



**A Report on the Leveraging Investments in Creativity**  
Cleveland/Cuyahoga County Planning Process



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# Advancing Support Systems for Artists in the Cleveland Metropolitan Area

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## Executive Summary

### Introduction

Artists, whether they are visual, performing, literary or media, are a stimulating force in communities across the U.S.

They are typically the entrepreneurs of the arts and cultural sector. They ask probing questions, take risks and develop new concepts that can be fostered and built upon in both the non-profit and for-profit arenas. Artists penetrate all parts of society, from the neighborhood level to the commercial level. They engage residents in discourse through performances and instill pride through the development of community reflective murals. They influence the design of our everyday wares and develop challenging creative works such as dances, films, novels and paintings

Artists, however, are not always well understood by the communities they inhabit. A lack of information about their needs and contributions has resulted in less than adequate systems to support their diverse efforts. To address this topic, a national consortium of foundations commissioned The Urban Institute in 1999 to conduct a study of the systems and structures that support the work of individual artists. Released in 2003, *Investing in Creativity: A Survey of the Support Structure for U.S. Artists* spawned a nationwide effort (led by Leveraging Investments in Creativity) to dramatically improve conditions for individual artists.

From April to October 2004, the Community Partnership for Arts and Culture (CPAC), in collaboration with professionals from the arts and other sectors, engaged in a planning process to design solutions for a number of problems. This report describes the planning process and the recommendations that emerged from it. It presents an overview of some of The Urban Institute findings, specifically the six characteristics of a community that make it welcoming to artists. It also details the findings, deliberations and recommendations of four artist-focused advisory committees: low cost finance, health insurance and benefits, entrepreneurial training and assistance and artist service organization collaboration. These findings, deliberations and recommendations should serve as a guide for the future development of programs and services for individual artists.

### Low Cost Finance Advisory Group

The low cost finance advisory group explored current financing alternatives available to individual artists, initiatives to connect artists with those opportunities and development of an artist-focused financing option. Existing local micro-lending programs as well as local and national revolving loan programs were studied. The topic of financing artist live/work space was also reviewed.

During deliberations, a number of key concepts with regard to financing for artists were reviewed. Intermediaries can play an important role in guiding individuals to the right lenders and programs for financing matters. In addition, lenders need to be educated on the unique characteristics of artists and their business models. Specifically, correcting the misperception that artists lack credit-worthiness is essential. Training artists on business matters, specifically in the area of financial management, is key to operating in the marketplace and succeeding in obtaining loan funds. Micro-lenders have an important role to play in training and lending to individual artists. These organizations

have specialized programs that can strengthen the financial skills of artists and employ skilled individuals that are familiar with the credit approval process. It is important to make more artists familiar with the programs these organizations have to offer.

Central to the group's discussion was the design of a low interest revolving loan program that is focused towards individual artists as small business ventures. While there are a few existing micro-lending programs of which artists can take advantage, these programs are typically seen as options of last resort. In addition, the loan limits are typically lower than other small business loans. For those reasons, the creation of a program with higher loan maximums was recommended. This program could also play a fundamental role in reorienting traditional lenders to the credit-worthiness of artists. Three components were identified as keys to the success of such a program: training and technical assistance, a loan loss reserve, and grants.

With regard to live/workspace, the discovery process uncovered two major challenges to homeownership within the artist population: irregular/uneven income and zoning constraints. Individual artist counseling is essential to ensure individuals are directed to the appropriate existing informational opportunities and lending institutions (specifically those interested in the artist market as a target customer group).

Based upon the discovery and deliberation phases of the process, three primary recommendations related to financing for individual artists and artist founded startups were issued: 1) Identify and develop the capacity of an intermediary for connecting artists with appropriate programs and services related to financing. 2) Work with micro-lending institutions to increase awareness of existing program offerings for which artists are eligible. 3) Pilot a low interest revolving loan program designated for individual artists and small arts and cultural businesses.

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**Insurance and  
Benefits Advisory  
Group**

The insurance and benefits advisory group identified the obstacles artists face to securing affordable health insurance and benefits and explored solutions for overcoming these barriers. A survey of individual artists was conducted to determine artist health insurance needs. Existing artist insurance programs and new artist benefits programs were also studied. Although the rate of return on the individual artist survey was low, 5%, it yielded two important findings: 1) the cost of membership is deemed the biggest barrier to taking advantage of health insurance availability through small business and trade associations and 2) at the right price point, individuals would take advantage of such programs. The average respondent (a fifty year old woman) would take advantage of a health insurance program at \$200 or less each month.

Affiliation with a small business or trade association constitutes the best opportunity for securing access to group rates. Such an affiliation would provide for the collection of information, such as artist risk profiles and enrollment ratios, which will enable insurance providers to make better decisions about artist focused offerings. To that end, the individual artists noted that the unique characteristics of artists might preclude them from meeting the eligibility requirements defined by these types of organizations. They cited revenue minimums and the definition of "full-time" as potential barriers and noted that if affiliation with an association is the best way to secure access to group rates, consideration should be given to creating special eligibility requirements for artists. Throughout the process, the Council of Smaller Enterprises (COSE) indicated its commitment to making more people aware of their health insurance options and business development programs, especially within the arts and cultural community. At the conclusion of deliberations, the group recommended development of a pilot membership program for artist-founded small businesses (including individual artists as sole proprietors). This pilot program would be a partnership between COSE and CPAC

and would include two key components: 1) a number of health insurance solutions for for-profit and non-profit artist ventures and 2) a support infrastructure to address the business issues faced by those same organizations.

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**Entrepreneurial  
Training and  
Assistance  
Advisory Group**

The entrepreneurial training and assistance advisory group explored ways to further develop the entrepreneurial skills of artists and to connect individual artists with new markets for their work and skills. Existing models of training, both business and craft oriented, as well as other current initiatives designed to link artists with business were reviewed. The success of CPAC's Artist as an Entrepreneur Institute (AEI), a course of study designed to teach artists the fundamentals of business, was discussed. The need for more in-depth, discipline specific business training was recommended. Noting that "alumni groups" have loosely formed out of AEI sessions, the need to connect younger artists with more seasoned artists through some type of an ongoing mentoring program was underscored. Connecting artists with the business community was determined to be a critical issue.

Throughout the process, the importance of linking the creativity of artists with the business world was repeatedly stressed. The Cleveland Institute of Art (CIA) has been working in this arena and could be the foundation upon which other efforts could be built (CIA has developed relationships with local businesses and is educating them on the ways artists can be utilized). Two possible vehicles for bringing together artists and the business community were proposed. One concept is to create an arts-business awards program (similar to the Greater Columbus Arts Council's). This program brings greater visibility to arts-business partnerships. The second vehicle is a directory of artists' services and products, which could specifically be useful to businesses.

To address the concepts that arose in the discovery and deliberations process, the advisory group issued four recommendations: 1) explore advancement of the Artist as an Entrepreneur Institute, 2) explore the development of a mentor program to connect artists with each other and with business professionals, 3) explore the creation of a directory of artists specifically for business and 4) explore development of a business-arts partnership award.

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**Artist Service  
Organization  
Collaboration  
Advisory Group**

The artist service organization collaboration (ASOC) advisory group explored ways to strengthen Northeast Ohio's artist service organizations through collaboration. The Community Partnership for Arts and Culture convened representatives from many of the discipline-specific artist service organizations (theater, media, dance, literature and graphic) as well as individuals experienced with organizations that serve as umbrella operations for other groups (United Way, County administration and Neighborhood development).

Agreeing that collaboration offers an opportunity to better serve individual artists, a number of possible operating and collaboration models were reviewed. Time was also devoted to examining each of the artist service organizations and identifying opportunities for collaboration among those groups. Interviews were conducted with potential collaborators, which led to the identification of a number of individual artist needs that are not being met. Access to markets for artists' work, affordable health insurance, space and training were cited as key areas of concern. Service organization resources and staffing were cited as the two biggest obstacles to addressing these needs.

Lack of awareness of program offerings, both amongst service organizations and within the arts and cultural community, was cited as a major concern for the organizations. As such, developing methods to share programming information amongst service providers is critical. In terms of further collaboration, a number of shared services are

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considered useful. Including marketing and public relations, volunteer coordination, tax and audit preparation, database management, disability and health insurance, organizational development assistance, board retreat coordination, legal services and pooled purchasing. Supportive as they are of these possible shared services, potential collaborators noted that they do not have the funds to pay for services for which they do not already pay. To be successful, special funding opportunities will be necessary.

Upon completion of the discovery and deliberations phases of the process, the ASOC advisory group issued two major recommendations. The first recommendation is to design a mechanism to increase awareness of service organization offerings among their peer organizations and the arts and cultural community at large. The second recommendation is to develop an incubator program for small arts and cultural organizations to be piloted by the service organizations.

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### Conclusion

The 7-month planning process conducted by CPAC was designed to address issues related to the support structure for individual artists in the Cleveland metropolitan area. The recommendations issued by the four advisory groups offer a sound platform from which to strengthen existing initiatives and create new ones. With the issuance of recommendations, CPAC is charged with evaluating the recommendations set forth by the advisory committees and identifying organizations and partners suitable for implementing the strongest ones.

With the help of national and local partners, in 2005 CPAC will identify the resources to develop a number of the recommendations. As we move further into the 21st century, artists are uniquely positioned to help tackle some of the major challenges of our time. Addressing their support system through these initiatives will ensure they do just that.

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Anthony Peebles, *Vice President, Public Funds, Fifth Third Bank*

Angelica Pozo, *Ceramic Artist*

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David Reines, *Corporate College Administrator, Corporate College*

Kevin Richards, *Musician and Founder of Roots of American Music*

Jim Rokakis, *County Treasurer, Cuyahoga County*

Karin Stone, *Senior Vice President, National City Bank*

JoAnn Uhlik, *Director, Innovation and Competitiveness Initiative, COSE*

Jennifer Visocky O'Grady, *Board Member, American Institute of Graphic Arts—Cleveland Chapter*

Mikelann Ward Rensel, *Executive Director, Cleveland Neighborhood Development Coalition*

Victoria Wright, *Managing Director, Wealth Management, Key Bank*

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## Introduction

### Investing in Creativity

In 1999, a consortium of foundations commissioned The Urban Institute to conduct a national study of the support system for individual artists.

1. Maria-Rosario Jackson, et al. "Investing in Creativity: A Study of the Support Structure for U.S. Artists." Washington D.C.:The Urban Institute, 2003, 8.

2. Ibid, 9.

3. Ibid, 11-12.

4. Ibid, 8.

5. Ibid, 25.

6. Ibid, 8.

7. Ibid, 8.

8. Ibid, 34.

9. Ibid, 50.

10. Ibid, 8.

11. Ibid, 8.

Released in 2003, *Investing in Creativity: A Study of the Support Structure for U.S. Artists* (See [www.usartistsreport.org](http://www.usartistsreport.org)) examines the operating environment for artists in nine different communities across the United States: Boston, Chicago, Cleveland, Houston, Los Angeles, New York City, San Francisco, Seattle and Washington, D.C. According to the study, the quality, and in some cases the mere presence, of the following six dimensions indicates the degree to which a place is considered welcoming to artists: validation, demand/markets, material supports, training/professional development, community and networks and information<sup>1</sup>.

The study describes *validation* as the ascription of value<sup>2</sup>. It states that people have very little understanding of what an artist's time and products are worth, which often results in a public predisposition to devalue artists' works. Unfortunately, very little research has been done on the societal contributions of individual artists, and as a result artist focused strategies are often missing from community organized cultural plans<sup>3</sup>.

