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Working Draft:
Performing Arts Study

Prepared for the City of Madison

contact:
Duncan Webb
Webb Management Services, Inc.
350 5th Avenue, Suite 4005
New York, NY 10118
t. (212) 929-5040
f. (212) 929-5954
duncan@webbmgmt.org

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1. introduction

Webb Management Services and WolfBrown have been engaged by the City of Madison to help the community consider how the performing arts sector—specifically how facilities, artists and arts organizations—can best serve and engage Madison in the short, medium and long-term. The effort includes a review of four key areas:

- *Artists + Arts Organizations:* What is the current state of Madison's performing arts sector? What are the existing challenges? Is there demand for new and/or better facilities for performance, rehearsal, teaching, production, storage and administration?

- *Audiences*: Are Madison's performing arts groups extracting a reasonable amount of demand from the marketplace, given the demographic characteristics of the marketplace? Is there room for audience growth? If so, where is the greatest potential? What trends in cultural participation are most likely to affect Madison performing arts organizations, and what are the implications of these trends on facility needs?

- *Facilities:* How are venues supporting performing arts, creative, education and business organizations in the performing arts sector? How are these venues supporting audience participation and community involvement? Are gaps in the inventory limiting opportunities for performing arts programming and audience participation? What impact might different, improved or new facilities have on the market and operation of existing and planned facilities?

- *Funding:* What do levels and sources of earned and contributed income suggest about the health and sustainability of the performing arts sector in Madison? Does the current funding scenario and climate suggest a need to develop or augment particular funding sources? What do nationwide trends and funding scenarios in comparable communities suggest about funding gaps and priorities in Madison?

To consider those issues, we:

- Undertook an extensive series of individual interviews with artists, arts organizations, board members, community leaders and other constituents;
- Developed, issued and analyzed results of a survey of performing arts facility satisfaction and demand;
- Developed an inventory of existing facilities used on a regular basis for performing arts, including information on their programming and physical features;
- Compared programming and funding levels for the performing arts to markets of comparable size and characteristics;

- Facilitated a community workshop on trends in cultural participation;
- Conducted a mapping analysis of a cross-section of performing arts ticket buyer mailing lists;
- Developed an inferential analysis of demand in the Madison marketplace based on participation estimates from the National Endowment for the Arts;
- Designed and implemented a survey of a cross-section of known ticket buyers in the Madison area; and
- Collected and analyzed funding data from dozens of local arts groups.

The following draft report presents the resulting data, analysis and findings. We will work with the Performing Arts Study Committee to develop and finalize recommendations and action items following community input sessions scheduled for September.

2. current situation

2.1 Cultural Plan

In August 2012, Madison Common Council adopted the 2013 Cultural Plan, the result of an extensive planning effort that involved a wide cross-section of the community and worked to identify priorities for investment and focus in the cultural sector. Resulting policies and programs focus on the following:

- Positioning the municipal government for leadership in the creative sector;
- Creating a nexus for sustainable local and regional creative sector development;
- Strengthening programs that serve the broadest possible audience;
- Engaging creative sector resources in defining place and identity;
- Strengthening policy and practice around creative sector facilities utilization and development; and
- Creating a coherent funding system for creative sector development.

Specific key issues that are relevant to this work include:

- *Placemaking:* Connecting people to place through arts and cultural activity and space.
- *Neighborhood Arts:* Developing arts activity in neighborhoods by collaborating with neighborhood and community centers.
- *Animating Existing Facilities:* Developing access and policies to better animate University spaces like Camp Randall and the Kohl Center, vacant storefronts, clubs, and park land like Breese Stevens field.
- *Developing New Facilities:* The cultural plan acknowledges that in some cases it makes sense to invest in the development of new cultural space, particularly in terms of accommodating festivals and large events and in terms of establishing flexible, neighborhood-based spaces that support creative activities, especially in underserved areas (South Central, South West, and North Madison.)
- *Funding Opportunities:* Establishing the next generation of arts funders and advocates.

This work aims to build on the findings and recommendations coming out of the Cultural Plan.

2.2 Recent Cultural Development

It is important to note that this study considers a number of cultural projects and initiatives that are in development in Madison, including:

- The new Central Public Library has recently opened with a significant arts focus. A "bubbler" provides opportunities for artists and 'makers' to create and showcase their work, a media lab provides hands on opportunities for residents to create digital art, and an on-line program will encourage and support artists encouraging them to self-publish work
- The Nehemiah Corporation and Fountain of Life Church have come together to create, South Madison Center for Culture and Community, an education and cultural center on Madison's south side. The facility will host concerts and other arts and fellowship events.
- The University of Wisconsin is in the midst of fundraising for a new School of Music and related performance facilities.
- The Wisconsin Union is completing renovations to the Union Theatre.
- Madison Opera has opened a downtown rehearsal and administrative space.
- Centro Hispano is developing plans for more cultural programming, as well as housing Madison Music Makers.

In addition, there has been much discussion over the last year about strategies and programming to strengthen the performing arts in Madison, with specific focus on music. Make Music Madison, a one-day festival held on the summer solstice, kicked off last year. There is some support for a more extensive music festival—along the lines of SXSW. The cultural plan also recognizes the opportunity for Madison to develop a signature festival, but there are limited facilities and infrastructure to support one.

2.3 Local Performing Arts Community

This study began with a series of in-depth in-person interviews (and in some cases telephone and email communication) with arts organizations, artists, board members and community stakeholders, as identified by the study Steering Committee.

Following are a few key themes and observations that came out of those meetings:

- Many artists, arts groups and community leaders see the value of the performing arts in Madison but have trouble explaining the benefits and impacts. Some say that the economic impact argument is overused and out of date and there needs to be a new strategy to garner support.
- The performing arts sector is said to have trouble attracting and serving ethnically-specific communities. A field house in Oregon has the best regional success at attracting the region's Latino population, principally because they provide the most relevant programming for these audiences.
- The performing arts sector includes a large number of amateur groups—particularly community theatre organizations. With a large number of organizations and artists, and few paid opportunities for artists, it is difficult to make a living as a local artist.
- Artists and arts groups feel limited by a lack of available and affordable space to create and perform, in both formal and informal settings. Grants provided by entities like the Madison Community Foundation are valuable in subsidizing access for arts groups.

- The Overture Center has been a point of debate for the arts community since its inception. However, arts groups seem to understand its value as a resource to the arts community and City as a whole. They also understand why the Center is expensive to use given its professional operation. Their largest complaint concerns fair and equitable access and time in Overture facilities.
- There is a belief that the Overture Center could do more to serve the arts sector, all of Madison, and to showcase local talent.
- The UW produces and presents a high concentration of arts activity and is an important contributor to the sector. There is a desire for better connection between the City, artists and arts groups and the University in terms of programming, facilities and broader cultural development issues.
- Madison's arts groups are friendly with one another, but very competitive and thus not effectively collaborating. A few interviewees noted "it's easy to talk about collaborating, but doing it is another story."
- The performing arts community and sector is regional and more needs to be done to develop and communicate this sense of regionalism.

2.3.1 Facility Needs

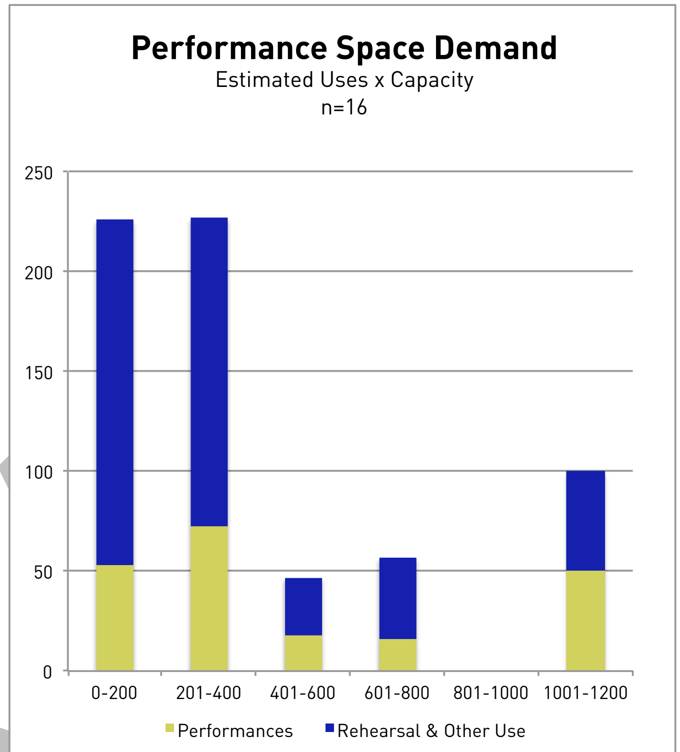
Facility and space issues were recurring themes in our initial conversations—and a central issue to be explored in our scope of work. Dane County Planning & Development recently addressed artists space needs through an initiative and study called "Make. Do." This effort aimed to connect artists and arts groups with property owners and operators of vacant space. However, 'Make. Do.' focused on visual arts rather than performing arts.

So, in order to more comprehensively assess the space needs of performing artists and groups, we worked with the Steering Committee to develop and issue a survey to performing arts groups. Online survey methodology was developed to collect further detail on existing spaces and demand for particular types of facilities—as well as to identify opportunities for collaboration. The survey was issued to 123 local performing arts organizations. Twenty-nine organizations responded. Survey results are included as Appendix A. A summary of results follows.

Survey Pool: Responding organizations vary in age, with about a third established in the last ten years. Nearly half have budgets less than $50,000. Three-quarters are formally established non-profit organizations. The remaining respondents were for-profit entities along with one neighborhood group and one individual artist. The survey pool helps us understand the character of the region's cultural community. Small community based arts groups produce work in varying disciplines, with a few larger entities operating with bigger budgets and larger sets of programs. The survey sample reflects this make-up.

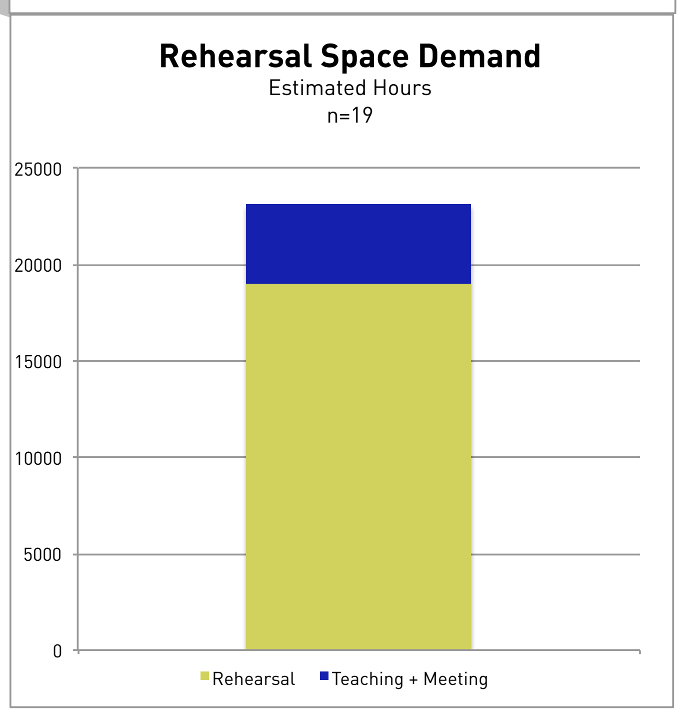
Facility Utilization: Most respondents use a variety of spaces to create and present their work. Those who rent spend anywhere from $100 to $245,000 on space each year. Fifteen groups use three or more facilities. Seven groups use six or more spaces. These spaces include home offices, churches, bars and schools in addition to widely used performance spaces and dance studios. Users are generally satisfied with the location, accessibility, equipment and condition of their facilities. Their biggest complaints concern rental rates and availability, particularly at the Overture Center. School facilities and the Bartell were also noted as having limited availability.

Facility Demand: Sixteen groups indicated need for new or improved performance space, with the most significant demand (450 performances and rehearsals) for smaller capacity spaces of 400 seats and smaller. Much of this demand is on the part of two groups, which represent 310 performances and rehearsals between them.



The most significant demand is for rehearsal, studio and classroom/meeting space. Nineteen groups cited need for these types of spaces, totaling nearly 19,000 rehearsal hours and just over 4,000 teaching/meeting hours. Here again, it is important to note that 12,900 of the 19,000 hours belong to one group. The demand is notable even without that group.

Several respondents noted that while there is need for space to rehearse and create, there is also hope and support for any efforts to better utilize existing performance space. Many groups still hope to access the Overture Center, though it is often out of reach in terms of cost or availability.



There is also need for other types of space. Fifteen groups need storage space, 11 need administrative space and 9 need production facilities. Twenty-one groups are either interested or may be interested in sharing these types of spaces. Twenty-three groups are either interested or may be interested in using shared services such as accounting, marketing, ticketing or otherwise.

Finally, respondents indicated that

they need space for a variety of reasons, most often citing expansion of existing programs or development of new programming (suggesting that the stock of existing spaces may be limiting activity in the marketplace.) A few groups indicated that programs and facilities that encourage collaboration would be very valuable in uniting the arts community.

2.4 Key Issues

- While there is some demand for new performance space, the greatest need is for rehearsal, production, meeting, administrative and storage space. These are the spaces that allow for arts groups to come together practice their craft and create work for the community. Access to better rehearsal space, equipment, production space and even admin and storage facilities may allow for arts groups to work more efficiently and inspire new creativity, potentially even improving the quality of their work.

- Interviews and survey data suggest that the Madison arts community includes dozens of small organizations (with up to 25 community theatres, though we have not been able to confirm that figure) with limited resources to develop their work. This means that there is a large base of amateurs or pro-am artists (amateurs creating work at the same level that professional artists do.) These organizations may by a lack of resources or by the competitive operating environment.

- The performing arts sector includes a large number of small, amateur groups run by volunteers and a smaller set of large organizations that provide paid employment opportunities to artists. While many artists are attracted to Madison's artistic sensibility and cultural activity, they have difficulty making a living as a performing arts professional.

- The Overture Center provides many benefits to arts groups and the community, but many believe that it can do more in terms of programming and serving local artists and the arts community.

- The performing arts community is fragmented. This may be a result of a competitive funding scenario, as arts groups vie for a shrinking pool of funds. Many groups also very protective of audiences. There is limited collaboration to develop new work and certainly opportunities for more unified planning. For example, the Jazz Consortium has brought together Madison's jazz organizations who are working together to schedule independent presentations and to develop efficiencies and shared programming. Many interviewees and survey respondents have a desire for similar networks and connectors. Interest in shared space and shared services is encouraging in this regard.

3. demand analysis

Over the past two decades, research conducted by the National Endowment for the Arts show a decline in the percentage of American adults attending benchmark arts activities (e.g., presentations of opera, ballet, classical music, musical theatre, stage plays, and art museum exhibits) to a low of 34.6 percent in 2008.

This sobering realization is not theoretical, but the daily challenge of countless arts groups across the county who struggle to fill their theatres and concert halls. Arts groups must not only focus on producing high quality programs that attract and retain loyal arts audiences, but must also concern themselves with building demand amongst new audiences – a much more costly, complicated, and long-term effort. Frankly, most arts groups are not structured or capitalized sufficiently to undertake long-term audience development work. In the absence of such an investment, arts groups are typically left to harvest whatever demand is generated through natural evolution of tastes, and through the arts education system, which has diminished significantly in most communities.

Any effort to strengthen the performing arts sector in a community like Madison must necessarily take stock of both supply (i.e., facilities and programs) and demand, as measured in ticket sales or attendance. Years of research on arts participation has amply demonstrated the strong symbiosis between supply and demand in the arts. Demand is not merely a function of economic potential, but also a function of the hopes and dreams of individuals, families, and communities. On a purely economic level, of course, demand for entertainment experiences is limited by discretionary income. On another level, however, the provision of a highly creative supply of arts programs can stimulate demand that would otherwise go latent, or be redirected from a competing supplier. There are cities in the US (e.g., Seattle) where rates of arts participation are categorically higher than those of other cities of similar size and quality. The difference is not due to demographics, but to a consistent supply of high quality art.

In the performing arts, therefore, demand is in large part a function of the supply of programs in a community. Investing in appropriate venues can have a significant positive effect on participation levels, but the programming that goes in them is equally important. We know that Madison has a healthy supply of performing arts programs, but are those programs satisfying the marketplace's appetite? We therefore set out to take stock of levels of demand in the Madison marketplace.

Specifically, the Demand Analysis sought to address the following research questions:

1) Are Madison's arts groups extracting a reasonable amount of demand from the marketplace;

2) Is there room for audience growth? If so, where is the greatest potential? How much growth is possible through new audiences vs. increasing frequency of existing audiences?
3) In order to achieve and maintain a healthy cultural ecology, what strategies are necessary to attract new audiences?

3.1 Arts Audience Mapping Exercise

In order to gain a sense of the shape and breadth of the marketplace for performing arts programs in the Madison region, an initial mapping analysis was conducted, with the simple aim of depicting the geographical distribution of existing ticket buyers. As a preliminary step, ZIP codes were tabulated in order to define a radius geography that encompasses approximately 85% of all ticket buyers. The central downtown location of many of Madison's performing arts facilities, as well as population centers, warranted the geographical delineation of a 20-mile radius around downtown Madison, which aligns well with the political boundaries of Dane County. This 20-mile radius area is used throughout the report as the basis for comparing the Madison marketplace with other markets of a comparable size and nature.

To kick-off this process, WolfBrown broadcasted a data request memo to 123 Madison-area performing arts organizations, inviting them to submit a file with address information for unique ticket buyers over the past three years, including subscribers and individual ticket buyers. WolfBrown assured the confidentiality and non-disclosure of all records submitted, and as a result of participating, each organization would be provided with an individual "dot density" map illustrating the geographic distribution of their own patron lists.

Following the initial request for data submissions, eight groups agreed to participate in the mapping analysis. The lists with unique addresses, available for analysis were as follows:

- Bach Dancing and Dynamite Society (781 household records)
- Forward Theatre (3,808 household records)
- Madison Ballet (3,126 household records)
- Madison Symphony Orchestra (2,709 household records)
- Madison Theatre Guild (2,466 household records)
- Overture Center for the Arts (35,117 household records)
- Wisconsin Union Theater (23,013 household records)
- Wisconsin Youth Symphony Orchestra (520 household records)

Once the lists were consolidated and cleaned, including the removal of out-of-state records, non-residential records, and records outside the 20-mile area, all of the duplicate records were removed. A total of 45,923 unique records remained. Although the final data set was robust in terms of numbers, it does not provide us with an exact cross section of Madison's performing arts sector due to underrepresentation of certain disciplines and categories of organizations.

Using Nielsen SiteReports, the aggregated file was geocoded and appended with longitude and latitude coordinates. The MapInfo mapping software was then utilized to map each unique coordinate, thus providing a geographical representation of the distribution of nearly 46,000 ticket buyers within Dane County. Two primary maps were constructed, Figure 1 and Figure 2, as well as four supplemental maps (Figures 2A-2D) offering close-up views of the four quadrants of Figure 2.

3.1.2 Mapping Results

Consult Figure 1, below. Apart from a few basic wayfinding features to help with map orientation (e.g., cities, US Highways, secondary roads, etc.), the primary contextual characteristics are the concentric rings, and the overlaid, thematic backgrounds.

