

INTRODUCTION or WHY ALL THIS FUSS IN THE FIRST PLACE?

In 1935 the Lexington Arts and Crafts Society began as a group of artists meeting in living rooms. Since then we have evolved with the times, the needs and the resources of our members. Today, we are an organization of more than 400 artists working in our own building.

This committee's report is about change. Change is not always welcome. One thing we learned from the survey we conducted last June is that the members of this organization are, for the most part, content. Many members clearly like things just as they are and see no need for change. While a happy membership is a good thing, too much "happiness" can lull people into ignoring the changes that are happening around them and discourage thinking about or planning for change.

This report will highlight some of the changes that have happened and others that will happen no matter how happy the membership is with the status quo. The Long Range Planning Committee's (LRPC) focus has been to consider what the Society will look like in five years and ten years. If we can envision that future for ourselves, we will be able to identify and carry out the steps that will make it a reality.

The image we have kept before us is of a building bustling with artists and craftspeople working, talking, exhibiting, teaching each other, bringing in speakers and teachers, sharing their enthusiasm with the public...in short, a hub for people who love and practice an art or craft. How do we get there?

Our premise in undertaking this report is that it is better to understand and thereby control change than just to let it happen.

This report is hardly comprehensive. It is not a blueprint for the future. It is a distillation of what we have heard from the membership, what we have learned by looking at "the numbers," and our thoughts on what all of this might mean as the Society goes forward. As a committee we want this report to spark a much fuller discussion. We hope it will provide a framework for those discussions.

SUMMARY

Resources: Money and Members

During our discussions we often asked what would happen if we do nothing. The answer was alarming. Two facts kept popping up:

- Our membership is slowly decreasing and our membership is elderly.
- Our operating expenses are increasing.

If we do nothing and trends continue, we will not last. We cannot operate at a deficit year after year. Without reversing the downward curve of our membership numbers, the best we can hope for is to reach a stable plateau. This smaller membership will carry the whole financial and administrative burden for the Society until they crumble under the burden and are forced to close the doors. This same phenomenon has closed many churches in recent decades.

This vision of the future does not reflect the many the possibilities we have. Our members are a talented and skilled group who have great ideas for using the building and expanding our programs. We can do so only if the Society is on stable ground.

Finding more members and resources will take hard work, but the members of the LRPC are unanimous in our belief that the worst response of all is to do nothing. We need specific plans for acquiring enough money. We need to decide who is going to do the work that needs to be done. If we do nothing the Society will go broke and fall apart as a community.

Governance and Administration

We also noted that the Society is not functioning well as a community. It has become a federation of guilds that seldom interact. As members focus increasingly on their own guild activities, the Society has become “invisible” to many, reducing volunteer efforts at the Society level. This environment will also hamper the kind of coordinated efforts needed to revitalize the organization.

The isolation of the guilds prevents members from benefiting from the skills and talents of members of other guilds. One of the main reasons we join is to be with other people, but our organizational structure keeps us from getting to know one another.

Revitalizing the Society will take coordinated efforts to increase our visibility to the arts and crafts community and the public, to improve our programs, and to use our building to attract new members. The present system of governance and administration is cumbersome and time-consuming, further reducing the willingness of members to serve in executive and society level positions. In addition, it does not provide central leadership to build a sense of community.

Building and Program

Our building is in reasonably good shape, and it is a significant asset. There is no long-term plan for maintenance or improvement; nor is there a capital fund to pay for work that will need to be done even if no improvements are made. There are ways in which the building does not serve the Society’s current needs. This will have to change if new programs, such as additional classes or guilds, are to occur.

