

CURTAIN TIME

*Assessing and Responding to
Milwaukee's Performing Arts Challenges*



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PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide performing arts leaders, funders, and stakeholders – as well as state and local elected officials and citizens – with a better understanding of the challenges facing Milwaukee’s performing arts sector as it continues to emerge from the pandemic. The report also is intended to provide insights from peer cities that could help inform next steps for grappling with these challenges.

We would like to thank leaders from the many performing arts organizations we interviewed for this report, as well as local philanthropic supporters and other local and national stakeholders and consultants, for their assistance in providing information and for patiently answering our questions. We also give a special thank you to officials from the United Performing Arts Fund for supplying us with financial data on the organizations they support and for their assistance in synthesizing and interpreting those data.

Finally, we thank the Northwestern Mutual Foundation, Bader Philanthropies, and the Herzfeld Foundation for commissioning and financially supporting this research.



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Report Authors:

Rob Henken, President
Karen Herzog, Contract Researcher
Elaine Schmidt, Contract Researcher

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INTRODUCTION

Throughout history, performing arts groups and artists have depended on philanthropy for survival. Even Beethoven, one of the most revered figures in classical music, was so strapped for cash in 1808 that he was forced to premiere his iconic Symphony No. 5 at a benefit concert hastily arranged on his behalf. Tickets were priced for the aristocracy — more than a week’s salary for a laborer.

Today in Milwaukee, the question of how much philanthropy should be expected to sustain the performing arts brings new urgency to a community conversation that has festered for years. Local performing arts groups were already increasingly turning to corporate, foundation, and individual donors to fill funding gaps long before the COVID-19 pandemic, due in part to struggles to enhance earned revenues and low levels of public sector support.

The pandemic threw the symphony, other musical groups, and theater and dance companies into an even deeper dependence on philanthropy with a two-year hit to ticket sale revenue, which was only partially alleviated by federal pandemic relief funds. Corporate, foundation, and individual donors stepped up in response, but it is unclear whether funders can and should continue “crisis-level” funding to sustain a sector that has become so dependent on them.

Nearly a decade ago, we explored the capacity of metro Milwaukee’s philanthropic community to sustain and expand already growing levels of support for the arts and culture sector. A key finding in that 2015 report – [How Much is Enough?](#) – was the existence of “a deep philosophical divide” over whether the community has more arts and cultural offerings than it can sustain. The debate hinged on whether philanthropy should prioritize funding for a handful of major arts and culture institutions, or whether it should spread its support further to foster a diverse mix of large, medium, and small organizations.

Nine years later, Milwaukee is still grappling with this divide and still lacks a clear collective vision for how to resolve it. In light of this reality, as well as the vast challenges facing the performing arts both nationally and locally since the pandemic, the Northwestern Mutual and Herzfeld foundations and Bader Philanthropies commissioned this new analysis. Its purpose is to hone in on the sustainability of Milwaukee’s performing arts sector post-pandemic, while seeking insights from peer cities that could help inform next steps for stakeholders, funders, and policymakers.

We launched this research project as an important conversation was also unfolding about recalibrating a major funding mechanism for Milwaukee’s performing arts: the United Performing Arts Fund (UPAF). That conversation has created additional urgency to evaluate performing arts funding and operational infrastructure and to refocus on business-oriented solutions for large, medium, and small performing arts entities.

Our focus here is on professional performing arts groups that are governed by boards of directors and that stage performances that draw paying audiences. Specific research questions include the following:

- What is the financial health of metro Milwaukee’s performing arts sector post-pandemic and what are its most pressing challenges moving forward?



- In what areas might there be potential for better cooperation and cohesion among individual performing arts groups and their supporters, or at least opportunities to reduce unnecessary competition for the benefit of the sector as a whole?
- Are there best practices from other cities that might serve as useful models for how individual organizations here might partner, or how key public and private sector leaders and performing arts stakeholders here might work collectively to develop a unified vision for a sustainable and successful performing arts sector?
- Are there additional factors that help explain why organizations of all sizes are struggling in Milwaukee, and how should they be addressed to create new infrastructure to support a sustainable performing arts ecosystem?

In the pages that follow, we highlight findings from our deep dive into data, news and trade articles, and academic research, as well as dozens of interviews with performing arts sector leaders, stakeholders, and arts sector consultants in Milwaukee and around the country. Our goal is to provide a clear picture of the challenges facing the performing arts sector in Milwaukee and potential solutions to ensure its health and vitality moving forward.



FINANCIAL TRENDS

We begin our examination of the state of Milwaukee County's performing arts sector with a broad overview of data trends that speak to the sector's financial health. Our analysis leans on data provided by UPAF, a nonprofit organization created in 1966.

UPAF's original purpose was to support the handful of groups that performed at the Milwaukee Performing Arts Center. That mission was expanded over time and today, UPAF serves as a mechanism for pooling and strategically distributing workplace giving and other contributions from performing arts supporters to selected organizations throughout the overall sector.

UPAF supports 55 performing arts organizations through its annual community fundraising campaign. According to its most recent [annual report](#), UPAF allocated \$7.2 million (70%) of the \$10.6 million raised in 2023 for annual operating support to the 55 groups. The Milwaukee Repertory Theatre and Milwaukee Symphony Orchestra together received 41% of the total operating support; another 55% was divided among UPAF's 12 other "member" groups, while the remaining 4% was divided among 41 mostly smaller UPAF "affiliates." UPAF set aside \$2.9 million (27.4%) to cover its own overhead expenses such as community engagement, awareness, administrative expenses, and fundraising.¹

Our decision to use financial data supplied by UPAF stems from UPAF's longstanding practice of collecting such data from each member organization's annual audited financial statements in keeping with its practice of assessing the financial stability of the groups to which it is allocating funds. Given that UPAF has been collecting such data for years, this represented a rich data source for trend analysis that we would have had great difficulty replicating on our own.

Those data are synthesized by UPAF's financial staff and its synthesis is reviewed annually by each organization's chief financial officer. UPAF relies on financial data from audited financial reports – instead of Form 990 tax filings with the Internal Revenue Service – because of the participation of a third-party auditor in preparing those reports as well as general consistency in how financial data is reported on financial statements. Financial data on Form 990 tax filings may not contain the same degree of standardization, which makes comparison of financial data between various organizations more difficult.

For our analysis, we focus on UPAF's six "cornerstone" members and seven of its eight regular members. The cornerstone members, in descending order based on annual revenues in 2022, are:

- Milwaukee Symphony Orchestra (MSO)
- Milwaukee Repertory Theater
- Milwaukee Ballet
- First Stage Children's Theater
- Florentine Opera
- Skylight Music Theatre

¹ Remaining 2023 campaign allocations were a \$250,000 accounting adjustment that reflected a contribution of that same amount from UPAF's reserves to the Rep's \$78 million capital campaign, as well as an additional \$259,000 accounting adjustment that resulted from an "over-allocation" from the previous year's campaign.



The regular members we analyzed in the same descending order are:

- Milwaukee Youth Symphony Orchestra (MYSO)
- Danceworks Performance Company
- Next Act Theatre
- Milwaukee Chamber Theatre (MCT)
- Renaissance Theaterworks (RTW)
- Present Music
- Bel Canto Chorus

Brief descriptions of each of the member organizations can be found on the [UPAF website](#). The one current member organization we do not include – Black Arts MKE – became a UPAF member in 2020, so we do not have data for the entire 10-year period we examined. We acknowledge that these 13 UPAF cornerstone and member organizations comprise only a fraction of the entire performing arts sector in the county, and only those organizations UPAF chooses to support financially, but they constitute a reasonable proxy for analyzing the sector's current state.

Finally, to try to capture meaningful insights on fiscal and related trends within the sector, we decided to look back over the most recent 10-year period for which we have complete data (2012 to 2022) and chose for our analysis the three years that constitute the first, middle, and last years of that period. Our selection of three specific years creates some challenges, as there may have been some specific occurrences in a single given year (such as a major capital campaign or sale of an asset) that would skew the fiscal data for a particular organization in that year.

Furthermore, the last full year for which we were able to uniformly collect data was the 2022 fiscal year, which for most began on July 1, 2021.² Consequently, revenue data for that year would still be somewhat influenced by the pandemic and preclude us from getting an ideal glimpse of whether and how key revenue streams recovered as the pandemic subsided.

Still, we believe this initial data-driven overview paints an insightful broad picture of the fiscal state of the sector in 2022 as compared with five and 10 years earlier. The analysis we provide in subsequent sections – derived from dozens of interviews with key local stakeholders, local and national arts consultants, and leaders in peer cities – complements the quantitative overview in this section. Together, they provide a richer and more complete picture than the data alone can provide.

Revenues

We start, in **Tables 1** and **2** on the following page, with a high-level overview of the revenues of the 13 organizations in their 2022 fiscal year. The revenue line items we highlight are central to our exploration of the sector's financial health (because smaller revenue categories are not delineated, the revenue lines do not add up to the total). Program service revenue includes – most prominently – revenue earned from performances and programming. Unrestricted contributed income mainly includes donations from foundations, corporations, and individuals, although in 2022 it also includes federal pandemic relief aid.

² The exceptions are the Milwaukee Symphony Orchestra with a fiscal year beginning September 1 and the Milwaukee Ballet and Danceworks with fiscal years beginning on August 1.



Adjustments to contributed income were made, where relevant, to exclude capital campaign activity. Also, total revenue figures depict “unrestricted” revenues, meaning those that are not restricted for use in a future year or for a specific purpose (e.g. for an individual performance).

Table 1: 2022 Major Revenues – UPAF Cornerstones

	Ballet	Florentine	Rep	First Stage	Skylight	MSO
Program Service Revenue	\$3,529,893	\$223,586	\$5,972,496	\$829,319	\$975,675	\$4,537,425
Unrestricted Contributed Income	\$4,276,289	\$3,322,472	\$11,649,597	\$3,636,559	\$2,264,722	\$19,937,914
Funds from UPAF*	\$955,970	\$685,596	\$1,761,223	\$840,263	\$465,962	\$1,858,968
Total Adjusted Revenue	\$8,897,462	\$3,937,522	\$19,114,621	\$5,046,654	\$3,820,054	\$27,219,597

Source: UPAF (which is also the source for all other tables and figures in this section)

* UPAF allocations have not been adjusted for special designations made by donors and may include special designations for capital campaigns.

Table 2: 2022 Major Revenues – UPAF Members

	Bel Canto	Danceworks	MCT	MYSO	Next Act	Present Music	RTW
Program Service Revenue	\$118,732	\$436,787	\$158,747	\$589,789	\$233,481	\$63,641	\$122,573
Unrestricted Contributed Income	\$169,120	\$680,503	\$726,983	\$2,321,363	\$735,832	\$261,928	\$687,212
Funds from UPAF	\$65,406	\$202,819	\$129,819	\$400,360	\$117,136	\$95,888	\$137,432
Total Revenue	\$369,328	\$1,346,776	\$987,217	\$3,069,882	\$1,097,116	\$470,954	\$953,162

This glimpse of the main revenues that supported each organization’s general operations, performances, and programming in 2022 underscores the sector’s reliance on contributed income. That income is derived from many sources, the foremost of which is philanthropic donations.

Also, noticeably absent from the major revenues cited in the tables are line items for public sector support. As we will discuss in later sections, arts groups in Wisconsin receive very little support from governmental sources. In fact, in 2023, according to the National Assembly of State Arts Agencies, Wisconsin was last among the 50 states in per capita state funding support for the arts.

How Revenue Structures Have Changed

Drilling down deeper into the various revenue categories and looking back over the 2012 to 2022 timeframe, we begin to glean some important insights into the impacts of the pandemic. We start with program service revenue, which is the source of revenue that is most closely linked to each organization’s mission and business model.

Ticket sales are the most important program revenue for most performing arts organizations, although the Ballet additionally raises significant revenue through ballet lessons. In fact, the tuition and ticket sales split for the Ballet is roughly even: tickets typically comprised about 53% of total revenue over the period we examined, and tuition from ballet schools comprised 46%.

As shown in **Figure 1** on the following page, when comparing 2012 to 2017, four of the six cornerstones showed healthy growth in program service revenue, while two (Florentine and Skylight)



saw very small declines (these numbers are unadjusted for inflation). For the non-cornerstone members (**Figure 2**), six of the seven saw program service revenue growth. It should be noted that program revenues in individual years might be impacted by factors such as whether a particular show was especially popular, or whether especially poor winter weather impeded attendance.

Extending our analysis to 2022, one might have expected to see sharp declines among each of the organizations when compared to 2017, given that the pandemic still likely was impacting attendance at performances and participation in educational programs. That was indeed the case for four of the six cornerstones and five of the seven members. Notably, the Ballet and MSO saw increases. The explanation for the MSO – at least partially – likely is the opening of its new symphony hall in October 2021, which attracted greater patronage than otherwise might have been expected. Given that the Ballet opened its new building just prior to the pandemic in 2019, interest among patrons in experiencing the still relatively new venue also may have played a role in the small program revenue increase in 2022.

Figure 1: Program Service Revenue – Cornerstones

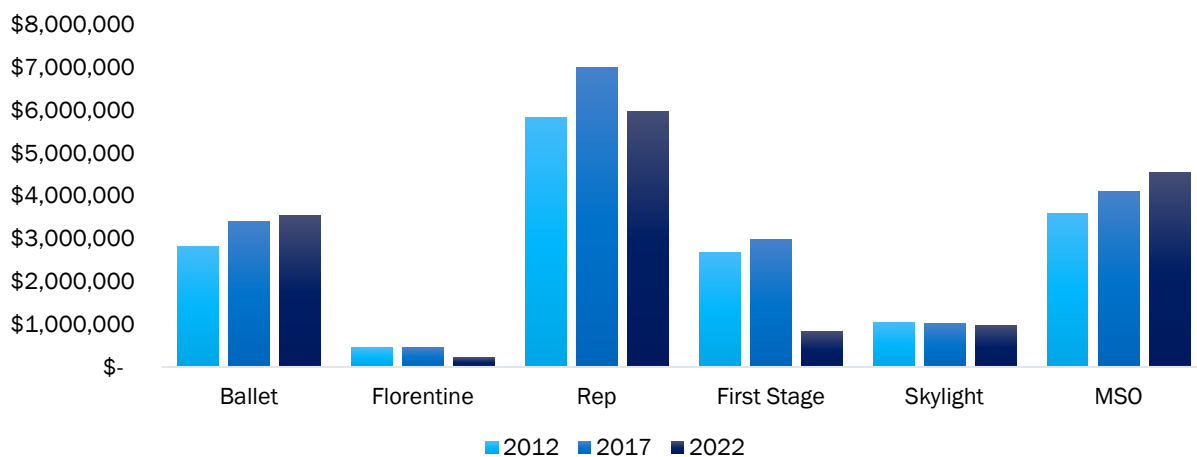
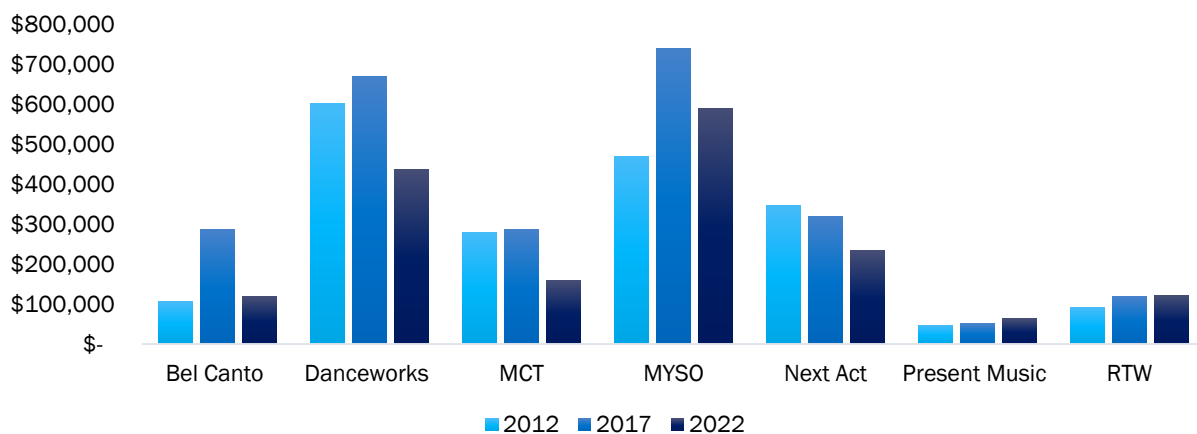


Figure 2: Program Service Revenue – Members



We can gain even better insight into the impacts of the pandemic by isolating performance revenue, which was included above in the program revenue totals. As shown in **Figure 3** on the next page, all



the cornerstones except the MSO saw decreases when comparing 2022 to 2017. The MSO not only benefited from its own performances at its new hall, but it also became a presenter for others' performances, adding performance revenue beyond its own concerts. The fact that the Ballet saw a small decline in performance revenue while seeing an increase in overall program service revenue indicates that tuition from its ballet schools likely remained strong. Another factor likely was the willingness of season ticket subscribers to continue to purchase such subscriptions as a show of loyalty and support regardless of whether they planned to attend all the shows.