*Demand and markets* refers to the public's demand for artists' products and services. It also refers to the vehicles that connect artists to markets and financial compensation<sup>4</sup>. According to the study, the demand for the work of artists in non-arts non-profit, public and commercial sectors appears to be high, however, many artists feel they lack the skills to market themselves to these available markets<sup>5</sup>. This concern relates directly to training and professional development. In the study, *training and professional development* are defined as the conventional and lifelong learning opportunities in artistic techniques as well as related employment and business skills<sup>6</sup>.

*Material supports* are defined as the financial and physical resources artists need to do their work<sup>7</sup>. Health insurance and funding were highlighted as two key areas of concern. Artists have limited access to affordable health insurance, which is partially due to their employment patterns<sup>8</sup>. With the exception of grants, few sources of capital exist for individual artists. Non-profit organizations serve a key support function for many artists and the study found that many non-profit organizations exist to serve their needs<sup>9</sup>. Unfortunately, they often lack the capacity to efficiently and effectively achieve their goals.

The study describes *community and networks* as the inward connections to other artists and people in the cultural sector and outward connections to people and organizations outside the cultural sector<sup>10</sup>. Intermediaries, organizations and individuals with the ability to create stronger connections within and outside of the cultural sector, are critically important as well as peer-to-peer networking and mentoring. *Information*, the data sources about artists and for artists' use, appears to be a problem<sup>11</sup>. There is a need for better information about where artists are working and where their skills are needed.



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### **Creative Communities Program**

The Creative Communities Program is a national initiative designed to help select cities substantially improve conditions for artists in their communities. The program is operated by Leveraging Investments in Creativity (LINC), a group recently organized in response to the Urban Institute study. The goal of the program is to develop a national consortium of communities working together to make change on behalf of artists. Each of the nine cities that participated in the Urban Institute Study, of which Cleveland was one, is eligible to participate in the program and apply for planning and implementation grants on topics that relate to the findings of the Urban Institute study.

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### **Cleveland/Cuyahoga County Planning Process**

Community Partnership for Arts and Culture (CPAC) supported the Urban Institute's Cleveland research and subsequently initiated the planning process in the Cleveland metropolitan area, acting as the lead organization for the LINC program. Based on earlier studies and the Urban Institute's findings, the organization identified four key issue areas and convened advisory committees to formulate recommendations for advancing each of those topics. The four key issue areas were: low cost finance, health insurance and benefits, entrepreneurial training and assistance and artist service organization collaboration. The advisory groups were comprised of artists, public sector officials and private sector representatives with experience in each of the aforementioned areas. They began their deliberations in April and concluded in October 2004.

## Low Cost Finance Advisory Group

### Purpose & Value of Advisory Group

## Access to capital is a major concern for individual artists.

Artists typically have irregular income and are often perceived as not being creditworthy. These issues pose major obstacles to obtaining financing for small businesses and acquiring funds to purchase homes. In an effort to explore this issue in depth, The Community Partnership for Arts and Culture commissioned the low cost finance advisory group to explore current financing options available to artists, identify ways to connect artists with those options and make recommendations on new financing options that might be developed for this target group.

### Discovery & Deliberations

#### *Key Considerations*

Initial discussions revealed that lenders often do not have the background to readily understand situations unique to artists (for example, cash flow and a small number of equipment needs). Artists point out that approaching lenders can often be intimidating. While selected artists have been able to break down these understanding barriers and borrow dollars to move forward with entrepreneurial plans, it seems to be the exception and not the rule. An important yet sometimes missing component is an intermediary. This intermediary can guide individuals to the right lenders and programs for financing matters, educate lenders on the unique characteristics of artists and their business models and break down the perception that artists lack creditworthiness.

Training artists on business matters, specifically in the area of financial management, is key to operating in the marketplace and succeeding in obtaining loan funds. CPAC's Artist as an Entrepreneur Institute (AEI), and other educational programming, can play an important role in advancing the knowledge base of artists.

Artists have characteristics very similar to other "pre-bankable" groups and there are existing models serving that particular demographic. Micro-lending models such as WECO (Working for Empowerment through Community Organizing) and W.O.M.E.N. (Women's Organization for Mentoring, Entrepreneurship and Networking) were cited as established models that could be engaged to lend to and educate artists.

Cuyahoga County Treasurer Jim Rokakis presented information about Section 135 of the Ohio Revised Code (See <http://onlinedocs.andersonpublishing.com/oh/lpExt.dll?f=templates&fn=main-h.htm&cp=PORC>). It allows counties to link their deposits with low interest loan programs. Cuyahoga County has a history of implementing linked deposit programs for purposes such as low-interest home loans and storefront renovation. This legislation could be utilized for the creation of a special loan program designed specifically for artists.

#### **County Treasurer Helps Artist Solve Property Tax Problem**

Angelica Pozo, a ceramic artist and property owner, was one of the advisory group members. Pozo believed she was being taxed at the wrong rate for her live/work space. The advisory group dynamic brought Pozo in contact

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with Rokakis and she engaged his help in examining the issue. Upon review, Rokakis determined that Pozo was indeed being taxed at the wrong rate and worked with Pozo and the auditors to correct the issue. The positive result arising from this situation underscores the importance of artists connecting with the right people and resources.

Live/work space ownership is another way to strengthen the financial capacity of individual artists, however, this type of ownership by artists is unusual. Very little is known about this population's obstacles to ownership. Understanding the barriers and identifying ownership programs for which artists are eligible is critical.

### *Micro-Lending*

Louise Gissendaner of Fifth Third Bank introduced the group to micro-lending (also known as micro credit), the action of making small loans to impoverished (or pre-bankable) entrepreneurs. These small loans often range in size from \$500 to \$5,000. An example would be an equipment loan to a low-income single woman looking to expand a home-based catering business. Typically, micro-lending programs are operated by a non-profit organization, which receives loan pool funds from banks, foundations and other groups. Micro-lending can also come through banks themselves via secured credit cards for small businesses. The advantage of funneling dollars through a non-profit organization is that private sector investors ensure that this demographic continues to be served but at little to no risk to themselves. The micro-lending institutions typically offer training on basic financial management and business planning to prepare individuals for the loan application process. The general idea is that these loan programs help build a credit history for the business so that at some point they will be able to go to traditional lending programs for support.

12. WECO Fund <http://www.wecofund.com/Programs.htm>

Two regional micro-lending institutions were reviewed. The first such organization is WECO (See [www.wecofund.com](http://www.wecofund.com)). WECO provides financial services and programs to low and moderate-income individuals and families and the organizations with which they are involved. WECO has services in four main program areas: The Individual Development Account Program, Financial Education, The MicroEnterprise Program and Cleveland Saves/America Saves<sup>12</sup>. The Individual Development Account Program is an investment and financial education program that enables individuals to save money and receive matching dollars to purchase a first time home, startup business or higher education. WECO also offers financial education programs for youth and adults. The MicroEnterprise program offers low to moderate-income entrepreneurs the opportunity to obtain small business financing and business support. Loans are available in amounts ranging from \$500 to \$35,000 and are designed for small businesses unable to secure traditional funding. Cleveland Saves/America Saves is a marketing campaign aimed at encouraging individuals to save money, build wealth and reduce debt. Conversations with WECO revealed individual artists are already eligible to apply for funding through the micro loan program.

13. WOMEN. <http://www.neocdc.org/program.htm>

The second micro-lending program is offered by W.O.M.E.N. (See [www.neocdc.org](http://www.neocdc.org)). This organization, located in Akron, serves the small business community by providing business training and business lending. Though originally designed to support female entrepreneurs, the organization does not limit its training and lending programs to women. Programs are offered on starting and managing a business and loans are available in amounts up to \$35,000<sup>13</sup>.

Micro-lenders have an important role to play in training and lending to individual artists. Organizations like WECO have specialized programs that can strengthen the financial skills of artists and employ skilled individuals who are familiar with the credit approval process. It will be important to make artists familiar with the program offerings of these organizations. In fact, perhaps a partnership opportunity exists between Community Partnership for Arts and Culture (via AEI) and these organizations. As the AEI curriculum will soon be undergoing a review, possibly now is the ideal time for discussions on that topic.

### *Revolving Loan Programs*

14. Center for Cultural Innovation <http://www.cci2002.org/>

Nationally, few models for arts and cultural revolving loan programs exist; however, the Center for Cultural Innovation (CCI) in California (*See [www.cci2002.org](http://www.cci2002.org)*) recently launched a loan guarantee program for small arts businesses. CCI is a financial and management support center for self-employed artists, small arts businesses and the non-profit arts sector. CCI offers a variety of training opportunities, including their flagship Business of Art program, a seven-week program designed to help artists succeed in the marketplace<sup>14</sup>. For individuals who complete the Business of Art program, CCI helps them to secure loans through participating micro-lending institutions. Loans are available in amounts up to \$25,000. CCI will serve as the loan guarantor, in situations where a micro-lending institution requires it. CCI just launched the loan guarantee program this summer and currently a few artists are taking advantage of it.

15. Uniform Depository Act, County Depositories—Ohio  
Revised Code 135.31–135.40

Ohio legislators have been very supportive of initiatives that promote small business development in Ohio. In an effort to provide lower cost funds to small businesses, the state legislature enacted Section 135 of the Ohio Revised Code<sup>15</sup>. Section 135 enables the County Treasurer to link deposits placed at eligible lending institutions with low interest loan programs of specified purpose with the approval of the Board of County Commissioners. In a linked deposit program, the County Treasurer places a certificate of deposit with eligible lending institutions at up to three percent below current market rates. Eligible lending institutions then agree to lend the value of the deposit to small businesses at three percent below the present borrowing rate at the time of the deposit.

Cuyahoga County has a history of implementing linked deposit programs for purposes such as low interest home loans, historic preservation with the Cleveland Restoration Society and commercial storefront renovation in Bedford. Preliminary discussions with Cuyahoga County leadership indicate support for an effort to introduce a linked deposit program aimed at artists.

Significant time was devoted to creating a revolving loan program that specifically takes into consideration the needs of individual artists and small artist-founded businesses. Three components were identified as key to the success of such a program. First, the establishment of a loan loss reserve is necessary to generate strong interest from the banking community. Second, a grant component will help generate interest from individual artists. Group members confirmed that the success of previous linked deposit programs has hinged on the availability of such a grant component. Finally, the program must include a training and technical assistance component. Training should include discussion on the criteria that lenders use to assess artist businesses, business plan development and evaluation of participants to determine readiness and direct them to the appropriate sources of capital. The group perceived the possibility of AEI playing a collaborative role with the proposed program.

Artistic quality and commitment were recognized as vital components of the loan application review process. However, many lenders do not believe they have the

background to judge these qualities. To address this, artists suggested that a jury be initiated prior to lender review of a loan application. Precedents exist for this type of jury. For example, certain live/work spaces within the City of Cleveland require applicants to undergo a process of peer review before granting permission to reside in these properties.

The need for the loan purpose to be specific was stressed. Possible purposes include working capital, purchase of equipment or supplies and other functions designed to move an artist's business plan forward. With regard to loan amount, the committee agreed that loans should be available in amounts over \$5,000.

### *Live/Work Space Ownership*

The Urban Institute Study indicated that artists need a place to live, a place to work, or a combined space to live and work. In an effort to determine specific homebuyer challenges for artists in the Cleveland area, the committee initiated a review of the residential mortgage underwriting guidelines by Victoria Wright of Key Bank.

Special residential financing programs are available to first time homebuyers who own no other real estate and are acquiring property zoned "residential." The committee determined that properties zoned "residential" used both as a place to live and a place to work would likely be eligible for the homebuyer programs as long as the working space was used as a private studio and not for commercial purposes that would violate any zoning ordinance. Properties zoned "industrial", "business", or "mixed use" would likely need to be financed through a bank or through a community micro-lender.

