

**New Brunswick Foundation for the Arts
Arts and Heritage Stabilization Program**

2006-2010

Community Report

An Executive Summary of the
Arts and Heritage Stabilization Program Report

March 21st 2011

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March 21st 2011

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“If we are to maintain ourselves as a society, we need to support or at least show some interest or concern for the art being produced here. Otherwise, we will become eternal consumers of an imported reality that we will end up taking for our own.”

Herménégilde Chiasson

1. THE PROGRAM – AN OVERVIEW

Many of New Brunswick’s arts and heritage organizations, large and small, rural and urban, struggle financially year-to-year to operate and deliver programming. The New Brunswick Foundation for the Arts (NBFA) views the long term sustainability of arts and heritage organizations as fundamentally important to the development of arts and culture in this province; and the creation of the Arts and Heritage Stabilization Program has been a response to this reality. The program was based principally on the premise that being financially stable and having sound management practices allows an organization to focus on creativity and the provision of quality programming rather than on financial and operational crises. Its goal was threefold, and aimed to help strengthen an organization’s: financial, governance, administrative, and creative capacity.

The Arts and Heritage Stabilization Program provided assistance to organizations through the provision of the following components over a four year period.

Organizational assessment and planning

This aspect of the program involved a guided in-depth self-assessment process for each participating organization in their first year. Through this process, organizations were guided through an identification of strengths and weaknesses, and the development of strategic approaches in six key areas:

- governance and leadership,
- organizational effectiveness,
- planning,
- financial management, and
- marketing.

The services of a business and organizational consultant were provided by the NBFA. The role of the consultant was to work closely with participants during the strategic planning phase, and act as a resource throughout the program on the organizational planning components. The role was also in place to help organizations understand and adhere to the stringent requirements and reporting involved in the Stabilization program. For most, it was an invaluable process, which non-profit organizations are rarely afforded the time or resources to undertake under normal operating circumstances.

“The self-assessment tool was an excellent way to generate fruitful discussion at the Board level, about where the organization is and where it needs to go. Subsequently, [the organization] has adopted a governance policy and a human resources policy.” -Participant

*“Le programme nous a permis de faire une bonne analyse de tous les volets d’activités du [organisation] et d’établir un plan pluriannuel rigoureux.”
- Participant*

Technical assistance

This component of the program provided participants with the means to advance the artistic mission of the organization, as well as build the capacity of the organization on a number of possible fronts. Assistance was applied in some cases, for example, toward:

- strategic and business planning (e.g. organizational rebranding);
- marketing and audience development (e.g. commissioning market and audience research, or new equipment acquisitions in order to expand audiences);
- human resource management (e.g. development of a human resources policy).

Technical assistance often served many of the above areas in a cross-sectional way, particularly for those who used the assistance toward marketing and audience development (six of the participating organizations).

“We used the technical assistance for market research. This gave us a better understanding of how our theatre ‘brand’ is viewed, and a greater knowledge of our target audience and what is important to them.” -Participant

Financial awards

Two types of financial assistance were made available to qualifying organizations through the Stabilization Program. The Deficit Elimination grant provided an organization with the means to eliminate 50% of accumulated operating deficit. The Working Capital assistance grant was intended to lay the foundation for financial sustainability, and assist them in adopting strong long-term fiscal management.

“The deficit elimination freed up the amount needed to service our debt... [O]ur ratios have improved each year, the accumulated surplus is very close to being a positive number. All of these factors make [participant] a much more credible organization with its key financial stakeholders, such as banks, Canada Council for the Arts, New Brunswick Arts Board, and various other granting and funding partners.” -Participant

2. THE PARTICIPANTS

The Stabilization Program was implemented province-wide, with intakes in 2006 and 2007. Successful participation in the Stabilization Program required a high level of commitment and rigour; and it necessitated a number of entry criteria to ensure participants had the existing capacity to do so.² For example, among other requirements, these criteria cover: registered charitable status, board capacity and operations conditions, minimum staffing capacity, existing private sector and individual support, and a balanced or surplus budget. The ten final participants were a mix of small, medium, and large organizations (as defined by revenues) from various parts of the province.

