

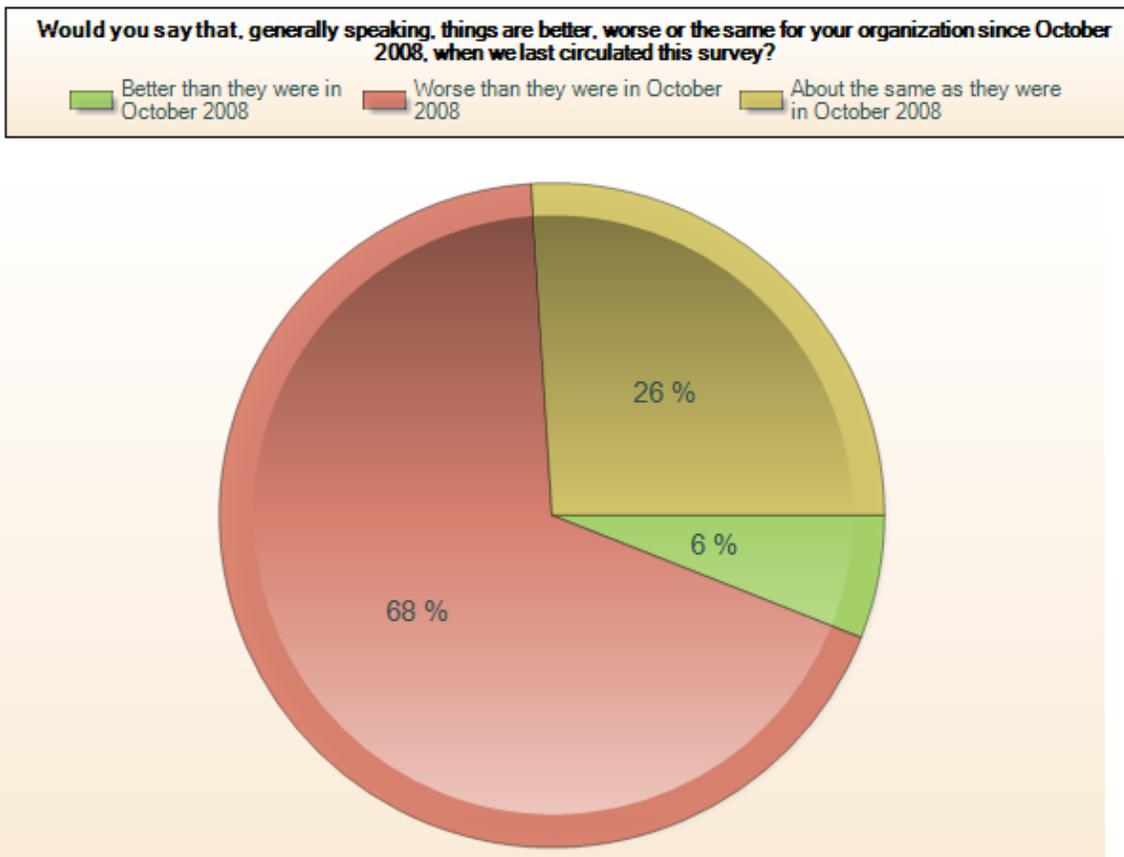


The Challenges Facing Rhode Island Arts Organizations During Difficult Economic Times – An Update (Feb. 2009)

In October 2008 the Rhode Island State Council on the Arts (RISCA) asked arts organizations throughout the state to report on whether the economic challenges being experienced locally and nationally were having an influence on fund-raising and ticket sales, and how they were dealing with these issues. At that time we received responses from over thirty arts organizations, with most reporting that they were seeing some serious downturns in earned and contributed income.

We reissued our survey in February 2009 in order to see if the problems had gotten worse. This time we had fifty arts organizations respond to our survey, with 74% of the respondents saying they had responded to the October survey.

