DATA ON ARTS ORGANIZATIONS: A REVIEW AND NEEDS ASSESSMENT, WITH DESIGN IMPLICATIONS

Deborah Kaple, Lori Morris, Ziggy Rivkin-Fish, and Paul DiMaggio

Center for Arts and Cultural Policy Studies
Princeton University
Department of Sociology
Princeton, New Jersey 08544
Telephone: 609/258-4530

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EXECUTIVE SUMMARY  
The purpose of this project was to describe the data resources on arts organizations that are currently available to inform the efforts of policy makers, arts managers, and researchers working in the arts fields; to assess the kinds of information on arts organizations that such men and women believe they need to do their work more effectively; to examine the extent to which existing resources meet those needs; and to suggest alternative strategies -- subject to the conditions of feasibility, flexibility, and cost-efficiency -- by which data that people want can be collected.

We start with the assumption that only good data are worth collecting. By "good" organizational data, we mean data that are reliable, are comparable across organizations, cover a representative range of organizations in every field, are comparable over time (so that it is possible to study change), measure things that are important to managers and policy makers, and are widely accessible and widely used.

We recommend a three-part system. The centerpiece is a Unified Data Base (UDB) that builds upon lists of arts organizations generated by the IRS 990 and National Standard data bases. The UDB would address the central problems the field now faces: We don't know what the universe of arts organizations looks like; we don't have much information about most of the organizations in it; and we cannot generalize even the information we do have beyond the relatively few organizations that supply it.

The UDB would contain information -- available in the other data bases or easy for arts organizations to supply -- that answers a few key questions about organizations' finances and activities. It would enable researchers to generate highly reliable estimates on time trends in the characteristics about which data are collected; and trends in the creation and demise of different kinds of arts organ-
izations. It would also provide a reliable way for researchers in service organizations and academic institutions to draw representative samples of arts organizations of many kinds for more specialized inquiries.

In addition to the UDB, the broader system we envision would include a continuation and perhaps broadening of the systematic efforts at data collection now undertaken by such service organizations as the American Symphony Orchestra League (ASOL), the Association of Art Museum Directors (AAMD), Opera America, the Theatre Communications Group (TCG), and other service organizations; and selected community-based research efforts, responsive to local conditions and local needs, mounted by coalitions of local service organizations, grantmakers, and arts agencies. Such efforts will draw on the baseline information and the capacity to draw reliable samples that the UDB will provide, but will go beyond the UDB in scope and depth.

**Introduction**

The arts field has been eternally data-poor. The researcher interested in hospital or universities can benefit from decades of systematically collected data useful for assessing change and performance. Advocates for health care reform or federal support of university-based scientific research have reams of statistics upon which to draw to support their arguments. By contrast, researchers and policy makers in the cultural field must piece together information from a dozen sources to make even crude estimates of the dimensions of the nonprofit cultural sector -- its aggregate revenues and expenditures, the number of people it employs, and the size of the audience it serves. Reliable information on how these have changed over time is even scarcer. And, ironically, information about what matters most to people who value the arts -- the things that arts organizations actually *do*, their programmatic contributions to Americans' continuing education and quality of life -- is, with few exceptions, unavailable. The existence of so much activity, supported with so many public and philanthropic dollars, with so little capacity for tracking, assessment, or even identification of the organizational players, is to some extent an anomaly in American public life.
Dissatisfaction with the quality of information on arts organizations pre-dates even New Deal. The Commission on Social Change, appointed by President Hoover to document and summarize the implications of social research for public policy making, included a chapter on the arts, prepared by Frederick Keppel. The committee's chair, William Ogburn, wrote to the Commission's presidential liaison that Keppel "has an exceedingly difficult subject to deal with, one where statistical evidence is extremely rare. I think therefore that not as much can be expected from ... this subject as for others" (Tobin 1995:549).

The 1960s brought renewed interest in arts statistics, and the National Endowment for the Arts has accomplished some real improvements, collecting and making available to researchers reliable data on audiences through the Surveys of Public Participation in the Arts, working with the states to establish the National Standard for Arts Information as a comprehensive grant-reporting system, and collating such data on organizations as are available in the Sourcebook of Arts Statistics. For reliable research on organizational change, however, existing information is inadequate. In 1966, William Baumol and William Bowen reported that assembling the data they needed for their classic study of the economics of the performing arts, Performing Arts: The Economic Dilemma "turned out to be a task of enormous proportions. Seldom were the pertinent data readily available, and investigation showed that such figures as did exist were often unreliable. We had no choice, therefore, but to seek many of the requisite materials from primary materials wherever these could be found" (Baumol and Bowen 1968 [1966]:4-5). Almost thirty years later, in a systematic study of the nonprofit sector, Bowen and his colleagues (1994) wrote of the arts fields: "... it is virtually impossible to find consistent time-series data that extend farther back than the late 1970s or the early 1980s. In the end, we concluded that the only alternative was to assemble the data ourselves."

Existing Sources of Data on Arts Organizations
Of course, many data on arts organizations are currently collected. Our first order of business was to review these data and to evaluate their strengths and
weaknesses. This part of the research focussed upon data collected by the major arts service organizations; and two major sources of information on the arts field as a whole, the IRS 990 (Business Master File) data base, and the National Standard for Arts Information maintained by the National Assembly of State Arts Agencies (NASAA). (We also reviewed more specialized sources of information like the Foundation Center Grants Index and the Census of Service Industries, but do not discuss them in this summary.)

In addition to interviewing and reviewing materials on such data resources, we also conducted an empirical study of arts organizations in three metropolitan areas -- Philadelphia, Dallas-Fort Worth, and Minneapolis-St. Paul -- with the object of, first, compiling as complete as possible a list of professional arts organizations and, second, comparing the effectiveness of different data bases in identifying the organizations that existed. Because of the critical need for a population list that could serve as a sample frame, the inclusiveness and bias of sources are particularly important in considering them as a basis for a unified data base, or in evaluating research based upon them.

