



CULTURE AND COMMERCE: TRADITIONAL ARTS IN ECONOMIC DEVELOPMENT

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Traditional artists
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CULTURE AND COMMERCE: TRADITIONAL ARTS IN ECONOMIC DEVELOPMENT

I. EXECUTIVE SUMMARY

Throughout the United States, artists and arts organizations working in the folk traditions of various cultures have carried on their work despite the often-meager incomes they may earn from it. They continue on, motivated by a commitment to their artistry, their family traditions, and the cultural heritage of their communities. Fortunately, these values are increasingly prized in the broader economy, as markets for traditional arts and for travel linked to the cultural uniqueness of particular places have grown substantially over the last several decades. They will continue to grow over the next several. Traditional arts, therefore, represent an opportunity for areas that have lagged behind — rural areas, towns, and small cities in particular — to capture a share of national growth, while preserving the cultural vitality essential to community quality of life.

In 1999, the Fund for Folk Culture (FFC) — a national nonprofit organization dedicated to the dynamic conservation of folk and traditional arts and culture in the United States — initiated a funding program to support partnerships between regional economic development organizations and traditional artists and arts organizations. Underwritten by the Ford Foundation, the initiative funded about a dozen-and-a-half year-long projects chosen to show whether very modest amounts of money (\$15,000 grants with a one-to-one match) could encourage members of a certain class of development agencies to help traditional artists gain more active and profitable access to the marketplace.

This review of eight of those projects concludes that efforts to strengthen traditional culture and build the business skills of traditional artists and arts organizations registered important gains, but only if measured in terms that may be new to some economic developers. Some of the projects we reviewed helped solidify the community bonds vital to the continuation of artistic practices. For example, several projects encouraged youth to learn skills and increased a community's understanding of its own cultural traditions. These community-building gains constitute a necessary pre-condition for artists' broader market participation in the future.

In the near term, new market relationships have not generated, nor should they be expected to generate, large gains in product sales or income to artists and arts organizations. But from a long-term perspective, we find solid grounds for future collaboration between traditional arts organizations and economic developers. Despite their different interests, capabilities, ways of communicating, ties to community, and links to various stakeholders, development agencies and traditional artists and arts organizations have quickly developed rudimentary relationships with one another. These can be used in the future to aid regional planning, develop markets for traditional arts, and connect these markets to regional promotion efforts.

But the respective interests and capacities of traditional artists and arts organizations on the one hand, and economic developers on the other, do not always match up in ways that support productive partnerships. Many traditional artists and arts organizations are not yet ready for active participation in the marketplace, and many economic development agencies lack the business development programs that traditional artists need to help them produce profitably for the market. Furthermore, direct relationships between traditional artists and economic development agencies are difficult to establish and maintain, which explains why

intermediaries between these two groups — cultural coalitions, special-purpose galleries, or community-based organizations, for example — have been important in several of the more successful projects.

Our findings suggest that artists and arts organizations should seek out a wide range of possible partners. So long as agencies have the right tools, principally including business development programs, they should be regarded as potential makers or supporters of new market relationships for traditional artists and arts organizations. Among the most valuable partners in this initiative were an urban development agency, a nonprofit community development corporation, and a rural county development agency, none of which belong to the class of regional development organizations originally targeted for participation. In the future, national initiatives to encourage connections between culture and commerce should take full advantage of the range of private, public, and nonprofit agencies active in economic development.

THE INITIATIVE

Between 1999 and 2002, the FFC, located in New Mexico, partnering with the National Association of Development Organizations (NADO) in Washington, DC, carried out a funding initiative called Partnerships in Local Culture: Building Assets through Cultural Traditions. The program was a demonstration project designed to encourage effective approaches to the economic development of cultural assets in rural areas, towns, and small cities throughout the United States. The initiative funded 16 organizations that were NADO members during the period of support (one organization received repeat funding and another received separate grants for two projects). Among these NADO members are city and county development agencies as well as Regional Development Organizations (RDOs) — multi-county planning and development agencies that provide economic development aid to local governments, businesses and nonprofit organizations in rural and small metropolitan areas.

In 1999 and again in 2000, the FFC invited NADO members to propose projects that would demonstrate approaches to “the economic development of cultural assets,” asking that they “enhance or adapt their financial and technical services for organizations and individuals involved in the practice of cultural traditions.” In the program guidelines, cultural traditions were defined as the “traditional ways in which many communities create and maintain their shared sense of beauty, identity and values.” The guidelines purposefully emphasized the concept of “cultural traditions” (as opposed to the narrower notion of artistic traditions), as a way to encourage a broad range of projects, including those that might focus on ethnic, regional or occupational traditions as well as environmental practices, such as gardening or farming.



The grant program gave priority to projects that:

- focused on particular populations, communities, or groups of traditional artists (as opposed to a region);
- demonstrated the greatest potential for creating long-term impact in culturally-based economic development and for establishing long-term relationships among partners; and
- improved development agencies' existing resources by making them more accessible and accommodating to local cultural communities.

Our review of projects funded under this initiative pinpointed the difficulty of achieving concrete development results with the rather small amounts of grant support made available and the short time span of project support (12 months). At the same time, the dollar-for-dollar match requirement seemed to deter more widespread application to the program, and actual matches tended to be softer, in-kind matches rather than hard cash. Several arts organizations or initiatives appeared to fall just short of creating new, sustainable forms of market participation.

THE RESEARCH

In early 2000, the FFC contracted with the Urban Institute in Washington DC to

research the experience of eight of the initiative's grantees and to develop a monograph that highlights the possibilities and challenges of joint work between economic development agencies and traditional artists and arts organizations. Institute research staff selected the sites in consultation with the FFC program director, giving explicit priority to sites that had completed their project activities, had achieved concrete results, and had appeared to establish good working relationships between development agencies and traditional artists or arts organizations. The eight sites visited and the grantee economic development agencies in those places were:

1. Eastern Oklahoma Development District Association — Muskogee, Oklahoma
2. Elko County Economic Diversification Authority¹ — Elko, Nevada
3. Franklin County Community Development Corporation — Franklin County, Massachusetts
4. Mississippi Cultural Crossroads — Port Gibson, Mississippi
5. New Bedford Economic Development Council — New Bedford, Massachusetts
6. North Central New Mexico Economic Development District — Santa Fe, New Mexico
7. Six County Association of Governments — Richfield, Utah
8. Upper Savannah Council of Governments — Greenwood, South Carolina

From a long-term perspective, we find solid grounds for future collaboration between traditional artists and arts organizations and economic developers.



Interviews of participants in the projects carried out by these grantees, as well as observation of continuing project activities and review of local documentary information, are the primary sources of information for this report. We also drew upon notes taken by Mary Virtue, Cornerstone Consultants, at a meeting of economic development agency and traditional arts representatives convened by the FFC in North Carolina, May 2002. Urban Institute staff also attended that meeting and supplied written documentation of its proceedings.

A ROADMAP OF THE REPORT

Following the Executive Summary (Section I), this report is divided into five additional sections. The sections and their principal findings include:

II. Opportunities and Challenges in Culture-Based Economic Development

Traditional arts can support economic development by strengthening communities, stimulating demand for local products, and supporting the economic activities of other local businesses. Economic developers can help traditional arts accomplish these goals by providing market information and making direct investments according to a clear and well-grounded economic plan. One signal contribution traditional artists can make is to lend their special knowledge of their own cultural communities to local planning efforts.

III. The Projects and Their Results

The FFC-supported projects demonstrated some effective approaches to culture-based economic development, although the relatively modest amounts of funding provided meant that relatively modest results were obtained. Contributions to building stronger cultural communities and building traditional artists' skills seemed clearer than those related to the creation or expansion of markets for traditional artists' products, although several projects appeared poised on the brink of substantial gains if only new sources of external support are forthcoming. Most of the economic development agencies in the projects we examined acted primarily as funding conduits to cultural organizations, a result of the relatively small grant amounts available, the short time span for project support, the newness of the relationships, and the lack of an immediate fit between what traditional artists and arts organizations needed and the resources that development agencies could provide. Certainly, development agencies were helpful in their role as fiscal agents. And some had clearly established the basis for future, productive relationships with traditional artists and arts organizations.

IV. The Partners and Their Relationships

All partners bring both strengths and weaknesses to the joint projects they undertake. Traditional artists bring creativity and economic value, but often lack basic business skills. Economic development agencies bring considerable planning, market promotion and financial expertise, but their flexibility can be limited. The strongest match-up of traditional artists' and developers' needs and resources lies in regional promotion and planning that includes traditional artists as participants; the weakest lies in the ability of economic development agencies to respond to the traditional artists' business development needs. Issues that partners face — of artistic quality and authenticity, mutual expectations, and traditional artists' readiness to participate in the marketplace — can be challenging, but they are resolvable.

V. Intermediation in Partners' Relations

One common way to reconcile differences between the needs and resources of the partners is intermediation — the brokerage of information, finance, expertise, and other resources among unrelated parties. Culture-based development intermediaries understand the demands of the market on the one hand and the needs and capacities of traditional artists on the other. Intermediaries help entities communicate one another's interests and abilities; assure quality of performance; ease business transactions; and articulate and defend interests in the broader community.

The inclusion of multiple parties, including intermediary actors, helps ensure that a range of appropriate development options can be exercised.

VI. Conclusions, Implications, Lessons

The concluding section offers summary points worth reinforcing. The experience of traditional artists and arts organizations and economic development agencies taught several lessons for others who would attempt similar partnerships. One important implication for funders and partners alike is that where projects achieve modest short-term results, they can create the basis for longer-term cooperation. Nascent short-term relationships have a latent value that can be exercised in the future as opportunities arise. These kinds of relationships need not be supported by external funding, but can be cultivated by traditional artists and economic developers as they carry out professional and civic obligations. Artists and development agencies both engage in advocacy and planning as well as other aspects of associational life, affording opportunities for traditional artists to participate in civic life and for economic developers to participate in cultural life.

More generally, the experience of the projects in this initiative shows the potential payoff for both artists and economic developers that may result from cooperative activities to promote local development, so long as critical bottlenecks can be removed. Foremost among these is a lack of business development resources, and principally micro-entrepreneurship programs, among economic development agencies. Although these grew dramatically over the 1990s, they are far from universal, and are likely concentrated among urban

development agencies. Moreover, even existing programs do not necessarily have the right kinds of aid needed by traditional artists and arts organizations.

However, economic development agencies did have real assets that in the long run can help promote the emergence of new markets for traditional artists and arts organizations. These included a long-standing, legitimate, and capable presence in regional development planning. Further, most agency staff interviewed by researchers recognized the potential value of traditional arts and cultural practices to evolving efforts to promote cultural tourism. Finally, many of the projects reviewed benefited from the presence of local cultural intermediaries, able to broker relationships between development agencies and traditional artists and arts organizations. Development agency efforts are likely to be more effective where these brokers are present.

This mixed-menu of business development programs and the uneven fit between development agency programs and traditional artists' needs argues for a wide cast of the net for potential development partners, ranging from small, community-based development organizations to state agencies. It also argues for the inclusion of multiple parties, including intermediary actors, to help ensure that a range of appropriate development options can be exercised. As strongly suggested by the experience of this initiative, so long as economic development agencies and intermediaries have the right tools, they should be regarded as possible supporters of traditional arts in development.

DEFINITIONS OF TERMS

In this report, we will use “culturally-based economic development” as a label for those activities intended to promote increased market participation among traditional artists and arts organizations, as well as other arts and cultural organizations, such as historical sites, museums, theaters, and art galleries. We will use “cultural communities” to describe communities distinguished by the traditional ways in which they create and maintain a shared sense of beauty, identity and values, whether expressed through arts, occupational practice, architecture, food and farming, faith-based traditions, or other aspects of tradition. We refer to “traditional artists and arts organizations” to mean those engaged in traditional cultural practices – whether arts, crafts, environmental practices, or other activities specific to cultural communities.² We use the term “artists” for convenience, insofar as seven of the eight projects we reviewed involved the work of those who considered themselves artists. (The eighth project involved gardening and culinary arts.) We refer throughout the text to “economic development agencies” but use “Regional Development Organizations” where our information or analysis pertains specifically to the smaller class of entities.

Footnotes

1. Four of the agencies listed here — Elko County Economic Diversification Authority, Franklin County Community Development Corporation, Mississippi Cultural Crossroads, and New Bedford Economic Development Council — are NADO members, but not traditional Regional Development Organizations. Mississippi Cultural Crossroads, for instance, is a community cultural organization.

2. It is worth pointing out that the funded projects primarily involved artists or craftspeople working in material culture as opposed to the performing arts. Relationships between economic development agencies and performing arts organizations may have taken on a different character.

II. OPPORTUNITIES AND CHALLENGES IN CULTURE-BASED ECONOMIC DEVELOPMENT

Active cultural participation can build strong communities. Strengthening cultural communities, in turn, creates economic assets. And these economic assets can be harnessed for regional growth. Together with other components of the regional economy — scenic resources, the hospitality industry, and others — traditional arts production forms an economic sector that has major room for growth given the rapidly increasing resources Americans are devoting to leisure time opportunities. Because traditional arts are grounded in the cultural traditions of particular communities, the artists and arts organizations involved in producing traditional arts have great economic value that can be harnessed to increase regional economic growth. The problem is that the traditional arts sector is not currently well connected to the commercial marketplace, which inhibits its ability to grow.

Many traditional artists and arts organizations face two basic economic development problems. On the demand side, potential consumers often lack information about the quantity and quality of the performances they may wish to attend or objects that may be available for sale. On the supply side, traditional artists and arts organizations may not have the skills or business acumen to take advantage of market opportunities.

Because distressed communities can ill-afford to ignore opportunities to generate income and investment, economic development agencies have begun to encourage better and more productive connections between traditional artists, on the one hand, and the marketplace, on the other. These agencies have several tools available to help make these commercial connections possible: a well-established and newly invigorated regional economic planning process; expertise, funding and institutional connections needed to communicate market information effectively; and an inventory of financing and other programs to support regional development efforts. This section highlights the value of traditional artists and arts organizations to regional economic development, the market problems they typically face in realizing this value, and how the public sector can help.

Investments in traditional artists and arts organizations are simultaneously investments in the communities that support them.

THREE ARGUMENTS FOR THE VALUE OF TRADITIONAL ARTS TO ECONOMIC DEVELOPMENT

Three basic arguments are used by traditional artists and economic development professionals to advocate for the role traditional arts can play in fostering regional growth. They all find support in the body of research and practice in the field, and follow a clear logical sequence, even though in real life settings they occur simultaneously.

1. Active cultural participation can build strong communities. Traditional artists work in artistic styles and use techniques that emerge from the values, beliefs, ideas, and practices of communities of people. Traditional New Mexican Indian weavers, Miami Cuban dancers, and Tennessee old time fiddlers, for example, all share an

attachment to the materials, styles, and techniques of earlier generations. These cultural inheritances retain their value because they are treasured by communities of people — communities that are frequently comprised of practitioners, witnesses to their practice, and others who support the tradition through donations of time, money, political activism, and other resources.

EXHIBIT 1

Tried and True Observations on Developing Markets for Traditional Crafts

Allen Eaton's observations in *Handicrafts of the Southern Highlands*, published in 1937, have as much force today as they did more than six decades ago:

- Not everyone can do handicrafts well.
- Three distinct elements are involved — design, production and distribution — and all must be worked out together.
- The key to success is greatly widened cooperation.
- A new type of business technique may have to be worked out for production and distribution.
- The handicrafts must be utilized as a social, educational, and general cultural force in the region as a whole if they are to have full development.

From Barry Bergey, "Introduction to Building Creative Economies: The Working Papers," prepared for Building Creative Economies: The Arts, Entrepreneurship, and Sustainable Development in Appalachia, a conference co-sponsored by the National Endowment for the Arts, Appalachian Regional Commission, Thomas S. Kenan Institute for the Arts, Kenan Institute of Private Enterprise, and the Charles Stewart Mott Foundation, April 28-30, 2002, Asheville, North Carolina.

People belong to a community by virtue of their participation in its basic institutions — families, schools, places of worship, and other forms of association. These forms of community life are essential to the preservation and transmission of artistic materials, styles and methods, both across generations and from one community member to another. This deep community involvement in cultural production means that:

- the health of artistic styles and methods is tied to the underlying health of communities;
- investments in traditional artists and arts organizations are simultaneously investments in the communities that support them; and
- investments in traditional artists and arts organizations will be successful to the extent that they take advantage of connections between cultural production and community institutions.

