



There's No Place Like Silicon Valley

An Emerging Cultural Ecosystem for the 21st Century

A Report on the Cultural Infrastructure of California's Silicon Valley

By Creative Community Builders for 1st Act Silicon Valley

DRAFT July 1, 2009
NOT FOR PUBLIC RELEASE

Introduction to this Report

The mission of 1st ACT Silicon Valley is *to inspire leadership, participation and investment at the intersection of art and technology*. To better understand one of the key partners at this intersection 1st ACT commissioned Creative Community Builders (CCB), a Minneapolis-based consulting firm, to examine what makes up Silicon Valley's arts and culture sector and to compare it with other U.S. Cities.

This examination included an in-depth inventory and assessment of three main components of the Valley's arts and culture sector: nonprofit organizations based in Silicon Valley who identify as arts and culture organizations, arts and cultural programming and facilities operated by public and private higher education institutions in Silicon Valley, and arts and culture programming and facilities supported by the 15 municipalities in Santa Clara County (an area that accounts for 70% of Silicon Valley's population). While it is recognized that these three elements or contributors to cultural activity in Silicon Valley do not account for the entire landscape, they constitute the "formal" cultural sector – presumably the most significant and visible elements. Available data also make it possible to compare these elements with other communities to gain perspective.

This report provides for the first time a comprehensive profile of Silicon Valley's formal cultural sector. Considerable information is revealed about its relative size, composition, geographic distribution and focus of activities. Many things can still be learned about this sector. At the same time, this report identifies some of the unique qualities and characteristics of what can be called Silicon Valley's cultural *infrastructure* or cultural *ecosystem*. It illustrates the level and types of activity initiated and supported by volunteers, institutions, municipal agencies, and higher education institutions across this region.

To put this sector into a national context, CCB consultants examined the profile of nonprofit cultural organizations in nine other U.S. cities using a similar, although less in-depth, methodology. Existing research on local government spending by Americans for the Arts provided comparisons for the contributions of the municipal sector. No similar national data was found on higher education investments, although research clearly showed its significant contributions to Silicon Valley's cultural infrastructure.

This research and its findings were designed to inform the ongoing work of 1st ACT and its partners and their efforts to strategically inspire leadership, participation, and investment towards the objective to unleash all the creative power of Silicon Valley for the social and economic well being of its residents, workers, and visitors.

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D.I.Y. Culture in a 21st Century Global Region

Executive Summary

No place in the world is better known for technological innovation. No place can boast a more open and robust environment for new ideas and entrepreneurs. No place has the kind of widely-vested diversity where new arrivals so readily connect, organize, invest, and contribute to a vibrant economy and culture. No urban *region* is so consistently diverse in population. There is no place like Silicon Valley.

In the midst of this world-famous high-tech capital a cultural infrastructure has emerged that enables the start-up of new cultural enterprises and fosters participant-generated self-expression by an unprecedented range of people. This environment evolved simultaneous to the emergence of a global workforce, creative economy, and diverse population. Silicon Valley's illustrious business environment and global impact have sparked many analysts to rethink corporate structures and global economics in the post-industrial age. The region's cultural environment likewise raises questions about cultural infrastructures, notions of excellence and the role of professional artists, as well as investment in facilities and institutions built around singular artistic disciplines and industrial age organizational models.

1st ACT Silicon Valley commissioned Creative Community Builders (CCB) to produce a survey and analysis of the region's cultural sector in 2008. This report covers findings and observations based on a detailed inventory of three components of the cultural ecosystem of the geographic area defined as Silicon Valley. These include:

- Nonprofit cultural organizations
- Municipal government support for cultural facilities and activities
- Higher education sponsored cultural facilities and programs offered to the public

Additionally, this report compares the numbers, sizes, and primary activity of these nonprofit cultural organizations in nine other U.S. cities.

The analysis found and examined in depth:

• 667 active nonprofit, tax-exempt organizations based in Silicon Valley that define themselves as primarily providing programs in the arts, culture, and humanities

¹ Silicon Valley is defined in accordance with a 2005 Joint Venture Silicon Valley designation including all of Santa Clara County and select zip codes of adjacent communities in Alameda, San Mateo, and Santa Cruz Counties.

- 15 municipal governments within Santa Clara County, all of which directly and indirectly provide support for cultural activities, organizations, and facilities
- 13 institutions of higher education in Silicon Valley that provide facilities and/or cultural programming for general public audiences
- Nine other U.S. cities with robust yet significantly different nonprofit profiles than the City of San José and Silicon Valley.²

Not included in this inventory, but worth note, are the unincorporated, small for-profit, or informal organizations, as well as nonprofits whose primary mission is outside arts and culture but who have active arts programs. These are certainly numerous in Silicon Valley, as well as in the other cities examined. Likewise, arts activities in primary and secondary public education were not included but are undoubtedly significant and important to the overall cultural vitality of the region. Finally, the impact of the Internet, or web-based forms of cultural production, participation, and distribution are immense, yet ironically outside the scope of this examination.

During the late 20th Century Silicon Valley became one of the world's most dynamic economic regions while unleashing unprecedented global innovations in technology and ways of doing business. CCB researchers found many similar qualities at work in the forging of a cultural infrastructure for this 21st Century global region. A fast-growing population composed of people from around the world became part of, and are responsible for, the economic success of this region. Equally fast-growing municipal government and higher education sectors responded to community needs and created key elements of the physical and programmatic infrastructure that provide opportunities for the world's cultures to find a home, make their appearance in the public realm, and take root.

Most large U.S. cities and their cultural infrastructures grew up during the industrial age. They each established a handful of large, formal cultural institutions that represented stability – the preservation and reinforcement of a dominant culture and the idea of artistic excellence. Innovative arts activity and cultural diversity in those cities emerged much later as smaller, secondary activities. Silicon Valley's ecosystem and cultural organizations represent a tectonic shift. The milieu there instead produced an adaptable do-it-yourself platform for culture, one in which diversity and informal organizational structures are central to cultural vitality rather than on the edges.

The proximity of San Francisco, and its abundant old-world institutions, made unnecessary the replication of similar establishments in San José (the "Capital of Silicon Valley") even as it outsized San Francisco's population almost three decades ago. Made up of many smaller and heavily volunteer-driven entities (as well as an uncountable number of informal, unincorporated activities), Silicon Valley's cultural platform has become animated by what could be described as user-generated content.

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² It is important to note that the methodology used to compare San José with the other cities revealed 176 nonprofits in San José, the number used in the comparative portion of the study. A more extensive search using multiple sources yielded 235 nonprofits in San José, the number used in the in-depth Silicon Valley inventory.

CCB research revealed an eclectic ecosystem made up of a multitude of geographically dispersed smaller and younger entities along with clusters of somewhat larger organizations located primarily, but not exclusively, in population centers of San José, Palo Alto, and Mountain View – nearly all of which are housed in publicly-owned facilities. This multitude of entities reflect cultural interests and activities relevant to Silicon Valley's diverse population as well as to changing patterns in cultural participation, some of which are in direct response to the technological and social media creations of Silicon Valley.³

Research revealed the collective expenditures of all Silicon Valley cultural organizations on a per capita basis equal to less than one-tenth the per capita expenditures in Minneapolis or San Francisco, for instance, while addressing a far more eclectic range of cultural interests. This could reflect an impoverished cultural sector or could be considered cost-effective delivery of services. The relative youth of the sector is certainly a factor in relation to both its size and eclecticism. In any case, Silicon Valley represents a very different cultural environment.

Formation of new cultural nonprofits in Silicon Valley, especially those identifying an ethnically-specific focus, increased three fold since 1990. Findings reveal an arts sector in which 70% of all the cultural nonprofits are less than 20 years old. Of the over 200 organizations operating in 2008 that were formed to address non-white, culturally-specific art forms or audiences, nearly 80% were established since 1990. Interestingly, data on business ownership also shows Silicon Valley with one of the most diverse patterns among U.S. cities. The region further distinguishes itself through its widespread geographic dispersion of nonprofit arts organizations. They exist in Silicon Valley at a higher ratio relative to population outside the primary population center of San José where 41% of the population resides but only 35% of the nonprofits are based.

Most of Silicon Valley's larger cultural institutions are housed in city-owned facilities, none with annual expenditures over \$10 million. Comparable cities are home to a multitude of institutions that are far larger, tend to own their buildings, and are less oriented to their diverse populations than those in Silicon Valley. Real estate, endowments, collections, union contracts, producing companies, repertoires, and other stabilizing factors keep these institutions anchored in specific cultural forms and traditions. Silicon Valley's arts organizations lack these ingredients, are younger, smaller, more diverse, and adaptable.

The cultural nonprofits surveyed in other U.S. cities exhibited few similarities with each other and with San José (whose profile is generally consistent with the Silicon Valley region) in their numbers, size, and primary activity. Nearly 15% of the cultural nonprofits in Silicon Valley label themselves "Cultural and Ethnic Awareness Organizations," a significantly larger percentage in that category than any other city in the sample. 4 Likewise organizations that classify themselves as "Other, Art, Cultural and Humanities" organizations represent a larger category in both San José and Silicon Valley as well, as organizations that chose to label

³ Ivey, Bill and Tepper, Stephen, Engaging Art: The Next Great Transformation of America's Cultural Life, 2007; Brown, Alan, Novak, Jennifer, CULTURAL ENGAGEMENT IN CALIFORNIA'S INLAND REGIONS, The James Irvine Foundation, 2008

⁴ Cultural/Ethnic Awareness is a category established by the National Taxonomy for Exempt Entities (NTEE) along with Museum, Music, Theater, Visual Arts, etc. Organizations filing a nonprofit tax return choose one of these categories to identify themselves.

themselves "Cultural Organizations/Multipurpose." By far, more organizations in Silicon Valley consider themselves outside singular discipline-based categories such as museum, theater, opera, etc., than in other cities studied. This indicates that diversity of cultural practices and non-traditional organizational models are common as opposed to peripheral.

Additional research found a matrix of flexible facilities and culturally diverse programs built and operated by many of the region's municipalities and higher education institutions. These spaces and programs add considerably to an adaptable environment supportive of smaller, diverse, and informal organizations and activities. The 15 Santa Clara County municipalities studied invest \$30 million each year and during the past few decades have built hundreds of millions of dollars worth of cultural facilities. Nearly all these cities convene arts commissions, produce cultural programs, sponsor arts classes, support cultural festivals, and administer public art programs. Seven of 15 provide grants or cash to nonprofits. The higher educational institutions provide and program over 18,000 theater seats and 100,000 square feet of exhibition space in 35 facilities – which would cost between \$475 and \$650 million to build today. They provide the backbone for the dispersed, decentralized, and diverse character of this cultural infrastructure.

CCB conclusions show the City of San José and Silicon Valley with a cultural infrastructure unlike other cities and their metropolitan areas. As a less-hierarchical, more organic ecosystem, it can be characterized as a diverse, fast-growing, decentralized network of production and participation in which adaptability and change are central. Cultural activity takes place primarily outside large-scale nonprofit structures. The majority of organizations operate outside the larger urban center, and many activities manifest outside the nonprofit sector altogether.

As a newly emerging major metropolitan area with one of the most diverse populations of any region, Silicon Valley's evolving cultural infrastructure mirrors its style of growth, population diversity, entrepreneurial behavior, and position as one of the first truly global metropolitan regions.

To reach conclusions and recommendations, CCB was asked to identify general characteristics of this infrastructure and what might make this cultural ecosystem work best. Based on these findings and other research, a roster of these characteristics includes such things as innovation, diversity, networking, collaboration, and openness to learning. This ecosystem fosters the rapid start-up of new organizations, fusion of forms, new ideas, and adaptability. It requires culturally diverse leadership in tune with its strengths and needs, flexible spaces, and requires risk-taking capital at a micro-level, unlike conventional arts philanthropy.

Building upon Silicon Valley's assets and unique position at a time of change in the cultural sector, suggests opportunities and a variety of actions and investments. 1st ACT and its partners are in a timely position to address ongoing needs for space, leadership development, convening, and learning. To help nurture the sector and leverage its value to the larger economic, social, and civic infrastructure, 1st ACT can also bring networking, technology, technical know-how, and financial support in strategic ways to strengthen and further distinguish this unique 21st Century cultural ecosystem.

"It has been said that an entrepreneur can move from initial concept to incorporation, financing, and growth more rapidly in Silicon Valley than anywhere else in the world."

— AnnaLee Saxenian

The Silicon Valley Landscape

The research in this report was conducted against the backdrop of a region known world-wide for technological innovation, one that has grown rapidly in a few short decades from a population of just under 300,000 in 1950 to almost 2.4 million in 2000. Silicon Valley has achieved a population mix matched only by a few other U.S. metropolitan regions – with some significant differences. While Silicon Valley's ethnic diversity is not unique in numbers, qualitatively it is composed of communities of color and large immigrant populations that are not disenfranchised politically or economically to the same extent as such communities and populations in other urban regions. They are also dispersed throughout the metropolitan region rather than concentrated in a central city.

The City of San José itself, the "Capital of Silicon Valley," boasts its position as the most diverse large city in California, the most diverse state in the U.S.⁵ Its largest ethnic groups – Hispanic, Asian, and White, each of which are richly diverse in themselves – enjoy relatively high rates of property and business ownership as well as leadership roles in government and civic institutions.

Of the nine comparable communities studied, 2002 Census data on business ownership reveals that San José has the second highest percentage of minority-owned business firms next to Miami where more than half of firms are Hispanic-owned. Otherwise Miami shows a more binary ownership pattern between White and Hispanic. The City of San José, on the other hand, shows a more widely mixed pattern of ownership.⁶

Silicon Valley grew at a rapid pace in recent decades around an ethos of technological invention, attracting and nurturing the talents of innovators and workers from around the world. It employs double the number of high-tech workers than any other major U.S. metropolitan area – skilled in forms of manufacturing, information management, communication, and commerce that have revolutionized businesses, economies, and social organization around the globe.⁷

⁵ Walesh, Kim, Arts and City Success: Remembering Leonardo, Citiwire.net December 21, 2008

⁶ U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, 2000 Census of Population and Housing, 1990 Census of Population and Housing, Small Area Income and Poverty Estimates, County Business Patterns, 2002 Economic Census, Minority- and Women-Owned Business, Building Permits, Consolidated Federal Funds Report, Census of Governments

⁷ Markusen, Ann, San Jose should become an incubator for the arts, Mercury News, September 11, 2008

Santa Clara County has been noted as a place where over 50% of residents speak a language other than English in the home – and the range of languages is wide. 8 It has one of the highest household income levels in the U.S. along with one of the highest costs of living.

According to Silicon Valley observer, AnnaLee Saxenian, in 2000 first-generation immigrants accounted for 53% (compared to 30 percent in 1990) of the scientists and engineers working in Silicon Valley's technology industries, more than twice the proportion in other U.S. technology regions. In *The New Argonauts*, 2006, Saxenian goes on to write, "Silicon Valley's skilled immigrants have been quick to catch the entrepreneurial bug." In 2001, she points out, over half of the foreign-born professionals reported working in a start-up company, and 62% planned to start a business – compared to 46% of U.S.-born professionals. 10

San José sits just 40 miles from San Francisco, a city not much older, but dominant in the region in terms of population, economics, and cultural production for well over 100 years. While San José's population eclipsed that of San Francisco over 20 years ago, it remains in the shadow of its more famous neighbor with its renowned scenery, landmarks, and structures. While lacking such aesthetic icons, Silicon Valley is known world-wide as the home of the most productive and important high-tech industry brands – a place synonymous with innovation, the internet, high-speed computing, data and visual image management, social networking, and other fast-growing forms of technology and communication.

"The whole culture of the Valley is one of change," wrote AnnaLee Saxenian in Regional Advantage, her 1994 comparison of Silicon Valley's high-tech successes with the decline of Boston's high-tech corridor during the 1980s. 11

"It is helpful to think of a region's industrial system as having three dimensions: local institutions and culture, industrial structure, and corporate organization....These institutions shape and are shaped by the local culture, the shared understandings and practices that unify a community and define everything from labor market behavior to attitudes towards risk-taking. A region's culture is not static, but rather continually reconstructed through social interaction."¹²

Historic patterns of growth, economic or industrial base, and immigration trends can both have an impact on and reveal a great deal about a region's cultural infrastructure. Some suggest that the culture of the place shapes the business climate. ¹³ Others suggest the reverse. Certainly they have a dynamic give-and-take relationship.

⁸ San Jose Mercury News, Sept. 22, 2008. Census: Majority of Santa Clara County families speak foreign language at home - By Mike Swift

Saxenian, AnnaLee, The New Argonauts, 2006. Cambridge, MA: Harvard University Press, page 53.

¹⁰ Saxenian, New Argonauts, page 80.

¹¹ Saxenian, AnnaLee, Regional Advantage: Culture and Competition in Silicon Valley and Route 128, 1994. Cambridge, MA: Harvard University Press, page x. ¹² Saxenian, Regional Advantage, page 7.

¹³ Alvarez, Maribel, There's Nothing Informal About It. San Jose, CA, Cultural Initiatives, 2005; Borrup, Up From The Roots: Rexamining the Flow of Economic and Creative Capital, Grantmakers in the Arts READER, Summer 2006.

As recently as the 1980s, Saxenian observes, large mass-production corporations represented the optimal ways to organize production and the ideal of modern economic progress, "while entrepreneurs and small firms were seen as archaic and destined to disappear." This, she goes on, was proven very wrong.

In the *Wealth of Networks*, 2006, Yochai Benkler examines vast economic and social changes emerging from new technologies, ways of organizing business, and producing and distributing information and culture. He cites "...a new model of production emerging in the middle of the most advanced economies in the world." ¹⁴

Benkler claims this presents,

"a shift that allows for an increasing role of nonmarket production in the information and cultural sector, organized in a radically more decentralized pattern than was true of this sector in the twentieth century.... These new patterns of production – nonmarket and radically decentralized – will emerge, if permitted, at the core, rather than the periphery of the most advanced economies.

He continues to conclude that,

"we are seeing the emergence of a new folk culture – where many more of us participate actively in making cultural moves and finding meaning in the world around us."

Benkler's description seems relevant to both the highly participatory, virtual cultural environments that younger generations now consider normal, as well as the diverse and widely dispersed voluntary cultural organizations sprouting across Silicon Valley.

¹⁴ Benkler, Yochai, The Wealth of Networks, 2006. New Haven, CT: Yale University Press.

The Silicon Valley Nonprofit Cultural Sector

Overview

Understanding the mix of sizes and types of nonprofit 501c3 cultural organizations in Silicon Valley is essential to 1st ACT's ability to further its mission. It was assumed that these organizations represent the single largest element of the region's formal cultural infrastructure – the element that generates the most public activity and engages the most people. Thus, it was important to know their numbers, age, economic activity, the art forms or cultural traditions they practice, locations, and something about how they function.

CCB consultants produced a detailed inventory using an interactive database and identified a minimum of 667 active nonprofit organizations that could be verified as active. ¹⁵ Of Silicon Valley nonprofits filing IRS reports, 381 organizations or 57% of the total reported less than \$25,000 in annual gross receipts and 67% reported less than \$50,000. There are undoubtedly more legally registered entities that did not file but would otherwise be deemed active. ¹⁶ Data is based on reports filed for 2007 or before, however organizations which failed to file since 2003 were not included unless extended research or knowledge suggested otherwise. The most recent report was incorporated into the data base and organizations were checked individually to confirm they were still active.

In addition to IRS data, Silicon Valley organizational information was also collected through other primary sources. These included the files of San José Office of Cultural Affairs, Arts Council Silicon Valley, the California Secretary of State, and Artsopolis, an on-line cultural calendar serving Silicon Valley. Websites and general web searches were also conducted on all 667 organizations.

Research examined several key characteristics among the Silicon Valley nonprofits. These included date of founding, financial data related to total expenditures, artistic discipline or primary types of cultural activity (such as music, dance, arts education, festivals, etc.), ethnic

¹⁵ To procure a primary universe of organizations for Silicon Valley, consultants performed a search of Guidestar.org for the zip codes of Silicon Valley derived from the 2005 Joint Venture Silicon Valley definition. Organizations were considered active if they filed an IRS 990 since 2003, have a current website and/or were currently listed with the CA Secretary of State.

¹⁶ Prior to 2009, nonprofits with annual income below \$25,000 were not required to file IRS Form 990 tax reports. Subsequently, all registered 501c3 organizations must file which will likely reveal more organizations in the future.

specificity (as best as it was discernable), and geographic distribution. Two measures were used to examine activity types. One drew from NTEE codes indicated on IRS Form 990 reports. The other was based on National Endowment for the Arts (NEA) discipline categories. NEA categories were assigned to each organization by CCB researchers based on data available from the above sources.

Graphic Information System (GIS) mapping examined geographic distribution of these cultural organizations throughout Silicon Valley in relation to various population characteristics including household income and racial group distribution.

In many cases the various characteristics were contrasted to determine patterns and trends such as year of founding of ethnically-specific organizations, total expenditures related to discipline and type, and geographic distribution of organizations by expenditures and ethnicity.

Research Highlights - Nonprofits

- 667 active nonprofit arts and humanities organizations in Silicon Valley
- 70% of all active organizations were founded since 1990
- Total annual expenditures of all active organizations exceed \$170 million
- 67% of organizations reflect expenditures under \$50,000, over half reported \$0
- 9% or 59 active organizations have expenditures over \$500,000, of which 27 have expenditures over \$1.5 million
- 30% of organizations primarily provide culturally specific offerings
- 21% of active organizations indicate one or more Asian cultures as their focus
- 3% of active organizations indicate Hispanic culture as their focus

Numbers of Cultural Nonprofits

Research found that Silicon Valley's "formal" cultural sector includes at least 667 active nonprofit cultural organizations. While the number is likely higher, research protocols limited data sources to allow this sample to be compared other cities. This represents approximately one cultural nonprofit for every 3,618 residents in Silicon Valley.

Hundreds more informal organizations produce or present cultural programs in Silicon Valley. Artsopolis, an on-line arts and culture promotion vehicle in Silicon Valley, lists 464 additional

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or governments).

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¹⁷ The NTEE (National Taxonomy of Exempt Entities) Classification System as developed by The National Center for Charitable Statistics (NCCS) is used by the IRS and NCCS to classify nonprofit organizations. It is also used by the Foundation Center to classify both grants and grant recipients (typically nonprofits

organizations or ongoing activities not incorporated as nonprofits or not filing as a nonprofit 501c3.

