



Arts and Crafts Center Industry Overview

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Executive Summary

The Virginia Tech Center for Economic and Community Engagement (VTCECE) seeks to explore the current and changing conditions of the arts and craft schools industry sector—a continuously growing niche sector within the creative economy. Like many other leisure and entertainment sectors, the arts schools industry saw significant negative economic impacts from the COVID-19 pandemic. Consumer spending is projected to recover, but the industry sector continues to face uncertainty.

VTCECE examined two distinct groups of arts and craft centers: arts and craft centers (RACCs) and non-residential arts and craft centers (NACCs). VTCECE analyzed visitor demographics, accommodations, courses, instructors, tuition, scholarships, revenue, expenses, operations, staffing, opportunities, and challenges. Both RACCs and NACCs offer arts and crafts coursework. RACCs provide students with housing and meals and typically offer longer-duration courses. NACCs do not provide housing and meals and typically offer shorter-term classes or classes on a weekly basis.

VTCECE found that arts and craft center offerings, including arts programming, lodging, and meals, are all highly discretionary. In other words, they are services that households can get by without and so are highly dependent on levels of income. Therefore, VTCECE found that arts participation and consumption of services offered by arts and crafts centers correlated with higher household income, higher levels of educational attainment, and older age. Particularly, households earning more than \$100,000 showed the greatest capacity for arts-related spending.

Income has been steadily increasing over time. Both per capita discretionary income and portion of households earning over \$100,000 have increased and are projected to continue growing. However, the coronavirus pandemic led to sharp decreases in consumer confidence and purchasing. As a result, arts schools industry revenue fell nearly 12% in 2020 alone. Nonetheless, the arts schools industry is expected to benefit from projected income growth and economic recovery post-pandemic.

Both residential and nonresidential centers offered a homogeneous mix of arts and craft courses and workshops at a range of skill levels from beginner to advanced. Interviews with renowned arts and crafts centers located along the East Coast revealed that pottery and ceramics courses were among the most popular for almost all residential and nonresidential centers interviewed. Alternatively, almost all centers indicated glassblowing and flameworking as their least popular offerings. Course tuition and fees varied greatly by center, but each center interviewed indicated that they set their course fees based on fees at other peer centers. Fees for courses held at residential centers tended to be higher than those held at nonresidential centers, likely due to the longer, immersive courses offered at RACCs.

Interviews also confirmed emerging demand trends in the industry. The primary demographic for arts and cultural centers aligns with higher levels of income, wealth, and educational attainment. Almost every center shared that students tend to be aged between 45-65, predominately female, and predominately white. Several centers identified counter-trends and factors that shifted these demographics. For instance, the Haystack Mountain School of Crafts reported approximately half of their visitors as being under the age of 25.

Interviews also revealed that approximately 50% of visitors to all centers interviewed originate from a local to regional market (300-mile driving distance/in-state travel). However, origin of visitors differed somewhat for RACCs and NACCs. At least 50% of visitors to residential centers originate from proximal metropolitan areas. Additionally, residential centers have the lowest degree of local market penetration.

The remaining portion of RACC students originate from beyond a 300-mile radius and, in some cases, internationally. Meanwhile, centers with shorter classes saw greater local and regional participation.

Arts and craft centers followed a growth cycle, with centers typically starting as a grassroots movement that slowly gains momentum and then grows into a large residential or nonresidential center. The age of the center tended to correspond to the center's phase of growth and, in turn, their structure. The average age of residential centers analyzed in this report was 72 years old.

VTCECE used qualitative data from interviews with both RACCs and NACCs to analyze arts center industry competitive factors—some of the primary competitive factors being course offerings and instructors. The identified factors were shown to have the greatest influence on students' /visitors' choice to attend a particular center over another. Arts centers compete with one another on their ability to deliver on these factors. Competitive factors also varied between RACCs and NACCs. RACCs offer immersive, time-intensive coursework made possible by on-campus housing and meals services. These courses require commitment in terms of both time and money; as such, RACC students tend to be passionate and committed hobbyists. Meanwhile, NACC coursework tends to be shorter, cheaper, and more accessible. The coursework is therefore more conducive to beginner and recreational students. Such NACC students are more motivated by traditional competitive factors like convenience and price.

VTCECE found that passionate students interested in immersive coursework offered at RACCs placed greater value in institutional prestige, reputations of instructors, and instructors' ability to form relationships with students. Moreover, institutional prestige tied to a specific niche drove demand for certain arts center offerings. For instance, the Penland School of Craft was founded as a weaving club in the late 1920's. Since then, the school has grown its offerings but remains widely recognized for its history and specialization in textiles. Almost all RACCs interviewed indicated textiles courses as being among the least popular offerings. Alternatively, textiles courses were among Penland's most popular offerings due to the school's legacy in this medium.

On-campus housing and meals are distinguishing features of RACCs; however, VTCECE found no evidence to support that students prioritized these services when making registration decisions. Rather, VTCECE found that housing and meals simply enable the immersive experience students crave.

Based on key findings across the arts center industry, VTCECE determined emerging opportunities and challenges that the industry faces as well as emerging best practices gathered from centers in this study. These best practices reflect the efforts that arts and craft centers have taken to mitigate common challenges in the industry, including the novel challenges presented by the COVID-19 pandemic. They serve to guide other arts and craft industry actors to best capitalize on opportunities and navigate challenges. VTCECE determined the following overarching best practices:

- Be Flexible in the Time of COVID
- Collaborate Locally and Strategically
- Promote Professional Development Opportunities
- Focus on Diversity, Equity, Inclusion, and Accessibility
- Show Intentionality in Planning

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Introduction

Communities across the country have shown increasing awareness of the contribution of arts and cultural amenities to overall quality of life. Many communities have seen growing efforts to bring arts and cultural programming to residents through economic and community development. Particularly, the arts and crafts center model has grown over time. The Virginia Tech Center for Economic and Community Engagement (VTCECE) explored the current and changing conditions of this industry sector, particularly in light of the negative economic impacts of the COVID-19 pandemic. VTCECE analyzed arts center visitor demographics, accommodations, courses, instructors, tuition, scholarships, revenue streams, expenses, operations, staffing, opportunities, and challenges.

VTCECE collected and analyzed volumes of quantitative data to determine important trends, challenges, and opportunities specific to arts and craft centers. This research informs an overview and outlook for the arts and crafts center industry as well as identifies various approaches, offerings, and promising practices in the industry.

The National Demand Analysis in section I provides an overview of ongoing trends in the arts and craft center industry, including demographic trends, income trends, revenue changes, and the role of the COVID-19 pandemic in arts participation and industry revenue.

VTCECE also conducted exhaustive qualitative research to both verify and contextualize findings from the quantitative portion of this work. Section II contains case studies from interviews that were conducted with representatives from various arts and crafts centers in the Eastern United States. The Case Studies section details findings about each residential and nonresidential center interviewed.

Section III includes key findings and similarities across the arts and craft centers on the topics of visitor demographics, accommodations, courses, instructors, tuition, scholarships, revenue streams, expenses, operations, staffing, opportunities, and challenges. This section also details challenges and opportunities faced by the arts centers included in this study, as well as the greater industry.

Finally, section IV provides promising practices, gleaned from current trends and key findings from RACCs and NACCs studied in this document. The promising practices provided are intended to guide other arts and craft centers and/or other arts operators to better adapt to changing market and industry conditions.

Section I: National Demand Analysis

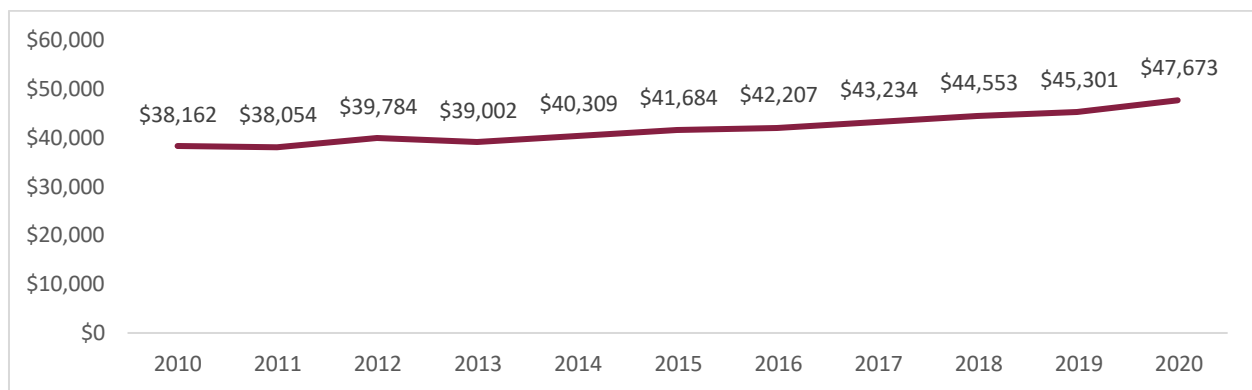
VTCECE analyzed national trends for arts and crafts programming as well as accommodation and lodging to better understand the audience serviced by arts and crafts centers. There is little nationwide data available for lodging at residential arts and craft centers (RACCs); therefore, VTCECE examined national trend data for the boutique hotel and shared-economy (Airbnb, VRBO) industries. More specifically:

- National trends impacting arts and craft programming, and
- National market and outlook for different types of lodging in relation to RACC accommodations.

VTCECE largely relied on data provided by IBISWorld, an industry-leading market research firm.

One factor was common across each of these business streams: they were all highly discretionary in nature. In other words, culinary and arts education, boutique accommodation, and upscale dining are things households can get by without. Two factors were correlated with demand for discretionary or nonessential industries: per capita disposable income (PCDI) and household income. There has been a \$9,946 real-dollar increase in PCDI since 2010 (Figure 1).

Figure 1: Change in Per Capita Disposable Income, United States, 2010-2020

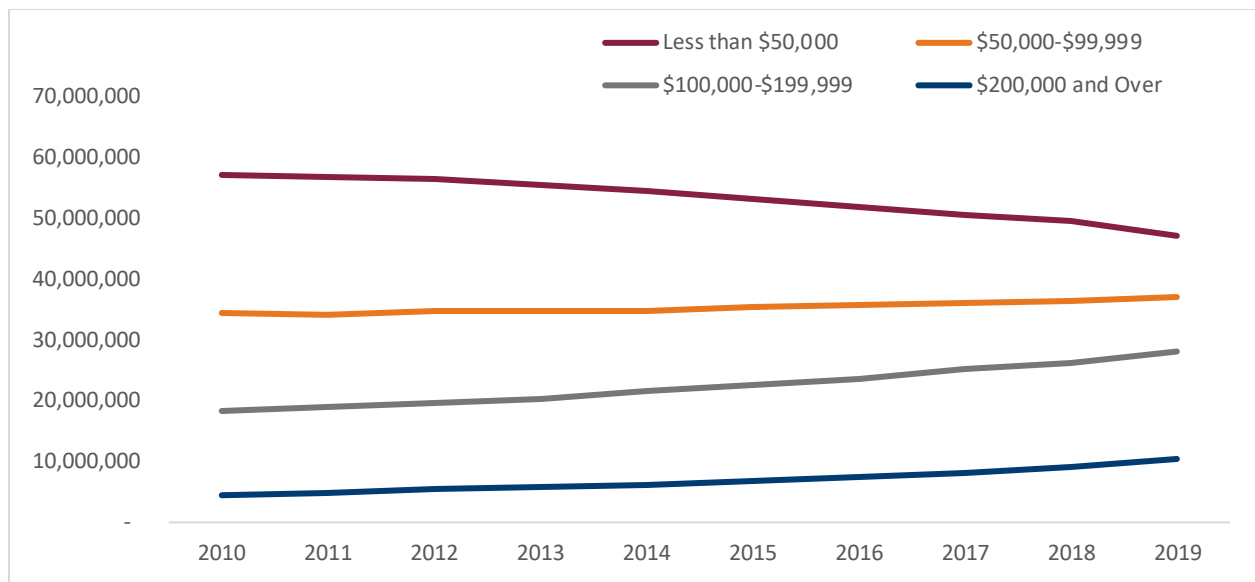


Source: US Bureau of Economic Analysis; Statista

The United States had an average household income of \$92,324 in 2019, according to the American Community Survey. Average household income, however, is easily distorted by outliers. Median household income is a more robust measure in that it is far less sensitive to the presence of outliers; the United States had a median household income of \$65,715 in 2019. Households earning \$100,000+ annually have the greatest capacity for discretionary spending and tend to be the least vulnerable to changes in PCDI. More affluent householders tend to enjoy better job security, low unemployment rates, and fewer financial obligations compared to their less affluent counterparts. These households also drive demand for upscale or high-end goods and services.

The number of households earning \$100,000-\$199,999 annually grew by 53%, from 18.3 million households in 2010 to 28.1 million in 2019. Additionally, the number of households that earned \$200,000 or more grew 134%, from 4.5 million households in 2010 to 10.4 million in 2019. Overall, households earning \$100,000+ annually accounted for 31% of the nation's households in 2019; this compares to 20% in 2010. Figure 2 details household change by income bracket.

Figure 2: Change in Households by Income Bracket, United States, 2010-2020



Source: U.S. Census Bureau American Community Survey One-Year Estimates, Table S1901

However, the coronavirus pandemic negatively impacted households and economies across the nation. Consumer confidence and purchasing fell in response to shutdowns. As restrictions lift, profit and revenue are expected to recover as consumers express pent up demand. Faltering consumer confidence, however, could stifle growth as households continue to express uncertainty over the domestic economy in the years following the pandemic. The consumer confidence index measures this sentiment based on the results of an annual survey regarding household finances, business conditions, income, employment, etc. The confidence index fell to -27 in 2020; this was third lowest CCI value, following the recessions of 2008 (-47 CCI) and 2001 (-32). The confidence index is expected to recover to pre-pandemic levels in 2021.

Update: Since the main duration of the research, 2021 and preliminary 2022 data trends suggested that consumer spending was recovering as predicted. However, consumer expenditures and confidence are beginning to shift across the country in response to rising inflation.

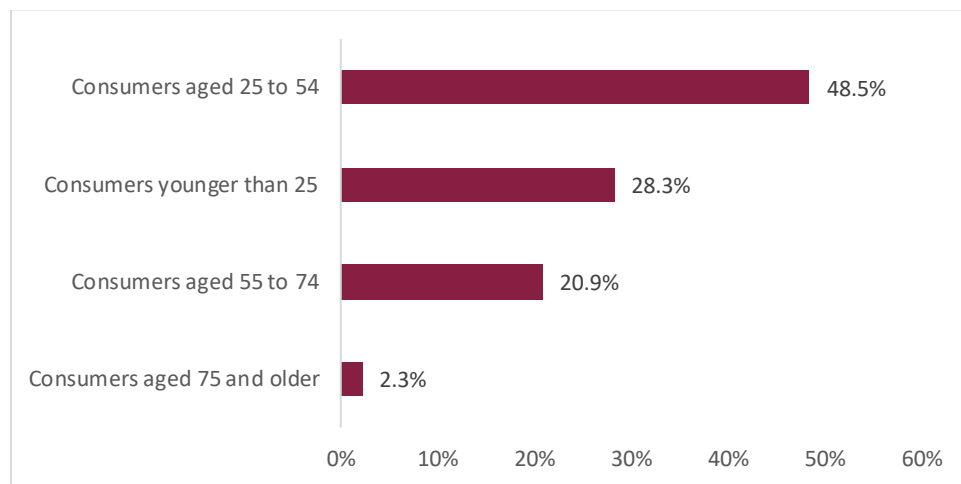
Arts Schools

Arts and craft centers fall within the arts schools industry. Operators within this industry provide instruction in recreational dance, music, theater, and visual arts. The arts schools industry enjoyed 11.8% revenue growth from \$5.27 billion in 2016 to \$5.89 billion in 2019. Industry operators collected less profit and saw declining margins during this period, despite revenue growth. The arts schools industry was also negatively impacted by the coronavirus pandemic; industry revenue fell nearly 12% in 2020 alone.

The arts schools industry is expected to benefit from national economic growth forecasted for the next five years. Industry revenue is expected to recover to pre-pandemic levels by 2025. Increases in PCDI and consumer confidence will play a defining role in this industry's ability to recover. This is especially the case as public arts funding is projected to decline as the government faces increased Social Security and Medicare liabilities amid deficits incurred from recent stimulus provisions. Corporate charitable giving is also expected to decline over the next five years.

Nearly half (48.8%) of the arts schools industry’s revenue was generated by recreational dance classes in 2020. Recreational music and theater classes (16.3%), training and professional development (10.8%), contributions (9.1%), academic programs (6.1%), and recreational visual arts classes (3.7%) supplied the remainder of this industry’s revenue. The market for these products and services is segmented by age. Consumers aged 25-54 accounted for the largest share (48.5%) of this market in 2020. Consumers aged younger than 25 accounted for an additional 28.3% during the same year. It is important to note that consumers younger than 25 are typically enrolled in these programs by their parents. Demand from both of these market segments is highly sensitive to changes in PCDI; younger consumers tend to have the lowest levels of disposable income while families tend to have more financial obligations. Seniors accounted for the third and fourth largest market segments. Senior art engagement has increased over the past five years; this trend is expected to continue into the next five-year period. Figure 5 details demand for the products and services offered by industry operators by consumer age.