In addition to the first time homebuyer programs, many financial institutions offer special programs designed to assist low-to-moderate income borrowers in becoming homeowners. These special lending programs may also be used for neighborhood revitalization projects. Eligibility for these programs is generally determined by (a) the income level of the borrower, or (b) the location of the property. In the case of income level, the HUD Median Income Level for Cleveland, Lorain and Elyria is \$59,900. The Median Income Level varies by MSA (Metropolitan Statistical Area). In the case of the property location, the property must be located in a low-to-moderate income census tract. The property must also be zoned "residential."

In an effort to identify key obstacles artists face to becoming homeowners, the committee compared each of the underwriting guidelines with the individual artist demographics noted in the Urban Institute Study (*See Appendix A for a table of comparisons*). During this process, two key challenges were identified. First, artists acquiring property for a combined "place to live" and "place to work" may encounter residential mortgage financing constraints related to zoning. Second, uneven/irregular income may be a problem, because banks require stable/reliable income. Exceptions to underwriting guidelines might be approved by an individual financial institution because many financial institutions "portfolio" these loans. Artists also pointed out the lack of knowledge on the part of lenders with regard to typical living conditions of artists. The group discussed these challenges at length.

Understanding that the greatest challenge artists will encounter in the credit approval process is irregular/uneven income, the group indicated that consideration should be given to partnering with lenders and artists to improve the likelihood of credit approval. Homebuyer counseling programs could be leveraged for this process.

Understanding that zoning was identified as a key concern as it relates to the residential underwriting guidelines used by financial institutions, the committee initiated a review of the City of Cleveland's Live/Work Ordinance (*See Appendix B*). The purpose

of this review was to determine whether the live/work ordinance offered any leeway in the application of residential underwriting for mixed-use properties. The live/work ordinance in Cleveland does shed some light on the topic of lending for combined live/work space and lenders would probably look at these situations on a case-by-case basis depending upon the percentage of space/time that is used for one activity over the other.

Since most or all of the homebuyer programs specify that the borrower may not own other real estate, the timing of the property acquisition for “place to work” and “place to live” should be considered. If a commercial property is acquired first, it may render the borrower ineligible for the first time homebuyer programs simply because other property is owned.

Existing products are likely sufficient for meeting the needs of artists and marketing outreach of the existing programs might be beneficial. The importance of an intermediary cannot be overlooked. This intermediary can serve as a repository of information on existing programs and as a liaison, guiding individuals through the various key considerations and directing them to educational opportunities and appropriate lending institutions.

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**Recommendations**

Based upon the discovery and deliberations phase of the process, three key recommendations related to financing for individual artists and small arts and cultural businesses were issued. First, identify and develop the capacity of an intermediary for connecting artists with appropriate programs and services related to financing. Second, work with micro-lending institutions to increase awareness of program offerings. Finally, create a revolving loan program designated for individual artists and small arts and cultural businesses.

*Recommendation 1: Identify and Develop the Capacity of an Intermediary*

There are currently a number of good programs available to individuals facing similar financial challenges as artists. The key role the intermediary would serve is one of intake and distribution. The intermediary would act as an information repository and as a guide to help individual artists and small arts and cultural businesses identify the appropriate training opportunities and lending programs to meet their needs. Congruently, the intermediary would initiate marketing outreach to lenders and artists to facilitate homeownership, training and business investment. Another function that the intermediary would perform is that of research and education. It would work to identify financing sources (for example for mixed use and/or commercially zoned property) so applicants are presented to the appropriate lender and the chances of credit approval are improved. Lastly, the intermediary would work to educate lenders on artist specific characteristics that influence the credit approval process.

*Recommendation 2: Partner with Micro-Lending Institutions*

Micro-lending institutions have a lot to offer the individual artist and small arts and cultural business population. In an effort to increase awareness of programs among this population and to expand availability of training opportunities to this group, it will be important for existing artist service organizations to partner with these micro-lending institutions. The Artist as an Entrepreneur Institute offered by Community Partnership for Arts and Culture represents one possible starting point for action on this topic.

*Recommendation 3: Develop a Revolving Loan Program for Small Arts Businesses*

At the recommendation of the full finance advisory group, a subcommittee was formed to outline a potential revolving loan program for small arts and cultural businesses.

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The subcommittee recommended the County place a sum of \$500,000 on deposit at eligible lending institutions in Cuyahoga County for the purpose of making low interest loans available for small artistic businesses. A proposed structure for the revolving loan program is outlined below.

### **Program Overview**

The Cuyahoga County ArtistAdvance Program is a working capital loan program designed to help eligible artistic businesses obtain access to financing. Eligible individual artists and small artist-founded businesses participate in a training program designed to get them prepared for the loan application process. During this program, participants develop a business plan, learn about the criteria banks use to assess applicants and are evaluated and directed to the appropriate sources of financing. Artists who have already completed such training or development of a business plan could be put on a fast track (not required to complete the training component). This program is the result of a partnership between Cuyahoga County, micro-lending institutions, local banks, the foundation community and the Community Partnership for Arts and Culture.

### **Program Details**

#### *Training Program*

The technical assistance program prepares artists for the loan application process and includes the following components:

- Training participants on the criteria lenders will use to assess artist businesses
- Business plan development
- Evaluation of participants to determine readiness and direct them to appropriate sources of capital

#### *Cuyahoga County ArtistAdvance Program*

The County places a Certificate of Deposit at an eligible institution(s) in the amount of \$500,000. Eligible lending institutions make available a loan pool (for the value of the County deposit) to eligible artist founded businesses.

- Eligibility: Individual artists (*Sole-Proprietors, Partnerships and Corporations*) and artist-founded non-profit arts and cultural organizations (*Budgets of \$250,000 and below*)
- Loan Purpose: Working Capital, Equipment & Supply Purchases
- Loan Size: \$5,000 - \$30,000  
Smaller loans could either be made through a micro-lender (such as

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WECO or W.O.M.E.N) or could be handled via working with a bank through a secured credit card (which could help the artist build credit and become more bankable)

- Interest Rate: 3% below current standard borrowing rate for businesses
- Repayment Period: Five Years  
If possible, extend the repayment period to ten years
- Grant Component: Participants can also apply for and receive a non-matching grant to use towards repayment of their loan or other expenses related to the artist's work
- Ongoing support by lender and Community Partnership for Arts and Culture over the course of the loan

Corporations, foundations (preferably banks) and other private donors contribute to the creation of a \$250,000 loan loss pool to reduce the risk of participating banks.

Corporations (other than banks), other foundations and other donors contribute to a grant pool in the amount of \$250,000.

### ***Micro-Lending Programs:***

Micro-Lenders, such as WECO and W.O.M.E.N. agree to work with individual artists to provide access to their training and other loan programs, especially for artist businesses that are not ready for the Cuyahoga County ArtistAdvance Program. They also play an important role in helping these businesses get to a point where they are bankable.





## Insurance and Benefits Advisory Group

### Purpose & Value of Advisory Group

Individual artists have long been at risk when it comes to securing affordable health insurance.

16. Maria-Rosario Jackson, et al. "Investing in Creativity: A Study of the Support Structure for U.S. Artists." Washington D.C.:The Urban Institute, 2003, 34.

The Urban Institute study found that artists are more likely to pay for healthcare coverage themselves (51% of artists compared with 8% of the American population) and in many cases pay the high cost of non-group coverage<sup>16</sup>. The Community Partnership for Arts and Culture convened the insurance and benefits advisory group to identify the obstacles to securing affordable health insurance (and benefits) for artists and to make recommendations on ways to secure access for this target group.

### Discovery & Deliberations

#### *Insurance Coverage Vehicles*

As a starting point for discussions, four options that could be pursued to address healthcare coverage for individual artists were reviewed: affiliation with an association (such as COSE), self-funding, brokerage, and negotiated discounts. With the affiliation option a business affiliates with a membership organization to obtain access to group insurance rates. Often these associations employ business substantiation rules that must be met in order to become a member. These rules ensure that all members are bona-fide businesses and that "companies" are not masquerading as businesses only to get group insurance rates. With the self-funding option, a group (company) is constituted and each member of the group pays a premium. Premiums are used to pay the cost of claims and are adjusted each year based upon the claims from the previous year. Usually this requires a very large group. In addition, the group must have a reserve of at least 10-12% of expected revenues. With the brokerage option, a third party insurance brokerage is sought. This third party acts as a distribution channel. An insurance package is structured and the third party broker solicits participation on behalf of some association or group. With a negotiated discount, an organization negotiates a discount for selected services of which members of the organization can take advantage.

Self-funding is an unlikely option for an individual artists group because developing the required financial reserve would be very difficult. In addition, the group would face a number of Ohio Department of Insurance regulations and would be unlikely to meet these standards. While the latter two options (working through a broker or negotiating a discount) certainly offer an opportunity to connect individual artists with insurance programs, they do not resolve the problem that many artists face, specifically the high cost of non-group rate coverage. Affiliation with an association seems the most likely opportunity to assist this group with obtaining access to more affordable health insurance through group rates.

Individual artists highlighted the important role that an intermediary can play in serving as a clearinghouse of information, increasing artists awareness of product offerings and helping artists navigate the maze of options available to them. In addition, they stated that the unique work habits of artists might preclude them from meeting the eligibility requirements defined by small business and trade associations. If affiliation

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with an association is the best way to secure access to group rates, the business eligibility requirements, as they relate to individual artist businesses, must be addressed.

### ***Individual Artist Health Insurance Coverage Survey Findings***

To identify the obstacles that impede access to affordable health and life insurance within the artist population and understand more about the characteristics that make the group different from others whose needs are currently met by existing programs, a survey of individual artists throughout Northeast Ohio was conducted. The survey was distributed, via email and regular mail, to 2300 individual artists. 122 of the 2300 surveys were returned, representing approximately a 5% response rate. (See Appendix C for a copy of the survey)

#### ***Respondent Demographics***

The majority (70%) of the survey respondents were female and approximately 66% of respondents were between the ages of 41 and 60. Visual artists were the most represented in the survey (29% of all respondents), followed up by theatre (16.5%), music (16.5%) and crafts professionals (8.3%).

#### ***Nature of Employment as an Artist***

65% of respondents described the nature of their employment as an artist as self-employed and 72% of self-employed artists described their businesses as sole-proprietorships. 50% of artists indicated they work at their art full-time (35 hours or more per week). Of those that cited they work at their art part-time, 62% indicated working more than 18 hours per week.

#### ***Current Insurance Coverage***

76% of respondents indicated they are currently covered under a medical insurance plan. Of those that are currently covered, the majority indicated that their coverage was individual and their coverage level was for self only. 15% cited their coverage level as self + spouse and 28% cited their coverage level as family. The majority of respondents (60%) cited that they currently have prescription drug coverage and that the coverage level was for self only (49%). In terms of life insurance, the majority of respondents (73%) indicated that they do not carry group life insurance. This survey confirms the Urban Institute findings that the majority of covered individual artists are not covered through group insurance plans.

#### ***Insurance Coverage Interests***

The majority of respondents (73%) indicated interest in enrolling for health coverage through an insurance consortium. Respondents indicated medical

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and prescription drug coverage as the most likely programs for which they would enroll. Only 12% of respondents indicated an interest in life insurance. Respondents overwhelmingly chose the \$100 - \$200 monthly price point for single coverage, \$200 - \$300 monthly price point for self and spousal coverage and the \$300 - \$400 monthly price point for family coverage.

