



Grantmakers in the Arts
2003 Conference

THE EDGE

Proceedings from the Conference

October 19-22, 2003
W Hotel
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THE EDGE OF A NEW ECONOMY

CHANGING RELATIONSHIPS BETWEEN FUNDERS AND THE FIELD

Off site: A Contemporary Theatre (ACT)

The convergence of long-term global economic factors, changes in state and federal policies and levels of arts funding, the prolonged decline of the stock market, and financial uncertainty ahead are combining to create long-term economic changes for funders and for the artists and arts organizations they support. What responses or solutions are emerging from the field? This session presented multiple perspectives through the medium of three "duets."

A "DUET" OF A NATIONAL FUNDER AND A NATIONAL ARTS SERVICE ORGANIZATION

How are economic changes affecting the relationships between funders and field?

Discussants: Penelope McPhee, *Knight Foundation* and
Ben Cameron, *Theatre Communications Group*

A "DUET" OF AN ARTS MANAGER AND A REGIONAL FUNDER

Are there new patterns emerging in the ways arts and cultural organizations are coping with economic crisis?

Discussants: Susan Trapnell, *A Contemporary Theatre in Seattle* and
Lisa Cremin, *Metropolitan Atlanta Community Foundation*

A "DUET" OF AN INDIVIDUAL ARTIST AND A FUNDER WHO WORKS WITH INDIVIDUAL ARTISTS

What is the impact of difficult economic times on individual artists? How has artistic work been affected by economic conditions?

Discussants: Pat Graney, *Pat Graney Company* and
Frances Phillips, *Walter and Elise Haas Foundation*

Moderator: Janet Sarbaugh, *Heinz Endowments*

Session Designers: Judi Jennings, *Kentucky Foundation for Women* and
Janet Sarbaugh, *Heinz Endowments*

October 20, 2003, 3:00 p.m.

SARBAUGH: Hi, good afternoon everybody, and welcome to the session. This is the session on the new economy, changing relationships between funders and the field. I'm Janet Sarbaugh from the Heinz Endowments in Pittsburgh, and my colleague who helped put this session together is Judi Jennings from the Kentucky Foundation for Women.

The session today, like all the theme sessions, is going to be in two parts. We'll have an hour and a half of discussion here. The second part of our session will be a tour of ACT and hearing from Susan Trapnell about the interesting journey of ACT over the last couple of years and her experiences in making all that happen and making the theater a success. So we'll hear about that in part two. And thank you very much to Susan and ACT for hosting us here today.

But here's for part one, our discussion on the new economy. I want to tell you a little bit about how this session came about. We billed this session as "three duets," and in fact we have our three duet-ers, three sets of duet-ers up onstage.

Judi and I are the original duet-ers, because we were worrying about these issues separately. I had done a roundtable last year on issues around the new economy. Judi had written a piece that she sent in to GIA last year about a session for this conference on the new economy. Then GIA put us on a double-date because we were thinking about the same kinds of issues in the same ways, and so they connected us up to do this session.

We found that our worries about it and also our possible positive expectations for it were similar, because when we talked about it and we talked about the conference theme "The Edge," we said, how many of us in this room actually believe that we're still on the edge of the new economy?

We've fallen off the edge already, right? *[Laughter]* How many of you funders in this room have seen your assets decline? Okay, everybody.

How many of you are dealing with organizations, cultural organizations in your communities in some kind of crisis or transition? Everybody has one. There was a session this morning on dying with dignity; sessions about reinventing the organizational structure; sessions on mergers, all of that.

How many of us who care about the artists in our community and are trying to do more in difficult times for the artists, who should be at the center of what we do, and how much more difficult is it for them?

Judi and I realized it's not the edge anymore, we're already falling. What can we do while we're falling? We can feel panicky about it, and I have to confess to feeling panicky about it a good bit of the time.

I hearken back to John Kreidler's piece that he wrote years ago, "Leverage Lost," where he talked about the relatively short timeframe of the nonprofit arts organization and will it continue to be with us? Well it probably will, but there may be many other models.

The second thing that I feel when I look around my own community, in addition to feeling a little panicky, is to feel that there's nothing like very difficult times to bring some other solutions to the fore, and to encourage people to think differently. Sometimes they have no chance, no other chance to do anything else.

So what do we do as funders? Can we hunker down and hope that it passes; try to do things differently; try to change the way that we frame issues and try to change the way that we work together as a field?

We'll probably end up doing some combination of all those things. It's really important for us to try to address all these issues with multiple levels and multiple perspectives.

When Judi and I talked about putting this panel together, we decided, like most people putting panels together, that we wanted to try to do too much in too little time, because there were so many different perspectives. So the way we put these three duets together, we decided we wanted conversation on multiple levels and multiple perspectives.

What do I mean by that? On multiple levels we thought that a national perspective was terribly important, because our national funders and national organizations have a perspective that often those of us in regions miss. We needed a regional perspective as well, because those of us who live and work in regions have unique perspectives. If we want to put artists more at the center, we need an artist perspective.

So that was the basis for our three duets. We also said that we don't have enough opportunities at GIA meetings or at any other times to have honest, authentic conversations between and among funders and the people that they serve. And agree to disagree, have a love-fest, a food-fight or something in between in our varying views about things.



So those were the origins of the duets. What we did today was we posed questions to each of the duets. To carry the metaphor a little further, like a duet... Ben Cameron pointed out to me that in duets they sing together but sometimes one sings and then the other sings.

So we posed questions but we didn't want to structure this so much. So you may see differences between the way the duets approached the questions that we gave them. If a duet should falter, then we'll make it a quartet with Judi and me coming in to be provocateur on some of the questions. I don't think that will happen with this group of people here.

Let me just say one or two other housekeeping things about the way we thought we'd run this. We wanted to get a lot of information out, obviously these multiple perspectives. We thought that what you'd get from the duets is really great headlines that we could go back and discuss at the end.

I told Judi I thought it was a little bit like speed dating. You're going to learn a lot about the perspectives of these six people quickly.

We thought we'd ask you, as we move through each of the three duets, to remember your questions, to write down your questions, hold your questions, and then try to mix it up in the last half hour, so that we can have a dialogue. You can either ask question of individuals, the duets, they can mix it up and have their own food fight among the various perspectives, and we'll see what comes out of it.

Each duet will talk for 20 minutes. Then we should have 25 minutes at the end for questions and answers. Judi and I will take turns introducing our panelists.

I want to introduce the first speakers: Penny McPhee from the Knight Foundation in Miami, and Ben Cameron, the executive director of TCG, Theatre Communications Group in New York.

Let me tell you the three questions that we posed to them from their national perspectives. Also, we gave them a lot of questions too, in the spirit of trying to fit too many things in. So they may or may not respond to all of these questions. They're going to give you the headlines, the things that they thought were most provocative.

We asked them to think about the following things: How are economic changes affecting the relationships between funders and the field? Should foundations put more or less stress on accountability and evaluation? What is the

responsibility of funders in difficult economic times, should they try to save organizations or should they let market forces prevail?

Those relationship questions were what we posed to Ben and Penny, and I'm going to turn over to them for their responses.

MCPHEE: Ben, it's so much fun to sing with you!

CAMERON: And you! *[Laughter]*

MCPHEE: Ben and I had had a great conversation, such a great conversation, on the phone around these questions, that we really don't have anything more to say. *[Laughter]* But it was provocative and I think that coming at it as these duets do, from different perspectives, led me to think again about whether we are on the edge, whether we have fallen off the edge, and what that means.

I think that arts organizations were on the edge during the bubble. During the height of the economic prosperity, arts organizations were on the edge. Now they are either falling off or at the moment of falling.

It's because we didn't do what we needed to do when things were good. And that is, we didn't look at new models, organizational models. We didn't build endowments. We didn't build cash reserves. We didn't save for the future.

We actually enhanced programming and did more, but we didn't think the rainy day was ever going to come, and so now it has, which leads me to this accountability question. The question isn't, should foundations push for more accountability? It's that foundations are being pushed toward more accountability.

