Surviving the Culture Change

(Version 4.0)

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This address was delivered on June 21, 2010 at Steppenwolf Theatre Company in Chicago at the annual conference of Arts Alliance Illinois. For permission please email ragsdale@fhk.eur.nl.

I want to express my sincere thanks to the Illinois Arts Alliance for the invitation and opportunity to speak today, and to David Hawkanson and Polly Carl, who recruited me for the task. It's an honor to be here.

Before starting, I need to preface my remarks by saying three things: (1) My views are personal and should not be taken, necessarily, to be the views of The Andrew W. Mellon Foundation. (2) As has been announced, I'm leaving Mellon in July. It has been an extraordinary privilege to work at Mellon and I have been continually inspired by what I have read in proposals, heard in meetings, and seen on stages around the US. (3) I have deep respect for all of you and the hardworking and resilient leaders and staffs of arts organizations and arts service organizations across the US. Prior to coming to the Foundation, I worked for 20 years in arts organizations. I know firsthand how difficult it can be to produce great art, sell admissions and memberships, and raise contributions, even during a strong economy. I thank you all for your time and look forward to a discussion afterwards.

The title of this address is "Surviving the Culture Change." Some of you may be wondering what I mean by "culture change," so I'd like to start with an anecdote and wind into this topic.

About 4 years ago, I attended a retreat with leaders of a dozen orchestras, at which one lamented, likely reflecting the sentiments of more than a few in the room, "I feel like I'm the Captain of the Titanic, and there's an iceberg ahead, but rather than being on top steering the ship I'm in the bowels shoving coal in the furnace. I'm afraid if I stop shoveling coal we'll run out of steam, but I know that if I don't start steering the ship soon we're going to hit an iceberg."

We'll come back to the coal shoveling later, but first I want to ask: What's this iceberg?

About 14 years ago I was teaching a general survey course, Intro to Theater, at a small public university and on the first day of class each term I would ask the 120 or so students to raise their hands if they had ever seen a professional theater production. About 10 hands would go up. I would then say, "Raise your hand if you would like to see one." 15-20 hands would go up. And these were the students that decided to take a theater course!

Remember, this was *before* podcasting, blogging, YouTube, MySpace, Iphones, and P2P file sharing revolutionized communication and social networking.

So, I would ask of the remaining students, "Why wouldn't you want to go to the theater?" The answer was generally something along the lines of, "I've gone this long without seeing a play, and I don't feel like I'm missing anything."

These students did not have direct personal experience with "The Theater" or, for that matter, "The Opera" "The Symphony" or "The Ballet."

I won't be telling you anything that you have not observed first hand when I say that the fine arts are facing a society that is markedly different, and a consumer that is markedly different, from those faced 40 years ago—in the US this is due to cuts in funding for the arts in K-12 education, generational shifts and economic divides, increasing diversity in cities and towns across America, a trend towards anti-intellectualism, changing tastes and aesthetics, the culture wars, increased competition for people's leisure time (as a result of both many more direct and substitute competitors), urban sprawl, and the decline in the quality and quantity of arts coverage in the mainstream media.

And yes, on top of all of these forces and others, over the past decade plus, and at an ever-increasing clip, new media technologies have begun to shift the relationships between people, space and time and change the ways that people create, consume, commune, and communicate. This is the culture change to which I am referring. And what are the implications for the arts?

Russell Willis Taylor of the Washington, DC-based National Arts Strategies said to me a few years ago, when I asked her what were her greatest concerns for the arts, that she was troubled by the fact that arts organizations in the US can't easily explain to people why they matter.

This concern was echoed at the 2008 National Performing Arts Convention in Denver, Colorado where more than 2,000 arts organizations participated in a 21st Century Town Hall Meeting for the Performing Arts. At the closing meeting, the following issue was identified as #1: "Our communities do not sufficiently perceive the value, benefits, and relevance of the arts, which makes advocacy and building public support for the arts a challenge at every level."

And in the August 2006 issue of *Inside Arts*, Dana Gioia, then Chairman of the National Endowment for the Arts, was quoted saying,

"…the primary issues facing the American arts at present are not financial. They are cultural and social. We have a society in which the arts have become marginal. We are not producing another generation of people who attend theater, opera, symphony, dance, jazz and other art forms. Most of these audiences have declined in the last decade, some of them precipitously."[1]

For many organizations, this is the iceberg. So can we survive it?