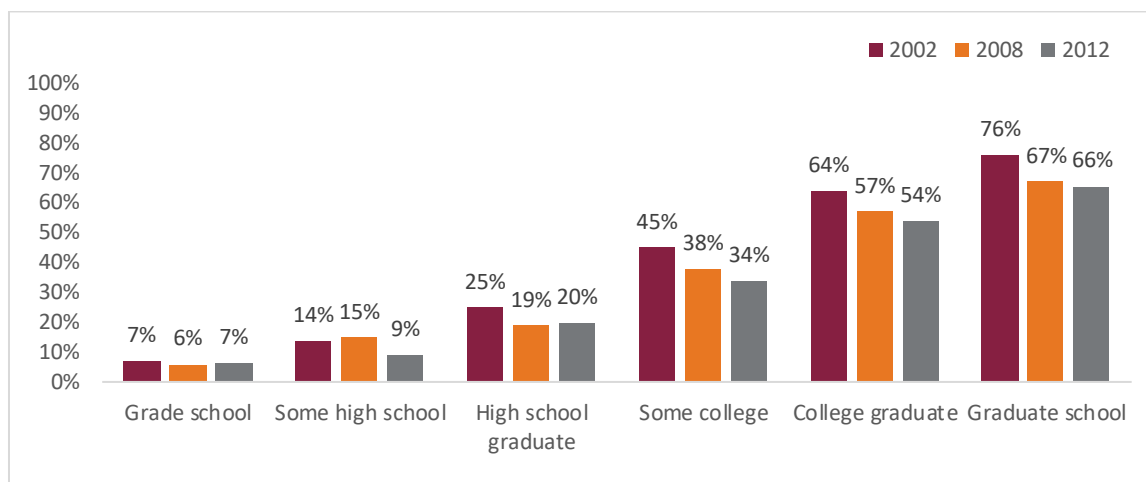
Figure 3: Market Segmentation, Arts Schools Industry, 2020



Source: IBISWorld US Industry Report 61161

Educational attainment is also highly correlated with arts participation, according to the National Endowment for the Arts (NEA). As shown in Figure 6, 66% of adults with graduate degrees and 54% adults with bachelor’s degrees participated in an arts activity in 2012. This compares to 20% of adults with a high school diploma for the same year. Participation fell across each educational attainment level during this study period (2002-2012). However, the number of adults with at least a bachelor’s degree has grown since 2012.

Figure 4: Adult Arts Participation in the United States, 2002-2012



Source: National Endowment for the Arts, A decade of Arts Engagement, Jan. 2015

Operators in the arts schools industry compete with one another on the basis of price and reputation. Steady demand for arts programming has lessened internal competition for course enrollment. The typically low geographic density of providers and diversity in course offerings also limits competition. Additionally, providers tend to be specialized in one or two fields, which further limits competition.

Arts organizations with highly regarded instructors are more able to charge a premium for their courses and attract participants. Prestige might be more important for skilled hobbyists or young students seeking later admission in a more intensive program. Prestige might be less important for recreational participants who are more interested in the pleasure and entertainment aspects of arts courses. Price is difficult to compare across industry operators in that there is tremendous variation in length and content for arts courses.

Arts schools face some external competition from community colleges and trade schools; however, the nature of coursework is typically different. While some adult learners will enroll in degree or certificate programs at local community colleges, these programs are geared more toward gaining job-specific skills and credentials. Additionally, course offerings rarely overlap. Arts schools have significantly more freedom in course development compared to their more regulated degree-offering counterparts. The arts schools industry faces some external competition from online instructors and tutors. Many consumers, however, prefer in-person instruction considering the hands-on nature of arts instruction and equipment requirements. Nevertheless, online courses tend to be cheaper and more flexible than those offered at brick-and-mortar schools and have placed some downward pressure on industry demand. Music courses, for instance, have gained some traction in virtual settings.

Boutique Hotels

RACCs offer unique accommodation experiences coupled with meal plans that provide visitors with a rounded immersive experience when taking arts classes. Therefore, VTCECE analyzed the boutique hotel

industry to better understand the climate for unique lodging opportunities. The boutique hotel industry is defined by IBISWorld as “...hotel environments that feature unique architecture and design.” This industry includes both upscale, resort-style establishments and more budget-friendly, limited-service establishments. Boutique hotels can be independently-owned or affiliated with a larger hotel group.

The boutique hotel industry enjoyed revenue growth alongside increases in PCDI and travel demand from 2016 to the beginning of 2020. However, this industry saw significantly negative impacts stemming from the coronavirus pandemic, which caused many operators to temporarily close or restrict operations due to travel restrictions. Industry revenue fell by nearly 50% from \$20.6 billion in 2019 to \$10.4 billion in 2020. Boutique hotels that remained solvent underwent significant belt-tightening during the height of the pandemic to meet their expenses; industry employment fell by 29.7% in 2020 due to widespread layoffs.

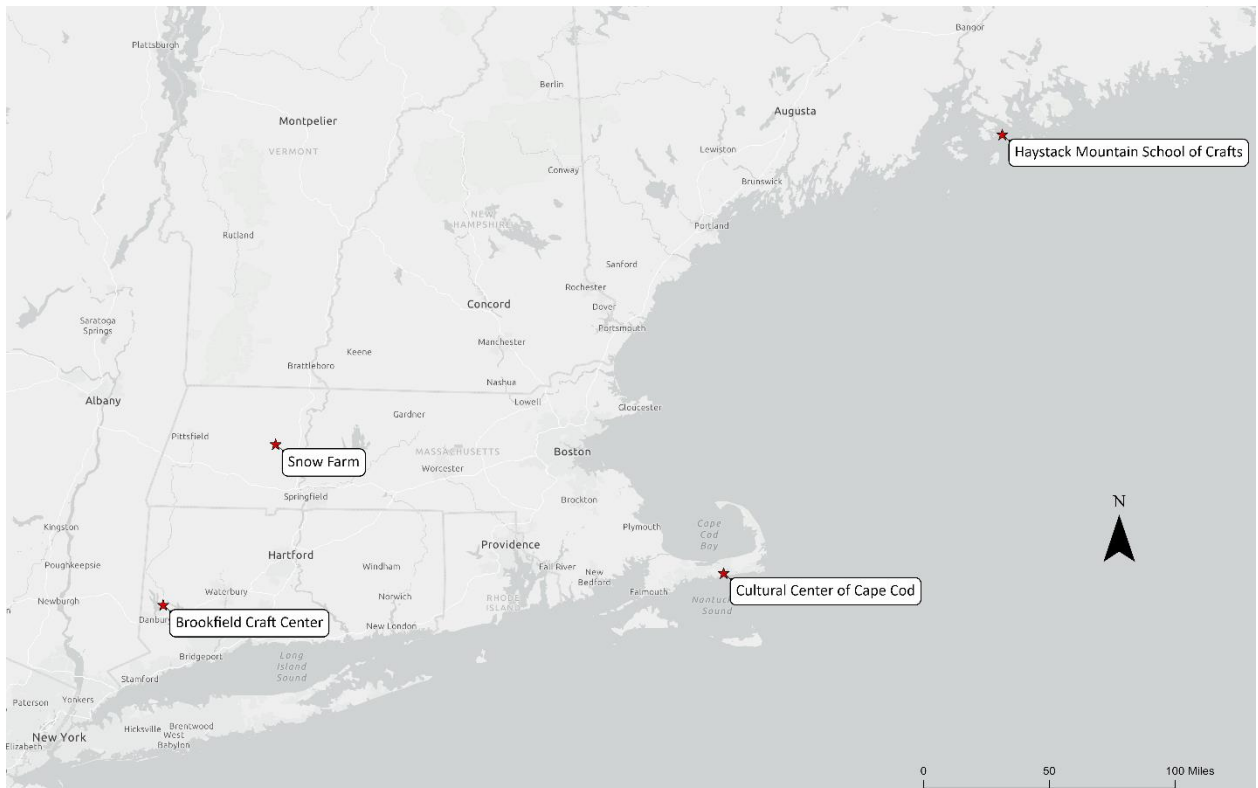
Revenue is expected to rebound in 2021; operators expected to generate \$12.4 billion. Growth is expected to continue into the next five-year period as the coronavirus pandemic subsides and domestic and inbound travel resumes. Industry revenue is expected to grow at an annualized rate of 11.1% to \$20.9 billion in 2026, which is marginally higher than pre-pandemic revenue levels. This growth could be regional, however, as some areas have an oversupply of hotel accommodations.

Boutique hotels have created a niche within the hospitality sector by offering guests a unique experience that differs from that of traditional operators. Some boutique hotels include a chef-driven restaurant or a destination bar that attract non-guest visitors. Others include resort-type amenities such as steam rooms or spas. Finally, some center themselves around a lifestyle, hobby or interest. There is little information on consumer’s willingness to pay for these amenities. Brand recognition is paramount to success in hospitality; large conglomerates attract consumers with their highly recognizable brands alone. Membership programs also incentivize return customers with free or reduced stays. Unaffiliated boutique hotels may struggle in competing with the familiarity consumers have with large and seemingly omnipresent hotel chains that have the financial resources to incentivize loyalty.

Section II: Arts and Craft Centers Overview

VTCECE conducted case studies on 10 arts and craft centers located throughout the East Coast of the United States. Six craft centers were residential centers, providing students with accommodation during their coursework. The remaining four centers were nonresidential centers. Centers interviewed include: Arrowmont School of Arts and Crafts; Cape Cod Cultural Center; Chestnut Creek School of the Arts; Johnson County Center for the Arts; Haystack Mountain School; Penland School of Crafts; Snow Farm; Touchstone Center for Crafts; Brookfield Craft Center; and the John C. Campbell Folk School. The following maps show the geographic locations of the 10 RACCs and NACCs included.

Figures 5, 6: Eastern U.S. Arts and Craft Centers



VTCECE gathered relevant information regarding each center's courses, fees, and operations from their website as well as 990 tax forms. VTCECE also conducted hour-long interviews with key center personnel to better understand the nuances of each center and identify any pertinent insights. The following sections synthesize findings from each case study in light of the following topics: visitors and market; accommodation; courses and offerings; revenue and expenses; operations; and opportunities and challenges.

Visitors & Market

VTCECE analyzed the typical demographic of each center's students as well as their market area. This information largely confirmed findings from the earlier demand analysis detailed in Section I of this document; the demographic for arts and cultural centers aligns with higher levels of income, wealth, and educational attainment. Almost every center shared that, on average, students tend to be aged between 45-65, predominately female, and predominately white. Several centers identified factors that shifted this demographic, which are detailed later in this section.

Counter-Trend: The Haystack Mountain School shared that approximately 50% of their demographic aligns with that of other centers (older, white, etc.). School leadership also shared that the remaining 50% of their demographic is aged 18-25. The school's generous financial aid/scholarship program (47% of students received aid) allows for increased participation from younger age groups, according to the school's director.

Approximately 50% of visitors to all case study centers originate from a local to regional market (300-mile driving distance/in-state travel). The majority of the residential centers analyzed in this document are located in a rural area. Each of these centers, however, are located within a reasonable driving distance of at least one major metropolitan area. Interviews uncovered that at least 50% of visitors to residential centers originate from proximal metropolitan areas. Additionally, interviews suggest that residential centers have the lowest degree of local market penetration. No residential center indicated that more than 10% of their visitors live in the same or surrounding counties.

Each residential center indicated that a minimum of 10% of their guests travel from beyond a 300-mile radius driving distance of their center. Larger and/or more established residential centers have the highest proportions of visitors who lived elsewhere in the United States or abroad. The Penland School of Craft and the John C. Campbell Folk School—two of the nation's oldest centers—indicated that approximately 40% of their visitors live in other regions of the nation or travel internationally to the school. For example, Penland had visitors from 49 states, two U.S. Territories, and nine countries in 2019. Smaller and/or less established centers see lower proportions of out-of-region and international travelers.

Alternatively, nonresidential centers see higher degrees of local market penetration and comparatively less engagement with their surrounding regional markets and beyond. Each nonresidential center studied shared that at least 70% of their visitors live within a 100-mile radius. For example, the Chestnut Creek School of the Arts and the Cultural Center of Cape Cod shared that at least 90% of their guests live within a 100-mile radius of the center.

Approximately 50% of visitors to all centers have taken a class previously. The remaining 50% of visitors are first-time guests. Nonresidential schools have the highest proportions of returning guests. For example, 90% of Chestnut Creek students and 75% of Cape Cod students previously took a course.

Alternatively, five residential centers shared that approximately 50% of their students have taken one of their courses previously and one center (Haystack) indicated that 60% of their students had taken a course previously. Each center noted that word-of-mouth and digital marketing are important for attracting first-time students and engaging previous students.

Insight: VTCECE observed a correlation between local market engagement and centers' proportions of returning guests. Nonresidential schools, which primarily served a local/regional market, have the highest proportions of returning guests. Smaller market size appears to be conducive to continued student engagement in that travel is less of an obstacle.

Accommodation

VTCECE collected information regarding lodging and meals rates, the types of accommodation offered by centers, and students' demand for accommodation. Max occupancy varied tremendously across these centers. Penland and the Arrowmont School of Arts and Crafts can accommodate approximately 200 people at max occupancy. Haystack offers about 90 rooms to students and instructors. JC Campbell and the Touchstone Center for Crafts can accommodate approximately 75 people. Finally, Snow Farm can accommodate up to 40 people.

Centers offer different types of housing. Each center has some sort of dormitory housing, where students shared a room with a related or unrelated roommate; a bathroom is shared with multiple rooms. Centers also have several types of single rooms, ranging from single rooms with a shared bath to upscale single rooms with private baths. Each residential center shared that single rooms are the most popular lodging options amongst students. Several centers noted that dormitory-style housing was previously the most popular. A smaller number of centers offer camping and RV sites to students.

Example: JC Campbell offers students five levels of accommodation, ranging from \$175-\$267 for two nights, with meals included. Students can also rent tent and RV sites for \$40 and \$77 for two nights (not including meals), respectively.

Each residential center shared that they have converted their dormitory rooms to single rooms to meet COVID-19 safety requirements. Eliminating dormitory housing had varying effects on individual center's total occupancy. Large schools with more variability in accommodation saw only a small decline in occupancy whereas smaller schools with a majority of dormitory accommodation, such as Touchstone, saw their max occupancy nearly halved.

Centers tend to combine housing and meals fees. Room rates also varied tremendously. Centers indicated that they set accommodation and meals prices based on what peer centers were charging. Only one center shared that they considered local room rates when setting room and board fees. Single rooms range from \$75-\$150 a night, including meals. Cabins and more upscale accommodation options tend to be in excess of \$300 a night.

Each center provides instructors with housing. Staff from each center indicated that demand for on-campus housing was high; students crave an immersive, on-campus experience. As such, these centers see little to no vacancy.

Insight: Upwards of 95% of students that take courses at Haystack stay on campus. This is due to the highly remote nature of Deerfield Island, on which the school is located. Accommodation is very limited in this region; therefore, the vast majority of students elect to stay on campus.

Some centers do not have the capacity to meet student demand for on-campus housing. These centers rely on a mix of off-campus hotels and shared-economy properties to house students. For example, approximately 50% of Touchstone’s students stay off-campus.

Example: The Chestnut Creek Center for the Arts partnered with a local accommodation establishment to create a “pod” course structure where out-of-regions groups took weekend courses and received a group rate at a local hotel.

Courses, Instructors, Tuition, and Scholarships

Both residential and nonresidential centers offered a homogeneous mix of arts and craft courses and workshops. Table 10 on the following page compares offerings across each case study center. Each center offers instruction in 2-D arts, and all but one center offer instruction in pottery and ceramics, woodworking, and textiles.

Insight: The John C. Campbell Folk School and the Cultural Center of Cape Cod offer an array of cooking classes. Both centers indicated that these courses are popular amongst students.

Table 1: Comparative Art School Offerings

Offerings	Arrowmont	Brookfield	Cape Cod	Chestnut Creek	Haystack	JC Campbell	Johnson County	Penland	Snow Farm	Touchstone
Course Subjects										
2-D Arts: painting, drawing, printmaking	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basket weaving	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Blacksmithing & metalwork	✗	✓	✗	✗	✓	✓	✗	✓	✓	✓
Cooking	✗	✗	✓	✓	✗	✓	✗	✗	✗	✗
Digital Arts	✗	✓	✓	✗	✗	✗	✗	✗	✗	✗
Glass and flame work	✗	✓	✗	✓	✓	✓	✗	✓	✓	✓
Jewelry	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓
Music	✗	✗	✓	✗	✗	✓	✗	✗	✗	✗
Pottery and ceramics	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Textiles	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Woodworking & woodturning	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Writing	✗	✗	✗	✗	✓	✓	✗	✓	✗	✗
Photography	✗	✓	✓	✗	✗	✓	✗	✓	✗	✗
Physical wellness	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗
Course Types/Structures										
Adult Courses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Youth Courses	✓	✓	✗	✓	✗	✓	✗	✗	✓	✓
Youth Summer Camps	✓	✗	✗	✓	✓	✓	✗	✗	✓	✗
Provides Meals	✓	✗	✗	✗	✓	✓	✗	✓	✓	✓
Provides Lodging	✓	✗	✗	✗	✓	✓	✗	✓	✓	✓
Residency Programs	✓	✗	✓	✗	✓	✓	✗	✓	✓	✓
Scholarships	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Work Study/ Internships	✓	✗	✗	✓	✗	✓	✗	✓	✗	✓

Each center offers coursework for a range of skill levels, including beginner, intermediate, and advanced artists. Most centers noted that the majority of their students identify as beginner or intermediate hobbyists. A small number of schools also offered professional development components for students interested in evolving their hobby into a craft and/or becoming instructors.