Research hints at the underlying connections between cultural participation and community vitality. For example, it is known that those who participate most actively in arts and cultural life — e.g., attendance at any form of music, from folk, rock, or country to classical — also participate actively in community and civic life; they vote, go to church, donate to charitable causes, and belong to voluntary organizations. At least two factors account for this relationship. Participation in cultural activities connects people to one another and to community institutions, which then become pathways to other forms of participation. And people motivated to participate in civic life are also prompted to support community and civic organizations — such as arts groups — that support and celebrate community life.³

EXHIBIT 2

The Variety of Traditional Arts and Culture Organizations

The traditional artists and arts organizations participating in the projects reviewed for this research covered a variety of artistic forms and styles and ranged from individual artists without previous experience in the marketplace to large traditional arts organizations with multi-million dollar budgets. Encouraging the unique traditions of cultural communities can involve ethnic organizations, schools and libraries, folk arts organizations, festivals, fraternal and veterans organizations, and a host of others. Three primary motivations or perspectives guide these organizations in their support of traditional cultural activities:

- Discipline-specific interests, such as those of weaving groups, pottery centers, or folk music societies;
- Needs and interests of a particular region or locale — the concern of historical societies, heritage preservation groups, and cultural tourism organizations, among others;
- Cultural identity — as reflected in traditional art or culture.

Information from State arts agencies from the mid-1990s showed that they funded 48 different types of organizations in efforts to promote traditional arts, ranging from primary schools and community centers to local arts agencies and performing arts groups. Diversity of organizational involvement and type of activity is a characteristic feature of folk and traditional arts and culture.

As of 1996, a strong network of non-culturally-specific folk and traditional arts organizations had been built in over 40 states, stimulated by the work of organizations such as the National Endowment for the Arts, the American Folklife Center at the Library of Congress, the Center for Folklife and Cultural Heritage at the Smithsonian Institution, and the National Council for the Traditional Arts. These general folk and traditional arts organizations are notable for the variety of their methods and approaches to culture. Virtually all are multidisciplinary and engage in multicultural programming, and most engage in some sort of fieldwork as a method for discovering or mapping the traditional arts or cultural life of a community.

Source: Adapted from Elizabeth Peterson, *The Changing Faces of Tradition: A Report on the Folk and Traditional Arts in the United States*. (Washington, DC: National Endowment for the Arts, Research Division Report No. 38, 1996)

2. Strengthening cultural communities creates economic value. Much of the work of traditional artists is rooted in cultural communities that are strongly identified with place. Imagine New Mexico without pueblos; Nevada without ranches; New Bedford without shipyards. Traditional arts celebrate the heritage, history, landscape, and even politics of places in ways that emphasize the unique features of a community. The contributions these arts make to community identity, though hard to quantify, are evident even to casual visitors. The pride Nevadans, New Mexicans, and residents of New Bedford take in their cultural heritage — which in reality is the cultural heritage of multiple cultural communities within each place — translates in subtle ways into more active citizens and a general optimism for the future that together convey real economic benefits.

Community organizations have recognized the value of arts and culture as an important aspect of economic health. About half of all community, civic, political, social service or other nonprofit organizations sponsor arts and cultural events to build membership, raise money, educate youth, or contribute to civic life in other ways. Civic leaders who aim to promote local development believe deeply in the economic value of these social connections and forms of citizen engagement, and act on their belief. As an example, civic programs around the country are encouraging voluntary service among rising middle-managers as a way to create a complement of

community leaders. These leaders are viewed as a real economic asset, representing the next generation of corporate and political executives.

More cultural participation helps stimulate local demand for cultural products. Local purchase of objects, attendance at performances, or other signs that customary ways of life have value encourage production of objects for local consumption. They also create the conditions for adherence to artistic standards, because sufficient numbers of local residents understand (and place an economic value on) quality production. More local demand, in turn, strengthens the ability of local producers to satisfy demand that comes from outside the particular community.

3. The value created by cultural production can be harnessed for regional growth. “Exporting” the traditional products that are tied to the unique features of local cultural communities fits squarely within widely accepted theories of economic development. The classic economic development strategy of export promotion — making locally and distributing globally — has continued to be the bedrock approach to successful local development.⁴ This external demand is the best engine of regional growth — drawing new investment into regional economic capacity to meet the needs of expanding markets, thereby generating new employment and business opportunities.

That consumers nationwide place a monetary value on traditional products and cultural uniqueness is shown by the steadily increasing volume of purchases of traditional music, dance, and visual arts and craft performances and products. This increased demand for traditional arts production is part of a more general increase in American discretionary spending on arts, entertainment, and leisure activities. Spending on leisure travel, now commonly known as cultural or heritage tourism, is an aspect of this overall trend. Increasingly, communities are in competition with one another for a share of the market for cultural uniqueness.

Many economic development administrators have recognized the potential value of this increasing national market.⁵ And cultural tourism has become an increasingly standard part of the inventory of development tools. State arts councils and economic development offices have begun to cooperate with one another, and with other state and local agencies, to promote state cultural assets. Together with such federal efforts as the National Heritage Areas Program, these constitute a new and sophisticated field of practice within the economic development profession.⁶

Demand for what cultural workers create generates demand for goods and services in related sectors, especially when traditional arts markets are linked to markets for other local products. Culture-based economic development makes sense, at least in part, because of the emergence of a formal, culture-based economic sector. Demand for traditional arts induces demand from suppliers of the materials needed to fashion visual arts, or the talent needed to present or perform music, dance, or theater from within a folk tradition. For some communities — Native American communities in particular — cultural production requires a range of sophisticated skills and unique materials that must be supplied from within the communities themselves. Further, cultural production simultaneously generates demand for, and relies on the services of, other economic sub-sectors, including restaurants, hotels, local attractions, entertainment not directly related to traditional arts, and so on. One practical implication of this inter-relationship is that investment and employment gains generated in any part of the sector cannot be disentangled from the gains made by the sector as a whole. All are important parts of the same production engine.

EXHIBIT 3

The Economic Impact of Arts and Culture in New England

The Creative Economy Initiative is an effort by the New England Foundation for the Arts (NEFA) and its partners to develop coordinated policies and promote increased investment in the cultural sector, held to have a key role in the competitiveness of the New England region. Research sponsored by NEFA showed that the "creative cluster" was 3.5 percent of the total job base and growing 60 percent faster than employment in other sectors. Revenues from outside the region amounted to \$6.6 billion annually from cultural tourism alone. Researchers found increasing recognition by business leaders in the region that concentrations of cultural organizations and creative workers were important to sustaining a high-quality workforce, and that more and more municipalities were beginning to integrate culture into their planning efforts. Although the effort does not focus on traditional arts, this example of the growing recognition of the importance of arts to economic development has obvious implications for the traditional arts, as well.*

In a similar vein, The Center for Policy Analysis at the University of Massachusetts Dartmouth found that the special gallery nights sponsored by ArtWorks! in New Bedford — one of the Fund for Folk Culture's Partnerships in Local Culture grantees — generated \$13 in local revenues for every \$1 of state support — reflecting increased spending at downtown arts galleries, restaurants, and other stores by consumers attracted to late art gallery hours and the special events and programs sponsored by commercial establishments. The success of the summer series at ArtWorks! has helped attract new art venues and commercial establishments to the downtown. New Bedford has gained a region-wide reputation for its successful turn-around from a dying industrial to resurgent new-economy city, based in large part on a culture-based revitalization strategy.

*Source: The Creative Economy Initiative: The Role of Arts and Culture in New England's Economic Competitiveness (New England Foundation for the Arts, June 2000).

MARKET PROBLEMS FACING THE TRADITIONAL ARTS

Commercial relationships between traditional artists and buyers of their work who live outside the community do not come about naturally. Most traditional arts production is never intended for the market, but rather, for the enjoyment or use of other members of the cultural community. Some market production does occur: intentionally, as individual traditional artists seek buyers of their work, and unintentionally, as arts objects find their way into the stream of commerce through the activities of others (e.g., through sales of estates or gifts received). Sometimes implied in commercial exchange is a change in an object's function or status (e.g., as quilts for everyday use come to be regarded as collectable art).

Ideally, economic development seeks to make these commercial relationships explicit and to strengthen relationships between traditional artists and markets to further overall economic growth. These commercial relationships are difficult to establish, however, because of the inter-related problems of consumers' lack of knowledge of market opportunities, on the one hand, and suppliers' inability to satisfy potential demand, on the other.

1. Possible buyers are uninformed about product quality, availability, and cost. Consumers who would otherwise wish to purchase folk arts objects or attend presentations of dance, music, or dramatic works may be ignorant of the types of products available in the marketplace. For example, many visual artists work in relative isolation from one another and from those who can market their products. Major elements of the distribution network for traditional arts — local craft shops, art galleries, and other retail outlets — may be unaware of traditional

artists' work or may not value the traditions within which they work. In addition, they may not understand how to advertise effectively, or be unwilling to accept traditional artists' work on terms that the latter find acceptable. Consumers may distrust or be uncertain about the quality, appropriate price, and availability of traditional arts products. Commercial outlets may not have the ability, or willingness, to assure customers of the authenticity of the works they sell, and for their part, customers may not be able to discriminate effectively between higher and lower quality goods.

2. Demand for cultural products does not guarantee supply. Cultural producers are not always prepared to satisfy the added market demand stimulated by communication of adequate market information. Traditional artists may lack information about consumer preferences that inhibit their ability to communicate market information effectively. For example, consumers for some types of craft products have become accustomed to item labeling that describes the cultural significance of the object, conveys personal information about the artist, and explains how the object was created. These labels have come to be accepted as indicative of an item's quality, as a kind of certificate of authenticity.

The small size and individual character of arts production bears special mention, because it greatly constrains active participation in the marketplace. Many, if not most, traditional artists and small arts organizations lack marketing strategies and techniques, business plans that tie purchases and sales in useful ways, sound accounting and management practices, and so on. These individuals and organizations cannot obtain credit because they lack credit histories, earn unpredictable incomes, and find it difficult to document other aspects of their financial history. In this respect, the problems of many traditional artists and arts organizations resemble those facing other micro-entrepreneurs and small businesses.

TYPES OF PUBLIC SECTOR RESPONSE TO DEVELOPMENT PROBLEMS

Traditional artists and arts organizations, like other economic actors, are caught in a vicious cycle: they can't meet demand without adequate supply, but can't build supply in advance of strong demand. That's why public intervention in market relationships is sometimes needed. Over the years, economic development organizations have devised strategies and techniques to confront market problems, supported by a national infrastructure of agencies, funding programs, periodicals, journals and publications, training programs, and professional associations.

The intent of public intervention is to correct failures in markets. The most general such failure in the traditional arts sector (as in other industries) consists of a group of "cooperation" problems,⁷ whereby traditional artists, arts organizations, and their potential supporters cannot easily cooperate to solve problems of consumer ignorance and shortfalls in supply. Although each individual organization or artist has an interest in acquiring this information and seeing that others' investments generate demand for cultural production (e.g., in promoting the natural beauty of the region to potential tourists), no single actor can organize the joint effort needed to accomplish these tasks. Three classes of activities have been pursued by development agencies to help promote general solutions to development problems, all of which apply to cultural production:

EXHIBIT 4

Regional Development Organizations: Missions, Activities, and Accomplishments

Economic development agencies involved in the Fund for Folk Culture Partnerships in Local Culture initiative were all members of the National Association of Development Organizations (NADO), which provides training, information, and representation for regional development organizations (RDOs) serving small metropolitan and rural America. Founded in 1967 as a national public interest group, NADO is part of the intergovernmental partnership among federal, state, and local governments.

RDOs are known by many names: councils of governments, area development districts, regional planning councils and commissions, economic development districts, local development districts, and regional planning and development councils. In addition to RDOs, NADO membership includes associate members that are local economic development agencies, community development corporations, and others interested in the technical, publication, advocacy, and other services NADO provides.

RDOs manage a diverse array of programs and services for residents of rural and small metropolitan America, such as comprehensive planning, small business development and finance, workforce development and job training, and a variety of other programs, such as services for seniors, youth development programs, and emergency services coordination. Most RDOs were created in the 1960s and 1970s by the Economic Development Administration (EDA) of the US Department of Commerce. In 2000, more than 80 percent of all NADO members administered programs funded by EDA, and more than one-half received funding from other Department of Commerce programs, the US Department of Housing and Urban Development, and the US Department of Transportation.

1. Economic development planning frames regional responses to market problems. Development planning refers to the process of collecting, analyzing and assessing economic information, formulating economic goals and strategies to achieve them, and enlisting the cooperation of other actors to carry them out. Economic development agencies have long regarded planning as one of the core activities useful for shaping regional growth. In the distant past, regional planning efforts created strategies for investments in regional transportation, power, water and sewer, and other public facilities. More recently, planning has come to also emphasize investments in workforce, small business, major industrial and commercial enterprises, and other local assets, with a view toward connecting these to larger markets.

One of the core programs supported by the Economic Development Administration (EDA) of the US Department of Commerce has been formulation of Overall Economic Development Plans (now known as Comprehensive Economic Development Strategies), which provide a framework for public and private investments intended to foster regional growth. These economic plans identify the range of assets available to support development efforts, and specify how these assets can be mobilized to accomplish the development goal. Under federal law, regional economic development district receipt of EDA funding is contingent on preparation of an approved Strategy.

EXHIBIT 5

The Comprehensive Economic Development Strategy (CEDS)

In 1998, the Economic Development Administration Reform Act re-authorized the programs and activities of the US Department of Commerce Economic Development Administration. The Act updated the Overall Economic Development Plan requirements in effect for many years, changing its name to the Comprehensive Economic Development Strategy. An EDA-approved CEDS is a pre-requisite to receiving funds under most EDA programs, including public works funding and business development and financing programs.

A CEDS is a plan that emerges from a broad-based, continuous planning process addressing the economic opportunities and constraints of a region. It should promote economic development and opportunity, foster effective transportation, enhance and protect the environment, and balance resources through sound management of development.

In 1999, EDA and the Corporation for Enterprise Development published a guidebook that takes account of recent changes in legislation and in planning practice, including new emphasis on regional approaches, sustainable development, and strategic planning and performance measurement. Recommended planning guidelines from EDA place considerable weight on participatory planning, including:

- Analysis of the state of the regional economy and the external trends and forces that represent opportunities and threats to regional health;
- Engagement of a wide range of planning partners, including important actors in the region as well as those who understand issues important, but unfamiliar, to planning agencies;
- Inclusion of a broad-based group of stakeholders and partnerships with a variety of organizations within a region, to assess competitive advantage, assemble resources, and achieve positive economic, social, and environmental impacts.

These recommendations correspond closely to the conclusions reached in this monograph concerning the possible special contributions of cultural organizations to economic development research, planning, and program practice.

Sources: US Economic Development Administration and Strategic Planning for Economic Development: Moving Beyond the Overall Economic Development Program (Corporation for Enterprise Development, Washington DC, 1999).

As it pertains to traditional arts, economic development planning efforts have emphasized the compilation of inventories of cultural assets, including artists, arts organizations, craft workers, and other adherents to traditional practices.

Mindful of the deep connections these people have to the communities that support them, such inventories have sometimes enlisted the help of folklorists, oral historians, applied anthropologists, and others skilled in the investigation of communities and their cultural practices.

2. High-quality market information helps producers and buyers reckon risks and returns. These inventories and other information collection efforts have been used to help frame approaches to overall regional growth. These data have also directly contributed to the implementation of regional growth promotion efforts, offsetting the lack of information consumers and investors — inside and outside the region — have about consumption and investment opportunities available to them.

Private investors lack the ability to accumulate information about the myriad investment opportunities potentially available across the United States. One important function of economic development agencies is to remedy this lack of generally available data by assembling and disseminating information about local natural resources, available land, industry composition and growth, workforce skills, size of consumer markets, and other economic indicators. This information is assembled and packaged for distribution to both businesses and consumers to promote

local advantages. Often supported by state offices of economic development or tourism promotion, local area promotion is intended to encourage new investment or business location, or encourage tourist visits. Increasingly, these materials advertise regional arts and cultural assets as an important aspect of local quality-of-life, or vital to business executives' firm location decisions or to the leisure time choices made by vacation travelers.

