

Final Report
Montana Artrepreneur Program
Artist Sales and Impact on Household Income
2009-2016

For more information about this report contact



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Introduction

The Montana Arts Council established the Montana Artrepreneur Program (MAP) in 2009 to support individual artists working in rural areas throughout the state who wanted to increase their household incomes through the sale of their art. The basic structure of MAP is a ten-month course of participatory training in a regional cohort of artists, followed by a process of formal certification. With business development as the intended outcome, the certification process requires artists to complete a comprehensive toolkit to become market ready.

In May 2014, Decision Support Partners, Inc. was contracted by the Montana Arts Council to develop a survey to gather data from Montana Artrepreneur Program (MAP) participants from 2009 through April 2013. Following that initial inquiry, the consultant was contracted to augment that first study with 2014 data from the responding MAP artists, and then again with data from 2015 and 2016.

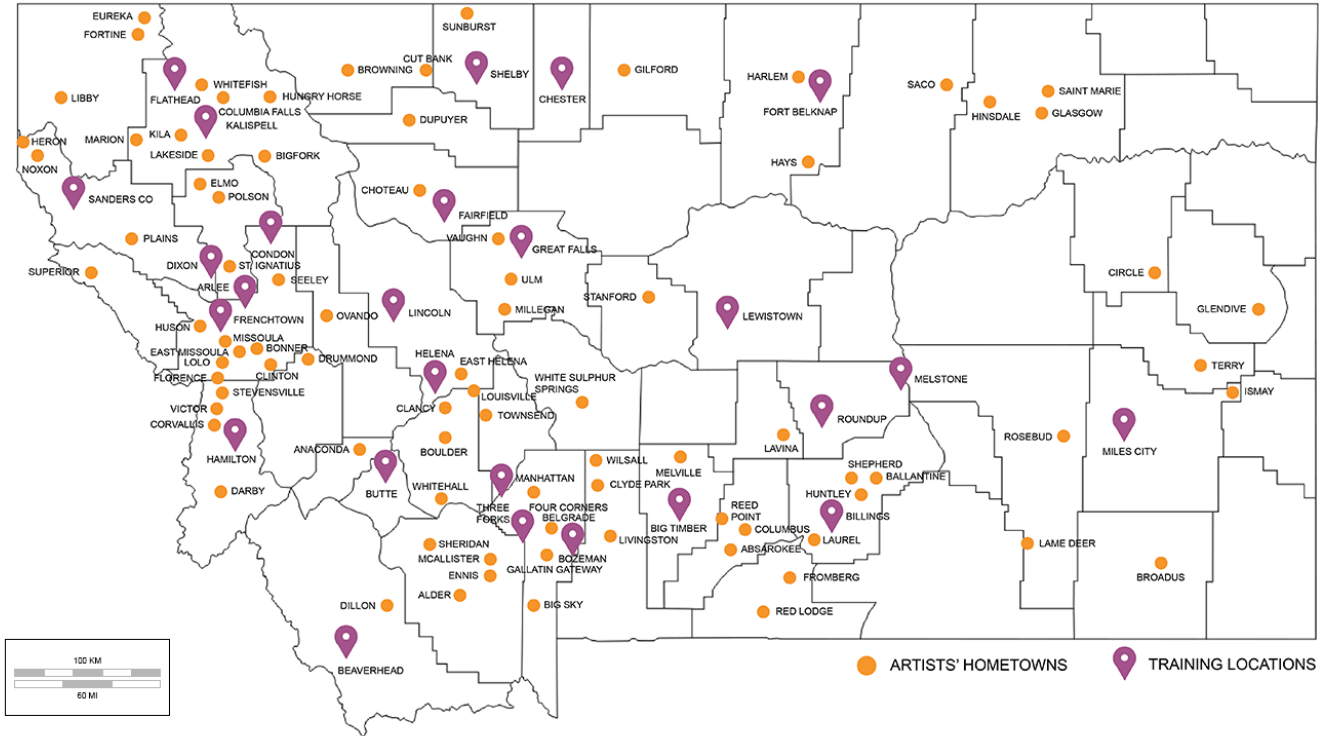
The surveys were intended to help the Montana Arts Council better understand the impact of the program on participating artists and to help inform the future of the program. In 2013, 221 artists who had completed the program were invited to participate in this evaluation. All surveys were administered electronically and anonymously by Decision Support Partners. The survey required respondents to provide multiple years of financial information (from the time they participated in their formal MAP training through 2016). Artists were provided an incentive of \$25 to \$150. The amount of the incentive was determined based on the timeliness and thoroughness of the response. In total, 80 artists (36%) responded to the survey and 73% of these artists provided complete financial information as requested.¹

Each artist was asked to report on data from the year prior to their participation in MAP, as well as for all years following their participation through 2016. For years following participation in MAP the data was averaged across relevant years and totaled for all respondents.

¹ The second survey collecting 2014 data was administered in January 2015. Seventy nine percent of the original survey group responded. The third survey collecting 2015 and 2016 data was administered in June 2018. Forty eight percent of the original survey group responded. This report represents an accumulation of data collected in all efforts. Data from prior surveys was applied to missing case data, where applicable, and treated as static. Numerical data reported as "zero" was calculated as zero. Missing data in all other cases was suppressed and reflected in the valid number of cases reported.

Montana Artrepreneur Program 2010-2017 Training Locations and Towns where Artists Live

To date 469 artists have participated in MAP.



Executive Summary of Key Findings

As a result of the Montana Artrepreneur Program (MAP) participating artists in the survey sample have:

- Generated \$906,730 in net art sales, a 654% increase in net art sales on average since participating in the program.
- Generated upwards of \$3.7 million in gross art sales, which is a 183% increase since participating in the program.
- Reported, on average, that in years following program participation, 60% of artists increased sales of their art outside of the state of Montana. The average amount of out-of-state art sales increased by 38% on average, from years prior to the program to years after participating in the program.
- Reported that in 2016, 30% of their gross personal income of \$1.94 million was derived from their art sales (\$576,554).
- Reported cumulative gross personal income from 2013 through 2016 of \$6,047,680 of which \$1,598,763 (26%) was derived from their art business.
- Invested 33% of their gross personal income from 2013-2016 (\$6,047,680) in their art businesses, \$1,995,480 of which 59% (\$1,183,312) was spent in the state of Montana. Artists who invested in their art businesses spent an average of \$27,335 from 2013 through 2016.

