

Cultural Data Project: Measuring the Impact of the Arts

Shawn Martin and Rebecca McElroy 22 May 2012

The Cultural Data Project (CDP) aspires to change the very way we discuss and justify the importance of the arts in our society. Traditionally, arts organizations have argued for public funding based on personal stories demonstrating the intrinsic value of arts to their communities, shying away from collecting data to support their arguments (Schuster 1997). According to Neville Vakharia, the director of the project, the CDP is “changing the argument of how we justify support for the arts from either/or to both/and.” By collecting nationally standardized data, the CDP allows the sector to combine both approaches—personal stories *and* data—to provide a more complete picture of the arts and culture industry’s impact for all stakeholders, including funders, policymakers, researchers and community advocates. In doing so, the CDP hopes to create a national project that will continue to impact the way decisions are made about the arts for years to come.

The CDP is part of a growing trend that seeks to more clearly define and measure the social impact of the arts. The field increasingly recognizes that, to stay viable, arts

and culture organizations must begin to quantify their outcomes (Jackson 2002). Research in recent decades has shown that the arts can have a significant and broad impact on both individuals and communities, ranging from spurring increased economic activity to improving quality of life (NGA Center for Best Practices 2010).

Beginning in 2001, a group of Pennsylvania organizations including the Pennsylvania Council on the Arts, the Greater Philadelphia Cultural Alliance, The Pew Charitable Trusts, and the William Penn Foundation began to recognize that, though the arts play an essential role in Pennsylvania, very little information was available on the true impact of arts and culture in the state. After three years of planning, they launched the Pennsylvania Cultural Data Project in 2004, with the goal of providing reports, data and other core sets of financial and operational information. These data enable grantmakers to prove return on investment and help cultural organizations of every budget size and discipline assess and promote their impact. The project has now expanded to include nearly 12,500 arts organizations in 11 states and the District of Columbia.

Beyond collecting data, the CDP also hopes to achieve two other important objectives. First, in every state, the CDP has helped to foster collaboration. When the CDP first begins its work in a state, it often brings together public and private funders and advocates for the arts who share the CDP's vision of strengthening the cultural

sector. Second, the CDP helps to show the impact of the arts within the community. At the organizational level, CDP analytic reporting tools can be used to help improve arts organizations' financial and management capacity. Some organizations have used these reports to negotiate better rental rates or evaluate their board giving compared to others. At the policy level, advocates can use CDP data to bolster arguments to policymakers to justify funding and demonstrate return on government investment in the arts.

For example, in 2009 the Pennsylvania legislature proposed a tax on cultural institutions' ticket sales and membership revenue. Arts advocates were able to use CDP data to demonstrate that lifting the tax exemption on tickets to arts events would not bring in nearly the projected amount, and their advocacy successfully defeated the arts tax initiative. In Montgomery County, Maryland, the local arts council was able to demonstrate using CDP data that every \$1 in county funding for the arts was matched by \$14 in earned revenue by cultural organizations in the county. Finally, CDP data allow funders to better understand the issues and needs of their communities in order to make wiser investments in the arts.

Vakharia is quick to note that CDP is "not just an online database." What makes the CDP's business model innovative is the level of technical assistance and support it provides to cultural organizations, researchers and funders. Vakharia believes that the CDP's staff plays an

important role in the sector by combining an understanding of good business practices with the mission-driven passion of the cultural sector, and his own background demonstrates this combined expertise. Vakharia's background is in engineering, but after ten years doing new product development and global product management, he decided to pursue a Master's in Arts Administration from Drexel. He then worked at multiple cultural organizations in Philadelphia before joining the CDP in 2005. The CDP's staff includes call center support, financial consultants and researchers, among others, all of whom have experience in the cultural sector. The CDP's funding comes from a "collaborative partnership" of public and private funders, including family foundations, community funds, government agencies, and other funders who want to better serve arts and culture in their area. These philanthropic partnerships allow the CDP to provide its technology and services to cultural organizations free-of-charge. Vakharia notes that the CDP is a "unique business model" and can be a "new way of thinking for funders," some of whom are more inclined to finance individual projects for a limited duration, whereas the CDP represents an ongoing resource to strengthen the sector.

This is an exciting time for the CDP. The project is in the midst of a national expansion and hopes to engage 22 states by 2014. In order to meet this goal, Vakharia believes that the CDP will need to continue to embrace

technology to leverage the data in new ways and be responsive to the needs of its constituents. In more ways than one, the CDP continues to change the debate over support for the arts from “either/or” to “both/and.” By providing the sector with high-quality, longitudinal data, the CDP enables cultural advocates and policymakers to make arts and culture part of the broader data-driven conversation about how best to strengthen communities.

References

Jackson, M. & J. Herranz, (2002). *Culture counts in communities: A framework for measurement*. Washington, DC: The Urban Institute.

NGA Center for Best Practices. (2010). *Arts and the Economy: Using Arts and Culture to Stimulate State Economic Development*. Washington, DC: NGA Center for Best Practices.

Schuster, J.M. (1997). The performance of performance indicators in the arts. *Nonprofit Management and Leadership*. 7(3):253-269.