3. A stock inventory of financial tools helps promote direct investment in growth. Many economic development agencies around the country command substantial financial assets to support regional investment programs. These programs come in three basic forms:

- Investment in physical infrastructure, including roads, bridges, water and sewer lines, and other public works needed to support industrial, commercial and residential development.
- Direct lending to business, typically in the form of loans made at below-market rates to businesses that agree to make new investments, hire workers, or otherwise contribute to local growth.
- Business and workforce development programs, intended to help new or struggling business acquire the technical, financial, and management capacity to grow, or workers acquire the skills needed by employers.

Development agencies everywhere are under an obligation to demonstrate that the projects they support convey a public benefit.

In general, the funding regional agencies can expect from state and local agencies is tied to how widespread the benefits are that they can claim. To help ensure that agency investments are augmented by those of other financial and political actors, most agency directors place a priority on developing close relationships with other regional stakeholders. These relationships are an important regional asset in their own right. Support for traditional arts can help satisfy both of these imperatives, insofar as arts and cultural activities are an important complement to other area-wide promotion activities, and artists, arts organizations, and their supporters add up to an important constituency in many localities.

Footnotes

3. See Chris Walker and Stephanie Scott-Melynk, *Reggae to Rachmaninoff: How and Why People Participate in Arts and Culture*. (Urban Institute, 2002).

4. Michael Porter's work is only the latest in a long tradition of economic policy research and practice that calls attention to the development payoff from exploiting local competitive advantage to generate income from outside the city or region. See Michael E. Porter, 1994. "The Competitive Advantage of the Inner City." *Harvard Business Review*, 73 (3), (May-June).

5. Certainly in their personal lives, nearly all the development officials we spoke with displayed a keen sense of the emotional (even spiritual) value of regional identity and the uniqueness of local cultural practices.

6. For an overview of folklore-related cultural tourism trends and projects, see Kathleen Condon, *A Sampling of Folklife and Cultural Tourism Projects in the United States*. Columbia, Missouri: Missouri Folk Arts Program, Missouri Arts Council, n.d. The monograph can also be accessed through the Missouri Folk Arts Program website, <http://orcs.missouri.edu/mfap>.

7. This is a so-called "collective action" problem, in which every individual's interest depends on all acting together, but no individual's interest lies in acting without unanimous agreement to do so.

III. THE PROJECTS AND THEIR RESULTS

The Fund for Folk Culture Initiative aimed to accomplish three basic goals:

- to test economic development strategies that strengthen local cultures in rural areas, towns and small cities throughout the United States;
- to encourage economic development agencies – specifically those belonging to the National Association of Development Organizations – to enhance or adapt financial and technical services to serve the traditional arts and culture sector;
- to support partnerships between cultural organizations and economic development agencies to encourage sustained, long-term investments in traditional cultural communities as a promising path to regional growth.

EXHIBIT 6

Design and Implementation of Partnerships in Local Culture

In 1999, the Ford Foundation granted \$550,000 to the Fund for Folk Culture for Partnerships in Local Culture, a funding program designed to test economic development strategies that would strengthen local cultures in rural areas, towns and small cities throughout the United States. One objective of the initiative was to encourage Regional Development Organizations (RDOs) and other members of the National Association of Development Organizations (NADO) to adapt their financial and technical services for organizations and individuals involved in the practice and encouragement of traditional arts and culture.

The program offered grants in the amount of \$15,000 to support activities carried out by partnerships between cultural organizations and development agencies. Awards were contingent on prospective availability of an equal amount of matching funds raised from other sources. Grantees were permitted to count contributions of staff time and general operating costs as matching funding up to 20 percent of the match amount.

Review of applications and decisions on funding were made by a group of experts on cultural traditions as well as those familiar with economic development. The panel selected projects based on their assessment of project viability, cultural significance, commitment to incorporating cultural components in ongoing economic development activity, and potential for long-term benefit to communities, among other factors.

The panel awarded funding to 18 projects over two funding rounds (October 1999 and November 2000). From this group of 18 projects (listed on pages 17 and 45), researchers selected the projects that provide the basis for conclusions reached in this monograph. Researchers and Fund for Folk Culture staff concluded that these projects were most likely to shed light on relationships between traditional artists and arts organizations and economic development agencies.

Based on review of eight projects, researchers concluded that the program's primary result was to seed relationships between cultural organizations and economic development agencies that should pay off over the longer term as cultural planning and community marketing efforts unfold. Several of the individual projects appeared to be on the brink of significant market expansion if new sources of funding could be found to continue project activities. Challenges in project implementation point up the importance of intermediary organizations able to bridge gaps between a complex and decentralized traditional cultural sector and development agencies with a well-established but sometimes limited array of development tools.

In helping evaluate the Initiative's success in achieving these goals, the Urban Institute conducted case studies of eight projects in which traditional arts organizations partnered with regional development agencies. Site Summary 2 lists the development opportunity presented by each site, and the strategy chosen to pursue the stated opportunity.

SITE SUMMARY 1 — PROJECTS SELECTED FOR SITE VISITS

This list contains descriptions of the eight Partnerships in Local Culture Program projects selected for site visits. Descriptions of funded projects not selected for site visits are listed in Appendix 1.

ArtWorks! AHA! Gallery Nights Project

New Bedford Economic Development Council, New Bedford, Massachusetts — \$15,000

To assist ArtWorks!, a gallery located in New Bedford's historic district, produce and market an exhibitions and performance series introducing ethnic and immigrant artists to tourists and local community members, and conduct accompanying professional development and small business management workshops for participating artists.

Cherokee Heritage Center Traditional Arts Project

Eastern Oklahoma Development District, Muskogee, Oklahoma — \$15,000

To develop and implement two earned income initiatives — Cherokee Heritage Pottery and Cherokee Heritage Arts — at the Cherokee Heritage Center, focusing on increased pottery production and expansion of marketing opportunities for Cherokee artists through the Center's Museum Shop, Museum catalog and Center website, as well as outreach into other markets.

Dorn Mill Center for History and Art Project

Upper Savannah Council of Governments, Greenwood, South Carolina — \$14,600

To develop the Dorn Mill Center for History and Art at the newly-renovated Dorn Mill Complex, managed by the McCormick Arts Council; and to conduct, with six partnering organizations, a four-county survey to identify traditional artists to participate in the Center's demonstration and education programs, retail space, studio space, and wholesale distribution program.

Mississippi Cultural Crossroads Quilting Project

Mississippi Cultural Crossroads, Port Gibson, Mississippi — \$15,000

To create a business and quilting training program for low-income apprentice quilters, and increase earned income opportunities, in cooperation with the Craftsmen's Guild of Mississippi, by linking web and site-based retail to a federally-funded heritage trail under development in the state.

Native American Traditional Crafts Website Development Project

North Central New Mexico Economic Development District, Santa Fe, New Mexico — \$15,000

To expand retail opportunities for Native American artists and craftspeople participating as vendors in the well-known Portal Program at the Palace of the Governors in Santa Fe, through the development of a website and internet training program, developed in collaboration with New Mexico CultureNet and the Vendors Committee at the Palace of the Governors/Museum of New Mexico.

Nuestras Raices Traditional Foods Project

Franklin County Community Development Corporation, Holyoke, Massachusetts — \$30,000

To assist Nuestras Raices, Inc., a grassroots economic and community development organization, to develop food and agricultural micro-enterprises in Holyoke's Latino community by establishing certified kitchen facilities and instituting a horticultural mentoring program for youth growing traditional Latino specialty crops. (Two grants.)

Paiute Tribe Cradleboard Project

Six County Association of Governments, Richfield, Utah — \$14,900

To develop a marketing strategy to revitalize nearly-extinct Southern Paiute cultural traditions through complementary programs organized with the Paiute Tribe of Utah and four partnering organizations to teach tribal crafts and arts, provide business training and counseling to tribal members, and assess the potential for wholesale and retail markets for Paiute products.

Western Folklife Center Internet Sales Project

Elko County Economic Diversification Authority (ECEDA), Elko, Nevada — \$15,000

To develop and implement the Western Folklife Center's marketing network, enabling master artisans and other traditional artists to reach a larger market through the Center's gift shop and internet sales site, with partnership participation from ECEDA and Great Basin College.

To summarize, the projects we reviewed accomplished the first objective — to demonstrate effective approaches to economic development using cultural assets — in terms of the concrete results achieved and the insights these projects provided to researchers. The results were modest, reflecting the modest funding provided, but several projects appeared poised on the brink of more substantial gains if new sources of support could be found. The second objective — to encourage development agencies to incorporate culture-based economic development more fully into their operations — proved more difficult to achieve, as discussed more fully in the next section. Most development agencies in the case study partnerships were helpful in acting as fiscal agents for smaller traditional arts organizations, but they usually did not have the business development programs or funding most needed by those organizations. Nevertheless, and in terms of the third objective (also discussed in the next section), we believe that the projects we saw have formed the basis for future, productive relationships between economic development agencies and traditional artists and arts organizations, now that their respective strengths and weaknesses are more clearly evident. Site Summary 3 shows the goals, participating partners, and partner responsibilities for the eight study projects.

To assess the concrete results of the eight study projects — corresponding most closely to objective 1 — we classified economic development outcomes in three categories:

- community-building
- workforce and business development
- market expansion

The first of these categories takes account of the desired relationship between community strength and traditional arts production. The second and third categories reflect the sources of market problems traditional arts production encounters.

COMMUNITY-BUILDING — SHARED VALUES, BELIEFS, AND CULTURAL PRACTICES

Community-building benefits ranged from the increasing connection of minority cultural communities to the broader community of artists, to community-wide discussion and debate about the role of important cultural institutions in the future economic life of the region. Several of these benefits were directly tied to workforce and business development activities, which created the basis for bringing people together in the first place. Several of these projects produced powerful examples of recovered traditions, connections among generations, and attachment to the heritage of a place. All these can be shown to add practical value to the long-term ability of a region to establish its unique identity. This uniqueness has become increasingly important as a platform for participation in the new “heritage economy.” As examples of the community-building value of the grants we reviewed:

- ArtWorks! AHA! Gallery Nights Project, in New Bedford, Massachusetts, included visual arts, culinary arts, domestic crafts, storytelling and other cultural practices, and aimed to encourage pride among ethnic communities showcased, especially the community of recent Mayan immigrants not well-integrated into the mainstream. Throughout the series, people who had hitherto been loath to participate in the arts became frequent gallery night participants.
- The Western Folklife Center sponsors the annual Cowboy Poetry Festival, which draws thousands of people nationwide to Elko, Nevada, thereby making important and recognized economic contributions. During the course of conceiving and beginning to implement its Internet Sales project, the Center was

SITE SUMMARY 2 — DEVELOPMENT OPPORTUNITIES AND RESPONSES

ArtWorks! AHA! Gallery Nights Project, New Bedford, Massachusetts

Development Opportunity — How can artists representing local ethnic communities take advantage of the growing success of New Bedford's arts-based revitalization?

Partnership Response — Include Cape Verdean, Mayan, and Portuguese artists and performers in an ongoing gallery series to showcase and interpret traditional works.

Cherokee Heritage Center Traditional Arts Project, Tahlequah, Oklahoma

Development Opportunity — How can recognition of and demand for Cherokee arts be increased, thereby creating new, stable sources of income for artists and the Center?

Partnership Response — Diversify Cherokee products and markets to increase production and stabilize demand.

Dorn Mill Center for History and Art Project, McCormick, South Carolina

Development Opportunity — How can stakeholders in the Dorn Mill Center create a market for the Center as an historic site and future arts and culture hub?

Partnership Response — Link Dorn Mill to state heritage trail plans, and to a planned retirement village as a market for Dorn Mill sales and programs. Also, work steadily to establish an artistic presence at the site, even before it is a full-fledged tourist market.

Mississippi Cultural Crossroads Quilting Project, Port Gibson, Mississippi

Development Opportunity — How can quilters gain more access to external markets and overcome constraints on their ability to produce high-quality objects in response to expected demand?

Partnership Response — Create web- and site-based retail outlets with business development training. Educate prospective markets about the art, process, and characteristics of quilt-making.

Native American Traditional Crafts Website Development Project, Santa Fe, New Mexico

Development Opportunity — How can artists expand markets for internationally-regarded traditional arts, thereby generating additional income for artists and their communities?

Partnership Response — Create website for consumer education and the marketing and sale of art objects; develop procedures for marketing items, ensuring payment and delivery, and obtaining reliable supply of finished goods.

Nuestras Raices Traditional Foods Project, Holyoke, Massachusetts

Development Opportunity — How can the community develop resident skills in food handling and entrepreneurship, and enhance opportunities to market traditional culinary items?

Partnership Response — Develop food service training and restaurant space. Build knowledge of the agricultural and culinary heritage to be marketed.

Paiute Tribe Cradleboard Project, Richfield, Utah

Development Opportunity — How can the Paiute tribe generate income, and at the same time reclaim knowledge of tribal arts for its younger members?

Partnership Response — Teach tribal members — especially youth — to create art objects for immediate sale. Develop possible longer-term connections to unfolding state-sponsored Heritage Highway program.

Western Folklife Center Internet Sales Project, Elko, Nevada

Development Opportunity — How can a strong existing market for cowboy products (e.g. saddles, spurs, leatherwork) be used to develop a market for products of other regional folk artists?

Partnership Response — Research, develop, and distribute knowledge about artisans, products, and currently available market mechanisms through an expanded website and shop.

able to stimulate new conversations among cultural and community leaders, economic developers, and educators about how to enhance Elko's cultural life in ways that further community identity, economic health, and educational resources.

- Nuestras Raices' Traditional Foods project in Holyoke, Massachusetts pursued community-building both as an end in itself and as an important pre-condition for economic, physical, human, and community development. Support for community gardens, a Farmer's Market, and a restaurant are tied to the preservation and advancement of Puerto Rican cultural heritage. At the time of the study, human capital development had focused largely on youth and others working in community gardens. Further human/workforce development was to take place once a food services program tied the community gardens to a restaurant.

EXHIBIT 7

Example of Community-Building Outcomes

Paiute Tribe Cradleboard Project: With the erosion of traditional tribal arts, few artisans remain who are able to work in the old way. This project aimed to teach young people in the Paiute community in Utah how to make cradleboards, traditionally-woven baby carriers. Interest proved to be quite strong — approximately 42 participants turned out to learn the craft, and several of these members have gone on to learn other traditional skills (e.g., beadwork, leatherwork). During the lessons, tribal elders recount traditional stories of the tribe, and one elder gives language lessons to participants. Mastering the tradition of cradleboards requires practice and time beyond the scope of the grant period and, hence, a limited number of cradleboards (approximately 50) were produced. Nonetheless, the community-building benefits of the project have been impressive and have contributed to a sustained cradleboard-making activity.

WORKFORCE AND BUSINESS DEVELOPMENT – EDUCATION, ARTISTIC SKILLS, AND BUSINESS GROWTH

Several projects invested in training of new artists or recruitment of artists to participate more actively in the marketplace, typically emphasizing education of youth. These projects are necessarily long-term in their effects: education of individual artists takes time. Creation of a cadre of traditional artists able to make a noticeable difference in the supply of high-quality products requires several cycles of enrollment, graduation, skill-building, and new student referrals. For example:

- Cherokee Heritage Center, located in Tahlequah, Oklahoma, opened its new factory in a fully functioning production pottery facility donated by an elder of the Cherokee Nation. New production potters have been trained in mixing ceramic, pouring molds, firing, finishing, and packing completed pieces. New designs have been created using historical Cherokee-made pottery. New marketing materials have been produced to promote the work and a shop adjoined to the factory has been opened. Further, the Center has increased the opportunities for artistic training with additional classes and has opened a craft shop so that artist materials will be consistently and affordably available.

SITE SUMMARY 3 — PROJECT GOALS, PARTICIPATING PARTNERS, AND RESPONSIBILITIES

ArtWorks! AHA! Gallery Nights Project, New Bedford, Massachusetts

Goals — Help ethnic artists and performers in gallery series showcase and interpret traditional works.

Participating Partners and Responsibilities — • ArtWorks! Gallery — Manage contract research and community outreach. Organize gallery series. • New Bedford Economic Development Council — Act as fiscal agent.

