

Greensboro & High Point Arts Ecology Study

December 22, 2020

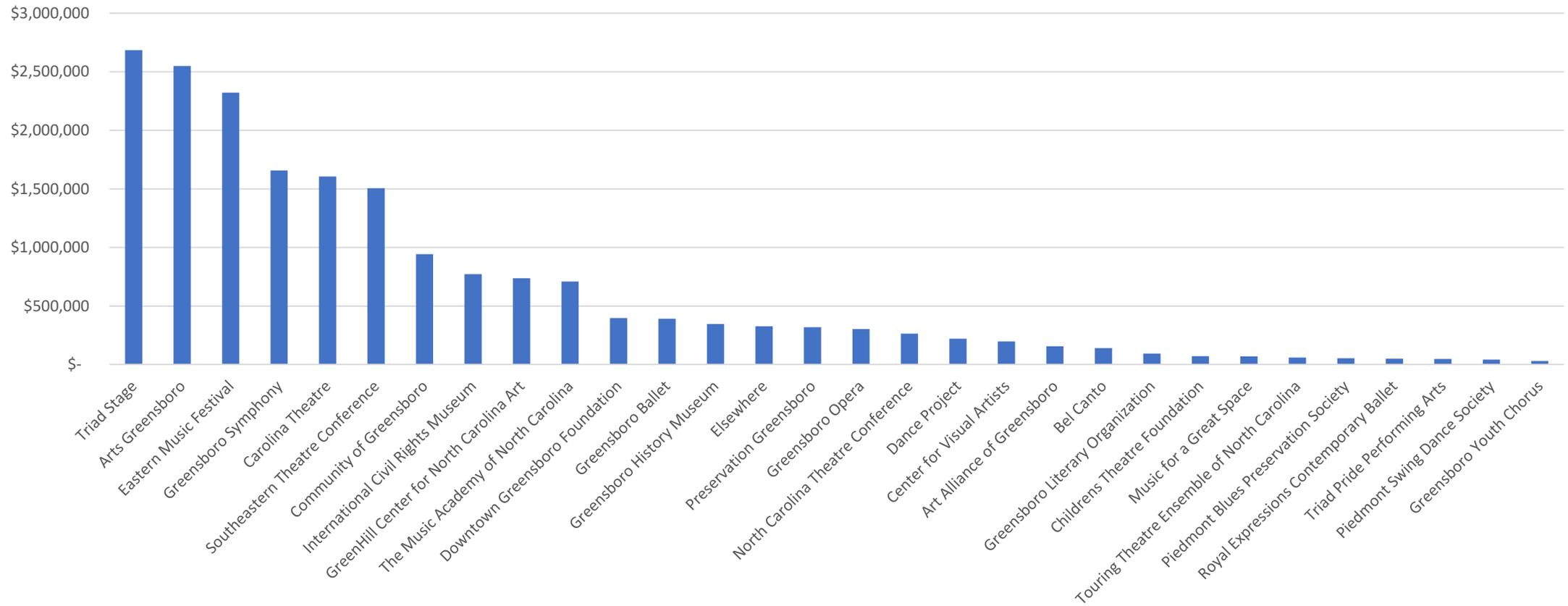
The Arts in Greensboro and High Point are Poised For Exciting Changes and Growth

- While the world is in the midst of great change and upheaval, Greensboro and High Point are also in a place of great potential to develop their arts ecologies.
- There is a strong community of artists and arts organizations, with a great willingness and commitment to create vibrant cities, and use the power of art to create bridges to connect people.
- Arts Greensboro is in a strong position to bring together all the “players” – artists, arts organizations, funders, cities, and the community – to communicate the value and impact the arts can bring to Greensboro and High Point.

Greensboro's Not-for-Profit Arts Organizations are Many...But Small

Non-Profit Arts Organizations in Greensboro

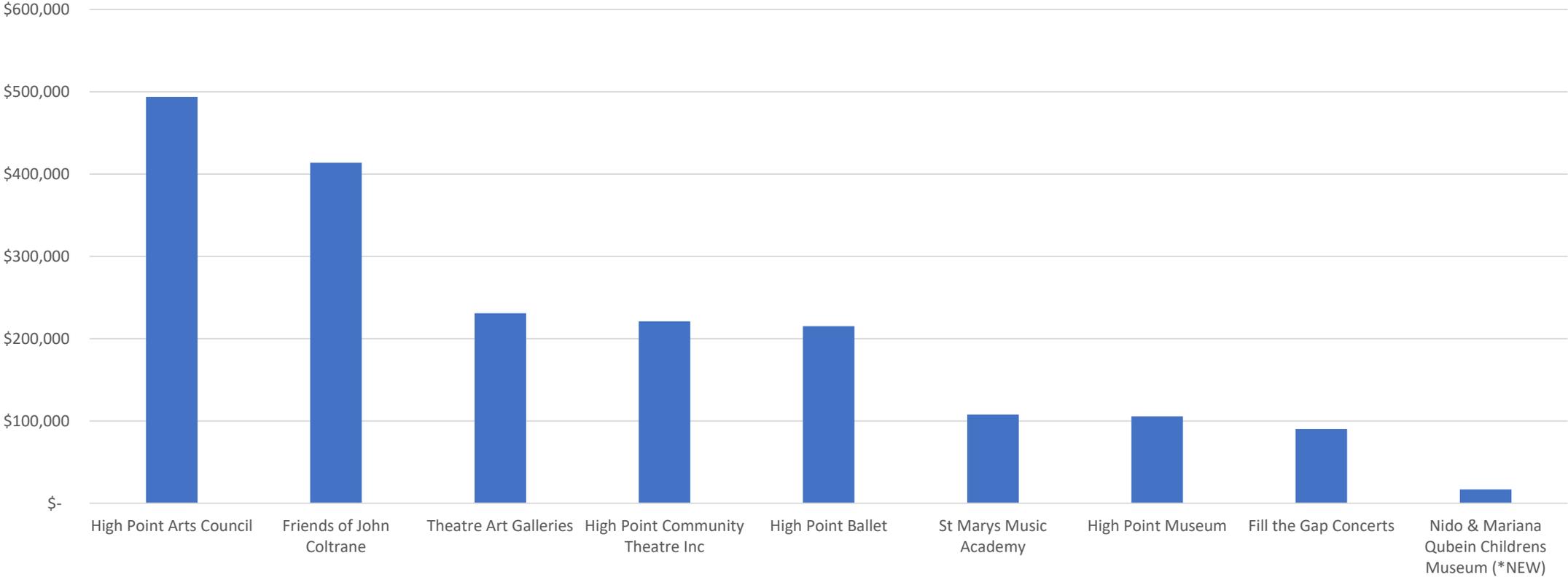
Source: IRS 990s Expenses 2018, 2019



High Point has a Small Number of Not-for-Profit Arts Organizations

Non-Profit Arts Organizations in High Point

Source: IRS 990s Expenses 2018, 2019



Greensboro and High Point's Top 10 Arts Organizations are Smaller Compared to Comparator Cities

City	Population	Top End	Low End	Average
Louisville, KY	617,638	\$ 16,473,726.00	\$ 2,158,522.00	\$ 7,276,150.50
Pittsburgh City, PA	300,286	\$ 67,989,120.00	\$ 1,847,166.00	\$ 22,870,472.90
Greensboro City, NC	296,710	\$ 2,683,908.00	\$ 708,457.00	\$ 1,547,907.30
St Petersburg City, FL	265,351	\$ 11,478,081.00	\$ 281,773.00	\$ 3,784,758.90
Chattanooga, TN	182,799	\$ 8,207,445.00	\$ 477,517.00	\$ 3,784,758.90
Dayton City, OH	140,407	\$ 15,551,313.00	\$ 387,912.00	\$ 4,540,317.70
Charleston City, SC	137,566	\$ 8,254,488.00	\$ 1,010,876.00	\$ 2,959,843.90
High Point City, NC	112,791	\$ 493,621.00	\$ 16,668.00	\$ 210,400.33
Greenville, SC	70,635	\$ 21,318,262.00	\$ 533,362.00	\$ 3,554,729.10

Long-term Trends in the National Arts Ecology

- COVID-19
- Focus on Anti-Racism
- Reduction in arts and humanities education in the public schools
- Reduction in subscriptions
- Aging of traditional donor base
- Role of electronic substitutes
- Role of electronic distribution of cultural programming:
- In 2017, 74% of adults got arts on the internet, 50% attended a live event
- Many cultural institutions are having difficulty adapting to this new environment

Impact of COVID – Arts Greensboro Study

Type of organization	Nonprofit	For profit	Other	Total
Total number of people furloughed	222	10	3	235
Total number of people laid off	68	5	0	73
Total number of vacant positions not filled	74	9	2	85
Total performances/events canceled	1,217	2,193	8	3,418
The estimate of total lost attendance	663,793	23,500	500	687,793
Decrease in earned revenue (as compared to same period LY)	\$5,280,923	\$299,504	\$3,000	\$5,583,427
Decrease in contributed revenue (as compared to the same period LY)	\$1,390,346	\$30,500	\$6,000	\$1,426,846
Direct Dollar Impact	\$6,671,269	\$330,004	\$9,000	\$7,010,273
Total Relief Funds	\$2,979,545	\$152,728	\$0	\$3,132,273
Lost economic impact opportunity*	\$9,470,910			
Total Impact**	\$16,481,183			