We also see in **Figure 4** – somewhat surprisingly – that only three of the seven member organizations (Milwaukee Chamber Theatre, MYSO, and Next Act) saw declines in performance revenue in 2022 when compared to either 2012 or 2017. However, per UPAF officials, the performance revenue increases for Danceworks, Present Music, and Renaissance Theaterworks from 2017 to 2022 may be linked to accounting changes adopted by all three that year.

Figure 3: Performance Revenue – Cornerstones

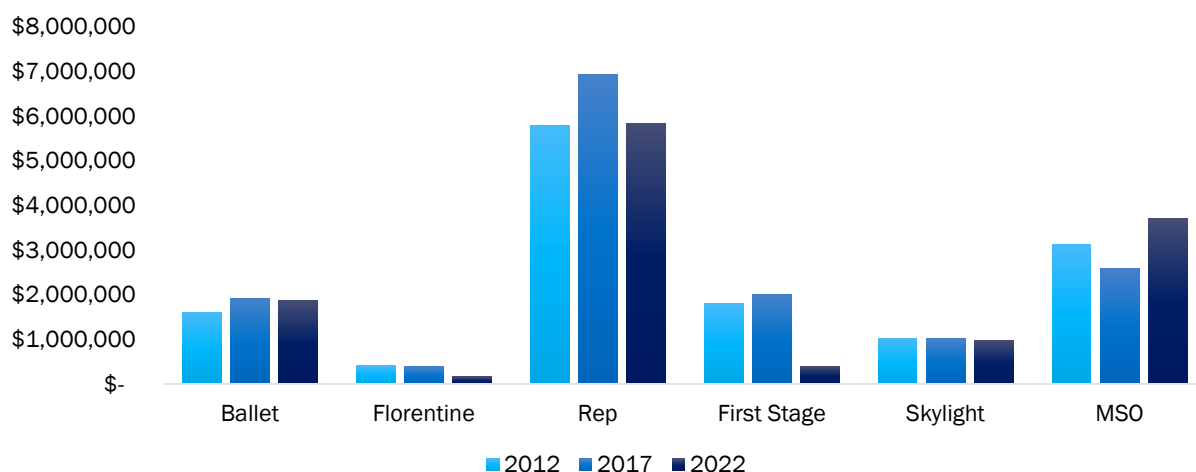
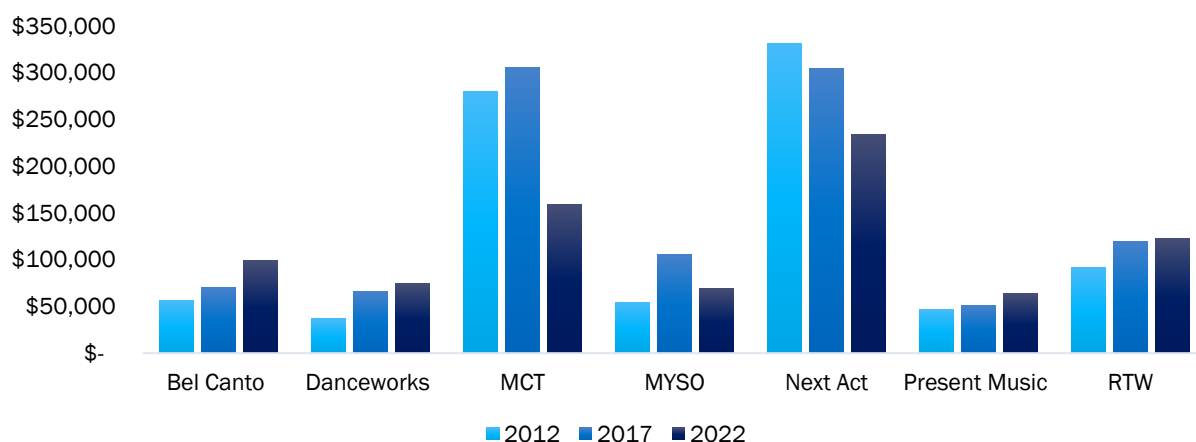


Figure 4: Performance Revenue – Members



We also obtained ticket sales data for fiscal year 2023 directly from several cornerstones to discern whether audiences were rebounding one year further from the height of the pandemic. We found

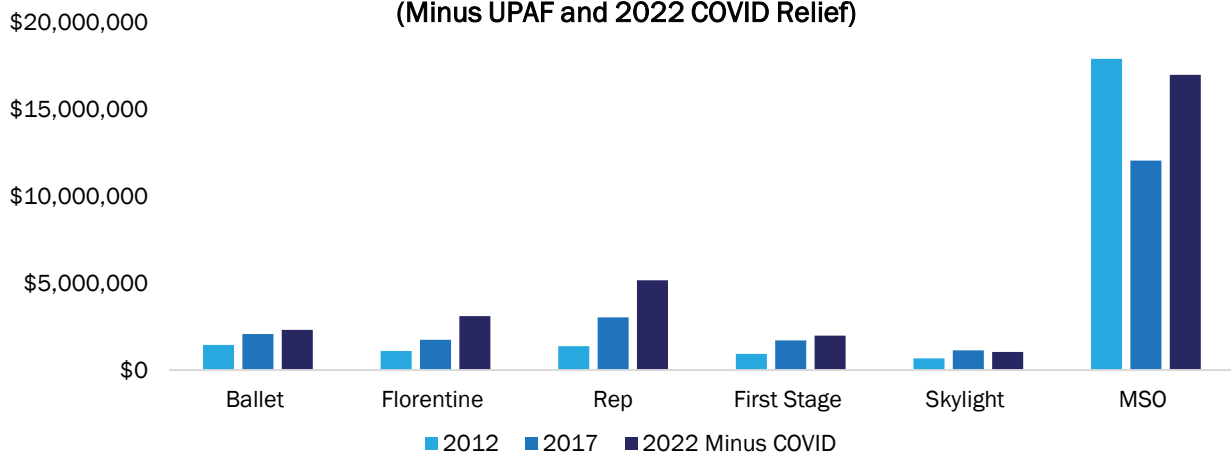


that each of the five for which we received data – the Ballet, Rep, MSO, Florentine, and Skylight – saw increases from 2022 to 2023 (ranging from 4% to 49%). Each of the five still had substantially lower performance revenue totals in 2023 than in 2017, however, except for the MSO.

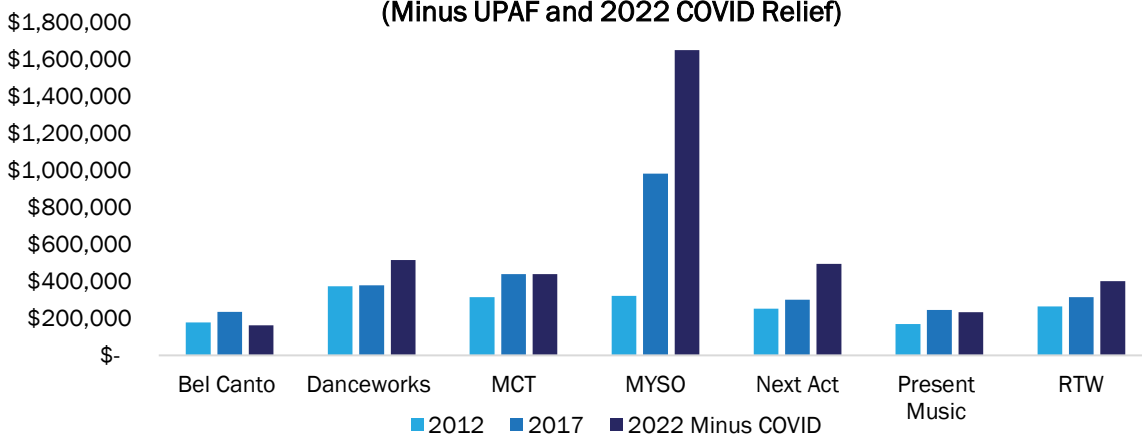
Fortunately for most organizations, declines in overall program revenue and performance revenue have been offset by increases in contributed income. As noted above, this form of income is highlighted by contributions from philanthropic sources and, very importantly, in 2022 it also included pandemic relief monies provided by the federal government. Five of the six cornerstones received at least \$1 million of COVID relief monies in 2022, with the Rep leading the way with more than \$6 million of such relief. The member organizations received lesser amounts, ranging from a few thousand dollars for Bel Canto and Present Music to almost \$700,000 for MYSO.

In **Figures 5 and 6**, we show a 10-year snapshot of unrestricted contributed income for the 13 organizations, excluding both COVID relief dollars and the funds they received from UPAF. This gives us a sense of the extent to which donors stepped up their support in 2022 in response to ramped up requests for help from the organizations as they sought time to recover from the pandemic.

**Figure 5: Total Unrestricted Contributed Income – Cornerstones
(Minus UPAF and 2022 COVID Relief)**



**Figure 6: Total Unrestricted Contributed Income – Members
(Minus UPAF and 2022 COVID Relief)**



All cornerstones except the Skylight received sizable increases in unrestricted contributed income from donors when comparing 2022 totals to 2017 totals. Those increases ranged from 12% for the Ballet to more than 70% for the Florentine Opera and the Rep. It is also worth noting that five of the six organizations saw increases in contributed income in the years preceding the pandemic (i.e. from 2012 to 2017), though the increases were not as sharp. The MSO was the exception here, and its sizable reduction from 2012 to 2017 may have reflected a lag in the organization's requests for unrestricted support in 2017 as it focused instead on fundraising for its new concert hall.

Meanwhile, four of the seven members received sizable increases in unrestricted contributions from donors when comparing 2022 to 2017. However, two saw decreases (Bel Canto and Present Music) while one (Milwaukee Chamber Theatre) essentially saw no change. This distinguishes these organizations from many of the cornerstones, perhaps reflecting the stronger and broader base of wealthy supporters enjoyed by some of the larger cornerstone organizations.

Overall, this analysis suggests a troubling story. **Figures 7 and 8 show that the revenue mix in 2022 has changed for the cornerstones when compared to 2012. Program service revenue — including ticket sales — has declined as a percentage of their total revenue while dependence on revenue from unrestricted donor contributions has increased** (this trend had begun for most pre-pandemic). The exception was the MSO, which benefitted from the opening of the Bradley Symphony Center (the trend also was less pronounced for the Ballet and Skylight).

This occurrence shows that the generosity of philanthropic supporters has grown. Yet, it also shows that such philanthropic support has increased in importance. That, in turn, raises questions about the future if such generosity cannot be sustained, or if the surge in 2022 giving reflected donors' one-time desire to fill revenue gaps during the pandemic but to return to previous giving levels as the pandemic waned.

Figure 7: Program Service Revenue as a Percentage of Total Adjusted Revenue – Cornerstones

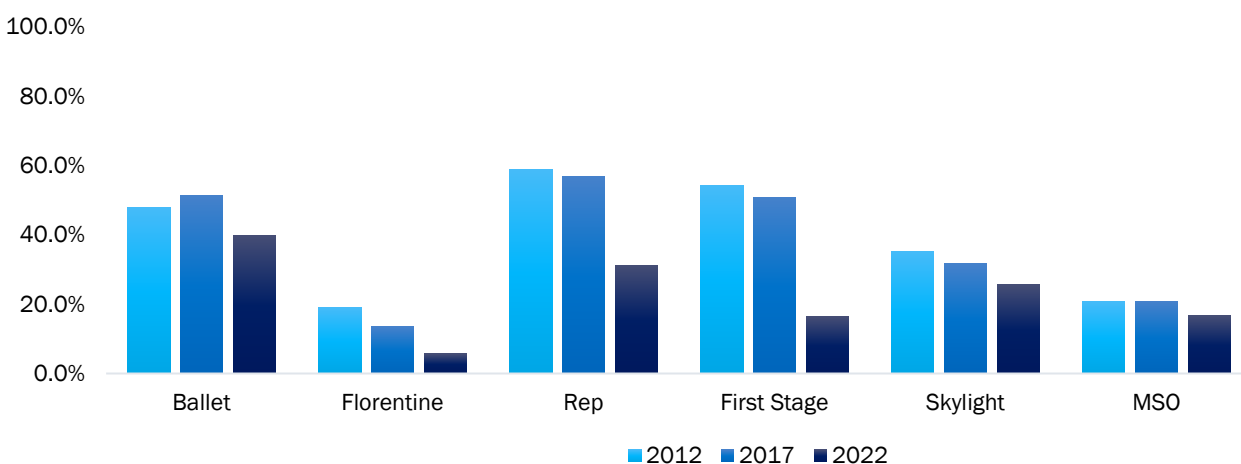
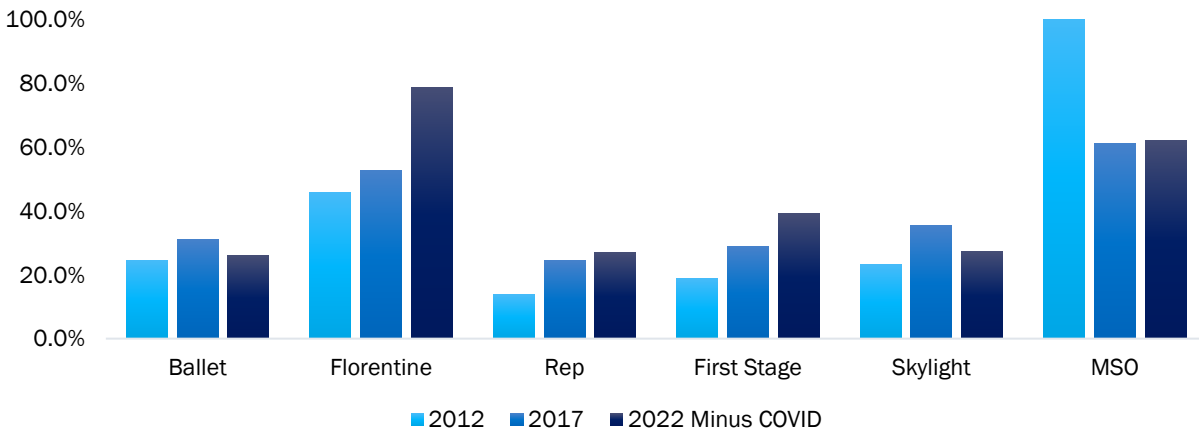


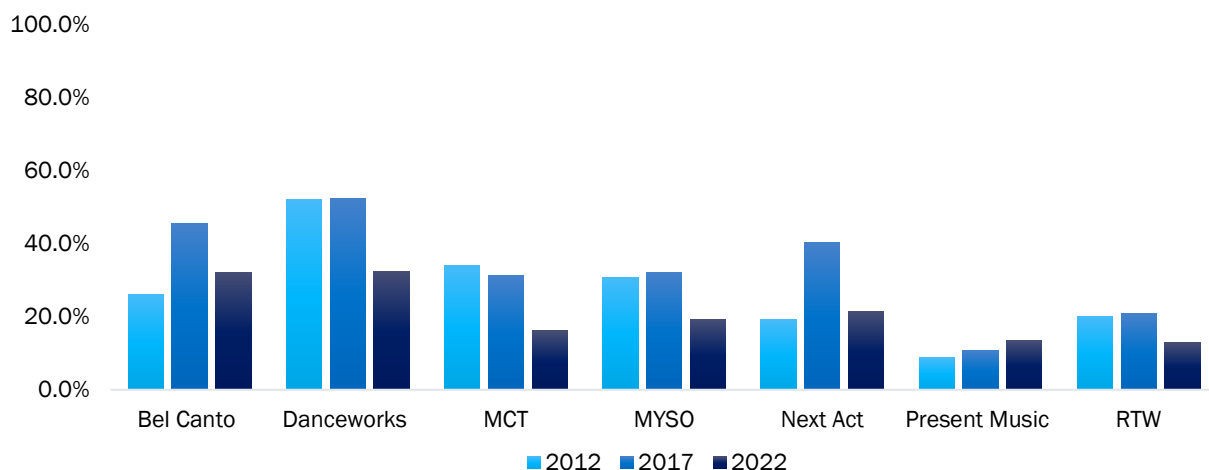
Figure 8: Total Unrestricted Contributed Income as a Percentage of Total Adjusted Revenue – Cornerstones



The same analysis for the members yields similar results. Program-related revenue as a percentage of total revenue declined for almost all in the last year of our analysis (2022), as shown in **Figure 9**.³ Meanwhile, reliance on donor income grew substantially when comparing 2022 to 2017 for four of the seven members (see **Figure 10** on the next page). For two of the remaining three (Milwaukee Chamber Theatre and Present Music), that same trend is evident when we look back 10 years.