Two summers ago, on the recommendation of a colleague, I read the book *Deep Survival* by Laurence Gonzales. Gonzales spent years trying to understand why some people survive harrowing circumstances—like an avalanche—and others do not and trying to determine whether there are common characteristics of survivors.

I was particularly interested in a chapter in which he examines how people get lost.[2]

Gonzales explains that the way we navigate in life is by forming and following mental maps: literally pictures in our minds of particular areas or routes. Gonzales says you get lost when you "fail to update your mental map and then persist in following it even when the landscape," (the real world), "tries to tell you it's wrong."[3]

Edward Cornell, one of the scientists Gonzales showcases in the book, gives an example of this. He says, "Whenever you start looking at your map and saying something like, 'Well, that lake could have dried up,' or 'That boulder could have moved,' a red light should go off. You're trying to make reality conform to your expectations rather than seeing what's there. In the sport of orienteering, they call this '*bending the map*.'"[4]

Gonzales describes five stages that a person goes through when lost, which correlate with Elizabeth Kubler-Ross's stages of dying: denial, anger, bargaining, depression, and acceptance.

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[1] Alicia Anstead with Dana Gioia, "The Gioia of it All," *Inside Arts,* (Association of Performing Arts Presenters, August/September 2006): 30-32. Quote on 31.
[2] Laurence Gonzalez, *Deep Survival* (New York: W. W. Norton & Company, Inc., 2004).
[3] Laurence Gonzales, *Deep Survival*, 151-171. Quote on 163.
[4] Laurence Gonzales, *Deep Survival*, 163-164.

Gonzales says that the final stage—acceptance—is the one that separates those that survive from those that don't.

Here's how he describes it, "… as you run out of options and energy, you must become resigned to your plight. Like it or not, you must make a new mental map of where you are." Not where you wish you were. "To survive," he says, "you must find yourself. Then it won't matter where you are." [5]

Gonzales also says that one of the most difficult steps a survivor must take is to discard the hope of rescue.[6]

A couple years ago I interviewed a Stanford University professor named Jim Phills about his great book, *Integrating Mission and Strategy for Nonprofit Organizations*,[7] and one of my questions was, "What advice would you give to a world-class orchestra whose audiences were declining and whose deficit was growing?"

He said, "If you are an orthodox orchestra, the reason you are losing audience members (from your viewpoint) could be that the world is not good enough for you. "But," Phills asserted, "art really exists only in relation to audiences and their experience, particularly the performing arts. So if a symphony is seeing declining audiences, then the questions are: Would you sooner close your doors than change what you do? What is it that's important to you and why? You cannot, however, answer these questions without considering your need for audiences and/or enough people willing to subsidize you. And the fact is the number of people willing to subsidize something that is narrowly enjoyed may diminish over time. At which point, you will need to be prepared to go out of business."

He hastened to add, however, there is another option "there are organizations that are redefining their missions in relation to people." [8]

In other words, they are rethinking who they are and why they exist.

The late, great thinker Susan Sontag once wrote, "Existence is no more than the precarious attainment of relevance in an intensely mobile flux of past, present, and future."

I take particular note of the words, "precarious attainment of relevance." No organization can be granted relevance in perpetuity based on its laurels or the size of its endowment, or granted a pass to become static or stagnant because it is—to use a Wall Street comparison—"too big to fail." To exist, to thrive, to be artistically vibrant in the 21st century, arts organizations may need to adapt to this culture change in order to attain, maintain, or regain, their relevancy.

Furthermore, accepting that it may be necessary to adapt can be particularly difficult for the largest, leading arts organization. In *The World Is Flat*, Thomas Friedman says that the great company IBM nearly self-destructed because it stopped listening to its customers and stopped creating value that mattered for them. Friedman explains that "when a company is the pioneer, the vanguard, the top dog,

[5] Laurence Gonzales, *Deep Survival*, 166-169. Quotes on 166 and 167.
[6] Laurence Gonzales, *Deep Survival*, 169.
[7] James A. Phills, Jr., *Integrating Mission and Strategy for Nonprofit Organizations* (New York: Oxford University Press, 2005).
[8] Diane E. Ragsdale, "Mission and Strategy Revisited," *Grantmakers in the Arts Reader* (Vol. 17, No. 1, Spring 2006): 25-27. Quote on 27.

the crown jewel, it is hard to look in the mirror and tell itself it is in a not-so-quiet crisis and [that it] better start to make a new history or become history."[9] IBM made a new history.

