



Leveraging Momentum

A Study of Strategic Shifts Among
Eight Major Arts Institutions

DECEMBER 2020



**KNIGHT
FOUNDATION**

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Executive Summary

Throughout the country, arts institutions are transforming themselves to more proactively engage and benefit their communities in innovative and contemporary ways. The John S. and James L. Knight Foundation, which seeks to support the arts as a way to connect people to the places where they live and to each other, has provided significant support to major arts institutions in the cities where it operates. The foundation has focused specifically on efforts that seek to leverage and accelerate the momentum among arts institutions and the communities to evolve, change and adapt.

This study was commissioned to explore the evolution of eight institutions to which Knight Foundation has provided substantial support over the past decade: Akron Art Museum, Ohio; Barnes Foundation, Philadelphia; Detroit Institute of Arts; Detroit Symphony Orchestra; New World Symphony, Miami; Opera Philadelphia; Pérez Art Museum Miami; and Philadelphia Museum of Art. The study focuses in particular on institutions that received grants with diverse aims, from technology innovation, to community engagement and education, to strengthened curation and program offerings. All of these grants were made in the context of substantial support from individuals, other philanthropic institutions and public investment.

While the study was conducted prior to the COVID-19 pandemic and the ongoing, nationwide protests against police violence and systemic racism reignited by the brutal and unjustified police killing of George Floyd, its implications are highly relevant to the current context, in which arts institutions and those who support them need to change in the face of a radically new operating environment.

TDC, a Boston-based nonprofit research and consulting firm, was engaged to complete the study.

KEY FINDINGS

Audience engagement has expanded.

- New World Symphony (NWS) has significantly enhanced its technological capacity and community engagement. New World Center is now seen as a civic icon, and their use of technology has broadened access and helped to change perceptions of classical music.
- Detroit Symphony Orchestra (DSO) has used expanded digital experiments to engage a wide audience. DSO has become more relevant to Detroiters even as it works to solidify its long-term business model.
- Opera Philadelphia (OP) has implemented an innovative format upending traditional presentation of opera. The effort has received acclaim and drawn new audiences to opera.

Institutions have increased their relevance to their communities.

- Akron Art Museum (AAM) has seen capacity growth, externally focused activities, increased visitation and partnerships, and a pre-COVID-19 path to financial sustainability.
- Pérez Art Museum Miami (PAMM) has strengthened its collection and expanded educational programming. The museum has seen mission and artistic success and gained a reputation for greater community engagement.
- In March 2020, the Detroit Institute of Arts (DIA) successfully renewed its millage support. Its Inside|Out program is a component of the overall community engagement strategy contributing to changing community perceptions.

The chart at the conclusion of the Executive Summary offers a snapshot of the eight grantees, outlining Knight's investments, overall outcomes and community impact. As a result of the changes these organizations have made, some are better positioned to confront the changes that will need to be made in the context of the current environment.

Institutions benefited from internal change. Most institutions made significant internal transformations that were key to major strategic shifts. These included creating an internal culture more open to change and collaboration, improved skills in community partnership development and patron-oriented planning. These internal changes resulted in improved reputation for inclusivity, elevated identity as civic leader or community landmark, increased visitation and membership, and local, national and international critical acclaim. External support, including Knight's grants, were cited as important in these transformations.

Transformation does not guarantee a straight line to improved financial health. Two clear lessons about change and financial health emerged:

- **Change in and of itself increases costs and can be destabilizing.** Transformational change is often more resource- and time-intensive than anticipated and can result in at least short- to medium-term instability, particularly when change entails significant growth.
- **Relevance is a necessary but not sufficient condition for financial health.** Increased earned and contributed revenues gained from more relevant programming may not be adequate to address the other drivers to high costs among arts organizations.

Leveraging momentum is complex but powerful. Taking Knight's grants as a case study for others, the results suggest that the most impactful investments are those in which support aligns with key dimensions of the grantee's strategy, are scaled for impact, and awarded to grantees that are ready for change. In general, funders should take into account a complex set of considerations as they support change, including aligning grant intent to the grantee's strategy and phase of change, gauging internal support and external context, and scaling grants to the level of risk and budget size.

The ability to change will be important for these and all arts institutions as the world emerges into a post-COVID-19 reality. Like all industries reliant on large gatherings, the arts are particularly hard hit by the COVID-19 crisis. Survival—like change—will also be a process, encompassing response, recovery and reimagining. Only those institutions with the philanthropic support to get through recovery and the creativity to reimagine themselves will thrive.

Leveraging Momentum: A Study of Strategic Shifts Among Eight Major Arts Institutions

CITY	GRANTEE	KNIGHT GRANTS	CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES	AUDIENCE IMPACT
Akron	Akron Art Museum	<ul style="list-style-type: none"> • \$3M building; \$1M endowment (2000) • \$2M building and endowment (2006) • \$3M bridge fund (2017) • \$5M endowment (2017) 	AAM improved its ability to deploy technology and its human resources function, grew data analysis capacity and implemented cross-functional teams.	AAM has created inclusive community-based programs in partnership with local organizations. It expanded free access. The open facility is a venue for community partners and opens the museum up as a civic space.	<p>Increased visitation from 48,000 to 75,000</p> <p>Increased membership</p>
Detroit	Detroit Institute of Arts	<ul style="list-style-type: none"> • \$2.25M grant for community engagement (2012) 	DIA created a community engagement group and expanded user-centered programming and services. It expanded skills to build community partnerships and its technology capacity.	DIA expanded education programs for schools and programs with community partners and in community locations. It offers free admission to tri-county residents. It is positioned as an anchor for the cultural district.	<p>Free admission increased visitation from 484,000 to 667,000</p> <p>Increased school visitation</p>
	Detroit Symphony Orchestra	<ul style="list-style-type: none"> • \$2.25M grant for digital innovation (2012) 	DSO has a user-centered and community engagement approach to programming. It increased capacity in using technology.	DSO opened space to community partners and used public walls to communicate. It offers diversified programs, delivery mechanisms, and is establishing a vibrant education program.	<p>Inclusive reputation</p> <p>Diversification with new programming</p> <p>Increased visitation from 178,000 to 225,000</p>
Miami	New World Symphony	<ul style="list-style-type: none"> • \$5M endowment for new media (2007) 	NWS increased capacity to use technology. It developed an innovative approach to programs and its culture of learning. It built skills in community engagement.	The new building serves as a “physical magnet.” Programs integrate technology into learning and presentation. Concerts offer multiple entry points for audiences.	<p>Audience retention (25–40% of audiences for alternative formats return)</p> <p>New audiences</p>
	Pérez Art Museum Miami	<ul style="list-style-type: none"> • \$10M education endowment (2007) • \$5M program and acquisition fund (2015) 	PAMM increased its capacity to deliver county-wide educational programming and strengthened curatorial expertise. It now has a culture of inclusion.	PAMM has inclusive programs representing identities of local residents. The building is a welcoming civic space. It has community-based partnerships and is bringing arts to civic discussions.	<p>Increased visitation from 227,000 to 300,000</p> <p>Reputation for inclusiveness</p>
Philadelphia	Barnes Foundation	<ul style="list-style-type: none"> • \$2.5M endowment for technology (2018) 	The Barnes' professional development is informed by the values of equity, diversity and inclusion. It has increased data analysis skills.	The Barnes has new tools: Barnes Focus (web-based tool connecting visitors to collection information), virtual reality (virtual tour of museum), and community-based programs.	<p>Positive indicators on Barnes Focus and VR</p> <p>Increased visitation from 196,000 in 2012 to 252,000 in 2018</p>
	Opera Philadelphia	<ul style="list-style-type: none"> • \$2.5M grant for O17 (2015) 	OP gained skills in data analysis, innovation, testing and learning, and implementing program partnerships. It has implemented cross-functional collaboration.	OP created Festival O and enhanced Opera on the Mall and its guest services. It has commissioned Philadelphia-focused content.	<p>Net promoter score from 59 to 73</p> <p>38% of audience is new</p> <p>826 media mentions</p>
	Philadelphia Museum of Art	<ul style="list-style-type: none"> • \$2.5M endowment for technology (2018) 	PMA has a cross-functional technology team and a community engagement group. It has mini endowments for public programs, education and community engagement.	PMA has technology-infused exhibitions. Its Main Building renovation components enhance public spaces and increase gallery space. It expanded public programs and created a community engagement program.	<p>Participation in free and discounted admission</p> <p>Diversified audience (from 20% to 32% people of color)</p>