The outer ring (magenta) delineates the exact 20-mile perimeter used to define the boundary for patron inclusion in the mapping exercise. The two inner rings (green) are not based on geography, but are useful in their ability to quickly illustrate – and define – two geographical cohorts of arts patrons: 1) the primary or core marketplace (approximated by an 8-mile radius around downtown); and 2) the secondary marketplace consisting of numerous "nodes" of demand encircling the primary market geography (approximated by a 16-mile radius around downtown). The core includes the entireties of the cities of Madison, Monona, Middleton, Fitchburg, and Verona, and constitutes the largest cluster of arts patrons. Moving out from the core, the tight cohesion of arts patrons diffuses into smaller, independent clusters around the cities of Mount Horeb, Sun Prairie, De Forest, Cottage Grove, Stoughton, and Oregon. Although these rings provide for an easy reference point, the two overlaid, thematic backgrounds provide greater context to, and understanding of, the geographic distribution of arts patrons.

In Figure 1, the gradated background shows the number of adults (25+) with Bachelors Degrees or higher, by census tract. Madison is home to a very educated population, with most of this map showing little gradation. The primary market area includes the largest population with a bachelor's degree or higher. Examining the secondary market area, we see that the cities located there (e.g., Mount Horeb, Oregon, Cottage Grove, etc.) are home to the largest educated populations. Not surprisingly, these locations are also home to clusters of arts patrons. In general, arts audiences are highly educated, so this map would confirm one of the central tents of arts participation research – that educational attainment is highly correlated with arts attendance. Although the educational attainment overlay is interesting to look at, it does not provide much insight into the "story" of demand. As will be seen in the subsequent section of this report, educational attainment is an important predictor of arts participation, and should still be considered in any type of analysis.

In Figure 2, the thematic overlay is total population by block group (a more granular analysis using the smallest possible unit of geography). This overlay will serve as the primary interpretative lens for this analysis, thus providing an insight into potential areas of untapped demand. And while the utility of this gradated background is apparent, it is important to take into account both the color of each block group (i.e., population by area), as well as the size of the respective block group. For example, if you look at Figure 2A, you'll see that the most heavily populated block groups are located away from downtown Madison. However, the land areas of these suburban block groups are also substantially larger than the downtown block groups, thus containing larger populations.

At first glance, Figure 2 clearly illustrates that the geographic distribution of performing arts patrons predominantly aligns with the population or city centers. The majority of dots are concentrated around downtown Madison, then fan out from both sides of the isthmus. This core represents the largest portion of arts patrons mapped through this exercise. Although these patrons are located in the most densely populated areas of Madison, the core is also the closest in proximity to the majority of Madison's performing arts facilities.

As the core of arts patrons continues to diffuse, the cohesion breaks into smaller clusters that are clustered around surrounding communities, particularly Sun Prairie, which contains the largest population of arts patrons in the secondary area. Sun Prairie is also the second largest city in Dane County, with a 2011 estimated population of approximately 30,000, so it makes sense that this cluster is the largest in the secondary area. Although these clusters of arts patrons are much smaller, their positioning confirms that patrons are willing to travel to arts events located in downtown, and that demand for Madison arts performances extends to the surrounding communities. Although these clusters are much smaller, they still represent an important contribution to the local arts ecology.

Figure 2A: Northeastern Quadrant
Figure 2A includes the cities Sun Prairie and De Forest, which serve as the two primary nodes of arts patrons for this quadrant. These two populations centers are located in the secondary ring, with distances that necessitate a longer drive time to Madison's primary venues. The core ring in this quadrant depicts the population core that fans out from the northeastern side of the isthmus.

Figure 2B: Northwestern Quadrant
The upper left-hand quadrant is the least populated of all the quadrants, and includes only one population cluster, the city of Waunakee. Middleton is also included in the map, however, its population is typically associated with the core cluster of downtown-area arts patrons. There is a small dispersion of patrons west of Middleton, and one slight cluster of patrons located near edge of the 20-mile parameter, directly north of Waunakee.

Figure 2C: Southwestern Quadrant
Figure 2C includes the majority of Madison, as well as the cities of Verona, Fitchburg, Mount Horeb and Oregon. This map illustrates the concentration of arts patrons in downtown. Moving west, this concentration begins to lose its cohesion as the dots disperse outward, encompassing Middleton (not displayed on map), Verona and Fitchburg. Also depicted in this map are the two clusters, Mount Horeb and Oregon, which are independent from the core.

Figure 2D: Southeastern Quadrant

While overlapping with parts of Figure 2C, the lower right quadrant includes the southeastern parts of Madison, including Monona, as well as the cities of Cottage Grove, McFarland, and Stoughton. The geographic distribution of patrons is similar to the other quadrants, in that the primary patronage resides in the core, but is supported by peripheral clusters.

Key Takeaways:

- Madison's proximity to Milwaukee and Chicago suggests a diversion of a small portion of demand to those markets; results from the Arts Consumer Survey (pg. 43) suggest that 15% of survey respondents venture outside of the Madison market 40% or more of the time, while 65% of survey respondents exit only 20% or less;
- On the other hand, a certain amount of demand from beyond the 20-mile radius flows into the marketplace, offsetting the diversion of demand to external markets; approximately 23% (~14,000 ticket buyers) of the original aggregated de-duped mailing lists submitted for mapping were from outside of Dane County;
- The Madison marketplace for performing arts programs could be characterized as a "hub and spokes" model contained within a 20-mile radius, or as a concentrated market area with multiple nodes of demand around the perimeter;
- The majority of arts patrons reside within the City of Madison and its immediately adjoining communities;
- The majority of patrons are located within close proximity to most performing arts venues (~10 miles or less);
- The secondary market area contains multiple nodes of arts consumers that are significant in their total sum; while these communities are within easy driving distance of Madison, drive time to Madison may be in excess of 20 minutes or more, depending on traffic.

Figure 1 – Geographical Distribution of Madison Ticket Buyers Overlaid with Educational Attainment

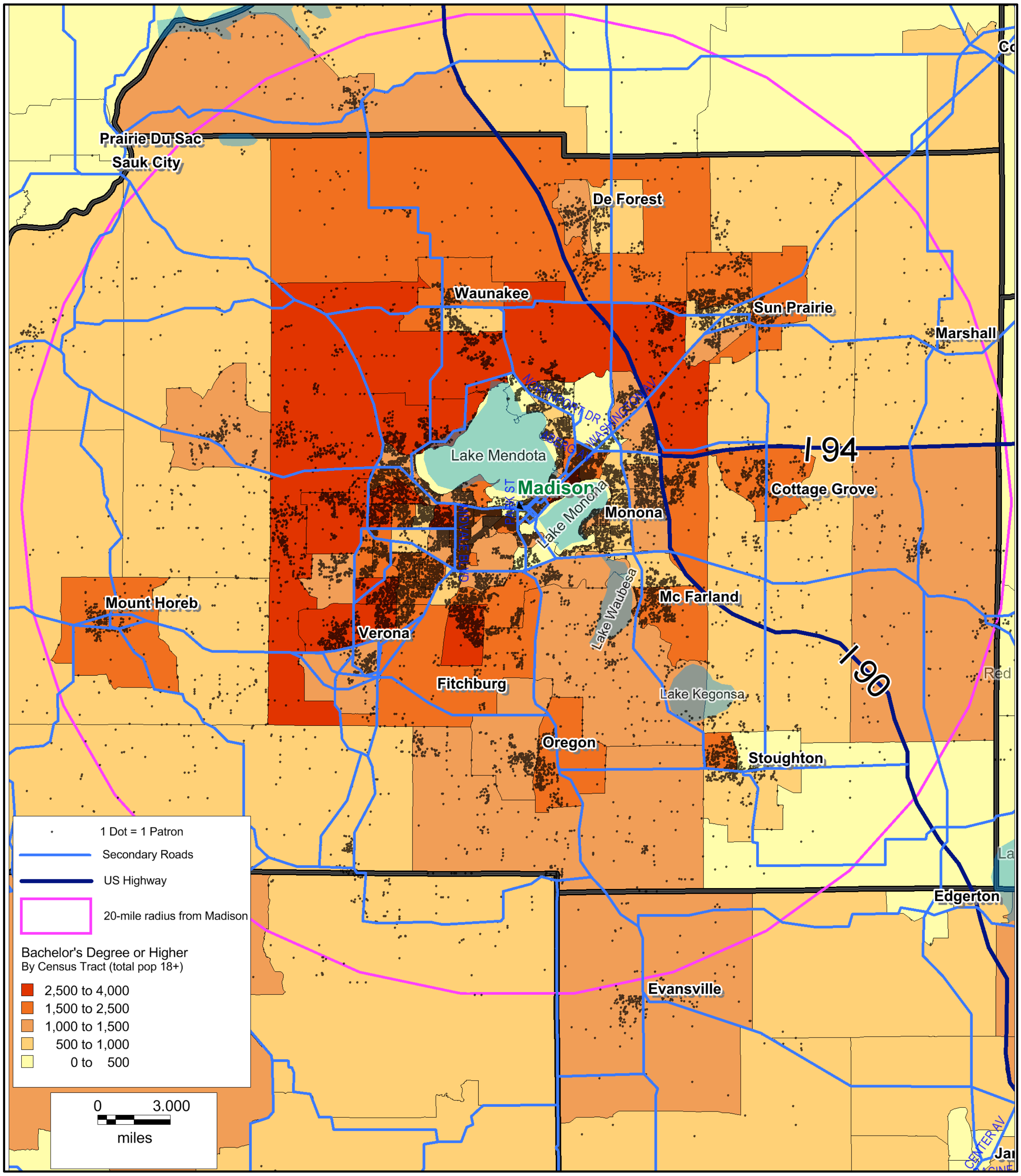


Figure 2 – Geographical Distribution of Madison Ticket Buyers
Overlaid with Population Counts by Block Group