Example: Touchstone offers an intensive work-study program intended to expose emerging artists to instruction, studio management, and operations while also providing them with the resources needed to hone their craft.

Centers see varying levels of demand for their courses. More established centers, such as Penland, tend to fill courses six months to a year prior to the course start date. Other large centers, including JC Campbell, Haystack, and Arrowmont, similarly characterized demand for their courses. Smaller centers see comparatively less demand, although popular courses can fill quickly. Some centers noted a recent uptick in registrations as they resumed in-person classes. Interviewees felt that students were expressing pent-up demand.

Demand also seems to vary by school based on the school's reputation and recognition of artist instructors employed by each center. Therefore, larger more established arts centers were better equipped to be more innovative with class offerings. Most residential centers noted difficulties filling newer classes with less-known instructors. For instance, the Cultural Center of Cape Cod indicated that the center struggles to fill classes with instructors with whom students were unfamiliar. Meanwhile, Penland indicated fairly consistent enrollment throughout the year and did not report difficulties filling classes.

Interviewees almost unanimously identified pottery and ceramics as their most popular course offering. The popularity of other course offerings is more varied. Centers with a specific niche or particular history in a subject area tend to see higher registrations in these specialty areas. For example, several centers indicated that textiles and weaving courses are not popular offerings. Alternatively, Penland, which has a long history in textiles and weaving, indicated that these courses are among their most popular offerings. Unique offerings also tend to be popular. One center noted an uptick in registrations for blacksmithing and metal work following popular television shows such as *Game of Thrones*.

Alternatively, nearly each center identified glassblowing and flameworking as their least popular course offering. Centers also identified glass coursework as their most costly offering considering the equipment and resources necessary to operate a glass studio. Other centers identified coursework in textiles, weaving, and writing as being less popular as well.

Insight: Many centers indicated that courses in subjects that students could participate in outside of the professional studios tend to be more popular. Meanwhile, more resource and equipment-intensive courses fill more slowly because students had a limited ability to participate in those mediums outside of craft centers.

Course length and structure varied with each center. Residential centers, however, tend to offer weekend to weeklong courses, with instruction held daily. Penland offers the longest courses, at eight weeks long. Alternatively, courses are held for a maximum of five days at Touchstone and Snow Farm. Residential centers shared that weeklong courses tend to be the most popular.

Insight: Several residential centers shared that shorter courses favor a younger demographic and see increased local participation. One interviewee shared that the majority of young people do not have the financial ability or time to participate in two-week-long courses. Another interviewee felt that shorter courses are more attractive to beginners who may not be ready to commit a week or longer to a new hobby.

Courses held at nonresidential centers range from one to two-day courses with more intensive instruction to four to eight-week courses where students meet once or twice per week for several hours. There is no discernable difference in the demographic for day and weekend long classes and month to two-month long courses held at residential centers. Longer courses with recurring meeting times, however, require that students live near the center. Shorter courses are more conducive to students that live farther from centers and beginners not ready to commit to longer courses.

Insight: Several residential and nonresidential centers shared that short courses are great marketing tools. A number of centers hosted social Friday night courses and “date nights” to attract nontraditional or new guests to their facilities. Weekend courses are similarly popular with locals and beginners, according to participants. Several centers shared that they plan to expand their weekend offerings.

There is less variability in the instructors employed by residential and nonresidential centers. Each center indicated that they hire a mix of established and beginner/emerging instructors. All centers indicated, however, that instructors must have demonstrated enthusiasm and skill for teaching students of all levels. Each center shared that instructors play at least some role in driving course enrollment. Established instructors play a more pronounced role in attracting students, especially for smaller centers. Larger centers indicated that while established instructors certainly played a role in attracting students, the prestige of the center itself is equally attractive to students. Additionally, it is common for an established instructor to teach at several residential and nonresidential centers throughout a season or year. Several of the large residential centers mentioned that they share instructors amongst one another.

Centers shared that registrations for courses offered by lesser-known instructors tend to lag. This is especially the case for smaller schools with less overall demand for courses. Several smaller centers shared that courses led by new instructors typically gained momentum after they had been held several times. Larger and/or more established centers benefit from the ability to offset the limited marketability of a new instructor with the marketing power of their centers.

Insight: The majority of centers interviewed during this process shared that they had recently established goals to increase diversity amongst their roster of instructors.

Each center indicated that they set their course fees based on fees at other peer centers. Fees for courses held at residential centers tend to be higher than those held at nonresidential centers. Weekend courses at residential centers are about \$400; weeklong courses are approximately \$1,000; and two-week long courses tend to be in excess of \$2,000. Course fees varied across individual offerings. Resource and materials intensive courses, such as glass blowing and metalworking, tend to be more expensive. Additionally, some centers have materials fees in addition to instruction fees. Course fees at nonresidential centers tend to be less expensive. Single-day and weekend classes tend to be less than \$100 while month-to-two-month-long courses could be in excess of \$500.

Insight: Nonresidential centers with a more local/regional focus offered the most inexpensive courses. These centers shared that while they benchmarked their course fees against other centers, they also try to ensure that courses are economically accessible to locals. For example, the vast majority of courses held at Chestnut Creek cost less than \$100.

Each center offers scholarships and/or tuition assistance programs. Centers use a holistic process in awarding scholarships; financial need and demonstrated interest in the arts were typically considered in these application processes.

Example: Approximately half of the students attending Haystack Mountain School receive some sort of aid or scholarship. Haystack awards scholarships based on financial need as well as statement-of-purpose essays in which applicants share why they want to attend a course.

Some centers, such as Penland, also have scholarship opportunities intended to increase participation among individual minority groups, including people of color, women, and/or LGBTQ+ community members. Additionally, Touchstone provides scholarships for veterans, caregivers, and teachers. Several centers, including Penland, Haystack, and Touchstone, identified scholarships as a key tool for increasing access for younger students. Scholarships are funded through a variety of contributed revenue streams. Some centers utilize government and foundation funding to provide scholarships. Other schools, such as Penland, rely mostly on private donors who fund namesake scholarships.

Revenue & Expenses

Revenue was highly varied across both residential and nonresidential centers. Arrowmont generated the most annual revenue of all the centers detailed in this report (\$10.82 million in 2019). Penland (\$7.65 million) and JC Campbell (\$5.61) million were the following highest grossing centers. The Cultural Center of Cape Cod was the highest grossing nonresidential center (\$811,530 in 2018). Cape Cod generated more revenue than Touchstone—a residential center—in 2018.

Many nonprofits rely on a mix of earned revenue and contributed revenue to fund their operations. On average, contributed revenue accounted for 60% of total revenue across each center analyzed during this research. The remaining 40% of revenue was earned through tuition, room and board, and sales. Individual contributions and grants from private foundations accounted for the bulk of contributed revenue for most centers.

Counter-trend: Earned revenue outweighed contributed revenue at Snow Farm and JC Campbell. Approximately 60% of Snow Farm’s revenue was earned through programming in 2018; more than 80% of JC Campbell’s revenue was earned through tuition and room and board during the same year.

Individual contributions accounted for the greatest portion of contributed revenue for almost every center. It is typical for individual contributions to account for upwards of 90% of a center’s contributed income. Alternatively, government grants account for 2%-10% of a center’s contributed revenue in a given fiscal year.

Counter-trend: The Chestnut Creek School of the Arts is a public-private partnership; the City of Galax covers the school’s payroll and other facets of its operations. As such, government grants accounted for more than 40% of the school’s total revenue in 2018.

Findings suggest that centers located closer to large metropolitan areas are more successful in leveraging funding from charitable foundations. For example, Touchstone staff shared that the school is successful in leveraging funding from foundations located in Pittsburgh, which is approximately 60 miles from the center. Meanwhile, Snow Farm Leadership shared that the center is located too far from the closest metropolitan region (Boston, MA) to receive direct arts foundation funding from the region.

All centers reported that program service fees (i.e., tuition, room, and board) generated the greatest portion of earned revenue. Additionally, many residential centers indicated that housing is their greatest source of net revenue (housing costs subtracted from gross housing revenue).

Residential schools tend to have higher costs than their nonresidential counterparts considering the enhanced scope of their services. Expenses for residential centers ranged from \$878,085 (Touchstone) to \$6.39 million (Penland). Expenses for nonresidential centers ranged from \$321,064 (Chestnut Creek) to \$848,085 (Cape Cod). Similar to revenue, Cape Cod nearly eclipsed Touchstone with respect to total costs. Six of the nine centers for which financial information was available ended the most recent fiscal year with a surplus. Alternatively, three centers (Touchstone, Cape Cod, and Brookfield) ended the fiscal year with a deficit. Each center indicated that their greatest cost was labor. Second to labor, upkeep and general maintenance accounted for a large portion of overhead costs for centers with historic properties or buildings onsite. Additionally, many residential schools shared that the cost of providing meals oftentimes exceeded revenue generated from this line item.

Residential schools tend to be the wealthiest with respect to total assets. Penland led the centers analyzed in this document with \$47.93 million in assets. Arrowmont (\$31.89 million) and JC Campbell (\$16.19 million) were the following best-endowed centers. Anecdotally, centers with larger endowments appeared to be the most forward thinking. Many of these centers funded strategic planning, branding, and diversity initiatives. The Cultural Center of Cape Cod led its nonresidential peers with respect to endowment (\$2.66 million in 2018).

Operations

Residential centers are more likely to operate seasonally. This was especially the case for centers located in colder climates, such as Snow Farm (Massachusetts), Touchstone (Western Pennsylvania), and Haystack (Maine). Centers that operated seasonally begin courses in spring and conclude courses in the fall. Residential centers shared that the summer was typically their busiest season. A number of residential programs, such as Penland, offered residency programs during off-months.

Counter-trend: The John C. Campbell Folk School operates year-round, thanks to the temperate climate of Southwestern North Carolina. Staff indicated that the school is busiest during the late summer and early fall, but demand for coursework is somewhat consistent throughout the year.

Nonresidential centers were more likely to operate year-round, with the busiest season also being summer. Only the Cape Cod Cultural Center deviated from this; the center was busiest in the shoulder seasons of fall and spring, when alternate outdoor options were more limited. Each center shared that demand tapers during the winter holiday season.

Staffing

Staffing varied across residential and nonresidential centers. Residential centers tend to have larger staff sizes than their nonresidential counterparts. Penland and JC Campbell led residential centers with

respect to staffing. At the time of this research, Penland had 60 full-time staff members and 12 part-time staff members. JC Campbell had 50 full-time staff members and no part-time staff, given that the school operates year-round. Other residential centers had significantly fewer staff. For example, Haystack employed six full-time staff members and four part-time staff. Each residential program had internship programs; interns typically support administrative and operational functions and/or serve as studio assistants. Very few residential centers utilize volunteers consistently. Residential centers that enlist volunteers employ them only occasionally and for specific events or tasks.

Insight: Full-time staff at residential centers tend to fill administrative roles while part-time staff typically fill seasonal housekeeping, cooking, and facilities roles. Several residential centers indicated that it is increasingly difficult to fill seasonal roles, especially in areas with high costs of living.

Nonresidential centers had comparatively fewer staff members at the time of this research. The Cultural Center of Cape Cod had the largest staff at five full-time positions and three part-time positions. Cape Cod had more full-time staff members than Touchstone — a residential center — at the time of this research. Remaining residential centers have one full-time staff member, typically an executive director or program coordinator. These centers have a small number of part-time staff that provide administrative and operational support. Marketing and bookkeeping are common part-time positions. Nonresidential centers are far more likely to utilize volunteer support. Volunteers typically support operations and specific events.

Example: Brookfield’s director — a retired chief financial officer — serves as a volunteer. This individual contributes approximately 30 hours of their time to the center a week.

As mentioned above, some centers indicated that they faced difficulties in filling certain positions. Almost every smaller center indicated that they faced internal capacity issues to varying degrees. Smaller residential schools shared a need for additional full-time support. Funding for these positions, however, is limited to nonexistent. Each nonresidential school also shared concerns regarding internal capacity. The directors of these schools are forced to wear many hats.

Opportunities and Challenges

Each center mentioned increasing diversity, equity, and inclusion of students and instructors as both an opportunity and a challenge. Larger schools with higher levels of income and funding are more able to expand outreach to historically underrepresented minority groups. More established, well-funded centers also have more money for scholarships, which schools described as critical for bringing in underrepresented groups.

Example: Haystack Mountain School recently doubled the total number of students receiving scholarships from 24% to 47% and launched a multi-year partnership with Crafting for the Future, which will provide fellowships covering tuition, room & board plus travel stipends for young, underrepresented artists.

Instructor demographics tend to align with participant demographics, with most being mostly older and white. With instructors playing such a key role in driving enrollment, having a more diverse set of instructors could lead to increased enrollments from people who would not enroll otherwise and allow instructors to better connect with diverse students. More established centers are also well positioned to

bring in new instructors as enrollment relies more on the prestige and branding of the school rather than individual instructors.

Example: One of the more endowed schools with nearly \$48 million in total assets, Penland, set targets to hire 30% of instructors from underrepresented groups.

Each of the centers analyzed in this research were deeply impacted by the pandemic; all centers halted operations during 2020 and had to pivot to online-only instruction. Despite the negative impact of the shutdowns, schools confirmed that online classes provided an opportunity to expand reach, decreasing geographic and time barriers to access. Schools with higher percentages of students traveling outside of a local driving distance had to rely more on online classes due to travel restrictions.

Example: 60% of students that participated Haystack's online courses had not been to the physical campus. Haystack has not offered any in-person instruction since the pandemic started, but plans to restart in-person classes for the 2022 season.

Several centers used down-time created by the pandemic to invest in their campuses and course offerings to adapt to the changing student preferences. To create more socially distant spaces, many schools converted their shared dorm accommodations to private accommodations, which decreased maximum occupancy capacity on campuses. Multiple schools are in the process of re-evaluating their campus plans and upgrading their facilities.

Insight: Multiple schools noted that despite the cost, single occupancy rooms are becoming more preferable to double and shared room accommodations. This trend has been observed across all age groups, including younger students, who historically preferred the less costly shared-room/dorm style.

Despite pandemic-related challenges, all schools were optimistic in their outlook for the future. Multiple schools reported that classes for the Spring 2022 season are set to fill up fast as there is a high pent-up demand for in-person classes. The pandemic afforded many people the time to develop crafts hobbies, and the classes in which students can continue a craft at home are some of the most popular. All the schools noted the unparalleled benefits of face-to-face instruction. The scenic nature surrounding many of the schools' campuses provides an experience that cannot be replicated online.

Lastly, centers noted the opportunity to incorporate innovative technology and update their course offerings to reflect emerging arts and crafts trends. Schools indicated younger students have a greater interest in digital mix media arts and providing these offerings is critical to attracting this demographic. Younger students are more likely to sign up for newer courses that each center offers.

Example: Brookfield began offering courses in digital media and purchased equipment including a 3-D printer, CNC router, and new welding equipment to support courses

Section III: Arts and Craft Center Case Studies

The following figures illustrate the geographic locations of the centers examined in this study.

Residential Centers

VTCECE studied six residential arts and craft centers located throughout the East Coast of the United States. Residential Centers are classified as holding instruction in arts and crafts as well as providing accommodation and meals to students. The oldest of these centers has been in operation for more than 100 years (the John C. Campbell Folk School). The youngest of these centers began operations in the mid-1980's (Touchstone). VTCECE collected data from centers' websites and 990 tax forms and conducted interviews with key center personnel.

Penland School of Craft

The Penland School of Craft is a residential craft school located in Bakersville, North Carolina. Penland was founded in 1929. According to the school's website, the school was originally an outgrowth of a craft-based economic development project. Today, Penland attracts over 1,400 visitors seeking instruction in a number of mediums and subjects annually.



Visitors & Market

Visitors travel internationally to take courses at Penland. According to Penland Staff, approximately 10% of visitors live within an hour drive of the center; 25% live within North Carolina; and the remainder of visitors travel from elsewhere in the United States and abroad. For instance, visitors from 49 states, two U.S. Territories, and nine countries traveled to Penland in 2019.

Students must be over the age of 18 to participate in Penland's adult courses. Penland's visitors tend to be in their mid-forties, according to staff. Staff also noted that Penland attracts a larger volume of older (45+) visitors than younger visitors. Women are more likely to attend workshops than men. Students tended to be at the beginner to intermediate level.

