


# **Financing Creative Placemaking**



*Executive Summary*

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# Executive Summary

Over the course of the last ten years, creative placemaking has grown from a niche activity to the mainstream of arts-based community development. It has influenced every sector of community practice from health and housing to public safety, youth development, and environmental sustainability. It has caught the attention of local government agencies, community organizations, anchor institutions, and philanthropies as an important mechanism for community change.

Core to the growth of this field has been a 10 year, \$100+ million investment from ArtPlace America. At the end of 2020, ArtPlace will sunset. Though this exit marks the end of a significant funding portfolio for the field, ArtPlace's investments, convenings, and research, in concert with the work of its many funders and partners, have laid the groundwork of a robust field of practice with the potential to harness resources from diverse funding streams.

While shifts in the funding landscape for creative placemaking can be expected, the social, political, and economic landscape in which this one is occurring was unanticipated. The world is in the midst of a public health crisis due to COVID-19, with

small businesses and commercial corridors being wiped out, nonprofits, particularly those in the arts, struggling to survive, and local governments attempting to fill large budgetary gaps in response to the crisis itself. At the same time, the Movement for Black Lives is pushing people and institutions in the U.S. and beyond to rethink their funding priorities as racial disparities are becoming impossible to ignore.

The cross-sector, community-centered work of creative placemaking is as vital as ever. As recent research makes clear, the arts have a unique and important role to play in addressing the “upstream” determinants of health inequities—including racism and collective trauma—that have made COVID-19 so deadly for Black, Latinx, and Native communities.<sup>1</sup> Creative placemaking has, over the last decade, proven effective in counteracting the effects of these crises by strengthening local economies, promoting social cohesion, and supporting comprehensive community development.

**Given the shifting landscape of creative placemaking and the economy as a whole, what does the future look like for funding creative placemaking?**

Though the field of creative placemaking has been built and supported most prominently by arts funders, practitioners frequently piece together funding from a variety of sources across many sectors to make the work happen. In times like these, when arts funding is under strain, the nature of creative placemaking activities could offer potential for harnessing resources across sectors.

## Key Findings

To understand existing funding streams and patterns in creative placemaking, this report analyzes the project budgets and narratives from grants made by three funders—ArtPlace, the National Endowment for the Arts (NEA), and the Kresge Foundation—between 2010 and 2019. The following key findings outline these observed funding characteristics and identify gaps and areas for growth in the funding landscape.

1. For the projects represented in this study, the primary award received typically formed an essential base of funding—37% of the overall project budget on average—the largest single source in most funding stacks.<sup>2</sup> This suggests that awards


from funders like NEA, ArtPlace and Kresge are often catalytic for practitioners, either in terms of attracting additional funding or setting the scale of the work.

2. Organizations typically utilize funding from five to seven sources in addition to the primary award. **Foundation Grants** are the most widespread source of secondary project funding, comprising on average nearly 15% of total project budgets. The median grant amount is \$67,500 per foundation. **Corporate contributions**, including those from 501c3s, were also utilized frequently, but the amounts were typically smaller, comprising on average less than 6% of total project budgets at a median value of \$25,000. In addition to serving as grantees and implementers of creative placemaking, **Local Government support** is the fourth most frequently used secondary funding source across the dataset and provides a median funding amount of \$30,500.<sup>3</sup> Finally, compared to project-based grants, organizations receiving general operating funds were more likely to utilize **Earned Income** as a funding stream.
3. While traditional arts funding streams—foundations, corporate contributions, and government arts grants—are widely used in the creative placemaking field, many

less conventional funding streams have provided critical support for creative placemaking work over the last decade and may be underutilized. Not all communities have a strong philanthropic or corporate sector, so other forms of funding are vital; this disparity showcases how place matters in creative placemaking. Within the dataset analyzed, many other funding streams were used to support creative placemaking. Some notable examples include:

- Federal sources, including programs from the Department of Housing and Urban Development (Community Development Block Grants, Choice Neighborhoods, the Low-Income Housing Tax Credits), the Department of Agriculture (The People’s Garden, the Healthy Food Financing Initiative), the National Park Service (Historic Preservation Tax Credits) and the Environmental Protection Agency (Environmental Justice Small Grants, Urban Waters)
- State: Department of Transportation, Department of Agriculture, State Tourism Board
- Anchor institutions: Colleges & Universities, Hospitals, Corporations
- Community Development Financial Institutions
- Loan and Debt Financing

4. In many cases, **grantee organizations and project partners contribute cash, time, volunteers, or other resources to make their projects happen.** Based on the data available, it is estimated that these contributions amount to an average of \$96,750 per project (\$37,500 per individual source). Qualitative interviews reinforced the significance of this contribution, making clear that In-Kind and Parent Organization support is made possible by the fact that grantee organizations undertake creative placemaking activities out of a commitment to community outcomes and because they see the work as foundational to their mission. This significant investment on the local level is also demonstrative of the galvanizing power of coming together around a shared goal for a place or community.
5. There are a variety of natural partners across sectors that may be tapped when seeking to fund creative placemaking work. In our analysis, the most prevalent cross-sector focus was Economic Development, followed by Education & Youth, Environment & Energy and Health. These sectors may be seen as “low-hanging fruit” to **diversify creative placemaking funding streams.**