Age and Expenditures of Nonprofits

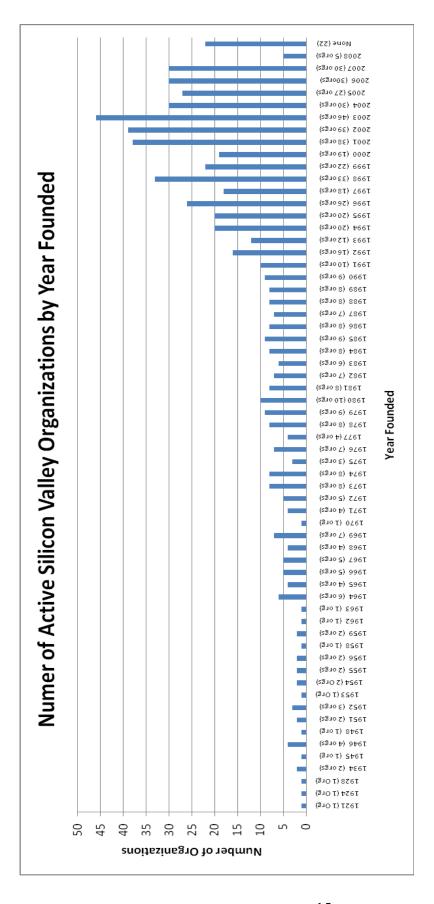
Silicon Valley's cultural nonprofits are relatively young as evidenced by the numbers of organizations founded in the past two decades. As many as 70% of all active nonprofits formed since 1990. Collectively, their expenditures in 2007 were in the vicinity of \$175 million. This figure represents about \$74 per Silicon Valley resident.

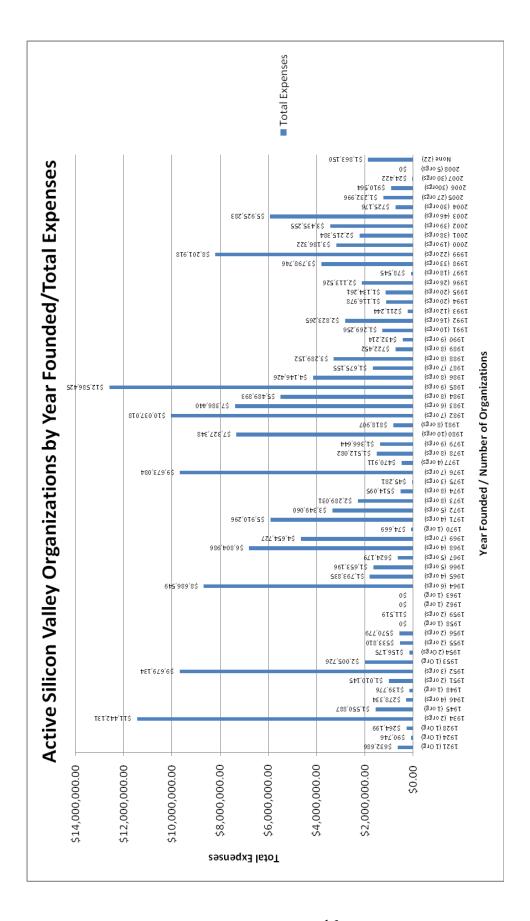
Data reveals two recent periods of activity that generated many economically successful nonprofits – most of the 1980s and the early 2000s. Nonprofits formed between the years 1987 and 1999 show relatively low combined expenditures. While it is not evident why, there is a clear pattern of accelerated incorporation and survival of nonprofits beginning in the mid-1990s, with the current peak of 46 organizations formed in 2003 alone. There is often a lag of at least two years or more between when the nonprofit forms, files an IRS Form 990, and the data becomes available. Future scans are likely to reveal more organizations that were founded after 2003.

Very few organizations that are still active were formed before 1964, the year the National Endowment for the Arts was established. That year there was a decided upturn that has continued to accelerate. Organizations formed between 1964 and 1974 represent about 20% of the total arts expenditures in 2007. All the organizations formed before that time represent only about 16% of all expenditures. The period between 1976 and 1986 appears the most robust, with 83 new organizations (or 13% of the total), accounting for 40% of all spending, an average of about \$800,000 per organization.

A relatively small number of nonprofits formed in Silicon Valley during the 1970s and 1980s – at least that still survive. Those founded during the late 1970s and early 1980s, and still operating, are relatively large on average. A total of 75% of all nonprofit cultural expenditures are attributable to organizations founded before 1990, even though 70% of all the organizations were founded after 1990.

Data was not available to reflect the 'churn' or turnover rate of new organizations that formed but did not continue to be active. It can be presumed by the high rate of formation in recent years that the some will not survive. By the same token, older organizations are not assured to continue either. American Musical Theater, Silicon Valley's largest cultural nonprofit, founded in 1934, closed in 2008. The San José Symphony Orchestra, a large-sized nonprofit, closed over a decade earlier.



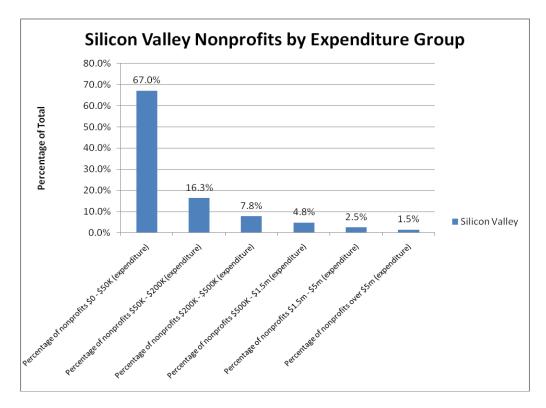


Organizations by Annual Expenditures

Silicon Valley's cultural nonprofits follow a familiar pattern: there are a larger number of smaller groups and a decreasing number as annual expenditures increase. Approximately 67% of the nonprofits, or 447, reported annual expenditures under \$50,000, indicating a high level of volunteer activity. According to the most recent tax available, there were 10 nonprofits with expenditures over \$5 million, less than 2% of the total.

Larger nonprofit organizations with annual expenses over \$1.5 million, account for 4% of Silicon Valley nonprofits and 7% of organizations within the City of San José, reflecting the higher concentration of larger organizations in the Valley's population center. Of the 27 organizations reporting over \$1.5 million in annual expenses, one is rooted in Mexican culture and one in the cultures of India. The former downsized and reduced its scope of operations in 2008. The latter is a multi-purpose community center with a focus on various cultural, social, educational, and health needs of the growing Indian community. The remainder present themselves of general cultural interest, although most are rooted in Western European traditions.

The largest nonprofit cultural organization in Silicon Valley, American Musical Theater is included here but declared bankruptcy in 2008, subsequent to the most recent available IRS reports. Two of the remaining top ten underwent a merger or major reorganization during the past two years. ¹⁸

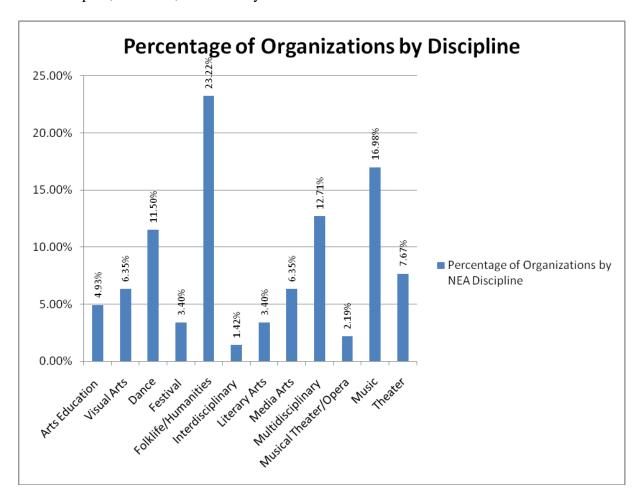


¹⁸ KTEH-TV, a public television outlet, combined with San Francisco-based KQED; San José Repertory Theatre re-organized with City financial aid.

Organizations by Discipline or Primary Activity

Silicon Valley organizations were examined through two different but similar methods of grouping their discipline and activity categories. CCB researchers examined and assigned each organization one or more categories of activity based on the National Endowment for the Arts (NEA) taxonomy. In addition, all organizations were sorted by NTEE codes from IRS Form 990 reports.¹⁹

Using the discipline-based NEA categories, groups labeled under Folklife/Humanities and Music account for the two largest numbers of groups. Interdisciplinary, Musical Theater/Opera, Festivals, and Literary Arts are the smallest.

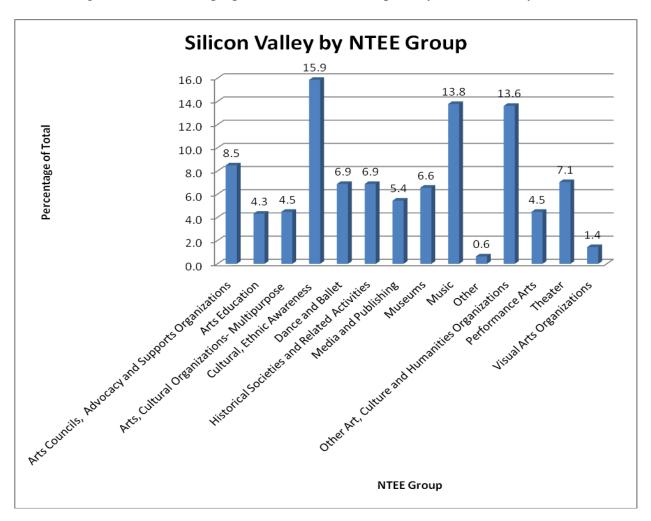


NTEE classifications were also clustered with similar types grouped into a manageable set of categories for this report. Organizations self-select their NTEE code in filing their IRS Form 990 reports. Whether NEA discipline categories or NTEE codes are used, a similar pattern

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¹⁹ In both taxonomies the total numbers of categories were too numerous to represent on a simple graph, thus this report clusters similar categories. For instance, all types of dance organizations are combined into one category. See the explanation of NTEE groupings in the Methodology at the conclusion of this report.

emerges. The two largest NTEE categories are Cultural/Ethnic Awareness and Music. The smallest numbers of organizations indicated Visual Arts, Arts Education, Performance Art, Cultural Organizations – Multipurpose and Other as their primary area of activity.²⁰



Organizations by Annual Expenditures and Primary Activity

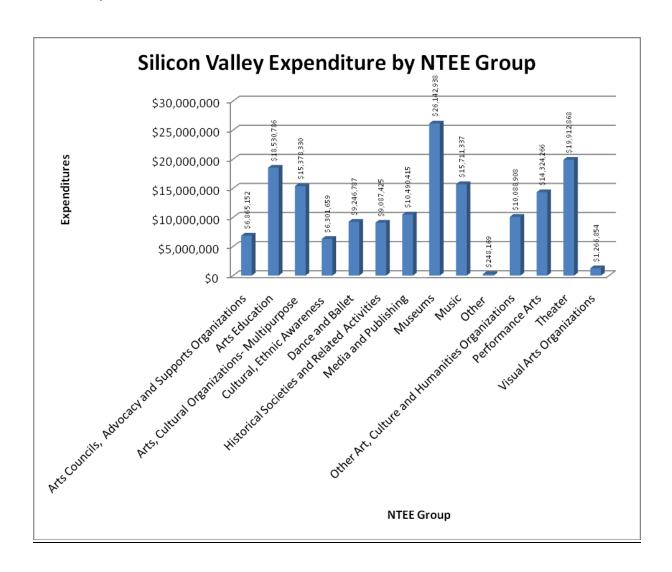
Examining Silicon Valley nonprofits by NTEE category and by expenditure begins to form a picture of the type and relative scale of activity carried out by the area's nonprofits.²¹ Activities or organizational types reporting the greatest annual expenditures include museums, theaters, and arts education organizations, followed closely by multipurpose organizations, music, and performance arts. Museums spent over \$26 million, and theater organizations spent close to \$20 million. It should be noted that arts education organizations, which reflect over

²⁰ It should be noted that 43 Silicon Valley based organizations did not classify themselves with an NTEE code, but were added to the Silicon Valley data to give a more accurate picture of activity. In the instance of the NTEE graph these organizations have not been included to keep the NTEE data comparable to NTEE results from various U.S. cities sampled later in this study.

\$17 million, include two of the largest organizations in the region, Children's Discovery Museum and the San José Museum of Art.

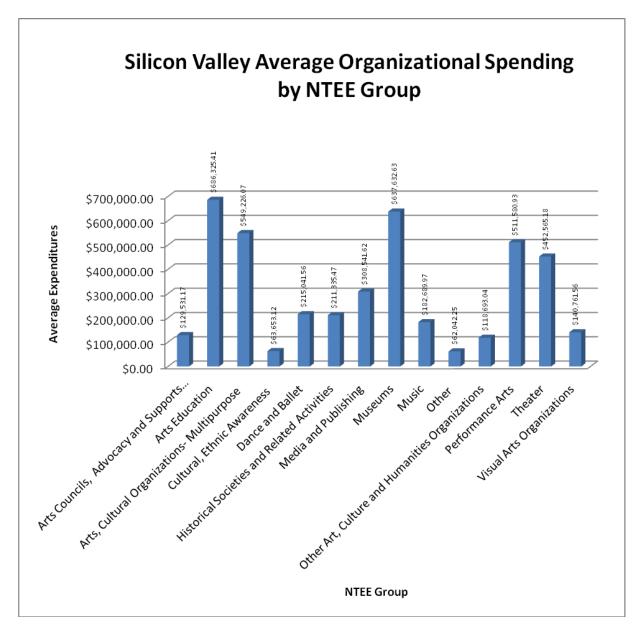
While Cultural/Ethnic Awareness organizations make up 15.9% of the total number of nonprofits, their total expenditures rank second from the bottom behind arts councils/advocacy groups and visual arts organizations. On average, Cultural/Ethnic Awareness organizations reflect the lowest expenditures per organization.

Music organizations represent the second largest group, claiming 14% of the region's nonprofits – a figure comparable to the percentage of music-based organizations in the other U.S. cities studied later in this report – and accounting for over \$16 million in expenditures collectively.



Average Spending by NTEE Type

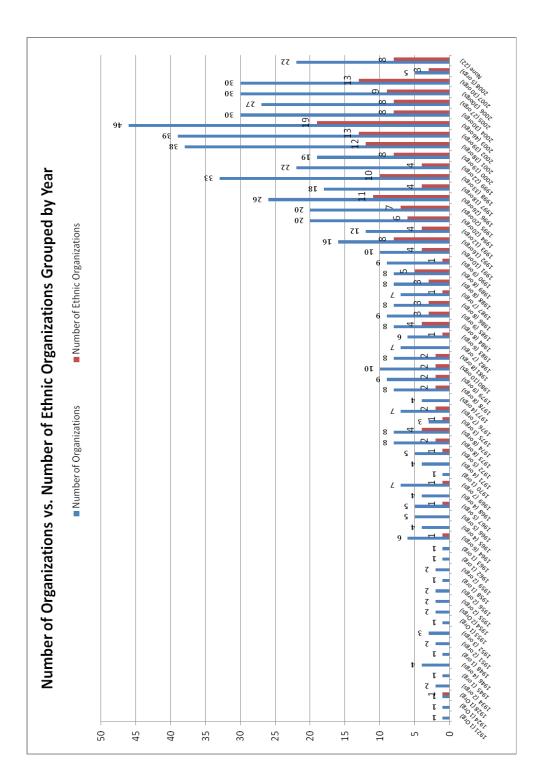
A total of 27 groups that identified themselves as Arts Education organizations spend the most per organization (including Children's Discovery Museum and San Jose Museum of Arts) averaging \$686,000 each. Additionally 41 Museums spend an average of almost \$640,000 each and Multi-purpose organizations spend nearly \$550,000 each. Partly because of the larger numbers, Cultural/Ethnic Awareness (99), Music (86), and Other Art, Culture and Humanities organizations (85), reflect the lowest average expenditures.



Number of Organizations vs. Number of Ethnic Organizations by Year

The rich 'start-up' culture in Silicon Valley shows a decided peak of nonprofits founded in the early 2000s. The data also contrasts the total number of nonprofits founded with the number of non-white ethnically-specific organizations founded in each year. The information suggests a

steady growth of ethnically specific nonprofits both in real numbers and as a percentage of the total. These groups establish a presence during the 1970s and become a stable factor in the spectrum of organizations during the present decade growing to 30% of the total organizations reporting.



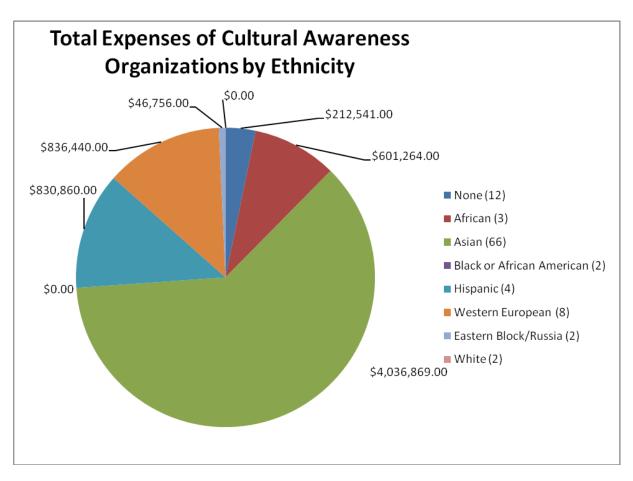
Diversity of Cultural Nonprofits

Of all active cultural nonprofits in Silicon Valley 202, or 30% indicate they primarily provide non-White or non-Western culturally-specific offerings. The largest portion of these, 138 organizations, or 21%, indicate one or more Asian cultures as a focus, and only 19, or 3% indicate Hispanic culture as their focus.

NTEE codes reflect 99 nonprofits in Silicon Valley that self-identify as Cultural/Ethnic Awareness organizations, representing 16% of the total, the largest single NTEE category. Of these, the largest sub-group addresses Asian cultures. The 66 Asian-identified organizations in this subset represent a wide range of ethnicities including Indian, Chinese, Vietnamese, and many others including pan-Asian. They make up 67% of the Cultural/Ethnic Awareness organizations, and have average expenditures of \$64,000. The five African and African American organizations in this subset spend an average of \$120,000, and four Hispanic groups spend on average \$105,000. Eight organizations that specifically address Western European culture spent on average, \$418,000.

²² Of the total 667 organizations, 46 did not report any NTEE Code, thus 99 was derived from 15.9% of 624, the same method applied to the nine-city comparison later in this report.

²³ Specific ethnic or cultural groupings were assigned to these organizations by CCB researchers based on data available through granting organization files, websites, and other sources.



Business Ownership By Ethnicity

To examine the patterns among ethnic groups founding and operating nonprofits, CCB researchers looked at parallel activity in the business sector. Business data available through the U.S. Census shows a broader distribution of business ownership in San José compared to other cities. The mix of business ownership between the Asian and Hispanic groups is more consistent with the region's ethnic makeup in contrast to other cities where the ownership rates are much lower. Miami stands out as an exception with 57% of all businesses Hispanicowned. However, that city shows a more bifurcated pattern of ownership between Hispanic and White, or less overall *diversity*. Other cities show far lower rates of minority ownership.

While there are almost six times as many Asian-identified Cultural/Ethnic Awareness organizations as Hispanic groups in Silicon Valley, there are only twice as many Asian-owned businesses as Hispanic-owned businesses. This may indicate a leaning towards organizing cultural activity through nonprofit entities in the Asian communities, or a disinclination towards the use of legal structures for carrying out cultural activity in the Hispanic community – or some other anomaly. However, business ownership ratios in San José, compared to its neighbor San Francisco reveal:

• 26.8% of San José firms are Asian-owned while the Asian population is 32.5%; this compares with a lower rate of 21.4% Asian-owned businesses in San Francisco where the Asian population is higher, at 33.1%

- 12.9% of San José firms are Hispanic-owned in contrast to a 31.3% Hispanic population; this compares with 5.8% Hispanic-owned businesses in San Francisco where the population is 14.0% Hispanic
- 2.7% of San José firms are Black-owned where the Black population is 3.8%; compared to a marginally higher 2.9% Black-owned businesses in San Francisco where the Black population is nearly twice the size at 7.3%

These figures demonstrate an environment in which entrepreneurship is substantiated through investment and ownership; in which immigrant and minority ethnic groups take up ownership relatively quickly whether in economic terms or in staking a claim on behalf of their ethnic community or culture.

Category	San José	Phoenix	Denver	Minn- eapolis	San Diego	Miami	Austin	Seattle	San Fran
Total number of firms	60,695	381,180	59,271	34,078	110,024	63,113	61,364	64,496	91,873
Black-owned firms	2.7%	1.7%	3.6%	9.0%	3.3%	8.0%	4.1%	2.7%	2.9%
American Indian and Alaska Native owned firms	S	1.7%	0.7%	0.7%	0.9%	S	0.8%	1.0%	0.5%
Asian-owned firms, percent, 2002	26.8%	2.7%	3.3%	3.1%	10.5%	2.1%	4.3%	8.5%	21.4%
Hispanic-owned firms, percent, 2002	12.9%	0.1%	7.1%	1.8%	11.8%	56.9%	11.5%	1.5%	5.8%

Geographic Distribution of Cultural Nonprofits

CCB researchers looked at the geographic dispersion of cultural nonprofits in Silicon Valley through the use of GIS mapping. The distribution of all 667 cultural nonprofits is generally consistent with population distribution and major transportation corridors. Very little discernable pattern was observed relative to household income or areas with higher concentrations of major ethnic groups. Centers such as downtown San José, Palo Alto, and Mountain View show slightly higher concentrations of organizations over \$200,000, although these groups remain scattered throughout the populated areas of the Valley. The majority of organizations over \$5 million, on the other hand, are located in San José.

The City of San José shows a somewhat lower number of nonprofits per capita than Silicon Valley as a whole. With 41% of the Valley's population, San José contains 235 out of 667, or 35% of the nonprofits. ²⁴ And, while larger organizations tended to cluster in the center of the three largest municipalities, especially San José, organizations fanned out in a pattern consistent with general population distribution and along major transportation corridors. As 67% of the nonprofits indicated less than \$50,000 in expenditures, it can be assumed that the

²⁴ A more in-depth search using multiple sources yielded 235 nonprofits in San José, a larger number than was revealed by the simpler methodology used to compare San José with the other cities. In that case, Guidetstar, the primary source, revealed only 176 in San José, the number used in that portion of this study for comparative purposes.

majority of these organizations' registered addresses are post office boxes, or home addresses of founders or lead volunteers.

Just over \$92 million in nonprofit arts expenditures are headquartered in San José, or 54% of all the cultural nonprofit financial activity. In Silicon Valley as a whole there are 3,618 residents for each nonprofit arts group. In contrast, in the City of San José, there are 5,340 residents for each group. Extracting the number of nonprofits per person outside the City but within the Valley, the ratio shrinks to one nonprofit for each 2,860 people in areas of Silicon Valley outside San José. While this ratio seems healthy, it is still double the numbers of Miami, Minneapolis and San Francisco, three of the cities surveyed later in this report, whose ratios are closer to one nonprofit for every 1,300 residents.

Map Data:

Geocoding: Goldberg DW, Wilson, JP. (2008).

