

NONPROFIT ANALYSIS:
PORTLAND INSTITUTE FOR CONTEMPORARY ART (PICA)

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Nonprofit Management

Introduction

Portland Institute for Contemporary Art is a 501(c)3 corporation founded in Portland in 1995. The organization focuses primarily on nonprofit functions, as defined by Frumkin (2002), within social entrepreneurship and values and faith, although one could say that it provides a service as well. The organization faces many complex challenges both internally and externally mostly focused within sustainability of financial resources and facilities, capacity building, and audience development, but PICA has developed strengths to adapt in the face of these adversities. To overcome these challenges and to continue along a path of sustainability, PICA will need to focus in four distinct areas: program development, audience cultivation, financial sustainability and facilities sustainability.

Mission and History

PICA is one of just a few organizations in Portland supporting the experiments of artists, and they do this locally, nationally and even internationally. They are decidedly forward thinking and adaptive, embracing the same sort of need for experimentation seen by their artists in their own programming and organizational approaches. “Portland Institute for Contemporary Art acknowledges and advances new developments in contemporary art while fostering the creative explorations of artists and audiences (Portland Institute for Contemporary Art, 2015).” PICA is unique in how it explicitly encourages experimentation, experimental practices and risk-taking, and in how the organization works alongside artists who are blurring the boundaries of the art world, dissolving separation between artistic mediums and roles in the art world. Ultimately, their programs push against art traditions and expectations and act as a catalyst for important and timely conversations about contemporary culture.

The organization was founded by artist and curator, Kristy Edmunds, “in response to a widening gap between the established traditional institutions and emerging alternative spaces (Portland Institute for Contemporary Art, 2015).” There was a need for contemporary art programs that would cross disciplines, explore alternative spaces, and engage a broader range of artists with Portland’s art scene. The organization was founded during an economic boom, and was able to rapidly establish programs, a loyal patron base, build a positive reputation, increase visibility and establish strong partnerships with the private sector. In just six years, PICA grew from a \$150,000 organization to a \$1,500,000 institution (*Strategic Plan 2011-2013*, 2010). They explored varying models of programming, organizational structure and facilities. Much of the work that Kristy did in these early years happened in alternative spaces around the city, and that impermanence, flexibility and adaptability, as well as a deeply-rooted focus on artists and artist-led projects, has stayed with the organization ever since.

Primary Activities and Strategies

Like the majority of arts organizations, PICA focused on offering year-round programming at first, trying to engage the greatest number of people through a longer period of time, and by hosting different programs and events throughout each year. This strategy proved to be a strain on precious time and resources, especially within an organization already stretched thin by a limited resource base and small staff. They later restructured their programming to center around a large, internationally-focused contemporary arts festival, the Time-Based Art (TBA) Festival. This decision proved itself to be an effective one, as the organization could now focus its efforts on these ten days in September, more efficiently using resources and benefitting from greater energy and momentum, rather than diluting resources and programmatic energy by trying to stretch programs throughout the year (*Strategic Plan 2011-2013*, 2010). TBA Festival

draws an international audience, and is one of the most well-known experimental contemporary arts festivals in the nation. It is a highly unique event, drawing on venues throughout the city and creating their own venues from warehouses and other vacant buildings as alternative spaces to house often newly commissioned works by provocative contemporary artists.

Outside of the festival, PICA organizes additional visual arts and multidisciplinary events and public programs throughout the year. Projects may take shape as an exhibition, publication, performance, dialogue or a hybrid of disciplines and mediums. They also offer a resource room, open to the public, which provides a unique collection of materials that explore contemporary multidisciplinary art and art practice. PICA's "Institute" or public engagement arm takes on an expansive view of art education and has really developed over time to utilize creative strategies in connecting the general public with contemporary arts on a deeper level. Institute provides the context around the work, connecting the public with the artist, the art process and the concepts that inform the work. Institute programs might include anything from participatory workshops, conversations, panels, and lectures to gallery tours, screenings and in depth field guide sessions that take an audience through a multi-layered in-depth experience of a specific work. They work closely with local academic institutions and community groups to engage people of all ages (Portland Institute for Contemporary Art, 2015).

PICA's Creative Exchange Lab was recently designed as a new but integral part of the organization's programming directed specifically at fostering collaborative exchange between artists of varying disciplines and supporting artist-led projects. It is an artist residency program that is comprised of two labs per year. Artists are invited to Creative Exchange Lab for in-depth cross-disciplinary research and experimentation, interacting with other artists for a unique collaborative experience (Portland Institute for Contemporary Art, 2015).