Recommendations in Brief

We recommend the following be undertaken immediately:

- **The Society continues its efforts to adopt standard business practices.**
- **The Society identifies ways to create adequate annual operating expenses.**
- **The Society writes a schedule of building maintenance to be funded outside the operating budget.**
- **The Society develops a plan to renovate the building to allow for increased programming.**
- **The guilds and the Society implement programs to attract new members.**

We also recommend that the Executive Committee consider the following:

- **Alternative organizational structures that would place less importance on the guilds.**
- **Removing the governing board from day-to-day operations, and hiring a full or part-time director to manage day-to-day operations.**
- **Hiring a consultant to guide the Society through what are likely to be several years of transition.**

FINDINGS AND RECOMMENDATIONS

RESOURCES: TIME AND MONEY

In the opinion of the committee, immediate attention must be paid to planning for adequate resources if the Society is to continue. We cannot continue as we are.

This is what we know:

- We have operated at a deficit for the past two years.
- LACS has not kept up with standard business practices in its finances. Without readily accessible, clear financial records and administrative filings, it is difficult to provide the information needed to apply for grants, mortgages or go to corporations to ask for donations. In addition, even our members indicate they are less willing to make capital donations to the Society if we are unable to tell them exactly how much money we need or how it will be used. This puts a damper on pursuing matching funds, for example.
- The Society is dangerously dependent on the sales generated by the Fair and Holiday Marketplace for its operating revenues.
- The survey indicates that members have a very poor understanding of the organization's finances, governance and administration.
- Our membership is steadily declining.
- Our membership is elderly.
- It is increasing difficult to find volunteers to take on Society positions because the work is seen as overwhelming.
- Building maintenance and improvement will need money; however, there is no capital plan or funding.
- Without building improvements, it will be nearly impossible to expand or improve programming.

Financial Facts

Last year's expenses exceeded revenues by nearly \$8,900. This year we anticipate Society expenses to run near \$130,000, in part because maintenance costs had to be included in the operating budget. Revenues are expected to come to nearly \$120,000, creating a shortfall of \$10,000 (Please read the annual report for details.)

The Society does have cash assets amounting to about \$200,000. Again, because of our financial records, we do not have a good handle on these numbers. Some of the money is restricted meaning that it can be used only for very specific purposes.

We own a valuable piece of property, but the official listing of this asset is outdated in our books. We could get a mortgage amounting to several hundred thousand dollars on the property if we can provide two years of financial data using acceptably practiced record keeping and if we can demonstrate a source of revenue, neither of which we can do now. Lending institutions hesitate to offer mortgages to community organizations because, if they fail, they are put in the unpopular position of having to foreclose on a neighborhood resource.

It is interesting to look at where our cash flow comes from, especially as we look at ways to expand our income. Membership dues, both society and corporate, generate 20 percent of all revenue, a total of \$23,500. Classes and non-member registration surcharges generate 13 percent, or \$15,400. The Fair and Marketplace bring in the remaining 77 percent of the income, or \$76,282.

The Fair is largest revenue generator as 100 percent of the sales are donated. The importance of the generosity of those contributing sales items can not be overstated. If all members opted to give cash, income from the Fair would drop to a little less than \$12,000, a 46 percent drop. Percentages of members choosing to pay cash are high in four guilds: Basketry, Needleworkers, Painters and Woodworkers. Five guilds have near 100 percent "goods" participation.

Without a Fair, each active member would have to donate \$88 to make up for the loss of revenue generated by the Fair*¹. This figure is higher than current mandatory Fair contributions, which range from \$20 to \$50. Our survey found that 29 percent of us contribute more than is required by dues and Fair obligations. Those who contribute generously are significantly offsetting the dues of non-contributing members, raising issues of fairness. (Pun intended.)

In addition the Holiday Marketplace brought in about \$15,000 last year². Each active member would have to contribute an additional \$50.00 to compensate for the loss of Marketplace revenue.

What this means is that without these two fundraisers, each active member would have to add \$138.00 to the already established Society dues to make up the "lost" revenue. If dues funded the total budget, each member's share would be \$191.00. This is one reason the steady decline in membership is so worrisome. The smaller the number of members, the larger the financial share per active member.

Increasing the dues was not a popular option with the membership on the survey although a \$15.00 increase did pass this past spring. The survey results also told us that we do not want to contribute more money. Given a list of possible fundraising activities those that came out of our pockets understandably ranked low:

- Higher dues 26%
- Increased Fair commitment 26 %

¹ This number is based on the sales in 2003 and 300 active members.