As with the cornerstones, the increased reliance on contributions from philanthropic donors, for several of the members, must be placed in the context of the pandemic, which undoubtedly was continuing to impact program revenue in the 2022 fiscal year. However, it again calls into question whether contributed income can continue to flow into these organizations in sums sufficient to offset both the disappearance of pandemic relief aid and any continued lag in revenue collected from performance and program attendance if audiences do not rebound and grow.

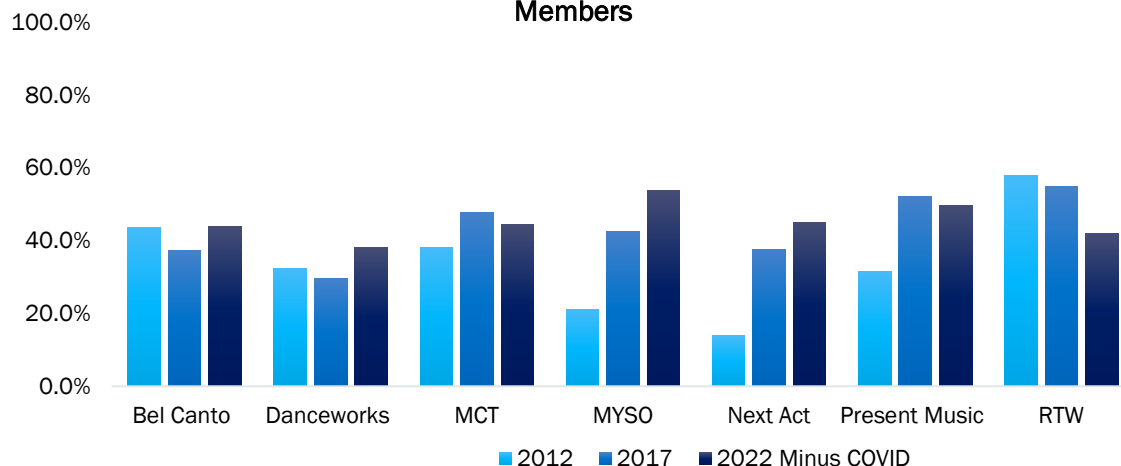
Figure 9: Program Service Revenue as a Percentage of Total Revenue – Members



³ The sizable increase in program service revenue for Bel Canto Chorus in 2017 was linked to a major touring effort the organization was preparing for that year.



Figure 10: Total Unrestricted Contributed Income as a Percentage of Total Revenue – Members



Takeaways

This admittedly high-level review of financial metrics for the UPAF cornerstone organizations and seven of its eight regular members illustrates a couple of key broad financial challenges that likely are indicative of those facing the performing arts sector in Milwaukee County as a whole:

- **The pandemic put a halt to program revenue growth for many.** When we look at 2022 revenue figures, we see that program service revenue had decreased or growth had slowed for most organizations. This is not surprising given that lingering elements of the pandemic still likely impacted the willingness of patrons to attend performances and educational programming during fiscal year 2022. It is unclear, however, whether audiences will return to pre-pandemic levels and show healthy growth even as the pandemic has largely subsided. In fact, the 2023 performance revenue data we were able to obtain from a handful of organizations showed improvement over 2022, but revenue collections that were still well below pre-pandemic levels.
- **Greater reliance on philanthropy as a percentage of total revenue accelerated during and after the pandemic.** This greater reliance on corporate, foundation, and individual philanthropy began before the pandemic for most and was a concern then. During the pandemic, contributions from philanthropic donors (as well as federal pandemic relief aid) backfilled much of the revenue gap created by venue shutdowns. However, as performances were beginning to return, fiscal year 2022 revenue totals generally still reflected a much higher reliance on donor revenue as a percentage of total revenue.

As noted, this is a “30,000-foot” overview and there are nuances and back stories for each of the individual organizations that may either diminish or intensify the severity of these challenges for each one. In the next section, we add perspective on some of these nuances and individual circumstances gleaned through a series of interviews with organizational leaders.



THE HEALTH OF THE SECTOR: A MORE NUANCED LOOK

For this section, our researchers conducted dozens of interviews with Milwaukee performing arts leaders, board members, funders, and other stakeholders to provide a more “real time” and nuanced look at the state of the sector.

We focus on seven of the performing arts organizations cited in the previous section, providing snapshots that largely speak to how they view their own post-pandemic sustainability, based on interviews with the leaders of each organization. Where relevant, we also show how their revenue mixes compare to those of similar organizations in peer cities, and we point out areas of collaboration with other performing arts groups. We conclude the section with a brief look at two smaller, lesser-known organizations and some takeaways. These snapshots do not necessarily capture the condition of the entire performing arts sector, but they are intended to give a general flavor of the challenges and opportunities facing large, medium, and small organizations.

Milwaukee Symphony Orchestra

The Milwaukee Symphony was founded as the part-time Milwaukee Pops Orchestra in 1949 and rebranded as the Milwaukee Symphony Orchestra (MSO) in 1959. By 1968, the MSO was a full-time, professional orchestra. It began touring in Wisconsin and Illinois in the late 1960s, played its first Carnegie Hall concert in 1972, made its first international tour in 1974, and added the Milwaukee Symphony Chorus in 1976. It also launched its Arts in Community Education (ACE) program in 1990.

The pandemic hit during the first season of Ken-David Masur’s tenure as the orchestra’s music director, and it also put a damper on the 2021 opening of the orchestra’s new home, the Bradley Symphony Center.

Audiences are coming back more slowly than expected since the pandemic and, according to MSO leaders, those who are buying tickets appear to be seeking familiar programming. Tickets to pops concerts and familiar classical programming are selling better than lesser-known and new classical pieces. The MSO also saw high rates of no-shows after the post-COVID resumption of performances but reports many patrons who did not use their tickets considered the ticket price a donation.

According to MSO leaders, audiences are averaging 65% capacity across the current season. Some shows sell at 90% capacity, while others sell at 50% capacity. The symphony currently maintains a roster of 72 musicians.

The MSO’s financial statements list \$2.9 million in performance revenues for the last full season prior to the pandemic (from the fall of 2018 to the spring of 2019). During the 2021-22 season – the first after the February 2021 opening of the MSO’s \$90 million Bradley Symphony Center – performance revenue grew to \$4.5 million. That included new revenue generated from performances by other performing arts groups at the concert hall, as well as healthy ticket sales prompted by interest in the new facility. For its last full season ending in the spring of 2023, the MSO saw a 7% (\$321,000) drop in performance revenue to \$4.2 million.

At the same time, operating expenses for the new symphony center have grown, increasing the MSO’s annual operating budget by \$4 million (23%), from \$17.5 million prior to the center’s opening



to \$21.5 million in the most recent full fiscal year. The symphony's top executive said building maintenance and other operating costs (such as concessions) associated with owning a venue added about \$3 million. Inflation added another \$1 million, he said.

While it was not surprising that the new building would add new costs to the symphony's operating budget, the revenue to cover those expenses was not built into the annual operating budget. Also, a portion of capital campaign revenue for the new facility that was intended to help build the symphony's endowment – and provide millions in interest income each year – instead covered increased construction costs. The MSO is now looking to donors to make up \$3 million of the gap. It expects to generate the remaining \$1 million from endowment income, the CEO said.

The new hall opened amid the pandemic after years of fundraising (\$142 million total) and months of construction to convert the former Warner Grand Theatre into a concert home. Owning its own hall gives the symphony control of its schedule and maximizes the number of dates in its primary venue. That was not possible in its former home, the multi-tenanted Marcus Performing Arts Center.

The MSO generates between \$700,000 and \$1 million annually by renting the Bradley Symphony Center for other events. Recent examples of independent performers in the symphony hall include the Indigo Girls, the Festival City Symphony, and jazz artists Joshua Redman and the Vijay Iyer Trio,

The MSO is in the “quiet phase” of a second capital campaign to build a \$75 million to \$100 million endowment. The CEO said an endowment providing \$6 million to \$7 million in investment income each year would help mitigate the higher costs associated with owning a venue and the loss of season subscriptions. Patrons of the performing arts in Milwaukee – and across the country – for years have been increasingly choosing the flexibility of buying tickets to individual performances, rather than committing in advance to attend multiple performances.

To provide context for how the MSO's revenue structure compares with symphonies in three peer cities that we discuss later in this report, we examined tax filings for each organization from fiscal year 2022 IRS Form 990s. As shown in **Figure 11** on the following page,⁴ the MSO – at least in this particular year – was considerably more reliant on contributions⁵ than its three peers and generated little investment income from an endowment and other reserves. This would appear to reinforce the MSO's considerable reliance on philanthropic contributors and its current lack of a sizable endowment, which reflects its new push to increase it.

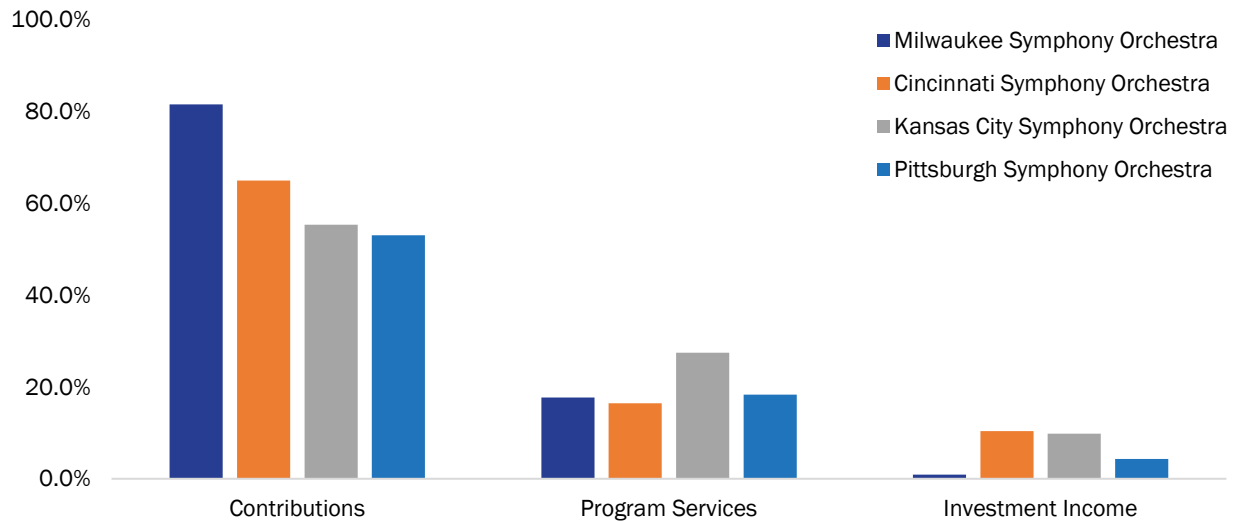
Operating budgets for symphonies in the four cities do not necessarily correlate with the number of musicians they employ. Cincinnati has the second-most musicians (88) but had the largest operating budget of \$37 million in 2022. Pittsburgh's operating budget for the same year (with 101 musicians) was \$33.3 million; followed by Milwaukee at \$22.2 million (with 72 musicians) and Kansas City at \$18.5 million (with 80 musicians).

⁴ We are only showing three major revenue categories here and in subsequent peer city comparison figures, which is why the percentages do not add up to 100%.

⁵ Revenue categories are categorized differently in Forms 990 than in the UPAF data discussed in the previous section. In the case of 990s, “Contributions” includes both ticket sales and public sector support.



Figure 11: 2022 Revenue Mixes for Symphonies in Peer Cities



Source: IRS Form 990s for the four organizations

Milwaukee Rep

According to the company's archives, the Milwaukee Repertory Theater was founded in 1954 as Drama Incorporated, presenting former hit Broadway shows that featured well-known actors. The company re-organized in the early 1960s, becoming part of a national trend toward creating resident companies of actors. The archives show that Drama Incorporated was renamed the Milwaukee Repertory Theater Inc. in 1966. It was soon known locally as "the Rep," a name still in use today. Part of the re-organization and rebranding included a new focus on classics and world premieres that were performed by the resident company rather than by nationally known actors. The resident company was disbanded in 2010.

First performing in the Miller Theatre (now the Miramar Theatre), on Oakland Avenue, the Rep moved into the Todd Wehr Theater in the Marcus Performing Arts Center in 1968. The company also performed experimental pieces in the 90-seat Court Street Theatre, a renovated space in an old warehouse building.

In 1987, the Rep moved into a former electric power plant on the east bank of the Milwaukee River on Wells Street, which would later bear the name of the Patty and Jay Baker Theater Complex. This complex contained the 720-seat Powerhouse Theatre, the Steimke Studio black box space with about 200 seats, and the 180-seat Stackner Cabaret. The Todd Wehr Theater at the Marcus Performing Arts Center subsequently became the performing space for the First Stage Children's Theater. The Rep currently is the largest non-profit theater in Wisconsin.

Interviews with the Rep's leadership confirm our analysis in the previous section, which suggests that the Rep has come through the pandemic in better shape (from a financial standpoint) than most other performing arts organizations in the city.

"We're not fully back, but we're very close," the Rep's executive director said, referring to attendance post-pandemic. The Rep's returning audience is down by about 10%, while theaters locally and elsewhere across the country saw a 40-60% drop, he said.



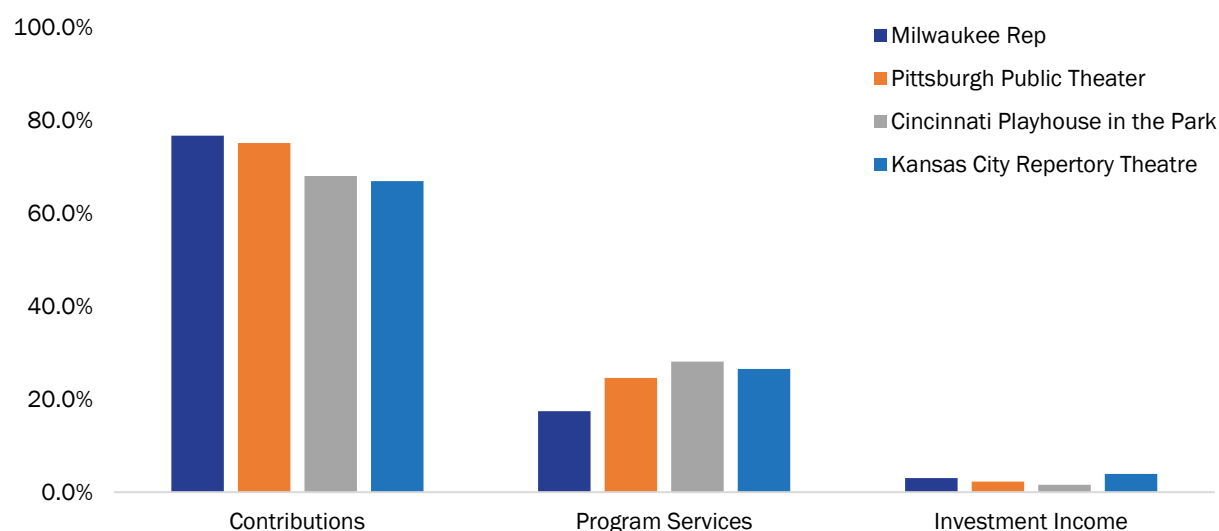
The Rep's audited financial statements show that box office revenue totaled \$7.1 million in the last full season prior to the pandemic (from fall 2018 to spring 2019), and then dropped to \$5.9 million for the 2019-20 season, which was shortened about three months by the pandemic shutdown. Ticket revenues rebounded to \$6.1 million in the 2022-23 season but are still 14% below 2018-19.

The Rep announced March 1 that it had raised more than \$71 million toward transforming its current location into a newly configured complex named the Associated Bank Theater Center — remaking two of the Rep's three performance spaces, creating a unified lobby, and including a new Herzfeld Foundation Education & Engagement Center for student programming. The company has scheduled a May 11 groundbreaking. The Rep also announced that inflation has driven up the project's previously announced cost from \$75 million to \$78 million.

The Rep says its home for the past 40 years is “aging and inefficient,” and that it limits the productions it can stage, plays it develops, and its educational impact. The Rep also is adding a fly loft to its mainstage theater to allow scenery to be brought on and off the stage from above — something it cannot do now.