Some of the remarks Lucy Bernholz made at lunch were right along the lines of what I've been thinking about. That is right at this moment, Congress is looking closely at national foundations.

I actually think that if she's right and that these looks happen at times of severe government shortage, economic shortage in state, federal and local government, that the next group that are going to be closely looked at are nonprofits. Any organization that gets a tax benefit is going to be in line for a close look.

That's why I think the accountability question is such an important one right now. I don't think it's so much about nonprofits jumping through hoops for foundations, I think it's about nonprofits and foundations working together, to



really be able to show why we need to be tax-exempt organizations and what we do for society to give us that benefit.

I think we've got a long way to go to start thinking about what that means for arts organizations, because I think it's very much more difficult to talk about accountability for arts organizations. It's a much mushier, more complicated topic, and I'd love for all of us to be able to talk about what that means today. But I don't think it's an option, I think we actually are going to have to do it.

What was the last question?

SARBAUGH: What is the responsibility of funders, should they try to save organizations or let market forces prevail?

MCPHEE: Part of what our conversation today will be about is market forces, because the truth is, as Lucy pointed out at lunch, foundations are ten percent of the big philanthropic pie. And for arts organizations, that's generally only, what, 50 percent of the total income.

I think we really, really must look at how we do a better job of capturing and understanding audiences. Knight Foundation's done a huge amount of work on audiences and what they're looking for from the arts experience. It's by and large not what we're giving them. So I'd love to have that conversation with this group.

Ben, let's argue! *[Laughter]*

CAMERON: Okay. I'm going to say a few things in response and I also wanted to address a general framework, but I'll do that second.

I should preface this by saying, as a representative of the theater community, the field I clearly know the best is my own discipline. Anything I'm likely to say in terms of statistics or impulses or trends, etc., is probably theater specific in a way that most of my colleagues find resonance, but there may be difference of degree or differing response, you know. Pat Graney may find it very different in her world for example.

Most arts organizations feel that we have always been accountable. Most arts organizations say every time the curtain goes up we are being accountable by virtue of the fact that we have marketed, we've sold tickets, we have an audience that's going to hold us to very rigorous standards and therefore they would not be there in the first place. Every performance, every budget, every auditing process is a form of accountability.

The real question I think, and the real concern that drives a lot of people in arts organizations right now, at least in the theater field around this talk about benchmarking accountability, is the frequent confusion as the standards for accountability are being set up. They seem to emphasize efficiency, which is about corporate drive, manpower, reduction of hours, et cetera, and effectiveness, on the other hand, which is a very different set of criterion.

How do we impact lives? What's the effect we're having on our audience? Whereas we're very good nationally about talking about efficiency, I don't think any of us would pretend we're very good about measuring effectiveness. It's in that disconnect that I think for a lot of people in arts organizations, fears rise and concerns begin to grow.

In terms of Janet's original point about the economy, the one thing that I find myself returning to over and over again, which is my general parameter and a prelude to what Janet asked us to think about in terms of authentic dialogue between grantmakers and arts professionals in this time, is a book that if you've heard me speak in the last twelve months you've heard me reference, called *The Radical Center* by Ted Holstead and Michael Lind. The premise of that book is an analysis of American history.

What Halstead and Lind do is look at the entirety of United States history, and they say when there is a confluence of five things at the same moment in this history in our nation, we reinvent the way the country works.

They say when we have a war, when we have a depression, when we have demographic upheaval, when we have technological reinvention, when we have the polarization of wealth, all at the same time or roughly compressed, we remake the contract. They said that's what produced the American Revolution, it's what produced Civil War and Reconstruction, it's what produced the New Deal and entry into World War II.

Notice that roughly those are every 70 to 80 years apart, and 70 years after the introduction of the New Deal, look at what we've got on our plates. We've got a war, we've got a depression, we've got demographic upheaval, and we've got technological reinvention. We have the biggest polarization of wealth in our nation's history.

It's their conviction that we are in a sense the last gasp of a New Deal logic. Originally I had translated that into a potential death sentence for theaters. What I began to then realize was,



especially when I remembered *High Brow*, *Low Brow* if you know that book, was that a hundred years ago orchestras were virtually all commercial entities. It wasn't that when the New Deal came in they all went of business, they readapted themselves for a new framework that allowed them to continue forward now as not-for-profits.

The schizophrenia I feel in my field is the schizophrenia between, how do we get through the next two or three years of the economy while positioning ourselves for the new chapter, even when we don't know what the new chapter is going to be. It's that tension that outlines the dilemma, that I know my organization faces and a lot of theaters face.

In that climate, the question about how do we have the authentic dialogue begins to raise for itself, and I should preface by saying, clearly, there are authentic individual relationships between funders and arts organizations. But as systems, when I thought about it, I thought there were three mitigating factors that warrant some examination perhaps. Clearly funders get to choose among who they wish to support, and until the point in time when arts organizations can choose among funders of whose support they want to accept, the conversation's always going to be imbalanced.

There are three things that made me ask what are the things that might warrant a closer examination. One would be logistics of time. When Janet said to me, I want more authentic relationships with grantees, one of the things that I said was, I need help in time management.

A \$5 million theater, just as an example in my field, has to raise \$45,000 every week, 52 weeks a year, just to balance the budget on the typical earned contributive ratio. When individual donors think, gee, if I give you \$1,000, I expect a private dinner with the artistic director. And when a foundation says, Gee, we're going to give you \$10,000 and we expect reams of paperwork, that's not even half of one week out of the 52. With the diversity of the number of sources, I just need help in terms of the depth of relationship that we can have, given the volume of relationships I must have, and the limits of the hours of the day that exist. So that was issue number one.

Issue number two that I thought warranted examination, was the structures in which grantmaking happens. This gets to my effectiveness versus efficiency issue. If you've read *Good to Great* which is the examination of

why some corporations are great corporations and some are good corporations, the one thing the CEOs all say, regardless of sector, is anything of significance in terms of cultural transformation of an organization, takes a minimum of four years to achieve.

In a sense, grantmaking by working through a one or two year cycle for big dramatic results in essence calls me on my annual review to be inauthentic and posture far beyond degrees of my achievement in order not to lose funding for subsequent years. If we're going to have an authentic conversation about organizational transformation, how does the structure of grantmaking in terms of timeframes, mitigate against that conversation?

The third issue that I thought might be worth discussion is, how does the philosophy of grantmaking also mitigate? We just finished a big conference about human resources, and one of the things we did was look at the dynamics of change. There were six dimensions of change that we thought were worth examining, and if you're curious we can go through those.

One of those was at a certain point people hit the wall and say, "I just can't change anymore. I can't take it. I totally can't!" One of the things I realized at my own organization recently, was we moved our office real estate and it set my staff into a tailspin. I thought, boy, this isn't about the office move, this is about the fact that you live in New York and we've had 9/11 and your friends are out of work and the economy's tanking. And you've just hit the wall.

In a sense, the question I'm getting at about this is, with so many divergent funding sources saying, Gee we need you to change, we need you to transform, we'll give you money to change, there's a point at which authentically we can't change anymore. And so inauthentically we find ourselves saying, let's see how we can pretend to you we're changing to qualify for the money.

As opposed to how different grantmaking would be if we said, Gee, maybe the issue instead of being corrective grantmakers, would be to say, what do we believe are healthy indicators for forward-thinking organizations, and let's find a way to support the people who already evidence having moved in that direction. We're funding achieved strength, not potential change.

One thing I see in my field over and over again, is there was a lot of money spent on cultural diversity in theaters around this country. For theaters for whom that was an organic direction, who had already begun to move in that direction



before that money came along, that work is successful and continues. For those organizations that embarked on that journey because of the funding money attached, in 90 cases out of 100, now that the money has gone, so has the commitment to that philosophy.

And that's the difference between funding change and funding achieved strength. I think that bears examination.

MCPHEE: That was pretty good! What I'm hearing and what you're saying Ben, and I agree with a hundred percent is that both arts organizations and funders have to do business differently from what they're doing.

