

Effects of the Economic Recession on the Folk and Traditional Arts: 2008-2009

Comparative Data for California and the Nation

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Everyday, in every community of the United States, folk and traditional artists and the organizations that support them are carrying on artistic practices and cultural heritage that communities value. These artists and traditions feed the collective spirit of our nation, providing vital connections between generations and among diverse cultures, contributing to the cultural and economic wellbeing of countless American communities. But right now, this vital work is threatened.

As the recession deepens, extending its reach globally to every economic sector, leaders working in the folk and traditional arts wanted to take stock of its effects on this field by asking:

How is the recession affecting the lives of individual traditional artists?

And the work of cultural organizations?

What is the breadth of public and private funding cuts in the folk and traditional arts?

What measures are organizations taking to adapt to the economic downturn?

While many people were sharing stories about the effects, it was time to take a more comprehensive snapshot of the folk and traditional arts field through a survey that could provide hard data.

Survey Methodology and Data

An ad hoc volunteer task force, spearheaded by the Alliance for California Traditional Arts (ACTA), the Fund for Folk Culture (FFC), and the National Council for the Traditional Arts, was formed to develop a survey addressing these questions. Staff from the American Folklife Center at the Library of Congress, the Washington State Commission on the Arts Folk & Traditional Arts Program, the Western Folklife Center and independent folklorist Pat Jasper offered additional input as the survey developed. Surale Phillips (Decision Support Partners) and Jerry Yoshitomi (MeaningMatters, LLC) assisted the group in survey design, data processing, tabulation and interpretation of results. The survey was distributed through Survey Monkey, a consumer survey instrument, over the internet. The costs of the survey were shared by ACTA and FFC.

Distribution. The survey was distributed broadly though targeted email listservs and group email lists. State arts agencies were asked to share the survey with their folk arts grantees and individuals were asked to share the survey with their networks. The survey was posted online for a time limited period, from January 31-February 9, 2009. The survey represents the experiences of a broad cross-section of people and organizations involved in the folk and traditional arts at a challenging moment in time. It provides a view of how people and organizations are faring and how they are impacted by the current economic recession.

Who Filled Out the Survey?

Respondents representing 5 key sectors of the field included:

1. Individual traditional artists and ensembles (**44% in California**, 32% nationally)
2. Nonprofit organizations providing folk & traditional arts programs or services (**48% in California**, 49% nationally)
3. Local, State and Federal Government agencies that provide dedicated services and grants to this field (10% nationally)
4. Private Foundations with dedicated folk & traditional arts grantmaking programs (**2% in California**, 1% nationally)
5. Independent folklorists and consultants working in service to the field (**4% in California**, 7% nationally)

Survey Respondents by Type

Type of Respondent	CA Count	CA %	National Count	National %
Nonprofit Organization	90	48.1%	238	48.9%
Individual Artist/Artist Group/Ensemble	83	44.4%	158	32.4%
Independent Contractor (Not an Artist)	7	3.7%	35	7.2%
Foundation	4	2.1%	4	0.8%
Unknown	3	1.6%	3	0.6%
Government Agency	0	0%	49	10.1%
Total	187	100%	487	100%

National Geographic Representation. Nationally, 487 respondents submitted surveys from 44 states and the District of Columbia. 76% of the responses are from 10 states, **with California accounting for 38% (187 respondents)**. The other nine states with the largest response rates are Connecticut (3%), Kentucky (3%), Louisiana (5.5%), New York (10.5%), Pennsylvania (2.5%), South Carolina (5%), Tennessee (3%), Washington (3%) and Wisconsin (2%).

Organizational Staff and Budget Size. Among organizations that responded (including nonprofits, folk arts programs in government agencies, and larger institutions), roughly **64% have budgets of \$100,000 or less** (52% nationally). The vast majority have budgets of \$500,000 or less (**86% in California**, 80% nationally). These percentages correspond with surveys focusing on the folk and traditional arts that have been done over the past decade. Staff size is also small, averaging 3 FTE.

Organization Survey Respondents by Budget Size

Organizational Budget	CA Count	CA %	National Count	National %
Under \$100,000	61	63.5%	157	51.6%
\$100,000-\$499,999	22	22.9%	86	28.4%
\$1 Million and Over	8	8.3%	39	12.8%
\$500,000-\$999,999	5	5.2%	22	6.7%
Total	96	100%	304	100%

KEY FINDINGS

1. *The health of California's living cultural heritage is at risk*—as overall income declines and job loss increases among artists, practitioners, cultural organizations, and funders.