We again examined 2022 tax filings for comparable theater organizations in the three peer cities. As shown in **Figure 12**, the Rep was closer to its peers in its reliance on contributions and investment income than the MSO, which may reflect its relative fiscal health as the pandemic subsided. Also, while we did not include the data in the last section, we did obtain information from UPAF on both unrestricted and restricted reserves and the Rep stood out as having the healthiest levels of both.

Figure 12: 2022 Revenue Mixes for Theatre Groups in Peer Cities



Source: IRS Form 990s for the four organizations

The Milwaukee Ballet

Founded in 1970, the Milwaukee Ballet has grown into an internationally respected and diversified ballet company. Today, the company presents seasons built of classic ballets such as *Swan Lake* and *The Nutcracker*, as well as ballets written in recent years by a creative team led by its artistic director, Michael Pink. Several of Pink's creations have been presented by ballet companies both



across the country and abroad, giving the company the opportunity to rent out the costumes and sets for those ballets for additional revenue.

As noted in the previous section, the Milwaukee Ballet has almost equal reliance on performance revenue and monies earned from its educational programming. The Milwaukee Ballet School and Academy is the only ballet school in the Midwest that is fully accredited by the National Association of Schools of Dance. The company also runs the Rolando Yanes Pre-Professional Program, and two Summer Intensive programs that draw local and out-of-town students.

In addition to in-house educational programs, the company partners with the MSO's Arts in Community Education (ACE) program in area schools. It offers community classes for adults, including a Silver Slippers program for seniors and classes for people with special needs.

Although the ballet appears in solid financial condition today, the late 1980s were a different story. The company merged with the Pennsylvania Ballet (now the Philadelphia Ballet) to form the Pennsylvania/Milwaukee Ballet, which became the only ballet company in the country to provide 52 weeks of work per year for its dancers, serving two "hometowns."

But in 1989, the joint venture broke up, with the *Philadelphia Inquirer* reporting, "Both companies have perpetual cash-flow problems. The difference is that the Pennsylvania Ballet is solvent, the Milwaukee Ballet is not."

The ballet's rebound over the past three decades led to its long-awaited move in 2019 into its new home, The Baumgartner Center for Dance. Just a few months later, COVID emerged, forcing the ballet to cancel the last two productions of the 2019-20 season and all of the 2020-21 season before returning midway through the 2021-22 season.

The company's managing director/chief advancement officer says, however, that "it finally feels like we're back to typical, pre-COVID levels of ticket sales." The December 2023 run of *The Nutcracker* — a newly created Michael Pink production of the holiday classic — sold out nearly every show.

During the pandemic, the company took its ballet classes online, allowing students to continue their training. It also managed a pared-down offering of the Summer Intensive program that year.

The company is already familiar with cross-sector collaboration, having established a cooperative relationship with the Florentine Opera Company in which the two groups share a scenic shop and storage space and split the services of a full-time production manager. That works well because they share their main performing space (Uihlein Hall at the Marcus Performing Arts Center).

While the ballet first occupied the new Baumgartner Center in September 2019, it is only in recent months that they have begun to see what life in the new space is like at full operational levels. According to the company's managing director, the new facility is costing more to operate than the previous space, but it also presents a host of opportunities to offer income-generating classes and small-scale performances that were impossible in the old space.

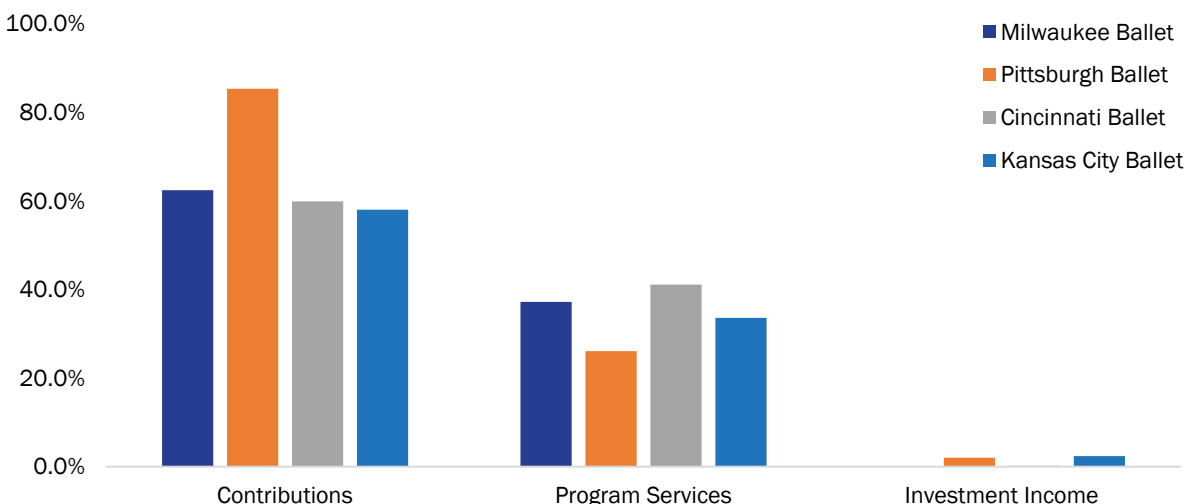
Our comparison of revenues for ballets in peer cities using 2022 tax filing data (**Figure 13** on the following page) shows the Milwaukee Ballet was less reliant on contributions than its peer in Pittsburgh⁶ and slightly more reliant than the other two. This may reflect its ability to generate a

⁶ As far as we can tell, the combined percentages for the individual categories for the Pittsburgh Ballet exceed 100% because there was a loss from the sale of assets that affected total revenue but is not reflected here.



balanced mix of both performance income and fees from educational activities to bolster its program revenues and lessen its reliance on philanthropic support. The Milwaukee Ballet did receive the lowest amount of investment income of the four peers at 0.1% (Cincinnati's ballet received 0.2% -- both are too small to show in the figure). This is consistent with our review of UPAF data on restricted and unrestricted reserves, which indicated the Milwaukee Ballet has low levels of both.

Figure 13: 2022 Revenue Mixes for Ballets in Peer Cities



Source: IRS Form 990s for the four organizations

The Florentine Opera

Milwaukee's Florentine Opera Company is the oldest professional performing arts organization in the city. Founded in 1933 as the Italian Opera Chorus, the group changed its name to the Florentine Opera Chorus in 1942, honoring the birthplace of opera, Florence, Italy. In 1952, the chorus transitioned from presenting the big choruses from grand operas to presenting entire operas, creating the Florentine Opera Company.

According to the company's general director and CEO, its ability to draw patrons is somewhat challenged by the fact that "opera audiences tend, nationally, to be the oldest audiences in the arts."

In 2019, 40% of Florentine audience members also attended the MSO, but only 8% of MSO audience members attended the opera. To attract new audiences, the Florentine created a 35-and-under subscription, which has been bringing in new, younger faces.

Ultimately, however, opera is a niche within the arts, with about 1.6% of arts-going audiences attending opera performances. "Opera has never been self-sustaining, and it never will," the managing director said.

The company has delved into national research on opera and done its own audience research as well, developing a "robust profile" of what audiences love about opera and what brings them to the Florentine. It has also adopted a ticketing strategy that raised prices on the most expensive tickets and reduced prices on the least expensive, which has brought new patrons through the door.



In the spring of 2020, performances of *The Tragedy of Carmen* sold out. Unfortunately, they did so just hours before the Marcus Performing Arts Center called the Florentine to announce it was shutting down the center, where the Florentine performs, due to COVID.

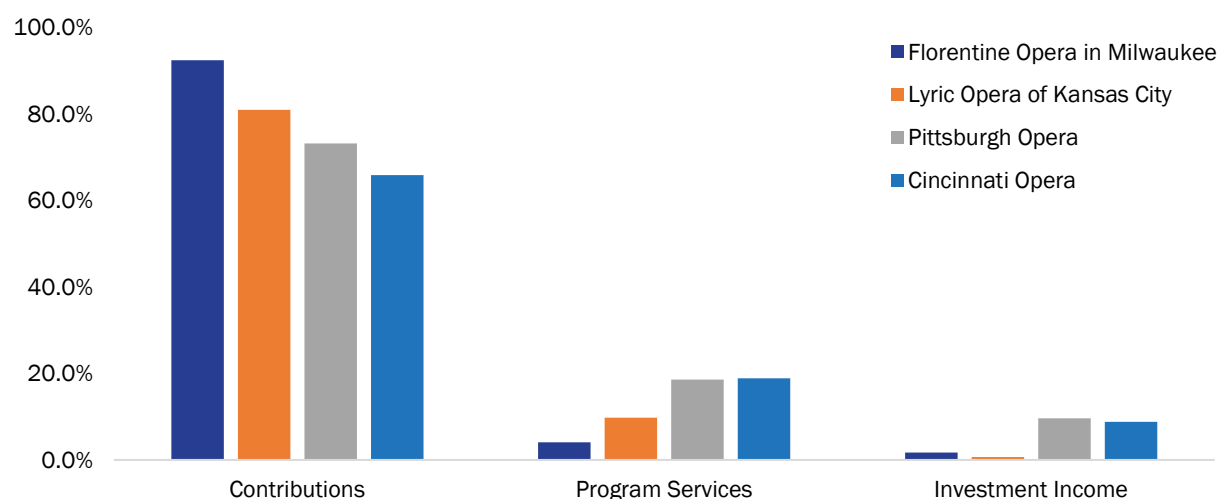
Now, in a slow return from COVID, the Florentine's ticket sales have partially recovered but are still about 20% below pre-COVID days. Officials say patrons are less willing to plan than they were before the pandemic, waiting until just a few weeks before a performance to purchase tickets. That makes it difficult for the Florentine to even know how many programs to print.

But the “new audience” focus is succeeding, the managing director said, and now the Florentine is working to retain its new audience members. Smaller productions attract slightly different audiences than large productions, a trend that is occurring across the country.

The Florentine also is no stranger to collaboration. For example, the MSO accompanies the largest opera productions from the pit and provides smaller ensembles for smaller productions. As noted above, the Florentine also collaborates with the Milwaukee Ballet, sharing scene shop and storage space, as well as a production manager. That arrangement works well; the two full companies almost never perform on the same weekends.

When we compare 2022 tax filing data for the Florentine and opera companies in the three peer cities, we see in **Figure 14** that the Florentine led the pack in terms of reliance on contributions and received a smaller percentage of program service revenue than the peers. Its investment income also lagged that of its peers in Pittsburgh and Cincinnati, which is consistent with our analysis of UPAF data showing it has low levels of unrestricted and restricted reserves.

Figure 14: 2022 Revenue Mixes for Opera Companies in Peer Cities



Source: IRS Form 990s for the four organizations



Skylight Music Theatre

Skylight Music Theatre — rebranded from Skylight Opera Theatre in 2012 to better reflect its mission, repertoire, and education programs — was founded in 1959 as a San Francisco-style coffee house and venue for Beat poetry and some folk music. After hearing an impromptu “performance” of music by Gilbert and Sullivan in Door County, founders Sprague Vonier and Clair Richardson decided to book the two performers of the impromptu performance for a similar evening in Milwaukee — and the Skylight was born.

The fledgling company leased space in an old building on Jefferson Street, taking the company’s name from the huge skylight at one end of the space. They eventually added another Jefferson Street space, a former tire re-capping garage, and quickly developed an enthusiastic fan base that included a large group of volunteers known as “Skylighters.”

The company relocated to its home in the Broadway Theatre Center in September 1993. This space combined a renovated old building and significant new construction.

In 2009, building maintenance and unexpected repair expenses produced a budget shortfall of \$200,000, which management attempted to rectify by firing Managing Director Bill Theisen. A summer of protests followed, eventually resulting in Theisen’s reinstatement, and garnering national coverage that included articles in the *New York Times*. Financial issues associated with the maintenance and unexpected repairs for the Broadway Theatre Center continued, resulting in the sale and lease-back of the building in 2018.

Financial issues have persisted. Today, with the Skylighters supporter/volunteer base a thing of the past, the Skylight is working to grow audiences and redevelop a broad base of support. Performance ticket revenue for the 2022-23 season was \$1.2 million – a \$255,000 increase from the previous season, according to Skylight’s executive director. Attendance this season is roughly 18% down from pre-pandemic numbers, she said. “We are seeing (fewer) subscribers, as well as more last-minute ticket purchases, as opposed to advanced ticket sales. That makes it challenging to forecast trends and interest in shows.”

One initiative to grow audiences, called Neighborhood Night, focuses on the company’s own neighbors in the Historic Third Ward. Skylight opens its doors on the occasional Neighborhood Night for its neighbors to tour, watch a rehearsal, “and get to know us,” Skylight’s executive director said.

The company is also pulling back its curtain in the Broadway Theatre Center for post-show and pre-show events to share with patrons “what goes into the magic on stage.”

Skylight has cut season expenses by over \$500,000 post-pandemic in a rising labor cost environment, the company’s executive director said. “This was accomplished by making creative, yet difficult staffing decisions,” she said. “That creative thought process continues into next season, with additional improvement opportunities to decrease expenses and increase revenue – both in ticket sales and contributions.” Skylight also recently engaged outside expertise to review and evaluate its strategic initiatives.

The company’s recent holiday season production of the four-time Tony-nominated musical *School of Rock* featured a young cast, which drew new audience members and created a tight-knit community of support, including parents. Skylight’s executive director cited a collaboration with First Stage, “a



wonderful incubator for young talent” in Milwaukee. Skylight also collaborates with First Stage for sensory-friendly programming.⁷

Other theater companies and venues in Milwaukee produce musicals, including the Marcus Performing Arts Center, which has a Broadway Series; and the Rep, which launched its current season with the world premiere of the musical *Run Bambi Run* and produced the musical *Titanic* last season.

Asked about Milwaukee’s so-called “musical wars,” the Skylight’s executive director responded, “The more the merrier. Our niche is this jewel box of a theater.”

An often-mentioned question raised by stakeholders in the community is whether the financially struggling Skylight should form an operational partnership with another company, such as the Florentine Opera. “We do very different things,” Skylight’s executive director said, referring to the Florentine. Whether there’s a natural “match” for Skylight is “an interesting question and interesting thought,” she added.

Black Arts MKE

Black Arts MKE launched in 2014 as small African American arts groups in Milwaukee were struggling post-recession to create sustainable business models. It was co-founded by two Black philanthropists to address the need for improved and increased representation of African American arts in the Milwaukee area. It originally was designed as an umbrella organization for existing African American performing arts groups, but that model was unsuccessful, as founder-operated groups withdrew over a myriad of operational issues.

Today, Black Arts MKE aims to preserve and grow important cultural offerings in Milwaukee, and to build a more sustainable, vibrant African American performing arts scene for the community.

Black Arts MKE has an annual budget of about \$1 million and has won grant funding from the National Endowment for the Arts for several years. It also was named a member of a national Think Tank of Black Theatres led by the Billie Holiday Theater in Brooklyn, NY. In recent years, Black Arts MKE received support through a new initiative, The Black Seed, launched by key national foundations to strengthen Black theater as a force for systemic change in the arts and culture world.

Nationally, only 24% of new plays produced on American stages in the three years prior to the pandemic were written by Black, indigenous, and People of Color (BIPOC) artists, and only 20% of all produced playwrights were BIPOC artists, according to “The Count 3.0” report, published in 2020. Black Arts MKE is looking to change that locally.

The organization currently is in residence at the Marcus Performing Arts Center, but is working to find a new home, ideally in Bronzeville. Black Arts MKE supports theatre productions written and presented by local Black artists, including resident group Bronzeville Arts Ensemble, and brings nationally acclaimed Black artists to Milwaukee to teach and inspire.

⁷ According to First Stage’s [website](#), sensory-friendly performances “feature a welcoming environment including adjusted sound and lighting, and available quiet areas staffed by educators experienced with the care of students with autism and other developmental differences.”



Black Arts MKE also helps Milwaukee-based performing artists and young people of color to advance or begin careers through paid employment, professional development, and internships. At-risk youth and struggling Black artists gain self-confidence and self-esteem through positive experiences in African American theatrical, dance, music, and other artistic activities.

In 2022, Black Arts MKE took over production of the Milwaukee Black Theatre Festival, which has since grown to a month-long festival in August. It features a Youth & Family Night, lectures, workshops, free master classes, and full productions of plays by Black playwrights. Other annual Black Arts MKE productions at the Marcus Performing Arts Center include the holiday production of Black Nativity by Black playwright Langston Hughes with free matinees for school groups. Black Arts MKE presents free performance matinees for school groups at the PAC through its Theatre for Young Audiences programming, including during Black History Month.

Two years ago, Black Arts MKE began offering a masterclass series. The first year included a week-long summer camp for local youth and evening master-level class for local, emerging professional adult artists to study dance with James Gilmer, principal dancer and accomplished Black artist with the internationally acclaimed Alvin Ailey American Dance Theater in New York City.

