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# IFACCA D'ART REPORT N<sup>o</sup> 37

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## Global financial crisis and recession: Impact on the arts

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# Global financial crisis and recession: Impact on the arts

## INTRODUCTION

According to the latest economic forecasts, many of the world's economies are entering their most severe recessions in 50 or 60 years. The world's 'advanced' economies are expected to contract by around three to four percent in 2009, while the growth of emerging economies is expected to slow significantly. Recovery from the economic downturn is forecast to begin in 2010, but it is expected to be slow.<sup>1</sup>

There is little doubt that the recession will have widespread negative impacts on the economic and social well being of people around the world. Predicting the extent of the impacts and the mechanisms by which those impacts will be felt is, however, less than clear. The impacts will not be uniform: the downturn will impact differentially across countries, economic sectors, organisations and individuals. The severity of impacts will depend on a range of factors. Government policies, sources of revenue, levels of debt and, for individuals, level of education will all play a part in who is affected and the degree of impact.

The timing of impacts is also unpredictable. The recession has been triggered by a 'crisis' in global financial markets. The consequent drop in asset values (such as stocks) is likely to feed first through to sectors that rely on asset income, such as endowments and the groups that they fund. Wider impacts might occur later as reassessments of wealth lead to fundamental changes in organisational and consumer behaviour. Thus the effects ripple unpredictably outward from finance markets into the 'real economy', where their impacts may be felt for many years, such as in the form of long-term unemployment and its accompanying social costs. A recent report by the USA's National Endowment for the Arts, for example, finds that artist unemployment peaked two years after the last US recession had ended.

As the responses to this and other surveys indicate, people in the arts sector believe it is still too early to predict with any accuracy the effects of the downturn on the arts. This uncertainty is not helped by a lack of robust, objective evidence on the economic interdependencies of the arts economy and the effects of previous recessions on the arts.

Arts councils and ministries of culture have a key role in working to minimise the negative impacts of the downturn on the arts and in helping artists and arts organisations navigate such uncertain times. They also have a key role in advising on and coordinating the arts and cultural aspects of the much-publicised central government responses to the downturn. With so much uncertainty over the degree and timing of impacts, the effectiveness of policy responses, and possible changes in organisational and consumer behaviour, the task of arts agencies is a daunting one.

This report presents the results of a survey of members of the International Federation of Arts Councils and Culture Agencies (IFACCA) on the likely impacts on the arts of the global downturn, and on how arts councils and ministries of culture around the world are helping arts sectors meet the challenges of the downturn. The aim of the report is to consolidate the collective expertise of IFACCA members as quickly as possible in order to help members respond to the downturn in a timely and informed way. It is intended as a source of information and does not claim to provide answers or accurate forecasts about the downturn.

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<sup>1</sup> See in particular the OECD, IMF and World Bank forecasts referenced in appendix 2.

The survey on which this report is based was distributed to chief executive officers of IFACCA members on 19 December 2008. A Spanish language version was distributed on 7 January 2009. Fourteen respondents from 12 countries completed and returned the questionnaire. A draft summary of the responses was reviewed by the board of IFACCA at its meeting in Santiago de Chile in mid-March and in April an interim version was distributed to IFACCA members for feedback.

The report contains:

1. An overview of responses to the survey
2. A digest of responses (appendix 1)
3. A list of references and resources focussing on the impact of the downturn on the arts (appendix 2)
4. A list of respondents (appendix 3)
5. The original questionnaire (appendix 4)

While the overwhelming majority of respondents expect the global downturn to impact on the arts, many are still unsure about the extent, nature and timing of the impacts. Respondents unanimously agreed that a follow-up survey should be undertaken in 2009. IFACCA will continue to monitor news and research resources on this topic, which it will post online at <http://www.ifacca.org/topic/global-financial-crisis/>.

We thank independent research analyst (and former IFACCA staff member), Christopher Madden, who designed the survey and wrote the report.

We hope you find this report useful and would welcome any general comments, ideas, or links to useful research focussing on the downturn's impact on the arts, or resources on how arts support agencies can respond to the downturn at [info@ifacca.org](mailto:info@ifacca.org).

**Sarah Gardner**

Executive Director  
IFACCA

## Overview of responses

This section provides an overview and analysis of the responses to the questionnaire. Although there was general agreement over general issues, such as that the downturn will have a negative impact on the arts, and unanimous agreement that the situation requires monitoring and follow-up, there was a notable divergence of opinion and uncertainty about how significant the downturn will be, how long it will last, and the mechanisms by which the downturn will impact on the arts. This diversity and uncertainty makes it difficult to draw out clear consistent themes from the responses. It is suggested that those interested in the issue read the full digest of responses.

Despite the variation in respondent opinions, some general expectations might be inferred from the responses. Some of these are listed below.

- The downturn will have a ‘mildly negative’ impact on the arts.
- The impacts of the downturn are likely to last at least 24 months.
- The downturn will have strongly negative impacts on sponsorship, philanthropic giving from foundations, and endowment income revenue.
- The downturn will lead to staff layoffs in arts organisations, a reduction in commissioning of new work, and less adventurous programming.
- The downturn is expected to have greater impact on the non-subsidised sector than on the subsidised sector; and greater impact on performing and visual arts than on literary and community arts.
- The impacts of the downturn will be felt most by arts that are exposed to ‘discretionary’ spending.
- Some positives may arise out of the downturn, particularly due to the arts’ ability to provide both a ‘feel good’ factor and critical and timely debate.
- The arts sector’s flexibility and its familiarity with working within limited budgets are strengths that will give it resilience under the downturn.
- A follow-up to this survey should be undertaken and should focus on the types of initiatives undertaken to support the arts through the downturn.

## Responses

Respondents from 12 countries completed the questionnaire. A list of respondents is at appendix 3. Three responses were supplied for Australia (no attempt has been made to weight for these multiple responses). Responses represent five continental regions: North America, Latin America/The Caribbean, Asia, Oceania and Europe (including the UK). The majority of responses (9) were from national arts’ length agencies. Two responses were from national ministries of culture. Responses also came from a national arts advocacy agency, an international network, and a national government agency that supports business and arts partnerships.

### The outlook for the arts

The first set of questions asked respondents to speculate about the general outlook for the arts sector in their country over the coming year and the extent of the downturn’s impact on the arts.

The majority (11 out of 14) of respondents thought the outlook for the arts sector in their country was ‘mildly negative’ and that the downturn would have a ‘mildly negative’ impact on the arts. No respondents thought that the outlook or the impact of the downturn would be positive.

In their comments, respondents noted the speculative nature of their opinions, with a number suggesting that not enough information is available yet to make an accurate prediction. Many qualified their response with discussion and analysis of the different mechanisms by which

actual impacts on the arts might be felt, and the timing of the impacts. Uncertainties identified include decisions made by corporations and consumers once current contracts and subscriptions come up for renewal, as well as the policy response from governments.

Nevertheless, the outlook suggested by the respondents is that the global economic downturn will feed through to a downturn in arts sectors.

Although one-third of respondents were unsure about the duration of the downturn's impact on the arts sector, there is an indication that the impacts are expected to last at least 24 months or more (half of respondents chose 'up to 24 months' or 'longer than 24 months').

Again, comments provide more detail on a range of factors that respondents feel may influence the length of the downturn (some of which are under control of the arts, some not), including:

- the timing of the recovery of the general economy;
- the impact of new government support policies for the arts and regional cooperation programs;
- the response to the downturn by arts organisations; and
- consumer behaviour, both domestically and internationally (including tourism).

Uncertainty over the impact and length of the recession opinion among respondents repeats (unpublished) findings found in a survey of UK arts organisations undertaken by Arts Council England at the end of 2008, in which most respondents expressed a belief that it was too early to tell the extent of the downturn.

### **Mechanisms by which the downturn will impact on the arts**

#### *Revenues*

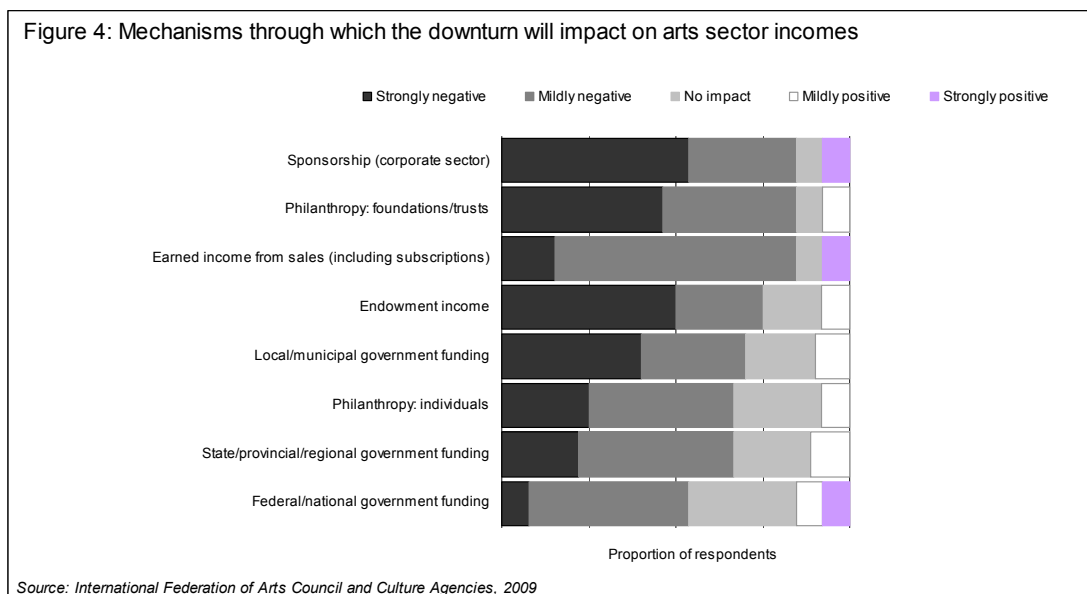
Figure 4 below shows the impact on various sources of arts revenues ordered by the number of respondents who thought that they would have a strongly or mildly negative impact. The diversity of responses makes it difficult to infer a clear consistent opinion among respondents. That said, four income sources appear to be isolated as particularly significant: sponsorship; philanthropic giving from foundations; and endowment income. Each of these was selected by around half of respondents as having 'strongly negative' impacts on the arts, and comments provided seem to back up these as being of particular concern. A majority of respondents (9 out of 14) expect declining earned income to have a mildly negative impact on the arts. Figure 4a in the digest of responses (appendix 1) contains the full response data.

The unpublished research undertaken by Arts Council England suggests that at the end of 2008, UK arts organisations had experienced a severe decline in revenue from trusts and foundations. The research also shows that business sponsorship and individual giving had not declined, although organisations had needed to apply greater efforts to sustain maintaining these revenue streams. Arts organisations indicated that it was too early to determine the impact on their earned income.

It should be noted that the importance of mechanisms can be highly country-specific. For example, one response notes that private sponsorship and philanthropy are of low significance in Spain's cultural sector, and the greater risk for the arts sector is therefore a downturn in public funding and sales and ticketing.

The impact of government funding is, too, highly country-specific. A number of respondent countries do not have the three tiers of government identified in the questionnaire (national, regional, and local). However, allowing for this lack of uniformity, it does appear that national arts funding is expected to be more robust than regional and local government arts support: the number of respondents selecting 'strongly negative' impacts increases as the level of

government moves from national to local; while national government received the greatest number of responses for ‘no impact’.



### Expenses

It is difficult to discern any clear pattern from responses about the perceived impact on different expense items identified in the questionnaire. While the cost and availability of finance and credit received the greatest number of responses for strongly or mildly negative impacts combined (9 out of 14 responses), there was a high proportion of respondents who answered ‘don’t know/unsure’ for this part of the question, or who did not provide any answer at all. Figure 4a in the digest of responses (appendix 1) contains the full response data.

### Other

Respondents were asked about other impacts by which the downturn may be felt. Figure 4b summarises the responses. The majority of respondents expect staff layoffs in arts organisations, a reduction in commissioning of new work, and less adventurous programming. Again, the comments provided respondents show that the impacts are highly dependent on the nature of the economic and political environment in each country.

Evidence from research undertaken by the National Endowment for the Arts in the USA (see reference in appendix 2) appears to confirm respondents’ fears over the impact of the downturn on jobs. The research, which is based on data from the USA’s Department of Labor, shows that the unemployment rate among artist occupations rose faster than unemployment rate for the total workforce in the 12 months to December 2008. Data also point to a greater, but hidden, negative impact on artists’ employment: across the same period, there was a three percent decline in the overall artist workforce (ie both employed and unemployed artists), despite continued growth in the total US workforce over the same period. For reference and links to the research, see the resources list in appendix 2.

**Figure 4b: Other impacts on the arts sector**

Impact	Number of respondents selecting
Staff layoffs	11
Reduction in commissioning new work	11
Less adventurous programming	9
Consolidation of operating units	5
Other significant impacts (please specify):	
Less activity generally	1

**Differential impacts**

Respondents were asked whether they expect the impacts of the global economic downturn to be felt more by particular sub-sectors of the arts or art forms. Figure 5 below summarises the responses.

