



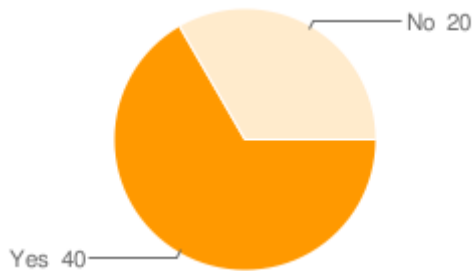
January 15, 2009

Arts in Hard Times: A Look at New Hampshire Nonprofits

We all know the state and nation are experiencing hard times. But how, specifically, are New Hampshire arts and arts-related nonprofits feeling the pinch, and how are they responding to it? We sent out a survey to nearly 200 nonprofit cultural organizations in the state to get a snapshot of the challenges ahead. Sixty, or 30 percent, responded.

The questions:

1. Fund raising: Are you seeing a downturn in contributions?



| | | |
|------|-----------|------------|
| Yes: | 40 | 67% |
| No: | 20 | 33% |

Two-thirds of organizations report that donations are down. It's a sizeable figure, given that many individuals and corporations are just beginning to feel the effects of the recession.

Some comments:

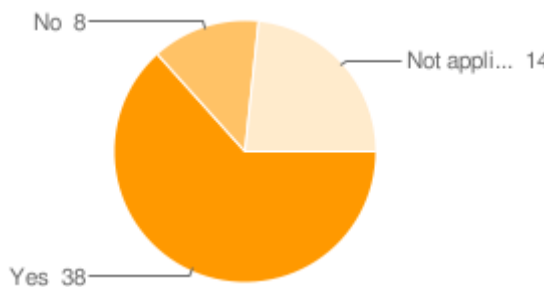
“We ... expect to see a drop in contributed income as the recession continues. So while we are doing well in contributed income, we don't expect it will last.”

“The museum field has been seeing a decline for several years. The N.H. Charitable Foundation says that donations are declining even when income rose.”

“It is still a little early in our fundraising cycle to predict how we will end the year. ... Last year was slow and low.”

“We are seeking to establish a ‘donor advisory board,’ populated by a group of long-time supporters. We are seeking to increase the amount of their annual contribution to our organization and to secure their commitment through the tough days ahead.”

2. Are you seeing grant funds decrease?



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|-----------------|-----------|------------|
| Yes: | 38 | 63% |
| No: | 8 | 13% |
| Not applicable: | 14 | 23% |

It’s especially significant that as public and private granting organizations see their appropriations or endowment earnings drop, they have fewer funds to distribute to grantees. Some organizations that don’t typically rely on grants indicated that they will now seek them out; others will look for more grants. Of the organizations that are grant funded, 82 percent have seen grant monies reduced.

Among the comments:

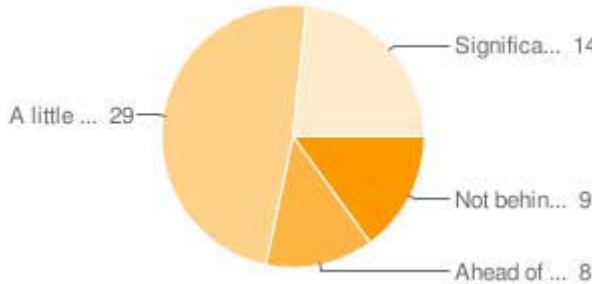
“We will be applying for more grants than we have in the past.”

“It is hard to tell at this point where the grants are going to end up – but since most of the grantors are dependant on endowments, the future, no doubt, will see less money to give out.”

“Although we are having a good fiscal year, so far, with contributions, we have yet to come in to the heaviest part of our year for grant funds. We are not optimistic about those keeping pace with prior years.”

“Our biggest problem has been a decrease in funding from private foundations. For the first time in 20 years we did not receive funding from our community foundation. Also, the suspension of grant programs at the NHSCA has been a problem for us.”

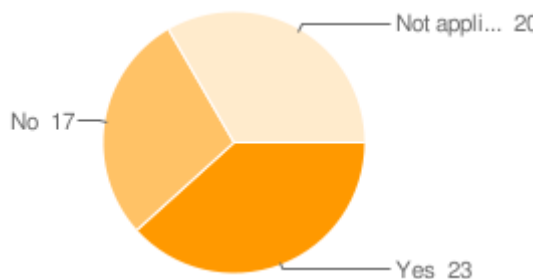
3. How far behind last year’s contributions are you at this point in your season?



| | | |
|--------------------------------|-----------|------------|
| Not behind at all | 9 | 15% |
| Ahead of last year, actually | 8 | 13% |
| A little behind last year | 29 | 48% |
| Significantly behind last year | 14 | 23% |

The good news is that 28 percent of surveyed organizations reported either keeping pace with last year, or being ahead of last year. The bad news is that 71 percent are indeed behind, and one-third of those list themselves as “significantly behind.”

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



| | | |
|----------------|-----------|------------|
| Yes | 23 | 38% |
| No | 17 | 28% |
| Not applicable | 20 | 33% |

Forty of the organizations that responded sell tickets to events; of those, 57 percent have seen sales go down. Many others noted that it’s too early in their seasons to make a prediction about tickets sales. Still, many are expecting more

empty seats for their performances. To combat that, they're planning shorter seasons and hiring smaller casts and cheaper, less-well-known acts.

A few comments:

“We are partnering with commercial ventures, i.e., local restaurant, to expand base.”