² This figure is a round number representing the sales after paying out the 70% split. It is a planning tool not an accounting of dollars and cents.

- Increased class contribution 12%
- Annual Appeal 21%
- Capital Fundraising 12%

Those that came from outside pockets ranks much higher:

- Auctions and Bequests 41 %
- Corporate sponsorship 39%
- Rental and Spring Sale 36%
- Retail 29 %

People

This brings us to a discussion of our other important resource, our members. Members give not only financial resources, but also time and energy. We don't have to hire someone to do the jobs that are done by volunteers.

Our total membership has declined steadily for at least three years, with a total loss of 68 members, about 17 percent. This is an alarming trend that will increase demands, both for time and money, on the members who remain.

The age of our members is also a concern. We are old! Two thirds of our members are over age 59 and 47 percent are age 70 or older. (And we have all gotten a year older since the survey was done!)

A little over half of us have been members for more than 10 years. About 32 percent have joined in the past five years. Most of the growth in new membership in recent years has come with the founding of a new guild.

Membership trends are very uneven among the nine guilds. Some guilds are "healthier" than others. Three guilds that report new members and high involvement are Basketry, Woodworking, and Ceramics. Guilds that seem static with few new members and some trouble filling volunteers needs are Weavers, Painters and Metalworkers. The guilds that seem to be in trouble with declining membership are Decorative Arts and Needleworkers. Miniature Arts has "gone out of business" this year because it was not able to attract new members and the existing members could not keep it going.

Our members are willing to volunteer time for guild-based activities, but the Society seems "invisible" to many. There is little interaction between guilds, nor is there a big call for more. Seventy-five percent of our members do not have friends outside of their own Guild and only a quarter of our members are interested in increasing interactions between guilds.

As the guilds have gone their own ways, creating their own rules and cultures; each has become a fiefdom within the Society. Guilds have little to no idea what other guilds do or how they operate, and space and resources are jealously guarded. This is not a recipe for the long-term health of the Society.

Governance and Administration

In many ways our system has served us well, but we can detect cracks developing. Survey comments indicated that many members have no information or are misinformed about the work that gets done and who does it on behalf of the Society. It is also interesting to note that significant numbers of respondents to the survey did not express a preference on the items about governance and administration, several commenting that they don't know enough about it to have an opinion.

Currently the Executive Board consists of a President, 1st and 2nd Vice Presidents, a recording secretary, a membership secretary, the treasurer, the chair of each guild and the Committee Chairmen. This brings the total number of board members to 35. They meet once a month.

There is no director or manager of the Society to oversee the day-to-day operations of the Society though the building is open from 7 a.m. to 10 p.m. daily. The Board acts on behalf of the Society to pay the bills, manage the Society's fundraising, maintain the building, create Society-wide policies, set the annual calendar, hold the annual meeting, maintain the gallery, and many other "invisible" tasks like publicity, public relations in the community, communicating across guilds, society-wide mailings etc. It falls to the President to hold the community together.

The Society employs a part-time secretary and a part-time maintenance person. These individuals are employees-at-will and receive no benefits.

Because the people on the board change annually, it is nearly impossible to create and implement administrative continuity or develop any long-term planning. Board members complain that meetings are too long as the same issues come up time and again. We do not have an operating budget, a capital plan or any plans longer than the term of each president of the board – two years. The requirement that a Society president commit to 2 years as 2nd VP and 2 years as 1st VP before assuming the role of president was an attempt to provide continuity. This has made filling the positions nearly impossible because no one wants to make a two-, four-, or six-year commitment.

It may be that the guild structure has allowed the organization to fracture into insular groups because there is no consistent and central leadership to pull everyone together.