MAP artist survey respondents generated economic activity in the areas of:

- Employed/contracted new or more people for art business (29%)
- Made capital investments in art business (58%)
- Increased state and local business spending (65%)
- Increased customer base (83%)
- Increased inventory for sale (89%)
- Increased investment in art business (83%)
- Increased sales locations and prices for product lines (74%)
- Increased out of state sales and percentage of sales from outside of Montana (64%)
- Rented new space for art business (19%)

In 2016 MAP artist survey respondents reported being:

- More confident in their business management skills (81%)
- More specific and clear on their art business financial goals (75%)
- Actively making art and pursuing their art businesses (56%)
- In progress toward their art business financial goals (72%)
- More satisfied with their art business (69%)

MAP Artist Characteristics

MAP artists responding to the original survey in 2013 range from 28 years of age to 74 years of age, with an average age of 54. Approximately 60% have a four-year college degree or higher, and 70% are female. Approximately 20% report racial or ethnic background other than Caucasian, and three out of five artists are from Montana towns outside of the seven largest cities.

Sample Success Stories

Below are sample success stories reported by artists on the survey collected through 2016. To review a complete list of artist stories and comments regarding the program, please visit this [link](#).

Owning an alpaca ranch primarily for breeding and sales during this economic downturn is difficult. By completing the MAP program I learned the skills to get my art out into the buying public. This program by all means, saved the ranch for the last several years. We are now looking at selling the animals and ranch after over 25 years but my art will continue as our primary income other than retirement.

My main motivation for participating in MAP was to develop the wholesale side of my business. During my MAP year, I added one (bringing the total to 2!) yarn shop buying wholesale, in Jackson, WY, during the Tour of Excellence. In 2013, I started reaching out to other yarn shops, and picked up another one or two. Then, in late April, I received a phone call from one of the largest yarn shops in Montana, Camas Creek Yarn, in Kalispell. The owner contacted ME and asked to carry my products! She had heard of me via word of mouth (a friend of hers had seen my booth at a fiber festival in Post Falls, ID). I brought my yarns and fibers to her shop the next week, and made the largest sale I had ever made. This was a huge boost to my confidence, and I decided that I would no longer sell to shops on consignment. Additional requests from shops came after that, and the wholesale side of my business has flourished since then.

Because of MAP my sales have increased and I have more money to invest in my art without taking out loans or carrying any personal debt. All of the wholesale income I have from my art can be attributed to the MAP program. I was able to develop a product line and an inventory to offer at wholesale to qualified buyers. My retail income has increased after learning more about more accurately pricing my work through MAP's pricing formula.

As the numbers reflect, since beginning MAP my sales increased exponentially each year - culminating in sales exceeding \$100,000 last year. Even after meeting all financial obligations (payroll, taxes, operating expenses, etc.) the extra income I earned as a full-time artist - but actually only working part time - gave my family two very important things: extra income that we used to offset the cost of building our new home, and most importantly, it gave me the flexibility to work odd hours, take time as needed to be with our small children, and allowed the family to enjoy time together.

One of my long term goals way back in 2010 was to write a book on weaving. I proposed the book in 2013 (proposal accepted), wrote it in 2014. In 2015, my weaving book was published by Interweave Press. This led to filming 5 videos on weaving (also with Interweave Press) as well as a continuing column in Handwoven magazine (also on Interweave Press). This exposure

also increased my teaching of weaving exponentially and I am teaching across the U.S. Without that goal, I would have kept on dreaming of the idea--instead I said it "out loud" and then acted. Changed my life--seriously.

My art business helped us buy our house!

Between 2015 and 2016, I was able to DOUBLE my online income selling one-of-a-kind work, where I sell to generally out-of-state clientele. I believe it is because I've internalized many of the skills MAP forces you to hone and develop, like voice and story, photography, branding, target market, and social media marketing. It's also because that income has afforded me the TIME to create more one-of-a-kind work from a well-conceptualized and launched wholesale catalog with correct pricing structure. Without MAP, my wholesale line would not be nearly the cash-cow it is. MAP has taught me the skills and business sense to crunch the numbers, do the profit-cost analysis correctly, and create profit margins for myself that work for my specific studio business. I wouldn't have been able to double my online sales without the success of my wholesale catalog.

Since I took the MAP program, my income has been solely from my art. Not only do I sell at retail art shows around the Rockies and the Pacific Northwest, I am now selling through wholesale shows directly to stores. My leather jewelry collection is now in approximately 100 boutiques, galleries and shops around the US and in 4 National Parks.

MAP gave me the tools to examine my business, and fine tune and adjust it in ways that are leading to increased sales. I have also gained the confidence to apply for more selective and high-end shows, accepting rejections as part and parcel of the business. The acceptances outweigh the rejections by a large margin. I also have show promoters contacting me with requests to apply! With my retirement from a 9-5 job in 2015, I now depend on the art income to keep us afloat. If 2017 hadn't seen a doubling of our gross from 2016, I would be back to a day job. We have about doubled our sales each year since 2015, and hope to keep increasing our gross sales in the future.

Supporting Data

Each artist was asked to report on data from the year prior to their participation in MAP, as well as for all years following their participation through 2016. For years following participation in MAP, the data was averaged across relevant years and totaled for all respondents.