Cherokee Heritage Center Traditional Arts Project, Tahlequah, Oklahoma

Goals — Develop a comprehensive marketing strategy for Cherokee Heritage arts and pottery.

Participating Partners and Responsibilities — • Cherokee Heritage Center — Develop and implement the new marketing strategy. • Eastern Oklahoma Development District — Act as fiscal agent.

Dorn Mill Center for History and Art Project, McCormick, South Carolina

Goals — Link Dorn Mill sales and programs to markets created by state heritage trail and planned retirement village.

Participating Partners and Responsibilities — • McCormick County Arts Council — The Arts Council is spearheading the Dorn Mill initiative. • Upper Savannah Council of Governments — Act as fiscal agent. Facilitate requests for investments in physical revitalization.

Mississippi Cultural Crossroads Quilting Project, Port Gibson, Mississippi

Goals — Create web- and site-based retail activity. Provide business development aid.

Participating Partners and Responsibilities — • Mississippi Cultural Crossroads — Run quilting program. • Craftsmen's Guild of Mississippi — Act as fiscal agent. Provide services to build market capacity.

Native American Traditional Crafts Website Development Project, Santa Fe, New Mexico

Goals — Expand access to market by creating e-commerce opportunities for Native American artists.

Participating Partners and Responsibilities — • New Mexico CultureNet — Act as cultural intermediary responsible for project design, web development, technical assistance and artists' directory. • Vendors Committee of the Palace of the Governors — Decide issues of market access, production quality. • Palace of the Governors / Museum of New Mexico — Sponsor development of and maintain web-site for product marketing. • Northern New Mexico Economic Development District — Act as fiscal agent.

Nuestras Raices Traditional Foods Project, Holyoke, Massachusetts

Goals — Food service training and restaurant space development.

Participating Partners and Responsibilities — • Nuestras Raices — Take primary responsibility for agricultural programs, organizing, and restaurant development. • Franklin County Community Development Corporation — Act as fiscal agent and provide training in food services.

Paiute Tribe Cradleboard Project, Richfield, Utah

Goals — Help tribal members create art objects for immediate sale, with longer term connections to Heritage Highway.

Participating Partners and Responsibilities — • Paiute Tribe Economic Development Office — Organize classes for teaching traditional arts. Broker relationships between market / technical aid and individual artists. • Six Counties Council of Governments — Act as fiscal agent. Implement heritage highway program. Provide technical help to tribal ED office. • Utah State Arts Council — Conduct research on tribal arts. Provide technical assistance in marketing traditional products. Create certification labels for artists' products.

Western Folklife Center Internet Sales Project, Elko, Nevada

Goals — Identify artisans, research products and currently available market mechanisms; provide web-access to information about artists, products, and market mechanisms.

Participating Partners and Responsibilities — • Western Folklife Center — Identify artisans; sponsor research; develop information; provide and maintain website. • Great Basin College — Collaborate in research. Provide Master teaching opportunities. • Elko County Economic Diversification Authority — Act as fiscal agent.

EXHIBIT 8

Example of Workforce and Business Development Outcomes

Mississippi Cultural Crossroads Quilting Project: The grant enabled staff at Mississippi Cultural Crossroads to hire, train, and pay quilters (mostly young women) of various levels of experience. Crossroads staff say that in addition to seeing progress in their employees' artistic skills, they are also seeing significant progress in administrative, leadership, and problem-solving skills. Staff noted that despite these accomplishments, retention in these positions is a problem because the work is part-time. Despite the challenge of retention, the workers (and volunteers) have produced new quilts within the grant period, and some of these have sold. Crossroads staff are optimistic that in the future, the space allotted them for sales through the Craftsmen's Guild of Mississippi as well as marketing assistance provided will have positive impacts on their bottom line. At the same time, they are worried that excess demand resulting from the vending space and marketing assistance may compromise artistic quality.

MARKET OPPORTUNITIES FOR TRADITIONAL ARTS

Study projects explored many different ways of bringing products to market, including marketing through a tribal development office (essentially a wholesaler), retail establishments (galleries and shops), and electronic commerce (websites). Most of these efforts have been tied in some way to a physical site, and in several instances, with significant historic sites:

- In the Dorn Mill Center for History and Art project, market development efforts focused primarily on refurbishing Dorn Mill and opening it for tours, educational and creative programs, and as a space for artists to present and sell their work. In support of this vision, a study was conducted to identify local traditional artists. At present, a few (non-traditional) artists are also in residence working at the Mill site, using the facility and also branding it as an artistic place. Further market expansion may come with integration into the state's heritage tourism strategy and through initial efforts to tap into a new nearby retirement community.
- In the Santa Fe based Native American Traditional Crafts Website Development project, the Vendors Committee of the Palace of the Governors and New Mexico CultureNet collaborated on creating basic rules for arts sales over the internet. The initial website generated some orders, but further progress awaited development of quality control, payment, and distribution mechanisms that would allow all 1,000 licensed artists to access the market. This would require creation of a new corporate form with adequate capitalization, as the Vendors Committee is essentially a regulatory body, lacking the governing features that would allow it to pursue market relationships more aggressively.

EXHIBIT 9

Example of Market Development Outcomes

Cherokee Heritage Center Traditional Arts Project: Increased order volume at the Cherokee Heritage Center encouraged an expansion of capacity to meet demand, as new research, evolving trust between the Center and new artists, and pottery factory start-up led to a lengthening roster of willing and capable artists. The craft shop produced a consistent supply of materials and training classes enabled the development of new artists and the training of pottery employees. As a result, the Center gained legitimacy as a community resource for all Cherokees, even though it is associated with Cherokees of mixed ancestry.

SITE SUMMARY 4 — PROJECT OUTCOMES

ArtWorks! AHA! Gallery Nights Project, New Bedford, Massachusetts

- **Community Building** — Willingness among Mayan artists to cross cultural lines to attend gallery shows.
- **Workforce / Business Development** — Some interest among Mayan community to earn “outside” income from performances.
- **Market Development** — Increased sales of traditional items through gallery during events.

Cherokee Heritage Center Traditional Arts Project, Tahlequah, Oklahoma

- **Community Building** — Preservation of cultural traditions. Pottery production helped transmit Cherokee history (inside and outside community). Developed Center’s role as venue for building shared community identity among “purebloods” and other Cherokees.
- **Workforce / Business Development** — More consistent supply from traditional craftspeople. Trained and employed 12 pottery factory employees.
- **Market Development** — Increased and more consistent purchasing by vendors (such as the Oklahoma Historical Society and Cherokee Nation Gift Shop).

Dorn Mill Center for History and Art Project, McCormick, South Carolina

- **Community Building** — Projected efforts to stimulate further interest and enthusiasm around mill as historical heart of county/town.
- **Workforce / Business Development** — Expanded number of artists associated with Dorn Mill Center. Study identified possible artists. Several artists have affiliated with, and use, the space.
- **Market Development** — Expanded number of quilters. Expanded market through heritage tourism and tie to new retirement community. Creation of website to market Dorn Mill and other local artists’ goods.

Mississippi Cultural Crossroads Quilting Project, Port Gibson, Mississippi

- **Community Building** — Identification of new quilters. Participation in other Crossroads programs including public art and theater.
- **Workforce / Business Development** — Expansion in number of quilters.
- **Market Development** — Expansion of market tied to website development and distribution through new Craftsmen’s Guild space.

Native American Traditional Crafts Website Development Project, Santa Fe, New Mexico

- **Community Building** — Some evidence of increased computer use in artists’ communities.
- **Workforce / Business Development** — Production issues will remain difficult until separate, incorporated form can be devised.
- **Market Development** — Possible expansion of market access if production/quality assurance issues can be resolved.

Nuestras Raices Traditional Foods Project, Holyoke, Massachusetts

- **Community Building** — Community-based efforts to promote pride in ethnic (Puerto Rican) agricultural and food-based traditions. Stronger intergenerational relationships through mentor programs.
- **Workforce / Business Development** — Plans underway for food industry training services. Sustained training of youth and others involved in urban gardens and farmers’ market.
- **Market Development** — Assessment of market for restaurant. Sustained and often expanded markets for community gardens and Farmers’ Market initiative.

Paiute Tribe Cradleboard Project, Richfield, Utah

- **Community Building** — Preservation and recovery of cultural traditions. Craft production helped transmit stories and cultural practices.
- **Workforce / Business Development** — Increased number of artisans able to make cradleboards, and new expansion into other traditional crafts.
- **Market Development** — Some market production for 2002 Olympics; purchases by tribal office. Market production for Museum and Trading Post is ongoing.

Western Folklife Center Internet Sales Project, Elko, Nevada

- **Community Building** — Continued conversations among community leaders across sectors about the community’s changing economy in mining and ranching and the impact of those changes on community identity.
- **Workforce / Business Development** — Possible workforce development through training programs provided by master artists.
- **Market Development** — Possible increase in demand for lesser known artists and forms through association with master artists and popular forms.

The modest investments made by the Fund for Folk Culture in the case study projects yielded predictably modest returns in the short run. Other efforts may produce different results. With the single exception of the Cherokee Heritage Center, sales of traditional products did not go up substantially and so, by implication, neither did artists' incomes. The clearest results were achieved in the area of workforce and business development, and to some extent, in community-building (of several kinds), which produce economic payoffs over the longer term. (See Site Summary 4 for project outcomes of the eight case study partnerships.)

These gains in workforce and business development augur well for more substantial gains over the longer run, because they appear to have created the conditions for more effective future participation in the marketplace. In several projects, for example, community members learned new skills that are very likely to generate income in future, as long as agency and community support for these activities continues (which is by no means assured). In others, traditional artists and arts organizations supplemented already expert artistic skills with newly acquired abilities to market, package, price, and deliver objects to market. Both workforce and business development gains represent investments in future economic capacity — the very definition of economic development.

It even appears that several of these projects were, at their completion, on the brink of breakthrough results, which could have been achieved with follow-up support roughly equal to the amounts invested in the original projects. This was particularly true of projects in which incorporation of new entities could solidify the gains already achieved on the workforce development side. For example, computer skills learned by Native American artists in the Portal Program project, coupled with website development work funded under the project and the already high level of craftsmanship, needed only the creation of a company to expand markets rapidly.



IV. THE PARTNERS AND THEIR RELATIONSHIPS

The Fund for Folk Culture’s Partnerships in Local Culture Initiative was designed to explore the economic benefits of cooperation among traditional artists and arts organizations and economic development agencies (including other organizations and public agencies that choose to pursue development initiatives). As recipients of grant support, all parties were obliged to pursue a common purpose, and cooperate with one another to accomplish that purpose — in other words, to partner. In this section, we present a framework for thinking about the relationships of traditional artists and arts organizations, on the one hand, and economic development agencies, on the other.

To anticipate the following discussion, most of the projects we reviewed were partnerships of a fairly relaxed kind. In most cases, the economic development agency acted as a helpful pass-through of funding to traditional artists or arts organizations, which only required it to issue funds and account for expenditures. In other cases, development agencies played a more active role. However rudimentary some of these partnering arrangements may have been, good results were achieved in those cases where stronger immediate connections between development agencies and traditional artists were not necessary. But even where stronger connections would have been helpful, emerging relationships among development agencies and arts organizations created the groundwork for productive partnerships in the future. Neither does partnership value require continuing project relationships among the parties — once formed, latent relationships become available in the future to support more active joint efforts.

Development agencies’ regional planning and promotion activities are broadly valuable to traditional artists.

ASSETS AND LIABILITIES OF PARTNERSHIP ARRANGEMENTS

Partnerships can be valuable because they bring assets together in profitable combinations. These assets include money, talent, and leadership.

- Money can include various types of loans and grants from public agencies as well as funding from charitable sources, loan capital from banks and other financial institutions, and the accumulated earnings (and earnings potential) of traditional artists and arts organizations.
- Talent can include artistic vision and skill, business acumen, organizational strength (staff, management systems) and other skills and contributions.
- Leadership can include public persuasion; relationship-building; forging connections among cultures, communities, agencies, organizations, and influential individuals; and “deal-making” and related skills.

Brought to the table in varying amounts from diverse types of agencies, individuals, and organizations, these assets make productive economic development possible. But assets come with corresponding liabilities. Expertise in one field often comes at the expense of unfamiliarity with another. Leadership exercised on behalf of one group of constituents sometimes comes at the cost of opposition from another group. The best partnerships are those in which the assets of one partner offset the liabilities of another.

EXHIBIT 10**Assets and Liabilities of Traditional Artists and Arts Organizations and Economic Development Agencies****Traditional Artists and Arts Organizations****Assets / Opportunities**

- Sole producers of unique local content.
- Strong commitment to place and people in place.
- Free to invent / propose creative solutions.
- Long-term view of their own role / of future.

Economic Development Agencies**Assets / Opportunities**

- Institutional mission to plan for and develop economic “value.”
- Command of financial resources to support information gathering, marketing, public works investment, business lending.
- Staff knowledge of financing, infrastructure, regional and national markets.
- Connections to local, state, and federal stakeholders.

Liabilities / Constraints

- Suspicion of e-commerce (or any commerce); fear of loss of authenticity.
- Often limited understanding of their role in larger region; highly de-centralized.
- Sometimes unrealistic about possibilities.
- Typically small / fragile organizations.

Liabilities / Constraints

- Accountable to state and federal subsidy providers.
- Limited inventory of development tools; sometimes short-term, “deal-oriented” focus.
- Little necessary knowledge of e-commerce / arts issues of quality, constraints.
- Responsive to political direction.

In principle, the interests and capabilities of traditional artists and arts organizations and economic development agencies pair up well, forming the basis for productive partnerships. In practice, the fit is sometimes not good. Projects worked best where the interests and capabilities of economic development agencies matched up with the interests and capabilities of traditional artists and arts organizations.

The strengths of traditional artists and arts organizations have been noted. They are rooted in community, are creative in ways that contribute to solution of community problems, and supply a product that is increasingly important in economic life. Their work helps sustain the uniqueness of particular places, which is in increasing demand as leisure time preferences change. But traditional artists, singly and in groups, also bring liabilities. They are typically self-employed, scattered throughout communities, and often unrepresented by arts organizations or other forms of association, making them difficult to reach. Because they produce at relatively low sales volumes, a program of investment in the cultural sector requires a type of effort that other economic actors do not demand. (This is why intermediaries have come to play an important role in development efforts — see Section V later for discussion.)

The value of economic development agencies to the development of their areas has also been noted. They manage development funds and have access to finance from other agencies; have expertise in community planning, strategy development, and finance; are connected to national and state agencies as well as to political leadership throughout their regions; and increasingly are moving toward more aggressive promotion of local tourism, sometimes including marketing of the arts and cultural assets unique to the places they serve. But as agencies called upon to help arts and culture providers, they have liabilities. Many have not worked with

SITE SUMMARY 5 — PARTNERS' CONTRIBUTIONS AND CHALLENGES

ArtWorks! AHA! Gallery Nights Project, New Bedford, Massachusetts

Contributions / Assets — • ArtWorks! Gallery has leading role in organizing local cultural sector for joint promotion and programming; is experienced in working with folklorists and other researchers; is established organization on solid financial footing; has strong community reputation. • New Bedford Economic Development Council has broad inventory of business development and financing tools, some suitable for small entrepreneurs in cultural sector; director recognizes value of culture to economic development and the need for stronger connections to the cultural sector.

Challenges / Liabilities — • Gallery has an emerging understanding of how to reach traditionally disengaged communities; dependence on external grant support limits ability to expand cultural outreach. • Previous Council director did not accord high priority to cultural development efforts; Council's dependence on local political direction limits flexibility to invest in long-term development opportunities.

Cherokee Heritage Center Traditional Arts Project, Tahlequah, Oklahoma

Contributions / Assets — • Cherokee Heritage Center staff able to mediate between vendors and artists to stabilize supply and demand; Center is developing sources of consistent supplies of materials for artists. • Eastern Oklahoma Development District (EODD) is an effective regional agency with strong connections and commitment to the Center and its artists.

Challenges / Liabilities — • Center has not had stable leadership; has had difficult past history with the Cherokee Nation. • EODD has limited confidence in opportunities for economic development within arts industry.

Dorn Mill Center for History and Art Project, McCormick, South Carolina

Contributions / Assets — • McCormick County Arts Council staff, who are spearheading the development of Dorn Mill, are established, well-connected, respected by local power brokers, and have a clear vision for the Center. • Upper Savannah Council of Governments (COG) has acted primarily as a fiscal agent but has facilitated some physical infrastructure improvements as well; Arts Council sees COG as an important ally in the future as more such physical improvements are addressed.