If my implication in my opening remarks was that it was all about arts organizations and not about funders, that's really wrong. I think that we have to have a partnership to think this through. I don't think that the nonprofit model is here with us forever. In fact, I think we're struggling to figure out what the other models are, because very few organizations are strong enough and asset-rich enough to actually be able to sit back and think into the future. Even the best and the strongest of them.

I think you're right that only strong organizations can think about change in a real effective way. I think the ones that are really struggling to make their budget every week, don't have the resources to think into the future.

I agree with you that we need to put our energy behind keeping alive the ones we believe should be kept alive, but our change effort needs to be with the strong ones. What I disagree with you about is that because they're strong and successful, they don't need to think about changing.

CAMERON: Oh, I hope I didn't say that.

MCPHEE: I actually think they do. They're the ones who can lead the way. They're absolutely the ones who need to help us as funders think about what we could all be doing differently.

CAMERON: One of the things that I've found really interesting in terms of the human resource work that we did was smart forward-thinking organizations are always inviting and thinking of change whether they need to or not.

Many of you know I was at Target Stores for years and part of what I loved about that corporation was how they never rested on terms of, we've gotten to the answer, they were always like, what's the next question? At all points they're always looking forward.

What was interesting to me about this HR workshop, at one point we turned to the discussion of downsizing. I began to realize that many of us approach downsizing from the viewpoint of where do we begin to make cuts that will make the least impact on our programming and subliminally saying, what can we temporarily do without, working towards restoring that when times change.

What this workshop really brought to the fore, I thought, was saying the reason you're having the trouble is because the model you're working under can't sustain it. If you're in trouble, what downsizing is not is letting go of what is going to have the least impact, it's the opportunity for reorganizing the very business model in itself and saying what are the new solutions going to be. Because the old one's not working, otherwise we wouldn't be in this moment.

What was really fascinating to me in that moment was the way they began to look at how you make the decision of where and what to downsize. It was a fantastic workshop.

Ultimately in that moment I think, regardless of where we are on the spectrum, every organization's got to be thinking about – given the assets that you have both in the present but conceivably for the future – how are you devising and continuing to refine the model that's going to allow you to adapt and respond over the coming months? Different organizations are at different points.

The one thing that I would say that was also part of our discussion earlier was, I'm hoping that as a community we're beginning to think about general operating support in a different way than we used to. I sometimes hear people go general operating support and think it's a hearkening back to bad old habits.

Ultimately I find myself wanting to talk about GOS less than I want to talk about flexible working capital. The one thing I know in this current economy is when a business model opportunity comes here for me, that if I go through the traditional grantmaking cycle by going, Oh! I want to respond. Let me submit a proposal, let me revise the proposal, let me put it up for your board, let it go through the review board... That opportunity has sailed by the time I get a word on the funding.

What GOS gives me is the flexible working capital to respond in an appropriate and instantaneous fashion when the business opportunity I need presents itself. If we can look on it as flexible working capital and not the sop of GOS, we may be positioning organizations



to respond more holistically to a very new but persistent economy.

MCPHEE: I'd like to respond to one other thing that you said which is your whole idea of time management and the fact that arts organizations really can't jump through the hoops of every funder and every individual donor. Your comment was that until we can pick our donors we don't have an authentic conversation.

CAMERON: It's imbalanced.

MCPHEE: And something that Lucy said at lunch, which was about donors collaborating. It occurred to me at lunch that in most instances it's the funders who are the conveners. The funders are bringing together groups of grantees.

It would be very powerful for an arts organization to bring together its funders and say, we want you all in one room so that we can align our outcomes with your interests, and not deal individually with each funder but really have the chance to say you're asking us to do this, you're asking us to do this, you're asking us to do this. We want to bring you into alignment with what we're doing. I think only a pretty strong arts organization can do that, but it would be a hell of a different conversation.

CAMERON: Either that or we just lock them in the room and say, nobody comes out until you all make peace with each other, and then we run out the door and lock it. *[Laughter]* But you're right, it's a great idea. It's a great idea.

MCPHEE: It would be a really different conversation than the one we're accustomed to having.

CAMERON: We're done.

JENNINGS: Thanks so much. That was very lovely. It's really important to hear from national funders. I'm from Kentucky, Judi Jennings, Kentucky Foundation for Women, and everybody's based in a place, in a city or a region, and so we wanted to also hear from folks who are working on a regional level and we're glad that we have Seattle and Atlanta represented here, so we've got the country covered.

AUDIENCE: All you need, Seattle and Atlanta. *[Laughter]*

JENNINGS: Kentucky's in between, you have to pass over it. So we have Lisa Cremin from Metropolitan Atlanta Community Foundation. And Susan Trapnell from ACT who is our host today.

So when Janet and I talked to them, we asked them to be thinking about these questions:

Are there emergent trends or patterns in the way arts and cultural organizations are coping with economic crisis?

Are there alternative organizational models or strategic alliances that should be considered that will produce work while reducing administrative costs?

Has an emphasis on strategic planning helped or hindered the work of foundations and cultural organizations in your region?

So those are their questions.

CREMIN: Well, we ignored those questions. *[Laughter]* We started to talk about all the national trends and then we decided, no, we actually have to be thinking a little bit more locally. I also might add that we didn't actually meet until twenty minutes ago.

TRAPNELL: Except on the phone.

CREMIN: Right, except on the phone. So this has been a fun adventure for us.

We found our path generally by thinking that we work regionally but we like to think globally. We come to conferences like this and say, in Atlanta this is the way we do things, but when go home we say, well you know what the grantmaking field does! *[Laughter]* You're always trying to figure out what's your ground and what's important and who you are and making the case for it.

But there are really three things that came up as threads and we'll see if we can hang onto them as threads or just start cutting them up and having a little pile of fiber on the floor. It was, what is the economy when you're looking at a local level?

How much does the external economy affect your own local economy? And what are those trends, aside from the general fact that there's just less in general?

Factoring in, looking at your own economy then, what is the pie? And how do you cut it up? Is it limited? Where do we accept its limits if there are limits, or when do we decide not to accept it as being a pie that has limits in that there are certain amounts available for certain efforts.

Finally, how do we become more candid with each other? How do we approach a totally new candor in sorting through our mutual inadequacies, for lack of a better way of



describing it? For our mutual challenges, for our mutual ideas about how each other could be, responding to the environment a little differently.

TRAPNELL: Just to pick up on that. When I came back to Seattle six months ago, ACT was about to go bankrupt. It was an issue that was unrelated to the economy. I think its problems were born in the boom time and they were exposed in the bust, but they weren't caused by the bust.

I look at this because Seattle is a boom and bust town, and I've been here for 25 years, I've been through a number of the busts. Nothing quite to the degree maybe that this is, but certainly seeing these drops when suddenly everything just dries up.

There is a different quality and severity to the pressure right now. What's interesting to me is I don't think it's economic. I think we call it economic, I don't think it is. Because this community has so much more money than it did ten years ago. The amount of money for philanthropic purposes is not the issue. It's the attitude about philanthropic purposes.

I think the political environment in which we are voting public priorities that say we want to pay no taxes, we want government out of the way, and we're going to let the market be completely unregulated, is a combination that creates communities that none of us can live in. Because that free unregulated market makes its profit by not cleaning up after itself. If government isn't there to clean up after it, than not-for-profit is the only thing left.

I happen to think not that the not-for-profit is on its way out, I think we are about to see what a magnificent, extraordinarily ingenious sector this is. It gives us the option to balance conflicting American priorities, of selfishness and generosity, of centralized decision-making and very localized decision-making. If we look at this as the potential to bring voluntary private capital to public purposes, it is that no one in the world has this sector.

We have to join funders and organizations as partners looking out on that community and building the case that the not-for-profit sector is the solution to the communities' needs. We aren't the need. The arts organizations are not the need. We are the provider. We aren't here for artists. We are here for the community in which we make a living, and we need artists in order to do that.

