

State of the Arts in the Oak Park – Forest Park – River Forest Area
*Report to Major Funders, including the Village Governments of Oak Park, Forest Park,
and River Forest*

*Report Produced by the Oak Park Area Arts Council
March 1, 2004*

A. Art Program Impacts on Local Communities

In the past ten years considerable research has been published on the contributions of arts organizations to the social and economic health of the communities that support them. Traditionally the arts have been viewed as providing intangible benefits to community life. The quality of life is enhanced for residents of communities that offer a variety of arts performances and presentations to enjoy. It has been long recognized that the arts help bring communities together, by providing activities that attract the participation of individuals of different backgrounds who have a shared artistic interest. Arts activities bind other community organizations together – for example, local churches are often the venue for choral and chamber music presentations, and visual artists find opportunities to teach their craft in local schools.

A study published in 2002 by the Urban Institute surveyed thousands of residents in five diverse cities in the U.S. about their decisions to participate in arts activities, and found that the predominant motivation for arts attendance was social in nature. According to this study, arts activities are important primarily because they connect families and neighbors together in ways no other activity can do.

Reasons Why People Attend Arts and Cultural Programs

Reason for Attendance	Percentage Responding
Socialize with Friends and Family	59%
Support Friends and Family	49%
Support Arts Organization	47%
Experience the High Quality of the Art	42%
Learn About Another Culture	38%
Celebrate Heritage	33%
Join in Religious Ceremony	32%
Learn About Art Form	31%

*Source: Arts & Culture: Community Connections, Christopher Walker, Urban
Institute Cultural Participation Survey*

Recent research has attempted to put some economic dimension to these intangible benefits. A 1999 study by the National Endowment for the Arts showed that direct spending on the arts (admissions, charitable contributions, governmental grants, and museum revenues) constituted nearly 0.25% of the gross domestic product of the U.S.,

which was substantially larger than the contributions from spending on motion pictures or spectator sports.¹

Various cities have studied the impact of the arts on their own communities. Vancouver surveyed visitors to their city throughout 1997, and found that 1/3 of all visitors came to Vancouver to attend a cultural event. These visitors were found to have spent 7.5% more per trip than the average tourist to Vancouver.

A City of Phoenix study of the impact of arts activities determined that “culture is an industry”. Arts organizations support paid employees, purchase supplies from local vendors, contract for a variety of services, acquire assets, maintain important architectural and historical sites, and attract tourists. Tourists, in turn, usually spend at least as much on meals, parking, souvenirs, transportation, and lodging, as they do on attendance fees to arts presentations. The Phoenix study generated conclusions similar to those found in Vancouver’s study on the arts: those who came to Phoenix to attend an arts function spent more than the average visitor.²

More recent academic research is beginning to investigate the risk-return trade-off communities make when supporting the arts. For example, it is well known that a strong school system, excellent housing stock, and public safety rank high as considerations for those considering buying a home in a community. A vibrant arts community is cited as a secondary factor by potential home buyers, but an important consideration none the less for many deciding on the attractiveness of a community. However, the average community must spend millions of dollars yearly to support the local school system, provide for police and fire protection, and maintain streets and utilities. The investment a local government typically makes in its arts community is often measured in the thousands of dollars, usually in the form of grants of support, and its return is substantial compared to other community investments.

Despite the attractiveness of the investment, at least at the federal level government has been antipathetic towards the arts for decades. Writing in 1981, the noted musicologist, composer and performer Abram Chasins described the federal investment in arts as follows:

*Our resources are prodigious. Yet, in the attempt to balance our mountainous budget, we can find billions for the Pentagon, for the oil companies, and for the “Dangerous to Your Health” tobacco industry. But the Department of Education is threatened, as are the National Endowments for the Arts and the Humanities, for politicians do not understand that the arts are not decorations but basic systems of communication.*³

¹ National Endowment for the Arts, *The Arts in the GDP: Consumers Spend \$10.2 Billion on Admission Receipts for Performing Arts Events in 1999*, NEA research Division Note #77 (Washington, D.C. National Endowment for the Arts, 2001)

² *Downtown Phoenix Partnership 2000 Study*, in conjunction with AMS Planning and Research (Phoenix, Arizona, 2000)

³ *Speaking of Pianists*, Abram Chasins, De Capo Press third edition, 1981, p. xi.

With a trend of declining contributions from the National Endowments for the Arts, the arts community has been obliged to obtain alternative funding from corporate, foundation, and private donations, in addition to the traditional membership and ticket sales revenue sources. This has been a blessing in respect to the fact that NEA grants have not only been shrinking in size, but have increasingly been enmeshed in political controversy over the type of art being funded. On the other hand, donations from the private sector can be a very unstable source of revenue, as seen during the recent recession when such funding plunged 50% for some local arts organizations. It is at times such as these when local government is an especially important source of stop-gap funding, and sometimes the only resource able to keep alive worthy arts organizations. While there have been some recent notable cases of drastic cuts in arts funding at the state level⁴, for the most part from the state level on down, local government understands that *the arts are not decorations but basic systems of communication*.

