreativecompass.org for arts and culture professionals and those who would like to engage with them. CPAC also carries out a variety of programs and services that help build the sector's organizational and business practices to support a vibrant, thriving greater Cleveland. www.cultureforward.org



ABOUT METRIS ARTS

Launched in 2009, Metris Arts Consulting believes in the power of culture to enrich people's lives and help communities thrive. We believe those benefits should be broadly shared and inclusively developed. Metris seeks to provide high caliber planning, research, and evaluation services to reveal arts impacts and help communities equitably improve cultural vitality. To accelerate change, we seek to share knowledge and amplify the voices of those closest to the work. www.metrisarts.com



ABOUT DATAARTS

The data used for this report was provided by DataArts, an organization created to strengthen arts and culture by documenting and disseminating information on the arts and culture sector. Any interpretation of the data is the view of Metris Arts and the Community Partnership for Arts and Culture and does not reflect the views of DataArts. For more information on DataArts, visit www.culturaldata.org

DataArts, formerly the Cultural Data Project, was founded to bring the language and leverage of data to the business of culture. The Cultural Data Profile (CDP) is DataArts' flagship service, which thousands of cultural nonprofits use annually to report their financial and programmatic information. DataArts seeks to be a catalyst for data-informed decision-making.

OPPOSITE:

A bold new atrium reflecting the grit, edge and power of rock through big, bold artist images and colors embodies the rock and roll attitude. Photo by Jay Kossman, Rock & Roll Hall of Fame

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KEY

FINDINGS

BAYarts is the premiere destination for cultural programming on Cleveland's west shore offering arts education, gallery exhibitions, community events and artist support. Photo by Lori Kubiak

Cuyahoga County's nonprofit arts and cultural sector thrives along many dimensions. Throughout our discussions with local arts and cultural nonprofit leaders, we heard a common thread: Cuyahoga County's arts ecosystem benefits from arts and cultural organizations' being open to collaborating, the high number of free arts and cultural offerings, and generous public funding. Community members attend small festivals, tour large museums, and take art classes. Artists ranging from local painters to writers to dancers to designers live, work, and share their craft in Northeast Ohio. Creativity is in the water.

Although no one number, figure, or graph can fully describe the health of organizations, in this report we strive to take the pulse of activity in the Cuyahoga County nonprofit arts and cultural sector. Many types of revenue, program offerings, and human and space resources form a complex web of sustainability for arts and cultural organizations. Other dynamics not easily quantifiable also affect organizations' wellbeing, such as collaboration and competition. Plus, sustainability can look radically different for small, medium, and large organizations.¹

We unpack these components and dynamics below, drawing on DataArts numbers for 62 Cuyahoga County arts and cultural organizations², insights shared during focus groups with leaders from local small, medium, and large arts and cultural organizations

(beyond those who completed DataArts profiles), as well as a literature review that places Cuyahoga County's arts and cultural nonprofit ecosystem in a national context. Since we only use DataArts data from the 62 arts and cultural organizations that completed profiles for all five years from 2011-2015, the analysis in this report does not accurately represent the true population of all Cuyahoga County nonprofit arts and cultural organizations (let alone for individual artists, or for-profit and public sector entities). Nevertheless, we still gain valuable insights by looking at changes over time for this subset. Insights from the focus groups and national literature review also help improve the validity of our findings.



BAYarts exhibit. Photo by Lori Kubiak

¹ As defined in this report, small organizations have annual expenses under \$250,000, medium have \$250,000 to less than \$2 million, and large have \$2 million or more.

² Find a list of all organizations in the Data Tables document on CPAC's website, www.cultureforward.org



FINANCIAL

BASICS

The Sculpture Center is an arts institution dedicated to the advancement of the careers of emerging sculptors of Ohio and its greater region and the preservation of Ohio outdoor public sculpture, as a means to provide support for artists and to effect the enrichment, education, enjoyment, and visual enhancement of the Cleveland community and beyond. From exhibit: Jim Leach, Being Healthy, a Window to Sculpture 2016 exhibition. Photo by Jacob Koestler

Arts and cultural organizations seek financial sustainability in a variety of ways; they provide goods and services, receive grants and donations, and some nurture endowments. Organization size can influence the extent to which they rely on these different income sources, as well as their ability to meet obligations while remaining flexible and innovative.

LIABILITIES AND ASSETS

Liquidity, the ability to pay debt using liquid assets, presents a struggle for many arts and cultural organizations, especially small ones. Nearly half (41%) of 2014 national survey respondents persistently reported having fewer than three months of cash (Nonprofit Finance Fund 2014). Another national study found that as organization size increases, so does months of available cash (National Center for Arts Research 2016).

Interestingly, DataArts data show that Cuyahoga County arts and cultural nonprofits may not find liquidity as much of a challenge as their national counterparts. Although from 2011 to 2015 debt increased for organizations in our sample from just under \$300 to \$316 million,³ on average organizations' assets consistently surpassed liabilities, for small, medium, and large organizations. This suggests that, on average, organizations *can* meet short-term obligations.

When we dive into types of assets, large organizations, on average, routinely experienced higher amounts of fixed assets than unrestricted, liquid assets,⁴ which can limit their ability to evolve and react to sudden financial pressures in an environment that changes quickly. However, small and medium organizations in our sample, on average, experienced the opposite, enjoying more liquid, unrestricted assets than fixed. Researchers working in other contexts have also documented these trends. Kitchener and Markusen point out that large organizations may be constrained by employment commitments, leased or owned space, and contractual arrangements, but smaller organizations are more likely to be experimental and flexible because they tend to rely on nonfinancial assets, such as volunteers, social capital, and in-kind donations, operate on smaller budgets, and devote less money to overhead and staff (2012). In our focus group, representatives from small Cuyahoga County organizations agreed that this dynamic holds true locally. Amy Callahan from Waterloo Arts described the ability to take risks as an "important strength" and noted that "nimbleness is not seen as enough of a strength" (2016). The Sculpture Center's Ann Craddock Albano values the ability to "change directions really fast" and to avoid having to "commit out five years" (2016).

³ 2011 to 2014 dollar amounts in this report have been adjusted for inflation. All dollar amounts are in 2015 dollars.

⁴ Organizations can easily convert liquid, unrestricted assets, such as cash, pledges, sales of goods and services, contractual agreements, and investments, to cash. Fixed assets not easily converted to cash may include buildings, furniture, or land.

REVENUE

The ability to be dynamic also increases when an organization makes more money than it spends. Arts and cultural organizations in our Cuyahoga County sample pulled in over \$350 million in revenue in 2015 from a variety of sources. Revenue regularly outpaced expenses from 2011 to 2015 (Figure 1). Organizations of all sizes, on average, experienced increased revenue during this time, with small organizations enjoying consistent growth (Figure 2).

To increase financial flexibility, many non-profits seek multiple earned and contributed revenue sources, but managing these streams can be resource-intensive. National research shows that arts and cultural nonprofits benefit from multiple revenue sources (Wenli 2009; Grasse, Whaley, and Ihrke 2016) although also rank it as one of their greatest challenges (Nonprofit Finance Fund 2014). Cuyahoga County focus group participants

from arts and cultural organizations of all sizes have similar experiences. One participant described diverse revenue streams as a “curse and a blessing:” if one source dries up, “you’re not killed by it,” but each source “requires care and feeding and staff and attention” (Anonymous Large Organization Focus Group Participant 1 2016).

CONTRIBUTED SUPPORT

Focus group participants from arts and cultural organizations of all sizes agreed that generous financial giving in Northeast Ohio positively affects their organizations’ financial sustainability. “The support this community engenders compared to much bigger markets... [is] pretty remarkable,” noted Greg Harris of Rock and Roll Hall of Fame (2016).

