

THE KRESGE FOUNDATION

Arts & Culture Program

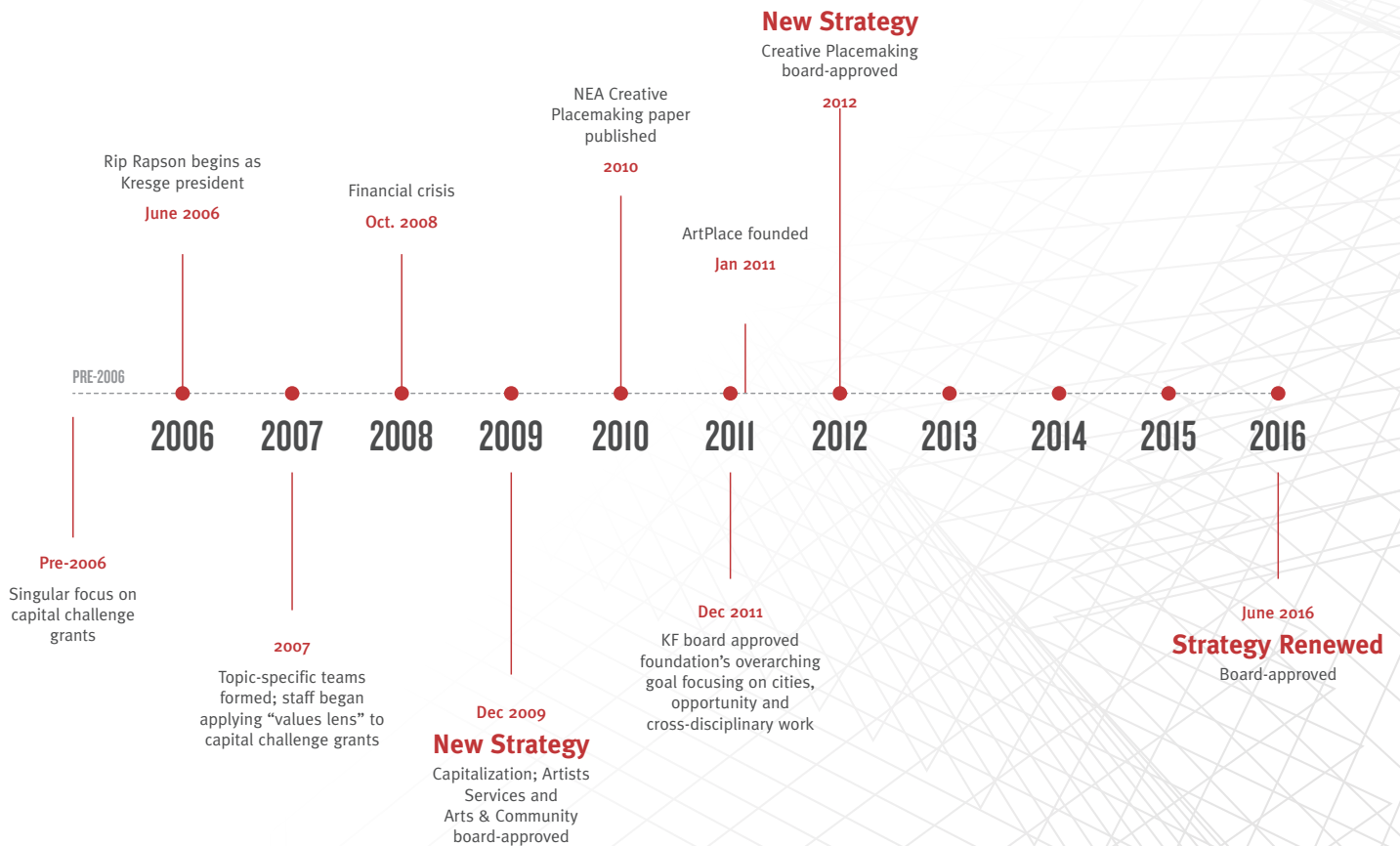
The First Decade

JANUARY 2018

Introduction

The Kresge Foundation’s Arts & Culture Program has evolved over the last decade from capital challenge grants, capitalization and community arts, to Creative Placemaking.

