SMART Growth Evaluation Report

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SMART Growth Cohort II Evaluation Report
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Table of Contents

Executive Summary
SMART Growth and Evaluation Process Overview ......................................................... 1
Summary Findings ............................................................................................................. 2

Evaluation Report
Background....................................................................................................................... 6
Evaluation Overview......................................................................................................... 7
Qualitative Analysis Findings.......................................................................................... 7
Quantitative Analysis Findings....................................................................................... 12
Conclusion ...................................................................................................................... 27

Appendices .................................................................................................................... 29
I Chicago Community Trust 2013 SMART Growth Grantees (Cohort II) ......................... 29
II SMART Growth Common Outcomes and Measures .................................................. 30
Executive Summary

SMART Growth Overview
In 2005, the Chicago Community Trust (Trust) launched the SMART Growth program for arts and culture, marking a new approach to funding very small and small arts and culture organizations in Chicago. SMART Growth was developed as a capacity-building program founded on the smARTscope® philosophy developed by the Arts & Business Council of Chicago (A&BC). SmARTscope defines six developmental phases (from budding organization to major institution) charting seven distinct management areas including: Concept Development and Planning, Staffing and Structure, Board Governance, Income Generation, Financial Management, Facilities and Audience Development and Marketing. Its fundamental premise is that balanced growth across all seven management areas is essential in order to ensure stability and resilience while progressing from Phase 1 through subsequent phases.

The methodology coupled small general operating grants of $15,000 to $50,000 annually with an initial assessment (smARTscope) that identified specific management areas that were ahead of the developmental curve and those that were lagging, along with recommended outcomes and measures to address the lagging areas. FY2015 was the final year of this second SMART Growth three-year funding cycle.

Evaluation Process Overview
The purpose of this evaluation was to assist the Trust in determining the value of the SMART Growth methodology and 3-year program to the participating grantee organizations. The evaluation focused on identifying the degree to which the program’s approach was embraced and executed by the grantees; the program’s impact as perceived and measured by the individual SMART Growth grantees; and whether or not the actual data related to relevant factors supported the perceived impact.

The evaluation was process-focused, and to the extent possible, outcomes-based, using tools and methods for both qualitative information gathering and quantitative data collection and analysis. The evaluation process included information gathering via a range of methodologies including document review (30 original smARTscope assessment reports and three years of SMART Growth grant documents), data collected via each grantee’s Illinois Cultural Data Project (CDP) reports and an electronic survey of all grantees.

The following narrative briefly summarizes the findings of the evaluation.
Summary Findings

SMART Growth continues to have a positive impact on the management practices and outcomes of its grantees. Information gathered via the online survey and analysis of grant documents and CDP data (both cohort and national comparison,) demonstrate several key areas where SMART Growth positively influenced organizational sustainability, in particular those related to *Income Generation*.

The program’s approach was fully embraced and executed by the grantees. The data shows that SMART Growth grantees utilized their smARTscope assessment experience to focus their resources on developmentally lagging areas. They reported that the SMART Growth methodology had a significant and lasting impact on their understanding and practice of arts management and collectively the cohort exhibited significant growth in each of the seven management areas as evidenced by 40% to 840% growth among the SMART Growth *Common Outcomes and Measures*.

When looking at the future impact of SMART Growth on their organizations, grantees identified capacity building efforts that focused on better planning practices, intentional board-building and foundational infrastructure development. Correlative evidence of this can be found in the CDP data which shows growth in all *Income Generation* indicators for the SMART Growth cohort surpassing the national comparison group in the majority of indicators. Between 2011 and 2013, the SMART Growth cohort demonstrated stronger growth than the national comparison group among the following key data points:

- 85% either increased (55%) or maintained (30%) their board size compared with 74% nationally (29% increase, 45% maintained.)
- The average board size grew by 6% while the national average declined by 1.4 %.
- 81% saw an increase in their levels of contributed revenue compared with 62% nationally.
- Total contributed revenue grew by 36% compared to 12% nationally and the median level of contributed revenue grew by 44% while declining by 15% nationally.
- 63% saw an increase board support compared with 48% nationally and the median board giving level trended upward by 75% compared with 45% nationally.
- 67% saw the number of individual donors grow compared with 48% nationally and the total number of individual donors increased by 6% compared to a 29% decrease nationally.
- The median for Paid Attendance trended upwards by 90% as compared with 42% among the national comparison group.
- 56% of groups increased the amount of money they invested in marketing compared with 39% nationally and median marketing expenditures showed a 46% upward trend compared with a 20% decrease nationally.
Qualitative Data Findings

I. Initial proposals to SMART Growth strongly reflected the smARTscope recommendations. Ninety-seven percent (97%) of grantee applications either fully or partially reflected the recommended Impact and Outcome Statements provided in their smARTscope report. Seventy percent (70%) of grantees selected to focus on management areas that were identified as “lagging” 50% or more of the time.