Income Decline

- **73%** (74% nationally) of all respondents reported a decrease in overall income for 2008.
- **84%** (86% nationally) expect overall income to decrease in 2009.

Job Loss

- The field of folk and traditional arts will likely shrink by **10%** (16% nationally).
- Organizations reported **4%** (7% national) loss of full-time jobs in 2008 and expect a **5%** (9% nationally) loss in 2009, due to layoffs and attrition. Nationally, nonprofit organizations with budgets under \$100,000 are experiencing the earliest and greatest losses.

“Our programming has been impacted heavily by a loss of volunteer resources, as more of our support people and artists struggle to keep a day job(s) or justify the time it takes to keep our art going. Some of our core artists, who we pay on a per project basis, have had to leave the Bay Area to survive, moving in with family or friends outside the area. Travel to rehearsals and performances is limited by financial circumstances and available time... if you can't afford the car you can't get to work. The lack of a basic safety net of social services, such as access to affordable health care (or even the now distant dream of a health insurance policy), haunt us all.” –Bay Area Central Asian dance ensemble member

2. The health of California’s living cultural heritage is at risk—as a field already stretched thin becomes increasingly fragile.

Lack of healthy cash reserves

- **38%** (38% nationally) of organization respondents report no cash reserve on hand. Only **12%** (11% nationally) report cash reserves for more than 6 months.

Cash Reserve Status for Organizations

Cash Reserves	Nonprofit Organizations & Gov't Agencies			
	CA (n=69)	CA %	National (n=226)	National %
We do not have cash reserves	26	37.7%	86	38.1%
We have 1-3 month cash reserves	16	23.2%	48	21.2%
We have 4-6 month cash reserves	11	15.9%	26	11.5%
We have more than 6 month cash reserves	8	11.6%	25	11.1%
Don't know	8	11.6%	11.6%	18.1%
Total	69	100%	226	100%

Organization closures

- **8%** (11% nationally) of organization respondents have suspended operations or are considering suspending operations or merging with another organization.

Reduced services, increased needs

- As 91% of folk arts programs at government agencies nationwide are experiencing budget cuts or expect cuts, they are experiencing a sharp *increase in demand* for services as artists and nonprofits struggle. Conversely, artists and independent contractors are experiencing a **50-57%** (65% nationally) *decrease in demand*.

“Members are having a hard time investing time for practice and rehearsals with their small salaries and decrease of performance request and individual donors' supports. It was hard even before and got harder. We traditional artists work daytime to survive and support their families and practice at night and weekends. Achieving our dreams is harder because people consider art as something that you can easily give up. Without art and culture, we lose who we are. My husband and I work even Saturdays and Sundays to make ends meet in addition to our full time jobs during weekdays. It is hard to keep our tradition going.” –Korean American traditional performing arts ensemble

TRADITIONAL ARTISTS, ENSEMBLES AND INDEPENDENT CONTRACTORS

3. *The health of California’s living cultural heritage is at risk—as traditional artists, cultural practitioners and contractors turn to other types of income generating activities.*

- **84%** (82 % nationally) of artists report a decrease in overall income.
- **64%** (65% nationally) report a decrease in demand for services, which represents one of the most important source of income for artists.

“I work as a folk harpist for a mariachi ensemble and as a soloist. I have been cut from gigs recently because the client cannot afford to hire the whole group of 13 musicians. Also, many of our recent performances have not had the turn out we once received because these same audience members choose to save what money they have instead of buying tickets to a show. I also teach harp and guitar lessons where the fees for enrollment have gone up due to a decrease of funding. Many of my students’ families have come into their own financial trouble forcing them to pull their children or themselves out of such programs.” – Mariachi musician

- **34%** (37% nationally) are seeking work outside area of specialty.

