

New Report from SMU DataArts Explores What Leaders of High-Performing Arts Organizations of Color See as Key to Success

“The Alchemy of High-Performing Arts Organizations, Part II: A Spotlight on Organizations of Color,” based on interviews with 21 arts leaders, is a follow-up to a 2020 study and suggests the critical role of strong community engagement and high-quality programming in achieving financial sustainability.

NEW YORK, March 10, 2021 – SMU DataArts, in partnership with The Wallace Foundation, today released ***The Alchemy of High-Performing Arts Organizations, Part II: A Spotlight on Organizations of Color***, which explores how leaders of these organizations viewed the reasons for their success along with challenges they face. Co-authored by SMU DataArts Director Zannie Voss, Ph.D., and SMU DataArts Research Director Glenn Voss, Ph.D., the new report aims to inform other arts organizations in their own approach to financial sustainability. The full report is available at wallacefoundation.org and at culturaldata.org.

Based on research conducted in August and September 2020, the report finds commonalities among 11 arts organizations of color in dance, music, theater, and multidisciplinary performing arts, as well as 10 community-based arts organizations, each with a proven record of high performance.* These 21 organizations self-identify as serving predominantly Black, Indigenous, Hispanic/Latinx, Arab American, or Asian American communities, and are located in 13 cities around the country. The organizations are also diverse in budget size, ranging from \$146,000 to \$15 million.

As the COVID crisis continues, challenges for these and other organizations persist, but notably more than 80% of the arts leaders interviewed indicated that their organizations are financially stable despite the economic hardships caused by the pandemic. While the initial report, [*The Alchemy of High-Performing Arts Organizations*](#), did not specifically focus on organizations of color, both reports suggest that deep community engagement and high-quality programming have been critical to financial health. Because the second report also takes into account the impact of the pandemic, its findings provide additional insights that may help other organizations consider potential strategies for recovery.

“Now more than ever, it is essential that we build our collective understanding of what fuels financial stability for arts and cultural organizations, especially for those that primarily serve communities of color,” said **Zannie Voss, SMU DataArts director**. “The COVID-19 pandemic and racial justice movement have exposed the inequities that these communities face, and research shows that the nonprofit arts and culture field in general has not been inclusive or equitable. Yet organizations like those in this study, whose work is rooted in communities of color, receive far less support, recognition, and attention from funders and society as a whole.”

Researchers used a quantitative method called stochastic frontier analysis to identify a set of 21 organizations that performed better than expected given their size, location and other factors¹. To gain insights on how these 21 organizations achieved high performance, researchers interviewed the organizations' leaders. In examining their experiences, researchers identified a common "mental map" that these leaders followed, linking strategic choices to outcomes. Phase II interviews reinforced the conceptual model that emerged in the initial report, but with some differences. Leaders of the organizations of color emphasized their reason for being is rooted in serving their communities' needs through high-quality programming, and how deeply embedded they are in the fabric of the community. More than half of the organizations were created to serve needs where no similar services existed locally or where there was a lack of opportunities for artists of color. In contrast to Phase I, none of the leaders mentioned changes in consumer preferences or declining participation in the arts as obstacles. Instead, Phase II interviewees highlighted the adaptive capability that has been integral to their success. Several Phase II interviewees indicated, in comparison to Phase I, several challenges their organizations face due to environmental threats of racism, gentrification, and lack of equitable access to funding. In addition, Phase II interviewees emphasized organizational capacity limitations due to low compensation levels and staff resources, which leads to difficulty recruiting high caliber talent and to staff burnout.

The report includes excerpts from the interviews, including the following insights:

- **On the relationship between community orientation and high-quality programming:**
When you build community with a group of people that have been historically underrepresented, it builds a lot of loyalty. Organizations rooted in their community are very valued because it's where people find their people. We give Asian Americans a home, representation, high-quality art and projects they want to work on.
-- Lily Tung Crystal, artistic director, Theater Mu (St. Paul, Minn.)
- **On being responsive to community needs:**
I've learned that in order for us to have the future we envision, radical change is necessary -- not just when it comes to fundraising but reimagining what it means to serve and be a nonprofit. What's really precious is our relationships and the people we serve. When their needs change, we have to change with them.
-- Steffanie Rosalez, chief executive officer, Grandville Avenue Arts & Humanities (Grand Rapids, Mich.)
- **On adaptive capability:**
The secret for us is being nimble and multidisciplinary. In this pandemic, our performance foot was cut off and our education foot was cut off. Our media division has been called upon to develop content and really support the other areas now. The other big factor for us was having

