

Executive Summary

Funding Innovation: An overview of Creative Capital's First Four Years. 2002 Creative Capital Grantee Report

By Ruby Lerner, December, 2002

Introduction

Creative Capital is a national nonprofit organization that supports artists pursuing innovative approaches to form and content in film/video, performing and visual arts, and in emerging arts fields. Since its founding in 1999, Creative Capital has had three grant rounds through which it has provided financial support and services to 158 projects in its four discipline areas: performing arts (45 grantees), film/video (42 grantees), visual arts (40 grantees), and emerging fields (31 grantees). These grantees come from 24 states and the District of Columbia: with 44 percent (or 70) from New York, 32 percent (or 51) from states other than New York and California, and 23 percent (or 37) from California. The roster is quite culturally diverse as well; 42 percent (or 66) self-identify as something other than European-American.

The funded work ranges from puppetry and spoken word to animation and documentary to installation and robotics projects. A number of the artists' projects are concerned with key issues affecting the culture, including photographer Paul Shambroom's project, *Meetings and Power*, which continues his ten-year exploration of American democracy at work on the local level. Performance collaborative Los Cybrids is creating *TeCH-TV*, a live performance staged as a mock television program examining the impact of the high-tech revolution and digital technologies on local and global communities of color. Other grantees concentrate on formalist concerns, such as visual arts grantee Fred Holland whose work focuses on discarded materials, items such as pennies, onion peels and lost teeth, which he transforms into meditations on folk art sensibilities: healing, superstition, protection.

Approximately 60 funded artists have won major grants, fellowships, and awards totaling more than \$2 million since receiving their initial Creative Capital grants. These awards include The Guggenheim, The CalArts Alpert Award, Rockefeller Fellowships, and The MacArthur Fellowship. Many artists have obtained residencies at The MacDowell Colony, Eyebeam Atelier, Banff, The American Academy in Rome, Yaddo, and Bellagio. Creative Capital grantees have been represented at major festivals and art events, such as The Sundance Film Festival, The Whitney Biennial, Jacob's Pillow, Documenta, The Berlin Film Festival, and Ars Electronica, to name a few. Their work has traveled throughout the country and the world. While the artists' accomplishments are a result of their own exemplary work and dedication, Creative Capital takes pride in having facilitated opportunities and provided support along the way.

The Creative Capital System

Creative Capital was founded to explore whether core ideas from the venture capital and venture philanthropy communities could be successfully applied in the cultural arena. Some of the core ideas that informed Creative Capital's design include:

A willingness to make a long term commitment to a project;

A willingness to provide financial support above and beyond the initial commitment, assuming benchmarks are met;

An interest in capacity building;

A commitment to provide services and technical assistance in addition to financial support;

An interest in measurable outcomes; and

Striving for a financial return on the investment.

Over the past four years, Creative Capital has evolved an extensive four-part system to translate these ideas into practical application in support of individual artists. The system currently includes the following components:

System Feature #1: Providing Support to the Project

a) *Financial Support:* Following the initial grant award (\$5,000 to \$20,000), which is determined by a panel from the artist's discipline and ratified by the board, artists are eligible for three additional kinds of support. Strategic support of \$5,000 is reserved for each project and has assisted in the purchase of equipment, creation of promotional materials, hiring of assistants, and technical enhancements to the funded project. Special Opportunities Support, generally \$2,500 or less, is often used to help artists travel to attend conferences and festivals or to maximize an opportunity such as an exhibit or festival presentation. This category also includes travel to the Artists' Retreats. Creative Capital makes further investments in projects through the Follow Up Project Support category, which makes awards of between \$1,000 and \$20,000.

b) *Services and technical assistance:* An initial planning meeting is currently the only requirement of the grant; participation in all other programs and services is voluntary. At that first meeting, project goals are discussed; follow up meetings can occur at the request of the grantee.