DataArts data for Cuyahoga County arts and cultural nonprofits in our sample align with this sentiment, as contributed support consistently made up the highest percentage of total revenue (Figure 3), and grew nearly

FIGURE 1: TOTAL REVENUE AND EXPENSES, ALL ORGANIZATIONS

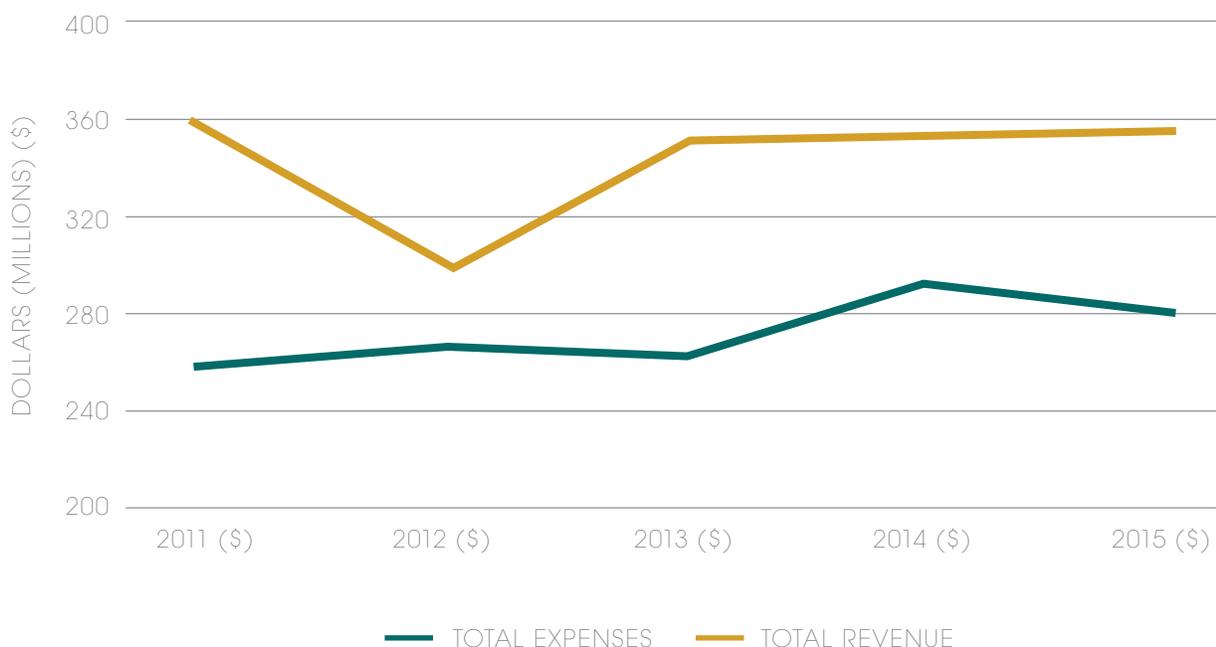


FIGURE 2: CHANGE IN AVERAGE TOTAL REVENUE BY ORGANIZATION SIZE

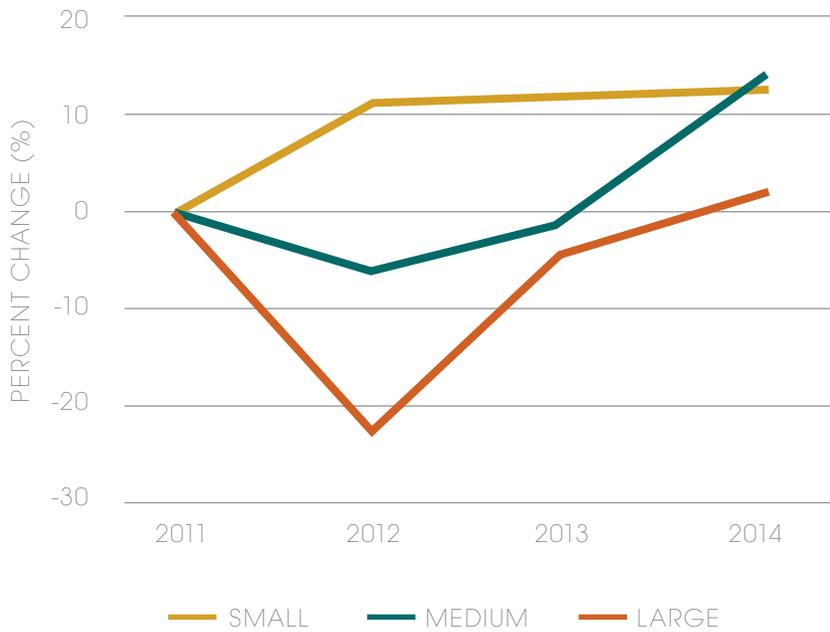
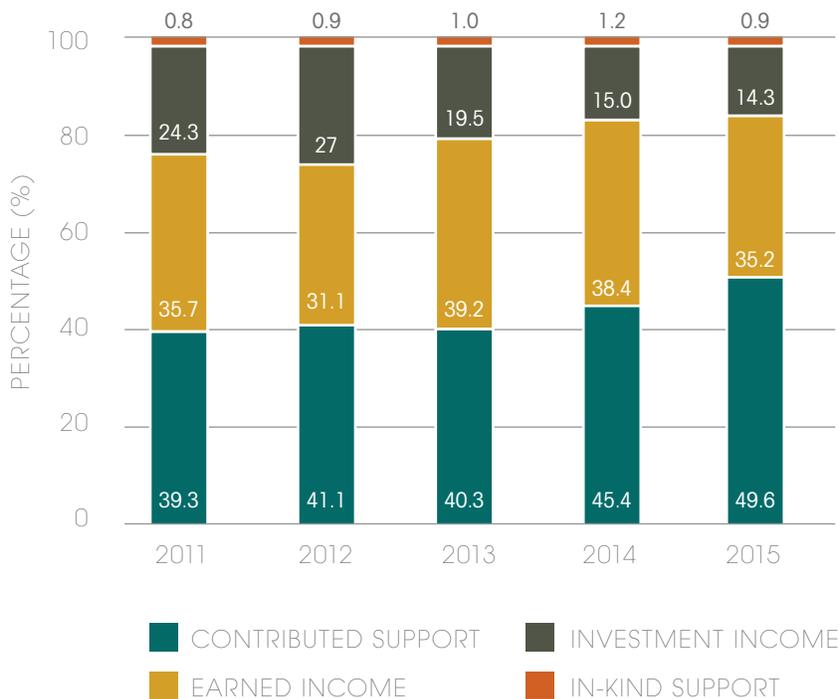


FIGURE 3: REVENUE BY AGGREGATE FUNDING SOURCE, ALL ORGANIZATIONS



Top: Whether it's to rock out or relax, the active outdoor plaza has become a gathering point for Cleveland residents. Photo by Jay Kossman, Rock & Roll Hall of Fame

Bottom: Since 1999, Toddler Rock, the Rock Hall's on-site music therapy program, has utilized popular music to teach nearly 400 select Head Start children each week through music, movement, singing, and storytelling. Photo by Rock & Roll Hall of Fame

\$34 million, or 24.0%, from 2011-2015. In 2015, nearly all types of contributed support outpaced 2011 levels.⁵ The largest sources of contributed revenue during these five years were foundations (27.0%), individuals (25.4%), and trustee/board support (22.6%) (Figure 4). We delve more into different types of contributed support below.

Foundation

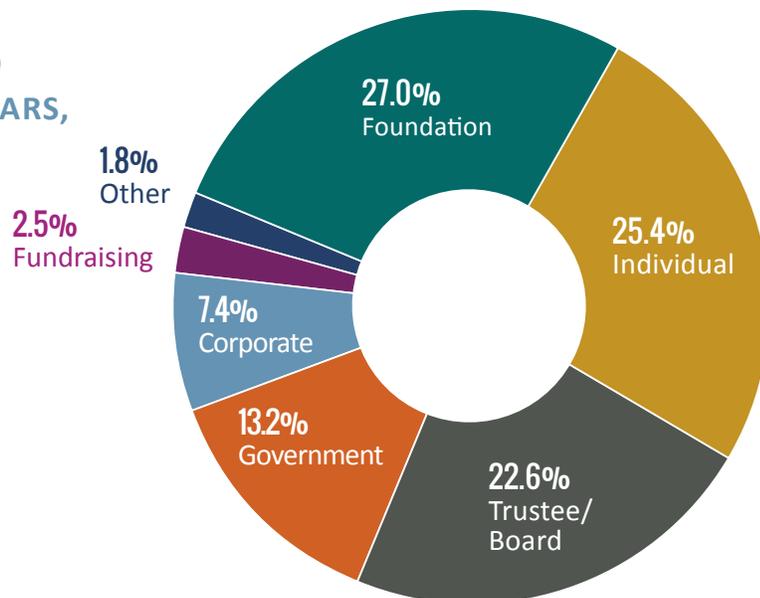
Many Cuyahoga County arts and cultural nonprofits rely on foundation support, but some also voiced frustrations with some of the practices of local foundations. Organizations in our Cuyahoga County sample experienced increased foundation support from 2011 to 2015 (+41.9%). On average, large organizations saw the biggest increase (+55.4% vs. +10.0% and +7.0% for medium and small organizations, on average, respectively) (Figure 5) but tended to rely on it less as a share of total contributed revenue than their smaller counterparts (24.5% of all contributed support vs. 34.1% for medium and 30.5% for small organizations, on average) (Figure 6).