Introduction

In 2016, Knight Foundation issued a statement of strategy that articulated its dual approach to arts support:

Knight Foundation works with partners who create or present art that engages, educates and delights residents in ways that reflect the rich diversity and identity of each community. *We endeavor to make art general in Knight communities by funding anchor institutions seeking wider audiences and by supporting grassroots initiatives of individual artists and organizations.* This two-pronged approach and our focus on specific communities increase the impact of our work.¹

Knight Foundation commissioned TDC, a Boston-based nonprofit research and consulting firm, to explore the impact of the first prong to the 2016 strategy: support of *anchor institutions*² seeking wider audiences, articulating two overarching questions for the study:

1. How have arts institutions that Knight has supported changed over time, and how has Knight's investment aligned with and supported that change?
2. How should Knight adjust how it funds arts institutions in the future? In particular, what lessons should Knight learn regarding supporting change within an organization as it seeks wider audiences?

This study examines change at eight major arts institutions supported by Knight Foundation over the past decade. It is important to note that Knight's support of arts institutions is not exclusively directed toward supporting evolution in general or change toward particular ends. Instead, Knight seeks to *leverage or accelerate existing momentum*, as the title of this study suggests, in the places and fields in which it works. It seeks opportunities to fund at the intersection of where its goals align with what grantees are also trying to achieve. This study does focus on change among arts institutions because of the need for these organizations to respond to operating environments characterized by evolving demographics, audience behaviors, funding practices and community values. A deeper analysis of these trends is shown in the Situational Analysis, included in the appendix.

To ground the research, Knight chose eight arts institutions where 11 focal grants were made as the institutions were changing or to support their transformation. The eight institutions included in this study are Akron Art Museum (AAM), Barnes Foundation (Barnes), Detroit Institute of Arts (DIA), Detroit Symphony Orchestra (DSO), New World Symphony (NWS), Opera Philadelphia (OP), Pérez Art Museum Miami (PAMM), and Philadelphia Museum of Art (PMA). These eight institutions are located in four cities where Knight has made concerted communitywide investments over many years: Akron, Detroit, Miami, and Philadelphia. Table 1 summarizes information about the grantees and the focal grants studied.

¹ In early 2020, Knight Foundation released an updated statement of strategy. This study was commissioned to examine grants made before and during the previous statement of strategy period.

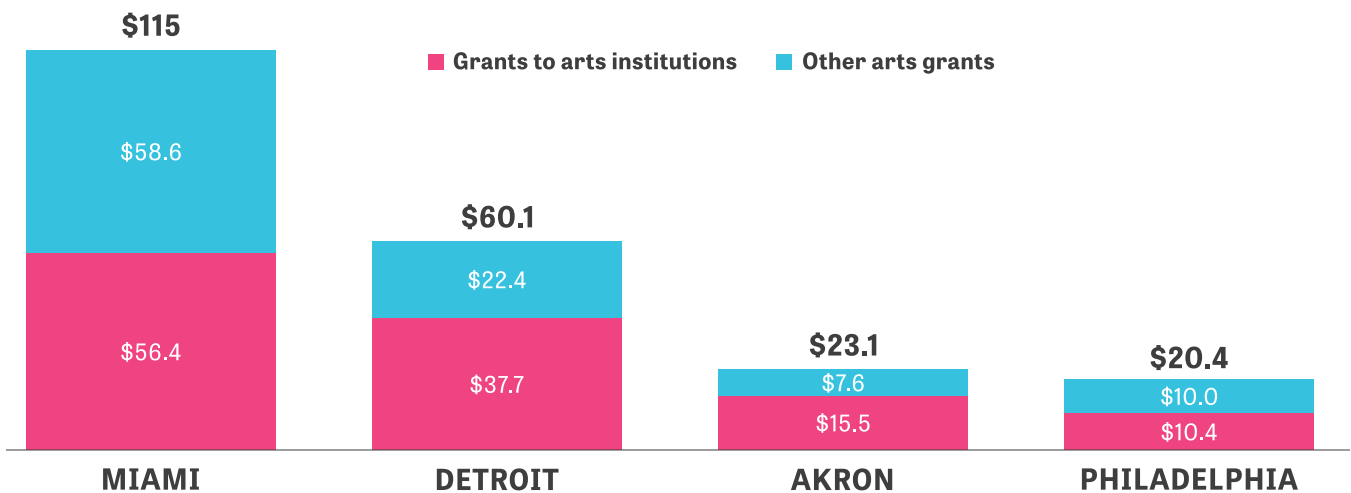
² For this study, Knight chose the more neutral term *arts institution*, instead of *anchor institution*. See the Situational Analysis for more details on how *arts institution* was defined for this study.

Table 1. Study Grantees and Focal Grants

ORGANIZATION CITY YEAR FOUNDED	FY18 BUDGET	TOTAL KNIGHT SUPPORT	FOCAL GRANTS
Akron Art Museum Akron, OH 1922	\$4.8M	\$18M over 40 grants since 1966	\$4M: \$3M building; \$1M endowment (2000) \$2M building and endowment (2006) \$3M bridge fund (2017) \$5M endowment (2017)
Barnes Foundation Philadelphia, PA 1922	\$28.3M	\$3.5M over 4 grants since 2005	\$2.5M endowment for technology (2018) ³
Detroit Institute of Arts Detroit, MI 1885	\$37.8M	\$9.4M over 17 grants since 1985 ⁴	\$2.25M grant for community engagement (2012)
Detroit Symphony Orchestra Detroit, MI 1887	\$34.6M	\$10M over 43 grants since 1972	\$2.25M grant for digital innovation (2012)
New World Symphony Miami Beach, FL 1987	\$22.7M	\$11M over 27 grants since 1987	\$5M endowment for new media (2007)
Opera Philadelphia Philadelphia, PA 1960	\$17.9M	\$4M over 20 grants since 1983	\$2.5M grant for O17 (2015)
Pérez Art Museum Miami Miami, FL 1984	\$20.5M	\$21M over 39 grants since 1983	\$10M education endowment (2007) \$5M program and acquisition fund (2015)
Philadelphia Museum of Art Philadelphia, PA 1876	\$72.7M	\$5.3M over 23 grants since 1970	\$2.5M endowment for technology (2018) ³

Putting these grants into context, Knight Foundation committed over \$265 million⁵ to the arts in its eight resident communities through 1,143 grants from 2007 to 2018. Of that amount, nearly \$128 million (48%) across 255 (22%) grants supported major arts institutions in those communities. Knight's investment in arts institutions has primarily been concentrated in Miami, Detroit, Akron and Philadelphia, with \$120 million in combined investment in arts institutions across those communities. Nearly \$70 million (58%) of that went to the eight institutions highlighted in this study. Figure 1 summarizes this giving.