*Calculated as Audience x average per person spending (\$13.77) per AFTA Prosperity Study

**Direct dollar impact + economic impact opportunity

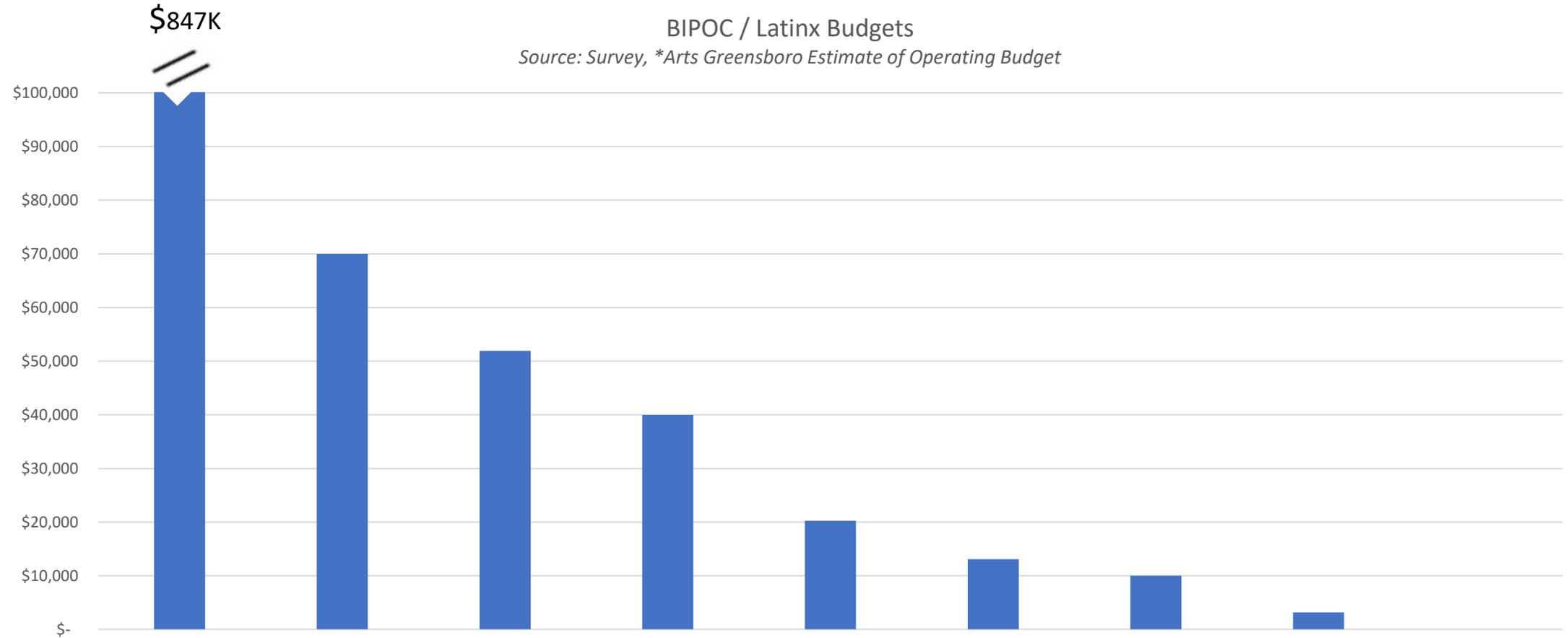
Source: Arts Greensboro Study, 2020 – 43 organizations responded – July 14, 2020

BIPOC/Latinx Arts Organizations in Greensboro

- From the Interview and Survey respondents, there are a handful of BIPOC / Latinx Arts Organizations in Greensboro

Organization name	Executive Director/other
African American Atelier, Inc.	Andrena Coleman
Casa Azul of Greensboro	Claudia Fermendes (Co-Board Chair, no ED)
Community Theatre of Greensboro	Roz Fulton
Guilford Native American Gallery	Rick Oxendine (Board Member, no ED)
Magnolia House Foundation, Inc.	Natalie Miller (Melissa Knapp)
Piedmont Blues Preservation Society	Atiba Berkley (Board Chair, no ED)
Poetry Café	Joesephus Thompson
Royal Expressions Contemporary Ballet	Princess Johnson
TAB/ nonprofit arm of the Artist Bloc	Sunny Gravely

BIPOC Organization Budgets



Top Challenges for Individual Organizations

- Overwhelmingly, the top challenges faced by arts organizations in Greensboro and High Point are related to:
 - Funding
 - Marketing / Visibility
 - Staffing (adequate levels & specific expertise)
- Additional challenges include COVID programming, space, and organizational growth.

Top Challenges for the Region's Arts Sectors

- The Siloed State of Greensboro and High Point – “The Invisible Wall”
 - Though these two cities are very close in geographic distance – very few respondents had knowledge of the other city.
 - While both are in Guilford County – there are separate Arts Councils, and a sense that audience and artists will rarely “cross the border”
- Visibility – it is very difficult to get the word out to audiences, particularly with tiny marketing budgets. There is limited press, and very difficult to get reviews.
- Loss of Corporate Players – with head offices shuttering, or moving out of the region, there is a knock-on effect of less corporate funding, less senior management in town, and the local middle class losing jobs.

Challenges Specific to Greensboro – Access to Space

- The Greensboro Cultural Center offers 15 arts organizations virtually rent-free space – what is fairness of who these arts organizations are and how long they have been in the space?
- The Tanger Center – a Mixed Response:
 - Pros: brand new facility can bring touring shows, attract new audiences from farther afield, and make downtown Greensboro a tourism destination. For some organizations, the larger venue will mean stronger earning potential for their programming.
 - Cons: On the other hand, it is expressed by the majority of respondents a sense of skepticism about the Tanger Center being positive for the arts ecology. The 3,000-seat capacity is beyond what is needed by arts organizations, the rent is likely to be unattainable to most, and it will cannibalize existing audiences.
 - “There’s a lack of value in homegrown arts in Greensboro. The smaller mid-sized cities want to be world class - and to them this means bringing Broadway to Greensboro instead of elevating us.”

Challenges Specific to High Point

- Funding
 - High Point doesn't have the broad base of funding to support the arts: the City funding has been cut for next year, there is a lack of serious individual donors, and there are not local foundations who fund the arts.
 - “We can sometimes feel like the redheaded stepchild”
- Small Arts community – there are just a few small arts organizations. It's difficult to compete with Greensboro and other cities..
- The Furniture Market Domination and Lack of Vibrant Downtown – very little happens downtown except for the semi-annual market. Retail businesses have closed, and furniture showrooms are owned out of state/country.

Data Collection

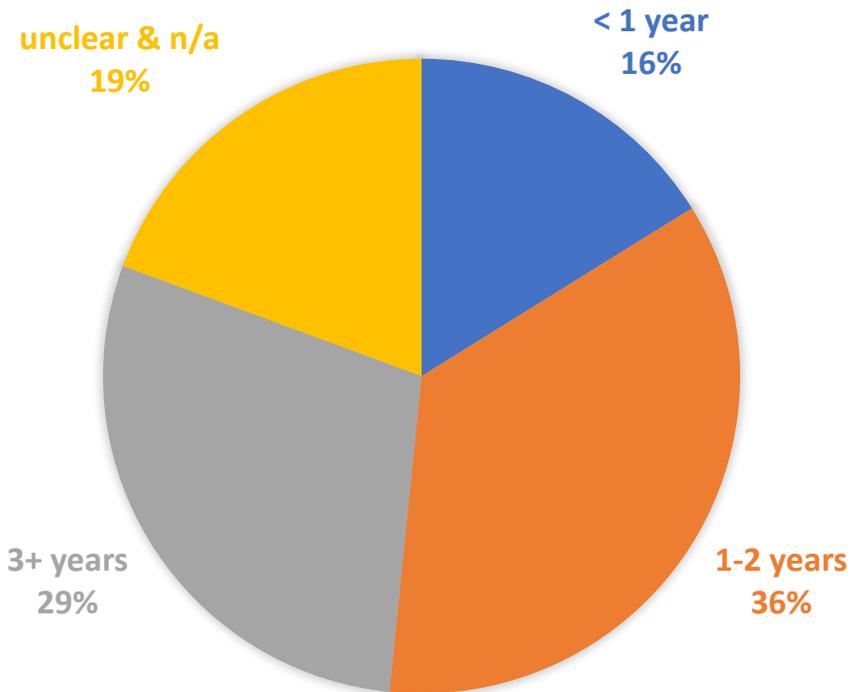
- Environmental research was conducted. Sources are noted on each slide.
- A request for interviews was sent to list of 38 members of the arts sector.
- 38 telephone interviews were conducted, 45-60 minutes in duration.
- Questions were both quantitative and qualitative regarding their own organizations, and opinions regarding the arts ecology of Greensboro and High Point. Responses for each city are noted separately.
- Interviewees were informed that only aggregate information without identifiers would be brought forward for the study.
- A survey was also circulated by email for Finance, Development and Marketing data – information brought forward is anonymized, and re-ordered for each graph for further anonymity.