II. Grant funds were used to support six out of the seven management areas evenly. Income Generation was most often selected (19%), but only slightly higher than Concept Development and Planning; Board Governance; Audience Development and Marketing and Staffing and Structure (17-18 %.) Facilities was selected only 1% of the time.

III. The SMART Growth methodology had a significant impact on the cohort’s understanding and practice of arts management.
- 81-90% annually utilized the outcomes and measures as a means of tracking progress.
- 73-80% annually achieved 50% or more of their outcomes.
- 95% followed the SMART Growth method of planning and tracking.
- 95% stated that they were likely to continue to use the SMART Growth methodology in future.
- 83% reported that SMART Growth had changed their understanding of ways to manage an arts organization.

IV. The majority of grantees reported SMART Growth had a positive impact on their organizations.
- 79% reported that participation in SMART Growth had a positive impact on their board of directors.
  o 75% reported that their board’s “sense of organizational ownership” improved.
  o 72% reported that their board’s “understanding of their governance role” was positively impacted by SMART Growth.
- The majority of grantees (95%) felt that SMART Growth helped to make them more sustainable.
- The SMART Growth method of strategic planning, benchmarking and measuring was identified as the strongest take-away of the SMART Growth experience.
  o “Smart Growth provided a much needed boost at a critical time. We now have a better grasp of the ideal structure that every organization should have in order to be successful in all governance areas.”
Quantitative Data Collection Findings

V. The SMART Growth cohort demonstrated significant growth in each of the seven management areas as evidenced by a range of 40% to 840% growth among the Common Outcomes and Measures. By 2015 attainment of the Common Outcomes and Measures was reported by respondents as follows:
- 92% reported having an annual fundraising goal that was approved by the board and which included a minimal annual board member contribution, up from 26%.
- 87% have a board-approved annual operating budget, up from 59%.
- 85% have regular financial statements prepared for and reviewed by the board, up from 26%.
- 80% of management staff access professional development opportunities, up from 21%.
- 79% have basic financial controls and accounting procedures documented and monitored by the board, up from 10%.
- 77% have an up-to-date organizational chart and position descriptions for all paid staff, up from 18%.
- 74% have formal board member job descriptions and a board orientation process, up from 13%.
- 72% have access to space(s) that were well-suited to their rehearsal and performance needs, up from 51%.

VI. SMART Growth grantees experienced significant growth among all indicators for contributed revenue surpassing the national comparison group in seven out of eleven indicators.
- 81% of grantees saw an increase in their levels of contributed revenue between 2011 and 2013 compared with 62% of the national comparison group.
- Total contributed revenue raised by the cohort grew by 36%, higher than the national trend which grew by 12% during the same time period.
- The median level of contributed revenue for the cohort grew by 44% while the national group saw a 15% decline in median levels of contributed revenue.
- 63% saw an increase in their level of board support compared with 48% nationally.
- Total board giving for the cohort collectively rose by 53% while nationally growing by 80%.
- 67% of organizations saw the number of individual donors grow compared with 48% of the national comparison group.
- The median individual donor giving level trended upward by 75% for grantees compared with 45% nationally.

VII. SMART Growth grantees experienced growth among all earned revenue indicators surpassing or staying on par with the national comparison group.
- 63% of grantees increased their level of earned revenue on par with 68% of the national comparison group.
- The median amount of earned revenue grew by 21% for the cohort which was on par with the national trend of 27%.
- The median Paid Attendance trended upwards by 90% as compared with 42% among the national comparison group.
- 80% of SMART Growth grantees with contractual revenue reported an increase between 2011 and 2013 (no data was available for the national comparison for this indicator.)

VIII. The management indicators for Audience Development and Marketing showed the most significant developmental growth correlating with modest increases in marketing expenditures for just over half of the grantees which surpassed the national comparison group.
- More groups (from 0 to 49%) reported developing an annual marketing plan.
- More groups (from 3% to 28%) reported annually analyzing audience demographics.
- 56% increased the amount of money they spent on Marketing between 2011 and 2013 as compared with 39% of the national comparison group.
- Median marketing expenditures for the SMART Growth cohort showed a 46% upward trend between 2011 and 2013 while the national comparison group showed a 20% decrease in marketing expenditures.
Evaluation Report

Background
In 2005, the Chicago Community Trust (Trust) launched the SMART Growth program for arts and culture, marking a new approach to funding very small (budgets < $250,000) and small (budgets between $250,000-$1m) arts and culture organizations in Chicago. SMART Growth was developed as a capacity-building program founded on the smARTscope® philosophy developed by the Arts & Business Council of Chicago (A&BC).