Penland staff indicated that first time guests accounted for approximately 50% of the center's visitors while returning guests accounted for the remainder. Staff maintained that word-of-mouth marketing was successful in attracting new and previous students. Additionally, students that exhibit a particular talent or skill in a medium are invited to return to the school as studio assistants. The school also employed marketing and communications staff to engage potential students and returning guests.

Courses, Instructors, and Fees

Penland offers coursework in books and paper, clay, drawing and painting, glass, iron, metals, photography, printmaking and letterpress, textiles, and wood.

Penland has 16 studios on campus to accommodate these offerings. Penland staff noted that demand for courses is high, with some courses being fully booked for two years in advance. Courses are offered seasonally, although the school remains open for residency programs in the winter. Penland typically sees its highest volume of visitors in the summer. Penland's courses range from weekend/two-day courses to eight-week long courses. Staff indicated that one-week courses were the most popular amongst students. Two-week courses followed in popularity. Students participating in shorter courses tended to be older, whereas students participating in longer courses tended to be younger.

Staff noted that clay and ceramics courses are the most popular and tended to fill the fastest. Textile courses and frameworking/metals courses are also popular subjects. Staff mentioned that coursework in books and letterpress were the least popular. Registrations for glass blowing, which is the school's most expensive course offering, also tended to lag. Staff mentioned that it was difficult or, in many cases, impossible for students to practice glass blowing outside of Penland, which they felt dampened registrations.

There are a variety of requirements necessary to become an instructor at Penland. Well-known instructors and/or established artists play an important role in driving course enrollment. The prestige of Penland helps to drive enrollment for lesser-known instructors and artists. As a component of the school's diversity and inclusion efforts, Penland would like to increase its proportion of minority instructors to 30%.

Penland generated \$2.1 million in tuition during the 2018 fiscal year, which accounted for 27% of the school's total revenue. Table 1 details the most recent course fees for the Penland School of Craft. Penland sets its tuition based on peer arts and craft centers. Staff mentioned that a 10% increase in tuition is likely to keep pace with rising costs.

Table 23: Tuition, Penland School of Craft, 2019

Summer Courses			
	6-Day Course	12-Day Course	15-Day Course
Regular Tuition	\$867	\$1,533	\$1,944
Hot Glass Tuition	\$1,180	\$2,013	\$2,612
Partial Scholarship with Work Requirement	\$377	\$681	\$888
Partial Scholarship with Work Requirement, Hot Glass	\$543	\$989	\$1,288
Fall Courses			
	Weekend	1-Week	6-Week
Regular Tuition	\$595	\$867	\$3,560
Hot Glass Tuition	N/A	N/A	\$4,640
Partial Scholarship with Work Requirement	N/A	\$377	\$1,907

(incl. housing and meals)			
Partial Scholarship with Work Requirement, Hot Glass (incl. housing and meals)	N/A	N/A	\$4,655

Penland provides a variety of scholarship and tuition assistance programs. Staff indicated that approximately half of Penland's students receive some type of aid. These programs are funded through public and private contributions. For example, Penland received \$1.2 million in private donations in 2019, along with grant funding from the Wingate Foundation and others. Scholarships range from partial to full scholarships; some scholarships have work requirements.

Accommodation & Fees

Penland has approximately 100 rooms on its campus, which house 220 people at max occupancy.

Penland offers accommodation and meal packages to all participants and instructors. Staff indicated that approximately 80% of students stay on campus and that vacancies were rare. As such, Penland does not offer accommodation and meals to non-students.

As detailed in Table 2, Penland offers several accommodation options at varying price points. Staff indicated that single rooms with private baths were the most popular of these options. Staff noted that quad rooms with shared baths were previously the most popular option; however, students increasingly favor higher-end accommodation. Due to the coronavirus pandemic, Penland no longer offers shared rooms for unrelated students. All available rooms were converted to singles with private or shared baths.

Table 34: Summer and Fall Accommodation Fees, Penland School of Craft, Bakersville, NC

Summer Courses			
	6-Day Course	12-Day Course	15-Day Course
Double, shared bath w/roommate	\$938	\$1,705	\$2,230
Single, shared bath (economy)	\$1,090	\$1,977	\$2,600
Single, shared bath	\$1,351	\$2,458	\$3,232
Single, private bath	\$1,720	\$3,155	\$4,147
Fall Courses			
	Weekend	1-Week	6-Week
Quad	\$247	\$514	\$3,009

Double, shared bath	\$346	\$707	\$3,384
Double, shared bath with roommate	\$460	\$938	\$3,448
Single, shared bath	\$668	\$1,351	\$3,655
Single, private bath	\$858	\$1,720	\$3,859

Staffing

Penland has a total of 72 staff members; 60 are full-time, year-round employees and the remaining 12 are full-time, seasonal employees.

Year-round staff members typically fill administrative, development, and operational roles. Seasonal members are typically kitchen and housekeeping staff. Instructors are independent contractors. Penland has internship programs that place students in the school's community outreach and development offices. Staff noted that Penland has occasional difficulties in filling these positions.

Revenue & Expenses

Penland generated \$7.65 million in revenue and incurred \$6.39 million in costs in during the 2018 fiscal year, which resulted in a \$1.26 million surplus. The organization's last known endowment was \$47.93 million.

Approximately 48% of Penland's revenue was earned from tuition, sales, and investments. The remainder of Penland's revenue was contributed from grants (4.7%) and private donations (46.6%). Program service expenses accounted for the bulk of Penland's costs (78.4%). Compensation accounted for the largest portion of 2018 costs across each functional category. This observation was confirmed by Penland Staff. Staff also noted the maintenance of its facilities was another notable cost as many of the school's buildings are historic. For example, Penland paid nearly \$3 million in construction and architectural services during the 2018 fiscal year.

Opportunities & Challenges

Penland staff shared that increasing equality and diversity in its programming was both an opportunity and a challenge. The average Penland student tends to be white, female, and ages 40-45. Penland has taken steps towards promoting equity and diversity through its programs and instructors, but staff felt that more work was needed. The school offers a number of scholarships aimed at increasing minority representation in the arts. Additionally, the school has a goal of increasing the proportion of minority instructors to 30%.

Staff also mentioned that the school had to make several changes in light of the pandemic. Specifically, Penland removed its dormitory-style housing, which was a popular option for budget-conscious consumers. As mentioned earlier, however, single-room/single bathroom accommodations were the most popular choice amongst guests. Penland also started offering two-day courses, which have been very popular, especially amongst in-state students.

Arrowmont School of Arts and Crafts

Arrowmont School of Arts and Crafts is a residential craft school located in Gatlinburg, Tennessee. Arrowmont's origins date back to 1912 when it began as the Pi Beta Phi Settlement School. The school was founded initially to provide education to a once remote community where no formal schooling had been available. Today, Arrowmont is an internationally recognized visual arts education center providing instruction in a number of mediums and subjects March through November.



Visitors & Market

Arrowmont staff indicated that most of their visitors (60%) drove from surrounding states (Virginia, Tennessee, and North Carolina). A smaller number of visitors (40%) traveled nationally or internationally.

Staff indicated that the shorter courses tended to attract a more local audience, while longer courses attracted students from the broader region and nation. Staff shared mixed opinions as to whether being located in a tourist destination (Gatlinburg) drove enrollment/visitation. They mentioned that their visitors and students did not totally align with the demographic of Gatlinburg's other tourist attractions.

Students must be over the age of 18 to participate in Arrowmont's adult courses. Arrowmont's visitors tend to be empty nesters, ages 50 and up, according to staff. Staff mentioned that demographics shift with course lengths; shorter courses were more popular amongst younger people while longer courses tended to attract an older demographic.

Arrowmont staff indicated that first time guests accounted for 50% of the center's visitors while returning guests accounted for the remainder. Staff maintained that word-of-mouth marketing and social media was successful in attracting new and previous students.

Courses, Instructors, and Fees

Arrowmont offers coursework in clay, 2D arts, fibers/textiles/baskets, metals/enamels, paper & books, encaustics (heated wax-based painting), jewelry, and woodworking.

Arrowmont staff noted that demand for courses is high; registration fills for some courses as soon as their catalog is published online. Courses are offered seasonally, spring through fall. Arrowmont offers a residency program that runs throughout the year. Staff indicated that the summer was the school's busiest season. Arrowmont's courses range from weekend or three-day courses to two-week-long courses. Staff indicated that two-week courses were the most popular amongst students.

Staff noted that clay courses are the most popular and tended to fill the fastest. Metals courses and woodworking courses are also popular subjects. Classes at Arrowmont are for everyone, especially people learning a new medium; most guests are beginners or have intermediate skill levels. Course descriptions highlight the skill level needed for each class.

Arrowmont's instructors tend to be established artists and instructors. Well-known instructors and/or established artists play an important role in driving course enrollment, although Arrowmont's reputation helps to drive enrollment for lesser-known instructors. Similar to several centers detailed in this document, Arrowmont has a goal of increasing diversity across its roster of instructors.

Arrowmont generated \$999,140 in tuition during the 2018 fiscal year, which accounted for 9% of the school's total revenue. Table 3 details the most recent course fees for school. Arrowmont sets its tuition based on peer arts and craft centers. In addition to tuition each class has materials fees which range on the low end of \$45-\$95 for drawing/painting to \$175-\$325 for kiln casting.

Table 45: Tuition, Arrowmont School of Arts and Crafts, 2021

Courses			
	Weekend Course	One Week Course	Two Week Course
Regular Tuition	\$400	\$600	\$1,050
Woodworking, Enamels & Glass Tuition	\$450	\$675	\$1,550

Arrowmont provides a variety of scholarship and tuition assistance programs. There are over eight established scholarships, which are funded through public and private contributions. Scholarships range from partial to full scholarships and are awarded on need and/or merit basis.

Accommodation & Fees

Arrowmont offers accommodation and meal packages to all participants and instructors. Staff indicated that most of the students stayed on campus and that vacancies were rare. As such, Arrowmont's facilities are only available to students. Previously, Arrowmont allowed conference groups to rent their facilities. This service was more recently scaled back; only a small number of groups can rent facilities/accommodation.

As detailed in Table 4, Arrowmont offers several accommodation options at varying price points. Staff indicated that single rooms with private baths were the most popular of these options. Staff used peer centers to set its housing and meal fees, although on-campus accommodation tended to be cheaper than other accommodations in the Gatlinburg area. Meals are included in the on-campus housing costs. Students staying in off-campus housing can purchase meal plans separately.

Table 56: Accommodation Fees, Arrowmont School of Arts and Crafts, Gatlinburg, TN

Courses			
	Weekend	One Week	Two Week
Double, private bath	\$425	\$700	\$1,455
Single, private bath	\$355	\$900	\$1,855
Meal plan only	\$132	\$250	\$546

Staffing

Arrowmont has a total of 28 staff members; all are full-time, year-round employees except for one seasonal kitchen staff member.

Out of the staff members 12 serve administrative functions, 3 work as studio technicians, 2 support operations, 4 support food service, 3 support building maintenance and 2 support housekeeping. Instructors are independent contractors. Arrowmont has an internship program in which students support arts administration.

Revenue & Expenses

Arrowmont generated \$10.82 million in revenue and incurred \$4.76 in costs in the 2019 fiscal year, which resulted in a \$6.1 million surplus. Arrowmont had \$31.89 million in assets at the close of the 2019 fiscal year.

Contributed revenue accounted for 77% of Arrowmont's total revenue in 2018. Private contributions accounted for more than 90% of contributed revenue. The remaining 23% of revenue was generated from program services and sales. Tuition and room and board accounted for the greatest portion of Arrowmont's earned revenue (80%). Staff noted that housing was the school's greatest source of net revenue. It is important to note that a large contribution shifted Arrowmont's balance of contributed and earned revenue. In 2017, for instance, the 50% of the school's revenue was contributed and the remainder was earned.

Arrowmont incurred \$4.76 million in costs during the same fiscal year, which resulted in a \$6.07 million surplus. Compensation accounted for the largest portion of 2018 costs across each functional category. This observation was confirmed by Arrowmont Staff. Staff also noted the maintenance of its facilities was another notable cost as many of the school's buildings are old.

Opportunities & Challenges

Arrowmont staff felt that demand for arts education in their footprint was unmet, and that there were opportunities for growth. Arrowmont is investigating alternative programming models and would like to better engage in its local market. Staff mentioned that the pandemic halted a period of growth and recovery following the 2016 Great Smoky Mountains Wildfires, which negatively impacted the center and surrounding region. The school did not offer in-person classes during 2020. Staff utilized downtime to make capital improvements. The school reopened for the 2021 season with reduced course sizes and lodging options. Staff indicated that students responded positively to these changes and that leadership has the knowledge to move forward with their operations safely. Staff were optimistic regarding opportunities for growth in the near term.

John C. Campbell Folk School

The John C. Campbell Folk School is a residential craft school located in Brasstown, North Carolina. The school is within an approximate two-hour drive from Atlanta, Georgia; Asheville, North Carolina; and Chattanooga, Tennessee. The school was founded in 1925 by two progressive women who wanted to establish a Dutch folk school to enrich the Appalachian Region. Today, the Folk School stands as one of the nation's oldest and most well-known craft schools. The school offers an array of craft, music, and wellness courses in a noncompetitive setting.



Visitors & Market

Approximately 65% of the Folk School's visitors originated from the Southeast; 25% of students traveled from Georgia, Tennessee, and North Carolina. The remaining 35% of the school's students traveled from elsewhere in the nation and abroad.

Folk School staff shared that most students were aged 50 and older and tended to be empty-nesters or retirees. The majority of the school's students were also white and female. Staff shared that about half of the school's visitors had bachelor's degrees or a higher educational level. All students, however, had a passion for lifelong learning. Similar to other centers, staff shared that shorter courses tended to attract a more local audience, while longer courses attracted students from the larger Southeastern Region and nation.

JC Campbell staff indicated that first time guests accounted for 50% of the center's visitors while returning guests accounted for the remainder. Staff maintained that word-of-mouth marketing and social media were successful in attracting new and previous students. Staff shared that the school scaled back its marketing efforts as in-person classes resumed following the loosening of pandemic restrictions. Staff shared that enrollments were unexpectedly high despite this, indicating that their students were expressing pent-up demand.

Courses, Instructors, and Fees

JC Campbell offers 400+ classes in 47 different subject areas such as blacksmithing, clay, cooking, drawing, enameling, glass, jewelry, knitting, music, paper arts, photography, quilting, and woodcarving.

Folk School staff noted that demand for courses is high; registration fills very quickly for approximately 20% of the courses offered. Courses are held year-round. Staff shared that the center's mild climate allowed them to hold courses in the winter. The folk school is busiest during the late summer/early fall, according to staff, although enrollments are stable year-round.

Staff noted that blacksmithing, music and dance, jewelry, and fiber classes are the school's most popular offerings and tended to fill the fastest. Metals courses and woodworking courses are also popular

subjects. The books and writing and glass courses tend to be the least popular among students. Upwards of 85% of the school's guests are beginners or have intermediate skillsets. Advanced students account for the remainder.

JC Campbell's instructors tend to be established artists/instructors with a demonstrated enthusiasm for teaching. Staff shared that particularly well-known instructors play a strong role in driving enrollments for the classes they teach. Staff also shared that the prestige of the school itself plays an equally strong role in attracting guests. This allows the Folk School to both experiment with course offerings and give lesser-known artists/instructors opportunities to teach. Staff mentioned that all of JC Campbell's instructors act as ambassadors for the school. Like several centers detailed in this document, JC Campbell has a goal of increasing diversity across its roster of instructors.

Table 5 details the course fees for school starting in 2022. JC Campbell sets its tuition based on peer arts and craft centers. In addition to tuition each class has materials fees. Most of the material fees tend to be less than \$100, although some courses entail \$100-\$200 in materials fees.

Table 67: Tuition, JC Campbell Folk School, Brasstown, NC

Course	Tuition
2 Day Weekend	\$389
6 Day	\$620
7 Day	\$693
8 Day	\$1,009
9 Day	\$1,082

JC Campbell offers a wide variety of scholarships for students on the basis of need only (no merit scholarships are available). Scholarships are available through the school, grant programs, instructors, and donors. Scholarships cover partial or full financial support for tuition, housing and meals but do not cover class material fees or transportation. Staff indicated that there was a surplus of scholarship funding in recent years, which suggests an opportunity to expand its programs.

Accommodation & Fees

JC Campbell offers accommodation and meal packages to all participants and instructors. Staff indicated that most of the students stayed on campus and that vacancies were rare. As such, JC Campbell's facilities are only available to students. Approximately 80% of the students stay in on-campus accommodations. There are enough rooms for a total of 75 people per night.

As detailed in Table 6, JC Campbell offers several accommodation options at varying price points. Staff indicated that single rooms with private baths were the most popular of these options. Staff used peer centers to set its housing and meal fees, although on-campus accommodation tended to be cheaper than other accommodations in the area. Meals are included in the on-campus housing costs except for RV and tent sites. Students staying in off-campus housing can purchase meal plans separately.