Part of this consistency in support of the arts at the local level may have to do with the fact that a local government's investment in the arts overall is a relatively small part of its budget, since the arts community is largely self-supporting. An enormous amount of volunteer effort is put into community arts activities, and few local arts organizations have permanent or even part-time staff. Where they exist, such individuals are rarely paid at a level of other employees, private or public, with comparable responsibilities. Arts groups often use venues that serve other purposes (like churches, community centers, or even private homes), or they share venues with other arts groups, thereby leveraging their investment in performance facilities. As a consequence, a community investment in the arts tends to go much further than an equal investment in many other public institutions, such as schools or security. In fact, not only is investment in the arts one of the more productive uses of government funds, it is potentially as important as much larger investments in traditional government services. Some studies are beginning to show that a vibrant arts community correlates to long term community health (as measured by tax receipts, increases in property values, reduction in crime rates, etc.) just as well as investments in local schools or municipal services.

The Tri-Village area⁵ is blessed with a wonderful variety of arts organizations which contribute to the health and stability of the area in many of the ways described above. These organizations receive significant support from the three villages in the area, especially the Village of Oak Park, through grants to the Oak Park Area Arts Council (OPAAC), which in turn allocates these funds to applicant organizations through its ArtsFunds program. OPAAC also receives funds from the Illinois Arts Council, and it is one of the few arts councils in Illinois which supplement government grants with grants of its own, generated by its fund raising activities. OPAAC is also unique in that it conducts interviews with the principals of each arts organization applying for money.

⁴ In light of enormous budget deficits, both California and Missouri have eliminated or nearly-eliminated state grants to arts organizations. The State of Illinois has been much more supportive of the arts community, cutting the budget of the Illinois Arts Council by about 2%.

⁵ The references in this report to the Tri-Village area mean the communities of Forest Park, Oak Park, and River Forest, Ill.

OPAAC's permanent staff maintains close relationships with over 30 local arts organizations that regularly apply for funds.

As a conduit of government and other funds to the arts community, OPAAC is in a unique position to monitor the activities and health of these arts organizations, and to report back to the villages, other funders, and the community on its conclusions. This report is intended to up-date local village governments and others on this important social and economic sector, and to describe how the grants given to OPAAC are used to foster a healthy arts community.

B. Programming Description and Financial Condition of the Tri-Village Arts Community

In this section we provide both a programming and financial up-date on all the major local arts programs that have received funding from OPAAC in the past three years. We link these two topics together because arts organizations can only program what their financial resources will allow.

OPAAC has maintained financial records from ArtsFunds applications dating back to 1998. Most of the information given to OPAAC is available publicly, as it consists of audited accounting statements or IRS Form 990 reports required of non-profit organizations with a certain minimum amount of revenue. Some information given to OPAAC is private, consisting of budgets and expenses against these plans; usually the smaller arts organizations rely on this more informal financial reporting. Because of this mix of public and private information, no financial data specific to any one arts organization will be provided in this report. Arts organizations are therefore grouped by commonality of artistic function, since this usually dictates the financial profile of the organization.

Summary Economic Data

First, a word about the accounting categories in the tables which follow. Grants are a particular form of revenue we wish to highlight because they are prone to reduction during recessions, and this has certainly been the case during the recession from 2001-2002. Grants, donations, and charitable contributions are one component of Total Revenue; other elements included in this number are ticket sales, receipts from product sales (CD's, paintings, books, etc.), membership dues, subscription proceeds, and net revenue from charitable benefits. Total Expenses consist of management costs, costs of services provided, fixed expenses such as rental or mortgage costs, and the cost of fund raising. Subtracting Total Expenses from Total Revenue produces Net Income or (Net Loss). All organizations which apply for ArtsFunds must establish their tax-free status, so none of these organizations will have paid federal, state, or local taxes.

Finally, we track a category called Net Assets – a snapshot of an organization's assets minus its liabilities at the end of its fiscal year. This is an important cash or sometimes

fixed asset cushion that an organization relies on for survival during tough economic times.

Most arts organizations operating during the “season” from September to June, and therefore many but not all calculate their fiscal year as ending on June 30. We have presented the data in the tables below from this framework: for example, 6/30/00 – 6/30/01 for the first financial column. However, not all organizations follow this standard, and consequently there is a mixture of overlapping times in these columns that reduces comparability somewhat. For that matter, the numbers in these tables should not be held to a strict accounting standard, not only because the timing may be off from organizations included in the same table, but the way they account for revenues and expenses may not be equal. Despite these caveats, we believe the information provided in these tables is useful to understanding the general size and direction of financial flows for the arts organizations applying for ArtsFunds.