In compiling lists, we not only aggregated information from service organizations, the IRS Business Master File, and the National Standard, but also drew heavily on specialized lists provided by local and statewide service organizations and grantmakers, systematic review of the local press, and consultation with expert informants familiar with each place. Because time was limited, we cannot be sure that every eligible organization is included among the more than 600 found in the three areas studied; and we were forced not to include certain organizations -- organizations whose function was limited to the presentation of traveling performances, organizations without full-time equivalent artistic (or curatorial) staff, and organizations in the fields of literature and media arts. But the results of this study are informative nonetheless.

None of the data sources we reviewed meets the standards of policy-relevant information -- technical quality and reliability, comprehensiveness of coverage, comparability across disciplines and over time, and easy accessibility to researchers. The main problems lie not in the quality of the data-collection efforts,
but in the purposes for which they were designed.

**Arts service organizations.** We were impressed by the effort that the major service organizations (except for the American Association of Museums, which is just now developing a program) put into data collection and by the sophistication of the staff with responsibility for these efforts. In particular, the leading service organizations have developed substantial credibility with their membership and substantial expertise in garnering relatively high response rates, in educating respondents to provide reliable information, screening responses for data quality (often by comparing them to information from audited financial statements), and working with respondents to confirm the accuracy of reports after survey instruments are returned.

Most art service organizations routinely collect financial data from their members, with fields for both revenues and expenditures. Some also collect information about organizations' staff structures, especially artistic or technical staff. Fewer collect information about repertoire or other program activities, or about audience size or characteristics. Many attempt to plot change over time in financial information, using panels of organizations that have responded for several consecutive years for this purpose. Some service organizations conduct salary surveys and other specialized inquiries, including flash surveys on topics of particular interest.

Most service organizations publish the results of their surveys in highly aggregated form, and use the information for purposes of advocacy and public education. The primary uses, however, are internal. Most service organizations use the data they collect to assist members who wish to compare themselves to organizations that are comparable in budget and mission or to refer members to other organizations that have faced comparable challenges (for example, expanding exhibition space or maintaining a second stage).

The major problems with service-organization data reflect the purposes for which they are collected. First, Service organizations survey their membership, but their membership tends to consist of only the larger organizations in their fields, either by design (as in the case of AAMD [which surveys former members as well])
or because many of the organizations are very small (TCG or Dance USA). (ASOL is an exception in that its membership is more comprehensive, but response rates from smaller orchestras are considerably lower than from the largest, biasing its coverage in a similar, albeit less serious, way.) Consequently, data from service organizations, while often useful for plotting trends among the larger organizations in each field, provide little or less reliable information about smaller entities. This problem partly reflects the reasonable inclination of organizations to be primarily concerned with their membership; but it also reflects the lack of comprehensive lists of arts organizations that do not belong to such organizations from which samples of nonmembers could be drawn. (Even more serious bias in available information, of course, comes from the fact that some arts organizations don't fit into established disciplines, some disciplines don't have service organizations, and service organizations for other fields don't have the resources to mount serious data-collection efforts)

This bias is evident when we compared the names of arts organizations provided by service organizations to the universe of organizations identified in the three-city study. Only 19 percent of the latter appeared on the service-organization lists (and just 25 percent of those in the disciplines for which lists were available). Coverage varied from place to place, ranging from 10 percent in Dallas-Fort Worth to 36 percent in the Twin Cities. Service organization included 77 percent of organizations with budgets of more than $1 million, 26 percent of those with budgets ranging from $100,000 to $1 million, and 13 percent of organizations whose budgets were smaller or could not be identified. Had service organization lists not been used in the study, 3 percent of the arts organizations in the universe would not have been identified.

Second, many service organizations attempt to create time series to examine trends, especially financial trends, among their members. Some of these programs, like ASOL's, have been long-standing, and the most advanced service organization programs make heroic efforts to maintain panels that permit confident analysis of trends. From the standpoint of the larger research community, such efforts are useful, but flawed. For one thing, organizations included in panels tend to be the
larger ones in the field; but because the panels consist of only some of the large organizations, it is not clear to what population one can generalize trend results. (Bias would be introduced, for example, if organizations that can produce useable data year after year are better managed than those that cannot.) For another, interruption of panels due to drop-outs limits the spans over which trends can be reliably followed. It would be easier to chart trends by sampling organizations in a field year after year, so that one could project results to the same population even if different organizations failed to respond in different years, and most service organizations try to do this by reporting results from their membership data base. But lacking adequate sampling frames, associations have been forced to rely on costly panel studies.

A third dilemma reflect the fact that different service organizations use different definitions of key terms, ask different questions, or ask the same questions in different ways, therefore rendering their data inappropriate for comparing information and trends across disciplines. This reflects the fact that service organizations focus on their own fields, and therefore are quite reasonably unwilling to change questions that have been the basis for establishing long-term within-discipline trends.

Finally, arts service organizations have been reluctant to share their data (in the machine-readable form necessary for further analysis) with outside researchers. (The extent of this reluctance is sometimes disputed, but no service organization routinely archives and documents its data for public use.) This recalcitrance, which greatly reduces the potential payoff of research investments, reflects concern for the confidentiality of the information that their members provide (and with even the appearance of threats to that confidentiality). The problem is exacerbated because most service organizations use the data they collect for technical assistance purposes, including networking and benchmarking, that require them to maintain it in a form in which respondents are easy to identify.

In summary, although some arts service organizations maintain sophisticated programs of data collection, the data they collect do not substitute for an integrated data base because they are biased towards organizations in disciplines
with strong service organizations, biased within disciplines towards organizations that join service organizations, not generalizable to the disciplines as a whole or (taken together) to the arts field, permit only limited conclusions about over-time trends, are unsuitable for comparison across disciplines, and are in most cases quite closely held. Some of these problems (like bias against fields without service organizations) are intrinsic; others (like concerns about confidentiality) are technically solvable, if sufficient inducement were to become available. For still others (representativeness of samples, comparability across disciplines, comprehensiveness of time trends), some form of unified data base is necessary.