Table 78: Accommodation Fees, JC Campbell Folk School, Brasstown, NC

	2 Nights	3 Nights	5 Nights	6 Nights
Level 1 (Dorm)	\$175	\$235	\$392	\$480
Level 2 (2 Twin Beds)	\$209	\$293	\$490	\$574
Level 3 (Private Bath)	\$217	\$309	\$515	\$607
Level 4 (Private Bath)	\$247	\$305	\$586	\$690
Level 5 (Private Bath)	\$267	\$376	\$630	\$788
RV Site	\$77	N/A	\$193	\$232
Tent Site	\$40	N/A	\$100	\$120

JC Campbell offers meal plans for students staying off campus or in RV/tent sites. Pricing is detailed in table 7.

Table 89: Meal Plan Costs, JC Campbell Folk School, Brasstown, NC

	2 Nights (Weekend)	2 Nights (Long Weekend)	5 Nights	6 Nights
Welcome Supper/Lunches	\$45	\$60	\$90	\$90
Lunches/Suppers	\$60	\$94	\$152	\$170
All Meals	\$87	\$132	\$220	\$244

Staffing

JC Campbell has a total of 50 full-time staff members, all of which work year-round.

As mentioned above, the folk school operates year-round and, as such, does not have part-time staff. JC Campbell employs administrative positions, program development positions, marketing and development positions, dining and housekeeping positions, and various support positions for the school's programming. Instructors are classified as independent contractors. The Folk School also offers internship, work study, and residency programs. The school is in the process of creating full-time positions for residents. Finally, staff shared that the school utilizes volunteer support for discrete tasks and activities, such as events, sales, etc.

Revenue & Expenses

The Folk School generated \$5.61 million in revenue and incurred \$5.58 million in costs during the 2018 fiscal year, resulting in a \$35,873 surplus. The Folk School counted \$16.19 million in assets at the close of the same fiscal year.

More than 80% of the Folk School's revenue was earned through program services fees during the 2018 fiscal year. Contributions from public and private sources accounted for less than 10% of total revenue during the same year. Tuition and room and board accounted for the vast majority of the Folk School's total revenue (86%). Private contributions supplied the following largest portion of the total revenue (6%). Folk School staff shared that room and board is the school's greatest source of net revenue.

Labor accounted for the largest portion across the folk school's costs across each functional category. Overall, \$3.01 million was spent on compensation in 2018, which accounted for 54% of total costs. Similar to other centers, Folk School staff shared that upkeep and maintenance on the campus' facilities was the school's second largest cost.

Opportunities and Challenges

Similar to other schools, the Folk School was negatively impacted by the coronavirus pandemic. The school postponed in-person instruction for 2020. Instruction has since resumed, first at a greatly restricted capacity and now at an increased capacity. The school has also altered its accommodation and meal options in light of the pandemic. For example, the school has postponed its traditional family-style dining and eliminated shared-occupancy (dormitory) accommodation.

As mentioned above, the center staff shared that the school scaled back its marketing efforts in that operations were initially reduced. Staff shared that despite reduced marketing, course registrations have been particularly high. Staff felt that this was due to students expressing pent-up demand, which could carry into the following years.

Prior to the pandemic, JC Campbell went through a five-year planning process and created a second campus in nearby Murphy, NC. An outcome of this planning process is a refreshed effort to modify and expand its operations to ensure social and geographic inclusivity.

Snow Farm

Snow Farm, the New England Craft Program, is a nonprofit residential craft school located in Williamsburg, Massachusetts. The school was founded in 1982 as a summer craft program for teens. Since then, Snow Farm has grown to offer intensive, immersive arts and multimedia instruction for students of all levels.



Visitors & Market

Staff indicated that the majority (70%) of its visitors originate from New England. A smaller number of visitors traveled to Snow Farm from the Mid-Atlantic, elsewhere in the nation and abroad. For example, staff noted a slight increase in South American and Canadian visitors.

According to staff, female students make up approximately 80% of the visitor population. The majority of Snow Farm's visitors were over the age of 45. Snow Farm also hosts a Snow Farm Summer program for high school students (ages 14-18), lasting from two to four weeks. Students attending this program tend to be more geographically diverse, with some coming from other farther states such as Texas.

Based on staff accounts from the 2020 season, up to 50% of Snow Farm students were first-time visitors. The other portion were returning students. Staff described the school as specializing in beginner-level students. Most classes are open to all skills levels, with no prerequisites needed.

Courses, Instructors, and Fees

Snow Farm offers courses in seven subject areas through the months of April to October: glass, ceramics, fiber arts, welding and metal sculpture, metalsmithing and jewelry, woodworking, and 2D and mixed media arts (painting, printmaking, etc.).

The high school program at Snow Farm is offered in two and four-week long sessions during the month of July. Adult classes span from two to seven days, with two and three-day classes being the most popular. Students participating in shorter classes also tend to be more diverse in age and lifestyle group, meanwhile students taking longer classes tend to be older. Staff felt that younger individuals faced barriers to participating in longer courses, while cash and time-rich empty nesters and seniors did not.

Snow Farm staff noted that classes in the painting and drawing studios were the most popular amongst students. Ceramics and textiles followed in popularity. Glass blowing was least popular amongst students and the most expensive course to offer due to labor intensity and associated costs of machinery and tools. Staff expressed an interest in expanding woodworking facilities to meet growing demand, as their current woodworking studio could only accommodate six students.

Approximately 150 instructors taught at Snow Farm in 2020, each of which are classified as independent contractors. Snow Farm's instructors are a mix of emerging and established instructors, although instructors receive the same compensation regardless of experience. Staff noted that instructors play an important role in driving registrations by advertising their courses on social media. The school strives to provide opportunities for first-time instructors, especially those who represent minority groups. Similar to other organizations, Snow Farm has a goal of increasing its proportion of minority instructors to 15%.

Snow Farm generated \$940,685 in program fees and tuition during the 2018 fiscal year, which accounted for 64% of the school's total revenue. Class fees vary by subject and are determined based on supply allotment cost, according to staff.¹ All students must pay a \$25 application fee.

Snow Farm provides numerous scholarships as well as a reduced application fee program for students meeting the means-based guidelines. Most notably, the school offers a Workshop Access Program, which provides financial support to individuals who could not otherwise attend Snow Farm. Snow Farm also offers a work study program where participants are able to attend three courses of their choosing in exchange for seven weeks of work.

Accommodations & Fees

Snow Farm offers accommodation and meal plans to students and instructors. Instructors are required to live on campus for the duration of their teaching. Staff indicated that approximately half of students

¹ Data on fees is not available at the time of this research.

taking classes at Snow farm stayed on campus and vacancies were low, particularly during the peak summer season. The Snow Farm campus includes four dormitory-style buildings at a total capacity of 40 people. Currently, Snow Farm is only offering single-occupancy rooms for unrelated guests. Table 8 details various accommodation and meal plan options for regular courses at Snow Farm. Meals are included in lodging prices, but are available for purchase independently. Staff indicated that they benchmarked their lodging fees against other centers and similar hostel-style accommodations.

Table 910: Lodging and Meal Plan Costs, Snow Farm, Williamsburg, MA

	2-Day	3-Day	4-Day	5-Day
Lodging				
Double	\$111	\$206	\$301	\$475
Single	\$161	\$306	\$451	\$725
Single Plus	\$186	\$356	\$526	\$850
Deluxe Single	\$216	\$416	\$616	\$1,000
Cottage	\$236	\$456	\$676	\$1,100
Meals				
Full Meal Package	\$66	\$116	\$166	\$250
Lunch Only	\$32	\$48	\$64	\$80

Staffing

Snow Farm employs 9 full-time staff members and 150 instructors. Full time staff members hold administrative and support roles. According to staff, \$300,000 of the staffing budget is allotted to instructors.

Revenue & Expenses

Snow Farm generated \$1.48 million and incurred \$1.44 million in costs during the 2018 fiscal year, which resulted in a \$43,194 surplus. Snow Farm counted \$1.48 million in total assets at the close of the 2018 fiscal year.

Unlike many of the centers analyzed in during this research, earned revenue accounted for a greater portion (76%) of Snow Farm's total revenue than contributed revenue (24%). Program fees (room and board) supplied the largest portion of the center's total revenue (65%). The school received an additional \$350,073 in private contributions, which accounted for another 24% of the school's total revenue. Snow Farm received no government funding in 2018.

Program service expenses accounted for the majority of Snow Farm expenses, at 86%. Compensation accounted for the greatest expense across all use categories (program service, management, and fundraising). Staff also noted that renovations and maintenance were costly and were dependent on funds contributed by various foundations.

Opportunities & Challenges

Snow Farm staff quoted ongoing momentum and investment for bigger studios and ensuring sustainable operations as opportunities. Like many of the centers detailed in this document, Snow Farm closed its doors for the 2020 season due to restrictions stemming from the coronavirus pandemic. They pivoted to online instruction during this period but have since resumed in-person classes. School leadership noted that online and hybrid instruction could be an opportunity for the center.

Staff noted many complications that were either created/exacerbated by the pandemic. For example, the school had to adopt a more flexible cancellation policy, reduce course sizes, and eliminate its shared housing. Staff also mentioned that they had limited internal capacity to adequately plan for the future. They cited a need for short- and long-term planning as well as additional staff support.

Haystack Mountain School of Crafts

Haystack Mountain School of Crafts is a residential craft school located in Deer Island, Maine which is connected by bridge to the Maine Mainland. Haystack was founded in 1950 and is widely considered a leader in crafts education. Many famous artists developed their skills and taught at the school, including Dale Chihuly, Anni Albers, and Jack Lenor Larsen. Today, Haystack Mountain is an internationally recognized visual art education center providing instruction in a number of mediums and subjects May through October.



Visitors & Market

According to Haystack Leadership, about half of the center's visitors drive from metropolitan areas located in New England and the upper Mid-Atlantic; the remaining 50% fly to the center from elsewhere in the nation and internationally.

Given the highly remote setting of the school, a very small number of Haystack's students originate from the local market. Students must be over the age of 18 to participate in Haystack Mountain's adult courses. About half of the school's students are aged 18-25 while the other half is typically 55 and older. Staff noted that it provides generous financial aid packages to younger participants. At the time of this research, approximately 47% of students received some kind of aid or scholarship.

Haystack staff indicated that first time guests accounted for 60% of the center's visitors while returning guests accounted for the remainder. Staff maintained that word-of-mouth marketing and social media was successful in attracting new and previous students.

Courses, Instructors, and Fees

Haystack Mountain offers coursework in ceramics, fiber, glass, graphics, iron, metals wood, writing and more in a total of 6 designated studios (blacksmithing/glass, ceramics, fiber, graphics, metals and wood).

Haystack staff noted that demand for courses is high, and generally tend to sell out as soon as they are offered. Unique to Haystack, students are required to submit an essay on why they would like to take the course upon registration. Ceramics courses tended to fill the fastest. Alternatively, the school oftentimes faces difficulties in filling glass courses. Courses are offered seasonally, with the majority of workshops taking place in June through August. The school remains open for limited residency programs during the spring, fall, and winter. Haystack typically sees its highest volume of visitors in the summer. Course lengths vary from one to two-weeks long. Haystack offers courses for all skill levels; staff indicated that most students are beginners.

There are a variety of requirements necessary to become an instructor at Haystack Mountain. Well-known and acclaimed instructors and/or established artists play an important role in driving course enrollment. The prestige of Haystack Mountain helps to drive enrollment as well as its idyllic setting on the Maine coast. There is a focus to bolster the school's diversity and inclusion efforts to have a more diverse instructor roster. Finally, instructors are provided with housing and meals during their time on campus.

Haystack's course fees include meals and lodging. Haystack leadership shared that course fees are set in accordance with peer centers. Currently, course fees range from \$800-\$1,800 for one-week courses and \$1,500-\$3,000 for two-week courses. As mentioned above, 47% of students receive some sort of financial aid. Haystack leadership noted that the number of students receiving aid was 25% several years ago; the school hopes to continue to expand its scholarship programs.

Accommodation & Fees

Haystack offers accommodation and meal packages to all participants and instructors. Staff indicated that 99% of students stay on campus because other accommodations were limited to nonexistent within a 50-mile radius of the school. Vacancies are rare. As such, Haystack does not offer accommodation and meals to non-students.

Staffing

Haystack Mountain has a total of 10 full-time staff members. Full-time staff members tend to fill administrative, development, and support/operational roles. The school employs an additional 15 people seasonally. Seasonal workers tend to be housekeeping and kitchen staff. The school also offers a paid internship program. Similar to other centers, Haystack classifies its instructors as independent contractors.

Revenue & Expenses

Haystack Mountain generated \$2.22 million in revenue and incurred \$2.17 million in costs during the 2018 fiscal year, which resulted in a surplus of approximately \$50,000. Haystack counted \$11.98 million in assets at the close of the same fiscal year.

Earned revenue accounted for approximately 49% of Haystack's total revenue in 2018. Tuition and room and board accounted for the greatest portion of Haystack's earned revenue (62% of total earned revenue). Contributed revenue accounted for about 43% of total revenue. Specifically, private donations accounted for 91% of the contributed revenue, or 39% of the school's total revenue. The remaining revenue included investment income and gross rents.

Program service expenses accounted for the bulk of Haystack's costs (78.4%). Compensation accounted for the largest portion of 2018 costs across each functional category. This observation was confirmed by Haystack's Staff. Staff also noted the maintenance of its facilities was another notable cost as many of the school's buildings are old.

Opportunities & Challenges

Haystack was deeply impacted by the coronavirus pandemic; no in-person programming was offered in 2020 or 2021. The school pivoted to providing online courses, of which 60% of attendees have never attended Haystack in person. Haystack's leadership felt that this presented an opportunity to build and diversify its applicant pool for the 2022 season.

Leadership noted that attracting new students and retaining past students is challenging due to the remote location of the school. Haystack has also taken strides towards increasing participation amongst minority groups with tailored and expanded scholarship programs. Additionally, Haystack leadership noted difficulties in hiring seasonal staff due to the lack of affordable housing on Deerfield Island.

Touchstone Center for Crafts

Touchstone Center for Crafts is a residential craft school located on 150 wooded acres in Farmington, PA. Touchstone's origins date back to 1972, when it began as the Pioneer Crafts Council. Touchstone's original mission was to foster interest in the preservation of traditional crafts. Today, Touchstone has expanded its offerings to include contemporary and experimental techniques in a wide variety of disciplines and is a recognized visual art education center providing instruction in a number of mediums and subjects during the months of May to November.



Visitors & Market

Approximately 60% of Touchstone's visitors originated from within Pennsylvania. The remaining 40% traveled from elsewhere in the United States.

Students must be over the age of 18 to participate in Touchstone's adult courses. Touchstone's visitors tend to be empty nesters, from ages 50 and up, according to staff. Leadership noted that shorter classes tended to attract a younger demographic. The school has also leveraged scholarship dollars to encourage participation from younger students. Staff indicated that approximately 50% of the center's visitors were new students while the remaining 50% were returning students. Word-of-mouth marketing and social media was successful in attracting new and previous students.

Courses, Instructors, and Fees

Touchstone offers coursework in blacksmithing, ceramics, metals & jewelry, glass, drawing & painting, and special topic areas.

Touchstone staff noted that demand for courses depends on the subject/medium. Demand tended to be the highest for ceramics and blacksmithing. Alternatively, demand was low for glass. Staff shared that the glass studio was closed for construction for two years and only recently reopened. Staff noted that it was difficult to rebuild their previous glass audience as students have gone to other programs during their hiatus.

Touchstone offers courses seasonally, spring through fall. The summer season is Touchstone's busiest. Touchstone's courses range from 1 to 2-day courses to weeklong courses. Similar to other centers, Touchstone saw greater local and younger participation in shorter courses. Staff also indicated that weeklong courses tended to be the most popular amongst students. For example, the school hosts Friday evening "date nights" where couples can try out a new medium or craft prior to investing an additional day or week in a new hobby.

Touchstone's courses cater to every skill level. Shorter classes tend to attract more beginners. Interestingly, staff shared that many of Touchstone's visitors are "professional amateurs," or artists that may have their own studio but do not work full time in the arts. As such, the school has created partnerships to provide students with the resources they need to evolve their hobbies into supplemental employment/income.

Touchstone utilizes a mix of more established, well-known instructors and emerging or lesser-known instructors. Staff shared that more popular instructors typically taught longer courses and played an important role in driving registrations. Staff also shared that it rarely made financial sense to recruit a well-known instructor for shorter, more introductory-level courses. As such, the popularity of instructors was less important in driving registrations for shorter courses.

Table 9 details fees for Touchstone's 2021 course offerings. Touchstone staff shared that the school sets its fees based on peer arts and craft centers as well as overhead costs and instructor compensation. Course fees generated \$123,066 during the 2018 fiscal year, which accounted for 22% of the school's total revenue. In addition to course fees, students are charged for materials used in courses. These fees can range from \$30-\$300 depending on the course.