The first table shown below includes 25 arts organizations in our database. A quick look at these numbers shows a peak in grants and revenue in the 2001-2002 season, with a fall-off thereafter. Moreover, collective net income of \$877,974 drops dramatically the next year and turns negative the year after. These numbers need to be treated with caution because they are heavily influenced by the four historical/architectural foundations which have been engaged in property purchases and renovations that distort these summary results. We will explain the financial dynamics of these organizations in a separate table below. For now, we will need to strip out these four organizations from these results to get a more meaningful comparison across the 21 remaining organizations. This is found in Table 2 below.

*Table 1
Financial Summary for All Arts Organizations*

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$1,925,062	\$2,586,041	\$2,404,651
Total Revenue	\$7,763,608	\$8,592,790	\$7,554,885
Total Expenses	\$6,885,634	\$8,502,787	\$8,095,889
Net Income/(Loss)	\$877,974	\$90,003	(\$541,004)
Net Assets	\$8,473,138	\$8,559,870	\$7,149,001

Table 2

All Arts Organizations Less the Historical/Architectural Foundations

Excluded: Hemingway Foundation, Pleasant Home, FL Wright Preservation Trust, Unity Temple

	2000-2001	2001-2002	2002-2003
Grants	\$1,396,942	\$1,161,053	\$1,529,981
Total Revenue	\$2,930,015	\$2,843,304	\$2,938,529
Total Expenses	\$2,633,943	\$3,094,584	\$2,813,601
Net Income/(Loss)	\$296,072	(\$251,280)	\$124,928
Net Assets	\$568,593	\$323,895	\$421,574
Expense Coverage	2.6 months	1.2 months	1.8 months

In this chart the effect of the recession in 2001-2002 stands out more clearly. Grants and other contributions fell by 17% in that year, though ticket and product sales held up reasonably well, so that the overall revenue decline was 3%.⁶ Arts organizations were not able to adjust their expense base quickly enough to cope with the recession, so expenses only really started to fall during the past year. Fortunately, during the latter half of 2002 and the first half of 2003, there was a recovery in grants and other revenues, but the collective profit of \$124,928 had still not reached the net income level of 2000-2001.

One way OPAAC looks at net assets is to see how many months of expense coverage is provided by net assets. For example, in 2000-2001, net assets divided by monthly total expenses produced a 2.6 ratio; in other words, collectively these 21 organizations had a financial cushion sufficient to cover two to three months of expenses. This coverage fell to about five weeks the following year, and moved up to nearly two months' coverage last year. Remembering that net assets can include fixed assets like furniture or computers that only benefit the organization in the event of liquidation, this ratio overstates the financial cushion that exists. These data exemplify the thin line that separates most arts organizations from cash flow problems, if not bankruptcy. Fortunately, as we've noted, most arts organizations have "hidden reserves" in the form of volunteer time and resources and loans from board members. For the most recent 2002-2003 season, the most protected arts organizations have somewhere between 10 – 15 months of expense coverage. The great majority have one or two months coverage, if that, and a few have "negative" coverage in the sense that they have net liabilities.

We turn now to a discussion of these organizations by the type of art they provide.

⁶ It should be noted that if attendance and product sales of the four historical/architectural foundations were included in this calculation, the decline in this category during the recession would have been greater than 3%. That is because these organizations were especially vulnerable to the fall-off in tourism at the end of 2001.

Historical/Architectural Foundations

Table 3

Historical/Architectural Foundations

Included: Hemingway Foundation, Pleasant Home, FL Wright Preservation Trust, Unity Temple

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$528,120	\$1,424,988	\$874,670
Total Revenue	\$4,833,593	\$5,749,486	\$4,616,356
Total Expenses	\$4,251,691	\$5,408,203	\$5,282,288
Net Income/(Loss)	\$581,902	\$341,283	(\$665,932)
Net Assets	\$7,904,545	\$8,235,975	\$6,727,427
Expense Coverage	22.3 months	18.3 months	15.3 months

The four historical/architectural foundations placed in this category are all involved in the maintenance and promotion of their properties. In the case of the Hemingway Foundation, two properties related to Ernest Hemingway's boyhood homes in Oak Park are owned and maintained by the Foundation. The FL Wright Preservation Trust also "owns" two properties, the Home and Studio in Oak Park, and Robie House in Hyde Park.⁷ Unity Temple is an active religious congregation which maintains Wright's masterpiece on Lake Street in Oak Park. Finally, the George Maher property in Oak Park is maintained by the Pleasant Home Foundation.

All of these organizations have raised substantial amounts of money in recent years to rehabilitate properties (such as Robie House), maintain them (as with the Home and Studio and also Pleasant Home), or purchase them on the private market for long term maintenance (the two Hemingway boyhood homes). Fund raising was accomplished during the peak of the economic boom, around 1999 – 2000; you can see in the financial data how these funds worked their way through the accounts during 2001-2002 and are now tapering off. In terms of the accounting, the cash is expensed in the form of leasehold improvements, which are then carried on the balance sheet and depreciated over time. The net assets of these organizations will therefore continue to decline (all other things being equal) as this depreciation process continues.