Figure 1. Knight Arts Funding in Four Cities from 2007 to 2018 (in millions of dollars)



3 The Barnes and PMA focal grants are actually two halves of the same grant.
 4 This amount does not include Knight's \$30 million commitment to the Grand Bargain.
 5 This figure includes the Grand Bargain and excludes grants made outside Knight resident communities.

Research for this study was completed from May to December 2019 and included the following data sources and analyses: TDC reviewed Knight's grant documentation, examined secondary sources about the cities, grantees and their audiences, and interviewed 61 individuals representing the grantees and their communities. TDC also conducted analysis of the grantees' financial health and of the population, economy, arts funding and arts strategies. The entire process included iterative discussion with the Knight Arts and Learning and Impact teams. The TDC team wishes to thank our Knight colleagues for their partnership and the opportunity to study the impact of this grant program.

The report begins with case studies that place each grantee in the context of its distinct local environment. The case studies then highlight each grantee's recent history and degree of change, as well as specific changes to its outcomes, including those related to capacity, activities, audience results and community impact. The Outcomes Framework and the Community Context, tools that guided the analyses, are detailed in the appendix. The report concludes by addressing the evaluation questions. It should be noted that this research was conducted prior to the onset of the COVID-19 pandemic and the death of George Floyd, which has spurred nationwide protests, but that the findings do offer insight for institutions and their funders in the current context. Effective response to the current environment will necessitate change.

Case Studies: Akron

COMMUNITY CONTEXT

In Akron, the past five years have been a time of self-reflection for the arts community. In 2014, the Convention and Visitors Bureau issued the Arts and Culture Assessment for Summit County, supported by Knight and the GAR Foundation. The assessment found widespread apathy about the local arts scene, with many residents happy to travel to neighboring Cleveland to participate in the arts. This research report kick-started a communitywide dialogue about how the arts contribute to the city, which has culminated in a recently issued cultural plan.⁶ There are implicit and explicit goals in the cultural plan that define roles for arts institutions, including venues for small and midsize organizations, contributors to arts as economic engine, and anchors for downtown Akron and other cultural districts.

AKRON ART MUSEUM

Founded in 1922, the Akron Art Museum's mission is "to enrich lives through modern and contemporary art." It is Akron's largest arts institution. AAM has pursued a path of transformational change over the past decade, motivated by a mix of factors. In 2014, new leadership adopted an externally facing strategy that put community at the center.

Knight has provided the museum with a total of \$18 million over time. TDC reviewed four focal grants. Two supported the construction of AAM's 2007 building expansion and endowments supporting concurrent growth to operations. Two later grants, made in 2017, supported AAM to complete an endowment campaign.

TDC observed the following changes to AAM's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • Ability to deploy technology • Human resources function • Data analysis capacity • Cross-functional teams • Positive, open culture 	<ul style="list-style-type: none"> • Creation of engaging and inclusive programs • Creation of community-based programs and building partnerships with community organizations • Open facility as venue for community partners • Museum opened up as a civic space • Expanded free admission and introduction of free membership

⁶ "Akron Cultural Plan: 2020–2035," ArtsNow: Akron Cultural Plan, <https://www.akronculturalplan.com/>.

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • Historical reputation as exclusive • 2013: Conservative internal culture • 2017: Newly adopted community engagement strategy but poor financial health 	<ul style="list-style-type: none"> • 2007: New building an iconic point of pride in downtown Akron
Current	<ul style="list-style-type: none"> • Reputation for being open and welcoming has overcome past exclusive image • Changing internal culture and approach but staff morale an issue • Increased visitation (48K in 2014 to 75K in 2018) and increased membership (\$179K in 2014 to \$259K in 2018) 	<ul style="list-style-type: none"> • Remains in critical position as downtown anchor, but largely passive player in development efforts • Continued focus on on-site programs though recognized for notable one-off exceptions (Nick Cave)

AAM made real changes on all fronts: its capacity grew, its activities were more outward facing, it garnered increased visitation and partnerships, and it mapped a path toward financial sustainability. At the time of this study, AAM had an opportunity to further secure its financial base by raising additional endowment in honor of its 2022 centennial. As is the case for these eight institutions, as well as others across the country, the impact of the pandemic on the cultural sector is yet to be truly understood.

Akron Art Museum. Photo: Andrew McAllister



Case Studies: Detroit

COMMUNITY CONTEXT

Arts institutions in Detroit were founded while the city was in its ascendancy. At its peak in the early 20th century, Detroit was the country's fourth-largest city. By 2018, it had slipped to 23rd, and had the dubious distinction of being the only large U.S. city to have declared bankruptcy. The struggle to fund its public pension in the face of decline came to a head in two momentous events that had DIA at their center: the Grand Bargain⁷ (in which Knight was participant) and the DIA's 2012 tri-county millage vote. Both events signaled the city's inability to support its arts assets and—after near-term public support—the eventual imperative for DIA to stand on its own. Arts policy at the city level remains nascent.

In that vacuum, various private efforts have emerged, including artist-driven, grassroots efforts as well as the emergence of cultural districts. In the face of bankruptcy, the arts have generated welcome good news stories for Detroit and an influx of urban pioneers. However, the lack of a central organizing force has left the community feeling like the energy and activity are diffuse.

DETROIT INSTITUTE OF ARTS

Founded in 1885, DIA is Detroit's encyclopedic art museum. Its mission states: "The DIA creates experiences that help each visitor find personal meaning in art, individually and with each other." From 2007 to today, DIA has undergone significant changes in its strategy and programming to be more accessible to and reflective of its Detroit audience. These changes have played out for DIA differently than for other institutions in the study: at the ballot box. The 2012 millage and its mandated activities made DIA's new relationship with the community a matter of the public record. While the changes were initiated by the millage requirements, they have become part of DIA's identity over time.

Since 1985, Knight has supported DIA with \$39.4 million inclusive of 17 grants and a \$30 million commitment to the Grand Bargain. TDC reviewed one focal grant: an endowment of \$2.25 million granted in 2012, which supported the DIA in building up the community engagement capacity it needed to fulfill the terms of the millage agreements.

TDC observed the following changes to DIA's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • Creation of community engagement group in staff • Expansion of user-centered approach to programming and visitor services • Technology capacity • Expansion of skills to build community partnerships 	<ul style="list-style-type: none"> • Expanded education programs for tri-county schools • Expanded programs with community partners and in community locations • Free admission to tri-county residents • Positioned as anchor for cultural district, though engagement has been passive thus far

⁷ Major Grand Bargain funders include Ford Foundation (\$125 million), Kresge Foundation (\$100 million), W.K. Kellogg Foundation (\$40 million), Knight Foundation (\$30 million), and William Davidson Foundation (\$25 million). An additional 13 donors contributed to the agreement at amounts of up to \$10 million.

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • Pre-millage: Exclusive image • 2012: Millage vote 	<ul style="list-style-type: none"> • 2012: Landmark building and symbol for civic pride
Current	<ul style="list-style-type: none"> • Free admission increased visitation, including school visitation (484K in 2012 to 667K in 2019) • Mixed reputation in terms of openness and internal culture 	<ul style="list-style-type: none"> • Holds linchpin position in downtown revitalization and cultural district • Passage of the millage showed that DIA was recognized as a civic anchor and community asset in 2012; the millage was renewed for an additional 10 years in March 2020

While an effort to change is perceived by some community members, audience outcomes are not yet apparent. Change in culture, strategy and organizational capacity demonstrate positive steps toward improving accessibility, relevancy and community cohesion at DIA. DIA is still in a precarious financial situation. It is attempting to build its endowment to \$600 million to support regular operations and will continue to rely on the financial support from the millage as it raises these funds. At the time of TDC's review of the DIA grants, the museum was seeking to renew the millage. The counties served through the millage voted in March 2020 to renew the arrangement. The renewal of support will provide DIA more time to pursue its endowment campaign.