Beginning in 2013, PICA was able to start a grant program, The Precipice Fund, to provide “critical support for artist-driven organizations, projects, initiatives and publications on the edge of art practice”, and “operating outside of traditional forms of support” (Portland Institute for Contemporary Art, 2015). These experimental projects are deemed to be integral to Portland’s art community but are not traditional compared to work usually awarded grant funds.

Because of the adaptive and flexible nature of the organization, ability to consistently offer itinerant programming, and its overall responsiveness to economic changes and changes in philanthropy, audience participation and the landscape of the Portland community, PICA has managed to overcome many challenges, not only maintaining resiliency, but continuing to grow. PICA has historically focused heavily on building relationships, partnerships and cultivating a strong donor base. They have had to respond to donors who increasingly want direct, participatory experiences with PICA’s programming (*Strategic Plan 2011-2013*. 2010). The organization continues to cultivate new strategies for increasing donor participation and engagement.

Organizational Structure and Governance

PICA’s structure is organized in a horizontal manner, with almost all permanent staff situated at the same level just below the co-directors (Executive Director and Artistic Director). There is an intrinsic nature of horizontal collaboration within the organization, and this is demonstrated in the unique nature of the co-directorship as well as the numerous middle management positions that operate side by side. The “departments” mostly consist of just one or two people, but when TBA planning commences, these fill out, entirely new departments spring into action, and the office staff increases dramatically. During this time, the organizational structure moves towards a more traditional vertical structure, which provides more top-down

supervision and direction necessary to organize so many additional people in such a short time frame (Frey, 2015).

There is considerable crossover between these departments, with people sometimes working outside of their areas and helping others with projects. With so much going on within such a small organization, the staff have to be very mindful of their time and responsibilities, being careful not to take on too much or step too far outside of their own department (Frey, 2015). There is often more work to be done than what could realistically be accomplished, a seemingly normative case in the non-profit sector.

PICA is advised by a Board of Trustees with 20 members that provide resources and guidance, a Leadership Council and a National Advisory Board (Portland Institute for Contemporary Art, 2015). The latter two serving more as a pool of association and potential resources, connecting PICA to an influential national network, rather than an advisory role. For an organization that relies heavily on acquiring space, a variety of resources, and creative capacity, it is important for them to have a diverse board that they can rely on in a variety of ways. The board serves as a brain trust; PICA needs individuals on the board who can be fundamental to capital campaigns and fundraising, who have knowledge of city planning and development, and financial management. They look to many different kinds of people as potential board members including architects, real-estate developers, engineers, artists, business leaders, arts professionals, and financial experts, among others. The board serves primarily in an advisory capacity, also providing resources in whatever way that they can. Beyond their advisory role, the board provides donations that are “personally significant,” involve friends, purchase passes to the festival and galas, and participate in fundraising activities. They are asked to bring their circle of influence with them to PICA. It has been agreed that the board does not have any

influence in curatorial matters, and sometime they might even have strong negative feelings toward artistic choices, but it is accepted that this is the nature of the work. The makeup of the board has changed as PICA's needs have changed. It has gone from a founding board to a capital campaign board and now they are looking for a sustaining board; one with younger leadership that can reach across a broader spectrum (Frey, 2015).

Financial Analysis

The most recently reported financial information is for fiscal year 2013. According to the Internal Revenue Service (2013, 2012, 2011), total revenue for the most recent three years was \$1,244,308 in 2013, \$1,633,149 in 2012, and \$1,480,618 in 2011. As demonstrated in Figure 3, the majority of PICA's revenue was from contributions and grants and fundraising events, decreasing from 84.2% in 2011 to 75.8% in 2013. This was followed by program service revenue which was mostly ticket sales but some concessions, starting at 13.2% in 2011 and increasing to 16.7% in 2013. Other revenue increased from 2.6% in 2011 to 7.4% in 2013 and investment income went from zero to 0.1% in 2013. This demonstrates a gradual shift and diversification in income, moving slightly away from contributions and grants to greater earned income through ticket sales, events and concessions.