The effort to maintain historic, architecturally significant property is very substantial. These organizations require highly sophisticated boards of directors and in-house management, with a collective ability to raise large amounts of contributions, understand the artistic and practical challenges of maintenance, and attract tourists to the properties. Of all the arts organizations OPAAC reviews, these four provide the greatest contribution to tourism in the area. While the properties are all located in Oak Park (setting aside Robie House), the entire Tri-Village area benefits from the thousands of tourists who visit these sites.⁸ It behooves local village government to understand the importance of these foundations, as any significant slippage in their ability to manage these properties

⁷ "Ownership" consists of exclusive rights to lease and ultimately purchase these properties from the National Trust.

⁸ The Hemingway boyhood home alone receives 6,000 visitors per year.

properly will have a long term negative effect on the economic stability of an area that is noticeably dependent on tourism.

Fortunately, the boards and management of these foundations are serious about their responsibilities and capable of handling the challenges involved. Of these, the FL Wright Preservation Trust stands out as an exceptional asset for the Tri-Village area. The Trust's fine reputation as a steward of the Frank Lloyd Wright legacy is known world-wide. The two FL Wright properties in the Chicago area are considered among the best-managed properties in the whole National Trust system, and it was a testament to the Preservation Trust that it was chosen to rescue Robie House. The Preservation Trust has the broadest array of revenue sources, and now receives almost half its revenue from retail sales at its sites or through its catalog. This provides long term financial stability, particularly in recent years when tourism nation-wide was affected by the 9/11 tragedy. The other three foundations are not as fortunate in having such a diverse mix of revenue, but they are working to expand their revenue base and mix.

Applied Arts Organizations

*Table 4
Applied Arts Organizations*

Included: Art House, Expressions Graphics, Oak Park Art League

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$21,045	\$19,435	\$24,066
Total Revenue	\$130,395	\$131,279	\$114,245
Total Expenses	\$114,725	\$141,140	\$115,225
Net Income/Loss	\$15,670	(\$9,861)	(\$980)
Net Assets	\$100,683	\$42,151	\$45,335
Expense Coverage	10.5 months	3.6 months	4.7 months

Applied arts organizations typically lease store-front space for their studios/workshops, so rent expense is always a significant issue. Revenue is generated from membership fees and commissions on art sales. Revenue has fallen in the past three years, and only in the 2002-2003 season have expenses been brought back down to the level of revenues. Consequently net assets have declined but now stabilized, though OPAAC would prefer that these organizations have a higher financial cushion than about \$15,000 on average. There is a strong intangible strength to these organizations, however, that needs to be recognized. These groups all attract many volunteers, and the principals themselves make noticeable personal sacrifices to keep their studios open and vibrant.

Art House and Expressions Graphics exemplify the active art scene represented on Harrison Street in Oak Park. There are a multitude of galleries and craft shops covering several blocks along Harrison Street, and other organizations besides those represented in Table 4 above have applied for funds from OPAAC in the past. The Oak Park Art League is located further north in the village, on Chicago Avenue, and has owned its home since 1937 where it hosts art exhibitions and classes. As a property owner, it has

the responsibility of maintaining the long term soundness of its facilities, which entails considerable expense. The board of the Art League is developing a long term fund raising plan in order to raise an endowment of sufficient size.

Choral Societies

Table 5
Choral Societies

Included: Chicago a cappella, OPRF Children’s Chorus, Heritage Chorale, Vox Caelestis

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$92,341	\$101,775	\$124,918
Total Revenue	\$324,861	\$317,964	\$345,173
Total Expenses	\$293,609	\$323,402	\$341,777
Net Income/Loss	\$31,252	(\$5,438)	\$3,396
Net Assets	\$58,256	\$30,836	\$27,603
Expense Coverage	2.4 months	1.1 months	1.0 months

The Tri-Village area has a number of excellent choral groups. Handel Week could be included in this list, since their spring production always includes a large oratorio, but they also provide chamber and orchestral concerts, and are therefore included with the musical organizations below. The First United Methodist Church on Oak Park Avenue produces a yearly sing-along Messiah in conjunction with the MacDowell Artists Association; this production is not included in the table above because the budget is modest and is subsidized by the church. Choral societies tend to have close relationships with area churches, partly because the church venue offers an ideal setting for their concerts, and partly because some of these groups sprung from the church’s choir, or are still affiliated in some way with the choir. For most of these groups, building a large organization with a significant revenue stream and cash cushion is not the goal. Most choral societies appear content to be break-even organizations, relying on the enthusiasm and volunteer efforts of their members to sustain the organization. The exception in the list above is *Chicago a cappella*, which has a national reputation and which has developed a larger organization soliciting government, corporate, and private donations, and raising revenue through benefit dinners.

For all of these groups, the recession of 2001-2002 was a difficult time, with three of the four falling into a net loss. Last year was somewhat better, but the net asset position has still not recovered from the recession.