Numerous focus group participants expressed concerns about decreases in general operating support, especially from private foundations in Cuyahoga County (Metris Arts Consulting 2016b; Metris Arts Consulting 2016c). “Funders here are open to funding small organizations for project support. The challenge is to get funding for operating support,” said Edna M. Duffy of Duffy Liturgical Dance (2016).

Government

Small and medium organizations in our Cuyahoga County sample, on average, tended to rely more heavily than their larger counterparts on important government support, yet focus group participants perceive government funding to be a vulnerable source. DataArts analysis revealed that government support to arts and cultural nonprofits remained relatively consistent between 2011 and 2015 (+1.0%). In 2015, government support made up, on average, 30.0% of total contributed support for small organizations, 27.2% for medium, and only 9.3% for large (Figure 6).

FIGURE 4: CONTRIBUTED SUPPORT DETAIL, ALL YEARS, 2011-2015



⁵ Parent organization was the only type of contributed support to decrease (-18.9%) from 2011 to 2015. A parent organization is a larger entity that an organization identifies itself as being part or subsidiary of, such as a university or government entity.

FIGURE 5: CHANGE IN FOUNDATION SUPPORT BY ORGANIZATION SIZE

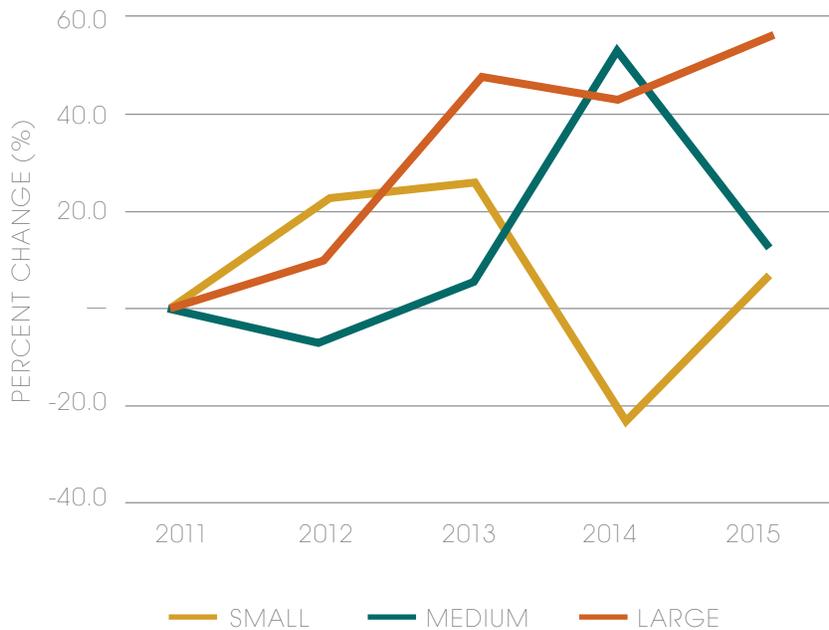
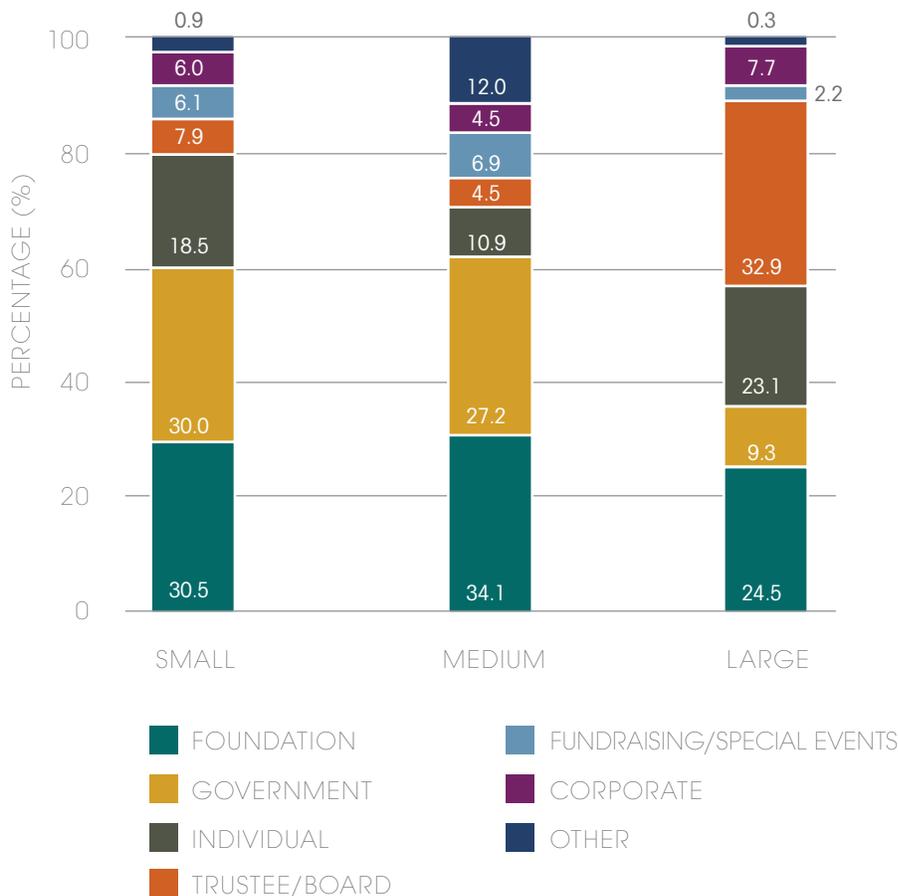


FIGURE 6: TYPES OF CONTRIBUTED SUPPORT BY ORGANIZATION SIZE, 2015



Duffy Liturgical Dance Ensemble is a non profit performing arts organization whose mission is to keep alive the legacy of The American Negro Spiritual. DuffyLit offers performances and classes for children, youth, adults and seniors. Classes emphasize the cultural significance of the contributions in music and dance that African Americans have made to American and world culture.

Photos from Water Rights, a concert commemorating the 50th anniversary of the Civil Rights Movement in the USA. Choreography by Edna Duffy. Photos by Randy O. Norfus

Top: The Ensemble (Singers and Dancers) performing the Spiritual "I Stood On the River of Jordan"

Bottom: The DuffyLit Ensemble performing "A Wish For Peace"



Waterloo Arts is a 501(c)3 whose mission is to enrich the neighborhood culturally and economically, and create a stimulating arts environment by sponsoring exhibits, performances, special events, and educational programming for people of all ages.

