



OREGON ARTS COMMISSION
Capacity Building Initiative for the Arts: Kickoff Convening
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What's Next for Cultural Enterprise? Harnessing Energy and Strategy to Thrive

Keynote Address

By Holly Sidford, President, Helicon Collaborative

The Future Ain't What it Used to Be – It's Better

"The future ain't what it used to be." Yogi Berra said it well, in the 1960s, and – as far as arts and culture are concerned – forty years later, I have to agree. I think it's going to be much, much better.

Creating that better future involves recognizing that we're at the end of a 50-year arc of development for the nonprofit arts sector – 50 years of an extraordinary, dynamic, multi-faceted public-private partnership that started when Nelson Rockefeller established the New York State Council on the Arts in 1959. Many of the beliefs and practices that we honed in those 50 years, and which helped us build the largest nonprofit arts system in the world, will not help us thrive in the future. The context in which we operate as has changed profoundly -- and permanently. This is not because of the recession, although the recession is exacerbating the difficulty we are having navigating the change. We're not in a slump before returning to business as usual. We are in the middle of a paradigm shift of massive proportions, a re-orientation of the system itself and all its individual parts. How exciting!

Our world is considerably different than it was even ten years ago. The gap between rich and poor has not been as marked since the Gilded Age and more than 17 percent of American children live below the poverty level – that's more than 13 million children. Forty-five percent of children in the U.S. under 5 years of age are African American, Asian American or Latino.¹ We have an African American president. Eighty-two percent of Americans are subscribers to a cellphone plan, and 22 million people use their phones not just to make calls but to manage all aspects of their lives.² Climate change is upon us (regardless of where you stand on what's causing it). There are significant and irreversible demographic, technological, ecological and economic shifts occurring that affect every aspect of our lives.

Focusing more narrowly, there are notable changes in the nonprofit cultural sector. Over the past 50 years, we have created 100,000 cultural nonprofits.³ The number of cultural organizations in the U.S. grew by more than 60% between 1990 and 2001 alone. The National Endowment for the Arts reports that more than 78 million people – 35 percent of the population – attended arts events last year. And the number of professional artists doubled in the past 20 years – to close to 2.5 million.⁴

¹ U.S. Census Bureau press release, May 14, 2009

² Tim Stevens, *Switched.com*, November 14, 2007, from data released by CTIA, International Association for Wireless Telecommunications.

³ Americans for the Arts.

⁴ U.S. Census Bureau, 2005.

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While the nonprofit arts sector can legitimately call this a success, there are signs that the current system is unsustainable. Attendance at traditional performing arts venues and museums has shown persistent declines over 20 years.⁵ Costs are rising inexorably, but public funding for the arts has been eroding for some time, and private foundations are not making up the gap. Philanthropic giving was dropping even before the recession, and a recent Bank of America study shows that declines in giving by high net worth individuals is greatest in the arts.⁶ While the number of professional artists has increased dramatically, one-third of them make less than \$20,000 a year – the poverty rate for a family of four – even though most have advanced degrees and hold “regular” jobs in addition to doing their artwork.

It’s a New Universe of Cultural Enterprise

Increasingly, non-profit cultural institutions represent only one “cultural” or “creative” option among many and – for increasing numbers of people – not the most compelling one. We’re not the only game in town anymore (if we ever were). Every day the universe of cultural enterprise expands. As Shakespeare might remind us, “There are more things in Heaven and Earth, Horatio, than are dreamt of in your philosophy.”

In my view, the explosion of cultural options beyond the nonprofit model, and people’s growing appetite to *participate* in, rather than passively “consume” the arts, are the two most important strategic issues facing nonprofit cultural organizations today. And they represent our greatest sources of possibility. Members of the nonprofit arts sector ignore these trends at their peril. This is far more important and long-lasting than the economic downturn. As a cultural leader in Seattle said to me last spring, “We know the economy will come back eventually, but these other shifts – in our competitive position, and our need to more inventively engage audiences – these are permanent changes.”

I think this new universe of cultural enterprise is shaped by two key phenomena: Lowered barriers to participation, and shifts in cultural and personal values.