Service organizations can make critical contributions to any national data-gathering effort. They have strong track records in surveying many of the organizations in their fields, and their support for such an effort would be useful in gaining the cooperation of their members. Perhaps even more important, their research staff have a wealth of valuable expertise in the operational aspects of surveying arts organizations, especially in anticipating respondent burden and working with organizations to provide reliable data. We recommend that they retain primary responsibility for ongoing research on organizations in the disciplines in which they are active. For all these reasons, they will be important partners in the development of a unified data base.

If the National Endowment for the Arts, or some consortium of public and private agencies, is to develop such a UDB, cost-efficiency will require that it be based upon existing data bases. The two most promising data bases for this purpose are the IRS Business Master File of Form 990 returns from nonprofit organizations; and the National Standard data on organizations receiving grants from state arts agencies.

IRS 990s. Nonprofit organizations that apply for and receive tax-exempt status under Section 501(c)3 of the Internal Revenue Code are required to file Form 990s if they have revenues of more than $25,000 a year. Data on these organizations are included in the IRS Exempt Organizations/Business Master File (BMF).

The BMF (or "990") are of great potential value in assembling a compre-
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A comprehensive list of nonprofit arts organizations precisely because compliance is required, and not voluntary. Even today, no other source collects comparable information from so many nonprofits on such a regular basis. As the only national data base containing financial data (albeit limited information) on nonprofit organizations, the BMF offers unique advantages. It also suffers from certain disadvantages:

First, coverage of very small organizations is incomplete. Except for organizations that file on a voluntary basis, organizations with revenues of $25,000 or less are absent from the annual financial data base, although those that have received tax-exempt status remain in the data base of organization names (often, even if they go out of business).

Second, arts organizations that are part of larger non-arts organizations (like university art museums) do not have separate files. Information for such organizations is aggregated with other information on their parent organizations, and categorized under the parent's main purpose. Non-arts organizations that, like some community organizations or settlement houses and many presenting organizations are nonetheless important arts programmers, are not coded as arts and cultural organizations in the data base.

Third, in the past there have been many cases of misclassification of organizations by area of activity, and defunct organizations have often remained in the data base long after becoming inactive. This problem is likely to be ameliorated due to improved training of IRS field agents and cooperation between IRS and the National Center for Charitable Statistics on refinement of the National Taxonomy of Exempt Entities, which IRS has adopted for use in the BMF beginning in 1996. IRS also includes each organization's Employer Identification Number (EIN) in its file, facilitating merger of IRS data with data from other files employing the EIN.

Despite these problems, BMF data are even now a valuable resource. Forty-nine percent of the organizations located in the three-city study were in the IRS data base (twice the proportion in the National Standard and two and one half times the number found on service organization lists), and almost 10 percent appeared uniquely on the BMF, and therefore would have been missed without this resource.
(Project staff cleaned the IRS list by removing misclassified organizations and those that local informants reported were no longer active.) Perhaps the major strength of the IRS data is their inclusiveness with regard to budget. BMF files were especially useful (compared to National Standard and service-organization data) for those fields with many small organizations, and throughout the performing arts. (Because many of the exhibition spaces in the three cities were parts of organizations that were not museums, IRS picked up fewer organizations in this category.)

National Standard for Arts Information. The National Standard, created by the National Assembly of State Arts Agencies (NASAA) with support from the NEA and administered by NASAA, is a set of terms and conventions used by state arts agencies, regional arts organizations, the NEA, and some local arts agencies to organize and present information about grant activities. The National Standard provides four "information systems": the Constituent List System, the Mailing List System, the Grants Management System, and the Arts Resource Directory System.

State arts agencies report data on their grantmaking annually to NASAA and also use the Standard as a format for grants reporting to the NEA, which mandates inclusion of several Standard fields (the rest being optional and less frequently used). NASAA collates these data into a uniform data set that describes the characteristics and scope of publicly funded arts activities taking place across the nation.

In considering the utility of the National Standard data base as a basis for a UDB, it is important to recognize that it was created to describe grants, not organizations. Nonetheless, in the report of each grant are several NEA-mandated fields describing the recipient agency, including information on the applicant's name, race, state, zip code, status, institution, discipline and congressional district. NASAA readily converts these fields into organization names that can be classified by any of the other fields.

The National Standard has several advantages, not the least of which is 100 percent compliance for federally mandated information. The scope of the data are
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broad, covering approximately 90 percent of all state arts agency grantmaking. Because any organization that applies for a state arts agency grant becomes part of the database, the Standard, unlike the BMF, includes information on organizations that are part of larger entities like universities and nonarts organizations with significant arts programs. Moreover, it does not include defunct arts organizations in its records.

Data quality appears high: Each state and regional arts council employs a grants officer whose chief function is the collection and organization of grantmaking and constituent data. These data are checked and cleaned by NASAA staff, who provide training and technical assistance to respondents. According to National Standard staff, data are reliable and comparable across states and disciplines from 1988 to the present.

The National Standard employs the most sophisticated available system for classifying grant recipients and activities, permitting flexible classification of grants and organizations along a number of dimensions. And it is run by a network of organizations (NASAA and the SAAs) that has accumulated substantial expertise in the collection and use of arts data and that has an established working relationship with the NEA.

At the same time, the National Standard is not perfectly equipped to serve as the basis for the UDB, for it was designed as a data base on grants rather than on organizations. The major weakness, related to this, is the fact that organizations that do not apply for grants from state arts agencies are not included, as a result of which its coverage in any given year is much less complete (though also less biased towards organizations that do only arts programming) than that of the IRS 990s. Moreover, in so far as the types of organizations applying to state arts agencies varies from state to state, a list generated from National Standard data will have regional or state-level bias. (This may be particularly problematic in disciplines in which only some states offer grants, or where criteria of eligibility differ).