14th Annual Waterloo Arts Fest. Photo by Bridget Caswell

FIGURE 7: CHANGE IN TYPES OF GOVERNMENT SUPPORT, ALL ORGANIZATIONS

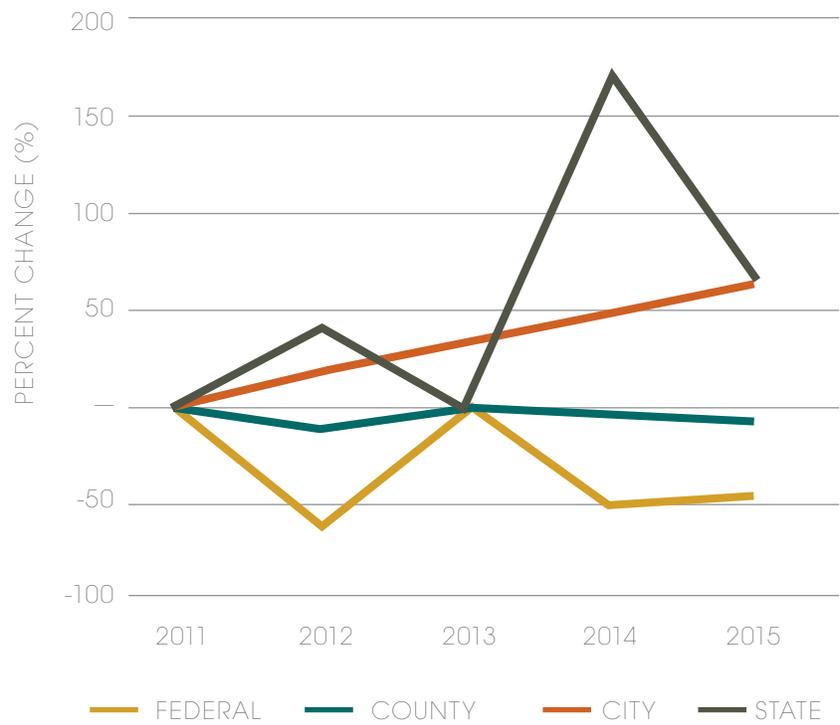
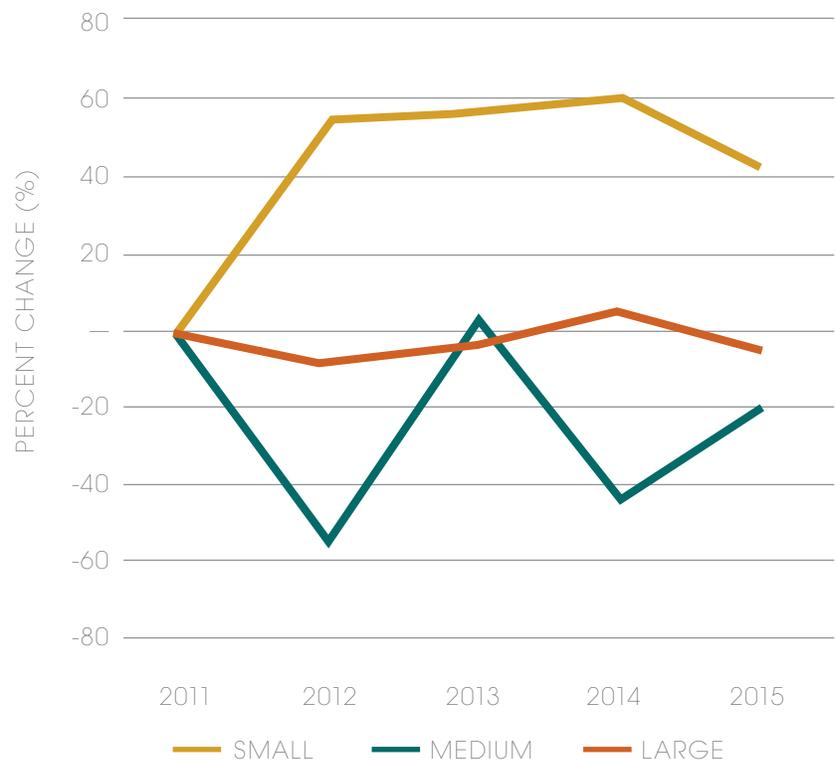


FIGURE 8: CHANGE IN COUNTY SUPPORT BY ORGANIZATION SIZE



Focus group participants from arts and cultural organizations of all sizes, however, praised and acknowledged the importance of Cuyahoga Arts & Culture (CAC), an organization created in 2006 when Cuyahoga County residents approved a tax on cigarettes to contribute to arts and culture. With CAC's presence in Cuyahoga County, it is no surprise that county-level funding consistently buoyed total government support; county support comprised 61.4% of total government support in 2015. Focus group participants appreciate CAC's commitment to general operating support and metrics to track success. CAC has been especially vital for medium organizations, which "fall through that cracks," said one participant (Anonymous Medium Organization Focus Group Participant 2 2016). Although blessed with generous government support, participants in all three focus groups lamented their precarious and unpredictable nature. They fear CAC funds will continue to decline as fewer people buy cigarettes, and note the vulnerability of other public sources, such as the Ohio Arts Council, which is subject to the vagaries of budget cuts.

Cuyahoga County arts and cultural nonprofits' reliance on local (city and county) government support aligns with a 2014 national survey (National Center for Arts Research 2016). This study also found all types of government support decreased from 2011 to 2014, whereas Cuyahoga County arts and cultural organizations in our sample saw county and federal support fall from 2011 to 2015, but city and state funds grow (Figure 7). Interestingly, small organizations, on average, experienced an increase in county support from 2011-2015, whereas, medium and large organizations, on average, saw decreases (Figure 8).

Corporate

Although Cuyahoga County arts and cultural organizations in our sample received more corporate support in 2015 than in 2011 (+22.7%), organizations of all sizes struggle to obtain it. Focus group participants provided a variety of reasons for the increased difficulty in securing corporate support. They voiced that corporate headquarters have left Cleveland and that corporate leadership no longer requires staff to sit on boards or volunteer. Without board leadership, organizations chances of getting corporate support are slim. They also voiced that corporations would rather provide marketing dollars than other types of support, that fewer corporations have their own foundations, and that corporations prioritize health and human services giving over arts and culture. Focus group participants from small and medium organizations also cited an additional stumbling block—the lack of staff capacity to nurture relationships with corporations (Metris Arts Consulting 2016b; Metris Arts Consulting 2016a). One described partnerships between corporations and arts and cultural organizations as an "untapped resource" that could involve exchanges of expertise instead of money (Amy Callahan 2016).

Special event fundraising

Although dollars from special event fundraising grew from 2011 to 2015, it made up only a small portion of total contributed revenue (Figure 4), which caused some to question whether (financially) special event fundraising may be more trouble than it's worth. A participant in the large organization focus group expressed surprise regarding the small percentage that special event fundraising adds to contributed revenue because of the immense efforts staff dedicate to this type of



Arts and cultural organizations
in Cuyahoga County depend
on earned revenue to various
degrees for financial sustainability.

GroundWorks DanceTheater creates and presents groundbreaking contemporary dance as a leader in engaging, educating and enlivening communities.

*From performance House of Sparrows by David Shimotakahara: Annika Sheaff, Damien Highfield.
Photo by Mark Horning*

activity (Anonymous Large Organization Focus Group Participant 2 2016). While revenue from special event fundraising grew in Cuyahoga County from 2011 to 2015, so did fundraising expenses (+4.5%), which may speak to the effort arts and cultural organizations expend to gain this type of contributed support.

On average, small and medium organizations in Cuyahoga County in our sample relied more heavily on this source of contributed revenue than did large organizations (6.1%, 6.9%, and 2.2% of total contributed revenue in 2015, respectively) (Figure 6); and, they may have some advantages not present for larger organizations. A national survey found that smaller organizations gain a higher return on fundraising than their larger counterparts (National Center for Arts Research 2016). On average, large organizations saw the biggest increase in fundraising expenses, whereas for small organizations they actually decreased, on average, in this period.

EARNED REVENUE

Arts and cultural organizations in Cuyahoga County depend on earned revenue to various degrees for financial sustainability. At the national level, nonprofits, including arts organizations, rely on earned revenue and many have found creative ways to generate this income stream (Wenli 2009; Lynch 2016; National Center for Arts Research 2016; Nonprofit Finance Fund 2014). Earned income routinely contributed about a third of total revenue for arts and cultural organizations in Cuyahoga County in our sample from 2011 to 2015 (Figure 3). In this time, Cuyahoga County arts and cultural nonprofits in our sample saw increases in almost every kind of earned income. Ticket sales and admission, and

tuition, workshops, and lectures contributed the most toward total earned income; both saw increases since 2011. DataArts figures show that, on average, small and medium organizations in our sample saw increases in earned income from 2011 to 2015, while large organizations experienced a decrease. Playhouse Square Foundation's Gina Vernaci described fluctuations in earned revenue from year to year as normal, pointing to popular Broadway shows as big revenue makers.

Several focus group participants intentionally and strategically focus on cultivating earned revenue sources. Several representatives from small and medium arts organizations described efforts to subsidize mission-serving activities with paid services to corporations (Metris Arts Consulting 2016a; Metris Arts Consulting 2016b). However, some earned revenue partners desire more tailored programming, which requires arts and cultural organizations to dedicate intensive resources to these partnerships (Metris Arts Consulting 2016a).



The Chagrin Documentary Film Festival is a five day celebration of the art of documentary film, at venues in and around the century village of Chagrin Falls, Ohio. Entering its eighth year, this inspiring event draws audiences from all over Northeast Ohio, the US and the world to experience documentary films and the compelling art and culture they highlight. The 8th annual Chagrin Documentary Film Fest will take place from October 4 through 8, 2017. Photo courtesy of the Chagrin Documentary Film Festival



PARTICIPATION AND

PROGRAM OFFERINGS

The largest performing arts center in the country outside of New York, the not-for-profit Playhouse Square is Northeast Ohio's destination for Broadway and more great entertainment. Playhouse Square is a champion of arts education and downtown Cleveland, and proud to be the home of Cleveland Play House, Cleveland State University Department of Theatre and Dance, DANCECleveland, Great Lakes Theater and Tri-C JazzFest.

Each summer, Playhouse Square hosts the Tri-C JazzFest and other outdoor programming for the community. Photo by Ken Blaze

Focus group participants from organizations of all sizes in Cuyahoga County identified the “robust” local arts and cultural ecology, resulting in the county “punching way above our weight class” (Gina Vernaci 2016). However, many also articulated the challenges that this abundance of offerings poses to audiences and organizations. Some organizations struggle to effectively communicate their missions to differentiate themselves and compete for audiences and funding, and some recognized that it’s hard for patrons to keep a handle on all available cultural options (Metris Arts Consulting 2016a; Metris Arts Consulting 2016c).