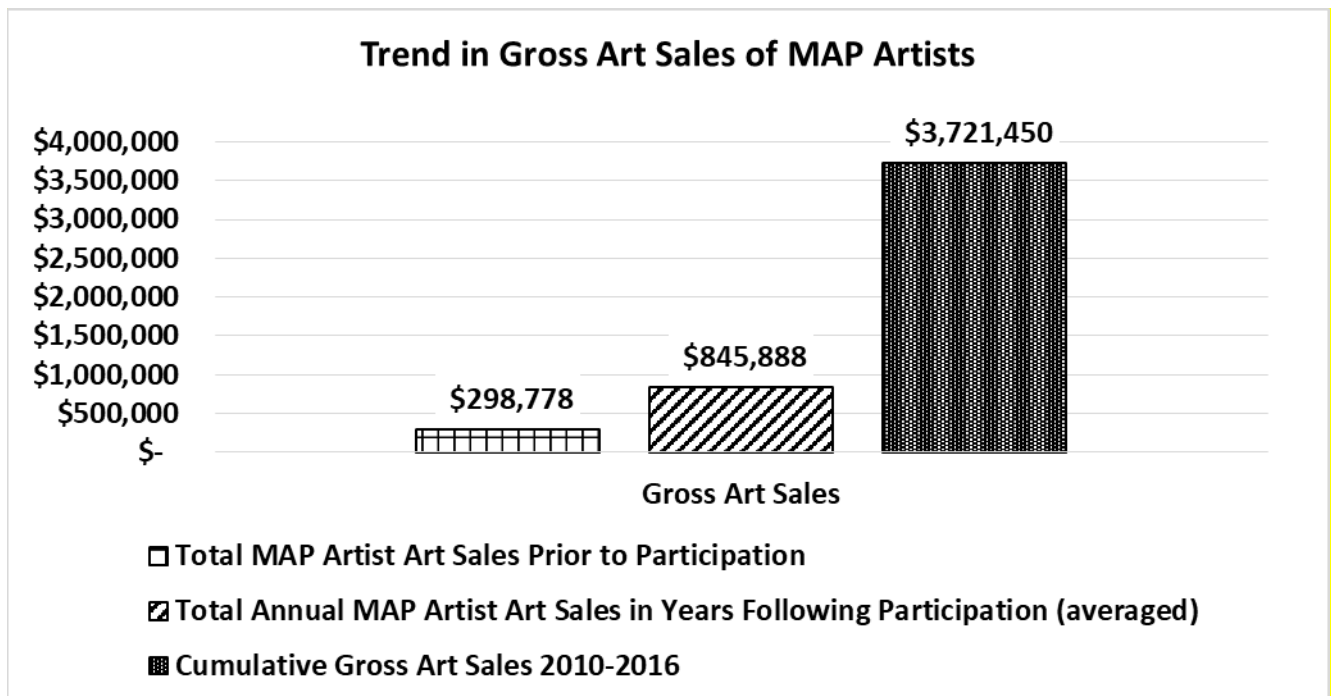
Trend in MAP Artist Gross Art Sales

Average gross sales for the year prior to MAP participation ranged from \$0 - \$30,000.

Average gross sales for individual artists through 2016 ranged from \$0-\$69,636.

Average gross sales for artists participating in MAP during the year:

- 2009 and reporting on sales through 2016 ranged from \$321 - \$69,636 (two reported zero sales or did not report)
- 2010 and reporting on sales through 2016 ranged from \$136 - \$55,209 (one reported zero sales or did not report)
- 2011 and reporting on sales through 2016 ranged from \$216 - \$62,876 (three reported zero sales or did not report)
- 2012 and reporting on sales through 2016 ranged from \$2 - \$59,125 (three reported zero sales or did not report)



Trend in MAP Artist Net Art Sales

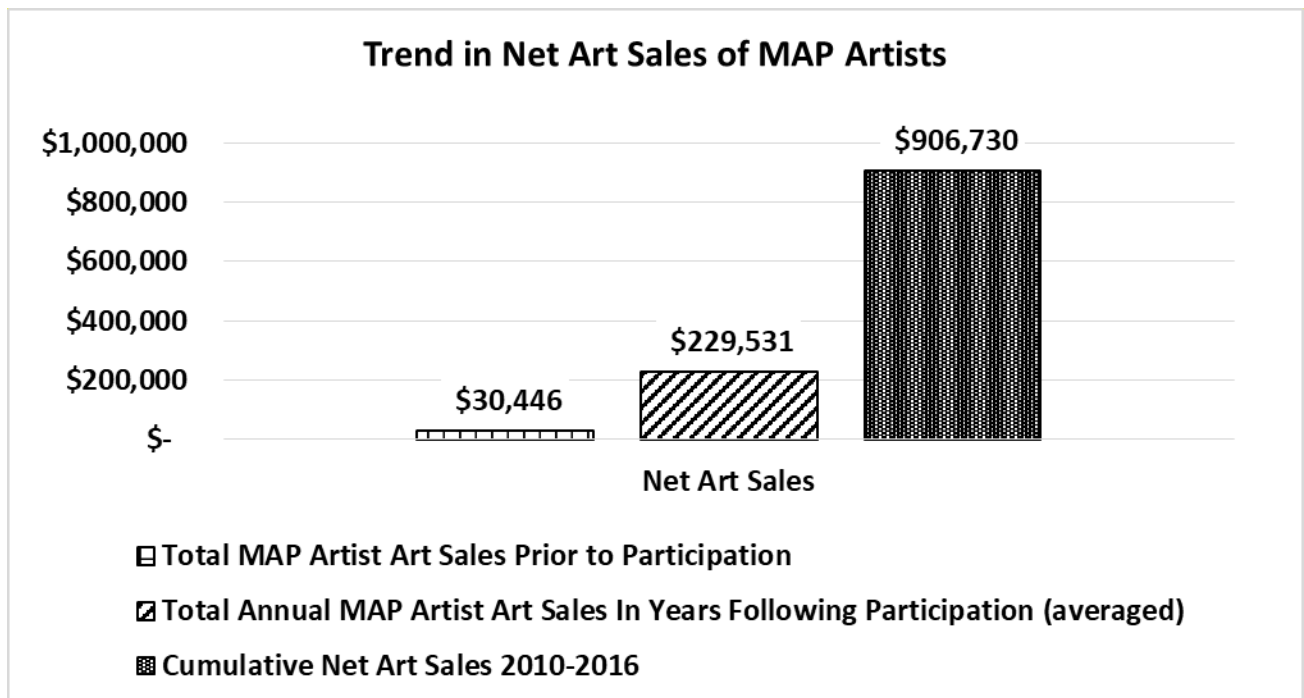
Average net sales for the year prior to MAP participation ranged from: (\$9,564) - \$9,167.