So, I'd like to humbly offer some thoughts on adapting to the culture change. Some of you may hear these ideas and think, "we're already doing this" or "that would never work for us" or "we don't need to do any of these things; we're doing just fine." And I'm sure you're correct in each case.

#1—Don't Conflate Big Numbers with Big Impact

In his book *Convergence Culture*[10] Henry Jenkins talks about a relatively new configuration of marketing theory that he calls "affective economics," which seeks to understand the emotional underpinnings of consumer decision-making. He says that commercial entertainment companies are beginning to realize what their fan communities have been saying for a long time: that what is more important than the number of people who buy your product or watch your television show is the depth of their loyalty and the quality of their engagement.[11]

Former Wired editor, Kevin Kelly wrote an article a year ago called "1,000 True Fans" in which he says that an individual creator—someone producing works of art – doesn't need a mega-hit to get out of the long end of the tail and make a decent living, he just needs to acquire 1,000 true fans. What's a true fan? Well, for individual artists he says, "A True Fan is defined as someone who will purchase anything and everything you produce. They will drive 200 miles to see you sing. They will buy the superdeluxe re-issued hi-res box set of your stuff even though they have the low-res version. They have a Google Alert set for your name. They bookmark the eBay page where your out-of-print editions show up. They come to your openings. They have you sign their copies. They buy the t-shirt, and the mug, and the hat. They can't wait till you issue your next work. They are true fans."[12]

Have we been conflating the size and number of organizations in the arts and culture sector (supply) with impact? Are the arts commanding the love as well as the respect of consumers? Are we cultivating true fans? How many true fans does it take to sustain an arts organization? Or an arts community? Do we have a sufficient number to be sustainable?

#2 – Go Cellular

In 2005, I read an article in *The New Yorker*, by Malcolm Gladwell (author of *The Tipping Point* and *Blink*).[13] The article was called "The Cellular Church" and was about Rick Warren, head of one of the most successful mega-churches in the US. The way these churches maintain a "sense of community" as they grow very large, says Gladwell, is by creating "a network of lots of little church cells – exclusive, tightly knit groups of six or seven who meet in one another's homes during the week to worship and pray."

The church has thousands of volunteers who are charged with getting to know each member that walks in the door and getting that new member plugged into a small group, formed around shared hobbies and interests – knitting, quilting, mountain biking. These cells effectively function as social networks, fueling deep friendships between church members. Without the small group, Warren explains in the

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[9] Thomas Friedman, *The World is Flat*, (New York: Farrar, Straus & Giroux, 2006): 281-282.
[10] Henry Jenkins, *Convergence Culture* (New York: New York University Press, 2006)
[11] Henry Jenkins, *Convergence Culture*, 61-64
[12] Kevin Kelly, "1,000 True Fans," at http://www.kk.org/thetechnium/archives/2008/03/1000_true_fans.php
[13] Malcolm Gladwell, "The Cellular Church," *The New Yorker* (September 12, 2005): 60-67. Quote on 62.

article, going to Church with 5,000 people could feel pretty impersonal. Perhaps a bit like going to a concert hall with 1,800 people?

What's clear from the article is that people who are in small groups are more likely to show up at church on Sunday, stay a member of the Church longer, and give more money. These mega-churches are succeeding because they understand that for most people, it is the social connections they form as an aspect of going to church that in large part drive them to attend and donate.

Perhaps like these churches, arts organizations need to help people create social connections as much as we help them form a connection to art and artists.

#3 – Go Slow

I think we kid ourselves when we believe a primary reason people are not patronizing the arts is because they have no time, even if they tell us they have no time. Saying "no time" reminds me of the oft-used, let-me-down-easy breakup line: "It's not you, it's me."

If you've heard this line, or used it, you probably know that it really means just the opposite.

Is the barrier really time?

The Slow Food movement was founded in 1989 to counteract fast food and fast life; the disappearance of local food traditions; and people's dwindling interest in the food they eat, where it comes from, how it tastes, and how our food choices affect the rest of the world. It has helped people rediscover the pleasure and satisfaction that comes with savoring well-made locally-grown food, appreciating the place it came from and the farmers and artisans that grew and prepared it, and enjoying the company of the people with whom you're dining. In other words, the Slow Food movement has given people a reason to *make* time for (and spend money on) finding, preparing, and enjoying good food.