Detroit Institute of Arts



DETROIT SYMPHONY ORCHESTRA

The Detroit Symphony Orchestra was founded in 1887. Its mission states: “The Detroit Symphony Orchestra, a leader of classical music, embraces and inspires individuals, families and communities through unsurpassed musical experiences.” Over the past decade, DSO underwent a transformation to become more relevant to Detroiters, more strongly identified with the city of Detroit and more accessible to a broader audience. DSO leveraged technology as a mechanism to increase audience engagement and relevancy and has built upon its early technology-related successes. The focal grant of \$2.25 million was made in 2012 and supported DSO to expand its capacity for digital experimentation in the area of audience engagement. Knight has been a supporter of DSO since 1972, with 43 grants totaling \$10 million.



Detroit Symphony Orchestra

TDC observed the following changes to DSO's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • User-centered approach to programming • Capacity and expertise in using technology in programming • Community engagement mindset in programming 	<ul style="list-style-type: none"> • Opening up physical space to community partners and using public-facing walls to communicate • Offering diversified programs, delivery mechanisms in the Cube, black box and Max Mobilcast • Establishing a vibrant education program

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • 2012: Focus on suburban audiences 	<ul style="list-style-type: none"> • 2012: Landmark building with limited public face
Current	<ul style="list-style-type: none"> • Reputation for inclusiveness • Deepened longstanding Detroit Public Schools partnership • Diversification of audience with new programming • Increased in-person and online visitation <ul style="list-style-type: none"> • 288K in 2012: 178K in-person, 110K online • 427K in 2019: 225K in-person, 202K online 	<ul style="list-style-type: none"> • Has opened up facilities for community organizations and free programming • Development of Detroit Harmony to provide instruments to school children and opportunities for Detroit residents for employment in teaching, transportation and instrument repair

Since 2007, DSO has increased its accessibility, relevancy and connectedness to Detroit. It has become an asset to a broader swath of the community. The organization actively reaches out to the community through programming. It has made an active effort to show Detroit that this city is its home. Internally, leadership has remained consistent, but the organizational culture has shifted dramatically.

Even with these changes, financial stability continues to be a challenge. At the time of this study, DSO was attempting to complete a \$125 million endowment; \$75 million more was needed. The ongoing financial commitments to the Grand Bargain agreement were continuing to serve as an obstacle to DSO's major fundraising efforts. For DSO, like others, the pandemic is likely to stress its financial health.

Case Studies: Miami

COMMUNITY CONTEXT

In Miami, the past 30 years have seen a deliberate building up of arts assets in an effort to change the city's identity. A few key donors have been critical to this growth, including the Arison family, whose support is estimated to exceed \$100 million,⁸ and Jorge M. Pérez, whose generosity includes at least \$55 million to PAMM.⁹ Both the institutions and the local donors expressed the need for philanthropic community to mature. Miami is unique among the four cities in terms of the scale of public support. Miami-Dade County Department of Cultural Affairs is one of the largest local arts agencies in the country and has been instrumental in provision of both capital and operating support. In addition, the City of Miami and Miami Beach Cultural Affairs support the arts.

NEW WORLD SYMPHONY

Founded in 1987, New World Symphony has a mission “to prepare highly-gifted graduates of music programs for leadership roles in orchestras and ensembles around the world.” Unlike all the other institutions in the study, it has a program in which formal education and service to artists are the starting point. Also uniquely, it has a vision focused on the future of a broad artistic discipline, imagining “a strong and secure future for classical music that redefines, reaffirms, expresses and shares its traditions with as many people as possible.”

Innovation has been a part of NWS's DNA since its founding as an organization offering a new approach to music education. Two specific areas of transformation since its founding could be identified as technology and audience engagement.

Knight has been a supporter of NWS since its founding with 27 grants totaling \$11 million. TDC reviewed one focal grant, an endowment of \$5 million, granted in 2007, to support NWS to solidify its role as a cultural icon by capitalizing on technology and exploring new performance formats.

TDC observed the following changes to NWS's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> Capacity and expertise in use of technology in programming Innovative approach to programs and culture of test and learn Building fellows' skills and capacity in community engagement 	<ul style="list-style-type: none"> Creation of a new building that serves as a “physical magnet” Development of programs that integrate technology into learning and presentation Concert series that offer multiple entry points for audiences

⁸ “Miami Visionaries Awards Arts and Culture Finalists,” *Miami Herald*, <https://www.miamiherald.com/news/business/article76162897.html>.

⁹ “Museum receives \$40 million gift from Miami developer Jorge M. Pérez,” press release, December 1, 2011, <https://www.pamm.org/about/news/2011/museum-receives-40-million-gift-miami-developer-jorge-m-p%C3%A9rez>; “Pérez Art Museum Miami Receives \$15 Million Gift from Philanthropist and Patron of the Arts Jorge M. Pérez,” press release, November 30, 2016, <https://www.pamm.org/about/news/2016/p%C3%A9rez-art-museum-miami-receives-15-million-gift-philanthropist-and-patron-arts-jorge>.

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • 2007: Audience engagement limited 	<ul style="list-style-type: none"> • 2007: Gehry building not yet built, limited platform for civic role
Current	<ul style="list-style-type: none"> • Has both attracted new audiences and retained existing ones • Builds skills of fellows to engage audiences in their new home communities 	<ul style="list-style-type: none"> • New building makes NWS a landmark • Lawn, with Wallcast concerts, is a new civic space

NWS has significantly improved its position as an arts institution since the 2007 focal grant, in terms of its technological capacity and approaches to thinking about community engagement. The New World Center and its lawn are a new civic space and provide a backdrop to NWS's multifaceted approach to audience engagement. Particularly important is NWS's impact as a trainer of orchestral professionals who go on to practice NWS methods throughout the country and the world, a unique type of impact among the study grantees.

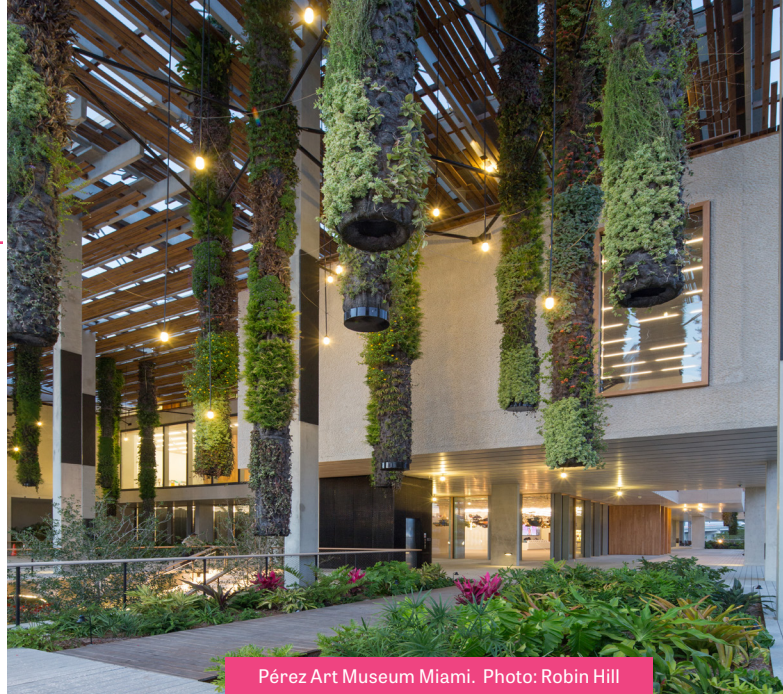
Looking forward, NWS will require future support toward renewal of its new technology assets. It estimates scale of this need at \$30 million over the coming 20 years. Technology adds to the ongoing fixed asset requirements for arts institutions. While NWS will feel the impact of the pandemic, it is lucky to have an endowment that will allow it to draw baseline support.