The National Standard included just over one quarter of the organizations identified in the Three-Cities Project -- more than the service organization lists, but just over one half the number that the BMF 990 data base yielded. In fact, of 369
organizations that were identified through the National Standard or the BMF, more than half were uniquely found in the latter, compared to less than 10 percent in the Standard. What this means is that if one currently had to choose just one data set as the basis for creating an inclusive list of arts organizations, the BMF would be far superior to the Standard, especially if resources were available to cleanse the former of defunct or misclassified organizations.

Like the BMF, the inclusiveness of the National Standard varied from place to place, including more than one third of the Philadelphia organizations and less than 20 percent of those in Dallas/Fort Worth. The Standard appears to be considerably more biased towards large organizations than is the IRS data, with coverage monotonically rising with budget category (from 11 percent of organizations with revenues under $25,000 to 62 percent of those with budgets greater than $1 million).

**Local and statewide data sources.** The Three-City study also pooled lists from local and statewide grantmakers, service organizations, and arts agencies, as well as lists compiled from review of the local press. Local listings were more effective in identifying organizations that any of the national sources. (Press notices sampled monthly referred to almost 80 percent of the arts organizations, while locally compiled listings covered nearly two of every three.) Indeed, more than one in four organizations in our three cities would not have been identified at all had project staff relied only on national and statewide lists. By contrast, using local and statewide lists without consulting service organizations, the National Standard, or IRS would have missed only one in eight of the arts organizations we found. Clearly, then, local community studies can aspire to much higher levels of inclusivity, with less response bias, than studies relying solely on national sources.

Local sources varied in inclusiveness from place to place. Where local service organizations' lists included suburban counties, as in the Twin Cities, such sources were much more complete than when we had information only on the central city, as in Philadelphia. Local press coverage and, especially, locally compiled listings were less biased towards larger organizations than data from service organizations or the National Standard, although some size bias was noted.
Critical dilemmas. Once they entered the field with instructions to identify every "professional" arts organization, projects staff encountered a variety of dilemmas with which any effort to collect data on an inclusive sample of arts organizations must come to terms.

--- It is difficult to find arts producers that operate informally without benefit of incorporation as 501(c)3 nonprofits. In dance, for example, choreographers may assemble performing companies around themselves with or without formal incorporation.

-- We did not include performing-arts presenting organizations that did not also produce artistic work, because such organizations are extremely numerous and were in many cases difficult to identify and, onced identified, to classify as to purpose and degree of professionalism. This was a significant omission that a more ambitious study would have to remedy.

-- It is difficult to identify organizations within organizations, or to know what to do with them once they are identified. An arts center may have a dance program, theatre program, and music program, with shared support staff but separate program directors. Is it one "arts organization," or three?

-- It is sometimes difficult to tell if an arts organization is "active" or not, at least within the likely budgetary constraints of a national research effort. are more often comatose.

-- Operating budget levels are particularly difficult to determine for organizations that are part of larger organizations. In some cases, financial information is available only for the parent organizations, in other cases in-kind transfers from parent to "child" are impossible to establish.

-- Tapping into arts activities associated with particular ethnic or racial communities poses special problems, as such activities may be sponsored by "non-arts" community organizations that do little media advertising. Such activities may also be particularly likely to be sponsored by presenting organizations on an occasional basis.

-- The line between nonprofit and commercial activity poses certain problems. Although we excluded commercial galleries, although many members of
the public use them in the same way that they use public exhibitions. At first, we excluded corporate galleries from our listings because they were "for-profit," but we eventually included those that are open to the public. We found much more classical-music than jazz activity, but that was partly because we failed to include nightclubs and other commercial jazz presenters in our lists. Clearly, a more thorough inventory of arts activity would have to transcend the often (but not always) artificial distinction between for-profit and nonprofit cultural institutions.

-- We included only "professional" arts organizations in our populations, but it was difficult to define "professional." We settled for including organizations that employed at least one full-time equivalent artist or curator; but this definition may lead to overestimating activity in art forms prosperous enough to pay wages, and underestimating in forms in which skilled artists of serious intent work for at least part of their career on a voluntary basis, or "pay-when-able" basis.

Existing Data: Usage and Needs Assessment

The project team undertook an assessment of needs for data in the arts fields by interviewing sixty-two data users, including staff of public arts agencies and private foundations, staff of arts service organizations, university-based researchers, and arts consultants. There are both differences and similarities in the kinds of data different types of informants use (or would like to have available) and the ways that they use it. The commonalities provide the basis for collaboration around common systems, whereas the diversity sets limits on the capacity of any single system to satisfy user needs, and highlights the importance of flexibility in whatever system is created.

Data usage. The men and women with whom we spoke use data in many different ways, which can be categorized along two separate dimensions. The first refers to the frame of mind in which data are interpreted, and ranges from disinterested inquiry to frank advocacy for a particular point of view. Within this range we find the grantmaker seeking to identify the organizations that best meet his agency's guidelines; or the foundation program officer who has identified a clear mission, but uses information to develop the best strategy for pursuing it; the academic
researcher testing well-conceived hypotheses; or the service-organization executive consulting survey results to identify the kinds of organizations that can most benefit from a workshop she is developing.

The second dimension refers to scope of the problem that data are asked to address. The poles of this dimension are defined, on the one hand, by the grant-maker using an interim report to see if a performing company has whittled down its deficit as it had said it would when it applied for a grant; and, on the other, by the public arts agency or national foundation seeking to develop a program to boost attendance nationally in all of the arts. Again, most users fall in between, using information on organizations in a particular arts discipline or geographic community to develop programs that will assist constituent organizations or enhance the quality of a metropolitan area's cultural life.