### **Barriers to Insurance Coverage**

Respondents cited affordability as a major barrier to securing healthcare coverage and awareness of insurance coverage options as a minor barrier. 86% of respondents cited they do not take advantage of insurance programs offered by small business associations. Cost of an association membership was deemed by respondents to be a significant barrier to taking advantage of existing programs. Awareness of insurance coverage availability through such programs and meeting association membership eligibility requirements were cited as barriers as well. Many respondents indicated they would be willing to pay a membership fee of between \$5 and \$200 for an insurance consortium. Few respondents indicated a willingness to pay a membership fee above \$400.

### **Conclusion**

The group did not believe that the results from the insurance survey were strong enough to develop a product specifically for the individual artists group, especially considering the rate of return of 5%. That said, the group did take note of the survey findings that membership fees, awareness of offerings and membership eligibility requirements are all barriers to taking advantage of insurance offerings through small business associations (the former more so than the latter).

### ***Current Health Insurance Coverage & Benefits Models for Individual Artists***

Although there are few long-time models of insurance coverage for individual artists, there are a few new models of which artists may take advantage. Programs offered by the following organizations were examined: Working Today, Center for Cultural Innovation and Chicago Artists Coalition. In addition, the group reviewed the newly founded Artist Pension Trust program offerings.

#### **Working Today**

Working Today (See [www.workingtoday.org](http://www.workingtoday.org)) is a national non-profit organization that represents the needs and concerns of the independent workforce through advocacy, information and service. Working Today's Freelancers Union offers a number of insurance options along with discounts

17. Working Today <http://www.workingtoday.org>

and events to its premium members. If you live in the New York City area and have worked in one of its eligible industries, which includes arts and entertainment, at least 20 hours per week for a period of eight weeks prior to application or earned \$10,000 over a period of six months prior to application you are eligible for a premium membership in Working Today's Freelancers Union<sup>17</sup>. Members are charged an annual fee of \$25 and a set-up fee ranging from \$25 to \$40 depending upon how they choose to submit their application. Members must also submit payment for two months of insurance premium up-front.

Members can select from one of two group-rate health insurance plans at one of four coverage levels: Individual, Individual & Child(ren), Individual & Spouse or Family. Rates range from as low as \$200 per month for individual coverage to \$600 for family coverage in the select plan and from as low as \$270 per month for individual coverage to \$800 for family coverage in the prime plan. Members are also eligible for group rate life and disability insurance through the Guardian Life Insurance Company of America.

### **Center for Cultural Innovation**

18. Benefits Opportunities for Artists <http://benefitsforartists.com/>

The Center for Cultural Innovation (CCI) (See page 12) is a financial and management support center for self-employed artists, small arts businesses and the non-profit arts sector. CCI recently launched the CCI Group—Benefits Opportunities for Artists (BOA). For an annual fee of \$19.95, individuals can get access to medical insurance, dental insurance, technical assistance and other discount products and resources<sup>18</sup>. Because of BOA's affiliation with Blue Cross of California, BOA members have access to a wide range of health insurance options for individuals, families and businesses ranging from \$100 to \$800 per month. Other options available to members of BOA include access to Care Entrée, a group that negotiates discounts with doctors and hospitals nationwide, and Safeguard Dental Insurance, group dental insurance which starts as low as \$13.25 per month for individuals and \$35.25 per month for family plans.

### **Chicago Artists Coalition**

Chicago Artists Coalition (See [www.caconline.org](http://www.caconline.org)) is a coalition of visual artists that exists to educate the public about the value of visual arts to the

19. Chicago Artists Coalition - History <http://www.caonline.org/cac/history.html>

20. Chicago Artists Coalition - Insurance <http://www.caonline.org/cac/insurance.html>

community, advocate on behalf of visual artists in the community, provide professional development and educational programming for visual artists and improve the environment in which artists live and work<sup>19</sup>. The latter objective is the primary objective of the organization. The group works to improve benefits, services and networking opportunities for artists as well as to increase the opportunities for exhibition and sale of work, financial support and recognition of artists. Through the Chicago Artists Coalition, artists have access to an independent agent that guides them through the process of identifying and securing appropriate insurance plans (including medical, dental, and life) as well as disability and retirement<sup>20</sup>. It is important to note that the insurance plans made available through this independent agent are individual (not group rate) and that individuals would otherwise have access to these programs on their own. The independent agent serves as an intermediary, helping guide individuals through the decision-making process.

#### **Artist Pension Trust**

21. Artist Pension Trust – About <http://www.artistpensiontrust.org/about.asp>

Understanding that individual artists are often faced with realities that keep them from planning for future financial security, a group of individuals with experience in finance and emerging art developed the Artist Pension Trust (APT) (*See [www.artistpensiontrust.org](http://www.artistpensiontrust.org)*). The APT is a financial product designed specifically for artists. Over a twenty-year period, the APT collects work from a group of 250 artists (selected to participate by a group of emerging art and financial experts). In exchange for their works, which are collected via a set schedule, individual artists receive an interest in the APT<sup>21</sup>.

22. Artist Pension Trust – FAQ <http://www.artistpensiontrust.org/faq.asp>

As works are sold, 40% of the proceeds accrue to the account of the individual artist that contributed the work and 40% of the proceeds accrue to the pool (which is then distributed pro rata to APT participants based upon the number of pooled units those artists have accumulated). The remaining 20% of proceeds is used for management of the APT<sup>22</sup>. Each individual may elect to have the proceeds from the sale of work received by a tax qualified retirement plan maintained by that artist. By contributing the proceeds to a tax deferred retirement plan, artists may take advantage of the substantial tax benefits offered by such plans.

### *COSE (Council of Smaller Enterprises) Offerings*

COSE (*See www.cose.org*) is the small business division of the Greater Cleveland Partnership. COSE serves nearly 16,400 members in Northeast Ohio. The organization provides group-purchasing programs that reduce the cost of doing business, advocates on legislative and regulatory issues affecting the business community and offers an extensive range of resources focused on helping firms grow.

You must be a member to have access to many of COSE's product and service offerings. Memberships start at \$450 annually. In order to become a member, you must meet certain business eligibility criteria (*See Appendix D*). Specifically, a member firm must be a taxable entity, a partnership or a sole proprietorship. A member firm must have one or more full-time employees (full-time is defined as 35 hours or more per week or some other definition applied consistently across the organization). In the case of sole proprietorships, the sole proprietor must work a minimum of 35 hours per week. Members must have commenced regular revenue producing activities and projected or actualized gross revenues of at least \$25,000.

At the conclusion of deliberations, affiliation with COSE was deemed the best option for providing health insurance, and other benefits. COSE representatives indicated their willingness to pursue development of a pilot membership program for artist-founded businesses (including individual artist sole proprietors).

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## **Recommendations**

Based upon the discovery and deliberations phase of the process, the insurance and benefits advisory committee issued one key recommendation as it relates to insurance and benefits for individual artists. The group indicated that COSE and the Community Partnership for Arts and Culture should partner on a pilot program to offer health insurance solutions and business resources for individual artists and small artist founded businesses. The two organizations have a history of partnering, specifically on the Artist as an Entrepreneur Institute and the COSE Business Plan Challenge. The collective strength of these organizations can be leveraged to create a powerful program to meet the needs of this population. Given that directive, the group proposes the following pilot program.

### **ARTrepreneur Pilot Program**

#### *Program Overview*

*ARTrepreneur* is a pilot program of the Community Partnership for Arts and Culture and COSE. The purpose of the *ARTrepreneur* program is two-fold:

- To provide a support infrastructure to address the business issues faced by for-profit and non-profit arts businesses in Northeast Ohio
- To provide health insurance solutions for the arts community and better understand the needs and characteristics of healthcare coverage and access for the arts and cultural community.

Community Partnership for Arts and Culture and COSE are committed to awareness, support and measurement for this program. The partners will strive to ensure the arts community is aware of the opportunity and understands the program as a foundation for ongoing business support.

The partners will ensure committed staffing with programming and participation goals backed by a budget to deliver on the support provided. The partners will employ a disciplined approach to quantifying what is expected and judged as successful and commit, in the long term, to making a business case for continuation.

**Program Details**

*Special COSE Member Pricing*

The base price for a COSE benefit-enabled membership is \$450. For the ARTrepreneur pilot program, participants would be eligible for a reduced rate benefit-enabled membership of \$225. Additional discounts (\$100) could be available to further reduce the cost, if participants enter the COSE Business Plan Challenge or attend the Artist as an Entrepreneur Institute. This would leave an artist or arts and cultural organization balance of approximately \$125 - \$225. These funds would be reinvested into programs and support for individual artists and arts and cultural organizations.

COSE would also offer two additional emerging membership levels: education/networking and advocacy. Price points would be set at \$195 and \$75 respectively.

All membership levels would be available to individual artists or arts and cultural businesses of up to 10 employees. Special attention will be paid to eligibility rules as they relate to artists (for example the definition of full time and revenue minimums).

*Segment Manager*

A full time segment manager would serve as the key point person for the program. This person, preferably with an arts background (or a real artist), would be responsible for selling the program to individual artists and arts and cultural organizations. They would help individuals and organizations navigate the maze of memberships that are available to them as well as the various benefit options.

*Programming Vehicles*

The program would provide educational programming for the arts segment. The Artist as an Entrepreneur Institute would be offered 2 - 4 times per year. Additional interest based arts and business programming would be offered on a regular basis. Members would have access to other COSE programming and would be offered a 3 time ConnectPass for three free attendances to networking or education events.

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The program would provide counseling and referral assistance for the arts segment as well. Possibilities exist for an orientation program for NEO411. biz and the segment manager would also serve as a point for assistance. The program would work to identify community assistance resources specifically beneficial to artists and a mentor program would be developed.

Artist specific offerings will be key to the program's success. A listing and referral service could be developed to connect artists (and their products and services) to COSE members. In addition, a spring and fall networking event or show could be offered in conjunction with the COSE business after hours. Finally, a page would be dedicated each month in the *COSE Update* to profile the work of artists and the program.

### *ARTrepreneur Health Solutions Referral Database*

The *ARTrepreneur Health Solutions Referral Database* would provide information on plan options and provider options that may be available to artists with special needs or artists for whom the COSE health insurance program may not be best suited. Specifically it would include information on individual products, national association products for specific art industry specialties, free clinics and alternative resources outside of traditional provider networks and educational information about options, resources and "managing your benefits" tailored to artists. In addition, a needs assessment tool would be developed that allows an interactive, cost-effective process for an individual to evaluate their options based on their situation.

### *Measurement*

To measure the success of the program, the partners will review the number of new members over the life of the pilot, the utilization rate of the non-insurance offerings, the speed with which new members are oriented to membership and participation in the business plan challenge. In addition, semi-annual awareness and impact surveys will be conducted to assist with establishing a baseline and setting improvement goals. Measurement will also include insurance product tracking, reviews of prospect conversion rates and time to close, overall product, service and benefit utilization as well as program profit and loss (for sustainability).



## Entrepreneurial Training & Assistance Advisory Group

### **Purpose & Value of Advisory Group**

During the research phase of Northeast Ohio's arts and cultural planning process, individual artists expressed the need for more training and professional development opportunities. (See [www.cultureplan.org](http://www.cultureplan.org))

Specifically, they noted (and research has confirmed) that business skills are often an afterthought in traditional higher education programs, leaving individual artists unable to function in the marketplace. As a result of that original research and recent interviews with individual artists, the Community Partnership for Arts and Culture and COSE (Council of Smaller Enterprises) launched the Artist as an Entrepreneur Institute (a course of study designed to strengthen the business skills of individual artists).