No strong pattern emerged from responses about whether the downturn would impact more on larger or smaller organisations, although small to medium arts organisations were chosen by more respondents than larger organisations and sole traders. Similarly, no clear pattern emerged when respondents were asked to differentiate impacts by a selection of organisation types. That said, touring organisations were chosen by the largest number of respondents, and were often singled out in comments provided for this and other questions.

A clearer picture emerges for market type and art form: a higher proportion of respondents expect the downturn to have greater impact on the non-subsidised sector; and performing arts and visual arts sectors are expected to bear a greater impact from the downturn than literary and community arts.

**Figure 5: Sub-sectors on which the downturn will have greater impact**

Sector	Number of respondents selecting
<b>Size</b>	
Large/major arts companies and institutions	3
Small to medium companies	5
Individual artists and sole traders	4
<b>Market</b>	
Subsidised sector	3
Non-subsidised sector	6
<b>Art Form</b>	
Visual arts	6
Performing arts	9
Literary arts	1
Community arts and culture	2
<b>Type of arts organisation</b>	
Building or venue based	4
Touring	6
Independent production companies	5
Organisations providing services to the arts	3

Comments supplied with this question indicate why a clear pattern does not emerge in the responses: a number of respondents expect the downturn's impacts to be indiscriminate; where differential impacts are expected, a diversity of views and country-specific



circumstances mean that no common opinion emerges. Comments indicate an expected vulnerability in sub-sectors that rely on earned income (sales and box office), private sponsorship and any form of spending that may be considered 'discretionary' – whether it be from consumers, business or government.

One respondent noted: 'Not all artistic expressions suffer the same impact in times of economic turmoil because their cultural and economic requirements are different. Not all depend equally on governmental allocations or are affected in the same way by the market's volatility. On the other hand, not all segments of the population suffer equally the crisis' impact. Mostly, low income sectors will be affected and this has been accepted internationally. This compels us to carry out differential analysis.'

That said, research undertaken in the USA by the National Endowment for the Arts provides some support for a stronger impact on the performing and visual arts. The research, which is based on data from the US Department of Labor, shows unemployment rates rising fastest among visual artists and performing artists (actors, dancers and choreographers) over the 12 months to December 2008. Again, for reference and links to the research, see the resources list in appendix 2.

### **Consumer behaviour**

The majority of respondents expect that the downturn will induce changes in consumer behaviour that will be both positive and negative for the arts. Some changes are listed below.

- Less travel/cultural tourism, particularly international tourism (with an additional effect in the USA where travel tax revenues, such as motel taxes, are often put toward the arts).
- A shift to less expensive arts experiences.
- A shift to the arts away from more expensive leisure pursuits.
- Reduction in spending on theatre tickets, particularly single ticket purchases rather than subscriptions ('loyal supporters via subscription tickets likely to remain').
- Fewer art purchases by both individuals and institutions.
- Consumption of quality and major arts experiences will be stable, but smaller local arts may experience a decline in consumption ('Consumers will cut back on discretionary spending in anticipation of economic difficulties, which will skew arts attendances towards bigger, more mainstream and crowd-pleasing fare as smaller personal budgets make audiences more discriminating and risk-averse in their arts spending).
- Sales and private sponsorships declining in value.

References to audience and consumer research were supplied to support a number of these claims.

Unpublished research by Arts Council England based on a survey of UK arts organisations undertaken at the end of 2008 found that there was little consensus among organisations about how the downturn will affect attendees.

### **Positive outcomes from the downturn**

The majority of respondents expect some positive or ameliorating factors to arise from the downturn. Three possible factors were provided in the questionnaire to stimulate thought:

- Local cultural tourism may increase, offsetting an expected decline in international tourism.
- People will turn to the arts in times of turmoil for the arts' 'feel good' factor, so demand for the arts may not drop as much as in other sectors.
- Innovation, creativity and flexibility in the arts sector will allow it to respond better to the downturn than other economic sectors.

The majority of respondents agreed with these three factors. A number of respondents provided additional ameliorative factors, including:

- The emergence of arts that explores issues surrounding the downturn itself, which has already generated consumer interest in the arts.
- Smart artists and arts organisations will use this time as opportunity to demonstrate their capacity to deliver effective community development strategies.
- An increase in the number of people exploring their own creative activity.
- Substitution away from more expensive leisure offerings and travel leading to an increase in arts consumption, albeit to less expensive arts experiences.
- Stability in demand for the arts
- Stability brought about by major policy initiatives (such as Cuba's book initiative) and the ability of the arts to benefit from linkages with one-off major events (such as the Rugby World Cup in New Zealand in 2011).
- Reduction in the exchange rate softening the decline in tourism by making incoming tourism cheaper.

### **Lessons to be learned from previous downturns**

Respondents were asked if they thought the impacts of the current economic downturn will be similar to previous recessions. The majority (9 out of 14) were unsure. Unpublished research undertaken by Arts Council England suggests that those who experienced previous economic downturns think that the current downturn is 'noticeably different', due to the triggering of the recession by a crisis in the financial services sector.

### **The arts sector response**

Just over half of respondents thought that the arts sector in their country was 'neither well positioned nor poorly positioned' to respond to a global recession. Their ambivalence was due to difficulties in weighing up different impacts on the arts, and in predicting the timing of impacts and responses to the downturn (especially government responses).

Comments indicate a range of positive and negative aspects of arts sectors that respondents see as determining the sector's resilience.

Weaknesses noted by respondents include: country and region-specific issues such as a weak tradition of arts sponsorship; exposure to government funding; lack of adequate reserves in arts organisations; lack of experience or sophistication in understanding the economy (especially in smaller arts organisations); reduction in trade; and a reliance on endowments that have lost value.

A strength noted by many respondents was that arts organisations are accustomed to working with limited budgets, and are thus resilient during economic downturns. Other strengths include that arts organisations are flexible and therefore able to respond to economic shocks quickly and effectively, and that the arts are experienced and sophisticated lobbyists and advocates, which will result in access to stimulus package funding.

A number of respondents provided links and references to good practice programs, collaborations, or research projects being undertaken by organisations in the sector to respond to the impending economic downturn. These are listed in the digest of responses (appendix 1) and included in the list of resources at appendix 2.

### **Arts agency and government response**

The majority of agencies had either implemented or were about to implement special initiatives in response to the global economic downturn. Initiatives that had already been implemented at the time of responding tended to focus on the provision of information resources, advice and expertise to arts organisations. Current and planned initiatives are

described in the digest of responses at appendix 1 (in the comments relating to question 11 on page 27), and any online materials are included in the resources list in appendix 2.

Two key programs in addition to those supplied by respondents are:

1. Arts Council England is undertaking research to assess the potential impact of the recession on the arts and is sponsoring a seminar on 'maximising the importance of arts and culture throughout the economic downturn'.
2. National Endowment for the Arts in the USA is distributing \$50m to assist the nonprofit arts sector under the USA's 'Recovery Act', and has undertaken research into the impact of the recession on artists' employment.

Information on both initiatives can be found via the links in the resources list in appendix 2.

Respondents were asked whether their government had implemented, or planned to implement, special initiatives in response to the global economic downturn that would be relevant to the arts. The question was released before most government packages were due to be finalised. Information on Scottish, Canadian and US government packages are detailed in the digest of responses at appendix 1. Further information can be found in the list of resources at appendix 2.

### **General issues and comments**

Respondents provided references and links to a number of general information resources relating to the impact of the global economic downturn on the arts. See digest of responses (appendix 1) and additional resources at appendix 2.

### **Follow-up by IFACCA**

All respondents answered that IFACCA should undertake a follow-up survey on the downturn. The majority indicated that such a follow-up would best be undertaken mid-way through 2009. A number of respondents suggested that a follow-up should focus on the types of initiatives implemented to help arts sectors weather the economic storm (examples, case studies, and evaluations of initiatives).

## Appendix 1: Digest of Survey Responses

### (A) THE OUTLOOK FOR THE ARTS

#### 1) Overall, how would you describe the financial or economic prospects of the arts sector in your country over the next 12 months:

**Overall, how would you describe the financial or economic prospects of the arts sector in your country over the next 12 months**

Mildly negative	11
Strongly negative	1
Neither positive or negative	1
No impact	0
Don't know/unsure	1
<b>Total</b>	<b>14</b>

#### 2) What impact do you think the global economic downturn will have on the arts sector in your country over next 12 months:

**What impact do you think the global economic downturn will have on the arts sector in your country over next 12 months:**

Mildly negative	11
Strongly negative	1
Neither positive or negative	0
No impact	1
Don't know/unsure	1
<b>Total</b>	<b>14</b>

#### Comments, question 2

Earned income which is 50% of arts income will be slightly down  
Government income which is up to 10% and mostly local and state government will be severely cut, federal government which is a tiny fraction of the whole may actually go up but has little subsidy impact but a strong leveraging impact.  
Private sector: Corporate which is 5% of whole severely hurt, foundation at another 5% of the whole arts sector income will be severely hurt and individual donors representing 30% of entire income will be challenged.

Difficult to say precisely, but it is likely that by Q2, 2009 pressures on household budgets, pressures on discretionary spending and rising unemployment will impact negatively upon box office receipts and general confidence in the sector.

Portfolio's of Trusts have halved in value and therefore are not distributing as much. Local Authorities looking to reduce rates and consequently discretionary spend could be reduced. Unlikely to get increase in central Government funds. Impact on Box Office not clear at present.

The early signs clearly point to difficulties, especially for those organisations dependent on endowment or trust/foundation funding. In previous periods of

## Comments, question 2

economic hardship, the arts have traditionally been last into recession and first out. This seems to be the pattern now, which is why my assessment is only mildly negative.

Although it is difficult to foresee the exact magnitude of the impact, there are some signs that indicate that public funding for the cultural sector could be reduced, and that the population's norms of behaviour regarding cultural participation, specially when doing it entails payment, could be affected

- Answers to these questions are speculative and are highly dependent on a volatile situation. We are noting mildly negative as our current response but depending on many factors, it could easily transform into a strongly negative prediction.
- Organizations receiving significant (more than 50% of their revenues) government funding and those who deal less with the commercial world will probably feel less impact but organizations and presenters who sell tickets and subscriptions are afraid for 2009-2010 results in attendances. Some organizations reported steady sales in the fall but mid-season box office results may be different.
- Many organizations doing new works need an international market to reach their audience which will be impacted by both the financial crisis and cuts to international programs at the federal level.
- Other issues which will have impacts include the downturn in endowment funds, the retreat of high-wealth donors, diminishing auction sales in the visual arts and a lessening of cross-border audiences (important for cultural tourism in Canada, particularly for festivals drawing US tourists).

The crisis is still early days and not yet seriously felt by the average citizen so it is obviously quite difficult to predict the level of long term impact. Furthermore, the Danish arts sector has a very strong element of state financed grants and subsidies which we suspect will negate the majority of the economic consequences of the crisis. Some impact, however, is inevitable in areas where private sponsorships are an important part of the total funding. The problems could deepen further if unemployment on a larger scale would occur etc.

With regard to private sector support, many arts organisations have commitments in place for 2009; the prospect is not likely to be as positive from 2010 as businesses are likely to reduce or withdraw support in the medium term and it's unlikely that many new contracts will be negotiated in 2009.

Currently the Australian Major Performing Arts Companies are not experiencing significant decrease in subscription or single ticket sales, in fact, there have been several examples of events and series experiencing strongest ever sales. It would however be anticipated that in Australia the impacts are likely to begin to show in the next 6 – 12 months.

The difference between strong and mild is too wide to choose and the concepts are a bit rigid. Without a doubt, the crisis will have an impact and it will be strong or mild depending on multiple factors. Among them, the types of measures taken in response to different understandings or interpretations of the crisis' impact. From the demand's point of view, in our case it could be expected a contraction of income resulting from sales given that its consumption, with the exception of a few artistic sectors, is considered an expense, not an investment.

We met with many of the organisations we fund on a regular basis last

## Comments, question 2

November and there was certainly some anxiety about the potential impact of the economic downturn but it is too early to quantify the scale of impact. Rising energy costs, reduction in trust funds, doubts about levels of local government funding and potential reduction in earned income/sales were mentioned.

Spending on arts events and activities by locals and visitors are expected to decrease, along with a drop in corporate sponsorship and donations. However, government investment in the arts in Singapore will be sustained to mediate the impact of the economic downturn and for long-term arts development. The National Arts Council (NAC) provided a total of S\$12.7m of financial support to artists and arts groups in 2008 through direct grants, scholarships and bursaries, commissions, major international showcases and arts housing subsidies. This amount of funding for artists and arts groups will not be cut in 2009.

Art in the Solomon Islands, by verge of any form is still not affected by this Financial Crises . We have artists whom earn the living from the Art Industry is still going but who knows the likely spill over effects that will stop our Artists not to receiving benefits.