Average net sales of individual artists through 2016 ranged from (\$7,509) - \$24,425.

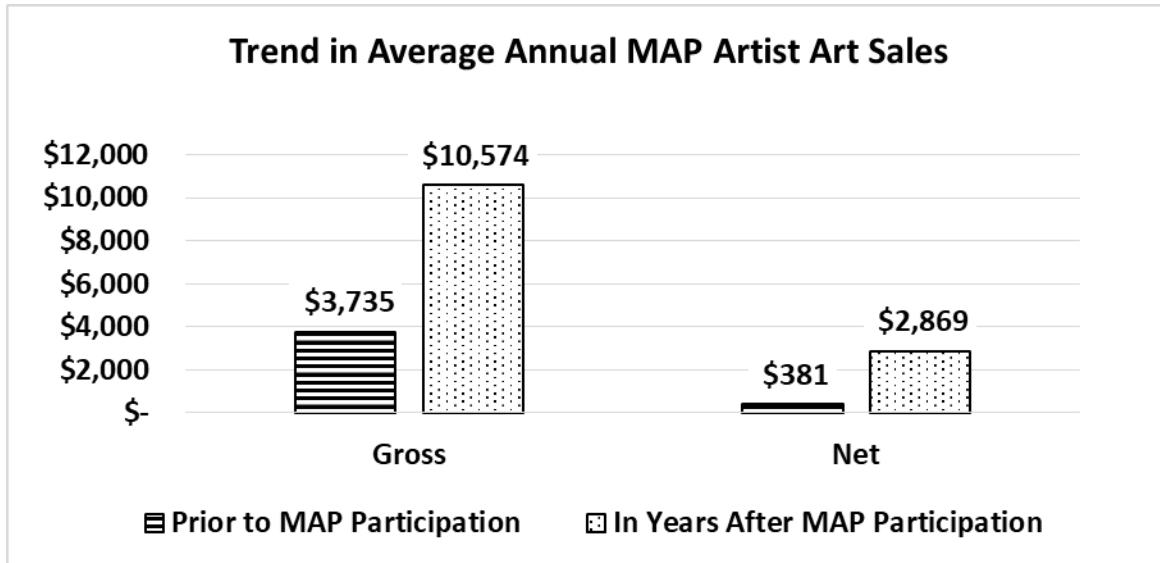
Average net sales for all years following the initial year of MAP participation for artists participating in MAP during the year:

- 2009 and reporting on sales through 2016 ranged from (\$600) - \$17,705 (three reported zero sales or did not report)
- 2010 and reporting on sales through 2016 ranged from (\$7,509) - \$12,887 (one reported zero sales or did not report)
- 2011 and reporting on sales through 2016 ranged from (\$6,996) - \$23,448 (two reported zero sales or did not report)
- 2012 and reporting on sales through 2016 ranged from (\$4,343) - \$24,425 (four reported zero sales or did not report)

Reasons for loss in net sales range from art expenses exceeding art sales, major capital investments made in art business, and time away from art-making as a business for personal reasons.