Renaissance Theaterworks

Renaissance Theaterworks (RTW), which shares a performance space with Next Act Theatre, has been promoting the work of women, onstage and off, since 1993. It is Milwaukee's only theater company dedicated to addressing gender parity in the arts. At the same time, it strives to connect all people — and what it means to be human — “through storytelling that makes audiences think harder, laugh louder, and feel more.”

RTW intentionally seeks young audiences by offering a discount subscription package for those under age 40. It also walks the talk of inclusivity — that everyone should be able to experience moving theater, and that community outreach builds access. RTW once took an extremely dark and outrageous comedy to 195 inmates at the Taycheedah Women's Correctional Facility near Fond du Lac. Behind security fences topped by rolled razor wire, the audience responded with a standing ovation for the two actresses during their curtain call.

Amid the pandemic, in July 2020, RTW moved its regular season performances from the Broadway Theatre Center in Milwaukee's Historic Third Ward to the Next Act Theatre building in Walker's Point. The current rented performance space is 50% larger, with a house capacity of 150 versus the Broadway Theatre Center's 99-seat capacity.

RTW recently wrapped up its 2023-24 season with record attendance, selling 66% of house capacity (averaging 101 seats per show) for its highest grossing season ever, according to its managing director. That compares to an average 38% capacity sold in the 2022-23 season, and 34% capacity sold in the 2021-22 season.

RTW's operating expenses were \$815,752 in the fiscal year ending June 30, 2023. The theater company prides itself on careful fiscal management and the stable cash reserves it has maintained throughout its history to help weather unexpected storms, including a \$49,399 revenue shortfall last fiscal year. Last fiscal year, RTW posted a \$23,897 surplus, according to its audited financials statements.



In addition to sharing space, RTW and Next Act are thought partners, and pool their resources as needed. When Next Act needed a set builder, RTW helped its leadership find one. When the building's HVAC system needed new filters, the two organizations shared fundraising to buy them. They also pooled their money for additional and better lighting.

The two share a box office, which Next Act staffs and RTW contracts to use. RTW does not receive proceeds of concessions but considers them a perk for patrons.

RTW is one of Milwaukee's most partnership-oriented performing arts groups. It has partnered with Milwaukee Opera Theatre twice to stage two productions, and recently staged a production, *The Wolves*, featuring young actors from First Stage Theatre.

RTW shares props with Next Act, as well as Milwaukee Chamber Theatre. RTW also has benefited from The Rep loaning it props for many years.

"Little things add up, cost-wise," one of RTW's co-founders said of its partnership philosophy. "Our continued success is key to their continued success."

Smaller Performing Arts Organizations

Here, we give a flavor of the activities of two smaller performing arts organizations in Milwaukee to expand readers' understanding of the sector's breadth.

Present Music

Founded in 1982, Milwaukee's Present Music is now one of the leading new music ensembles in the country. The group has commissioned and premiered more than 80 substantial pieces and has frequently worked closely with some of the best-known and most-respected composers in the country as well as from beyond our borders.

More than 30 years before the Van Gogh Immersive Experience became "a thing," Present Music was the master of innovative, immersive concert events. The "new music" in which Present Music specializes is an extension of the classical music genre. Largely referring to music written in the second half of the 20th century and in the 21st century, "new music" can be anything from cutting edge and experimental, to lyrical, or even lighthearted. It can include elements of many diverse musical genres, including classical, jazz, rock, world music, and others.

With an annual operating budget of close to \$500,000, Present Music offers concerts unlike any other professional ensemble in Milwaukee. Employing local musicians as well as internationally known headliners and composers, the ensemble performs in locations across town, including University of Wisconsin-Milwaukee's Jan Serr Studio, the Milwaukee Art Museum, and the Cathedral of St. John the Evangelist. The group's annual Thanksgiving concert at the cathedral has featured the Wisconsin-based Bucks Native American Singing and Drumming Group for more than 20 years.

The ensemble has recorded extensively on several labels and has performed in Japan, Turkey, and China. It is the unprecedented, six-time winner of the prestigious Adventurous Programming Award from the American Society of Composers, Authors, and Publishers (ASCAP)/Chamber Music America.



Present Music is currently participating with Early Music Now, Milwaukee Musaik, and others in a joint audience-building effort. The effort gives a patron buying a ticket to a performance by one of the groups a free ticket to attend a performance by one of the other participating groups.

Present Music was happy to report that concerts on February 1 and 2, at UW-Milwaukee's Jan Serr Studio, were both sold out — 500 tickets over the course of the two concerts.

Early Music Now

Milwaukee's Early Music Now (EMN) was founded in 1986 to present historically informed performances of Medieval, Renaissance, and early Baroque music. From a first season of just two concerts, the organization has grown to become an internationally respected series, and one known for presenting some of the finest early music ensembles in the world.

Although the group's executive director reports that audiences are gradually returning to pre-pandemic numbers (nearly 400 people at two December performances), he said the pandemic took a toll on its finances and audience development. Now inflation is taking yet another toll, particularly in the 15 to 20% rise in the cost of bringing ensembles to town.

The group has run a deficit for the past two seasons, following the post-pandemic reopening. Expressing some frustration over the fact that funders tend to take a dim view of running a deficit, the executive director said he looks at the group's current financial situation as an indicator of financial responsibility, as it was able to dip into reserves accumulated over the past 30 years to cover deficits.

Regarding collaboration, EMN not only initiated the collaborative ticketing offer that gets patrons a free ticket to another arts event at one of several groups, but it is also exploring

Small Groups Show Promise of Collaboration

Amid a great deal of conversation about collaboration, cooperation, and shared services in and around the arts community, 12 Milwaukee arts groups* have banded together to try a new form of raising money to support their organizations.

The Small Arts and Culture Cohort (SMAC) designed by these groups is a funding model that has never been tried in the Milwaukee arts community. SMAC's goal is to raise \$900,000 — enough to support each of the 12 groups at \$25,000 apiece for three years — as a means of giving them sufficient stability to focus on their art rather than on constant fundraising to meet daily expenses.

One of the spokespersons for the SMAC initiative explained that “small arts groups in Milwaukee are chronically underfunded.” While not all the participants are performing arts groups, they represent every zip code in the city.

“We’re doing okay,” the Milwaukee Opera Theatre executive director explained. “It’s a miracle we exist at all. This was much harder than any of us realized it would be.”

The SMAC groups will be accountable to any of the foundations or granting organizations that donate to the effort, as well as to each other, meeting monthly for updates.

Although SMAC has not yet reached its full funding goal, it has begun cutting checks for the first annual installments, dividing what funds they have raised thus far for this year.

When the first 12 groups participating in SMAC reach the end of the three-year period they have defined, their hope is that 12 more groups will step into their places, learn from what they have done, use the tools they have created, and continue with three years of stable funding for their own organizations.

* The 12 SMAC groups are Artworks for Milwaukee, Aperi Animam, CAPITA Productions, The Constructivists, Ex Fabula, DanceCircus, Ko-Thi Dance Company, Milwaukee Opera Theatre, Pink Umbrella Theatre, Quasimondo Physical Theatre, Walker's Point Center for the Arts, and Wolf Studios MKE.



collaborations with several early music ensembles in Milwaukee, Madison, and Chicago. These currently include a Baroque opera with Milwaukee Opera Theatre, a historically accurate performance of *Messiah* with a chorus from Chicago, and a project with the Just Bach ensemble from Madison.

Takeaways

Our interviews with Milwaukee performing arts leaders and more nuanced look at their organizations reveal several examples of partnerships and cooperation. For example, some are artistically partnering to stage productions, which can boost ticket sales from crossover of audiences and enhance their offerings. Others are sharing spaces and production props, which can reduce costs.

On the financial front, we see that successful capital campaigns by two of the three large organizations (the MSO and the Ballet) led to new buildings that have restored or enhanced ticket revenue, while the third (the Rep) is closing its campaign to reconfigure its theater complex in a move that holds great promise to do the same. However, the MSO is working to fill a \$4 million budget gap tied to its new building and is pinning its hopes on an endowment campaign to shore up its future.

Meanwhile, the medium-sized Skylight Music Theatre and Florentine Opera are seeking to manage financial challenges by fortifying audiences through innovation and, in the case of Skylight, also trimming staff.

For the MSO, Rep, Ballet, and Florentine, we also looked at how their revenue dynamics compare to similar organizations in three peer cities: Kansas City, Cincinnati, and Pittsburgh. We find that except for the Rep, all received less investment income than most or all peers, which signals a lack of robust endowments to help them manage their operating budget challenges in the years ahead.



PRESSING ISSUES AND PROMISING OPPORTUNITIES

Our quantitative and qualitative analysis of Milwaukee's performing arts sector in the previous two sections paints a mixed picture. The three large performing arts organizations (MSO, the Rep, and the Ballet) were able to raise funds to build impressive new venues in recent years. The Rep and the Ballet emerged from the pandemic with reasonably sound financial prospects, while the MSO – which has not seen audiences fully rebound – hopes a new endowment campaign will address its operating budget challenges.

On the other hand, after two years of no performances and lost audience and donor development, Milwaukee now has several performing arts organizations facing substantial challenges.

In this section, we take a closer look at three overriding issues facing the sector as a whole, the resolution of which (or lack thereof) could have a monumental impact on their collective future. We also detail strategies used in other cities that could be promising for Milwaukee performing arts leaders.

Environmental Threats: Competing Fundraising Campaigns, the Future of UPAF, and a Lack of Public Funding

Recent capital campaigns: \$350+ million for performing arts

In the past five years alone, capital campaigns for five performing arts organizations have targeted more than \$350 million from philanthropy, including the new endowment campaign by the symphony for \$75 to \$100 million that is in the “quiet phase” of conversations with top prospects.

Capital campaigns grab attention and financial support because they offer “vision” and compelling storytelling, suggesting they will help Milwaukee be more vibrant, both for its residents and those who visit. At the same time, these campaigns are heavy lifts. They require millions of dollars of donations from traditional philanthropic supporters of the arts in the region, including money that otherwise may support annual operating expenses and keeps organizations afloat from year to year.

The following is a summary of capital campaigns that have been recently or are currently being pursued by major performing arts groups in Milwaukee, in some respects in competition with one another.

Milwaukee Symphony Orchestra: After successfully raising \$142 million for its new Bradley Symphony Center and related initiatives, the MSO has recently engaged top prospective donors about the possibility of launching another \$75 million to \$100 million campaign to grow its endowment. MSO leaders view the opportunity to draw annually from a vastly expanded endowment as a means of security. This effort not only comes on the heels of the recent capital campaign for the new building, but it also follows an emergency fundraising campaign a decade ago to generate \$5 million to fill a hole in the MSO's budget.

Milwaukee Ballet: In recent years, the Ballet has engaged in two separate capital campaigns totaling \$31 million, including \$26 million for the new Baumgartner Center for Dance and \$5 million to create a new production of *The Nutcracker*.



Milwaukee Rep. The Rep is nearing the completion of a campaign to build a new theater complex at its current downtown site, to be named Associated Bank Theater Center. The project, which has grown to \$78 million, will completely remake two of its three theaters and create a large, unified lobby. The Rep also is creating an expanded offsite production center.

Milwaukee Youth Symphony and First Stage. The two organizations, which share space in the Milwaukee Youth Arts Center, launched a \$23 million capital campaign several years ago to repurpose 42,000 square feet of underused studio space in the lower level of their current building in Bronzeville. The second phase will renovate a building across the street to create additional education and engagement space.

Our interviews with philanthropic supporters of the performing arts reveal there is tension between consistent requests from larger organizations for substantial donations to support new or improved buildings, and larger-than-normal requests for operational support from medium- and smaller-sized organizations still recovering from the impacts of the pandemic.

We would also note that in Cincinnati, nonprofit arts organizations have raised more than \$750 million in capital funding since 2016 for new construction and renovation through private and state government support. Milwaukee's capital campaigns for performing arts have not received state funding, exposing a significant gap in the funding infrastructure compared to peer cities.

UPAF: To be or not to be, that is the question

The future of UPAF is another critical issue. Decisions about potential changes in the way UPAF supports the performing arts are on the horizon as UPAF also searches for a new leader.

Some of our interviewees suggested it is time to recognize that while the landscape has evolved significantly since UPAF was created, UPAF's priorities have not. UPAF was founded in 1967 as a shared venue concept to support four performing arts group tenants of the Marcus Performing Arts Center (PAC): the Rep, MSO, Florentine Opera, and the Ballet. It was a different era, before the sector matured to include more than a handful of groups and broadened beyond its European roots to reflect Milwaukee's diversity.

The rest of the staples of Milwaukee's performing arts community today, including the nationally and internationally

Philanthropy as Crisis Manager

Financial challenges detailed in this report prompt a deep concern from performing arts supporters we interviewed about the role philanthropy plays in crisis management.

"Milwaukee has philanthropic firetrucks it drives up to venues in crisis," one performing arts organization executive said. "They put out the flames, then drive off to the next fire. Everyone's still smoldering."

One recent example: In an urgent appeal in February 2023, the Milwaukee Chamber Theatre (MCT) told donors and audience members it needed \$205,000 in pledges within two weeks, or it would fold before the season ended. Fortunately, a "sustainability campaign" raised \$1.5 million, which allowed the organization to keep its doors open for the 2023-24 season.

MCT management said the need for emergency fundraising was caused by a combination of factors. The company went into the pandemic with virtually no cash reserves to cushion against many months of shutdown. In addition, the fact that their audience had the oldest median age of any theater company in town meant that their patrons were very cautious about coming back into crowded theaters as the pandemic subsided.

A marketing strategy shift has been bringing younger patrons to shows in more recent months. The company is also joining forces with Skylight and First Stage to find a spot for shared storage space and production shops.

A somewhat similar situation occurred a decade ago for MSO, which sought and received emergency assistance from supporters to fill a \$5 million hole in its budget.

According to Milwaukee Journal Sentinel [coverage](#) at the time, the MSO's executive director said "the orchestra has become overly reliant on a few 'angel donors' to bail it out at the end of each season." The story also noted that "some key donors" balked at stepping up again without seeing changes in the MSO's business model.



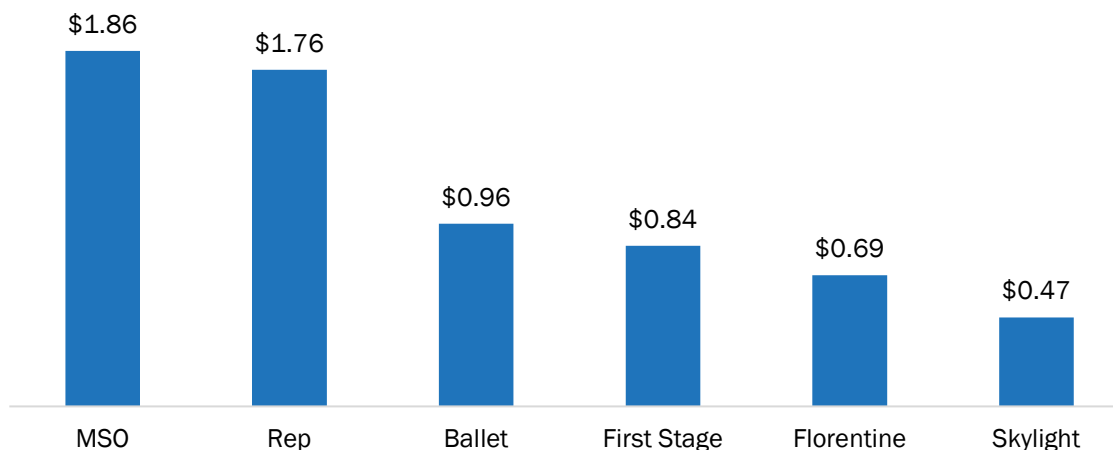
respected Present Music and Early Music Now groups, largely did not appear until the 1980s, while the 1990s saw the addition of Next Act Theatre and Danceworks, along with the creation of Skylight's Broadway Theatre Center.

Moreover, while the four original organizations no longer share a venue and all have their own professional staffs for fundraising, they still automatically receive the bulk of UPAF funding each year. The MSO and Rep also have their own theaters. Although the Milwaukee Ballet still performs at the PAC, it built a new facility for administrative offices, rehearsals, classes, and a small performance space. Similarly, while the Florentine Opera and First Stage both perform at the PAC, they have administrative offices elsewhere, as well as rehearsal, shop, and storage spaces — thus diminishing the shared venue concept that UPAF was created to support.

All these factors raise the question of whether UPAF in its current structure still makes sense. Some argue that a new model may be appropriate to serve a diverse sector of large, medium, and small performing arts organizations, while others would prefer to see even more support directed to larger organizations to ensure they can thrive. One sector leader stressed that UPAF assets are community assets, so the community should have a say in what happens next. “It needs to be a collective effort,” says that leader. “Not (one that is) done behind closed doors.”