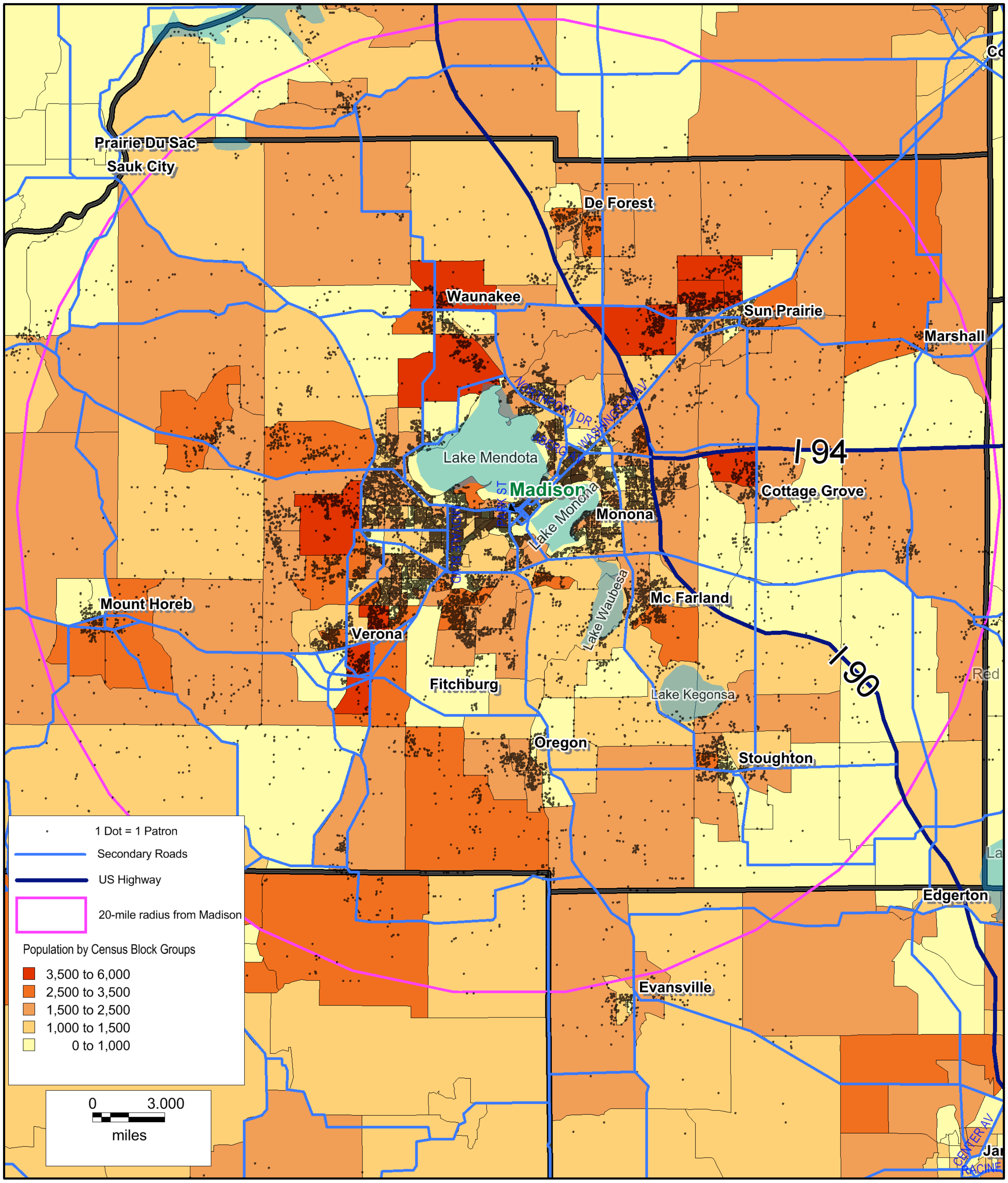


Figure 2B – Magnified View, Upper Left Quadrant

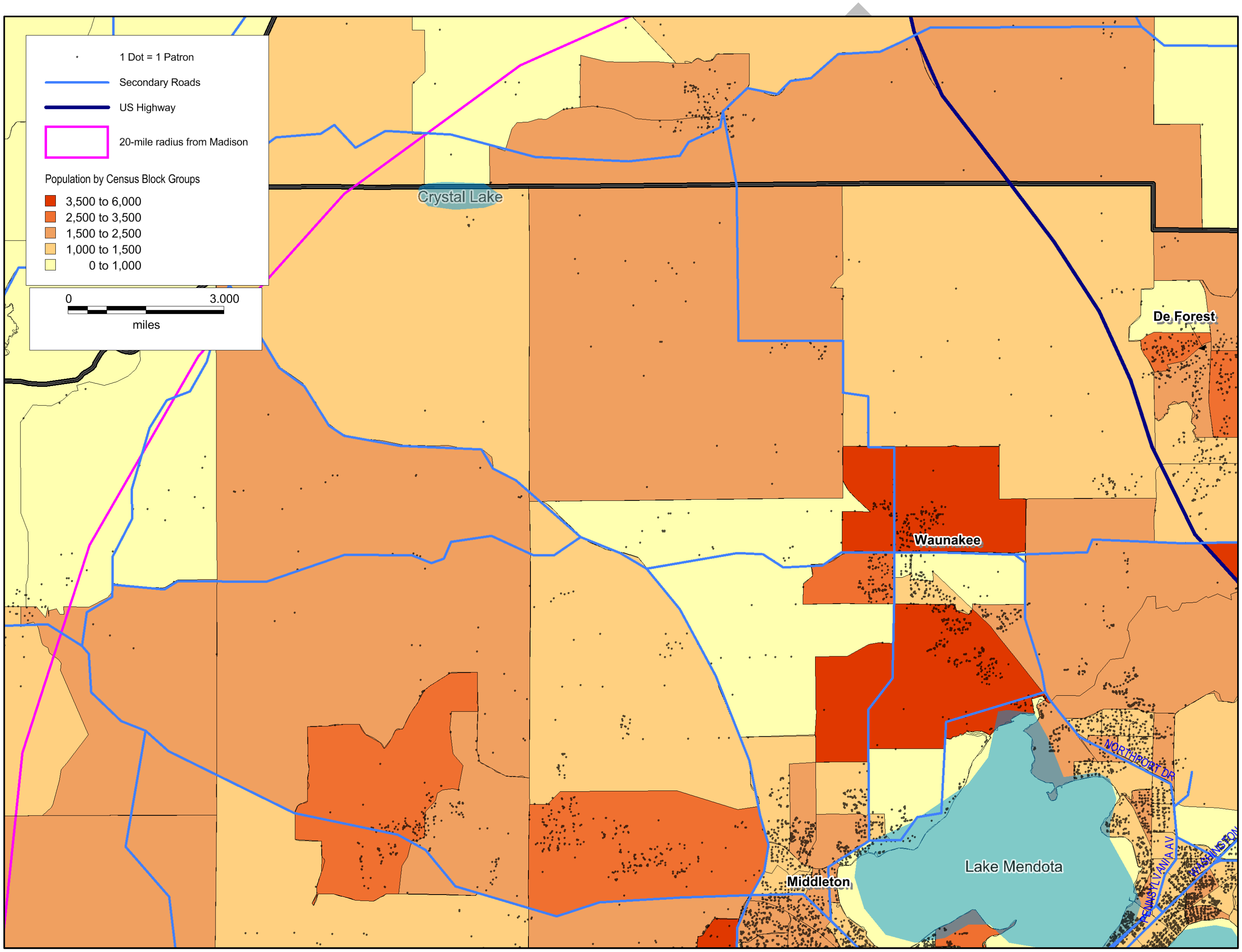


Figure 2C – Magnified View, Lower Left Quadrant

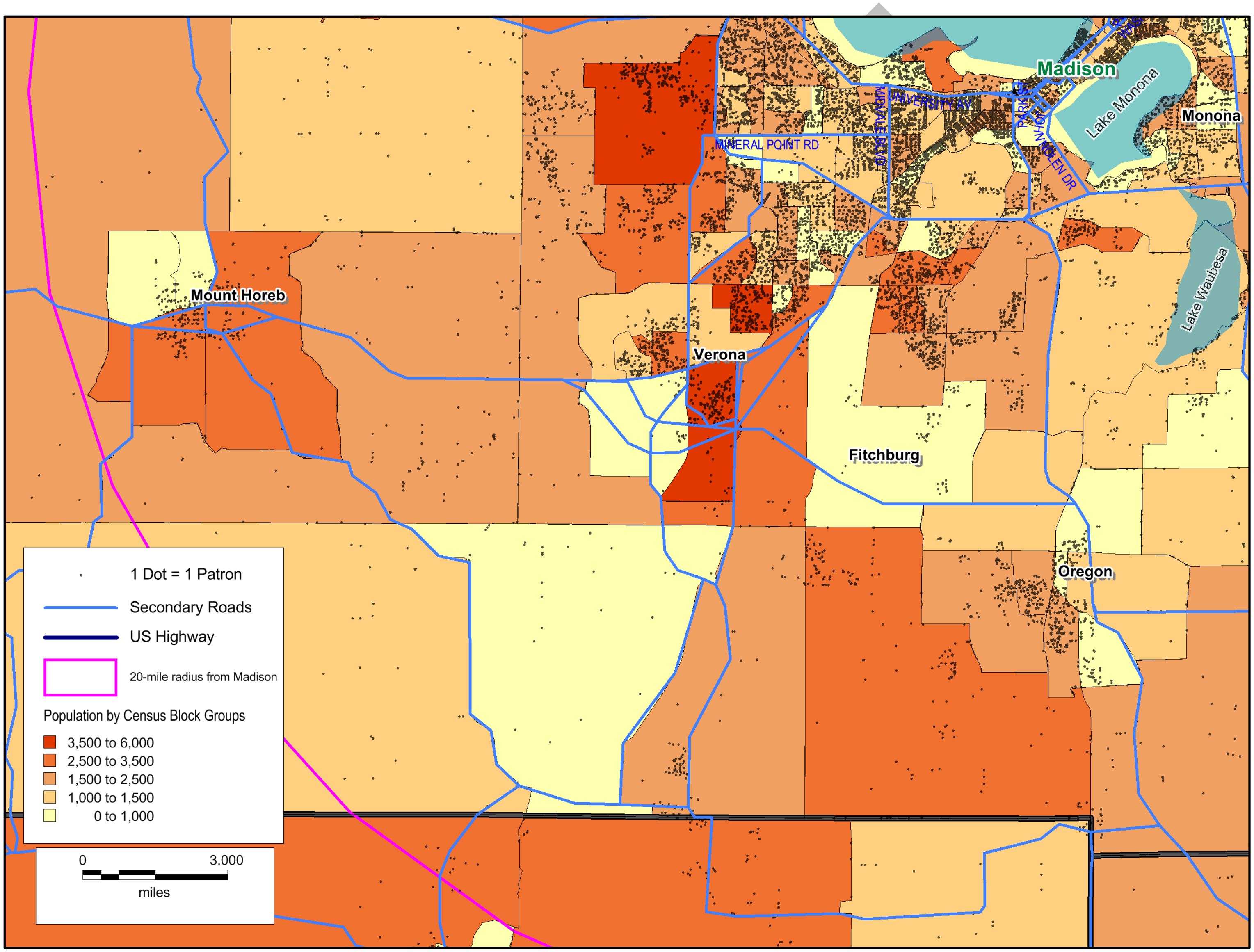
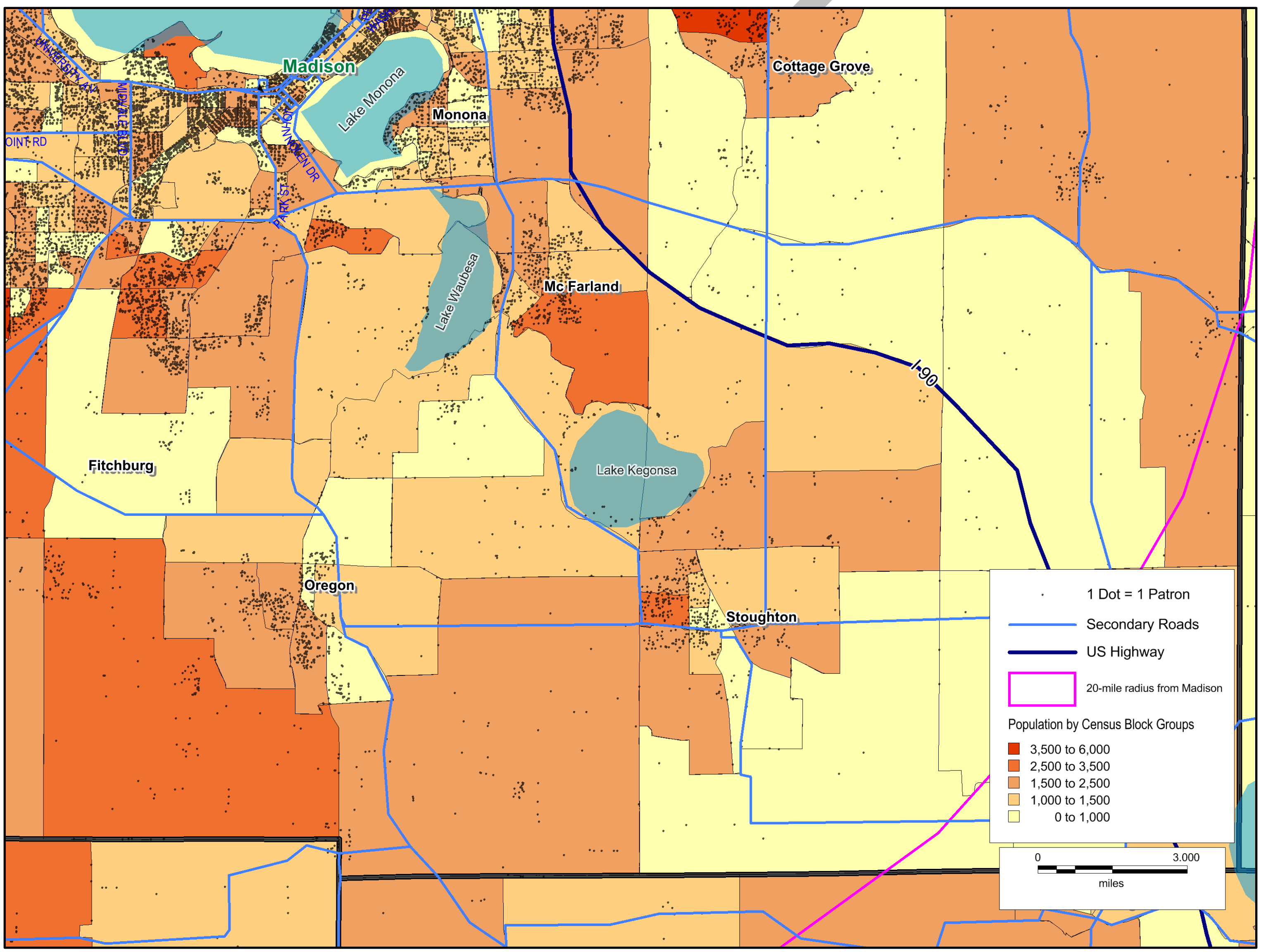


Figure 2D – Magnified View, Lower Right Quadrant

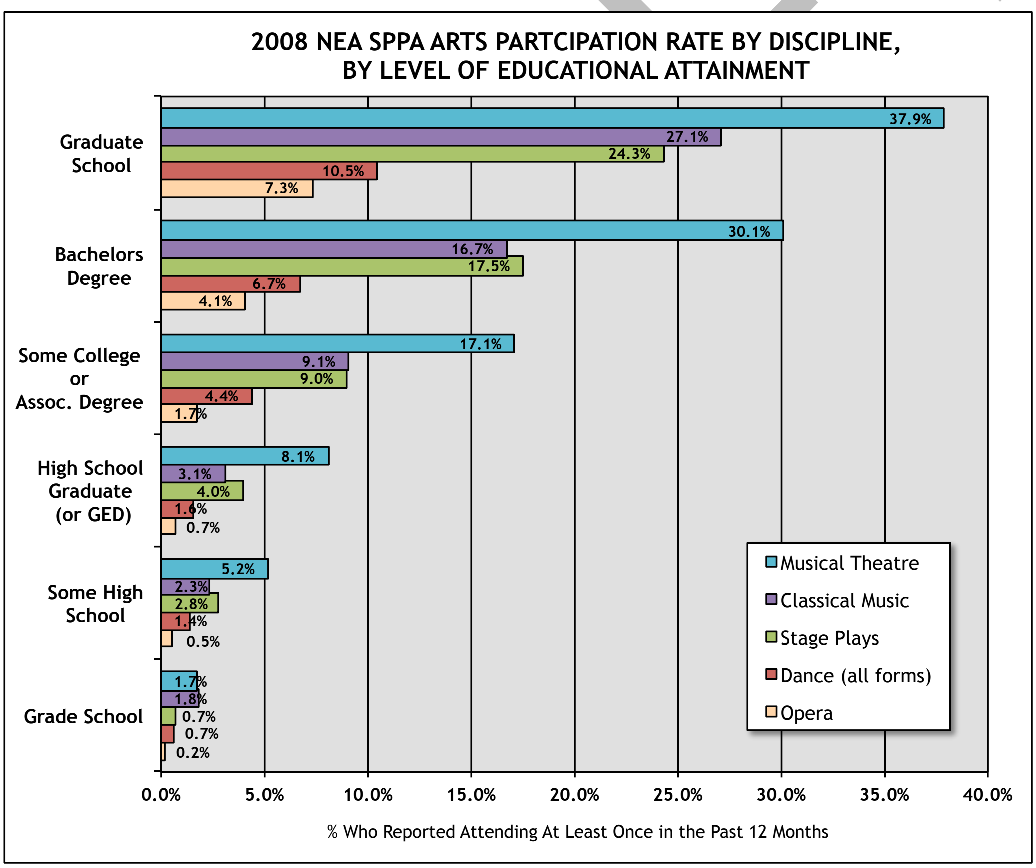


3.2 Demand Estimates Based on NEA Survey of Public Participation in the Arts (SPPA) Data

Approximately every five years, the National Endowment for the Arts, the federal agency that supports the arts, collects data on arts participation through the Survey of Public Participation in the Arts (SPPA). The SPPA is the largest, and most detailed data source for a broad range of arts participation indicators, and is one of the few reliable data sets that can be used for estimating arts attendance. Conducted by the U.S. Bureau of the Census, the 2008 SPPA collected data from more than 18,000 adults (aged 18+) across the US, and serves as the primary data source for the following analysis.

The SPPA reports on arts participation categorically by benchmark activity, providing annual rates of participation for musical theatre, classical music, stage plays, dance, and opera. Figure 1 clearly depicts the strong correlation between attendance and higher levels of educational attainment.

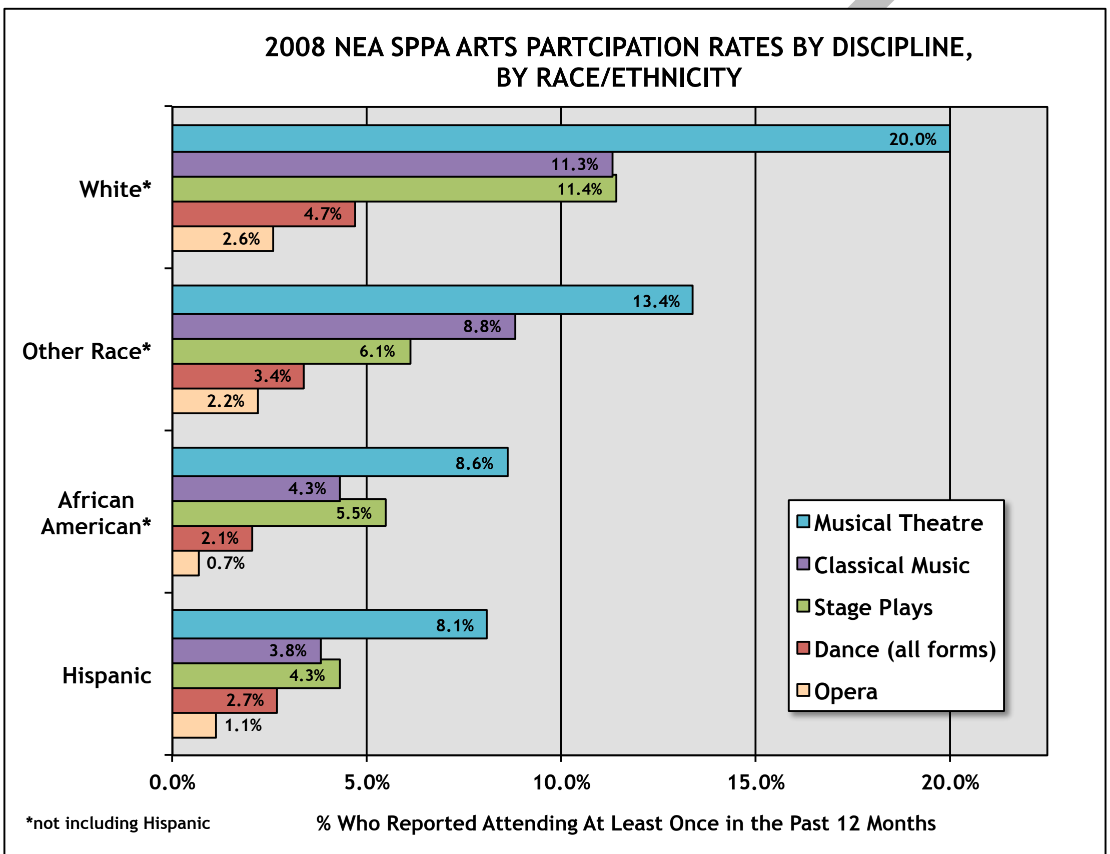
Figure 3: Performing Arts Participation Rates, by Educational Attainment (2008 SPPA)



While income undoubtedly factors into this relationship as well (i.e., those with higher levels of educational attainment typically earn more, thus mitigating ticket cost as a barrier), the strong correlation between educational attainment and attendance is by far the most reliable predictor of attendance. For example, note the leap in participation rates between those who have completed some college and those who graduated college. For musical theatre, the rate nearly doubles from 17% of those with some college or an Associates Degree to 30% for those with a Bachelor's Degree.

The SPPA also reports on participation rates for racial/ethnic groups. As illustrated in Figure 4, White populations attend live performing arts programs at a rate between two and three times the rate of Hispanics and African Americans.

Figure 4: Performing Arts Participation Rates, by Race/Ethnicity (2008 SPPA)



When educational attainment and income are factored out, however, the importance of race as a predictor of arts participation falls dramatically. For this reason, we base our audience estimates on educational attainment levels.

Using SPPA participation rates for the various cohorts of educational attainment, it is possible to estimate the number of adults in the Madison 20-mile market area (as defined in the earlier mapping analysis) who can be expected to attend performing arts activities on an annual basis. By multiplying the number of adults in each educational attainment cohort by the respective participation rate from the 2008 SPPA, we can estimate the number of Madison area residents who *should* be participating – if Madison were a microcosm of the US. Results are presented in the Table 1, below.

Table 1: Participation Estimates For Madison, Based on SPPA Rates for Educational Attainment Cohorts

		# of Adults within each Cohort who are expected to participate on an annual basis (2013 Est.)							
PROJECTED ANNUAL AUDIENCE SIZE BASED ON 2008 SPPA: 20-mile Radius from Madison	**Avg. Part. Rate (SPPA)**	Grade School	Some High School	High School Graduate (or GED)	Some College or Assoc. Degree	Bachelors Degree	Graduate School/Prof. Degree	Est. # of Participa-tors (Age 25+)	% of 2013 Base Pop. (25+)
Visit Art Museums/Galleries	23%	268	1,033	6,810	22,420	37,871	32,458	100,860	30%
Attend Musical Theatre	17%	120	584	5,746	16,108	28,077	23,566	74,201	22%
Attend Stage Plays	9%	49	314	2,838	8,478	16,324	15,110	43,113	13%
Attend Classical Music Concert	9%	127	258	2,199	8,572	15,577	16,851	43,585	13%
Attend Jazz Concert	8%	106	269	2,767	7,630	12,779	10,819	34,371	10%
Attend Other Dance	5%	85	247	1,561	5,464	7,462	7,897	22,715	7%
Attend Ballet	3%	7	67	709	2,826	5,037	5,099	13,746	4%
Attend Opera	2%	14	56	497	1,601	3,824	4,539	10,532	3%

Because of the high educational attainment levels, the predicted audience size for Madison significantly exceeds the average national rates for each discipline. For example, the 2008 national participation rate for stage plays was 9%. Madison, however, could be expected to yield 43,113 stage play attendees, or 13% of the adult population, aged 25+. Of course, these rates include all sources of participation, including attendance at professional and community programs both inside and outside of the metro Madison area.

Using the table above as the foundation for the subsequent analysis, we'll now want to exclude any visual arts, and solely focus on the performing arts. Under these new parameters, we can deduce from the 2008 SPPA data that 27.8% of adults (aged 25+) would attend any of the seven performing arts disciplines. Now, using the same parameters, we can look at the Madison population that is 25+, thus calculating the percentage of that specific population that will have the potential to participate in the arts.

There are 338,876 adults aged 25 and older in the 20-mile radius geography centered around downtown Madison. If Madison mirrored the nation, there would be 94,208 performing arts participators (i.e., 27.8% times 338,876). But Madison is not like the US. Its residents have much higher levels of educational attainment, and would therefore be expected to participate in the arts at greater rates than the national average. To account for higher education levels, we first looked at the difference in average participation rates for each discipline. For example, in Table 1, note that Madison's rate of participation in Musical Theatre (furthest right column) is 22%. The national average (second column to the left) is 17%. Thus, Madison's estimated participation rate for musical theatre is 31% above the national average. Using a similar analysis, 37.5% of Madison adults would be expected to participate in any of the seven performing arts disciplines (compared to the 27.8% nationally). Based on this adjusted rate, the calculated number of Madison-area performing arts participators rises to 127,180. This adjusted number represents the estimated number of unique adults (25+) that would be expected to attend at least one of the benchmark performing arts disciplines on an annual basis, based on SPPA findings.

Next, in order to gain a rough sense of whether or not Madison's arts groups are extracting a reasonable amount of demand from the marketplace, we turn to the earlier mapping analysis.

Using the final unique ticket buyer total of 45,923, we can extrapolate a more real number of actual unique arts patrons by assuming that each household represents an average of 2.2 participators. This number takes into account that most ticket buyers attend with a spouse/partner and/or friends, and that typically, one individual is responsible for purchasing tickets (i.e., the average sale, nationally, hovers around 2.2 tickets). Assuming this to hold true, we can estimate that the list of 45,923 ticket buyers translates to roughly 101,000 annual participators.

Our next assumption in this estimation is that the de-duped list of unique household records was not exhaustive, given that only eight organizations submitted their patron lists. While many of Madison's arts patrons were included in the eight lists submitted for mapping (i.e., Overture Center and Wisconsin Union Theater), these lists are missing a substantial number of additional patrons, including "walk-up" ticket buyers for whom arts organizations do not have addresses. If we assume that the original 45,923 sample included roughly one half to two-thirds of all unique buyers, then approximately one half to one-third remain. This would represent an additional 20,000 to 30,000 unique households. If each of these additional households represents 2.2 arts patrons, then the number of individual Madison-area participators would increase to a range of 145,000 to 167,000. This range is significantly higher than the SPPA adjusted estimate of 127,180. Based on this very rough analysis, one might hypothesize that the Madison area marketplace is yielding an excess of demand, compared to what would be expected.

This estimate is just one assessment of the overall demand, representing a particular facet that does not necessarily tell the whole story. The comparable market analysis summarized in the next section further contextualizes demand based on less ambiguous and more concrete metrics, including actual tickets sales volume.

3.3 Comparable Markets Demand Analysis

The goal of this analysis is to see if Madison's market is over-performing or under-performing for the performing arts relative to a handful of other markets, and to learn whatever we can from other markets in terms of the limits of demand and indicators of strong market performance in competitive situations. Specifically, this analysis will help to answer the following questions:

- How does Madison compare to similar communities in regards to demand for performing arts presentations?
- What do the comparable markets tell us about Madison in terms of the limits of demand and/or indicators of strong market performance?
- What can be inferred from comparable markets about opportunities for demand growth in Madison?

Results of this analysis will help Madison's arts community and community leaders to gain a sense of its the likely extent of additional demand, and how additional demand might be stimulated.

