



ArtsFund of Richmond: Planting a New UAF



Case Study for AFTA 2004 National Conference
July 16, 2004

Local Context

Richmond Landscape

- Capital of Commonwealth
- Arts & culture well-established, proud
- “Corporate exodus” in mid-90s
- Home of State arts, science museums
- 3 years of bad public \$ news before '04 uptick
- Downtown redevelopment begun in '02 – performing arts complex in former retail core

ArtsFund Origins

- 4-year gestation cycle preceded by 25 years of talk
- Tipping-point factors in 2000
 - Changing corporate support landscape
 - Success of UAFs in other markets held up by key corporate leaders
 - Arts leaders took initiative to begin collaborative planning

Dynamics

Opportunity vs. Risk

Opportunities

- Access more \$ thru new market segments
- Capitalize on arts role in area development
- Increase visibility/community "arts sense"
- More, better-engaged customers

Risks

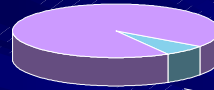
- Re-slice the same arts/culture \$ pie
- Shift resources away from current \$ recipients
- Incur more costs



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Sizing the Opportunity

Businesses



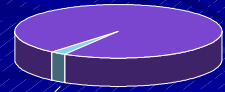
120 companies

1,533 Businesses in Metro Area with 50 or more employees
7.8% annually support more than 1 arts/culture org

Individuals

Richmond MSA: pop 982,000 (800,000 Metro)

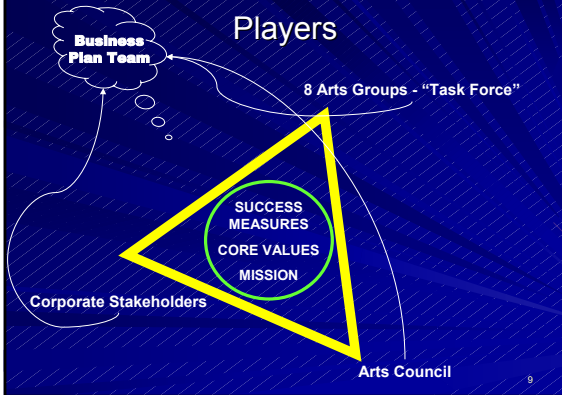
Est. *maximum* 2.5% of individuals currently give annually to arts



2.5% - 20,000 people?

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Players



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Key Features of the Plan

- Concepts: Long-term opening of new support markets; "software vs. hardware" for revitalization
- Leadership: balanced among stakeholders; as visible, influential as possible
- Operations: Transparency, stakeholder participation/feedback loops
- Participation: Big-tent vision
- Financial: "No-loss" startup guarantees

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Allocations: Green \$ and Blue \$

	Current \$	New \$	Arts Org A	Arts Org B	Arts Org C	Arts Org D
Company 1:	\$ 100,000	\$ 0	35	0	15	0
\$ 100k	\$ 0					
Company 2:	\$ 25,000	\$ 50,000	10	?	5	?
\$ 25k	\$ 50k					
Company 3:	\$ 25,000	\$ 25,000	0	?	5	?
\$ 25k	\$ 25k					
Company 4:	\$ 0	\$ 25,000	0	?	0	?
\$ 0	\$ 25k					
	\$150,000	\$100,000	45	25	20	60
YEAR 1: \$250,000			?	?	?	?

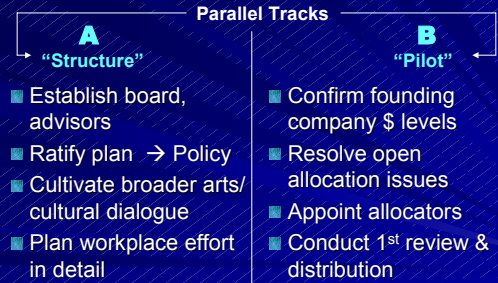
Results

General Model

- Revenue streams = direct corporate & workplace campaigns only (for now at least)
- No donor designation
- Affiliate GOS program w/ general \$150,000 floor
- Project Grants beginning in Year 1
- Standards and Allocation Committee runs process: non-conflict through recusal

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2004 ArtsFund Pilot Plan



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Year 1 Outcomes

- \$300,000 in Year 1 grant resources (\$135,000 base)
- Trustees: 11 business, 8 arts & culture
- 4 press items since Dec.: launch on front page
- Chose 2-phase process for 1st allocation
 - Guarantee + 20% to founding affiliates
 - Inviting more affiliates + project grantees
- Celebration!



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Founding Companies

- | | |
|---------------------------------------|-----------------------------|
| ■ Wachovia Bank | ■ Markel Corporation |
| ■ Philip Morris USA | ■ Bank of America |
| ■ LandAmerica | ■ BB&T/Scott & Stringfellow |
| ■ SunTrust Bank | ■ Troutman Sanders LLP |
| ■ Ukrop's/1 st Market Bank | ■ McGuireWoods LLP |
| ■ Wachovia Securities | ■ Performance Food Group |

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Ongoing Challenges

Corporate/Business

- Sustained visibility, sound management → confidence of business leaders
- Deliver on promise of breadth & diversity

Arts & Culture

- Transparency, steady growth → confidence of arts leaders
- Manage skeptics from a moving train

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ArtsFund Mission

To strengthen the cultural and economic vitality of Greater Richmond by...

- bringing business and cultural organizations into *partnership* to
- *increase* the extent, efficiency & consistency of community *investment* in
- the *operations* of non-profit *arts and culture* organizations



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Questions?



Call Kathryn Fessler
Director of the ArtsFund
804.327.5731
katie@richmondarts.org

Watch it grow!