Shifts in participation

Attendance at nonprofit cultural institutions is declining, but people’s actual involvement in culture is increasing. Recent studies by Bill Ivey, Alan Brown, Alaka Wali, Mark Stern and others suggest that cultural participation, broadly defined, has never been more robust.⁷ But most of the increase in cultural activity is occurring outside what Steven Tepper calls “sacralized cultural institutions.” People are moving – have moved – toward more interactive forms of cultural activity that give them opportunities to participate before, during or after the “arts event.”

⁵ National Endowment for the Arts Survey of Public Participation, 2009.

⁶ “Bank of America Study of High Net Worth Philanthropy,” by The Center on Philanthropy at Indiana University, March 2009. Average giving to the arts by people with high net worth dropped from \$16,400 in 2005 to \$4,800 in 2007, and as a portion of overall high net worth giving from 13.2% to 4.2%

⁷ Sources include *Engaging Art* (Tepper and Ivey); “Critical Issues Facing the Arts in California” (AEA Consulting, Sidford and Frasz), *Art and the Metropolis* (RAND), Social Impact of the Arts reports (Stern et al.), “Cultural Engagement in California’s Inland Regions” (Brown), “Research into Action” (Greater Philadelphia Cultural Alliance) and other studies. This research suggests we need to broaden our definition of what constitutes cultural participation beyond attendance at arts institutions, films and festivals. When we do, millions more Americans can be counted as participating in arts and culture.

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This is fed by the explosion of technologies that enable us to find and consume cultural products – music, films, dance, books, etc. – without a middle man. Technology is also making it easier for us to engage in the creative process ourselves, with cameras, musical instruments, design software, interactive video games, online classes and an infinite array of other choices. It's simply much easier to get information, get involved, and do it yourself or with family or friends as you choose.

It's also spurred by the availability of high quality, low-cost commercial entertainment products, which were unheard of even ten years ago. Quality is not the sole bastion of nonprofit culture anymore; many commercial products are as good as or even better than the "high art" nonprofit offerings. The choices are expanding exponentially.

In the last decade we've also seen an amazing expansion of options to partake of arts and culture outside of nonprofit cultural centers – to sing at church, for example, or in local choruses; to perform in theater productions or poetry slams at neighborhood schools or community centers; to take all manner of performing, visual and craft arts classes at commercial and nonprofit schools; or to be part of arts happenings through online social networks (the YouTube Orchestra, for example). Related to this is the extraordinary growth of community-based and culturally-specific entities that serve distinct neighborhoods, cultural groups or immigrant populations – mariachi bands, ethnic dance organizations, cowboy poetry gatherings, among many others. There are more than 400 non-professional folkloric dance groups in the U.S., swamping the number of "mainstream" nonprofit dance organizations that are members of DanceUSA.⁸

And tens of thousands, if not millions of individuals are now involved in the arts through informal associations organized by "lay" people who have a passion for an artform, and sometimes great skill as well even though they do not make their living in the arts. They just want to pursue their passion. Some call this the Professional Amateur movement – "ProAms." You all know such people and such groups – the pick-up weekend chamber music ensemble composed of lawyers, doctors, teachers and other "non-arts" professionals; the storytelling and writing groups where dedicated amateur writers offer each other support, critiques and a good meal.

There are also new, participatory approaches to philanthropy in the arts – commissioning clubs, for example, in which groups of people pool modest sums to finance the development and showcasing of a new work. A new website, Kickstarter, posts profiles of artists' projects that need financing and invites people to contribute. Interestingly, contributors receive neither a tax credit nor a financial return on their investment. People are sending money for the simple pleasure of being involved in a creative process. This is a wild success.

And "formal" arts criticism is declining even as unpaid or "amateur" criticism proliferates. Increasingly, people can engage in all dimensions of the arts without a middle man or intermediary, and they are doing so in droves.

⁸ Sources: Association for California Traditional Arts and DanceUSA.