DataArts statistics on creative/artistic and education programming⁶ and audience visits

for our Cuyahoga County sample corroborates a growth in local offerings. Almost all types of artistic/cultural programs and educational programs increased from 2011 to 2015, and program expenses slightly grew in step (+4.3%). Total cultural visits also increased during this time, with virtual visits—nearly 51 million in 2015—contributing most to this increase (Table 1). While large organizations, on average, attracted overwhelmingly more physical visits than their smaller counterparts, small and medium organizations, on average, enjoyed bigger increases in physical visits from 2011 to 2015 (+16.3% and +37.9%, respectively vs. +8.5% for large organizations, on average). Interestingly, free physical visits topped paid physical visits in 2015 for small and medium organizations, on average,

TABLE 1: NUMBER OF TOTAL PHYSICAL AND VIRTUAL VISITS, ALL ORGANIZATIONS

	2011	2012	2013	2014	2015	Change, 2011-2015 (%)
Total physical visits	3,566,570	3,277,344	3,768,642	4,414,736	3,863,265	8.3
Total virtual visits	21,138,550	33,053,858	29,134,600	55,900,329	50,968,242	141.1
Paid physical visits	2,029,637	2,037,340	2,089,918	2,399,713	2,350,109	15.8
Free physical visits	1,536,933	1,240,004	1,678,724	2,015,023	1,513,156	-1.5
Paid virtual visits	34,473	30,629	45,335	38,174	51,979	50.8
Free virtual visits	21,104,077	33,023,229	29,089,265	55,862,155	50,916,263	141.3

⁶ DataArts asks organizations to report the number of types of programs, not multiple or repeat offerings.

whereas they comprised only 33.7% of all physical visits for large organizations (Figure 9).

With over 1.5 million free physical visits in 2015 for our Cuyahoga County sample (Table 1), several focus group participants mentioned the abundance of free arts and cultural offerings in Cuyahoga County. They also pointed to the costs of these offerings to both audiences and organizations that provide these offerings. Brite Winter Festival's Brian Horsburgh explained that "in a Rust Belt city like this one, nothing is free," noting that audiences are saddled by time and transportation costs (2016). Another focus group participant lamented that funds to pay artists don't cover production costs, such as marketing, which leaves the question, "how do you get an audience there?" (Anonymous Medium Organization Focus Group Participant 2 2016). Along with costs associated with producing free events, the word "free" actually might be a deterrent to potential audiences (Metris Arts Consulting 2016b; Metris Arts Consulting 2016a). "People often equate 'free' with 'not as good,' they're not as invested in it," noted Amy Callahan (2016). Free screenings at the Chagrin Documentary Film Festival actually drew fewer audience members than paid ticketed screenings (Mary Ann Ponce 2016).

What solutions exist for increased attendance and more effective marketing? Although focus group participants from organizations of all sizes in Cuyahoga County lauded the local arts and cultural ecology's collaborative spirit, many saw opportunities for more connection among organizations. For example, one focus group participant identified collaborative programming opportunities between organizations of different artistic mediums (Anonymous Large Organization Focus Group Participant 2 2016), although another noted collaboration can "perpetuate burnout."

S/he turns down opportunities to collaborate because of lack of staff capacity and a need to maintain focus on executing the organization's mission well (Anonymous Small Organization Focus Group Participant 1 2016).

Focus group participants from organizations of all sizes noted the potential for more collaborative marketing. Greg Harris pointed to collaborative efforts among large arts and cultural organizations to leverage the swell of visitors for the 2013 National Senior Games and 2014 Gay Games, identifying Destination Cleveland as a potential partner and the Sports Commission as a possible model to emulate (2016). Focus group participants from small and medium organizations mentioned *Collective Arts Network (CAN)*, a journal for visual arts that has facilitated connections among arts and cultural organizations, as well as allowed the community to learn about creative offerings (Metris Arts Consulting 2016b; Metris Arts Consulting 2016a).

These collaborative efforts might be especially helpful as DataArts analysis showed a 13.5% decrease in marketing and communications expenses from 2011 to 2015 for arts and culture organizations in our Cuyahoga County sample. Large organizations contributed to this decrease, as small and medium organizations, on average, actually spent more on marketing and communications in 2015 than in 2011. In 2015, large organizations, on average, spent 2.4% of their total expenses on marketing and communication, a much lower portion than small and medium organizations, on average (5.0 and 4.7%, respectively) (Figure 10). A nation-wide survey found that while larger organizations require more marketing dollars to bring in each attendee, once the attendee comes, these organizations tend to net more program revenue from the attendee (National Center for Arts Research 2016).

FIGURE 9: PERCENTAGE PAID AND FREE PHYSICAL VISITS BY ORGANIZATION SIZE, 2015

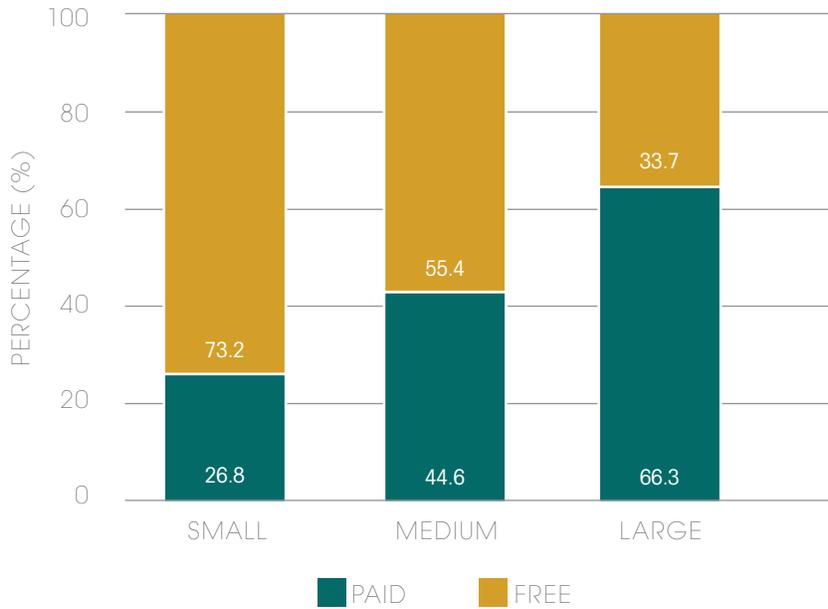


FIGURE 10: TYPES OF EXPENSES BY ORGANIZATION SIZE, 2015



Entering our 8th year, Brite Winter returned to the West Bank of the Flats in February 2017 with 40+ musical acts, participatory art experiences, food trucks, games and fire. This free event brings people of all ages, incomes and background, allowing them to discover new music and art and enjoy their community.

Seafair performs on Brite Winter's CoverMyMeds Stage. Photo by Robert Muller



HUMAN

RESOURCES

Inlet Dance Theatre is one of the region's most exciting professional contemporary dance companies. Founded in 2001 by Founder and Executive/Artistic Director Bill Wade, Inlet embodies his longstanding belief that dance viewing, training and performing experiences serve as tools to bring about personal growth and development. Inlet's collaborative artistic staff build the company's solid reputation for uplifting individuals and engaging new audiences via performances and education programming. In contrast to an industry where people are often used to further dance, Inlet Dance Theatre is committed to using dance to further people.

Michelle Sipes and Joshua Brown perform 10, Reimagined at CPT DanceWorks 2016. Photo by Suzanne Sherbundy

To produce arts and cultural offerings, organizations need people power. In 2015, Cuyahoga County arts and cultural organizations in our sample relied on over 3,000 paid and unpaid personnel, with small, medium, and large organizations depending to varying degrees on full-time, part-time, contractors, interns, and volunteers. Focus group participants see staff as an asset and liability, and seek to build both staff and board capacity in order to improve financial sustainability.

Cuyahoga County arts and cultural organizations have deep appreciation for their staff, but also acknowledge that compensating staff can cause financial strain. Full-time employees comprised nearly half (43.8%) of all personnel in our 2015 Cuyahoga County sample (Figure 11) and large organizations, on average, experienced an even larger portion (57.5%) compared to their smaller counterparts (16.7% for medium

and 8.3% for small) (Figure 12). In 2015, Cuyahoga County arts and cultural organizations in our sample spent over \$126 million overall on salaries and fringe, an increase from 2011 driven unsurprisingly by medium and large organizations (+28.7% and +17.3%, respectively). Salaries and fringe expenses also make up larger portions of medium and large organizations' total expenses, on average, than smaller organizations (41.7%, 45.5%, and 27.9%, respectively) (Figure 10). Focus group participants pointed to health care and 401K contributions as reasons for this dynamic. The Department of Labor's potential changes to exempt salaried employees, rising health care costs, and cost of senior staff with no opportunities available to move up the ladder regionally to other organizations pose particular threats to the arts and cultural ecology in Cuyahoga County (Metris Arts Consulting 2016c; Metris Arts Consulting 2016a).