Each artist has his/her own page on the Creative Capital website at www.creative-capital.org. Many artists are using the site extensively now, and some have gotten exhibition opportunities as a result of the exposure. One artist has reported a new collaboration with a composer as a result of her presence on the website. And a state arts agency director reported utilizing the site as a resource for finding potential panelists.

In addition to the website, Creative Capital also sends quarterly updates on the artists' projects to its growing email list, now numbering close to 11,000. The organization also uses email to send periodic "opportunities" notices to grantees, which include information about

important deadlines (festivals, residencies, grants, etc.). Finally, if any artist feels that their project might have commercial possibilities, Creative Capital can provide them with support to create their own business plan.

System Feature #2: Providing Support to the Individual

One of the foundation's core goals is to ensure that the artists gain residual benefits that will last long after their formal relationship with Creative Capital concludes. Therefore, the organization determined that building skills that continue to serve the artists should guide much of the Artist Services Program. Toward that end, Creative Capital provides opportunities to its artists to develop proficiency in fundraising, public relations and marketing.

However, the most valuable tool that has been developed as part of the Artist Services Program is the Strategic Planning Project, designed by consultant Colleen Keegan who has adapted her work in the corporate world specifically for Creative Capital artists. This process involves the artists' participating in at least one strategic planning workshop, completing Creative Capital's planning workbook on their own, and designing a project and/or life plan with Colleen based on their completed workbooks. This process has allowed the participating artists to gain control over their own futures in ways that have often been radically transforming. To date 44 artists (28 percent) have participated in the Strategic Planning Project (17 visual artists; 16 film/video artists; 7 performing artists; and 5 emerging fields artists).

With support from The Tremaine Foundation, Creative Capital is currently developing the curriculum to train 16 of its grantees to lead workshops that will make it possible for artists around the country to have the opportunity to also develop these skills. The program will pilot in five sites in 2003, and if successful, will be available throughout the country beginning in 2004.

System Feature #3: Nurturing the Community of Artists

For the past three years, Creative Capital has held a retreat for its funded artists. The first retreat was at the Skowhegan School of Painting and Sculpture in Maine and the last two at Wells College in upstate New York. These retreats have become the cornerstone of the Artist Services Program. They are designed to enhance artists' relationships with each other long term and to introduce artists to arts professionals from both the nonprofit and commercial sectors. More than 70 arts professionals have attended the retreats, and many concrete opportunities for the artists can be attributed to these events.

In the first year of the retreat, 53 percent or 40 of that year's 75 grantees attended; by year two 77 percent or 33 of that year's 43 grantees attended; and by year three, there was 80 percent participation by new grantees (or 32 out of 40). By year three, most of the artists unable to attend informed us that they would have come but for prior commitments (such as festival performances, touring engagements, etc.).

Of the 75 artists funded in the first round, 11 artists (7 percent) have attended all 3 retreats;

An additional 43 artists out of 118 possible artists (36 percent) have attended two retreats;

68 artists (43 percent) have attended only one retreat (32 of those are new 2002 grantees).

Therefore, a total of 122 out of the 158 projects (77 percent) have been represented at one or more of the retreats. Only 36 artists (23 percent) have not attended any of the retreats (8 of those were just funded in 2002): 16 in the performing arts, 8 in film/video, 8 in visual arts, and 3 in emerging fields. (Many performing artists have touring and performance engagements at summer festivals, making it difficult for them to attend the August event, which is the most convenient time for everyone else.)

System Feature #4: Engaging the Public

In an effort to maximize the impact of the funded projects, promoting all 158 will be the focus of the organization's work in 2003. Creative Capital will use both print and online resources to promote the aggregate work of its grantees. For the print resources, the organization is developing "modular" materials based on one-page brochures that profile each funded project. In addition to biographical and contact information for the artists, each brochure includes a commissioned essay about the project, photographs of the work, and the artists' resumes. All the artists will receive copies of the brochure to use in their own promotional activities.