Total expenditures for the most recent three years was \$1,547,073 in 2013, \$1,279,849 in 2012, and \$1,080,088 in 2011. Leading expenses include other expenses (which increased from 53.5% in 2011 to 59.4% in 2013) and salaries, compensation and employee benefits (which decreased from 46.5% in 2011 to 40.6% in 2013). "Other expenses" include such things as advertising and promotion, office expenses, occupancy, travel, insurance, artist fees, equipment rental and purchase, and printing. (Internal Revenue Service, 2013, 2012, 2011)

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

Strengths

PICA has a strong programming foundation with its festival and the growth of additional programming. TBA Festival offers a platform by which they can reach many new people every year. It draws local, national and international audiences. Attendance and ticket performance has continued to grow and visibility for the festival continues to increase. Participation in Institute activities has grown rapidly and is creating a demand for education related activities throughout the year. They recently hired a Community Engagement Manager in 2013 which has expanded their year round educational programs, has made the TBA Institute programs more robust, and has increased visibility. As PICA grows its programming, it increases its visibility and audience.

Working with impermanent, itinerant spaces as artistic venues and project exploration allows PICA to retain low overhead costs while finding unique venues specific to artist project needs, creating better synthesis between the experience of the work and its setting (*Strategic Plan 2011-2013*, 2010). It also generates interest in new audiences and brings the work out into the community. While relying on this strategy entirely is difficult and draining, the fact that PICA is able to utilize itinerant programming on some level helps keep some costs down and extends the organizations reach out into the community in a different way.

PICA has successfully cultivated relationships with local, established business and other organizations, and has done a great job of making relationship building and partnerships a key part of the organization's strategy. Building key relationships is an important part of what has led to PICA's continued growth and success and is a continual part of its strategy moving forward. Partnerships with influential individuals, businesses and other organizations has allowed PICA to disperse or alleviate costs, gain access to resources and programming space, navigate complex

logistics and policies around programming in alternative spaces within the city, cultivate new audiences, diversify its funding and expand its visibility and outreach.

Weaknesses

Financial instability has really had an effect on the organization, impacting staffing infrastructure and their ability to properly plan ahead instead of responding to the immediate. PICA's financial structure has not been sustainable. Building assets through development of cash reserves and artistic funds has been outlined as a priority for the organization for a while but has not yet been implemented as the recent recession, coupled with priorities in other areas, have made it difficult to advance plans for a capital campaign. They have not received enough fundraising support from the board, many past donations have lapsed, and they are no longer eligible for much of the foundation support that has been their strength in the past several years (*PICA 2015 Development Plan*, 2015).

Facilities and programming space remains a consistent problem. Their current physical location limits access and visibility. They also have difficulties in securing program space with enough lead time for effective implementation. They currently do not have a sustainable facilities model (*PICA Strategic Planning Priorities*, 2015). Building out new spaces so often is extremely time consuming, requiring a significant amount of planning.

They are also facing challenges in reaching new audiences and cultivating new partnerships outside of the TBA Festival, needing to expand participation and grow their audience base (*PICA Strategic Planning Priorities*, 2015). TBA stimulates considerable community participation over the ten days of the festival, but the relatively short timeframe of the festival format can be limiting, as participation and membership cultivation is difficult to continue throughout the rest of the year (*Strategic Plan 2011-2013*. 2010). While PICA has

grown its programs, it still has not established consistent year round programming, so it is difficult to maintain this momentum that is so well exemplified during the festival. It has also become more difficult for PICA to secure corporate donations and partnerships with decreased visibility during off months. While interest in educational activities or an extension of the Institute programs throughout the year has increased, PICA is still limited by the fact that most of its partnerships are still centered on TBA festival. TBA is a huge success, but it does not fully exemplify PICA's mission or their programming objectives or allow PICA to work with artists outside of the fall (*Strategic Plan 2011-2013*, 2010). In order to meet its mission and objectives, the organization must continue to expand its programs and audiences throughout the year. They have also under resourced marketing for many years, making audience cultivation a major challenge (*PICA Strategic Planning Priorities*, 2015).

Lastly, another current weakness is the absence of a board development committee and decreased infrastructure in development staffing, staff turnover and slow board development, which is neither increasing in size nor capacity (*PICA Strategic Planning Priorities*, 2015). The board is also not giving as much to the organization as it should be (*PICA 2015 Development Plan*, 2015). Lack of board development and contribution severely hinders their overall capacity and does not allow them to easily confront their other challenges in financial and facilities sustainability and audience development. Capacity building will not be able to happen without a strong board and development team. PICA has recently faced challenges in board recruitment, having already gone through many people in the community who demonstrate commitment to PICA and are a good fit for the organization. They are in need of expanding board recruitment.

Opportunities (external)

The organization's current space is highly flexible, allowing them to hold some programming and additional events there that build context around the other major works, bringing community members into the space, increasing exposure to the resource room and generating great visibility for the organization. They are able to rent out their space for additional revenue, and it seems that interest in renting this space has been increasing (Frey, 2015).