The smARTscope Philosophy
The smARTscope philosophy defines six developmental phases (from budding organization to major institution) charting seven distinct management areas (Concept Development and Planning, Staffing and Structure, Board Governance, Income Generation, Financial Management, Facilities and Audience Development and Marketing) to help arts boards and staff think more strategically about organizational development. Its fundamental premise is that balanced growth across all seven management areas is essential in order to progress from Phase 1 through subsequent phases.

The SMART Growth Philosophy
The goal of Smart Growth is to guide participating arts and culture organizations toward balanced growth that ensured their sustainability and resilience in the face of economic shifts and organizational transitions; to help them find stability within one phase of development while establishing planning practices that would enable them to grow to the next level.

The SMART Growth methodology was designed to help small and very small arts organizations (budgets under $1 million) strengthen their infrastructures so that they can focus on developing and sharing their artistic resources and talent. Rather than compel organizations to become larger in their quest for sustainability, SMART Growth encouraged organizations to make more effective use of their resources by reallocating them away from management areas that were ahead of the developmental curve toward lagging areas, thus helping the organization find stability from which to grow more thoughtfully and strategically.

The second SMART Growth cohort was diverse in several aspects. The range of artistic discipline included 24% theatre, 17% dance, 17% Music, 17% Museums, 14% visual arts, 7% media arts and 4% arts education. Initial budget sizes among the cohort ranged between $70,000 to $850,000 and less than 25% of the groups were minority-led.

The methodology coupled small general operating grants of $15,000 to $50,000 annually with an initial assessment (smARTscope) that identified specific management areas that were ahead of the developmental curve and those that were lagging, along with recommended outcomes and measures to address the lagging areas. FY2015 was the final year of this second three-year funding cycle.
Evaluation Overview

The following report describes the outcomes from the external evaluation of the SMART Growth program conducted by independent evaluator and consultant Lisa Tylke on behalf of the Arts & Business Council of Chicago. The purpose of this evaluation was to assist the Trust in determining the value of the SMART Growth methodology and 3-year program to the participating grantee organizations. The evaluation focused on identifying the degree to which the program’s approach was embraced and executed by the grantees; the program’s impact as perceived and measured by the individual SMART Growth grantees; whether or not the actual data related to relevant factors supported the perceived impact.

Evaluation Methodology

The evaluation was process-focused, and to the extent possible, outcomes-based, using tools and methods for both qualitative information gathering and quantitative data collection and analysis.

The evaluation process included information gathering via a range of methodologies including document review (30 original smARTscope assessment reports and SMART Growth grant documents), data collected via each grantee’s Illinois Cultural Data Project (CDP) reports and an electronic survey of all grantees (Appendices I).

Qualitative Analysis

The following narrative describes the summarized outcomes from the evaluation’s qualitative information gathering focusing on identifying the degree to which the program’s approach was embraced and executed by the grantees.

1) Did the initial proposals fully reflect the smARTscope report?

The SMART Growth Year-1 proposals significantly reflected the recommendations found in grantee smARTscope reports. One third (33%) of grantees selected recommended Impact Statements 100% of the time. Another 64% selected them more than half of the time. With regard to suggested Outcomes, 97% of grantee applications either fully or partially reflected the suggested Outcome Statements provided in their smARTscope report, only 1 grantee (1%) created outcomes that were not included in the report.

Slightly less, yet still significant alignment was found with regard to selected Measures. 86% of grantee applications either fully (53%) or partially (33%) reflected the suggested measures within their smARTscope reports. Thirteen percent (13%) of grantee initial applications did not reflect suggested measures at all.

Perhaps most importantly, the majority (70%) of grantees selected to focus on management areas that were identified as “lagging” in their smARTscope report 50% or more of the time.
2) **How were grant funds used?**

<table>
<thead>
<tr>
<th>How Grant Funds Were Used</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Dev/Planning</td>
<td>18%</td>
</tr>
<tr>
<td>Board Governance</td>
<td>18%</td>
</tr>
<tr>
<td>Financial Management</td>
<td>10%</td>
</tr>
<tr>
<td>Income Generation</td>
<td>19%</td>
</tr>
<tr>
<td>Audience Dev/Marketing</td>
<td>17%</td>
</tr>
<tr>
<td>Staffing/Structure</td>
<td>17%</td>
</tr>
<tr>
<td>Facilities</td>
<td>1%</td>
</tr>
</tbody>
</table>

Funds were used to support six out of the seven management areas relatively equally. *Income Generation* was most often selected (19%) but only slightly higher than *Concept Development and Planning; Board Governance; Audience Development and Marketing and Staffing and Structure* (17-18%). *Financial Management* was selected 10% of the time and *Facilities* just 1% of the time.