These materials will be compiled by discipline and, where applicable, by theme. They will be sent out to 7-8,000 key domestic and international venues, funders, service organizations, producers, distributors, and publications beginning in the late spring and continuing into the early fall of 2003. These mailings will be complemented by the launch of Creative Capital's online "Channel" an evolution of the website that will include frequently changing content, including audio and video excerpts of the work. The newly designed site is scheduled to debut in the winter of 2003.

While the components of the Creative Capital System follow a logical progression from focused project support to general promotional support, the organization has come to appreciate that the evolving comprehensive system is greater than the sum of the individual parts. The artists who take advantage of all facets of the system appear to benefit the most from their partnership with Creative Capital.

A Summary of Financial Support To Date

Creative Capital's financial commitments to the artists after three grant rounds currently totals \$2,576,446: with 31 artists (20 percent) receiving \$20,000 or more (10 in visual arts; 9 in emerging fields; 7 in performance; and 5 in film/video). With more than \$500,000 in direct financial support committed for 2003, in just three grant cycles, Creative Capital will have awarded direct financial support in excess of \$3,000,000.

More than \$1,366,600 has been awarded in initial grants to 158 projects.

Each of the 158 projects has been allocated a guaranteed, additional \$5,000 for a total of \$790,000 (not all artists have yet requested this support).

Follow Up Project Support totaling \$283,270 has been awarded to 31 artists (11 in film/video; 9 in performance; 8 in visual arts and 3 in emerging fields).

Special Opportunities Support has been awarded to 37 artists (17 in film/video; 10 in visual arts; 5 in performance; and 5 in emerging fields) and totals \$136,576.

A Summary of Creative Capital's "Return on Investment Policy"

The Creative Capital contract stipulates that if any funded project recoups its expenses, then from that point forth, the organization receives a share of any additional income. Creative Capital's share is based proportionally on the amount of support it provided to the project. While the organization does not expect all of its projects to be profitable, this policy is integral to Creative Capital's design.

Creative Capital grants review panelists are instructed not to take commercial viability into consideration when reviewing applications, as this could jeopardize the organization's nonprofit status. This has resulted in a very diverse, vibrant group of Creative Capital projects, and Creative Capital remains hopeful that a small number of the funded projects do have the potential for financial success, which could help to support future Creative Capital grantees. However, it is important to point out that Creative Capital usually supports only a small percentage of any project's total budget; therefore, any future return to the organization would likely be small and insufficient to support the total costs of the annual grantmaking program.

For example, Creative Capital grants \$18,500 to a film project with a total budget of \$250,000, making Creative Capital's support roughly 7.5 percent of the total. The project proves to be a financial success. The artist retains the first \$250,000, but for every dollar earned beyond that, Creative Capital would receive 7.5 percent of any income until it recouped its \$18,500 investment. After that point, Creative Capital would continue to receive half of the initial percentage, in this case, 3.75 percent of any additional income. If this project generated \$300,000 (or \$50,000 more than its expenses), Creative Capital would receive \$3,750.

Through its extensive program of technical and promotional assistance, Creative Capital seeks to maximize each project's potential for financial return, both to the artist and to the organization. Only 40 of the 158 funded projects have been completed to date. None of those projects has yet returned a profit, though some have begun to recoup expenses for the artists. Annual financial reporting is also provided for in the contract, and these forty artists will be expected to file reports with us next year.

In addition to the agreement regarding a financial return on investment, Creative Capital grantees also give back to their community by providing advice and counsel to other artists: acting as mentors, teaching workshops, and providing access to new networks to their colleagues.

It is the organization's hope that by creating a system of support that is generous, participating artists will want to contribute financially to sustain Creative Capital's ability to provide support to future generations of artists—whether as a result of the mandated contractual agreement on

their Creative Capital project or as a result of the financial success of any of their future projects.