Shift in Values

So – expanding options for arts participation have profoundly changed the environment for nonprofit cultural organizations. But ready access and low price don't explain all of what is going on. There is another equally important trend at work – and that relates to a shift in societal and personal values.

Pollster John Zogby, in his new book *The Way We'll Be*, identifies four major qualities that people – especially young people – say they want more of in their lives. People want to live within their limits as consumers and citizens; embrace diversity of views and ways of life; and find spiritual comfort. And they say they will expect authenticity from institutions, leaders and experiences. The arts, at their best, serve these desires by providing affordable products, access to diverse cultural perspectives and authentic experiences. In doing so, they encourage self-knowledge and spiritual growth.

In addition, new information from the fields of neuroscience and psychology seems to confirm that artmaking is not a relatively recent cultural phenomenon, but rather a basic human instinct that has had evolutionary value since the days of the hominids. Denis Dutton in *The Art Instinct* and Ellen Dissanayake in *Homo Aestheticus*, and other recent works, suggest that we have a fundamental human instinct to create, to make things, to build connections with other people through this process, and ultimately – through our creations – to make meaning of our lives.⁹

Martin Seligman, Leaf Van Boven and others working in the field of positive psychology have found that there are three components to happiness: pleasure, engagement and meaning.¹⁰ Engagement is the key here – the depth of involvement and actual participation. When our involvement in something goes up, so does the pleasure and meaning we derive from it. Participating in the arts engages us, gives us meaning, and gives us pleasure – it makes us happy.

Neurological studies on the way our brains work have implications for art consumption and practice. Research is finding that experiences make us happier than acquiring things. This is because experiences are social, and are relived again as we remember them or recount them to friends later.¹¹ Other research shows that when we actually engage in an artistic act – play music, for example – we activate particular parts of the brain that have to do with identity and self (the medial prefrontal cortex) and language and communication (inferior frontal gyrus). These two areas in the brain are centrally involved in how we make meaning.¹²

Core challenge and opportunity: people's desire to engage with the arts

Non-profit cultural groups' prospects for growing or sustaining audiences, securing adequate funding, building good board leadership, and attracting outstanding artistic and administrative talent rest, at least in part, on how we adapt to these changes taking place in our environment, especially people's burgeoning interest in being actively creative. The changes do not mean that we have to give up our commitment to excellence, or to working with the most outstanding artists in our chosen disciplines. But it does mean that we need to offer people opportunities to

⁹ *The Art Instinct*, Denis Dutton, 2009, *Homo Aestheticus*, Ellen Dissanayake, 2009, and "In Search of the Arts Boson: Finding the Smallest Unifying Particle in the Universe: An Artistic Theory of Everything," Eric Booth, Chamber Music Magazine, May/June 2009.

¹⁰ *Authentic Happiness*, Martin Seligman, 2008.

¹¹ Jonah Lehrer, The Frontal Cortex, Money and Happiness blog, August 27, 2009.

¹² Jonah Lehrer, "Creation on Command: What We Know," Seed Magazine, May 6, 2009.

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genuinely participate by engaging directly with those artists and in other ways. Authentic, meaningful arts experiences can come from encounters with virtuoso artists or artworks, from connecting with cultural traditions deeply embedded in a community, or from making art oneself – or a combination of these. The point is that people want choices.

Linguist and evolutionary theorist, Derek Bickerton, in his book about the evolution of language, *Adam's Tongue*, distills ancient wisdom we all know but like to ignore: “When genes and the environment pull in opposite directions, the environment wins.” We are in a tug of war between our genetic coding as cultural institutions and the changing social, economic and technological environment in which we live. Guess what? The environment is going to win, no matter how much we resist. It's up to us to adapt and evolve if we want to survive in the next era. The key to sustainability is not going to be found in tinkering with the more superficial aspects of our work. It's going to be found in genuine transformation of our ways of thinking about our environment, our core purpose and function in society, and the best forms to realize that purpose in the early 21st century.

How are we going to achieve that transformation?