It has required the program’s staff to be nimble, agile, and ultimately, to change its approach to grantmaking altogether. Throughout the journey, the Arts & Culture Program staff has deliberately documented and shared lessons learned along the way. The journey is not complete, but now is a good time to reflect on the first ten years. This paper, designed for our peer funders, tells the not so glamorous, high-level story that sheds light on the complexities involved in navigating change while remaining in alignment with the foundation’s mission. The paper also articulates Kresge’s distinctive brand of Creative Placemaking to assist, inform, and guide others who may find value in our transition.



The Facility Years

The Kresge Foundation's challenge grants for capital campaigns is legendary. This singular tool set Kresge apart from its national funding peers, especially in the arts sector.

Kresge's signature grants program provided the cachet and credibility for organizations to complete their fundraising campaigns. Honed over many years, the facilities grant was designed to strengthen an organization's donor base - to find new donors and convince current donors to increase their giving. Given this goal, Kresge preferred that grantees use the grant to challenge as many private donors as possible: board members, foundations, corporations, and especially individuals.¹ For the arts and culture field, this meant that Kresge tended to fund large, traditional arts and culture organizations that were most likely to engage in these types of campaigns. They also had the internal capacity (e.g., high level development staffs) to effectively present their case. The Kresge name can be found on donor plaques in symphony halls, museums, theaters, libraries and other arts and culture organizations in every corner of the United States.

In 2006, the Kresge Foundation's newly appointed president and CEO, Rip Rapson, unveiled a new framework that laid the groundwork for the foundation's long-term shift from this signature capital challenge grant program to a comprehensive community development approach. This new framework outlined a set of values for reviewing applications that would provide the basis for modifying the capital challenge grant program and for "stretching" it to include other forms of capital support. In addition, Rapson reorganized program staff into field-specific teams, each with discreet priorities providing the internal structure for developing deeper field knowledge in each area.²

These changes allowed the program staff to address the issues, trends, and emerging priorities within each field. For the arts and culture staff, it: (1) changed how program staff reviewed facilities grant requests; (2) influenced the staff's conclusions about what other forms of capitalization support might be useful to nonprofits; and (3) shaped the staff's thinking about the kind of grantmaking that will add value to an entire field (rather than simply moving organization-by-organization). The process led to giving greater weight to an organization's mission and programs and relatively lesser weight to the traditional fundraising considerations. Fundraising continued to be important – the program staff wanted to ensure that a campaign was well-conceived and would be well-executed, but fundraising prowess alone was no longer sufficient.

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¹ Using the Kresge challenge to attract government funding or one or two large donations was less attractive.

² Prior to this reorganization, staff were generalists. Program specific teams were formed in the areas of arts and culture, education, environment, health, human services and Detroit.

CHANGES IN THE ENVIRONMENT

While Rapson's arrival created an opportunity for the newly formed Arts & Culture Program to reassess how it would support the arts and cultural field nationally, two external transitions were occurring in 2007 and 2008 that influenced the program staff's thinking. First, the arts sector and its funders began to observe more complex issues facing arts and culture organizations including acute changes in technology and declining attendance because of shifting audience preferences.

Secondly, the 2008 financial crisis created a bigger imperative for change. As the economic downturn began to emerge, the Arts & Culture Program's concern about the long-term capitalization of arts and culture organizations and the fragility of grantees' balance sheets grew. The program staff commissioned two pieces of research: 1) an analysis of previous capital challenge grant recipients in the arts and culture field and 2) an analysis of the building boom in the arts sector during the 1990s and early 2000s titled *Set in Stone: Building America's New Generation of Arts Facilities*.³

The findings of both research reports illuminated the fragile financial circumstances and the need to promote change in fiscal practices within the arts sector. The perilous position of arts and culture organizations and many other nonprofits came into sharp relief during the downturn. Kresge and other foundations could no longer ignore that arts funders and grantees alike were not encouraging the best practices of capitalization - multi-year funding cycles, budgeting for surpluses, and planning to grow cash reserves.⁴

The financial crisis created the opportunity for Kresge's Arts & Culture Program to officially shift away from a singular focus on facilities grants, serve as a national partner, and launch a more expansive strategy.

