

# Inside Philanthropy

## **Visual Arts Organizations Scramble to Sustain Fundraising. Many Won't Survive.**

Sept. 21, 2020. By Holly Hall.

The pandemic, related closures and a decimated economy are placing tremendous financial strain on visual arts institutions. On top of all that, many arts organizations have found themselves out of step with a growing push for racial justice—a cause increasingly prioritized by funders—and are grappling with demands to address systemic racism inside their organizations. Even as they start to reopen on a limited basis, experts predict that many visual arts groups will not survive.

Nearly 60,000 arts jobs have been lost in Colorado since the pandemic started, the Colorado Sun reported last month. The San Francisco Museum of Modern Art laid off more than 130 part-time employees in March and laid off or reduced pay among another 55 employees in June. The museum projects a \$6 million deficit for 2021. And if it remains closed after November 1 this year, the 2021 deficit will only increase, said Jill Lynch, the museum's communication director, in an email.

Nationwide, a Brookings Institute study estimated that 2.7 million jobs were lost in creative professions in just three months this year, from April 1 through July 31, with fine arts and performing arts hit the hardest. Its authors called for a nationally supported effort like one mounted in the Great Depression, which in the 1930s, paid artists federal funds to produce public works of art.

### **Adapting Fundraising Events**

In the bleak economy, visual arts organizations are adapting their fundraising efforts. Every holiday season, the University of North Carolina School of the Arts in Winston-Salem has held a weeks-long performance of "The Nutcracker." It raised a quarter-million dollars for UNCSA scholarships—more than any other event. But with the pandemic forcing recently reopened schools to shut down again, UNCSA officials are planning a different "Nutcracker" for 2020. The ballet will be filmed outdoors, engaging filmmaking and drama students for the first time in a performance historically operated by people in the university's dance, music and design and production programs.

UNCSA will also hold altered "Nutcracker" fundraising events, bringing people together in small groups for cocktails before they watch the film at home and again afterward to discuss the performance with alumni from earlier productions, says Ed Lewis, vice chancellor for advancement.

Lewis says that he's been pleased by UNCSA's fundraising returns in the pandemic, with some major donors increasing their support. Like many others, the university holds a one-day giving event, but postponed its March online giving day until June, when it raised more than \$90,000, "which is a lot for us," says Lewis. This year, he adds, "we used a crowdfunding platform that made it easier to give and share through social media."

Like UNCSA and other visual arts organizations, the Saint Louis Art Museum is opening its doors cautiously. After shutting down in March, the museum reopened in mid-June, limiting visitors to 25% of its capacity and increasing to 50% the following month.

Whether museums and other visual arts organizations open or stay closed, there's a lot of variation in their ability to raise money now, says Brent Benjamin, the Saint Louis Art Museum's director, who also chairs an association for art museum leaders.

"The pandemic has had a very significant impact, particularly on organizations that depend on earned income," Benjamin says. "When you're closed, you don't have general admission, a large source of revenue. We do not charge admission, so we haven't been impacted in the same way."

### **Questions of Survival**

But other visual arts organizations are struggling, and many will not survive. In a June survey of more than 750 museum directors, the American Alliance of Museums found that one out of every three museums is in danger of permanent closure as revenues and financial reserves dry up. These closures "will be devastating for communities, economies, education systems and our cultural history," the alliance's president, Laura Lott, said in a statement.

More than 85 percent of museums had 12 months or fewer of financial operating reserves, the survey found, with more than half reporting less than six months' worth of reserves. Even if their institutions survive, more than 60 percent of directors predict they will be forced to reduce education, programming or other services.

When museums shut down, it's not just the loss of galleries that draw museum-goers, says Susan Edwards, chief executive at the Frist Art Museum in Nashville. "A lot of these organizations provide after-school programs," she says. "We provide after-school arts programs, and we've sent out people to give presentations for kids who would otherwise be without. We do other programs for seniors and others with special needs. If you lose one-third of these kinds of resources, it is a major blow to the entire country."

Among those struggling the most to raise money now are small visual arts organizations. Mary Engel runs a New York photography archive showcasing the work of her deceased parents, Ruth Orkin and Morris Engel. Their daughter founded the American Photography Archives Group in 2000. APAG is a charitable organization seeking donations on behalf of more than 200 photo archives, photographers and collectors, a few from overseas. Engel says APAG has such a small budget, just \$30,000, that it was unable to get a coveted archive grant from the Andrew W. Mellon Foundation. Mellon supports the arts, but for this specific grant, required visual archives to have a budget of \$50,000 or more.