Table 1011: Tuition, Touchstone Center for Crafts, Farmington, PA

Courses	Member	Non-Member
1 Day "Date Night"	N/A	\$95/Couple
2 Day	\$300	\$330
3 Day	\$410	\$440
5 Day	\$585	\$615

Touchstone provides a variety of scholarship and tuition assistance programs. There are over 69 established scholarships totaling \$50,000. These scholarships cover partial or total course fees and are funded through public and private contributions. Students seeking scholarships must write a letter of intent and interest for the course they are pursuing. Most of the school's scholarships are general in

nature, although some scholarships are only available to veterans, caregivers, architecture students, and teens. Staff also highlighted recent efforts to rewrite scholarship application language to be more inclusive to capture a wider demographic and diversify the student population.

Accommodation & Fees

Touchstone offers accommodation and meal packages to all participants and instructors. Staff indicated that about half of students stayed on campus and that vacancies were rare. As such, Touchstone does not offer accommodation and meals to non-students. Staff shared that single rooms were the most popular amongst students, regardless of their demographic. Touchstone's campus can accommodate up to 70 students across its dormitories, cabins, and campsites. Housing prices vary across different accommodation types: private dorms are \$90/night; private double cabins are \$60/night, three to four-bedroom cabins are \$125-\$150/night, and campsites are \$10/night.

Meals are not included in accommodation fees. Meal packages are available to students staying both on and off-campus. Lunch is available to students for \$15. Full meal plans range from \$70 for one-day courses to \$218 for five-day courses.

Staffing

Touchstone has a total of four full-time, year-round staff members. Full-time employees hold administrative and development roles. Touchstone employs ten seasonal staff members, including studio assistants and housekeeping and cooking staff.

Instructors are classified as independent contractors. Additionally, Touchstone operates an internship program in which students are given the opportunity to learn how to make a sustainable arts business and become successful entrepreneurs. Interns are afforded the opportunity to network with other art and culture leaders in the area. Touchstone utilizes volunteers for discrete tasks, such as grounds maintenance. Staff noted that increasing volunteer support could support the school; however, the center lacks staff capacity to effectively manage additional volunteers.

Revenue & Expenses

Touchstone generated \$563,741 in revenue and \$878,085 in costs during the 2018 fiscal year, which yielded a deficit of -\$314,344. Touchstone counted \$4,075,535 in total assets at the close of the same fiscal year.

Approximately 60% of Touchstone's revenue was contributed from private donations and grants. The remainder of the school's revenue was earned through program service fees, sales, and investment income. Tuition accounted for the largest portion of Touchstone's earned revenue (22% of total revenue in 2018), followed by room and board fees (8%). Private contributions accounted for the largest portion of Touchstone's 2018 revenue (48%).

Compensation was Touchstone's largest cost across all functional areas. Staff confirmed this and shared that maintenance and upkeep on the campus' 32 buildings and land management were other significant costs faced by the center.

Opportunities & Challenges

Touchstone faced challenges similar to other arts and cultural centers during the pandemic; the school cancelled 2020 courses and pivoted to online instruction. The school was operational during the 2021 season, although class sizes and accommodation were limited. In recent years, the school has been

investigating ways to better utilize its facilities to generate revenue. Leadership mentioned that they were conducting a feasibility study on expanding elements of the school and updating several of its spaces. The school would also like to expand its offerings and capture a more inclusive market.

Nonresidential Centers

VTCECE studied four nonresidential arts and craft centers located throughout the East Coast of the United States. Nonresidential Centers are classified as only holding instruction in arts and crafts. These centers tended to operate at a smaller and more local scale. Two centers (Cape Cod & Brookfield) are moderately-sized nonprofits. The Chestnut Creek Center for the Arts and the Johnson County Center for the Arts represent more grassroots organizations. As such, they are smaller and have fewer course offerings. VTCECE collected data from centers' websites and 990 tax forms and conducted interviews with key center personnel.

Cultural Center of Cape Cod

The Cultural Center of Cape Cod is a nonresidential arts center and craft school in Yarmouth, Massachusetts. A group of concerned citizens in Yarmouth, Massachusetts rallied to rehabilitate a vacant bank building in 2000. Following seven years of fundraising and renovations, the school opened its doors in 2007. Currently, the center hosts musical performances and provides arts and culinary programming to students of all ages and skill levels. Prior to the pandemic, 200,000 people visited the center.



Visitors & Market

According to staff, the majority of the center's visitors originated from the Cape Cod area (approximately 30-minute driving distance to the center). Staff indicated that a smaller portion of visitors (approximately 5%) originated from Boston and New York.

Staff shared that the center's visitors tended to be older (55+) and predominately female and white. Musical performances captured a comparatively wider demographic. Staff also noted their demographic shifts during peak Cape Cod tourist months. During this period, the Cultural Center sees more diversity in terms of age, race, and geographic origin. Staff shared that approximately three-quarters of the center's guests were returning visitors, with the other quarter being first time visitors. Both digital marketing and word of mouth marketing were noted as being important to attracting first-time guests and retaining past guests.

Courses, Instructors, & Fees

The cultural center offers courses in pottery, digital arts, 2D arts, woodworking, textiles, language, wellness and movement, and recreational cooking courses.

The Center's campus includes 5 galleries, 5 resident artist studios, a performance hall, gift shop, and an education wing, which hosts the Culinary Arts Center and other various studios. Courses typically span four to six weeks, although the center offers single-day and weekend workshops. Courses that meet over the span of several weeks meet once or twice per week for several hours. Staff indicated the majority of the center's visitors were beginners. As such, courses are offered at progressing skill levels.

The Cultural Center offers courses year-round. The "shoulder seasons" of spring and fall were typically the busiest for the center, as center regulars were busy hosting guests and enjoying outdoor activities during the summer months. Staff indicated that pottery was the center's most popular course offering. Staff shared that demand for some courses was highly seasonal. For example, registration for knitting and textiles classes tended to surge in the fall months. Staff also shared that culinary courses and woodworking were also popular amongst students. The Cultural Center was one of two centers analyzed in this report that offered recreational cooking courses. These courses were taught by a renowned French Chef whom staff indicated as being highly preferred by students.

The Cultural Center of Cape Cod values professional recognition and arts experience when hiring instructors for classes. The Center also looks for flexibility in online teaching, according to staff. Prominent artists and well-known instructors play an important role in attracting students to the center. Staff shared that word-of-mouth marketing played an important role in driving registrations for courses taught by new instructors.

Similar to other centers, staff shared that course fees were set in accordance with other centers. Materials are included in course fees. Fees varied by subject: visual arts courses ranged from \$70-\$300+; cooking courses ranged from \$50-\$200+; and music and movement courses ranged from \$15-\$75+. VTCECE could not identify prices for kids' courses at the time of this research. Overall, the center generated \$146,005 in revenue from arts education programming during the 2018 fiscal year.

As mentioned above, the center's campus includes several galleries. Galleries feature the art of established and local artists as well as students. The center's galleries are open to visitors, free of charge. The center also hosts events and exhibitions, admission to which ranges from \$20-\$30. As mentioned above, musical events attract a broader range of visitors to the center. The center generated \$180,842 in programming during the 2018 fiscal year.

The center offers various levels of membership. Annual membership ranges from \$25 for students to \$40 for individuals to \$2,500 for "benefactors." Each membership level has a unique set of perks and reciprocity benefits, including discounts for courses and events as well as access to member-only programming. The center also offers tuition assistance programs. For example, the center participates in the Museums for All program, which offers free and subsidized tuition to recipients of SNAP Benefits. Additionally, the center provides youth and young adult students with reduced-cost or free one-on-one arts mentoring and education through its "Rise and Shine" program.

Staffing

The Cultural Center employs five full-time staff members, including a managing director, director of learning, head of music and events, and business administrator. The center also employs three part-time staff members, including front-desk membership associates and a public relations director.

Instructors are classified as independent contractors. The Cultural Center is also supported by a group of approximately 50 volunteers. Volunteers typically staff events and concerts on a rotating basis.

Revenue & Expenses

The Cultural Center of Cape Cod generated \$811,530 in revenue and incurred \$845,261 in costs during the 2018 fiscal year, which resulted in a deficit of -\$33,731. The center counted \$2,666,086 in assets at the close of the same fiscal year.

Approximately 41% of the center's revenue was contributed through private donations (34% of total revenue) and membership dues (7%). Center staff mentioned that fundraising efforts and events played an important role in driving the center's contributed revenue. The center received no government grants in 2018. Earned revenue accounted for the remaining 59% of the center's total 2018 revenue. Program service fees accounted for 53% of total 2018 revenue. Staff mentioned that events and exhibitions were among the center's leading sources of earned and net revenue.

As mentioned above, the center's costs exceeded revenue in 2018. Compensation and program expenses accounted for the greatest portion of the center's total costs at 35% and 30% of total 2018 costs, respectively. Staff shared that facilities maintenance accounted for another large portion of their costs.

Opportunities & Challenges

Similar to other centers, the Cultural Center did not offer courses in 2020 and pivoted to online instruction. Courses resumed in 2021 with reduced class sizes and other health and safety measures; online instruction continues. Center staff shared that clarifying the center vision and identity was both a challenge and an opportunity. Additionally, the center has taken steps toward developing its audience and better marketing itself to nontraditional demographics. The center also acknowledged its role in promoting and developing emerging artists, especially musical acts. This was something that the center hoped to expand in the future. Similar to Haystack, a lack of affordable housing paired with a high cost of living in the surrounding area limited their pool of staff and instructors. Additionally, staff shared that succession planning was another organizational challenge as the center is experiencing a transition in leadership.

Brookfield Craft Center

The Brookfield Craft Center is a nonresidential craft center and school located in Brookfield, Connecticut. The center occupies a former grist mill and several outbuildings. The property was purchased for \$5 in 1952 and repurposed into a small craft center. Over the years, the campus has evolved into a large nonresidential arts center with eight studios, a gallery and shop, and housing for visiting faculty. The center saw 800 students and approximately 2,000 students in the past year.



Visitors & Market

Similar to other nonresidential centers, Brookfield leadership shared that the majority of their visitors originated from the surrounding metropolitan area. A smaller number of students traveled from elsewhere in Connecticut as well as New York and Pennsylvania.

Brookfield leadership shared that their demographic was largely older (55+), female, and white. This demographic shifted for certain course offerings and programs, however. Staff shared that approximately two-thirds of students are first-time guests and the remaining third of students were returning guests. Leadership shared that social media marketing was a key component in attracting first-time guests and retaining past guests. For example, the school's registrar alerts previous students of new courses in the subject area in which they received instruction.

Courses, Instructors, & Fees

The Brookfield Craft Center offers classes year-round in drawing and painting, glass and lampwork, metalsmithing and welding, clay, textiles, and photography and digital media.

Brookfield distinguished itself through innovative course design. For example, the school is expanding the role of technology in its courses. In addition to offering digital arts coursework, the school has purchased updated equipment to expand its offerings. For example, the school purchased a CNC router and welding equipment to supplement its metalworking programs. Additionally, the school purchased a 3-D printer to support all its courses.

Brookfield offers courses year-round. Leadership struggled to identify the center's busiest season, stating that the school stayed consistently busy, with the exception of the winter holiday months. Similar to other nonresidential centers, courses range from one to five-day workshops to multi-week courses where students meet for several hours once or twice per week. Similar to other centers, Brookfield used shorter courses to market the center's offerings to new and returning guests. For example, the center hosts a popular wine and mug date night where couples socialize, enjoy wine, and create clay mugs. At the end of the course, participants are encouraged to enroll in more intensive ceramics instruction. The center's average course spans 10.5 hours of classroom time. Brookfield also offers a four-week summer program for local youth ages 6-16. Approximately 200 students participated in this program in 2021.

Leadership indicated that demand for courses was varied, with some courses filling faster than others. Leadership noticed a surge in registration as restrictions stemming from the pandemic were lifted. Brookfield's most popular subject areas were smithing and metal work. Glass was identified as the least popular course. Leadership noted that textiles and weaving courses tended to be less popular, although the center saw recent growth in registration for these courses. Similar to other centers, registrations for certain courses fluctuated with seasons.

Brookfield's instructors tend to be nationally or regionally established artists. Leadership noted instructors must also have a demonstrated ability and enthusiasm for teaching beginners. More established or well-known instructors played an important role in driving registrations for courses. Alternatively, lesser-known and/or first-time instructors saw comparatively less demand.

Similar to other centers, Brookfield benchmarks its prices against other nonresidential and residential craft centers. Leadership shared that some students felt the center's course fees were comparatively high. The cost of maintaining the center's historic facilities resulted in higher overhead and subsequently higher course prices. Course fees are highly variable; one to two-day courses range from \$40-\$200+ and multiweek courses range from \$100-\$500+. In many cases, students must also purchase materials from the school. Brookfield leverages grant funding to provide scholarships. For example, approximately 20% of students participating in the youth summer arts programs received full scholarships.

Staffing

Brookfield has only one full-time staff member, an education director. The school employs six part-time staff members, including two registrars, a development and donor relations member, a gallery manager, and a marketing staff member.

Volunteers also contribute to overall staffing. Specifically, the center's director—a retired chief financial officer—serves on a volunteer basis, contributing an average of 30 hours a week to the school.

Brookfield utilizes other volunteers that assist staff with events and the operation of the retail shop and studios. Instructors are classified as independent contractors.

Revenue & Expenses

Brookfield generated \$439,731 in revenue and incurred \$447,877 in costs, resulting in an -\$8,146 deficit. The center counted \$1.3 million in assets at the close of the 2019 fiscal year.

Brookfield's total revenue was almost evenly divided between earned revenue (50.5%) and contributed revenue (49.5%). Fees collected for courses accounted for the largest portion of the center's total revenue in 2019 (31%). Private contributions accounted for the second largest portion at 43% of total revenue.

Brookfield operated at a deficit during the 2019 fiscal year; the school produced a surplus in previous years. Compensation to staff and instructors accounted for the center's largest cost. Additionally, leadership shared that maintaining the school's historic buildings was another significant cost.

Opportunities & Challenges

Leadership shared that the center was on the verge of insolvency following the 2007-2008 financial crisis. Leadership noted that the center's previous business model, which provided instruction to largely more intermediate students, made it overly vulnerable to financial hardship. The center recruited new leadership positions with the purpose of reorganizing and stabilizing the school. Leadership noted that Brookfield has successfully pivoted to a more inclusive and sustainable business model and has taken great strides in regaining financial stability.

Similar to each of the centers detailed in this document, Brookfield did not offer in-person courses in 2020. Like others, Brookfield pivoted to online instruction, which they considered to be an opportunity for expanding the center's audience. The school resumed in-person instruction in 2021, albeit with smaller course sizes. Leadership noted that students responded positively to more intimate course settings.

Chestnut Creek School of the Arts

The Chestnut Creek School of the Arts is a nonresidential craft school located in Galax, Virginia. The school was conceptualized in 2003 as a regional effort to revitalize the city's economy through supporting the region's large artisan community. The school acquired and renovated a vacant bank building thanks to funding provided by the Appalachian Regional Commission and began offering courses in 2005. Chestnut Creek distinguishes itself from other centers in that it is a public-private partnership; the City of Galax funds elements of the school, including staff compensation.



Visitors & Market

Chestnut Creek leadership indicated that approximately 60% of the school's visitors lived within a two-hour driving distance. The remaining 40% of visitors traveled from elsewhere in Virginia and, primarily, the southeast.

Leadership noted that large events held in Galax, such as the Old Fiddler's Convention, as well as the city's proximity to the Blue Ridge Parkway helped to attract a wider geographic market. Students tended to be aged 55-65 and predominately white. Leadership shared that visitors were typically second homeowners or older couples traveling through the area. The school has seen a steady increase in younger couples and families.

Chestnut Creek leadership indicated that upwards of 90% of its students are returning visitors. The remaining 10% of students were first-time visitors. Staff mentioned cross-promotion with local tourism and lodging destinations as a strategy to increase visitation and registration. Additionally, Chestnut Creek also offers classes for visitor "pods" and works to secure local accommodation for these visiting groups.

Courses, Instructors, and Fees

Chestnut Creek offers classes in woodworking, glass, painting, printmaking, music, metal arts, textiles, and pottery.

The school offers courses year-round, with the majority of the classes spanning one to two days. The school hosts several programs longer in duration, such as the Junior Appalachian Music (JAM) program, which is a 13-week afterschool music education and instrument rental program for children ages 8-12.

Chestnut Creek offered courses for students at all skill levels. Leadership indicated that the majority of students were beginners. Driven by its roots in community and economic development, Chestnut Creek provides opportunities for professional development for students, instructors, and aspiring creative entrepreneurs. For example, the school provides open studio hours for local artisans. Similar to other centers, Chestnut Creek includes a consignment gallery where students and local artisans can sell their wares.

Demand was varied for individual courses; some courses filled six weeks before the course date while others rarely filled. Contrary to other centers, Chestnut Creek shared that glass courses were their most popular offering. Leadership noted that glass courses “...fill faster than they are scheduled.” Leadership also noted that fiber courses were the school’s least popular offerings. Similar to other centers, the school has observed a surge in registrations since resuming in-person coursework.

When hiring instructors, Chestnut Creek seeks those with a passion and enthusiasm for teaching, rather than solely recruiting established artists based on reputation. The school also provides opportunities for diligent students to become class instructors. Leadership did mention, however, that more well-known instructors played an important role in attracting students to the school.