“In 2008, I experienced 6 consecutive months of earning less than my minimum expenses of food, shelter and transportation, so I went into debt to pay for food, gas, car repairs etc. During this time I looked for other forms of employment in different fields but after about 50 applications and no employment offers, I figured that my long experience in arts and arts management was considered inadequate to work in other fields. I finally landed a job as a caregiver for \$12/hr which is a sum I have not worked for in about 20 years. There is, however, abundant work in this field so I am working 80-90 hours a week to make ends meet. I have not taught classes in about a year and I only perform about 4 times a month as compared to 12-25 times a month in 2007. I was turning down work in 2007. Now I am not sure I will be able to return to my art.” –Flamenco artist

NONPROFIT SECTOR

Including service organizations, presenters, museums as well as performing arts ensembles, crafts collectives, and organizations devoted to artistic learning and transmission.

4. *The health of California's living cultural heritage is at risk—as income and job loss cause sharp reductions in services and programs.*

- Small budget organizations are struggling. **83%** report decreases in income in 2008, rising to **91%** in 2009.
- Nationally, job losses in small budget organizations have been the most severe, with an estimated loss of over 43% of the work force between 2008 and 2009. Large budget organizations over \$1M are also struggling. **80%** report decreases in income in 2008, rising to **90%** in 2009.
- The top source of income for nonprofits is foundation and corporate grants. **64%** (68% nationally) of organizations report decreases in 2008 grant funding. In 2009, **79%** (83% nationally) of organizations report declines.
- Cost cutting measures by nonprofits are weakening the capacity of organizations with **24%** (25% nationally) reporting reductions in force. **26%** (33% nationally) report reductions in programming.

Recession Impacts 2008	Nonprofit Organizations & Gov't Agencies			
	CA (n=90)	CA %	(n=287)	National %
Reduced general organizational expenses	38	42.2%	155	54.0%
Put expansion on hold	27	30%	86	30.0%
Reduced staff	22	24.4%	71	24.7%
Reduced programming	23	25.6%	94	32.8%
Cost sharing with other organizations	16	17.8%	58	20.2%
Hiring freeze	13	14.4%	76	26.5%
Reduced staff hours	12	13.3%	44	15.7%
Reduced office hours	12	13.3%	29	10.1%
No actions were taken	10	11.1%	31	10.8%
Let go of office/working out of home	6	6.7%	11	3.8%
Considered/will suspend or close organization/area	7	7.8%	20	7.0%
Considered/will merge with other organization	5	5.6%	12	4.2%
Reduced staff benefits	4	4.4%	30	10.5%
Replacing staff with independent contractors	4	4.4%	22	7.7%

“We have fewer performances during the year because people can't pay for the service. We have fewer students because parents have lost their jobs, or have had to cut their hours. Children who came from indigent families are more so. Our scholarship fund no longer exists. We are the only 28 year old tax exempt, non-profit Mexican folklore dance school/performing ensemble in one of California's richest counties (San Mateo) and we receive no City, County or federal government funding. We barely exist on the tuitions we are able to collect and our studio rental just went up; therefore our existence is in danger.” –Ballet folklórico group director

FUNDERS AND STATE GOVERNMENT AGENCIES – National Trends

5. *The health of the nation’s living cultural heritage is at risk—as the support network of funding agencies and intermediary organizations diminishes.*

- As 46 state governments face budget shortfalls, state arts agencies, the primary funding and support resources for many small nonprofits involved in the folk and traditional arts, are facing drastic reductions in funding, staff positions and services. (See *Center on Budget and Policy Priorities*) For several agencies, these cuts are coming on the heels of reductions earlier in the decade. A few states, including Delaware, Florida, Hawaii, Oregon, and Rhode Island, have recent vacancies for state folklorist positions or hiring freezes in place.
- 50% of government and nonprofit survey respondents providing grants and funding support report an average of 18-20% declines in their funding from 2008 to 2009, and a majority expect additional cuts in 2010. 4 of these respondents cite 90-100% cuts.
- The Fund for Folk Culture, the only national nonprofit providing dedicated grant support to the folk and traditional arts (including the Artists Support Program), is closing its doors after 17 years. Four other private foundations providing dedicated regional support for individual folk and traditional artists report declines in their support. One of the four is putting their program on hiatus pending review.

“We are funded solely by grants and contributions and have seen these opportunities severely decreased in recent years. Many of our past funders including Fund for Folk Culture are no longer going to be able to offer assistance. Numerous at risk youth that utilize our programs will be forced to seek assistance elsewhere. The lack of investment in our youth will have a profound negative effect on our entire community.” –Pomo dancer

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