

THE VIEW FROM HERE

A report from The Brooklyn Commune Project
on the state of the performing arts from
the perspective of artists



ABRIDGED

It's Not You, It's The System

They'll tell you that it is your fault; that artists who struggle financially are failing to make their work efficiently, or to market it effectively, or that it just doesn't appeal to a broad enough audience. They'll tell you that artists are bad with money, unprofessional and insufficiently entrepreneurial. None of this is true.

They'll tell you that because you get psychological gratification for making your art, that your labor is not "work" and you should be grateful to labor without compensation, to entirely self-fund the creation of your projects and provide your products and services for free to institutions that receive money (and tax exemption) expressly to produce and present your art to the public, for the public good. They are wrong. *You're not crazy. It's not you, it's the system.*

MORE ARTISTS, LESS MONEY

The past thirty years have seen an exponential increase in the number of self-identified artists working in an ever-widening field of creative expression. But while creative output is at an all time high, established, formal structures for supporting individual artists have stagnated or even diminished. Here are some facts and figures:

- The \$146 million budget of the National Endowment for the Arts (NEA) represents just 0.012% (about one one-hundredth of one percent) of federal discretionary spending. In arts-friendly New York City, the budget for the Department of Cultural Affairs is only 0.25% of the entire NYC budget.
- 55% of foundation funding for the arts goes to the 2% of arts organization with budgets exceeding \$5 million. The effect of this is to allocate billions of dollars to serve a mostly wealthy, white (and shrinking) audience. At the same time, non-white populations have grown in every region of the country since 2000, more than a third of the country is comprised of people of color and in four states white people are no longer the majority.
- Only 5% of all charitable giving in the United States goes to the arts.
- The number of individuals who dedicate themselves to art making, without even expecting a living wage in return, outnumbers those whose art practice generates their primary income by 20 or 30 to 1, according to a 2001 study by the RAND Corporation. There is every reason to believe that proportion has increased greatly over the past decade.
- Technology has given rise to innumerable new "methods, techniques, and materials ... for conveying emotional states and ideas...." These "new forms of self-expression" exist across multiple platforms and in multiple, new contexts, fundamentally "altering the sources and reach of creative expression." (*How Art Works*, a publication of the NEA)

Economics 101

In 1966 two economists at Princeton, William J. Baumol and William G. Bowen, published a groundbreaking study called *Performing Arts: The Economic Dilemma*. They identified the problem and gave it a name: Baumol's Cost Disease. It is quite simple to explain.

Basically, there are two different kinds of economies: **manufacturing economies** that use machines to make products and an **economy of live performance** (or, more recently, a **human economy**) that absolutely depends upon the live interaction of humans with one another.

In a traditional market-driven **manufacturing economy**, technological innovation leads to increased productivity that decreases prices and raises wages. But in an **economy of live performance**—and in education, healthcare and other services that depend upon live human interaction—no amount of technological innovation can increase productivity. As Baumol and Bowen put it:

“Human ingenuity has devised ways to reduce the labor necessary to produce an automobile, but no one has yet succeeded in decreasing the human labor expended at a live performance of a 45 minute Schubert quartet much below a total of three man-hours.”

Humans cost more than machines and since productivity can't be increased through technological innovation without significant loss of quality, the cost of making art goes up. Since the cost of making art goes up and the costs can't be passed along to the consumer (without driving ticket prices through the roof) this work requires subsidy through government funding and philanthropy. This funding is premised on the idea of “the public good.”

It's All Good

A **PUBLIC GOOD** is something that has public value but cannot “pass the market test”.

The concept of **public goods** refers to things like clean air in Los Angeles, which almost no single individual could be convinced to pay for, but that everybody desires and from which everybody benefits. Even if the performed arts are fundamentally unsustainable in a pure market economy, they might still be deemed valuable to the general public.

In these instances, when the market cannot deliver what is in our common interest, government and philanthropy—both of which are mechanisms designed to allocate capital towards the public good—must intercede.

THE PUBLIC GOOD refers to the overall welfare and wellbeing of the general public. It implies a collective ethical notion of “the good” for “the public” and is the basic conceptual underpinning of our democratic form of government.

THE PUBLIC GOOD IN AMERICAN HISTORY

In 1776 John Adams wrote, “There must be a positive passion for the public good, the public interest... and this public passion must be superior to all private passions.” For the first 150 years of American History, we mostly expanded the public realm even as we also dramatically increased our standard of living. In the past 40 years we have seen a passion for “privatization”.

Word Nerds will appreciate that the word “private” is derived from the Latin word *privare*, which means, “To deprive, to take, to rob” or “to divide or tear apart.” In 1775 a “privateer” was a synonym for a pirate.