### 3) If you answered either (a) or (b) to the question above, how long do you expect the impacts to be?

If you answered either (a) or (b) to the question above, how long do you expect the impacts to be?

Up to 6 months	0
Up to 12 months	1
Up to 18 months	1
Up to 24 months	3
Longer than 24 months	4
Don't know/unsure	5
Total	14

## Comments, question 3

Explanation: The Chancellor's Pre-Budget Report 2008 forecast that the UK economy would return to positive output growth in 2010. However, there are considerable downside risks associated with the Treasury's forecasts and it would not be unduly pessimistic to suggest that economic recovery in line with estimates may take longer and that the negative impact may be experienced within the sector for longer (i.e. up to 2 years).

Due to the need to build trust over a longer period.

Although a negative impact can be expected as a general trend, there are also change factors in the structures and priorities of cultural policy that make difficult temporal comparisons and that may even bring improvements to some sectors. Thus, it is worth mentioning the launching, for the first time, of a Cultural Industries Promotion Plan in December 2008 by Spain's Ministry of Culture ([www.mcu.es/principal/docs/novedades/2008/Plan\\_fomento\\_industrias.pdf](http://www.mcu.es/principal/docs/novedades/2008/Plan_fomento_industrias.pdf)). It includes new financing mechanisms for small and medium-sized enterprises of

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### Comments, question 3

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the cultural sector, a sector that had been receiving little support from the Government. This step could answer, in part, to the growing attention, both in discourse and policy design, to culture's economic dimension, a tendency that could gain relevance within the crisis frame of reference.

In Catalunya, it is worth highlighting the launching in 2009 of the National Council for Culture and Arts, approved by law in 2008 ([www.parlament.cat/getdocie/8005242](http://www.parlament.cat/getdocie/8005242)) and that will assume meaningful support and distribution actions of funds in the field of culture and arts development field. Up to this moment, the Departament de Cultura y Mitjans de Comunicació had been in charge of this functions. This change also makes comparisons with the existing frame of reference difficult. This state of affairs makes it difficult to foresee the temporal effect of the crisis.

It will likely last at least 24 months and may be considerably longer. Any economic turn-around is tied to factors beyond the control of the arts sector.

It will depend very much on when the economy begins to recover and what strategies the arts organisations have put in place to ensure that they maintain their attractiveness to business for support.

The arts sector in Australia is supported by incoming international visitors and tourists. As this incoming market decreases there will be an impact across the arts sector. Some commentators have however said that Australians will choose to travel more domestically and that this may partially offset a decrease in international market income.

This depends on different factors: world's economy's recovery, especially those of countries that are fundamental counterparts of Cuban foreign relations, and the elevation of acquisitive capacities in real terms, not nominal. This recovery will have an influence on the reactivation of its cultural imports, which are the exports of underdeveloped countries like Cuba

The continent's synergies of cultural goods and services' production and commercialisation, derived from the renewed boost to interregional exchanges, could make the recovery period shorter

In our case State's protection, the sector's financial planning and the business sector investment policy of the last years, as well as international tourism, are elements that might reduce the crisis' effects

We are unsure but fear that the impacts may be longer than 24 months. A possible impact would be that organisations and individuals are unable to weather the financial environment and cease to trade or leave Scotland. The impact on the ecology of the arts in Scotland could be severe and long-term if this happens.

The impact of the economic downturn on the arts in Singapore will be closely linked to how fast the Singapore economy recovers from the downturn. The government has projected that the Singapore economy will take a few years to recover, so the impact on the arts will likely last for the same duration, if not longer. However, the Singapore government will continue to support artists and arts groups as much as we can.

Certainly it will hit hard on us with in the next 12 months or after the next 12 months that I end up our the Art industry will be really affected in the sense

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Comments, question 3

that values of the Art industry will go down and has no value at if you like it.

**4) What are the mechanisms through which impact on the arts sector will be felt? Please place an 'x' in the appropriate cell below. We invite you to add any other mechanisms you think are important, or to provide more detailed description of the mechanisms you identify.**

**Figure 4a: What are the mechanisms through which impact on the arts sector will be felt?**

Mechanism	Strongly negative	Mildly negative	No impact	Mildly positive	Strongly positive	Don't know/unsure	No answer/ not applicable
<b>INCOME</b>							
Sponsorship (corporate sector)	7	4	1		1		1
Philanthropy: foundations/trusts	6	5	1	1		1	
Philanthropy: individuals	3	5	3	1			2
Endowment income	6	3	2	1			2
Earned income from sales (including subscriptions)	2	9	1		1		1
Federal/national government funding	1	6	4	1	1		1
State/provincial/regional government funding	2	4	2	1			5
Local/municipal government funding	4	3	2	1			4
<b>EXPENSES</b>							
Operating costs	2	5	3	2		1	1
Financing and credit (both cost and availability)	5	4	2	1		2	
Capital expenses	3	2	4	3		1	1
Wages and salaries	1	5	4	2			2
Other (please specify)							
Venue hire		1					

**Figure 4b: Other impacts on the arts sector**

Impact	Number of respondents selecting
Staff layoffs	11
Reduction in commissioning new work	11
Less adventurous programming	9
Consolidation of operating units	5
Other significant impacts (please specify):	
Less activity generally	1

Comments, question 4

Financially secure organisations will be able to maintain programme and activity at similar levels to 2008.

Reductions in funding from local authorities is a particular concern, as its this funding that supports a lot of community based activity.

Given that private sponsorship and patronage (philanthropy) have a role of low significance in Spain's culture field, it is not expected that the crisis will mean an important change in them. In change, it can be expected a more important effect in public funding and the income resulting from sales and ticket revenue.

Once again, there are not concrete indications that make it possible to value the exact effect of the economic crisis; in any case, it is foreseeable that if the organizations' global budget decreases, a higher percentage will be destined to structural costs and the relative weight of programs and projects, as well as innovation in general, will lower.

- Many foundations in Canada are dramatically reducing or cutting their granting budgets entirely. (see article: <http://www.kwcf.ca/whatsnew/kwcfinthen/cfarticleg>)
- It is difficult to predict the impact on expenses as external factors such as the price of gas will fluctuate.



Comments, question 4

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Obviously the picture could change the longer the crises lasts and how far it spreads to the ordinary 'arts-consumer'

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It is likely that over the next 12 – 24 months income to the sector from sponsorship and philanthropic sources will decrease or disappear in some instances. Often this income contributes to the cost of non core activity that in some cases may be commissioning, education, outreach or community programs. If this decrease does occur then there will be a contraction of these programs that will bring a number of associated impacts such as staff dedicated to these activities.

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In Cuba's case, the State has a national policy to protect workers, which includes those who make part of cultural public institutions, so that they do not suffer the consequences of World's economy's ups and downs. This is why their salaries are not affected and the crisis does not generate unemployment

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The country has planned a budgetary deficit that reaches 5,6 % of the Gross Domestic Product (GDP). In order to keep the deficit at this level or to lower it, new projects could be cut off; otherwise, this would have implications on real salaries. Budget allocation to culture has been historically 3% of the budget. However, taking into account that culture produces approximately 4% of the GDP, the creation of production policies to stimulate a growth with a social impact could transform the domestic market, in local currency and foreign currencies, and thus encourage the undertaking of new cultural projects.

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The adventurousness in programming is not necessarily associated to financial costs; it also has to do with imagination and creativity and other factors that can make up for the deficit. There will not be staff layoffs in public cultural institutions because of the reasons expressed above.

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Income for arts organisations is expected to decrease, particularly income from corporate sponsors as companies cut back on corporate sponsorship and divert resources elsewhere, or direct their contributions to other areas such as charities. Competition for sponsorship dollars will be stiff as the pie shrinks. Demand for certain arts activities will be affected as the general public tighten their belts during the downturn. Audiences are likely to go for shows with higher entertainment value than experimental works, or attend more affordable events. This could result in less adventurous programming by event organisers as watching their bottom-line would be critical during this period. On the other hand, operating costs and capital expenses might drop during this period.

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**5) Do you expect the impacts of the global economic downturn to be felt more by particular sub-sectors or art forms? If you do, please indicate from the list below, adding any others you think may be important. If you think that the effects will impact across all sectors more or less evenly, please go to the next question.**

Figure 5: Sub-sectors on which the downturn will have greater impact

Sector	Number of respondents selecting
<b>Size</b>	
Large/major arts companies and institutions	3
Small to medium companies	5
Individual artists and sole traders	4
<b>Market</b>	
Subsidised sector	3
Non-subsidised sector	6
<b>Art Form</b>	
Visual arts	6
Performing arts	9
Literary arts	1
Community arts and culture	2
<b>Type of arts organisation</b>	
Building or venue based	4
Touring	6
Independent production companies	5
Organisations providing services to the arts	3

No additional sub-sectors were suggested by respondents.

#### Comments, question 5

Explanation: Although the downturn will be experienced by all organisations operating in the sector during 2009, those whose income is largely generated through box office sales are likely to experience the greatest impact due to the squeeze on consumer finances. It remains to be seen how significant this will be, but it should be anticipated that it may lead to a change in the overall consumer expenditure patterns with spending on perceived luxuries (eating out, entertainment, short-break holidays) likely to be most effected, and under the general heading of cultural events/entertainment, it seems probable that the downturn will be more pronounced for organisations selling the higher-priced tickets. Note: At the time of writing, it is difficult to project what effect the reduction in standard rate of VAT from 17.5% to 15% will have – if any - on consumer behaviour.

Also it should be noted that in Northern Ireland where Energy bills have been amongst the highest in the UK and there is are many vulnerable groups – i.e. those most affected by fuel and food poverty – consumer confidence is probably lower than other UK regions.

Lack of confidence and decline in Trust/Sponsorship income will affect everyone. High Profile (irrespective of size or Artform) could fair better.

As it has already been indicated, in Spain's context it is foreseeable that the crisis will be felt more in public funding than in private funding. The public sector sees itself affected in general by the economic downturn, as well as by other factors that have a bearing on the financial capacity of local and regional administrations (autonomous), that is, on the government levels that traditionally have taken a more important role in culture and arts funding. It is worth highlighting two matters: first, the negative effect that the construction sector's halt has had on local

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### Comments, question 5

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administration's income, whose budgets had benefited in the previous period by a peak in the construction sector, and, secondly, the fact that the generalized population growth caused by international immigration has not been accompanied in the last years by an update of budget transferences to regional administrations. This has had as a consequence a current and wide debate on funding models. All this makes difficult the sustainability of public budgets for culture at local and regional levels.

It is foreseeable that this effect will be greater in the case of small projects structures funding, taking into account that major structures have a larger degree of political protection and, in some cases, pluriannual agreements.

Generally, it could be expected an increase on the emphasis on culture's economic dimension –projects that contribute to direct or indirect generation of employment, tourism attraction, etc.). Instead, those who work in areas less profitable in the short term might suffer more (education and research organizations, etc.), unless they are carried out within large institutions or as part of initiatives of great political interest.

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The data so far suggests that arts galleries and museums are more vulnerable due to dependency on sales and private sponsorships. That tendency could also spread to performing arts venues

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Subsectors of the cultural sector most likely to be impacted by the global economic downturn are those that have the highest exposure to income that is generated from “discretionary spending”. For example, the visual art sector experienced a more immediate downturn in sales – this will impact commercial galleries and individual artists. Small to medium or major performing arts companies that rely on sponsorship and philanthropic income will also be affected.

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The non-subsidised sector, subject to the market's ups and downs, could suffer a contraction process. However, in the Cuban case, it has been verified that the State makes sure, through special allocations, that Cuban cultural practices reach all social strata and spaces of the nation. The Cuban cultural policy foresees the protection of artistic expressions highly sensitive to the market's volatility and will continue strengthening this policy.

When presenting the State's Budget Project for the year 2009 to the Popular Power National Assembly, in December 2008, the Minister of Finances and Prices' stated: 'As part of the activity budgeted for, more than 63% of the resources are destined to Education, Health, Security and Social Assistance. The funds put aside just for these sectors amount to 43.6% of the total of the State's budget expenses and to 30.2% of the GDP at current prices, as planned for the year 2009.'

Important resources are destined to other sectors that also impact the population's quality of life and the country's development, like culture and arts, sports, communal services, as well as the sector related to science, technology and the environment, [www.one.cu/anpp.htm](http://www.one.cu/anpp.htm).

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We have insufficient evidence at this stage to answer this question...

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Compared to the small and medium companies and individual artists, the more established/major companies are expected to be more resilient given that they generally have access to endowment funds, higher government funding etc. On the other hand, larger companies also have higher overheads to manage. The net

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 Comments, question 5
 

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impact on smaller versus larger companies is therefore unclear.

The visual arts sector is already seeing the impact of the economic downturn with major art auctions/markets recording poor sales ['Singapore Art Auctions Miss Target as Stock Rout Deters Buyers' 14 Oct 08, *Bloomberg*; 'Pop Goes the bubble in Chinese and Indian Art', 6 Oct 08, *Businessweek*; 'Art Market Rout Persists: Rothko Snubbed at Auction', 6 Nov 08, *Bloomberg*]. The performing arts sector would also be affected by the projected sharp drop in corporate sponsorship, which cannot be ameliorated by lower operating costs or ticket revenue.