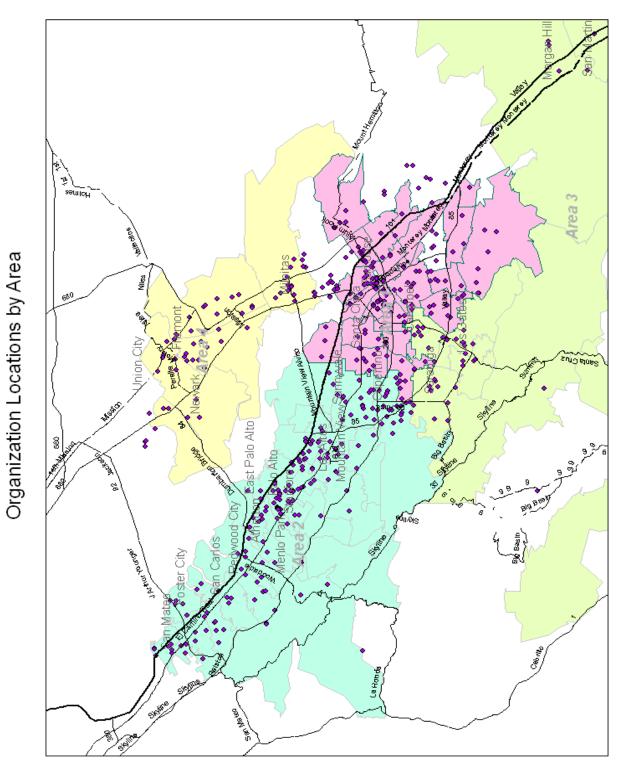
USC Web GIS Service.

http://webgis.usc.edu

Last accessed December 15, 2008

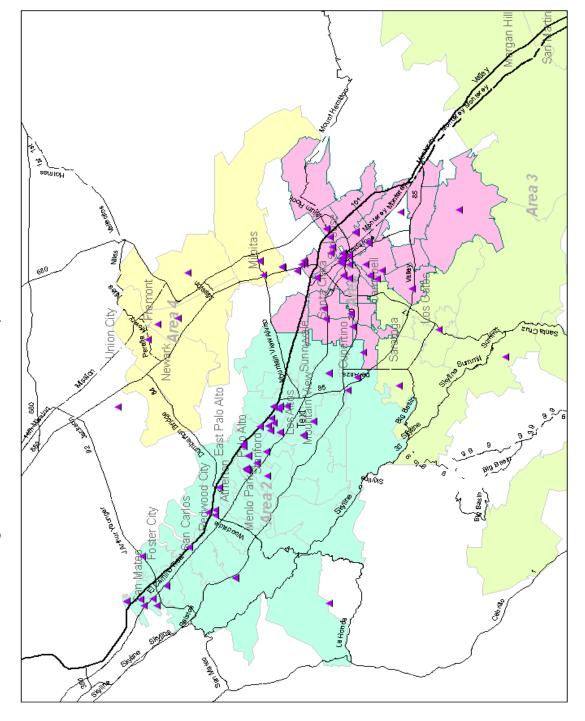
By Anita Larson





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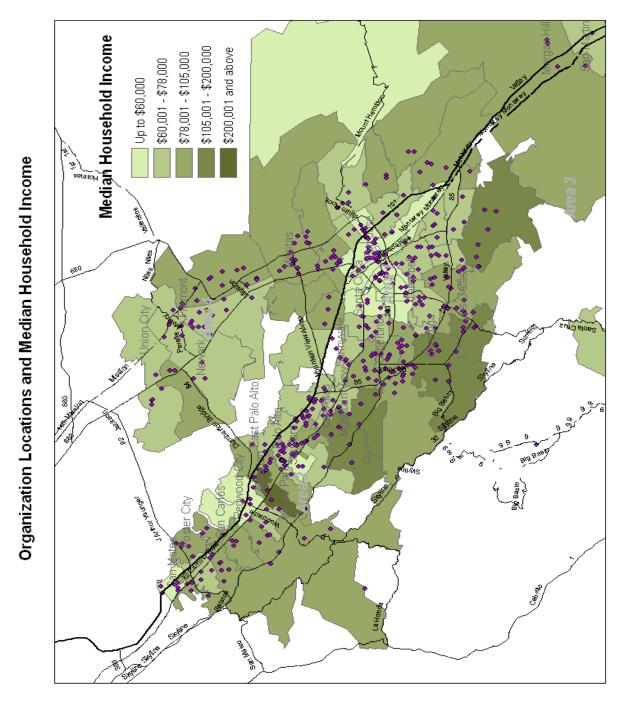
Location of Organizations with Annual Expenditures in Excess of \$200,000



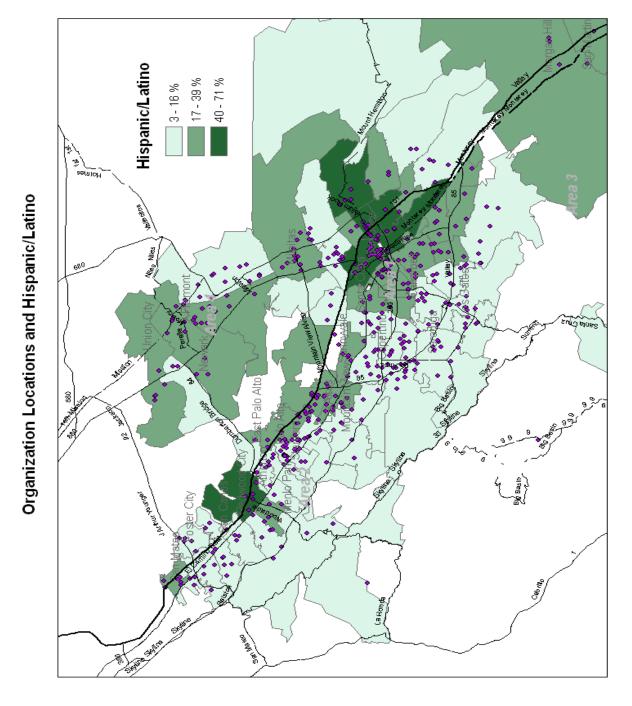
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Location of Organizations with Annual Expenditures in Excess of \$1.5 Million Area 3 ast Palo Alto an Carlos

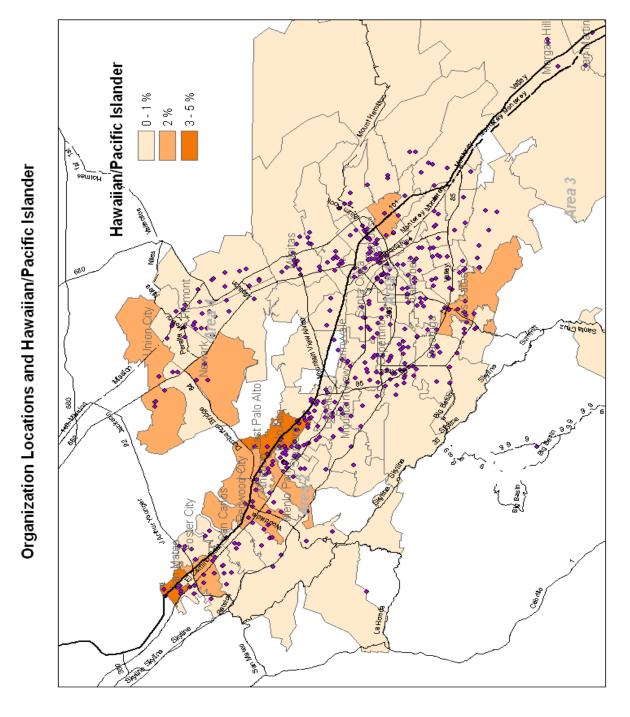




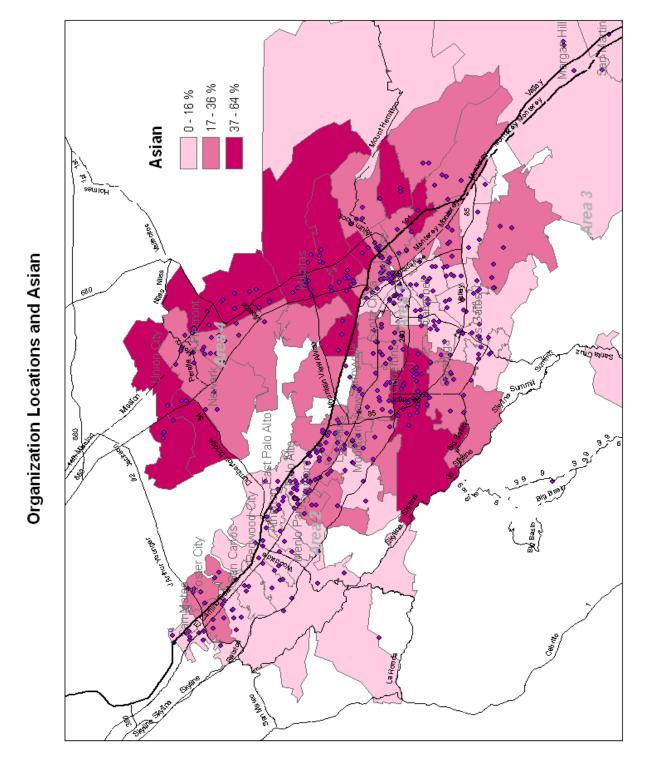








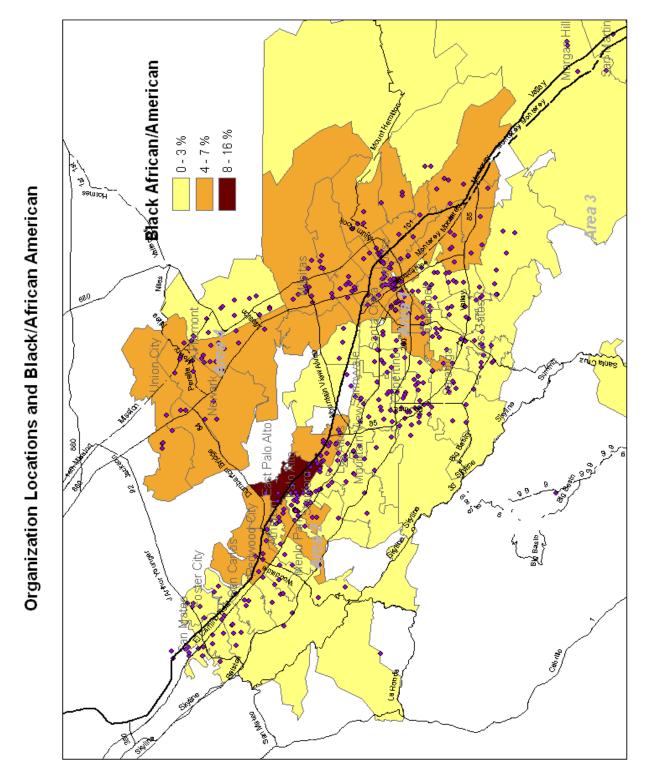




Native American/Alaskan Native %0 1% Organization Locations and American Indian/Alaskan Native Palo Alto

34





Profiles of Low Expenditure Nonprofits

The large numbers of nonprofits operating with expenditures under \$25,000 are a key component of the Silicon Valley cultural ecosystem. The human passions, driving forces and methods of operation behind these organizations are not fully represented by the financial or numerical data central to this study.

In order to gain more insight into how these many grassroots nonprofits work, CCB consultants conducted a series of interviews with small-sized nonprofits across the region. Organizations were selected to portray a range of geographic locations, ethnic backgrounds, disciplines and missions. The one binding factor was annual gross receipts under \$25,000.

The result is a series of profiles that capture themes of highly-motivated individuals, financially-savvy leaders, and passionate community groups. In addition, it reveals a high degree of leveraging of local assets, volunteerism, relationships and professional connections. The challenge of finding affordable physical operating space, particularly performance/exhibition space is also evident.

Chinese Artist Network, Fremont

Founded 2004

NTEE Classification: A40 (Visual Arts Organizations) Total Reported Expenses: Undeclared (under \$25,000)



The Chinese Artist Network, known as CAN, brings together emerging artists with a Chinese background, primarily in the discipline of contemporary photography. CAN's mission is to foster excellence, diversity, vitality and accessibility of the arts by artists with a Chinese background and to bring these artists to the attention of mainstream audiences, critics, collectors and the media. This nonprofit operates on annual gross receipts of under \$25,000 and demonstrates an innovative use of technology, utilizing Silicon Valley's position as a Tech Industry leader to reach their goals.

The organization was founded in 2004 by Abby Chen and a small group of her friends, all of whom were non-artists and with no experience in arts management. The group's connections to the Tech Industry (Abby described the group as 'Silicon Valley People') provided the necessary skills and knowledge to launch CAN via an online interface, creating a well-designed website to act as the backbone of the organization. The website has helped to keep the running costs of the organization to a minimum and fulfils the company mission of bringing the work of Chinese photographers to the rest of the world. In short, CAN resourcefully leveraged non-cash resources in the community, in this case professional skills.

CAN is supported by five part-time volunteers. The ethnicity of these supporters is around half Chinese. Abby felt strongly about reaching out to the wider community – she commented that integration with the rest of Silicon Valley's society will be CAN's key to success. She added that "I often feel that with ethnically specific art such as this, the 'first generation' creates it and the next generation shares it with the world around them. That's how we continue to grow."

Although this nonprofit conducts most of its activity online, from time to time it partners with galleries to show work. Exhibitions often take place in local government sponsored spaces including the City of Fremont's Olive Hyde Gallery and at a number of local art fairs.

Corporate sponsorship is an extremely active area for this organization. Small cash contributions come from corporations and businesses in the Tech Industry – the most recent gift coming from a print cartridge production company. Abby noted that donors show no obvious affinities to the organization's connection to Chinese culture and appear to sponsor CAN as an act of corporate social responsibility. CAN's website thanks these sponsors for acting as advocates and advisors to the nonprofit, reaffirming CAN's outreach approach.

Raices de Mexico, East Palo Alto

Founded 1985

NTEE Classification: A54 (History Museums)

Total Reported Expenses: \$12,377



Raices de Mexico is a Mexican regional dance school which presents work to the Palo Alto community and claims to be the only organization of its kind in San Mateo County. The organization's mission is *to promote cultural education through regional dance and Mexican popular art*. Using dance as the primary means to accomplish its goals, the association develops and promotes the rich cultural heritage of the Mexican community through quality instruction for children and adults, as well as performances of high artistic, cultural, and educational value.

This nonprofit's story is one of longevity and the power of an individual's passion over adversity. Maria Elena Varela founded the company over 24 years ago and despite extremely limited financial resources and fluctuating interest levels from the public, she has continued to lead the organization. Her enthusiasm for traditional Mexican art forms is the power and energy behind this small organization.

The school operates mostly on small cash contributions. Costumes are occasionally contributed by people in the community. However, for the most part the company makes cash purchases when in production, relying heavily on financial support from individuals. The organization's website is also a great tool in operating successfully at a low budget. Most inquiries come through the web. The site was created free of charge by the mother of a student who happened to work as a Project Manager at a local IT company.

The organization functions with a minimal volunteer base of five people made up of the director's family members, members of the community and past dancers connected to the school. Volunteers are of different ethnicities. Only one-third of the school's financial supporters are of Hispanic descent. As the driving force behind Raices de Mexico, Maria feels that the reason for the relatively low interest from the Hispanic community is related to 'traditional folk arts' being considered hobbies rather than art forms. Most cash donations come from Non-Hispanic community members interested in supporting other cultures and traditions, she says.

Raices de Mexico does have a history of corporate donors but the database was lost in 2004. Since that time they have not actively solicited potential donors.

Teaching and rehearsal space is an ongoing challenge. The school has used a community center in Palo Alto since 1986 but space at the venue is extremely limited and has meant that the organization can only offer one or two classes a week, despite public demand. The school has operated from a high school and a community college in the past, but both places were inappropriate as the art form requires dancers to perform on a floor covering unavailable at these premises.

Maria discussed the importance of 'cultural performing arts' in the community and felt that this nonprofit was as worthy of support and appreciation as any multi-million dollar arts organization. Her enthusiasm and excitement for the subject was palpable.

Mission City Opera, Santa Clara

Founded 2002

NTEE Classification: A6A (Opera) Total Reported Expenses: \$25,000



Mission City Opera was unofficially founded in 1996 but registered as a nonprofit in 2002. The organization presents professional performances of operatic works at affordable prices. Productions are fully staged and performed with Mission City Opera Orchestra. The Opera's purpose is to present affordable, intimate and personal opera of the highest musical quality for contemporary audiences in Silicon Valley.

Sharon Kaye started the company after moving to the Bay Area as a professional opera singer and despite her drive, found the artistic competition incredibly fierce. She became aware that the area harbored untapped artistic ability and wanted to help channel this potential into creative work. It was Sharon's creative energy and dedication that propelled Mission City Opera to be the fully functioning organization it is today. She has not yet taken a salary for her efforts and remains exceptionally proud of the group.

Mission City Opera conducts performances at the Mission City Center for Performing Arts in Santa Clara. The building was opened by the Santa Clara Unified School District in 2005 and is a joint venture with the City of Santa Clara. The main stage is normally rented to production teams for \$700 for three hours, but the theater company gets the space for 8-12 hours a day for two-week periods completely free as a contribution from the city. The 2009 run of Marriage of Figaro was a sold out and Sharon felt that the company would benefit from more available space and opportunities to perform.

In addition to this support, local theaters loan Mission City Opera props and sets on a regular basis. Sharon also commented on making the most out of 'nonprofit rates' at printers and other suppliers to help leverage resources. Without this help the organization could not function.

With regards to sponsorship and donors, most cash comes through individuals, although these people are regularly owners of local businesses, both large and small.

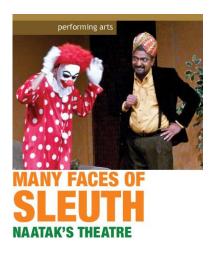
By maintaining low operating costs the opera offers a top price ticket of \$40. As founder and director, Sharon felt that the nonprofit was providing a service to the community by bringing affordable opera to their door. The chorus acts as volunteers (up to 30 individuals) and sell tickets, create sets, perform administrative duties at no cost. Their ages and ethnicity differ greatly with no general trend. The last performance produced by the company, including all performers, was made up of 80 individuals, so volunteers were in abundance.

Naatak, San José

Founded 1995

NTEE Classification: A60 (Performing Arts)

Total Reported Expenses: Undeclared (under \$25,000)



Naatak was formed by a group of Indian students from the University of California, Berkeley and Stanford University. The group began in 1995 staging thought-provoking plays and producing independent films in the Bay Area. Naatak was founded on the assumption that Indians can best give expression to their creativity through Indian languages, rather than attempt to pierce the minds of western playwrights. In light of this philosophy most of the organization's members and supporters are of Indian descent. An interview with Naatak's Artistic Director, Sujit Saraf, shed light on the operations of this nonprofit which saw a group of Tech Industry 'cube dwellers' unite to connect with their communities in their mother tongues.

Naatak is run purely by volunteers and receives numerous in-kind gifts to help achieve its goals. This volunteer base helps to fund activity by relying on their individual incomes (the majority of supporters' careers are in the Tech Industry). Beyond these contributions Naatak does not seek donors and other necessary funds are raised through ticket sales. The only substantial cost of the organization is the rent of theater spaces.

The driving force of this organization is a group of 10 individuals who met as students but have become successful professionals in various fields. It was noted that the increasing

prosperity of the founders and their connection to Silicon Valley's booming Tech Industry has helped to empower this nonprofit. Sujit commented "we try to take advantage of our members' professions" and this is reflected in their savvy business approach.

Ethnicity is a binding factor for this organization. The majority of Naatak's support comes from first generation Indian immigrants, perhaps due to the number of non-English performances they produce. Despite this, Naatak classifies itself as a performing arts organization above one dedicated to raising ethnic awareness.

Ten Largest Cultural Nonprofits by Expenditure

Larger organizations make up an important part of the Silicon Valley cultural infrastructure. They reflect a variety of institutional interests from music, theater, dance, and visual arts production and presentation, to creative technological and endeavors. They serve people of all ages with organizations devoted to children, as well as to nurturing professional artists. Institutional structures are conventional with a mix of public and private supporters. Most of them operate within municipally-owned and subsidized facilities or use such facilities for their primary public presentations.

American Musical Theatre (AMT) of San José - San José

NTEE Classification: A60 (Performing Arts) Total Reported Expenses: \$10,844,735

American Musical Theater (AMT) declared bankruptcy in 2008 on the eve of its 73rd season as one of the oldest musical theatre companies in America. AMT's mission was to create 'the highest quality of musical theatre that inspires the spirit of our diverse community.'

Attended by 150,000 patrons a year AMT operated on a budget of about \$10 million in 2007. In addition to its mainstage season, it claimed to bring 'the power of live performance to over 13,000 children, families and people with disabilities through 14 acclaimed education and outreach programs.' Operating from a publicly-owned performance facility in San José, and leased production space within the city, AMT was considered the largest producing musical theatre company in Northern California.

Montalvo Association – Saratoga

NTEE Classification: A20 (Arts, Cultural Organizations - Multipurpose)

Total Reported Expenses: \$8,713,370

Located in and around a historic villa, Montalvo Arts Center offers multidisciplinary programming featuring up-and-coming artists. The estate with 175 acres of land was bequeathed in 1930 "for the development of art, literature, music, and architecture." It is owned today by the Montalvo Association. The center's website states that 'Montalvo is the only arts organization of its stature between San Francisco and Los Angeles, serving Silicon Valley and the extended San Francisco Bay Area as a center for creativity.' For almost 75 years, the art center has served this community as a center for creativity, offering art courses, performing arts events, gallery exhibitions, educational opportunities, artist residencies and more. Today, Montalvo and its arts programs serve nearly 200,000 visitors each year.

TheatreWorks - Mountain View and Palo Alto

NTEE Classification: A65 (Theater) Total Reported Expenses: \$ 6,468,832

TheaterWorks bills itself as the 'Nationally-Acclaimed Theatre of Silicon Valley' and claims to be the area's leading professional nonprofit theatre company. The company presents a year-round season of musicals, comedies, and dramas in the municipally-owned Mountain View Center for the Performing Arts and at the Lucie Stern Theatre in Palo Alto.

The theater company dedicates its work to the discovery and development of new voices in the American theatre, and regularly stages new works, many developed through the organization's New Works Initiative. Additionally the theater is home to numerous regional premiers. Founded by Artistic Director Robert Kelley in 1970, TheatreWorks celebrates its 40th anniversaryy with the 2009/10 season.

San José Repertory Theater - San José

NTEE Classification: A65 (Theater) Total Reported Expenses: \$6,077,554

The Mission of the San José Repertory Theatre is to 'engage, entertain and inspire people'. The company aims to produce 'innovative theatrical performances that offer fresh perspectives into the human condition, educational programs that promote life-long learning, and outreach initiatives that benefit our diverse community.' Founded in 1980, San José Repertory Theater operates from a city-owned facility and offers community and educational outreach programs, such as Red Ladder Theatre Company, creative dramatics classes, and student matinees. It serves as a community resource by making the facility available to other arts and community organizations as possible.