And this movement, along with cooking shows, has had a powerful influence on our culture. Plenty of Boomers who have no time for the ballet are spending hours shopping at their local farmers market and chopping in their well-equipped kitchens, so they can enjoy gourmet feasts with their friends and families. I wonder: What would a Slow Arts Movement look like?

#4—Free the Art and Free the People

There are some tried and true practices and assumptions that may have served our artforms well at certain periods of time but they have become the equivalent of an albatross around the neck.

Our Spaces Constrain Artists and Audiences

Concert halls and proscenium theaters, long considered great assets, may not be able to accommodate the ways that artists currently want to make work, or the ways that audiences want to experience it. We need spaces (live and virtual) that support artists, support socializing, and that enable a more dynamic and intimate interaction between patrons and artists.

We need to recognize that when an arts organization takes the decision to own or build a space that it may be (consciously or unconsciously) changing its mission or limiting the kinds of artist or projects with whom it can work. When arts organizations get involved with capital projects boards spend a lot of time talking about how to raise the money, but is there a conversation about the difference between an artistic idea that is suited to a 200-seat black box theater and a 600-seat proscenium theater?

Arts organizations may also need to spend as much time talking about the non-performance areas in a venue as the performance spaces. Lobbies need to be more than holding pens.

We Lock Down the Art

A growing number of musicians, most notably Prince, are giving their music away as a way of generating awareness, building a fan base, and developing an audience for their live performances. In order to reach broader audiences arts organizations need to create free and low-cost opportunities for people to sample and share their art with others.

I tend to seek out dance and music concerts at which new music is being played – often premiere performances. I'm amazed and disappointed at how frequently there is no recording available for me to download from the organization's site the next day, no clip for me to put on my Facebook page or email to friends. The easier an organization makes it for me to deepen my experience and share my interest and enthusiasm with others, the better. And if I encourage my friends to purchase a piece of music or go to a performance, it's going to have much greater impact than if the organization does.

If the premise of Chris Anderson's *The Long Tail* is true—that the future of culture and commerce lies not in creating blockbusters but in creating and mining niche markets—then arts organizations might be amazed at how many people around the world would pay a modest amount to download high quality audio and video recordings of performances that they have seen or that they currently cannot access any other way.[14] Mediated experiences can break down geographical, social, economic, and time barriers.

This is not about top down control from arts organizations; it's about allowing patrons to be active participants and turning them into devoted fans and catalysts for participation by others—in other words, driving word of mouth.

Speaking of which, what about patron as critic? If the consumer has achieved taste making status anyway, then why not elevate seasoned patrons to the role of reviewers and encourage them to write reviews, posted as blogs on individual organization or community Web sites? We started a Patron Review blog at On the Boards in late 2003 that was incredibly successful from the start. Patron reviews not only give your organization critical information about what patrons are thinking (and why wouldn't you want to know that?), but help patrons build community, and improve their capacities to process, discuss and understand what they have experienced—in other words, develop cultural literacy. A blog welcomes and promotes alternate viewpoints from those espoused by the local art critic and, in the absence of a review, a patron review is a strong substitute for satisfying those "latemovers" who need to hear what people think before they will buy tickets. And they may trust patron reviews more than they trust the local critic, anyway.

We make people feel inadequate and intimidated.

First, as Bill Ivey suggests in his new book, *Arts, Inc.*, it may be time for us to let go of the idea of artistic hierarchies.[15] In other words, if we want people to participate, we may need to stop hammering so hard on the idea that Bach is intrinsically better than Bjork, and Bjork is intrinsically better than my brother Mickey who plays banjo in a pro-am banjo club in St. Louis. Last year, I interviewed Bill

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[14] Chris Anderson, *The Long Tail* (New York: Hyperion, 2006).
[15] Bill Ivey, *Arts, Inc.* (Berkeley and Los Angeles: University of California Press, 2008).

Ivey, and he said that rather than seeing themselves as "the be-all and end-all" fine arts institutions need to see themselves as an important part of a spectrum of art making.[16] It's all valuable; and in fact, HBO and AMC may be beating us at our game with shows like *The Wire, In Treatment*, and *Madmen*. They are working with excellent writers, directors, actors, and designers and doing bold, ambitious work.