Interview and Survey List

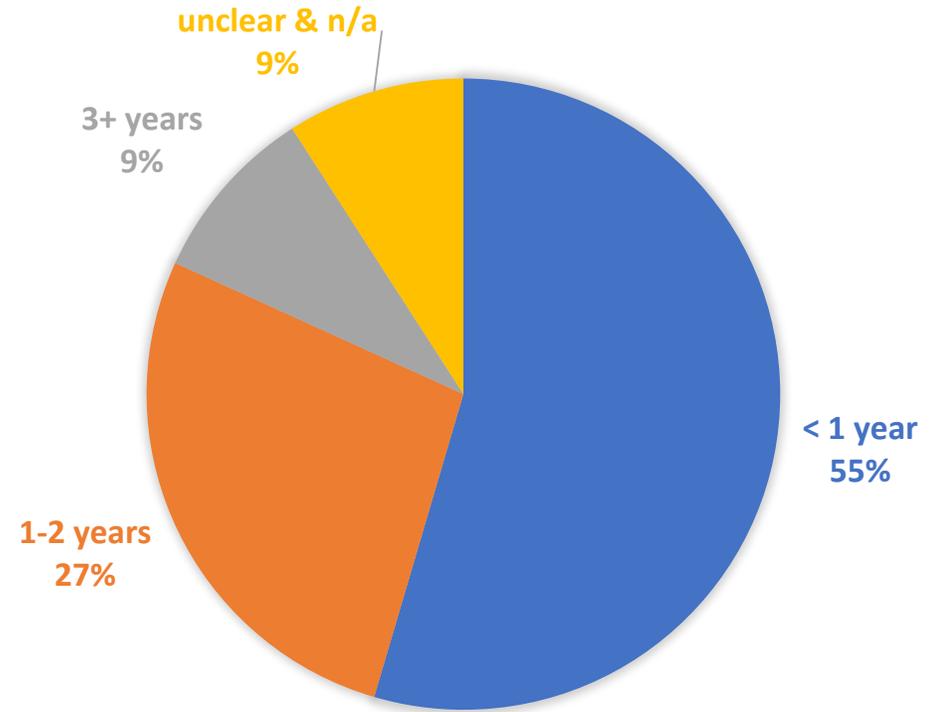
- African American Atelier, Inc.
- Art Alliance
- ArtsGreensboro
- Bel Canto Company
- Carolina Theatre of Greensboro
- Casa Azul of Greensboro
- Center for Visual Artists
- Community Theatre of Greensboro
- Creative Aging Network-NC
- Dance Project
- Eastern Music Festival
- Elsewhere
- Forge Greensboro
- Friends of John Coltrane
- GreenHill Center for NC Art
- Greensboro Ballet
- Greensboro Literary Organization
- Greensboro Opera
- Greensboro Symphony Orchestra
- Guilford Native American Gallery
- High Point Arts Council
- High Point Ballet
- High Point Community Theatre
- Magnolia House Foundation, Inc.
- Music for a Great Space
- North Carolina Folk Festival
- Piedmont Blues Preservation Society
- Poetry Café
- Royal Expressions Contemporary Ballet
- Shared Radiance Performing Arts Company
- TAB/ nonprofit arm of the Artist Bloc
- The Music Academy of North Carolina
- Theatre Art Galleries
- Triad Pride Performing Arts
- Triad Stage
- Weatherspoon Art Museum

Artistic Planning Timeframes Are Short

Artistic Planning - Major Projects
Source: Interviews - N=31

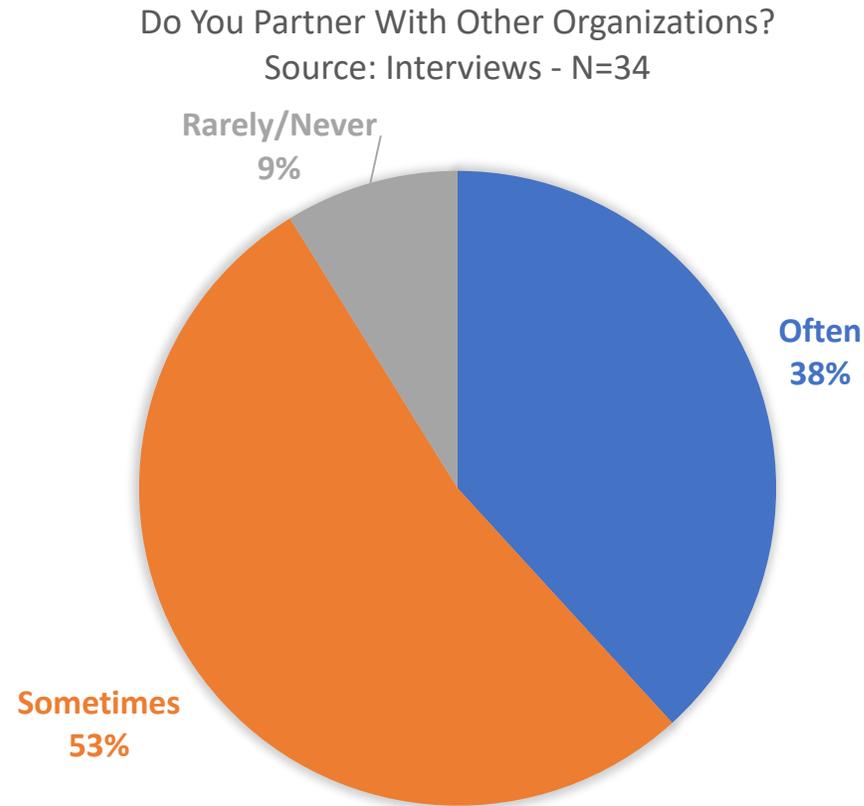


Artistic Planning - Regular Programming
Source: Interviews - N=33



- Most respondents indicated a desire to extend the planning cycle further.
- There are not a lot of Major Projects with the cohort

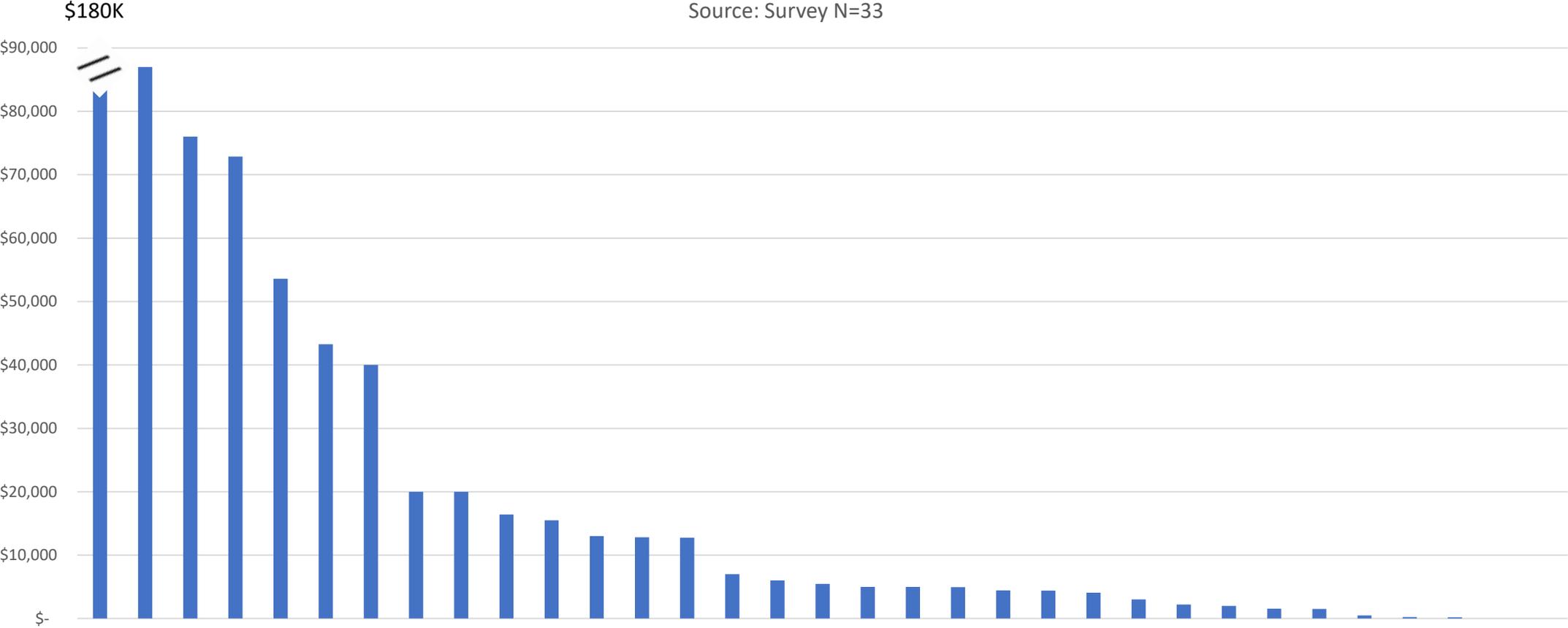
Most Organizations Employ Partnerships



- While the majority of respondents stated they partner, it is often NOT with other arts organizations.
- Some respondents “feel there is not a cooperative spirit in the region” – even to the point that their peers are not attending each other’s shows and events.