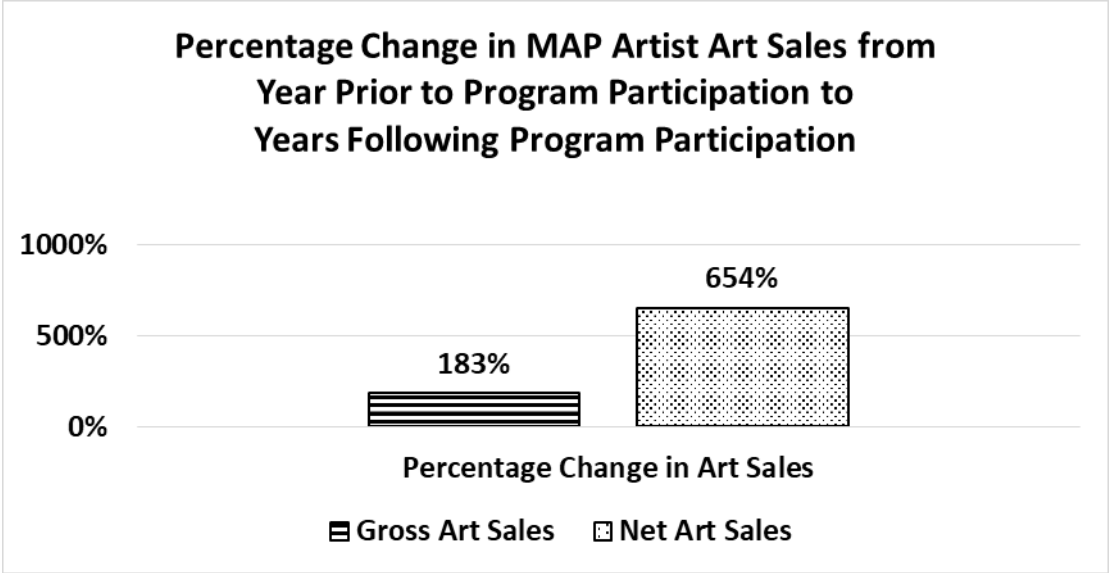


Average Annual Art Sales Per MAP Artist



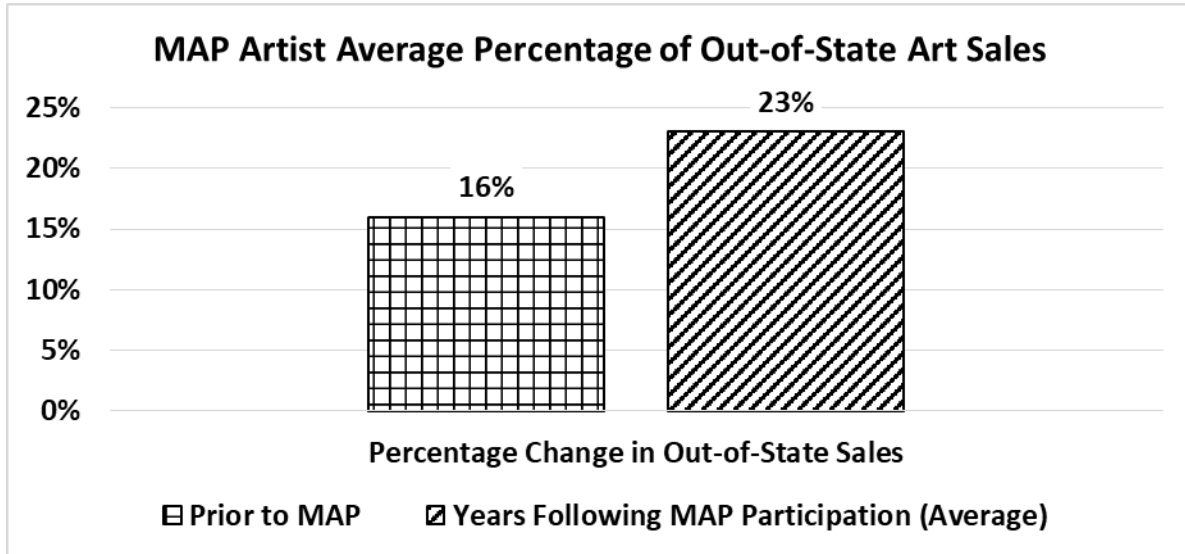
Percentage Change in Art Sales

Percentage change in art sales from year prior to MAP participation to average annual sales in years following MAP participation.



Out-of-State Art Sales

On average, MAP artists responding to the survey saw 16% of their sales from outside of Montana before participating in the program. For all years after their participation through 2016, on average, all MAP artists responding to the survey saw 23% of their sales from outside of Montana. Overall, 60% of reporting artists increased out-of-state sales, 28% saw out-of-state sales remain static, and 12% saw a decrease in out-of-state sales, in years following program participation.



2016 Artist Income

Range in gross personal income: (\$11,313) - \$226,000

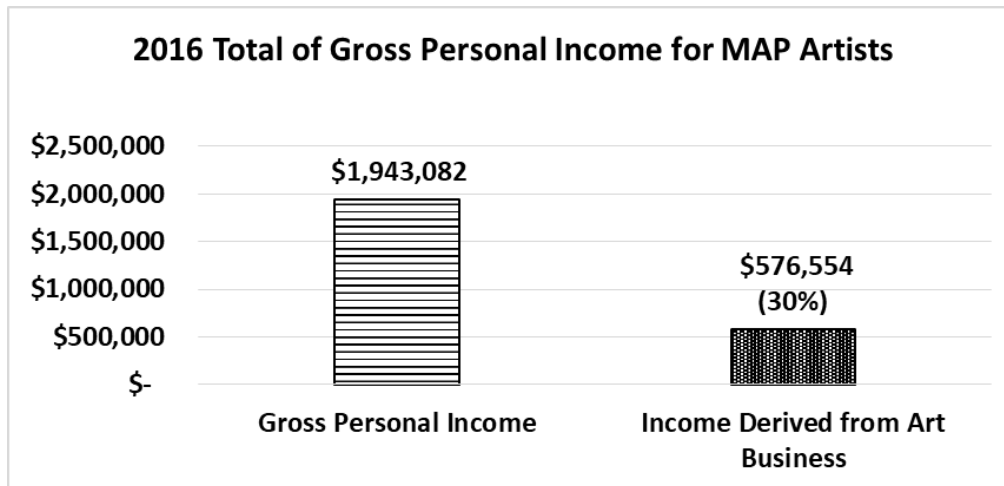
Range in percentage of income from art business: 0% - 100%

Total gross personal income generated from art business in 2016: \$576,554

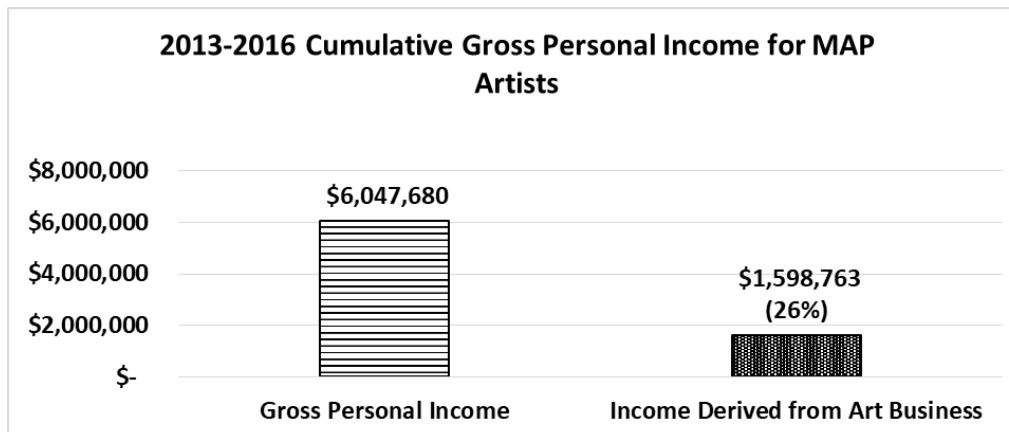
Cumulative gross personal income generated from art business from 2013-2016: \$1,598,763

On average, MAP artists responding to the survey reported that 30% of their 2016 gross personal income was derived from their art. This number varied dramatically by artist and across program years. From 2013 through 2016, MAP artists reported cumulative gross personal income of \$6,047,680 of which \$1,598,763 (26%) was derived from art business.