Second, we don't often acknowledge that the experience of going to a live performance or museum can be unfamiliar and difficult for the uninitiated. In fact, sometimes it's difficult for the initiated. Like the gym, you have to start going on a regular basis before it becomes familiar and before going feels better than not going. In his book *Economics and Culture*, scholar David Throsby writes, "… taste for artistic services or goods is cumulative. It is apparent that a person's enjoyment of music, literature, drama, the visual arts, and so on, and hence her willingness to spend money on consuming them, are importantly related to her knowledge and understanding of these artforms."[17] I believe that a significant barrier to participation is lack of knowledge and understanding. Is the arts and culture sector doing all it can to address this barrier?

Finally, arts organizations are only hurting themselves when they believe and let their patrons believe, that they are meant to be passive and appreciative and well-behaved. There is value in demystifying the artistic process (as choreographer Elizabeth Streb says) and encouraging patrons to be actively engaged. Encourage patrons to clap when they feel like it; invite them to a rehearsal even if they haven't donated $10,000 to the organization; let them express opinions—yes, even publicly and even negative ones; give them dance, acting, and music lessons—yes, even the adults who never wanted to be a professional artists and don't have any experience. In January of 2009, the Joffrey needed a way to generate new income so it decided to offer dance classes to the public. It generated hundreds of thousands of dollars in revenue in the first six months of the program. Moreover, people who took the classes were buying tickets to see their teachers and the rest of the company perform.[18] When On the Boards launched its blog several years ago, one of the first things we noticed was that the people we asked to blog started showing up to volunteer and donating money to us. People like to be invested, to feel ownership.

#4—You Can't Fix It in Post

When artistic director, Irene Lewis, arrived at Center Stage in the early 90s the theater was producing works primarily by white playwrights, performed by white actors, for white audiences. Center Stage is based in Baltimore, where more than 65 percent of the population is African American.

Irene Lewis astutely determined that Center Stage was not actually serving the larger community of Baltimore, and the theater made the commitment to change that by programming 2-3 out of 6 plays each season by African American playwrights or about the African American experience.

Despite angry subscribers and financial consequences, the theater stayed the course. Today, the African American plays in the season generate the highest attendance and revenues. It took 15 years to get there.

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[16] Diane Ragsdale, "A New Conversation about Culture," *Grantmakers in the Arts Reader* (Vol. 20 No. 1, Spring 2009) : 10-12.
[17] David Throsby, Economics and Culture (Cambridge: Cambridge University Press, 2001): 115.
[18] Shelly Banjo, "Helping Themselves," *The Wall Street Journal*, April 23, 2009.

No podcast, YouTube video, Tweet, or other new media strategy is going to make 25-year-olds want to go to a performance that doesn't seem relevant to their lives in a venue in which they do not see other people their age. Intellectual relevance cannot be relegated to the PR department.

Whether arts organizations are trying to reach younger or more diverse audiences, like Center Stage, they need to do it consistently and authentically and they may need to be prepared to lose some current patrons in order to gain new ones.

#5—Be a Concierge: Filter and Make Recommendations

One of the greatest challenges for consumers created by the Internet is having too many choices—people are bombarded with information. Consumers increasingly expect customization, and for retailers to understand their preferences and market to them accordingly. While many communities have developed arts and culture calendars, making it possible for the curious to learn that in the category of "Theater" in Chicago they could choose among 140 different shows this past Friday June 19, 2010, most haven't gone the next step and helped people figure out which one, or two, performances they might enjoy seeing. It's too often the same for individual organizations. Arts organizations tend to sell everyone the same package of performances. Brokering involves matchmaking – being a concierge.

Perhaps arts organizations could become arts concierges: responsive, reliable, and trusted friends who help patrons make decisions about what to see, who to invite, and where to go for dinner beforehand. We live in a time when most people don't have a culturally sophisticated friend or relative to introduce them to the fine arts; perhaps arts organizations could create value by taking on this role?

And much of this could probably be completely automated. If I buy *Outliers* on Amazon, there's a good chance it's going to encourage me to bundle it with *Tipping Point* or *Blink* and get both at a discounted price. If I were to buy a ticket to *Three Sisters* on one theater's Web site, what if the site prompted me to buy something else? "Hi Diane! You bought a ticket to Chekhov's *Three Sisters*. Here are other cultural activities (at our theater or others in town) that might interest you. Bundle any of these other items with your ticket purchase and receive a discount on all the items." If every cultural organization did this in partnership with other peer cultural organizations I have to imagine something good could come of it.