Most people, of course, use data for different purposes at different times. One foundation staff member alone listed the following ways in which he used information on arts organizations: "as support material" in presentations to trustees of new program initiatives; "to make decisions about grants," "to shape program guidelines," to compare the giving patterns of his foundation to those of its peers, to decide "whether to get in to a field or get out of a field," and simply to monitor a changing environment -- "to try to stay abreast of what is going on." Others in the foundation sector use arts-organization data for "evaluative evidence of accomplishment in relation to the goals that they themselves have set for the grant that they are seeking." Others mentioned such things as "to try to make some sense of why some organizations are much more stable than others, and what the relationship is between them." Although much day-to-day use of data by foundation staff is oriented to immediate local problems and decisions, informants also noted the importance of aggregate data in permitting them to place their grantees' problems in national context, and distinguish between ailing organizations and healthy organizations trying to function under adverse conditions.

If grantmakers span the range between local and general use with an emphasis on the former, academic researchers tend to use data to attain an overview of some discipline or larger field. Some academic researchers are
interested in policy or management issues, for example, the organizational culture of symphony orchestras, or the economic survival of dance companies. Others focus on questions that emerge from disciplinary paradigms -- e.g., do nonprofit organizations deviate from economic "rationality" or do patterns of "resource dependence" shape arts organization's programming? Although some employ data on arts organizations simply because it is conveniently at hand, most university-based arts researchers combine genuine interest in and concern for the health of the arts with a concern for broader intellectual puzzles that motivate other scholars in their field. Many write up their research in two forms -- a technical version for a journal in their discipline and a more accessible version for the arts public.

Although many consultants have academic training, their purposes are usually linked to concrete short-term objectives, such as advising a client on a particular decision or preparing an intervention in a public policy debate. One researcher, for example, worked with an organization to help them "articulate the values that characterize alternative grassroots cultural work ... and to improve the public policy climate for this kind of work." Another reporting using arts data in work as an instructor in arts management courses and in-service executive training for arts administrators.

Like their foundation counterparts, staff members of public arts agencies use arts data for program development and planning and to maintain an overview of the fields their agencies support. Financial data is particularly important for these purposes, though many are interested in information about audiences as well. Many policy makers also use data on arts organizations to identify opportunities to influence their fields. Other public-sector grantmakers are particularly concerned with understanding the impact of their own grantmaking. Unlike many private grantmakers, whose programs are often highly focussed, arts agencies tend to give small grants to many organizations for many purposes. Consequently their application and grants files may contain a wide sample of arts organizations in the state or metropolitan region in which they are active. Many arts agencies use such information to identify "areas of specific need" as a basis for program development.
Almost all grantmakers, public and private, report an interest in monitoring trends in public and private support. And many of them are interested, as well, in trends in public participation in the arts -- both aggregate and by subgroup -- to explore the relationship between grantmaking, availability, and demand for cultural participation. To achieve these ends, our informants report using, or wishing that they had available, many different kinds of data.

*The data people need.* Existing data systems provide much data that people use in their day to day work, but only a portion of the data people say they need. In particular, much information that respondents described as important falls between the cracks of the various domains for which service organizations and government initiatives take responsibility.

Three criticisms of current practices emerged repeatedly:

ØØØ Data currently collected leave out too much, focusing predominantly upon the financial condition of established cultural institutions to the relative exclusion of almost everything else. As a consequence, we know little about many things that are critical to our nation's artistic life.

ØØØ The practice of reporting data in gross aggregates obscures too much detail, especially geographic detail, that would be useful in interpreting trends. Given the expense of collecting data, reporting is too often superficial, and information is too rarely available for secondary analysis.

ØØØ Data often take too long to reach their users -- although some data are collected and reported annually, results of many studies take years to appear, and may be outdated by the time they reach the public.

A number of respondents mentioned how useful it would be to have an up-to-date, clean listing of all nonprofit arts organizations. One viewed the absence of fundamental information "about the arts infrastructure" as typical of broader neglect of all kinds of infrastructure in the contemporary United States.

Many respondents spoke of the need for more information about arts organizations that focus especially upon Latino, Native American, Asian-American or
African-American communities and cultures. As one of our respondents put it, "This information is very important in a discussion about improving support for minority arts organizations and, I think it's going to become really critical because a lot of effort is going to be placed, if it isn't already, on increasing individual donors' support for arts organizations." Others noted the paucity of information on community-focussed arts organizations more generally (except for data collected by the National Assembly of Local Arts Agencies), and the absence of comprehensive data on arts and cultural programs sponsored by community-based organizations of other kinds.

A number of respondents spoke of the need for more well-conceived case studies of arts organizations and their relations with their environments. Others called for well-focussed studies of small sets of comparable institutions that combine the advantages of case-study and quantitative research. Several respondents noted lack of data on the role of volunteers in arts organizations.

A major priority for many or our informants was financial data that are comparable across organizations, across disciplines, and across time. While grantmakers and service-organization staff expressed particular (although by no means exclusive) interest in financial data, academics more frequently called for additional data on arts organizations' activities and productions, noting the importance of learning what organizations do as well as what they spend or earn.

Simply maintaining comprehensive lists of active arts organizations from year to year, perhaps with a few data elements like size and mission, would be invaluable, some respondents told us. Such lists would make it possible to study organizational stability and to compile essential demographic information on the "vital rates" -- death rates for existing organizations, and birth rates of new ones -- that have a profound impact on the overall topography of the arts.

Many respondents expressed an interest in more information on participation in the arts and many urged that data on audiences to be integrated more closely with data on organizations, in order to learn about the relationship between an organization's characteristics and programming and the composition of its audiences, and so we can relate audience attitudes and reactions to the services
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Respondents of all kinds expressed frustration with the quality of available data. Often their objections emphasized such technical deficiencies as comparability, reliability, and completeness. But many expressed a broader dissatisfaction, less easy to articulate, that the data elements available to them failed to capture what is crucial about the fields with which they worked. "We do not know the landscape on the most basic level," reported one foundation person. "We don't have the most basic material." He felt that for a broader view one needed to go beyond statistics to use the tools of "the interpretive social sciences, those social sciences don't give you just fact and figures, they try to find the meaning; we don't have a lot of that in arts and culture."

