

Art World

Michael Bloomberg Thinks Midsize Arts Nonprofits Can Change American Cities, and He's Spending Over \$100 Million to Prove It

Bloomberg Philanthropies has expanded its American Cities initiative and is giving grants to hundreds of arts nonprofits.

Tim Schneider, October 17, 2018



Former New York City mayor Michael Bloomberg visits Atlanta dance nonprofit Moving in the Spirit to announce the expansion of Bloomberg Philanthropies' Arts Innovation and Management program in August 2018. Photo courtesy of Bloomberg Philanthropies.

Practically everyone in the art world understands the importance of small and midsize galleries to the arts ecosystem. This broad recognition explains why we're now seeing more and more actions being taken to shore up these key players. Less discussed is the importance of small and midsize arts nonprofits to the same ecosystem—and beyond.

But at least one particular patron has taken a keen interest in the health of this cohort. Since 2011, billionaire and former New York City mayor Michael Bloomberg has been quietly funneling a considerable portion of his fortune into helping small and midsize arts nonprofits flourish in cities across the US, through what's now known as the Arts Innovation and Management (AIM) program.

Administered as a branch of Bloomberg Philanthropies' American Cities initiative, AIM grew from Bloomberg's belief that small and midsize cultural organizations have been vastly underappreciated in terms of their impact on metropolitan communities and economies. The program's expansion in 2018 has welcomed more than 200 new grantee organizations, which have been collectively promised over \$43 million. The final 49 recipients, all in Baltimore and Denver, were announced just last month. To date, more than 500 arts nonprofits have entered the program during its seven-year life, with Bloomberg Philanthropies' investment so far totaling more than \$108 million.

Two conjoined benefits make the program especially unique in today's arts landscape. First, AIM provides recipients two years of unrestricted operating funding, usually comprising about 10 percent of each organization's annual operating expenses. Second, AIM welcomes recipients into a robust arts-management training program designed to elevate their skillsets on nonprofit essentials ranging from marketing and fundraising to long-term planning and board development.



A performance at Moving in the Spirit, which received a Bloomberg Philanthropies AIM grant in August 2018. Photo courtesy of Bloomberg Philanthropies.

Small but Mighty

The point is to help small and midsize organizations become more robust, more efficient, and more resilient—but not necessarily bigger, according to Kate D. Levin, who oversees Bloomberg Philanthropies’ Arts Program. “AIM isn’t about putting organizations on a growth trajectory,” she says. “You can do some things at scale that are great and necessary. But a smaller size can be much more effective.”

In Bloomberg Philanthropies’ system, that smaller size is defined by finances. Only organizations in existence for at least two years with annual operating budgets between \$150,000 and \$3.5 million are eligible for the program. But within that budget band, AIM grantees span the full spectrum of creative disciplines: visual art, dance, literature, music, film, and theater.

As Levin explains, there are “far more” similarities than differences between organizations within this cohort, most of which “started out as an act of charisma” rather than the product of a carefully planned, long-term strategy. “Size doesn’t dictate longevity, the same way it doesn’t dictate value. What it does dictate is that you’re usually pretty visionary, and you’re likely able to take risks of a certain kind at that scale.”



Grantees take notes at a Bloomberg Philanthropies AIM seminar in Pittsburgh. Photo courtesy of Bloomberg Philanthropies.

This theme explains the reason for AIM’s intensive management training program. Throughout the two-year grant period, the senior executive and one board member of each grantee must attend every one of a set of periodic seminars jointly developed by Bloomberg Philanthropies

and other vanguards in the field, led by the DeVos Institute of Arts Management at the University of Maryland (which was endowed through funding from President Trump's education secretary Betsy DeVos and her husband). The curricula are designed to dial in specifically on arts management, not just general management, since this particular sector has enough unique characteristics to make it a special case.

As a way to further tailor the seminar teachings, the AIM program pairs each recipient organization with a mentor who provides monthly phone consultations with leadership and board members. Devon Akmon, who received an AIM grant in 2015 as director of Detroit's Arab American National Museum before joining the DeVos Institute as a consultant this May, foregrounded the importance of these calls in helping recipients understand how to tailor the best practices to their particular situation. "We have a particular curriculum, but we realize that it manifests in different ways depending on the organization," he says. "Whether you're a museum or a theater program, a small organization or a midsize organization, it's always going to be a little different."