Subsequent research by the Urban Institute has suggested that while there are many different markets for artists' work, they often lack the skills and connections necessary to access those markets. Building upon the success of the Artist as an Entrepreneur Institute, the entrepreneurial training and assistance advisory group was formed to explore ways to further develop the entrepreneurship skills of artists and identify opportunities for connecting individual artists with new markets for their work and skills.

### **Discovery & Deliberations**

The group began the discovery process by identifying three different types of professional development training for artists: 1) continued professional education in an artist's discipline 2) business related skills and training 3) artists learning to support the competitive edge of local business. These three concepts were used as the basis for all discussions and existing programs were explored in each of those areas.

#### *Arts Training*

While not the primary focus of this advisory group, existing models of continued professional education in an artist's discipline were reviewed. The group examined the following three models:

#### ***Cleveland State University's New Trends in Piano***

*New Trends in Piano* was the brainchild of Dr. Angelin Chang, Director, Keyboard Program at Cleveland State University's Department of Music. The purpose of the seminar, which was held August 7-9, 2003, was to help sharpen the practical performance and business skills of performing musicians, teachers and students. The seminar included a mix of topics ranging from coping with performance anxiety to arts management and marketing.

***Cleveland State University’s Imagination: A Writer’s Workshop***

*Imagination: A Writer’s Workshop* was a five-day writing conference held at Cleveland State University, July 13-18, 2004. The focus of the workshop was on strong, imaginative writing. Morning classes, lectures and discussions addressed the practice, theory and politics of writing, while afternoon workshops afforded participants the opportunity to refine their craft within small groups. The conference also included a one day session on “the business of writing” - specifically, writing for publication.

***Poets’ and Writers’ League of Greater Cleveland***

The Poets’ and Writers’ League of Greater Cleveland (See [www.pwlgc.com](http://www.pwlgc.com)) is a non-profit literary organization that promotes writers and their work throughout Northeast Ohio. The organization offers a number of services to literary artists, including, teaching opportunities at the Literary Center; publishing opportunities and classes for both emerging and established artists. In addition, it brokers speaking engagements and publishes *Ohio Writer Magazine*. To facilitate interaction between the literary arts and other art forms, the group offers a dramatic reading series called *Poetry: A Mirror of the Arts*.

***Business/Entrepreneurial Training***

The group examined the following three examples of business training for artists:

***The Artist as an Entrepreneur Institute***

The Artist as an Entrepreneur Institute (AEI) is co-presented by Community Partnership for Arts and Culture and the Council of Smaller Enterprises (COSE). The two organizations teamed up to present the institute because of a similar interest in promoting entrepreneurship in the arts. In late 2002, COSE launched the COSE Business Plan Challenge 2003, which included an arts category with a prize of \$15,000. In January of 2003, the duo presented the first session of the Artist as an Entrepreneur Institute.

A four session, 16-hour course, The Artist as an Entrepreneur Institute is designed to teach artists of all disciplines the fundamentals of business. Professional practitioners guide participants through the basics of business from start-up to bringing the product to market. AEI begins with an examination of the various operating models in which participants could work: sole proprietorship, limited liability company or corporation. From there

they learn how to keep their books, manage their finances, prepare a business plan, communicate and network with potential clients, gain an understanding of legal issues surrounding artist copyrights and contracts, and finally how to get their work into the marketplace.

On the first day of class, participants are provided with a book of resources relating to each of the topic areas covered. Throughout the course, participants interact with professional practitioners from areas including art, law, marketing and accounting. Sessions include a mix of lectures and panels as well as brief opportunities to network with one another:

### **Center for Cultural Innovation**

The Center for Cultural Innovation (CCI) (See Page 12) is a business support center for self-employed artists, small arts businesses and the non-profit arts sector. CCI offers a mix of training opportunities for individual artists and small arts businesses. In addition, CCI offers counseling sessions, benefits programs and, through the Business of Art program, access to micro-lenders and CCI's loan guarantee program

CCI's flagship program, *The Business of Art*, is a seven-week, series of workshops designed to help artists understand and maximize the value of financial management, marketing, contracts, copyright, debt financing, promotional and press activities, and business planning<sup>23</sup>. In addition to the Business of Art program, CCI offers a wealth of training opportunities on topics ranging from taxes to business planning to marketing. Past workshops have focused on topics such as artist residencies, marketing for musicians and composers, getting connected with galleries, alternative spaces, consultants and collectors as well as budgeting. As the Los Angeles partner of the National Arts Marketing Project, CCI is also offering workshops on creating effective print materials, corporate partnerships and strategic marketing planning<sup>24</sup>.

### **Arts Business Institute**

The Arts Business Institute (See [www.artsbusinessinstitute.org](http://www.artsbusinessinstitute.org)) is a non-profit organization dedicated to the education and support of craft artists. The Arts Business Institute partners with local guilds, schools and other organizations to offer their curriculum throughout the United States<sup>25</sup>. The curriculum can be offered in a

23. Center for Cultural Innovation – Classes <http://www.cci2002.org/classes.htm>

24. Center for Cultural Innovation – NAMP <http://cciarts.org/NAMP/>

25. Arts Business Institute – About <http://www.artsbusinessinstitute.org/whyabi.html>

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26. Arts Business Institute – Curriculum <http://www.artsbusinessinstitute.org/workshoptopics.htm>

panel format or via weekend retreats. Below is a sampling of topics covered<sup>26</sup>:

- A Body of Work - Expanding your line to increase sales
- Slide Techniques for Artists
- Servicing Corporate Buyers and Catalog Houses
- Accepting Credit Cards
- Marketing to Collectors
- Effective Booth Design
- Promotion, Publicity and Advertising Techniques
- How and Why to Wholesale Your Work
- Trends in the Arts and Crafts Marketplace

The Artist as an Entrepreneur Institute (AEI) is serving a definite need and is already proving to be a success. Taking into account both the input from participants and our national research of related programming, and considering AEI as a 101 level course, the group determined that there is a need for a 201 level course. In addition, the importance of understanding and capturing the nuances of each discipline as it relates to business training was stressed. These nuances should be taken into account as advanced training opportunities are developed; in fact, perhaps there is a need for programming with specific, in-depth focuses.

Ideas for advancing AEI included exploring the pros and cons of connecting AEI to a major academic institution, adding a third session of AEI per year and adding a component on financing. In addition, the concepts of developing trial, day-long intensives in business to supplement the AEI curriculum as well as developing ties to local educational institutions to offer day-long intensives in art skills were discussed.

“Alumni groups” are loosely forming out of AEI sessions, so the group discussed options for connecting younger artists with more seasoned artists through some type of ongoing mentoring program and connecting artists with the business community. Regarding mentoring programs, the importance of very well screened and well-selected mentors was stressed as well as the likelihood of finding enough such mentors to donate their time.

The group identified a number issues for further exploration on the topic of mentorship: Should there be a stipend for mentors? Should on-line as well as in-person programs be looked at? Should the mentoring relationships only match artist-to-artist or would there be value in business owner-artist mentor relationships? COSE has long been involved with mentoring programs for its membership and has conducted an analysis of a variety of mentor programs. This information should be looked at in some depth prior to developing such a program.

### *Linking Artists with Business*

Expanding the markets for artists’ services and work is seen as a critical task that needs additional attention. The following models of connecting artists to markets for their work were examined:

#### **Cleveland Institute of Art**

Cleveland Institute of Art (CIA) (See [www.cia.edu](http://www.cia.edu)) has been very active in developing markets for their graduates’ work. CIA has developed an incubator for

industrial design ideas and they work with their students on licensing and taking their products to market. The school has developed relationships with businesses in Northeast Ohio and is beginning to educate those businesses on the many ways artists can assist with product development.

In addition to developing new markets for artists, CIA has also moved to require a basic business course for all students. Through the course, full-time students gain exposure to art critics, gallery dealers, museum directors and curators and learn about accounting and taxes, entrepreneurship, and marketing.

### **Rosen Group**

The Rosen Group (See [www.americancraft.com](http://www.americancraft.com)) is an arts marketing, publishing and advocacy agency. It serves as a trade association for American Crafts. The Rosen Group operates The Buyers Market of American Craft, a biannual wholesale trade show that affords artists the opportunity to connect with craft buyers from around the United States. The Rosen Group also publishes *NICHE Magazine*, a quarterly trade magazine exclusively for craft retailers and *AmericanStyle Magazine*, a lifestyle magazine that showcases the homes and studios of artists who specialize in the creation of two- and three-dimensional works of art<sup>27</sup>.

### **Ohio Designer Craftsmen**

Ohio Designer Craftsmen (ODC) (See [www.ohiocraft.org](http://www.ohiocraft.org)) is a non-profit organization whose mission is to promote fine crafts by establishing standards of excellence, encouraging creative growth, providing professional support to craft artists, and building public awareness, appreciation and collection of fine craft<sup>28</sup>. To accomplish its mission, ODC offers a wide range of exhibitions, publications, programs and artist services.

ODC annually presents twelve exhibitions of contemporary craft by artists from Ohio and elsewhere in the United States at the Ohio Craft Museum. The Museum is located in Columbus, and it is the only museum in the Midwest exclusively devoted to exhibiting and collecting fine craft<sup>29</sup>. ODC member artists have access to publications, technical and professional workshops, marketing assistance, a referral service, and opportunities to apply to ODC retail stores and craft fairs. ODC Enterprises also publishes

27. The Rosen Group – About [http://www.americancraft.com/About\\_Us/About\\_RosenGroup.htm](http://www.americancraft.com/About_Us/About_RosenGroup.htm)

28. Ohio Designer Craftsmen – About <http://www.ohiocraft.org/about.html>

29. Ibid.

30. Ohio Designer Craftsmen – Members <http://www.ohiocraft.org/members.html>

## A Report on the Leveraging Investments in Creativity

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*The National Lifestyle Crafts Buyers' Guide*, a guide designed to connect wholesale buyers, retailers, galleries, museums, boutiques and specialty gift shops with American and Canadian Craft Studios<sup>30</sup>.

On the topic of connecting the creativity of artists with the business world, the group believed that CIA is doing a good job and that this work should be built upon in the arts and cultural community at large. Designing an initiative to actively explore "how artists can learn to support the competitive edge of local business" was explored in some depth. The group identified two possible vehicles for bringing together artists and the business community: an arts-business awards program and an artist services directory.

The Greater Columbus Arts Council operates an arts-business awards program designed to bring greater visibility to arts-business partnerships. The program involves a large-scale community event as well as the awards themselves. Perhaps such a program could be replicated in Cleveland. The Cleveland Arts Prize is currently involved in an assessment process, and that while an awards program along the line of the Columbus program should be explored for Cleveland, it would be important to stay aware of developments at Cleveland Arts Prize as well as share the group's report with them.

The second vehicle, a "yellow pages" of artists' services and products, could specifically be useful to businesses. The *SPARX in the City* artist services directory has had a positive impact for many artists and businesses. COSE could serve as a model for such a vehicle as it matches its members to members for businesses and services.

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### Recommendations

To address the concepts that arose in the discovery and deliberations process, the entrepreneurial training and assistance advisory group issued four recommendations: explore advancement of the Artist as an Entrepreneur Institute, explore the development of a mentor program, explore the creation of a directory of artists specifically for business and explore development of a business-arts partnership award.

#### *Recommendation 1: Explore advancement of the Artist as an Entrepreneur Institute (AEI)*

Explore advancement of AEI to more fully address the needs of artists who require more "quality time" with the program. Advancement could be in the form of more specialized courses, a more in-depth overview, or coaching sessions with experienced and successful artists.