Others called for routine collection of data that speak to the motives and missions of arts organizations and the people who work in them -- for example, data on "people's expressions of their interests and convictions" that could inform the development of programs of action. Some called for historical studies employing narrative, as well as statistical techniques. In addition to more conventional time-trend studies that linked financial data on arts organizations over a decade or more, they called for qualitative profiles of the development of art forms, based on information from a wide range of sources.

Many people called for more high-quality case studies that would reveal information about the organizational dynamics behind exceptional performance or failure. One experienced consultant called attention to the special value of case studies in communicating research lessons to people in the arts fields. "I have a feeling that [quantitative] data, the kind of data that I love, is not something that is widely understood in the non-profit sector," she said. On the other hand, she finds that her clients respond well to narratives that make the same points she might otherwise make with numbers.

One theme in many conversations was the need to look beyond conventionally structured "arts organizations" to find all of the organizational venues in which the arts are being practiced. A second, related, theme was the need to focus on relationships among arts organizations and other community
institutions -- what one informant referred to as the "cultural ecology" of the arts and communities. Several informants spoke of the importance of integrating statistical information in a way that facilitates a richer understanding of the interaction between arts system and local environments, for example, collecting data on arts organizations’ cooperative relationships with their communities' public schools and other local organizations.

**Criticisms of currently available sources.** Respondents had many particular criticisms of existing sources of data. Many people complained of the lack of comparability among different data sources. As one respondent put it, "we are getting apples, oranges, grapes, bananas..." Most of the researchers we spoke with would agree with the informant who complained, "You have to make yourself an expert in each data set and then get all of the qualifications on it. So, in effect you end up writing twenty pages of the qualification and explanation of the data set, and maybe you can write ten pages of what you can come out with from it."

Many researchers with whom we spoke are skeptical of the reliability of much data on arts organizations, especial financial information. Changes in financial reporting systems and turnover of staff responsible for information systems and of outside accountants are cited as particular problems.

Others complained of incomplete coverage and response bias. Response rates in surveys of arts organizations are often low, often below the levels necessary for minimal confidence in generalizations emerging from research. Moreover, few reports describe systematic tests for response bias (i.e., comparisons of respondents to nonrespondents on variables that are publicly available such as location, discipline, and in many cases mission or size). Where response rates are acceptably high, as in some of the service organization's surveys of their members, many researchers complain that only a limited range of organizations -- often the larger, more established institutions or only organizations in certain disciplines.

Grantmakers, policy makers and researchers who are concerned about organizations closely associated with particular communities of color find this problem particularly vexing. Although some such organizations are well established, many believe that such organizations tend to be small, unconventional
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in form, and less likely to affiliate with disciplinary service organizations than other organizations. Moreover, some respondents who work closely with minority arts organizations believe that managers of such organizations are less likely to consider it worth their while to respond to surveys. Many respondents agree that such organizations, and other small arts organizations, especially in rural or inner-city areas, are not included in service-organization data sources, either because they are too small to join, their programs do not fall squarely into any disciplinary pigeonhole, or they are legally part of a larger nonprofit that is not identified as an "arts organization."

A few respondents believed that much research on arts organizations is culturally biased in the very questions it includes, reflecting grantmakers' desires to "professionalize administration, or to improve the living standards of artists" or other goals that "many alternative organizations are not in a position to achieve." Others argue that organizations that conduct surveys don't know how to reach organizations in Latino and other minority communities and therefore underrepresent them.

Still other respondents identified two problems in the manner in which the results of arts research reach the public. The first is the lapse of time between data collection and publication, so that much information is perceived as stale by the time it is released. The second is the ways in which data are communicated, either in reports too technical for most practitioners to understand, or in simple tabulations too general for researchers to find informative. Ironically, researchers grumble that their work is ignored while research consumers grouse that research results are unavailable.

Several researchers complained that secrecy and suspicion frequently hindered their research. One consultant complained of difficulty in getting other researchers to share data, and a number of researchers complained of service organizations that are "very secretive" and play "their cards awfully close to the vest." Others complained about the failure of the NEA to use the National Standard in its own grants reporting and to code or otherwise utilize systematically the information in its program files.
Attitudes towards a unified data base. Many, but not all, of our respondents favored the development of a unified data base as a means of providing essential comparative information and breaking down perceived parochialism within the arts disciplines. Many believed that unified data would provide a necessary tool to advocates to use in efforts to persuade legislators that the arts need public support.

Other respondents questioned the purpose or feasibility of unified data collection, expressing skepticism about its cost and potential contribution. Some questioned whether a data base is a sound investment in the current economic and political climate. Several respondents voiced concern about whether such a system would cover adequately the kinds of organizations -- small, community-based, minority, mixed-discipline, artistically cutting-edge, or combinations of these types -- they feel are too often left out of the samples from which data are already collected.

Many respondents, however, felt that developing such a system could help to place the arts in a broader cultural framework, demonstrating the richness and complexity of America's multifaceted culture. The importance of including organizations outside the established disciplines and organizational structures was a constant theme in these interviews. One researcher mentioned the importance of gathering data on the financial structure and growth trajectories of community-based organizations. Several researchers mentioned the importance of capturing organizations active in fields that lack strong service organizations and well-defined institutional identities, like the folk arts and gospel music. Others argued that any data collection system must focus upon artistic activity, whether or not that activity is conducted in and through formal organizations, if it is to accurately portray the place of the arts in American life.

Data as a Public Good
The demand for more and better data on arts organizations is substantial and clearly articulated. Why then have such data been so hard to come by for so long? Why has the arts field produced so much less information than its members demand?

We suggest that the problem is a special case of a more general dilemma
common to many fields: the provision of satisfactory levels of public or collective goods. Collective goods -- of which lighthouses, clean air, good highways, and national defense are frequently cited examples -- have two characteristics. The first is "inseparability in production" -- if large percentages of people don't all make contributions to the effort (for example, by completing a questionnaire), the product (for example, a high-quality, representative data base) will not be produced. The second is "nonexcludability in consumption" -- once the good exists, it is impossible, or at least impractical, to keep "free riders" who didn't help out in its creation from benefitting from it. (Even people who don't mail back their questionnaires can use publicly available data bases, and if public arts agencies or private grantmakers make better decisions based on the information, everyone benefits from it.)

