

## It's the economy

# Improving arts organizations

**A SUNY New Paltz research organization** has just published a careful study seeking to encourage greater support for arts and cultural organizations in the Hudson Valley. The Center for Research, Regional Education and Outreach (CRREO) believes that its work demonstrates the substantial aggregate economic impact of the 517 arts and culture organizations it was able to identify in the seven counties (Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester) of the region. CRREO director Gerald Benjamin wrote that he looked forward to working with the region's organizations "to assure a thriving and central role of arts and culture in our region's future."

Despite the triumphalist tone of much of "Mid-Hudson Arts & Culture: The Economic Impact," the data shows the substantial weaknesses in the sector's financial underpinnings, some of which the report also identifies. The ugly truth is that cultural programming in the Hudson Valley — especially the mid-Hudson region — is conducted by a large number of small and disconnected organizations almost entirely on the backs of their workers, managers, volunteers and a few contributors. We're not talking here about the region's starving artists, who are entitled to their eschewal of extrinsic rewards. We're talking about a chaotic, inefficient and disorganized support system that has the gall to boast about how what it does deserves support from the rest of the economy.

Measured in dollars, Hudson Valley's arts and culture are a less-than-remunerative business. Efforts should be focused not on celebrating the arts industry but on improving it. There's plenty to be done.

"In a world awash in information," Beth Tuttle, president and CEO of the Cultural Data Project (CDP), wrote recently, "the arts and cultural sector will benefit from a sector-wide shift in thinking and practices that places as much emphasis on creating the training, tools and filters needed for using data thoughtfully as on the collection of the data resources themselves."

In order to make the sector more successful, somebody has to pull a decentralized industry like the one inhabited by arts organizations together. It's no accident the CDP's motto is "Building Strength Through Information." CDP's contribution is a nifty almost-national data base of information with details about the income and expenses of arts and cultural organizations.

Cognizant of the shortcomings of the present weakly coordinated efforts to sustain their businesses, arts and culture organizations throughout the nation have begun to team up with numbers-crunchers to mine the CDP and other sources of data about

themselves. One of the advantages of "big data" is that it contains lots of small data. This study shows how such data can prove useful in a regional context. The CRREO study, written by Janis Benincasa, with assistance from Julie Chiaro, KT Tobin, Eve Waltermaurer and student researcher Yonana Duarte, has taken a significant first step. (Full disclosure: I'm on the CRREO board of advisors. We don't meet often enough.) As well as the Cultural Data Project, CRREO utilizes a second source of big data, the IRS Form 990, which requires financial information from tax-exempt organizations, non-exempt charitable trusts, and certain political organizations. Those organizations whose annual revenues are under \$50,000 (153 out of the total 537 in the Hudson Valley) fill out only a short-form e-postcard providing negligible data instead of the full Form 990.

Other organizations publish the IRS data in more accessible form. The Foundation Center's website, for instance, is easy to use.

CRREO has tabulated the direct economic impact of the Hudson Valley's arts and cultural organization at \$245 million and the indirect impact the arts claim to generate in the Hudson Valley at \$223 million. It says the sector employs 4970 persons.

### Statewide snapshot

According to an updated data profile base published by the CDP in April 2014 based on the latest fiscal reports, arts and cultural organization in New York State generated \$5.557 billion in annual revenue. Of the \$2.362 billion in earned income for the entire state, \$1.037 billion came from admissions, \$492 million from fees, \$318 million from special events, \$289 million from sales, \$202 million from rental income, and \$160 million from investment revenues.

Contributed income, the other source of revenues, amounted to \$3.041 billion. Of that, \$1.016 billion consisted of contributions from board members and individuals. Some \$681 million came from government sources, \$546 million from foundations, \$193 million from corporations, \$126 million in in-kind contributions and \$479 million from all other sources.

What was the money spent on? The largest items are \$2.615 billion in salaries and fringe benefits and \$1.569 billion for physical plant. Other categories include \$540 million for artists and programs, \$519 million for professional services and \$338 million for a broad outreach category termed "communications."

The arts workforce pyramid consists of an impressive 275,740 persons working for 1895 organizations. Less impressive is that only 24,751 are full-time.

Some 43,498 New York arts and culture workers are part-timers, 78,427 are independent contractors, and 129,249 are volunteers or interns.

Two things stood out for me. Event admissions contribute less than two dollars in every ten dollars of revenue. And full-time arts workers constitute fewer than one worker in every ten.

Statewide, annual budgets were less dominated by very small organizations as might be expected. Of the 1895 arts and cultural organizations statewide, 453 had budgets of more than a million dollars a year. An additional 238 had budgets between half-a-million and a million dollars, while 589 reported budgets between \$100,000 and \$499,999. Only 625 had annual budgets under \$100,000.

### Sharing's important

For a glimpse of useful small data embedded in big data, let's compare the budgets of Westchester and Ulster arts and culture organizations. Though Ulster had 106 such organizations and Westchester (with five times the population) had only 89, Westchester could boast 21 entities with annual budgets a million dollars or more. Ulster had none. On the low end of the scale, Ulster had 55 organizations with budgets of less than \$50,000 while Westchester had seven.

How did their estimated annual economic impact compare? Westchester's was \$300 million, Ulster's \$23.5 million. In terms of both direct and indirect employment (these figures should be viewed with several grains of salt), Westchester generated 3116 arts-and-culture jobs and Ulster 372.

Based on its interviewing, the CRREO staff members came up with three major conclusions. One was supportive of the value of the arts in education. The second encouraged arts and culture organizations to seek partnerships with business and government. The final one spoke of the need for shared services: "The most consistent survey theme was the need for collaboration and shared services between and among organizations and the need for a strong regional network."

That final conclusion echoed a 2013 CDP report recommending coordinated arts leadership "that can authentically build bridges across the different spheres and interests that make up the cultural sector."

Poughkeepsie-based Arts Mid-Hudson has an Ulster County Fund dedicated to capacity building and strategic collaborations within the arts community, with funds provided by the Ulster County Legislature. Perhaps some Ulster County arts organizations should be brought under the same organizational umbrella.

Outright merger is not the only path. Some organizations could share administrative or outreach services. Some could share staff or space. Some are ready for joint marketing or cross-marketing.

The time is ripe for collaboration among arts and culture organizations. They need to start now.

*This weekly column reports on economic trends in the mid-Hudson region. To read past columns go to Ulster Publishing's hudsonvalleybusinessreview.com.*

this is an issue. After all, New York has a long history of welcoming people, including politicians, to the state from all over the country and the world. It



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is one of the strengths of this state which has contributed to its stellar place in the history of the United States. Does anybody remember the campaigns of Bobby Kennedy and, more recently, Hillary Clinton, Michael Bloomberg (from Boston of all places) and



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Bill deBlasio, who was born in New York but raised in Cambridge, Massachusetts?

In addition to the local issues facing the Hudson Valley, members of Congress must also deal with national issues like the economy, immigration reform, extending benefits for the unemployed, cuts to the food stamp program, whether or not to raise the minimum wage, the national debt and the unsettled situation in the Middle East. The list goes on and on. Isn't it better to concentrate on the candidates' stands on these issues than to be distracted by the issue of where a candidate was born and raised? Shouldn't Gibson be required to answer why his Republican party has obstructed votes on these issues? Shouldn't Eldridge be required to articulate how his election might change the gridlock in Congress?

I urge all my fellow voters in the 19th district to pay attention to what the candidates say on these important issues and not be distracted by the trivia which frequently emerges in a close race.

**Al Ragucci**  
Rhinebeck