"I find it cumbersome to do grant applications," Engel says. "A lot of funders don't give general operating support. I find this very frustrating." At one grantmaking organization founded by photographers, she recalls, "a major benefactor wanted me to use money in a way that made no sense, given COVID." Though that benefactor relented when Engel explained her objections, the back and forth can be stressful and time-consuming.

## **Racial Justice Demands**

Further complicating the fundraising climate for visual arts organizations is the fact that more than 20 prominent art museums such as the Metropolitan Museum of Art, the Getty, the National Gallery of Art, the Detroit Institute of the Arts and others have been subject this year to charges of racial bias and inequities inside their organizations. As a result, some foundations that support the visual arts have begun to shift grants to efforts that promote equity in these organizations rather than more traditional needs such as conservation and research. The shift has some arts officials concerned, even as they applaud efforts to create a more fair and just world.

“We have been witnessing a major shift in the foundation landscape as they adapt their missions to address injustices in our society,” says Martha Tedeschi of Harvard Arts Museums, which raises money for three art museums. “Our current programming doesn’t entirely align with the changing focus certain foundations have in this moment,” Tedeschi says, though her organization hopes to contribute to a more just society. “At the same time,” she adds, “I have concerns about what this pivot in funding will mean to traditional areas of support such as conservation and permanent collection research.”

With a widely varying response to the pandemic, related economic woes and calls for racial justice, fundraising by visual arts organizations is uneven. The Saint Louis Art Museum is one of the lucky ones. “Giving at the upper level has been steady, and general membership has increased,” says Benjamin, its director. “So many people have added more money to their membership or upgraded. We’ve been thrilled.”

One reason support is up: After closing, the Saint Louis museum started reaching out to supporters with a daily email, weekends included. Each “Object of the Day” email features a photograph of one piece of art with a brief description of the work. “It was calibrated to remind members of the broad nature of our collection,” Benjamin says, adding that the museum is still sending the emails after reopening. “We have received overwhelming support from people cooped up at home.”

Another arts organization faring better than most is the Frist in Nashville, where chief executive Edwards is fortunate to have greater financial reserves than her counterparts at other institutions. The Frist also received \$1 million in federal funds from the Payroll Protection Program in the stimulus Congress passed to blunt the economic crisis. “You can use this money for salaries for workers making below \$100,000,” says Edwards. “We were happy to have that.”

## **Virtual Experiments**

To keep members connected, starting in April, APAG began holding weekly online meetings on Fridays at noon, pairing a member with an expert to talk about photography issues such as appraisals and photography auctions. One fan of these virtual meetings—now held every two weeks—is Alice Sachs Zimet, a photography collector and arts consultant to individuals and businesses. “Even if you don’t know when you’re going to reopen,” she says, “keeping in touch is the most important thing in this isolated time.”

Other visual arts groups like Harvard Art Museums, an umbrella organization representing three art museums affiliated with Cambridge university, have benefited from the push to move

fundraising meetings, collections and educational experiences online. Not only have they lowered costs; they've broadened visual arts audiences.

"We have been thrilled with the outcomes," says Tedeschi, the Harvard Art Museums director who's heavily involved in fundraising. With virtual meetings, "donors from all over the world could connect for the first time and see and hear from staff members they might not have ever met," she says. "This also provided an opportunity to create robust events and content over the summer, something we have struggled to do in the past as supporters have been traveling and unable to join us in person. We plan to incorporate virtual events even after we're once again able to meet in person with supporters."

Online content developed by arts groups in recent months has largely been offered for free, but officials at some art museums like the Frist in Nashville are talking about whether they can start charging for some form of digital membership.

In the nation's capital, fundraisers at the Smithsonian Institution have been experimenting with virtual events and learning in the process, says Rob Ritter, director of institutional advancement. The Smithsonian's advancement staff of 250 raises funds for 32 Smithsonian units, including 19 museums. "This is a cluttered space, so you need to think about the program and what sets it apart," Ritter says. Providing exclusive access to curators and other stars of a museum, perhaps in a pre-event online setting that people pay more to attend, he says, can increase attendance and revenues.

Another thing the Smithsonian has learned: Online events, Ritter says, "are much better when they are shorter than live events."

Many visual arts organizations have seen corporate sponsorships and other commercial support drop in recent months. The pandemic has battered companies' bottom lines and art gallery closures and limited reopenings mean they can't deliver the big audiences that companies want.

But the Smithsonian has found one exception: Since 2013, it has offered a program in which volunteers remotely research and write descriptions of art objects that are then reviewed, edited and approved by Smithsonian curators. "Corporations are hungry for this on behalf of their staffs," Ritter says. "It reflects the culture of their company, and online volunteering has been overwhelmed with interest." Companies in these troubled times, he adds, "are finding ways to give beyond cash."

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