3.3.1 Methodology

To select appropriate markets to study, the consultant generated a list of candidate cities of approximately the same size as Madison with major universities (see table, below). Additional criteria for selecting markets included:

- Population size
- Major research university
- Student population
- Geographical isolation from other population centers
- Winter climate
- State capital
- Arts landscape

The initial list was reviewed by members of the Performing Arts Study Task Force, refined and finalized after further consultation. A decision was made to select one market with a substantially larger population (Austin, Texas) and thriving arts community in order to contextualize the analysis and provide an "aspirational" data point. The two other markets selected for analysis were Boise, Idaho (Boise State University) and Eugene, Oregon (University of Oregon). Several of the other markets considered for the analysis were either too small, or non-comparable to Madison in terms of the vibrancy of the arts landscape.

Comparable Markets Analysis: Selection Worksheet	20-Mile Radius Population	20-Mile Median Income	% Pop. Hispanic	% Pop. African American	Major University	Student Enrollment	Major Perf. Arts Facility/Presenter	Nearest Larger City	Other Characteristics
Madison, WI	**508,442**	**$ 60,184.00**	**6.5%**	**5.4%**	**Univ. of Wisconsin**	**42,595**	**Overture Center (community)**	**Milwaukee (80 miles); Chicago (148 miles)**	**State capital; winter climate**
Austin, TX	1,459,040	$ 56,289.00	33.1%	7.8%	Univ. of Texas	51,000	Texas Performing Arts/Bass Hall	San Antonio (80 miles)	State capital
Boise, ID	539,379	$ 46,631.00	11.1%	1.2%	Boise State Univ.	22,678	Morrison Center	N/A	State capital; winter climate
Eugene, OR	332,774	$ 40,416.00	8.4%	1.0%	Univ. of Oregon	22,000	Hult Center	Portland (110 miles)	temperate climate
Fort Collins, CO	344,154	$ 56,025.00	11.5%	0.1%	Colorado State Univ.	22,500	Lincoln Center	Denver (65 miles)	winter climate
Lincoln, NE	313,512	$ 50,616.00	7.0%	3.5%	Univ. of Nebraska	24,593	Lied Center for the Performing Arts	Kansas City (190 miles)	winter climate
Athens, GA	274,276	$ 43,581.00	8.5%	16.9%	Univ. of Georgia	34,475	UGA Performing Arts Center	Atlanta (71 miles)	warm climate
Gainesville, FL	273,518	$ 41,068.00	8.8%	20.0%	Univ. of Florida	29,500	Univ. of FL Performing Arts	Jacksonville (71 miles)	warm climate
Urbana-Chamgaign, IL	215,254	$ 46,584.00	5.6%	11.9%	Univ. of Illinois	42,605	Krannert Center	Chicago (139 miles)	winter climate
Iowa City, IA	174,411	$ 50,918.00	5.8%	4.4%	Univ. of Iowa	31,498	Hancher Auditorium	Des Moines (114 miles)	winter climate
Lawrence, KS	173,549	$ 53,263.00	5.5%	3.5%	Univ. of Kansas	27,939	Lied Center of Kansas	Kansas City (38 miles)	winter climate

In order to compare tickets sales for classical music, opera, Broadway musicals, stage plays, and dance (ballet and other forms), it was necessary to generate a list of performing arts organizations for each market. Funders, including local arts agencies, commissions and councils, (e.g., Lane Arts Council, Cultural Arts Division City of Austin, Idaho Commission on the Arts, etc.) as well as service organizations (e.g., Austin Creative Alliance) served as the primary sources for compiling this data. These lists were further supplemented by a scan of local online event publications (e.g., Eugene A Go-Go), tourist and visitor sites (e.g., Boise Convention and Visitors Bureau), ticketing sites (e.g., TicketLeap, Brown Paper Tickets), as well as independent publications or research efforts about the respective market (e.g., Americans for the Arts' *Arts and Economic Prosperity in Eugene*).

The breadth of organizations in these lists was expansive, warranting additional parameters to be set in order to use the same metrics across all markets. Austin's market, for example, supports numerous project-based arts organizations and/or artists that do not operate under the same financial structure of a traditional nonprofit, nor do they regularly present public performances. The lists were further refined based on the following parameters:

<u>Included organizations/programs that:</u>

- Show a discernable and measurable market share
- Produce or present consistent programming (at least one performance a year)
- Have ticketed performances

<u>Excluded organizations/programs that:</u>

- Solely perform at schools, neighborhood centers, community associations, etc.
- Only offer free performances
- Are primarily educational, participatory or class-based

Institutional data, including budget size and ticket sales, were primarily taken directly from IRS Form 990s (accessed through the Guidestar.org web site), as well as publicly available annual reports. Figures for the supply of live performing arts offerings (i.e., # of performances in the last season/year) were estimated by reviewing each of the organizations' websites, including promotional materials (e.g., brochures) and ticket purchasing portals (e.g., brown paper tickets). In the case of organizations for which actual tickets sales figures were not available, sales figures were estimated using a variety of assumptions (e.g., average ticket price, size of venue, % capacity sold) based on WolfBrown estimates or national standards.

<u>Demographic Overview</u>

The four markets are quite different with respect to demographic indicators of arts participation (see table below). Among the four markets, the percentage of adults (25+) with a Bachelors degree or higher ranges from a low of 28% for Eugene to a high of 46% for Madison. To provide some perspective, the national average in the US for adults aged 25+ with a Bachelor's degree or higher is approximately 30%. While Boise and Eugene hover around the national average, Austin and Madison are well above that mark. These latter two markets are substantially more educated, which also helps to explain income levels. Madison, by far, has the highest median household income at $60,184, followed by Austin at $56,290.

KEY DEMOGRAPHIC INDICATORS COMPARED	Geography Definition	2013 Est. Population	Average Age	% of Adults (25+) with College Degree+ (2013)	2013 Median HH Income	# of HH with Incomes > $75K (2013)	Diversity: 2013 % Pop. Hispanic	Diversity: 2013 % Pop. African Am. (Alone)
Madison,WI	20-Mile radius	508,442	37	46%	$ 60,184	81,659	6%	5%
Eugene, OR	20-Mile radius	332,774	40	28%	$ 40,416	30,961	8%	1%
Boise, ID	20-Mile radius	539,379	36	31%	$ 46,631	51,116	11%	1%
Austin, TX	20-Mile radius	1,458,617	34	42%	$ 56,290	203,383	33%	8%

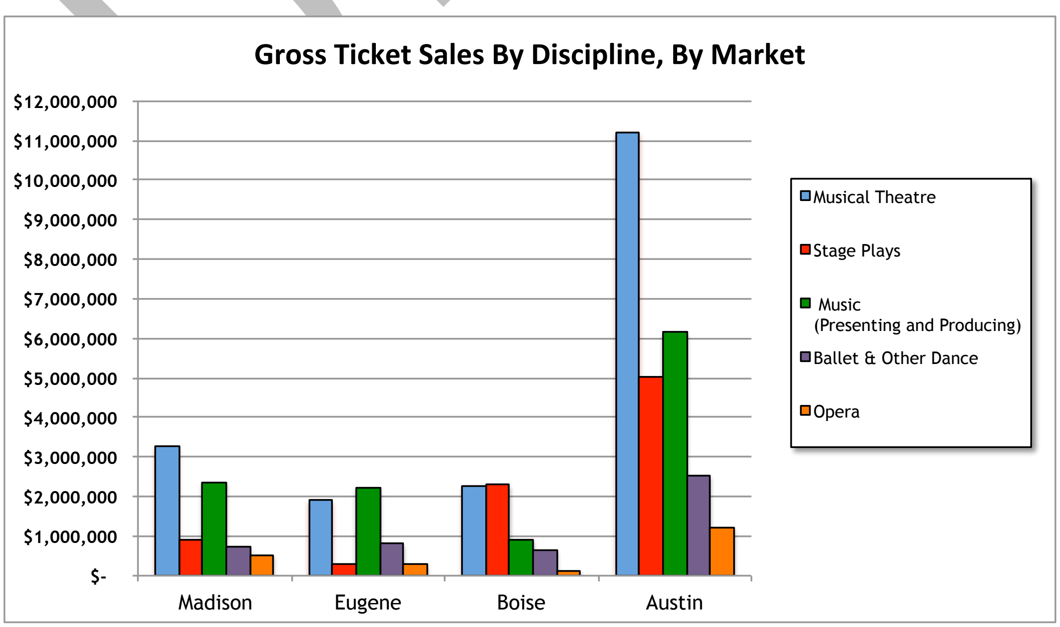
With respect to ethnic diversity, the Austin 20-mile market has the highest percentage of African Americans at 8%, compared to 5% for the Madison 20-mile market and a low of 1% for both the Eugene and Boise. Of the four markets, Austin has by far the highest percentage of Hispanic/Latino residents, at 33%. According to NEA data, theater participation rates in 2008 were 14% for Whites, 7% for African Americans and 6% for Hispanics. Therefore, we would expect markets with larger percentages of African Americans and Hispanics to yield relatively lower levels of demand for non-musical stage plays, based on the NEA figures.

Incorporating demographic data as well as the institutional data, the following analysis aims to contextualize Madison's performing arts sector with respect to demand for performing arts presentations in the five benchmark disciplines: musical theatre, stage plays, music (presenting and producing), opera, and ballet combined with other dance.

3.3.2 Key Findings

Ticket revenue is an empirical indicator of demand, and was assessed for each discipline, by organization, thus producing a concrete metric for each market. The figure below reports gross tickets sales for each market by discipline. One can easily observe the significantly higher levels of demand in the Austin marketplace, particularly for musical theatre.

Figure 5: Ticket Revenue by Discipline, By Market

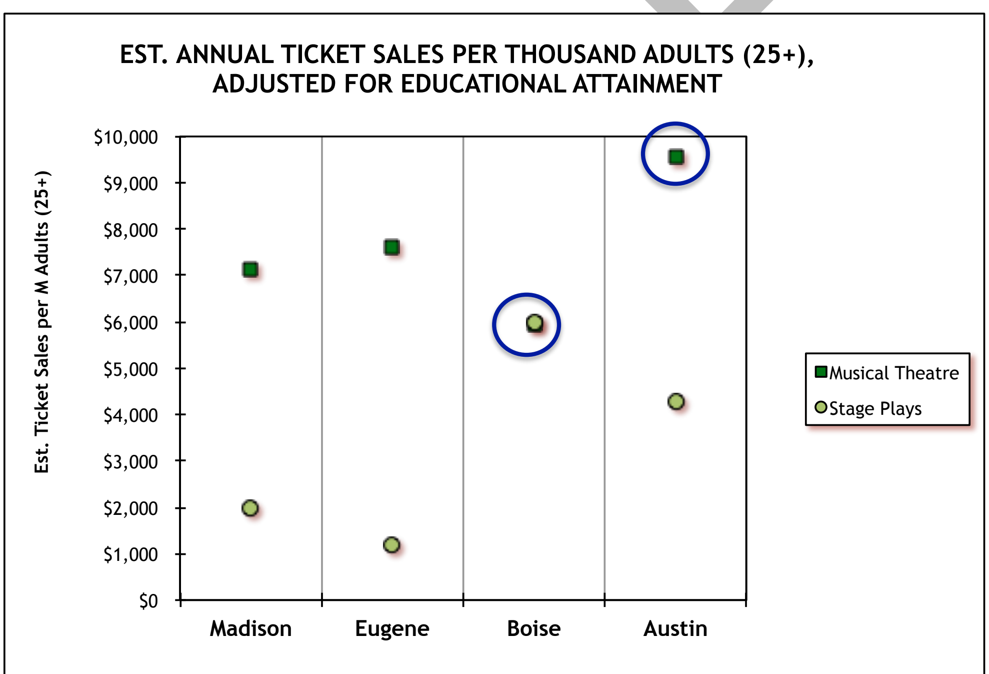


In order to calculate the average ticket sales per thousand adults, we divided the aggregated ticket sales figures for each discipline by the base populations of each market (age 25+) and adjusted for educational attainment (similar to the earlier SPPA analysis). For example, the calculation of average ticket sales per 1,000 adults for stage plays in Boise would be:

$$\begin{array}{c}\textit{Annual Ticket Sales}\\ \textit{For Stage Plays,}\\ \textit{Per Thousand Adults}\end{array} = \frac{\$2{,}289{,}185 \ \textit{Annual Ticket Sales}}{\left(\dfrac{340{,}873 \ \textit{Base Population}}{1{,}000}\right)} \times 1.12 \ \begin{array}{c}\textit{Weight for Educational}\\ \textit{Attainment}\end{array}$$

The results from this analysis are displayed in the following graphs.

Figure 6: Tickets Sales for Musical Theatre and Stage Plays



Data in Figure 6 shows the average tickets sales per thousand adults (adjusted) for both musical theatre and stage plays by market. The dark green dots represent tickets sales for musical theatre and yield more ticket sales than stage plays. Based on SPPA data, we would expect figures for musical theatre to be roughly 80% higher than figures for stage plays (i.e., the difference between participation rates of 17% and 9%, respectively). This pattern holds true for three of the four markets. Notice the rather high figure for musical theatre ticket sales in Austin. This disparity can be attributed in part to the two competing Broadway series in Austin (i.e., "Broadway at the Long Center" and the "Broadway in Austin at Texas Performing Arts"). Boise yields the lowest amount of demand for musical theatre, while Madison is relatively equal to

Eugene. While there is no "correct" number here to indicate healthy demand, it is interesting to see that Madison falls in the middle of the other markets, suggesting that the market is yielding a reasonably strong amount of demand for this type of programming.

Figure 6 also includes data for stage plays, which is much lower across all of the markets, except for Boise. Although similar in size to Madison, Boise has a relatively small performing arts sector but for a few large non-profit organizations. Idaho Shakespeare Festival is Boise's largest nonprofit organization, and comprises nearly 37% of all performing arts ticket sales in the entire market. Of course, much of this demand is probably attributable to ticket buyers who live outside of the Boise area (i.e., cultural tourists). Eugene is the lowest in the category, with a particularly sparse theatre market, thus extracting only a modest level of demand. Austin's theatre market, on the other hand, includes an even distribution of large organizations coupled with smaller fiscally sponsored theatre projects, thus extracting a reasonably high amount of demand compared to Madison and Eugene. Although the Madison market includes a wealth of small and mid-sized theatre organizations, tickets sales do not amass to large numbers, particularly in respect to the other sectors in Madison. Thus, Madison's ticket sales in the stage play category are significantly lower than comparable figures for Boise and Austin, but higher than Eugene. Overall, the high level of variation in average ticket sales per thousand adults across the four markets suggests a good deal of elasticity of demand, and illustrates how markets can "respond" to variations in supply.

Figure 7: Tickets Sales for Music (producers and presenters)

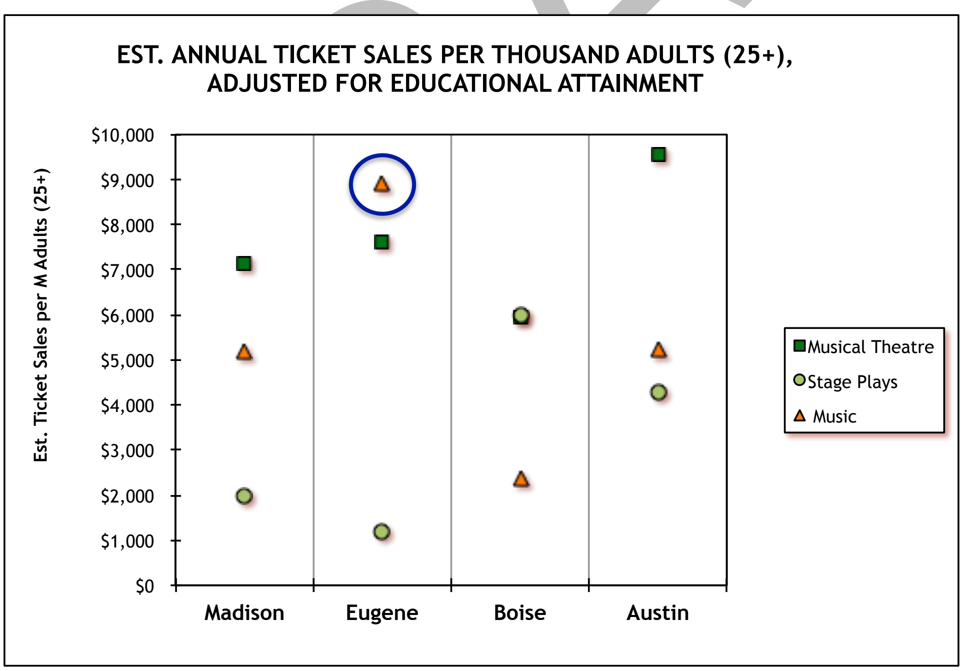


Figure 7 includes figures for music performances. This data includes ticket revenue from both producing organizations (e.g., Madison Symphony Orchestra) as well as presenting organizations (e.g., Wisconsin Union Theatre). Note that demand for music performances in Eugene is highest of any market by a wide margin – nearly as high as comparable figures for musical theatre in

Austin. Eugene is home to two substantial music organizations, the Eugene Symphony and Oregon Bach Festival. Combined, these two programs extract nearly 72% of all demand for ticketed music performances in Eugene, and approximately 30% of ticket sales across all disciplines. Madison, which is home to a large classical music sector, has ticket sales that are comparable to Austin, but exceed Boise. It is notable that Madison's demand is inline with Austin, given that Austin is a respectable market in terms of its classical musical offerings (e.g., Conspirare, Austin Symphony Orchestra), and faces high competition from other, more popular, forms of live music.