3) **How did extending the role of A&BC from the one-year assessment phase to the full four years impact the grantee experience?**

Just over half (56%) of the grantees utilized A&BC support services during the three year grant cycle benefiting from 47 separate engagements representing 23% of the A&BC client base. The majority (77%) of these support services were related to board building via A&BC’s On Board program. On BOARD provides arts organization and their boards with the opportunity to be matched with highly qualified and trained volunteers ready to serve as high-functioning board members. Eighteen board placements were made with SMART Growth grantees between 2012 and 2015. Nineteen percent (19%) of the engagement projects were BVA (Business Volunteers for the Arts) services. The BVA program recruits, trains and matches experienced business professionals for pro bono consulting projects. 4% were A&BC direct consulting services.

4) **Did the grantees utilize the outcomes and measures as a means of tracking their own progress?**

Yes, each year, 81-90% of grantees fully used their outcomes and measures to track progress all three years (96% in Year 1; 81% in Year 2 and 90% in Year 3.) Only 1% did not use outcomes and measures to track progress all three years.
Outcome achievement remained high and consistent over the three year grant cycle. Each year, the majority (between 73% and 80%) of grantees achieved 50% or more of their outcomes with 33%-60% of them achieving more than 75% of their outcomes over the three years.

5) **To what extent did grantees follow the SMART Growth method of planning and tracking and how likely are they to continue to use this method in future years?**

The majority (95%) of grantees responding to the survey both followed the SMART Growth method of planning and tracking and were likely to continue to do so in the future. Seventy-one percent (71%) followed the method “significantly”, 24% “somewhat” while 57% reported being “very likely” and 38% “somewhat likely” to continue to use the model into the future.

6) **Did the grantees feel that the SMART Growth experience changed their understanding of management?**

The majority (83%) of grantees responding to the survey reported that SMART Growth had changed their understanding of ways to manage an arts organization.

7) **Did the grantees feel that participation in SMART Growth had a positive impact on their boards?**

Seventy-nine percent (79%) reported that participation in SMART Growth had a positive impact on their board of directors.

Basic, foundational governance elements were impacted most significantly. Respondents reported that their boards’ “sense of organizational ownership” (75%) and “understanding of governance role” (72%) were positively impacted by SMART Growth. A majority also selected “financial oversight practices” (69%), “recruitment and on-boarding practices” (63%) and “general governance practices” (59%) as being positively impacted. Fewer, yet significant, numbers of grantees identified more advanced
governance elements such as “evaluation practices” (44%), “independence in governance and leadership” (41%), “policy setting practices” (41%) and “overall board composition” (31%) as having been positively impacted by SMART Growth.

**Quotes**

- *Having the entire board think so deeply about the organization and the knowledge that they were integral in the success of the program - This gave them great ownership and confidence.*

- *Our Board of directors passed an amendment to [our] bylaws that stipulate a time limit for board membership. Thanks to this new decision, we have a brand new board that is moving the organization forward. Just last year we increased sponsorship to our annual fundraiser by 80% something never achieved before.*

- *It made the board feel really good that its thinking about the future- strengths and opportunities- was in line with the staff's.*

- *SMART Growth was a catalyst for strategic planning and committee formation. It also helped the organization move from a founder-driven board to a mission-driven board.*

8) **Did the grantees feel that the SMART Growth experience made them more sustainable?**

The majority of grantees (95%) felt that SMART Growth helped to make them more sustainable with just over half (51%) feeling it had made them “significantly” more sustainable. When asked for examples survey respondents most often cited the positive impact SMART Growth had on their efforts to build board and staff capacity to make them more sustainable. Twenty-one percent (21%) cited staff expansion and board expansion/engagement as leading indicators for greater sustainability. Improved planning practices and income generation activities were both cited 17% of the time. Stronger financial practices (14%) and marketing practices (10%) were also cited as key factors in building long-term sustainability.