³ Woronkowitz, J., Joynes, D.C., Frumkin, P., Kolendo, A., Seaman, B., Gernter, R., & Bradburn, N. (2012). *Set in stone: Building America's new generation of arts facilities, 1994-2008*. Chicago, IL: University of Chicago.

⁴ "Funding the Extraordinary: An Evaluation of Kresge Foundation Arts and Culture Program's Institutional Capitalization Grantmaking." *Nonprofit Finance Fund* 2015

STRATEGY 1.0:

The Transition

The Arts & Culture Program understood that it needed a new strategy, one that accomplished two tasks. First, it needed to shore up its investments in hundreds of arts and culture facilities across the country in the wake of the economic crisis. Second, it needed to move beyond its sole focus on traditional arts organizations to embrace other dimensions of the arts and culture sector to more fully align with Rapson's emerging community development framework.

In December 2009, Kresge's trustees approved a new Arts & Culture strategy focused on 1) Capitalization, supporting healthy balance sheets of arts and cultural organizations, 2) Artist Support Services, which centered on national service organizations, and 3) Art and Community, which supported community arts exemplars and continued the mini-grant program in five cities, initiated during the strategic planning process.

The Artist Support Services and Arts and Community initiatives were designed to test the team's assumptions that the arts can help transform communities by addressing society's most pressing social and economic issues. These two approaches were not new for many practitioners and funders in the arts field, but Kresge was a newcomer to this type of grantmaking. The capitalization initiative, on the other hand, was new to many arts funders. This incremental step constituted a new way of working and thinking. Together, these two grantmaking initiatives supported the program's shift from Kresge's signature grants to the role of arts and culture in the public realm.

The Arts & Culture Program's transition strategy made important contributions to the field and during the process, program staff learned a great deal. The program supported multiple publications documenting lessons learned around capitalization and community arts.

IN SHORT, THE ARTS & CULTURE TEAM FOUND THAT:

1. The economic downturn created a sense of urgency for arts groups and other nonprofits to learn how to stabilize and better capitalize their organizations. It also elevated the need for arts funders to be more financially savvy and strategic in how they deployed grants funds in support of the arts sector.
2. Artists and community art projects can influence broader community activities. However, isolated and short-term, one-time investments only have a minimal contribution to enduring systemic change.

3. A long-term investment strategy with local partners was needed to integrate arts and culture more deeply into larger community development efforts.

The team also experienced issues with executing this multi-pronged strategy over time. First, the program's capitalization efforts dominated financial resources and staff time. The rigor associated with implementing the capitalization initiative drowned out the program's efforts to stretch beyond facilities in support of artists, arts and community. After two short years of implementation, the program strategy had become formulaic and uneven in execution.

Secondly, the Arts & Culture Program had an even bigger problem. In 2011, Kresge's Board of Trustees formally adopted the foundation-wide aspiration of "expanding opportunity in America's cities" with a specific emphasis on low-income and historically marginalized populations. It also reinforced Kresge's new way of working at the foundation — one that understands barriers to opportunity holistically and pursues comprehensive, cross-sector, cross-disciplinary solutions.

The Arts & Culture Program's transition strategy was now out of line with Rapson's vision to use different methods and tactics, and focus on comprehensive community development priorities.

The Capitalization Initiative was analogous to the former capital challenge grant program, and the Artist Support and Arts and Community Initiatives were focused exclusively within the arts and culture sector. While the program's transition strategy was appropriate for the foundation at the time of conception and initial implementation, at its core it reinforced arts-centric and sector-siloed priorities. Rapson therefore challenged the Arts & Culture staff to sunset this program strategy and create a new one that braided lessons learned and aligned with his vision and the foundation's newly minted aspiration.