Personal Income Derived from Art Business in 2016



Cumulative Gross Personal Income for MAP Artists Over Four Years



Investments in Art Business

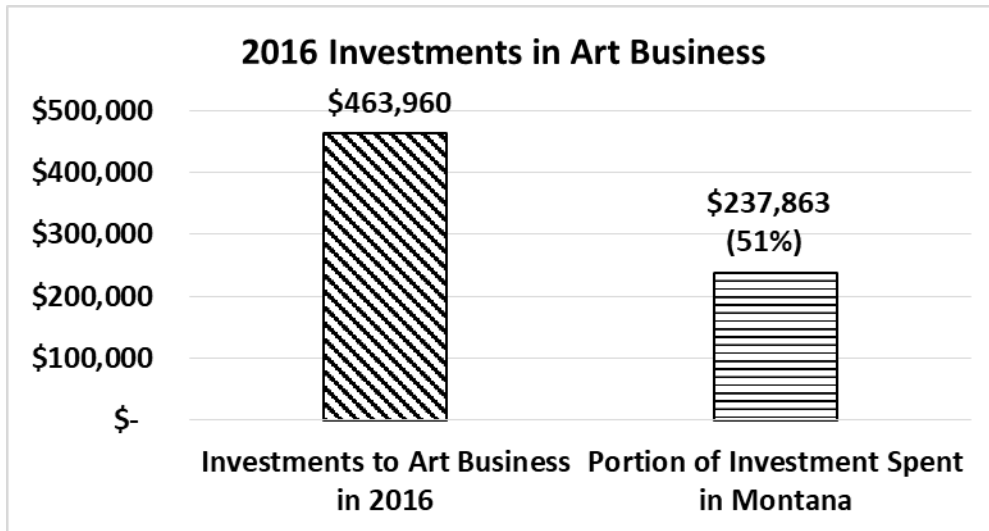
Range in investment in 2016: \$0 - \$116,000

Range in percentage spent in Montana in 2016: 0% - 100%

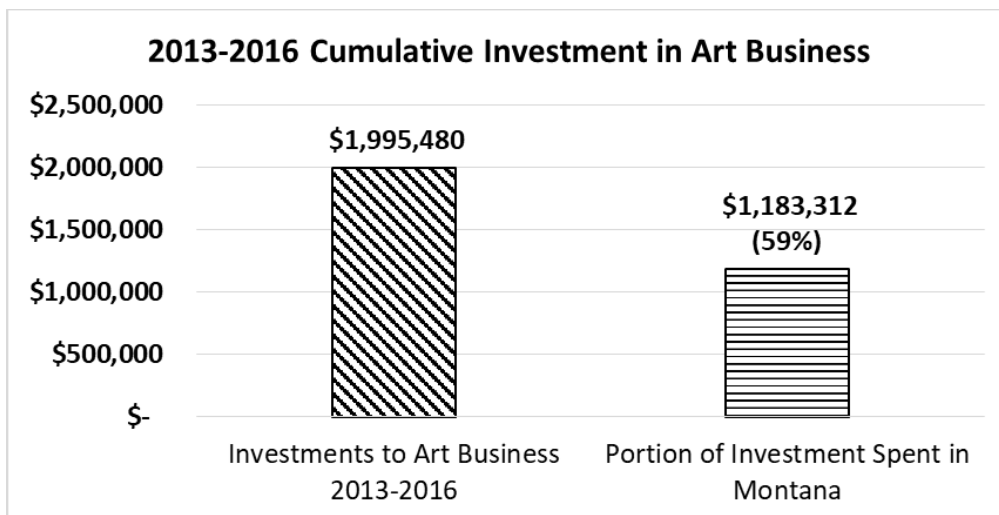
Cumulative investment 2013-2016: \$1,995,480

Cumulative spent in Montana 2013-2016: \$1,183,312 (59%)

MAP artists responding to the survey reported investing a total of \$463,960 in their art business in 2016, 51% of which was spent in Montana. From 2013 through 2016, MAP artists reported cumulative investments into their art business of \$1,995,480 of which \$1,183,312 (59%) was spent in Montana.