With a seating capacity of 584 and over 200 performances a year, the theater boasts an annual attendance of 128,000 people.

The Tech Museum of Innovation - San José

NTEE Classification: A57 (Science & Technology Museum)

Total Reported Expenses: \$6,066,433

The Tech Museum of Innovation is housed in a City of San José facility and is dedicated to engaging the public to explore the technology affecting their lives and 'aims to inspire the innovator in everyone.' The Tech Museum's 132,000 square feet are divided among a number of themed galleries which focus on innovation, the internet, the human body, and exploration. Additionally, the museum also features the Hackworth IMAX Dome Theater, an educational center for workshops and labs, a café, and a retail store featuring books, gifts, and only-in-Silicon Valley items.

The museum also offers a number of noteworthy programs including Tech Challenge, an annual student design competition and The Tech Awards, which honor and award people

around the world who use technology to benefit humanity. Additionally, The Tech offers award-winning online exhibits, and the Robert N. Noyce Center for Learning, which encourages innovation and experimentation among teachers and students.

Annually, the organization reports 400,000 attendees - 80,000 of whom come through school field trips - making it one of California's most popular education centered destinations.

Ballet San José Silicon Valley - San José

NTEE Classification: A63 (Ballet) Total Reported Expenses: \$6,010,325

Formed in 1983, Ballet San José operates from city-owned San José Center for Performing Arts and aims to serve the entire Silicon Valley region.

Originally partnering with Cleveland Ballet as San José Cleveland Ballet the co-venture invested in bringing first class performances to both of these communities and became recognized as one of California's 'most innovative ballet companies' and one of the 'top 6 ballet companies in the country'. This stage in the life of the organization continued until 2000 when the Cleveland partner ceased operations. At this time the ballet relocated its headquarters to San José.

The San Francisco Chronicle has called the Company's rebirth "a major victory for American culture"; while the Examiner commented: "This may also be the artistic organization that finally mobilizes the elusive community spirit in dot-com land...into a legacy for the future."

San José Children's Discovery Museum – San José

NTEE Classification: A52 (Children's Museums)

Total Reported Expenses: \$5,815,487

A 'center for creative play and expression,' the San José Children's Discover Museum operates from a 52,000 square foot, city-owned, signature building, designed by Mexico City-based architect Ricardo Legorreta. The museum describes its purpose as 'serving the needs of children, families and schools as a center for learning and discovery.'

Encompassing the broad themes of community, connections and creativity, exhibits invite self-directed, open-ended explorations, while programs provide facilitated, focused, and sustained interactions.

Opening in June 1990, the Museum has welcomed over 5 million visitors and offers interactive exhibits that 'respond to children's diverse educational needs.' In 1997 the success of the organization prompted an addition to the building, extending the size of the structure by 20%.

The museum's educational mission pivots on the themes of 'Connections, Community, and Creativity.' The organization also sees itself as a cultural provider where children 'actively

make connections among ideas, people, and cultures.' In addition the museum provides programs that encourage children to 'define their role in and contribution to both local and global communities.'

Computer History Museum - Mountain View

NTEE Classification: A54 (History Museums)

Total Reported Expenses: \$5,794,305

The Computer History Museum, based in Mountain View, invites visitors to 'see and experience one of the world's largest collections of computing artifacts'. With a focus on understanding the computer revolution and how it continues to impact the human experience, the museum aims to play a unique role in documenting the history of how the information age has impacted our lives.

Although registered as a nonprofit since 1999, the museum moved to its landmark building in 2001 and is now home to one of the largest international collections of computing artifacts in the world. The collection includes 'computer hardware, ephemera, photographs, moving images and software.'

San José Museum of Art Association - San José

NTEE Classification: A25 (Arts Education/Schools)

Total Reported Expenses: \$5,097,478

Since 1969, the San José Museum of Art has been known for its contemporary art exhibitions. The museum claims to be 'a distinct voice in the San Francisco Bay Area arts community.' Hosting exhibitions that aim to reflect the West Coast alongside national and international visual art, this museum has evolved from small civic art gallery to a significant museum over recent years.

San José Museum of art calls itself the 'leading institution dedicated to visual culture in Silicon Valley' and recognizes its duty to provide access to an extraordinarily diverse population and its significance as part of 'fast-moving community.'

The SJMA is the only museum in San José accredited by the American Association of Museums, a recognition given to only 750 of the nation's 8,000 museums. Serving over 200,000 people a year from its city-owned downtown location the museum welcomes over 55,000 children each year, 40,000 of whom participate in Studio Arts Education programs.

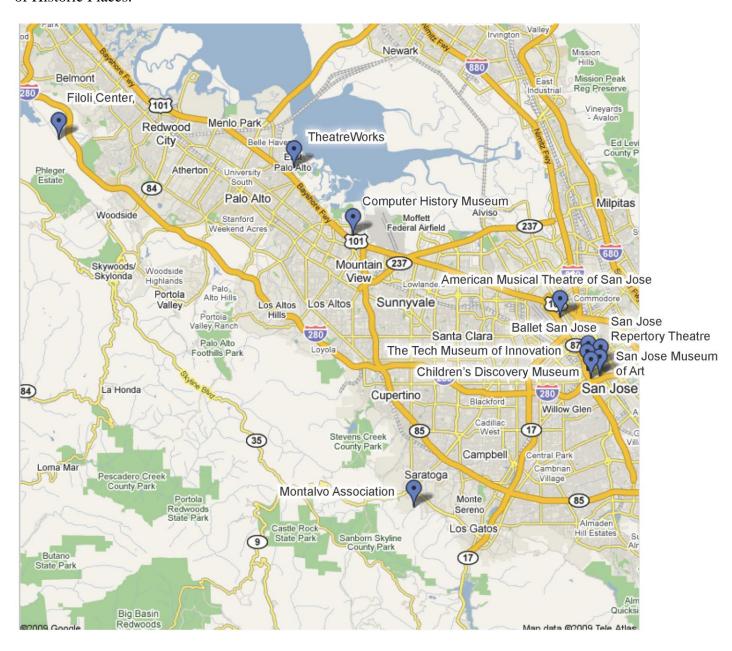
Filoli Center – Woodside

NTEE Classification: A80 (Historical Societies and Related Activities)

Total Reported Expenses: \$4,698,411

Filoli, a stately home, gardens and nature reserve is an historic site of the National Trust for Historic Preservation and is located in Woodside, 30 miles south of San Francisco. The organization states that Filoli is 'one of the finest remaining country estates of the early 20th century.' The mission of the center is to be 'dedicated to the preservation, interpretation and stewardship of the cultural traditions and natural history of this country estate for public education and enjoyment.'

The 654-acre estate is a California State Historic Landmark and listed on the National Registry of Historic Places.



Municipal Support for Arts and Culture

Overview

The role of the local public sector was examined to understand the extent of support provided to nonprofit cultural groups and other cultural program. Facilities, as well as direct cash investments, along with programs offered in various forms by municipalities themselves were examined and documented. Researchers wanted to assess the significance of this sector in the overall cultural infrastructure.

Research was conducted in the fall of 2008 among the 15 municipalities in Santa Clara County. These cities contain 70% of Silicon Valley's population. The remainder of Silicon Valley cities, too numerous to survey in similar detail, are assumed to take similar approaches to supporting the arts infrastructure. Research does not cover public investments made in arts education by K-12 schools in these 15 cities. The only city where researchers were unable to make direct contact was the second smallest municipality in the study, Los Altos Hills, population 8,360.

Research found that municipalities throughout Silicon Valley – from Gilroy to Palo Alto, Milpitas to Los Gatos support many kinds of arts and culture programs as a part of their recreation programs and town center development, their general efforts to improve the aesthetics of public spaces and quality of life, and for many other reasons. CCB consultants found that municipalities play a central role in Silicon Valley's cultural ecosystem. They supply many of the key pieces of the adaptable platform that allows cultural organizations of all sizes to function and to reach the wider public.

During 2006, 2007, and 2008 these 15 municipalities spent an average of about \$30 million (in 2008 dollars) on arts and culture. "Traditional" support providing grants to nonprofits through art commissions totals less than one-fourth of this investment while the majority of these dollars have been used to provide facility space, produce programming, or conduct recreation-based classes that are responsive to the community's cultural needs and desires. These expenditures have also directly and indirectly benefited many small community-based arts nonprofits and individual artists. All of these 15 municipalities made a commitment to citizen engagement in support of the arts, relying on volunteer arts commissions to help them execute their work.

The following key findings are broken down into two parts. The first part is based on financial data collected including an estimate of the total amount cities spent on arts and culture, the level of this investment as a percentage of their overall budgets, and how much they are spending on a per capita basis. These figures are then compared briefly to national data from Americans for the Arts. The second part provides additional information on each of the six ways municipalities are supporting the arts – through active citizen engagement, facilities, programming, recreation, public art, and grant programs.

When examined on a per capita basis, and compared to the largest cities in the country, Santa Clara municipalities provide comparable levels of support – providing just below the national average and having a median level of investment significantly higher than the national median. However, the majority Santa Clara municipal support is in the form of facilities and direct program management for which no data was found on other U.S. cities.

Within Santa Clara County, San José totals more than two-thirds of the financial contributions to arts and culture and provides more than average on a per capita basis —although several other cities do spend more per capita than San José. Importantly, there is relative parity when examining the level of spending on arts and culture as a percentage of the municipalities' overall budgets suggesting that every city in Santa Clara County clearly considers the arts as important to their communities.

Research Highlights

- \$30 million invested by Santa Clara municipalities in arts and culture each year at a consistent per capita level
- 87% of cities have an active arts commission
- 80% of cities own and operate or subsidize a performing art center and/or a museum
- 80% of cities have some form of public art program
- 33% have a "Percent for Art" requirement
- Virtually all cities provide in-kind support such as marketing, street closures, security, etc.
- 87% offer recreation classes related to arts and culture
- 27% have dedicated youth theater companies
- 40% of the municipalities have grant or funding partnership programs

Activity	Percentage of Cities Supporting Activity
1. Arts Commission	87%
2. Facilities	87%
3. Public Performances	93%
4. Recreational Classes	87%
5. Public Art	87%
6. Grant Programs	40%

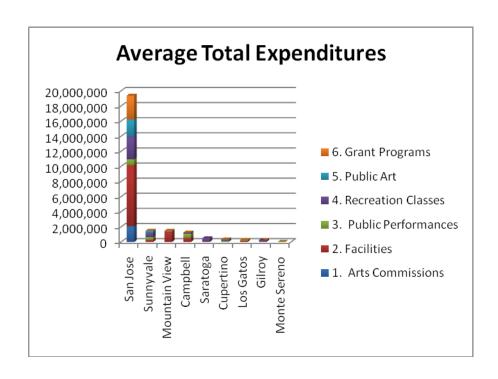
Financial Investments in Arts and Culture

Financial data for 2006, 2007, and 2008 was requested from all cities and received from 9 of the 15 municipalities. Based on this data, it is estimated that the 15 municipalities in Santa Clara County invested an average of about \$29.1 million each of these three years.

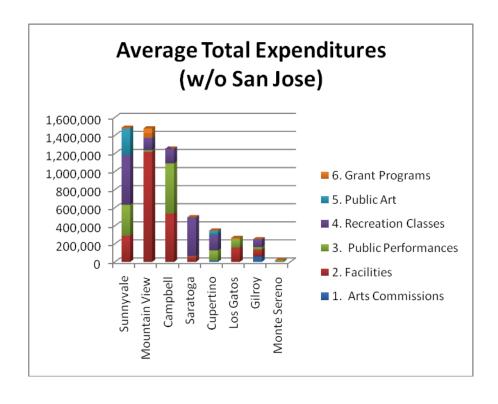
ESTIMATED Investments in Arts and Culture									
2006 2007 2008 Average									
Total	\$27,422,722	\$29,307,919	\$30,683,124	\$29,137,922					
Total in 2008 dollars	\$28,988,079	\$30,121,191	\$30,683,124	\$29,930,798					

For those cities where no data was available, estimates were calculated by first determining the average of the annual per capita expenditures for each of the nine cities for which data was received. This annual average per capita expense was then multiplied by the population for each of the six cities for which there was no data to arrive at an annual estimated expenditure. As was mentioned above, financial data was collected from 9 of the 15 municipalities in Santa Clara County, Cities that together account for 82% of the County's population. The remaining financial analysis is limited to the data collected from these participating jurisdictions.

One of participating jurisdictions was the City of San José. San José has about 59% of the population of Santa Clara County and its investment in arts and culture adds up to about two-thirds of the total investment made of cities within the study. Shown graphically, the overall investment of the City of San José, with an average of over \$19 million dollars over the three years surveyed, dwarfs the investment made by other municipalities.



When analyzed without San José, the average of the other eight municipalities' reported average annual investment over the past three years was \$437,000 with a median of \$420,000.



Based on the level of support provided the cities fall into three "tiers." The first "tier" (Sunnyvale, Mountain View, Campbell) have more "comprehensive" programs that include most of the six categories of activities such as facilities, public programming, recreation programs and grant partnerships. Cities in the next tier (Saratoga, Cupertino, Los Gatos, Gilroy) do not have as comprehensive a program, namely they may not conduct public programming, may not have a facility, or may not run independent recreation classes. The final group has just one city, Monte Sereno, the smallest city in the analysis, whose investment is relatively small due mainly to the size of the community.

Because of the extremes in terms of population and budget size—San José has nearly a million people and a \$3 billion budget whereas Monte Sereno has only 4,000 people and a \$3 million budget—it is also useful to look at investment in arts and culture as a percentage of overall budget and on a per capita basis. This reflects far more parity amongst these municipalities.

Municipal Spending as Percentage of Budget

Specifically, when looking at the municipalities' average investment in arts and culture over the past three years as a percentage of total budgeted expenditures, the range was from 0.17% to 2.11% with a average of 0.89% and a median level of investment 0.67%.

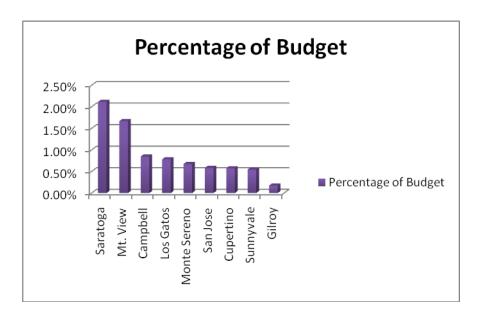
Percentage of Budget									
	2006	2007	2008	3-year Average					
Saratoga	1.76%	2.06%	2.53%	2.11%					
Mt. View	1.58%	1.62%	1.80%	1.67%					
Campbell	0.75%	0.88%	0.92%	0.85%					
Los Gatos	0.77%	0.77%	0.80%	0.78%					
Monte Sereno	0.51%	1.04%	0.47%	0.67%					
San José	0.62%	0.53%	0.60%	0.58%					
Cupertino	0.50%	0.49%	0.73%	0.57%					
Sunnyvale	0.49%	0.54%	0.60%	0.54%					
Gilroy	0.17%	0.16%	0.19%	0.17%					
Overall Average	0.79%	0.90%	0.96%	0.89%					

When seen graphically, it is much easier to see the relative parity that exists amongst the municipalities in Santa Clara County.

Of the total dollars invested in arts and culture in Santa Clara County, San José spends vast majority. However, when examined as a percentage of each city's overall budget, San José is actually below the median and the mean, spending just 0.58% of its overall budget on arts and culture related investments. Interestingly, Monte Sereno with the lowest amount in terms of actual dollars, invests a comparable amount (actually more than San José) when considered as a percentage of its overall budget.

It is also important to note that Saratoga is somewhat of an "outlier," spending a significantly higher percentage of its budget on arts and culture. There are, however, two factors that need

to be considered: First, Saratoga is a "minimum service city" with a smaller overall budget than other municipalities its size; and second, much of the amount it directs to arts and culture includes its "full cost recovery" recreation program (where fees collected pay for services rendered). The other city that expends a larger than average percentage of its overall total budget on arts and culture is the Mountain View, which owns and operates the Mountain View Performing Arts Center.

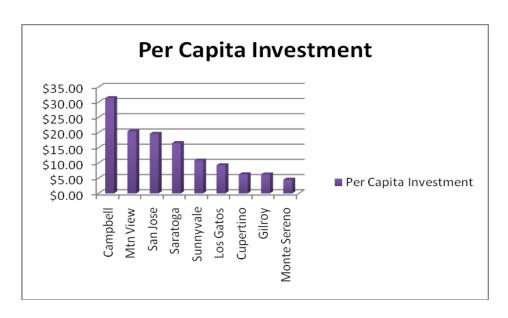


Municipal Spending per Capita

There is a much wider level of investment seen when examining municipal investments in the arts and culture on a per capita basis. Specifically, over the three years surveyed, cities providing financial information have invested between \$4.48 and \$31.32 per person on arts and culture each year. The average per capita investment, based on the average per capita spending for each municipality was \$13.87 and the median \$10.79.

The municipalities with the highest per capita spending are the cities that own and operate performing arts centers (and it must be assumed that some of this increased spending is recouped through fees, box office sales, etc.).

Per Capita spending (by City)								
	2006	2007	2008	Average				
Campbell	\$27.63	\$32.56	\$33.77	\$31.32				
Mt. View	\$19.39	\$19.86	\$22.10	\$20.45				
San José	\$18.85	\$19.97	\$19.92	\$19.58				
Saratoga	\$13.75	\$16.07	\$19.76	\$16.53				
Sunnyvale	\$9.61	\$9.43	\$13.34	\$10.79				
Los Gatos	\$8.67	\$9.30	\$9.74	\$9.24				
Cupertino	\$5.20	\$5.44	\$8.07	\$6.24				
Gilroy	\$6.09	\$5.94	\$6.62	\$6.22				
Monte Sereno	\$2.94	\$6.90	\$3.62	\$4.48				
Average	\$12.46	\$13.94	\$15.21	\$13.87				



Comparison to National Data on Municipal Spending

A report prepared by Americans for the Arts (AFTA) in September 2006 for the Mayor's Arts and Culture Task Force outlines 2005 municipal support for arts and culture on a per capita basis for the largest cities in the U.S.²⁵ This data differs from the data collected in Santa Clara County in that it appears to include only investments by Cultural Affairs offices, not recreation programs, facilities support, or redevelopment authorities.

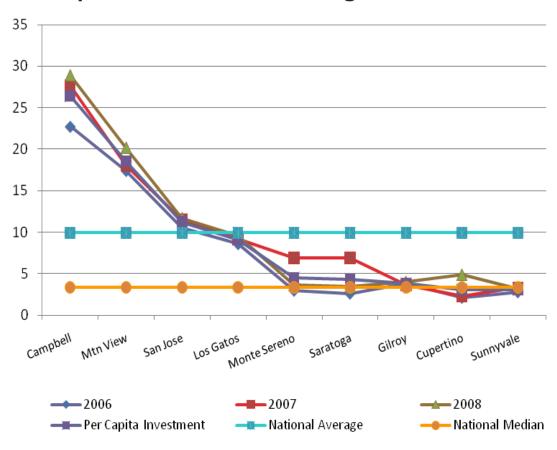
When the data collected on municipalities in Santa Clara is adjusted to be similar to the AFTA data, it can be seen that the level of investment for the cities in Santa Clara County is very comparable to the largest cities across the country. Specifically, the average level of investment for municipalities in Santa Clara County is just slightly lower (-5.8%) than the national average with only three cities investing more than the national average. The median level of per capita investment for the municipalities in Santa Clara is a whopping 33.8% higher than the national median with seven of the nine cities investing more than the national median.

This comparison of data from the municipalities and levels of investment elsewhere in the United States suggests a relatively high level of commitment to the arts and culture by most cities in Santa Clara County, particularly given the relatively smaller size of some the communities in the sample.

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²⁵ Americans for the Arts, Local Option Taxes to Support the Arts, Mayor's Arts & Culture Funding Task Force, September 2006.

Per Capita Investment by Municpalities Compared to National Average and Median



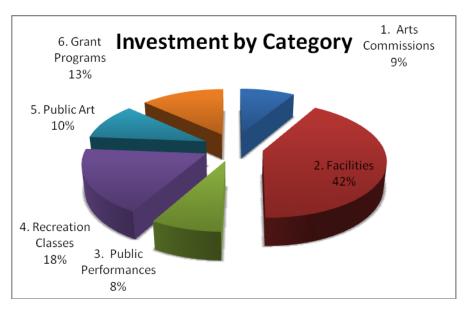
Types of City Support

Based on the research, in-person and telephone interviews, it became clear that there were six primary area of investment for municipalities. Specifically: arts commissions (staffing), facilities, programming, recreation classes, public art and grant programs.

Although 14 of the 15 municipalities have arts commissions of some sort to help advise them, only 13 currently have active commissions. Thirteen cities also currently own, operate or in some other way support performing arts venues, museums, historical societies or studio space for artists. All but one of the municipalities are actively involved in producing community cultural events and 13 of the 15 have recreation programs that include arts and cultural offerings. Thirteen provide some kind of investment for public art, but importantly, only five of 15 have a formal percent-for-art program requirement. Seven of the 15 provide operating or program grants to arts organizations and only two cities do this on a competitive basis.

For the cities providing financial data, over 40% of the total amount invested was to support facilities. The next largest area of investment was for recreation classes. The third largest categories are grant programs at just over 13% and public art at just over 10%. Finally investment in arts commissions totals just below 9% of the overall arts spending and Public Performances are just under 8% of the total. It is important to note that the financial data for the support of arts commission activities is uneven since some cities attribute the cost of staff time directly to other expense categories (e.g. recreation programs or facilities).

	San Jose	Santa Clara	Milpitas	Cupertino	Palo Alto	Gilroy	Campbell	Los Altos	Mountain View	Morgan Hill	Sunnyvale	Los Gatos	Saratoga	Monte Sereno	Los Altos Hills	TOTAL	% of Cities with this activity
1. Arts Commission	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	13	87%
2. Facilities	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	13	87%
Performing Arts Centers	1	1	1		1		1	1	1	1	1		1			10	67%
Museums	1	1			1	1	1	1			1	1				8	53%
Studio space for artists					1						1					2	13%
3. Public Performances	1	1	1	1	1	1	1	1	1	1	1	1	1	1		14	93%
City-run performances/presentations City-supported presentations (in-kind	1	1	1	1	1	1	1	1	1	1	1			1		12	80%
marketing, security, street closures, etc.)	1	1	1	1	1	1	1	1	1	1	1	1	1			13	87%
4. Recreation Classes	1	1	1	1	1	1	1	1	1	1	1		1		1	13	87%
Youth Theater Programs		1	1		1	1		1								5	33%
Arts Recreation classes	1	1	1	1	1	1	1	1	1	1	1		1		1	13	87%
5. Public Art	1	1	1	1	1	1	1	1	1	1	1	1	1			13	87%
Percent for Art Program	1		1		1				1		1					5	33%
Voluntary Percent for Art							1			1		1				3	20%
Private Art requirement				1					1		1					3	20%
Other Public Art		1			1	1		1					1			5	33%
6. Grant Programs	1	1	1	1					1		1	1				7	47%
Competitive Grant Program	1		1													2	13%
Selected partnerships	1	1		1					1		1	1				6	40%



Additional information on each of these different categories of investments is provided below.