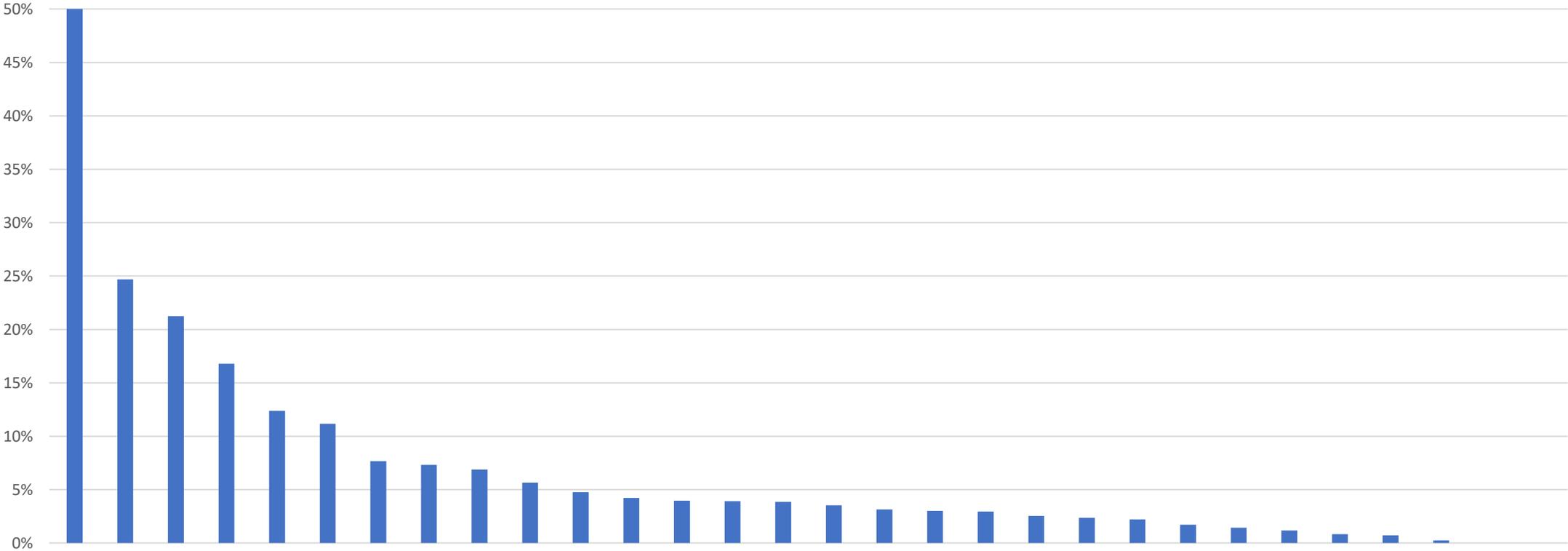
Many Organizations Spend Very Little on Programmatic Marketing

Overall Annual Marketing Spend
(no staff salaries) (\$)
Source: Survey N=33



Many Organizations Spend Very Little on Programmatic Marketing

% of Budget Spent on Marketing
Source: Survey N= 30

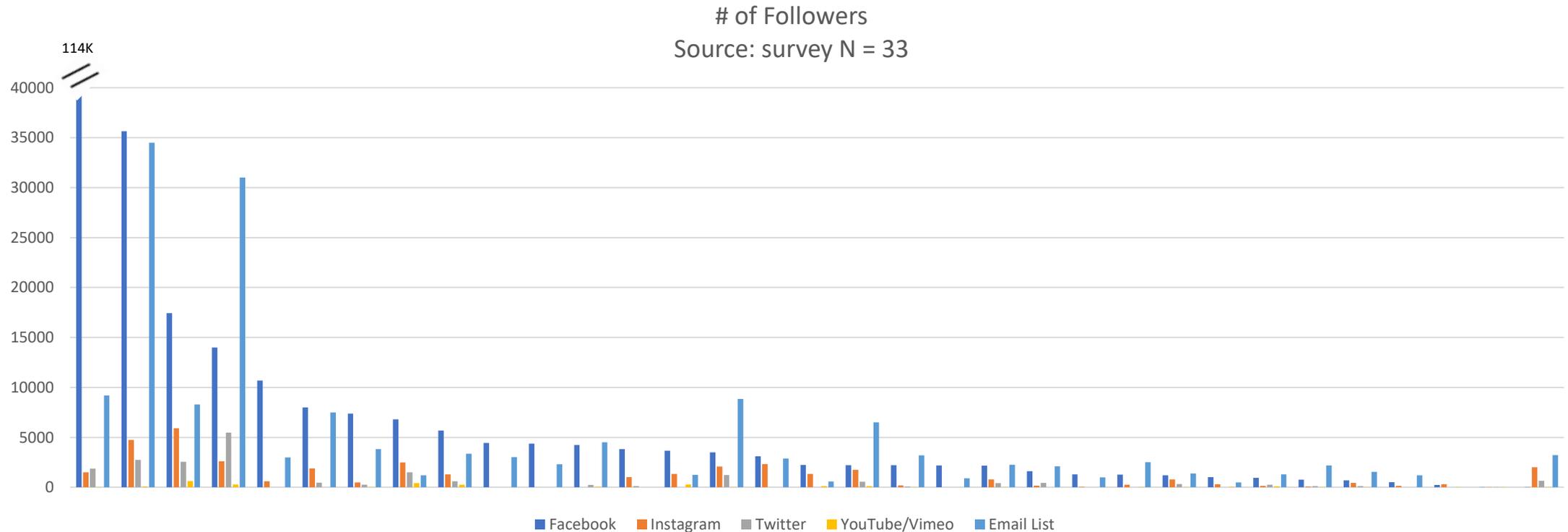


Ticket Prices Are Generally Low

- \$10-\$100
- \$15-85
- \$6-\$80
- \$15-\$40
- \$0-\$45
- \$25-\$50
- \$20-\$35
- \$10-\$35
- \$5-\$30 (2)
- \$0-\$30
- \$15-25
- \$15-\$22
- \$10-\$20
- \$0-\$20

*For upcoming Tanger Center Broadway Season – Subscription Packages have prices in the range of \$44-\$165 / ticket

Audience Scope, “Reachable Universe”



- Most organizations have modest market penetration.
- Word of Mouth and Social Media are crucial for most organizations.

The Funding Environment Has Changed

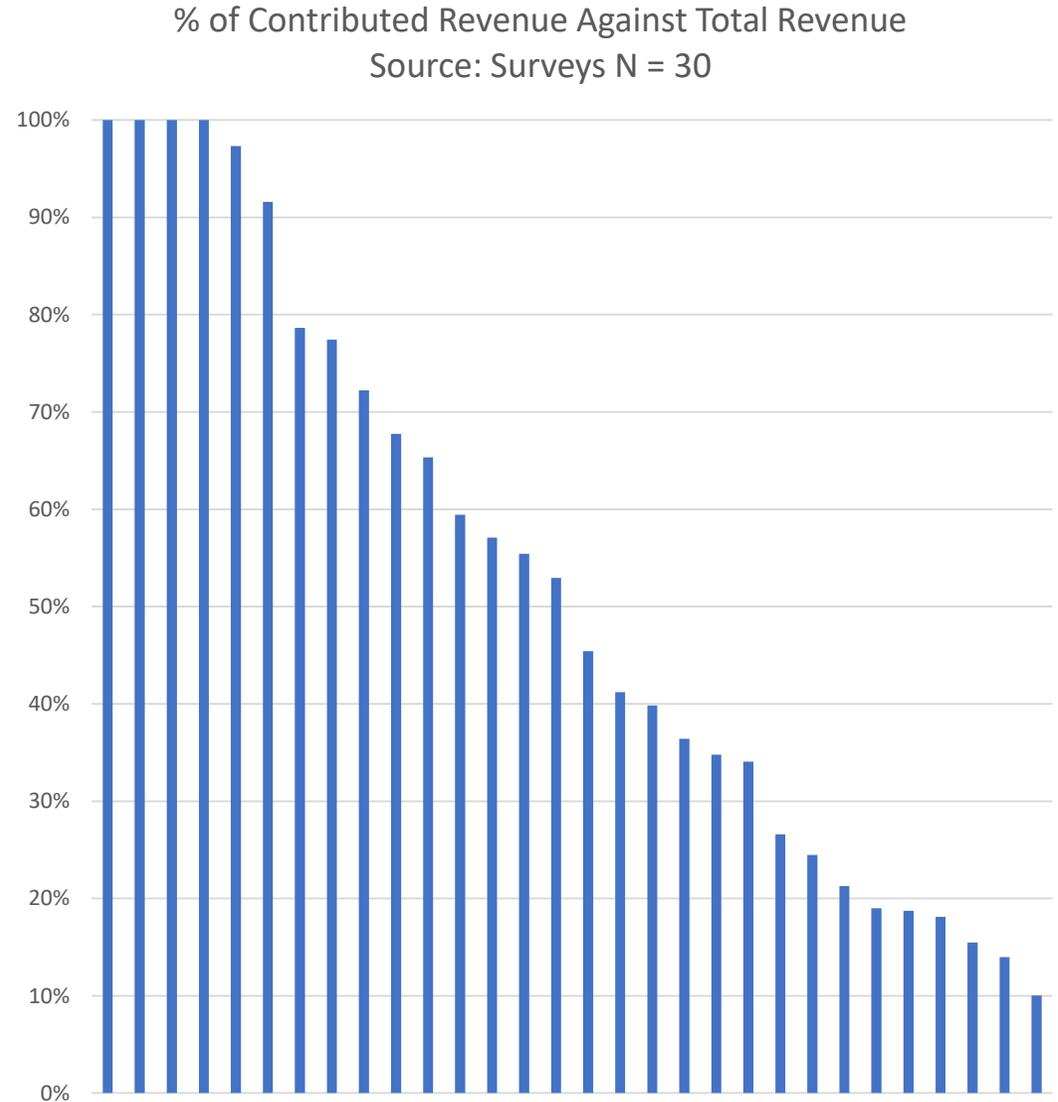
- Foundations are shifting focus away from the arts
 - In the case of family foundations, the next generation of the family hasn't stayed in the region.
- Loss of Corporate Head Offices has meant a change in commitment and focus on local initiatives. It is now very challenging to get corporate dollars. And there's a feeling that any available funds went to the Tanger Center capital campaign.
- Some organizations have noted stable individual giving and even modest increases.