New World Symphony

PÉREZ ART MUSEUM MIAMI

The Jorge M. Pérez Art Museum of Miami-Dade County is an example of an institution undergoing transformational change. Founded in 1984 as the Center for Fine Arts (renamed Miami Art Museum in 1994), PAMM's current mission is "to be a leader in the presentation, study, interpretation, and care of international modern and contemporary art, while representing Miami-Dade and cherishing the unique viewpoint of its peoples. Through our exhibitions and programs, we aim to encourage everyone to see art as an incentive for genuine human interaction, communication, and exchange."



Pérez Art Museum Miami. Photo: Robin Hill

In 2007, PAMM was still the Miami Art Museum, with no collecting mission and a budget of \$7.6 million. Following Jorge M. Pérez's leadership gift of \$40 million, the Miami Art Museum became PAMM in 2013 and moved into its current facility, with an expanded budget, endowment and vision for impact.

Knight is a longtime supporter of PAMM, having awarded its first grant to the organization in 1983. Since then, Knight has granted PAMM a total of \$21 million. TDC reviewed two focal grants: a \$10 million endowment granted in 2007 for education programs and a \$5 million designated fund granted in 2015 for arts programs and acquisitions.

TDC observed the following changes to PAMM's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> Capacity to deliver county-wide education program Curatorial expertise Culture of inclusion 	<ul style="list-style-type: none"> Inclusive programs that represent the identities and preferences of local residents Creation of new building that is a welcoming community hub and civic space Community-based partnerships Working to bring arts perspective to civic discussions

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> 2007: Limited in scale and representation 2013: New mission in place 	<ul style="list-style-type: none"> 2007: Limited civic role 2013: Moved to new building
Current	<ul style="list-style-type: none"> Increased visitation (49K in 2008 to 264K in 2019) Reputation for representative programs and inclusiveness 	<ul style="list-style-type: none"> New building is a key community landmark

Over the span of less than a decade, PAMM has grown into a true community asset. It has become a public gathering space and brings an arts perspective to civic discussions. It presents programs directly relevant to Miami's diverse population and provides local audiences with multiple entry points for engagement. Community stakeholders recognize the institution's new energy and strong leadership but understand that it is still going through growing pains.

At the time of the research, PAMM noted that it required more focused research and planning to understand its audience reach potential in the large geography that is Miami and to finalize its long-term business model. Undoubtedly, the impact of the pandemic will bring a new set of factors to these tasks.

Case Studies: Philadelphia

COMMUNITY CONTEXT

Philadelphia has long prided itself on its arts ecosystem, which includes a plethora of arts institutions, grassroots organizations, and everything in between. Philadelphia's arts ecosystem is dense, and its stable of arts institutions has grown in size and number over the past decade. Its proximity to New York and its more affordable cost of living make Philadelphia an attractive home base for artists. This embarrassment of riches has been built over many years of generous support from highly committed foundations, public entities and major donors. In particular, H.F. "Gerry" Lenfest, the Annenberg Foundation and the Pew Charitable Trusts have been frequent partners on projects benefitting Philadelphia.¹⁰ In more recent years, the landscape has changed. State support has all but disappeared, and philanthropic players have decreased, due to shifting foundation priorities and a profound generational shift among leading individual donors. As a result, only one significant local foundation remains on the scene—the William Penn Foundation—and the marketplace for individual contributions is uncertain. For its part, the city offers limited support to the arts and mostly focuses its efforts on community-based cultural programs.

BARNES FOUNDATION

Founded in 1922, the Barnes Foundation is an art museum with the mission "to promote the advancement of education and the appreciation of the fine arts and horticulture." The Barnes went through a transformational change in 2012 when it moved from its original site in suburban Merion to the Benjamin Franklin Parkway in Philadelphia. The move, in which the Pew Charitable Trusts, Lenfest Foundation and Annenberg Foundation led support,¹¹ signaled a fundamental shift in its strategy with a new emphasis on visitor engagement that was impossible in the old location. Knight contributed \$750,000 to the move, which was the museum's primary strategic shift. Since then, Knight has supported its development of technology-based strategies in its new home, thereby supporting the goal of greater engagement with the community. This study focuses on the latter support.

Knight's first grant in support of the Barnes occurred in 2005, and total funding is \$3.5 million over four grants (including the focal grant). The focal grant was a \$2.5 million endowment granted in 2018 focused on technology.¹²

10 "Following Death of Board Chair, Annenberg Foundation Prepares to Leave Philadelphia," *Philanthropy News Digest*, March 16, 2009, <https://philanthropynewsdigest.org/news/following-death-of-board-chair-annenberg-foundation-prepares-to-leave-philadelphia>.

11 "Philadelphia's Foundations, Corporations and Citizens Contribute \$150 Million to Relocate the Barnes Foundation Gallery to the Benjamin Franklin Parkway," press release, May 15, 2006, <https://www.pewtrusts.org/en/about/news-room/press-releases-and-statements/2006/05/15/philadelphias-foundations-corporations-and-citizens-contribute-150-million-to-relocate-the-barnes-foundation-gallery-to-the-benjamin-franklin-parkway>.

12 This grant is half of a total \$5 million grant split with the Philadelphia Museum of Art.

TDC observed the following changes to the Barnes' capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • 21st-century basic museum functions • Professional development informed by the values of equity, diversity and inclusion • Data analysis skills 	<ul style="list-style-type: none"> • Barnes Focus (web-based tool connecting visitors to collection information), virtual reality (virtual tour of museum) • The Barnes @ LoLa 38 (yearlong community-based programs in West Philadelphia), community pass (free admission), inclusive programs (exhibitions and programs with content relevant to Philadelphians), partnerships with community-based organizations

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • 2018: Expanded visitation on Parkway; limited community engagement program 	<ul style="list-style-type: none"> • 2012: Moved to new building on Parkway
Current	<ul style="list-style-type: none"> • Reputation for being highly engaged with community • Changing internal culture and approach • Positive indicators on Barnes Focus usage • Robust effort to harness virtual reality to the visitor experience 	<ul style="list-style-type: none"> • Recognized for making valuable contribution to activation of the Parkway

Barnes Foundation. Photo: Michael Perez



Prior to the move, the Barnes had a budget of under \$6 million, which has increased to north of \$25 million on the Parkway. Visitation increased in direct proportion, from about 60,000 in 2011 to close to 250,000 in 2018. At this size, the Barnes can contemplate serving a broad public and acting as a civic asset and community anchor. The capacity and programmatic changes reflect a concerted and comprehensive effort to embody “arts for all.” Rather than being satisfied with the natural growth due to the relocation, the Barnes is building skills that allow it to genuinely reach out to audiences of color, young people, low-income people, English language learners and others who may feel alienated by museums. Its technology initiatives allow the museum to leapfrog into the 21st century, focusing on mobile devices and seamless, natural search.

OPERA PHILADELPHIA

Founded in 1960, Opera Philadelphia is “committed to embracing innovation and developing opera for the 21st century” with a mission of “delivering outstanding productions of traditional and new repertoire that engage our public and propel our genre forward; identifying extraordinary artists, both established and emerging, and provide opportunities for them to create their most imaginative and inspired work; presenting innovative programming relevant to the multi-cultural Philadelphia region that broadens and diversifies the opera audience.”

Opera Philadelphia presents an example of transformational change. Over the past five years, nearly every aspect of the organization has changed—the artistic program, the marketing and brand image, the budget size and business model, and the internal culture. At the heart of OP’s transformation is Festival O, a new approach to presenting an opera season for today’s arts consumer. In reaction to declining subscriptions, Opera Philadelphia invented Festival O to turn opera into a destination and ultimately attract more major donors from outside Philadelphia.