**Quotes**

- *Year one we focused on getting our finances and financial reporting and reconciling in order. This had a profound impact on our financial stability resulting in cash reserves. I cannot say enough about the great impact this had on our organization.*

- *SMART Growth gave us the necessary guidance and investment of funds to plan for sustainability, but not necessary achieve sustainability.*

- *The SMART Growth grant financially helped us by offering the investment of a managing director's salary, thus increasing our staff size from one to two members. Over the three years of funding, the position has matured, as has some donor relationships. The investment has paid for itself over and over.*

- *SMART Growth helped us think strategically about investing in development staff to diversify revenue streams and formalize marketing and communication strategies. This allowed us to better forecast financially and create a pipeline of new donors.*
9) **How will SMART Growth continue to affect your organization in the future?**

The SMART Growth method of strategic planning, benchmarking and measuring was identified as the strongest take-away of the SMART Growth experience. Thirty percent (30%) cited institutionalized strategic planning as the practice having the greatest effect on the organization in the future while 24% cited the SMART methodology as having a lasting impact on the organization in the future.

**Quotes**

- *Smart Growth provided a much needed boost at a critical time. We now have a better grasp of the ideal structure that every organization should have in order to be successful in all governance areas.*

- *Now that we've broken out of having a non-founding board, we've set in motion a more effective board presence that will only get more developed and grow in fundraising and governance ability.*

- *The long term investment was a great financial infusion with longstanding impact. The addition of a managing director has expanded our organization’s infrastructure, reallocated staff time to creative work and began to increase donor relations and donor-centered fundraising. Without the financial infusion, this would not be as readily.*
Quantitative Analysis

Background
The basis for the evaluation’s qualitative analysis utilized two collection points – longitudinal data on select indicators was provided by the Cultural Data Project (CDP) and grantee responses to the online survey (75% response rate) which provided growth indicators in relation to the SMART Growth “Common Outcome and Measures” (Appendices II).

The CDP has been gathering reliable, longitudinal data on the sector since 2004. Ninety percent (90%) of the SMART Growth grantees completed a CDP profile for Fiscal Years 2011, 2012 and 2013. By selecting key data points from among the general CDP profile the evaluation sought correlative evidence of the impact SMART Growth had on grantee growth among the seven management areas as well as potential insights into their future sustainability. To provide further confirmation of SMART Growth’s impact, the evaluation also utilized a comparative national data bank provided by CDP which included 100 organizations similar in size, scope, and cultural profile to the SMART Growth cohort.

The following indicators within the CDP profile were selected for the purposes of the SMART Growth evaluation, each tracking growth and the percent of change over three years (from 2011 to 2013):

- Number of full time employees
- Number of board members
- Total contributed revenue
- Board contributions
- Number of individual donors
- Total earned revenue
- Paid attendance numbers
- Admissions/ticket sales
- Contractual revenue
- Annual marketing expenditures

Analysis of how well the SMART Growth program achieved its goals and had its intended impact was also based on the level of growth evident collectively among the 30 grantees in meeting the program’s Common Outcomes and Measures. Created at the beginning of the program, the Common Outcomes and Measures were to serve as a guide to understanding and/or verifying the impact of SMART Growth on developing the seven management areas of its 30 grantees. The Common Outcomes and Measures were based on benchmarks identified within the Arts & Business Council’s smARTscope assessment tool as descriptors for Phases 3 and 4 (the Phases most representative of a healthy arts organization within the budget and developmental ranges represented by the SMART Growth cohort – small and very small arts organizations).
What the Overall Data Shows

The grantees cohort demonstrated significant growth in each of the seven management areas as evidenced by 40% to 840% growth among the Common Outcomes and Measures.

The most significant growth was measured among the two Audience Development and Marketing benchmarks. By 2015, just under half (49%) of respondents reported having an annual marketing plan, up from none (0%) prior to receiving SMART Growth support in 2011. In addition, the indicator regarding audience demographic analytics showed an 840% increase with 28% of respondents analyzing audience data by the end of the project, up from 3% in 2011.

The measures identified for Financial Management also showed exceptional growth with indicators regarding the development of financial controls and accounting procedures and regular financial statements increasing by 676% and 232% respectively. In addition, the Governance benchmark regarding the adoption of formal board member job descriptions and a board orientation process grew by 496% among survey respondents.

By 2015 attainment of the Common Outcomes and Measures was reported by respondents as follows:

- 92% reported having an annual fundraising goal that was approved by the board which included a minimal annual board member contribution, up from 26%.
- 87% have a board-approved annual operating budget, up from 59%.
- 85% have regular financial statements prepared for and reviewed by the board, up from 26%.
- 80% of management staff access professional development opportunities, up from 21%.
- 79% have basic financial controls and accounting procedures documented and monitored by the board, up from 10%.
- 77% have an up-to-date organizational chart and position descriptions for all paid staff, up from 18%.
- 74% have formal board member job descriptions and a board orientation process, up from 13%.
- 72% have access to space(s) that were well-suited to their rehearsal and performance needs, up from 51%.