This study reveals common patterns from the past 10 years of creative placemaking funding and points to the relatively untapped potential of certain types of funding. The future of creative placemaking funding should focus on identifying, harnessing, and unlocking these underutilized or unutilized resources. To this end, we highlight four opportunities to advance the diversity of funding sources in the field:

**Opportunity #1  
Identify and bolster  
“translators” and  
translational resources.**

Much of the on the groundwork of creative placemaking is about translating across sectors. In order to build capacity in the field and to expand the flow of non-arts specific resources, people, programs, and resources that help translate between practitioners, private funders, and public agencies are vital. Many of the underutilized funding sources may be unfamiliar or feel inaccessible to creative placemaking practitioners. Similarly, some organizations which may already be utilizing these funding sources may be less familiar with creative placemaking strategies. Funders or public agencies such as the Department of Agriculture, Health and Human Services, or Housing and Urban Development may not understand the ways in which creative placemaking practices can be (and are being) deployed towards the various community-level outcomes they seek to

achieve. To that end, more “translators” and translational resource are needed, including but not limited to:

- Curated guides to federal and state funding opportunities for creative placemaking practitioners to unlock some of these sources focused on creating outcomes in other disciplines
- Capacity building efforts, including educational programming for practitioners and funders to embed or expand CP approaches in their work
- Local “matchmakers” between municipal, regional, and/or state programs and practitioners on the ground to facilitate relationships and funding flows

**Opportunity #2  
Forge long-term  
partnerships that  
diversify support  
infrastructures.**

Increasingly, nonprofit corporations such as universities, hospitals, and special service districts (like business improvement districts or commercial corridor management organizations) are undertaking creative placemaking work—and in some cases are the recipients of creative placemaking funding themselves. That said, for places without robust partnerships between arts and culture organizations and their local anchors currently in place, taking strides

to develop those relationships around creative placemaking projects could be beneficial not just from a project financing perspective, but for forging long-term creative placemaking collaborations with diversified support infrastructures.

**Opportunity #3  
Fundraise around larger  
community goals, as  
opposed to the discrete  
project activities.**

The way organizations and their boards, community partners, and corporate allies have invested collectively in a community outcome may be an important model for attracting or leveraging new funding in collaboration with partners in the community. In some cases, articulating these overarching goals may help connect the work directly to new funding sources. In other cases, there may be opportunities to demonstrate how creative placemaking elements contribute to the overall value proposition of holistic community development efforts.

**Opportunity #4  
Remove barriers  
to access in existing  
funding programs.**

As the current moment and the widespread movement for racial justice call on institutions to re-examine and reconsider funding processes, priorities, and restrictions, these funders should also consider what barriers might exist that inhibit the “who” and the “what” of creative placemaking and impact the sustainability of the field at large. Such barriers might include:

- Restrictions on budget size or organization type, which especially impact BIPOC-led arts organizations
- Preferences for “new” projects or partnerships, as opposed to existing initiatives
- Restrictions on matching funds
- Prohibiting use of funds on capital improvement
- Highly restricted, project based funding models

Creative placemaking, under many names and guises, has been taking place for decades. It preexists the terminology and the funding programs now most closely associated with it. Yet, over the last ten years, creative placemaking has become a defined field. The challenge it faces now is to grow and mature in the face of the

departure of one of its most formidable funders and exponents, ArtPlace. This report demonstrates one crucial aspect of creative placemaking: its funding dynamics. The findings of this study will allow funders and practitioners alike to better understand what it takes to fund creative placemaking and offer useful guidance and recommendations to influence the direction of the next phrase of creative placemaking’s evolution. Even as crises like COVID-19

and structural racism seem to undermine the foundations of our communities, the liberatory potential of creative placemaking can help to build a more just world that lives up to its own highest potential.



*Photo courtesy of Broadway Housing Community (Michael Palma)*





# Notes

1. Sonke, J, T Golden, S Francois, J Hand, A Chandra, L Clemmons, D Fakunle, et al. “Creating Healthy Communities through Cross-Sector Collaboration.” White paper. University of Florida Center for Arts in Medicine / ArtPlace America, 2019. [https://arts.ufl.edu/site/assets/files/174533/uf\\_chc\\_whitepaper\\_2019.pdf](https://arts.ufl.edu/site/assets/files/174533/uf_chc_whitepaper_2019.pdf).
2. It should be noted that this data skews towards creative placemaking projects that are non-capital improvement focused, since much of the dataset consists of NEA Our Town grants which prohibit the use of funding for construction, purchase, or renovation of facilities. When looking at subsets of the data where projects are focused on capital improvements, generally we see a much higher reliance on Loan/Debt Financing, Parent Organization Support, and Governmental support (particularly Local Government). These projects also tend to fall within the fourth quartile of project budget sizes (\$593k+).
3. State, regional, and federal sources may be underrepresented in the dataset because the NEA restricts the use of federal funds and state art agency funds that are passed through the NEA towards the required 1:1 match.

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