As the economic crisis is affecting the global economy, touring of productions would be difficult as promoters and venues world-wide will be trying to cut cost and may choose to programme local or regional artists instead of international artists.

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**6) Over the next 12 months, do you expect to see changes in the behaviour or composition of arts audiences or arts consumers? If yes, please describe below, outlining your reasoning and providing references to any research or resources upon which your expectations are based.**

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 Comments, question 6
 

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Less travel to other city venues so less cultural tourism which will hurt the hotel motel tax revenue that in turn funds the arts at the local level in many cities.

A turn to less expensive arts offerings.

Perhaps an overall increase (but to less expensive offerings) in the arts as other more expensive leisure offerings and travel become less viable choices.

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Yes, as outlined above I expect to see a downturn in overall consumer expenditure patterns with spending on theatre tickets reducing.

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Anecdotally single ticket buyers many decline, but loyal supporters via subscription tickets likely to remain.

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Early evidence is that audiences are thinking more carefully about how they spend their leisure money. High quality arts activity seems, for the moment, to be holding up well, possibly because people want a 'good night out'. It could well be that more local 'standard' fare feels the pinch most quickly.

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It is foreseeable that the assistance to cultural activities with an entrance cost will slightly lower. We have not been able to find survey data to corroborate it.

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- Economic impacts will alter the profile of audiences, will affect attendance patterns and habits, and maybe changes in the art forms.
  - The gradual loss of comprehensive arts education in Canada and the growth in commercial entertainment has had an effect on arts audiences in Canada. If there was a cut in the arts offering (with an accompanying decline in marketing and outreach), it may be difficult to draw audiences back.
- 

The data so far suggests that arts galleries and museums are more vulnerable due to dependency on sales and private sponsorships. That tendency could also spread to performing arts venues.

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- fewer art purchases by both individuals and institutions (reported in media)
  - lower single ticket sales for subscription companies (reported by companies)
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### Comments, question 6

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It is anticipated that Australia will see a decline in incoming international tourism. This decline will, for example, impact on the performing arts sector, galleries (particularly indigenous artists). It is unknown if local audiences will also decline.

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As it has been pointed out, cultural consumption is mainly considered an expense. Given this, in the face of a crisis of unforeseeable consequences, there is a tendency of consumption in general and cultural in particular, to contract or at least to limit to the closest geographical area. In spite of this, in the Cuban case, cultural offer (ie State budget/funding) coming from the State, which constitutes the majority, will be guaranteed by public funds and the national changes in social services' benefits will also be determinant.

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Increased use of technology is widely predicted to be the biggest influencer of general consumer behaviour, not least in the arts. At a recent event hosted by the Scottish Arts Council, the international media futurist Gerd Leonhard suggested that online activity was driving arts audiences and participants towards live events, (whilst it is already having a negative effect on intellectual property that is easily digitised, copied and distributed illegally). Likewise, Alan Brown of Wolf Brown research/consultancy in the USA has noted that the demand for educative/interpretative added value events was increasing amongst audiences, much of it being driven by the increased use of social networking sites and social networking more generally.

Composition is harder to predict, although in the UK the ageing population is an issue that will be keenly felt in the next ten years. Recent segmentation of arts attenders and participants in Scotland (*Taking Part* survey) indicates that higher education is the most significant factor in driving arts attendance and participation. As the general population becomes more educated, this may influence the current composition of Scottish arts consumers. (A segmentation of current consumers is also available from *Taking Part*.)

Taking Part Survey, 2005

[www.scottisharts.org.uk/1/information/publications/1002308.aspx](http://www.scottisharts.org.uk/1/information/publications/1002308.aspx)

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As shown in the Population Survey on the Arts conducted by the NAC in 2005, those who had attended a ticketed arts event in Singapore tend to be 20 – 34 years old (37%), single (43%), held PMET (Professionals, Managers, Executives and Technicians) jobs (46%), and earned a personal monthly income of over \$4,000 (29%). These demographic groups may be relatively less affected by the economic downturn compared to those with lower-income or those with children.

However, spending on arts is generally recognised to be income elastic. A corresponding dip in discretionary spending on the arts can be expected as the recession takes its toll on consumer sentiment. According to a November 2008 MasterCard Worldwide Index of Consumer Confidence, almost 70% of the region's consumers are looking to cut back on their discretionary spending for the next 12 months as they brace themselves for tougher times ahead in 2009. In this regard, it can be expected that arts attendances may be skewed towards bigger, more mainstream and crowd-pleasing fare as smaller personal budgets make audiences more discriminating and risk-averse in their arts spending.

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Yes may be we will not that much need audiences and that what ever, they have to show case or present will not be appreciated by the audience/consumers.

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**7) Over the next 12 months, do you see any positives or ameliorating factors due to the global economic downturn? These might be inherent strengths in the arts sector or opportunities that the arts can tap into. For example, strengths and opportunities identified by analysts include:**

- **Local cultural tourism may increase, offsetting an expected decline in international tourism.**
- **People will turn to the arts in times of turmoil for the arts' 'feel good' factor, so demand for the arts may not drop as much as in other sectors.**
- **Innovation, creativity and flexibility in the arts sector will allow it to respond better to the downturn than other economic sectors.**

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Comments, question 7

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A turn to less expensive arts offerings.

Perhaps an overall increase (but to less expensive offerings) in the arts as other more expensive leisure offerings and travel become less viable choices.

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Yes, the falling value of Sterling (GBP) could make the UK a more attractive holiday destination which could act as a stimulus to the development of cultural tourism - sharing a land border with a region within the Euro area, Northern Ireland may experience an upturn in tourism trade from the Republic.

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Our hope is that all of the above will apply. In the lead up to the Rugby World Cup 2011 there may be an increase in arts spend (Rugby World Cup Arts Festival)

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Some evidence of the 'feel good factor' kicking in, but overall the feeling amongst most arts organisations remains tense and concerned.

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During the last months have appeared various cultural proposals (plays, exhibitions, etc.) that deal with situations derived from the economic crisis that have attracted some attention as a result. Generally, it is to be hoped that artistic creation will contribute with interesting reflections on the crisis and its impact on the population.

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No likely opportunities have been identified.

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We expect that the national demand for cultural goods will remain stable at the current level – unless the financial crisis raises the general standards of living costs

- People seeking 'enjoyment' as alleviation from 'gloom' will result in greater participation in festivals, etc (evident in ticket sales)
- Possibly find more people exploring their own creative activity as alternative to more expensive cultural pursuits
- Smart artists and arts organisations will use this time as opportunity to demonstrate their capacity to deliver effective community development strategies (eg education, crime prevention, community involvement) to businesses seeking ways to contribute to and build connections with communities

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Agree with 3 examples given ('feel good' marked potentially)

Those that remain close to their donors and/or increase relationship management skills with existing donors will do better.

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I agree with the above three examples. In particular, the arts sector is good at working with limited resources and in many cases is flexible allowing some response to more difficult times.

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It is true that culture provides greater spiritual satisfactions than other areas, and that it brings about a compensatory effect in times of crisis, especially thanks to expressions like music, performing arts and cinema. The important reading habits reached in Cuba could serve as a shield against the decline in consumption of this

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Comments, question 7

expression. The International Fairs that are highly anticipated in the country - due to the wide supply of books they make available to the public - will be kept, as well as other cultural events of widespread popularity.

We suspect that some parts of the cultural environment may sustain or even grow in the changed economic circumstances. For example, attendances at pantomimes and Christmas shows in December 2008 have held up well in Scotland which suggests some need for the feel good factor. However, it could also be that we are not experiencing the full impacts of change yet. For example, the impact in Scotland of the problems associated with two major financial institutions (Royal Bank of Scotland and HBOS) are likely to be significant in relation to employment, spending power and sponsorship.

As creating new productions might not be financially viable during this period, artists and arts groups could take this opportunity to develop audiences by providing arts education programmes which are relatively less costly to produce. With government support through new capability development assistance programmes, artists can take the opportunity to sharpen their artistic and professional skills during this period. This would thus allow them to be better equipped to take on new artistic challenges and produce even better work when the economy recovers and more funding for arts events and activities are made available.

It may add values as reflected above but will still see tourism will be grown in the country as long it promoted well thru the various Art Medium that is available with in the Art Industry. People may probably like to see something more different.

**8) A number of resources in the ‘further reading’ list at the end of this questionnaire analyse the impact that previous recessions have had on the arts. Do you think that the impacts of the current economic downturn will be similar to previous recessions?**

Do you think that the impacts of the current economic downturn will be similar to previous recessions?

Yes	1
No	3
Don't know/unsure	9
Similarities and differences	1
<b>Total</b>	<b>14</b>

Comments, question 8

No: The impact will be much deeper.

Don't know: With demand weakening, capacity constraints, astronomical falls in share values, loss of trading confidence, gloomy news on the jobs front, and revisions to earlier Treasury forecasts, it seems likely the recession will be deeper and go on longer than predicted. It is therefore questionable whether the impact will be similar to previous recessions.

Yes: Difficult to explain with empirical evidence. However, all my instincts tell me that the innate optimism and entrepreneurial spirit of artists and arts organisations

Comments, question 8

will help defend them from the worst effects of recession.

No: This recession has a much broader scope than previous crises, affecting all avenues of revenue. The impact on philanthropic foundations relying on endowment funds will be large due to the implosion of the financial sector. The impact on manufacturing sectors such as the auto industry which are historically large corporate donors in Canada, is already being felt (please see article: [www.cbc.ca/arts/story/2008/12/17/mtl-jazz-fest-gm-1217.html](http://www.cbc.ca/arts/story/2008/12/17/mtl-jazz-fest-gm-1217.html)).

No: In our case, the readaptation of functioning structures and forms and the cultural policy design adopted in previous crisis moments left us with managerial tools useful to face difficult times. Thus, we do not think we will ever experience similar critical situations, even though we know there are elements that could have a negative impact.

Don't know/unsure: NAC's data show a drop in the number of performances in 1997 and 2003 when the Singapore economy was hit by the Asian financial crisis and the SARS-induced slowdown respectively. However, the number of visual arts activities increased in both years. Ticketed attendance shows positive growth from 1996-97, but declined over 2002-2003. It is thus difficult to establish a consistent correlation between economic slowdowns and arts activities in Singapore.

Don't know/unsure: May be but all depends.

**(B) THE ARTS SECTOR RESPONSE**

**9) How well positioned is the arts sector in your country to respond to a global recession?**

How well positioned is the arts sector in your country to respond to a global recession?

Well positioned	3
Neither well positioned nor poorly positioned	8
Poorly positioned	3
Don't know/unsure	0
<b>Total</b>	<b>14</b>

Comments, question 9

Neither Some parts of the community are better positioned than others, for example oil based local economies in the west, or large institutions in some cities with established audience bases and endowments are prepared but mid size or new organizations in industrial economies in the mid Atlantic region will be far less prepared. Interestingly many small organizations who have always struggled and don't have strong private or government giving bases may actually be well prepared as audiences turn to less expensive options. Size of organization, facilities and fixed costs, region of the country will all play a role in how that portion of the US arts sector will do.



Comments, question 9

Poorly	Explanation: weaker cultural infrastructure in the region and uncertainty over arts funding, (e.g. the redirection of substantial Lottery funds from the UK arts councils to the 2012 Olympics), has diminished the resilience of the sector. Also, corporate sponsorship which has been historically weaker in Northern Ireland, is also likely to suffer as a result of the turmoil in the financial markets. Finally, the high level of dependence of the arts on the public sector for funding is another potential vulnerability with pressures reported in all key areas of public expenditure.
Poorly	Flexible staffing structures may enable organisations to ride the storm. Conversely few organisations have adequate reserves.
Neither	The speed with which the global financial picture began to unravel has caught most organisations off guard. So too early to say how well positioned they are.
Neither	<ul style="list-style-type: none"> <li>• The push in the arts sector to establish endowment funds (often through matching programs) means that some organizations (mostly large) have funds that are a) losing their value and not generating income and b) inaccessible at a time of possible credit crunches.</li> <li>• Many arts organizations (especially small to mid-sized) already operate in a flexible and cash-strapped way, allowing them to change their plans as required.</li> <li>• Arts funders and arts advocates are endeavouring to position the arts sector as worthy beneficiaries of economic stimulus packages being proposed by governments around the world.</li> <li>• It will be important for arts service organizations to rally and support the artistic milieu but in order to do so, they will need an enhanced understanding of how to offer their product in a fluctuating market, where even economists are changing their analysis on a regular basis.</li> </ul>
Neither	The level of state subsidies in Denmark to the arts eliminates the effects to a large degree
Poorly	Few have really sophisticated understanding of how economy affects them and their work; the major companies will be more resilient but the small to medium organisations are likely to face a challenge for which they have limited capacity (in board leadership and diverse income sources) to respond.
Well	Services like Artsupport Australia on offer re fundraising support.
Neither	This current global recession is unprecedented and the extent both in scale and nature is unknown. While arts companies are encouraged, and often do build reserve funds, in buoyant times these 'reserves' are sometimes used for creative development purposes, or international touring or commissioning. Many artists and arts administrators have not experienced working at times of significant global recession.
Well	Literature and the arts have strengths that enable them to face any crisis, in both poles of culture's cycle: creation and consumption. The most negative effects could come from the toughening of consumables importing conditions and from losing export markets. On the other hand, a national and regional step by step approach, like the ones promoted by international organisations could reduce the impacts and contribute to take non-central countries to more independent paths where they are less subordinate from central countries.