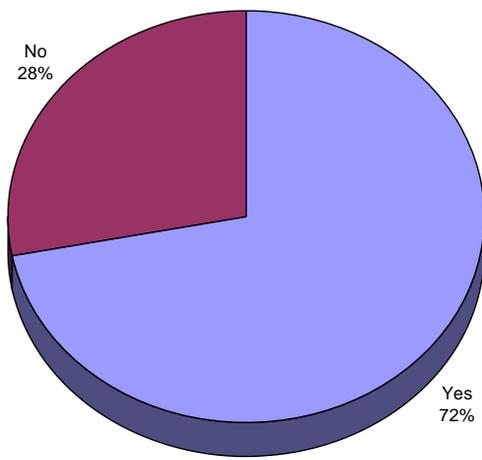
The first thing we wanted to know was whether, **“generally speaking, things are better, worse or the same for your organization since October 2008?”** Here are the responses:



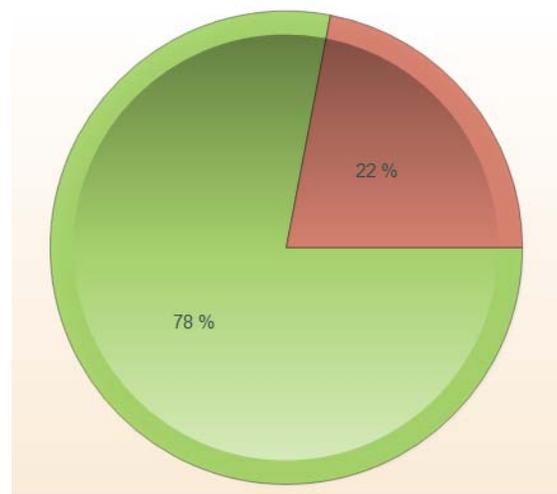
A significant percentage (68%) of respondents said things have gotten worse for their organization since October 2008. Only 6% of respondents said they thought things had gotten better.

This is reflected in what we learn when we look at fund-raising and ticket sales, below.

Fund-Raising: are you seeing a downturn in contributions?



From October 2008



From February 2009

In response to the question “Are you seeing a downturn in contributions to your organization?” an alarming 72% said yes in October 2008. In February that percentage increased to 78%.



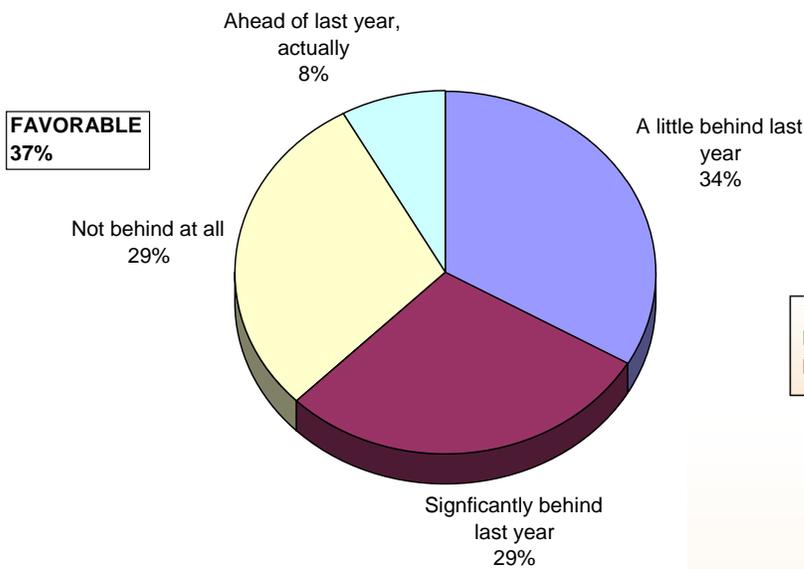
Once again, the picture is even more distressing when you look at just small and medium size arts organizations (those with budgets under \$1 million). But, while in October eighty-nine percent (89%) of those small and medium size organizations reported seeing a downturn in contributions, in the February survey that percentage dropped five points, to eighty-four percent (84%). That indicates that more of the larger organizations are feeling the hurt as well.