Performing the Public

In the 2012 report titled *How Art Works*, The National Endowment for the Arts proposed the following benefits to society of the arts:

Benefit of Art to Society and Communities, which refers to “the role that art plays as an agent of cultural vitality, a contributor to sense of place and sense of belonging, a vehicle for transfer of values and ideals, and a promoter of political dialogue.

Benefit of Art to Individuals, which refers to the cognitive, emotional, behavioral, and physiological effects that arts participation can produce in individuals, including transformations in thinking, social skills, and character development over time.

Live performance is a social process; it is the creation of temporary communities sharing transformative experiences. It is in this way that the performing artist serves as social sculptor, cultivator and steward of dynamic and ever-shifting social ecologies. While an individual artist may or may not be explicitly concerned with the public good, the effect of a vibrant, sustainable arts ecology is to create a public good for the public good.

Performing Democracy

Participatory democracy in an increasingly complex society **requires individuals to see themselves as citizens**. Widespread participation in the arts should be seen as democracy in action:

“We generally take it as an article of faith that it is undesirable for anyone to be kept from achieving as much as [he or she] can through the abilities with which [he or she] is endowed. It is, therefore, widely agreed that no market test need support the flow of public funds devoted to the opening of opportunities to the impecunious.” (Performing Arts: The Economic Dilemma, pp. 378-379)

The performing arts are necessarily performed live: by, in front of, and with other people. They are inherently social arts and provide a necessary opportunity for citizens to develop the skills of socialization and communication required by a healthy democracy. In an age of ubiquitous “connectivity” where human interactions are increasingly mediated by technology, the performed arts offers us the opportunity to practice “intentional liveness”: to be in community together and preserve the depth, nuance and meaning derived from negotiating the complexity of direct social interaction with others.

In a nation where many diverse communities co-exist—sometimes tendentiously, sometimes at deliberate distance—cultural activities, and the performing arts specifically, can uniquely serve as meeting place, a site for the formation of a shared communal identity as “the public”. The performing arts may serve as a microcosm of democratic society, where individual free expression meets public space, a space both literal and metaphorical for the convergence of the individual citizen and the collective body politic. Thus the performing arts are an essential public good for the development of citizens and the creation and maintenance of a “public”.

Then Why Are Artists Always Broke? (And Why Is It Worse Now?)

In a manufacturing economy where technological innovation leads to increased productivity, the economy expands by becoming more efficient, prices go down and wages increase (theoretically). But in an economy of live performance where the performers' labor "constitute[s] the end product which the audience purchases", there is no way to produce performed art more efficiently without fundamentally changing its content, or without seriously compromising its quality. Thus wages stagnate (in fact they decrease, for all practical purposes).

So why do artists even do this at all?

"Because performers frequently are dedicated individuals who are willing to work under economic conditions which would be considered appalling in other activities, the performing arts are relatively insensitive to general wage trends, especially in the short run. Even in the long run, earnings in the performing arts may lag behind wages in occupations which provide less in the way of psychic income. Whereas most unskilled workers, for example, are likely to regard the hourly wage as their primary reward for working, the typical performer presumably receives, in addition, considerable pleasure and personal satisfaction from his work. The important point is that, as the general level of real income increases over time, people may well feel that they are better able to afford to pursue careers which offer relatively lower money incomes but larger psychic incomes." (Performing Arts: The Economic Dilemma, p.169)

According to The NEA's 2012 publication *How Art Works*, the human impulse to create and express is, “the primary motive that powers the system.” The human impulse to create and express is so strong that people will withstand significant hardship to pursue it.

In 1966 when Baumol and Bowen proposed that, “as the general level of real income increases over time, people may well feel that they are better able to afford to pursue careers which offer relatively lower money incomes but larger psychic incomes”, the relative affluence of Post-WWII America was near its height and afforded a wider swath of the population the opportunity to choose psychic income over financial income.

But real income in the United States has not increased in nearly 40 years. Thus while the demand for the arts—understood widely—remains constant, and the need for the social value of the arts increases, in 2013 the divergence between psychic income and real income has become a bridge too far for many Americans. Yet the existing system does not acknowledge this divergence.

As public sector arts funding has greatly diminished and foundations direct the bulk of their grant making activities towards large organizations, artists are not only left to fend for themselves, but are increasingly responsible for bearing the costs of cultural production themselves. This, apparently, was also true in 1966:

“...Arts organizations in financial difficulty have often managed to shift part of their financial burden back to the performers and to the managements, who also are often very poorly paid by commercial standards. The levels of income in this broad field must be considered remarkably low by any standards, and particularly so in light of the heavy investment often made by the artists in their education, training, and equipment.” (Performing Arts: The Economic Dilemma, p.169)

But whereas an arts organization in financial difficulty in 1966 might be able to shift that financial burden with less negative effect, the material conditions of the American people have changed considerably in the intervening years.