Or imagine this idea scaled for an entire city. Taking the existing calendar idea one step further, let's assume all the products from all the cultural institutions in Chicago were aggregated by a site called "ChicagoCultureClub.org" <u>and</u> you could get a periodic email in your in box making personal culture recommendations to you from everything that's happening in your city.

Using a sophisticated recommender system, coupled with social networking and patron reviews such as site could help patrons make more informed decisions, make recommendations, and maybe even increase participation.

And what if this site allowed patrons to create horizontal subscriptions bundling artistic experiences from various organizations? These could be customized or the site could suggest some thematic packages: "A Masterworks package" an "An Avant-Garde package" "A Wholesome Family Entertainment package".

By doing this, one concert on your season could appear on hundreds of niche packages.

And what if these packages included nightclubs, commercial theater, films, gallery exhibits, books, music, and other entertainment?

What if because you bought a ticket to a concert, you could automatically get an alert when the soloist was being interviewed on your local public radio station? What if the interview was automatically downloaded as a podcast, or emailed to you? What if because you recently bought the Nonesuch Retrospective CD, "John Adams: Hallelujah Junction," or his memoir by the same name, you were alerted when his works were going to be performed by the CSO? What if you were one click away from buying a ticket?

In 1992 sociologist Richard Peterson coined the term Cultural Omnivore to describe the tendency of many people to develop tastes for everything: high art and pop culture and everything in between.[19]

We may have a generation of cultural omnivores out there, but we've made it really difficult for them to feast because we've created silos between high art and low art, and between the disciplines of music, theater, dance, opera, the visual arts, film, and literature.

Why not help these omnivores find their ways from the film "In Bruges" to the Martin McDonaugh play, *The Lieutenant of Inishmore*? In the minds of the consumer, it's all culture. By maintaining our "separate and better than others" status the arts could be losing their spot at the banquet.

Rather than competing against one another to sell subscriptions and single tickets, perhaps arts organizations could work together to increase cultural participation by creating, in essence, "Cultural Omnivore Subscriptions."

#6 – Focus on Seeing Better Rather Than Selling Better

Should we get rid of subscriptions? Stream podcasts? Produce videos for YouTube? Hire DJs and VJs to play in the lobby after the show? Have a MySpace page? Text our patrons on their cell phones? Reconceive the season brochure-again? Re-design the Web site-again? Host some sort of amateur art competition? Radically lower ticket prices? Maybe; but before answering these questions we may need to answer some more fundamental questions. To adapt to the culture change organizations may need to focus less on selling better and more on seeing better.

It's been interesting to observe how arts organizations have responded to the economic crisis—everyone seems clear: Measures must be taken! We need to "essentialize"—a word I keep hearing arts leaders use. We need to reduce expenses. We need to appreciate our loyal patrons. We need to remove price barriers in order to reach more people. We need to be willing to make changes in our organization in order to survive "in these times."

But what about the past 30 years? It doesn't seem as though many of us were having night sweats as the audiences gradually turned grayer, and more conservative, and eventually dropped off. Why not? Perhaps *because* it took 30 years to reach the abyss rather than 30 days?

If you know the story of the boiling frog then you may be familiar with the idea of "creeping normalcy." Creeping normalcy refers to the way a major change can be accepted as normality if it

[19] Peterson, Richard A., and Albert Simkus, "How Musical Tastes Mark Occupational Status Groups," *Cultivating Differences; Symbolic Boundaries and the Making of Inequality*, edited by Michele Lamont and Marcel Fournier (Chicago: University of Chicago Press, 1992).

happens slowly, in unnoticed increments, when it would be regarded as objectionable if it took place in a single step or short period. Some couples wake up years after being madly in love to find that the intimacy that was created in the early days has faded slowly and silently because they stopped noticing and nurturing each other.

Relationships require attention to be sustained. Perhaps, like the couple that wakes up one day to realize "We don't know each other anymore; we have nothing in common," we failed to see that our communities were changing, and that art and artists were changing, and that we, as institutions that exist to broker a relationship between the two were not changing in response. We failed to see the culture change. We were bending the map.