People are often tempted not to contribute to the production of public goods like data bases. They recognize that their own small contribution will not make or break the effort. If they doubt that others will send back their questionnaires, they may reason that the attempt will fail no matter what they do. And if they think others will cooperate, then they may simply "free ride" on the work of others.

To overcome the problem of collective action, fields must rely on some combination of coercion, persuasion, and selective inducements. Arts data systems now rely on all three: coercion, in the case of the IRS 990s; selective inducements, in the case of the National Standard and a few others systems that make eligibility for grants contingent upon provision of information; and persuasion in most other cases. Although some argue that art people simply aren't research oriented or don't "understand data," we think that the lack of good data reflects three factors that influence the ability of any field to produce organizational information as a collective good. One is the capacity of organizations in the field to organize themselves, which is a function of industry structure. It's much harder to collect data in fields like the arts, which consists of many, many small organizations, than in fields that comprise just a few large ones.

A second is the demand for such data from powerful organizations outside the industry, which is a function of the structure of the environment. Because the
arts have not experienced government regulation and because arts organizations are
not held responsible for critical social ills (like spiraling health costs or poorly
educated young people), data-collection has not been imposed from without.

The third factor is the degree to which organizations in the field can be
enumerated (and therefore approached by researchers), which is a function of the
degree to which the field is institutionalized. It's much easier to find such
institutions as art museums and opera companies than to locate very small arts
organizations or arts organizations in new or unconventional fields. Any system to
collect better arts data, then, has to address these three collective-action problems:
identifying small and unconventional arts organizations; and gaining cooperation
from many, many organizations with only carrots and no sticks to prod them.

Recommendations
Ultimately, arts managers will contribute to creating a national data base because
they are convinced that the effort is important and that the absence of adequate data
imposes unacceptable costs upon the arts. This case, we suggest, is not hard to
make. Without adequate data on arts organizations, people who care about the arts
are left unable to answer many of the questions that fair-minded skeptics might
pose in response to appeals for more public or private funding. To what extent are
theatres growing or declining in number and level of activity? (We can only guess
on the basis of incomplete data.) Have new dance companies been created at a
faster rate than they have disbanded in recent years? (We don't know.) How have
trends in corporate (or government, or private) donations differed from discipline to
discipline? (We have partial data from some disciplines but not others.) Between
large and small arts organizations? (We know virtually nothing about small
organizations in most fields.) How have the kinds of programs offered by
nonprofit arts organizations changed? (We know even less about what arts organ-
izations do than about their finances?) How many community organizations
provide significant programs of training in visual arts or performance disciplines?
(We know virtually nothing about arts organizations outside the major disciplines,
except that there are a lot of them.)
And because answers to such descriptive questions are necessary to answer more complicated questions about cause and effect, policy makers -- both public and private -- have little factual basis for anticipating the effects of their grants, or planning ways to leverage their resources. What is the relationship between the number and activity of arts organizations and the number of artists and the rates of participation in the arts of different segments of the community? What strategic approaches do arts organizations that succeeded in reaching financial stability have in common? What is the long-term relationship between neighborhoods arts resources and professional activity? Existing information resources provide little guidance.

Finally, many of our informants argued passionately that the absence of a system for collecting, analyzing, and sharing data on arts organizations makes it difficult, if not impossible, for the field to understand how it is changing. This is a time of great institutional change in the arts -- in the ways they are funded, in the types of organizations that present artistic programming, in the way in which different segments of the public are served. Yet such data systems as we have are designed to track large organizations in the conventional disciplines, rendering invisible new types of arts organizations, organizations that are embedded more deeply in communities of color or rural communities than in national professional networks, and artistic work by organizations outside the conventional disciplines. Like the drunk who sought his lost wallet under the street lamp because "that's where the light is best," our approach to information makes it difficult, if not impossible, to apprehend -- and to respond to -- the significant changes that are reconfiguring the arts today.

For all these reasons, it seems evident that the field demands and needs better information on the finances and activities of arts organizations. But what form should a system of data collection and dissemination take?

**Guiding Values.** There are many possible answers to this question. To choose among them, we require a firm sense of the criteria or values that such a system should satisfy. We regard three such values as extremely important.

The first criterion is *feasibility*. No data set can please every potential user.
In a world of limited resources, the trick will be to collect an adequate amount of reliable information about the widest possible range of organizations. Feasibility entails affordability: A system must be within the means of the agencies that will pay for it. It entails minimizing respondent burden: keeping data-collection brief, using already existing data whenever possible, defining terms clearly, avoiding requests that respondents lack the capacity to honor, and educating respondents to provide reliable information. Finally, a feasible data collection system must maintain high rates of response and cooperation, so that the data it yields are meaningful and comparable.

The second criterion is *flexibility*. Given the variety of ways in which data are used, a system must be open-ended and equipped to serve many needs. Rather than sink all resources into a Best Possible Complete Data Set, researchers must focus upon creating a viable platform from which many smaller research efforts can be launched. We believe that the best way to do this is to maintains a very small number of pieces of information on a very inclusive population of arts organizations. Such a data base can serve two purposes: a source of reliable information on major trends in the arts field (or in segments of it); and a resource to enable researchers to draw generalizable samples (something prohibitively expensive today) for focussed studies (for example, organizations in a particular discipline or metropolitan area). Finally, if a system is to be flexible it must be accessible to all potential end users.