The Funding Environment Has Changed

- Greensboro Arts Council grants shifted ten years ago to open up to fund more organizations, and not just the largest. This has meant more organizations have received funding, but with the same relative pot of funding, single amounts have gone down.
 - Support of operating funding has gone down.
- Impression that the fundraising efforts that have gone towards the Tanger Center development has diverted monies from funders and supporters away from the rest of the sector.
- Concern that future cycles of funding will be dominated by COVID relief response

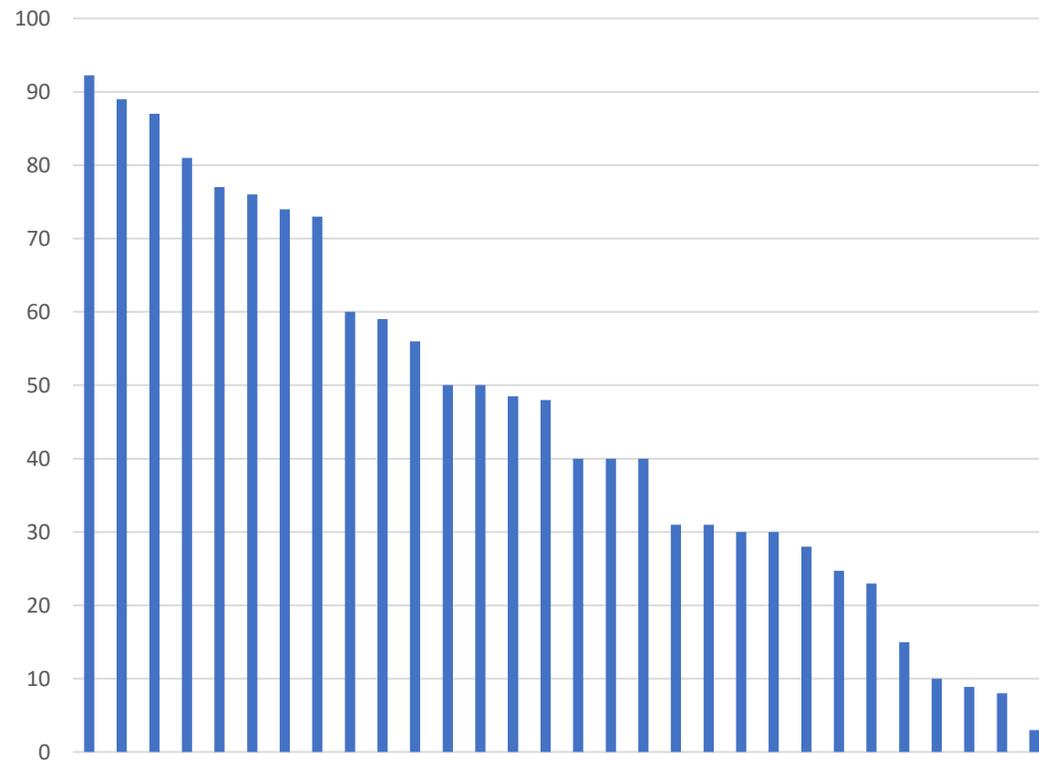
Contributed Revenue

- The cohort has a wide range of revenue mixes – with the average of 53% of Contributed Revenue against Total Revenue
- Though some are 100% reliant on Contributed Revenue



Individual Giving as a Percentage of Contributed

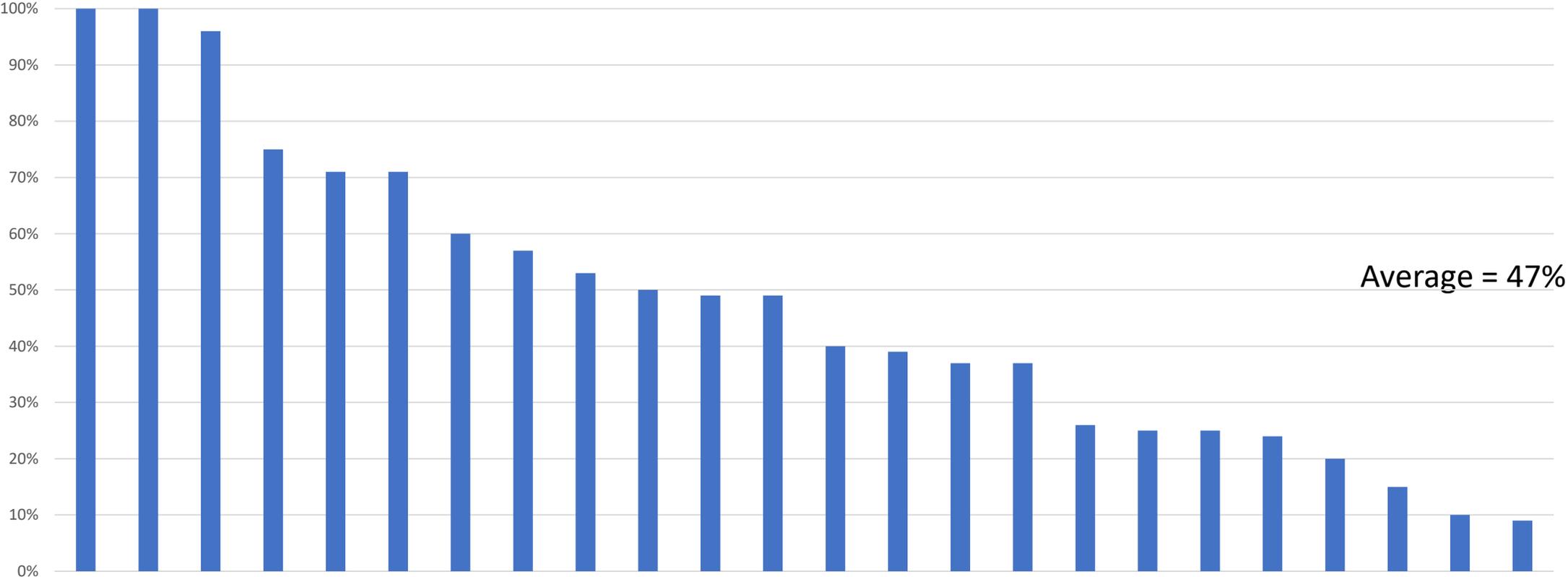
Individual Giving as a Percentage of CONTRIBUTED %
Source: Survey N=30



- The Average Contributed Revenue blend for the cohort is
 - 46.11% Individual
 - 9.6 % Government
 - 17.27 % Foundation
 - 15.03% Corporate
 - 11.99 % Other
- While the majority of comments in the interviews were about Government, Foundation and Corporate Funding, there IS a heavy reliance on Individual Giving though less than the national average

Many Arts Organizations Rely On A Few Donors

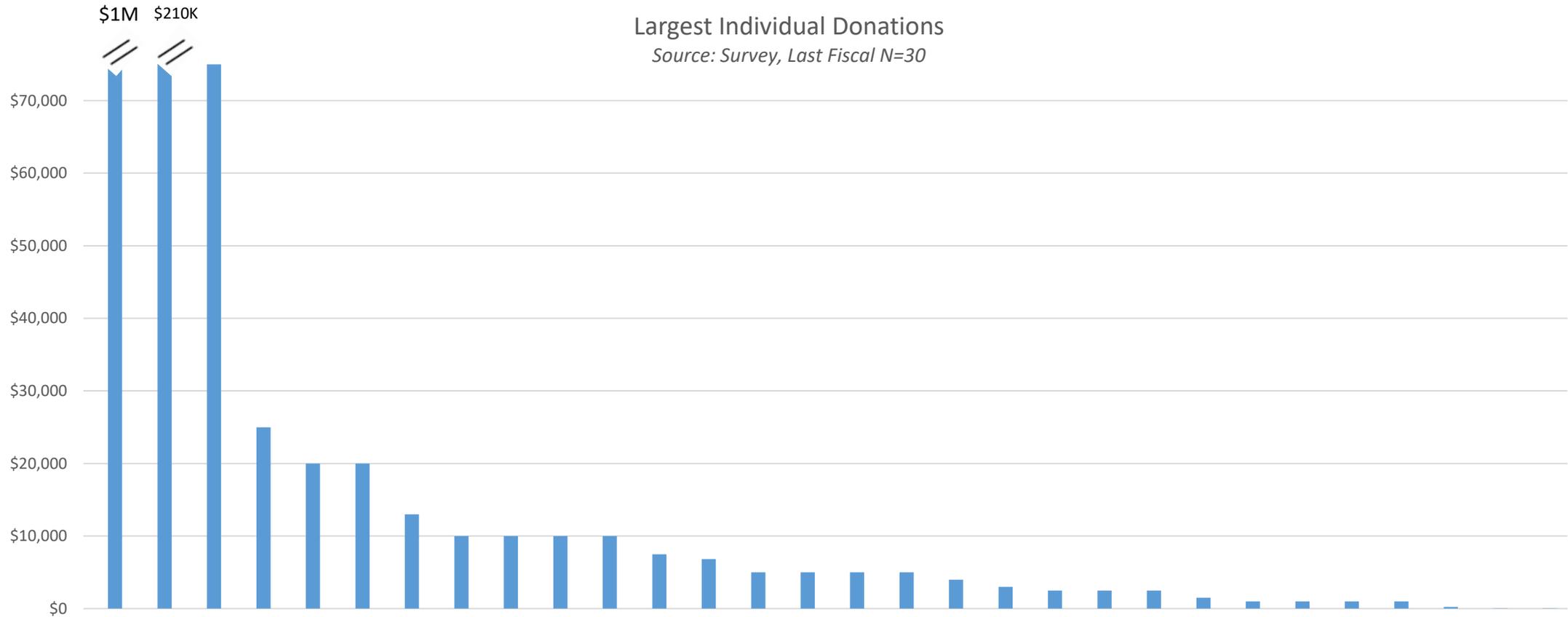
% of Total Contributed Revenue from Top 5 Contributors



