

Looking for Greater Stability and Impact, an Arts Grantmaker Shift its Funding Model

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It has been a busy few months for some of the country's most influential arts funders. In August, the MacArthur Foundation announced the launch of "Culture, Equity, and the Arts," a new strategy that employs some of the principles of participatory grantmaking. Four months later, the Hewlett Foundation debuted its revamped performing arts grantmaking strategy focused on engaging displaced communities and diverse audiences.

Creative Capital, one of philanthropy's most steadfast supporters of individual artists, is another funder shaking things up. In November, it announced its transition to a fund-based model of support in the form of its 20th Anniversary Fund, a \$15 million initiative to sustain its operations over multiple years. As of late fall, Creative Capital had raised \$10 million, including anchor funding from the Andy Warhol Foundation for the Visual Arts, the Doris Duke Charitable Foundation, Surdna Foundation, Toby Devan Lewis, the Lambert Foundation and the Creative Capital board of directors.

The funder also committed \$100,000 to the Local Initiative Support Corporation's (LISC) NYC Inclusive Creative Economy Fund. Launched in partnership with [Upstart Co-Lab](#), the fund finances affordable creative workspaces supporting quality middle-skill jobs in the creative economy.

In mid-January, Creative Capital announced [\\$3.5 million in support](#) of 35 projects by 41 artists for the 2020 Creative Capital Awards. Each award includes \$50,000 in project funding, plus an additional \$50,000 in career development services, for a total value of \$100,000. Since its founding in 1999, Creative Capital has supported 741 artists with nearly \$50 million in funding, professional development opportunities, expert consulting, and artist retreats and gatherings. While these numbers are hardly eye-popping in an era when eight- and nine-figure gifts to top art institutions are common, Creative Capital's grantmaking has been a lifesaver for individual artists, given how few funders provide such support.

"More Resilient Models of Support"

The 2020 awards come roughly seven months after Creative Capital announced it was moving to an [annual cycle of awards and retreats](#). This shift, Creative Capital President and Executive Director Suzy Delvalle told me, "effectively stabilizes our operating needs and allows us to better plan our fundraising efforts and provides bandwidth to explore and develop new funding sources and support models."

The funder's transition toward a more structured and reliable fund-based model serves a similar purpose by operationalizing its commitment to the "long-term sustainability of artists in the United States."

"Creative Capital started 20 years ago to disrupt traditional arts philanthropy, so this new model is very much in line with our founding ethos," said Delvalle, [who joined Creative Capital in 2016](#).

Previously, fundraising at Creative Capital was conducted on a year-to-year basis. "We raise every dollar we give away to artists—we're not an endowed organization, and we depend almost entirely on private institutions and individuals who are committed to helping artists make ambitious new work," said Director of Institutional Advancement Kerri Schlottman.

"Most nonprofit organizations raise their operating budgets each fiscal year with some multi-year support, which can be challenging for planning purposes, and is also resource-intensive. Each year could be either [prosperous or precarious](#), depending on the economy or pressing issues at hand."

Delvalle concurred, saying Creative Capital's year-to-year fundraising model "made it difficult to think ahead because of the focus on raising our budget each year."

The overarching aim was ultimately to “deploy more resilient models of support to ensure our long-term financial health,” Schlottman told me. In its efforts to identify and understand new models of supporting its work, Creative Capital looked at funds in the social enterprise sector, such as the [Draper Richards Kaplan Foundation](#), and met with international cultural organizations that are successfully deploying fund-based models.

“With this new model,” Schlottman said, “our goal going forward is to ideally raise three years of operating support in one fiscal year, which constitutes a fund. It mirrors how funds are raised in other sectors, breaking with traditional models of nonprofit fundraising to encourage donors to have a deeper investment in our organization.”

A Segmented Fundraising Approach

Last September, I spoke with Delvalle about Creative Capital’s shift toward an annual cycle of awards and retreats. [Our conversation](#) also touched on the funder’s decision to accept applications without regard to discipline and empower a multidisciplinary panel to select awardees, underscoring the funder’s uniquely holistic approach to grantmaking. “Many of the projects we support are so ambitious they require new business models, and different kinds of connections to experts who can help them realize their goals,” she said.

Unfortunately, this broad and cross-disciplinary vision can sometimes flummox would-be donors. “One of the challenges Creative Capital faces is that we support such a diverse range of artist projects. Whereas most other arts organizations fund specific genres of work, like performing arts, literature, visual art, or social justice, we support it all,” Delvalle said. “While it’s exciting, we also are aware that there is confusion about what type of work we advocate for at Creative Capital, and that is particularly tricky when it comes to fundraising.”

To address this challenge, Creative Capital’s new fund-based model of support will allow it to segment and raise funds that are tailored to donor interests and align with the work of its awardees. “For example,” Schlottman said, “we might deploy a fund for entrepreneurial projects—artists like Jae Rhim Lee have launched her Creative Capital Project, the [Infinity Burial Project](#), as a full business enterprise, in addition to a creative outlet. This new segmentation expands how we can attract new donors to our organization who may have very specific interests within the broad scope of work we support.”

A Foray into Impact Investing

Another big takeaway from my previous chat with Delvalle was Creative Capital’s evolving work around helping artists make a living. “It’s up to us to be mindful of how skills are changing, and to figure out what artists need,” Delvalle said. Yet Delvalle also acknowledges that organizations like Creative Capital can only do so much in terms of providing artists with capital to have thriving and sustainable careers. Consequently, its leaders connected with Upstart CoLab to explore “ways of supporting artists who are contributing to thriving

communities while also measuring the impact of their work."

The result is Creative Capital's \$100,000 investment in the [NYC Inclusive Creative Economy Fund](#), which generates quality middle-skill job opportunities for low- and moderate-income New Yorkers by providing loans to nonprofit organizations that own, lease and manage affordable spaces for businesses in creative industries. "Through this relationship," Delvalle said, "we were excited to connect to LISC and learn about how they are supporting cultural investment in New York City. While impact investing is on the rise, there are still very few funders investing directly in the cultural sector."

Not that Delvalle is letting her friends [in the public sector](#) off the hook: "Cities and civic government also need to do their part in creating and sustaining infrastructure for the creative sector so that they can make bold, visionary work."

Schlottman, meanwhile, hopes Creative Capital's partnership with [Upstart CoLab](#) and investment in the Inclusive Creative Economy Fund can help it provide more meaningful support for its awardees in the future. "Our long-term stability and financial health are best served by looking at a wide range of models, many in other sectors, that we can learn from, import and deploy in keeping with our own mission and ethos," she said. "Eventually, we would like to take what we learn through LISC in New York to cities across the U.S."

As for the 2020 Creative Capital awardees, Delvalle said, "This is a class of artists that represents a wide variety of bold, ambitious work being made in cities across the U.S. All the artists who will receive Creative Capital Awards are emblematic of why it's so important that we work toward valuing and supporting artists in this country. Whether a project addresses [mass incarceration](#), climate change, or even the nature of beauty, the issues these artists are facing bring a much-needed nuanced perspective."