The following charts provide more detailed summaries of the data collected from the online survey of grantees (75% response rate) and when applicable CDP data collection points both for the SMART Growth cohort and a national comparison group. The information is organized by the seven management areas and demonstrates SMART Growth’s effectiveness at helping the grantees achieve desired outcomes.
I. Concept Development and Planning

*What the Data Shows*

Strong growth among Concept Development and Planning indicators. Just over one half (57%) of the grantees agreed strongly or completely with the statement that they had a strategic plan in place that was approved and monitored annually by the board in 2015, compared to only 18% in 2011. Similarly, 54% agreed strongly or completely with the statement that they had a detailed business plan in 2015, compared to 18% in 2011.

*Common Measures:*

<table>
<thead>
<tr>
<th>Concept Development &amp; Planning</th>
<th>Agree Strongly/Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>We had/have a detailed business plan to implement the artistic and programmatic elements of our strategic plan.</td>
<td>18% 54%</td>
</tr>
<tr>
<td>We had/have a strategic plan in place that was approved and monitored annually by the board.</td>
<td>18% 57%</td>
</tr>
</tbody>
</table>
II. Staffing and Structure

*What the Data Shows*
*Staffing and Structure* management practices were strengthened while full time staffing levels for the cohort declined in contrast to the national comparison group which increased.

*Common Measure:*
Significantly more organizations reported having developed organizational charts and position descriptions (327% more); established annual performance goals and evaluation practices (256% more) and accessing professional development opportunities (281% more) in 2015 than at the start of the program in 2011.

*CDP Data:*
Between 2011 and 2013, slightly more organizations (50%) decreased their number of full time employees (FTE) than increased (42%) while slightly more than half (55%) of the national comparison group increased their number of full time employees than decreased (39%). The average number of the cohort’s FTE’s fell by 26% compared with the national average trend which grew by 5%.
III. Board Governance

*What the Data Shows*

Board Governance management practices were strengthened while board sizes remained consistent.

*Common Measure:*

Seventy-four (74%) of grantees reported having formal board member job descriptions and a board orientation process in place in 2015 as compared with 13% in 2011 demonstrating growth of over 400%.

*CDP Data:*

Between 2011 and 2013, the majority of organizations (85%) either increased (55%) or maintained (30%) their board size compared with the national comparison group which shows less board growth (29% increase, 45% maintained.) The average board size grew by 6% from 9.9 to 10.5 while the national average declined slightly (-1.4%).
IV. **Income Generation**

**Income Generation -- Contributed**

*What the Data Shows*

The cohort experienced significant growth among all contributed revenue indicators surpassing the national comparison group in 7 out of 11 indicators.

*Common Measure:*
The vast majority (92%) of grantees reported having a board-approved annual fundraising goal and stated annual board member contributions in 2015 compared with 26% in 2011, representing a 469% increase in practice.

![Income Generation Agree Strongly/Completely](image)

Our organization has/had an annual fundraising goal that was approved by the board and that included a minimal annual board member contribution.

<table>
<thead>
<tr>
<th>2011</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>92%</td>
</tr>
</tbody>
</table>

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
**CDP Data:**

**Total Contributed Revenue** –
Eighty-one percent (81%) of SMART Growth cohort saw an increase in their levels of contributed revenue between 2011 and 2013 compared with 62% of the national comparison group. Total contributed revenue raised by the cohort grew by 36% from $8,679,548 to $11,831,431 which was higher than the national trend which grew by 12% during the same time period. In addition, the median level of contributed revenue for the cohort grew by 44% from $168,604 to $242,413 while nationally organizations saw a 15% decline in median levels of contributed revenue.
**Board Contributions**

Between 2011 and 2013, the majority (63%) of organizations saw an increase in their level of board support compared with 48% nationally. Total board giving from among the cohort rose by 53% from $348,200 to over $532,400 while nationally growing by 80%. The median giving level trended upward by 75% for grantees from $6,000 to $10,526 compared with 45% nationally.
Individual Contributions –
The majority (67%) of organizations saw the number of individual donors grow compared with 48% of the national comparison group. The total number of individual donors increased by 6% from 7,977 to 8,483 compared to a 29% decrease nationally. The median number of individual donors rose by 55% between 2011 and 2013 for the SMART Growth cohort just behind the national trend of 66% growth.
Total dollars raised through non-board individuals increased at a slightly slower pace (70%) from $1.17 million to just under $2 million for the SMART Growth cohort compared with the 76% increase nationally. Total Combined Giving Trended upward for the cohort by 66% from ($1.5 to $2.5 million) compared with 77% nationally over three years.
**Income Generation – Earned Revenue**

*What the Data Shows*

All earned revenue indicators showed growth among the cohort, surpassing or staying on par with the national comparison group.