Theater Groups

Table 6
Theater Groups

Included: Circle Theatre, Oak Park Festival Theatre, Open Door Repertory, Sense of Urgency

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$77,213	\$101,636	\$102,548
Total Revenue	\$327,994	\$312,429	\$388,853
Total Expenses	\$307,985	\$328,804	\$383,065
Net Income/Loss	\$20,009	(\$16,375)	\$5,788
Net Assets	\$22,203	\$1,848	\$21,970
Expense Coverage	0.9 months	0.1 months	0.7 months

Of all the arts organizations reviewed by OPAAC, theater groups have had the most difficulty coping with the recession. Other than opera, live theater is probably one of the most expensive art forms to stage. Rental or mortgage costs are a significant fixed expense given the requirements imposed on the space, and equity actors who often lend a professional polish to the production are more expensive than pure amateur talent. Costuming, lighting, and sound skills can be equally expensive to hire. The Open Door Repertory Theater and Sense of Urgency tackle these problems by limiting their work to “amateur” productions or (in the case of Sense of Urgency) opting not to have a permanent theatrical home and all its attendant costs. They are able to put on high-quality dramas or comedies with a lot of talented, volunteer effort, but this is essential to their on-going success because they have chosen not to build a large, fund-raising style organization.

Oak Park Festival Theatre had the sort of large-scale organization and fund-raising capacity necessary to stage impressive, professional Shakespeare in Austin Gardens during the summer. Somewhere during the past five years the organization lost the scale and revenue capacity to continue to put on professional plays, in part due to some bad luck a few seasons ago when excessive heat and fears of West Nile Virus limited the audience. Festival Theatre has a “product identity” with considerable value, since there is a substantial audience that remembers and can be drawn to Shakespeare in an attractive park setting. Festival Theatre has revamped its board of directors to try to return to its professional standards, and its efforts are aimed at exactly the right place. A committed, enthusiastic board of directors – with the right abilities to procure foundation and corporate donations – is essential for any arts organization which wants to incur the expense associated with professional productions.

From a financial perspective, Circle Theatre in the past five years has been the stand-out success among local theatrical troupes. The recession has not slowed down Circle Theatre’s ability to generate increased amounts of grants and contributions, and ticket sales have improved steadily. This has allowed for a substantial build-up in net assets, and improvements in its theatrical facilities.⁹

⁹ Please note, for the ArtsFunds 2004 process OPAAC received an application from the Village Players Theater, which had been absent from this process for several years. Village Players has put in a place a

Musical and Dance Organizations

Table 7
Musical and Dance Organizations

Included: Chicago Sinfonietta, Handel Week, Steckman Studio, Symphony of OPRF, Momenta

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$978,428	\$688,299	\$1,019,862
Total Revenue	\$1,749,991	\$1,553,671	\$1,622,162
Total Expenses	\$1,507,345	\$1,731,842	\$1,496,254
Net Income/Loss	\$242,646	(\$178,171)	\$125,908
Net Assets	\$229,166	\$48,857	\$152,385
Expense Coverage	1.8 months	0.3 months	1.2 months

The recession hit many, but not all, of the musical and dance organizations particularly hard, and especially in the area of foundation, corporate, and private donations. It took some time for these groups to get expenses down to the new level of revenue. This group specializes in performances of classical music, and within this field there is much debate about the financial effect of “graying audiences”. On one hand, the older audiences that are able to pay the higher prices charged for classical music concerts have the resources to afford these prices. On the other hand, there is a fear that this is a dwindling audience, and that classical music needs to find other areas of support in an increasingly multicultural society.

Chicago Sinfonietta has taken this warning to heart. It is now the premier professional orchestra in the U.S. specializing in classical music performed by musicians of color. From the board to the conductor to the musicians to the programming and finally to the audience, the Sinfonietta features people of color. This has been a powerful attraction for foundation and corporate donations looking for investments in groups that cater to multicultural audiences, and though the recession hurt the Sinfonietta’s fund-raising, it has recovered well in 2003. River Forest remains the Symphony’s Tri-Village home, but it attracts some of Symphony Hall’s most diverse audiences during its concerts in downtown Chicago.

Both the Symphony of Oak Park River Forest and Momenta have also altered their programming dramatically, and have also collaborated to present an attractive combination of symphonic music and dance appealing in particular to children. Momenta recently featured its first ever choreography for dancers in wheelchairs. That this strategy pays off is evident in the increasing sales and cash cushions these two groups enjoy.

new, expanded board of directors, raised a substantial amount of money in order to retire its debt, and re-established professional productions at its theater on Madison Street in Oak Park.

The Steckman Studio has for a long time reached out to students in the community unable to afford traditional music lessons. OPAAC has over the years funded the Studio's projects in this area, which reach students in all three villages and on occasion in Maywood or Chicago.