The majority of arts organizations (64%) in February report that donors were not asking for more time to fulfill pledges (about the same as in October). A disturbing new trend is donors renegeing on pledges. In October 2008 a large percentage (80%) said that donors were not renegeing on pledges. In February that percentage dropped 17 points (to 68%), suggesting that arts organizations

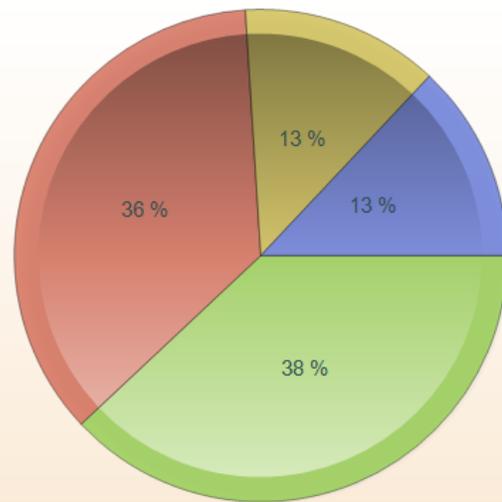
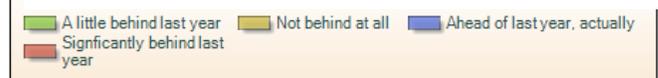
are hearing from some donors that they will not follow through on their promise of funds, or are beginning to hear from long-time supporters that their support was ending.

When we asked in October “**How far behind last year’s contributions are you at this point in your season?**”, we saw that 63% of respondents reported they were “significantly” or “a little” behind where they were last year at that time. In February the “unfavorable” percentages rose 11 points, to 74%.

How far behind in contributions - October 2008 report



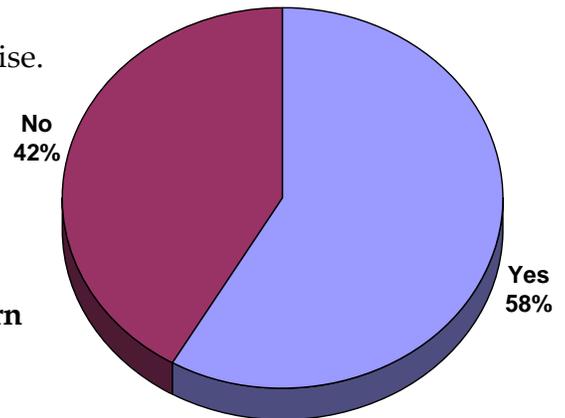
How far behind in contributions - February 2009



The percentage of small and medium sized arts organizations reporting “unfavorables” in this area declined significantly from October to February (93% to 69%). This, however, is more an indication that small AND large organizations are being equally affected as the economic downturn advances.

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

Here the February update gives us our first surprise. In October, early in the performance and exhibition season, 58% of arts organizations responding indicate that they are seeing a downturn in ticket sales for their events. **The February report splits things 50-50: half the responders said that they *were* seeing a downturn in ticket sales, and half said they *were not*.**



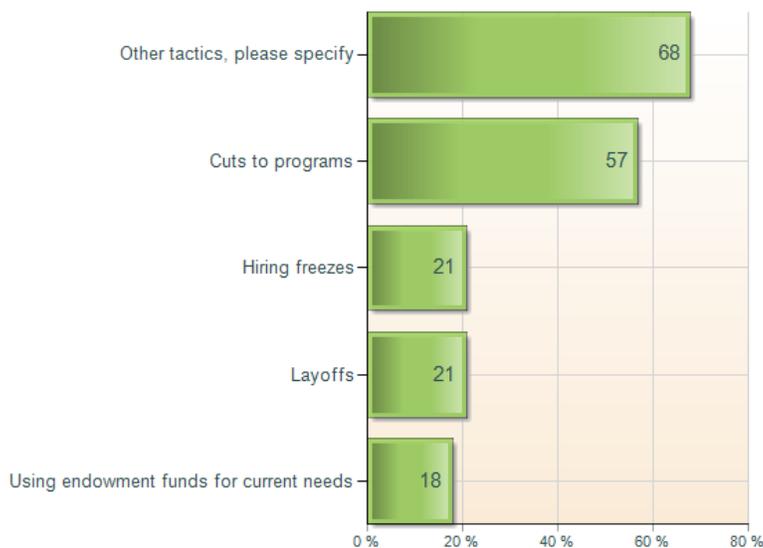
Downturn in ticket sales - October 2008

More troubling, however, is the report that ticket income is down. As we heard in our earlier survey, more people are purchasing single tickets, discounted tickets or lower priced seats, and the uncertainty for arts organizations is compounded by patrons waiting until the last minute to purchase tickets.