#### *Recommendation 2: Explore development of a mentor program for artists*

Review the analysis of mentor programs available through COSE and explore development of a mentoring program that is not academic but is experience based. The mentor program could be done on-line, via a listserv, or in person. The pool of mentors must be well screened and have been through a stringent qualifying process.

#### *Recommendation 3: Explore development of a register of individual artist products and services directed at the business community*

Conduct a needs analysis of business as it relates to individual artist products and services. Explore the market and potential support for a register of individual artist products and services directed at the business community. Identify the best media format for such a directory.

#### *Recommendation 4: Explore development of an awards program for unique arts-business partnerships*

To promote the concept of the arts and business communities working together, the committee suggested developing an awards program to recognize unique arts-business partnerships. Such a program could build on the model currently in operation at the Greater Columbus Arts Council.

## Artist Service Organization Collaboration Advisory Group

### Purpose & Value of Advisory Group

One of the key findings of The Urban Institute study was that many of the organizations formed to support individual artists are themselves very weak.

The Cleveland area boasts a number of discipline-specific artist service organizations. The artist service organization collaboration (ASOC) advisory group was formed to explore ways to strengthen these artist service organizations through collaboration so that they may better serve their respective constituent groups.

### Discovery & Deliberations

At the beginning of discussions, the Community Partnership for Arts and Culture noted that the purpose of this group is not to take apart the existing artist service organizations' missions or merge them. Rather, to identify ways that these groups might collaborate to better achieve their individual missions. The advisory group added that it is important to avoid recommendations that would create an entity with staff that have better salaries and benefits than the current organizations have.

In an effort to develop a common base of information the group identified a number of concepts and operating models to review. A significant portion of the group's efforts was devoted to learning more about the individual artist service organizations and the opportunities that exist for collaboration among those groups.

#### *Operating & Collaboration Models*

At the suggestion of the Community Partnership for Arts and Culture, the group reviewed the following concept of a holding company:

A holding company is a company formed for the purpose of owning or controlling other companies; a company that limits its activities to owning stock in and supervising management of other companies; a company who owns enough shares of another company to hold voting control; a company that is not actively involved in business operations but which owns enough stock in other companies so as to have control over their operation; traditionally owns many companies in a variety of business areas.

The Woodruff Arts Center in Atlanta, though not a textbook translation of the above definition, has followed some of the shared services aspects of the holding company model and is a good example of organizations working together to consolidate backroom operations. Locally, Applewood Centers and Children's Aid Society have implemented a similar model.

## **A Report on the Leveraging Investments in Creativity**

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The group, upon review of the holding company concept, identified concerns over the lack of autonomy of each of the individual organizations as well as the fact that the different disciplines of each of the organizations might be problematic. The group determined that the formal definition and workings of a holding company are not the way to go at this time; but that there are elements of a holding company model that could be relevant.

In addition to the holding company model, the operating models of the Pittsburgh Shared Services Project, ProArts, ArtsBoston and United Way Services were also reviewed.

### ***Pittsburgh Shared Services Project***

31. Mitch Swain, Presentation to LINC Advisory Committee Members, 9 Sept 2004.

The Shared Services Project is a project of the Pittsburgh Cultural Trust. It was launched as a pilot project in 2000 as a way to facilitate collaboration amongst the major performing and presenting organizations in Pittsburgh: Pittsburgh Ballet Theatre, Pittsburgh CLO, The Pittsburgh Cultural Trust, Pittsburgh Opera, Pittsburgh Public Theater and the Pittsburgh Symphony Orchestra. These organizations found that their individual efforts to support their activities, from marketing to research to box office operations, were duplicative. Recognizing this, the groups, supported by the Heinz Endowments, began a planning process to identify ways to achieve economies of scale in their operations<sup>31</sup>.

32. Shared Services Project. Pittsburgh: Pittsburgh Cultural Trust, n.d.

Shared Services reports to an oversight committee composed of the board chair and executive directors of each of the six members as well as representatives from the Heinz Endowments. Each of the six organizations has one vote in all Shared Services decisions. Through the planning process, the six groups settled on the following goals that would drive the project's efforts: increasing revenue opportunities, improving customer service and seizing cost-sharing efficiencies. Initial achievements were made in the way of cost reduction, from purchasing and printing to health care. In addition, the Shared Services Project conducted an analysis of arts and cultural consumers, which resulted in development of smART (Strategic Marketing of the Arts), a shared consumer information database that enables members to increase the effectiveness of their marketing campaigns. The Shared Services Project also implemented centralized ticketing for all participating organizations and is looking to extend this service to smaller organizations as well<sup>32</sup>.

### ***ProArts***

ProArts (See [www.proarts-pittsburgh.org](http://www.proarts-pittsburgh.org)) is a non-profit organization dedicated to strengthening, supporting and promoting the arts in Allegheny County,



33. ProArts – Home <http://www.proarts-pittsburgh.org/>

Pennsylvania. The organization provides consulting services for small to medium sized arts and cultural organizations, conducts educational seminars, makes grants and offers a variety of programs designed to connect the public with the arts and cultural community<sup>33</sup>.

34. ProArts – Tickets <http://www.proarts-pittsburgh.org/ticketservice.htm>

One of ProArts' signature services is the ProArts ticketing service. The service was established to help small to medium sized arts and cultural organizations build their audiences and manage marketing data. ProArts acts as the ticket outlet for these organizations enabling them to streamline their operations<sup>34</sup>. For a small fee, organizations may make tickets available through the ProArts service. Ticket prices are set by the organization and a service fee is charged to each ticket order to cover the costs associated with the program. Participating organizations receive detailed marketing and sales data at the conclusion of each event. Participating organizations also receive access to the ticket services shared database. ProArts engaged the same consultants that the Shared Services Project used to develop its database. Participating organizations now have access to a powerful marketing mechanism that tracks patron spending and allows users to more effectively target their marketing. On occasion, ProArts will provide other services such as group sales assistance, advising on direct mail strategy and marketing planning.

### **ArtsBoston**

ArtsBoston (See [www.artsboston.org](http://www.artsboston.org)) is a membership-based non-profit audience development and marketing organization providing service to performing arts and cultural groups in the Boston area. ArtsBoston has four main programs: Bostix (A half-price, day of show ticket outlet), ArtsMail (An advance purchase discount ticket catalog), ArtsTravel (A discount travel service for culture related trips) and Member Services (Offering discounts on purchasing and printing as well as training and list rental). As a service to its smaller members, ArtsBoston (via Bostix) will act as an advance purchase ticket outlet as well.

### **United Way Services**

United Way Services (See [www.uws.org](http://www.uws.org)) convenes and funds partnerships focused on solutions for the area's health and human services priorities. Through its programs, the organization addresses community needs, priority

35. United Way Services – Who <http://www.uws.org/who/facts.asp>

## **A Report on the Leveraging Investments in Creativity**

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setting and program funding as well as donor relations, volunteer involvement, organizational effectiveness and efficiency and regional cooperation<sup>35</sup>.

36. United Way Services – Nonprofit <http://www.uws.org/nonprofit/services.asp>

Non-profit organizations have access to a number of services if they become members of United Way Services. For an annual membership fee of approximately \$600 - \$700, organizations can outsource their accounting and payroll functions to United Way Services<sup>36</sup>. In addition, members have access to the United Way sponsored group insurance plan. United Way Services also offers training and directors and officers liability insurance (arts and cultural organizations not eligible). Membership-based organizations that join United Way Services have access to health insurance for their employees but not their membership base.

### **Artist Service Organization Review**

There are a number of incorporated and unincorporated artist service groups in the Cleveland area. As a starting point for further conversation, specific information on each of the groups providing services to individual artists was requested. A survey of each of the organizations was conducted to identify areas of common cause that could be addressed collectively (See Appendix E).

#### **Cleveland Theater Collective**

The Cleveland Theater Collective (See [www.clevelandtheater.com](http://www.clevelandtheater.com)) is a membership-based non-profit service organization for theater professionals and theater companies. The organization gives actor stipends to theater companies to enable them to hire equity actors. In addition, it provides professional development opportunities on topics ranging from acting technique and auditioning to stage combat. The organization offers five to six networking events annually. Most recently, the organization launched a new website that offers Theater news, events and a searchable talent database.

#### **Poets' & Writers' League of Greater Cleveland**

The Poets' and Writers' League of Greater Cleveland (See [www.pwlgc.org](http://www.pwlgc.org)) is a non-profit literary organization that promotes writers and their work throughout Northeast Ohio. The organization offers a number of services to literary artists, including teaching opportunities at the Literary Center; publishing opportunities and classes for both emerging and established artists. In addition, it brokers speaking engagements and publishes *Ohio Writer Magazine*. To facilitate interaction between the literary arts and other art forms, the group offers a dramatic reading series called *Poetry: A Mirror of the Arts*.

***Independent Pictures***

Independent Pictures (See [www.ohiofilms.com](http://www.ohiofilms.com)) is a non-profit organization that offers a number of programs and services for independent filmmakers. The organization operates two competitions, the Ohio Independent Film Festival and a screenplay competition. In addition, Independent Pictures will serve as a fiscal sponsor for film projects and offers fee-based consulting services on topics ranging from resources in Cleveland to budgeting. On occasion, the organization conducts educational programming. In the past, the organization has offered documentary and director of photography workshops.

***Art House Self-Employed Artist's Network***

The Art House Self-Employed Artist's Network (AH SEAN) (See [www.arthouseinc.org](http://www.arthouseinc.org)) serves as a nexus between art and business, providing tools and opportunities to help artists become self-sustaining professionals. Two to three times per year, AH SEAN presents a "Mix and Mingle" - a mini art expo where galleries, boutiques, corporate art representatives, architectural and design firms view and discuss the artists' work. AH SEAN hosts monthly meetings that serve as educational and networking opportunities for members. AH SEAN also holds critique sessions where peers review each other's work. The membership fee is \$15 per year. Members receive discounts at Mix and Mingle events as well as preference for referrals (a service offered by Art House). Non-members must pay \$5 at the door to attend guest lectures. In addition to operating AH SEAN, Art House holds two art sales per year (open to all artists) and offers specialized workshops for artists.

***Dance Alliance***

On May 19, 2003, representatives from a number of Northeast Ohio's dance companies participated in a retreat to address issues of common concern for Northeast Ohio's dance community. The group concluded the retreat by agreeing to break into a number of sub-committees (approximately six including dance center, shared services, advocacy and more) that would meet independently, develop action steps, and then report back to the full group via e-mail and/or meetings that would happen 3 - 4 times per year. Although this group is still in the developmental stages, participants have shown great interest in working together to achieve common goals.

### **Service Organization Interview Findings**

Through the interview process, a number of needs not being met within the individual artist community were identified. All of the organizations cited the need for better pay for artists, including making more funding available to this target group. A few organizations cited the need for artists to reach out more nationally within their respective fields, but also locally to potential markets for their work (i.e. corporate buyers, interior designers, etc.). Other needs cited were: access to affordable health insurance, space to do their work (for example writing studios), and more comprehensive educational programming.

When asked what was keeping them from addressing these needs, most of the organizations cited resources and staffing. Many of the organizations operate with 2 paid staff people or less. And, while skilled in their respective fields, noted as a problem their lack of business skills (specifically as it relates to fund development). The organizations also cited office space and technology as specific needs that, if addressed, would enable them to operate more efficiently.

One important finding is the fact that many artists are not aware of the existing service organizations and their offerings. Indeed, even the service organizations were not previously aware of each other's programs. Sharing programming information with one another was seen as a key first step in increasing awareness of offerings.