*CDP Data: Total Earned Revenue –*

Between 2011 and 2013, earned revenue grew for 63% of the organizations compared with 68% of the organizations in the national comparison group. The median trend for the cohort increased by 21% from $72,285 in 2011 to $87,676 in 2013 which is on par with the national cohort growth of 27%. The median amount of earned revenue grew by 21% between 2011 and 2013 for the SMART Growth cohort similar to the national trend of 27%.
Attendance, Admissions and Contractual Revenue

Between 2011 and 2013, 60% of the SMART Growth saw an increase in Paid Attendance, 59% saw an increase in Admissions and 80% experienced an increase in contractual revenue (National data not available for comparison.)

The median for Paid Attendance trended upwards by 90% for the cohort between $1,627 in 2011 to $3,098 in 2013 as compared with 42% among the national comparison group.
V. Financial Management

What the Data Shows

All three Financial Management indicators were strengthened between 2011 and 2015. There was modest growth among groups reporting having an annual operating budget approved by the board but more significant growth with regard to the development of basic financial controls and accounting procedures and regular financial statements prepared for the board over the three-year cycle.

Common Measure:
VI. Audience Development and Marketing

What the Data Shows

The management indicators for Audience Development and Marketing demonstrated the most significant growth among the cohort. Correspondingly, marketing expenditures increased for just over half of the cohort (56%) with median expenditures growing by 46% between 2011 and 2013.

Common Measure:

The SMART Growth experience encouraged significantly more groups (from 0 to 49%) to develop an annual marketing plan and more groups (from 3% to 28%) to annually assess and analyze their audience demographics.

CDP Data:

The majority (56%) of groups increased the amount of money they spent on Marketing between 2011 and 2013 as compared with 39% of the national comparison group. Median marketing expenditures for the SMART Growth cohort showed a 46% upward trend from $2,011 to $3,675 between 2011 and 2013 while the national comparison group showed a 20% decrease in marketing expenditures.

![Graphs showing % of Change in Marketing Expenditures and Median Marketing Expenditure Trend]
VII. Facilities

*What the Data Shows*

Management indicators for *Facilities* also improved overall. Modest growth (from 51% to 72%) was reported in groups having access to well-suited rehearsal and performance spaces. More significant growth could be found in the number of groups reporting having access to well-suited office space; from 18% in 2011 to 56% in 2015.

*Common Measures:*

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Agree Strongly/Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>We had/have access to space(s) that were well-suited for our rehearsal and performance needs.</td>
<td>2011: 51%  2015: 72%</td>
</tr>
<tr>
<td>We had/have office space that was well-suited to our needs.</td>
<td>2011: 18%  2015: 56%</td>
</tr>
</tbody>
</table>
Conclusion

The SMART Growth program continues to have a positive impact on the management practices and outcomes of the majority of its grantees.

Grantees used their smARTscope assessment experience to plan strategically and focus their resources on developmentally lagging management areas. Six out of the seven management areas (Facilities being the exception) were evenly addressed over the three year grant cycle by the cohort. Outcome achievement among the cohort remained high and consistent over the three year grant cycle with. Each year, the majority (between 73% and 80%) of grantees achieved 50% or more of their outcomes with 33%-60% of them achieving more than 75% of their outcomes.

The majority, (79%) reported that participation in SMART Growth had a positive impact on their board of directors and 95% reported that the SMART Growth methodology had a significant impact on their understanding and practice of arts management.

SMART Growth had a positive impact on organizational sustainability as demonstrated by cohort growth across all seven management areas.

Significant progress was made by the grantee cohort toward achievement of the SMART Growth Common Outcomes and Measures, growing between 40% and 840% over the three year grant period. The cohort experienced significant growth among all revenue indicators surpassing the national comparison group on most benchmarks.

The management indicators for Audience Development and Marketing demonstrated the largest shift in practice with significantly more groups (from 0 to 49%) developing an annual marketing plan and those annually analyzing audience demographics growing from 3% to 28%. Marketing expenditures also increased, growing by 46% over three years which correlates to growing earned revenue trends and benchmarks.

When looking at the future impact of SMART Growth, grantees overwhelmingly described the capacity building efforts afforded through SMART Growth that focused on board building and infrastructure development. The majority of grantees (95%) felt that SMART Growth helped to make them more sustainable with just over half (51%) feeling it had made them “significantly” more sustainable going forward. When asked for examples 21% cited staff expansion and board expansion/engagement as leading indicators for greater sustainability. Improved planning practices and income generation activities were both cited 17% of the time and improved financial practices (14%) and marketing practices (10%) were also cited as key factors in building long-term sustainability.
In addition, significant growth was evidenced by the Cohort that offered correlative evidence of the impact SMART Growth had on grantee growth among the seven management areas as well as potential insights into their future sustainability. Between 2011 and 2013, the SMART Growth cohort demonstrated stronger growth than the national comparison group among all Income Generation data points as well as several key board and marketing-related indicators.