Challenges / Liabilities — • Arts Council's vision reflects long-standing views of the local arts establishment, underscoring continuing social divisions; institutional affiliations with community-based groups may need to be strengthened. • COG supports projects related to cultural tourism but is limited in staff availability and expertise in this area; unclear that in future COG will become more involved with efforts at Dorn Mill.

Mississippi Cultural Crossroads Quilting Project, Port Gibson, Mississippi

Contributions / Assets — • Mississippi Cultural Crossroads (MCC) has extensive experience working with artisans and articulating their interests to broader publics. • Craftsmen's Guild of Mississippi intimately familiar with goals and needs of traditional artists; also experienced in developing and operating in markets, and in working with government bodies to provide resources to support cultural tourism.

Challenges / Liabilities — • MCC has limited experience in producing work for a more robust market; its staff and leadership do not have extensive ties to the several influential groups in town that represent the older, established community. • Guild may not be tied into broader initiatives on economic development beyond those concerning cultural tourism.

Continued on page 29

traditional artists and arts organizations in the past, have not developed an understanding of the development potential and needs of this sector, and have come to rely on a set of tools — infrastructure financing, business loan pools, and other financial assistance products — that may not apply to small-scale producers.

Worth special mention are the regulatory and political constraints under which economic developers operate. Federal rules constrain the use of certain development agency funds; state legislatures further limit the use of these federal funds and also constrain uses for other, state-supplied monies. Generally speaking, agency staff must justify the investments they make in terms of employment, tax revenues, new private investment, and other direct development impacts. Although not all agencies are under the same pressures to produce short-term benefits, these often take precedence in allocating financial support and staff time to development efforts. Most support for traditional artists and arts organizations, in contrast, will pay off only over a longer term, and often, as noted below, as part of a broader package of area development activities.

CRITICAL MATCH-UPS BETWEEN TRADITIONAL ARTISTS AND ECONOMIC DEVELOPMENT AGENCIES

The eight projects included in our review of the Fund for Folk Culture's Partnerships in Local Culture Initiative offered powerful suggestions of ways in which economic developers and traditional artists and arts organizations could work together productively to further the economic prospects of their regions:

- Development agencies' regional planning and promotion activities are broadly appropriate and valuable to traditional artists as they struggle to build markets for their work.
- As many traditional artists and arts organizations are not ready for full participation in the marketplace, development agencies must develop or acquire the business development tools needed to bring them this capability.
- Unique challenges of artistic quality and authenticity that pertain to the traditional arts require changes to customary retailing practices and marketing strategies if they are to be effective.
- Mutual expectations must be clear and consistent, as economic development organizations may over-estimate artists' market-readiness and artists may over-estimate the resources and flexibility available to development agencies.

1. Regional planning, if inclusive, can help traditional artists build markets for their work.

Economic development agencies historically have played strong roles in development planning, which are closely linked, in turn, to area-wide development promotion. As noted in Section II, economic development agencies are required to prepare regional economic development strategies as a condition for receipt of US Department of Commerce funding. These strategies provide a framework for engaging various parties' contributions to development efforts, including ongoing development planning, sometimes under the guidance of economic development agency staff. Further, with increasing state-level involvement in promoting direct investment and tourism, economic development agencies have become important as agencies charged with planning and implementing regional development promotion efforts.

Native American Traditional Crafts Website Development Project, Santa Fe, New Mexico

Contributions / Assets — • New Mexico CultureNet is an important organizer and provider of information and technical skills; is vital to effective cooperation among other project actors. • Vendors Committee of the Palace of the Governors regulates market access for 900+ artists; has high standards and public reputation for excellent-quality arts. • Palace of the Governors / Museum of New Mexico provides vendor space and maintains cultural attraction that generates foot traffic / sustains national and international "presence." • Northern New Mexico Economic Development District (NNMEDD) is an effective agency with an awareness of the importance of cultural traditions and leadership skilled in arts promotion.

Challenges / Liabilities — • CultureNet is not funded to conduct ongoing intermediary activities. • Vendors committee is an unincorporated regulatory body lacking business purpose or governing form. • Museum organization and staff lack connection to marketplace, business purpose, governing form. • NNMEDD has restricted range of business financing tools available under State law.

Nuestras Raices Traditional Foods Project, Holyoke, Massachusetts

Contributions / Assets — • Nuestras Raices (NR) has sound reputation in local community, talented, dedicated, entrepreneurial staff, expertise in development; is a culturally-rooted community development organization. • Franklin County Community Development Corporation (FCCDC) has moved from fiscal agent to important ally in providing NR with much-needed certified food services training; seeks to learn more about organizing from NR.

Challenges / Liabilities — • NR has had some delays with its development plans — construction, offering training services; also as it moves forward, especially with restaurant development, NR will face difficult decisions — choosing a tenant, vendors — that may affect current stability. • While FCCDC recognizes the value of diversity and partnering with NR, it is located in a more rural area where the population demographics are different and the impact of a Latino population increase is just beginning to be felt.

Paiute Tribe Cradleboard Project, Richfield, Utah

Contributions / Assets — • Paiute Tribe Economic Development Office has strong background in economic development and roots in tribal culture; director and staff are able to play market brokerage and workforce development roles. • Six County Association of Governments (SCAG) clearly sees tribe's potential role in cultural tourism initiative linked to Heritage Corridor; has well-established connections to state agencies able to invest in some forms of culture-based development.

Challenges / Liabilities — • Past erosion of traditional practices and scattered geography of Paiute bands place barriers to quick development of community of skilled or master artists and diversification of crafts production beyond cradleboards. • SCAG may not have the business development experience and resources that small entrepreneurs will need to build capacity to gain access to markets.

Western Folklife Center Internet Sales Project, Elko, Nevada

Contributions / Assets — • Western Folklife Center's existing shop, website, and large marketing opportunity during Cowboy Poetry Gathering; staff highly knowledgeable in history and possible pitfalls of developing markets for folk arts. • Great Basin College has well-established vocational education program. • Elko County Economic Diversification Authority (ECEDA) has new leadership and renewed commitment to foster open-minded thinking and strategizing about Elko's economic future.

Challenges / Liabilities — • Master artists have already-established access to markets suitable to their pace of production, but less well-known artists are not convinced of the benefits of expanded markets. • College president is new, has yet to establish priorities for immediate future. • Turnover in leadership has left ECEDA with an unclear presence and role in the community.

One purpose of these efforts is to advertise the advantages of regional products and investment opportunities, increasingly including those related to tourism. Such efforts benefit traditional artists and arts organizations insofar as they stimulate demand for their work. But with respect to the benefits of promotion, producers of culture are little different from those in other sectors of the tourism industry (e.g., restaurants and hotels). Because promotion efforts are area-wide, they benefit any business within the region that is poised to take advantage of heightened demand for its products, as well as contribute to the region's ability to attract spending from elsewhere. But there are obvious problems to this approach — the overall regional payoffs from this strategy are necessarily difficult to predict, and the specific demand for traditional artists' work even more so.

However, as a long-term strategy to encourage demand for all products associated with a culture or place, promoting cultural tourism has an obvious value. It can be the opening wedge for entry of traditional artists and arts organizations into full participation in the economic life of the region.

EXHIBIT 11

Similarities Between Cultural Planning and Economic Development Planning

Certain aspects of the cultural development planning process resemble the way in which economic developers typically formulate regional plans, and in some instances, these plans are specifically intended to further the market prospects of traditional artists.

Aspects of Cultural Planning

- Cultural research by folklorists, ethnomusicologists, historians, and others to inventory traditional artists and arts organizations, document cultural practices, and identify features of communities to highlight and preserve.
- Stakeholder convenings to identify cultural development opportunities, debate priorities, suggest strategies.
- Planning sponsored by cultural organizations interested in promotion of traditional and other arts — including such well-known organizations as the Western Folklife Center (Nevada), Tennessee Overhill Heritage Association, and HandMade in America (North Carolina) — draws on support from state arts councils and private funders.

Aspects of Economic Development Planning

- Economic research by economists and community planners to identify development assets, including natural resources, industry clusters, educational, and cultural assets.
- Stakeholder convenings to identify development opportunities, debate priorities, suggest strategies and funding opportunities.
- Planning sponsored by Regional Development Organizations and units of general local government draws on support from federal and state governments.

Note: This exhibit draws on what are known to be elements of common practice in both cultural and economic development planning, some aspects of which were also encountered in our case studies.

No one should assume that the benefits from regional promotion will simply filter down to traditional artists and arts organizations without their active participation. Done well, economic development planning efforts strive to include all those who command the financial, technical, and political resources needed to implement plans successfully. In traditional economic planning efforts, these assets are easily identified and recruited: they consist of financial resources from banks and public agencies; expertise provided by institutions of higher education; and leaders from business, government, and the nonprofit sector.

But in the environment of cultural tourism, cultural assets are broadly distributed and less easily identified. Where, for example, are performances of traditional music and dance? Who knows where the special materials used to create craft objects can be found? Knowledge of these assets resides in various places. In some cases, artists themselves know who their peers are. In other instances, this knowledge resides with such cultural specialists as folklorists, ethnomusicologists, and local historians. These groups can make enormous contributions to planning discussions around strategies and techniques to connect people to broader markets in ways that are both profitable and culturally appropriate. In several of our case studies, state or local agencies approached the task of identifying cultural assets by asking folklorists or other cultural workers to research the communities and artistic traditions involved in their projects — to ensure that the community of traditional artists was identified properly and their work placed in its appropriate cultural context. ArtWorks! Gallery, the Dorn Mill Center for History and Art, the Paiute Tribe, and the Western Folklife Center, for example, all relied directly either on new research conducted by folklorists, or on information gathered through folk arts surveys.

State arts councils and other organizations have begun to recognize the importance of connecting local arts planning efforts — including those involving traditional arts — and the activities of economic development organizations. An example is the State of Maine's Discovery Research Program, which funds cultural assessment, cultural planning, cultural inventories, and folklife field research. One of the intended uses of the results is to aid in local economic initiatives such as cultural tourism or downtown revitalization. Important to the Maine effort are the partnerships formed at the state level among agencies responsible for cultural preservation and development and those responsible for economic progress in the state.

2. Agencies with business development tools can help artists participate in the marketplace.

While traditional artists have much to gain through inclusion in broad-based regional planning, such promotion efforts do not necessarily help individual artists or businesses develop their specific ability to profit from increased tourism or purchases from outside the region. For many of the case study projects, the critical match-up that shaped project results was between the business development needs of traditional artists and ability of economic development agencies to respond. Many traditional artists and arts organizations were at a very rudimentary stage in their relationship to the market, whereas most economic development agencies had oriented their development programs to a more sophisticated set of market players. Development agencies may find that incentives to promote overall market expansion may have more practical long-term value to traditional artists than simple financial incentives.

Thus, the second broad category of opportunities and challenges pertains to market readiness — the willingness and ability of traditional artists and arts organizations to participate actively in commerce. Market readiness includes both the levels of traditional artistry resident in communities and the presence of functioning market institutions. Differences in market readiness constituted an important determinant of what kinds of concrete economic development outcomes were achieved in the study projects.

EXHIBIT 12

Issues in Market Readiness

Cherokee Heritage Center Traditional Arts Project: Western Cherokees have not, historically, been identified with handicrafts. So there is little art historical or ethnographic work legitimizing high artistic values for their work. This translates into relatively low values given to very complex, time-consuming handmade work in basketry, for example. The underdeveloped market also means limited experience translating differences in the quality of materials used and methods of construction to differences in price. Low or inappropriate prices combined with a limited, sporadic market have meant that strong market incentives to increase production of traditional artwork have been lacking. These price discrepancies are less significant for production pottery, and that is one reason that the strategy of building the market for Cherokee artwork may be so effectively furthered by combining marketing for production pottery with that for more expensive handmade products.

Mississippi Cultural Crossroads Quilting Project: Staff at Mississippi Cultural Crossroads are eager to ramp up sales with more sophisticated marketing and more ample and diverse vending spaces. However, they are concerned that demand for products as a result of enhanced marketing and distribution mechanisms will compromise artistic quality of the products made. Moreover, staff are somewhat concerned that increasing the sales venues for the artistic products will diminish artisan control of pricing.

Native American Traditional Crafts Website Development Project: Accomplished Native American artists have been successful reaching a market through existing institutions. The Vendors Committee of the Palace of the Governors is an artist-led organization that monitors and enforces adherence to quality standards, allocates limited retail space, and otherwise regulates access to the market. The committee and its partners — the Palace of the Governors and New Mexico CultureNet — are attempting to take a major step toward wider access to the national and international marketplace through internet sales. If successful, e-commerce participation will allow many more local artists to present and sell their work than can be accommodated by the physical space available. The most serious challenge to project success is the Vendors Committee's successful transition from a regulatory body to an entrepreneurial entity.

Paiute Tribe Cradleboard Project: As a group, Paiute tribal artists are not yet ready for the market. A few artists skilled in making cradleboards have begun to teach other tribal members how to make these objects, which historically had been limited to commerce within the tribe. Although demand for classes was high, relatively few members have the time and skill to continue making cradleboards as an income-generating activity. Indeed, many of the younger tribal members appeared not to be primarily motivated by potential earnings at all, but instead were interested in learning how to keep a cultural tradition alive for themselves and their own children. Reflecting the fragility of Paiute folkways, without the settled rules governing the making and use of cultural objects and symbols that mark other tribes, some within the tribe have expressed apprehension over the intended sale of these objects to outsiders (although this appears to reflect a minority opinion).

Western Folklife Center Internet Sales Project: The artists approached by the Center for possible inclusion in their website and shop are sharply divided between those with very well established markets for their labor-intensive work — they already have waiting lists — and those who have never sold their work and have no experience producing work for customers or vendors. Reportedly, the primary concern of both groups was that they would not be able to meet demand, but for different reasons: established artists were more concerned that they would be pressured to compromise their craft while vocational artists were concerned that they wouldn't be able to balance work and family responsibilities with artistic production. These concerns could be mitigated as trust is built in the Center as an intermediary.

Not all cultural communities are equally ready to participate in the marketplace in ways that contribute meaningfully to economic development efforts in the short and medium term. Some communities have nurtured and grown sophisticated traditional arts over many generations; others may have lost many of their traditional arts and cultural practices and are struggling to preserve or revitalize what is left. These different experiences mean substantial differences in the quality and numbers of traditional artists resident in communities, and therefore, the number and quality of performances or objects they are able to produce. Economic development agencies should expect that communities with only weakly developed levels of artistry cannot contribute to development efforts in the same way as more developed communities can.

In addition, not all communities (or regions) have market institutions well adapted to the level of artistry in each community. In Santa Fe, for example, the limited number of sales outlets available on favorable terms to artists is a barrier to tribal development, prompting the Portal Program's efforts to develop e-commerce options to expand markets for traditional artists' work. The critical constraint lies not in the quality of products available for sale, or their quantity, but in the artist/arts organization's ability to design, manage, and pay for a well-functioning e-commerce mechanism. In other communities, the episodic character of traditional artists' production, and the relatively few artists working, require that some organization acquire and "warehouse" objects for eventual sale once sufficient numbers of objects exist to support a well-functioning retail marketplace.

EXHIBIT 13

Indicators of Market Readiness for Traditional Artists and Arts Organizations

Level of artistry — the prevalence of artists within a community with command of the highest technical and artistic skills in traditional art making, sometimes as indicated through cultural inventories and other planning efforts.

Amount of local demand — the size of the local market for locally crafted arts, indicating presence of a group of consumers able to distinguish among types of products and levels of artistry.

Availability of product information — information (sometimes gathered by folklorists and other researchers) on the cultural significance of objects, artists' personal histories, production methods, and other data often used in product authentication and marketing.

Presence of business planning — the prevalence of formal or informal practices of assessing the timing and cost of materials, the allocation of materials to objects of differing levels of quality, and the assignment of prices that reflect the quality of goods and their relative scarcity.

Organizational capacity — for organizations, the presence of sound accounting, management, governance, fundraising, and planning practices that pass basic tests of small business.

Creditworthiness — ability to borrow funds for business purposes based on availability and soundness of credit histories, level and predictability of income, and soundness of business plans.