Figure 8: Tickets Sales for Opera and Ballet/Other Dance

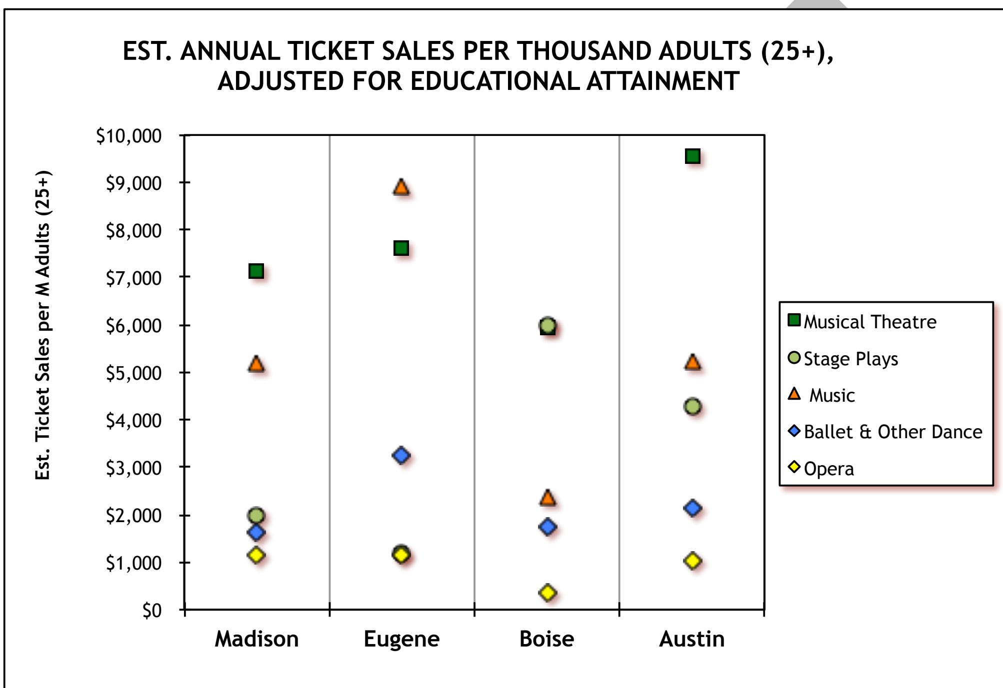
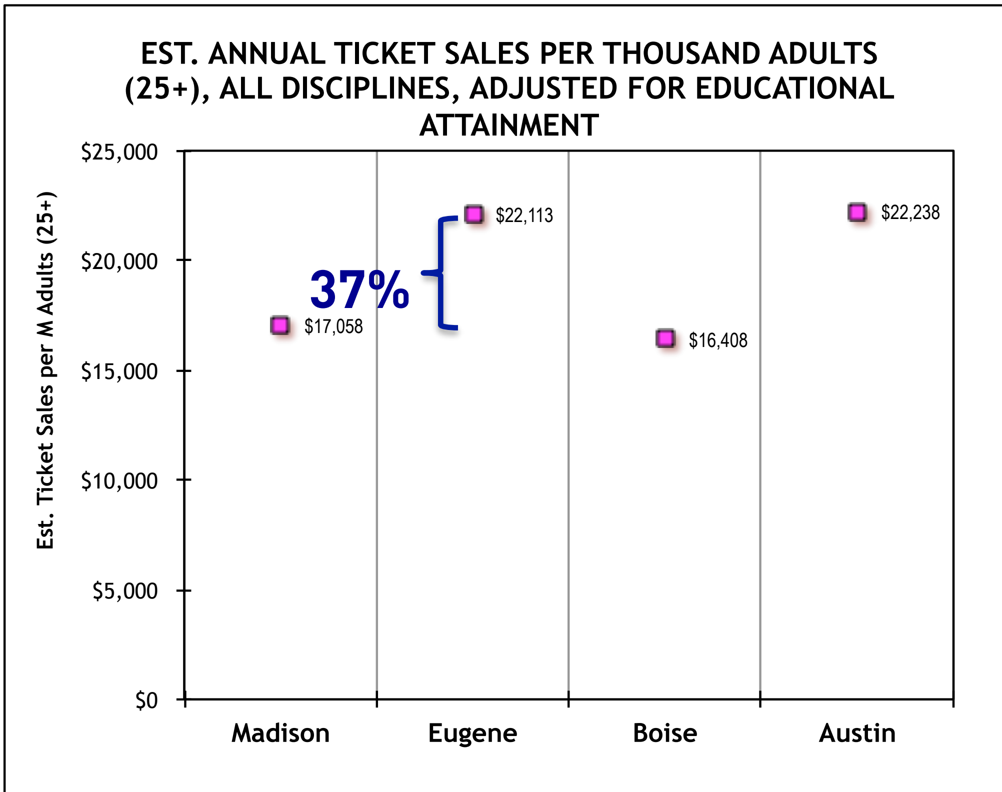


Figure 8 includes the additions of Ballet/Other Dance, as well as Opera ticket sales, thus depicting the entire story of demand across all of the major performing arts disciplines. The Eugene market extracts the highest revenue in the Ballet/Other Dance category. Generally, though, ticket sales per 1,000 adults are fairly consistent across all of the markets, and are generally lower than figures for the other disciplines. As would be expected, opera extracts the lowest level of demand across all the disciplines, with consistent findings across Madison, Eugene and Austin, but a lower figure for Boise, where the availability of opera is quite limited.

Data in Figure 9 provide an overall picture of demand, by combining ticket sales for all disciplines. Note that the overall level of demand in Madison is roughly the same as Boise, but lower than figures for Eugene and Austin by a factor of approximately 37%.

Figure 9: Combined Ticket Sales per thousand Adults



So, how does Madison compare? Looking across all of the markets, Austin's figures most closely align with the SPPA's public participation rates, providing figures that mirror the national average. Although Boise is home to several well-known arts organizations (e.g., Trey McIntyre Project, Idaho Shakespeare Festival), the Boise performing arts sector extracts a slightly lower volume of demand than Madison. If the portion of demand attributable to cultural tourism were removed from the analysis (i.e., an unknown portion of Idaho Shakespeare Festival's ticket sales), the figure would be even lower.

Eugene was the wild card in this analysis, particularly because of the high demand that the performing arts sector extracts in such a small market. Again, a significant amount of demand in Eugene can be tied back to the Oregon Bach Festival, a cultural destination event.

The overall picture from this analysis is that demand for performing arts presentations in Madison is competitive with other markets of a similar size and nature. The analysis uncovered no "smoking gun" of under-developed demand, although one could argue that the supply of stage plays in Madison is in particular need of investment and support (i.e., well below the figures observed for Austin and Boise).

This analysis, which is based on ticket sales volume, is heavily affected by the larger organizations that generate a high volume of ticket sales. It is critical to recognize the limitations of the analysis, which does not indicate the vibrancy of these arts communities in terms of the number of small-budget organizations doing important work.

Looking across the four markets, one might conclude that one of the few strategies available to Madison is the establishment of a new, regional or national destination program that brings in new demand from outside the market.

Recall that free public programming was excluded from this analysis. Madison is home to several large-scale free programs (e.g., Kids in the Rotunda Series, Monona Terrace) that numerous arts groups cite as competition for audiences. If one assumes that the level of free programs in Madison is higher than other markets (which we did not set out to measure, and cannot prove), this would make the demand figures even more impressive, since the high level of participation in free programs would theoretically satisfy a certain level of demand for ticketed performances.

Market profiles for each of the comparable markets are included as Appendix B.

3.4 Arts Consumer Survey

An online survey of Madison-area arts consumers was conducted in June 2013 to better understand current patterns of performing arts participation. The survey investigated preferences for different types of music, dance and theatre, barriers to increased attendance, opportunities for increasing participation, and other topics. The survey also included a section on demographics, such as gender, age, and income, as well as affiliation with UW. The protocol was designed by WolfBrown, with input from Webb Management Services and the Performing Arts Study Task Force. We are particularly indebted to David Ahrens for his detailed feedback and helpful suggestions.

Upon finalization, the survey was promoted through two primary channels: 1) an email message was sent to a list of 139 Madison-area performing arts groups with a request to forward an email to their ticket buyer email lists; and 2) through a similar request to community partners (e.g., neighborhood associations, BIDs, etc.) via a message from Mayor Soglin. Several incentives were offered, including a drawing to win a new iPod Touch or tickets to performances by local arts organizations.

The survey was open for approximately two weeks, and yielded the following final sample sizes:

- 2,696 responses were received through arts groups' promotional efforts (we do not know which arts groups sent emails to their patrons, although the Overture Center and Madison Ballet did confirm that they sent the survey invitation to their large lists of patrons);

- 152 responses were received through community partners' efforts.

The two samples were combined and analyzed (unweighted). Results are not scientifically representative of any population, but do represent a large cross-section of arts-going adults in Madison. Results should be considered to be exploratory in nature, and caution should be used in drawing conclusions. Arts groups in Madison were provided with direct access to the survey results through an online dashboard reporting tool developed by WolfBrown.

3.4 Arts Consumer Survey Key Findings

<u>Demographic Overview of the Survey Sample vs. Madison Adults</u>

Similar to most arts audiences, survey respondents skewed heavily female (72%), whereas Madison's general population is basically 50/50. The average age of survey respondents was 51, although roughly 34% of respondents were aged 44 and younger. It is also important to note that this survey was sent to only adults, thus precluding the inclusion of residents aged 18 and younger. According to the Census, Madison's general population is comprised of 53% of adults aged 18-44, a cohort size much more substantial than that of the survey sample. This analysis has led us to conclude that the survey sample is considerably older than the general population, which is consistent with most research on arts audiences in general.

Approximately 56% of survey respondents reported annual household incomes of $75,000 or higher. This compares to a figure of 38% from the 2010 US Census. On average, survey respondents earn a significantly greater amount of money per year than the general population, which makes sense, given that higher incomes are typically correlated with both age and educational attainment. The survey also found that 12% of respondents earn a portion of their income from performing or creating art.

Respondent's ZIP codes were quite varied, however, the most frequently reported responses were:

- 53711 at 15% (Fitchburg/Madison);
- 53705 at 10% (Madison/Shorewood Hills); and,
- 53703 at 8% (Downtown Madison)

Six in ten respondents reported that they had some affiliation with the University of Wisconsin. Thirty seven percent of respondents identified as alums of UW, while 15% identified as staff and 6% as faculty. Only 4% of the survey sample identified as students.

In general, the sample composition represents a typical arts audience – predominately female, mostly aged 45+, and with incomes greater than the general population. While the demographic composition of the survey sample is by no means representative of the general population, nor was it meant to be, it is useful to have a basis of contextual understanding when considering the subsequent analysis.

Arts Organizations Patronized by Survey Respondents

The survey began by asking respondents about their attendance at Madison-area programs in four basic disciplines, Theatre, Dance, Opera/Choral, and Music. The lists of organizations under each of these categories were extensive, undergoing multiple revisions throughout the review process, and were largely intended to be exhaustive. The five most frequently attended programs for each discipline are listed below:

Table 1: Organizations Patronized by Survey Respondents

Indicate which of the following Madison-area programs you have attended at least once in the past two years							
Theatre		Dance		Opera/Choral		Music	
64%	Broadway Shows at Overture Center	26%	Madison Ballet	23%	Madison Opera	37%	Madison Symphony Orchestra
34%	Theatre/Comedy Series at Overture Center	11%	Dance Series at Overture Center	11%	Madison Youth Chorus	19%	Kids in the Rotunda Series
23%	Forward Theatre	9%	Cycropia Aerial Dance	7%	Wisconsin Chamber Choir	19%	Wisconsin Chamber Orchestra
23%	University Theater/UW Madison	9%	Dane Dances!	7%	Madison Savoyards	14%	Monona Terrace
21%	Children's Theatre of Madison	9%	Kanopy Dance Theatre	7%	Madison Chamber Choir	13%	UW School of Music - Student Performances

In considering this table, bear in mind that respondents were able to select multiple programs. Nearly two-thirds of respondents reported that they had attended a Broadway Show at the Overture Center over the past two years, which was the most widely attended program across all of the disciplines. Of course, this is merely a reflection of who received the survey invitation. Since we do not know which organizations invited their ticket buyers to take the survey (beyond Overture and Madison Ballet), we cannot conjecture whether any of these figures hold meaning beyond face value. Organizations whose names appear on one of these lists, but who did not cooperate with the survey, may conclude a high level of overlap with the Overture Center and Ballet ticket buyer lists, although an unknown number of other lists may be in the mix.

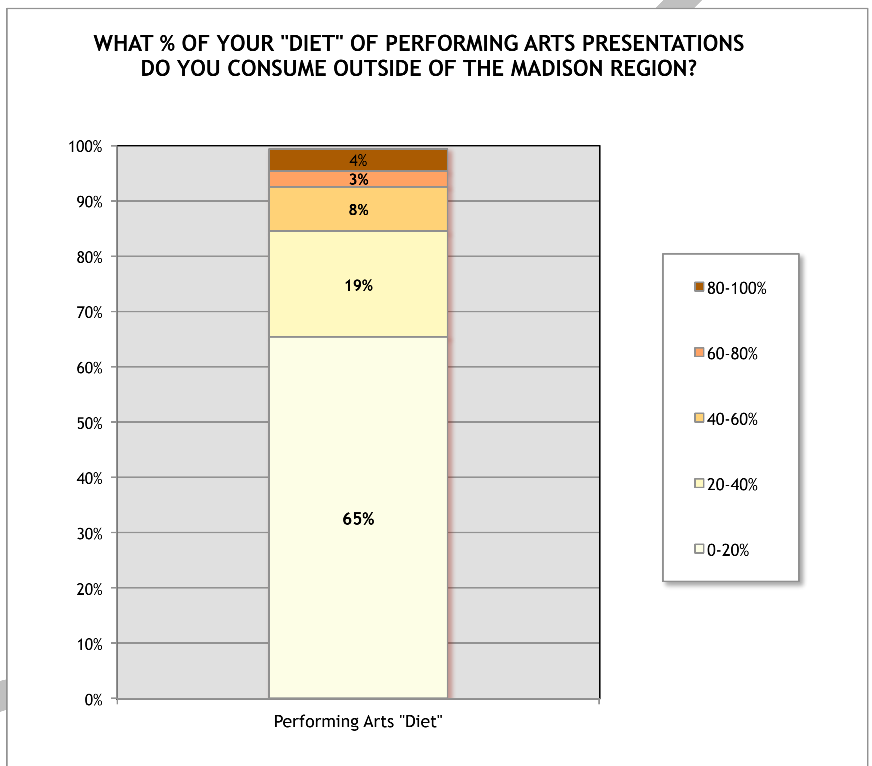
As we saw in the earlier analysis of data from the National Endowment for the Arts' 2008 Survey of Public Participation in the Arts, the participation rate for Musical Theatre (16.7% nationally) is nearly six times the participation rate for Ballet (2.9%). In the survey sample, this ratio is closer to three-to-one. The ratio of Ballet to Opera attendance in the survey sample is much closer to the proportions found in the NEA research.

Excluding the Overture Center from the sample, the most widely attended programs are also from the largest producing organizations for each discipline (i.e., Forward Theatre, Madison Ballet, Madison Opera, and Madison Symphony Orchestra). Due to their size, these organizations are able to provide more public performances.

Proportion of Demand that Exits the Marketplace

One key area of interest was whether Madison arts patrons are exiting the market to seek performing arts presentations in the larger, neighboring markets of Milwaukee and Chicago. Within the past two years, 35% of respondents reported that they have attended an arts performance in Chicago, and 29% in Milwaukee. A more general question was asked about patrons' performing arts "diet," thus providing a better estimate of the breadth of demand that is exported. As seen in Figure 1, 15% of survey respondents consume 40% or more of their "diet" of performing arts presentations outside of the Madison region. A rough calculation based on these figures suggests that survey respondents consume approximately 22% of their "diet" of performing arts programs outside of the Madison marketplace. Countervailing this figure would be the unknown proportion of demand that is "imported" from outside Dane County.

Figure 1: Proportion of Performing Arts Demand that Exits the Marketplace



Social Context Surrounding Attendance

Respondent's reported that they "normally attend live performances" with their spouse/partner (70%) and/or friends (57%). While there seems to be a strong social factor around arts attendance in Madison, which is typical, 21% of respondents reported that they attend by themselves, which is atypically high. Approximately 31% of respondents reported that they attend with their children, illustrating the critical importance of family-oriented programming.

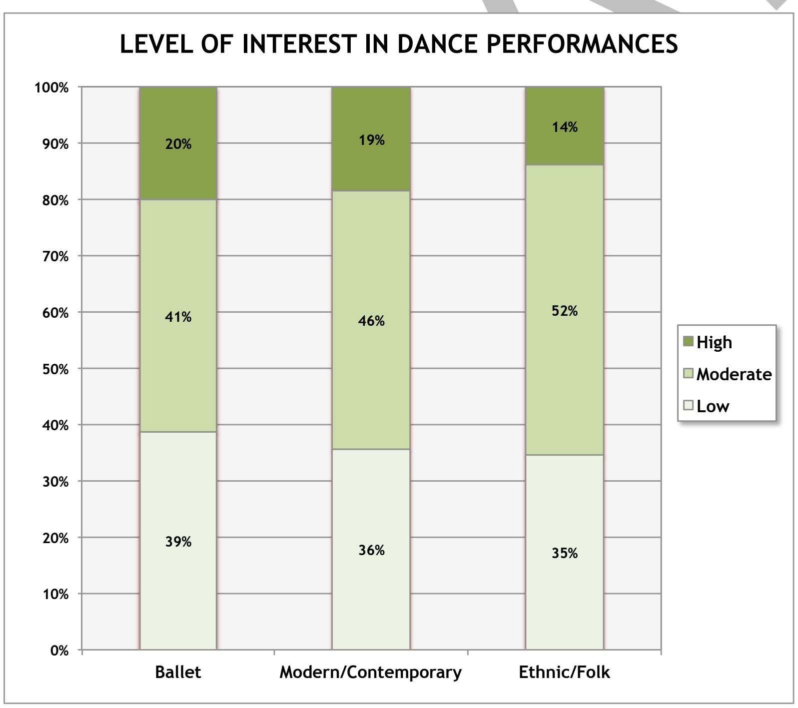
Interest in Buying Ticket Packages or Subscriptions

Six in ten respondents said that they are disinclined to "buy ticket packages or subscriptions to performing arts events," although 59% agree that they "prefer to plan [their] cultural outings far in advance." Interestingly, 54% of patrons reported that they "usually buy the best seats available," suggesting some level of price elasticity, which is consistent with income levels discussed earlier. One would think that if a patron prefers to plan ahead, and typically buys the best seats, that he/she would also have the inclination to purchase subscription packages – but only 40% of respondents reported that they are "inclined" to do so. This merits further investigation. Madison area arts patrons may not be fully aware of the benefits of ticket packages, and how these benefits could align with their lifestyles and preferences (e.g., better seats, planning ahead, etc.). Results may also suggest some level of unfulfilled demand for cross-institutional "sampler" ticket packages. Regardless, there may be some potential growth for subscription sales, given that most ticket packages provide access to premium seats, and offer some flexibility.

<u>Preferences for Types of Music, Theatre and Dance</u>

Preferences for different types of dance, theatre and music were also assessed in the survey protocol. Figure 1 illustrates the level of interest in dance performances, which is rather consistent across all three disciplines, but is still highest for ballet (20% "high"). This might be expected, given who cooperated with the survey. What is more interesting, however, is the relatively broad level of preference reported for "Ethnic/Folk" dance.