- 54% of respondents receive more than 40% of contributed revenue from their top 5 donors.

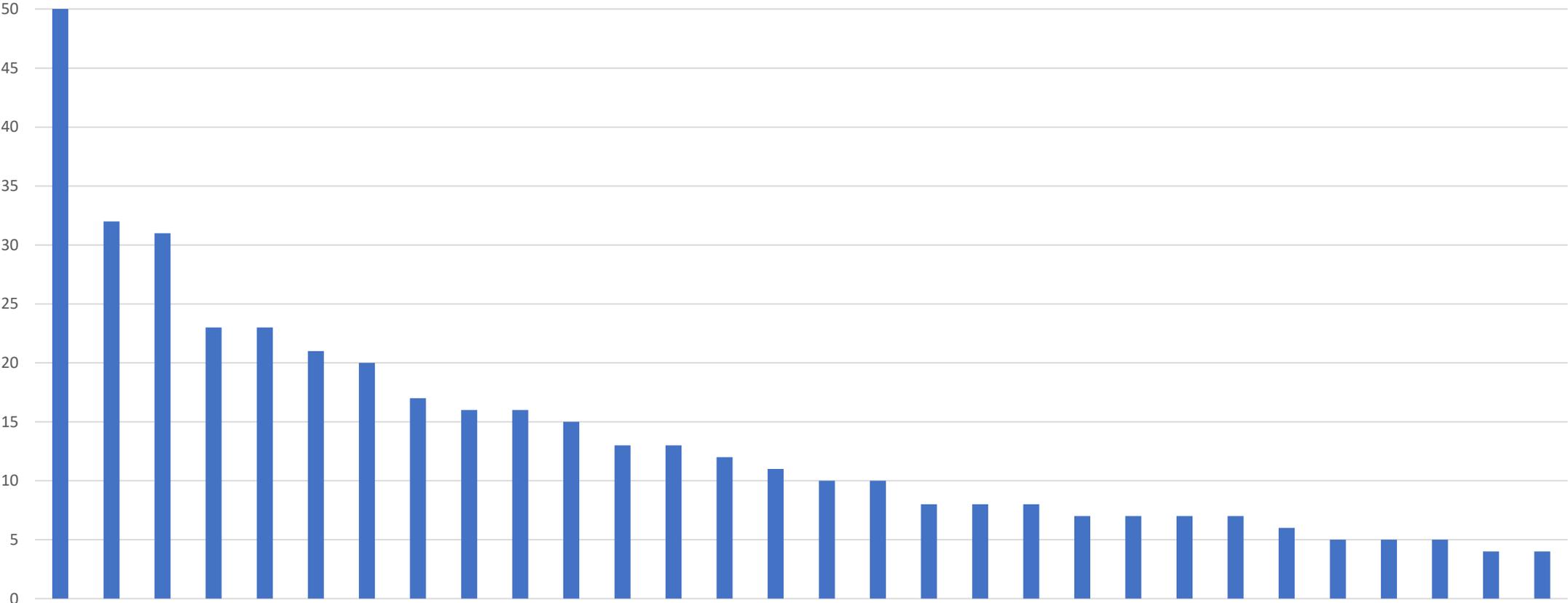
Source: Survey N = 24

With a Few Exceptions, the Largest Individual Donations are Modest



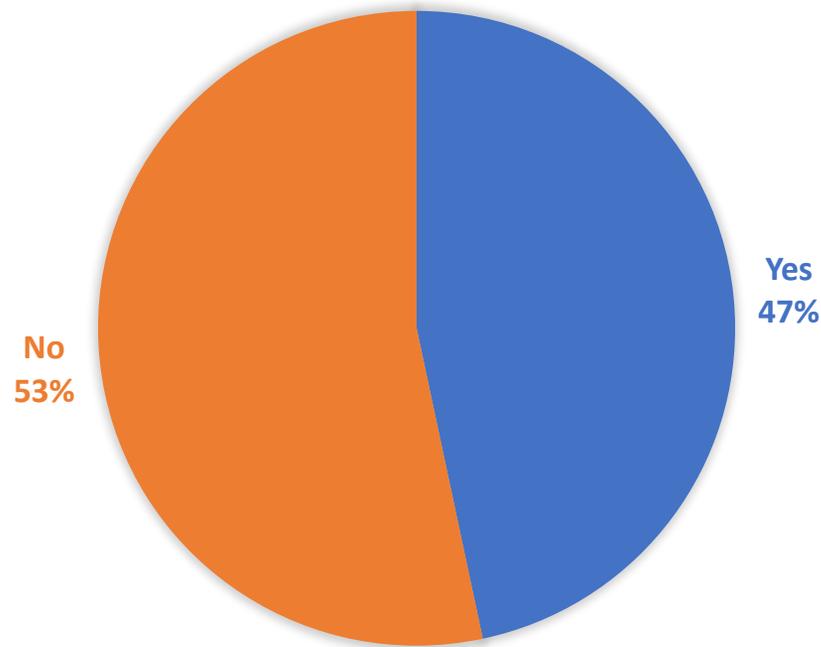
Arts Boards Are Relatively Small

of Board Members
Source: Survey N=30



Contributions from Arts Boards

Board Give/Get?
Source: Survey N = 30



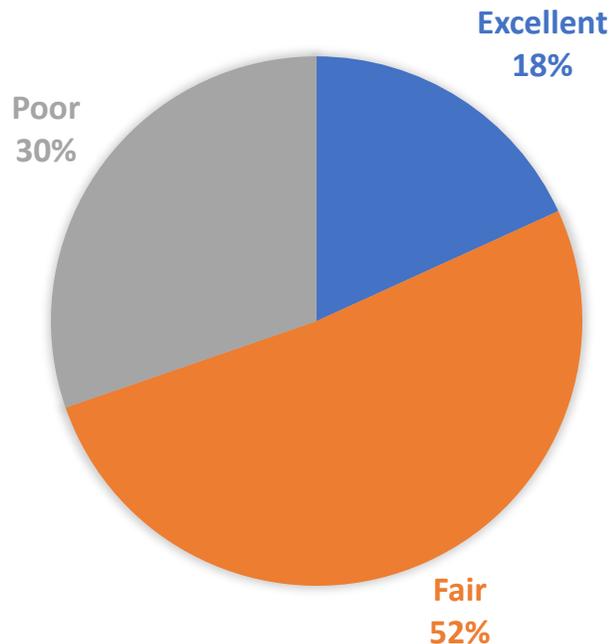
- 55% of those interviewed felt they had a strong board for their needs
- 35% felt their boards did not meet the needs of the organization
- 10% said their board was in "progress" and trying to make improvements.

Source: Survey

Board Fundraising Engagement and Capacity Are Lacking

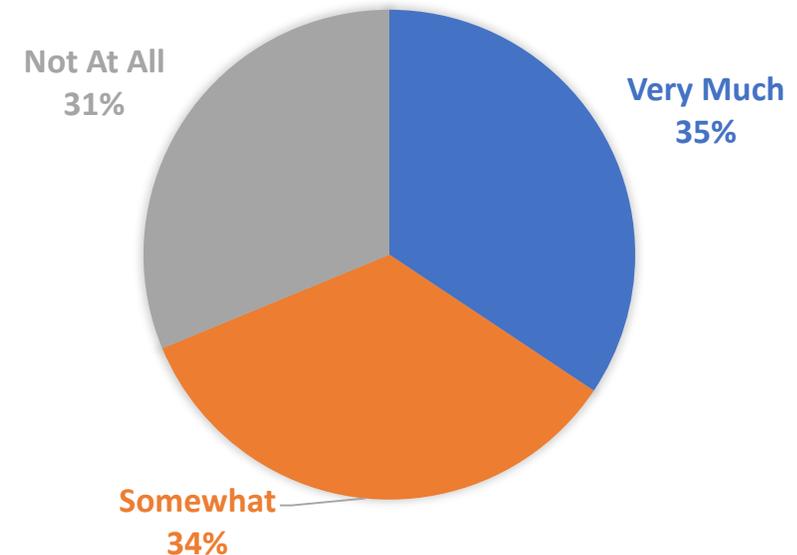
How Is Your Board Engagement With Fundraising?