Presence of market institutions — the presence of local retail establishments or performance venues that specialize in particular types of products or performances, with a stable of artists able to produce high-quality work consistently, and sound quality control, payment, and distribution mechanisms.

Presence of intermediary organizations — sometimes market institutions, but also artists' associations, cultural institutions, ethnic, religious, or nationality associations, and others able to communicate artists' interests, uphold standards of quality, smooth business transactions, or advocate for artists' interests in the broader community.

A number of the cultural organizations and artists we spoke with lacked clear marketing strategies, business plans, and other features of a well-run business. Most were in the very early stages of business evolution. Unfortunately, few economic development agencies we encountered offered business development services (although several were accustomed to referring clients to Small Business Development Centers and other public sources of assistance). Instead, agencies most frequently offered discounted loans or other "shallow subsidies," which are most helpful only when businesses have matured enough so that the critical constraints on further growth are major capital requirements. Programs are needed that respond to the concerns of very small businesses, including those formed by people without a history of attachment to formal labor markets — a condition that typifies many traditional artists. Across the country, a model to develop "micro-enterprises" has gained currency among economic development practitioners to reach this population.

EXHIBIT 14**Traditional Artists' Business Development Needs and Responses: The Micro-Enterprise Model**

In many ways, the issues and challenges faced by traditional artists and small traditional arts organizations resemble those of small businesspersons everywhere. In recent years, economic development agencies have begun to invest more heavily in one specific form of small business — micro-entrepreneurs, conventionally understood to be small businesses that employ five people or fewer, one of whom is the owner.

Micro-entrepreneurs typically are low-income people who are not attached to the labor force (nor aspire to such attachment) and therefore cannot be helped by conventional workforce development programs. Many participants in micro-enterprise programs do not have full-time jobs. They do, however, have special talents that can be turned to their economic advantage. They rely, therefore, on self-employment as an income supplement. (Many of the artists involved in the Fund for Folk Culture initiative "package" their income in similar ways.)

As a group, the hundreds of micro-enterprise lending programs in the United States employ a diverse mix of financial assistance types and forms of technical support, and they target different types of people and businesses. Common program features are provision of small loans as seed capital for start-up businesses, backed by training in basic business practices, including finance, marketing and sales, product marketability, understanding contracts, and so on. This form of business assistance requires more sustained, one-on-one relationships between lenders and recipients than is typical of other business development programs.

The Fund for Folk Culture's Partnerships in Local Culture initiative contains examples of artists and arts organizations working in this way. The Northern Forest Center (NFC) in Vermont (not one of our case study sites) established a business development program similar to the kind offered by micro-enterprise lending programs throughout the US. The NFC stresses the importance of delivering training in community venues, tailoring the type and even language of assistance to the special concerns of artists, using peer groups as a way of delivering training, and following up after initial aid is given.

Of special significance to those working with traditional artists is an observation from one of the most rigorous micro-enterprise program studies: "Although the economic literature views labor as a mobile input to production, many of the entrepreneurs we interviewed are very attached to the places in which they live, regardless of how poor the economy is.... The businesses they create are unlikely to be footloose. Therefore, although they are small and may take a long time to develop, these businesses should be perceived as resources and nurtured." *

* Lisa Servon, Micro-enterprise Development as an Economic Adjustment Strategy, (Economic Development Administration, December, 1998).

3. Artistic quality and authenticity pose special challenges to retailing strategies.

The quality of traditional arts, as in other industries, is recognized by excellence in materials, craftsmanship, and design.

Sustaining quality work requires that producers and consumers both understand the standards to which quality products conform, and agree on how a particular item meets or does not meet these standards.

In the case of traditional arts, quality standards may be centuries old — with appropriate techniques and materials known only to those within a particular cultural community or with special training in the art form. Familiar examples of these come from Native American arts, including Navajo weaving and Zuni pottery. Standards of quality in traditional arts can also apply, not only to individual objects, but to their use. Some types of designs, for example, are appropriate only for objects intended for family or tribal use, not objects available for sale. Further, certain designs and materials may be restricted to artists within particular families or tribes.

Cultural communities have an enormous interest in safeguarding the quality of work that expresses and transmits creative and social values — an interest that places an extraordinary premium on authentication of an object's origin. It also may restrict supply to only those objects that are produced according to traditional standards and/or by those traditionally permitted to do so.

All these special aspects of traditional arts means that economic developers and others interested in broadening market opportunities must be ready to adapt customary retailing practices to accommodate the unique features of traditional arts production. For example, accumulation of an inventory of objects for sale may take longer than would be typical for other goods; and communication and negotiation with community members who are not themselves the producers (i.e., the artists) may be required to ensure authenticity. Business development efforts may also require more care than for other types of production. Especially where traditional arts are in jeopardy — family potteries in Alabama or certain California Indian basketweaving traditions, for example — only a few community members are likely to be adept at collecting the right materials, selecting appropriate designs, and executing the work properly. And these masters may not be able to train new artists on the short timeframes that are more typical for industrial skills or other forms of business.

4. Mutual expectations of market readiness and economic flexibility are not always realistic.

A particularly crucial category of situational opportunities and challenges concerns the expectations traditional artists and arts organizations have of economic development agencies, and vice versa. Often, each expects too much, too soon, of the other. Traditional artists and arts organizations, for their part, may over-estimate the ability of economic development agencies to respond to their problems. The constraints on economic development agency activities have already been noted – limited flexibility to respond to the needs of artists and arts organizations due to constraints imposed by both their federal and state funders and the expectations of local, regional, and state political actors.⁹

EXHIBIT 15

Constraints on RDO Support of Traditional Artists and Arts Organizations

Native American Traditional Crafts Website Development Project: The Director of the Northern New Mexico Economic Development District is an articulate advocate of the role of traditional arts in economic development and has been active in funding culturally appropriate community facilities development. New Mexico state law, however, constrains the types of economic development assistance she might offer, requiring repayment of financial assistance on terms that are generally unfavorable to small business, including traditional artists. But specially tailored funding for small entrepreneurs is exactly the type of assistance needed by the Vendors Committee of the Palace of the Governors, which is well-positioned to take advantage of micro-enterprise development aid. In fact, a local intermediary organization — New Mexico CultureNet — provided some of this kind of help, relying on its cultural inventory and searchable database of New Mexico artists to identify potential suppliers of traditional arts. New Mexico CultureNet staff also have given a great deal of paid and unpaid advice and facilitation to the committee on general strategies, and have directed the work of the website designer. Few development agencies have the expertise to provide this kind of arts-specific advice, but some, depending on the legal or financial constraints under which they operate, might be able to arrange for business development assistance to be provided by intermediaries like New Mexico CultureNet.

Economic development agencies, for their part, may exaggerate the ability (a) of traditional artists to produce readily for a market and (b) of arts organizations to participate as fully in economic development efforts as do some other kinds of enterprises. For example, arts organizations sometimes “employ” traditional artists; but often the artists are not formal employees. Thus, economic development agencies that contract with, or partner with, arts organizations to increase the sales of traditional arts cannot assume that the incomes of artists will

commensurately increase. By the same token, a public space sponsored by an arts organization that contributes to the community's identity, and to its quality of life — an historic theater, for example, or a building used as a gallery or performance space — will not necessarily allow itself to serve as an attraction for tourists, if to do so would compromise its community role.

A corollary to the problem of unrealistic expectations is difficulty in clearly communicating just what those expectations are.

There is some truth to the stereotypes that artists are “impractical” (or “visionary” if you're an artist); and that economic developers are “short-sighted” (or “realistic” and “business-minded” if you're an economic developer). There is nothing wrong with either point of view — both are absolutely necessary for success in the fields traditional artists and economic developers have chosen. They are not unalterably opposed and are generally not seen as such by parties who have become accustomed to working with one another. The difficulty lies in their infelicitous combination at particular moments in the evolution of joint efforts — highlighting the importance of early and frequent convening in joint projects, and regular habits of participation by artists in civic life and by economic developers in cultural life.



COMMUNITY FACTORS INFLUENCING PROJECT SUCCESS

Since this research relies on relatively few cases, we cannot draw firm conclusions about what caused the differences we observed among the eight case study projects. We did observe projects in a wide variety of community contexts, nevertheless, and gained rich insights into the different types of challenges such partnership projects face. Two features of community appear particularly important in achieving positive outcomes: the historical standing of arts and culture in particular places, and the politics of community conflict.

1. Some communities have long-prized local arts and cultural traditions.

In several of the study communities, traditional arts and culture have long been accepted as an important part of regional identity and a major contributor to economic life. This was most clearly evident in Santa Fe, which has been a place of world-renowned Native American dance, textiles, pottery, and other visual arts for centuries. Despite the often unequal commercial relationships established between Native American communities and those engaged in the acquisition and resale of traditional arts (and their debased imitations), leaders in the region have long recognized the value of these arts (and outsiders' interest in observing the ways of life in the pueblos). This general orientation is in stark contrast to other case study communities, where traditional arts have been circulating in an almost subterranean way, overlooked by all but a few in the broader community of arts brokers, retailers, and consumers. In such instances, the best that can be expected of development efforts, in the short run at least, is to raise the visibility of the communities' traditional arts and legitimate them as quality work.

2. Racial and ethnic diversity can undermine or enhance the stature of traditional arts.

Not unrelated to the status of traditional arts are the racial chasms that some communities suffer. These undermine economic progress by perpetuating basic social and political injustices. In several of the study communities, persistence of an informal yet institutionalized correspondence of race and power was clearly hampering the ability of traditional (minority) artists and arts organizations to stake a claim on development resources available from local civic and governing bodies. In contrast, other communities — such as New Bedford, home of the ArtWorks! AHA! Gallery Nights Project — have found ways to celebrate racial and ethnic diversity as an important part of the economic history of a place, and integral to continuing the community's strength. The engagement of traditional artists with economic development agencies seems easier to effect, and more productive, in communities that embrace diversity than in those marked by racial/ethnic tension.

Footnotes

8. The same is true of arts organizations, of course, insofar as the episodic, uncertain flow of operating funding sharply constrains these organizations' abilities to make long-term commitments, among other actions.

V. INTERMEDIATION IN PARTNERS' RELATIONS

Section II outlined the several problems facing the traditional arts as potential contributors to regional economic health. On the one hand, traditional artists and arts organizations lack strong demand for their work because of consumer ignorance and the uncertainty regarding the quality, availability, and costs of the work artists create. On the other hand, artists and arts organizations themselves are often unprepared to take advantage of potential market opportunities, as extensively discussed in the preceding section. For their part, economic development agencies charged with expanding markets and stimulating local production are not always prepared to help traditional artists and arts organizations with these problems. The problems highlighted in Section IV stem from the difficulties entities with different incentives and capabilities have in cooperating productively with one another.

One common way to reconcile these differences is through the intervention of third parties that understand the demands of the market, on the one hand, and the needs and capacities of traditional artists, on the other. We observed museums, tribal development offices, art galleries, and artist support organizations, all acting as intermediaries between economic development agencies and traditional artists. Because they played such useful roles in several of the study projects, we treat them in some detail here.

Intermediation refers to the translation of information, finance, expertise, and other resources between two unrelated parties to accomplish joint goals. Intermediaries perform a brokerage function between parties that otherwise could not:

- Communicate one another's interests and capabilities effectively
- Assure one another of the quality of their performance
- Transact business without incurring unacceptable costs
- Articulate and defend joint interests in the broader community

FOUR BROKERAGE FUNCTIONS OF INTERMEDIARIES

1. Intermediation enables unrelated parties to communicate with one another more effectively.

While agencies typically serve intermediary purposes, individuals (who may not be affiliated with a particular agency) can also play that role. Such individuals need to be "bi-cultural" and respected. Sometimes intermediaries are ready-made — people who come to the scene with the required skills. Other times people evolve to take on intermediary roles. In Franklin County, Massachusetts, home of the Nuestras Raices Traditional Foods project, for example, the leaders of both arts and economic development organizations have acquired the ability to communicate the value of the other organization to their staff, board, and constituents.

Intermediation enables (although it does not guarantee) efficient communication among multiple unrelated parties. In Section IV we noted the several ways in which traditional artists and arts organizations and economic development agencies think about things differently, and may have unrealistic expectations about the ability of the other to carry out project tasks. Intermediary entities that are culturally and linguistically fluent in both the economic

development and traditional arts worlds can help broker relationships and trust between them. For example, economic development agencies may not have solid understandings of the many sub-cultures in a community. But a gallery that works with traditional artists in those communities (and with others interested in understanding them) can help articulate needs and opportunities that might otherwise go unrecognized. Intermediaries with one foot planted in communities of cultural practice from which traditional arts come will understand the crucial issues of artistic control, content and style, and pricing which development agencies may not.

EXHIBIT 16

Intermediation Between Traditional Artists and Arts Organizations and Economic Development Agencies

ArtWorks! AHA! Gallery Nights Project: A nonprofit art gallery with a unique economic development role has played the part of intermediary between artists and market, much as a traditional gallery would. But ArtWorks! has been one of the prime movers behind the arts-led resurgence of downtown New Bedford, and the director understands her job to include helping organize the arts community. Her sponsorship of a monthly gallery night series called AHA! has helped bring substantial amounts of new money into downtown, according to a commissioned economic impact report. Her role in the current project has been to make use of her position and relationships in the community to encourage the engagement of all ethnic and cultural communities as participants in the weekly series. She also has sponsored research by folklorists into the cultural communities profiled in the gallery series. Her ties with statewide institutions and individuals have helped secure the community research and exhibit funding needed to do this effectively.

Native American Traditional Crafts Website Development Project: Two intermediaries have been involved in the Portal project — the Palace of the Governors, a division of the Museum of New Mexico and site of the portico along which Native American artists have marketed traditional art objects for generations; and New Mexico CultureNet, a nonprofit organization devoted to research and technical assistance in support of New Mexican artists and arts organizations. The Palace Portal is a widely known sales venue located on the plaza in downtown Santa Fe, identified with traditional practice, and part of an historical institution that provides a perfect platform for internet marketing and sales. Palace staff have played a supporting role in providing inventory space, computers, and web-links to museum websites. But, however helpful the affiliation between the artist-led Vendors Committee and the Palace of the Governors, the latter's core mission as a major cultural institution leaves it ill-suited to act as business entrepreneur. This mismatch argues the need for some other kind of market intermediary. In part, New Mexico CultureNet has filled that role by providing critical help in facilitating the project, designing the website, and providing technical help to traditional artists.

Paiute Tribe Cradleboard Project: The Economic Development Office of the Paiute Tribe helps organize efforts by tribal artists to teach and create various tribal arts to a new generation of members, and brokers relationships between the tribe and the regional and state agencies involved in economic or cultural advancement. What has made the relationship between tribe and government agencies effective in this case are the bilingual abilities of ED agency staff, who are of the culture but understand the requirements of the market. Staff understand and appreciate the need to develop a critical mass of capacity to satisfy market demand, and therefore participate in a minor but ongoing manner in the state's heritage corridor project until ready to accommodate demand for objects. An important boost to the ability of the ED director to play a brokering role among multiple parties has been the already-existing, long-term relationships between the tribe and state development and arts agencies.

2. Intermediaries help assure quality performance of artistic and economic agency tasks.

Intermediaries help provide assurances to traditional artists and arts organizations that economic development agencies will provide useful assistance to them in their attempts to gain access to markets. Intermediaries, in return, can assure economic developers that artists can deliver high-quality products to market. This is because intermediaries can both apply quality standards and ensure they are adhered to. As noted above, the authenticity of traditional arts can be extremely important to the communities that produce them and the people who acquire them. But who decides whether quality has been achieved, and by what standards? In one of our case studies, a tribal development office performed this function, helping organize the research, communication, standard-setting, and performance monitoring that assured external purchasers that the objects met community standards of artistic quality and cultural authenticity.

EXHIBIT 17

Optimal Characteristics of Intermediaries In Cultural Economic Development

Biculturalism — understanding both (a) traditional arts and the communities of cultural practice from which they come and (b) requirements of the market and the behavior of market institutions.

Research capacity — being active in sponsoring research to identify traditional artists, understanding the communities from which they come, and showing how their activities contribute to the economic and cultural life of the broader community.

Core organizational capacity — the ability to develop and implement programs, work effectively with stakeholders from multiple sectors, raise and then package multiple sources of funding into workable forms of program support.