By all accounts it is increasingly difficult to find volunteers to take on Society positions. The survey indicates that the bulk of volunteer efforts are in the guilds with nearly 70 percent volunteering for their guilds in the past five years compared to 40 percent for the Society. What is clear from the surveys and from the comments and interviews is that the current "system" of getting volunteer work done is not working. While age is not an indicator of how active members are in the Society, comments on the survey suggest that older members feel they have done their share and made their contribution to the Society. On the other hand, younger members cite work and family obligations as impediments to more involvement.

Three themes appeared frequently in comments.

- The same people seem to be doing all the work and that volunteer obligations need to be more evenly distributed.
- The other was that members seem not to be sufficiently aware of their obligations or simply unwilling to chip in.

- The system of assigning or for signing up for work is unclear. Four members said they had never been asked!

The survey also indicates a split in whether, given a choice, members would prefer to contribute more time or money. More time was the choice of 43% and more money the preference of 35%.

The overwhelming reason people don't want to volunteer more is simply that everyone is short on time. Interviews indicated that members are busy people who often struggle to carve out time for their creative efforts as it is. While a condition of membership is a commitment to "work for the interests of the Society," it may be unrealistic to expect that members have time to give to the long-term commitments of the Society.

One respondent, however, added another reason why it may be hard to fill slots, commenting, "We are a group of people interested in the arts, not bookkeeping, secretarial duties, committees and heavy manual labor."

If we are unable to structure a better system of cooperative volunteering either because everyone is too old or too busy or too grouchy, the alternative is to pay people to do it. There was support for spending more money on paid staff, either by increasing the administrative position to full-time or paying the President a stipend on the survey, but there was also opposition. Clearly the Society needs to develop a plan to manage the day-to-day operations better and to establish manageable volunteer commitments.

Building and Program

The Society is made up of the building and the programs that happen in it. Without the building, we would not have the studio spaces that bring so many of us here. It unites us with a common purpose and creates the community. While many are satisfied with the condition and use of the building as it is, others expressed enthusiasm for improving the building in order to expand programs and revitalize the Society. One person commented that the appearance of the building does not project an artistic image.

The survey indicates that "the place" is important:

- Our main reason for joining is to be with other people whether it is in a class or at a social event. Secondly, we want to use the space and equipment. Exhibiting is important to many members, but selling is important only to about 26 percent of us as individuals.
- We use the building. About half of us are in the building once or more a week and about 75 percent come at least once a month.

Although we talked about alternatives such as moving to another site or rebuilding at this site, we moved these questions to a back burner because the organization is simply not ready to think about such major decisions.

Even small renovations at the current building could improve the building's use:

- Air conditioning would allow year round use.
- A way to connect the building without going through studios has support.
- A more open and useful member's room/library would foster more interaction amongst guilds.

- The gallery is seen as an under utilized space and there are suggestions for using it for social events, retail space, meeting space, classroom space.
- The front of the building could be made more appealing, adding to the visibility of the organization.

There is an undercurrent of tension amongst the guilds about space use as well as the relative costliness of guild activities. Some guilds use far more electricity, for example. Guilds that share space could use better dedicated storage areas. A study of space use could consider whether there are ways space could be used more efficiently with better central coordination and more flexibility.

RECOMMENDATIONS

FINANCES

We recommend that the Executive committee continue to upgrade our financial record keeping and budgeting systems. We are unable to apply for grants, mortgages or go to corporations for donations without professionally audited books. In addition, it is impossible to do fundraising either inside or outside the organization without being able to tell people exactly how much money we need and what it will be used for.

The Society can also have a series of fund-raising events as well as an Annual Appeal. These options would need to be coordinated and will call for increased volunteer efforts. They will also require inviting people outside the membership of the LACS to participate. We recommend that the Executive Committee evaluate the feasibility of using these options and come up with a plan. There needs to be a realistic assessment of whether volunteer power is great enough to put these ideas in place given how difficult it has become to find people to run the Fair and Marketplace.

The Society also can expand its educational programs although this may require some investment in the building such as air conditioning so the building can be used in the summer. Members listed many possibilities for increasing revenues and these will be given to the Executive Committee.

Part of the financial planning should be a long-term plan for the building that is tied to improving the programming and creating a stronger sense of community. Funding for maintenance and capital improvements must be included in financial planning.