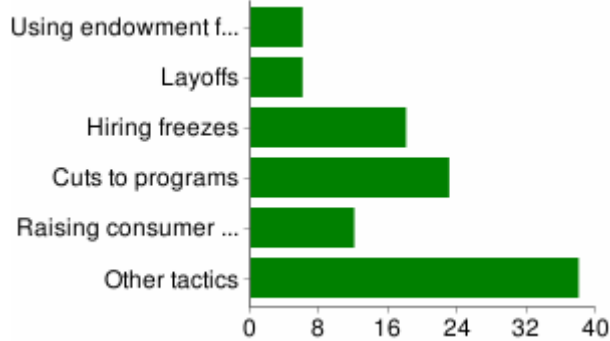
“[We are] booking performers who are less expensive – also less known, so it’s a gamble. Ticketing that offers ‘added value.’ Partnering with other organizations.

“We have seen a slight decrease in both contributions and ticket sales.”

“We are offering discounts/coupons to patrons in an effort to fill as many seats as we can ... WE strive to be affordable for families, people on fixed income, so we are making every effort to point out the great theatre is close by and affordable.”

“[We are] reducing the size of shows produced.”

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



| | | |
|---|-----------|------------|
| Using endowment funds for current needs | 6 | 10% |
| Layoffs | 6 | 10% |
| Hiring freezes | 18 | 30% |
| Cuts to programs | 23 | 38% |
| Raising consumer prices | 12 | 20% |
| Other tactics | 38 | 63% |

Based on our survey, arts organizations are scrambling to meet their budgets and the needs of their staffs and constituents. Most are trying not to lay off staff, but many are cutting back on staff hours and/or reducing benefits. Programs are, unfortunately, taking the biggest hits.

Comments:

“We will most likely need to ‘pull back’ our programming a bit, holding off on some of our more ambitious projects.”

“We are reducing our public programming slightly to focus on the most cost efficient way of operating. ... We will open two weeks later in the spring and close two weeks earlier in the fall.”

“We are planning lesser activities and are requesting members to help defray the expenses incurred when we do community projects.”

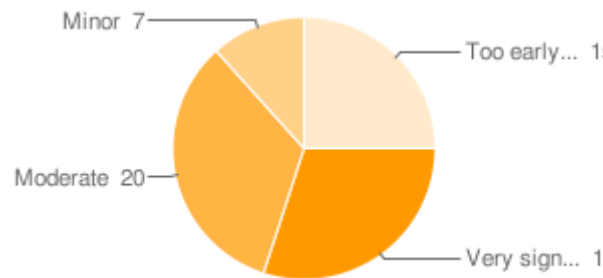
“Many of the programs we’re continuing to do are artistically important, but the cutting of high profile programs such as festivals, direct financial investment in projects, music education, etc., is frankly a big loss to the state of the arts in New Hampshire and therefore to all of its residents.”

6. Please add any comments, not covered above, to illustrate how your organization is coping with the economy.

Among the responses:

- Additional fund raising
- Cuts in printing, advertising, and supplies
- Borrowing money
- Lowering the thermostat, installing energy-saving light bulbs
- More high-level events with big donors
- More reliance on volunteers
- Praying and burning candles. “How can we raise consumer prices in times like these?”
- Strategizing, developing new marketing plans
- “Increased begging”
- Identifying new sponsors; aggressively maintaining existing ones
- “Less extras, more basics”
- “Not taking chances”

7. How significant do you expect the effects of the economic downturn will be on your organization?



| | | |
|-------------------|-----------|------------|
| Very significant | 18 | 30% |
| Moderate | 20 | 33% |
| Minor | 7 | 12% |
| Too early to tell | 15 | 25% |

Only a handful of organizations are expecting that the economy’s downturn to have a minor impact; another 25 percent say it’s too early to tell. But 63 percent say the impact will be moderate or very significant. “I think it would be realistic to think that many mid-size organizations will not survive,” one director wrote.

On the positive side, there are some organizations that are thriving or at least keeping pace with expectations.

8. What can the New Hampshire State Council on the Arts do to help?

The general consensus is that the State Arts Council needs to keep the public informed of the issues facing arts organizations, and it needs to be an advocate for the arts. Organizations also asked that we inform them of funding opportunities and provide other kinds of support.

- Promote the economic benefits of the arts
- Alert the public that arts organizations need their help
- Increase aid to arts organizations
- Provide ideas on effective fund raising and publicity
- Lobby the Obama administration for support of the arts
- Be a resource for ideas and best practices examples
- Make it easier to apply for arts council grants
- Provide funds for facilities repair
- Promote the benefits of patronizing programs by local organizations
- Form a coalition on cultural tourism
- Continue to collect and share information through surveys such as this to monitor the well being of the state’s arts organizations

Conclusions:

- Mid-sized organizations are feeling the most vulnerable and some think they won't survive.
- Even well funded organizations with endowments have to cut back.
- Arts programming will be very conservative, which is a problem for emerging artists and for introducing less familiar artforms to audiences.
- Statewide promotion of local arts resources is more needed than ever.
- Performing arts groups need to be connected with new markets, including international ones.
- Public funding is a safety net for many and the case needs to be made to elected officials that it should not be reduced or eliminated.
- The strongest case to be made for supporting the arts is an economic one; the arts need to be part of any economic stimulus package.
- The effects of the downturn may be even more significant next year than this year.