Arts Commissions:

There is a strong commitment to public participation in the arts and culture in Silicon Valley. Nearly all, 14 of the 15 of the municipalities, have provisions for an arts commission or some other citizen participation body helping to guide the City's investment in arts and culture. One, however, Saratoga considers itself a "minimum service City" and suspended its arts commission in 2008 due to budgetary constraints. The largest of the cities in the study group, such as San José (population 989,496), have arts commissions but so do the smallest, such as Monte Sereno (population 4,000). It is estimated that \$2.5 million has been invested each of the last two years by the 13 municipalities with active arts commissions to provide staffing for cultural programs.

Some of these bodies, such as the City of Campbell's Civic Improvement Commission or the City of Los Altos' Parks, Arts and Recreation Commission have broad charges. Others, such as the City of Mountain View, have much more specialized groups of citizen's advising them on both a Visual Arts Committee and a Performing Arts Committee.

Facilities Support:

One important way in which municipalities are supporting arts and culture is through the support of facilities including theaters and museums as well as studio space and other exhibition space in municipal buildings. This support takes a variety forms including Cities owning and operating facilities, owning and maintaining facilities that they provide at low-cost to nonprofit partners, land write-downs for museums and partnerships with schools. It is estimated that the 13 municipalities in Santa Clara County supporting facilities have invested of over \$12 million each of the past three years.

Two-thirds of the municipalities in Santa Clara County support theater facilities, including San José or Palo Alto that support multiple venues. Some, such as the Mountain View Center for Performing Arts were built from the "ground up" and are specifically designed to help create a sense of place for the city. Others, such as the Campbell Community Center are renovations

of former school buildings. Theaters range in size from the Morgan Hill Playhouse with 185 seats to the San José Center for the Performing Arts with 2,665 seats. The average size is 333 seats and the median number of seats is 317 suggesting municipalities are filling an important niche in the theater market by providing mid-size venues to present music, dance, ballet, plays and other types of performing arts.

Over half (8 of the 15) municipalities own or support museums. These include museums of fine art as well as a number of history museums. Some of these, such as the Palo Alto Arts Center, are run directly by the City with support from a nonprofit "friends" group. Others are owned and maintained by municipalities but operated by nonprofit partners such as Triton Museum of Art in Santa Clara or the Forbes Mill and Tait Firehouse in Los Gatos. In Sunnyvale, municipal support came in the form of a write-down on the cost of the land for the new history museum (not included in \$10 million average for past three years). Regardless of how the ownership or operations are structured, it is clear that there is considerable municipal support for visual arts and historical museums.

In addition to venues to present visual and performing arts, two municipalities, Sunnyvale and Palo Alto, also provide reduced-cost studio space for artists in renovated school buildings. Finally, all of the municipalities contacted make space available in civic buildings such as City Hall, community centers or libraries to exhibit art from or about the community.

Public Performances:

Virtually all of the municipalities throughout Santa Clara County, 14 of 15, produce, coproduce or otherwise support a wide-range of arts and cultural-based public performances and events throughout the year. These 14 municipalities have invested an estimated \$2.3 million for these public events and performances each of past three years.

Many cities, 11 of 15, produce their own events such as a summer concert series or other special events once or twice year. Others, however, such as the City of Sunnyvale, take this a step further by also programming their performing arts venues with a diverse range of arts including everything from Taiko drumming to Klezmer music. In addition, others, such as the City of Milpitas helps support the Milpitas Community Band.

In addition to producing and supporting events, some Cities such as Campbell and Morgan Hill have also co-produced events in partnership with emerging artists and arts organizations by waiving up-front rental charges in lieu of splitting the box office as a way to help emerging organizations build their profile in the community.

Thirteen of 15 municipalities support events sponsored civic organizations including the costs of closing streets, police, marketing and other contributions and support. The City of Cupertino is a good example of a municipality incurring significant costs associated with events such as the annual Dawali, Lunar New Year, and Cherry Blossom Festivals, Ikebana Flower show, Iranian Women's Federation Celebration, and others.

Recreation Classes:

Most cities in Santa Clara County, 13 of 15, have recreation programs in the arts. Some, such as Los Altos Hills, may have limited offerings. Most, however, have a full-range of both

visual and performing arts classes available. It is estimated that municipalities have invested an average of over \$5.2 million each of the past three years to support these activities.

Of particular interest is the diversity of the classes offered. For example, the City of Sunnyvale had flyers posted at their community center offering courses in traditional life drawing and Ikebana flower arranging to Hip Hop and Music of Bollywood.

Another particularly interesting aspect of the recreation programs in Santa Clara County is that one-third of the municipalities run their own youth theater companies. This is in addition to other children-focused theater companies. In most cases, these programs provide performing arts classes for youth and culminate in major productions, often held at a municipal-run facility.

Two Cities, Santa Clara and Cupertino, also have an innovative partnership with the Euphrat Museum of Art at DeAnza College that allows these Cities to offer special classes taught by the Euphrat as part of their overall recreation programming.

Finally, it is important to note most of the Cities view, and several could not emphasize enough, that their recreation programs are "full cost recovery." That is, the full cost of these programs is passed along to participants (class registration, fees, etc.). Some did note that despite this drive for full-cost recovery, there are often "scholarships" available to ensure full participation by children regardless of means.

Public Art:

Public Art, and often times a Percent for Art requirement, is one of the more visible ways Cities support the arts. In Santa Clara County, 13 of the 15 municipalities have some type of public art activity. It is estimated that in each of the past three years, approximately \$3 million dollars have been invested in public art by these municipalities.

Five of the 15 have a formal "percent for art" requirement that requires 1% of the construction costs of public projects to be used on public art with Milpitas actually requiring 1.5%. Three additional municipalities have voluntarily contributed 1% for public art on municipal projects, but do not have a formal ordinance. The City of Cupertino does not have a formal percent for art requirement on public buildings, but instead has a percent for art requirement for all projects over a certain size, whether developed by the City or by a private developer. Two others, Mountain View and Sunnyvale, have a similar percent for art incentives or requirements for private development.

Most of the Cities provide some information about the public art in their municipality on their website or in partnership with others (such as a Chamber of Commerce). Some, such as the City of Mountain View, take this a step further and develop interpretive materials and guides to help people locate and know more about the public art in their community.

Finally, in addition to the more traditional public art programs, there are several interesting and innovative things happening in Santa Clara County. Specifically, the City of Los Altos has a interesting public art program in which the City selects and installs "loaned" art in public spaces for two years at a time. Work is made available for sale and is returned to the artists if

not sold before it is time to de-install a piece. The City has found it to be a good way to high-quality public art as well as a great way to help support local artists by helping to provide increased visibility for their work.

The City of Sunnyvale also has an interesting public art program that involves commissioning local artists to design and produce street banners that are installed annually along the major thoroughfare in Sunnyvale, El Camino Real. This City selects and commissions artists to develop new banners every two years. While some banners do need to be de-commissioned each year, the City has been able to slowly grow its collection. These works of art provide an interesting visual element to Camino Real and is theorized to help calm the traffic and help encourage people to take better note of the businesses in the area. It is also a great way to increase visibility for local artists. Some artwork from the banners has been integrated into other collateral for the City such as bookmarks for visiting guests.

Grants and Direct Financial Support:

Often seen as a "staple" for a municipal arts program, seven of the fifteen municipalities provide grants to nonprofit arts partners. Together they spent an estimated average of \$3.8 million during each of the past three years on their nonprofit partners. It is critically important to note that of seven municipalities that offer support to nonprofit partners five provide support only to a select group of partner organizations and only two—San José and Milpitas—provide grants on an open competitive basis. San José alone does both. Mipitas offers grants of only up to \$2,500.

The municipalities that provide support to selected partnerships include community-specific nonprofit partners such as the Cupertino Fine Arts League, of support to programs such as the partnership between DeAnza College and the cities of Sunnyvale and Cupertino noted above. In addition, other municipalities, such as Los Gatos, Mountain View, and San José also provide grants to selected partner organizations.

Higher Education and the Cultural Infrastructure

Overview

The key objective of research in this area was to identify the role of educational institutions and organizations as cultural providers and partners in Silicon Valley and the extent to which they actively support cultural activities available to the general public. Do they offer cultural facilities and programs open to the public? Where do they fit into the cultural landscape? What level of investments do they represent in today's dollars? Most importantly, what type of programming is being offered to the population of the area? In the overall drive to understand the cultural ecosystem and activities in Silicon Valley to what extent do these educational institutions play a role and reflect the cultural interests of their communities?

Research found that institutions of higher education in Silicon Valley are major contributors to the cultural landscape on several levels. They house numerous visual and performing arts facilities and offer substantial public programming to area residents. Although the data reflects a sector dominated by large facilities and expenditures from Stanford University, the study reveals cultural activity scattered across many communities and geographic areas. The educational institutions in Silicon Valley present programming and offer arts exhibition and performance spaces that also benefit many small nonprofits in the region, as well as bring larger-scale arts presentations from other parts of the world.

A study of 13 such institutions reveals a rich web of theaters and exhibition spaces – home to a diverse range of cultural programming and community focused events. Also found was active cultural programming offered in multidisciplinary spaces such as libraries and lecture theaters. While these spaces are not included in this survey, they add to the cultural vitality of the area.

Research Highlights

- 10 universities and colleges with dedicated arts facilities available to the public
- 35 separate facilities offer public arts and culture programming; these facilities would cost between \$475 and \$650 million to construct in 2008
- 18,210 theater seats exist in 27 theater facilities
- 94,503 square feet of exhibition space in eight facilities
- Widespread multicultural programming offered to public audiences
- All of the universities and colleges surveyed offer non-facility related arts programming in other campus facilities such as libraries and student unions

Scope of Cultural Facilities

Among 13 higher education institutions in Silicon Valley, 10 operate dedicated facilities that offer programming in the performing arts, visual arts, or other cultural activities for the public. Some operate multiple facilities, thus together they manage 35 facilities that offer programming available to the public. In total, this sector provides 18,210 theater and auditorium seats for public arts and culture programming. For visual arts and other types of presentations, Silicon Valley universities and colleges offer 94,953 square feet of visual art exhibition or museum exhibit space.

More than half the theater seats are located at Stanford University, which operates 11 theater and performing arts spaces, one of which contains 5,000 seats. However, nine other institutions also operate and program 16 other facilities that range in size from 50 seats to 2,400 seats. Similarly, almost half the square footage of exhibition space, or over 55,000 square-feet, is located at Stanford, yet six other institutions provide exhibition space and programs. Santa Clara University operates the renowned de Saisset Museum. DeAnza College has operated the Euphrat Museum for many years and in February 2009 opened a new museum facility and a new exhibition space as part of the college's new Visual and Performing Arts Center.

Foothill Community, De Anza, and Evergreen Valley Colleges, along with Stanford University, all made substantial capital investments in arts and cultural facilities on their campuses in the last few years, that they estimate total well over \$80 million dollars.

Estimated Value of Facility Investment

These campus-based performance spaces range from small black box theaters with as few as 50 seats to large formal auditoriums with capacity of nearly 3,000 seats. The 27 performance spaces found have an aggregate seating capacity of approximately 18,000 with a broad range of architectural styles and technical capacities. The Gallery, Exhibition and Museum spaces on these campuses total approximately 100,000 square feet with considerable range in size and complexity from campus to campus.

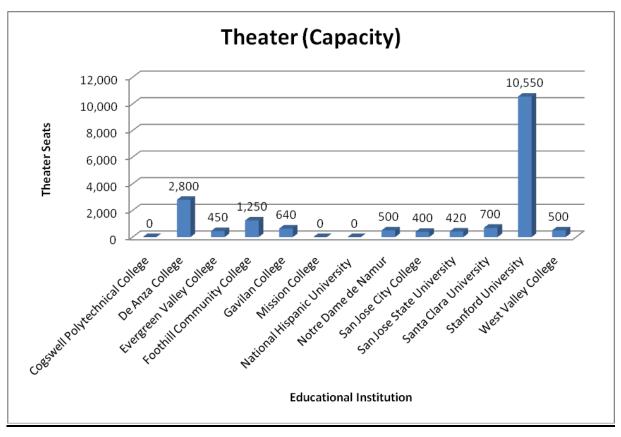
Using replacement cost analysis methods that take into account the overall scale of the facilities, number of seats, development costs for like-size facilities in other communities and particular conditions related to California building construction codes, it is estimated that current costs for replacing these cultural facilities would range from \$475 to \$650 million dollars. These costs do not take in to account land costs or potential additional expense associated with signature "high design" architecture, historical restoration or replacement of highly ornate decorative elements. ²⁶

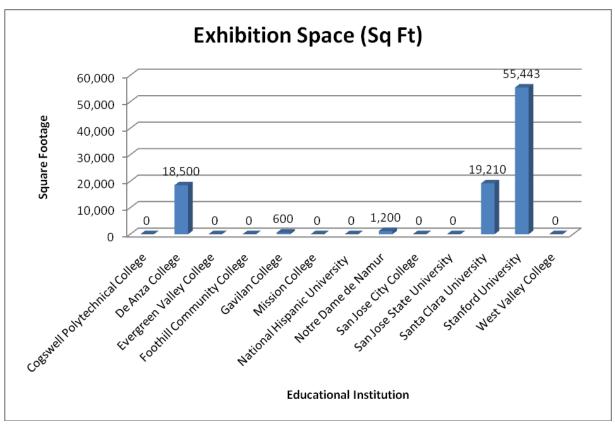
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²⁶ Estimates provided by performing arts facility consultants, Sutton + Associates, and Minneapolis-based Schuler-Shook Theater Design Consultants

Higher Education Facilities Offering Public Programming

Organization	Facility Type	Name of Facility	Theater Seats	Exhibition Space Sq Ft
De Anza College	Museum	Euphrat Museum		18,050
	Theater	Flint Center Performance Hall	2400	
	Theater	Flint Center Theater Space	400	
Evergreen Valley College	Theater	EVC Arts Complex Theater	450	
	Art Gallery	EVC Arts Complex Pictorial Arts Gallery		NA
Foothill Community College	Theater	Lohman Theater	200	
	Theater	Smithwick Theater	1000	
	Theater	Playhouse Theater	50	
Gavilan College	Art Gallery	Gavilan Fine Arts Gallery		600
	Theater	Gavilan Theater	420	
	Theater/Concert Hall	Gavilan Music Hall	200	
Notre Dam De Namur	Theater	NDNU Theater	550	
	Art Gallery	Wiegand Gallery		1,200
Santa Clara University	Gallery/Museum	De Saisset Museum		19,210
	Theater	Louis B Mayer Theater	570	
	Theater	Fess Park Studio Theater	130	
San José City	Art Gallery	SJCC Art Gallery		NA
	Theater	SJCC Theater	400	
San José State	Theater	University Theater	370	
	Theater	Hal Todd Black Box Theater	50	
Stanford University	Theater	Memorial Auditorium	1700	
	Theater	Pigott Theater	195	
	Theater	Prosser Studio	70	
	Theater	Nitery Theater	80	
	Theater	Roble Studio	185	
	Theater	Dinkespiel Auditorium	700	
	Theater	Campbell Hall	220	
	Theater	The Knoll Stage	100	
	Theater	Memorial Church	1400	
	Theater	Frost Amphitheater	5000	
	Concert Hall	(TBC)	900	
	Art Gallery	Cantor Arts Center		52,716
	Art Gallery	Thomas Welton Stanford Art Gallery		2,727
West Valley College	Theater	West Valley College Theater	400	
	Theater	West Valley College Studio Theater	100	





Observations of Programming Offered

Programming across these institutions is both diverse in content and varied in purpose. Alongside trends in ethnic and multicultural programming a number of facilities offer mainstream commercial events including Broadway tours and exhibitions featuring conventional Euro-centric art works. Alternatively, a number of theaters and galleries are set aside for use by the public or for various groups on campus in need of a platform to address the surrounding population. It is through these various approaches that a snapshot of cultural life in Silicon Valley emerges.

Informational telephone interviews illuminated two recurring themes. Firstly an interest in the survey itself – many contacts were enthusiastic about generating dialogue around Silicon Valley's nonprofit arts and cultural sector. Secondly, representatives at these organizations felt that facilities were being used to capacity, reflecting an active arts scene, fueled by the variety of ethnic communities in the area.

Although not included in the survey of facilities, other educational organizations, such as the Institute of Western Civilization and the National Hispanic University, offer dynamic community-oriented programming through the use of existing libraries or teaching rooms which double-up as theaters and exhibition spaces. On an anecdotal level, representatives at these institutions were decidedly enthusiastic and open about their programming.

Multicultural and Ethnic Programming

There is evidence of multicultural programming at the majority of facilities observed in this research. In many cases the programming relates to colleges' and universities' missions to educate and promote cross cultural understanding. For example Evergreen Valley College, Foothill Community College and San José City College offer a multitude of ethnic events from South Asian dance festivals to Vietnamese fashion shows.

Another approach to ethnic programming stems from the cultural/religious focus of specific organizations. The National Hispanic University centers its programming on Latino culture hosting a Christmas Posada and La Raza Day at their facilities, while Santa Clara College presents the public with a chance to visit the de Saisset Museum where they might attend a permanent exhibit celebrating the 'Mission Period' in Californian history.

In other cases the ethnic diversity in the programming is a direct result of the surrounding community. At San José City College, campus groups such as the Vietnamese Interdisciplinary Education Association use the campus theater to host cultural activities open to the general public. The same could be said for the use of the facility during Black History Month. Similarly, Foothill Community College's Lohman Theater described its external programming as 'extremely lively,' citing ethnic dance festivals and an annual Diwali celebration as ways in which the wider community use their facility to produce the cultural events they desire.

Contributions to the Community

Cultural activity taking place at the university and college facilities enriches the cultural life of Silicon Valley and plays an important role in bringing larger-scale activities and presentations

into the community, as well as providing space and support for local artists and groups to further their work.

De Anza College brings in Broadway tours to its Flint Performing Arts Centre such as *Miss Saigon* alongside providing a facility for more specialized national tours like *Divine Performing Arts: Chinese New Year.* Santa Clara's Louis B Mayer Theater also boasts a commercially driven program including California Theater Centre productions of *Sleeping Beauty* and *Peter Rabbit and Friends*. These easily marketable, populist approaches to theater programming suggest a source of income from the community into the colleges which might otherwise have been directed to theaters of neighboring San Francisco. Assuming that the income raised remains in the community, these facilities are contributing, at least financially, to the Silicon Valley economy. In addition the inclusion of San José on nationally publicized tour schedules helps to generate future investment in the city as cultural destination.

These university and college facilities also contribute to the cultural wealth of the community by providing a platform for institutions to bring less popular theatrical or artistic experiences to the area. The Wiegand Gallery at Notre Dame De Namur states that its mission is to "focus attention on the contributions and accomplishments of important artists who are less recognized, as well as to exhibit lesser-known works of established artists." The gallery has established a national reputation for the catalogues that are published with these exhibitions. Comparatively, Foothill Community College brings in troupes such as the Dallas Black Dance Theatre.

The theater and gallery buildings themselves can be seen as contributions to the local community, as many of the facilities are available for use by local nonprofit groups and artists. Gavilan College, for instance, provides a performance space for South Valley Symphony and Santa Clara University offers its facilities to rent for an hourly fee to local nonprofit arts groups and corporate bodies alike.

Within this topic the recurring trend emerged of libraries and classrooms doubling-up as performance and exhibition space, providing less visible yet important contributions to the community. The Institute of Western Civilization and the National Hispanic University both offer vibrant cultural programming including art exhibitions and author series despite the fact they do not have a designated theater or gallery facility.

Reflecting the Silicon Valley Identity

Despite evidence of multicultural communities and numerous facilities reflecting this in their programming, this research showed little substantiation of a Silicon Valley culture unique to the region— no distinctive identity beyond a rich mélange of ethnicities.

Although the area is recognized both nationally and internationally as the main hub of the high-tech economy, not one of the 13 educational organizations examined in this survey reflected an inclination towards progressive technology in the content of their programming or in the methods taken to engage visitors at the facilities. Indeed, information about programming was often difficult to locate online, suggesting a below average level of online marketing from most of the venues.

Comparisons with Select U.S. Cities

Overview

It is difficult to discuss what makes Silicon Valley's cultural landscape unique without drawing comparisons with other areas across the U.S. For comparative purposes, nine other cities were chosen for their characteristics relevant to San José and by extension to Silicon Valley. Cities were identified that share one or more of several characteristics related to population size, recent growth, ethnic diversity, and presence of technology industries. These were Austin, Denver, Miami, Minneapolis, Phoenix, Portland, San Diego, and Seattle. The study also included San Francisco because it is so nearby that it is, in fact, part of the Silicon Valley ecosystem. San Francisco must be viewed for its influence on San José and Silicon Valley as well as understood in relation to how they are distinct.

It was not possible within the scope of this study to carry out research on nonprofits in each city at a similar depth to that conducted in Silicon Valley. Nor was it possible to study other multi-jurisdictional metropolitan regions like Silicon Valley, although the relationship of urban regions to their central cities is clearly recognized. Differences in various metropolitan areas themselves make comparison challenging. The inhabited land area of the city of Phoenix, for instance, is comparable to the inhabited area of the Silicon Valley region. While one is a city and the other a metropolitan area, they have more in common than does a comparison of Phoenix to Miami, for instance, whose land area is less than one-tenth that of Phoenix. San José and Silicon Valley share many characteristics, thus comparisons between the nine other cities and Silicon Valley provide useful information in spite of these limitations.

There are two primary parts to this section of the study. The first relates to the numbers of nonprofits and financial data gleaned from nonprofits' IRS reports in each of the chosen cities. This data has been contrasted with a number of variables including the population size and the physical area of each city and broken down into categories of like-size organizations. The second part of the comparison relates to the types of nonprofits in each location based on their self-selected NTEE classifications. ²⁷ This data relays the purpose and interests of the nonprofit organizations and helps to capture the character of each city's cultural landscape.

Research examined each city on the basis of the number of nonprofits in each NTEE category compared to its population, and examined the percentage of NTEE types within each city. These two methods varied somewhat in results. However, as a measure of how each ecosystem distinctly constructed itself or evolved, the percentage measure was determined to best illustrate the character of each place.

nonprofits or governments).

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²⁷ The NTEE (National Taxonomy of Exempt Entities) Classification System was developed by The National Center for Charitable Statistics (NCCS). This system is used by the IRS and NCCS to classify nonprofit organizations. It is also used by the Foundation Center to classify both grants and grant recipients (typically

Comparisons between San José/Silicon Valley and the nine other similarly-sized cities revealed few similarities. Data examined included number of nonprofits, city population, landmass, and yearly expenditure of nonprofits. Additional data that was related to primary activity types helped to paint a picture of the nonprofit cultural activity in each of the cities, and helped to identify the qualities and attributes unique to San José and Silicon Valley. The study draws comparisons with the neighboring city of San Francisco, as well as the similarly-sized California city of San Diego.