If we remember that we are partners in a desire to do something in our community, we have the skill and the expertise, the funder has the

resource that allows us to buy that expertise, and together we're trying to do the same thing. We need to not look at each other with our backs to the community but really link arms and look out into the community about how we serve it.

I don't know if it's the same human resources meeting you were talking about, but at South Coast last week, within this discussion about change, the most remarkable thing she said was, just as soon as you talk about change, everybody talks about what you're going to lose. People perceive change as something you're going to lose. Even in the nature of our questions and our look at the economy, we're trying to figure out what we are going to lose.

We have to look at it as, this is our moment to make our case. In the boom time, I agree we're not on the radar screen because we drive the economy. But we have in the not-for-profit, everything that people believe in and care about. All of our things are in the for-profit sector. But what we believe in, arts and culture, human services, health and welfare, social justice, environmental protection, religion, all of it is in the not-for-profit. We have placed our values and our belief system there.

This is not something that's going to disappear. I think we just have to elevate it to the point where we realize that we cannot be a society that accepts the inalienable right of business to set the public priorities. *[Applause]* That we are the ones that are the reflection of what the public deals in and we have to step up and claim our place in the community.

The pie is quite expandable, we have to rethink philanthropic, you know, here in Seattle what I see is that sometimes there is an assumption that philanthropy is your discretionary dollar. Now that we don't have so much money we can't give away as much. Well give up the damn car!

I mean we have to really look at ourselves. If we're not going to pay taxes, we're still going to have to pay to make sure we're not stepping over the homeless every time we walk to shop. We've got to make sure that we aren't wearing masks because we can't breathe the air. These are the things that either government or nonprofits are going to do. We've got to make sure that Clear Channel isn't our only option for satisfying our emotional and spiritual needs. I think that we can look at this as a time when we together can claim our rightful place as the repositories of real American values.

CREMIN: I think there's also a critical need, as we're linking our arms and we're out there



making a case for the service, instead of making a case for the need, that we're also out there developing an understanding of why the service is there and what the various levels of the service are. That it's not just the headline organization that you've heard of but maybe you've never gone to, it's also the small community organization that's holding your town together, that's holding your neighborhood together.

I think it's a real challenge for funders and something that's always going to be an issue, especially in a local economic environment. How do you handle the numbers? How do we work with the numbers? How do we make the case for having so many organizations and then, when I go back to the office, everybody says why can't they just collaborate?

I love the idea of taking everything and turning it all around where the grantmakers attend a convening that a non-profit has put together, where a grantmaker takes another organization out to see a new donor, where we're actually raising money for the non-profits that we're really trying to keep strong. We have a reverse site visit. We'll take an organization out to see another source of potential funds.

It's very important that we start to turn it upside down a little bit to try to find some new avenues of creating relationships within a community that thinks it knows itself.

TRAPNELL: What you said about, "Why don't they collaborate?" We see a lot of this. Are there too many theaters? Was ACT a problem because there are just too many theaters? It raises lots of questions and it's important that we on this side not be defensive about it, we should have no sacred cows. You know we ought to be able to look it in the face and say, are there too many theaters in Seattle?

But we also have to look and say, now, what makes it too many theaters? We've got 10,000 people who want to come and see every show we do. Now, because of our ticket prices and the amount of money they are giving, the amount of money flowing, that's not enough to pay the full cost of the quality of work that these people have come to expect. But it doesn't mean we're not serving a need.

Part of what we need to articulate in the nonprofits is the protection of the rights and tastes of the minority. Our Constitution is built on protecting not just a majority rule, but protecting the rights of the minority so that you can't be overrun. In art, this is a great deal of what happens. Even the biggest, most successful

organizations are still protecting the rights of the minority, because it's the mass market that's dealing with the majority.

We measure ourselves on what we give to our communities, not what we pull from our communities. That accountability and evaluation has to be based on some reality of are we providing the maximum we can with the resources we have to a community, and obviously eventually we have to find some sort of viability.

One issue of finding that viability has to be, how do we make a case for more philanthropy and more giving? The individual is where that gold mine is, because that's where the money is now in this society, it's with the individuals. If together we're making that case for giving, not for contracting, I think we can strengthen this.

CREMIN: My personal wish is also to see as grantmakers and as representatives of various foundations to actually be making the case on behalf of the organizations that we serve. It's a much different sort of twist on developing new resources instead of having the organizations have to make that case within a given community, independent of the folks who like us who have to make the case internally everyday, to make the grants happen.

One thing I'm interested in thinking about is, if you take money away from the issue and you look at a relationship with an organization – this is something I struggle with – how deep can we go with each other in trying to solve each other's problems a little bit? I think there's an interesting phenomenon about how much extra work we perceive that we create for each other.

We were talking a little bit about why is there this sort of something that's not like this between a funder and a grantee but that's more like the magnet that's trying to come together but it's turned the wrong way.

There are many facets of what creates that dilemma for us as we work together. But how can we pull those issues out of the way and get down to a deep conversation of saying, let's assume there is a pie, let's assume there are perceived limits to the resources that we can garner for the work that we're trying to do. How honest can we get?

I had an issue, for example, with a local organization that we actually declined support for and came in to have a conversation, and they said, well, what do you think we should be doing? And I said, maybe you should consider this, maybe you should consider thinking about



your board of directors. I gave very safe answers, look at your balance sheet, look at this and that.

But that's not the solution, this was a smaller organization and it really became a meeting about brainstorming. We talked about have you really looked at how your board chair is performing?

I started to ask some questions, and then I woke up in the middle of the night later on and thought, this person didn't really have an ability to say that was a good or a bad idea to me. *[Laughter]* And you know, but how do you, between an organization and a funder, actually start to truly brainstorm? You can convene, but how do you take an idea on a one-to-one level and say, I've always thought you should be thinking about this, when in fact maybe they don't want to hear that from you. They have no ability to say, No, I think that's a really bad idea.

TRAPNELL: I don't know the answer. What I do know is that this year, when we were in so much trouble and we had six weeks to raise one and a half million dollars, is the only time I've ever had the ability to be able to choose my donors.

There was a fearlessness about this and a wonderful kind of relationship because there were certain criteria. Donors had to be able to make a commitment within days to us, and they had to be able to pull up the cash within five months. We weren't giving the donors many choices. This was all on our terms.

Consequently we also had to sit through a lot of hard questions and scolding and scrutiny. All of a sudden, the donor had the right to ask some tough questions because we were putting the screws on them in a way.

It was the best, most effective, most interesting, most honest fundraising I've ever had, because I had nothing to lose. I mean, I had everything to lose, so that's why I had nothing to lose in those conversations.

I don't know how you keep it up, that level of honesty. Because pretty soon you start raving.

I don't know what the answer is, but I know I had the experience of the best relationship with donors that I've ever had. Because we were completely desperate, but that also made us completely clear about what mattered. It was maybe the first time I've really said, this is what I need, not this is what I think you want me to need. It may be that if that's what I can remember when I go to solicit – is that if I'm honest about what I need for this organization, then you'll be

able to be honest about whether you think that fits with what you're doing or whether it fits with what you see our capacities being.

CREMIN: What a grantmaker wants you to need is something that I think a grantmaker really wants to know. In our quest to be serving a broad audience and have some efficiencies, many of us have smaller staffs than the organizations that we serve and you end up needing to know what you need but can't find the efficiency to put that together.

There's no plan or formula that assists with your case-making back at the shop. It's an interesting idea, I think a lot of organizations try to say, this is what we need and we're putting it into the words that you like to hear. And how do you see through that? This is, I think, a great challenge for a grantmaker.

SARBAUGH: Thank you duet two. *[Applause]*

We're devoting the third duet to artists. We're excited to have Pat Graney, a choreographer and dancer and founder of Pat Graney Company. Also Frances Phillips from the Walter and Elise Haas Fund in San Francisco and who, most importantly for this discussion, runs the Creative Work Fund.

The questions that we posed to them were the following:

What is the impact of these difficult economic times on individual artists?

Second, how has artistic work, the creation of work, been affected by current economic conditions?