Handel Week has chosen a particular niche in the world of classical music, presenting chamber, symphonic and non-costume opera performances of the music of Georg Friederich Handel. This is a deliberate attempt to cater to a select audience, and it is working judging by progressive increases in sales during the past few years. Judging also from audience surveys the group has taken, there are people willing to fly into Chicago to see a rare performance of one of Handel's many operas and oratorios. Handel Week is the Tri-Village's direct answer to Evanston's very popular Bach Week, and these two groups collaborate by sharing mailing lists.

Social Programs

*Table 8
Social Programs*

Included: Historical Society, Senior Citizens Center, PING!

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$111,129	\$83,962	\$218,292
Total Revenue	\$187,677	\$248,992	\$299,826
Total Expenses	\$187,176	\$292,220	\$303,553
Net Income/Loss	\$501	(\$43,228)	(\$3,727)
Net Assets	\$100,237	\$125,789	\$119,191
Expense Coverage	6.4 months	5.2 months	4.7 months

Some art is not just for art's sake, but for that of the performers. We have classified groups specializing in this form of art in the category of social programs. OPAAC for a long time has funded a portion of the art program for seniors at the Oak Park Arms, which has provided seniors an opportunity to participate – in some cases for the first time ever – in choral singing or the applied arts. We have also funded PING! almost from its start. This small but effective program provides temporary band and orchestra instruments to students who cannot afford them. It has had a demonstrable – you might even say turn-around affect - on many student's lives. The program has been around long enough that the students who are now in high school or even college tell of the importance that one instrument meant to them and their future.

The Historical Society's projects have tended to relate to the photographic arts and preservation of their valuable collection of 19th century photographs of the area. Also worthy of mention, though not included in the table above because the budgeted amounts are small, is the Art Time program run by Community Support Services. OPAAC funds the fees paid to the artists who donate their Saturday mornings to this program, attended by disabled children throughout the area. Some of these artists have for years devoted

their Saturdays to this program, because the reward of seeing a child who is unable to communicate in usual ways suddenly open up to the world through a drawing or other piece of art they have created is inestimable. There is equal benefit to the parents of the children, because they value these evenings as a time they have to themselves.

For some reason these types of programs are particularly vulnerable to cut-backs during difficult economic times, as can be seen in the 24% drop in grants during 2001-2002. It may be that donors consider grants to groups like these as less meritorious than to those organizations which perform art publicly. OPAAC is concerned that these organizations have not yet bounced back this past year as quickly as some of the other arts groups, and would like to see these organizations collectively return to profitability in 2004.

School Art Programs

*Table 9
School Art Programs*

Included: Bravo!, CAST, District 97 Art Start

	<i>2000-2001</i>	<i>2001-2002</i>	<i>2002-2003</i>
Grants	\$116,786	\$165,946	\$40,295
Total Revenue	\$209,097	\$278,969	\$168,270
Total Expenses	\$223,103	\$277,176	\$173,727
Net Income/Loss	(\$14,006)	\$1,793	(\$5,457)
Net Assets	\$58,048	\$74,414	\$55,090
Expense Coverage	3.1 months	3.2 months	3.8 months

OPAAC has traditionally provided some funding to school art programs that are set up under parent volunteer supervision, with budgets that are primarily funded by the schools but still separate from those of the school district. School funding is often reduced when school budgets are under pressure, as has been the case recently, and collectively these programs have now run close to break-even or at a loss for the past three years. In all cases these are well-managed programs that attract volunteer services from many parents, and clearly there have been students over the years introduced to art as a life-time avocation or even career. Not as well noticed, but important from our perspective in funding these programs, is that they provide meaningful paid work to local artists who love the interaction and teaching opportunities they have with the students.

C. Management and Organizational Issues

Board Direction and Responsibilities

It is OPAAC’s observation that over time, the most critical factor in determining the health and success of an arts organization is its board of directors. Those organizations which display longevity have a board which is self-rejuvenating, and whose members are tied into the local community in important ways. The effort of maintaining an engaged and connected board is taken seriously by these organizations, and in that respect the most important committee of the board is the Nominating Committee, responsible for

seeking candidates to rotate on to the board as others rotate off. Indeed, the best boards work deliberately to rotate people off the board after two to four years service, in order to avoid stagnation and ensure that fresh ideas are brought into board discussions.

Smaller organizations tend to have boards numbering from four to six individuals, with the chairman/presidency often being held by the individual who founded the organization and who serves as a guiding spirit as well as source of enthusiasm for volunteers. This individual has usually poured an extraordinary amount of love and devotion into the organization – and sometimes this has made the difference between success and failure for the group during difficult times. This model of the founder as leader of the organization works well as long as the organization remains small and its mission focused and limited. When success leads the group into other ventures, or when the financial and administrative burdens become more complex (especially when the group begins to solicit corporate or foundation grants, or the board size swells to 15 or more individuals), the founder may not be the person best able to lead the organization. This is a delicate point for the future of the organization – the founder may be reluctant to cede authority to others. OPAAC has noted that those arts organizations which cope best at these moments are those that convince the founder to *institutionalize* their creation by allowing others to carry the leadership burden in the future.