It should be noted that the data used to make comparisons between U.S. cities, including San José, comes from a singular source, GuideStar. It does not include some San José nonprofits discovered earlier in this report. For example, consultants identified a total of 667 Silicon Valley organizations, with 235 in San Jose by using multiple sources. The following analysis used a consistent methodology over the 10 cities tapping only one primary source. It revealed lesser numbers of 624 Silicon Valley nonprofits, 176 of which were based in San José.

Research Highlights

- San José averages 5,340 residents per nonprofit, compared to Miami which is home to one nonprofit per 1,257 people; Phoenix shows one per 8,973
- Annual per capita expenditures by cultural nonprofits in San José is in the bottom one-third of the cities studied
- San José, together with Austin, has no arts organizations reporting annual expenditures of over \$10 million; other cities have multiple institutions of over \$15 and \$20 million or more
- San José shows "Cultural/Ethnic Awareness" organizations as the largest organization type, far ahead of all other cities
- Nonprofit theater presence in San José is relatively low, with just 7.1% of organizations in this field, less than half of the 14.2% figure shown by Minneapolis

Cultural Nonprofits and Expenditures Per Capita

On average, with 176 arts nonprofits, San José has one nonprofit per square mile, the same "density" as San Diego. San Francisco tops this list with 12.5 organizations per square mile. Phoenix falls at the low end with 0.4. The data also reveals the average number of people per nonprofit in each of these cities. San José shows a relatively high number of inhabitants per nonprofit at 5,340. In contrast, Miami is home to one nonprofit per 1,257 individuals, the lowest ratio of nonprofits to population in the study. Phoenix has the greatest divide with one per 8,973 residents. In Silicon Valley, the ratio is somewhat lower, with one per 3,575 people.

In shear numbers, Phoenix had the smallest number of cultural nonprofits, with 173, very close to San José's 176. However, Phoenix' population is 50% greater than that of San José. Denver

had the next lowest number, 254, but with a population of almost one-third that of Phoenix and about two-thirds that of San José. San Francisco had the greatest number at 586, as well as the second highest per capita ratio with one organization for 1,305 residents. This is second only to Miami whose 326 nonprofits represent the highest density in the sample. Interestingly, the Silicon Valley region (including San José) had a higher simple number than San Francisco at 667. However, Silicon Valley contains three times the number of residents of San Francisco.

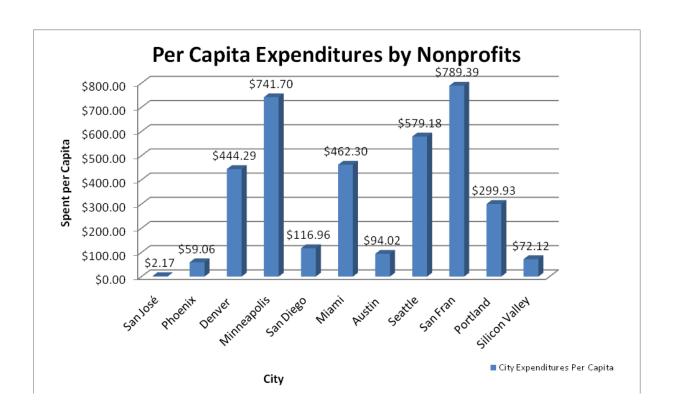
In sheer total dollars spent annually by all the cultural nonprofits in each of these cities, San Francisco exceeded all others with over \$600 million. Minneapolis and Denver were the next highest at \$280 million and \$261 million respectively. Austin and Phoenix were at the low end at \$70 million and \$92 million. San José was third at \$99 million. Silicon Valley as a whole reflected nonprofit spending of \$172 million.

Spending per capita by these nonprofits reflects a range of activity from just \$59 in Phoenix, followed by Austin at \$94, up to a high of \$789 in San Francisco. Minneapolis reported the second highest at \$742, followed by Seattle at \$579. San José showed moderate per capita spending of \$106, with the Silicon Valley average shrinking to \$72.

City	Number of nonprofits (refined data)	Population of city	People per nonprofit	City area (square miles)	Nonprofit per square mile	Total yearly expenditure of filed nonprofits
San José	176	939,899	5,340	175.9	1.0	\$99,331,695
Phoenix	173	1,552,259	8,973	474.9	0.4	\$91,672,262
Denver	254	588,349	2,316	153.4	1.7	\$261,397,460
Minneapolis	282	377,392	1,338	54.9	5.1	\$279,911,358
San Diego	312	1,266,731	4,060	324.4	1.0	\$148,153,263
Miami	326	409,719	1,257	35.7	9.1	\$189,411,147
Austin	309	743,074	2,405	251.5	1.2	\$69,862,510
Seattle	413	594,210	1,439	3.9	4.9	\$344,156,387
San Fran	586	764,976	1,305	46.7	12.5	\$603,863,617
Portland	338	550,396	1,628	134	2.5	\$165,082,738
Silicon Valley	<u>667</u>	2,384,448	<u>3,575</u>	1,500 ²⁸	<u>0.4</u>	\$171,966,393.00

²⁸ 1,500 square miles is a widely used estimate. However, the inhabited land area is somewhat less and difficult to ascertain.

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Comparison of Nonprofits by Expenditure Group

Comparison of nonprofits grouped by their expenditures captures a spectrum of spending in each of the sampled cities. A similar pattern appears in all cities, and with a few variances. The largest percentage of organizations spend under \$50,000 and the smallest percentage of groups report over \$5 million. San José shows a relatively large percentage of nonprofits with expenditures between \$1.5 million and \$5 million, exceeded only by Denver's ratio. Portland also presents some interesting data that reflects a smooth and gradual decline in the number of nonprofits as they move up the spending scale, as does Silicon Valley.

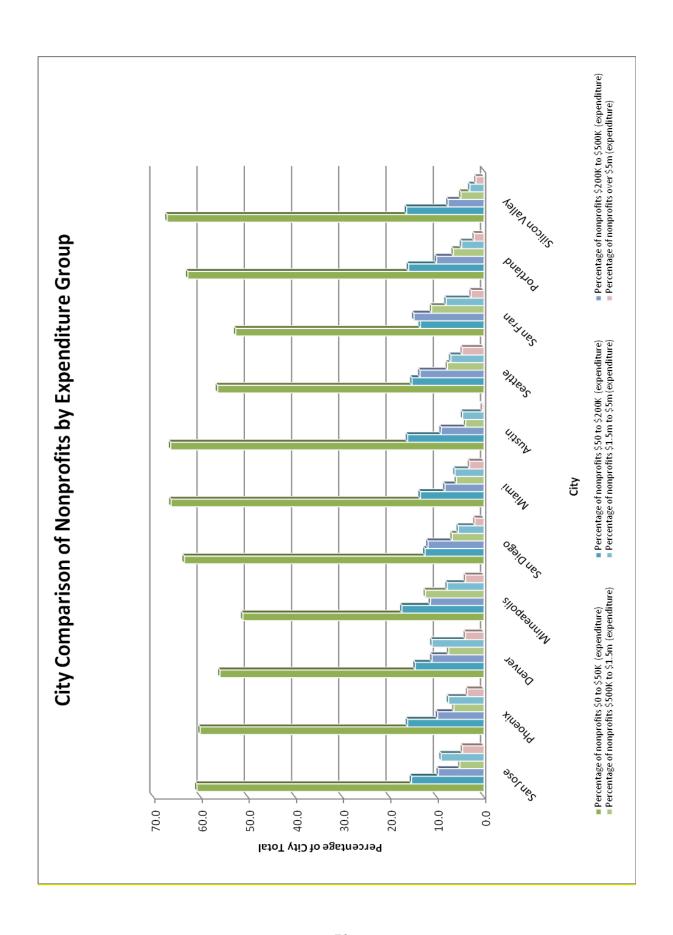
Over 60% of San José nonprofits reported expenditures below \$50,000 with slightly higher percentage reported in San Diego, Miami, Austin and Portland. However, Silicon Valley shows 67% of the arts nonprofits below \$50,000, the highest rate among all the cities studied. Denver has the lowest percentage of low-expenditure groups at just over 50% with San Francisco only a couple points higher.

The City of San José has a relatively high percentage of its nonprofits with expenditures over \$5 million at 4.5%, topped only by Seattle at 4.6%. These figures are mitigated by the fact that San José has a relatively small number of nonprofits compared to these other cities, and its "large" nonprofits do not exceed \$10 million in annual expenditures, while most of the other cities have multiple nonprofits over \$20 million and more. Interestingly, San Francisco shows a relatively low percentage in this group at just 2.7% of nonprofits with expenses over \$5 million due to the high numbers of nonprofits in total. However, San Francisco's large organizations are far larger than most in any of the other cities studied.

Focusing on the spending by the smaller nonprofits with expenditures under \$1.5 million, San José reflects only \$17 per resident in contrast to a high of \$123 in Minneapolis and \$121 in San Francisco. San José's low spending per capita is undercut only by Phoenix at \$12. Small organizations in Silicon Valley report \$24 in spending per capita, higher than in the City of San José.

It is unclear why the pattern would vary in some cities where the percentage of larger budget groups exceeds that of smaller groups in some categories. For instance, San José, Phoenix and Denver have a larger percentage of nonprofits in the \$1.5 million to \$5 million category than they do organizations in the mid-sized \$500,000 to \$1.5 million category. Philanthropic or public funding policies may favor certain sized organizations in some cities. The City of San José, for instance, provides subsidy through facility and operating funds, to several of the organizations in the expenditure range of \$1.5 million to \$5 million. Portland and Silicon Valley both show the most even step-down by organization size of any communities in the study.

In contrast, Minneapolis has an unusually high percentage of organizations in the category between \$500,000 and \$1.5 million. San Francisco is the only city in the sample with more organizations in the \$200,000 to \$500,000 range than in the \$50,000 to \$200,000 category. These two cities, with the highest per capita expenditures by cultural nonprofits, also have the lowest percentages of organizations reporting expenditures under \$50,000. Their mid-range organizations – those between \$200,000 and \$1.5 million – appear to be the most robust among the cities studied.

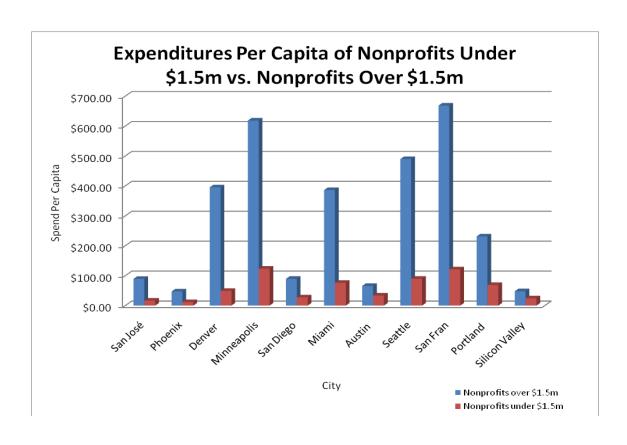


City	Average expenditure of all reporting nonprofits	Overall per capita expenditures	Total expenditures by nonprofits under \$1.5m	Per capita expenditure by nonprofits under \$1.5m	Total expenditures by nonprofits over \$1.5m	Per capita expenditures by nonprofits over \$1.5m
San José	\$564,385	\$106	\$15,563,149	\$17	\$83,768,456	\$89
Phoenix	\$529,897	\$59	\$18,346,316	\$12	\$73,325,946	\$47
Denver	\$1,029,124	\$444	\$28,930,380	\$49	\$232,467,080	\$395
Minneapolis	\$992,593	\$742	\$46,551,673	\$123	\$233,359,685	\$618
San Diego	\$474,850	\$117	\$34,920,768	\$28	\$113,232,495	\$89
Miami	\$581,016	\$462	\$31,218,571	\$76	\$158,192,576	\$386
Austin	\$226,092	\$94	\$24,895,708	\$34	\$48,853,937	\$66
Seattle	\$833,308	\$579	\$53,211,076	\$90	\$290,945,311	\$490
San Fran	\$1,030,484	\$789	\$92,620,422	\$121	\$511,243,195	\$668
Portland	\$488,410	\$300	\$37,867,158	\$69	\$127,215,580	\$231
Silicon Valley	\$257,820.68	<u>\$72</u>	<u>\$114,372,029</u>	<u>\$48</u>	<u>\$57,594,364</u>	<u>\$24</u>

Per Capita Spending of Small Nonprofits vs. Over \$1.5 million Nonprofits

The difference in total spending between organizations operating below \$1.5 million and those above \$1.5 million consistently show the larger share of total resources expended by the larger organizations. San Francisco, Minneapolis, Seattle, Denver, and Miami demonstrate the largest per capita expenditures as well as the most significant gaps between expenditures of the large groups versus the more numerous small groups. San José and Austin, among the lower per capita expenditures, show the least gap between overall spending by the large and small organizations. This is partly due to the lack of exceptionally large institutions in San José and Austin and the relatively large number of smaller organizations. However, it reflects a flatter "hierarchy" between the large and the small organizations.

Silicon Valley, Austin, San Diego, and Portland show a relatively balanced ratio, with small or medium sized organizations being responsible for a good share of financial activity. Denver, Minneapolis, Miami, Seattle and San Francisco reflect data that suggests a nonprofit economy dominated by larger nonprofits.



Organization Primary Activity as a Percentage of City Total

Information supplied by nonprofits through IRS Form 990 submissions provided data classifying each organization under an NTEE Code. This self-selected coding system paints a relative picture of nonprofit activity city by city, suggesting varying values and interests. Drawing comparisons with nine other U.S. cities captures a cross-section of the unique nonprofit ecosystem of San José and Silicon Valley.

San José is the only city in the survey showing Cultural and Ethnic Awareness organizations as the leading type among arts and culture nonprofits. In San José 16.5% of all organizations place themselves in this category (with 15.9% in Silicon Valley), against a low of just 3.1% in Denver. San Diego and Miami are the only two other cities registering over 10% in this category at 11.9 and 11.0% respectively.

Music plays an important role in the nonprofit landscape of all the cities in the sample. Consistently among the largest categories of nonprofits, music accounts for between 9.8% in Miami and 17.8% in Portland. Of San José nonprofits, 13.6% list themselves under Music organizations with Silicon Valley very close at 14.0%.

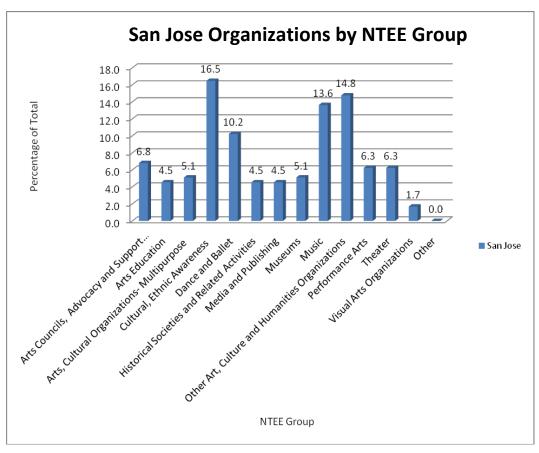
Next to Music, San José's most abundant classifications are Other Art, Culture and Humanities Organizations. This group in tandem with the leading field of Cultural/Ethnic Awareness reflects a city with a nonprofit network rich in activity outside the singular discipline or institution categories such as theater or museums. Combined, the two categories of Cultural/Ethnic Awareness and Other Art, Culture and Humanities combined make up 30% of San José's nonprofit cultural sector, far higher than any of the other cities surveyed.

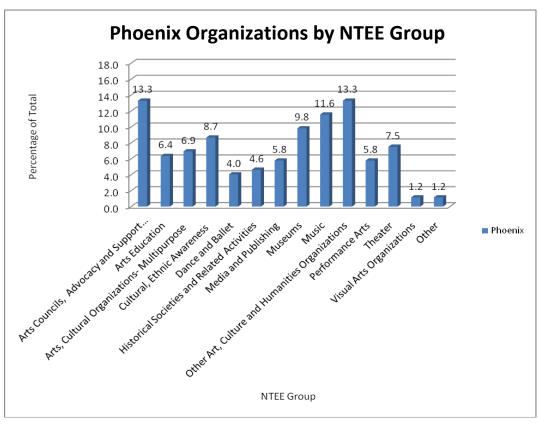
San José data also suggests an elevated interest in dance organizations with 10.2% of nonprofits falling into this NTEE group. This is the highest percentage for this category across all sampled cities with Miami second at 9.3%. It may be attributed to the area's diversity and the ethnic dance cultures associated with it.

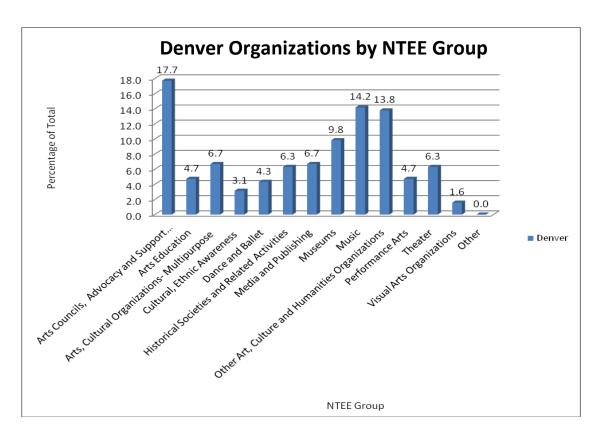
The presence of nonprofit theater in San José ranks relatively low, with just 6.3% of organizations identifying themselves in this field, slightly higher in Silicon Valley at 7.1%. This figure is half the 14.2% figure shown by Minneapolis, among the least diverse cities in the sample. In contrast to San José, San Francisco is rich in Media and Publishing organizations with these nonprofits accounting for 12% of the city total. Just 4.5% of nonprofits fall within this category in the city of San José and 5.4% in Silicon Valley.

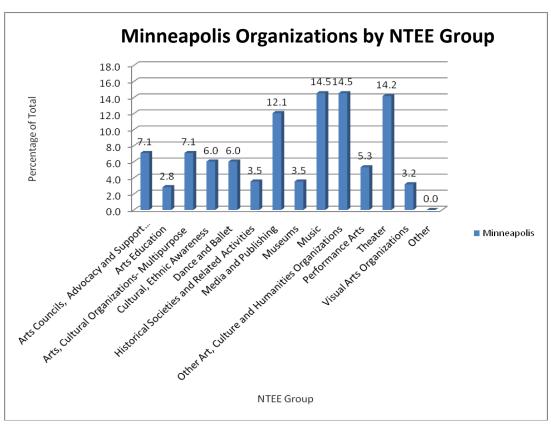
Denver's Arts Councils, Advocacy and Support organizations category tops the chart as the most dominant category of any city in the study representing 17.7% of the city's organizations. This category incorporates a number of subcategories including Single Organization Support and Non Monetary Support organizations.

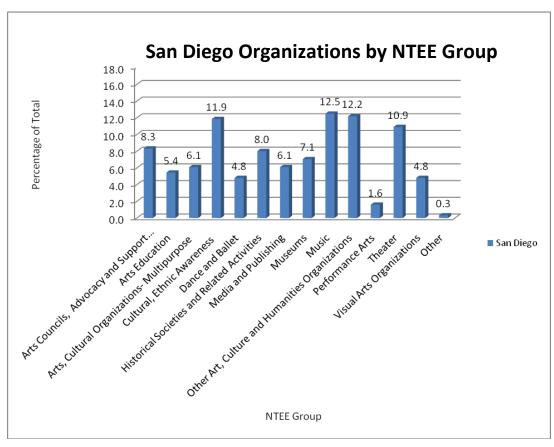
Interestingly, a consistently low-ranked focus among organizations in all these cities is Visual Arts. San Diego reports the highest percentage at 4.8, with Phoenix the lowest at 1.2%. Of San José organizations, 1.7% report as Visual Arts groups with Silicon Valley groups at 1.4%.

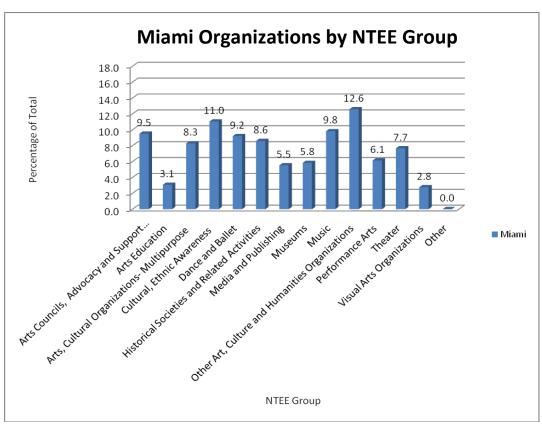


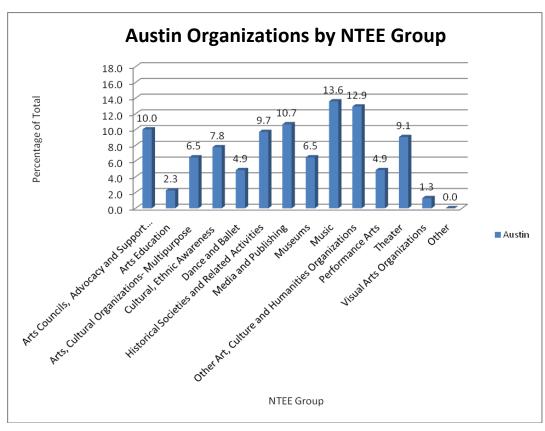






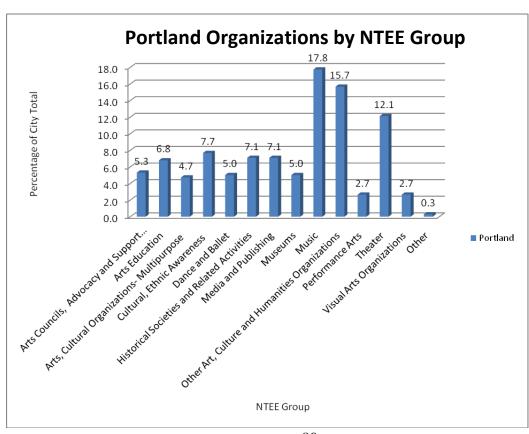


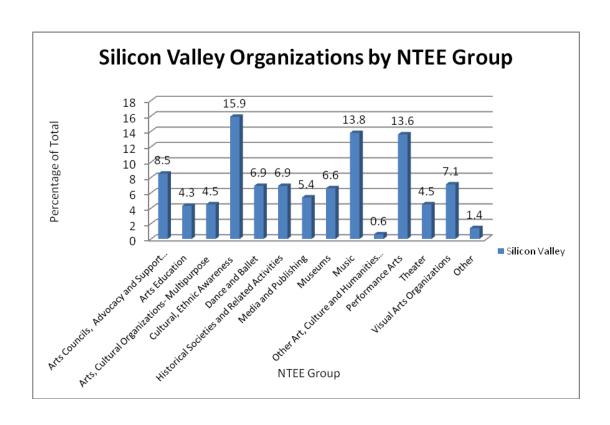


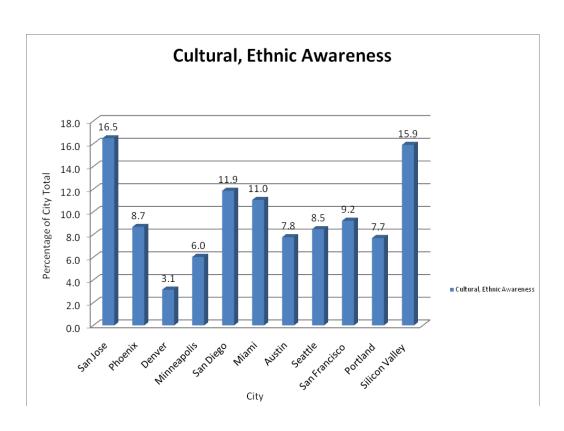


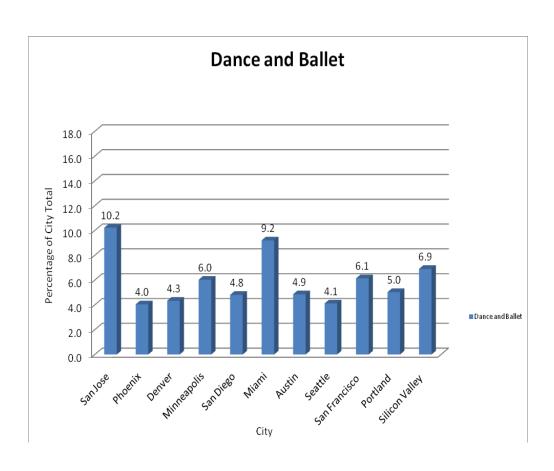












Summary of Findings

Research found Silicon Valley's "formal" cultural sector to be typified by a relatively large number of small nonprofits dispersed across the region. It included no institutions in excess of \$10 million in annual expenditures, or with substantial investments in real estate, endowments, and art collections – unlike most of the other cities surveyed.