PHILLIPS: I wanted to start by asking Pat a little bit of her story, because she's a choreographer/dancer and she also founded a company that creates work that is, for lack of a better word, main stage productions, and also does an extensive and innovative program in prisons.

Could you give us the pieces of that puzzle? When you started your company did you go it alone for a while, or did you start it when you were relatively young? When it comes to gathering money to make all of these pieces work, where does most of it come from? What do you do if you get an individual fellowship? Do you run off and take time to yourself? Do you feed it back into the company's life? I'm interested in getting a little bit of the picture of you and structure and money and what that's been like.



GRANEY: Oh wow! Well, I have to just say this because I used to work for Susan Trapnell. She was my work study coordinator. I was her work study student.

TRAPNELL: I like to take credit for Pat. *[Laughter]*

GRANEY: That's right. She was my creator. And I didn't really realize, you know, she's such the famous, smarty, fantastic person that we have here in Seattle which is why we're so happy to have her here because she has such a great reputation.

But I didn't really realize that it was the same person until quite a lot later... Oh, she was my work study supervisor! *[Laughter]*

I'm going to reiterate a couple things that I think are endemic to not just nonprofit organization relationships with foundations, but they're also endemic on a smaller level to artists and nonprofit organizations and artists and funders and all these things which stems from something I brought up in the last session.

Am I answering this question? I'm such the digression queen, I'm sorry.

I've given a lot of thought to this from where I've been working in the prison system for about ten years, working with incarcerated women producing performance, an anthology, and a videotape, and have made a national model of that. I've done that in several cities and will hopefully do it in two more U.S. cities and we'll be doing it in Dublin next year. It's turned into its own whole completely bizarre little program there.

I started doing dance here in Seattle in 1979, worked for the Bill Evans Dance Company as a work-study student and I thought, The Dance Company! And I was also part of CETA, I was a CETA child.

So I come out of the '70s, I went to Evergreen, which if those of you who don't know about it, it's an alternative college here in Washington State, one of the few that made it through the whole crunch into a state college and is very idealistic. I also grew up in a completely alternative situation in the South with total segregation.

I like to say these things because they all feed into this interesting mix of who I am – I have a single parent, was raised very poor, which comes into my whole view of class and art. In my field there really isn't anyone from my class, there's only a couple working class people that are really in dance.

One of the economic fall-outs that's happened right now... and that's neither bad nor good, I think it's just the way it is. Most people who have survived in dance have trust funds or someone is supporting them. There's just nobody surviving really at a level of continuing to create work, produce it and perform it. It just doesn't really exist.

The model that we grew up with, being a CETA employee and having this other model of the dance companies, really was completely nonexistent. It's complete pie in the sky and we all know this now. It doesn't work, except that the other part of this is that this is still being taught in colleges because all those people are still teaching that those are real things in the world which of course they're not. *[Laughter]*

I started here in '79 doing individual artist fellowships. The majority of the money and funding I got was from individual artist fellowships. I didn't really want to have a dance company. I'm not someone who dreamed of a conglomerate. I didn't want to be the ballet, I just wanted to do my own work. It necessitated having a nonprofit in order to pay money to the dancers. There wasn't really any other way I could see it.

So I went ahead and did that, went through the whole dream idea of having the board, which I still have. I'm very cognizant of the fact that that doesn't work at all. And it doesn't work for an individual artist-run organization. It doesn't work. You're never going to raise enough money for a project. It's not going to happen.

That's the reality of it. I'm very good at raising money. I probably get a lot of money compared to a lot of other people as an individual artist. You're going to continue to present, you're going to sell the idea of getting that staff and getting the incredible people. We'll get up to four staff. I have no staff now. I went from four to one staff in the last two years.

But what was really interesting and I want to say it is a gift in this kind of thing is that I just got really sick of the whole thing and I said, I'm not doing this anymore. I am not having these people run my life. I don't want one more person on the board telling me to develop a business plan. I am so sick of that! I have run this company for 25 years, I don't need them to give me a business plan!

People are trying to be so helpful but they are so condescending and pejorative. I really am totally over that. You know, I'm a businessperson in my own right.



You go through the getting bitter about it, and then you realize this is a really interesting problem. How are you going to deal with this problem?

I'm doing a social justice program on one hand, social justice does not value art, they think it's flower arranging, so there's very little cross-over money between social justice and arts programming. You're caught in this middle and you get funded by foundations who want to take a chance at something that's interesting, which is producing art programs in the prison. People that go through our program have a 30 percent lower recidivist rate. Now I don't know why that is, but it is actually working in some very odd way.

TRAPNELL: They're not afraid they'll have to do your program again are they? *[Laughter]*

GRANEY: They're so afraid that they are never coming back. They're so afraid. They're not going to do it. "I'm never re-committing a crime, I don't want to have to do art again!" They're going to have that modern dance. *[Laughter]*

I get on this bandwagon because I think that being from a puritanically-based culture, there's all these really interesting parallels. You come out of a puritanically-based culture, there's the people who founded this country. What you do, you always have to work at what you don't like, you can't work at what you like because then you shouldn't get paid for it. This runs through every premise in our society. This is so deep-seated, it's amazing!

How many people have asked me how fun my job is? It's really just unbelievable, I'm going to be 50 soon, and I'm just amazed that people still say that to me. I'm just, I feel like just laughing or crying, you know one of the two.

I'm the eternal optimist. In the last couple of weeks, I've actually come to, okay I don't have any staff. I'm going to write what grants I have. This is the first time in my life I have not written a grant for a new project while I'm doing a premier that's got a 10-city tour and it's for modern dance. That's actually pretty good right now in this economy.

So I'm not going to do it and I don't know what's going to happen. What I'm interested in is creating new models. I don't know what it will be, but I know the nonprofit model doesn't work. I'm very interested in getting some planning money and looking at new ways, because there's lots of really interesting things.

Especially what the youth movement is doing right now. We need to pay attention to that, we need to have youth people on our boards and involved. Because they're doing bartering and other things that is very, very progressive in a way that I don't even think they know. It's just very far reaching, brilliant strategizing. I'd love to get a MacArthur Fellowship and then my life would be perfect. I'd pay off my house and go to Africa and study elephants, that's what I really want to do.

I was just thinking, where we are right now? It's so fascinating to hear all of you and to think, okay, I'm creating the work. How do I keep doing it? I don't know if I can, to be very honest and I think it's a very sad thing. I love doing my artwork, but I don't do artwork anymore, I only fundraise. My job is fundraising. I am not going to spend every night going out to drinks with people to get money. I am not interested at all in doing that.

I'd love to have people over to my house and look at my miniature collection and my Star Trek movies, I'm so into that! *[Laughter]* It's interesting, you know. I like to bring people in the prison, they get so excited about it and the women get so excited by seeing anybody other than their little town of people. So that's something that I can share in a very authentic way, and I love to share that with people, and that's something I feel very excited about.

So in terms of the art makers, it's time to change. I find that change somewhat debilitating but also incredibly exciting. Because we're up against the door. Are you going to open the door and walk through it or are just going to keep hitting your face on the door? So something has to change.

And I'm into doing some new models. So I'm sorry did I get way off there?

PHILLIPS: That was great! Well, I'm just thinking, okay, that's a wonderful story. I asked you to tell your story, that's a wonderful story. You told your story.

We don't have the CETA program anymore, but let's say you're getting to teach the class that Susan taught you oh so long ago, what would be some of the things you would warn people off of?

Would you suggest that they develop a little posse of friends with which they could get together and do things sometimes but not create an ongoing company? Would you suggest to them that they look at clubs or other kinds of commercial models that younger artists are really engaged in?



What are some of the things that you would rethink or urge them to rethink?

GRANEY: One of the indicators which became really prevalent when I was touring in the early '90s, what was so interesting, there was a change in touring in universities and being a guest artist. At that time I was doing quite a bit of that.

The change was from, how do you survive doing what you're doing, to how do you produce what you're doing? I thought this really interesting and indicative of the change whether you mold it from the outside or do it from the inside.