According to *The Wall Street Journal*, “apart from brief lapses, like in the late 1990s, wages have been falling for a generation.” In fact, measuring “on an inflation-adjusted basis, wages peaked in 1973, fully 40 years ago.”

The choice to “pursue careers which offer relatively lower money incomes but larger psychic incomes” is becoming less viable for a significant swath of the population, and for those who do choose a career in the arts, the negative economic impact on their quality of life is significantly higher than it was 40 years ago.

As the income gap in America has grown, the viability of a life in the arts has become increasingly elusive, available especially to those of independent means, to the exclusion of everybody else. As the income gap widens, so too does the culture gap, until “the arts” are now perceived as a luxury commodity for the very wealthy, not an essential public good. Self-identifying as an artist has become the domain of a privileged few, even as arts participation, when defined widely, has increased.

Not only is it unrealistic to expect to make a living as an artist in the current system, it is similarly unrealistic to expect to get paid for the art you create. In fact, as an artist you are likely to subsidize your art entirely on your own. So is there a more sustainable system?

And what would it look like?

A Vision for the Future

If the “not-for-profit” system for arts funding America is dysfunctional and possibly moribund, then we need to begin asking ourselves whether the benefits of this system outweigh the liabilities. Perhaps a new, more sustainable model lies outside the nonprofit economy, or it is predicated on a dramatic and fundamental shift in the relationship between artists and the institutions who fund and support their art.

A lot has changed since 1966. Then, as now, we must identify a value proposition to the performing arts that exists outside traditional notions of a market economy comprised of goods and services.

According to the standard economics, technological innovation in manufacturing economies leads to increased productivity, decreased costs and increased wages, but in that context live performance consistently fails the “market test.” Fortunately, the past decade has seen the emergence of a New Economy, an Economy of Ideas, where the performing arts can provide tangible value as laboratory for innovation and creativity.

It is here that economic impact and public good converge, as the NEA report goes on to say:

Our capacity to innovate and to express ideas, and its links to forms and outlets for expression, also point up a core liberty within our society: freedom of expression. This freedom requires certain individual and community level attitudes that are facilitated by the arts: for example, the courage to express oneself and a tolerance of new ideas and vehicles for creative expression. The system map implies a link between arts participation and our ability, opportunity, and likelihood to express ourselves freely.

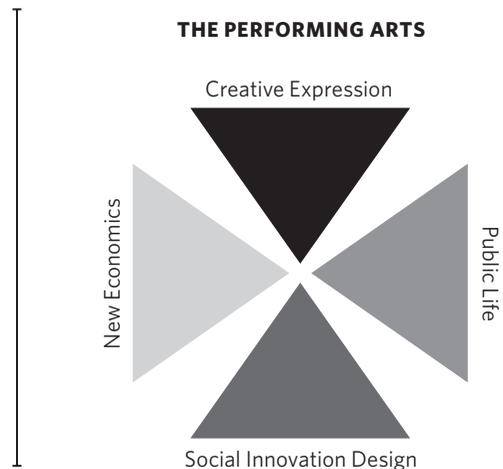
The benefits of these broader societal impacts spill over to creative problem solving as it applies to a whole range of other endeavors, from the sciences to design and mass media. Regarded this way, the broader societal impacts of the arts are both greater in scope and more difficult to track directly back to the arts as classically defined.

The late 1990's were characterized by the emergence of a new economy, the result of the transition from a manufacturing-based economy to a service-based economy. The “new economy” of the dotcom era lost its luster in the wake of 9/11 and, later, the financial crisis of 2008. But global social and economic changes, coupled with the rise of social media, gave rise to the “new economy movement”, described by political economist Gar Alperovitz as “a far-ranging coming together of organizations, projects, activists, theorists and ordinary citizens committed to rebuilding the American political-economic system from the ground up.”

One facet of the new economy movement is the idea of a human economy that is made and remade by people's actions as social beings. As we wrote earlier, the performing arts are by definition social arts. They require the live presence of human beings in close proximity to other human beings. They foster interaction, they have the potential to educate, enlighten and promote discourse; what's more, the role of public space, such as those required by performed arts, is to foster social interaction, an effect of which is to build a sense of community and mutual investment of individuals in the collective whole.

When regarded in this context, the performed arts—understood widely and embracing a wide array of practices—can be seen as existing at the intersection of Creative Expression, New Economics, Public Life and Social Innovation Design. Performing Artists are creators of social objects, transformative experiences and builders of community. The future is ours!

*What it will look like, friends,
is up to you.*





THE BROOKLYN COMMUNE PROJECT

is a grassroots initiative organized by Culturebot.org and The Invisible Dog Art Center to educate, activate and unify performing artists of all disciplines to work together towards a more equitable, just and sustainable arts ecology in America.

To read the full report and for a more complete description of the activities of the Brooklyn Commune Project, please visit

www.brooklyncommune.org