FIGURE 11: FULL TIME EQUIVALENTS, ALL ORGANIZATIONS, 2015

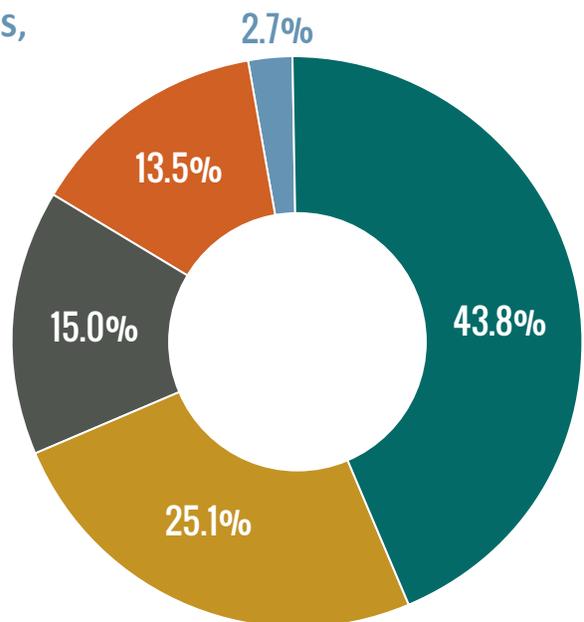
1,418.0
Full-time Employees

811.7
Volunteers

484.7
Contractors

435.6
Part-time Employees

87.2
Interns

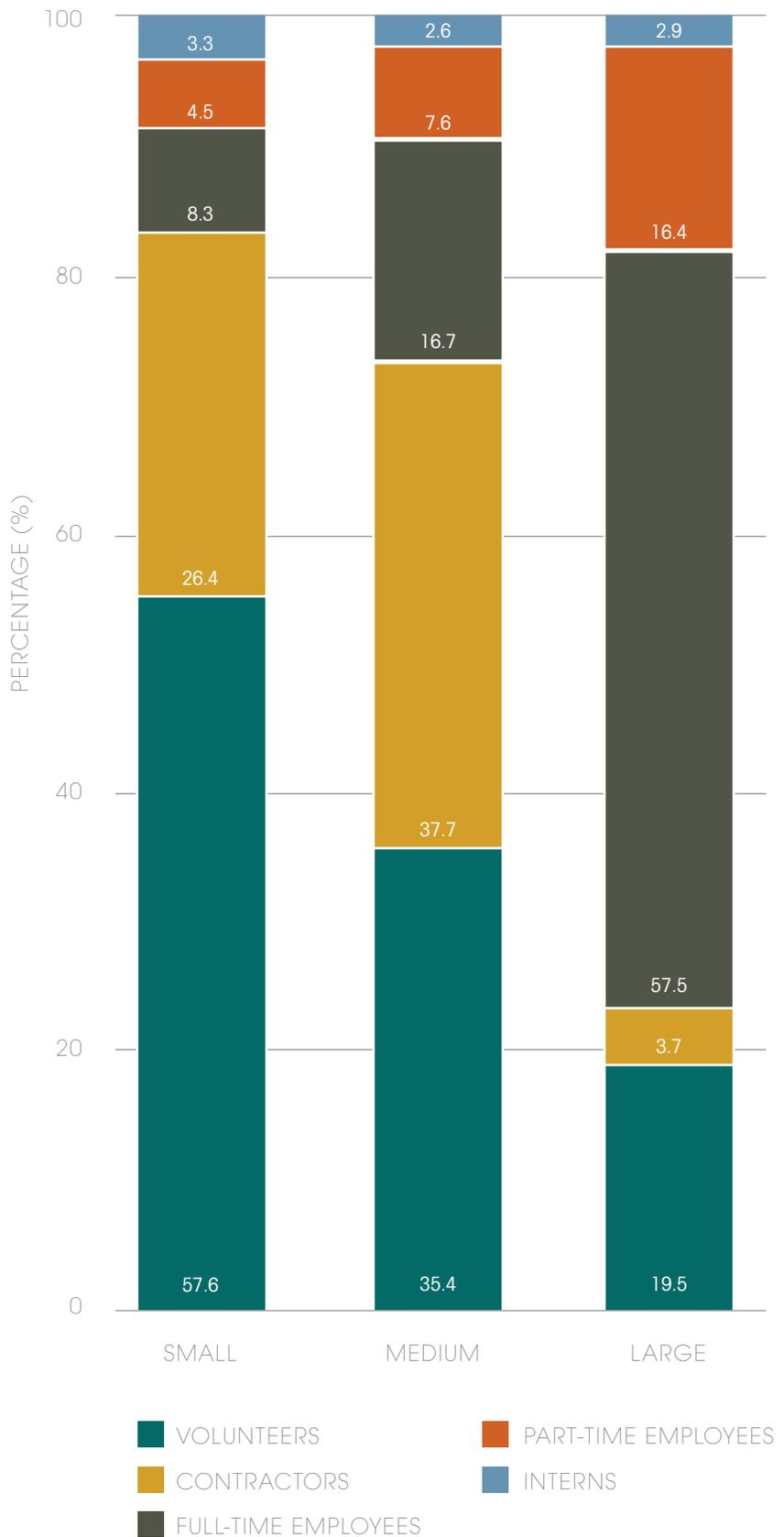




The Art Therapy Studio is the oldest creative arts therapy program of its kind in the country. Our mission is to enhance the quality of life for those with physical, cognitive, or emotional challenges through the therapeutic use of art. We use art making led by credentialed art therapists to promote healing and wellness.

Michael participates in the Art Therapy Studio's Senior Painting group at the Fairhill Studio, led by Art Therapist Ashleigh Brooks. Photo by Art Therapy Studio staff

FIGURE 12: AVERAGE FULL TIME EQUIVALENTS BY ORGANIZATION SIZE, 2015



Although from 2011 to 2015 organizations of all sizes in our sample, on average, saw increases in full-time and part-time FTEs, and board members, focus group participants still desire increased staff and board capacity to improve financial sustainability, services, and programming. Focus group participants specifically called out a need for capacity building around evaluation, IT, and other technical skills. Inlet Dance Theatre's Bill Wade wants to incorporate more evaluation in his work but noted that "in small organizations, we're all wearing so many hats" (2016). Mary Ann Ponce, director of the Chagrin Documentary Film Festival said that the Festival's growth "has been a strain for a one-person organization" (2016). She wants to responsibly build a team and believes she can do so with two recent large donations from individuals. As a way to build staff capacity, one focus group participant pointed to collaboratively sharing staff (i.e., technical) with other arts nonprofits (Anonymous Medium Organization Focus Group Participant 1 2016). Others look to build teams that can break out of the "that's what we've always done" mentality (Metris Arts Consulting 2016a).

Board members and trustees play important roles in an organization's team and many focus group participants see the opportunity to leverage their boards to improve their organizations' financial sustainability. Board and trustee support, one of the leading sources of contributed support for our Cuyahoga County sample (Figure 4), increased from

2011 to 2015, with notable growth from large organizations. In fact, while large organizations, on average, experienced a 47.3% increase in board and trustee support from 2011 to 2015, medium organizations saw a decrease (-7.6). Small organizations also saw an increase (+59.1%), but, on average, board and trustee support plays a larger role for large organizations' total contributed support than for their small and medium counterparts (Figure 6). Because some board members may deeply care about the organization's mission but don't feel comfortable asking for money, and others may have come in with the founding director and now are uncomfortable facing change with new leadership, focus group participants see opportunities for increased financial sustainability through board training, strategic planning, and elevating the role of board members from focusing on operations to instead nurturing relationships that result in access to funds. (Metris Arts Consulting 2016a; Metris Arts Consulting 2016c). One focus group participant from a large organization has found recent success with an increasingly active Board development committee and clearer expectations regarding financial responsibilities for new Board members (Anonymous Large Organization Focus Group Participant 1 2016).



SPACE

RESOURCES

Each year Cleveland Institute of Music (CIM) presents more than 400 concerts and events to the Cleveland community, most of which are free of charge.