You can't mold anything from the outside. It's complete crap, it doesn't work. As all of us know, you can't create programs about money. I feel like it is amazing to tell people and I'm so excited when people want to become artists. That is like the gift of the world. This is what we're doing. This is why we're here. You feel a calling to it, just go do it!

What you form out of that, you form from the necessity of the art, not the structure you think you need that someone tells you what you have to have. If you're going to produce a work, the people that come around you are the people that you need.

It doesn't mean you shouldn't form salaries, but it really needs to grow from the inside. All of us in arts organizations need to remember that and not go for these ideas, because the ideas will kill you. They will kill you. They are too large and they're not made of anything real. I mean, they're really not, to me. They're fabricated out of what we think we should do.

Artists by nature are radicals in the culture, whether you're doing movies or something you consider mainstream, because you're inside, you're radical because what the culture is saying.

If you could just get anybody in this room to experience something really amazing, you value that experience. You want to get someone to value an experience they have, whether they're seeing performance or whatever. As an artist you're communicating this amazing experience to someone else and they're having that experience. You're not responsible for it, you are in fact just sharing something.

If you build something from that premise I don't think you can go wrong, and I absolutely believe that to be real. That has happened in the prison, it has happened in my own artwork.

If we forget that, we're in so much trouble! It is all we have. It is all we have! And it's the most beautiful thing in our culture, it's just the most pristine precious amazing thing. And I so experience that with people.

I keep wanting to say that because I think we all get so worried about it. It's important to worry because things get so big and then you worry. But then you forget, well what are we doing here? What is the idea here?

So I'm sorry that got so reductionist.

PHILLIPS: No, it's good. And then another part that is clearly a theme carrying through this whole conversation is then, the candor, the supportiveness of a relationship you can have with a funder. Are there, naming no names, but are there relationships where you feel that you can say this? And to whom? [Laughter]

GRANEY: Oh yeah. Because the people are here!

PHILLIPS: What do you say to those who have been with you over the years? Have you been able to bring them along on this journey of, I now have no staff. My two reports a year is going to be too many. How can we be really honest and clear with one another about sustaining the values that we share?

GRANEY: Well, most people understand that there's an economic hardship and they know that, but immediately they think, well how did you let that happen?

It's really like you are somehow responsible. Even though they don't mean it like that, because they have to be responsible for somebody else. So all the sudden it's like, now what exactly, what step, where did you misstep?

And I feel like, you know, if I knew that, I'd be very wealthy. I don't know! I'm starting to really work on this.

I was doing this perfect model with the perfect board and participation from the community. And I did it all. I did everything. I am such the good Catholic schoolgirl, I did every single thing I was supposed to do. Then I realized, oh it doesn't work, that's why it isn't working!

That's not to say that I didn't make some things. I am very Pollyannaish. I can sell people on fabulous ideas because I completely believe in those ideas.

I would say, by and large, people want me to be able to produce my work. I feel like I've had tremendous privilege, I really have, with getting



money for work. I feel really honored. I think people, the National Dance Project, and Sam Miller has supported my career tremendously through all his tenure at Jacob's Pillow. Not individually, me personally, through NDP, but through NDP has allowed me to do my work, the National Performance Network. Being part of that's been really, really ideal for me and amazing in terms of colleagues.

But I have to relate this really funny story. It's so funny.

Okay, I have to tell you because this was a fairly large grant and the person shall be unnamed and of course they're not here, so it doesn't matter. So anyway, I kept trying to see this person, it was for a large thing. And it was for the prison project, so it was a social justice program, which you may or may not even know about anyway.

But I went in with this person who was supposed to be like the scholar in charge of the program. And I said, well we've done this for eight years, and da, da, da, da, and this is my experience and these are all the notes, and I hyped on every syllabus for every class and numbers of people affected and all that junk.

And I was telling some stories. People in prison, they're making popcorn in the dryers. I've got a whole book of recipes how you can make things with hairdryers. Really, really ingenious, fabulous. So it's like, put this in an anthology this is amazing.

So at the end of this of this conversation, the guy goes, "I don't see how your dance program relates to the prison work." Well, we do movement in the prison project and then we do a performance. It's street dance and, you know, visual art.

"Well, you know, you said people used the popcorn in the hairdryers. Have you ever thought about making a dance about the popcorn?"
[Laughter]

And I just couldn't believe it. [Laughter] I just said, "Well, no, I haven't actually. I haven't thought about that."

So here's somebody. You know, it was a social justice thing, there was all these other things involved, but it was so interesting because I just thought, well, okay. I need to just be quiet. Because I'm not communicating for whatever reason. I'm not communicating the importance of this work.

AUDIENCE: Did you get the grant with the popcorn restriction?

GRANEY: No we did not get that grant. That was a 50-page application, I spent months doing that grant. But it was a good lesson. You know what was interesting about that? I tried everything I could to meet this person. I met this person, I used their research which they did on this particular population I was working with. I did everything I could possibly do.

But what was interesting was at the end I realized, you know, that person isn't going to fund this project for whatever reason. They're just not going to. It's his prerogative. He doesn't have to follow the program guidelines. It's his individual whim and there's nothing I can do about it. So I just let it go and it was just a great relief, really.

We had to cut the program that year unfortunately, but it was a great discovery.

PHILLIPS: I would guess that most of the grantmakers in this room have been scratching their heads about, I have less money, what's the best use of it?

One of the moments that I've had is, we should be really shoring up the institutions, because if they're gone, it's twice as expensive to recreate them as it is to sustain them.

My other instinct is, we should get as close to the ground as possible. As many school kids served, as many artists get money as possible. Keep the feeder system going. This is when there's very limited resources, then cut back, go into research and development. Getting things onstage is really expensive. But if you were giving a funder advice, if we got to switch chairs as suggested at the other end, what would you tell us?

GRANEY: I would say it's the same premise. You're in a curatorial position, you have to do what you love and what you believe in, so I ultimately am going to respect that decision.

But I also think that you have to include everyone in your constituency. You can't just go for organizations. You're dealing with an environment, a large environment of people that has many different levels of those people. There are kids, there are adults.

I know that everybody's limited, but keep as many people in your circle of what you can hear as possible. Have some youth people, have some artists, making sure that you're hearing from people is really the only thing you can do. You can't fund everybody.



The premise of trying to save the world, it's a very dangerous premise to have. No one can do it. And you have to do what you love and what you believe in, and I believe in that way you are an artist and you are dealing creatively with what you have to deal with, and I think you have a very hard job.

So I acknowledge that job and I also think just talk to people that inspire you and make you connected to the community that you serve.

SARBAUGH: Bravo. That was a great way to end with kind of an exhortation to the grantmakers, and the fact of an artist saying we have a hard job.

I hope you've been saving up questions. We have about 25 minutes for questions back and forth between all of you and any subset, or the entire six people on the dais here. So I hope there's some questions. Yes?

AUDIENCE: A question for Pat. When you first decided to develop a 501(c)3, you had to get a board. Did you have a model of what kind of board you wanted? Or was there an organization that you modeled Pat Graney Company off of?

GRANEY: At that time it was just people that I knew, knew my work and knew what I was going to do, had some idea of the kind of art. It was around the art initially. And people that I knew. It was all friends in the beginning and now it's not no friends, but it's a different constituency.

AUDIENCE: Did you have a sense of what the board's role was?

GRANEY: Oh yeah. They were going to raise all the money and we were going to be perfect. It was going to be so great! I just thought, Oh, I really have arrived! I've got these people, and like, there's attorneys, there's all these people. I'm like, cool! And they're going to make everything perfect.

It's a very '70s mentality, I have to say, which is the era I went to college in so it's perfect. But I did feel that way.

AUDIENCE: Well, I would just like to add that Pat is the *grande dame* of modern dance in this community. And there has been this whole two generations I'd say that have come up after you, modeling themselves and their practice on you, and a lot of them are having a really hard time with that whole board mentality.

GRANEY: I know. I'm so sorry!

AUDIENCE: Most of them are. It worked for a while, for you.