Currently, the six cornerstone members are automatically funded each year and receive the bulk of UPAF distributions. They are still subject to an accountability scorecard designed to ensure they are fiscally responsible and viable to merit such support. **Figure 15** shows UPAF allocations received by the cornerstones in 2022.

Figure 15: 2022 Funds from UPAF (in millions) – Cornerstones

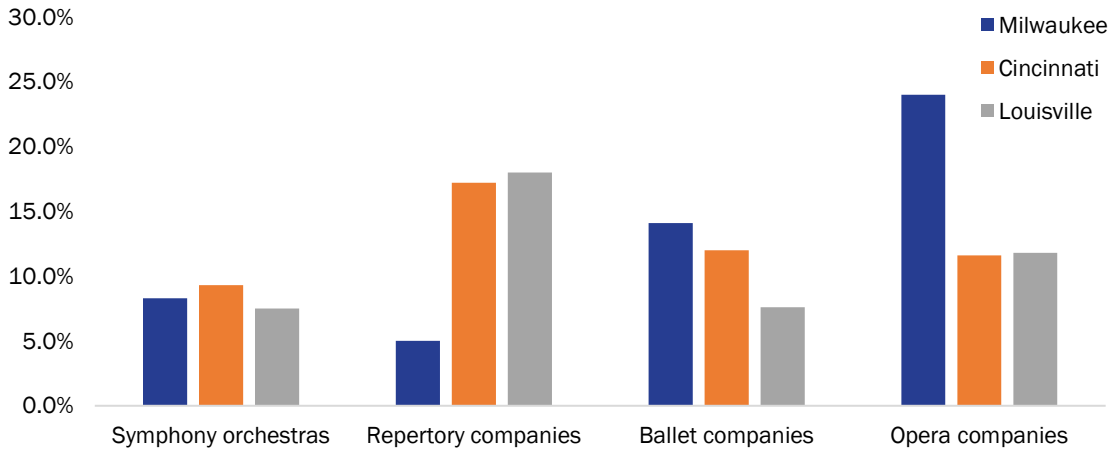


Source: UPAF

In **Figure 16** on the following page, we add context by showing how UPAF allocations as a percentage of operating budgets for four of those organizations compared with allocations received by counterparts in two peer cities that also have united arts fund entities. Both the Florentine Opera and the Milwaukee Ballet showed greater reliance on united fund distributions than their two peers in 2022, while the Rep had far less reliance. The MSO fell in the middle of the two peers.



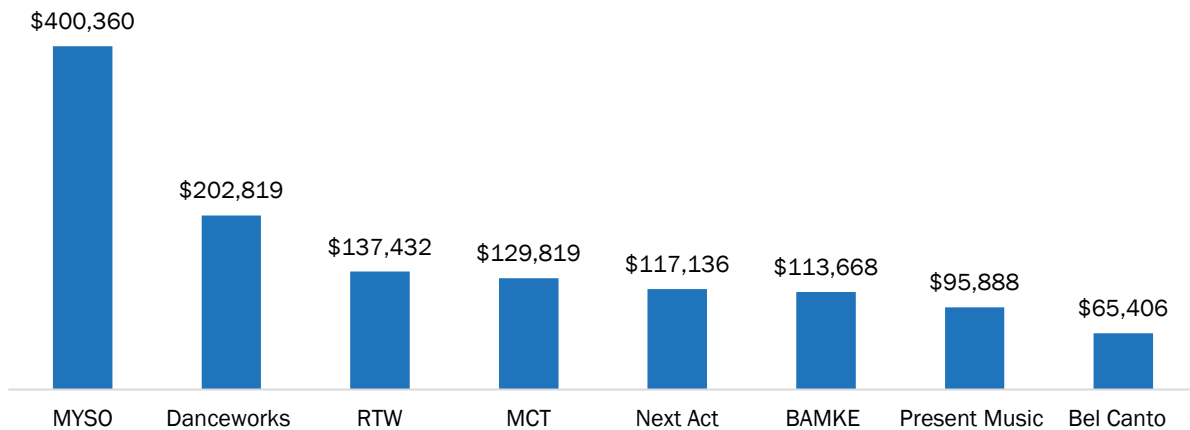
Figure 16: United Fund Allocations as a % of Total Operating Budget, Milwaukee Organizations vs. Peer City Counterparts, 2022



Source: 2022 financial statements for the four organizations

Significant UPAF funding also goes to non-cornerstone member groups (**Figure 17**), while minimal funding is earmarked for affiliates. A significant number of small performing arts organizations receive no funding from this approach to workplace giving.

Figure 17: 2022 Funds from UPAF – Members



Source: UPAF

The tiered system understandably engenders conflict between different-sized organizations and underpins a lack of trust and cohesion in the sector, according to several of our interviewees. UPAF’s use of the term “cornerstone organization” to describe the Rep, MSO, Ballet, First Stage, Florentine, and Skylight alone may suggest an imposed “primacy” of those organizations, one interviewee said.

This conflict has been exacerbated by stagnant workplace giving through UPAF over the past decade, which means the pie is not expanding. Consequently, annual increases to medium- and small-sized groups may be limited – and some may even see cuts – without changes to the distribution formula. Yet without any increase in UPAF fundraising, such changes may prove controversial to implement since they would result in winners and losers.



Public sector support still lacking

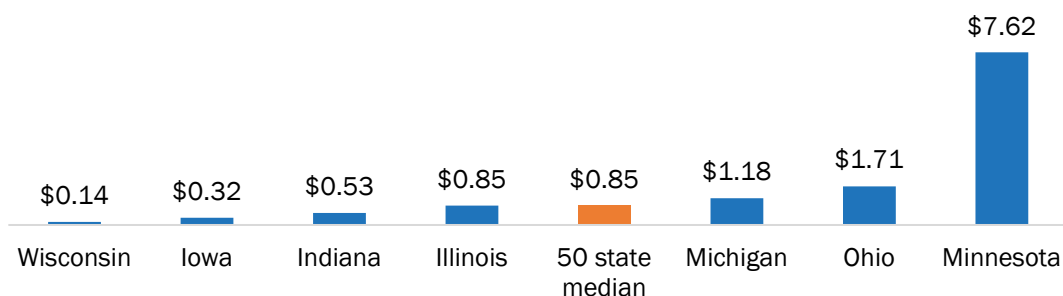
As we have pointed out in previous [research](#), performing arts organizations in Wisconsin and Milwaukee – and the arts as a whole – receive little public funding when compared to other states and peer cities. A look at the most recent data from the National Assembly of State Arts Agencies shows that in the 2023 fiscal year, Wisconsin ranked 50th of the 50 states in per capita state funding for arts agencies.⁸ **Figure 18** shows how Wisconsin’s state support of \$0.14 per capita compared to the 50-state median and neighboring states.

Many major cities also have special local government offices that serve as “hubs” for arts and culture and help integrate public support for the arts into other city or regional economic development and quality of life efforts. Milwaukee lacks such an office.⁹ Its sole sources of local government support for the arts are the Milwaukee Arts Board, which is housed in city government and distributes about \$250,000 in small grants (typically \$6,000) to arts organizations of all sizes each year; and the Milwaukee County Fund for the Arts (located within county government), which distributes about \$400,000 annually to dozens of arts organizations throughout the county.

This paucity of public funding compared to other states and cities has been a longstanding challenge for performing arts organizations in Milwaukee. Such support is used by organizations in other communities to fill gaps between the amounts they can reasonably earn from performances, education, and other programming and what they must spend to stay in business, and it also may be an important source of support for capital campaigns. Government support ensures not only a sufficient breadth of performing arts organizations and offerings, but also the existence of low-priced and even free offerings to ensure access for citizens of all income levels. With few public dollars available to fill these gaps, Milwaukee’s performing arts sector must instead rely almost exclusively on private philanthropy and UPAF.

Figure 18: WI Ranked 50th in 2023 in Annual State Support for Arts & Culture

Per capita state funding dedicated to state arts agencies, FY 2023



Source: National Assembly of State Arts Agencies

⁸ Most states have an agency dedicated to supporting arts and cultural activities. In Wisconsin, that agency is the [Wisconsin Arts Board](#). These organizations use grants to distribute state, federal, and other funds to individual artists and arts organizations. To receive federal funds channeled through the National Endowment for the Arts, a state must at a minimum match the federal grant amount.

⁹ [Imagine MKE](#) is a nonprofit organization created by arts supporters to provide a unified voice for Milwaukee’s arts and culture sector, and to advocate for greater public financial support. It operates outside of local government, however.



Promising Opportunities

While the performing arts ecosystem in Milwaukee faces significant threats, our discussions with performing arts leaders and consultants here and in other communities pointed to opportunities for partnerships and greater effectiveness that have not yet been pursued on a large scale locally. These opportunities warrant exploration, as they could enhance long-term fiscal sustainability for individual organizations and the sector as a whole.

Better use of data

Data analysis is informing arts community conversations about how to grow audiences and revenue in cities around the country. Individual performing arts organizations typically do not have the staff to do more than collect and store data. But, with more sophisticated data analysis provided through a network, they could better understand their audiences and better capture audience interests.

For example, TRG Arts is a Colorado-based consulting firm that has worked for years with the MSO and the Rep. While the concept of a broad data-sharing network among multiple performing arts organizations has not yet been explored in Milwaukee, TRG Arts has created TRG Community Networks in two dozen U.S. cities, capturing data from individual arts organizations in each city and working with network member organizations to make data-informed decisions.

Each organization pays \$2,000 annually for a network license. This allows them to access a broad network of shared data from all licensees to strategically bolster both fundraising and ticket sales. Each organization still maintains control over which parts of its data specific organizations can see; list trading is permission-based. They do not have to be on the same ticketing or donor management platform because TRG automatically draws data directly from whatever software each member group uses.

While it may seem counter-intuitive in a competitive-minded ecosystem, “the rising tide lifts all boats,” TRG Arts’ CEO and owner said.

Sector-wide analysis can help organizations do more strategic marketing and fundraising based on a better understanding of what their audiences like, and of the crossover of audiences between multiple performing arts groups. Through data sharing, the geographic concentration of donors can be mapped to better target marketing campaigns.

Innovative experiences

Using data to grow audiences works in tandem with surveys of patrons and other tools that may reveal important trends. For example, research has found that younger audiences may be especially interested in interactive and immersive experiences.

It is important to note that outside-the-box thinking around audience innovation does not have to cost a lot of money. As discussed in the previous section, Milwaukee’s own Early Music Now has been experimenting with new programming to draw new audiences in small venues, which have lower fixed costs. Among its experiments are free, hour-long concerts of local early music groups at a local microbrewery.



“After an hour of beer with free, live music, interspersed with commentary by the performers, as well as a chance to hang out with the performers after the concert, the fear of something new is gone,” said Early Music Now’s executive director.

How do they know the microbrewery effort is attracting new audience members? “A lot of people who first heard a performance by chance are now coming back *deliberately* for more of them,” the executive director said.

Early Music Now’s local groups have also performed for members of the community with limited access to live music, such as patients at Ascension-St. Mary’s Cancer Care Center and the Veterans Administration (VA) Medical Complex. At the VA, they performed live in the chapel and livestreamed to patient rooms. To expose younger audiences to “early music,” Early Music Now also performed at the Milwaukee Public Library East Branch, offering free recorders to all children in the audience.

It’s also not uncommon to see college theater classes in a Renaissance Theaterworks audience, taking advantage of group ticket discounts.

Growing subscriptions has been a major challenge for many organizations. One performing arts leader said the key is “a good balance that includes high-demand programming, preferred pricing, and unlimited flexibility. This gets at the barriers to subscribing.”

Building community around a production is another strategy to build audience. Skylight hosts Pride Nights, while Milwaukee Chamber Theater scheduled a Legacy Night for African American audiences. Renaissance Theaterworks creates panel discussions for audience interaction and deeper conversations around themes related to a production, such as the culture of sexual consent on college campuses, which the play *Actually* explored in 2020. Most theater companies and some musical groups host general talkbacks after the show, during which audience members can interact with members of the cast and production crew.

Creatively joining forces

The notion of performing arts organizations banding together to save money by sharing services, or bargaining jointly for some services, has been discussed for years. As discussed in the previous section, some collaboration has been occurring already in Milwaukee, but expansion of these efforts around business operations would appear merited based on successes observed elsewhere.

As we will discuss in the next section, Pittsburgh offers insight into the promise of sharing health care benefit costs. The Pittsburgh Cultural Trust has banded together several performing arts organizations in that city to jointly purchase health insurance for their employees, realizing an aggregate savings of more than \$480,000 in 2022.

Bargaining jointly for health insurance produced a more sizable savings for the largest arts groups. While the savings were not as dramatic for the smaller groups, those groups still were able to purchase better insurance than they could afford previously.

Arts innovation hubs in Milwaukee’s downtown area also could facilitate collaboration and cross-pollination between arts groups. Again, in the next section, we will describe examples in Pittsburgh, where a 14-block Cultural District houses many of the city’s arts groups, as well as galleries, outdoor art installations, housing, restaurants, bars, and boutiques; and in Kansas City, where the arts-



supporting Charlotte Street Foundation created a “new campus” called the Stern Theater to facilitate collaborative arts incubation.

Shared arts innovation hubs in Milwaukee could provide offices for medium- and small-sized arts entities to thrive side-by-side while adding vibrancy to the city. With a couple of small, inexpensive black box performing spaces, and ample parking, a hub could also relieve the scramble for available, affordable performing spaces.

A shared innovation hub also could foster an environment in which groups could easily learn from each other’s experiences and expertise, develop collaborative performances, and in some cases share props, set pieces, and lighting to save money. Any capital investment, however, would have to be balanced against other needs such as raising funds for operating budgets as well as other priorities such as increasing endowments.

Finally, when we reflect on our comprehensive body of work on service sharing opportunities in the public sector (including [this report](#) on fire and emergency medical service sharing), we see that many of the lessons we typically cite for local government leaders may hold relevance for performing arts organizations in Milwaukee. Those include the following:

- 1) The true promise of service sharing and consolidation lies not in saving money, but in the potential for two or more entities to join forces to achieve improvements in service quality or address common challenges in a more effective and affordable fashion than they could on their own.
- 2) An impetus for service sharing often is the retirement or pending retirement of key organizational leaders, which creates an opportunity to consider merging both leadership and key functions.
- 3) Service sharing makes the most sense when there is evidence of clear duplication or common challenges among two or more organizations with similar missions or business models.

A Shared Services Structure to Support Black Performing Arts in Milwaukee

The idea of promoting collaboration among arts groups in Milwaukee is certainly not a new one. Black Arts MKE was founded in 2014 after the Wisconsin Arts Board convened a conference to address issues facing smaller African American arts groups as they struggled post-recession to create sustainable business models. The organization was seen as a mechanism for building a more sustainable, vibrant African American arts scene for the community.

Black Arts MKE moved forward with guidance and support from community leaders and generous contributions from many local funders. It began as an in-residence group at the Marcus Performing Arts Center for Hansberry Sands Theatre Company, African American Children’s Theater (which later closed in 2018), and Ko-Thi Dance Company under the Black Arts MKE umbrella.

Founders of the individual groups left the platform, however, and it collapsed. The creators of the umbrella then re-created Black Arts MKE on its own as a diverse performing arts company. Ko-Thi Dance Company is still active at its own location.

The goal behind the original effort was to create a platform on which to stand Black performing arts groups that offered a good product but were struggling with management, according to leaders we interviewed. It also was intended to provide collective back office support and gain economies and efficiencies of scale. Once the model was created, its founders thought it would grow.

The model was built on shared governance and streamlined accountability over revenues and expenses. An executive director was hired to run the business (management, fiscal, and operations), and to determine the number of shows and budgets for each show for the combined entity. The goal was to wrap administrative support around individual groups and raise money as a collective to fund what the combined entity decided was most compelling.



WHAT CAN MILWAUKEE LEARN FROM OTHER CITIES?

In this section, we go deeper into examples of other cities that have been creative in supporting their arts communities. To do so, we conducted interviews with arts leaders in other cities and collected comparison data from peer city arts organizations.

We start with three cities already used for comparisons in this report: Pittsburgh, Cincinnati, and Kansas City. The Forum often uses these cities in peer comparisons to Milwaukee given their similarities in location, population, and socioeconomic characteristics.

In **Table 3** and **Table 4**, we show both demographic characteristics and a couple of metrics that allow for some broad comparison of their performing arts sectors. Interestingly, in 2022, Milwaukee County had fewer performing arts companies than the three peers and fewer performing arts employees than two of the three – a data point that challenges a notion held by some that metro Milwaukee may be “punching above its weight” when it comes to the number of performing arts organizations it supports.