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Comments, question 9

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Neither    The arts sector is wide and diverse and much acclimatised to making work of a high quality on less than optimum funding so it is likely that some parts will be better positioned than others.

As a sector the arts consistently provides good value for money so may be more protected than purveyors of more obviously 'luxury' brands. Other research has indicated that value for money becomes more important for people in a recession (ref: *Arts Professional*, Jan 09).

Well        Artists in Singapore have generally worked under relatively challenging financial conditions and have built up the resilience, flexibility and capacity to cope with economic downturns, and to quickly resume their full range of activities when the economy recovers. Nevertheless, NAC understands the short-term difficulties that the arts groups may have to go through in the year ahead, and will continue to support artists and arts groups as much as we can. In addition, we will work closely with the private sector to find more creative initiatives that are in line with their corporate objectives and budget, and to encourage them to continue taking a stake in the long-term development of Singapore arts groups. The arts groups themselves will also have to think of creative ways to secure sponsorship.

Neither    Our Art Industry is not that massive but will ensure that Art remind part of the cultural sector in the country that everyone appreciate.

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**10) Are you aware of any good practice programs, collaborations, or research being undertaken by organisations in the sector to respond to the impending economic downturn? If so, please provide a description, references or web links below, or attach files to your response.**

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Comments, question 10

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See the Americans for the Arts Website for webinars and membership outreach tools being implemented to help the arts organizations in the US.  
[www.americansforthearts.org/events/webinars/default.asp](http://www.americansforthearts.org/events/webinars/default.asp)

Art & Business in Northern Ireland has recently produced a report on Arts Philanthropy and is currently assessing in more detail the effect of the recession on sponsorship. Audiences NI has been working with its members in delivering training events and services in an increasingly difficult and competitive environment.

No

Many organizations are increasing their advocacy work to ensure that they are positioned as part of the solution and not a frill to be cut. See: Canadian Conference of the Arts, *The Cultural Sector: Part of the Solution for an Economic Stimulus*  
[www.ccarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf](http://www.ccarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf)

Lot of data, research reports etc available for fundraisers, CEOs.

Not aware

This search is under way. The Economy and Culture project of the Cuban Cultural Research Institute 'Juan Marinello' is in charge.

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Comments, question 10

There is increasing interest in diversification and options related to a diminishing reliance on public funding. This work may well be challenged given the recession but it remains a live issue.

Not at the moment.

No

### (C) ARTS AGENCY AND GOVERNMENT RESPONSE

**11) Has your agency implemented, or do you plan to implement, special initiatives or research in response to the global economic downturn? If yes, please describe below, providing references and weblinks or attachments.**

Comments, question 11

See our website: [AmericansfortheArts.org](http://AmericansfortheArts.org); [AmericansfortheArtsActionFund.org](http://AmericansfortheArtsActionFund.org); [artsmarketing.org](http://artsmarketing.org)

Though not expressly developed as a response to the global economic downturn, the Arts Council of Northern Ireland is working jointly with An Chomhairle Ealaíon/Arts Council of Ireland in carrying out a study of artists in Ireland. The project which will be commissioned in January, 2009 has been designed to determine the living and working conditions of artists and cultural practitioners and will provide an evidence base of their prevailing financial status. Also under discussion/in development are measures and interventions designed to develop entrepreneurial skill and strategic marketing with external partners (e.g. Arts & Business; Audiences NI) to improve competitiveness and resilience.

Not yet

Our efforts are very much targeted on maintaining levels of public funding; offering advice/assistance to organisations in difficulties; finding additional sources of funding to support cultural activity.

We have not implemented something yet, but it is possible that further on we will carry out a project related to this matter.

Not at present.

No, not at this point. We are, however, monitoring the situation closely.

[abaf.org.au](http://abaf.org.au) – we have endeavoured to provide comment and advice to the arts on likely impacts and will provide forums and research material to assist arts organisations as the year progresses.

Constantly promoting special resources relevant to economic downturn via Artsupport Australia: eg. Surveys, seminars, documentation.

In our management of the Major performing Arts Companies we are working to encourage, and possibly assist these companies undertake additional financial modelling work to best determine 'options' and 'scenarios' that consider reduction in income of various scales.

This analysis is under way.

We will be monitoring the impacts on the organisations we fund on a regular basis

## Comments, question 11

(Foundation and Flexibly Funded organisations) and we plan to do a survey of Scotland's 32 local authorities to find out what the outlook is for their cultural budgets and programmes. We work in close partnership with Arts & Business who surveyed the private sector in 2008 and may carry out follow-ups.

In 2008, the NAC launched Arts for All, a community engagement plan with \$5m funding for the next five years. The plan aims to enhance broad-based access to the arts and bring the arts to different segments of the population. With the economic downturn, there is now greater resolve to reach out to all Singaporeans through the arts.

We are also looking at the possibility of investing more to develop the capabilities of our artists and arts groups during the downturn. NAC will continue to launch initiatives that will help artists and arts groups to raise their professionalism, create new works, maintain their appeal with audiences, and remain relevant in the face of challenging times, such as the Arts Creation Fund, launched in November 2008, and the International Arts Residency programme which will be launched in February 2009.

Not at this at this stage yet where will have to analyse and see what will be impact of the Financial Crisis

**12) Has your government implemented, or does it plan to implement, special initiatives or research in response to the global economic downturn that you think may be relevant to the arts? If yes, please describe below, providing references and weblinks or attachments where possible.**

## Comments, question 12

In the new administration after Jan 20 there will be such help. [The arts elements of the US stimulus package are summarised at Arts Recovery Funds Restored in Economic Stimulus Bill, [www.americansforthearts.org/news/afta\\_news/default.asp#item8](http://www.americansforthearts.org/news/afta_news/default.asp#item8)].

New government, no indications so far

Strategy currently being finalised.

We have not detected activities of this sort. As of now prevails the feeling that the crisis is being dealt with explicitly by the governmental departments of the economic realm –economy, finances, employment, etc.- and of social assistance, while areas like culture choose not to give explicit signals of their connections with the general economic situation.

The Canadian government released its federal budget on January 27, 2009. The budget included \$335 million in support for culture, arts and heritage, including:

- \$25 million to establish an endowment for the new Canada Prizes in the Arts and Creativity program, which will award four prizes of \$100,000 annually to new international artists in theatre, music, dance and visual arts,
- \$60 million over two years for the Department of Canadian Heritage's (PCH) Cultural Spaces Canada program, which supports cultural-infrastructure projects such as libraries, local theatres and small museums
- an increase of \$7 million for this coming year and a budget of \$13 million for the next fiscal year for the National Arts Training Contribution Program at PCH. The

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 Comments, question 12
 

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\$13 million includes \$6 million that was due to sunset in 2010–2011, for a net increase of \$7 million to the ongoing budget

- \$200 million for the Canadian Television Fund over the next two years
- \$28.6 million over the next two years to the Canada New Media Fund, and \$14.3 million annually thereafter

Under the heading of tourism, the budget has also designated \$100 million over two years for marquee festivals and events.

## Sources:

Canada's Economic Action Plan <http://www.budget.gc.ca/2009/plan/bpc3e-eng.asp#14>

Canadian Conference of the Arts, The 2009–2010 Federal Stimulus Budget and culture: more status quo than economic stimulus

<http://www.ccarts.ca/en/advocacy/bulletins/2009/0309.htm>

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There are no current plans for such actions

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Not at this stage. Some periodical research or 'reviews' will be undertaken that monitor market place changes over this period. One such example is the Australian Government's Third Review of the Major Performing Arts Funding Model. This Review will monitor changes to the operating market place for this sector.

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The Scottish Government has set out an economic recovery programme which builds on the steps already taken to support the Scottish economy. Details of the programme were included in the *Scottish Government's Response to the First Annual Report of the Council of Economic Advisers* ([www.scotland.gov.uk/Publications/2009/01/15111700/0](http://www.scotland.gov.uk/Publications/2009/01/15111700/0)).

The programme has six elements, designed to increase short term demand in the Scottish economy and provide immediate support to those businesses and families most affected:

- Reshaping capital spending plans
  - Ensuring all government activity, including on planning and regulation, supports economic development
  - Intensifying activity and support for tourism and Homecoming 2009
  - Intensifying work around energy efficiency and fuel poverty
  - Increasing advice to businesses and individuals
  - Improving financial advice to vulnerable individuals
- 

Singapore views arts development as a long-term investment. We have made significant achievements over the years, and we intend to build on these achievements and sustain the momentum despite the economic downturn. The Ministry of Information, Communications and the Arts (MICA), of which the NAC is a component, recently launched Phase Three of the Renaissance City Plan, which will provide S\$115m over the next five years for the long-term development of the arts. (more information on MICA's plans are at [www.ifacca.org/national\\_agency\\_news/2008/12/09/speech-dr-lee-boon-yang-mica-annual-press-cocktail/](http://www.ifacca.org/national_agency_news/2008/12/09/speech-dr-lee-boon-yang-mica-annual-press-cocktail/))

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Not at this point in time, we haven't really site down to see that but yes the government will certainly in whatever ways that available

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**(D) GENERAL ISSUES AND COMMENTS**

**13) Do you know of any other information resources relating to the impact of the global economic downturn on the arts that would be useful for other IFACCA members? If so, please provide references below, including weblinks where possible, or attach resources to your email response.**

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Comments, question 13

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As noted above, since the release of the federal budget, there have been many articles about the investment in arts and culture. The Canadian Conference of the Arts' full analysis of the federal budget is forthcoming.

There is a new study by Richard Florida and Roger Martin that was commissioned by the Province of Ontario's government entitled *Ontario in the Creative Age* that address creative sector industries and workers.

[www.creativeclass.com/creative\\_class/2009/02/05/new-study-ontario-in-the-creative-age/](http://www.creativeclass.com/creative_class/2009/02/05/new-study-ontario-in-the-creative-age/)

There have been some articles in the media which may be of interest:

Le Devoir, La culture dans la crise économique: régression ou stagnation?

[www.ledevoir.com/2008/12/19/224012.html](http://www.ledevoir.com/2008/12/19/224012.html) (in French only)

The Vancouver Sun, Charities hurt by market, but should survive

[www.vancouver.sun.com/Charities+hurt+market+should+survive/1083869/story.html](http://www.vancouver.sun.com/Charities+hurt+market+should+survive/1083869/story.html)

Other documents regarding the economic situation of Canada's cultural sector:

Canadian Arts Coalition, The Arts Advantage

[www.canadianartscoalition.ca/media/Cdn%20Arts%20Coalition%20Prebudget%20brief.pdf](http://www.canadianartscoalition.ca/media/Cdn%20Arts%20Coalition%20Prebudget%20brief.pdf)

The Conference Board of Canada, Valuing Culture: Measuring and Understanding Canada's Creative Economy, [www.conferenceboard.ca/documents.aspx?DID=2671](http://www.conferenceboard.ca/documents.aspx?DID=2671)

Canadian Conference of the Arts, The Cultural Sector: Part of the Solution for an Economic Stimulus

[www.ccartarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf](http://www.ccartarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf)

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Weathering the storm- fundraising in gloomy financial times, Artsupport

Australia/Australia Council for the Arts,

[www.australiacouncil.gov.au/the\\_arts/features/weathering\\_the\\_storm-fundraising\\_in\\_gloomy\\_financial\\_times](http://www.australiacouncil.gov.au/the_arts/features/weathering_the_storm-fundraising_in_gloomy_financial_times)

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Not aware of any.

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The lack of systemic and systematic information about culture's economic dimensions in the public sector –financing and implementation– as well as in the non-profit private sector and the mercantile sector, brings as a result not being able to establish the statistical series and indicators needed to identify tendencies and corrections. A joint UNESCO and IFACCA action could be of use to create actions in this direction, since the crisis' impact could be of great magnitude and recovery will be slow.

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The Scottish Council for Voluntary Organisations has circulated in Scotland has circulated advice to social enterprises.