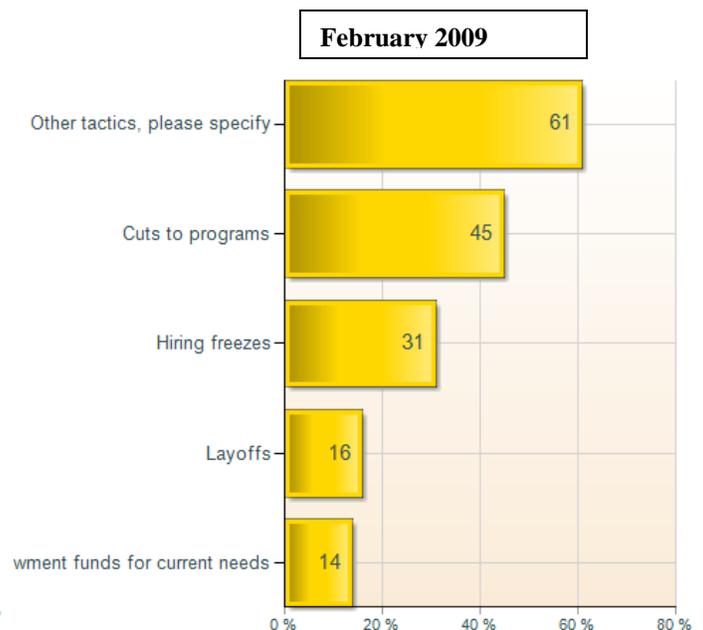
Plans to “Weather the Storm”

We asked our arts organizations what, if anything, they were planning to do in response to the economic downturn. In our update we found that fewer organizations were looking at outright cuts to programs, but when possible they were reducing the scope of such programs. And hiring freezes have taken the edge over layoffs.

Is your organization planning any of the following in response to the economic downturn? (check all that apply)



October 2008



February 2009



Under “other tactics,” arts organizations listed some of the following: cutting ticket prices and fees and hoping for more volume; relaxing the timeline for capital and fund-raising campaigns; making emergency calls to loyal friends and supporters asking for additional help; rethinking the whole concept of subscription tickets and looking at other ticket selling/audience development strategies; rethinking their core business model; and, in the case of at least one organization, living off the profits from last year.

What RISCA can do to help?

In both surveys we asked the arts organizations what the State Arts Council could do to help get them through these difficult times. In response to the earlier survey RISCA stepped up its communications strategy, writing OpEd pieces and letters to the editor about the importance of supporting the Rhode Island arts community, particularly through attendance and financial contributions. We are continuing to work on several other suggestions, which were reflected in both surveys, including:

- Work with the community as a convener to develop strategies to “weather this storm.”
- Making the case for support of the arts during times of trouble – it’s tough but worthy and appreciated.
- Help with marketing and securing more substantial RISCA grants and other grants.
- Develop a p.r. campaign encouraging more support for the arts.
- Making more of the economic development arguments.
- Play a stronger part in working with local government agencies to emphasize the role of the arts in the quality of life in a community.
- Consider subsidizing ticket prices to families that bring children to an arts event, or finding ways to help schools get more students into arts events and venues.

Conclusions

It is clear that the arts community is being affected in significant ways by the economic downturn in our state and nation, and that things have gotten worse in

a number of areas. And since the arts contribute over three quarter of a billion dollars to the Rhode Island economy, this is of concern to everyone.

Non-profit arts organizations depend on the income they receive from ticket sales and the support of public and private funders. When funders reduce or redirect their support even slightly, and when people spend less than they once did to go out to an arts event, these changes can be devastating. A small or medium size arts organization doesn't have much of a cushion to fall back on during difficult times.

As we said before, we must continue to explore individual and collective ways to act on this problem. Convening to discuss and strategize; communicating the value and need of the arts in Rhode Island so that it is better understood by our business community and by our citizens. These are issues that the Arts Council can play a role in, as a convener and supporter of the arts. The issues should be explored as part of our current planning process, and we must continue to act with and on behalf of the arts community to get through these difficult times.