Table 3: Demographic and Economic Characteristics, Peer Cities

	Total population, 2022	Median household income, 2022	Poverty rate, 2022	Number of Fortune 500 Companies in Metro Area, 2023	County GDP, 2022
Milwaukee, WI	563,306	\$49,270	22.1%	6	\$69,337,593
Kansas City, MO	509,247	\$62,175	14.6%	1	\$57,626,438
Cincinnati, OH	309,536	\$48,130	26.6%	5	\$95,958,413
Pittsburgh, PA	302,905	\$63,380	19.0%	10	\$118,857,219

Sources: U.S. Census Bureau, American Community Survey 1-year estimates; Bureau of Economic Analysis; 50 Pros (<https://www.50pros.com/fortune500>)

Table 4: Performing Arts Characteristics (By County in which Peer Cities Are Located)

	Performing Arts Companies, 2022 ¹⁰	Performing Arts Employment, 2022	Types of Major Organizations
Milwaukee County, WI	22	704	Symphony, Ballet, Opera, Musical Theatre, Repertory Theatre
Jackson County, MO	27	668	Symphony, Ballet, Opera, Musical Theatre, Repertory Theatre
Hamilton County, OH	27	771	Symphony, Ballet, Opera, Musical Theatre, Ensemble Theatre
Allegheny County, PA	53	825	Symphony, Ballet, Opera, Musical Theatre, Public Theater

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (private sector only)

¹⁰ The Bureau of Labor Statistics (BLS) defines performing arts companies as “establishments primarily engaged in producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists. Its category for performing arts companies has four subcategories: Theater companies and dinner theaters; Dance companies; Musical groups and artists; and Other performing arts companies. To be included in the BLS data set, an entity must have paid employees.



We also discuss two additional examples of collaboration in cities that differ somewhat from Milwaukee. Our goal is to highlight for Milwaukee leaders how other cities have addressed the challenges facing their performing arts sectors, in many cases by building successful partnerships between individual arts groups, as well as between arts groups and civic entities.

Pittsburgh: Urban renewal through the arts

Led by philanthropists, Pittsburgh incorporated the arts into its post de-industrialization urban-renewal strategy in the 1980s, creating a downtown Cultural District in a blighted area of the city during the decade after steel mills and other industries began leaving. H.J. “Jack” Heinz II is credited with spearheading the effort that began in 1984 and resulted in the reclamation of a 14-square-block swath of downtown Pittsburgh, including a red-light district.

The resulting Pittsburgh Cultural District, managed by the nonprofit [Pittsburgh Cultural Trust](#), is home today to concert venues, theaters, art galleries, public parks, art installations, restaurants, and a diverse array of retail establishments. It is located across the Allegheny River from the city’s professional baseball, football, and hockey stadiums. A new Pop District, by the Andy Warhol Museum, is being developed on the same side of the river as the sports venues.

Four large, multi-billion-dollar Pittsburgh foundations (Heinz Endowments, the Hillman Family Foundations, the Carnegie Foundation, and the Pittsburgh Foundation) contributed more than \$200 million to fund the Pittsburgh Cultural Trust, a unique nonprofit arts and development organization founded to support the Cultural District in 1984. The Cultural Trust “patiently” renovated old theaters and built new ones, opened art galleries, and attracted world-class artists to create public artwork, according to an October 2011 article, [Our Most Generous City](#), in *Pittsburgh Magazine*.

The Cultural Trust played a role in returning theater to its heyday in Pittsburgh, with the creation of several theaters in the Cultural District, including the O’Reilly Theater, where Pittsburgh Public Theater moved from its previous location on the city’s north side. The loss of several theaters in the middle years of the 20th century left the city with just small community theaters and some university and college venues.

According to the Pittsburgh Public Theater’s [website](#), in the 1960s, Pittsburgh was labeled “an unenthusiastic theater town,” and lost its designation as a major stop on the pre-Broadway circuit. Today, the Pittsburgh Cultural District annually attracts two million patrons to performances and events at 14 cultural facilities.

It is worth noting that Milwaukee also has a recently established “Milwaukee Theater District” that was created as a means of “driv(ing) increased awareness of the community’s world-class performing arts and live entertainment offerings,” according to the initiative’s November 2022 [media release](#).

This effort was coordinated by several venues in close proximity in Milwaukee’s downtown and involves collaborative marketing campaigns and special deals for patrons. It includes both performing arts organizations like the MSO and the Rep as well as the Marcus Performing Arts Center and live entertainment operators like the Pabst and Riverside theaters. The initiative was spearheaded in part by the Downtown Business Improvement District and Visit Milwaukee. Unlike the Pittsburgh Cultural District, however, it does not involve creation of new venues and does not entail direct financial or managerial support like that provided by the Pittsburgh Cultural Trust.



Funding

Funded by a combination of corporate, private, and government dollars, the Pittsburgh Cultural Trust's mission is to "make the Steel City a place where the arts can flourish." Its mission statement also proclaims: "What was once a downtrodden red-light district now thrives as a vibrant center for culture, art, food, and community. Pittsburgh's Cultural District stands as a nationwide model for how the arts can play a pivotal role in urban revitalization."

The Trust receives funding from more than 100 corporations, as well as from individuals. It and individual arts and cultural organizations also benefit from the Allegheny Regional Asset District (RAD), which was created several years ago to receive and distribute funds from a 1% county sales tax that supports the arts, sports, and recreation.

The RAD has a \$139.7 million budget for 2024, the largest in its 29-year history, of which about \$19 million will be split among more than 80 arts and culture organizations ranging in size from very large to very small. The Pittsburgh Cultural Trust will receive \$2.2 million. The smallest group, the Balafon West African Dance Ensemble, will receive \$3,000, while the Pittsburgh Symphony Orchestra will receive \$1.75 million.

Pittsburgh's small- and medium-sized arts organizations, as well as individual artists, are also eligible for grants from the Pittsburgh Foundation. Understanding how important these groups and individuals are to the health and vitality of the arts sector, the foundation prioritizes the smaller groups and individuals because "they often face disparities in their ability to access resources."

Public funding for the arts also is a state of Pennsylvania commitment. The state is projected to contribute \$11.6 million in public funding to arts and culture statewide this year, compared with Wisconsin's projected \$1.1 million, according to the National Assembly of State Arts Agencies.

Partnerships where there was once competition

The impact of the Pittsburgh Cultural Trust and the Cultural District on the local arts community has been enormous, creating partnerships between arts groups where there was once competition.

Defining itself as "a world leader in collaboration among arts organizations," the Pittsburgh Cultural Trust uses a shared services department to increase efficiencies and decrease the costs of doing business for member arts organizations.

The Trust includes large performing arts and other arts organizations that are similar in stature to the largest arts groups in Milwaukee, including: The August Wilson African American Cultural Center, Pittsburgh Ballet Theater, Pittsburgh Civic Light Opera, Pittsburgh Opera, Pittsburgh Public Theater, and Pittsburgh Symphony Orchestra. It also includes hundreds of smaller arts groups and individual artists.

Shared services include pooled negotiation of health care benefits. In June 2023, the Trust reported to the League of American Orchestras that pooled insurance purchasing saved more than \$480,000 aggregate for all group members (about 400 total contracts) in 2022.

The Trust's shared services department also does strategic, joint marketing efforts, bulk purchasing of office essentials, and holds the license for member arts entities to use the Tessitura ticketing system. Pittsburgh's Tessitura installation is the world's largest multi-organization user of that ticketing platform. The biggest advantage for groups using Tessitura lies in Tessitura Analytics, which



collects ticketing data for each group and presents it to arts groups via an easily accessible and navigable dashboard, which allows the groups to make board-presentable reports and spreadsheets.

While this model helps foster operational sustainability, it also carries capital financing challenges given the need for resources to maintain, improve, and replace buildings over time. In 2022, the Pittsburgh Cultural Trust launched a Building on the Dream campaign to raise \$150 million to make improvements in district buildings and sculptures, and to help theaters, galleries, restaurants, and shops in the district rebound from hardships of the pandemic. That campaign raised \$175 million, exceeding its fundraising goal by \$25 million.

Cincinnati: The ArtsWave model

Cincinnati made a major community investment in arts and culture over a century ago — led by the half-brother of a U.S. president and the brother's wife — that continues to return dividends to the entire region. In 1927, Charles and Anna Taft offered a \$1 million challenge gift for the benefit of arts organizations in existence, and those yet to be imagined, if the community would match it. The community raised \$2.5 million, and established and endowed the Cincinnati Institute of Fine Arts, now known as ArtsWave.

Investment income from the endowment, and annual ArtsWave community campaigns, today benefit the metropolitan area's arts and culture sector to “build a more vibrant regional economy and connected community through the arts.” ArtsWave controls about 60% of the total endowment; the remainder is designated for the benefit of others.

The nonprofit [ArtsWave](#) is Greater Cincinnati's primary funding mechanism and engine for arts and culture. Two Cincinnati-based corporations — Procter & Gamble and Fifth Third Bank — are ArtsWave's biggest annual workplace campaign contributors, with employees and retirees of each corporation contributing more than \$1 million, in addition to significant gifts from the corporations. (Milwaukee's UPAF has never had a \$1 million-plus campaign donor, let alone two.) ArtsWave provides support to cultural institutions, as well as visual and performing arts organizations, in five counties. (For context, UPAF exclusively funds performing arts.)

ArtsWave functions as Cincinnati's office for arts and culture, as there is no such office within government. ArtsWave applies for federal funding to benefit the sector, including grants from the National Endowment for the Arts. During the pandemic, ArtsWave advocated for a share of federal funds from those allocated to the city and county, and received and distributed about \$12 million in federal aid beyond what individual arts and culture organizations received directly. For context, the city of Milwaukee did not allocate any of its federal pandemic relief funding for arts organizations, and Milwaukee County allocated \$700,000. Imagine MKE managed the distribution.

ArtsWave's 2023 community campaign raised \$11.8 million and awarded \$9.9 million in general operating support and other types of smaller, competitive grants. Nearly 25,000 individual donors and 400 companies and foundations participated. For context, UPAF reported that its 2023 community campaign raised \$10.6 million, and it distributed \$7.2 million in operating support contributed by nearly 13,000 donors and 950 companies and foundations.

ArtsWave currently supports 49 arts organizations through three-year, unrestricted grants (known as Grants for Sustaining Impact). Each organization is scored on its community impact, governance, and financial stability, calibrated against a funding model determined by annual campaign contributions.



Grant amounts are a percentage of three-year average annual operating expenses; the maximum award is 10%. Grants this year supported an average 6% of operating expenses.

Three-year grants allow organizations to plan. Uniform percentage adjustments are made if annual campaigns within the three-year commitment exceed or do not meet fundraising goals. Annual accountability reporting is also required to maintain grants. ArtsWave has an “open eligibility” policy designed to ensure equitable funding distribution. Every three years, new organizations that prove a track record in community impact may apply for unrestricted dollars. For context, Milwaukee’s UPAF grants are for one year; organizations re-apply annually with requirements for accountability and regular reporting.

ArtsWave’s sustaining impact grants from the 2023 campaign generally were \$10,000 to \$2.3 million (the Cincinnati Symphony received the top amount). Three of the 49 grantees received more than \$1 million; two received between \$680,000 and \$1 million; and eight received between \$100,000 and \$300,000. Since 2019, the number of organizations awarded sustaining support has grown by nine.

Unlike UPAF, ArtsWave does not have a member structure. Grantees are grouped together by budget size: budgets over \$1 million; budgets between \$300,000 and \$1 million; and budgets under \$300,000.

ArtsWave reaches another 100 arts organizations in Greater Cincinnati — in addition to the 49 that receive sustaining grants — through competitive grant categories with specific eligibility criteria and amounts in a fixed range of \$5,000 to \$25,000.

ArtsWave-funded organizations participate in the campaign with their own employee campaigns and board campaigns and provide marketing recognition and discounted tickets for the ArtsWave Pass program. Unlike UPAF, ArtsWave does not provide an incentive of additional funding for organization participation in the campaign.

ArtsWave’s annual campaign total this year returned to its pre-pandemic level, according to its president and CEO. About \$1 million awarded to arts entities in the 2023 campaign came from the endowment’s investment income.

Annual workplace giving by employees generally makes up 55% to 65% of total campaign giving to ArtsWave. The remaining campaign funds come from corporate, foundation, and residential giving outside workplaces. Some of those contributions are programmatically restricted.

Finally, ArtsWave does not fund capital campaigns and has never tapped income from its \$70 million share of the overall endowment for that purpose, according to its president and CEO. Also, it does not grow its endowment through a community-wide campaign but does have a Director of Legacy Giving who solicits endowment gifts. For local context, UPAF does not have an endowment, but has built reserves that it taps for capital campaigns. Over the past 10 years, UPAF has distributed significant funds from its reserves to support capital efforts of its cornerstone members. Dollars raised through UPAF’s annual campaign generally are not directed to capital campaigns.

ArtsWave’s “Blueprint for Collective Action”

In 2008, ArtsWave commissioned a ground-breaking research report, “[The Arts Ripple Effect](#),” which drew national attention for how to build community support for the arts. An important insight offered by the report was that the public values the arts for their ability to create economic vibrancy and social connectivity, and that such support is not exclusive to patrons of the arts.



Twenty percent of the 50,000 donors to ArtsWave had a “transactional” relationship with the arts. The remaining 80% of ArtsWave donors did not buy tickets or attend arts events but recognized the value of the arts.

A 2015 follow-up report, ArtsWave’s [Blueprint for Collective Action](#), may be particularly insightful to Milwaukee performing arts stakeholders. The Blueprint is a 10-year strategic plan tied to the overall objective of helping “build a more vibrant regional economy and connected community through the arts” in the Greater Cincinnati/Northern Kentucky Metro Region. It now guides all ArtsWave grantmaking by linking funding decisions to the following objectives:

1. **Put Cincinnati on the map** – make Greater Cincinnati “a more competitive region for talent attraction by leveraging arts experiences perceived as extraordinary.”
2. **Arts deepen roots in the region** – “deepen feelings of engagement and connection to the community by widening participation in arts experiences for all, especially those that resonate with adults aged 40 and younger.”
3. **Arts bridge cultural divides** – seek to establish “more consistently mixed black and white audiences experiencing local arts by 2023, and a roster of stable, thriving cultural organizations led by BIPOC (individuals) by 2027.”
4. **Arts enliven neighborhoods** – create and sustain “community arts centers, galleries, theaters, and concert halls (that) serve as vital hubs for neighborhood activity that supports local business and builds civic pride.”
5. **Arts fuel creativity and learning** – “promote the development of 21st century skills by ensuring that all youth in the region, particularly those that are underserved, have access to meaningful arts opportunities.”

Each arts entity supported by ArtsWave is “scored” by what it contributes to the community, and then the grant amount is based on a percentage of the funded entity’s budget (as noted above, currently an average of 6%).

Kansas City: Arts incubator, funding tailored to small groups

Kansas City’s large, vibrant arts and culture scene contains a wide range of performing arts, including a symphony, opera, and ballet, numerous theater ensembles, and a particularly robust visual arts community, with several art museums and the accredited Kansas City Art Institute.

Kansas City straddles the Missouri River, with the downtown and majority of the city on the Missouri side of the river. The city’s large arts institutions are on the Missouri side, including the Kaufman Center, home to the Kansas City Symphony and the Kansas City Ballet, which opened in 2011.

Kansas City also boasts the [Charlotte Street Center](#) (CSC), an arts incubator that was created to add a vibrant contemporary arts scene to the city. It supports artists in various disciplines, including cash awards and grants for individual projects. The CSC also provides free studio space for select artists, identifies venues to help artists show their work, and provides free performance space for theater, music, dance, and film/video artists.



The Center also offers two-year residencies, which include studio or rehearsal space for individuals or groups of artists in various disciplines. The intent is to foster experimentation, professional development, and the creation of a community of creatives.

Construction began on a new campus for the Charlotte Street Center in 2019. Now completed, the new campus is a multidisciplinary, multifaceted facility that sets a new national standard for collaborative artist incubators. Located in a repurposed industrial factory, the facility includes a black box theater, visual art gallery, dance rehearsal studio, recording and mixing studio, artist-in-residence studios, equipment workshop, library, archive room, and gathering spaces.

Grants just for small arts groups

Foundations connected to the Hallmark Corporation and the Hall family provide a sizable amount of support to various members of the Kansas City arts community, along with funding for other quality-of-life projects in Kansas City and several other cities in the region. State government in both Missouri and Kansas also funds arts initiatives, as do many localities, seeing the arts as a significant enhancement to the quality of life.