CAPITALIZATION KNOWLEDGE SHARING

- [Evaluation of Kresge's Institutional Capitalization Grantmaking: Nonprofit Finance Fund](#)
- [Too Good to Be True: The Opportunity and Cost of the \\$1 Building: TDC](#)
- [National Capitalization Program: Grantmakers in the Arts](#)

ARTS AND COMMUNITY KNOWLEDGE SHARING

- [Insights and Lessons: Community Arts and College Arts, Ann McQueen and Julia Gittleman 2015](#)
- [People, Land, Arts, Culture and Engagement: Taking Stock of the PLACE Initiative, Tucson Pima Arts Council 2013](#)

STRATEGY 2.0:

Creative Placemaking and Kresge's Niche

In 2010, The National Endowment of the Arts (NEA), under the leadership of Rocco Landesman and in partnership with researchers and foundation leaders (including Kresge's Rapson), coined the concept of Creative Placemaking.

Generally, Creative Placemaking seeks to move past siloed art and cultural activities focused solely on participation, audience development and community engagement - to activities co-created by, consistent with, and embedded in resident, neighborhood and city priorities and in partnership with other fields and sectors.

At the federal level, the NEA implemented this concept by breaking through governmental silos to engage with and embed arts and culture in other departments such as Housing and Urban Development and the Department of Transportation. In the private sector, a cohort of national and regional foundations, including Kresge, provided startup funds for ArtPlace America, a 10-year initiative promoting Creative Placemaking nationwide.

Charged with revising its strategy to align with the foundation's aspiration, and recognizing strong alignment with the Creative Placemaking work of the NEA and the newly formed ArtPlace, Kresge's Arts & Culture Program began to assess the intersections of arts and community development and the working hypothesis of Creative Placemaking articulated by the NEA. It pulled forward the lessons learned from the previous strategy and crafted a Creative Placemaking strategy unique to Kresge that was approved by trustees in the spring of 2012.

Today, Kresge's Arts & Culture Program seeks to integrate arts, culture and community-engaged design in equitable community development and urban planning practices. Kresge's Arts & Culture strategy 1) Focuses exclusively on partnerships with low-income and historically marginalized communities, and 2) Commits to systems change. This strategy currently supports activities at four different levels - national through community development intermediaries, citywide across systems and sectors, at the neighborhood level in support of exemplars and building a strong field of practices. While designed to align with the foundation's priorities of expanding opportunity for vulnerable populations in cities, this strategy is implemented in

close partnership with, and intended to be complementary to, the efforts of ArtPlace America and the NEA.

Refining the program strategy was no easy feat. The adoption of Creative Placemaking was a radical shift from Kresge's traditional support of arts organizations to a full embrace of cross-sector approaches toward community development priorities. This shift was difficult for many who valued Kresge's support of traditional arts institutions. It also was new territory for Arts & Culture Program staff who were familiar with traditional arts funding methods.