[www.scvo.org.uk/scvo/Information/ViewInformation.aspx?al=t&from=h&Info=1799](http://www.scvo.org.uk/scvo/Information/ViewInformation.aspx?al=t&from=h&Info=1799)

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Whilst not an information resource as such, the coverage in the press seems to home in on the 'feel good factor':

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Comments, question 13

Culture: I'd do anything to be crunched like this

Now that Britain is officially in recession, will people start spending less money on culture? The conventional wisdom is that the arts don't suffer during times of economic hardship because the need for escapism is greater than ever – and this is borne out by the latest statistics. [www.independent.co.uk/arts-entertainment/theatre-dance/features/culture-id-do-anything-to-be-crunched-like-this-1520058.html](http://www.independent.co.uk/arts-entertainment/theatre-dance/features/culture-id-do-anything-to-be-crunched-like-this-1520058.html)

We want fun at the theatre

In hard times audiences need happy and familiar plays, says Paul Vallely  
[www.independent.co.uk/arts-entertainment/theatre-dance/features/we-want-fun-at-the-theatre-1522845.html](http://www.independent.co.uk/arts-entertainment/theatre-dance/features/we-want-fun-at-the-theatre-1522845.html)

**14) We are considering distributing a follow-up to this questionnaire to monitor developments and to share updated information. Do you think a follow-up survey is worthwhile?**

Do you think a follow-up survey is worthwhile?

Yes	14
No	0
Total	14

If yes, please indicate when you think would be the best time to distribute a follow-up questionnaire:

May/June/July/6 months: 7 respondents

Second half/late 2009: 4 respondents

12 months/early 2010: 3 respondents

Comments, question 14

Every six months

January 2010

6 months – June 2009

July 2009...

The second half of the year 2009, when there will possibly be more clearer data to figure out the magnitude of the crisis' impact and which would be the sectors more affected by it.

No earlier than Oct 2009

Six months hence (June-July 09)

August 2009

12 months' time

Every 6 months.

This year's second semester. By that time we will know the programs adopted internationally to recover from the crisis and the impact that it will have on the



Comments, question 14

World's commerce and finances, especially on credit flows, since credit is an important funding source for underdeveloped countries.

May 2009

January 2010

July 2009 and I suggest IFACCA, holds conference on this urgently with its members

**15) Are there questions or issues relating to the global economic downturn that you think IFACCA should address over the next 12 months, or that we should ask about in a possible follow-up questionnaire? Please describe in the space below.**

Comments, question 15

What if anything are other agencies doing to help Arts Organisations survive the economic downturn.

Sharing the kind of intelligence contained in this type of questionnaire would be helpful.

If it is relevant to measure the crisis' impact on artistic and literary creation and cultural consumption, then it will be important to know:

- Which are the programs adopted so far to overcome the crisis and their impact on culture, and
- Which are the programs put into practice by various social agents, including governments, entrepreneurs and civil society (associations, non-profit organizations), to preserve culture and heritage.

It would helpful if IFACCA could identify different responses to the downturn eg different organisational or financial models which may emerge as a response to change in the economic climate.

Additional issues for investigating:

- Comparative impact on specific categories of arts events or arts organisations would be useful. For example, impact on festivals vs "trade/arts fairs"; on for-profit vs not-for-profit organisations.

Follow-up to this survey:

- It would be useful to find out the actual impact of the economic downturn on the arts sector over the year compared to the findings of this survey and how the arts sectors in various countries coped during this period.

Follow ups on the following approaches: 1. Hold a Conference on the current needs base on what each country has the best suites them; 2. Set up a plan of how to make this response will be effective to the members and to the IFACCA itself.

**16) Are there any other comments or ideas you have about this questionnaire?**

Comments, question 16

I was very surprised not to see our Americans for the Arts website listed as a resource at the end of this survey: [Arts funding response and readiness kit [www.artsusa.org/information\\_services/toolkit/default.asp](http://www.artsusa.org/information_services/toolkit/default.asp)]



Excellent idea and very interesting topic worthwhile analysing

Not all artistic expressions suffer the same impact in times of economic turmoil because their cultural and economic requirements are different. Not all depend equally on governmental allocations or are affected in the same way by the market's volatility. On the other hand, not all segments of the population suffer equally the crisis' impact. Mostly, low income sectors will be affected and this has been accepted internationally. This compels us to carry out differential analysis.

A great start indeed that will have great impact of the Arts Sector to see a way forward. We need to ACT NOW than later. Perhaps set a crises management team that will over see such crises. Countries of the Third World countries will suffer more that bigger country's that depends very much on such activities.

## Appendix 2: references and resources

Below is a list of resources supplied by respondents and gathered by IFACCA. Resources are divided into two types: research, best practice guides and expert commentary; and general news items. The list is by no means exhaustive. We welcome any additional resources at [info@ifacca.org](mailto:info@ifacca.org).

### International

#### OECD

Tackling the financial and economic crisis

Tracking page updated regularly

The global economic crisis is affecting families and communities across the planet. Restoring stability, confidence and growth is the priority: the OECD is working with the world's governments and other organisations to get economies moving again.

At this page on the OECD website, you will find comment and analysis for a strategic response to the crisis, along with links to useful statistics, key publications and relevant speeches and articles.

[www.oecd.org/document/24/0,3343,en\\_2649\\_201185\\_41707672\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/24/0,3343,en_2649_201185_41707672_1_1_1_1,00.html)

International Monetary Fund

Financial Crisis

[www.imf.org/external/np/exr/key/finstab.htm](http://www.imf.org/external/np/exr/key/finstab.htm)

World Bank

Topics in Development: Financial Crisis

[www.worldbank.org/html/extdr/financialcrisis/](http://www.worldbank.org/html/extdr/financialcrisis/)

The Management Centre

Global Fundraising Confidence Report

The Management Centre (=mc), October 2008

This report analyses the responses to a global online survey undertaken over 5 days by The Management Centre (=mc) at the 2008 International Fundraising Congress in Holland. The survey explores the implications of the global financial crisis for fundraisers. It acts as a guide to fundraisers now on how their preferred strategy compares to global expert views. It will provide data for 12-24 months time on how accurately fundraisers predicted the impact of the crisis - a practical piece of futurology.

[www.managementcentre.co.uk/knowledge\\_base\\_detail.php/596/global\\_fundraising\\_confidence\\_report](http://www.managementcentre.co.uk/knowledge_base_detail.php/596/global_fundraising_confidence_report)

### Europe

LabForCulture, Europe

How can the cultural sector survive the financial crisis?

22nd January 2009

It is clear to everyone who follows daily reports about the cancellation of cultural events and the closure of opera houses and theatres, or learns about economic troubles at one cultural institution or another, that the global financial crisis is already having a significant impact on philanthropic giving and non-profit organisations.

It is also clear that the crisis' impact is going to get deeper and wider for some time to come. It is less clear how long the fallout will last; and it is especially unclear what the crisis ultimately means for policy-makers, leaders and managers in the cultural sector. This article examines how the arts and culture sector is responding to growing uncertainty in the global economy – and how the sector can weather the gathering storm.

#### Contents

1. How can the cultural sector survive the financial crisis?
2. How is the arts and culture sector responding to the crisis?
3. How should non-profits rise to new challenges?
4. Six tips for weathering the storm
5. Preparing for the future

[www.labforculture.org/en/content/view/full/39830](http://www.labforculture.org/en/content/view/full/39830)

#### Financial crisis tag cloud

A collection of articles and blogs on the economic downturn and the arts from the international media. Includes:

- Financial crisis: impact on sponsorship and philanthropy for arts and culture  
Sofia Nicolas (27 January 2009)
- Interesting news report about arts funding and the credit crunch; in audio/video format,  
Sofia Nicolas (11 December 2008)
- A new Soul for Europe - on how to survive the crisis, Cristina Farinha (27 January 2009)

[www.labforculture.org/en/tagcloud/keyword?keyword=financial+crisis](http://www.labforculture.org/en/tagcloud/keyword?keyword=financial+crisis)

#### Creative economy research programme

##### Arts Council England

The Arts Council is currently undertaking research to assess the potential impact of the recession on the arts and on our regularly funded organisations in particular. The findings will inform our case to government in the next spending review.

[www.artscouncil.org.uk/aboutus/project\\_detail.php?sid=13&id=1092](http://www.artscouncil.org.uk/aboutus/project_detail.php?sid=13&id=1092)

(see also 'ACE reassesses downturn' [www.thebookseller.com/news/77496-arts-council-re-examines-impact-of-downturn.html](http://www.thebookseller.com/news/77496-arts-council-re-examines-impact-of-downturn.html))

#### Maximising the importance of arts and culture throughout the economic downturn seminar, 24 April 2009, The Brewery, London

On 24 April a seminar sponsored by the Arts Council, will bring together key figures to discuss arts, culture and the economy in a downturn. The seminar is being organised by the Centre for Public Policy Seminars.

[www.cppseminars.org.uk/site/dpb.cfm?do=ref&fldCPPSref=AAC/235&varDetProgBiog=det](http://www.cppseminars.org.uk/site/dpb.cfm?do=ref&fldCPPSref=AAC/235&varDetProgBiog=det)

#### Arts and Business, UK

Business Investment in Culture Trends 2008: Will the Credit Crunch Affect This?, by Tina Mermin, September 2008.

In August 2008 Arts and Business undertook research into how the credit crunch and financial crisis was affecting the arts and cultural sector. The research examines the attitudes towards and confidence in future investment from the private sector. They are currently updating this initial research study in light of developments since August 2008.

[www.aandb.org.uk/Asp/uploadedFiles/Image/research\\_nov2008/aandb\\_research\\_business\\_investments\\_sep08.pdf](http://www.aandb.org.uk/Asp/uploadedFiles/Image/research_nov2008/aandb_research_business_investments_sep08.pdf)

#### See also

Arts & Business outlines cultural priorities in response to bleak economic picture

Arts & Business today unveils a package of measures designed to address the development, learning and best practice needs of cultural organisations throughout the UK. As part of the strategy, Arts & Business has appointed Verity Haines as National Arts Director, to lead on

the creation of successful partnerships between the creative industries and the corporate sector.

[www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,184,1617](http://www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,184,1617)

What Now for the Arts in the Economic Downturn?

[www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,4,29,1440](http://www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,4,29,1440)

Colin Tweedy comments on the arts and the current economic downturn

23 September 2008

[www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,5,1377,1438](http://www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,5,1377,1438)

Private Investment in Culture 2007/08 and the Recession

Forthcoming full report

A full report, available at the end of February, will provide more detailed and robust information about the scale and nature of private investment in the UK and how the recession will affect this.

[www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,150,1549](http://www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,150,1549)

Demos

Looking back to go forward

New Statesman, 2nd February 2009

As the recession bites, Samuel Jones, Head of Culture at Demos, looks to heritage and culture as a means of renegotiating society's values.

[www.newstatesman.com/life-and-society/2009/02/heritage-culture-values](http://www.newstatesman.com/life-and-society/2009/02/heritage-culture-values)

After the Apocalypse: Lessons from the global financial crisis

November 2008

A collection of perspectives on the correct response to the credit crisis and economic downturn from a group of distinguished experts.

[www.demos.co.uk/publications/aftertheapocalypse](http://www.demos.co.uk/publications/aftertheapocalypse)

Price Waterhouse Coopers

Charities Sector - Managing in a Downturn: November 2008 survey results, analysis and key messages

Price Waterhouse Coopers, December 2008

With many charities fearful of the impact of the recession on their income, we joined forces with the Charity Finance Directors' Group and the Institute of Fundraising to undertake a survey of their respective members as to their expectations for the coming year and beyond and what actions they were taking as a result. With our colleagues in PS Assurance, David Dignam, we produced a 16 page summary of the results of the survey which will make interesting reading for anyone associated with a charity in their personal capacity as well as highlighting potential areas of commercial opportunity for the firm. (6 percent of respondents were from arts/culture charities)

[www.pwc.co.uk/eng/publications/charities\\_sector\\_midt\\_nov08\\_survey\\_results.html](http://www.pwc.co.uk/eng/publications/charities_sector_midt_nov08_survey_results.html)

2into3

Fundraising in a Cold Climate: An Analysis by 2into3

2into3, Ireland, October 2008

*Fund Raising in a Cold Climate* provides a comparative analysis of the impact of significant world events on fundraising versus markets performance and also examines the impact of recessionary periods in the sector. The Non Profit sector, which represents 8.8% of the workforce in Ireland, is frequently referred to as the third sector due its scale and role in the economy.

The report, compiled by 2into3's Dennis O'Connor and Deirdre Hatch, looks at specific events across a seventy year period from the fall of France in World II through to the impact

of 9/11 and notes that, with one exception, in declining markets donations increased from between 4% and 46%. In 2002 when the Standards&Poor index dropped by 23% philanthropy actually increased by 1%.

The report also looks at economic trends and philanthropic giving over a 40 year period and found that once adjusted for inflation, donations on average drop by merely 0.7% during times of recession.

[www.fundingpoint.ie/?q=knowledgebase/fundraising-a-cold-climate](http://www.fundingpoint.ie/?q=knowledgebase/fundraising-a-cold-climate)

#### Fund-raising and Revenue Generation Survey

Arts Quarter, March 2009

Arts Quarter's *Fund-raising and Revenue Generation Survey*, conducted over January and February 2009, covers 306 UK not-for-profit organisations. The findings of the survey suggest that, when compared to the wider charitable sector, cultural nonprofits experienced a greater decline in revenues from corporate sponsorship, had a greater degree of success in retaining relationships with trusts, and fared worse in securing individual gifts of less than £1,000. The study also suggests that theatre community respondents reported a greater decline in corporate, trust and individual support compared to the rest of the cultural sector, and that ticket or admission income had remained steady or indeed increased, although 'peripheral' income streams (such as from an organisation's cafés, bars and merchandise sales) had not remained as stable.