TDC reviewed one focal grant. Knight awarded OP a \$2.5 million grant in 2015 to support Festival O. Knight has provided 20 grants to OP since 1983 totaling nearly \$4 million.

TDC observed the following changes to Opera Philadelphia’s capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • Data analysis skills • Skills to innovate, including test and learn mentality • Skills at implementing program partnerships • Cross-functional collaboration on staff 	<ul style="list-style-type: none"> • Creation of Festival O • Enhanced Opera on the Mall • Enhanced guest services • Philadelphia content focus in some commissions



TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • 2015: Conventional program, declining audiences 	<ul style="list-style-type: none"> • 2015: Limited civic role
Current	<ul style="list-style-type: none"> • Net promoter score and perceptions are very positive (59 in 2015 to 73 in 2019) • Has attracted new ticket buyers (6,108 households in 2015 to 7,138 in 2019) • Increased media coverage • But focus is on out-of-town audiences 	<ul style="list-style-type: none"> • Has taken on civic leader position • Has newly assumed the role of tourist attraction • Opera on the Mall is an inclusive space, but it has been discontinued for budgetary reasons

OP is the only study grantee without a facility, though it has created civic spaces through its Opera on the Mall program. As an experiment in artistic innovation and audience engagement, Festival O has been a great success.

OP has achieved success in its artistic and branding transformation, but it has yet to secure its business model. OP is working to reduce the cost of Festival O while it continues to cultivate major donors to garner more time to reach a sustainable business model.

PHILADELPHIA MUSEUM OF ART

Founded in 1876, the Philadelphia Museum of Art (PMA) is an encyclopedic art museum. Its mission states: “The PMA, in partnership with the city, the region, and art museums around the globe, seeks to preserve, enhance, interpret, and extend the reach of its great collections in particular, and the visual arts in general, to an increasing and increasingly diverse audience as a source of delight, illumination and lifelong learning.”

The PMA's mode of change is operational, focused on building renovation and securing funds to permanently endow new functions and activities that have been developed in recent years, including technology and

Philadelphia Museum of Art. Photo: Graydon Wood



community engagement. Given the scale of PMA's operating budget and facilities, any type of change requires significant investment. Its Core Project is a major renovation of PMA's Main Building. While the Core Project includes some components related to public engagement, 90% of its \$200 million-plus price tag relates to basic infrastructure upgrades.

The focal grant was a \$2.5 million endowment granted in 2018 to support technology. Knight's first grant to PMA was awarded in 1970. Prior to the focal grant, PMA had received 22 grants from Knight, totaling \$2.8 million.

TDC observed the following changes to PMA's capacity and activities.

CHANGE IN ORGANIZATIONAL CAPACITY	CHANGE IN ORGANIZATIONAL ACTIVITIES
<ul style="list-style-type: none"> • Cross-functional team in technology • Community engagement group on staff • Mini endowments for public programs, education and community engagement (in progress) 	<ul style="list-style-type: none"> • Technology-infused exhibitions • Core Project (Main Building renovation) components that enhance public spaces and increase gallery space • Expanded public programs • Creation of community engagement program

TDC observed the following changes to its positioning as an arts institution.

	RELEVANCE AND ACCESSIBILITY	CIVIC ANCHOR AND COMMUNITY ASSET
Past	<ul style="list-style-type: none"> • 2018: Community engagement strategy but remaining elitist image 	<ul style="list-style-type: none"> • 2018: Landmark building, tourist attraction
Current	<ul style="list-style-type: none"> • Robust participation in free and discounted admission (51% of total admissions in 2018 were free or discounted) • Diversified audience (age, race) 	<ul style="list-style-type: none"> • Core Project will enhance Main Building's openness to the local community • PMA and its iconic steps are closely associated with the city's identity

PMA has made concerted efforts to shift its relationship with the local Philadelphia community. It has increased its production of free public programs and founded a dedicated community engagement department. Visitation has increased, particularly from young people and people of color.

When the PMA completes the Core Project and the concurrent \$525 million campaign, it will be in a stronger position. As of August 2019, \$455 million had been raised through the campaign led by trustees Barbara B. Aronson, David Haas and Katherine Sachs. Leading donors with gifts exceeding \$25 million include Marguerite and the late H.F. "Gerry" Lenfest, Constance and Sankey Williams and the late Robert L. McNeil, Jr.¹³ A portion of the campaign's endowment goals relate to capacity for technology and public engagement, including \$20 million for technology and \$10 million for PMA's fledgling community engagement department.

¹³ "Philadelphia Museum of Art Surpasses \$450 Million Raised Toward It Starts Here Campaign," press release, August 7, 2019, <https://press.philamuseum.org/philadelphia-museum-of-art-surpasses-450-million-raised-toward-it-starts-here-campaign/>.

Study Findings

To summarize the findings, TDC returns to the two study questions. The first question Knight posed was, “How have arts institutions that Knight has supported changed over time, and how has Knight’s investment supported that change?” This section tackles the two aspects of the question.

POSITIVE CHANGE HAS OCCURRED.

At the broadest level, the study found that these eight major arts institutions have changed over the past decade, and Knight’s investments have worked alongside the substantial support provided by others to help drive that change. Each of these institutions evidenced an acute awareness of the need for change to maintain relevance in their communities. Seven of the eight were either in the midst of or had recently completed a transformational change, defined as a profound shift in one or more of the following organizational elements: mission, programmatic strategy and business model. Transformational change in each of these cases required significant financial investment and managerial attention.

TDC observed the following improvements to organizational capacity as well as innovation and expansion of activities among the eight institutions.

Table 2. Observed Changes

INCREASED CAPACITY	NEW OR EXPANDED ACTIVITIES
<ul style="list-style-type: none"> • Internal culture open to change and collaboration • Cross-departmental teams • Data analysis skills • Skills in forming and managing partnerships with community-based organizations • Skills and capacity to deploy technology toward better service to and engagement of audiences • Skills in community engagement and user-centered approaches to programming • New or adapted spaces leveraged for community engagement 	<ul style="list-style-type: none"> • Community engagement programs: free admission, neighborhood-based programs and partnerships, education, technology-based program strategies, multiple entry points for different audiences • Community-relevant content: acquisitions focused on underrepresented artists, commission of community-relevant themed works • Civic leadership: involvement in cultural districts, downtown redevelopment, economic development

INTERNAL SHIFTS SUPPORT BROADER STRATEGIC CHANGE.

The review revealed that the following types of changes to culture and capacities were particularly important to the transformation grantees were seeking:

- **An internal culture open to change and collaboration.** Internal culture was an important precursor to successful change. Without an ethos that embraces such values as being “visitor centered” or a “learning institution,” grantees found it challenging to make headway on their change-directed strategies.
- **Cross-departmental teams.** Restructuring staff and dismantling traditionally dichotomous siloes, such as curation vs. education or artistic vs. marketing, were critical to arts institutions’ ability to innovate and change.
- **Data analysis skills.** The ability to analyze and act upon data was a critical capacity to develop. For OP, data analysis skills allowed the institution to collect and interpret hard information about audiences to support improvement going forward. AAM and the Barnes are focusing on impact evaluation.¹⁴
- **Community partnerships.** Opening doors and sharing resources with community-based organizations has been an important shift. These relationships are an essential means to bring value to their communities. Truly beneficial partnerships were observed to be conducted in a spirit of generosity and mutual benefit, with community-based organizations gaining tangible resources without a firm expectation of a quid pro quo from the institutional partner.
- **Community-engaging programs.** To engage a wide spectrum of people, it is important to offer a diverse slate of content and programs that are tailored to different needs and multiple entry points. Grantees note that arts organizations should not expect audiences to cross over from one program line to another (e.g., free to paid). One area in which few grantees were observed taking action was in presenting regular programs in community-based locations. The Barnes and DSO were notable examples: The Barnes @ LoLa 38 program, taking place in West Philadelphia, and the orchestra performing in neighborhoods and communities outside their concert hall.