The development of new resources, whether monetary or human, is tied in with the recruitment of new members and improving the visibility of the organization.

MEMBERSHIP

It is essential to the health of LACS that an organized effort to recruit new members begin. Our members are our greatest resource and without new members LACS will wither financially and artistically. We would recommend that the Executive Committee establish a Task Force to begin working on recruitment. At present recruitment is haphazard and informal with each guild bringing in new members by word of mouth. A more coordinated and focused effort is needed.

Again, these efforts may involve increasing publicity, starting new guilds, conducting Open Houses, organizing introductory classes or workshops...again members had many good ideas which will be listed and given to the Executive Committee

GOVERNANCE AND ADMINISTRATION

This issue of governance will probably be the most difficult for the Society because it may mean changing the nature of the organization. We could, for example, opt for a more traditional board of trustees that would include outside community members or the hiring of a full-time director. The pluses and minuses of doing so will need much discussion and go beyond this report's scope.

We can see the advantages to having someone to provide consistent leadership across the guilds in many of the areas: community outreach for new members, fundraising, public relations, financial management, coordination of volunteers and program development. Hiring someone will mean less direct day-to-day control by members and having a commitment to raising enough money to pay the person. It will change the nature of the society. The membership needs to discuss whether the time has come to do that.

We have not had time to investigate how other non-profit art or craft based organizations are run which is in itself indicative of the problem.

We recommend that the Executive Committee take on that job and that the Society start with a piece of white paper. If we were starting today, would we design the system we have? This group could look at models used elsewhere and design a proposal for the Society to consider.

If the membership decides not to increase paid staff, it needs to redesign the coordination of volunteers to ensure that filling positions does not become the hardest job of all and that all members are contributing time equally.

A coordinator of volunteers could be established to keep track of each member's volunteer contributions in a central file. This would ensure that everyone is contributing time and provide for a more effective assigning of jobs. Members could, for example, commit to a job with their membership renewal.

We would recommend that the Executive Committee set as a specific goal to educate members on the governance and finances of the Society.

While a condition for membership in the society is a willingness "to work for the interests of the society" it is becoming increasingly hard to find volunteers to fill slots on the board or committee chairs for society-wide events like the Holiday Marketplace. It might be time to reconsider the function of the Board and its members.

We could restructure the executive committee by areas of concern, not by guild. There might be, for example, chairs of Finance, Membership, Fund-raising, Programming, Building, Guild Relations, Public Relations/Awareness. Each of these could work with a committee that would meet separately. The Executive Committee could meet less often. Each guild should have a representative on the Guild relations committee, but not necessarily on the other committees.

It might be time to ask ourselves how to build a community around the Society rather than continue as a guild-focused organization. Could each guild stand on its own and provide its members the facilities or classes or community that is supported by the efforts of the entire Arts and Crafts Society? How would we change if we eliminated the guild system and used the Society to run the studios, classes and shows?

Revitalizing LACS will require leadership, and it will require cooperation and participation from the membership. Currently, people are hesitant to take leadership roles and members are not participating at the Society level. The Executive Committee should look into hiring a consultant to guide the organization through these difficult decisions. As a committee we think that this kind of outside help would be very beneficial because it will be hard to coordinate the many threads that need to be woven together to keep LACS strong. An “outsider” is unhampered by history and can bring an unbiased perspective to an organization.

CONCLUSION

Without deliberate planning for its future, the LACS is not likely to survive. The option that has not been discussed in this report is an exit strategy. The by-laws have a provision for disposing of the assets of the Society indicating that the founders realized there might be an inevitable end to the organization. This report represents some options to the membership to avoid that eventuality.

Rising to the challenge of meeting our mission will take time, effort, energy and money. We hope this preliminary examination of what we look like will inspire our membership to work toward a re-energized LACS that meets its non-profit mission of actively fostering, and nurturing opportunities for its members and the larger community “to preserve and promote excellence in **both traditional and contemporary arts and crafts.**”