While reliance on large foundations and public sources does not make Kansas City unique, perhaps more notable is the emphasis by philanthropy on small arts groups and individual artists. The Francis Family Foundation's [Small Arts Grants Fund](#) supports small arts groups as "a catalyst for change for many locally based, grass roots arts organizations and non-arts organizations with arts programming." The foundation funds 52 organizations, with grants ranging from \$1,000 to \$10,000, dispersing \$250,000 annually.

In addition, the Charlotte Street's Cultural Producer Grant Program, according to the city's tourism website, was "founded in 2021, with the purpose of providing critical sustaining support to low-budget grassroots arts organizations and artist-run projects in Kansas City."

Finally, the non-profit ArtsKC—Regional Arts Council supports 100 local arts organizations with grants in the areas of visual art, dance, music, theater, poetry, and interdisciplinary art. The Missouri Arts Council (office located in St. Louis) also provides grants to Kansas City arts organizations and artists.

Two notable service sharing initiatives from other cities

Our research also pointed us to two examples of arts-related service sharing initiatives in other cities that may provide food for thought for Milwaukee leaders.

Austin: "A new concept born from... radical collaboration"

Amid the pandemic, leaders in Austin, Texas began shaping a new nonprofit, membership-based collaborative managed by the city's performing arts center. Its stated goal is to provide shared administrative services that lower costs, free up arts leaders from accounting and HR duties to focus on their art, and eventually attract major corporate donors to support member organizations, according to the *Austin Monitor*.

The Create Austin consortium is "a new concept born from the idea of radical collaboration," according to its [website](#). Planning began in 2021, followed by fundraising for a three-year pilot that is still in its formative stage. Long-term funding is expected to come from fees on tickets, membership dues, grants, and donations.



The Long Center for the Performing Arts is the consortium's administrative hub. The city's Arts Commission guided the consortium's formation and involved focus groups of artists, as well as possible member groups. The consortium's membership has yet to be finalized.

"We think that the creative community can do more together than apart," the Create Austin vision statement says. "When we join forces, we can grow, build efficiencies, inspire each other, and uplift the creative community as a whole... Where Austin's creative and cultural organizations can access shared services and resources to allow less focus on admin efforts, and more focus on what we do best — creating."

The consortium lists potential initial services as HR support and group health insurance plans, financial and accounting services, pooled purchasing, professional development, shared office and venue space, and ticketing and box office capabilities.

The Long Center for the Performing Arts, located along Lady Bird Lake in downtown Austin, is the permanent home of the Austin Symphony Orchestra, Austin Opera, Ballet Austin, and other Austin-area performing arts organizations.

Saint Paul: A performance venue partnership

Partnerships involving shared performance venues are not uncommon in U.S. cities, including Milwaukee, which uses the Marcus Performing Arts Center as a shared venue.

Saint Paul, Minnesota has a somewhat distinct model. The nonprofit [Arts Partnership](#) governs three other organizations that perform regularly at the Ordway Center for the Performing Arts in downtown Saint Paul — the Minnesota Opera, the Saint Paul Chamber Orchestra, and the Schubert Club, which presents performance by various artists — as well as the Ordway Center itself.

The Ordway hosts touring Broadway musicals and orchestra, opera, and cultural performers in its Music Theater and Concert Hall. It also produces local musicals, family events, and educational programs.

The Partnership's mission is to strengthen its member organizations through "growing collaboration and stewardship of its shared assets." The Partnership's stakeholders work together to maintain the Ordway venue, expand access for other community arts organizations to perform in the Concert Hall, and engage in collaborative artistic programming.

The Partnership's best-known member, The Saint Paul Chamber Orchestra, is nationally recognized for its innovative audience engagement efforts and commitment to geographic accessibility. The ensemble performs regular subscription series concerts in a variety of venues across the Twin Cities metropolitan area. The orchestra's website boasts that it offers "the most affordable ticket prices of any professional orchestra in the U.S.," with over 50% of tickets available for \$15 or less.

Takeaways

Each city's performing arts landscape is unique. As one of our interviewees noted, a city's arts and culture sector is an artifact of how cultural development happened in that city over time.

Milwaukee's heavily Germanic roots translated into hundreds of choruses in churches, community centers, and corporations across the city more than a century ago. Several top-notch choruses



remain, along with the largest and most distinctive remaining *Turnverein* (Turners Club) building in the country.

Several of our interviewees noted that small and medium-sized arts groups serve as a gateway to arts attendance and arts support for young people beginning their adult lives. With less expensive tickets than larger groups, smaller groups encourage sampling various art forms. The smaller groups provide not only a gateway for young adults to become regular attendees of arts events, but also to possibly become donors of their time or money to support arts organizations one day.

Small and medium-sized arts groups also provide a feeder system through which artistic staff (scenic artists, costumers, stage managers, designers, and so on) hone their skills and move upward to larger organizations. Many arts administrators likewise work their way up through a series of smaller organizations, gaining experience before landing a job with a large group.

Some also argue that a broad performing arts sector comprised of small, medium-sized, and large groups is likely to be more racially diverse, as organizations headed by leaders of color tend to be smaller and often face unique funding challenges.

While an ecosystem of arts entities of all sizes makes sense, another interviewee acknowledged the funding pressures to maintain it, saying “There’s enormous pressure on donors because the business models have not been sustainable, coming out of the pandemic. If the revenue gap isn’t filled by audiences, who fills it?”

Our review of peer cities did not yield definitive answers to that question, but it did provide the following takeaways for Milwaukee’s performing arts stakeholders to consider.

- **A need for a community-wide vision.** Successful performing arts communities in peer cities have a clear vision for how the arts will positively impact not only their region’s quality of life, but also its economy. They structure both public and private sector support in ways that are strategically tied to achieving that vision. This requires strong and united leadership from major philanthropic and corporate donors.
- **Public sector support is key.** Peer cities with thriving, stable arts communities have significant, dependable public funding from their state that goes beyond matching the minimum required to receive National Endowment for the Arts funds, as is the case in Wisconsin. Cincinnati arts groups have been awarded significant state funding for their capital projects.
- **Collaboration works.** Partnerships between arts groups in other cities produce cost savings and present creative opportunities. These can range from joint procurement of health insurance and accounting and legal services, to incubator hubs housing several individual groups, to multiple companies sharing a theater space, to groups sharing shop and storage space or splitting the salary of key staff positions like technical director or production manager.
- **Umbrella organizations can play vital roles.** An umbrella organization, such as the Pittsburgh Cultural Trust, can benefit the entire creative community by serving as facilities manager for theaters and innovation hubs, bargaining for health insurance for the entire sector, and ensuring the integration of other nighttime economy attractions (restaurants, bars, boutiques, etc.) in an arts district. However, one local arts leader noted that “significant public and private collaboration is needed to establish them. There is no way they can emerge organically.”



INSIGHTS AND CONCLUSION

Our analysis of the state of Milwaukee's performing arts sector reveals that key challenges identified prior to the pandemic still have not been addressed and have now intensified. They include increasing reliance on philanthropy, intense competition among sector members, and insufficient support for small and medium-sized organizations that is magnified when large groups are conducting major capital campaigns.

On the positive side, we observe that leaders of large performing arts organizations have translated vision and business plans for new or reconfigured buildings into major community investments through successful capital campaigns. We also see some encouraging examples of collaboration and innovation among medium-sized and smaller organizations in both artistic and operational areas.

The return of audiences post-pandemic is encouraging for some organizations, but for most it is still very much a work in progress. In fact, some performing arts groups are considering adjustments to performance schedules on certain days and nights of the week to respond to audience losses.

We also find – in our review of performing arts sectors in peer cities – several examples of sector-wide collaboration, joint leadership, and strategic planning that should resonate for leaders here. Our deeper dives into three of those cities – Cincinnati, Pittsburgh, and Kansas City – also show that the counties in which they are located each have greater numbers of professional performing arts companies than Milwaukee County, which suggests that a cause of the financial struggles facing several performing arts organizations here is not necessarily that we have too many.

Specific key findings include the following:

- **Reliance on philanthropy for operating support in addition to capital campaigns has grown.** Our analysis of fiscal year 2022 financial data for 13 large and medium-size organizations for which we could obtain historical data from UPAF shows that program-related revenue as a percentage of total revenue declined for almost all over the past decade. It also appears, based on our interviews, that there was little change in 2023. Meanwhile, reliance on contributed income from philanthropy grew – and for some, substantially. Our interviews reveal doubt among philanthropic leaders and arts stakeholders that those high levels of giving to fill gaps during the pandemic can be sustained, raising serious questions for some organizations given a continued lag in program revenue and the continued impacts of inflation.
- **Recovery from the pandemic has been mixed.** Our quantitative and qualitative analysis finds that of the three largest performing arts organizations in Milwaukee, two (the Rep and the Ballet) are doing reasonably well, while the third (the MSO) has an operating gap that it is working to fill. With regard to the medium and small-sized organizations, we see encouraging signs of recovery from some and evidence of severe struggles for others. For those that are struggling, the causes of those struggles generally preceded the pandemic, which then amplified them.
- **Competition for philanthropic support is fierce.** This finding is not new for Milwaukee's performing arts scene, but it has arguably become more intense amid recent major capital campaigns and questions swirling around the future of UPAF. While we cannot opine definitively on whether such competition is stronger in Milwaukee than in peer cities, the UPAF structure and lack of public sector support to fill budget gaps clearly contribute to its intensity here.



- **A few successful strategic partnerships have emerged, but the sector could benefit from more and broader partnerships.** We point to impressive examples of cooperation, such as a coalition of organizations agreeing to offer to their own patrons free tickets to the performances of others, and a joint effort by 12 small groups to fundraise collectively. We also observed some notable service sharing efforts, including Renaissance Theaterworks moving to Next Act Theatre's space and sharing production costs. Several of our interviewees felt organizations could become much more collaborative, however, in areas ranging from back office support to joint marketing, promotions, and audience development. They also suggested potential to explore full consolidation of organizations, or encouraging multiple organizations to retain their own artistic leadership but operate with one management team and governing board. Business leader interviewees predicted these more advanced types of partnerships would not happen, however, without prodding from philanthropic leaders.

Insights and Questions

Quantitative findings and observations gleaned from dozens of interviews with sector leaders and consultants in Milwaukee and elsewhere offer insights and related questions that should be top of mind for Milwaukee's performing arts organizations and supporters who invest in them.

Planning is Key

Two Midwest cities we examined in this report (Pittsburgh and Cincinnati) have found success for their performing arts sectors by establishing a clear vision and then implementing strategic partnerships and sound business plans around that vision. This planning had political clout behind it from business, civic, and public sector leaders and included collaborative efforts to boost public funding. Questions that should be contemplated when considering this insight include:

- What would it take to launch a similar effort in Milwaukee and who could successfully lead it?
- Does the existence of a sizable state budget surplus offer new opportunity to push for increased support for the performing arts from state government? How might Milwaukee leaders unify around advocacy for such support, and should they align with existing efforts led by groups like [Imagine MKE](#) and [Wisconsin's Creative Economy Coalition](#)?
- Should efforts to answer questions about the future of UPAF be aligned with a broader, strategic approach?
- Are there existing organizations with the capacity and cache to lead a visioning/strategic planning effort for the sector (such as the Greater Milwaukee Committee, perhaps) or should some new task force or permanent entity be formed to do so?

Strategic Partnerships Are Necessary and Realistic

Our research found that partnerships between arts groups can make them more efficient and present creative opportunities, ranging from incubator hubs, to shared theater space, to shared shop and storage space or splitting the salary and services of a single technical director or production manager. We also observed how an umbrella organization, such as the Pittsburgh Cultural Trust, can benefit the entire creative community by serving as facilities managers for theaters and innovation hubs, securing health insurance savings for multiple sector members, and ensuring the integration of other nighttime economy attractions in an arts district. Questions to contemplate include:



- Do any of the specific service sharing models observed in other cities – such as the TRG Community Network data-sharing initiative, Austin Creates, Pittsburgh Cultural Trust, and Arts Partnership in St. Paul – merit active consideration in Milwaukee?
- Who should lead the effort to research, analyze, and potentially secure consensus to initiate strategic partnerships, service sharing, and other collaborative efforts? Is this a responsibility that leading philanthropic contributors to the performing arts could and should take on?
- One root cause of revenue shortfalls is not enough people in seats to generate earned revenue. How might partnerships between performing arts groups address that issue?
- Can UPAF be reimagined in a way that would encourage and reward strategic partnership efforts among individual performing arts groups and build a larger community of arts supporters, based on a vision for what the arts can do for Milwaukee?

Boards of Directors Could Play Pivotal Roles

Some of our interviewees suggested that the boards of performing arts entities need to be more realistic and strategic about growth and more mindful of the consequences of their individual decision-making on the sector as a whole (such as decisions on whether and when to launch major capital campaigns). Others suggested board leaders are key to growing partnerships, with one arguing “it’s not in the self-interest of an arts organization leader to make that case because it may involve loss of jobs.” To prod board leaders to move in these directions, another interviewee suggested that funders would need to “use their leverage” with board leaders, who often come from the same civic and corporate circles as they do. Questions to consider include:

- How can the boards of directors of the various nonprofit performing arts organizations be educated about service sharing possibilities and potential benefits and how can they be encouraged to play a more active role in advocating for partnerships that may produce greater effectiveness?
- How might the donor community help organizations address board-related challenges like frequent turnover, board recruitment difficulties, and board education on fiduciary and governance responsibilities?
- What forums might be created to ensure that board leaders from various organizations have opportunities to meet regularly, compare notes, and pursue collective actions to benefit the entire sector? What role could the donor community play in creating and ensuring participation in such forums?
- How might the reimagining of UPAF contribute to more partnerships/concern for the sector as a whole among board members and ensure better fiduciary and strategic decisions?

Next Steps

Continuation of the status quo in which each Milwaukee performing arts organization largely fends for itself to secure necessary philanthropic resources will continue to breed competition and may discourage additional strategic partnerships among individual groups. Given the increasing over-reliance on philanthropic support and doubts about the full return of pre-pandemic audiences, this is a critical time for visionary leadership.

Some might argue a Darwinian “survival of the fittest” approach makes sense. They may say that weeding out the organizations unable to support themselves with earned revenue and philanthropic donations would reflect the business realities of today’s market.



Others counter that while individual organizations must exhibit sound financial planning and those that cannot attract sufficient patronage might need to disband, it is in the best interest of the community to support a thriving performing arts sector that contains a diverse range of offerings by entities of all shapes and sizes. They argue, further, that a market-based approach is not appropriate, given the myriad benefits the performing arts bring to the community that cannot be measured only by earned revenue capacity and fundraising prowess.

A key challenge for those who subscribe to the “larger purpose” argument, however, is the lack of a natural decision-making body. There is no public or private entity in Milwaukee that is resourced and empowered to determine what a thriving overall sector should look like and how the region’s generous but finite philanthropic support should be strategically allocated to sustain it.

We are not necessarily suggesting that such an entity be created. However, if Milwaukee leaders wish to pursue sustainability for the performing arts sector so it can minimally continue to look roughly the same as it does today in terms of both breadth and depth, then an organized effort is necessary. Ideally, this would start with a convening of top funders, leaders from individual boards, and public sector officials to develop and lay out a strategic vision that addresses the following:

- 1) Creating a strategic structure for the region’s philanthropic resources and workplace giving to support sustainability for large, medium-sized, and small organizations, or at least to ensure that the competition for those resources is structured in a manner that is fair and consistent with the region’s strategic vision.
- 2) Develop a plan to consider some of the models we highlight from peer communities, including the incubator hub model from Kansas City, the umbrella “trust” model from Pittsburgh, and the ArtsWave funding model from Cincinnati (which emphasizes strategic giving around key community objectives and offers competitive grants for smaller organizations). Minimally, the sector’s stakeholders should consider new strategies for service sharing and new ways to encourage it.
- 3) Elevate the push for increased public funding from state government as well as a possible expanded role by Milwaukee’s city or county governments in both funding and coordinating support for the sector. Arts entities in other states, such as Ohio, have received state funding for capital projects alongside private support, which helps relieve the burden on philanthropy.

Overall, we hope this report will inform and spur leaders to act. One interviewee noted that solutions in the past have been “an incremental fix, such as banners on poles and a new coat of paint.”

At the same time, leaders we spoke with agree that money should not merely be thrown at the problem without addressing underlying issues, promoting careful analysis by organizations and their boards around sustainability planning, and ensuring that organizations are accountable to those who invest in the sector.

Milwaukee philanthropists, corporations, and citizens have shown impressive generosity over the years in supporting the performing arts. With the sector now facing a series of immense post-pandemic challenges, efforts to sustain that generosity now also need to be accompanied by a renewed push to plot the sector’s future strategically and collaboratively.