On the topic of collaboration, a number of shared services were cited as being useful to the groups. These included marketing and public relations, volunteer coordination, tax and audit preparation, database management, disability and health insurance, organizational development assistance, board retreat coordination, legal services and pooled purchasing. The group stressed, however, that the organizations represented on the ASOC advisory group could not afford services they currently do not pay for, even if they are great services at a reasonable price.

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### **Recommendations**

Upon completion of the discovery and deliberations phases of the process, the ASOC advisory group issued two major recommendations. Given the lack of awareness of service organizations and their program offerings, the most immediate area of focus should be on increasing awareness.

*Recommendation 1: Design a mechanism to increase awareness of service organization offerings among service organizations and the arts and cultural community at large.*

Service organizations would meet on a regular basis to share concerns and discuss programming initiatives. This activity would enable the groups to identify areas of common cause, reduce duplication of efforts and discover opportunities for collaboration. As a first task, the collective could tackle the topic of lack of awareness of offerings and design a vehicle for increasing knowledge of program and service offerings.

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*Recommendation 2: Develop an incubator program for small arts and cultural organizations to be piloted by the service organizations.*

Partner with an institution to develop an incubator program that could be piloted with the service organizations but expanded to include other small arts and cultural organizations over time. The incubator would provide individual offices for each organization with central meeting space that could be used for training, social functions, lectures and benefits. It would also provide basic business technology, including copy and fax machines, phone service, computers, etc. The incubator would provide training and resources in fund development and other business concerns. Shared services would include some fund development, bookkeeping and accounting, coordination of volunteers and interns and marketing.

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## Conclusion

Artists, whether they are visual, performing, literary or media, are key members of the knowledge-based economy—however, their work stretches beyond the boundaries of economic sectors.

In communities throughout the United States their work enlightens, challenges, shapes and informs. These artists are committed to their work and continue to move forward despite the weaknesses of the system that supports them. The commitment of the individuals who participated in the Cleveland/Cuyahoga County planning process proves that, though the artists are not well understood by the public, their contributions are vital to community and economic development.

The 7-month planning process guided by the Community Partnership for Arts and Culture resulted in a number of concrete recommendations for strengthening the support system for individual artists. It engaged artists and representatives from the public and private sectors and illustrates what can result from including the appropriate partners. The findings, deliberations and recommendations of the four advisory groups can serve as a blueprint for advancement of this underserved segment of the population but as a model for addressing not only individual artist matters, but the issues of other populations as well.

With the planning process complete, Community Partnership for Arts and Culture will begin to put thought into action. It will evaluate the recommendations set forth in this report and identify the partners and resources to bring some of them to fruition. With the help of Leveraging Investments in Creativity, and the national consortium of communities it created, the Cleveland metropolitan area will position itself as a more welcoming community for artists, promoting creativity and propelling artists and the area in the new millennium.



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## Appendix A

# Table of Comparisons

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Prepared by **Community Partnership for Arts and Culture**  
February 2005

Residential Mortgage Underwriting Guidelines  
Table of Comparisons

The table below compares the common residential mortgage underwriting guidelines with the findings of The Urban Institute study to identify potential challenges for artists.

Category	General Guideline	Artist
Loan Purpose	Purchase Purchase/Construction Owner-Occupied Primary Residence	No Challenges Identified
Property Zoning	Residential (Not Commercial or Mixed Use)	<b>Artists Acquiring Combined "Place to Live" and "Place to Work" May Encounter Zoning Challenges</b>
Loan To Value	Purchase: Up to 97% of Acquisition Cost	No Challenges Identified
Down Payment	Gift Grant from Government Borrowed on Term Loan	No Challenges Identified
Income Source	Stable/Reliable Income Required	<b>Variety of Income Sources Less of a Concern Than Uneven/Irregular Income</b>  <b>Little Consideration Given for "Living Cheap"</b>
Debt-to-Income Ratio	Total Maximum Ratio of 36%-40%	<b>Uneven/Irregular Income May Be A Challenge for Some Artists</b>
Payment Reserves	One Month Payment Reserves	No Challenges Identified
Credit History	Established Credit History Required	<b>Alternative Sources May Be Used for Lack of Credit History</b>





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## Appendix B

# City of Cleveland Live-Work Ordinance

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Prepared by **Community Partnership for Arts and Culture**  
February 2005

## Part 3 – Zoning Code

### Title VII – Zoning Code

#### Chapter 346 – Live-Work Overlay Districts

Complete to June 30, 2004

##### **Section 346.01 Purpose**

The Live-Work Overlay (LWO) District is established to permit and promote shared occupancy by residential uses in combination with work activities in suitable locations. By facilitating establishment of such "live-work" space, the district is intended to meet an identified need for buildings that combine living space with work space. In addition, the district is intended to assist in revitalizing areas impacted by the presence of under-utilized and deteriorated buildings suitable for re-use as live-work space.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

##### **Section 346.02 Definitions**

(a) "Live-Work Unit" means a room or rooms used by a single household both as a dwelling unit and as a "Work Space," as defined herein, where such Work Space occupies at least fifty percent (50%) of the unit's total floor area. The living space of a Live-Work unit shall contain a kitchen area and sanitary facilities.

(b) "Work Space" means an area within a Live-Work Unit that is designed or equipped exclusively or principally for the conduct of work activities and is to be regularly used for such work activities by one or more occupants of the unit.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

##### **Section 346.03 Mapping and Applicability**

The LWO District shall be mapped as an overlay district by an ordinance of Council, and shall be mapped only in locations where the underlying zoning district is a Business District, a Residence-Industry District, a Semi-Industry District or a General Industry District. The regulations of the underlying district shall govern except where in conflict with the regulations of the LWO District. The LWO District shall be mapped in an area where the underlying zoning prohibits residential occupancy only if it has been determined that current and anticipated future uses in the immediate vicinity will be compatible with live-work occupancy.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

##### **Section 346.04 Certificate of Occupancy**

No Live-Work Unit shall be occupied nor shall the use of a Live-Work Unit, including the work use, be changed without issuance of a Certificate of Occupancy by the Commissioner of Building and Housing. Such Certificate shall be issued only if the Commissioner determines

that the proposed work activities and living space meet all applicable regulations of these Codified Ordinances. including the Health and Fire Codes.  
(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.05 Permitted Uses**

All uses permitted in the underlying zoning district shall be permitted in a LWO District except as provided in this section.

(a) *Conditionally Permitted Uses.* Notwithstanding otherwise applicable restrictions on residential occupancy in Semi-Industry and General Industry Districts, such residential occupancy shall be permitted in a LWO District as part of a Live-Work Unit if approved by the City Planning Commission in accordance with the conditional use criteria of Section 346.06.

(b) *Prohibited Uses.* The following uses and activities are prohibited within a Live-Work Unit:

- (1) amusement and recreation uses, as listed in Section 343.11;
- (2) adult entertainment uses, as listed in Section 347.07;
- (3) pet stores, kennels, animal hospitals;
- (4) gun and firearms sales;
- (5) automotive service stations, and motor vehicle repair garages; and
- (6) liquor sales.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.06 Conditional Use Determination**

(a) *Approval Criteria.* The City Planning Commission shall approve establishment of Live-Work space as a Conditional Use in a General Industry District or in that portion of a Semi-Industry District where residential uses are otherwise prohibited if the Commission determines that the following conditions have been met.

- (1) The subject building was constructed prior to the initial effective date of this chapter.
- (2) Individuals residing in Live-Work Units will not be subject to excessive levels of noise, vibration, fire hazards, explosion hazards, smoke, or other potentially harmful health or environmental conditions by existing or likely future industrial uses and conditions in the immediate vicinity.
- (3) By virtue of the nature and location of current and likely future uses, existing industrial or commercial activities in the immediate vicinity will not be impaired by the presence of the proposed Live-Work Units.

(b) *Notice Requirements.* Prior to taking action on any application for establishment of a Live-Work Unit, the City Planning Commission shall notify the Division of Fire of such application and shall seek its comment on applicable safety issues. Subsequent to approving establishment of a Live-Work Unit, the Commission shall notify the Division of Fire of such approval, including the address of the subject property.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.07 Dividing Walls, Access, Identification and Fire Code Regulations**

A wall dividing the living space from the Work Space is not required in any Live-Work Unit, but each Live-Work Unit shall be separated from all other uses in the building and shall have separate access either from the building exterior or from an interior corridor that is separate from such other uses. The bathroom in any Live-Work Unit shall be enclosed and shall comply with requirements of the Building and Housing Code. All Live-Work Units shall comply with applicable Fire Code regulations, including applicable fire resistance requirements and emergency egress requirements of the Codified Ordinances. Each exterior door providing access to Live-Work Units shall be identified by a plaque marked in lettering at least two (2) inches in height with the words "Live-Work Units" or similar language.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.08 Parking, Sign and Yard Regulations**

(a) *Parking*. Within a LWO District, no additional parking shall be required for establishment of a Live-Work Unit in a building which was constructed prior to the initial effective date of this Chapter. For a Live-Work Unit proposed in a building first occupied after the initial effective date of this Chapter, parking shall be provided to meet the requirements of the underlying zoning district. Such parking requirements shall be applied in a manner that considers each Live-Work Unit as a single dwelling unit and that measures the floor area of Work Space exclusive of the area devoted to living space.

(b) *Signs*. Signs shall be permitted in accordance with the regulations applicable to the underlying zoning district.

(c) *Yards*. Within a LWO District, requirements for residential interior side yards and rear yards shall not apply to a Live-Work Unit established in a building which was constructed prior to the initial effective date of this Chapter.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.09 Acknowledgment of Industrial Use**

In a General Industry District and in any portion of a Semi-Industry District where residential occupancy is otherwise prohibited, the Certificate of Occupancy establishing a Live-Work Unit or changing the use of a Live-Work Unit shall include a statement, signed by the applicant, stating the following: "The applicant acknowledges that the Live-Work Unit is located in an area zoned for industrial uses that may be incompatible with a typical residential environment. The applicant further acknowledges that these and future industrial uses in this district have the right to operate without any restrictions other than those applicable to uses in the underlying industrial zoning district or otherwise imposed by law." Such language shall be included in any lease or deed pertaining to the Live-Work space.

(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

## **Section 346.10 Submission Requirements**

In addition to otherwise required plans and information, any application to establish a Live-Work Unit or to change the use of a Live-Work Unit, including the work use, shall identify the nature of the work activities to be performed in the Live-Work Unit and shall be accompanied

by a floor plan that identifies those areas to be used as living space and those areas to be used as Work Space. Such plan shall also identify the nature and location of equipment, furnishings or other improvements that cause the Work Space to meet the definition in division (c) of Section 346.02. For applications subject to the conditional use provisions of Section 346.06, the owner or lessor of the property shall demonstrate that the environmental condition of the property is not harmful to human health and safety and is safe for residential use. Such demonstration may be made through the issuance of a "No Further Action" Letter by a Certified Professional pursuant to the requirements for residential sites of Ohio Revised Code Chapter 3746 *et seq.*, (the "Ohio Voluntary Action Program"). A "No Further Action" Letter shall not relieve the owner or lessor from compliance with any applicable municipal, state or federal law. If the applicant does not possess a "No Further Action" Letter as described above, the applicant must submit a Phase I or Phase 2 environmental assessment, as applicable, to demonstrate that the site meets environmental standards for residential use. If an environmental assessment shows environmental threats to residential occupancy, then the owner must demonstrate that those conditions have been abated.  
(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)

### **Section 346.11 Right of Appeal**

Appeals from the decision of the City Planning Commission to approve or disapprove the establishment of a Live-Work space as a Conditional Use in a General Industry District or in that portion of a Semi-Industry District where residential uses are otherwise prohibited shall be made to the Board of Zoning Appeals.  
(Ord. No. 309-01. Passed 6-19-01, eff. 7-27-01)



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## Appendix C

# CPAC Individual Artist Insurance Survey Instrument

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Prepared by **Community Partnership for Arts and Culture**  
February 2005



July 6, 2004

Dear Fellow Artists:

The Community Partnership for Arts and Culture (The Partnership) recognizes that health care coverage is often too expensive for an individual or small business to afford on their own. To that end, the Partnership is evaluating the feasibility and potential benefit of forming an artist (performing, visual, literary, and media) coalition to obtain access to affordable health insurance on a group basis. We need your help.