At least 667 active nonprofits were found in Silicon Valley. It was evident that informal or unincorporated cultural groups or ongoing activities were at least close to this number. A total of 235 of these nonprofits self identified as being San Jose based. While the informal groups, as well as a growing realm of virtual cultural activity, were not part of this research their presence was evident. This number of formal nonprofit groups represents approximately one for every 3,575 residents on average in Silicon Valley. On average, organizations based in the City of San José tended to be larger organizations when measured by annual expenditures.

Comparable cities showed a variety of ratios ranging from one nonprofit for every 1,257 in Miami, to Phoenix with one nonprofit for every 8,973 people. In a geographic sense, Silicon Valley contained 0.4 nonprofits per square mile compared to nearby San Francisco with the greatest density at 12.5 nonprofits per square mile.

Silicon Valley cultural organizations are young. Since 1990 the rate of formation of new organizations, especially those identifying a culturally-specific focus, increased three fold. Findings in this research reveal that 70% of all the nonprofit organizations are less than 20 years old. Further, of the nearly 200 organizations that were created to address non-white, culturally-specific art forms or audiences, 48% were founded since 2000. And, nearly 80% of these culturally-specific groups were founded since 1990.

Groups stressing one or more Asian cultures represent 21% of the area's nonprofits and Hispanic groups represent 3%, disproportionate to the population. Different rates of incorporation of 501c3 nonprofits for conducting cultural activities likely represent different ways of relating to legal structures for, and patterns of giving support to, cultural activity within these communities.

Combined annual expenditures of all of Silicon Valley's cultural nonprofits totaled over \$170 million. In contrast, in the City of San Francisco, the combined annual expenditures of just four of the largest organizations, the Opera, Symphony, Ballet, and Museum of Modern Art, added up to about \$200 million. Of the nine cities sampled, the highest per capita spending by nonprofit cultural organizations was San Francisco at \$789, followed by Minneapolis at \$742.

Low on the list was Phoenix at \$59, followed by Austin at \$94. San José ranked third from the bottom at \$106 but the rate declines to \$72 when looking at Silicon Valley as a whole.

Sixty-seven percent of Silicon Valley cultural nonprofits reported total annual expense of less than \$50,000. While this was the highest percentage among the nine places examined, there were four other cities in which over 60% reported expenses of \$50,000 or less. All of the cities in the sample showed at least 50% of their organizations in that category. Larger nonprofit organizations with annual expenses of over \$1.5 million, account for 4% of Silicon Valley nonprofits and 9% of the organizations in the City of San José, the Valley's most populated city, which contains a higher concentration of larger organizations.

Of 26 organizations reporting over \$1.5 million in annual expenses, one is rooted in Mexican culture and one in the cultures of India. The rest present themselves to be of general interest. The largest nonprofit cultural organization in Silicon Valley – the only one exceeding \$10 million – declared bankruptcy in 2008, subsequent to the most recent available IRS report. Two of the remaining top ten underwent a merger or major reorganization during the past two years.

When examined by category, Silicon Valley and San José organizations exhibit a distinct difference from the other nine cities. In Silicon Valley, 15.9% of the groups consider themselves Cultural/Ethnic Awareness organizations, based on their self-identified NTEE categories, and in San José a slightly higher percentage, 16.5% chose that label. The nearest comparable community is San Diego with 11.9%, ranging to a low of 3.1% in Denver.

Organizations focusing on music rank consistently high in all cities with Portland at 17.8% and Miami low at 9.8. Of San José organizations, 13.6% indicate music as their focus with Silicon Valley similar at 14.0%. Theater also ranks high in many communities with Minneapolis reporting the highest ratio at 14.2%. San José and Denver tied for the lowest at 6.3%. Interestingly, a consistently low-ranked focus among organizations in all these cities is visual arts. San Diego reports the highest percentage at 4.8, with Phoenix the lowest at 1.2%. Of San José organizations, 1.7% report as visual arts groups with Silicon Valley at 1.4%.

GIS mapping revealed some clustering of organizations – both those with annual expenses over \$200,000 and those under – in higher population areas such as downtown San José, Palo Alto, and Mountain View. However, there was generally no other discernable pattern. While larger organizations tended to cluster in the center of those three municipalities, especially San José, organizations fanned out in a pattern consistent with general population distribution and along major transportation corridors. While San José had more large organizations, the city as a whole contained a lower density of nonprofits per capita than the rest of Silicon Valley.

All of the 15 municipalities in Santa Clara County provide financial resources, facilities, programs, and other direct and indirect support for arts and culture groups and activities within their jurisdictions. They do so at a level that is relatively consistent in terms of spending as a percentage of their annual budgets. They compared favorably to average national levels of city arts spending. Combined, these cities spent approximately \$30 million each year in arts and culture through various means. While the City of San José accounts for almost \$20 million of this, each of the Santa Clara County municipalities invest significantly on a per capita basis.

On average, they spent between \$11 and \$12 per resident, an amount generally equal to 0.5% of their overall municipal budgets.

Most Santa Clara County municipalities, or 87%, operate facilities for performing and/or visual arts. The same percentage offer classes related to arts and culture through recreation departments and convene formal arts commissions. Nearly as many, or 80%, directly sponsor public performances and administer public art programs. About half, or 47% provide direct cash support through competitive grants and/or funding to local nonprofits.

Higher education institutions have also made substantial investments in facilities and programs that serve wide public audiences and strive to do so in ways that represent and include the diversity of residents around them. Of 13 higher education institutions surveyed, all present cultural programs available to public audiences and 10 maintain and operate facilities dedicated to cultural programming. The cumulative investment historically made by these institutions has provided the region with over 18,000 theater seats and almost 100,000 square feet of dedicated visual arts exhibition space.

Using contemporary construction costs in California, these performing facilities and visual arts spaces would cost between \$475 and \$650 million to build in 2008 dollars. These institutions also spend millions annually on presenting arts programs and activities that represent the diverse cultures of the region. These facilities, as well as the programming sponsored and hosted by the higher education institutions, represent one of the largest investments in the cultural infrastructure of the region.

While the "informal sector" was not part of this inventory (for-profits, unincorporated arts groups, and organizations for which arts and culture are not their primary focus yet they offer such programs) data available indicated a substantial number of these entities are actively producing significant cultural activity. Research by others during the past five years argue that the informal sector represents an enormously important part of the cultural life of the region. ²⁹ While difficult to document, the informal sector as well as rapidly growing virtual cultural activity on the Internet, must also be considered part of the cultural landscape.

²⁹ Moriarty, Pia. Immigrant Participatory Arts, 2004, and Alvarez, Maribel. There's Nothing Informal About It, 2005

"...we can now treat culture not as one big blanket, but as the superposition of many interwoven threads, each of which is individually addressable and connects different groups of people simultaneously.... In short, we're seeing a shift from mass culture to massively parallel culture."

Chris Anderson, The Long Tail

Conclusions and Recommendations

A Real World Platform for User-Generated Content?

Silicon Valley's cultural ecosystem is animated by diverse ethnic groups who actively practice and share their traditions, languages, ways of doing business, and modes of producing and experiencing culture. Much of the physical platform on which they work – facilities and spaces in the public realm – is provided by the region's municipalities and higher education institutions. Public and private support comes in all forms and mostly modest amounts to many smaller and mid-sized organizations.

As an emerging major metropolitan area with one of the most diverse populations of any region, Silicon Valley appears to be in the process of evolving a different form of cultural infrastructure: an adaptable, decentralized ecosystem that mirrors its dispersed style of growth, population diversity, inventiveness, and position as one of the first truly global metropolitan regions.

This infrastructure poses many challenges and opportunities to the broader cultural community, as it has been constituted in the U.S during the past century. Built mostly during the industrial age, this infrastructure, and the institutions that dominate it, are now challenged in the global information age or creative economy. These challenges are similar to those that web-based constructs and tools have presented to manufacturers, social organizing, information businesses, and educational institutions of all types and sizes. Within the cultural community, this new environment raises enormous questions around mainstream notions of excellence and the role of professional artists, as well as to the heavy investments in facilities and discipline-based institutions prevalent in most U.S. cities and metropolitan regions.

At the same time, opportunities for change abound in Silicon Valley. More inclusive and entrepreneurial practices and flexible facilities appear to dominate. Active involvement in the making and practice of culture by more people is commonplace. The public sector plays a key role bringing both stability to the overall infrastructure, and adaptability to its uses. The area's municipal governments of all sizes invest significantly in the cultural infrastructure of their communities, providing facilities, sponsoring events, festivals, public art programs, and arts-based recreation activities. Public and private higher education institutions likewise provide facilities and incorporate diverse cultural programming for public audiences and students alike as part of their missions.

Specialized professional companies, orchestra contracts, institutional managers, endowments, permanent collections, and the like do not dominate this environment as they do in nearby San

Francisco and other major industrial-age cities. As the 11th largest city in the U.S, San José – the "Capital of Silicon Valley" – has one of the most prosperous economies in the world. Yet traditional measures of success for a cultural sector – growing and sustaining large-budget, internationally-renowned institutions – would reveal Silicon Valley to be underdeveloped and less than successful. On the other hand, Silicon Valley's decentralized and diverse system of cultural production and participation can be likened to an open source platform in the virtual world where users generate the majority of content.

High per capita expenditures by nonprofit cultural organizations in San Francisco, Minneapolis, or Seattle may indicate a healthy ecosystem by one measure. However, by another it could be said that Silicon Valley nonprofits are delivering their product at one-tenth the cost and serving a wider range of cultural interests.

Immigrants and other newcomers rapidly organize and become active participants and contributors in Silicon Valley. Data shows it to have one of the most diverse patterns of business ownership among large U.S. cities. Immigrants in the technology field are launching new businesses at a 33% higher rate than native-born workers. A remarkably large number and diverse range of cultural nonprofits have started up in Silicon Valley in recent years. While the bigger budget organizations are actually not very big by U.S. institutional standards, they still have been facing enormous challenges at serving increasingly complex audiences and garnering adequate resources to stay in business.

When compared with other major metropolitan areas, Silicon Valley, is distinguished by its high number of small organizations, start-ups, and an unusually high percentage of organizations that consider their primary activity Cultural/Ethnic Awareness – or that don't see themselves within mainstream discipline-based definitions.

The smaller organizations, because they are volunteer-driven, might be considered more stable during an economic downturn. They are active and successful depending on how relevant and interesting they are to participants and on the skills of their leadership. Medium and larger organizations are more fragile. Indeed, recent history – well before the economic recession of 2008-2009 – demonstrates that the larger nonprofit institutional models in Silicon Valley have not been very stable.

These characteristics represent a strength of Silicon Valley. Its nonprofit organizations are younger, smaller, more widely dispersed, driven by grassroots voluntary efforts. They are actively supported and housed by individuals, local governments and educational institutions. They represent an approach that is highly participatory, less dependent on professional artists and administrators. Most of all they reflect the cultural diversity of the area's population. Their wide geographic dispersal and the highly inclusive way they operate make them open and available to a wider range of people. In a word, the ecosystem is more adaptable.

Silicon Valley's do-it-yourself cultural infrastructure provides a flexible platform for the arrival and start-up of new cultural enterprises and for self-expression by many cultural and ethnic groups. This may be the kind of environment important to the success of a young workforce, global economy, and diverse population, characteristics increasingly prevalent in 21st Century urban regions.

Envisioning a Stronger Cultural Ecosystem

Some of the things Silicon Valley seems to do best include propagation of start-ups, integration of newcomers from all parts of the globe, and creation of physical facilities and public spaces ("platforms") open to those who desire to express and share their cultures and art. By and large there seem to be low barriers to entry – although some immigrant or ethnic groups relate differently to organizing through legal structures for the purpose of conducting cultural activities.

Most communities of interest have found ways to connect and to organize group and public activities. Web tools and web-based organizing have increasingly become part of this process. Organizations growing to institutional size in real space have not needed to acquire or build their own physical facilities, although space is still scarce and expensive in the Silicon Valley real estate environment.

To move the findings in this research to an agenda or strategy for action, it is first necessary to reflect on these assets and capacities, and to articulate key characteristics of a cultural ecosystem that would be considered healthy. Based on this and other research and observations, CCB offers the following characteristics of a healthy cultural ecosystem in a creative economy:

Networked – All parts of the infrastructure are in communication across formal and informal organizations of all sizes, participants and audiences, individual artists and other "suppliers," volunteers and contributors of all sizes, and partners such as schools, neighborhood organizations and businesses; networks are flat, or non-hierarchical.

Innovative – New ideas find low barriers to entry; start-ups and new enterprises are common; a high failure rate results in more successful innovations. Similarly, existing enterprises of all sizes allocate resources for risk-taking ventures and have ways to assess success and failure, and to share what they learn.

Diverse – There is diversity in the types and size of enterprises, both formal and informal structures, a range of expressive forms and styles, and a variety of cultural and ethnic communities creating and partaking.

Churn – There is turn-over of newer and older enterprises; new enterprises or activities are initiated to serve a clear purpose; many new enterprises have limited life-spans, most are not incorporated.

Flat – Relationships, networks, and structures are non-hierarchical.

Collaborative – Enterprises regardless of size or permanency openly collaborate, exchange people and ideas; older organizations are not threatened by the new but embrace and combine efforts were there is mutual benefit; partnerships take root and mergers or consolidations are not uncommon.

Fusion – Both artistic activity and organizational efforts exhibit blending and experimentation; this may be across disciplines, across cultures, or across organizational forms, such as nonprofit and for-profit, professional and community-based, etc.

Risk Capital – Financial and technical resources are available, open to risk, and willing to invest in and to stay with good leaders and good ideas.

Open Leadership – Both on the level of individual enterprise and on the system-wide level, leaders are outside-the-box thinkers, visionary, capable, and articulate; leadership styles include thinkers, facilitators, and other; they are connected to one another and to multiple sectors in the community – business, government, education, grass-roots, etc., as well as to thinkers and resources globally.

Learning – The environment encourages ongoing learning from success and failure alike; learning takes place across sectors and size organizations, across cultural/ethnic groups; formal as well as informal opportunities are provided and spontaneous.

Ideas – Old and new ideas are welcomed, valued, and weighed; active exchanges with global communities and thinkers are commonplace.

Adaptable – Individual enterprises as well as the larger ecosystem are constantly in motion, changing in response to evolving conditions, needs, and ideas.

Creative Economy Cultural Infrastructure Vs. Industrial-Age Infrastructure

Characteristic	Creative Economy Model	Industrial Economy Model	
Social/Civic	Integrated	Separate	
Position	Re-contextualizing	Status-quo	
	Boundary-crossing	Safe	
	Distributed	Concentrated	
	Aligned with People	Aligned with Power	
Primary focus	Outward	Inward	
	People	Organizations	
	Activities & Events	Institution Building	
	Innovation	Repetition	
	Nurturing	Striving for Excellence	
Motivations	Heritage Transmission	Institution Perpetuation/growth	
	Intra-group Commitment	Inter-group commitment	
	Ethnic Responsibility	Status	
	Identity Preservation	Excellence	
Organizations	Volunteer-driven	Resource-consuming	
	Many Small/medium	Few/Growth-oriented	
	Grassroots	Status Aspirations	
	Purpose-based	Permanent	

Networked Honeycombed/organic Flat Honeycombed/organic Flat Honeycombed/organic Flat Honeycombed/organic Flat Hierarchical Entrepreneurial Formulaic Formulaic Formulaic Passion Led Tradition and Theory Professional Curatorial Passion Led Tradition and Theory Professional Generalists Specialists Specialists Specialists Specialists Specialists Social elite Influence-seeking Activity Focused Funding Focused Funding Focused Philanthropic Funds Venture-based Protecting assets Bottom up Top down Secondary Essential Formal Flexible, multiple Social purpose driven Relative Quality Predeterminate Standards Audience Engaged Artist/audience separation Segregated Mixed Markets Social/educational elite Production Event Spectacle High production costs Innovative Distributed Controlled Real Estate Less tied to place Publicly-Owned Virtual Building Oriented Transient Fixed Specialized Central to Operations Prominent Low-cost Prominent Status Selected Discipline/Function Oriented Discipline/Function Oriented Status Selected				
Flat Hierarchical Entrepreneurial Formulaic	Structure	Networked	Elite	
Entrepreneurial		Honeycombed/organic	•	
Participatory Professional Curatorial Passion Led Tradition and Theory		1 14.4		
Crowd-sourced Passion Led Tradition and Theory		·		
Passion Led Tradition and Theory	Decision-making	Participatory	Professional	
Human Resource Volunteer/Amateur Entrepreneur Dependent Generalists Specialists Social elite Influence-seeking Activity Focused Funding Focused Funding Focused Protecting assets Bottom up Top down Essential Formal Fexible, multiple Social purpose driven Relative Quality Predeterminate Standards Predeterminate Standards Audience Engaged Artist/audience separation Segregated Social/educational elite Production Event Spectacle High production costs Refined Distributed Controlled Real Estate Less tied to place Highly Capitalized Nonprofit Owned Virtual Building Oriented Transient Fixed Specialized Specialized Specialized Central to Operations Prominent Low-cost Prominent Low-cost Prominent Locations Decentralized Indoors Center City Based Controlled Controlled Controlled Controlled Center City Based Center		Crowd-sourced	Curatorial	
Entrepreneur Dependent Generalists Governance Middle Class Skill and Interest-based Activity Focused Philanthropic Funds Secondary Secondary Secondary Formal Flexible, multiple Social purpose driven Relative Quality Production Event Distributed Distributed Production Real Estate Entrepreneur Dependent Generalists Specialists Social elite Influence-seeking Funding Focused Protecting assets Protecting assets Producting assets Formal Formal Formal Formal Western Canons Discipline/excellence driven Predeterminate Standards Artist/audience separation Segregated Mixed Markets Social/educational elite Production Event Do It Yourself Innovative Refined Controlled Real Estate Less tied to place Publicly-Owned Virtual Transient Fixed Specas Adaptable Specialized Central to Operations Frominent Locations Outdoors Center City Based Indoors		Passion Led	Tradition and Theory	
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Governance Middle Class Skill and Interest-based Activity Focused Social elite Influence-seeking Funding Focused Philanthropic Funds Venture-based Protecting assets Bottom up Top down Secondary Essential Art Product Instrumental Flexible, multiple Social purpose driven Relative Quality Predeterminate Standards Audience Engaged Artist/audience separation Diverse Segregated Social/educational elite Production Event Spectacle High production costs Innovative Refined Distributed Controlled Real Estate Less tied to place Publicly-Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Central to Operations Low-cost Prominent Locations Outdoors Center City Based Indoors		Entrepreneur Dependent	Successional	
Skill and Interest-based Activity Focused Funding Focused Philanthropic Funds Venture-based Protecting assets Bottom up Top down Secondary Essential Art Product Instrumental Flexible, multiple Social purpose driven Relative Quality Predeterminate Standards Audience Engaged Artist/audience separation Diverse Segregated Mixed Markets Social/educational elite Production Event Spectacle Do It Yourself High production costs Innovative Refined Distributed Controlled Real Estate Less tied to place Publicly-Owned Nonprofit Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Influence-seeking Funding Focused Protecting assets Prominent Foxed Protecting assets Prot		Generalists	Specialists	
Activity Focused Funding Focused	Governance	Middle Class	Social elite	
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Secondary Essential	Philanthropic Funds	Venture-based	Protecting assets	
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Flexible, multiple Social purpose driven Relative Quality Predeterminate Standards Audience Engaged Diverse Diverse Mixed Markets Production Event Do It Yourself Innovative Distributed Distributed Publicly-Owned Virtual Transient Fixed Spaces Adaptable Virtual Locations Discipline/excellence driven Predeterminate Standards Artist/audience separation Segregated Artist/audience separation Segregated Highly-audicational elite Pocial/educational elite Pocial/educational elite Spectacle High production costs Refined Controlled Highly Capitalized Nonprofit Owned Nonprofit Owned Specialized Central to Operations Prominent Locations Decentralized Indoors		Secondary	Essential	
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Mixed Markets Froduction Event Do It Yourself Innovative Distributed Controlled Real Estate Less tied to place Publicly-Owned Virtual Transient Spaces Adaptable Virtual Spaces Adaptable Spaces Adaptable Virtual Locations Outdoors Decentralized Outdoors Decentralized Mighly Capitalized Nonprofit Owned Nonprofit Owned Specialized Central to Operations Prominent Center City Based Indoors	Audience	Engaged	Artist/audience separation	
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Do It Yourself Innovative Refined Distributed Controlled Real Estate Less tied to place Highly Capitalized Publicly-Owned Nonprofit Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Decentralized Indoors		Mixed Markets	Social/educational elite	
Innovative Distributed Controlled Real Estate Less tied to place Highly Capitalized Publicly-Owned Nonprofit Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Indoors	Production	Event	Spectacle	
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Real EstateLess tied to place Publicly-Owned Virtual TransientHighly Capitalized Nonprofit Owned Building Oriented FixedSpacesAdaptable Virtual Low-costSpecialized Central to Operations ProminentLocationsOutdoors DecentralizedCenter City Based Indoors		Innovative	Refined	
Publicly-Owned Nonprofit Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Decentralized Indoors		Distributed	Controlled	
Publicly-Owned Nonprofit Owned Virtual Building Oriented Transient Fixed Spaces Adaptable Specialized Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Decentralized Indoors	Real Estate	Less tied to place	Highly Capitalized	
SpacesAdaptableSpecializedVirtualCentral to OperationsLow-costProminentLocationsOutdoorsCenter City BasedDecentralizedIndoors		Publicly-Owned		
SpacesAdaptableSpecializedVirtualCentral to OperationsLow-costProminentLocationsOutdoorsCenter City BasedDecentralizedIndoors		Virtual	Building Oriented	
Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Decentralized Indoors		Transient	_	
Virtual Central to Operations Low-cost Prominent Locations Outdoors Center City Based Decentralized Indoors	Spaces	Adaptable		
LocationsLow-costProminentLocationsOutdoorsCenter City BasedDecentralizedIndoors			Central to Operations	
Decentralized Indoors		Low-cost		
Decentralized Indoors	Locations	Outdoors	Center City Based	
Discipline/Function Oriented Status Selected		Decentralized		
		Discipline/Function Oriented	Status Selected	

Recommended Action Strategies

Actions by 1st ACT and its partners to strengthen the cultural ecosystem have the most effect if they build on Silicon Valley's existing assets and unique qualities. The goal should be to maximize the user-friendly cultural platform – the infrastructure that provides participants with space, networks, knowledge, visibility, and tools. Silicon Valley should also leverage its international position as the hub of new ideas in technology and the creative economy, attracting thinkers, advocates and the curious.