Entrepreneurship — innovative and creative program design and implementation decisions made by intermediary leaders and staff, as supported by the board.

Community connections — ties among and between staff and board members throughout cultural communities; community stakeholders in economic, civic, social, and political life (connections that often extend to representatives of national organizations).

3. Intermediaries help artists gain access to markets.

Intermediation can help overcome the difficulties that interfere with artists' ability to participate in the marketplace, including the highly decentralized and individual character of artistic production. Economic development agencies accustomed to working with institutions acting on a regional scale — banks, units of local and county government, major employers, and regional civic associations — find it difficult to engage the disparate community of traditional artists. To make this interaction possible, intermediaries such as cultural organizations, artists' organizations, and some art galleries perform a kind of "aggregation" function. These examples help define this function:

- A tribal office may purchase artworks from throughout the community and hold them for eventual resale, jump-starting production by paying immediately for products, while at the same time building an inventory to satisfy future market demand.

- A museum, gallery, or cultural organization can organize production of catalogues in which multiple artists' works are produced.
- Intermediaries can provide institutionalized market access through sponsorship of seminars, shows, gallery walks, annual festivals or events, and other ways of showcasing the work of multiple artists simultaneously.
- A craftsman's guild in one of the case study sites plays an intermediary role by providing marketing services and technical help to artists and arts organizations as well as retail space, and has successfully lobbied the state legislature for state folks arts funding through the tourism department.
- Intermediaries can help economic development agencies package the multiple programs sometimes needed to effect a coordinated and comprehensive development approach.

4. Intermediaries help establish a political presence for cultural economic development.

Finally, intermediaries help establish a political presence for the complex array of actors engaged in cultural economic development. Among other activities, this includes convening groups of people active in traditional arts, economic development, civic activities, and political affairs, to debate the future of communities and regions and discuss ways to realize a common agenda. These discussions and the concrete activities linked to them are "civic spaces" where people become publicly prominent through involvement in projects of regional importance. This intermediary task may be performed by multiple parties, and involve such activities as Heritage River or Heritage Corridor designation, National Park Service programs, and other efforts that involve multiple parties in public promotion and marketing efforts. Indeed, at least four of the projects in the funding initiative — those in Utah, South Carolina, Mississippi, and New Bedford, Massachusetts — are connected to Heritage Corridor or National Park Service programs.



VI. CONCLUSIONS, IMPLICATIONS, LESSONS

Productive relationships between traditional artists and arts organizations and economic development agencies are not only possible but necessary. Changes in U.S. economic structure and leisure time preferences place a premium on the unique assets of communities — prominent among them are the cultures and arts that distinguish one place from another. Economic development agencies need to take account of these advantages as they revise regional economic strategies and design and implement development programs.

As our discussion shows, the specific interests and capacities of traditional artists and arts organizations do not always align with the interests and capacities of economic development agencies. Traditional artists and organizations ready to participate in the marketplace stand to gain from economic development agency efforts to promote regional tourism, including (but certainly not limited to) “heritage” or “cultural” tourism. Economic development agencies seem to have less to offer, as a rule, to individual traditional artists and arts organizations in need of business development aid. But even in those cases where the fit between economic development agencies and traditional artists and arts organizations is not particularly good, the joint projects in the study sites appear to have established the basis for other, more productive, relationships in the future.

Throughout our eight case studies, project participants offered useful advice for traditional artists and arts organizations or economic development agencies contemplating a cultural economic development project, as well as for regional and national funders interested in promoting closer connections between economic development and traditional arts. Some of these insights follow directly from points already made in this monograph; others draw on the comments made by people interviewed in the field.

APPROPRIATE MATCH-UPS OF ASSETS AND LIABILITIES

Because not all entities have the same slate of assets, development agencies and traditional artists/arts organizations are well advised to cast a broad net in search of prospective partners. Not all economic agencies have the tools, flexibility, or interest in promoting arts and cultural production. And not all traditional artists and arts organizations are ready to engage in market activities at the regional level. Although partnerships were usually based on a strong concept, the specific abilities and liabilities of partnering organizations did not always match up in ways that met the specific challenges of the projects they pursued. For example, economic development agency partners most valued in the initiative were an urban development agency, a nonprofit community development organization, and a rural county development agency, representing a range of organizational specialties. These were not the classic Regional Development Organizations first thought to be the most promising partners for traditional artists and arts organizations.

DISCONNECTS BETWEEN AGENCY ASSETS AND TRADITIONAL ARTS IN BUSINESS DEVELOPMENT

The many challenges that traditional artists and arts organizations face in gaining profitable entry into the marketplace have been detailed in Section IV in the discussion of “market readiness.” Several of these difficulties pertain to shortfalls in entrepreneurial and organizational skills that can be remedied through specially tailored business

development programs. Specifically, those development programs designed to aid micro-enterprises, and that emphasize flexible forms of financial assistance coupled with extensive technical assistance in marketing and business planning, offer the most promise in helping cultural producers gain access to the marketplace. These programs are not offered by everybody — some are lodged in local development agencies, others in universities; some are offered by community corporations in urban neighborhoods and rural counties; others operate statewide. By implication, partnership arrangements that make sense in one community may not be effective in another. This disconnect also reinforces the argument for a wide search for prospective partners inside and outside government, and at multiple governmental levels.

THE VALUE OF LATENT TIES THAT CAN BE EXERCISED AT A LATER TIME

The divergent missions and activities of traditional artists and arts organizations on the one hand, and economic development agencies on the other, do not represent a solid basis of continuing project-level cooperation. But in nearly all the case studies, the relationships established in the projects represented latent assets that could easily be drawn upon in the future as opportunities arise. It is a mistake to think that strong and continuously used connections between individuals and agencies are the only ways to ensure that they can call upon one another when needed. As other researchers have noted, even “weak” ties have strength — as they provide information and occasional support over time, and help form the basis for more active partnerships as appropriate.

EXHIBIT 18

The Enduring Value of Initial Relationships

Organizations seeking to collaborate may not have a full sense of the resources the other entity has to offer. This full sense of a partner’s assets comes with getting to know the partner and being entrepreneurial about interpreting its assets. A good question is: if the arts partner had a better grasp of what the economic development partner has to offer, would the arts organization think about crafting its goals, objectives, or projects differently to take advantage of those assets? The reverse question could also be asked. If the economic development partner had a better understanding of what the cultural organization has to offer, would it think about its goals and objectives differently?

In the case of the McCormick County Arts Council and the development of the Dorn Mill, the arts agency doesn’t see the economic development partner as a real contributor currently. But they are smart enough to know that as they begin to focus on physical improvements, that partner may become an important ally. A third party intermediary could play an important role by bringing into relief the possible assets that the other agency in question may consider presently or in the future. Just because the economic development partner doesn’t have something to offer that is obvious and immediate doesn’t mean that it won’t have something useful to offer in the future.

Of course, some relationships do continue after the initial project is completed. The Franklin County Community Development Corporation and Nuestras Raices have developed a continuing relationship based on the agency’s workforce development programming, which will provide food service training to individuals referred by Nuestras Raices. Here is a good immediate fit between the types of programs offered by an economic development agency and the needs of individuals represented by a cultural organization.

TRADITIONAL ARTISTS AND DEVELOPMENT AGENCY STAFF AS SUPPORTERS OF ONE ANOTHER'S ACTIVITIES

The assets parties bring to economic initiatives are not limited to production skills on the one hand, and planning and development tools on the other. Development agency staff and traditional artists are also representatives of the communities from which they come. Their understanding of the beliefs and values of these communities is one of the most important assets they bring to economic policy discussions and to efforts to advance traditional arts. In addition, both sets of actors are linked to a variety of other community stakeholders through networks of relationships. These connections represent real assets that can be drawn upon to help them accomplish economic and cultural goals.

We encountered a number of circumstances in which the bringing together of cultural and economic development entities triggered interest and support from third parties that neither of the original parties could have predicted. This support came through already established connections with economic development agencies on the one hand or traditional artists on the other. In addition, participation in planning discussions helps those in the cultural field — often disengaged from political decision-making — shape the outcomes of these discussions. From the economic development agency's point of view, traditional artists and arts organizations, where they have access to state decision makers (though arts councils, for example), may help the process by advocating for cultural funding and more economic development agency flexibility.

All these points return, in one way or another, to the basic premise that underlies partnerships between traditional artists and arts organizations and economic development agencies — that each party brings to bear, on regional development tasks, assets that are complementary and can be mutually rewarding. But the differences in assets also mean differences in interests, perspectives, ways of communicating, connections to constituents, and so on. What is clear from this research is that these differences can be bridged in ways that are ultimately productive for regional economic change, as long as the underlying needs and resources match.



APPENDIX I — ADDITIONAL GRANT DESCRIPTIONS

Partnerships in Local Culture: Building Assets through Cultural Traditions — The following grants were awarded by the Fund for Folk Culture through its Partnerships in Local Culture Program but were not selected for evaluation by the Urban Institute and are therefore not discussed in this report.

Catskill Watershed Corporation, Margaretville, New York — \$12,500

To offer marketing and business training to Catskill area artisans, through the design and presentation of workshops focusing on marketing, business plan development, and small business loans, developed in collaboration with the Catskill Mountain Crafts Collective, Inc. and the Catskill Center for Conservation and Development.

Eastern Maine Development Corporation, Bangor, Maine — \$15,000

To build on a cultural inventory of the Bangor region by developing economic opportunities and increasing entrepreneurial capacity among individuals and groups working in the areas of Native American basketry and regional textile, other fiber arts, and pottery traditions.

Economic Development Council of Northern Vermont, St. Albans, Vermont — \$15,000

To research development opportunities for traditional foods of Northern Vermont and to undertake a feasibility study surveying traditional foods and recipes of the region and identifying the technical assistance needs and potential marketing strategies involved in developing them for the emerging specialty food market.

IDA-ORE Planning & Development Association, Inc., Boise, Idaho — \$15,000

To provide economic opportunities to Hispanic artists migrating to the area, through the development of an Hispanic Business Training Center and an annual marketplace event, developed in partnership with the Hispanic Business Association and the Hispanic Cultural Center of Idaho.

North Central New Mexico Economic Development District, Santa Fe, New Mexico — \$15,000

To enhance an already-existing website developed by the Pueblo of Pojoaque's Poeh Cultural Center, through the development of direct online purchase capacity to promote retail and wholesale sales, providing exposure and revenue for the Poeh cultural facilities and artists from the surrounding pueblos.

Northeast Nebraska Economic Development District (NENEDD), Norfolk, Nebraska — \$15,000

To engage Native American youth in the preservation of Santee Sioux cultural traditions through development of a joint-venture arts and craft cooperative to teach high school and college students traditional arts and craft design and production, small business development, financial management, sales and marketing, web design, and e-commerce.

Northern Forest Center, Concord, New Hampshire — \$15,000

To implement a series of gatherings and web forums, in collaboration with four partnering organizations, designed to link economic, environmental, and cultural sectors that are involved in crafting economic development strategies based on the region's forest-based heritage and culture.

South Western Oklahoma Development Authority (SWODA), Burns Flats, Oklahoma — \$15,000

To develop income-generating activity at the Cheyenne Cultural Center in Clinton, Oklahoma focusing on intergenerational teaching of traditional crafts, computer training, e-commerce development, and participation in the first tours of the Cheyenne Heritage Trail.

Southeast Nebraska Development District, Lincoln, Nebraska — \$15,000

To research and document local histories and occupational culture associated with the once-thriving fruit-growing economy of the Missouri River bluffs area, as part of a project to revive that economy through formation of a fruit marketing association and encouragement of tourism rooted in a unique local culture.

APPENDIX II — SOURCES OF SUPPORT FOR TRADITIONAL ARTS FROM FEDERAL ECONOMIC DEVELOPMENT AND OTHER NON-ARTS AGENCY PROGRAMS

The following list of federal grants programs was drawn from the National Endowment for the Arts website — www.nea.gov — under "Cultural Funding: Federal Opportunities." The website lists over 100 federally-funded grants programs used to finance activities related to the arts. The list below includes only those programs funded by federal agencies that are not specifically devoted to the arts and humanities, e.g., the NEA, the National Endowment for the Humanities, the Institute of Museum and Library Services. The programs listed are intended to illustrate the diverse sources of support available from agencies that primarily support rural and urban economic and workforce development.

Program descriptions and written examples of projects which appear below were extracted, verbatim, from the website. The information was downloaded in January 2003 and represents the most accurate information available at the time. However, the authors cannot attest to the continuation of each program. For more complete information on these programs, please visit: <http://63.169.191.195:591/federal-opportunities02/b-federal.html>.

The programs are listed in two groups. The first group consists of programs that are known to have supported arts and cultural projects, including those in the traditional arts. The second group provides support to activities that may be important to cultural organizations, but which may not provide direct funding. It should be emphasized that most if not all of these programs are operated by state, county, or municipal jurisdictions, and not directly by federal agencies.

GROUP A: FEDERALLY-FUNDED PROGRAMS WITH DOCUMENTED HISTORIES OF FUNDING ARTS AND CULTURAL PROJECTS

U.S. Department of Agriculture (USDA)

1. Arts and Rural Assistance Grant Program — www.arts.endow.gov/partner/Rural.html

A partnership between the National Endowment for the Arts and the Forest Service that supports arts-based projects in three areas: 1) the arts and economic development; 2) the arts and community development; and 3) the arts and community heritage. Offered annually in selected Forest Service Regions through the State and Private Forestry/Cooperative Forestry Program.

• Adobe de Oro Concilio de Artes, Alamosa, Colorado

Santos and Kachinas Conference — Funding for a three day seminar on Kachinas and Santos, bringing together woodworking artists from Native American and Hispanic traditions. The project includes workshop planning, a summer seminar, and a touring exhibition. The project is designed to foster awareness of the San Luis Valley's rich culture and artistic talents and traditions.
Grant Amount: \$19,000 — Year: 1997

• Cherokee National Historical Society, Tahlequah, Oklahoma

Cherokee Heritage Center Performances — Support for performances at the Cherokee Heritage Center and for the American Indian Theater and Film Institute. Performances to include Tulsa Indian Actors Workshop, Native American storytellers, Native American dancers, and American Indian Gospel singers.
Grant Amount: \$10,000 — Year: 2000

• Colorado Council on the Arts, Denver, Colorado

Folk Arts in Five Underserved Colorado Counties — Support for folk arts programs in five underserved counties. Crowley County will hire a local sculptor to work with each of the four towns in the county to create a "silhouette sculpture" as a town gateway to be fabricated by the local prison; Teller County will collect oral histories; Limon County Museum will provide special exhibits on area folks arts and cultures; Delta County will identify sites for outdoor state and historical backdrops; and Leadville and Meeker Counties will host cowboy poetry festivals.
Grant Amount: \$20,000 — Year: 1999

- **McCormick Arts Council at the Keturah, McCormick, South Carolina**

Traditional Arts Workshops — Support for traditional arts workshops at the Dorn Mill Center for History and Art. Traditional artists identified by a folklorist will receive additional training that will allow them to participate in one or more of the Center's operating components: demonstration and education, retail space, studio space and wholesale distribution.

Grant Amount: \$5,000 — Year: 2000

2. Rural Community Assistance Programs — www.fs.fed.us/spf/coop/rca.html

Competitive awards and grants through regional offices that facilitate and foster sustainable community development, linking community assistance and resource management. Rural community assistance efforts include themes of healthy communities, appropriately diverse economies, and sustainable ecosystems.

- **Tennessee Overhill Heritage Association, Etowah, Tennessee**

Gospel Explosion — Funding for a concert of African-American gospel music at the Historic Gem Theater in Etowah and preliminary work for an African-American heritage project.

Grant Amount: \$1,500 — Year: 1998-1999

3. Rural Business Enterprise Grants — www.rurdev.usda.gov/rbs/busp/rbeg.html

Competitive grants awarded to finance and facilitate development of small and emerging private business enterprises located in areas outside the boundary of a city or unincorporated area of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Grants are awarded through the Rural Business-Cooperative Service (RBS) to public bodies, nonprofit corporations, and Federally-recognized Indian Tribal groups. Application forms are available at the USDA Rural Development state offices.

- **Tennessee Overhill Heritage Association, Etowah, Tennessee**

Downtown Revitalization through History — Funding for research to develop an original play, based on oral histories, about the early days of the railroad in the town of Etowah. The play will be performed at the Gem Theater in the downtown, with excerpts performed at the L&N Depot.