There is a real danger if we conflate growth of the budget, economic impact, or box office success with having intellectual relevance and creating meaningful impact on individuals and on society. The arts can't declare mission accomplished just because they get people through the door. Attendance is cheap. It is not sufficient to create artistic experiences and sell or give them away without regard for the capacity of people to receive them and find meaning in them.

In her article in the *Chronicle of Philanthropy*, "Let's Put the Word 'Nonprofit' Out of Business"[20] Claire Gaudiani has proposed that we replace the word 'nonprofit' with 'social profit.' I like this idea because it encourages us to remember that we are nonprofits because we exist to create value for society, rather than profits for shareholders. It reminds us that we exist within a social and cultural context—and if that context changes, then we must adapt.

How do we improve our ability to see the culture change and adapt to it? From a biological standpoint, adaptation is fostered, in part, by allowing diversity into a system. At the organizational level diversity comes from having leaders and staff and board that reflect the various communities (young, old, rich, poor, of different cultural backgrounds) you exist to serve and allowing them to influence the organization. It also comes from working with new artists, new thinkers, and new partners—and by partners I do not necessarily mean other arts organizations. At the sector level, diversity comes from allowing young leaders to be at the table and allowing new organizations to become leaders. Rather than privileging one generation or type of organization over another, we need to encourage diversity in the system and then learn from each other.

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Before ending today, I want to go back to the shoveling coal metaphor, which is one that seems to strike a chord with many arts leaders. About a year-and-a-half ago, *The New York Times* ran the following articles on the front page of the theater section: Above the fold, "Drama, Live and on the Financial Edge" about theaters "fighting to keep the reaper" from their doors; below the fold, "Old Sets Live On As Broadway Embraces Recycling."[21] As I read these articles, it occurred to me that when we talk about environmental sustainability we are quick to understand that sustainability requires that we use resources at a rate at which they can be replenished. But what is true for natural resources is also true of human resources. We cannot pay our artists poverty-level wages, burn out our staffs, ignore or underutilize our volunteers, fatigue our board members and donors, or continually push our subscribers and ticket buyers to buy more, more, more concerts on our season, at higher and higher prices, without consequences. I think we're beginning to experience that this is not sustainable.

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[20] Claire Gaudiani, "Let's Put the Word 'Nonprofit' Out of Business," *Chronicle of Philanthropy* (July 26, 2007): 35.
[21] Kate Taylor, "Drama, Live and on the Financial Edge," and Cara Joy David, "Old Sets Live On As Broadway Embraces Recycling," *The New York Times*, February 15, 2009.

There are organizations that simply do not have a broad enough, deep enough, or fanatical enough base of support to sustain their current operations. Furthermore, growth that is difficult to sustain can cause an organization to shift or compromise its mission, as the more desperate it is for resources, the more likely it is to pursue opportunities that are outside the scope of its core competencies. Jim Phills talks persuasively about this in his book.

Taking artistic risks, increasing attendance, fostering access, improving artistic quality, deepening engagement, and hitting earned and unearned income targets, do not necessarily go hand in hand.

We can kid ourselves into thinking that we can pursue these goals simultaneously and without compromise by separating into different departments the functions of making the art, selling admissions, raising money, balancing the budget, educating patrons, and understanding the community. But the compartmentalization of mission is only a short-term alleviation of the genuine philosophical struggle to reconcile these competing goals. And prioritizing and balancing these goals is only likely to get more difficult given the economic climate.

Now is the time to focus on the core, think deeply about why your organization exists, and integrate and realign your organization firmly behind common goals, values, artists and work that excite everyone in the company, and *meaningful* measures of success (find a way to assess whether and how much you matter to artists, to your community, to your artform and field). It might also be a good time examine whether your current organizational structure continues to be an effective and efficient way to deliver on your mission. Perhaps it's time to examine the hierarchies and vertical organizational structure in your institution. You might also look at your office space to see if it promotes or impedes communication silos.

I'm convinced that you do not need the resources of the Metropolitan Opera, or a million dollar grant, to adapt to the culture change. To survive, you do not necessarily need to birth a radical new innovation like HD broadcasts; and such endeavors are highly risky. There's a reason why most of the R&D labs in the world (Bell Labs, for instance) were started by monopolies. It takes a lot of money to fund the failures that are part of innovation. Having said this, do not allow lack of resources to stop you from adapting. Strategy is about making choices. It's as much about letting go of programs that don't work or serve your mission or long term vision as creating new programs that do. In these economic times, I find myself asking, "*Where did all the money go*?" If arts organizations and their funders had to do it all over again, would we make different choices with where we spent the money? More to artists and less to buildings, perhaps? You can reallocate the resources you have and make *meaningful*, powerful changes in your organization.