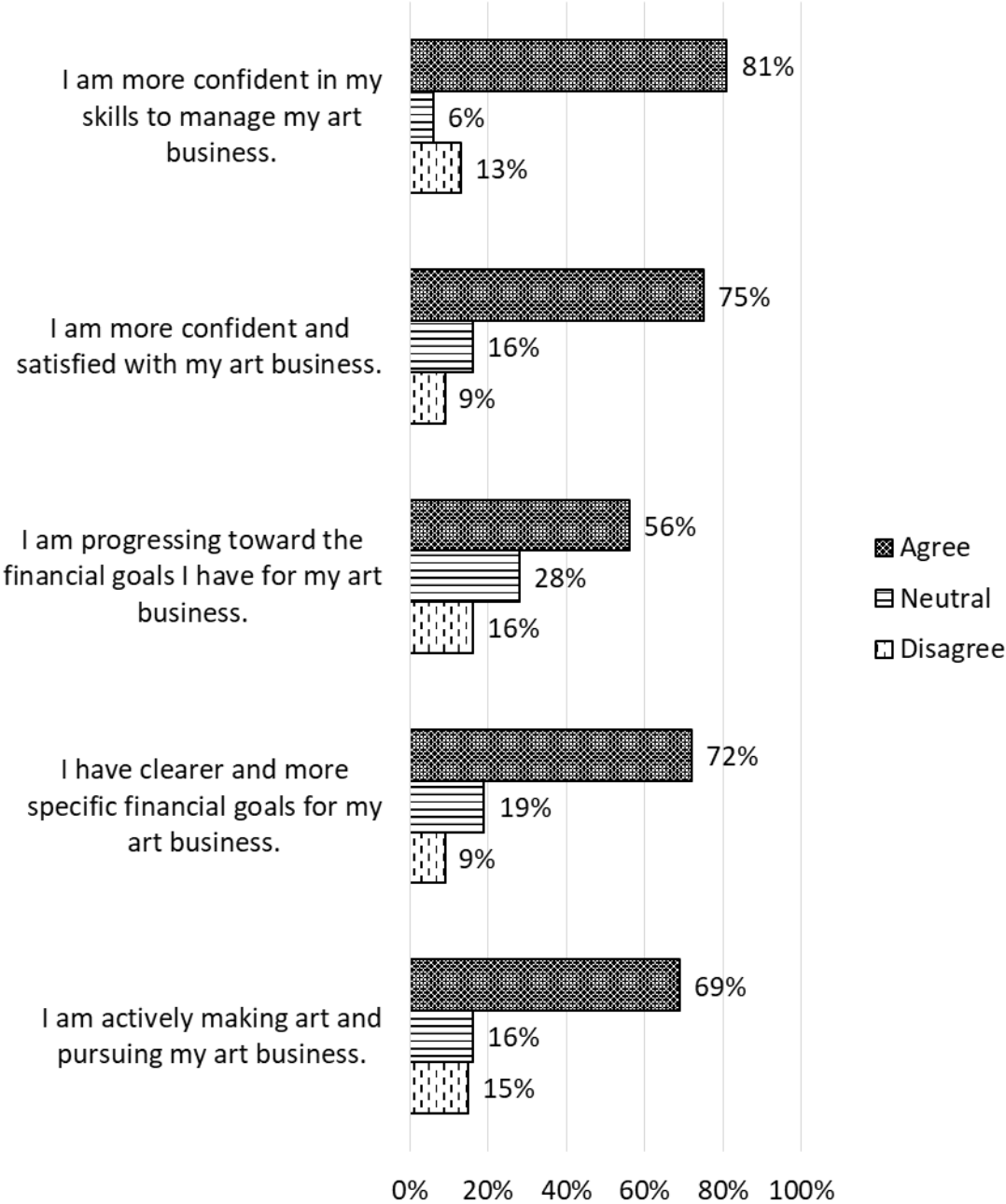


Cumulative Investment in Art Business

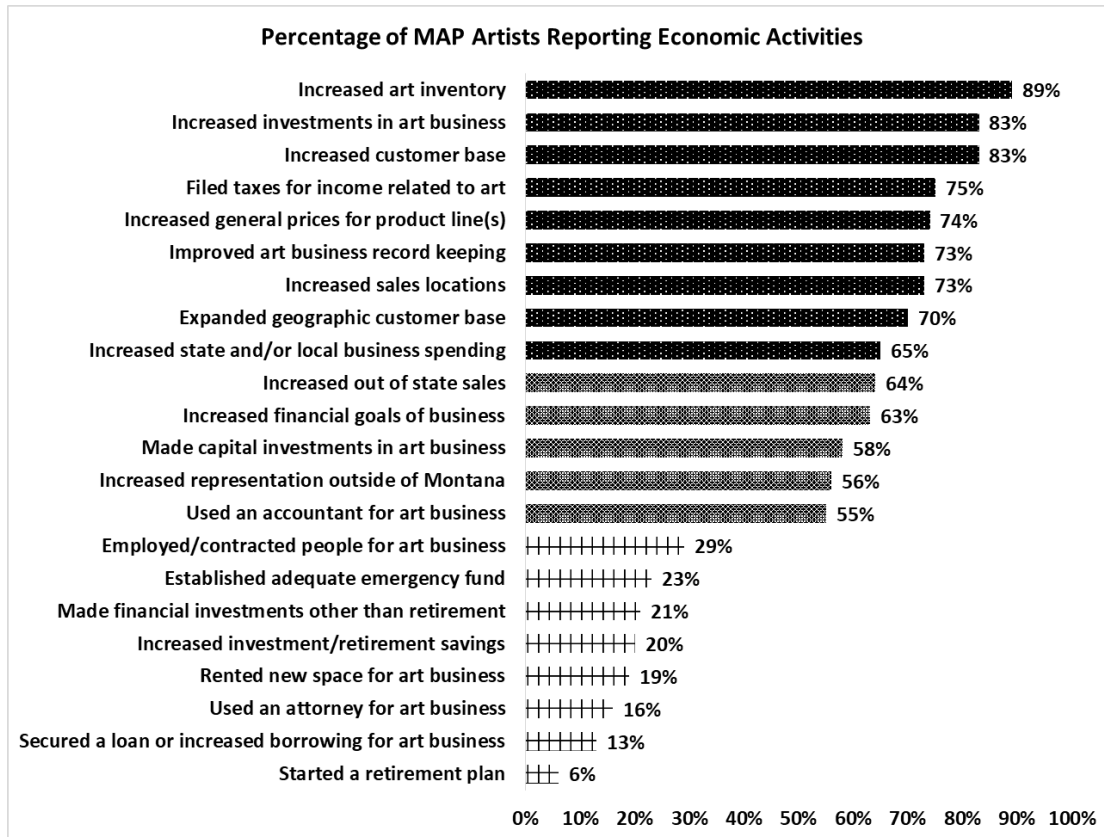


Reflections on MAP

As a result of your participation in MAP, please let us know how you feel about the following statements relative to your art business



Economic Activity Generated by MAP Artists



MAP Artist Characteristics (Survey Respondents)

Male	16%
Female	70%
Not reported	14%
n=80	100%
Age range	28-74
Average age	53.8
n=71	
Associates degree	9%
College degree	39%
High school diploma/ GED	1%
Masters degree	20%
Post graduate degree	1%
Some college or technical school	20%
Not reported	10%
n=80	100%
American Indian or Alaska Native	4%
Caucasian/ White (Non-Hispanic)	81%
Hispanic or Latino	3%
Black/ African American	1%
Asian or Pacific Islander	1%
n=80 (multiple choice)	
Frontier (less than 300)	5%
Highly rural (300-1,499)	13%
Rural (1,500-5,999)	25%
Town (6,000-24,999)	21%
Midsized City (25,000-59,999)	19%
Large City (60,000 or more)	8%
Not reported	10%
n=80	100%

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

INTRODUCTION

Thank you for helping us to continue reporting the important impacts of this program. It will be best if you have your 2015 and 2016 tax returns handy before you fill this out.