Table 2.1 Participating Organizations and Types of Assistance

Organization	Size ³	Organizational Assessment (all)	Technical Assistance	Financial Assistance	
				Working Capital	Debt Reduction
Atlantic Ballet Theatre, Moncton	M	X	X	X	
Beaverbrook Art Gallery, Fredericton	L	X	X	X	
Fredericton Arts and Learning, Fredericton	M	X	X	X	
Frye Festival, Moncton	M	X	X	X	
Gallery Connexion, Fredericton	S	X	X	X	
NB Summer Music Festival, Fredericton	S	X	X		
Symphony New Brunswick, Saint John	M	X	X	X	X
Theatre New Brunswick, Fredericton	L	X	X		X
Théâtre Populaire d'Acadie, Caraquet	L	X	X	X	
York Sunbury Museum, Fredericton	M	X	X		

3. OUTCOMES

Organizations were required to adhere to specific rigorous reporting requirements in order to retain their participant status and assistance. Their progress was followed by the NBFA program consultant through written reports, as well as face-to-face meetings taking place at the second and fourth quarters. Finally, each organization was required to report on the extent to which they met the eight defined program objectives. Some of the collective results are highlighted below.

Community engagement outcomes

- 1) Larger and more expanded audiences (including reaching under-served populations). For example, audience participation in arts and cultural activities (through ticket sales and admissions) increased for participants by an average of 69%.⁴
- 2) More volunteers. Organizations saw an average of 25% increase in their volunteer base while in the program. In aggregate, a total of 285 more individuals are volunteering their time for arts and culture in the community
- 3) More donors (individuals and corporate). For example, organizations, on average, managed to increase their total donation values by 52%. The number of individual donors to each organization in a given year rose by an average of 75%, and corporate donations also rose consistently for most organizations, with a 65% rise on average in the total annual value.
- 4) Increased visibility of their artistic and cultural mission and mandate. Organizations created more sophisticated marketing and outreach through a number of different means, many with great success. Some of the initiatives undertaken included: social media outreach; website redesign; E-marketing; improving logo visibility; new promotional print material; acquiring and promoting new assets and infrastructure; print, radio, and TV exposure; public school outreach; and public perceptions research.

Financial Strengthening Outcomes

- 5) Improved current liquidity - Current liquidity is an expression of an organization's ability to satisfy the payment of its liabilities with its available assets. The majority of organizations realized an increase in liquidity, and project further increases into the future.
- 6) Increased endowments - Collectively, arts and heritage organizations in the Stabilization Program secured a total of \$1,726,979 in new endowments over the course of the program⁵.
- 7) Increased net income - The majority realized an increase in their net income over time, by over 300% during the course of the program.
- 8) Increased revenue from both earned income and grants - Most participating organizations saw an increase in their overall revenues between their year prior and their final year in the program. In aggregate their increase amounts to an annual revenue improvement of \$970,362 during the program. The average change in revenues was a 16% increase overall, 15% more in grant funding, and 17% more in earned income.

The outcomes show that the dedicated work of the participants, as well as the contributions of the funders and partners, have resulted in significant improvements in the success and stability of these organizations in the present. Beyond the immediate results, these impacts will also resonate into the future, affecting the long term viability of these organizations, and through them, that of the provincial arts and culture sector as a whole.

NOTES

¹ Excerpt from: *An ArtsLink Alphabet* - St. John - 06 November 2010 © Herménégilde Chiasson.

² Detailed basic and priority eligibility criteria provided in: *NB Arts and Heritage Stabilization Program Business Plan*. NBFA. September 2002.

³ Organization size by revenue: Large = greater than \$1 million, Medium = \$100,000-\$1 million, Small = less than \$100,000. Revenue categories are based on financial statement figures from the fiscal year prior to entry.

⁴ Details from this and other aggregate data are included in the Stabilization Program Report to Funders, submitted to NBFA March 21st 2011.

⁵ This figure is based on available data. Endowment data was not available for all organizations at the time of writing.