In 2008, I saw the gorgeous ENO/Met production of Philip Glass's *Satyagraha*, directed by Phelim McDermott, co-founder of the terrific theater company, Improbable. My colleague at the Foundation, Susan Feder, pointed out a line by Mr. McDermott in the program notes that I think has pertinence to this topic. "Improvisation as we practice it is less about being quick-witted and wacky and more about embracing paradoxical skills. These include the ability to be courageous and decisive while at the same time open and vulnerable to whatever happens around you. We work on developing the ability to be humble, not armored, in the face of unexpected events …"[22]

[22] Philem McDermott, "Note from the Director," The Metropolitan Opera Playbill for the 2007-2008 season production of the Philip Glass opera, *Satyagraha* (April 2008): 49.

In the end, Laurence Gonzales, the author of *Deep Survival,* writes, “Those who avoid accidents are those who see the world clearly, see it changing, and change their behavior accordingly.”[23] The possibility exists that adapting to the culture change may not simply allow us to survive for the foreseeable future, but to improve the system for creating and distributing the arts in the US. In 1963, the philanthropist John D. Rockefeller III proclaimed, “the arts are not for the privileged few, but for the many. Their place is not on the periphery of daily life, but at its center.” America came a long way but didn’t fulfill Rockefeller’s vision in the 20th century. But wouldn’t it be great if we could do it in the 21st? If we could actually put the arts at the center of daily life for Americans? If we can be open to, and courageous in the face of, the changing world, I believe we can.

Thank you for your kind attention.

[23] Laurence Gonzales, *Deep Survival*, 281.

RECOMMENDED RESOURCES

Books

- *Deep Survival* by Laurence Gonzales (New York: W. W. Norton & Company, Inc., 2004).
- *Integrating Mission and Strategy for Nonprofit Organizations* by James A. Phills, Jr. (New York: Oxford University Press, 2005).
- *The World is Flat* by Thomas Friedman (New York: Farrar, Straus & Giroux, 2005)
- *Convergence Culture* by Henry Jenkins (New York: New York University Press, 2006)
- *The Long Tail* by Chris Anderson (New York: Hyperion, 2006).
- *Entering Cultural Communities*, edited by Morris Fred and Betty Farrell. (New Jersey: Rutgers University Press, 2008)
- *Engaging Art*, edited by Steven J. Tepper and Bill Ivey. (New York: Taylor & Francis Group, 2008)
- *Arts, Inc.* by Bill Ivey (Berkeley and Los Angeles: University of California Press, 2008)
- *Culture and Economics* by David Throsby (Cambridge: Cambridge University Press, 2001)

Articles

- "Let's Put the Word 'Nonprofit' Out of Business," by Claire Gaudiani. *Chronicle of Philanthropy* (July 26, 2007)
- "The Cellular Church," by Malcolm Gladwell. *The New Yorker* (September 12, 2005)
- "The Pro-Am Revolution," by Charles Leadbeater and Paul Miller. *Demos* (November 24, 2004) Available at ,http://www.demos.co.uk/publications/ proameconomy.
- "Creating High Impact Nonprofits," Heather McLeod Grant and Leslie R. Crutchfield. The Stanford Social Innovation Review (Fall 2007). (Leslie R. Crutchfield has recently written a book Creating High Impact Nonprofits).
- "1,000 True Fans," by Kevin Kelly. www.kk.thetechnium

Reports

- "Cultural Organizations and Changing Leisure Trends, A National Convening, Online Discussion and White Paper" by Andrew Taylor from the National Arts Strategies and the Getty Leadership Institute, June 2007 http://www.getty.edu/leisure_trends/tags/leisuretrends/.
- "How Musical Tastes Mark Occupational Status Groups," by Richard A. Peterson and Albert Simkus. *Cultivating Differences; Symbolic Boundaries and the Making of Inequality*, edited by Michele Lamont and Marcel Fournier (Chicago: University of Chicago Press, 1992). (Also available online as a separate article).