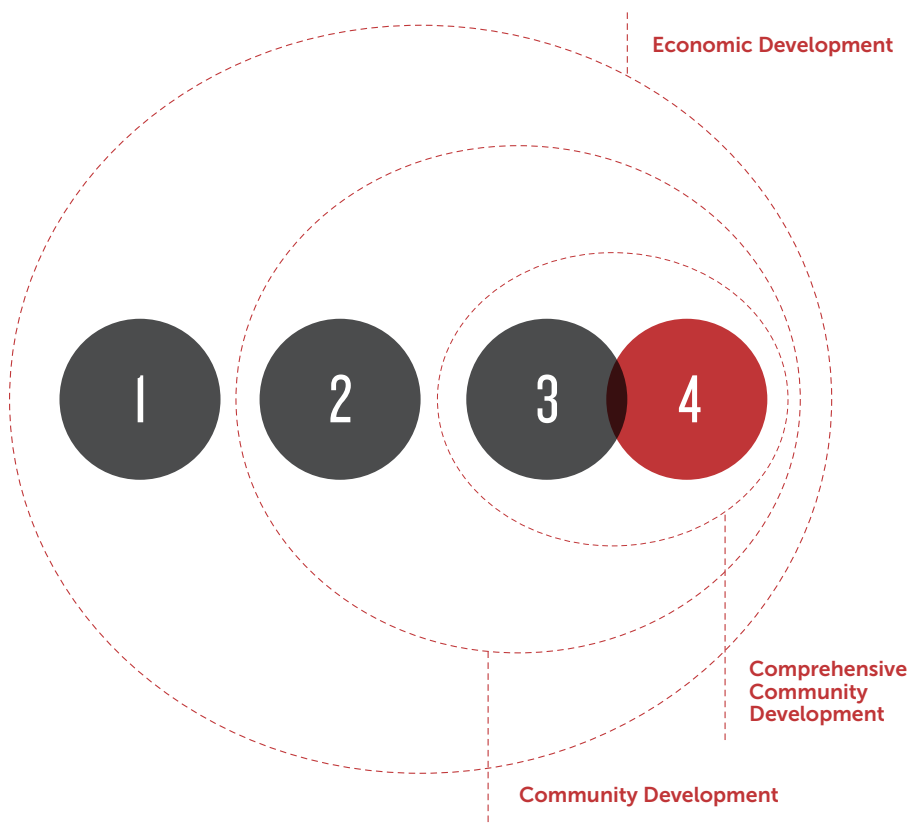
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The focus on Creative Placemaking required the program staff to adopt a different way of working. Creative Placemaking envisions that arts and culture will step inside the community revitalization frame, positioned squarely at the intersection of disciplines including land-use, housing, transportation, environment, health, and others necessary for equitable urban places and more expansive opportunities for people with low incomes. It was essential therefore, that Arts & Culture Program staff operate outside the boundaries of its own discipline and make connections to the other systems at play in community development and urban planning.

The program staff still valued the arts, but this approach meant they had to dedicate time, resources, and space to learn and be present in other sectors; become multi-lingual in the parlance and jargon of other sectors; and adopt a method of analysis closer to that of a community development grantmaker than a traditional arts grantmaker. In addition, it challenged members of the program staff to convey and translate community development priorities to arts and cultural funders and organizations' representatives. This is an ongoing process.

To help illustrate where Creative Placemaking sits in the arts and culture sector, the team created the following framework: (1) Produce, Present and Participate, (2) Art in the Public Realm, (3) general Creative Placemaking and (4) Kresge's brand of Creative Placemaking. The dotted lines represent the relationships between each of the dimensions: lessons from Produce, Present and Participate as well as Art in the Public Realm have contributed to both 'general' Creative Placemaking and Kresge's Creative Placemaking brand. While this oversimplifies the robust creative activity taking place across the country, it is useful to illustrate where Creative Placemaking is situated, and its relationship, in the broader arts and cultural ecosystem.

It also brings into sharp relief the argument that Arts in the Public Realm and Creative Placemaking are essentially the same thing. This image acknowledges and honors the brilliant work of the past and the relationship between the two movements, but it also suggests that there are marked differences. The working assumption is while some activities in the 'Arts in the Public Realm' dimension seek to integrate the arts into other sectors, these efforts were isolated and episodic gestures intended to provide access to the arts and build public support for the arts. Whereas, a principal tenet of Creative Placemaking is that arts and creativity are an embedded element in support of community development and planning priorities. The arts are neither separate nor an add-on. To include it is a part of the way community development and planning are executed.



1

Standards of Excellence

Produce, Present and Participate. Arts-centric activities guided by industry **standards of excellence** and offer general public participation.

2

Art in the Public Realm

Arts Education, Community Art, Public Art, Outreach and Community Engagement. Activities designed to expand audiences and introduce or position the **arts in the public realm**.

3

Broad Creative Placemaking

Arts, culture and design **activities that advance a community vision, engage multiple partners** but they are not focused on opportunity.

4

Kresge's Brand of Creative Placemaking

Integrated, cross sectoral approaches designed to connect silos, influence systems and practices and over time **expand opportunities for people with low incomes**.

This image also illuminates Kresge's distinctive niche in Creative Placemaking, which exclusively focuses on opportunity for vulnerable populations. Given Kresge's overarching mission to expand opportunity for people with low incomes in America's cities and its commitment to cross-sector, cross-disciplinary approaches, Kresge's Arts & Culture Program distinguishes itself from what it defines as 'general' Creative Placemaking by focusing exclusively on partnerships with low-income and vulnerable communities. The program seeks to understand how and under what conditions arts, culture and community-engaged design contribute to equitable community change.