**The SMART Growth methodology was embraced as a tool to improve management.**

The SMART Growth Year-1 proposals significantly reflected the recommendations found in grantee smARTscope reports. Funds were used to support six out of the seven management areas relatively equally. Just over half (56%) of the grantees utilized the Arts & Business Council’s support services during the three year grant cycle benefiting from 47 separate engagements representing 23% of the A&BC client base. Each year, 81-90% of grantees fully used their outcomes and measures to track progress all three years (96% in Year 1; 81% in Year 2 and 90% in Year 3.)

The majority (95%) of grantees responding to the survey followed the SMART Growth method of planning and tracking and were likely to continue to do so in the future. Seventy-one percent (71%) followed the method “significantly” while 57% reported being “very likely” and 38% “somewhat likely” to continue to use the model into the future.

The majority (83%) of grantees reported that SMART Growth had changed their understanding of ways to manage an arts organization. The SMART Growth method of strategic planning, benchmarking and measuring was identified as the strongest take-away of the SMART Growth experience.
Appendix I

2013-2015 SMART Growth Grantees

Cohort II

16th Street Theatre
About Face Theater
Aguijon Theater
Archi-treasures
Baroque Band
Chicago Artists' Coalition
Chicago Dancing Festival
Chicago Jazz Philharmonic
Chinese Fine Arts Society
Clinard Dance Theatre
Contratiempo
DanceWorks Chicago
Elastic Arts Foundation
Elevarте Community Studio
Ensemble Espanol
Global Girls
Kartemquin Educational Films
Kuumba Lynx
National Public Housing Museum
Pegasus Players
People's Music School
Segundo Ruiz Belvis Cultural Center
Sones de Mexico Ensemble
South Shore Drill Team
Street-Level Youth Media
Tellin' Tales Theatre
The Polish Museum of America
Threewalls
Ukrainian Institute of Modern Art
Vivian Harsh
## Appendix II

### SMART Growth Common Outcomes and Measures

<table>
<thead>
<tr>
<th>Management Area</th>
<th>Outcome</th>
<th>Measures</th>
</tr>
</thead>
</table>
| Concept Development and Planning      | Succession for the Artistic Director and/or Executive Director has been discussed by the Board. A strategic plan exists for 2-3 years. | ▪ A current strategic plan has been approved by the Board and progress is monitored annually by the Board.  
▪ A Board approved business plan exists for implementation of the artistic and programmatic elements of the strategic plan. |
| Staffing & Organizational Structure   | A staffing structure and performance management system for paid staff exists | ▪ # of paid staff  
▪ An organizational chart and position descriptions for all paid staff are up to date.  
▪ Annual performance goals for paid staff exist and are evaluated annually.  
▪ Management staff pursues professional development opportunities  
▪ Rate of staff turnover |
| Board Governance                      | Board governance capacity is strengthened                               | ▪ # of Board members exceeds minimal 3-5  
▪ Amount of Board contributions (give or get)  
▪ A Board member job description and orientation manual exists. |
| Income Generation                     | Earned revenue increases  
Contributed income increases  
The individual donor base increases variety of sources | ▪ FY14 earned revenue $ vs. FY11 & % change.  
▪ FY14 contributed income $ vs. FY11 and % change  
▪ FY14 number of individual donors vs. FY11 and % change  
▪ An annual fundraising plan is developed and monitored |
| Financial Management                  | Financial management capacity increases                                 | ▪ Annual budget approved and monitored by Board  
▪ Basic financial controls and accounting procedures are written down and monitored by the board.  
▪ Regular financial reports are prepared and reviewed by the Board. |
<table>
<thead>
<tr>
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<th>Outcome</th>
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</table>
| Audience Development and Marketing | Audience Development and Marketing practices are sufficient to support reliable sources of earned revenue and enhanced brand recognition. The audience increases Current core audience demographic data is measured and analyzed. | ▪ A marketing plan is developed and updated annually.  
▪ FY14 audience # vs. FY11 & % change  
▪ Baseline measurement is established in 2006 and measured annually |
| Facilities                      | Administrative and artistic spaces are stable and well-suited for an organization’s our current needs. | ▪ Office space is stable and better-suited for our current needs  
▪ We have access to space (s) that is better-suited for rehearsals and performance needs. |