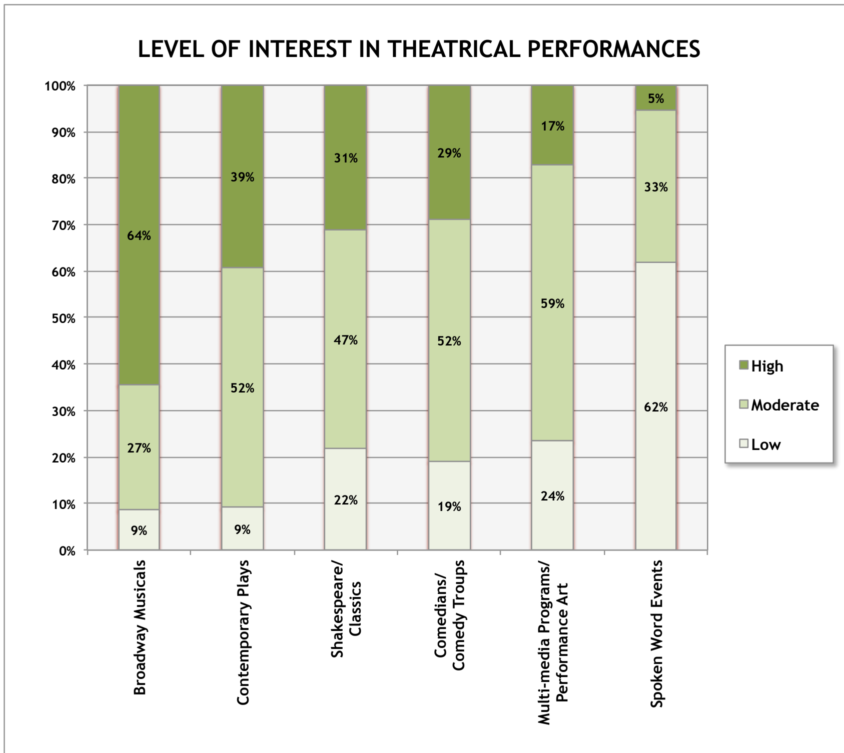
Figure 2: Interest in Three Types of Dance



Interest in Broadway Musicals (64% "high") drives demand in the theatrical market, followed by interest for Contemporary Plays (39%). Note that over 90% of all survey respondents reported at least a "moderate" level of interest in these two types of theatre. It is fascinating to see that preference levels for "Shakespeare/Classics" are equal to those for "Comedians/Comedy

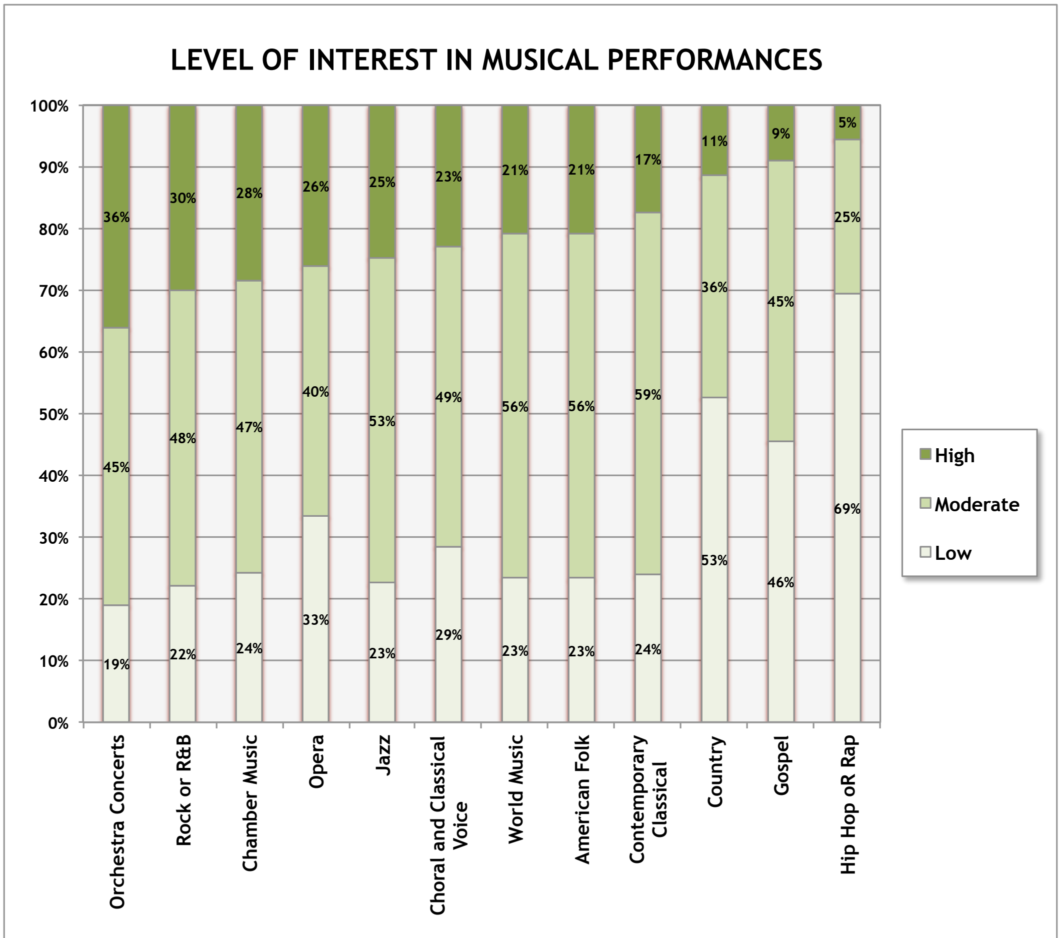
Troupes," while preference levels for spoken word events (which are generally higher amongst urban youth and young adults) are significantly lower.

Figure 3: Interest in Six Types of Theatre



Musical interests are quite eclectic, and led by "Classical Orchestra Concerts" (36% "high"), Rock or R&B (30%), followed by Chamber Music (28%). Preference levels for opera, jazz and vocal music are close behind. Other research suggests that Americans' musical tastes will continue to diversify, driven by demographic and cultural shifts. With a diverse array of musical tastes, there may be room for more programmatic exploration at the intersections of music genres (e.g., pairing classical musicians with rock musicians, etc.).

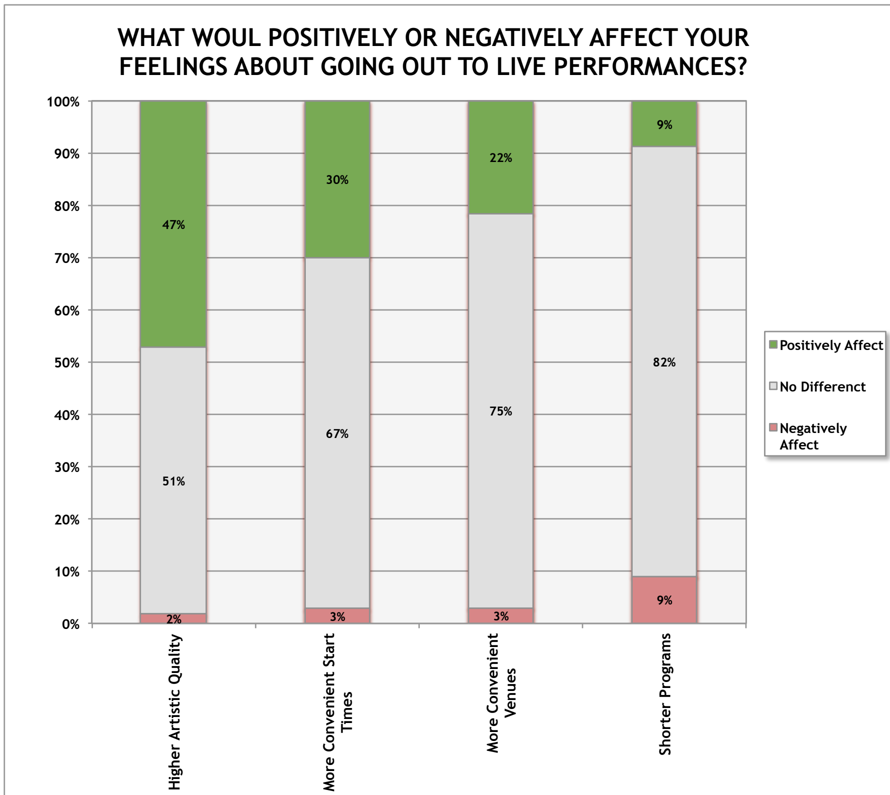
Figure 4: Interest in 12 Genres of Music



Barriers to Increased Attendance

Barriers to increased attendance were another focus of the survey. Respondents were provided with a list of reasons for not attending more often, and asked to indicate the relevancy of each item. At 38%, "cost of tickets" was reported as the top factor preventing patrons from attending more frequently, followed by "too busy and/or difficulty planning ahead" (19%). The survey also inquired about programmatic factors that could either negatively or positively affect a respondent's feelings about attending a live performances. Figure 5 illustrates results for this question. According to survey respondents, two factors would positively impact their feelings about going out to live performances more often: "higher quality offerings" (47%) and "more convenient start times" (30%). This is provocative, and should be the subject of further discussion within the community. One might infer from these results, for example, that investments in the underlying quality of artistic production are required to stimulate additional levels of demand. But simple adjustments in curtain times may also stimulate additional demand. More convenient venues would be a positive factor for one in five respondents, suggesting further exploration of a more decentralized approach to venues.

Figure 5: Factors Influencing Attendance

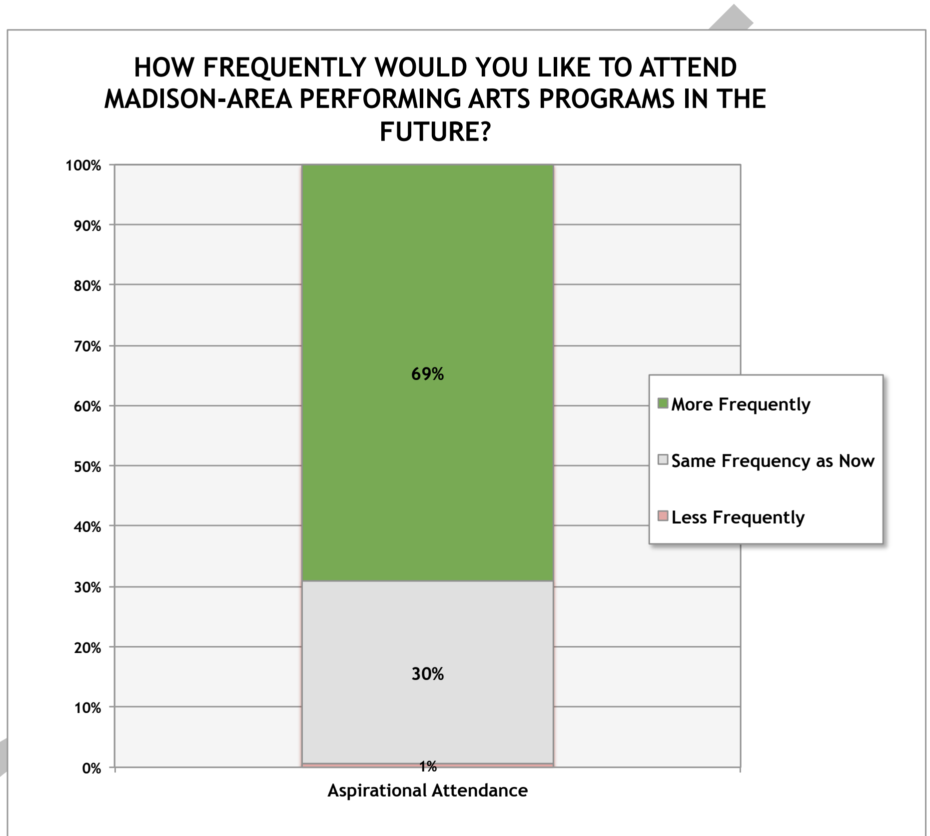


As a follow-up, respondents were asked an open-ended question: "What could Madison's performing arts groups do to make attending the arts more interesting or exciting for you?" Although many of the responses echoed the same sentiments that were already reported (e.g., cost of tickets, more convenient times, etc.), some interesting themes emerged from this qualitative data:

- Visibility – Respondents want better advertising and promotion of performances, as well as general communication about what's going on in the community.
  - "Not much other than getting the word out more. There were groups on the [survey] list of local performers that I didn't know existed, let alone that they give performances. Interest and excitement are not what keeps me from a show – [lack of] free time and [lack of] awareness are what do that."
- More High-Profile Artists and Productions–Respondents are looking for bigger names to incite interest.
  - "Although cost is obviously an issue for the various groups, having world-class artists appear would make a difference. Look at Chicago's offerings, then choose likewise"

Finally, respondents were asked an aspirational question about future attendance. With 69% of arts patrons reporting that they would like to attend "more frequently," Figure 6 illustrates that demand in Madison is not completely exhausted, at least on an aspirational level, and that expansion of demand is possible if barriers can be surmounted. Whether arts groups can afford to surmount these barriers is an open question.

Figure 6: Aspirational Level of Future Attendance



4. facility analysis

Here we review the inventory of spaces being used for live performing arts, in order to understand how venues are being used by organizations and audiences,

4.1 Indoor Performance Facilities

In order to evaluate the landscape of performing arts space, we have developed an inventory of indoor spaces that are dedicated to hosting live performance on an ongoing basis in Madison.

The inventory, included as Appendix C, considers the physical features and types of activity hosted within each space. The condition and functionality of each facility has been rated using 8 variables. These include:

1. Facility condition
2. Staff and support
3. Theatrical functionality
4. Room acoustics
5. Customer amenities
6. Performer amenities
7. Atmosphere and character
8. Suitability for users

Variables are rated on a scale of 1 to 4, higher being best. Building condition and staff and support categories carry the most weight. Some of these facilities have been visited by the consulting team, while most regional ratings are self-reported by facility managers or based on anecdotal information and interview input. Because of that, this exercise is somewhat subjective but provides a good basis for comparison.

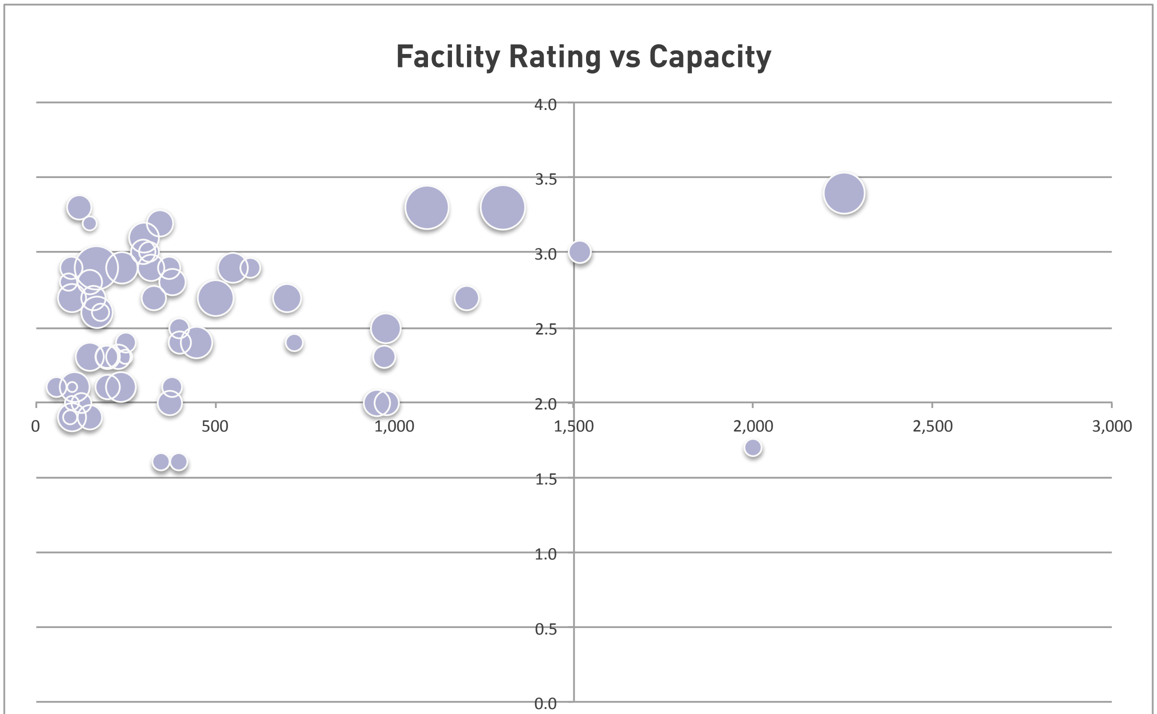
The inventory includes 59 spaces that we classify as performance facilities—effectively hosting live performance on a regular basis (with more than a mic and light.)

- Capacities range from 60 at Atlas Improv Comedy to 10,000+ at Alliant Energy Center
- 20 are classified as university or educational facilities at high schools, Edgewood College or the UW.
- 9 are live music venues, including the Orpheum Theatre, which has potential to accommodate more than live music.
- Survey results and anecdotal research suggested that availability and cost are key issues for most of these facilities including the Overture Center.
- Fly space and orchestra pits exist at the Overture Center, UW and in school facilities.

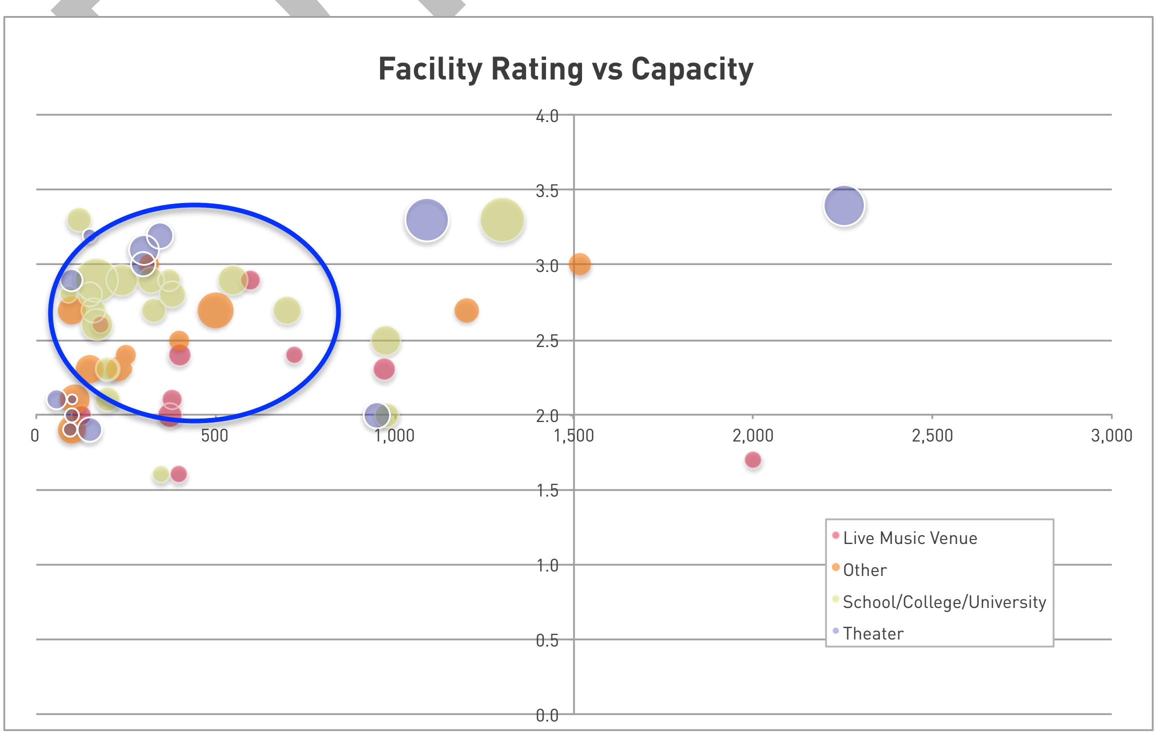
- Few performing arts facilities include amenities that respond to preferences and behavior of today's audiences. Such amenities would include gathering space and food service/café/restaurant.
- The inventory primarily includes spaces that are multi-purpose and multi-disciplinary. It shows the array of activity occurring in spaces throughout the City. More than two-thirds of facilities can be rented by arts and community entities or individuals. Educational programming is a theme—49% of performance facilities accommodate classes and teaching activity. Less than 20% of facilities accommodate dance presenting or producing. Just over 20% provide programming that targets ethnically-specific communities.
- Most venues are traditional in that they do not provide unique features, services or experiences to audiences and arts groups.
- Following is a list of average ratings by category. This suggests that Madison's facilities rate lowest in terms of customer and performing amenities, acoustics and overall theatrical functionality.