Portland is constantly growing and changing, with the potential to provide new audiences. According to Metro News (2015), the Census Bureau indicates that the city's growth surged from 2013 to 2014 with the metropolitan area's population rising to an estimated 2.35 million, and making it the 15th fastest growth among the country's 50 largest metro areas. Nearly half of these residents moved from other parts of the United States. Because PICA has underutilized marketing for such a long time, they have the opportunity to build up their marketing strategies. There is great potential in expansion, diversification and tapping into this new, broader audience.

Also due to the growing nature of Portland, there is continued potential for new partnerships and venues for programming, although likely outside of the saturated Pearl District. PICA is exploring ideas for facilities in the growing east side of the city as well as other areas that are becoming more developed (Frey, 2015).

Threats (external)

Without increased financial assets, they will not be able to afford to renew their lease in the coming years as the Pearl District in Portland has grown and real estate prices have dramatically increased. The real estate landscape of Portland is changing citywide. PICA is also finding that it is increasingly difficult to continue on this completely itinerant programming model, as it is more and more challenging to find and secure programming space (*PICA Strategic*

Planning Priorities, 2015). There is less space available and owners seem less likely to be flexible in pricing and use of the space, especially as demand for space increases overall.

As Portland grows, PICA faces increased competition by other arts organizations vying for the same support and visibility. Portland is home to countless artists and arts organizations, and while it is supportive of the arts as part of its cultural fabric, there is little tangible grant support and few committed donors for how many artists and arts organizations populate the city (Frey, 2015).

Recommendations and Conclusion

PICA will need to focus in four distinct areas: program development, audience cultivation, financial sustainability and facilities sustainability.

Now that they have established a strong presence with the TBA Festival, introduced a granting program and artist residency program, as well as hired a Community Engagement Manager, they are in a good position to further expand arts and education programs into slower months, securing partnerships in association with these new programs to increase impact and visibility. Because of the nature of the organization, they have the capability to develop creative engagement and programming strategies to cultivate new ways of connecting audiences with contemporary art and corresponding concepts. They might even consider using the TBA Festival as a sort of trial run for new programming ideas to then be implemented in the off season.

It will be very important for PICA to redistribute resources to strengthen its marketing strategies. They need to identify what new audience they are after, taking note of the increased growth across the city, and come up with concrete strategies for how and why to engage those audiences. Increased programming throughout the year will help with audience development.

PICA must work to establish a board development committee, refine board recruitment strategies and ensure that board members are aware of their commitment and expectations. They must emphasize increased committee work and encourage increased board involvement in development and fundraising. PICA's board and development staff must work to diversify funding, securing new donors and re-establishing lapsed donations with past supporters. They need to work to refine membership strategies to encourage new membership across a broader audience, creating opportunities for donors and members to have direct and individualized engagement with the organization and its programs in a unique way through specialized membership events and communications. The organization also needs to seek out other outside funding sources, and work to cultivate new partnerships with diverse businesses and organizations across the city.

It is clear that unless PICA is able to significantly increase its revenues, the organization will not be able to maintain its current home. They must research other areas of the city for potential facilities that ensure a more sustainable, longer-lasting presence while also securing beneficial partnerships with those who may have connections to property development and real estate. They must consider their needs for this new space, rethinking the idea of relying entirely on temporary venues and considering a space that will allow them to host more programming within their permanent facilities.

While PICA is certainly faced with many challenges, especially as an experimental contemporary arts organization with difficulty expanding its audience, the organization has demonstrated its capability to adapt to changes in landscapes of urban development, donor support, and audience participation. As they celebrate their 20th anniversary, the organization will surely look ahead with many new strategies to continue to boldly progress forward.

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Figure 1

REVENUE

2013 Revenue Sources

Contributions and grants	75.80%	\$ 942,802.00
Program service revenue	16.70%	\$ 207,806.00
Other revenue	7.40%	\$ 92,085.00
Investment income	0.10%	\$ 1,615.00
Total Revenue		\$ 1,244,308.00

2012 Revenue Sources

Contributions and grants	83.90%	\$ 1,370,566.00
Program service revenue	13.10%	\$ 214,294.00
Other revenue	3.00%	\$ 48,289.00
Investment income	0.00%	\$ -
Total Revenue		\$ 1,633,149.00

2011 Revenue Sources

Contributions and grants	84.20%	\$ 1,246,756.00
Program service revenue	13.20%	\$ 195,259.00
Other revenue	2.60%	\$ 38,502.00
Investment income	0.00%	\$ -
Total Revenue		\$ 1,480,517.00