*Cleveland Institute of Music Orchestra performing in CIM's Mixon Hall.
Photo by Roger Mastroianni*

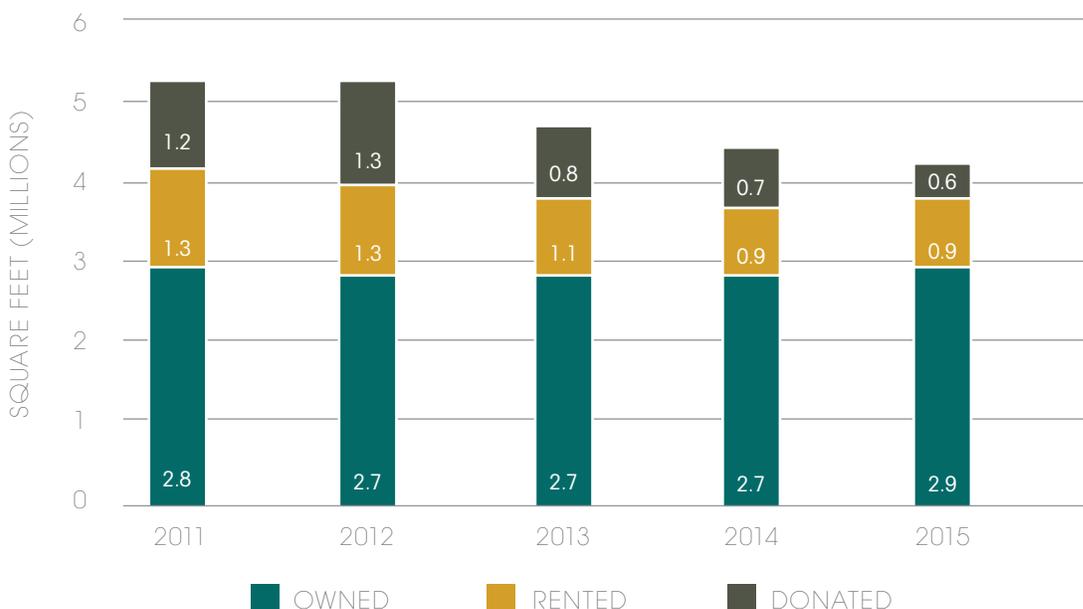
Arts and cultural organizations need space for staff and other personnel to practice, perform, and educate, not to mention complete important everyday administrative tasks. In 2015, Cuyahoga County arts and cultural organizations in our sample used over four million square feet of owned, rented, and donated space, a 18.8% decrease from 2011 (Figure 13), with small, medium, and large organizations experiencing different space-related opportunities and challenges.

Investing in space can be a big decision for arts and cultural organizations, from the small museum acquiring space for the first time to a medium theater scaling up to a larger venue. More arts and cultural organizations in our sample owned space in 2015 (21) than in 2011 (17), totaling nearly three million square feet. While fewer arts and cultural organizations in our Cuyahoga County sample engaged in capital campaigns in 2015 (8) than in 2011 (12), in sum, they raised a higher



Cleveland Institute of Music (CIM) classical guitar student performing at the Cleveland Museum of Art's (CMA) Music in the Galleries Series. During the academic year, CIM students perform each month as part of this series, which offers free concerts in the CMA galleries. Photo by Robert Muller

FIGURE 13: TOTAL SQUARE FOOTAGE, OWNED, RENTED, DONATED, ALL ORGANIZATIONS





Focus group participants working
in organizations of all sizes in
Cuyahoga County described building
ownership as a blessing and a curse.

Waterloo Arts is a 501(c)3 whose mission is to enrich the neighborhood culturally and economically, and create a stimulating arts environment by sponsoring exhibits, performances, special events, and educational programming for people of all ages.

14th Annual Waterloo Arts Fest. Photo by Bridget Caswell

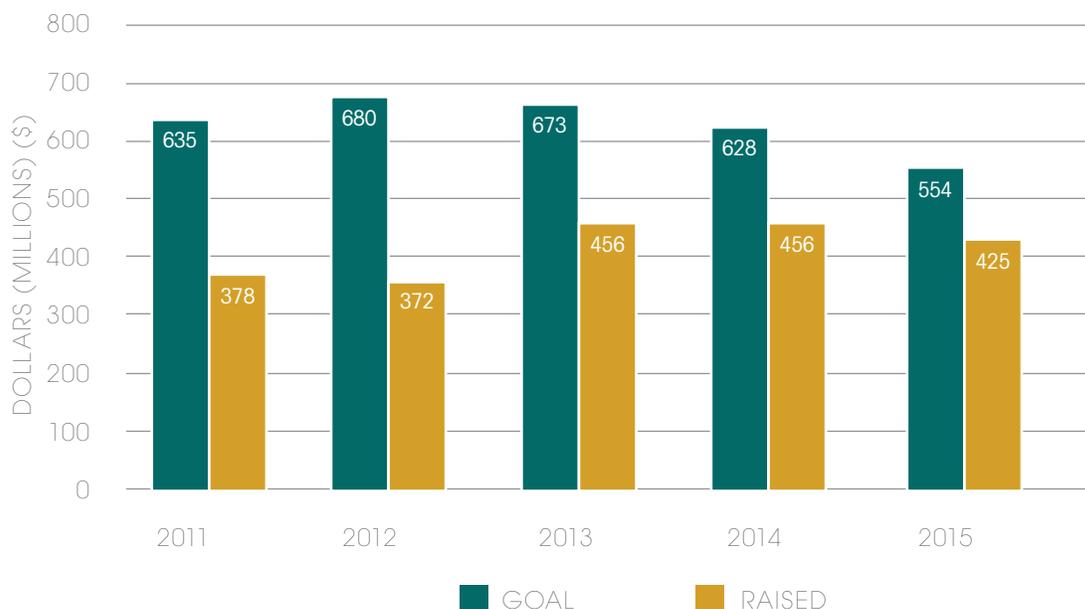
percent of their goal in each subsequent year from 2011 to 2015 (Figure 14).

Focus group participants working in organizations of all sizes in Cuyahoga County described building ownership as a blessing and a curse. “Having an inspiring space that meets the specific needs of an arts organization is important and renting the space can be an added source of income,” said Amy Callahan, “but the lack of capital support from foundations can make a building feel more like a ball and chain.” (2016). Ann Craddock Albano noted that owning a building is “almost a disadvantage because of the ongoing maintenance expenses” (2016), and another participant described capital maintenance as a “weakness and a threat” to the organization’s financial sustainability (Anonymous Large Organization Focus Group Participant 1 2016).

Whereas the small minority of Cuyahoga County arts and cultural organizations in our

sample own space, the majority rent space (41 in 2015) and many receive donated space (18 in 2015). Multiple small focus group participants acknowledged Cuyahoga County’s affordable rental space, especially compared to other cities. “Organizations like ours would just not exist [in cities with higher rental markets],” said Mary Ann Ponce (2016). Nationally, small organizations often depend on the community for donated, rented, borrowed, or public spaces to create or perform their work (TDC 2014). Small arts and cultural organizations in our Cuyahoga County sample are no exception, with the vast majority of their space rented or donated. They also allocate a higher percentage of their total expenses to facilities than their larger counterparts (9.3% for small vs. 5.3% and 5.4%, on average, for medium and large organizations) (Figure 10).

FIGURE 14: TOTAL CAPITAL CAMPAIGN GOALS AND MONEY RAISED, ALL ORGANIZATIONS





CONCLUSION

It is with great pleasure that we celebrate the 150th anniversary of the Western Reserve Historical Society (WRHS), Cleveland's oldest cultural institution and the trusted steward of the rich history of our region. Founded in 1867 on Cleveland's Public Square, WRHS has been collecting and sharing fascinating stories of Northeast Ohio and America for 150 years. Photo by WRHS

As evidenced above, many components contribute to a robust Cuyahoga County arts and cultural nonprofit sector. Individuals, foundations, and corporations provide generous support. Hardworking and innovative leadership and staff value a collaborative spirit. The community accesses a wealth of artistic and educational programs, often enjoyed free of charge.

However, even in this environment of abundance, internal and external pressures threaten the financial sustainability of local arts and cultural organizations. While small, medium, and large organizations each experience unique challenges, there are barriers common to the organizations regardless of their size. Cuyahoga County leaders in this sector are up to the challenge. They see opportunities for increased collaborative marketing and programming, new ways to tap funding sources, and more effective boards. Innovation, just like creativity, is in Northeast Ohio water.



Over 50,000 students, pre-K through high school, experience programming through the Cleveland History Center or Hale Farm & Village throughout the school year. Our mission is to enable students to actively place themselves in the past, accurately visualize life at a different time, and through critical thinking, connect that past to their own present in a meaningful way.