A number of respondents also provided insights into a range of ways in which they are seeking to address potential shortfalls in the medium term.

[www.artsquarter.co.uk/news.html](http://www.artsquarter.co.uk/news.html)

#### New deal of the mind, UK

A coalition of entrepreneurs, teachers and individuals working in the creative industries who believe we must act immediately.

[www.newdealofthemind.com/?page\\_id=2](http://www.newdealofthemind.com/?page_id=2)

Audio transcripts for the New Deal of the Mind meeting on 24 March 2009 can be found at

[www.newdealofthemind.com/?page\\_id=296](http://www.newdealofthemind.com/?page_id=296).

## USA

#### Information regarding the Arts and Economic Stimulus

National Endowment for the Arts, 29 January 2009

There has been much public conversation recently regarding the role of the arts and culture industry in economic stimulus. Following is information that seeks to clarify this issue through two key points: that the arts and culture industry is a sector of the economy just like any other with workers who pay taxes, mortgages, rent and contribute in other ways to the economy; and that the National Endowment for the Arts is uniquely positioned to assist in job stimulation for that industry.

[http://www.ifacca.org/national\\_agency\\_news/2009/01/29/information-regarding-arts-and-economic-stimulus/](http://www.ifacca.org/national_agency_news/2009/01/29/information-regarding-arts-and-economic-stimulus/)

#### Artists in a Year of Recession: Impact on Jobs in 2008

National Endowment for the Arts Research Note #97, March 2009

Artists are facing sharp increases in unemployment. For artists, the economic downturn has meant high unemployment rates and discouraging job prospects. This NEA Research Note uses unpublished data from the Department of Labor's Bureau of Labor Statistics to analyze recent trends in artist's employment and unemployment.

[www.nea.gov/research/Notes/97.pdf](http://www.nea.gov/research/Notes/97.pdf)

National Endowment for the Arts emergency funding opportunity under the Recovery Act The Arts and the American Recovery and Reinvestment Act of 2009, (the 'Recovery Act') includes \$50 million to assist the nonprofit arts sector through the National Endowment for the Arts (NEA). The new program will fund projects that focus on the preservation of jobs in the arts. The NEA is offering two categories of one-off support based on its existing distribution mechanism, which apportions 40 percent to State and regional arts agencies, and 60 percent through competitive direct grants. Applicants to direct grants must have received NEA funding in the last four years to be eligible to apply.

The NEA has a page on its website dedicated to the emergency program.

[www.arts.gov/recovery/](http://www.arts.gov/recovery/)

#### All America's a Stage

National Endowment for the Arts, USA, December 2008

Nonprofit theaters in the United States have seen unprecedented expansion across the United States, according to new research from the National Endowment for the Arts. All America's a Stage examines developments in the growth, distribution, and finances of America's nonprofit theater system since 1990. While the research indicates broad growth and generally positive fiscal health, it also reveals decreasing attendance rates and vulnerability during economic downturns.

[www.nea.gov/research/Research\\_Brochures.php](http://www.nea.gov/research/Research_Brochures.php)

[www.arts.endow.gov/news/news08/Theater.html](http://www.arts.endow.gov/news/news08/Theater.html)

#### Arts and Economic Recovery

##### Americans for the Arts

In early January, Americans for the Arts presented its policy recommendations to the Obama-Biden Transition Office on how arts groups and artists can be supported in the economic recovery plan. The policy recommendations are available here. The focused efforts of Americans for the Arts are not only dedicated to sustaining the health of the arts field, but also on helping it gain momentum so that the arts can grow and prosper in the first half of this new century. We also hope the additional resources available here will allow arts groups to remain fiscally healthy in this time of economic uncertainty. Includes:

- Arts Funding Response and Readiness Kit  
We have many tools to help folks through these difficult times. One worth highlighting is our new Arts Funding Response and Readiness Kit—provides current information, key messaging, communications and advocacy strategies, and the research to make the case for keeping the arts in your community. It is quite good.  
[www.artsusa.org/information\\_services/toolkit/default.asp](http://www.artsusa.org/information_services/toolkit/default.asp)
- Action Fund  
The USA's national organisation mobilizing arts activists to ensure elected officials support policies and funding for all arts, culture and arts education. Contains news and resources on the economic downturn and the government's policy response.  
[www.americansfortheartsactionfund.org/stay\\_informed/news\\_you\\_can\\_use.asp](http://www.americansfortheartsactionfund.org/stay_informed/news_you_can_use.asp)
- National Arts Marketing Project  
Tips, creative ideas, and best practices to help arts organisations save time, reduce costs, and improve marketing results. A number of resources aimed at guiding organisations through the recession. [www.artsmarketing.org](http://www.artsmarketing.org)

To view all Americans for the Arts resources:

[www.artsusa.org/information\\_services/recovery/default.asp](http://www.artsusa.org/information_services/recovery/default.asp)

NPAC: Growing Ticket Revenues in an Economic Downturn  
July 13 2008, TRG/Target Resource Group

A presentation that outlines seven marketing-related strategies for arts organisations in recessions.

<http://arts-marketing.blogspot.com/2008/07/npac-growing-ticket-revenues-in.html>

What should I cut?

February 15, 2009, Chad Bauman

Most arts organizations are planning to reduce their expenses in the next year in response to the economic crisis. Provides nine expenses that arts organisations can afford to cut.

<http://arts-marketing.blogspot.com/2009/02/what-should-i-cut.html>

National Association for State Arts Agencies (NASAA)

Executive Director's Column, by Jonathan Katz, NASAA Executive Director, Notes, Vo. 12(8), December 2008

Suggesting that one way for arts agencies to adapt to the changing economic environment is to reconsider their mission and their management, communication and cultural leadership roles, Jonathan Katz poses a series of questions to help arts agency executive officers 'consider how best to provide public service in these challenging times.'

[www.enebuilder.net/nasaanotes/e\\_article001279784.cfm?x=bdPhn4j,bbhgb2Dm](http://www.enebuilder.net/nasaanotes/e_article001279784.cfm?x=bdPhn4j,bbhgb2Dm)

Wolf Brown

Navigating Troubled Waters

Sounding Board No. 24, 2008

Just how long the economy will remain in recession is anyone's guess, and the impact on donations and consumption patterns is a matter of conjecture at this point. We believe that most nonprofit cultural organizations will see at least a moderate drop-off in private giving, especially large gifts from individuals, as well as a moderate to severe drop-off in corporate and foundation support. The impact on earned revenues may also be significant, as discretionary spending contracts.

Wolf Brown's senior consultants offer independent perspectives from their unique vantage points, each arguing for a somewhat different approach to navigating troubled seas.

[www.wolfbrown.com/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=76&cntnt01detailtemplate=sounding\\_board\\_detail&cntnt01returnid=415](http://www.wolfbrown.com/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=76&cntnt01detailtemplate=sounding_board_detail&cntnt01returnid=415)

See also previous 2001 about how handle crisis:

Dealing with Crisis: Achieving Stability in Difficult Times

Sounding Board No. 9 | Published 2001

Laura Lewis Mandeles

[www.wolfbrown.com/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=17&cntnt01detailtemplate=sounding\\_board\\_detail&cntnt01returnid=415](http://www.wolfbrown.com/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=17&cntnt01detailtemplate=sounding_board_detail&cntnt01returnid=415)

Arts Consulting Group

Surviving Hard Times: A Guide for Cultural Organizations

Arts Insights, Arts Consulting Group, October 2008

By Paul Ideker, Senior Consultant. 'As a result of the current world financial crisis, nonprofit organizations of all types are rightfully asking questions about what they can do to help ensure their organization will survive what is being termed the most negative financial environment since the Great Depression. While there are no absolute answers, there are several things organizations can, and in some cases must, do to stay afloat.'

[www.artsconsulting.com/artsinsights/index.html](http://www.artsconsulting.com/artsinsights/index.html)

Foundation Center, USA

Focus on the Economic Crisis, including:



- Do Foundation Giving Priorities Change in Times of Economic Distress?, November 2008, Steven Lawrence, the Foundation Center's senior director of research, examines trends in foundation giving priorities during times of financial difficulty.  
[http://foundationcenter.org/gainknowledge/research/econ\\_outlook2.html](http://foundationcenter.org/gainknowledge/research/econ_outlook2.html)
- Past Economic Downturns and the Outlook for Foundation Giving, October 2008 by Steven Lawrence, Senior Director of Research  
[http://foundationcenter.org/gainknowledge/research/econ\\_outlook.html](http://foundationcenter.org/gainknowledge/research/econ_outlook.html)

### Taking Your Fiscal Pulse

Theater Communications Group, January 2009

This report is a compilation of the data from Theater Communications Group's second *Taking Your Fiscal Pulse* snapshot survey, which was conducted in January 2009. It highlights fiscal data from members during the period of fall 2008 to winter 2009, as well as budget projections and re-projections for participants' fiscal year end. In response to the economic climate, theatres indicated that they are intensifying their communications with stakeholders, revising internal planning, increasing use of technology and social networking, and sharing services with other organisations.

The majority of theatres are also implementing budget cuts, with 'the top four actions being a reduction or freeze of salaries, a reduction in travelling/conferences, new ticket discounting and a reduction in the number of administrative staff.' The survey also found that 'the highest percentage of theatres expected lower than anticipated revenue from corporate contributions and non-trustee individual contributions.'

[www.tcg.org/tools/other/snapshot.cfm](http://www.tcg.org/tools/other/snapshot.cfm)

### The New Normal

Theater Communications Group, March 2009

In December 2008 and January 2009, Theatre Communications Group asked its member theatres a range of questions about their short-term and long-term responses to the economic climate 'to gauge the state of the field in this challenging time'. Nearly 200 members participated. The outcome is available at the link below.

[www.tcg.org/publications/centerpiece/index.cfm](http://www.tcg.org/publications/centerpiece/index.cfm)

## Canada

Canadian Conference of the Arts, The Cultural Sector: Part of the Solution for an Economic Stimulus, [www.ccarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf](http://www.ccarts.ca/en/advocacy/bulletins/2008/documents/submissiontoFlaherty.pdf)

## Australia

Australia Council for the Arts

Weathering the storm- fundraising in gloomy financial times

Australia Council for the Arts

International insights on how fundraising and philanthropy maybe affected by stormy financial times- and advice on how organisations can best cope.

[www.australiacouncil.gov.au/the\\_arts/features/weathering\\_the\\_storm-fundraising\\_in\\_gloomy\\_financial\\_times](http://www.australiacouncil.gov.au/the_arts/features/weathering_the_storm-fundraising_in_gloomy_financial_times)

Australia Business Arts Foundation (AbaF)

A national organisation which promotes private sector support for the arts. Contains news and information resources on the impacts of the downturn for arts organisations. Forums and research are planned for 2009.



[www.abaf.org.au/index.php?pageID=3352&staticID=News-Archives](http://www.abaf.org.au/index.php?pageID=3352&staticID=News-Archives)

See also

Recessions, sponsorships and the arts, January 2009,  
AbaF CEO Jane Haley's view on the likely impacts of the global recession on arts and  
business partnerships in Australia, plus eight 'general principles' the arts can adopt to nurture  
their business partnerships through 'these choppy waters'.

[www.abaf.org.au/index.php?action=pages&pageID=6951](http://www.abaf.org.au/index.php?action=pages&pageID=6951)

Keynes's vision for investment in culture and creativity for tough times

David Throsby, December 19, 2008, The Australian

It is a remarkable reflection on the profound effect of the economic crisis that the name of  
John Maynard Keynes is once again being heard in the corridors of power.

[www.theaustralian.news.com.au/story/0,25197,24820296-16947,00.html](http://www.theaustralian.news.com.au/story/0,25197,24820296-16947,00.html)

## **Singapore**

Dr Lee Boon Yang outlines Ministry's program to help arts groups weather the storm

Ministry of Information, Communication and the Arts, 09 December 2008

Singapore

MICA's two major challenges next year would be to sustain the emerging creative industries  
and nurture the arts during the economic downturn.

[www.ifacca.org/national\\_agency\\_news/2008/12/09/speech-dr-lee-boon-yang-mica-annual-press-cocktail/](http://www.ifacca.org/national_agency_news/2008/12/09/speech-dr-lee-boon-yang-mica-annual-press-cocktail/)

## Appendix 3: List of Respondents

- Jane Haley, Australia Business Arts Foundation
- Louise Walsh, Art Support Australia
- Tony Grybowski, Australia Council for the Arts
- Alexis Andrew, Canada Council for the Arts
- Lic. Ana Mayda Alvarez, Ministry of Culture, Cuba
- Martin Vive Ivø, Kunststyrelsen Danish Arts Council, Denmark
- Alan Davey, Arts Council England
- Stephen Wainwright, Creative New Zealand
- Nick Livingston, Arts Council of Northern Ireland
- Caroline Docherty, Scottish Arts Council, Scotland
- Susan Loh, National Arts Council, Singapore
- Robert Au, Ministry of Culture and Tourism, Solomon Islands
- Jordi Baltà, Interarts, Spain
- Randy Cohen, Americans for the Arts, USA
- Nick Capaldi, The Arts Council of Wales

Thanks to all respondents.