Grant Amount: \$10,000 — Year: 1999-2000

- **Washington State Arts Commission, Olympia, Washington**

Olympic Peninsula Tour — Funding for the production of a 60 page book and two 90 minute cassette tapes describing the traditional arts and heritage along the Olympia Peninsula loop from Olympia north through Forks to Aberdeen and back to Olympia.

Grant Amount: \$12,000 — Year: 1997

4. Economic Action Programs — www.fs.fed.us/spf/coop/eap.html

Support to help rural communities build skills, networks, and strategies to address social, environmental and economic changes. Applications are processed through the state office and compete on a regional basis.

- **Confederated Tribes of the Umatilla, Pendleton, Oregon**

Homeland Heritage Corridor — To support the transcription and interpretation of oral history interviews with tribal elders that will be synthesized to a single map that will provide the location of tribal villages at the time of the Lewis and Clark visits in 1805 and 1806 and interpret life style, culture and heritage for present day visitors.

Grant Amount: \$64,006 — Year: 2000-2001

- **Indian Art Northwest, Portland, Oregon**

NW Native Arts Assessment for Training Institute — Support to complete assessment for the NW Native Arts Training Institute used to develop a Native Arts Institute for training and resource needs of Native artists. Supports tribal businesses and individual artists in diversifying their economic base.

Grant Amount: \$19,918 — Year: 2000-2001

- **Maine Indian Basketmakers Alliance, Old Town, Maine**

Native American Arts Expanded Marketing — Support for planning to develop and expand markets for Native American artisans in Maine through a cooperative marketing facility co-located with the Old Town Canoe retail store.

Grant Amount: \$NA — Year: NA

5. USDA Tribal Equity and Education Grant

- **Institute of American Indian Arts, Santa Fe, New Mexico**

Promoting Traditional Native Arts — Support for project to encourage and sustain traditional arts in the next generation of Native artists in areas of pottery, fiber arts, beadwork, fashion design and music through the development of curriculum by a “team” of traditional tribal artists, Native educators and scholars.

Grant Amount: \$51,733 — Year: 2000

U.S. Department of Commerce (DOC)

6. Short Term Planning Grants — www.doc.gov/eda/

Planning grants to states, sub-state planning regions and urban areas to assist economic development planning and implementation activities such as economic analysis, definition of economic development goals, determination of project opportunities and the formulation and implementation of development programs that include systematic efforts to generate employment opportunities, reduce unemployment and increase incomes.

- **City of Waco, Waco, Texas**

Brazos River Corridor Design — Support for a plan for the Brazos River Corridor development including the revamping of Elm Street into a market-artisans district.

Grant Amount: \$75,000 — Year: 1999

7. Local Technical Assistance — www.doc.gov/eda/

Grants to assist in solving specific economic development problems, respond to developmental opportunities, and build and expand local organizational capacity in distressed areas.

- **Greater Kansas City, Kansas City, Missouri**

Heritage Tourism — Support for technical assistance in the development of a cultural heritage tourism plan.

Grant Amount: \$20,000 — Year: 1999

U.S. Department of Housing and Urban Development (HUD)

8. Community Development Block Grants (CDBG) to Entitlement Communities — www.hud.gov/progdsc/cdbgent.cfm

Annual direct formula grants to eligible metropolitan cities (975 with over 50,000 population) to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services. Principally to benefit low and moderate-income persons.

- **City of Indio Cultural Arts Commission, Indio, California**

Working Committee for the Arts — Funding to implement a Live Work Ordinance for the City of Indio to meet the needs of artists. The goal is to develop an ordinance utilizing artist's live/work spaces as an economic revitalization tool in the downtown area that can be replicated in cities across the State of California.

Grant Amount: \$20,000 — Year: 1998

- **Essex Art Center, Lawrence, Massachusetts**

Essex Art Center — Funding for an after-school art program for at-risk youth.

Grant Amount: \$8,500 — Year: 1999-2000

- **Perry County Council on the Arts, Newport, Pennsylvania**

School and Community Artist Residencies — Support for programs of the Perry County Council of the Arts including school and community artist residencies in four county school districts, Loysville Youth Development Center, Perry County Prison, Perry County Senior Citizens Center and other sites.

Grant Amount: \$15,000 — Year: 2000

- **Tucson-Pima Arts Council, Tucson, Arizona**

ArtWORKS at Toole — Funding to rehabilitate 35 East Toole as a facility to house youth programs including ArtWORKS at Toole, a year-round program for low income high school youth from surrounding inner city neighborhoods.

Grant Amount: \$89,000 — Year: 1997-1998

- **Westchester Arts Council, White Plains, New York**

Community Cultural Planning — Support for development of a cultural plan that will help municipalities incorporate the arts into revitalization, assess community needs and local cultural assets, and ensure that all segments of the community have access to arts activities.

Grant Amount: \$10,000 — Year: 1998

- **Gage Middle School After-School Academic and Athletic Program, Huntington Park, California**

After School Academic and Athletic Program (ASAAP) — Support for after-school programs including a fine arts program with concert band, a string and woodwind orchestra, and choir. Other fine art activities include a drama and production club, and a folkloric dance group.

Grant Amount: \$45,000 — Year: 1997-98

9. Community Development Block Grants (CDBG) to States and Small Cities — www.hud.gov/progdsc/cdbg-cfm

Annual direct formula grants to counties with a population under 50,000 to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services. Principally to benefit low and moderate-income persons.

- **Artists for Humanity, Boston, Massachusetts**

City Teens Design Company — Funding provides job training in the arts for low income youth, ages 14-17, after school and in the summer. Youth receive salary and commission on work produced and sold.

Grant Amount: \$30,000 — Year: 1998-1999

- **HandMade in America, Asheville, North Carolina**

Apprenticeship Program — Support for a four part program in partnership with the North Carolina Department of Commerce to: 1) provide job apprenticeship training for crafters with Mayland Community College and Penland School of Craft for 30 students; 2) develop a revolving loan fund for craft business expansions and startups; 3) develop a craft registry system to identify craftspeople, pricing, and delivery schedule for objects; and 4) renovate the ceramics, iron, and glass studios at Penland School of Craft.

Grant Amount: \$461,000 — Year: 1998-1999

- **Mill Street Loft, Poughkeepsie, New York**

Project ABLE — Funding for Project ABLE (Arts, Basic education, Life skills and Entrepreneurship), an arts-driven job skills training, employment, and prevention program for economically disadvantaged youth ages 14-21. The program provides training in product design, carpentry, public art, technology, portfolio development, and retail/entrepreneurship skills.

Grant Amount: \$12,000 — Year: 1999

U.S. Department of Transportation (DOT)

10. Transportation Enhancements — www.fhwa.dot.gov/tea21/

Formula funding to states (under the transportation enhancements section of TEA-21) for transportation-related activities designed to strengthen the cultural, aesthetic, and environmental aspects of the nation's intermodal transportation system.

TEA-21, enacted in June, 1998, authorizes the Federal surface transportation programs through 2003 and provides over \$3 billion in formula funding to states. ISTEA (Intermodal Surface Transportation Efficiency Act) preceded and funded similar programs from 1991-1998.

- **Mayor's Youth Employment in the Arts, Kenosha, Wisconsin**

Mosaic Mural — Support for design and construction of a mosaic mural as part of an ADA rehabilitation of a train station. Twelve at-risk teens receive minimum wage to complete the project.

Grant Amount: \$10,000 — Year: 1998-1999

- **South Dakota Arts Council, Sioux Falls, South Dakota**

Oyate Trail Cultural Tourism — Funded for a comprehensive resource assessment and transportation enhancement plan for the development of a cultural tourism route from Vermillion to Hot Springs (Highway 50/18), the 388 mile route to and from the Black Hills. This ISTE A enhancement-funded project involved 15 nonprofit arts organizations, three Indian reservations, and many traditional folk and contemporary artists.

Grant Amount: \$58,100 — Year: 1992-1994

- **Tohono O'odham Nation, Sells, Arizona**

Sells Wash Pedestrian Bridge Art Element — Funding for public art designed by at-risk students that will connect businesses, homes, and a community skill center west of the wash with homes and a high school east of the wash. Total project cost is \$192,700 and is a joint project of ADOT and the Tohono O'odham Nation.

Grant Amount: \$30,000 — Year: 2000

- **Tucson-Pima Arts Council, Tucson, Arizona**

I-19 Noise Wall Mural — Funding to create murals on the neighborhood side of noise walls for the I-19/Valencia Road traffic interchange. School children and neighborhood artists will design the murals for the neighborhood east of the interchange. TPAC administers the City of Tucson public arts project, with commissions to artists paid through the City of Tucson Department of Transportation.

Grant Amount: \$20,000 — Year: 2000-2001

- **Tucson-Pima Arts Council, Tucson, Arizona**

HOPE VI/South 10th Avenue Enhancements — Funding for the public art component of a \$500,000 enhancement grant for improvements to streets that border the Barrio Santa Rosa/HOPE VI Revitalization Plan south of downtown Tucson.

Grant Amount: \$5,000 — Year: 2000

11. National Scenic Byways Program — www.fhwa.dot.gov/tea21/factsheets.html

Special designation as All-American Roads (AAR) or National Scenic Byways (NSB) is given by the Secretary of Transportation for roads that have outstanding scenic, historic, cultural, natural, recreational, and archeological qualities. Discretionary grants are given for scenic byway projects on an AAR, NSB, or a state designated scenic byway and for planning, designing, and developing state scenic byway programs.

TEA-21, enacted in June, 1998, authorizes the Federal surface transportation programs through 2003 and provides over \$3 billion in formula funding to states. ISTE A (Intermodal Surface Transportation Efficiency Act) preceded and funded similar programs from 1991-1998.

\$148 million is designated over the life of a TEA-21 for National Scenic Byways in discretionary grants.

- **Arkansas State University, Jonesboro, Arkansas**

Crowley's Ridge Parkway — Funding for restoration of the Hemingway-Pfeiffer Museum and Educational Center, located on a 200-mile parkway running through eight counties in the Arkansas Delta. As part of the project, five of the eight communities along the parkway are developing downtown revitalization plans and three new museums, renovating historic structures, and improving five state parks.

Grant Amount: \$1,000,000 — Year: 1998-1999

Appalachian Regional Commission

12. Appalachian Regional Development — www.arc.gov

Formula funding to states and counties represented in Appalachia for self-sustaining economic development and an improved quality of life.

Each state is required to file a State Appalachian development plan relating to all projects for which Appalachian funding is requested in that year. Applications are through the Appalachian state office designated by the Governor.

- **HandMade in America, Asheville, North Carolina**

Tel. 828.252.0121, Fax. 828.252.0388, www.wnccrafts.org

Studio Incubators (Abandoned Schools) — Funding for a project to return abandoned school buildings to communities as places of work and play that can have a positive economic and social impact. Included are studios and shops for local craftsmen.

Grant Amount: \$52,000 — Year: 1999

Small Business Administration (SBA)

13. SBA Loans — www.sba.gov/regions/states

Funding on a formula basis to states that award grants and loans and provide technical support for small businesses. Among other activities, funding supports operations of Small Business Development Centers, which provide planning, technical, and financial assistance to small businesses.

- **Legacy Fine Arts, Hot Springs, Arkansas**

Small Business Loans — Support for an online gallery to offer art from private collections, authorized distributors, and their own inventory. The gallery received support through two U.S. Small Business Administration guaranteed loans and assistance in the development of a business plan by the Arkansas Small Business Development Center.

Grant Amount: \$NA — Year: 1997

GROUP B: OTHER POTENTIAL SOURCES OF FEDERAL FUNDING

U.S. Department of Commerce (DOC)

14. Public Works Development Facilities Program — www.doc.gov/eda/html/pwprog.html

Grants to help distressed communities attract new industry, encourage business expansion, diversify local economies, and generate long-term, private sector jobs. This can include business incubator facilities, technology projects and sustainable development activities. Applications through the regional office of the Economic Development Administration (EDA).

15. Economic Adjustment Program — www.doc.gov/eda/html/econadj.html

Grants to states and local areas to facilitate adjustment to changes in their economic situation that occur suddenly or over time, and generally result from industrial or corporate restructuring, natural disaster, reduction in defense expenditures, depletion of natural resources, or new Federal laws or requirements.

The program supports three types of grant activities: strategic planning, project implementation, and revolving loan funds. Funding from this program is through the one of the six EDA regional offices.

U.S. Department of Health and Human Services (HHS)

16. Community Services Block Grant (CSBG) — www.acf.dhhs.gov/programs/ocs/csbgi/index.html

Formula state/local grants to provide services and activities that have a measurable and potentially major impact on the causes of poverty in the community or in those areas of the community where poverty is particularly acute. Ninety percent of the CSBGs go to primarily locally-based community action agencies and/or organizations that serve seasonal or migrant farm workers. There are 950 community action agencies in the country.

17. Social and Economic Development Strategies (SEDS) — www.acf.dhhs.gov/programs/ana/

Competitive financial assistance grants, supporting locally determined and designed projects that address community needs and goals, to Native American tribes. This program is designed to promote lasting self-sufficiency and enhance self-government.

U.S. Department of Housing and Urban Development (HUD)

18. Indian Community Development Block Grants (ICDBG) — www.hud.gov/progdes/icdbg.cfm

Formula funding to tribal reservations to provide decent housing, a suitable living environment, and economic opportunities primarily for low and moderate income persons.

19. Historic Preservation — www.hud.gov/cpd/ocv/cpdhp.html

Competitive federal projects grants to support preservation efforts. This is part of the National Historic Preservation Act establishing preservation programs in all federal agencies.

U.S. Department of Interior (DOI)

20. Historic Preservation Services — www.cr.nps.gov/

Financial assistance, incentives, educational guidance, and technical information provided to support heritage preservation. Diverse partners include State Historic Preservation Offices (SHPOs), local governments, tribes, federal agencies, colleges, and non-profit organizations such as the National Trust for Historic Preservation (www.nthp.org). Most of these grants go to the SHPOs or other tribal, state, or local governments. For a list of grants and tax credits, visit www.cr.nps.gov/helpyou.html.

21. Rivers, Trails and Conservation Assistance (Rivers & Trails) Program — www.ncrc.nps.gov/rtca/

Assistance for interested communities with nature-based recreation development and environmental, historic and cultural conservation projects. Rivers & Trails, a national network of conservation and recreation-planning professionals, does not direct or fund projects, but when a community has decided to conserve close-to-home landscapes, Rivers & Trails can help it get started.

22. Archeology and Ethnography Program — www.cr.nps.gov/aad/peocul.html

Grants to museums and to Indian tribes, Alaska Native villages and corporations, and Native Hawaiian organizations for the purposes of assisting in the inventory, documentation, and repatriation of Native American human remains and cultural items. In 1990 the Native American Graves Protection and Repatriation Act (NAGPRA) formally affirmed the rights of lineal descendants, Indian tribes, and native Hawaiian organizations to custody of Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony.

23. National Heritage Areas — www.ncrc.nps.gov/heritage/

Technical and financial assistance for conservation, interpretation and other activities in designated National Heritage Areas. Congress has designated 18 of these areas around the country, and support is provided for a limited number of years following designation. Partnerships among federal, state, and local governments and the private sector manage activities in the area. Congress identifies a "management entity" such as a local governmental agency, nonprofit organization, or an independent federal commission to coordinate the partners' voluntary actions.

24. Save America's Treasures Grants — www.cr.nps.gov/treasurers

Competitive national grants for preservation and/or conservation work on nationally significant intellectual and cultural artifacts and nationally significant historic structures and sites.

25. Preservation Technology and Training Grants (PTT) — www.ncptt.nps.gov/about_pttgrants.stm

Competitive national grants to ensure an effective and efficient system of research, information distribution, and skills training in all the related historic preservation fields.

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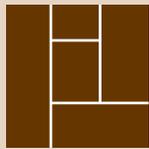
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The Fund for Folk Culture is a nonprofit organization dedicated to the dynamic conservation of folk and traditional arts and culture throughout the United States. In partnership with donors, and combining multiple strategies of grantmaking, research, convening, and communication, the FFC works to strengthen local, regional, and national organizations in its field and to sustain traditional artists and other culture bearers, whose vital work contributes to stronger communities and a healthier society.



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