Figure 2

EXPENSES

2013 Expenses

Other expenses	59.40%	\$ 918,603.00
Salaries, compensation and benefits	40.60%	\$ 628,470.00
Total Expenses		\$ 1,547,073.00

2012 Expenses

Other expenses	55.90%	\$ 715,138.00
Salaries, compensation and benefits	44.10%	\$ 564,711.00
Total Expenses		\$ 1,279,849.00

2011 Expenses

Other expenses	53.50%	\$ 578,193.00
Salaries, compensation and benefits	46.50%	\$ 501,895.00
Total Expenses		\$ 1,080,088.00

Figure 3

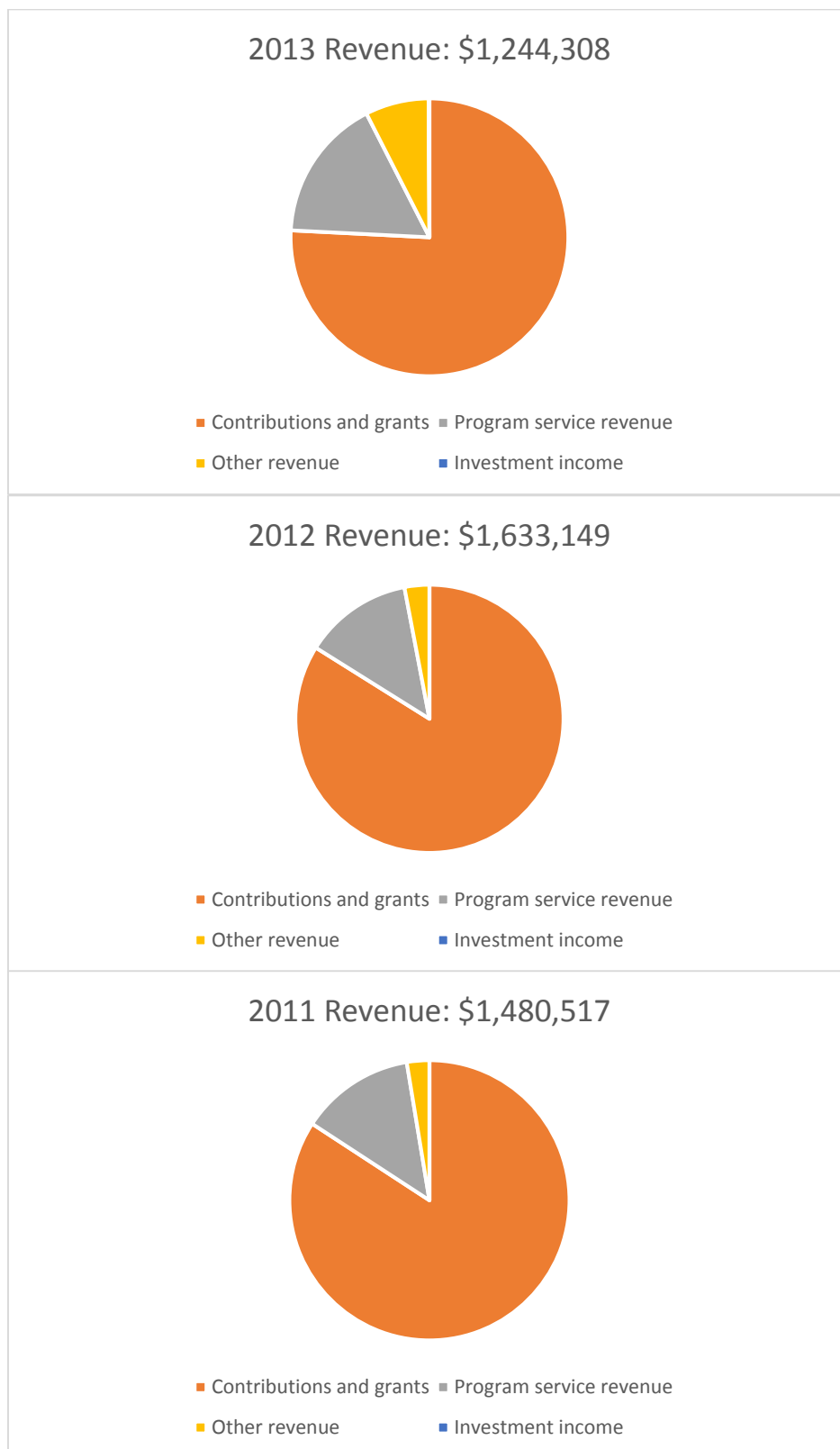


Figure 4