Chestnut Creek’s course fees are subsidized through private grants. Most courses cost \$15 with additional materials fees. Some courses, such as woodworking and pottery, can cost up to \$60. Chestnut Creek generated \$16,766 in revenue from programming and classes during the 2017 fiscal year. Chestnut Creek provides needs-based financial assistance in addition to heavily subsidized course offerings. Approximately 5%-10% of students received some sort of assistance at the time of this research.

Staffing

Chestnut Creek has only one full-time staff member: an executive director. This position and the school itself receive funding from the City of Galax. The school also has six part-time staff members, including a bookkeeper, marketing staff, and various studio managers.

Instructors are classified as independent contractors. Volunteers hold varying roles in the organization. Some provide more broad support while others, such as the pottery studio manager, hold more administrative and/or operations-focused roles.

Revenue & Expenses

Chestnut Creek generated \$344,895 in revenue and \$321,064 in costs during the 2017 fiscal year, which resulted in a surplus of \$23,831. The school counted \$413,237 in total assets at the close of the same fiscal year.

Chestnut Creek earned approximately 30% of its total revenue from program service fees in 2017. The remaining 70% was generated through public and private contributions. Notably, government grants accounted for the largest portion of Chestnut Creek’s total revenue (40%). Similar to all other centers, compensation for both staff and instructors accounted for the largest portion of the school’s total costs.

Opportunities & Challenges

Staff spoke of the evolution of the Chestnut Creek School over time as an opportunity. The School has tied classes together with wellness and mental health awareness, also providing new opportunities and offerings for the community.

COVID-19 presented both challenges and new opportunities for the school. Chestnut Creek transferred instruction online, and students were given the option to pick up at-home arts kits. As restrictions ease, the school has been seeing faster rates of registration as people are eager for “the need to get out and get together with others.”

Johnson County Center for the Arts

Johnson County Center for the Arts is a craft school located in Mountain City, Tennessee. The center was founded through a collaborative local effort in 2017, with the mission of “empower[ing] the community and bring[ing] them together through teaching, encouraging, and supporting a variety of artistic forms and experience.”



Visitors & Market

The Johnson County Center for the Arts almost exclusively serves residents of Johnson County, Tennessee, which had a population of approximately 15,000 at the time of this research.

The majority of the center’s visitors are aged 55 and older. The center shares many of its guests with the county’s senior center, which is located across the street. Center leadership shared that upwards of 70% of its visitors are returning guests while the remainder are first-time guests. Leadership shared that word-of-mouth and digital marketing was successful in attracting both new and previous students to the center.

Courses, Instructors, and Fees

The Johnson County Center for the Arts primarily provides fine arts courses in brushwork and charcoal but intends to expand their offerings.

Johnson County leadership noted that their facilities are small, which limits the volume and types of courses they can offer. Nevertheless, leadership indicated that demand for courses was typically high. Most courses offered were at the beginner level. The center also offered a smaller selection of classes at higher skill levels. The center operates year-round with the exception of January. Classes vary in length but tend to be about two days long with approximately three hours of instruction per day. Course fees are kept as low as possible to ensure that they are accessible to the community. In-person classes cost approximately \$50 while online classes range from \$10-\$12. The center employs a mix of local artists to instruct courses. The reputation of individual instructors played a lesser role in driving registrations for courses, according to leadership. Returning students, however, were more likely to register for courses taught by instructors with whom they had a personal relationship.

Staffing

The Johnson County Center for the Arts has one full-time staff member—the executive director—and one part-time staff member responsible for operations.

Instructors are classified as independent contractors.

Revenue & Expenses

VTCECE found no available financial data for the center at the time of this research.

Opportunities & Challenges

As mentioned above, center leadership shared that its facilities were small and limited course availability. Center leadership also shared that capacity for arts education in Johnson County was limited. For instance, the local school division employed only one art teacher at the time of this research. The center felt that limited space and staff capacity was both a challenge and an opportunity. The center is investigating expanding its physical space to offer more frequent and expanded courses. Additionally, the center is exploring a partnership with the County to provide arts education to school-aged children.

Section IV: Promising Practices

Section IV outlines key findings, opportunities, and challenges about both arts and craft center industry and hotel/lodging industry trends, demographics and market alignment, competitiveness, and scale and structure. The promising practices reflect the key findings and qualitative analysis of peer RACCs and NACCs included in this report.

Residential Arts and Craft Centers

Industry Trends

Key Findings

VTCECE divided arts and craft centers into two distinct groups: residential arts and craft centers (RACCs) and nonresidential arts and craft centers (NACCs). RACCs and NACCs fundamentally offer arts and crafts coursework. RACCs provide students with housing and meals and typically offer courses over the course of one to two weeks. NACCs do not provide housing and meals and either offer day/weekend-long courses or courses spanning up to a month with weekly meeting times.

RACCs and NACCs belong to the larger arts schools industry. Like many others, this industry was negatively impacted by the coronavirus pandemic; industry revenue fell nearly 12% in 2020 alone. The in-person nature of arts and craft coursework forced many operators to cease in-person instruction and pivot to an online service delivery model. The majority of arts and craft centers reopened for the 2021 season, although some remained closed out of an abundance of caution. Revenue for the arts schools industry is expected to recover to pre-pandemic levels by 2025. Operators are expected to see an increase in revenue over the next two years as consumers express pent-up demand. Interviews with several RACCs confirmed this trend; 2021 course registrations have exceeded pre-pandemic levels for some operators.

Challenges

Arts and craft centers were unable to offer in-person classes during the 2020 season. A number of centers remained closed during the 2021 season while others operated at reduced capacities for safety reasons. The extent to which the pandemic will change operating conditions for RACCs and NACCs is currently unknown. Regardless, existing operators must contend with up to two years of lost/reduced revenue and continued uncertainty around operations in the short term. For instance, many centers have converted their dormitory housing to single rooms to comply with safety guidelines. This has tremendously limited the number of available rooms for centers with a majority of dormitory-style housing. RACCs have also limited course sizes and made changes to meal services for the same reasons.

Consumers are expected to express pent-up demand for goods and services that were restricted during the height of the coronavirus pandemic over the next two years. Interviews confirmed that existing arts and craft centers are experiencing a surge in course registrations. It is difficult to project how demand for courses will change beyond the next two years; it is certainly possible that demand could fall.

Opportunities

The need to adapt to closures and nationwide safety guidelines and restrictions provided an opportunity for many RACCs and NACCs to reach existing and new consumer segments by shifting to online classes and at-home art offerings. For instance, the Brookfield Craft Center indicated that shifting to online offerings helped to eliminate geographic barriers for students. Both RACCs and NACCs interviewed

reported that the pandemic has acted as a catalyst for planning and reevaluation of offerings, outreach, and business models. Centers have the opportunity to harness the time of uncertainty to plan strategically and better adapt to shifting trends in the future.

Demographics & Market Alignment

Key Findings

The services provided by RACCs are highly discretionary. Households earning \$100,000 or more annually have the greatest capacity for discretionary spending. Furthermore, individuals with high levels of educational attainment (bachelor's degree and higher) are the most likely to participate in the arts, according to the National Endowment for the Arts (NEA). Individuals with higher levels of educational attainment are also the most likely to earn more than \$100,000+ annually. Additionally, age was correlated with greater participation and higher levels of disposable income; the market for these service lines favored individuals aged 35-74. Interviews with arts and craft centers confirmed these findings. Center representatives unanimously shared that their core demographic is aged 45-64, white, college-educated, and predominately female. Representatives also shared that instructors shared a similar demographic.

Many of the centers are making efforts to expand their current market and demographic. Many RACCs and NACCs leverage contributed funding to offer targeted scholarships aimed at boosting minority, young professional, public servant, and veteran participation. In many cases, these scholarships are needs-based. Some centers used an "honor system" for awarding scholarships; they did not require that students verify their need for assistance. The large endowments typical of established centers give these operators the best ability to offer scholarships and, in turn, widen their market. For example, 47% of Haystack students received some sort of financial assistance in 2019. Approximately 50% of Haystack students were aged 18-25. Haystack leadership credited scholarship programs as being instrumental to increasing nontraditional participation.

Challenges

Large urban metropolitan areas contained the greatest density aligned consumers while rural areas contained the lowest densities of these consumers. Smaller arts and craft centers located in more rural and/or isolated locations will have greater difficulty attracting a regional market base for offerings; therefore, it is more likely that such arts centers will compete with other centers on the national stage to attract students from metropolitan areas and beyond. Meanwhile, larger established centers typically see little to no local and regional penetration; however, they have developed the market presence necessary to attract far-away consumers.

Opportunities

The centers studied during this research have each taken strides toward promoting inclusivity, equity, and diversity in arts and craft offerings. Specifically, many centers have developed scholarship programs aimed at boosting participation among nontraditional RACC students.

Arts centers may have an opportunity to bolster registration with local and regional participation through scholarship programs. Moreover, they may also have the opportunity to create additional offerings geared towards the local and regional market areas. Nonresidential arts and craft centers (NACCs) are excellent case studies for developing local and regional participation. Additionally, both RACCs and NACCs offer shorter, more recreational courses aimed at developing local and regional

participation. The low overhead associated with these courses could create a profitable business line for the organization while also fostering a local/regional presence.

Competitiveness

Key Findings

Competitiveness is not solely about how businesses within the same sector/industry compete with one another; it also includes the factors consumers prioritize when selecting a product or service provider. Traditionally, businesses compete on the basis of price, quality, speed of delivery, etc. Many industries—especially the arts and crafts schools industry—also compete on the basis of factors specific to their market.

RACCs and NACCs differ across several factors. RACCs are distinct from NACCs in that they offer immersive, week(s) long coursework made possible by on-campus housing and meals services. These courses also require a great deal of time and money—both of which largely preclude participation for non-aligned groups. As such, RACC students tend to be passionate hobbyists. Alternatively, NACC courses are far more accessible; they require far less time and money. The low barrier to entry for NACC coursework is far more conducive to beginners and recreational students. VTCECE found that NACC students are motivated by more traditional competitive factors, such as convenience and price. Alternatively, RACC students are attracted by a more specific set of factors relevant to passionate and dedicated hobbyists and craftsman.

Competitiveness is particularly relevant for RACCs in that many of these operators share overlapping footprints and, ostensibly, compete for the same or a similar supply of aligned consumers. Moreover, certain regions, such as South-Central Appalachia and New England, have higher-than-average densities of these operators. Interviews with RACC operators uncovered that, on average, 50% of registrations are students originating within a 300-mile driving distance radius of their campuses, respectively. The remaining portion of RACC students originate from beyond a 300-mile radius and, in some cases, internationally. Therefore, RACCs also compete with the nation's supply of residential centers for out-of-region students.

First and foremost, the immersive nature of the programming offered by RACCs draws students to these centers. RACCs enable students to participate in intensive, multi-day arts and craft instruction alongside likeminded instructors and hobbyists. Immersive coursework is the common denominator for residential centers, however. RACCs compete with one another on the basis of how they deliver on a set of factors prioritized by RACC students, including institutional prestige, reputable instructors, and their ability to form relationships with students.

As noted above, RACC students are passionate about their hobbies and crafts. As such, many students are drawn to prestigious RACCs with strong histories and reputations in the arts and crafts they are passionate about. VTCECE interviewed a handful of these prestigious centers, several of which have been in operation for 70-100 years and claimed a number of well-known artists as both alumni and instructors.

In many cases, the prestige of these schools is tied to a particular niche or a set of recognized specialties. For example, the Penland School of Craft was founded as a weaving club in the late 1920's. The school has since expanded its course offerings, but its history and specialization in textiles is still recognized by students. Interviews with peer RACCs uncovered that textiles courses are among centers' least popular

offerings. Alternatively, textiles courses are among Penland's most popular offerings due to the school's legacy in this field. Similarly, Haystack has a strong history in glass blowing. World-renowned glass artist Dale Chihuly was among one of the school's many notable instructors. Other interviewees almost unanimously indicated that glass courses are most schools' least popular offerings. The eminence of Haystack's glass program made this center the exception to this trend.

Passionate students are also more likely to prioritize courses taught by established instructors. Each center interviewed by VTCECE shared that courses taught by well-known instructors tended to fill the fastest. Alternatively, centers indicated that courses taught by new or lesser-known instructors typically filled more slowly or did not fill completely. Established RACCs have a competitive advantage with respect to instructors; these schools have the best ability attract and retain renowned instructors. Such instructors have appeal that, when coupled with the reputation of a prestigious RACC, drives registration. Smaller RACCs and NACCs more frequently rely on the reputation and marketing of prestigious instructors, rather than the reputation of the center itself, to drive registrations. Finally, larger established RACCs are more able to utilize new instructors as their favorable reputation acts to offset students' reluctance to register for courses led by lesser-known artists.

VTCECE found that RACC students tend to form deep relationships with instructors and the centers themselves. In a given year, upwards of 50% of registrations at each RACC analyzed during this research are filled by repeat students. Interviewees indicated that it is common for students to take multiple courses with the same instructor. Moreover, interviewees indicated that some students will take courses with an instructor at multiple schools, sometimes in the same season or year. Interviews also uncovered that RACC students treasure the "at home" feeling fostered by residential centers. All RACCs studied by VTCECE go above and beyond to create comfortable, inclusive environments for their students. Some established centers, such as the John C. Campbell Folk School, have dedicated staff members tasked with ensuring that guests are satisfied during their time at the center. VTCECE was unable to determine whether students prioritized relationships with centers over instructors or vice versa.

VTCECE found that centers were less likely to compete on the basis of price and their delivery of housing and meals. Course fees and room and board were largely consistent across all RACCs. Findings from the demand analysis suggest that prestigious schools have a better ability to demand higher prices for their offerings; however, fees were similar across established and lesser-known RACCs. Tuition and room and board ranged from \$1,000 for one-week courses to \$2,000+ for two-week courses, with little variation. Additionally, the passion required to dedicate the time and resources to participate in intensive arts and craft coursework suggest that RACC students have a high willingness to pay. Additionally, many RACCs—especially established centers—have broad scholarship programs for those students who are unable to afford their coursework.

On-campus housing and meals are defining characteristics of RACCs; however, VTCECE found no evidence to support that students prioritized these services when making registration decisions. Rather, VTCECE found that housing and meals simply enable the immersive experience students crave. Residential centers offer a similar mix of housing options for students, ranging from dormitories and single rooms with shared baths to single rooms with private baths and private cottages. Interviewees indicated that single rooms are the most popular housing options, although dormitory-style rooms were previously the most popular. The quality of the accommodations offered at these centers is lower than

that of a limited-service hotel, such as a Hampton Inn or Holiday Inn. RACCs tend to utilize historic buildings for housing space. As such, many of these rooms do not have the creature comforts found at traditional hotels, including climate control, kitchenettes, and, in many cases, private bathrooms. Nevertheless, interviewees indicated that student demand for on-campus housing typically exceeds the maximum occupancy. Additionally, the meals offered by RACCs tend to be basic, cafeteria-style fare. Interviews uncovered that RACCs typically operate food service at a loss.

Findings from this report suggest that RACC students visit these centers to learn from accomplished instructors in the historic and immersive environments fostered by these centers. Students are willing to accept average housing and meals as these services are secondary to the intimate learning experience they seek. In other words, RACC students come to these centers to engage with and develop their hobbies rather than be pampered. Those students who prefer more traditional accommodation options also have the ability to stay off-campus if they so choose.

Challenges

One of the challenges arts and craft centers face is providing a well-rounded experience to keep up with today's market demands. While prestige is one of the top factors driving demand for arts and crafts schools, students continue to seek well-rounded, arts-based experiences outside of the classroom studio. Though post-pandemic demand projections are uncertain, projections for recovery suggest that students will continue to pursue immersive arts experiences with accompanying lodging and food service at RACCs. Meeting these needs is an ongoing challenge due to limited staffing capacity for housekeeping and food service. Many of the RACCs indicated that food service costs often outweigh the revenue generated. In addition, lodging facilities at RACCs tend to be older, with higher maintenance costs. Facilities require renovation to meet the growing market preferences towards more premium accommodations. Renovations and maintenance work will need to be completed in the off seasons to avoid lower enrollments during peak periods.

VTCECE found that RACCs and NACCs tend to cater to differing market segments. NACCs are more conducive to beginners and casual arts hobbyists and, thus, compete more on the traditional factors of convenience and price. However, falling consumer confidence following the pandemic may lead to added hesitance among students in committing to immersive arts coursework such as that provided at RACCs. It is possible that students considering arts classes may choose a NACC over an RACC based on cost and convenience.

Opportunities

Arts centers have an opportunity to explore additional factors on which they can compete, such as course offerings and prestige. Building on such factors could be challenging as they take time to develop; Arrowmont, JC Campbell, and Penland benefit from a 100-year head start in development of offerings and outreach. Developing a niche in class offerings and experiences may be less time-intensive as compared to building a wide breadth of class offerings and building prestigious reputation. The niches for which established RACCs are known largely correspond with their first course offerings. Up-and-coming centers today have the ability to leverage findings from this report, market research, and consumer preferences to be more intentional in selecting course offerings and niches when choosing to expand in the future.