One Route to Transformation: Organizational Energetics

My approach to what's happening right now – in the world, in the arts ecosystem and in individual cultural organizations – is informed by a metaphor based on the oldest systems theory in the world: the Taoist Five Element theory. This is a theory of movement, evolution and change that has been tested and refined over 5,000 years and is now accepted and extensively practiced in communities around the world. This theory forms the basis of tai chi, Chi Kung, feng shui, herbal medicine and acupuncture.

Acupuncture is a system for sustaining people's health, well-being and agency in the face of constantly changing (and sometimes quite threatening) external and internal conditions. Balance, and flowing *with* change rather than pushing against it, are essential to the health and development of human organizations, just as they are critical to the health and development of human bodies.

The Oregon Arts Commission's initiative is about capacity building and sustainability. Acupuncture is a time-tested process for enhancing one's capacity – one's ability to use resources efficiently and to be resilient in the face of constant change. Romantic notions of extreme behavior and imbalance are ever-present in our culture, and especially in our sector – the administrator that works 80 hours a week, the artist on a week-long creative jag, the organization that incurs crushing debt to build that new building it *has to have*. Over 50 years, our sector has actually cultivated a culture of imbalance – exemplified by organizations without cash reserves or balance sheet strategies, poorly paid staff without benefits or pensions, and academic institutions that graduate artists without any preparation for navigating the world of work. But these “ideals” of imbalance are counterproductive, as any practicing artist or effective leader will tell you. Chance may favor the prepared mind, but a healthy body is essential if you're going to be able to seize those chances over the long run.

Over the past few years, Helicon Collaborative has been working with a very talented acupuncturist, visual artist, and marketing guru, Warren Bellows, to translate the Five Element

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principles for organizations. Warren was the first marketing director for Celestial Seasonings and advised General Motors on organizational development before he became an acupuncturist. He continues to consult with a variety of nonprofit organizations. With Warren, we're developing a set of tools to help organizations use Five Element theory to diagnose their dysfunctions and develop "treatments" to increase their balance. By being better balanced, they will be healthier, and better able to thrive. We're calling this Organizational Energetics.

I think you'll find some observations drawn from this theory relevant and helpful to your work going forward.

Background on Five Element Theory

Acupuncture is a natural system and asserts the cyclical nature of life. Life is not linear, it is cyclical. We are always in some stage of that cycle – whether the beginning/embryonic stage (Five Element theory calls this the Water phase), the phases of maturation and growth (Wood, Fire, Earth), or the phase of distillation and death that precede the next beginning (the Metal phase). There is no judgment in acupuncture. (That is one of the reasons I love it – it's information without judgment.) One stage of the cycle is no better or worse than any other. But in Five Element theory, as in life, the end of a cycle is never the end – it simply sets the stage for the next beginning.

Each stage of the cycle has a distinct character, and distinct functions associated with it, as well as emotions and spiritual qualities. All of these properties are resources that can be used to help diagnose dysfunctions and achieve or restore balance and health. (Incidentally, in my view, emotions are an enormous part of any human system and this is one of the things that most management theories leave untouched. If we don't deal with the emotional side of our work experiences and our developmental stages, we diminish our chances of actually making progress.)

The Transition We're In

Let's imagine that I'm right – that we at the end of an era, that we're closing one phase of the life cycle of arts development in the U.S., and beginning the next cycle of our development. What does Organizational Energetics say about the qualities of this "closing" phase (the Metal phase)?

First – it says there is a lot of grief swirling around. It's a very sad period. What we've known for a long time is ending. Programs, structures and institutions we've spent our lives building are not as strong as they were. Our power is diminished; it's harder and harder to do what we want to do and what we've "always done." We're discouraged a lot of the time and experiencing a sense of loss. And this was before the recession took the bottom out for a lot of us!

Acknowledging grief is essential to moving beyond the grief, as Elisabeth Kubler-Ross has taught us.¹³ Individually, and as organizations, we need to take the time to acknowledge and release this grief.

¹³ *On Death and Dying*, Elisabeth Kubler-Ross, 1969.