¹ To identify the organizations, researchers analyzed data from over 5,000 organizations around the country for which they had a minimum of four years of data. Performance was then measured along seven financial and operating metrics in recent years. Researchers approached identifying and understanding the participating high-performing organizations through stochastic frontier analysis, an analytic method that allows exploration of the frontier of highest feasible performance given the characteristics of each organization and the community in which it operates. Further information on research methodology and the selection criteria is included in the report.

as little overhead as possible. We don't own a building. We rent our rehearsal space hourly. When all your programs collapse, all your expenses collapse as well.
-- Juan Díes, executive director, Sones de México Ensemble (Chicago)

- **On distributed leadership and organizational culture:**

You can't do it alone. Shared leadership is essential. I've had to learn a lot as a white leader of an organization that serves a community of people of color. It's essential that others on the senior leadership team be people of color who identify closely with the community. I want any of our kids to feel like they could do my job and be successful.

-- Maureen Dwyer, executive director, Sitar Arts Center (Washington, DC)

"This report suggests that successful arts organizations of color are part of their communities' DNA, and they are critical to the arts ecosystem," said **Bahia Ramos, The Wallace Foundation director of arts**. "We hope that this report, alongside others commissioned by Wallace, can help inspire new thinking and strategic approaches to relevance and resilience."

The Alchemy of High-Performing Arts Organizations, Part II: A Spotlight on Organizations of Color, can be downloaded free of charge at wallacefoundation.org or culturaldata.org, including background on methodology, conceptual models, and *Part I* of the report.

Today, Wednesday, March 10, at 1:00 p.m. EST, Wallace will host a conversation about *The Alchemy of High-Performing Arts Organizations, Part II*, as the latest installment in the virtual series [Reimagining the Future of the Arts](#). Zannie Voss and three study participants will discuss how the findings can help arts organizations navigate challenges and build financial resilience. To learn more and to RSVP for the session, please [click here](#).

***PARTICIPATING ORGANIZATIONS**

Anita N. Martinez Ballet Folklorico (Dallas); Apollo Theater Foundation (New York City); Center for Traditional Music and Dance (New York City); Chen Dance Center (New York City); Chicago Sinfonietta; Chinese Culture Foundation of San Francisco; CircEsteem (Chicago); Dallas Black Dance Theatre; Detroit Repertory Theatre; East West Players (Los Angeles); Grandville Avenue Arts & Humanities (Grand Rapids, Mich.); Herbie Hancock Institute of Jazz (Washington, D.C.); Idris Ackamoor & Cultural Odyssey (San Francisco); Kaisahan of San Jose Dance Company (San Jose, Calif.); Mixed Blood Theatre (Minneapolis); Oakland Asian Cultural Center (Oakland, Calif.); Purple Silk Music Education Foundation (Oakland, Calif.); Sitar Arts Center (Washington, D.C.); Sones de Mexico Ensemble (Chicago); The King Arts Complex (Columbus, Ohio); Theater Mu (St. Paul, Minn.)

ABOUT SMU DATAARTS

SMU DataArts, the National Center for Arts Research, is a joint project of the Meadows School of the Arts and Cox School of Business at Southern Methodist University. SMU DataArts compiles and analyzes data on arts organizations and their communities nationwide and develops reports on important issues in arts management and patronage. Its findings are available free of charge to arts leaders, funders, policymakers, researchers, and the general public. The vision of SMU DataArts is to build a national culture of data-driven decision-making for those who want to see the arts and culture sector thrive. Its mission is

to empower arts and cultural leaders with high-quality data and evidence-based resources and insights that help them to overcome challenges and increase impact. To work toward these goals, SMU DataArts integrates data from its Cultural Data Profile, its partner TRG Arts, and other national and government sources such as Theatre Communications Group, the National Endowment for the Arts, the Census Bureau, and IRS 990s. Publications include white papers on [emergence from the COVID-19 crisis](#), [culturally specific arts organizations](#), [protecting arts organizations through downturns](#), [gender equity in art museum directorships](#), [working capital and the resiliency of BIPOC organizations](#), and more. SMU DataArts also publishes reports on the health of the U.S. arts and cultural sector with the annual [Arts Vibrancy Index](#), which highlights the 40 most arts-vibrant communities around the country. For more information, visit www.smu.edu/dataarts.

ABOUT THE WALLACE FOUNDATION

The Wallace Foundation's mission is to foster equity and improvements in learning and enrichment for young people, and in the arts for everyone. Its objectives are to improve the quality of schools, primarily by developing and placing effective principals in high-needs schools; promoting social and emotional learning in elementary school and out-of-school-time settings; expanding opportunities for high-quality summer learning; reimagining and expanding access to arts learning; and building audiences for the arts. The Foundation seeks to generate knowledge and insights from these efforts to enhance policy and practice nationwide. For more information and research on these and related topics, please visit the Foundation's Knowledge Center at wallacefoundation.org.

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