CHANGES IN CAPACITY AND ACTIVITIES YIELDED POSITIVE OUTCOMES.

Broadly, changes to capacity and activities did result in positive results for grantees. Grantees reported the following types of outcomes:

- **Reputation.** Shift to a reputation for inclusivity.
- **Civic leadership.** New identity as civic leader and/or community landmark, particularly for AAM, Barnes, NWS, OP, and PAMM. (DIA and PMA already served that function.)
- **Participation.** All reported some level of increased visitation, participation and membership, in general and/or from target audiences such as young people, people of color or first-time visitors.

¹⁴ Overall, however, we found that few grantees are producing rigorous evaluations, and that most remain at a place where headcounts stand in for impact measurement. AAM did not yet have data to share, but is setting a baseline for measuring programmatic impact.

- **Critical acclaim and word of mouth.** OP cited critical acclaim on artistic programs and increased press coverage, as well as high net promoter scores from audiences. DSO cited the extension of its reach to national and international audiences who view their programs virtually.
- **Specific program outcomes.** The Barnes reported positive program outcomes measured through formal evaluation of its community engagement and education programs.

TRANSFORMATION DOES NOT GUARANTEE A STRAIGHT LINE TO IMPROVED FINANCIAL HEALTH.

Two clear lessons about change and financial health emerged:

- **Change in and of itself increases costs and can be destabilizing.** Transformational change is often more resource- and time-intensive than anticipated, and can result in at least short- to medium-term instability, particularly when change entails significant growth.
- **Relevance is a necessary but not sufficient condition for financial health.** Increased earned and contributed revenues gained from more relevant programming may not be adequate to address the other drivers to high costs among arts organizations.

Considerations for Future Support

The study revealed a number of nuances about supporting change and innovation that funders might consider for future grantmaking.

UNDERSTAND THE RISK LEVEL OF CHANGE AND INTERROGATE INSTITUTIONS' READINESS.

It is important to recognize that there are different degrees of change.¹⁵ All organizations must effect *incremental change* to meet audience preferences and keep their programs fresh. Growing organizations strive to make *operational change* to develop the capacity to support expanded programs. Organizations rethinking their entire programmatic strategy and business model are aiming for *transformational change*.

Not surprisingly, transformational change generally requires higher degrees of investment in money and time than other types of change. When contemplating support for risky transformational change processes, a supporter should consider the following questions:

- **Has the grantee adequately prepared for the proposed change?** Preparation might include assessing demand for its new strategy and financial modeling of the required investment and how the business model will resolve and sustain change over time.
- **Does the grantee have a clearly articulated plan B?** Change might result in failure. Organizations contemplating transformational change should ask themselves the hard “what if” questions and create tangible, time-delimited mitigation strategies.
- **Does the transformational change entail growth?** Change alone is risky. Adding significant growth magnifies the level of risk for an organization and for its community.
- **Does the grantee really need to go through transformational change to be successful?** Since there is perhaps a natural bias toward transformation, TDC recommends that organizations include a status quo scenario as they plan for change and that funders ask prospective grantees why the possible rewards warrant the real risks.

¹⁵ TDC originally created a version of this framework for the William Penn Foundation.

UNDERSTAND THE CHANGE PROCESS STAGE AND TARGET SUPPORT ACCORDINGLY.

All types of change require different stages of preparation, implementation and refinement. Transformational change is a longer process covering a period of years, as can be seen from the eight institutions' studies. Funders supporting organizations through change should recognize these many facets and ensure that the time horizon and purpose for their grants match that of the level and phase of change. Table 3 suggests some guidelines.

Table 3. Change Process Stage and Recommended Type

CHANGE PROCESS STAGE	TIME HORIZON	RECOMMENDED GRANT TYPE
Preparation for change (feasibility study, planning, research)	Short term	Purpose-restricted one-time grant
Implementing incremental or operational change	Short term	Purpose-restricted one-time project grant • Grantee should have plan for absorbing ongoing expense into operating model
Building capacity for change	Medium term	Multiyear grant with purpose restrictions • Grantee should have plan for absorbing ongoing expense into operating model
Implementing transformational change	Medium term	Multiyear grant • Could consider unrestricted grant (or broad restriction) to allow for flexibility due to uncertainty in change process • Should be time-delimited grant with milestones to measure progress
Plan B or recovery from unexpected outcomes in transformational change	Short or medium term	Purpose-restricted one-time grant with possibility of renewal
Sustaining change	Long term	Ongoing operating grants or endowment

THINK CRITICALLY ABOUT THE ROLE OF ENDOWMENTS.

For many arts institutions, endowments are an important part of their business models. Endowments are permanent and are best deployed when the time horizon of their intended use is similarly perpetual. Common examples of permanent use include stewardship of collections and historic buildings. For collecting institutions, endowments are critical to their ongoing success. As a tool to support change, endowments should be considered carefully. Since endowments are permanent, they are more suited to sustaining a changed state over time. TDC would suggest that funders deploy endowments when a change process has become well-established, after a period in which the grantee learns the nuances of its new reality. During the interim period, multiyear operating grants might be appropriate as the grantee correctly sizes its endowment need. After change has taken root and if a funder is considering an endowment gift, they should also account for scale. The endowment size and its leverage in a larger campaign are also key factors.

IDENTIFY THE GRANTEEES' ORGANIZATIONAL SUPPORTS FOR CHANGE.

Organizations cannot evolve unless they have leaders who support and drive change. Beyond executive leadership, other organizational factors emerged in the study research:

- **Board leadership.** Board members should be supportive of change but also willing to ask executives the hard questions about feasibility and risk mitigation. Transforming organizations need both executives and boards with the skills to guide change and make the course corrections required when the unexpected inevitably occurs.
- **Strategy.** While organizations can drift organically through an incremental evolution, transformational change is usually driven by strategy set by an organization's leadership. In TDC's estimation, strategy should be informed by tangible data on demand and financial implications and should consider plan B and status quo scenarios.
- **Culture.** It has been said that culture eats strategy for breakfast. Even the strongest change agent and wisest strategy can be stymied by a conservative culture. It is critical that organizations allow enough time and resources for internal dialogue, policy setting, training, and staff restructure and transitions. Also important are thoughtful and timely external communications to visitors, donors and the general community.

If organizations contemplating transformation do not have these facilitating factors in place, preparatory steps may be warranted in order to weather the stresses of change.

CONCLUSION

To summarize, arts funders contemplating change grants should consider the following issues:

- Risk level of the change process
- Stage of change process
- Presence of supportive factors
- Context of change and funding

This study shows how eight institutions critical to their communities were able to evolve and move forward. The ability to change will continue to be important for these and all arts institutions as the world emerges in a post-COVID-19 reality and amid one of the largest racial justice movements in U.S. history. Like all industries reliant on large gatherings, the arts are particularly hard hit by the COVID-19 crisis. As central nodes of culture and artistic expression, arts institutions have an imperative to respond to the growing movement against police brutality and systemic racism. Survival—like change—will also be a process, encompassing response, recovery and reimagining. Only those institutions with the philanthropic support to get through recovery in the near term and the creativity to reimagine themselves will thrive.