GRANEY: It worked. At the time it worked coincidentally at that economic time that Susan was talking about, I think.

TRAPNELL: This is a little bit of a different tack but I think we have done so much to increase the professionalization of the arts in that period. I came into this just wanting to do something, but not having any training for what I was doing. Now people really get trained, you know?

But we have done nothing with boards. I'm really struck looking at what happened at ACT. Why is it that a board that was so strong could disintegrate so quickly over a few years? We really have to stop and rethink, why do we have boards and what is their size?

Because I wonder, are you adding value or are you just slowing me down? It is a real question with, I would say, half the board. That's not a reflection on me. It's not that I am so far superior to my board. We haven't really figured out where they add value. Where they want to add value is to second-guess everything we're doing on the staff.

CAMERON: Beyond that, so many people are saying now that their job, especially sort of, senior level management, their job is entirely board management and board development. So that becomes the whole point of the job. It amplifies your staff even further.

In answer, to your question, I was in a meeting with recently, and a colleague used the term "authorizing environment" which I'd never heard, which just made me start thinking about the not-for-profit theater movement, which dates from the fifties and sixties. I thought, so what's the authorizing environment for that? GIs coming back from the war, they're interested in culture, the GI Bill, higher education, a booming economy, home ownership, interest in art.

All that's the positive that's colluding to give birth to this movement. I don't think any of us would contend that those factors are deeply in play right now.

I find myself saying less about the solution, then saying, okay, so what are the positives in the current environment to which I can attach myself? What are the positive trends moving forward? And then maybe, if I can be strategic about finding those points of connection, then maybe the pieces about the model or where that applies for structure will begin to become plain to me in a way that they're now not.

AUDIENCE: I think this idea of boards is really interesting. I've been thinking about this a



lot. Boards don't have a network. There's no professional network for arts boards.

AUDIENCE: There needs to be.

TRAPNELL: It's only a social network.

AUDIENCE: It's social, but, just...

AUDIENCE: Something that sets best practices. I've been doing this best practice idea which would be fantastic.

GRANEY: There are a couple of forms. I know that there is, there is the national nonprofit board thing. But I'm thinking of smaller organizations that are working on a local level. These boards that are in charge of governing these smaller nonprofits, they don't know each other. And imagine how lonely that must be! [Laughter]

SARBAUGH: It's interesting that both Susan and Pat's eloquence really made me see for the first time that the disconnect between art makers and the nonprofit structure is actually greater than the disconnect between funders and nonprofits.

GRANEY: That's right.

SARBAUGH: Which led me to think that, in fact, the whole nonprofit structure is created as a funnel for funding. It has nothing to do with the service delivery side of it.

SEVERAL: That's right.

SARBAUGH: So that's really what we need to be thinking about and you all are right.

I'm seeing two or three people say, Ooh, I disagree with that. Does anybody want to take on the issue of there's no board networking?

BYE: Well, Nancy and I wanted to disagree a bit. I'm Carolyn Bye from Minnesota. I serve very small groups with my organization, three hundred thousand-dollar budgets and under. And there are many opportunities. There's things called Board Boot Camp. If any group comes and asks for the funding, they send their board to it. We send board members to that all the time.

The University of St. Thomas has a series of six board breakfasts that go on every week. It's not ongoing, but it is for helping boards get trained. What Nancy and I were just saying is, the issue is more finding the board members than it is the training aspect.

AUDIENCE: I think what we have is a generational issue where we now have a generation of people who either in their own family experiences never

had parents who served on boards, or never had parents who, let's forget boards, just any kind of community level volunteering. They haven't gotten this in them as a value. What we're seeing particularly in the smaller groups, is how do I even get this critical mass together?

TRAPNELL: I don't think this is the case. Of course, I don't live in this community so I could be wrong, but another feature of this that I encounter with a lot of artists-run organizations is that the executive director is afraid of the board. That the myth that you will create something and they will immediately fire you, is a very deeply felt one. They are a little afraid of their board getting a clearer understanding of their level of responsibility and power. They want more help and they're scared to get more help.

CAMERON: I ran across an article recently and it's just been really great for me, a Karl Mathiasen article that's old, frankly, but it talks about, there's a founder board, a governing board, and an institutionalization board, sort of three different moments. And how often boards get into dysfunction when they're changing from one to another or they're caught between the two.

The needs of a founder, not that you should go through that necessarily, I think he says basically, maybe Martha Graham should always have had a founding board and never needed anything else and that's perfectly fine. But there's that kind of disconnect moment.

The one thing that really struck me once that Bill Bowen pointed out was that, unlike a for-profit board where board members are engaged because of their expertise in an area, our boards by definition are people for whom this is avocational and who generally know nothing about what the arts organizations do, and God bless them for it!

But trying to get them with all the other pressures in their professional and personal lives to say, Yeah, I'm going to go away and spend my own money to go away for three days to Boot Camp, is really an intrusion into their lives. I'm surprised that we get as many of them as we do to go given that reality.

One thing I loved that I saw once in our field that I just always wished that we could find a way to encourage people to do more, frankly, because I think sometimes what we see in theater communities anyway is, it's hard to connect local boards to each other because there's too much on the table, you're competing for the same resources. It's dirty laundry, it's social embarrassment about, "Oh your group's got those



problems? My group doesn't." You know, those kinds of issues.

We watched two theaters, one in Hartford, Connecticut and one in Baltimore, Maryland at one point say, God, we both live in cities with industry leaving town wholesale, we've both got the same artistic profile, we've both got the same institutional size. What would happen if we basically went on a joint board retreat and swapped problems?

One went up to Hartford, and they spent a weekend there and said, This is what we'd do in your case. And then three months later the other one came down to Baltimore and said, Here's what we think about your problems. And it was just fantastic! Locally that's a hard thing to do when you've got the same funders and you're up against the same people.

TRAPNELL: The other thing is that arts leaders are less than clear to their boards about what they want them to DO and what they expect them to do and what's the right thing for them to do.

Part of the reason for that is because they actually are so lacking in capacity in so many staffing areas that they're using their boards in frankly a lot of inappropriate ways. So as a result they're getting a lot of inappropriate advice that they don't want from their boards.

To be strong enough to say to a board, this is your role, it's confined to this, but it's highly valued, is a hard thing for most arts organizations to do.

SARBAUGH: Another question. Margie, do you have a question?

MARGIE: Susan was talking about creating a sense of value in the nonprofit sector, and we were talking about the relationship between the philanthropic sector and the arts sector. Two ugly words remain in the conversation and Ben had the appropriate reaction. The first word was "clear" and the second word was "channel."
[Laughter]

My question is, can we survive without a recognition of the commercial sector? What is your reaction to positioning the nonprofit arts sector in a world that is increasingly being encroached upon by the for-profit sector?

Are there positives if we could look beyond our feelings? Can we isolate ourselves from that sector?

CAMERON: I don't think we can isolate ourselves from it. I have three reactions. One is, I worry

sometimes, especially in theater because there is a strong commercial sector. People perceive it as a solution.

And the reality is, the commercial sector basically in this country is 36 Broadway houses. Thirty-six houses which typically, in the course of the year, interact with six theaters, on average, of the not-for-profit realm, will not solve a sector problem which is 1,800 professional not-for-profit theaters. So the fantasy that by collaborating with the commercial we're going to solve the not-for-profit problems is just basically beyond the laughable, almost. So that's my first reaction.

In terms of the commercial, I think we've got to be clearer in a different kind of way about what the relative value of those two things is, not that one's right or wrong, I mean they're here!

There are wonderful things, I always say, that commercial theater does what we can't do. They have celebrity connections. They do great huge scale musicals. They do a huge piece of the theatrical vocabulary that we would be diminished by were we not to have.

At the same time the one thing I keep coming back to, I have a picture of a lobster fisherman over my desk right now because of an article in the Atlantic Monthly which I just love. They do this survey with all these lobster fishermen and they get these efficiency experts in there to teach them how to fish better.