The third criterion is *cost-efficiency*. When many arts organizations are struggling to survive, it is difficult to justify large expenditures on data collection unless we can ensure that the data will be used. One cannot accomplish this by focussing on the numerator -- the "cost" side -- of the cost/benefit ratio alone, especially if this means compromising on data quality. For unless data are fully comparable and unimpeachably reliable, the data will be good for very little. A better way to ensure cost-efficiency is to focus on the denominator -- increasing the "benefit" part of the cost/benefit ratio, so that the payoffs of data collection are high. It is in this sense that arts organization is a *collective good*: a kind of infrastructure that can benefit a large number of users. Concretely this means de-
signing a system to address clear-cut objectives; creating a resource that lowers the price to everyone of conducting research at their own expense, thus leveraging additional dollars; and, third, ensuring that the system is accessible to all possible users.

*Accessibility* is particularly critical. Data that are accessible, reliable, and meaningful are used again and again, and with every use the "benefit" side of the cost-benefit equation rises. An accessible system must offer many points of entry for users with different needs: clearly written summaries for the nontechnical user; a user-friendly electronic site at which arts managers or policy makers can answer particular questions quickly by performing simple on-line analyses; and machine-readable, downloadable data for statistically sophisticated data analysts.

*A Tripartite Approach to a Coordinated System of Arts-Organization Data.* We propose to build on existing resources to create a feasible, flexible, and cost-efficient system to integrate and facilitate the efforts of the public arts-support system, private philanthropists, private arts service organizations, and university-based and other research specialists. The first component -- a unified data base on the universe of arts organizations -- represents the major new area for public and private investment and platform from which the two other components, funded through private sources or local private/public partnerships, can be launched. The second component consists of studies of organizations in particular disciplines, in which service organizations have traditionally taken and will continue to take the largest role (but with the advantage of being able to sample non-members as well as members from the unified population data base). The third component consists of local population studies that will address the concerns of particular local sponsors and also serve as a kind of research-and-development base for addressing certain important methodological and substantive issues in a cost-efficient manner.

The core of the plan is the unified data base, organized around the principles of high data quality, the broadest possible coverage of the population of arts-producing, sponsoring, and exhibiting organizations, and compilation of a small number of data elements of great importance. The NEA would necessarily play a central role in developing and ensuring the stability and quality of this data base, in
partnership with other parties. Key data elements might include organization name, location (address, state, region, congressional district), organizational form (e.g., nonprofit organization, public agency, subsidiary of another organizations), discipline, revenues, expenditures, deficit or surplus, staff size, types of activity undertaken, scope of activity, and number of persons reached. What is important is that the elements be of broad interest and capable of registering significant changes; be available from existing sources or be data that organizations can supply accurately and without undue burden; reflect the substantive mission as well as the financial status of the arts organizations; provide a basis for analysis of important trends; and provide a basis for stratifying the population of arts organizations along lines of significant interest to researchers who wish to use the data base as a sample frame for further studies.

Initially, the population covered by such a data base might comprise organizations included arts and cultural organizations in the IRS 990 data base, perhaps supplemented by organizations in the National Standard and on the membership lists of arts service organizations. In the long run, the data set would be rendered more inclusive as local population studies revealed effective ways of reaching organizations that other sources exclude, and perhaps through cooperation with local arts agencies. Where possible, data on organizations from the National Standard and IRS 990s would be entered into the data base; other data would be collected directly from the organizations themselves. (In the longer run, applicants for state arts agency or NEA grants might enter the data directly as they apply for grants.)

Such a data base would provide reliable trend data on: the size of the arts sector and subsectors and rates of death and incorporation by arts sector and subsector; change over time in revenues, expenditures, revenues, activities, and client base in the field as a whole, and comparable by discipline and state or region. Data could easily be archived through the World Wide Web in a form that enabled users to easily answer simple questions, as well as to download the data base for more complex analyses. The data base would also represent a versatile platform for additional work, enabling researchers to identify, stratify, and sample
populations of arts organizations of many kinds.

Discipline studies are the second component of this tripartite plan. The major service organizations have traditionally taken a leading role in collecting and disseminating data on the disciplines. Under the system we envision, service organizations would continue to play the major role. The existence of the unified data base would enhance that role in several ways.

First, the unified data base would enable service organizations to supplement information from members with reliable samples of nonmember organizations; moreover, the ability to sample will make it possible for such research programs to track change reliably without investing in expensive panel studies. Second, by lowering the cost to service organizations of identifying and sampling organizations in their fields, the existence of a unified data base would make it possible for some service organizations that do not now do systematic research to begin to do so, and for private and public policy makers concerned about the welfare of emerging fields without active service organizations to support data collection projects. Third, the unified data base would permit comparison across disciplines (and among disciplinary subsectors varying in size, structure, or predominate type of activity) on the data elements included within it, providing data comparability without imposing on service organizations to change approaches to data collection that have served their needs.

The third component of the tripartite system we envision consists of local community studies. We foresee a central role for coalitions of private grantmakers, local arts agencies, and arts service organizations in mounting studies that respond to the particular needs of their communities. The existence of a unified data base can lower the cost and increase the quality of such surveys by providing a sample frame of local organizations, basic information about which could be downloaded directly from the UDB, to be supplemented by additional information collected locally.

Drawing on a view of the arts as a system of interrelated parts, such studies can gather information on relationships among local arts organizations and, combined with surveys of local residents, make it possible to integrate information
about the interdependencies among artists, organizations, and audiences. Moreover, community research coalitions can serve as R&D centers to develop research approaches to topics too complex, or too locally variable, to be addressed in national studies -- e.g., issues like audience composition, the nature of the artistic output and "quality"; performance assessment; arts activities that are not undertaken by arts organizations; and interdependence among arts and other subsectors.

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We do not underestimate the challenges to implementing a system of this kind. Resources must be found to maintain a unified data base. Coalitions must be forged to ensure that arts organizations will choose to participate in such a system. Additional information on the capacity of the National Standard and the revamped IRS 990 data base to meet the system's needs must be gathered and costs estimated. But we are optimistic that this tripartite approach, based as it is on both cooperation and a division of labor between public and private, and national, state, and local, initiative, is one that can provide essential data in the near term, while serving as a sound platform for more ambitious efforts by multiple users.