Source: Interviews - N=34



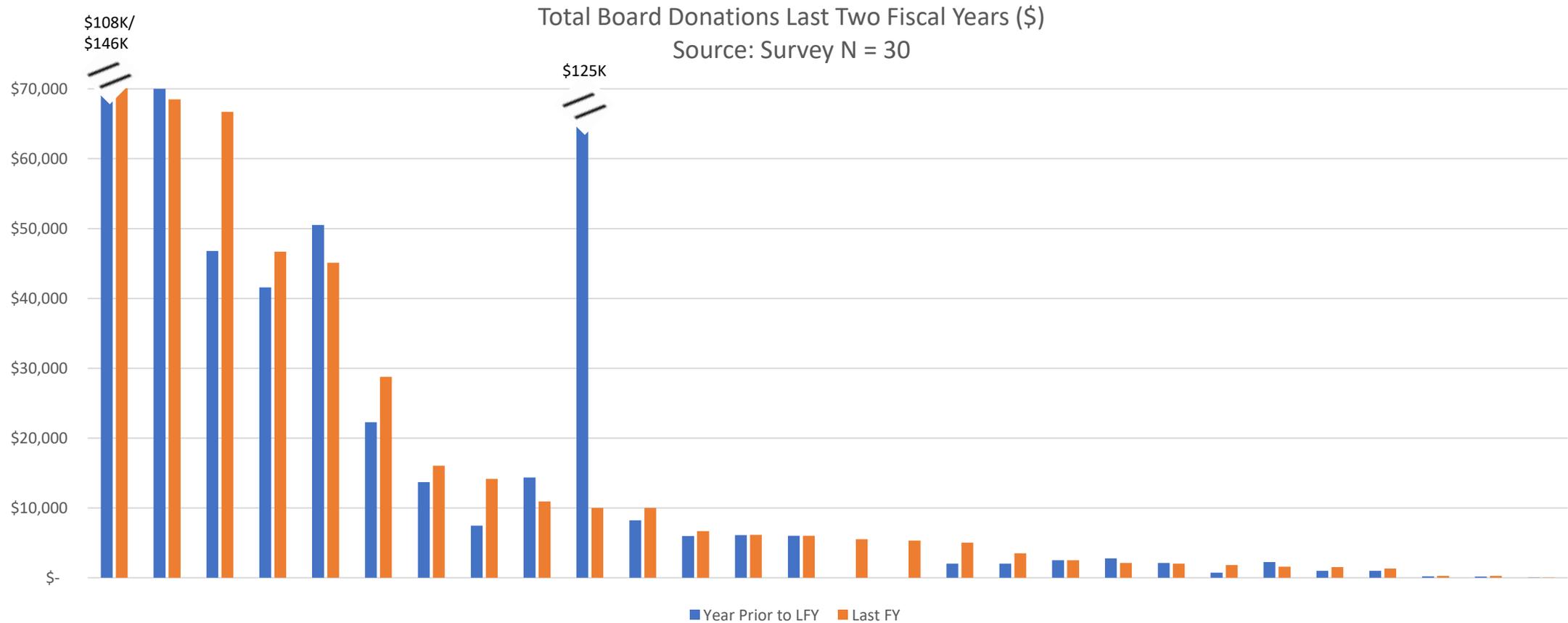
Is Your Board Working Towards Increasing Fundraising Capacity?

Source: Interviews - N=32



- More than 80% of respondents noted Fair to Poor Engagement with Fundraising by their Boards
- Only 34% said the Board was working on increasing this capacity “Very Much”.
- Many board members are not willing or able to lead on fundraising initiatives

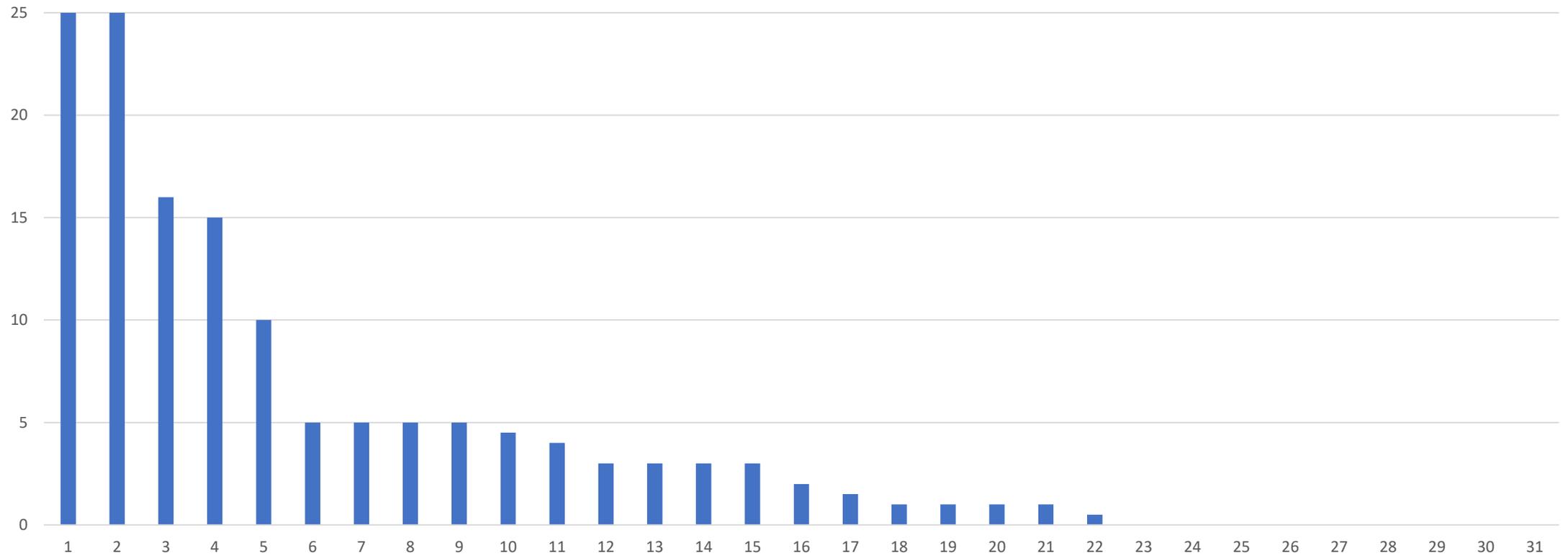
Total Contributions from Boards – Last Two Years



With Some Exceptions Staffing Levels are Low

FT/FTE Staff (*Pre-COVID levels)

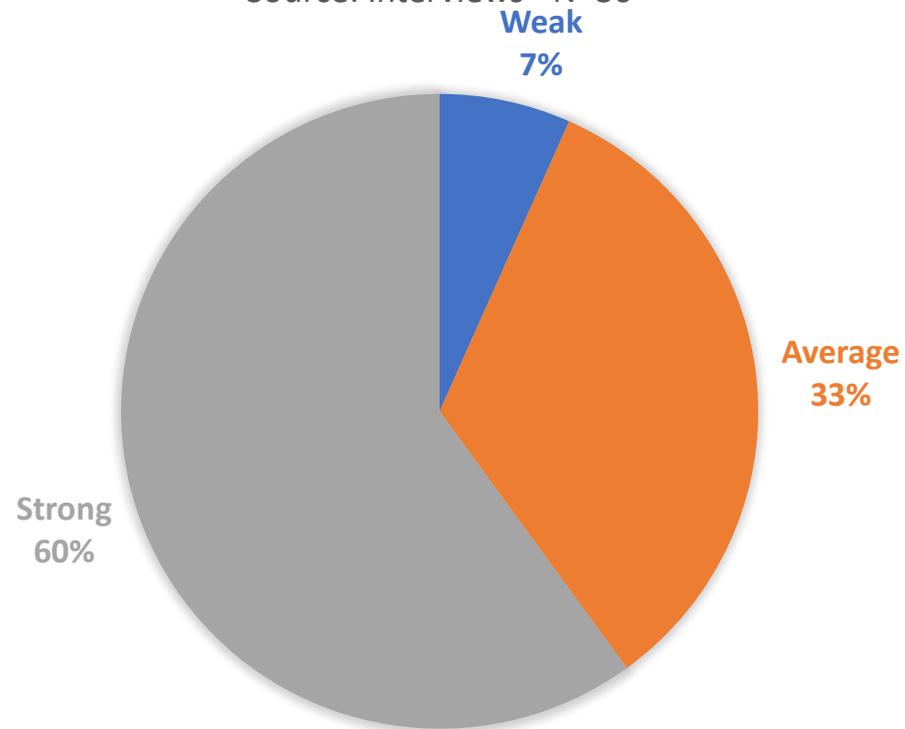
Source: Interviews - N=31



Organizations Feel That Their Financial Management Capacity is Average to Strong

How Is Your Financial Management Capacity?