And they drop the camera down and they watch the lobster pot, and what they find is that the way lobster pots are designed, like 50 lobsters a day will visit and sort of hang out in the foyer and munch hors d'oeuvres but then they'll leave. [Laughter] And only like three lobsters a day will swim into the bedroom and get trapped.

And they come back to the lobster fishermen and they say, "You know that 50 lobsters a day visit your pots and leave." And the lobster fishermen say, "Yeah, we know that." And they say, "You know that if you just redesign it and used aluminum instead of wood," or whatever, and they go "Yeah, well we know that." And then they say, "Well, your lives would be so much easier." And they say, "Well, we know that."

And then they say, "Well, why?" And the lobster fishermen say, "Because everywhere in the world that efficiency methods have been adopted, the local fishing population has been drastically over-fished to the decimation of the local ecological system. And we deliberately embrace inefficiency out of our investment in the health, in the whole."



And partly what I glom onto about that relation of the commercial mass media versus the not-for-profit is, it's not efficient, but God knows if we don't invest in the health of the whole by saying, "Yeah, we are inefficient but thank God for it in that light." You know, so it's a both/and, not an either/or for me.

SARBAUGH: Good question. Would you identify yourself when you ask a question please?

HALPERN: I'm Rhyena Halpern with the Sacramento Metropolitan Arts Commission and I have more of a comment. What I'm synthesizing from your comments is that we're poised on this really exciting time when there can be really great new models and that right now it's a time that we're facing economic duress, and like you said, we got there by not planning for the future.

I have this certain feeling now that you know, somehow we're going to get through this hard time. We're going to crunch down and work hard or we're going to survive this really hard time.

But I'm worried about our ability to be ready, be poised and ready to jump, to really create the new models, to rethink nonprofits, and to be ready. Because I do feel like what you were saying, Ben, about the convergence of the five factors, it's really clear to me, we are reinventing.

So what I'm really hungry to get to is, how do we prepare ourselves not only to develop new models, but to embrace new models, so it's about being comfortable with the change as well as the content of the new models that we're going to go to. Does this make sense?

That's what I'm really interested in hearing more and thinking more about because it's, all cogitating internally in all of us. We've got to brainstorm it and get it going.

SARBAUGH: How do you actually do it? It's Ben's question about schizophrenia. How do you keep alive for the next two years while figuring out new ways? Pat?

GRANEY: Well, I think we're already doing it. What's endemic to how we are getting information is to wait until we accumulate information and then adopt that system instead of going along and adopting what we're doing at the time.

Someone called me last week and said, I want to pledge \$5,000 for the prison project, which was under-funded, and you don't know me and I just came, and you've got me for five years. I have no idea who this person was. Great. And I've got this

great idea and you've got five other performers, five other people who are individual women who fund women's work in this city.

Anyway so it started me thinking, okay, so they could do this. The reality is no one's going to fund prison work in the arts right now in an institution unless it is addressing these specific political issues, which you actually can't do in there anyway so there's really no point in doing it. They won't let you, so you have to go really underground.

So I was thinking, the program won't happen unless she does that. It's not going to happen! I'm going to get some small amounts of money that I have been getting. That's going to start to happen. Something is happening, and it's happening because I stopped.

You can't do anything unless you stop. You have to get off that treadmill at some point. You have to have a lot of courage to do that, and I think it's very scary.

But it was scary for me when the board said, why didn't you write a grant for yet another project that you don't know what you're doing and then sell the big idea. I'm really good at that. I had lots of ideas, it's not really a problem for me but I thought, I don't want to do this because I just went through an audit.

The auditor says, "There's no way – why are spending all this money?" You get this money and this is the reality. You get the money, you spend it and then by the end of the project you don't have any money. That's the way it works. I'm really sorry, but I don't who you've been auditing, that is the reality of the world. *[Laughter]*

This is not working. We are not trying to hide criminal activity. We expense this out, we get these expenses, we get the money. And we have actually spent all this money on the project, it's not like we're spending it going to Vegas or something. But the reality is, the robbing Peter to pay Paul, that is the nonprofit model and that's the only way it works. When people don't say that I don't know what they're thinking about, that's just completely crazy. That is the norm.

So anyway, it got me to thinking about that. Well, I'm not going to write one more grant. I'm going to not write the grant and see what happens. What's going to happen now? This community should own this prison project. It's a fabulous project, they want it, they're going to pay for it. Or they're not going to pay for it and it's not going to happen. So that's kind of where I'm at.



AUDIENCE: I agree with Pat that it is already happening, but I think that there are some real structural problems that it's going to take radical artists to help us think through how to do something different.

I think this is where funders and artists and arts organizations can sit down and talk together not about funding a project, not about the same-old, same-old, but about how do we get the innovation that comes naturally to artists, into our thinking about these models and into really fighting some of the structural problems. There are in fact some legal barriers, but it doesn't mean we can't do anything about it.

The last thing I would like to say in response to Susan's eloquent, passionate discussion of nonprofits being the home of the things we care about and value and boy, you nailed it! But we cannot sit here and let government continue to abdicate. And that's one of the reasons that we're in the straits that we are is because there's been a total abdication of one of the three legs of the way we operate.

TRAPNELL: I totally agree and I think in the arts it has a particularly profound effect. I spent two years with the Seattle Arts Commission here. And it's the only time I've ever been on the funding side of anything.

It became clear that it is public cultural policy that makes the arts elitist in this country. That policy is premised on the assumption that the arts are a private sector responsibility, primarily. By doing that it means that the arts will thrive in accordance with philanthropic traditions, not in accordance with artistic traditions.

And Western European art forms, which have always had patronage whether they were royal or clerical, do find patronage. But what we've found is that, the individual artist, and particularly those in minority communities, had no support. Because the philanthropic tradition in those communities is for something else, social justice, health and welfare, churches. The arts didn't have it.

I actually would have people say, Why are we funding the Seattle Opera? They've got the McCaws supporting that building. So the opera is very successful at actually getting private support, and government's response is, you are now elitist, why should we support you?

So they are accused of being in the corner government forced them into. And then you take a young African American artist, and they come in and they have no private support from

their own community. And government says, where is our indication that you are serving your community? And then once again, they are accused of being in the corner they're forced into.

This government refusal to be part of the arts in America is, is really critical and right now when we have a political environment that says government shouldn't be anywhere and that we shouldn't pay taxes and that we shouldn't do things collectively... This is what I see as the trap we're in. How are we going to live in a place like that?

GRANEY: Well I think we should create offshore nonprofits. *[Laughter]* And if we can all work together on this...

TRAPNELL: Who's not thinking creatively?!

GRANEY: The funders will put money in them, right? Then the money could pass just directly to artists without any need for the interference of a taxation system, right?

CAMERON: Not to be irreverent ...

There are two things I wanted to say. One is I'm suspicious of the word "models." I know we all say it. I'd rather talk about how we support new achievements rather than new models. Because I worry, you say model, and everyone's suddenly going, okay so that's the new structure you now need.

For community foundations, I've always just wished in terms of the artist that for every time an artist was supported, an equivalent amount went into a pension and retirement fund, so God knows people that run the small arts organizations and artists aren't going to face their retirement years with nothing to fall back on.

The other piece I wanted to respond to is – and this is heretical – I'm just really starting to ask the question about, when you say, how do we build it for the long-term of whatever? Maybe that's just the wrong question. You know, maybe we should just be willing to say, Martha Graham, gee, we're glad we were alive when you were and boy, thank God for it.

There's a lot talk in our field right now about institutionalization and what that means. And for me that's not about levels of resources, it's that moment you come to where the generative group of artists are departing and now the organization has to decide, is there an impulse to carry us forward beyond the animating artistic energy? And once we say we're going to continue, now we're talking institutionalization in a different term. Even if you're dealing on a buck ninety-five.



And I just wonder, the whole questions and support mechanisms you come up with are very different if you start talking about building it versus the long term, rather than how do we help Pat Graney get through her need to do the work right now? It's a whole different thing.

SARBAUGH: And now we have to bring this to a close. Thank you to all the dueters today.

END

