

# Executive Summary

## 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.<sup>1</sup>

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.

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<sup>1</sup> 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.



## **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.

*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.*