*Maple Sugar education at Hale Farm & Village,
Photo by Nancy Balluck*

Innovation, just like creativity,
is in Northeast Ohio water.

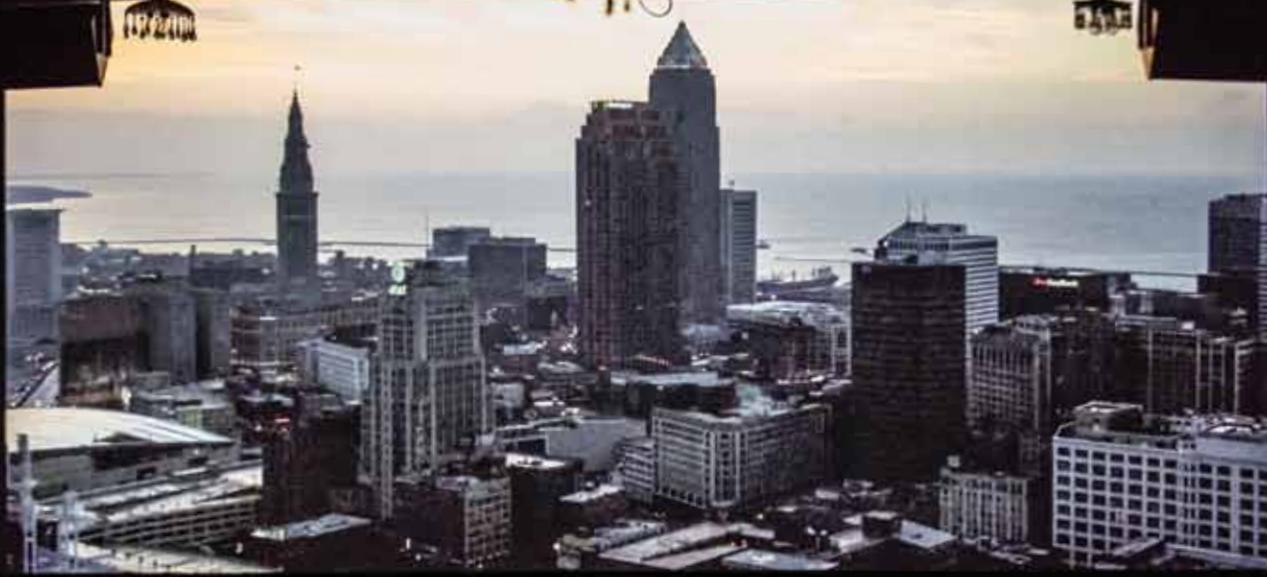
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Trepanning Trio performs at Heights Arts, Photo by Daniel Levin

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METHODS

The Cleveland International Film Festival (CIFF) presents the newest and best films from around the world and we work diligently to help our audience learn something along the way. The CIFF launches annually with an Opening Night Film on a Wednesday evening each late March or early April. Following Opening Night and a post-film reception, over 500 film screenings are exhibited from 9:00 a.m. to 12:00 midnight (and even later on weekends) for the next 11 days. Approximately 400 films from over 60 countries are presented on an annual basis. Since 2003, the CIFF has experienced tremendous growth and our attendance has nearly tripled (from 35,173 to 102,255).

World Premiere screening of BELIEVELAND, photo by Cleveland International Film Festival

Culture Pulse 2016 includes Key Findings and Data Tables that focus on longitudinal change (2011-2015). Culture Pulse 2016 represents the fourth Culture Pulse report produced by CPAC. Readers, however, should not compare individual data points across annual reports. The number and specific nonprofit organizations comprising each annual sample varies, based on how many and which organizations complete DataArts profiles.

For both Culture Pulse 2016 report elements, organizational profiles from DataArts—formerly Cultural Data Project (CDP)—are core data. The Key Findings and Data Tables analysis are limited to the 62 arts and cultural organizations in Cuyahoga County that completed annual profiles in 2011, 2012, 2013, 2014, and 2015. We obtained the data “pull” from DataArts in September 2016 and restricted analyses to profiles for which DataArts had undertaken internal accuracy checks.

The 2016 report includes many more comparative analyses along the dimensions of organizational size than in prior years. Small organizations are defined as those with average annual total expenses of less than \$250,000, medium as those with annual total expenses of \$250,000 to less than \$2 million, and large as those with \$2 million or more.

To define the organization size groupings, we sought natural breaks along both organizations’ annual total expenses

and total full-time equivalent employees (FTEs). We averaged each organization’s annual total expenses and total full-time equivalent employees. Organizations with average annual total expenses of less than \$250,000 had zero to three FTEs, those with average annual total expenses of \$250,000 to less than \$2 million had zero to twenty FTEs, and those with average annual total expenses of \$2 million or more had seven to 336 FTEs. However, only one organization in the medium group had zero FTEs and only one in the large group had seven FTEs, therefore we consider both outliers. Although each group includes a wide range in terms of total expenses and total FTEs, we ultimately decided against creating additional organization size sub-groups to ensure that the three groups contained large enough sample sizes for meaningful analyses and to ensure confidentiality. Within each year’s analysis, we place an organization into the small, medium, or large category based on that year’s total expenses; for example, an organization with total expenses under \$250,000 in 2011 is counted as a small organization in 2011 but if its total expenses rose to \$250,000 or more in a subsequent year, it is counted with the other medium organizations.

Users should be aware of the following additional technical notes regarding DataArts data. All financial values reflect 2015 dollars. (We adjusted 2011-2014 values using the Bureau of Labor Statistics CPI). Data tables in this document reflect

both the summation of all self-reported data entered by these organizations into DataArts and also averages for small, medium, and large organizations. Throughout, we note when a small number of outlier organizations drive annual or average change. However, due to confidentiality restrictions, we do not identify the specific organization.

The Key Findings analysis also employs two additional methods beyond DataArts: a national literature review and focus groups with leaders Cuyahoga County arts and cultural organizations (beyond those who completed DataArts profiles). For the literature review, we explored literature relevant to our organizational financial health research questions: What challenges and opportunities do arts and cultural organizations face (nationally) in terms of financial sustainability? How do challenges and opportunities differ by size of arts and cultural organization? How are arts and cultural organizations of different sizes overcoming challenges and leveraging opportunities? We used this literature review to craft focus group questions and frame our Cuyahoga County-specific research within a national context. In focus groups (specific to small, medium, and large organizations), we surfaced strengths, weaknesses, opportunities, and threats that participants' organizations face in terms of financial health and sustainability and asked participants to provide insights or context to help us tell the story behind preliminary DataArts analysis.

Many thanks to the following focus group participants who shared their time and insights:

SMALL ORGANIZATIONS

Amy Callahan, Waterloo Arts
Ann Craddock Albano, The Sculpture Center
Edna M. Duffy, Duffy Liturgical Dance
Brian Horsburgh, Brite Winter Festival
Mary Ann Ponce, Chagrin Documentary Film Festival
Bill Wade, Inlet Dance Theatre

MEDIUM ORGANIZATIONS

One Anonymous Participant
Rachel Bernstein, Heights Arts
Nancy Heaton, BAYarts
Beth Rutkowski, GroundWorks DanceTheater
Shannon Scott-Miller, Art Therapy Studio

LARGE ORGANIZATIONS

Greg Harris, Rock and Roll Hall of Fame
Mary McDaniels Thoburn, Western Reserve Historical Society
Patrick Shepherd, Cleveland International Film Festival
Karin Stone, Cleveland Institute of Music
Gina Vernaci, Playhouse Square Foundation

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CONVERSATION STARTERS

TIPS FOR USING THE REPORT FOR REFLECTION



WITH BOARD AND STAFF

*Identify what sector trends
resonate the most and least
with your experience.*

ASK:

- 1 Why are we doing better relative to others in the sector? What steps should we continue to take?
- 2 What areas do we need to work on? What factors are holding us back relative to peers?



WITH FUNDERS AND PUBLIC OFFICIALS

*Bring the key findings to life
by telling your story.*

ASK:

- 1 How are certain trends helping or hurting your ability to achieve your mission or artistic goals?
- 2 How does this impact the programs and services available to their stakeholders?



WITH PEERS

*Develop a plan of action to
address common cause
issues facing the sector.*

ASK:

- 1 How can we work together to prioritize short- and long-term goals?
- 2 What resources are needed to enact change?

FRONT COVER TOP:
*A crowd stands in awe of Brite Winter's
Fire and Ice Tower. Photo by Robert Muller*

FRONT COVER BOTTOM:
*14th Annual Waterloo Arts Fest.
Photo by Bridget Caswell*