Small or large, all Tri-Village arts organizations are coping with the changing demographic make-up of the villages by soliciting and welcoming minority candidates to their board. Those organizations successful at this task have already displayed a change in focus or programming, which in turn has led to an important broadening and expansion of their audience. Unfortunately, changing the make-up of the board is not an easy task for some organizations. OPAAC's data indicate that on average only 10% of the board members in our data base are minorities; a number of organizations have no such members, while the most successful can have as many as 50% of the board composed of minorities¹⁰. This is a continuing discussion point that the OPAAC staff and the ArtsFunds committee have with applicants for funding.

Performance Venues and Audience

Arts organizations have a number of options for performance venues in the Tri-Village area. In terms of sheer number of performances offered, nothing surpasses the concerts and recitals staged in area churches. Among those churches cited as performance venues were:

- Fair Oaks Presbyterian
- First United Church
- First United Methodist Church
- Grace Episcopal
- Grace Lutheran Church
- St. Catherine/St. Lucy Catholic Church

¹⁰ Most noteworthy in this respect is the minority composition of the board of Chicago Sinfonietta.

- Unity Temple
- Vineyard Church

In addition, colleges, schools, and municipal facilities offer auditoriums or performance space for use as well:

- Brooks Middle School
- Cheney Mansion
- Concordia University
- Dominican University – Lund Auditorium
- Hatch School
- Julian Middle School
- Mohr Community Center
- Nineteenth Century Club
- Oak Park Public Library
- Oak Park River Forest High School

From each applicant, OPAAC receives data on the breakdown of their audience by village. Among all arts organizations, the audience breakdown is:

Table 10
Audience Member's Home Residence
Averages across 25 arts organization audience surveys in 2003

	Oak Park	River Forest	Forest Park	Chicago	Other
Pct. From:	48.1%	10.2%	5.4%	19.9%	23.5%

ArtsFunds applicants provide OPAAC with the results of their audience surveys, usually taken at least once a year. However, they do not provide us with total audience numbers to match against the survey. Consequently, these percentages are averages of all the survey results without weighting by audience size. If it were possible to adjust these percentages by the number of people attending, then there would be larger results for Forest Park residents and for those attending from outside the Chicago area. This is because the Forest Park theater, and the architectural properties in Oak Park, attract much larger crowds than any other arts activities in the Tri-Village Area. For example, of the tens of thousands of individuals who visit the FL Wright Home and Studio or the Hemingway boyhood home, over 80% come from outside the Chicago area. On this basis, OPAAC estimates that over half of all individuals attending an arts function in the Tri-Village area come from outside the area (i.e., from Chicago or beyond).

Business Community Involvement

In reviewing the financial data from arts organizations, it is clear that some of the smaller groups would have difficulty surviving if it weren't for the generosity of local businesses. Time and again one sees on the financial reports of organizations with, for example,

\$20,000 of annual revenue and very little profit, a revenue entry labeled “in-kind” services ranging from \$2,000 to \$5,000. In many cases these goods or services are provided by a local business at a discount from retail or even wholesale cost, and in some cases they are provided free altogether.¹¹ Several years ago OPAAC began inquiring about this nexus between the business and arts communities, by asking applicants to identify those local businesses providing in-kind goods or services, donations, use of facilities, or regular advertising. The total list across all applicants for 2004 grants is overwhelming in number, and therefore included as attachment A. For the record, however, we wish to recognize the businesses mentioned by more than one organization – some of them were cited by three or more different arts organizations as providing important financial support.

OPAAC Honor Roll of Local Businesses Providing Exceptional Support for the Arts

- Ace Hardware (Oak Park and Forest Park)
- Austin Music Center
- Café Winberie
- Community Bank of Oak Park and River Forest
- Barbara’s Bookstore
- Border’s Bookstore
- Dienberg Press
- Dominick’s Food Store
- Domino’s Pizza
- Erik’s Delicatessen
- Forest Park National Bank
- Frame Warehouse
- Garland Flowers
- Hines Lumber
- Jewel Foods
- McDonald’s/Chipotle Restaurants
- Off-Set Press
- Pieritz Brothers
- Pioneer Press
- Premier Realty
- Frank L. Sassetti Accountants
- Val’s Halla
- Wednesday Journal

Given how widespread and important these benefits are to arts organizations, OPAAC initiated last year an annual award to the business most frequently cited among ArtsFunds

¹¹ Just about any business can support the arts. We cite the case of the Forest Home Cemetery, which allows the Oak Park Historical Society to conduct annual gravesite tours of prominent local historical personages.

applicants for their generosity to the arts community. This award is given out at OPAAC's annual meeting in March when ArtsFunds grants are announced.