An Analysis of Participation

As its system of support has evolved, Creative Capital has sought to track and analyze which artists most utilize it. This continuing analysis will help the organization refine its next cycle of grantmaking and will be the basis of a self-evaluation planned for late 2003 and 2004.

Based on the number of services they have participated in and the regularity of their contact with the Creative Capital staff, it is possible to categorize the 158 artists roughly according to their level of participation:

1) **High level of engagement (approximately 47 percent of the grantees):** These artists have attended one or more of the retreats, stay in touch with Creative Capital, and/or take advantage of a number of the services offered, especially the Strategic Planning Project. Creative Capital will study this group to determine if they share characteristics that could be helpful in selecting future grantees who might also receive the greatest benefit from the program. This analysis will also help the organization to refine and strengthen the program for the next cycle.

2) **Moderate level of engagement (approximately 26 percent of the grantees):** These artists participate in some of what is offered, but their ongoing relationship with the organization may be limited. Creative Capital will want to determine what the organization could do to make the experience compelling enough to encourage them to increase their level of participation.

3) **Low level of engagement (approximately 27 percent of the grantees):** Generally, these artists have not come to the retreats and do not respond to requests for information designed to help promote their projects. If asked, many of these artists would probably say that the level of engagement that Creative Capital expects has not made this a particularly beneficial grant for them. Many in this group were funded in the first year before the system of support had fully evolved. This group may have applied simply because it was a new funding opportunity, without fully understanding the nature of the commitment expected. It will be important to analyze this group to determine if there are any shared characteristics that might help us more clearly determine, and honestly communicate, who is not likely to find value in this particular approach to grantmaking.

Documenting the Artists' Progress

The results of Creative Capital's efforts over the past four years are beginning to come to fruition. Although the final component of the process (the promotional year) will not be completed until the end of 2003, attached are in-depth profiles of 10 grantees that begin to create a detailed picture of how the system is working so far.

In addition to these detailed artist profiles, the organization maintains brief reports for all 158 of its projects; these reports chronicle each project's history with Creative Capital (financial support received, programs and services utilized, etc.). They also include highlights of public

presentations of the work, where completed, as well as grants, awards and residencies received following the Creative Capital grant. (These reports are available upon request.) Certain themes are seen throughout the reports:

The retreat is clearly the most crucial element of the program. The connections that the artists make with other grantees, particularly those from other disciplines, have been a highlight of the system and often is a source of inspiration. In addition, there have been significant outcomes as a result of retreat attendance: gallery representation, exhibition or residency opportunities, and even artistic collaborations.

The Strategic Planning Project has had a dramatic impact on the artists who have participated, often leading to major career and life changes.

Most grantees see the ongoing relationship with Creative Capital staff as helpful.

The various categories of financial support appear to help support the projects throughout the various stages of development and presentation, although the staff often hears that the paperwork required for such small amounts of money is frustrating to the artists.

The grant's flexibility is cited as beneficial by several of the artists.

Conclusion

As we enter a new century, it is clear that in order to succeed in the current environment, artists will need to acquire skills and tools that can complement their artistic talent and enable it to flourish. Creative Capital's unique approach to supporting individual artists attempts to surround them with a wealth of services and opportunities to learn to be more in command of their own future.

For the next grant cycle beginning in 2004, there will be additional refinements to the system the organization has developed to date. However, it is not too early to conclude that the combination of financial support and services can be an extremely effective way to support individual artists. With more Creative Capital artists expected to join the Strategic Planning Project, with more concrete outcomes of the 2002 retreat anticipated, and with the launch of its ambitious promotional efforts next year, the organization expects to report even more substantial, direct results in its 2003 year-end report.

Creative Capital's program can be comfortably placed within the context of the emerging venture philanthropy or "high engagement grantmaking" sector. However, these core ideas can also be seen as the embodiment of the best practices in the arts grantmaking arena combined with those of the arts service sector. In many respects Creative Capital represents a culmination of the cumulative wisdom of these two arts fields.

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