LESSONS THUS FAR

Based on three years of implementation, Kresge's Creative Placemaking grantees revealed three hard-to-measure, but critical elements that contribute to long-term change in low-income communities including:

- Increased social cohesion among residents
- Change in narrative; and
- Positive physical transformation

The Arts & Culture Program calls these *preconditions for long-term change*.

Though its grantees, the Kresge Arts & Culture Program has also started to observe early signs of systemic change within multiple systems and networks. Support through Kresge and others for initiatives designed to embed the concept of Creative Placemaking in non-arts entities, has served to launch programs and hire staff, as well as spread the practices across systems and networks, and is now bearing fruit. For example, organizations have:

- *Made structural changes to support Creative Placemaking activity*, creating fellowships and permanent staff positions dedicated to it, adopting programs and initiatives designed to embed Creative Placemaking theory into organizational culture and norms.
- *Explored new metrics and evaluation methods* that account for the inclusion of arts, culture, creativity and design into community development – particularly within national networks.
- *Created new publicly distributed tools and training* for implementing Creative Placemaking practice for their staffs, local offices, and other interested parties.

Challenges that Kresge grantees and practitioners faced when engaging in Creative Placemaking include:

- *Tracking, with rigor, on-the-ground impacts*, especially in quantitative terms. While some grantees work with professional evaluators, most lack in-house capacity and therefore, seek to capture community change through surveys, videos and multi-media documentation.

- *Navigating barriers to cross-sector work* such as limited understanding of the role arts and culture can play in communities, the lack of a common vocabulary, and siloed bureaucracies that impede progress.
- *Sharing learning with the field.* Grantees are uniformly hungry for more time and resources to reflect on their Creative Placemaking experiences, both internally with their staffs and boards, and externally with peers. While several grantees have made a concerted effort to share their work in consultative relationships, online platforms and at conferences, many argued that person-to-person peer exchanges, mentoring experiences, and on-site learnings are essential to advancing the work, but all too rare.

CREATIVE PLACEMAKING KNOWLEDGE SHARING

- [“Adaptive Evaluation of Creative Citymaking Minneapolis,”](#) Rainbow Research, Inc.
- [“Creative Placemaking Case Studies: Cleveland, OH and Washington, D.C.”](#)
Point Forward
- [“Exploring the Ways Arts and Culture Intersects with Housing,”](#) Danya Sherman
- [“Exploring the Ways Arts and Culture Intersects with Public Safety,”](#) Caroline Ross
Urban Institute
- [“The Scenic Route: Getting Started with Creative Placemaking and Transportation,”](#)
Transportation for America
- [“Creating Change through Arts, Culture and Equitable Development: A Policy and Practice Primer,”](#) Policy Link

Conclusion

The Kresge Arts & Culture Program's first decade has exposed program staff to a wealth of learnings – from the importance of balance sheets to the value of breaking out of silos and shedding isolationist thinking.

Some initiatives like capitalization, responded to the immediate needs of the sector at the time. Others, like community arts and artists' support services aided as a learning platform. While this strategy, considered a small step toward change, served us and the field well, it revealed the shortcomings of funding one-off projects. The implementation of this strategy was lopsided with attention predominantly focused on individual capitalization grants, with support for artists' services and arts and community receiving more targeted attention through intermediaries and initiatives. The Arts & Culture Program strategy was out of step with the foundation's priorities — expanding opportunities for vulnerable populations in America's cities.

To closely align with Kresge's broader mandate, the Arts & Culture Program needed to move from an exclusively arts-centric approach to a strategy anchored in community development principles. The Creative Placemaking framework provided the platform necessary to support cross-sector solutions with arts and culture as an integral element.

Then and now, we are on a learning journey. We hope this paper sheds light on Kresge's Arts & Culture Program evolution, and we encourage other arts funders to inform the field by sharing their journeys.