Zenetta S. Drew, executive director of the Dallas Black Dance Theater (another AIM recipient), highlighted the ongoing advisory relationship as "the biggest game changer with the AIM grant." She said of their mentor, Michael Kaiser, "His caliber of experience and feedback was instrumental to some of the decisions we made during this critical time and was above and beyond the level of engagement with most funders."



A performance at the Lauren Deusch Jazz Institute of Chicago, a past recipient of Bloomberg Philanthropies' AIM grant. Photo courtesy of Bloomberg Philanthropies.

Search and Deploy

The seminar locations hopscotch among the different American cities where grantees are based. Piloted in New York seven years ago as the Arts Advancement Initiative, AIM went national in 2015 by expanding to Boston, Chicago, Dallas, Detroit, Los Angeles, and San Francisco. In the years since, the program has welcomed participants from seven midsize American cities: Atlanta, Austin, Baltimore, Denver, New Orleans, Pittsburgh, and Washington, D.C.

The search process for AIM recipients is two-pronged, according to Levin. Sometimes Bloomberg Philanthropies will become interested in a particular city first, then explore whether it is home to multiple arts nonprofits fitting the profile. Other times, particular nonprofits can draw Bloomberg Philanthropies' attention toward a particular city. Either way, once the organization identifies a cluster of potentially worthy grantees, it invites each one to apply for the AIM program.

Levin says that the application is mainly a means of confirming that the invitees land within the right budget band, and that the training regimen is germane to their challenges and goals. "Our assumption is that, unless we messed up, any organization that does apply will be accepted," she says. However, some invited organizations decline, and Bloomberg Philanthropies respects that decision. "We very much recognize that this isn't for everybody," explains Levin. "We have no interest in this program being seen as the determinant of excellence."

But in either case, finding intra-city clusters of grantees is a crucial component of AIM. Bloomberg Philanthropies hopes that the program will create a network effect among grantees who share a locale, allowing them to strengthen community ties and, as Akmon puts it, "think together about things" instead of trying to problem-solve strictly with their advisors. He describes this benefit as a "natural byproduct" of AIM's structure, and he is not alone in identifying it as an unexpected asset. Linda Lucero, the executive and artistic director of AIM grantee the Yerba Buena Gardens Festival, says she "appreciated the opportunity to gather with other middle-sized nonprofits on a regular basis. I knew many but met many more—staff, board members, artists—all in one place." In the process, what might have been a set of competitive relationships transforms into collegiality

Grantees at a Bloomberg Philanthropies AIM seminar in Atlanta. Photo courtesy of Bloomberg Philanthropies.



A Two-Way Street

Along with these benefits come certain responsibilities. All AIM organizations are required to match 20 percent of their annual grant funding, as well as convince 100 percent of their board members to contribute financially, either by giving themselves or securing additional outside donations. They also must provide ongoing information to SMU DataArts, a standalone research entity and database for facts and figures on American arts, cultural, and humanities organizations. (Previously known as the Cultural Data Project, DataArts was founded in 2004 by Pew Charitable Trusts and other Philadelphia-based foundations. Bloomberg Philanthropies has supported the organization since 2008.)

Through data, Levin says, “We can pinpoint ways that these organizations are materially able to manage better.” SMU DataArts intakes information on elements such as cultural organizations’ budget size, board participation, and lead time for strategic planning on different initiatives. Levin emphasizes that these are “not just data points for the sake of having a number.” Instead, Bloomberg Philanthropies asks AIM grantees to focus on metrics that have been demonstrated to influence outcomes. Longer planning windows, for instance, consistently prove to have a positive effect on marketing.

Bloomberg Philanthropies contends that these data-driven, training-honed advancements will benefit more than just the arts scene in each city. People “aren’t always attuned to the fact that cultural organizations are really dynamic business enterprises,” Levin says, with an “incredibly productive history of community building and talent development.” Their activity can be crucial to overcoming local challenges and inspiring citizens in a way that helps seed success for other enterprises.

In this sense, Bloomberg Philanthropies views AIM as a meaningful investment in the long-term health of the cities themselves, carried out through the arts sector—and given Michael Bloomberg’s famous penchant for data-based decision-making, rest assured he has numbers to back this up. So while his philanthropic team will continue to evaluate AIM for at least the next two years, according to Levin, their commitment to small and midsize arts organizations will continue full speed ahead.

“We’re not trying to say one part of the cultural ecology is more valuable than the others. We’re saying this is a sector that has been undervalued and overlooked.”