## Appendix 4: Questionnaire

This questionnaire was distributed to chief executive officers of IFACCA members on 19 December 2008. It is provided as background to the analysis in this report – please do not complete it. If you have any questions about this report or the questionnaire, or would like to see the Spanish version, please email IFACCA at [info@ifacca.org](mailto:info@ifacca.org).

### Global financial crisis and recession: Impact on the arts

IFACCA members will be aware that the global economy is likely to be entering into recession. According to the *OECD Economic Outlook No. 84*, released in November 2008, ‘many OECD economies are in or are on the verge of a protracted recession of a magnitude not experienced since the early 1980s.’ The Outlook predicts that the majority of OECD countries will experience a recession in 2008-09 and that the major non-OECD countries are in many cases also slowing. Links to the Outlook and the OECD’s web page in response to the impending global downturn can be found in the list of resources at the end of this questionnaire.

The OECD attributes the downturn mainly to what has become known as the ‘global financial crisis’ resulting from ‘financial turmoil that erupted in the United States around mid-2007 [that] has broadened to include non-bank financial institutions and rapidly spread to the rest of the world.’

At its meeting in Scotland on 21 to 22 November, the IFACCA board asked the Secretariat to canvass members about the likely impacts that the global economic and financial downturn will have on the arts, and to gather information on policy responses to the downturn to share with each other. The board emphasised the need to gather information quickly in order to help IFACCA members to respond to the new economic environment in a timely and informed way.

We are distributing this brief questionnaire to chief executive officers of IFACCA members as an initial information gathering exercise. The questionnaire aims to:

- (i) obtain opinions and evidence on the severity and timing of the impact of the global economic downturn on the arts; and
- (ii) uncover information on how the arts and government agencies are responding to the expected downturn and, where possible, to share that information among members and the IFACCA network.

This questionnaire is divided into four main sections: the outlook for the arts; the arts sector response; responses planned by government arts agencies; and general issues and comments. A selection of news and information items is also included at the end of the questionnaire for your information.

The IFACCA secretariat will monitor developments over the next 12 to 24 months, and may distribute a follow-up questionnaire to track developments. In the questionnaire we therefore also ask for your input and ideas on any issues or initiatives that IFACCA could follow up on in future communications in this subject. We welcome any general comments or ideas.

The deadline for responses will be **Tuesday 23 December**. Note that a report of responses will be sent to respondents only in the first instance, so if you are interested in this issue, please make sure that you complete the questionnaire and return it to us by **23 December**.

WHAT TO DO

- Please answer the questions below and email your response to IFACCA at [info@ifacca.org](mailto:info@ifacca.org), or fax to +61 2 9215 9111 (making sure that IFACCA is identified on the cover sheet).
- If you know of someone else in your agency is better placed to respond, please forward this query to them.
- The deadline for responses is **23 December 2008**.
- A summary of responses will be sent to respondents by **mid-January 2009**.

(A) The outlook for the arts

1) Overall, how would you describe the financial or economic prospects of the arts sector in your country over the next 12 months:

Place an 'x' to indicate your answer

- |                          |                              |   |
|--------------------------|------------------------------|---|
| <input type="checkbox"/> | Strongly negative            | (a large contraction in activity in the sector) |
| <input type="checkbox"/> | Mildly negative              | (a mild contraction in activity in the sector)  |
| <input type="checkbox"/> | Neither positive or negative | (the sector will remain 'flat')                 |
| <input type="checkbox"/> | Mildly positive              | (a mild expansion in activity in the sector)    |
| <input type="checkbox"/> | Strongly positive            | (a large expansion in activity in the sector)   |
| <input type="checkbox"/> | Don't know/unsure            |   |

2) What impact do you think the global economic downturn will have on the arts sector in your country over next 12 months:

Place an 'x' to indicate your answer

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Strongly negative                        |
| <input type="checkbox"/> | Mildly negative                          |
| <input type="checkbox"/> | No impact (neither positive or negative) |
| <input type="checkbox"/> | Mildly positive                          |
| <input type="checkbox"/> | Strongly positive                        |
| <input type="checkbox"/> | Don't know/unsure                        |

Comments or more detail

*Write comments here...*

3) If you answered either (a) or (b) to the question above, how long do you expect the impacts to be?

Place an 'x' to indicate your answer

- |                          |                       |
|--------------------------|-----------------------|
| <input type="checkbox"/> | Up to 6 months        |
| <input type="checkbox"/> | Up to 12 months       |
| <input type="checkbox"/> | Up to 18 months       |
| <input type="checkbox"/> | Up to 24 months       |
| <input type="checkbox"/> | Longer than 24 months |

Don't know/unsure

Comments or more detail

*Write comments here...*

4) What are the mechanisms through which impact on the arts sector will be felt? Please place an 'x' in the appropriate cell below. We invite you to add any other mechanisms you think are important, or to provide more detailed description of the mechanisms you identify.

Mechanism	Impact					
	(place an 'x' to indicate your answer)					
	Strongly negative	Mildly negative	No impact	Mildly positive	Strongly positive	Don't know/unsure
<b>INCOME</b> (negative=a decline in income)						
Sponsorship (corporate sector)						
Philanthropic giving from:						
Foundations/trusts						
Individuals						
Endowment income						
Earned income from sales (including subscriptions)						
Government funding from:						
Federal/national						
State/provincial/regional						
Local/municipal						
Other (please specify):						
<i>Specify...</i>						
<b>EXPENSES</b> (negative=an increase in expenses)						
Operating costs						
Financing and credit (both cost and availability)						
Capital expenses						
Wages and salaries						
Other (please specify):						
<i>Specify...</i>						

**OTHER IMPACTS**

Please indicate any significant non-financial impacts you think the economic

downturn may have on the arts sector. Some examples are provided. Please describe in detail any impacts in the comments box.

Place an 'x' to indicate significant impacts

- Less adventurous programming
- Consolidation of operating units
- Staff layoffs
- Other significant impacts (please specify):  
*Specify...*

Comments or more detail

*Write comments here...*

5) Do you expect the impacts of the global economic downturn to be felt more by particular sub-sectors or art forms? If you do, please indicate from the list below, adding any others you think may be important. If you think that the effects will impact across all sectors more or less evenly, please go to the next question.

Place an 'x' for the sub-sectors on which you think the downturn will have greater impact

Size

- Large/major arts companies and institutions
- Small to medium companies
- Individual artists and sole traders

Market

- Subsidised sector
- Non-subsidised sector

Art Form

- Visual arts (including art museums, galleries, crafts, multimedia, and design)
- Performing arts (including music, theatre, opera, dance, and venues)
- Literary arts (including publishing and book sales)
- Community arts and culture
- Other (please specify):  
*Specify...*

Type of arts organisation

- Building or venue based
- Touring

- Independent production companies
- Service organisations (organisations providing services to the arts)
- Other (please specify):  
*Specify...*

Please explain, or provide comments or detail

*Write comments here...*

6) Over the next 12 months, do you expect to see changes in the behaviour or composition of arts audiences or arts consumers? If yes, please describe below, outlining your reasoning and providing references to any research or resources upon which your expectations are based.

Changes in audiences/consumers, with reasoning and references

*Write comments here...*

7) Over the next 12 months, do you see any positives or ameliorating factors due to the global economic downturn? These might be inherent strengths in the arts sector or opportunities that the arts can tap into. For example, strengths and opportunities identified by analysts include:

- Local cultural tourism may increase, offsetting an expected decline in international tourism.
- People will turn to the arts in times of turmoil for the arts' 'feel good' factor, so demand for the arts may not drop as much as in other sectors.
- Innovation, creativity and flexibility in the arts sector will allow it to respond better to the downturn than other economic sectors.

Please describe any strengths or opportunities, detailing your reasoning

*Write comments here...*

8) A number of resources in the 'further reading' list at the end of this questionnaire analyse the impact that previous recessions have had on the arts. Do you think that the impacts of the current economic downturn will be similar to previous recessions?



Place an 'x' to indicate your answer

- Yes
- No
- Don't know/unsure

Please explain your reasoning

*Write comments here...*

(B) The arts sector response

9) How well positioned is the arts sector in your country to respond to a global recession?

Place an 'x' to indicate your answer

- Well positioned
- Neither well positioned nor poorly positioned
- Poorly positioned
- Don't know/unsure

Why do you think this?

*Write comments here...*

10) Are you aware of any good practice programs, collaborations, or research being undertaken by organisations in the sector to respond to the impending economic downturn? If so, please provide a description, references or web links below, or attach files to your response.

Description/references

*Write comments here...*

(C) Arts agency and government response

11) Has your agency implemented, or do you plan to implement, special initiatives or research in response to the global economic downturn? If yes, please describe below, providing references and weblinks or attachments.

**Description/references**

*Write comments here...*

12) Has your government implemented, or does it plan to implement, special initiatives or research in response to the global economic downturn that you think may be relevant to the arts? If yes, please describe below, providing references and weblinks or attachments where possible.

**Description/references**

*Write comments here...*

**(D) General issues and comments**

13) Do you know of any other information resources relating to the impact of the global economic downturn on the arts that would be useful for other IFACCA members? If so, please provide references below, including weblinks where possible, or attach resources to your email response.

**References**

*Write comments here...*

14) We are considering distributing a follow-up to this questionnaire to monitor developments and to share updated information. Do you think a follow-up survey is worthwhile?

Place an 'x' to indicate your answer

- |                          |     |
|--------------------------|-----|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No  |

If yes, please indicate when you think would be the best time to distribute a follow-up questionnaire:  
Write your answer (eg: 'June 2009')

Write here...

15) Are there questions or issues relating to the global economic downturn that you think IFACCA should address over the next 12 months, or that we should ask about in a possible follow-up questionnaire? Please describe in the space below.

Issues, etc.

Write comments here...

16) Are there any other comments or ideas you have about this questionnaire?

Comments and ideas

Write comments here...

### Further reading

#### OECD

- *Economic Outlook*: [www.oecd.org/oecdEconomicOutlook](http://www.oecd.org/oecdEconomicOutlook)
- *OECD response to the economic crisis*:  
[http://www.oecd.org/document/24/0,3343,en\\_2649\\_201185\\_41707672\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/24/0,3343,en_2649_201185_41707672_1_1_1_1,00.html)

#### Arts and Business, UK

*Business Investment in Culture Trends 2008: Will the Credit Crunch Affect This?*, by Tina Mermin, September 2008.

In August 2008 Arts and Business undertook research into how the credit crunch and financial crisis was affecting the arts and cultural sector. The research examines the attitudes towards and confidence in future investment from the private sector. They are currently updating this initial research study in light of developments since August 2008.

[http://www.aandb.org.uk/Asp/uploadedFiles/Image/research\\_nov2008/aandb\\_research\\_business\\_investments\\_sep08.pdf](http://www.aandb.org.uk/Asp/uploadedFiles/Image/research_nov2008/aandb_research_business_investments_sep08.pdf)

#### Foundation Center, USA

*Focus on the Economic Crisis*, including:

- *Do Foundation Giving Priorities Change in Times of Economic Distress?*, November 2008  
Steven Lawrence, the Foundation Center's senior director of research, examines trends in foundation giving priorities during times of financial difficulty.  
[http://foundationcenter.org/gainknowledge/research/econ\\_outlook2.html](http://foundationcenter.org/gainknowledge/research/econ_outlook2.html)
- *Past Economic Downturns and the Outlook for Foundation Giving*, October 2008  
by Steven Lawrence, Senior Director of Research  
[http://foundationcenter.org/gainknowledge/research/econ\\_outlook.html](http://foundationcenter.org/gainknowledge/research/econ_outlook.html)

National Association for State Arts Agencies (NASAA)

*Executive Director's Column*, by Jonathan Katz, NASAA Executive Director, Notes, Vo. 12(8), December 2008

Suggesting that one way for arts agencies to adapt to the changing economic environment is to reconsider their mission and their management, communication and cultural leadership roles, Jonathan Katz poses a series of questions to help arts agency executive officers 'consider how best to provide public service in these challenging times.'

[http://www.enebuilder.net/nasaanotes/e\\_article001279784.cfm?x=bdPhn4j.bbhgb2Dm](http://www.enebuilder.net/nasaanotes/e_article001279784.cfm?x=bdPhn4j.bbhgb2Dm)

LabForCulture, Europe

*Financial crisis: impact on sponsorship and philanthropy for arts and culture: articles and viewpoints from the international media*, November 2008.

A list of at articles and blogs on the economic downturn and the arts from the international media. <http://www.labforculture.org/en/tagcloud/keyword?keyword=financial+crisis>