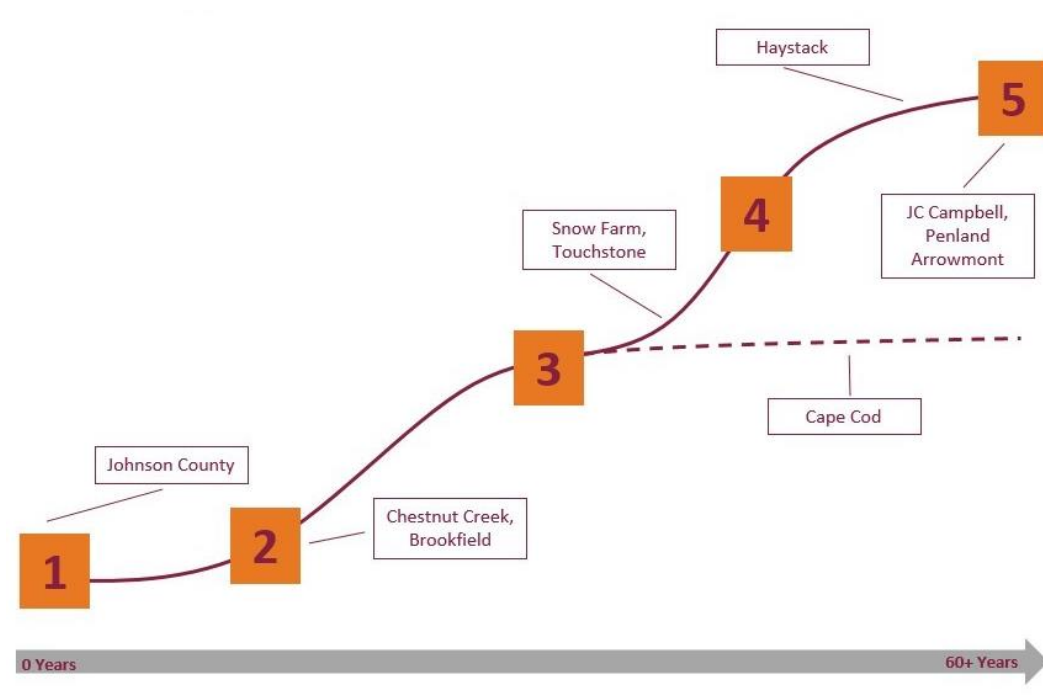
Scale & Structure

Key Findings

VTCECE observed a growth cycle during its study of RACCs and NACCs; an arts and crafts center typically begins as a local or regional grassroots movement that slowly gains momentum and grows into a larger residential or nonresidential center. VTCECE found that a centers' age tended to correspond with its place in this cycle. The oldest centers were the most established and mature; the youngest were the least established. The average age of residential centers analyzed in this report was 72 years old. Snow Farm was the youngest RACC (39 years), and JC Campbell was the oldest (96 years). The average age of nonresidential schools was much lower (26 years). The oldest of these operators was Brookfield Craft Center (71 years) and the youngest was Johnson County (5 years). It is important to note that none of these centers began their operations at the scale at which they operate now.

VTCECE applied the Harvard Business School's Five Stages of Small Business Growth to its findings to better conceptualize this observed growth cycle.

Figure 7: Five Stages of Arts and Craft Center Growth



The first stage of Harvard's growth cycle is existence. In this stage, businesses must develop a product and establish a market base; many businesses fold during this stage. Arts and craft centers at this stage are typically small, nonresidential, and regionally-focused. Additionally, these centers tend to be volunteer-dependent and typically have few, sometimes one, full-time staff member(s).

The Johnson County Center for the Arts was established in 2017 and offers a limited number of fine arts courses to a market contained within Johnson County, Tennessee. At the time of this research, the center's small physical space and limited staff capacity (one full-time director) limited its ability to grow. As such, engagement with consumers outside of Johnson County was limited to nonexistent. Therefore,

VTCECE characterized Johnson County as a stage one organization. The majority of centers analyzed in this report began at a similar scale.

The second stage of Harvard's growth cycle is survival. Businesses that progress beyond the first stage have a working business model; they are delivering a product or a service to a market base. Businesses must now contend with generating sufficient revenue to cover their capital expenditures and grow. They must also develop their leadership and staff to effectively plan and manage growth. Many businesses do not progress beyond this stage. Instead, they earn marginal returns for a number of years and fold and/or are sold at a loss. Only those businesses that are able to sustain their operations while also expanding their product offerings/market base progress to the third stage.

VTCECE characterized Chestnut Creek School of the Arts and the Brookfield Craft Center as survival stage organizations. Chestnut Creek was established in 2007 and offers regular, year-round coursework. The school's market is largely regional and demand for coursework fluctuates. At the time of this research, the school had a full-time director and several part-time administrative positions. The Brookfield Craft Center was established in 1952 and operated at the third stage for decades. The financial crisis of 2007-2008, however, nearly bankrupted the organization. The center has since refocused its operations and is financially stable. Findings from this report suggest that disruptions in the center's operations have weakened its market share. Brookfield had one full-time staff member and six part-time staff members at the time of this research. Volunteer support is crucial to the operations of both centers. For example, Brookfield's executive director—a retired financial executive—serves at a volunteer capacity.

The third stage of Harvard's growth cycle is success. Businesses that reach this stage have successfully grown from the second stage and have captured a market base that is conducive to sustaining their operations. Businesses at this stage must contend with stabilizing their finances and operating at the scale they have achieved or continuing on a growth-trajectory. Regardless of their choice, effective management is crucial to sustaining or growing a business' market share.

VTCECE characterized two centers as stage three organizations: the Cultural Center of Cape Cod and Touchstone Center for Crafts. The Cultural Center of Cape Cod was established in 2007 and has since developed into a large NACC. This nonresidential center eclipsed one residential center (Touchstone) with respect to revenue in 2018. Cape Cod holds courses and events year-round. Demand for coursework was characterized as steady and largely regional by the center's leadership. Leadership also appeared to be content with the center's current scale. Cape Cod had five full-time staff members and three part-time staff members at the time of this research. This center is less reliant on volunteer support compared to its earlier-stage counterparts; approximately 50 volunteers help with special events as needed.

Touchstone was established as a local arts and craft organization in 1972. The center acquired a defunct summer camp in the mid-1980s and has since developed into a small residential arts and craft school. Touchstone currently has fourteen staff members, four of which are full-time employees. The school utilized a small number of volunteers for discrete tasks, such as groundskeeping. Touchstone generated the least revenue of the residential centers analyzed in this document. The school has been successful in cultivating a regional market; however, the size of its studios and housing as well as limited staff capacity precluded further growth. Center leadership shared that they had conducted a number of feasibility studies to assess opportunities for further growth.

The fourth stage of the growth cycle is take-off. Businesses that decide to maintain a growth trajectory in stage three must now contend with growing rapidly and financing growth. This requires effective leadership and planning. If successful, a business will progress from a small-scale regional operator to a large-scale multi-regional or national operator. Unsuccessful businesses can retrench to the third stage. According to the Harvard Business School, businesses that are unsuccessful in stage four either try to grow too fast and deplete their capital and/or are unable to effectively manage growth.

VTCECE identified Snow Farm as belonging to the fourth phase. The center was established in 1982 as an arts summer camp for teens. Since then, the center has expanded to adult courses and established a strong regional market and growing out-of-region market. The school employs nine full-time staff members; however, leadership indicated that there was an immediate need for more staff. This center did not utilize volunteer support. Similar to Touchstone, the school is limited by its studio and housing facilities and staff capacity. Center leadership shared that the school was engaged in short- and long-term planning around facilities and organizational development, but the pandemic had slowed momentum.

The fifth and final stage of the growth cycle is resource maturity. At this stage, businesses now enjoy the advantages of scale, market share, resources, and talent to manage and sustain gains realized during the fourth stage. Businesses cannot become complacent in the fifth stage, however. Rather, they must maintain the entrepreneurial spirit that afforded them success in earlier stages; innovation and flexibility are key to maintaining market share. As such, these organizations require competent and talented management and staff.

VTCECE identified four centers as belonging to the fifth stage: the Penland School of Craft; the John C. Campbell Folk School; Arrowmont School of Arts and Crafts; and Haystack Mountain School of Crafts. Three of these schools (JC Campbell, Penland, and Arrowmont) were founded in the mid to late-1920's and have been in operation for 94-96 years. Haystack was established in 1952. Each of these schools began their operations as small, locally-focused organizations. Penland, JC Campbell, and Arrowmont began during the later years of the American Arts and Crafts Revival. JC Campbell was founded as a small folk school with a mission of providing an alternative to higher education and enriching its surrounding community. Penland and Arrowmont were both founded as offshoots of economic development projects; both schools were founded by women who learned weaving at nearby Berea College. Finally, Haystack was founded by a collective of local artists and artisans in Coastal Maine.

Each school closely followed the growth cycle detailed above. Most started small with a local focus. They then grew their market base based on successful offerings, expanded and added additional course offerings, and were able to enlist more established instructors. As their market bases continued to grow, these centers developed on-campus accommodation to become residential immersive arts schools. The timelines for developing accommodation varied by center. For instance, Haystack Mountain School developed housing 15 years after it was originally founded.

Characteristic of a stage five operator, these centers continue to develop their course offerings, instructor pool, staffing, housing, and facility space. At the time of this report, these centers employed between 25-72 staff members. Each center had a staff person dedicated to instructional and organization development. Additionally, each center was engaged in developing a new crop of instructors and new and innovative coursework. Moreover, each center was also engaged in planning

around succession, facilities and capital improvements, and funding. Figure 6 illustrates where each peer center studied fell within the Harvard Business Growth Cycle.

Challenges

As indicated in the Harvard growth cycle, businesses that grow too fast face significant risk and instability. Similarly, new and up-and-coming arts and craft centers must be wary of unsustainable growth that would contradict the growth cycle observed at successful peer centers. An elongated development timeline enabled the RACCs centers to grow their course offerings, service lines, and staff and physical capacity alongside their market base. Both RACCs and NACCs tend to begin at a small local scale, and expand offerings according to greater distant consumer markets are discovered and captured. Specifically, the majority of RACCs studied began as NACCs and expanded their business models to include lodging and meals after sustained success in their respective local and regional markets. This timeline allowed for organizations to mitigate the risks associated with growth by carefully matching their scale with their capacity and organizational maturity.

Findings from this research indicated that arts and craft centers must develop stable market shares to justify expansion at a larger scale. Most arts and craft centers face strong competition within their respective regional markets; many of the RACCs and NACCs within this report were located within a 300-mile driving distance of a major metro area with other established arts centers. Particularly, RACCs interviewed reported that, on average, regional students (originating from within a 300-mile driving distance) account for only half of registrations in a given year. Thus, RACCs, in particular, compete with other centers at a national and even international level for student registrations.

Opportunities

The elongated growth cycle that observed by VTCECE is not cast in stone. The most established organizations studied during this research had to contend with the outbreak of global wars and conflicts, periods of political and social unrest, multiple economic recessions, and, most recently, a global pandemic. These events undoubtedly impacted the development of these organizations. Moreover, the vast majority of these organizations began operations decades before the digital age we enjoy today. For example, Arrowmont, JC Campbell, and Penland were in operation for nearly 75 years prior to the widespread adoption of computers and the advent of the internet. Arts centers have an opportunity to harness these tools to expedite their ongoing progress along the observed growth cycle.

Promising Practices

Based on quantitative industry data and in-depth qualitative interviews, VTCECE derived a set of promising practices from centers studied in this report. These practices reflect existing centers' efforts to best mitigate challenges and capitalize on opportunities within the industry. They serve to guide other arts and craft centers as they consider expansion, growth, change, and sustainability.

Be Flexible in the Time of COVID

Many industries nationwide continue to face uncertainty in the aftermath of the negative economic impacts of the coronavirus pandemic. Businesses had to get creative to survive, and many arts and craft centers in this report did just that.

Update On-Campus Accommodation

All RACCs interviewed reported making changes and renovations to on-campus housing facilities to meet the health and safety protocols necessitated by the pandemic. Students' preference for single, more private rooms had already been growing, and the pandemic expedited this trend. RACCs responded and mobilized quickly—even if it meant temporarily reducing on-campus capacity. For instance, Penland suspended dormitory-style housing and no longer offers shared accommodation for unrelated students. Instead, the center converted rooms to single or double rooms for related occupants. Penland, along with several other RACCs, is capitalizing on the growing preference for single, private rooms to rethink, plan, and update the center's housing business model.

Making the Switch to Online

Both RACCs and NACCs reported that course offerings shifted online due to closures or reduced in-person capacity during the pandemic. Many centers took this as an opportunity, rather than a handicap. Haystack Mountain School of Crafts, for instance, indicated that the transition to online-only and hybrid instructional models served as an opportunity to diversify the student pool and make classes more accessible. Similarly, Chestnut Creek School of the Arts utilized online coursework and take-home art kits to reach local and regional art enthusiasts.

Collaborate Locally and Strategically

Capitalizing on local and regional networks and collaborating with partners can be an effective way to provide arts and craft center students with the best experience while minimizing the costs and time for the center. Particularly, the Chestnut Creek serves as a guiding example of strategic local partnerships. Rather than eating the cost of providing on-campus accommodation and dining, Chestnut Creek remained as a NACC and instead partners with local hotels and restaurants to cross-market the experience to visitors. The school offers special classes for visitor "pods" and works with local lodging establishments to secure accommodation for the groups. Doing so ensures that visitors have a quality stay while taking classes while keeping visitor spending within the city and sharing marketing costs with local businesses.

Promote Professional Development Opportunities

Many RACCs and NACCs included in this report provided opportunities for professional development for instructors, and even students, interested in pursuing and growing arts careers. Several centers indicated a strong entrepreneurial spirit among artists and instructors. For instance, Chestnut Creek uses a model to help students interested in teaching at the center to begin earning revenue. The center also hosts classes to help artists photograph and professionally present their work.

Touchstone Center for Crafts also hosts a robust internship program with a focus on professional development, diverse skills, and breaking into networks of arts industry leaders and professionals. The center is in the process of exploring new partnerships for additional training and support to assist interns in becoming successful long-term creative entrepreneurs. Penland School of Craft also offers excellent student opportunities to become instructors at the school.

Focus on Diversity, Equity, Inclusion, and Accessibility

Almost every center shared that, on average, both students and instructors tend to be aged between 45-65, predominately female, and predominately white. This demographic reflects the historic demographic for arts participation. However, many arts and craft centers are taking steps to encourage more diverse participation and increase accessibility in an effort to change systemic barriers to access.

Providing Scholarships and/or Tuition Assistance

Several centers are using scholarships, tuition assistance, and other subsidies to encourage participation among younger populations, minority groups, people of color, women, and/or LGBTQ+ community members, particularly for students that may not have the financial means to pursue immersive arts education.

Haystack Mountain School awards scholarships based on financial need and statement-of-purpose essays in which applicants share why they want to attend the school. Haystack indicated that, at the time of this research, approximately half of the students attending the school received some sort of aid or scholarship. John C. Campbell Folk School also provides means-based scholarships for students using an honor system rather than requiring proof of income. Additionally, Touchstone has begun a process to rewrite scholarship applications to be more accessible and minimize barriers to entry. The school offers specific scholarship opportunities for veterans, caregivers and health workers, and teachers.

Using Progressive Hiring Practices

Several centers have indicated goals of increasing diversity among instructors. For instance, Penland stated a goal of increasing the portion of minority instructors to 30%. Snow Farm has also set a goal of increasing minority instructor staffing to 15%. Greater diversity among instructors will allow centers to better engage with a more diverse student body.

Consider Class Structure

Several RACCs and NACCs indicated that shorter classes lengths facilitated more diverse participation. Shorter classes are often more accessible for students who may not be willing to commit to longer, intensive coursework that caters more to ardent art enthusiasts. For example, Brookfield Craft Center offers shorter Friday evening “date nights” to attract more casual arts participants and encourage them to return for longer classes. Arrowmont School of Arts and Crafts is also investigating alternative programming models that could include shorter classwork in order to better engage the local market.

Show Intentionality in Planning

Many arts and craft centers have taken recent industry shifts and lessons learned from the COVID-19 pandemic as an opportunity to refocus their organizational trajectory and plan for the future. Mindful use of resources and capacity to reaffirm the organization’s vision and plan ahead will allow arts and craft centers to better adapt to industry changes in the future.

J.C. Campbell undertook a five-year planning process, with an added outcome of expanding to a second campus. Moreover, the planning process resulted in a renewed approach to modifying and expanding operations with social and geographic inclusivity in mind.

Touchstone staff indicated that the school has been investigating ways to better utilize facilities, including completion of a feasibility study for potential expansion and renovation. The school has a desire to expand offerings and capture a more inclusive market.

Snow Farm has also been engaged in both short- and long-term planning processes related to facilities and organizational development. The pandemic had slowed the center's momentum; however, this window could be an opportunity to reassess former plans to be more relevant to post-pandemic recovery efforts.