PLEASE, do not skip questions. Your 100% complete response is critical to this study. Do the best you can.

Be assured that your survey is **NOT** visible to the Montana Arts Council or any MAC or MAP staff, coaches, or other project participants. The information you provide will be combined by me, Surale Phillips, with the data you provided on the previous surveys. Information will only be reported to MAC in sum total for the program.

If you need to temporarily quit the survey and return to it at a later time, please just revisit the link you were sent using the same computer you started with.

If you have questions or are unsure of how to answer something, please contact me at surale@suralephillips.com or call me at 406-600-7537. I can also let you know the answers you provided on the previous survey, if that helps.

Thank you so very much for helping with this report. It would not be possible without you.

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

YOUR ART SALES

1. Please provide your **TOTAL GROSS ART SALES** for 2015 and 2016. (IRS Form 1040, Schedule C, line 1, "gross receipts or sales")

2015 GROSS ART SALES

2016 GROSS ART SALES

2. Please provide your **TOTAL NET ART SALES** for 2015 and 2016. Please use the information you reported on your IRS tax return. (IRS Form 1040, Schedule C, line 31, "net profit or (loss)")

2015 NET ART SALES

2016 NET ART SALES

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

OUT OF STATE ART SALES

3. Please estimate the **PERCENTAGE OF YOUR ART SALES** that came from **OUT OF STATE**. This includes all art sales you have made including online sales.

2015 OUT OF STATE SALES

2016 OUT OF STATE SALES

4. Please estimate the **PERCENTAGE OF YOUR ART SALES** that came through E-COMMERCE.

2015 E-COMMERCE SALES
PERCENTAGE

2016 E-COMMERCE SALES
PERCENTAGE

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

FINANCIAL SUMMARY

5. What was your **GROSS PERSONAL INCOME** from all sources in both years? If you file a joint tax return, please only report your portion of the household income. (IRS Form 1040, line 22, "total income")

2015 GROSS PERSONAL INCOME ALL SOURCES

2016 GROSS PERSONAL INCOME ALL SOURCES

6. What **PERCENTAGE** of your gross personal income was derived from your art in both years?

2015 PERCENTAGE GROSS PERSONAL INCOME DERIVED
FROM ART

2016 PERCENTAGE GROSS PERSONAL INCOME DERIVED
FROM ART

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

INVESTMENTS IN YOUR ART BUSINESS

7. What total dollar amount do you estimate you invested in your artistic business in both years?

2015 AMOUNT INVESTED IN ART BUSINESS

2016 AMOUNT INVESTED IN ART BUSINESS

8. What percentage of that investment do you estimate was spent IN MONTANA?

2015 PERCENTAGE SPENT IN MONTANA

2016 PERCENTAGE SPENT IN MONTANA

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

PEOPLE EMPLOYED BY YOUR ART BUSINESS

9. How many people were employed in your art business in 2015? (FTE=full-time equivalent)

2015 Full-Time Employees

2015 Part-Time Employees

2015 Short-Term/Temporary Workers

10. How many people were employed in your art business in 2016? (FTE=full-time equivalent)

2016 Full-Time Employees

2016 Part-Time Employees

2016 Short-Term/Temporary Workers

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

REFLECTIONS ON YOUR ART BUSINESS

11. As a result of your participation in MAP, please let us know how you **feel now** about the following statements relative to your art business.

	Agree	Neutral	Disagree
I am actively making art and pursuing my art business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have clearer and more specific financial goals for my art business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am progressing toward the financial goals I have for my art business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am more confident and satisfied with my art business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am more confident in my skills to manage my art business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Open comment about your art business:

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

STORIES BEHIND THE NUMBERS

While numbers are very important for our reporting, stories help to illuminate the impact of this program as well as to continue to improve it.

Please take a few minutes to compose answers to the following open questions.

Thanks so much.

12. To add to our stories from the last surveys, please tell us what was the most significant sale that you made in 2015 or 2016. This could be a large dollar amount, or a large volume sale, or a new opportunity, for example. Please tell us what **role MAP played in your making that sale**

13. Since 2015, what was the most valuable benefit of MAP on your **PERSONAL OR HOUSEHOLD ECONOMY**? *In what ways did your participation in MAP impact your financial life recently? What recent changes to your financial life can be attributed to your having participated in MAP?*

MAP ARTISTS SURVEY OF 2015-2016 IMPACTS

MAP ACTIVITIES

To add to our previous study, please check items that applied to you in 2015 or 2016

14. Check any of the items below that applied to you:

- Increased investments into your business
- Increased your inventory
- Increased the general prices for your product line/lines
- Increased your customer base (added new customers)
- Increased the number of locations where your work is exhibited/carried
- Expanded the geographic reach of your customer base
- Increased your representation outside of Montana
- Increased sales to customers outside of Montana
- Made capital improvements to your business
- Rented space you didn't have before (e.g. retail, storage, warehouse, studio)
- Took out any personal or commercial loans related to your business
- Employed or contracted new/more people for your business
- Increased investment or savings for your retirement
- Started a retirement plan
- Made financial investments other than retirement savings
- Increased the financial goals of your business
- Established an adequate emergency fund
- Increased use of debt for your business
- Decreased use of debt for your business
- Increased spending for your business in your local community
- Increased spending for your business in the state of Montana
- Used an attorney in relation to your art
- Used an accountant in relation to your art
- Improved your arts business financial record keeping
- Filed taxes for income related to your art

15. Is there anything else you can share to help convey your opinion about MAP and the programs value to Montana artists?