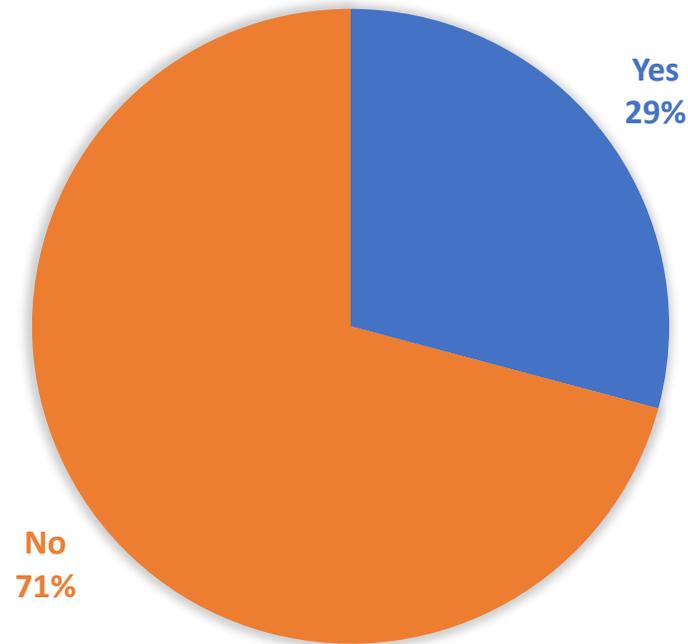
Source: Interviews - N=30



- Organizations with accumulated deficits find themselves in a cycle of short term planning, and constant crisis management.
- Smaller organizations with smaller staff indicated they were careful to only spend within confirmed funding – wouldn't take risks on projected revenue. They are at very thin margins.

Very Few Arts Organizations Have Endowments or Unrestricted Reserves

Arts Orgs With Endowments
Source: Survey N=24



While organizations feel they have strong financial management, more than half do not have unrestricted reserves:

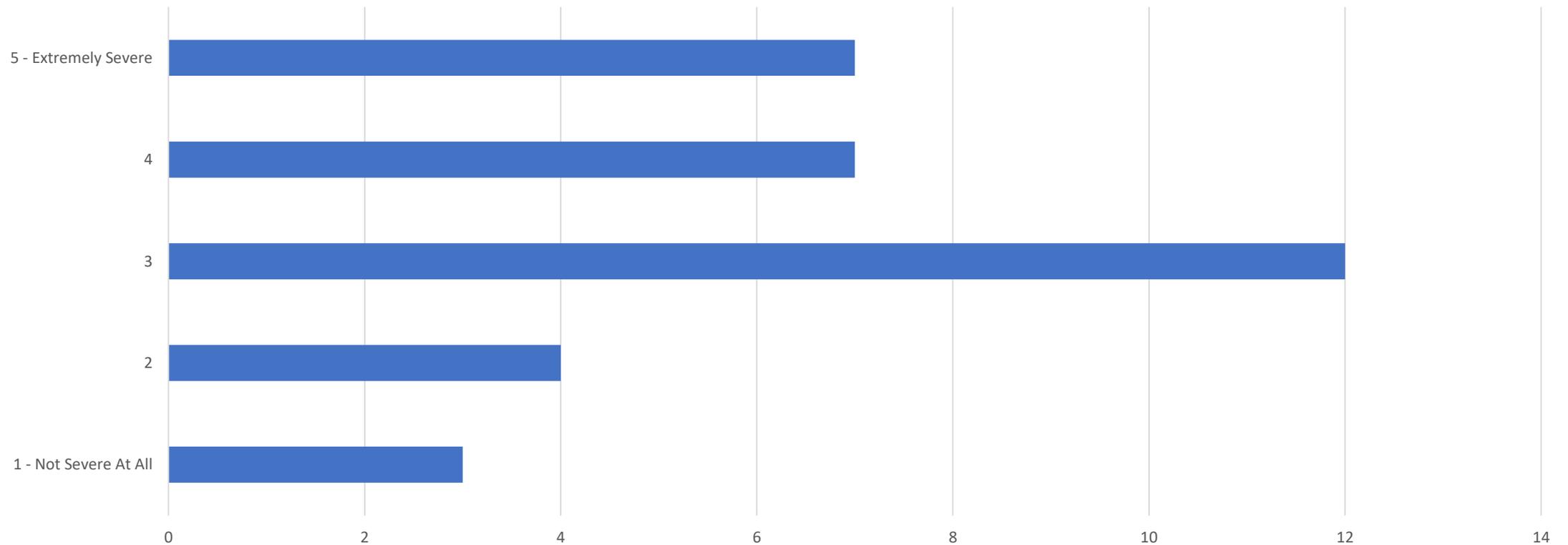
Of respondents in survey who answered this question (N=22):

- NO reserves – 12 organizations
- YES – 10 organizations
 - Ranging from 11% to 160% of annual budget
 - Average 37% of annual budget

More than 75% of Orgs Will Have Significant Financial Impact due to COVID

How severe to you expect the overall financial impact of COVID on your Org?

Source: Interviews - N=33



Summary Observations

- Greensboro's and High Point's marquee institutions are modestly funded compared to similar cities
- There are many small, under-resourced organizations, fewer mid-size
- Organizations of color are all very small
- The loss of corporations has affected all arts organizations
- The donor community is underdeveloped; many organizations achieve less than the national average in individual giving
- Board giving is modest
- Greensboro and High Point are two distinct markets
- Greensboro is addressing the need to vitality downtown but High Point is not
- The impact of the Tanger Center is unclear

Summary Observations, cont.

- Arts organizations would benefit from collaborating from working with local colleges and universities
- Audience demand and enthusiasm is generally healthy
- Planning cycles are relatively short, especially in small organizations
- Staff capacity challenges in fundraising and marketing are common
- Most organizations underspend on marketing
- A lack of institutional marketing has hampered giving
- There is a lack of collective impact, joint ventures, and programming initiatives that produce visibility outside of these cities
- The intensity and complexity of the current pandemic and racial justice movement have coalesced to create conditions conducive to bold change.

Recommendations

Pandemic Support

Create a bridge to sustain during shutdown, and re-emerge with relevance and strength.

- Support for organizations
 - Stabilization funding
- Planning services for midsized and small organizations
 - Response and scenario planning
- Assist mergers, prompted by pandemic conditions
 - Some small organizations with similar missions may find opportunity in mergers or formalized joint ventures
 - Provide consulting
 - Provide legal advice
 - Provide initial grant funding

Capacity Building and Mentoring

- Arts leaders and board members would benefit from a comprehensive capacity building program
- Classes/workshops focused on artistic planning, marketing (programmatic and institutional), family-building, board development, fundraising, financial management and strategic planning
- Mentoring of arts organizations with the staff and board able and willing to embrace more sophisticated management and governance techniques
- Advanced training in strategic planning
- Focus on growth with sustainability

Encouragement of Marketing Efforts

- Major funders should consider providing specific support for marketing programs that:
 - Create strong institutional images for arts organizations
 - Create high efficiency/high effectiveness programmatic marketing activities
 - Build recognition outside of the region
 - Foster collaborations between arts institutions to lower the cost of marketing while increasing reach

Empowering Equity Initiatives

Advancing equity by helping culturally-specific organizations to flourish, while equipping historically white organizations to create comprehensive and lasting systemic changes.

- Funding for arts organizations to hire BIPOC facilitators to advance EDI work, over a 3 year period.
 - Complement this work with guest speakers, seminars, or peer learning.
 - Use an evidence-based approach to measuring change.
- Funding for partnerships between culturally-specific and historically white organizations.
 - Support production, residencies, research and experimentation in cross-cultural/intercultural work.
 - To spark new relationships, foster dialogue, create new opportunities, and access to wider markets.
 - Funds would flow directly to the culturally-specific organization.
- Offer focused capacity building program for organizations of color
 - Special training in artistic planning, marketing, fundraising, financial management
 - Targeted grants

Arts Incubator for Emerging African American Organizations

Create a program aimed at assisting new and small African American arts organizations:

- Provide grants tied to growth and development
- Offer capacity building consulting
- Offer low cost, subsidized office and rehearsal space
- Offer subsidized, shared back office services
- Support organizational development; provide access to consultation
- Stimulate collaboration and joint ventures
- Foster use of new technologies to fight “digital divide”

Support Second Homes

- Support building second homes in Greensboro/High Point for select African American arts institutions of note (e.g. Alonzo King/LINES, Hattiloo Theater, Penumbra Theater, Dance Theater of Harlem, Sphinx)
- Model on Kansas City Friends of Alvin Ailey
- Provide links to local emerging African American arts organizations
- Collaborations with major Greensboro arts organizations (e.g. link between Sphinx and Greensboro Symphony)

Fund for Major Initiatives

- Create special fund to support great ideas
- Panel to evaluate whether any major projects of scope are proposed
- Ample lead time
- Artistic/Marketing/Fundraising plan
- Project Budget
- Aim is to build recognition in Greensboro/High Point and outside for artistic accomplishment
- Focus on collaborations

Collaborations with School System

- Any Given Child model: An approach to arts in the schools that creates a systematic arts education for every child from K-8 by creating a comprehensive collaboration between the school system and arts organizations
- Make A Ballet model: An approach to arts education that encourages every child in a grade level to participate in creating a work of art
- ArtPrize Junior: A public art show throughout a downtown area that features the work of student artists