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Second – it says that the most important antidote to grief is inspiration. We need to go back to basics, return to that core concept or idea or experience or memory that is our animating principle – the thing that most excites and energizes us. At the end of a cycle, we need to help ourselves, and our communities, reconnect with what inspires us, what makes us gasp with delight, what makes us feel we are touching the divine. This is the energy that will propel us through obstacles and into a brighter future.

And third – the model says that after we've re-energized our re-connected with our inspiration and that which we value most, we need to let go of everything that isn't inspiring and purposeful – literally lighten up, lose some weight, drop excess baggage, streamline. Recognize that that was then, and this is now. This may include letting go of antiquated ideas about what the fundamental purpose of a nonprofit cultural organizations is, and how we best deliver value.

What helps move this work along?

- Taking the time to assess, reflect, and extract the lessons learned from your previous work.
- Reconnecting with the fundamental source of your inspiration – what's of greatest value about your work, and *the reason it is worth sustaining*.
- Assessing the environment, looking at it with fresh eyes, creating what Laurence Gonzales, in his book, *Deep Survival*, calls "new mental maps" of the actual landscape in which you reside.
- Reconsidering antiquated beliefs and assumptions. Some of the ones I want us to let go of include: "more is better," "if you're not growing you're dying," "our social purpose is less important than and separable from our artistic purpose," and "we do it this way because we've always done it this way."
- Letting go of all that is unnecessary and unsustainable, including the beliefs and behaviors that constrain your ability to change.

And what does Organizational Energetics say about what's coming next – the beginning of our next phase of development?

First – it says that this phase is full of fear – sometimes blinding and paralyzing fear. Imagine the embryonic stage of anything – the fetus is literally blind, folded up in a watery cave, helpless and uncertain. Not knowing what's ahead is a really scary proposition, especially when you believe that you are alone.

Second – the model says the great antidote to fear is faith. Faith born of knowledge that we've navigated some big transitions before; faith born of friendships and networks, colleagues and allies; faith born of excitement about new possibilities and our own resourcefulness; faith born of a clear sense of value, mission and purpose.

And third – the model says that the fundamental work of this phase has two parts: clarifying mission and purpose; and gathering up the resources and assets to propel the mission forward.

What helps move this work along?

- Identifying your fears, and the beliefs that hold you back. Naming a fear is the first step toward dissolving it.
- Clarifying your desires – what is it that you really want to be doing?

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- Reaching deep inside for your greatest power – that which makes your organization unique.
- Using that new clarity to attract the resources that will help you achieve your mission – the people, money, spaces, relationships, and technology that will propel you forward.
- Recognizing that this is a very fluid time that demands that you experiment and be as relaxed as possible about the uncertainty.

Conclusion

Organizational Energetics is just one of many metaphors that can help us make sense of our evolving circumstances. But like all good metaphors, it can help us look at our changed landscape with clear eyes. And its wisdom points us in the right direction: we must refresh our inspiration, clarify our fundamental value to our communities, and reformulate our missions for the reality of our contemporary world.

Can we face the fact that the way we've thought about our role, and conducted our business, worked pretty well for 50 years, but may not work for another five? Can we – individually and as a sector – look afresh at our communities, and openly explore what the people in them really value and need? Can we candidly assess ourselves, distill our unique value, dispense with mindsets and behaviors that don't work in our current environment, and use our passion and our skills to reconfigure the ways we contribute to our communities?

I'm very optimistic. I believe this is a world where opportunities vastly outnumber threats. I believe in the inventiveness of artists and the people in our sector. I believe in the art instinct, and the plasticity of our brains. I believe in the Five Element metaphor and in the power of released energy to re-vitalize us, and give new purpose and capacity to us as individuals, organizations and a system.

As Yogi said, "The future ain't what it used to be." But we have the creativity and energy to make the future better than most imagine. That better future will begin today, if we can take advantage of the changing circumstances in which we live, including the expanding options for cultural participation and people's growing appetite to be actively involved. I hope I've given you some food for thought as you work to build your capacity in the months ahead – re-imagining and realizing a bright future for yourselves, the artists with whom you work, your organizations, your communities, and for the arts in this great country of ours.