I. Space

- 1. Document public and higher education sector roles in providing space for cultural organizations and activities
- 2. Advocate for the value of public sector spaces for cultural activities
- 3. Convene and connect public sector and higher education leaders with each other and with key animators of public spaces to better appreciate their role in providing the cultural platforms that create a more adaptable environment for residents, businesses, and innovators.
- 4. Work with partners to provide additional space for artistic production, rehearsal, performance, meetings, exhibitions, festivals, other functions

II. Leadership Development

- 1. Provide training and support for leaders for the 21st Century cultural infrastructure with a focus on cultural diversity, multiple modes of leadership, and adaptability to changing conditions.
- 2. Train volunteers and provide resources and encouragement to entrepreneurs to start-up organizations

III. Convening & Learning

- 1. Organize think tanks, forums and/or conferences exploring the mechanics and dynamics of cultural ecosystems for the creative economy; include local leaders as well as thinkers and resource people globally.
- 2. Sponsor dialogues with Silicon Valley and global technology, software, internet innovators; encourage exchanges with innovators, technology leaders, artists, and cultural leaders what are they thinking about and where do their paths cross?
- 3. Conduct additional research on recently-formed start-ups and small arts and culture organizations to determine how they best function and grow.

IV. Networking & Technology

- 1. Partner with Artsopolis to expand interactive, user-generated information resources and marketing tools.
- 2. Develop a web-based platform (possibly with Artsopolis) to link Silicon Valley cultural programs to shared resources and ideas.

V. Technical Assistance

- 1. Create and promote a Voluntary Sector model to encourage and support new formal and informal organizations. They may or may not seek incorporation or 501c3 status
- 2. Create a multi-lingual service organization perhaps an arm of an existing agency or venture capital firm (and largely virtual) as a technical assistance support organization

VI. Financial Support

- 1. Draw together a pool of financial support of \$10 to \$20 million over ten years to help organizations over \$200,000 to collaborate with and support smaller organizations in joint learning models
 - a) Target 50% of support especially to cross-cultural and cross-disciplinary art work and institutional collaborations
 - b) Target 50% of funds to provide operating support to organizations between \$200,000 and \$500,000

Acknowledgements

About 1stACT

Who we are: 1stACT is a network of business, civic and arts leaders working to improve the cultural vibrancy of Silicon Valley.

Key Outcomes:

- An authentic sense of place that fuels community pride and investment
- A cross cultural understanding reflective of our diverse community; and
- A community of inspired and creative people

Our vision is for Silicon Valley to look and feel as special as it is

Our Strategic Focus: As a catalytic network of leaders, 1stACT's work crosses three strategic focus areas:

- *Silicon Valley's Urban Core* realizing a vision of Downtown San Jose as Silicon Valley's urban core, which is anchored in big deals and small wonders across five planning domains
- Arts & Culture Ecosystem to support and strengthen the arts and culture industry by providing a pipeline of leadership, strategic investment funds, marketing and branding, and capacity building
- *Cultural Engagement* broaden the range of opportunities for Silicon Valley workers, residents, children and families to become engaged in participatory cultural experiences

1st ACT Staff

Tamara Alvarado Erika Justis Connie Martinez Sarah Moore Brendan Rawson Joshua Russell

About Creative Community Builders

Creative Community Builders (CCB) is a consulting firm based in Minneapolis that works with nonprofits, foundations, public agencies, and urban planners to re-think and re-tool their community building strategies. We leverage the strengths of community development, civic participation, arts, and culture to build economically vital, civically engaged, creative communities. Founded by Tom Borrup, CCB includes associates with expertise in community and cultural planning, economic development, organizational and facility development, research, and public policy. (www.communityandculture.com)

About the Research Team

Tom Borrup, Principal, Creative Community Builders Lead Author

A leader and innovator in community and cultural work for nearly thirty years, Mr. Borrup serves as a consultant to city and state governments, foundations and nonprofits around the U.S. He authored *The Creative Community Builders' Handbook*, released in 2006, by Fieldstone Alliance. The book tracks 20 communities that have transformed their economic, social, and physical infrastructures through the arts, and includes a step-by-step planning guide. He served as the director of Intermedia Arts, a nationally-recognized arts, culture, and education center in Minneapolis for over 20 years before founding Creative Community Builders. Mr. Borrup holds an M.A. in Communications and Public Policy from Goddard College and currently teaches for the Graduate Program in Arts and Cultural Management at Saint Mary's University of Minnesota, and for the Arts Management Program at the University of Massachusetts. He has written many articles for publications in the arts, city planning, and philanthropy.

Heidi Wagner, Senior Research Associate, Creative Community Builders Primary Research, Nonprofits

Ms. Wagner received her Master of Arts in Arts Administration/Cultural Management from Saint Mary's University of Minnesota and a Bachelor of Music degree from the Wichita State University. Ms. Wagner's research work has included wage data analysis and wage disparities in arts nonprofits. Recently, she has focused on comparative research of communities for strategic and economic development planning. She has also headed strategic planning processes, database organization, and re-branding and marketing campaigns for grant-based organizations. Ms. Wagner currently works as an administrator at the University of Minnesota School of Social Work.

Erik Takeshita, Senior Associate, Creative Community Builders Lead Research, Municipalities

Mr. Takeshita has over 15 years of experience in the non-profit and public sectors providing strategic planning, program development, project management and leadership development to a wide-range of organizations. He directed an art center in Honolulu, HI using the arts to revitalize downtown/Chinatown and was a Lecturer at the University of Hawai'i-Manoa's Urban and Regional Planning Department. As a Senior Policy Aide to the Mayor of Minneapolis he championed the development of a 10-year Strategic Plan for Arts and Culture, and as a Program Officer for Twin Cities LISC (Local Initiatives Support Corporation)

developed a Commercial Corridors Revitalization Program (modeled after the National Main Street program). Mr. Takeshita earned a Masters of Public Administration from the Harvard Kennedy School, and a Masters in Management from St. Mary's University of Minnesota. He currently holds a position as a Senior Program Officer for Twin Cities LISC

Paul Anderton, Associate, Creative Community Builders

Lead Research, Higher Education and Comparable Cities, Report Assembly

Mr. Anderton graduated from Lancaster University, UK with a B.A Hons in Theater Studies and English Literature. After training in external communications at the Guthrie Theater, Minneapolis, Paul returned to the UK to establish a career in arts marketing. As the New Business and Development Manager of AKA, the UK's leading arts marketing agency, he worked to establish strategies and marketing campaigns for a number of leading organizations including the Royal National Theater, The Young Vic, The Royal Academy of Arts and the National History Museum, London. He is currently studying for his Masters in Arts and Cultural Management at St. Mary's University, Minnesota.

Anita M. Larson, GIS Consultant GIS Mapping

Ms. Larson has worked for 16 years in direct human services practice, policy analysis and planning, in addition public and non-profit agency consulting. She currently works at the Center for Advanced Studies in Child Welfare at the University of Minnesota.

Allison Puderbaugh and Aubrey Scheffel, *Data Entry*

Very Special Thanks To:

Silicon Valley Nonprofit Cultural Organization Research

Bruce W. Davis, Executive Director, Arts Council Silicon Valley Ron Evans, Former Director, Local Marketing and Technology, Artsopolis Karen Park, Program Manager, San José Office of Cultural Affairs Lawrence Thoo, Arts Program Director, San José Office of Cultural Affairs Jeff Trabucco, Interim Managing Director, Artsopolis Audrey Wong, Grants Program Manager, Arts Council Silicon Valley

Profiles of Low Expenditure Nonprofits

Abby Chen, Director, Chinese Artist Network Maria Elena Varela, Raices de Mexico Sharon Kaye, Director, Mission City Opera Sujit Saraf, Artistic Director, Naatak

Santa Clara County Municipal Inventory

Claudia Cauthorn. Recreation and Community Services Director, City of Campbell Linda Craighead, Director of Palo Alto Art Center, Palo Alto Bill Ekern, Director, Project Management, San José Redevelopment Agency Sid Espinosa, Council Member, Palo Alto Regina Falkner, Community Services Director, Los Gatos

Mignon Gibson, Administrative Officer, City Manager's Office, San José

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Renee Lorentzen, Program Coordinator, Milpitas

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Kim Saxton-Heinrichs, Sr. Recreation Supervisor, Saratoga

Kimberly Smith, City Clerk, Cupertino

Nancy Steward, Superintendent of Recreation, Sunnyvale

Kimberly Thomas, Assistant to the City Manager, City of Mountain View

Lawrence Thoo, Arts Program Director, San José

Beverly Tucker, Recreation Director, Los Altos

Tom Walters, Recreation Supervisor, Cupertino

Silicon Valley Higher Education Inventory

Kathy Arnold, West Valley College

Jan Bernstein-Chargin, Gavilan College

Richard T. Bryant, Association of Performing Arts Presenters

Gerald Carter, West Valley College

Nancy Carter, De Anza College

Paula Davis, De Anza College

Mary Ellen, Institute for the Study of Western Civilization

John Espinosa, National Hispanic University

Mark Gonzales, Evergreen Valley College

Duncan Graham, Foothill Community College

Mary Hill, Notre Dame de Namur

Anna Koster, Stanford University

Bridget Kowalcsyk, San José State University

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Eve Page Mathias, San José City College

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Lori Thomas, Foothill Community College

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Data and Report Review

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John Killacky, San Francisco Foundation

John McGuirk. Irvine Foundation

David Mills, Knight Foundation

Lawrence Thoo, San José Office of Cultural Affairs

Summary of Methodology

Project Scope

To conduct an inventory of existing opportunities for cultural participation provided by the nonprofit sector in Silicon Valley, including colleges and universities, and to inventory recent levels of investment in the arts and culture by the 15 municipalities in Santa Clara County. The work resulted in a detailed and informed description of the nonprofit, higher education, and municipal cultural landscape of Silicon Valley. This data can be used to benchmark levels and types of organizations, activities, and public investment against similar urban regions in the state and nation and to define appropriate responses to these conditions.

Nonprofit Organization Data

Consultants developed a searchable database to provide a snapshot or inventory of nonprofit organizations defining themselves as addressing the arts, culture, and humanities based in the geographic area defined as Silicon Valley in Silicon Valley. Data fields were designed to capture and furnish the user with an overview of these various organizations, including address, website, mission, annual expenditures, year of origin, art forms included, types of programs offered, ethnic group(s) targeted, among other data. A dynamic online database was chosen so as to provide 1st ACT the option to update the data for ongoing use and to be able to analyze trends, to formulate strategies, and to benchmark results.

To capture a description of each organization many fields are to be marked for each entry. They are easily divided into financial and programmatic fields. Most fields are taken from established taxonomies. Options for organization type are based on the NTEE codes (National Taxonomy of Exempt Entities) Classification System developed by The National Center for Charitable Statistics. Organizational description is based on the NEA (National Endowment for the Arts) grant application options. Organizational and Targeted Race/ethnicity categories are from National Census categories. The product mix field originated with options from the NEA grant application project and organization disciplines.

To procure a primary universe of organizations for Silicon Valley, consultants performed a search of Guidestar.org (the premier online holder of nonprofit data) for the zip codes of Silicon Valley derived from the 2005 Joint Venture Silicon Valley definition. Guidestar data contributed a universe of over 700 organizations. This search focused on organizations that self-coded as an "arts" organization, was a 501c3, within the geographic scope. This search provided NTEE codes, addresses, and most current reported financial data. Additional organizations were added from current and past grant records of the San José Office of

Cultural Affairs and Arts Council Silicon Valley. Additionally, organization lists were provided by Artsopolis, and cross-referenced. A significant number of these were not listed elsewhere as nonprofits. Although the majority of organizations were already captured through the Guidestar search, the grant applications and Artsopolis provided information on smaller organizations in the area.

After preliminary data was captured for each organization, every entry was searched further to fill out additional data that could be easily found. This included looking at parts of 990s regarding financial and mission data, investigating websites of organizations, web searches on organizations, and certifying with the California Secretary of State that the organization was not dissolved. After deleting the dissolved or no longer active organizations (California Secretary of State denotes dissolved or suspended and web search produces no information) and removing the Universities and Schools to a separate database, a total of 659 organizations remained as the *active* 501c3 arts organizations in Silicon Valley.

Although the database captures the formal nonprofits in the area, it is lacking a large portion of the arts activity in the area that is represented by informal activity. Artsopolis alone produced an additional 464 active "informal" organizations. Due to limitations of the search (based on tax status) the database could be improved by addition of the many organizations that are organized informally in the area.

Use of NTEE Terms

NTEE Categories and Grouping for the Study

The NTEE (National Taxonomy of Exempt Entities) Classification System was developed by The National Center for Charitable Statistics (NCCS). This system is used by the IRS and NCCS to classify nonprofit organizations. It is also used by the Foundation Center to classify both grants and grant recipients (typically nonprofits or governments).

To simplify the data for this survey similar groups were pooled to make the information more readable. This process divided 65 disparate categories into 14 more streamlined groups. As an example the category we titled 'Music' also included Symphony Orchestras, Opera, Singing Choral, Music Groups, Bands and Ensembles.

Ethnic Awareness Organizations

The NCCS defines Cultural/Ethnic Awareness Organizations as groups that 'promote artistic expression within a particular ethnic community; work for the preservation and promotion of the traditions, values and lifestyles of different cultural groups; organize activities and events which promote cultural exchange locally or nationally; and encourage understanding and respect for different cultural heritages among the youthful members of the group as well as the mainstream population'. Nonprofits in this group in Silicon Valley include groups such as The Chinese Orchestra of North America and The Center for Persian Language Preservation.

Other Art, Culture, Humanities Associations

This category represents 'private nonprofit organizations whose primary purpose is to promote appreciation for and enjoyment and understanding of the visual, performing, folk, and media arts; the humanities (archaeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion); history and historical events; and/or communications (film, video, publishing, journalism, radio, television)'. In San José applicable organizations include San José Center for Poetry

and Literature and Books Aloud an organization who record books onto audio format for those unable to read by conventional means.

The classification also includes organizations that promote the 'study, teaching, or appreciation of the humanities' (archaeology, art history, history, modern and classical languages, philosophy and ethics, and theology and comparative religion).

'Other'

The category entitled 'Other' holds a number of different organizations of varying purpose and with a very small representation across the cities in the study. The grouping incorporated categories such as Water Resource, Wetlands Conservation and Management, Agricultural Programs, International Human Rights and Women's Rights.

Municipal Investments

An inventory of municipal investments sought to ascertain direct and indirect support provided to arts, culture and humanities organizations and activities. This included municipal expenditures for programs, facilities and other capital costs, facility operation, grants to nonprofits, support for festivals and events within the respective city borders and all other costs that could be reasonably determined. Santa Clara County was identified as the core area and while ambitious it contained a reasonable number of cities to inventory.

Initial research included web searches of municipal programs and facilities, surveys and interviews (both telephone and in-person) with representatives from the municipalities in Santa Clara County. More specifically, after determining the scope of the project this basic research was done on all 15 municipalities in Santa Clara County.

In October 2008, initial conversations were held with a limited number of municipalities to "test" the research questions and approach being proposed (telephone interviews, surveys and in-person interviews). This was followed by more in-depth research on each municipality, letters of introduction of the project from 1st ACT that were followed by phone calls that ultimately led to phone interviews with 14 of the 15 municipalities to gather qualitative information on their programs and help develop surveys regarding financial contributions to the arts and culture. In November, additional site visits were made to municipalities, ultimately in-person interviews were conducted with 11 of the 15 municipalities. After considerable follow-up to get return surveys, data was collected, analyzed and presented.

Higher Education Institutions

Consultants sought data on the facilities and programs offered through colleges and universities located in Silicon Valley to determine the scope and scale of this sector's contribution to the cultural product mix. It was not feasible to collect direct and indirect program costs for presenting series, museum and visual art exhibitions, and the like from over a dozen unique institutions. Data on the use and capacity of facilities dedicated to cultural programs that are open to – and in most cases targeted primarily at – general public audiences was collected. General descriptions of programming was developed and financial data was collected on recent capital construction costs for dedicated arts facilities.

Data in this report was sourced through various methods including institution websites, email exchange with relevant staff contacts and telephone interviews with staff members.

Before the pooling of information began, a list was drawn-up highlighting the area's universities and colleges that offer cultural programs to public audiences. All institutions resided in Silicon Valley and spanned renowned national institutions such as Stanford, to smaller organizations such as National Hispanic University and Cogswell Polytecnic.

All organizations were briefed on the background of 1st ACT and the motivation behind the research with the majority of dialogue being triggered by an introductory email. As the willingness to cooperate in the research varied greatly from one institution to the other it was often necessary to approach contacts over the phone and to set-up formal telephone interviews to ascertain their institution's contribution to the report.

Data has been collected in two formats: Firstly through the use of a spread sheet providing a table graph necessary to compare numerical data. This table shows the amount of facilities at each organization, the total square footage of exhibition space open to the public, the amount of theater seats available for public use and begins to chart capital investment in these facilities (although the nature of this data makes it difficult to draw many concrete conclusions).

Secondly, each institution has a corresponding section of a narrative document that provides a more detailed summary of the findings, including details of multiple venues at a university or other relevant information gleaned from conversations and interviews, which does not fit into the overarching research criteria. In addition, these information crib-sheets also explore the content and overall direction of the cultural programming at the facilities themselves.

City Comparisons

Consultants sourced the latest available IRS 990 Form tax return data from nonprofits in 10 U.S. cities and in the area of Silicon Valley. The information included the end of year expenses for each organization alongside the nonprofit's designated NTEE code, denoting the organization's primary activity. In addition, the population and physical square footage of each city was sourced from the U.S. Census Bureau to explore a number of variables across the various locations.

Organizations' names were run through a corporation search hosted by the applicable Secretary of State to ensure that nonprofits were still active at the time of the study. Organizations which failed to file a tax return since 2003 were not included in this analysis.

Grouping of NTEE Codes for the Purpose of this Study

Arts Councils, Advocacy and Supports Organizations

- A01 (Alliance/Advocacy Organizations)
- A02 (Management & Technical Assistance)
- A03 (Professional Societies, Associations)
- A05 (Research Institutes and/or Public Policy Analysis)
- A11 (Single Organization Support)
- A12 (Fund Raising and/or Fund Distribution)
- A19 (Nonmonetary Support N.E.C.)
- A26 (Arts Council/Agency)
- A90 (Arts Service Activities/Organizations)
- **B11** (Single Organization Support)
- C01 (Alliance/Advocacy Organizations)
- C60 (Environmental Education and Outdoor Survival Programs)
- L01 (Alliance/Advocacy Organizations)
- N12 (Fund Raising and/or Fund Distribution)
- P20 (Human Service Organizations)
- R01 (Alliance/Advocacy Organizations)
- S02 (Management & Technical Assistance)
- S99 (Community Improvement, Capacity Building N.E.C.)
- W70 (Leadership Development)

Arts Education

- A25 (Arts Education/Schools)
- A6E (Performing Arts Schools)
- B20—Elementary, Secondary Ed
- B28 (Specialized Education Institutions/Schools for Visually or
- Hearing Impaired, Learning Disabled)
- B42 (Undergraduate College (4-year))
- O50 (Youth Development Programs)
- O99 (Other Youth Development N.E.C.)
- B90 (Educational Services and Schools Other)
- B99 (Education N.E.C.)

Arts, Cultural Organizations- Multipurpose

- A20 (Arts, Cultural Organizations Multipurpose)
- N31 (Community Recreational Centers)

Cultural, Ethnic Awareness

- A23 (Cultural, Ethnic Awareness)
- W99 (Public, Society Benefit Multipurpose and Other N.E.C.)

Dance and Ballet

- A62 (Dance)
- A63 (Ballet)

Historical Societies and Related Activities

A80 (Historical Societies and Related Activities)

A84 (Commemorative Events)

Media and Publishing

A30 (Media, Communications Organizations)

A31 (Film, Video)

A32 (Television)

A33 (Printing, Publishing)

A34 (Radio)

Museums

A50 (Museum & Museum Activities)

A51 (Art Museums)

A52 (Children's Museums)

A54 (History Museums)

A56 (Natural History, Natural Science Museums)

A57 (Science & Technology Museum)

Music

A68 (Music)

A69 (Symphony Orchestras)

A6A (Opera)

A6B (Singing Choral)

A6C (Music Groups, Bands, Ensembles)

Other

C32 (Water Resource, Wetlands Conservation and

Management)

F21 (Alcohol, Drug Abuse (Prevention Only))

G81 (AIDS)

K20 (Agricultural Programs)

P80 (Services to Promote the Independence of Specific

Populations)

P81 (Senior Centers/Services)

Q33 (International Relief)

Q70 (International Human Rights)

R20 (Civil Rights, Advocacy for Specific Groups)

R24 (Women's Rights)

T40 (Voluntarism Promotion)

Other Art, Culture and Humanities Organizations

A70 (Humanities Organizations)

A99 (Other Art, Culture, Humanities Organizations/Services

N.E.C.)

Performance Arts

A60 (Performing Arts)

A61 (Performing Arts Centers)

Theater

A65 (Theater)

Visual Arts Organizations

A40 (Visual Arts Organizations)