Characteristic	Avg rating
Staff and Support	2.86
Atmosphere/Character	2.74
Facility Condition	2.66
Suitability for Users	2.62
Customer Amenities	2.46
Performer Amenities	2.42
Acoustics	2.42
Theatrical Functionality	2.10

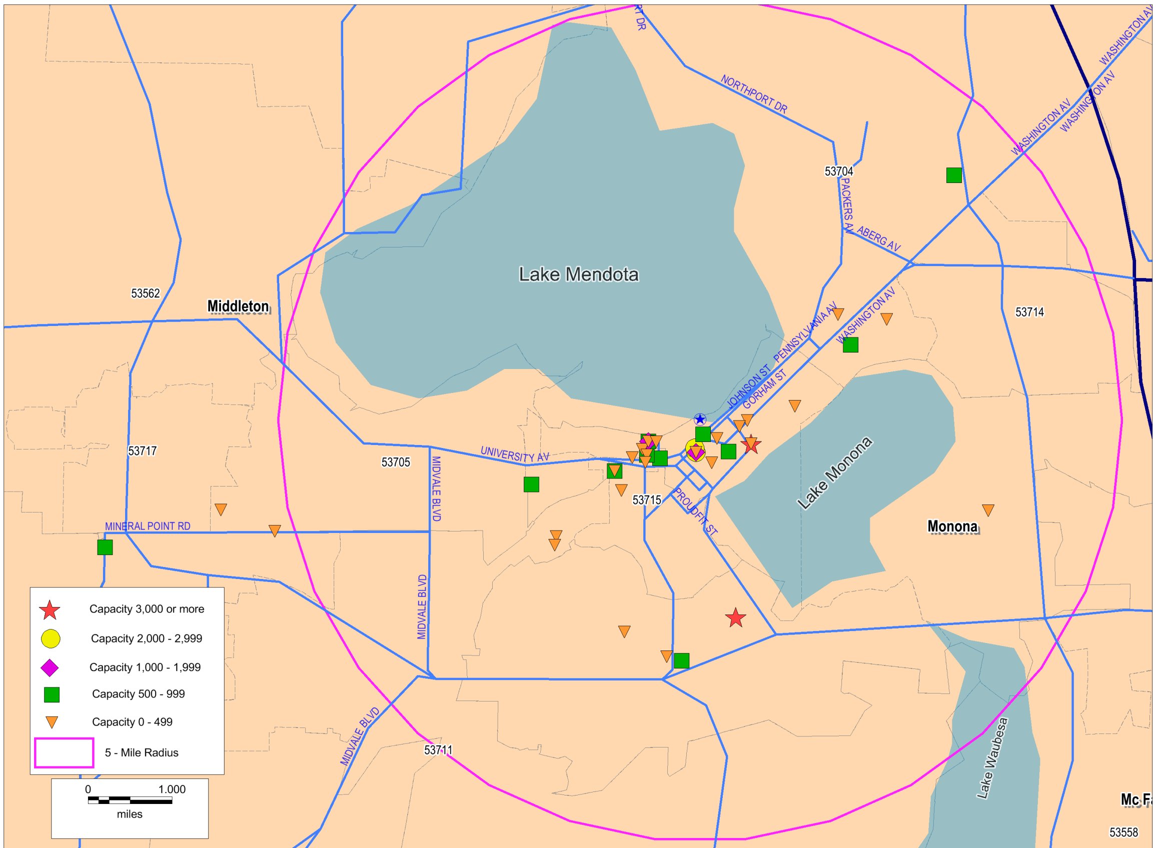
The matrix below compares the seating capacity of each inventoried venue to the overall rating of each facility. The size of the bubble correlates to the number of activity types accommodated in the given space. The chart shows a large concentration of spaces less than 1,000 seats that are of average or slightly below average quality. For the most part, the largest and highest quality spaces are located at the Overture Center.



Further examination of the inventory and matrix indicate that most of Madison's facilities are not readily available to local artists and arts groups. The chart below color codes each facility by type, showing that most facilities between 400 and 1,000 seats are either live music venues, which primarily host touring music groups and lack features for any other performing art, or school auditoria, where academic programs take precedence, leaving minimal availability (and few preferred dates) for independent artists and arts groups.



Finally, the following map shows that these facilities are concentrated downtown, with some activity in outlying neighborhoods.



This analysis focused on facilities that are situated within the City of Madison. It is also important to note that regional spaces are also quite active—and some, such as the Stoughton Opera House—are beginning to actively compete for touring activity given resources, availability and features. Arts organizations and facilities are producing and presenting programming throughout the Madison region in Fitchburg, Oregon, Spring Green and other communities. And, as the demand analysis suggested, audiences are traveling regionally for arts experiences.

4.3 Outdoor Performance Facilities

Madison is known for many outdoor summer events that take place on the square and in local parks and public spaces. Following is a list of outdoor public spaces that most often accommodate performance.

100 Block of State Street
100 Block of King Street
Streets and land surrounding Capitol Square
Olbrich Park + Botanical Gardens
    Great Lawn
University of Wisconsin, Memorial Union,
    Terrace/Der Rathskeller
Demetral Park Shelter
Breese Stevens Field
Orton Park
Garner Park (natural amphitheater)
Capitol Square
Brittingham Park
Elvehjem Park
Elver Park
James Madison Park
Olin Park
Peace (Elizabeth Link) Park
Reindahl Park
Rennebohm Park
Tenney Park
Warner Park and Beach
Vilas (Henry) Park
Meadowood Park
Yahara Place Park
Monona Terrace Roof Top

The City of Madison Parks Department has a portable stage that is very basic and in average condition. The department also has a basic sound system used for their own outdoor events. Both the sound system and the stage cannot be rented out for private events and performances.

With the exceptions of Union Terrace and Olbrich Gardens, which have a small platform stages and some sound equipment, most of these spaces lack infrastructure and features to effectively host live performance. As a result, it is often prohibitive for a local arts group to present or perform outdoors. Stages and equipment must be rented and constructed—only in areas where there is sufficient electrical infrastructure—and arrangements must be made for permits, security, trash collection, concessions and otherwise. Oftentimes the costs to produce events in public areas outweigh the potential receipts and benefits. Many Madisonians drive to Spring Green (American Players Theatre, Shitty Barn) Milwaukee and Chicago for outdoor performing arts and live summer events at amphitheaters and other true outdoor venues.

4.4 Other Performing Arts Space

There are several other types of space that host performing arts activity in Madison.

- *Rehearsal + Production Space:* Rehearsal and production activity occurs across Madison, in commercial space, churches, private homes/garages and otherwise. Madison is home to a number of private and nonprofit dance studios and organizations which have developed space for rehearsal, arts education and other creative development in storefronts, commercial office space (Madison Ballet) and via other adaptive re-use projects around the City. These spaces are basic, large and open with appropriate floor, lighting and basic equipment for rehearsals and classes. Many local groups have expressed a need for quality rehearsal space downtown. Some are working to address it on their own. For example, the Madison Opera developed administrative and rehearsal space downtown.

- *Eating and Drinking Establishments:* A number of restaurants, coffee houses and bars present live music and entertainment on a regular basis. These venues contribute to the local cultural sector and marketplace, providing accessible and affordable performances. Some of the more active music presenters include:

- Froth House
- The Frequency
- Ivory Room Piano Bar
- Club Inferno
- RSR Stage/The Annex
- Segredo
- Redamte Coffee House
- Tofflers Pub & Grill
- The Rigby
- Merchant
- Cardinal Bar
- Harmony Bar & Grill
- The Brink Lounge

- *Churches as Performance Space:* Churches also host performing arts activity. Fountain of Life has developed a new facility specifically for presenting events. First Congregational Church, First United Methodist and Heritage Congregational are also accommodating live performance on a regular basis.

- *Private Homes:* Our interviews indicated a small but growing group of local residents who are hosting house concerts. These gatherings provide performance opportunities for local artists in informal atmospheres with opportunities for social interaction.

4.5 Trends in Cultural Facility Development + Operations

In the national landscape, there is much discussion around changes taking place in audience and visitor behavior, technologies, live performance and more. All of these changes continue to influence a number of trends in facility development and operations, summarized below to provide context for this analysis.

- **Cultural Facilities as Destinations:** The next generation of arts facilities will likely be 24/7 buildings, open all the time with informal programming and an atmosphere that is buzzing and welcoming. One great example is the South Bank Centre in London, home to four orchestras, but also a major destination for strollers, lunch-time crowds and younger crowds meeting and watching and participating in a range of free and low-cost programs.

  While this is less of a shift for visual arts facilities, it is a major shift for performing arts venues that tend to come alive one hour before a performance. New spaces have enlarged lobbies and informal spaces where high quality food and drink are available for sale over expanded periods of time.

- **From Friday Night Lights to Community Living Rooms:** Arts facilities are increasingly functioning as places where people congregate; particularly young people. Young cosmopolitans (Yo-Cos) are turning modern and contemporary cultural institutions into hubs of social activity. Sixty-five percent of all Yo-Cos participated in cultural activities last year, compared to 35% of the general population. This market segment is event-driven, fundamentally social and guided by word of mouth. They are not making plans weeks or even days in advance, so venues must provide the place to meet and things to do—and not particularly buying a ticket for a performance with a start time. New facilities should be more informal and physically attractive too—in the way they are laid-out, decorated and configured. They should be warm, funky and inspirational, rather than cold and institutional. And they should facilitate the interaction of artists and audiences, also allowing audiences and enthusiasts for different cultural genres to cross-pollinate and connect.

- **Facilitating Active Participation:** New facilities must also support a culture of more active audience participation, as documented in "Getting in on the Act," a report by WolfBrown for the James Irvine Foundation, which demonstrates how "arts participation is being redefined as people increasingly choose to engage with art in new, more active and expressive ways."

  In the performing arts world, facilities must facilitate audience and visitor engagement before, during and after the experience, whether it is a performance, a museum visit or otherwise. The list of possibilities includes open rehearsals, political engagement, hands-on training, elevating the patron to critic and even invitations to document an experience.

- **From Cultural Palaces to Cultural Districts:** As Madison well knows, large-scale, indoor, multi-venue cultural facilities are expensive to build and expensive to maintain. Many communities are now encouraging the development of smaller pockets of cultural activity and spaces, which are being woven through the fabric of their communities in such a way that they function as an integral element of the life and future of that place. And the most enlightened large venues are development partnerships with the community-based spaces.

- **Multi-form and Multi-purpose:** Lobbies and public spaces, including galleries, are under the most pressure to serve multiple functions and complicated schedules. And increasing educational and public programming is creating the need for more advanced and flexible teaching classrooms, labs and learning environments. With active boomers moving into retirement, educational spaces for older populations pursuing lifelong learning is as paramount as those needed for school children.

  Cultural facilities are striving to provide more services for audiences, visitors, members and donors, increase earned income and provide events and activities that attract and serve broader communities. These goals are more often achieved by creating spaces that serve multiple functions with diverse technical requirements. Balancing the programmatic and spatial needs for these emerging multi-use spaces is probably the most challenging of the emerging trends. These spaces pose new architectural, technological, security, operational, functional and image challenges as they accommodate activity that ranges from experimental art installations to dance performances to yoga classes to formal dinner events to community meetings.

- **Operation of Multiple Sites:** The issue of feasibility and sustainability of satellite facilities is a complex one. Museums tend to develop additional sites to develop new audiences, provide for activities that require different types of space, or take advantage of out of the box opportunities (for example, a donor that can offer a satellite space at no cost.) Theaters and performing arts centers are programming and operating additional sites to create economics of scale that support operations and deliver programming into communities that are not as likely to visit formal venues often while avoiding the significant capital costs of building new facilities.

4.6 Key Issues

- There is a large disparity in quality and cost between Overture Center and other venues, particularly venues for small organizations. These organizations need access to quality rehearsal and production space in order to develop and present quality work.

- The inventory includes spaces like the Bartell for small amateur arts (though it has some physical issues), and spaces like the Overture Center for larger and established arts groups, but limited mid-size spaces for organizations in between. The Overture Center is out of reach for many and alternatives have limitations in availability, capacity and features.

- Existing facilities and arts activity are centered downtown, which certainly has benefits, but there are other benefits to be realized from ensuring that neighborhoods are activated as well (as noted in the cultural plan.)

- Madison lacks infrastructure and space for outdoor performance. The most frequently used outdoor performance areas are the Wisconsin Union Terrace, Olbrich Botanical Garden and streets and open spaces such as Capitol Square, Breese Stevens Field, Garner Park and other park land. All of these spaces are logistically difficult to use for ticketed performances and most are expensive to outfit.

- Our research suggested that few artists and arts groups are thinking outside of the box when it comes to the utilization, development and operation of space. There are a few exceptions, as some groups consider pooling their resources or coming together to meet their collective needs. For example, Madison Ballet and Madison Youth Choirs share space, and the Madison Opera will provide rehearsal space to Forward Theater.

5. funding scenario

Our last piece of analysis aims to understand the funding situation for the performing arts. Specifically:

- What do levels and sources of earned and contributed income suggest about the health and sustainability of the performing arts sector in Madison?
- Does the current funding scenario and climate suggest a need to develop or augment particular funding sources?
- What do nationwide trends and funding scenarios in comparable communities suggest about funding gaps and priorities in Madison?

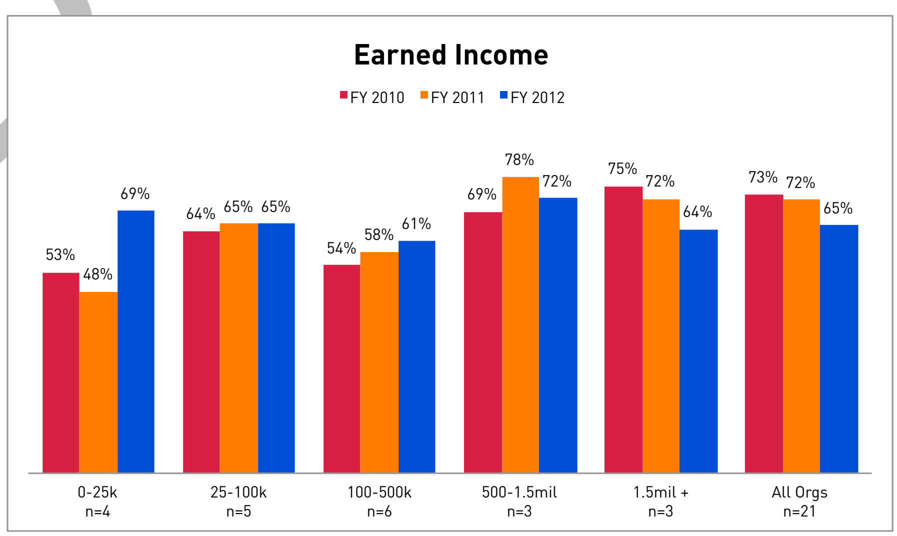
5.1 Funding for Local Arts Organizations

In order to understand existing levels of funding for local arts groups, we developed and issued a request for funding data to 123 local groups. While some data is available via 990 tax returns, these forms do not require contributed income to be broken down into public and private sources such as foundations, corporations and individuals.

The data request asked for three years of income data for both earned and contributed sources. Twenty-one organizations submitted data. One responding organization was recently established and therefore only provided one year of data.

A review and analysis of this data suggested the following.

The proportion of earned revenue is declining for the largest organizations and increasing for the smallest. This is likely because these smallest organizations are not as able to effectively compete (or are not eligible for) for the pool of funding which has shrunk in recent years.



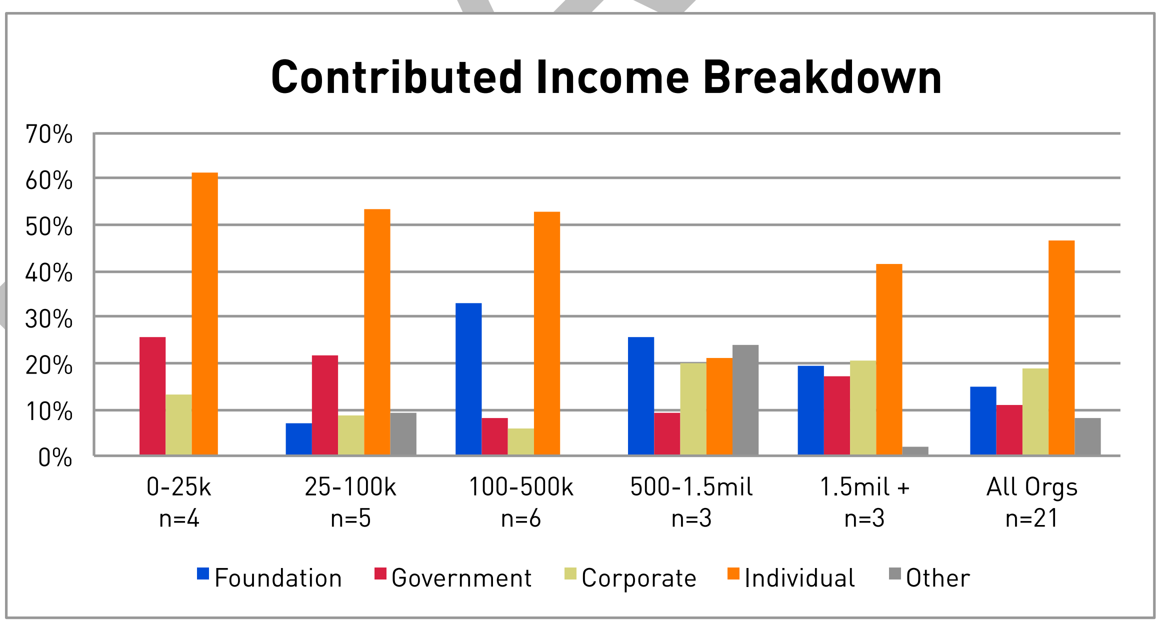
This data also reflects the affects of the recession. In 2010, spending began to increase—and giving began to increase as well, which may also explain why the ratio has changed over the years included here.

Contributed income (dollars raised) increased 22% for responding organizations between 2010 and 2012. This data tells us the following:

- Government funding decreased while foundation funding increased
- Corporate giving is most limited
- Individuals represent a growing income source
- The smallest organizations are raising the highest proportion from individuals—and drawing nothing from foundations. These groups are more entrepreneurial in their approach to fundraising. Interviews and anecdotal information tell us these groups are using crowdsourcing as well as a traditional grassroots approach (pass the hat, etc.)
- Larger organizations are raising contributed income from a variety of sources. Note that data received from one organization skews the largest group given a significant subsidy.

Contributed Income Summary

	Number of Orgs	Contributed Income	Government	Corporate	Foundation	Individual	Other
2010	20	$6,780,322	27.14%	6.44%	15.24%	39.30%	6.85%
2011	20	$7,533,091	14.38%	10.46%	21.99%	40.76%	8.17%
2012	21	$8,265,658	15.08%	11.01%	19.11%	41.94%	8.12%



5.2 Fundraising for the Performing Arts in Comparable Markets

In order to understand how funding levels for the performing arts in Madison compare to levels in comparable market, we collected funding data from five or six key arts groups and facilities in each of the comparable markets used for the demand analysis, including the local symphony orchestra, opera, ballet, largest producing theatre, community performing arts center and other performing arts center (community or university.) Data from IRS Form 990 was used to fill gaps for organizations that did not respond or elect to provide information.