Appendix:

Analytical Framework

To guide the study, TDC prepared three frameworks: A general analysis of arts institutions is termed the Situational Analysis. This framework served as both a definition and problem statement. We also developed an Outcomes Framework to detail the types of results we would seek within each organization and in its community. Finally, we considered the Community Context in which the grantees were operating.

SITUATIONAL ANALYSIS

To describe the general situation for arts institutions, TDC mapped a set of inherent qualities, observed challenges and change opportunities common to many. The analysis is divided into two parts: *Relevance and Accessibility* and *Civic Anchor and Community Asset*. Relevance and accessibility qualities, challenges and opportunities are more related to audiences and how they are (or are not) engaged by an institution's programs. Civic anchor and community asset qualities, challenges and opportunities are more related to the institution's position in the local ecosystem—as an economic force, employer, tourist attraction or landmark. It is important to emphasize that not all arts institutions have all these qualities, challenges or opportunities. As TDC reviewed the eight grantees, we attempted to map them against the qualities and challenges described in the situational analysis, as a way to set the baseline against which change could be gauged. Table 4 outlines this first framework.

Table 4. Situational Analysis

	INHERENT QUALITIES	OBSERVED CHALLENGES	CHANGE OPPORTUNITIES
Relevance and Accessibility	<p>Scale. Among the largest arts providers in the region—with broad reach and brand awareness few others can match</p> <p>History. Among the oldest institutions in a community, and with deep roots in the history of their communities</p> <p>Patrimony. Repositories for the patrimony of community's historically dominant populations</p> <p>Dominant tastes. Rooted in artistic tastes and preferences of historically dominant populations (often, European fine art)</p>	<p>Expense. Expensive scope and scale of programming</p> <p>Inward-facing approach. Limits audience engagement</p> <p>Declining audiences</p> <p>Lack of relevance. Lacks strong ties to current-day residents; relevance can be a question, equity and inclusion an issue</p> <p>Traditional internal culture. Not conducive to innovation</p> <p>Lack of partnerships. Limited engagement with local artists and grassroots organizations</p>	<p>Broad and equitable access. Reach large numbers of people with high-quality, innovative, relevant programs in its facility and beyond</p> <p>Community attachment. Help root people in and connect them to the community—long-standing residents and new arrivals</p> <p>Representation. Represent current residents in collections and programs</p> <p>Partnerships. Partner with local artists and organizations focused on underrepresented populations</p>

	INHERENT QUALITIES	OBSERVED CHALLENGES	CHANGE OPPORTUNITIES
Civic Anchor and Community Asset	<p>Economic impact. Make contributions to local economy</p> <p>Quality of life. Make contributions to quality of life for residents</p> <p>Tourist attraction. Serve as tourist attraction, bringing external spending to the community</p> <p>Landmark buildings. Occupy or associated with landmark buildings</p>	<p>Limited support. Not all stakeholders recognize the value of their contributions; value is hard to measure</p> <p>Capital burden. Expensive to maintain buildings; historic structures do not meet 21st-century expectations</p> <p>Lack of programs in community. Limited appetite for off-site programs</p>	<p>Proactive civic anchor. Proactively leverage financial weight toward local economic revitalization and employment; bring the perspective of the arts to local civic discussions</p> <p>Effective case making. Arts institutions are robustly supported by stakeholders who understand their value</p> <p>Community pride. Provide good news stories and local treasures that instill community pride</p> <p>Inclusive civic spaces. Create welcoming community hubs and exciting new civic spaces</p>

OUTCOMES FRAMEWORK

With the collaboration of Knight staff, TDC also created a four-level set of outcomes that was used to assess the grants and grantees. We reasoned that capacity was a necessary precursor to activities, which would, in turn, be necessary to achieve before getting to audience response and ultimate community impact. Table 5 details the Outcomes Framework.

Table 5. Outcomes Framework

LEVEL	ASSESSED OUTCOMES
Organizational Capacity	<ul style="list-style-type: none"> Arts institutions have the culture, capacity and expertise over time to realize the intended activities. Examples of capacities include: User-centered approach Audience data analysis Innovation Technology capacity and expertise Collaboration and partnerships Community engagement Civic leadership
Organizational Activities	<ul style="list-style-type: none"> Arts institutions initiate activities that: Present programs accessible to large numbers of diverse audiences Diversify programs and delivery mechanisms to offer multiple entry points Present art and artworks that represent the identities and preferences of local residents Support local community and economic development goals Create welcoming community hubs and exciting new civic spaces Bring the perspective of the arts to local civic discussions
Audience Response	<ul style="list-style-type: none"> Audiences find arts institutions' programs engaging, relevant and accessible Audiences feel represented or reflected in arts institutions' program offerings Arts institutions are perceived as community hubs and become a regular part of local residents' lives Audiences offer arts institutions financial support Local artists and grassroots organizations have access to more resources
Community Impact	<ul style="list-style-type: none"> Access is broadened, engagement increased across all community members Audiences have an increased perception of social offerings, openness and aesthetics in their communities Community is home to robust and financially stable arts institutions

TDC assessed changes to capacity and activities through document review and grantee interviews. To understand audience response and community impact, TDC relied on data supplied by grantees and community stakeholder interviews.

COMMUNITY CONTEXT

This study focused on grantees located in four Knight cities: Akron, Detroit, Miami and Philadelphia. These communities share the distinction of being the top four recipients of Knight Arts funding. In most other aspects, these metro areas are quite different from one another. As such, it is important to notice that the four cities provide different backdrops for arts institution operation. The local context can influence the degree of success an arts institution might expect on its strategy. Important factors to consider include intensity of competition for philanthropic dollars, friendliness of local government to the arts and level of arts engagement from residents.

Table 6. Community Context Comparison¹⁶

METRO AREA	POPULATION (2007-17 CHANGE)	% PEOPLE OF COLOR (METRO/CITY)	CREATIVE VITALITY INDEX ¹⁷	FOUNDATION ARTS GRANTS	FOUNDATION GRANTS PER CAPITA	KNIGHT FOUNDATION RANK AS ARTS FUNDER (2017) ¹⁸
Akron	0.7M (0.6%)	20/42%	0.75	\$5.6M	\$8	1st
Detroit	4.3M (-3.5%)	34/89%	0.81	\$44.4M	\$10	6th
Miami	6.2M (13.8%)	70/89%	1.22	\$45.5M	\$7	1st
Philadelphia	6.1M (4.6%)	38/65%	1.08	\$93.5M	\$15	11th

Over the decade between 2007 to 2017, Miami is the only city of the four that experienced a significant increase in population. As a metro area, Miami is also the only one in which white people are in the minority; Akron stands at the other extreme. Detroit and Philadelphia appear to have a higher degree of racial segregation than Miami and Akron, represented by the disparity in people of color in the city vs. metro area as a whole.

Each city's cultural ecosystem is also in a different place when thinking about arts strategy in general and positioning arts institutions in particular. Miami and Philadelphia stand out as having a higher level of arts activity than the national average, while Akron and Detroit are below average. The philanthropic landscape for the arts varies in these communities as well, as does Knight's position.

¹⁶ Sources for this table include: U.S. Census, American Community Survey One-year Estimates; U.S. Bureau of Economic Analysis, Gross Domestic Product by Metropolitan Area; WESTAF, Creative Vitality Suite; Candid, FC1000. Data are drawn from 2017 unless otherwise noted.

¹⁷ Creative Vitality Index is calculated for each city against a national average of 1.

¹⁸ Knight Foundation was ranked compared to other foundation arts funders, using 2017 Candid data. Ranking was determined after combining grants from Knight Foundation and Miami Foundation, as possible. Since Miami Foundation was not always included in data supplied by Candid, these rankings may undercount the level of Knight support. The Candid data were inclusive of all arts support.