Summary

Two related words have appeared frequently throughout this report, and best describe the importance of arts organizations: community and communications. Arts organizations are important members of the Tri-Village *community* of government, schools, religious organizations, and business. Arts organizations provide some of the best means by which members of these groups – many of whom may not initially know each other – can *communicate* about what they have in common. This communication takes place not just within villages, but across the three villages and beyond to the Chicago art community. Art provides one of the most potent avenues by which residents in Forest Park, Oak Park, and River Forest can relate to each other.

The grants OPAAC allocates to arts organizations are always received with the deepest gratitude and with a full understanding of the role Tri-Village government, especially Oak Park, has played in making these funds available. It is especially appreciated that these funds are available with some degree of consistency. Arts organizations live in a world of uncertain cash flow, and it is all the more important to them to know that – while nothing is ever assured them from local government or anyone else – in an emergency they can have a conversation with OPAAC about what funds *might* be available. In turn, it is OPAAC's intention, as an "agent" for major funders, including area village governments, to ensure that in its ArtsFunds process the money is used to do what art does best: foster communication and bind our communities closer together.

Appendix A

Tri-Village Businesses Which Support the Arts

Local businesses which provide donations, free or in-kind services, discounts, or regular advertising
Source: 2004 ArtsFunds Applications

Advance Quick Print	FNB of Forest Park	Oak River Cleaners
Alcuin Montessori School	FOB Printing	Office Supplies
Army-Navy Surplus	Forest Home Cemetery	Off-Set Press
Arts Center	Frame Warehouse	Petersen's Restaurant
Austin Music Center	Framehouse	Peterson Funeral
Baird & Warner	Garland Flowers	Pieritz Brothers
Barbara's Bookstore	Giordano's	Pioneer Press
Bead N' Hand	Gloor Realty	Premier Realty
Book Table	Guitar Fan	Printing Store
Border's Bookstore	Helix Camera	R. K. Management
Buzz Café	Hemingway Foundation	Radio Flyer
C. Foster Toys	Hines Lumber	Radio Shack
Café Winerie	Hobby Town	Salvation Army Thrift
Carlson Animal Hospital	House of Heat	Sarah's Inn
Carriage Flower Shop	Irish Shop	Schauers
Charter One Bank	JC Lights	Schereck Designs
Cheney Mansion	Jewel Foods	Smeltekop's
Chicago Parent	Kate's Garden	Spaulding's
Community Bank	Kelly's	Starbuck's
Competitive Foot	Khyber Pass	Starship
Concordia University	Kinko's	Suburban Pet City
Daily Grind	La Majadas	Synthestra Music
De Oro Ceramic Studio	Lake Theatre	Tasty Dog
Deinberg Press	Leona's	Thyme & Honey
Diana Rasche Photography	Lisa Elbright Photog	Todd & Holland
Dominick's Food Store	Mad Potter	Trage Appliances
Domino's Pizza	Mader Roofing	Under the Gingko Tree
Dreschler-Brown Funeral	Marcelles Kitchen	Val's Halla
Economy Shop	McDonald's/Chipotle	Walgreen's
Erik's Delicatessen	Minuteman Press	Wednesday Journal
FL Sassetti Accountants	Molly Malone's	Whole Foods
FL Wright Trust	Moore Design	Write Inn
		Zephyr Cleaners

Appendix B

What is OPAAC?

The **Oak Park Area Arts Council** was formed in 1974 as the Civic Arts Council of Oak Park, by local artists interested in expanding awareness of the arts in the village. As a non-profit organization, it began in 1979 to re-grant funds it received from the Illinois Arts Council. In response to requests from Forest Park and River Forest arts organizations, it expanded its scope of operations to these villages in the 1980's. The first part-time staff member was hired in 1987, and the following year the organization moved into offices at Oak Park Village Hall. It was appointed by the Village of Oak Park as its re-granting agent for funds previously given by the village to arts organizations.

The organization initiated a newsletter and technical assistance programs in the 1980s, and in 1992, in recognition of its expanded scope, it changed its name to the Oak Park Area Arts Council. The re-granting program was named ArtsFunds, and a membership and benefit program were instituted to supplement the grants given on behalf of the Village of Oak Park and the Illinois Arts Council.

Throughout the 1990's additional services were added. Arts breakfasts were begun in order to foster regular communication among arts organizations. Staff levels were increased, and the first African-American board president was named in 1996. This individual was eventually brought on as the Executive Director of OPAAC in 1999. During the 1990's collaboration with other arts councils was increased, and by the end of the decade as much as \$60,000 was being allocated annually through the ArtsFunds process. For the 2003 grant process, a record number of 40 arts organizations submitted applications.

In the past four years of this decade, OPAAC has presented the world premiere of *A Symphony of Place* (celebrating fair housing and diversity in Oak Park), has collaborated with the village of Oak Park on the procurement and placement of public art in the village, has instituted a scholarship program for high school seniors intent on pursuing arts education in college, and has begun an annual benefit program, *Jazzin' Oak Park*. The organization is now guided by a board of directors numbering 20 individuals, and has two full-time staff members.