The first step in examining the feasibility of obtaining group health care coverage is to gather information about those who may be interested in such coverage if it is available.

Enclosed is a survey that we hope you will take a moment to complete. All survey information will be kept confidential. Please return this survey in the pre-addressed, postage paid envelope by Friday, July 16, 2004. If you need assistance completing the survey, you may contact Barbara at the Partnership at 216.575.0331.

For those who complete the survey, the Partnership will enter your name in a raffle to receive free tuition, a \$100 value, to the upcoming professional development program, "The Artist as an Entrepreneur Institute" to be held on Saturdays from October 2 through October 23, 2004. This course focuses on essential elements of entrepreneurship in areas of business planning, accounting, legal, and marketing. (For further information about the entrepreneur program, go to [www.supportartsandculture.org](http://www.supportartsandculture.org) and click on Upcoming Events, e-mail [cpac2001@aol.com](mailto:cpac2001@aol.com) or call 216.575.0331.)

We appreciate your participation in this very important survey. We will keep you informed of the progress of a health care offering.

Sincerely,

Mikelann Ward Rensel  
Chair  
Programs and Services Committee  
Community Partnership for Arts and Culture

Megan L. Van Voorhis  
Director of Research and Business Practices  
Community Partnership for Arts and Culture

THE COMMUNITY PARTNERSHIP FOR ARTS AND CULTURE

HEALTH CARE SURVEY – July 2004

**Please complete the survey and return by Friday, July 16, 2004 to:** The Community Partnership for Arts and Culture  
50 Public Square  
Tower City Center, Suite 555  
Cleveland, Ohio 44113

**REMEMBER!! THE PARTNERSHIP WILL ENTER YOUR NAME INTO A DRAWING FOR FREE TUITION (\$100 VALUE) TO “THE ARTIST AS AN ENTREPRENEUR INSTITUTE” WHEN YOU RETURN YOUR COMPLETED SURVEY. ONE LUCKY ENTRY WILL BE CHOSEN!**

1. Name _____	
2. Address _____ City _____ State _____ Zip code _____	
E-mail address _____	
3. Number of eligible dependents (i.e., spouse and/or children under age 23) _____	
4. Your gender	Male <input type="checkbox"/> Female <input type="checkbox"/>
5. Your age	Under age 20 <input type="checkbox"/>
	21 – 30 <input type="checkbox"/>
	31 – 40 <input type="checkbox"/>
	41 – 50 <input type="checkbox"/>
	51 – 60 <input type="checkbox"/>
	61 – 70 <input type="checkbox"/>
	Over age 70 <input type="checkbox"/>



6. Please indicate your primary artistic discipline.

Music	<input type="checkbox"/>	Design Arts	<input type="checkbox"/>
Media Arts	<input type="checkbox"/>	Crafts	<input type="checkbox"/>
Opera		Visual Arts	<input type="checkbox"/>
Musical Theatre	<input type="checkbox"/>	Literature/Creative	
Dance	<input type="checkbox"/>	Writing	<input type="checkbox"/>
Theatre	<input type="checkbox"/>	Conservator	<input type="checkbox"/>
Interdisciplinary & Performance Art	<input type="checkbox"/>	Photography	<input type="checkbox"/>
Folk Arts	<input type="checkbox"/>	Other	<input type="checkbox"/>

7. Please describe the nature of your employment as an artist.

Self-employed	<input type="checkbox"/>
Employed by a company/business	<input type="checkbox"/>
None of the above	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/> _____

8. If self-employed as an artist, are you a:

Sole proprietorship	<input type="checkbox"/>
Partnership	<input type="checkbox"/>
Corporation	<input type="checkbox"/>
Not sure	<input type="checkbox"/>

9. Name of employer, if applicable to your art \_\_\_\_\_

10. Please indicate the amount of hours you work at your art.

Full-time  (at least 35 hours per week)

Part-time  If part-time: \_\_\_ more than 18 hours/week \_\_\_ less than 18 hours/wk

11. Are you currently covered under a medical health care plan? Yes  No  (If no, please skip to #11)

If yes:

Individual  Through your spouse  Group

Self only  Self + spouse  Family

What is your coverage level? \_\_\_\_\_

How much do you pay per month for this coverage? \$\_\_\_\_\_

Please provide the name of your medical insurance carrier. \_\_\_\_\_

12. Do you currently have prescription drug coverage?

Yes  No  (If no, please skip to #12)

If yes:

Individual  Through your spouse  Group

What is your coverage level?

Self only  Self + spouse  Family

How much do you pay per month for this coverage?

\$ \_\_\_\_\_

Please provide the name of your prescription drug insurance carrier.

\_\_\_\_\_

13. Do you carry group life insurance?

Yes  No

14. Are you interested in enrolling for health care coverage through an insurance consortium?

Yes  No  (If no, please skip to #14)

If yes, into which coverages would you most likely enroll?

Medical  Prescription Drug  Life Insurance

If yes, how much are you willing to pay on a monthly basis for coverage (*medical, prescription drug, life insurance combined*)?

**Single coverage** (single coverage is generally least expensive coverage level)

\$100 - \$200

\$201 - \$300

**Self + spouse coverage**

\$200 - \$300

\$301 - \$400

\$401 - \$500

\$501 - \$600

Over \$600

**Family coverage** (family coverage is generally most expensive coverage level)

\$300 - \$400

\$401 - \$500

\$501 - \$600

\$601 - \$700

Over \$700

<b>15.</b> On a scale of 1 to 5 (1 = Not a Consideration, 5= Major Barrier), please indicate (circle) the degree to which each of the following factors is a barrier to obtaining healthcare coverage.	Affordability	1	2	3	4	5
	Awareness of insurance coverage availability	1	2	3	4	5
<b>16.</b> Research indicates that few artists take advantage of existing insurance programs offered by small business associations. Do you take advantage of the insurance programs offered by small business associations?	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
<b>17.</b> On a scale of 1 to 5 (1 = Not a Consideration, 5= Major Barrier), please indicate (circle) the degree to which each of the following factors is a barrier to taking advantage of existing insurance programs from small business associations.	Awareness of insurance coverage availability	1	2	3	4	5
	Meeting association membership eligibility requirements	1	2	3	4	5
	Cost of an association membership	1	2	3	4	5
<b>18.</b> If you could obtain reasonably priced healthcare insurance as a member of an insurance consortium, please indicate the annual membership fee you would be willing to pay.	\$ 5 - \$50	<input type="checkbox"/>				
	\$51 - \$100	<input type="checkbox"/>				
	\$101 - \$200	<input type="checkbox"/>				
	\$201 - \$400	<input type="checkbox"/>				
	Above \$400	<input type="checkbox"/>				

**Thank you for taking the time to complete this important survey.  
Your responses are critical to our ability to effectively assess health care options for individual artists.**



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## Appendix D

# COSE Eligibility Requirements

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Prepared by **Community Partnership for Arts and Culture**  
February 2005

## Amendment to COSE By-Laws

In order to become a member of COSE and GCGA members (the "Program") the applying, renewing or continuing Member Firm must be a "bona fide business" or "bona fide non-profit organization," as determined by COSE and GCGA pursuant to the criteria set forth below.

### BONA FIDE BUSINESS

1. The Member Firm must be a taxable entity, a partnership or a sole proprietorship for Federal income tax purposes.
2. The Member Firm must have one or more Full-Time Employees. For purposes of these Substantiation Rules, "Full-Time Employee" means an employee, officer, partner or sole proprietor of a Member Firm who regularly works for the Firm at least 35 hours per week or such number of fewer hours per week (but not less than 17.5) as is set forth in a non-discriminatory definition of "full-time employee" that has been established by the Firm and applied on a consistent basis.
3. If the member firm consists of only the sole proprietor, the sole proprietor must work in the business a minimum of 35 hours per week.
4. The Member Firm must have commenced revenue producing activities.
5. The Member Firm must have actual or reasonably projected gross revenues per calendar year of at least \$25,000.
6. The revenue producing activities of the Member Firm must be operated on a regular and active basis throughout the calendar year.

A Member Firm will be considered to be a bona fide business only if it meets all six of the criteria set forth above.

In making the determination of revenue producing activities of the Member Firm are engaged in for the purpose of making a profit, COSE and GCGA will consider the following factors:

- whether the Member Firm has governing instruments, such as articles of incorporation, a partnership agreement, a limited liability operating agreement, or records indicating it is a sole proprietorship;
- whether the Member Firm operates in a business-like manner and maintains reasonably complete and accurate books and records;
- whether the owner(s) of the Member Firm devote substantial time to the operation of the Member Firm;
- whether in the past the owner(s) of the Member Firm have conducted similar activities that have resulted in the generation of a profit;
- whether the owner(s) of the Member Firm have no substantial income from other sources;
- whether one or more of the owner(s) of the Member Firm has had training or education relating directly to the revenue producing activities of the Member Firm;
- whether the revenue producing activities of the Member Firm has a recreational or personal element for the owner(s) of the Member Firm.

### BONA FIDE NON-PROFIT ORGANIZATION

1. The Member Firm must be (i) incorporated as a non-profit corporation or be classified as an unincorporated membership association, (ii) have governing instruments, such as articles of incorporation, regulations, by-laws or a constitution, and (iii) maintain reasonably complete and accurate books and records.
2. The Member Firm must be tax-exempt for Federal income tax purposes or have the primary purpose of providing services to its members or the members of an affiliated tax-exempt organization.
3. The Member Firm must have at least one Full-Time Employee.
4. The Member Firm must not request or seek to obtain coverage for any individual other than a Full-Time Employee, an eligible retiree, or a spouse or dependent of a Full-Time Employee or eligible retiree.
5. The Member Firm must have commenced the conduct of its primary activities.
6. The Member Firm must have actual or reasonably projected gross revenue per calendar year of at least \$25,000.
7. The Member Firm must have a board of trustees or board of directors that meets on a regular basis.
8. The primary activities of the Member Firm must be operated on a regular and active basis throughout the calendar year.

A Member Firm will be considered to be a bona fide non-profit organization only if it meets all 8 of the criteria set forth above.

**CERTIFIED QUESTIONNAIRE AND AFFIDAVIT**

If requested by COSE the GCGA or the insurance carrier, an applying, renewing or continuing Member Firm must complete and submit a signed certified questionnaire that solicits information relating to the above criteria and/or must complete and submit a signed and notarized affidavit stating that it complies with the applicable criteria set forth above.



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## Appendix E

# Service Organization Interview Guide

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Prepared by **Community Partnership for Arts and Culture**  
February 2005

LINC- ASOC Advisory Group  
Service Organization Interview Guide

- Provide a brief overview of the programs and services you are now offering to individual artists.
- What needs does your individual artist constituency have that you are not yet meeting with your current programs and services?
- How have these needs been determined?
- Do you have any specific actions and timeline in place yet to address the unmet needs?
- If yes, please provide an overview; if no, discuss what is holding you back at this point.
- Give an overview of your administrative structure. What do you see as your biggest strengths and biggest challenges administratively?