The limitations of the data available did not allow for us to compare sources of contributed income, but we were able to compare total levels of earned and contributed income, as well as government income, ultimately calculating income earned and raised per capita.

Comparable Markets: Funding for Key Organizations + Facilities

	Madison, WI	Boise, ID	Eugene, OR	Austin, TX
Population (20-mile)	508,442	539,379	332,774	1,458,617
Median Income (20-mile)	$49,304	$46,631	$40,416	$56,290
Educational Attainment (20-mile)	45.88%	30.85%	28.09%	42.32%
Total Earned Income	$13,742,776	$4,518,775	$4,538,552	$27,948,722
Total Contributed Income	$7,302,448	$3,506,371	$5,579,461	$10,159,643
% Earned Income	65%	56%	45%	73%
% Contributed Income	35%	44%	55%	27%
Income Earned per Capita	$27.03	$8.38	$13.64	$19.16
Income Raised per Capita	$14.36	$6.50	$16.77	$6.97
Non-Government Income Raised per Capita	$10.48	$6.11	$11.26	$6.49

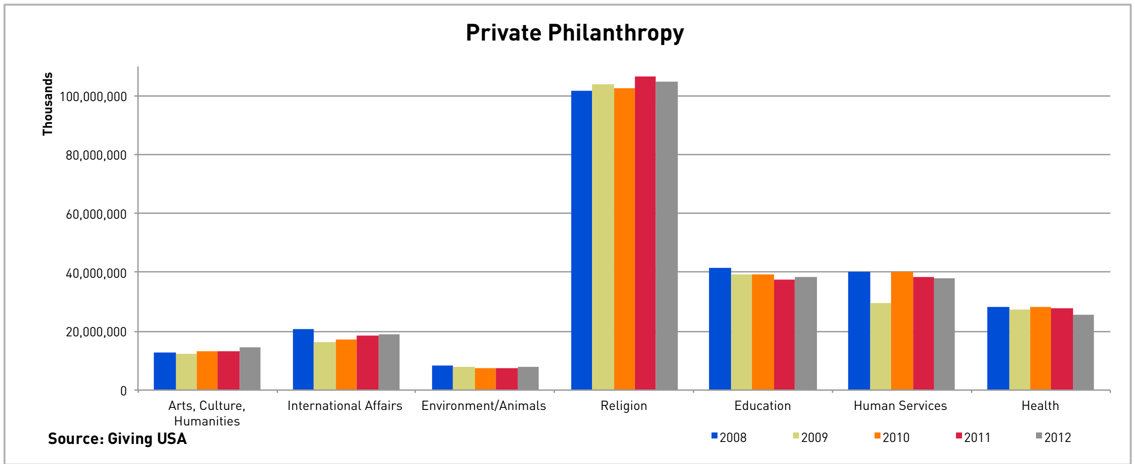
The results, summarized on the chart above, show that Madison organizations are earning more dollars per capita than organizations in any of these comparable markets. Note the Overture Center earns more than 60% of the total earned income for the Madison groups represented here.

Madison performing arts organizations also raise more dollars per capita than two of these markets. The data allows us to separately consider government funding for key performing arts organizations and facilities in each of these markets. If we remove government income from the calculation, key Madison groups are still raising more per capita than Boise and Austin.

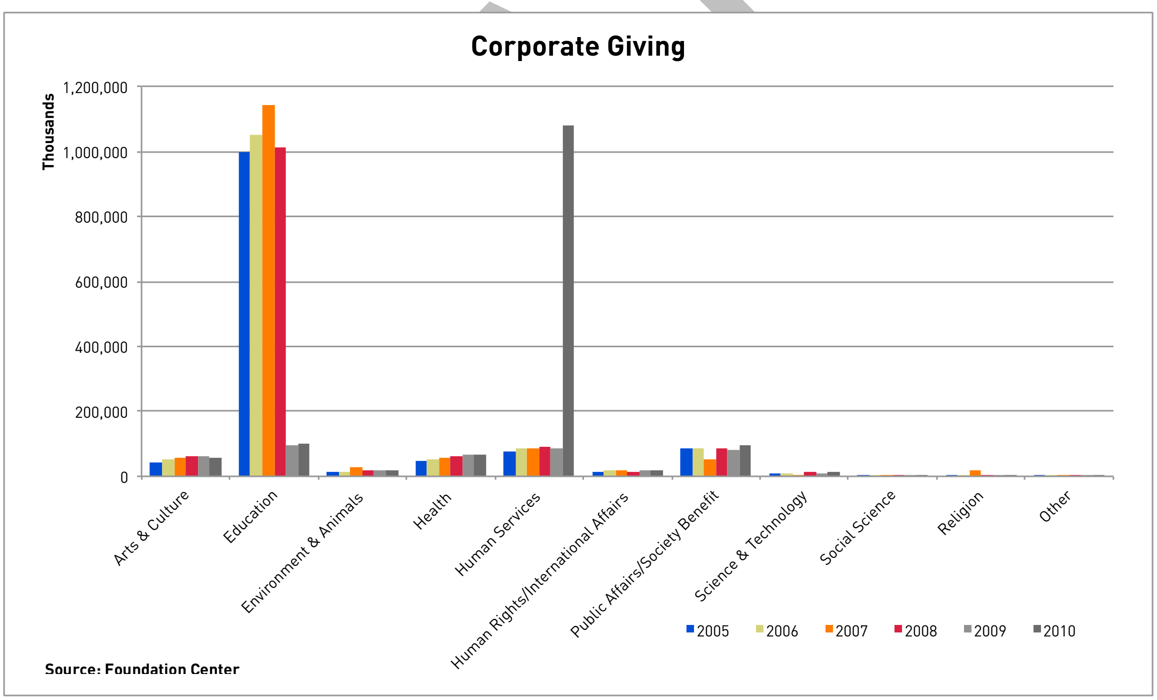
5.3 Trends in Giving in the Arts + Nonprofit Sectors

A variety of sources including Giving USA, the Foundation Center and Grantmakers in the Arts collects and analyzes data that provides context as we consider Madison's funding scenario.

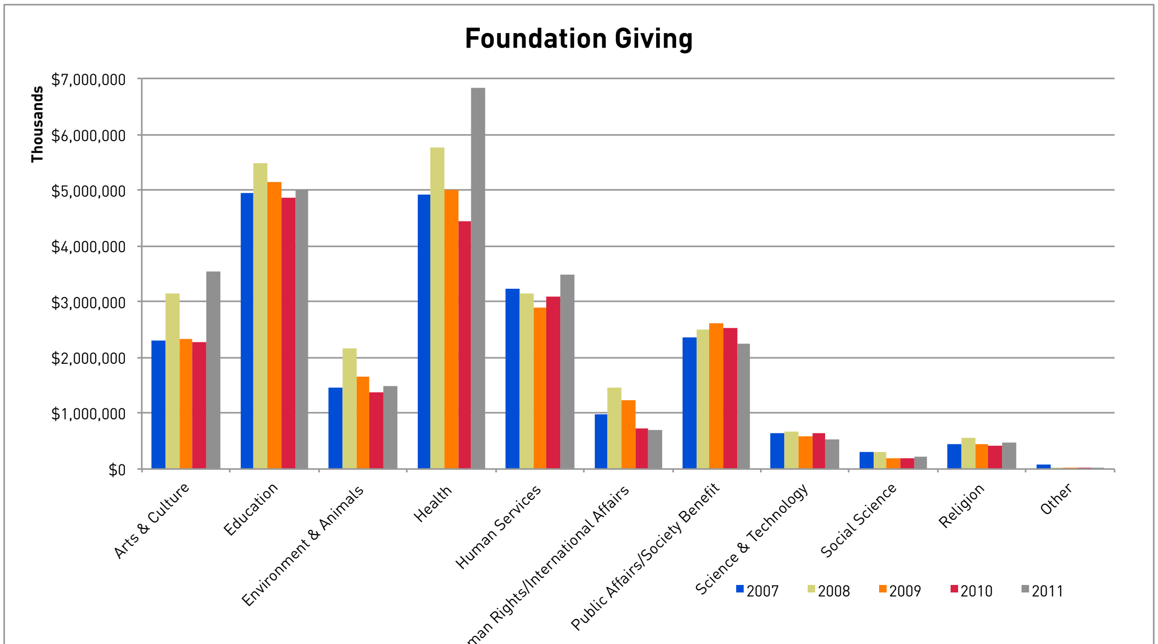
Overall, charitable giving has increased in recent years but by very slight margins (.9% in 2012.) Giving to the arts, culture and humanities fields increased by 4.1%. The amount donated to arts, culture and humanities organizations represents 4% of all charitable giving.



Individual giving has remained relatively flat as well, increasing by 3.9% between 2011 and 2012 or .8% when adjusted for inflation. Religion, education and health and human services continue to garner more private support than arts, culture and humanities.

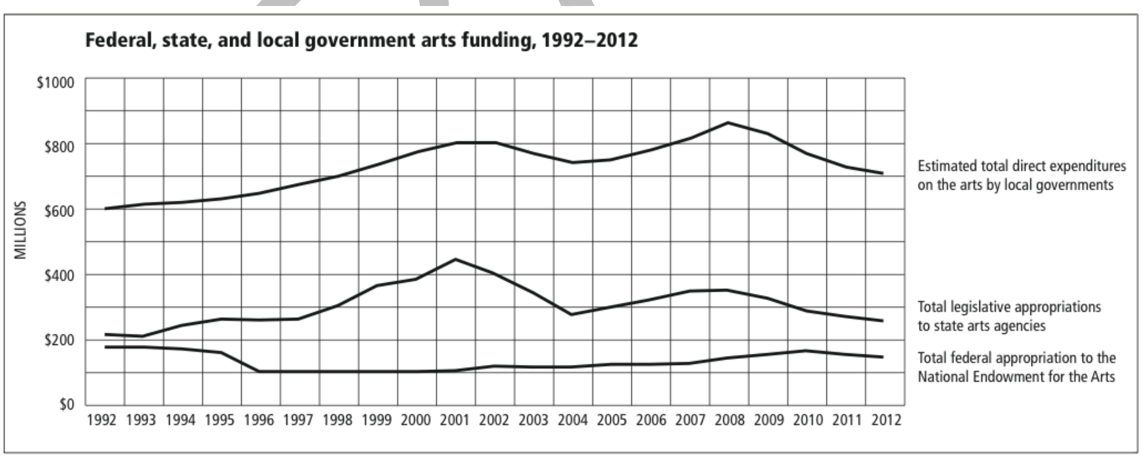


Overall corporate giving decreased by 3.1% when adjusted for inflation in 2012. Corporate giving to arts and culture increased from 2005 to 2009, then declining in 2010.



Source: Foundation Center

Foundation giving to all nonprofits declined by 1.3% in 2012 and people donating to foundations declined by 6.1%. Foundation giving in the arts has been somewhat volatile, with sharp spikes in 2008 (in the height of the recession) and 2011, according to the Foundation Center.



Source: Grantmakers in the Arts

Federal state and local government arts funding have declined over the last few years, with the steepest decrease coming from local government. In Madison, the most significant cuts have been at the state level in recent years. The County provides important grant funds, but has seen a 44% decrease in the amount of funding available for its grants over the last 6 years due to less private funding. The City continues to support the arts through several efforts.

Overall, these national trends and research show decreases in public arts funding and slight increases in private philanthropy, as arts groups continue to rely on individuals in the private sector. Online giving is a particularly important mechanism in that regard. Online giving increased by 8.1% in 2012, 7% of which was raised in the last three months of the year.

5.4 Trends in Fundraising

Arts organizations are responding to these trends in giving by developing new strategies to identify and engage new donors and build a case for support. We've described a few fundraising trends below, which principally focus on engaging individuals—particularly younger adults—through new media.

Enchanced Visual Communications: Organizations are relying more on visual communications such as infographics, short film or interactive web tools to aid in fundraising efforts. They are using data to tell a story, describe a goal and create a call to action for potential donors. Nonprofits that use short films to demonstrate where their donor dollars are going have raised four times the amount of efforts incorporating static photographs. There is a certain science to creating an effective visual. The information must be clear and simple and not focus on too many issues at once. The visual must not only educate, but inspire and showcase the nonprofit's value.

Targeting a Younger Demographic: Contrary to what many believe, young adults are indeed giving. The Chronicle of Philanthropy reported that three of the top five donors of 2012 were under the age of 40. The Chronicle's 2012 Millennial Impact Report indicates that 75% of millennials donated to a nonprofit in 2011 and 63% volunteered. Even still, many organizations are confronted with "brain drain" community development challenges and dealing with newcomers who do not share the history or nostalgia that sometimes motivates people to give back to their hometown. In order to ensure funds stay within their communities, nonprofits have started to court young people who are building wealth in their new hometowns. For instance, Mark Zuckerberg recently pledged $500 million to the Silicon Valley Community Foundation. The establishment of family foundations has become a rising trend on the part of older family members interested in legacy giving. Nonprofits in many communities are just beginning to develop the new generation of philanthropists, engaging them through programming and volunteer opportunities including board placements.

Crowd-sourcing: Within the last couple of years, crowd-sourcing sites such as Kickstarter and Artspire have raised millions of dollars for artist-led projects. Crowd-sourcing demonstrates how every small donation leads to monumental accomplishments for ideas that otherwise may not have been developed. Crowd-sourcing plays to contemporary social habits in a couple of ways. It is convenient—a one stop shop where donors can read about a variety of projects and decide which artistic ventures mean the most to them. This ability to deem what is worthy of funding creates a sense of empowerment. Crowd-sourcing brings together groups of people with the same vested interests, initiating a feeling of community without requiring too much involvement . An example can be found in Rob Thomas, creator of the television series "Veronica Mars, " who wanted to make a film based on the series. He looked to Kickstarter to raise the financing and in less than twelve hours the project had raised the $2 million film budget. All told, he raised $5 million in 30 days.

This style of fundraising also appreciates the value in every dollar, as everyone feels like they can give regardless of the amount. The average Kickstarter donation is $30 and over the last three years 19,000 projects have met their financing goals and secured over $130 million.

Other Social Media and On-line Fundraising: While this is an obvious trend, it bears mentioning, as 70% of donations made by adults ages 20 to 35 are online. Online giving grew 10.7% overall in 2012 and 30% of donations to nonprofits came through social media. The results are effective—nonprofits that share their fundraising goals via social media raise 20% more on average. While social media sites such as Twitter and Facebook have become reliable methods to market initiatives and communicate with supporters, e-mail is still proven to be the most advantageous use of online publicity. E-mail blasts must be brief and only promote a few events at a time. It is best to include video because mobile devise users are more apt to watch and share.

5.5 Key Issues

- Our research suggests that local arts groups are earning high marks in raising and earning income, especially when compared to other markets. The high level of earned income suggests that Madison pays for arts experiences, even in spite of its large number of free events.

- The funding scenario has changed since the Overture Center privatized and now must raise significant operating dollars. In 2011 the Wisconsin Arts Board was folded into the Department of Tourism and its overall budget was shrunk by at least 66%. This, in turn, shrunk the pool of available arts dollars as well as non-monetary resources available to artists and arts groups. Local arts groups and other constituents tell us that the dynamics are continuing to shift given the Overture Center's increasing funding requirement as well as competition with other sectors and large institutions like the UW. Overture may be inspiring some new contributions to the sector, but we must assume that some portion of its contributed income has been reallocated by other funders and donors. To us, these dynamics support Cultural Plan recommendations centered on the need to develop new funding mechanisms.

- Funding trends in Madison mirror national trends, with low corporate support and increasing reliance on individuals. Anecdotally, there is a perception that there are a few key individual funders and fewer arts-friendly businesses. National trends indicate a need to diversify individual giving base, focusing on engaging millenials, Gen X-ers and other young adults. In Madison, some performing arts groups are making progress in these realms, but there is more to be done.

7. conclusions

Here is a summary of our key findings for each of our research topics.

Performing Arts Community
Overall, there is a sense of optimism and productivity in the arts community. While there are critical needs in terms of rehearsal and production facilities, as well as paid opportunities for artists, much of the arts community is encouraged that after more than a decade, discussion and focus seems to be moving away from the Overture Center and instead focusing on the health and vitality of the performing arts sector as a whole.

Not surprisingly, this work has suggested that the Overture Center has impacted the arts community. New large-scale facilities across the country have had both positive and negative impacts on their communities—the overall impact is not consistent from market to market. Our review of the arts community suggests that the thing that differentiates the Overture Center from other local arts organizations is its potential to share skills and resources.

In addition, much more work needs to be done to bring leaders, artists and arts groups together. Throughout this study process, we observed lingering mistrust and heard about historical issues that are hampering the ability of the performing arts community to move ahead. There is also limited capacity in the community and at the City and County levels to develop and implement new policy and programs to address the largest issues. This is critical, as the success of the Cultural Plan and outcomes of this study will be highly dependent on Madison's capacity for implementation.

Performing Arts Audiences
The Madison marketplace is already supporting the performing arts at a reasonably high level. A portion of demand is exported to Milwaukee, Chicago and other markets, but a similar or larger portion of demand is imported from outside of Dane County. Data analyses suggest that expansion of demand may be possible, perhaps by up to 35%. However, this would require rethinking supply and examining potential for significantly new or different programs, venues and formats (e.g., a nationally prominent festival). In turn, this would likely create additional pressure on contributed resources. On the positive side, nearly half of Madison arts lovers aspire to attend more often than they do now. The primary motivator for increased attendance would be "higher artistic quality" – underscoring the need for philanthropic investment in core artistic capacity.

Facilities
As is the case in many communities, Madison's arts community includes a large set of small and amateur arts organizations and a smaller set of large and more active organizations. There are spaces like the Bartell for the smaller groups and Overture Center provides space for other arts groups and users. The facility inventory lacks mid-sized facilities that amateur groups can grow into as they develop and professionalize. In addition, there is no formal, well-equipped outdoor performance space. But, the greatest need identified is for rehearsal and production facilities to support artists and arts groups as they create.

In addition, the majority of existing spaces are centered downtown. There is an opportunity to decentralize activity and to better (and more consistently) animate neighborhoods, building a sense of pride for their residents, encouraging new types of participation, allowing arts groups to more closely engage with their community and potentially providing more affordable space for rehearsal, administration and production if not performance.

Finally, there is a desire and opportunity to better animate existing performing arts spaces. This is also in line with the Cultural Plan recommendations.

Funding

The results of this comparable markets analysis suggest that Madison may be nearing its limit in terms of funding capacity for the arts in today's climate. Madison is earning and raising more dollars per capita than other comparable markets. An increasing reliance on individual donors emphasizes the need to engage and mobilize the next generation of donors, with particular focus on Millenials and Gen-Xers. The launch of a new training program at the UW for future board leaders is encouraging and in the right vein, but much more can be done. Interviews and anecdotal information suggest that there is a sense that more can be done to garner support from the corporate sector as well, though this issue is not unique to Madison.

We look forward to presenting and discussing these findings with the community, where we will work together to develop recommendations to address the needs and issues identified in this report.

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