

Voices From the Studio

CRAFT EMERGENCY RELIEF FUND National Craft Artist Research Project Summary

by Craig Dreeszen, Ph.D.
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Despite a wide and growing array of challenges, working craft artists across the U.S. are largely confident about their future, and are working very hard to adapt to a changing marketplace and a struggling economy.

That's the overall picture which emerges from a nationwide craft artist inquiry conducted by CERF early this year. The effort to hear directly from craft artists about their needs included a survey and 10 face-to-face focus groups organized around the country. This fall, CERF's Board will use the research findings to decide how we can best serve craft artists' needs, and to encourage other organizations and funders to respond as well.

Who contributed to our inquiry

Thanks to the help of 31 organizations who forwarded the survey to their constituents, CERF heard from 1,650 craft artists in 49 states. Most are connected to networks and are well-established in their careers, having worked as professional craft artists an average of 15 years. Two thirds of the respondents are women. Among all respondents, the largest group is between 50 and 59 years old, followed closely by those between 40 and 59. Few respondents are under 20.

Three quarters of the responding craft artists have studios in or adjacent to their homes. Six in ten own their studios. Only a few have studios in a downtown or industrial area, in a communal space, or in another commercial space. Finding and keeping affordable studio and/or living space poses significant challenges for many, especially those starting their craft careers.

The research findings

1. **Income** -- Craft artists' business incomes are generally modest. The median reported annual gross craft sales in 2003 were \$53,000, but median net earnings were only \$8,000. In other words, half of the artists grossed more than \$53,000 (total sales before business expenses), and half reported net income above \$8,000. The low median net earnings could mean that more than half live below federal poverty guidelines (\$12,000 for a family of two), and/or that craft artists are very good at writing off deductible business expenses.

The largest reported gross sales were \$1,400,000, and the largest net business income was \$500,000. Glass artists, jewelers, and woodworkers reported the

highest sales. The average income from teaching and/or other craft-related sources other than sales was surprisingly small — less than \$6,000 annually.

Our survey found that one quarter of professional craft artists provide three quarters or more of their family's total income from their craft businesses. Overall, nearly four in ten (39%) reported providing half or more of their family's income. A slightly smaller number (37%) provide less than a quarter of their family's total income.

2. **Business management** -- Most artists (57%) describe their craft businesses as stable. This attitude prevails in spite of often-modest incomes, increases in housing, production, and marketing costs, high-cost health insurance, a struggling economy, and a surge of low-cost imports.

If their craft business or sales were interrupted, about a quarter (23%) could meet business and family expenses for less than one month. The same percentage could pay expenses for only one or two months; 54% could do it for three months or more. Over a quarter have reserves to carry their businesses and families for six months or more.

Most craft artists (60%) operate their businesses with some debt. Just over half said most or much of business debt has been financed with credit cards. A quarter financed with bank loans and/or a line of credit.

Over a quarter (28%) of professional craft artists employ or contract for additional labor.

3. **Naming, networks, validation** -- Most respondents prefer to be called *artists*. Nearly as many preferred to be referenced by their specific medium — potter, jeweler, glass artist, etc.

Craft artists connect with each other in many ways, most significantly through local or state craft associations or discipline-specific organizations. Galleries and craft stores, schools, and the craft show circuit are also cited as important venues for maintaining relationships with other craft artists.

Craft artists most often think of their art as a business, and define success in terms of sales and the ability to sustain self-employment. Many also define success in terms of the quality of their work and the opportunity for self-expression. For most, the affirmation of positive feedback from peers and buyers is important.

As one artist put it, "Success is making a living at doing what I love." They report the least validation from grant panels and the news media.

4. **The changing marketplace** -- Nearly two thirds of professional craft artists say market demand has been steady or growing over the past two years (2002 and

2003). Growth is generally described as slow. Craft artists report a significantly changing marketplace, but they experience the changes in various ways. Important marketplace factors include selling to global markets, a flood of cheap imports, declining purchase power of the middle class, a growing upper class, and more conservative purchasing by consumers and galleries. The Internet is a growing force in marketing, requiring yet another business skill.

Professional craft artists report the most growth from retail sales in their own studio or showrooms, followed by retail craft shows and retail Internet sales. Consignment to galleries is the third most common marketing method, and about an equal number of artists report that gallery sales are up as say they are down. The biggest reported sales declines are from wholesale craft shows.

Overall, artists report at least a small net growth in every area except wholesale craft shows and print catalogs, both of which show a slight net sales decline.

Craft shows have become a high-risk marketing strategy for many artists, who describe a troubling convergence of increasing show fees and travel costs plus unpredictable acceptance by juries, increased competition, decreased show attendance, and decreased show sales.

"The biggest difficulty is planning," one frustrated artist reported, "because of how unpredictable and undependable it is getting into the right shows consistently." Another called retail craft shows a "crap shoot" with unpredictable juries, weather, and buyers.

By far the most common barriers to marketing are time pressures, in particular balancing production and marketing time — especially for the craft artist who has to do everything alone.

"Adequate marketing requires almost as much time as it takes to make the work," one artist said, "and skill sets are forever expanding, now including competence to manage a Web site, photographer, and [graphic] designer." Another significant barrier is the increasing cost of marketing, especially for craft shows, advertising, and photography.

5. **Insurance** -- The challenge of acquiring insurance is a persistent and growing problem. More professional craft artists report adequate insurance for health, fire, and personal liability than for other risks. However, 30% have no fire insurance or personal liability insurance, and 18% have no health insurance. The risks for which craft artists are least well-insured are product liability, disability, life, and theft.

Most survey respondents operate their studios in or next to their homes, a fact that has significant implications for insurance. Many calls to CERF for emergency aid

result from fire losses that artists mistakenly assumed were covered by their homeowners' insurance.

The cost of premiums is by far the most often-cited reason for having inadequate insurance. A large number of artists either haven't taken time to research insurance, can't find a provider, or find the insurance field too complicated to figure out.

6. **Needs for information, training & professional development** -- Craft artists work very hard to get by, especially in the current economy and political environment. Securing operating capital and maintaining adequate cash flow is a frequently reported challenge. Most craft artists also say they were unprepared for the challenge of running a small business — so they seek training and assistance to learn about marketing, finance, legal, information management, and other business skills. Many are frustrated with how much time the business side of their work requires.

"If there were three of me, I'd be set," said one artist: "One to design and create, one to handle the marketing and business side, and one to be a good wife and mother!"

Only four in ten of all respondents have found their formal education adequately prepared them for their craft careers. A few have found it difficult to find information on marketing, grants, equipment, and materials. The Internet tops the list of places for craft artists to find information.

7. **Feedback for CERF** -- Craft artists who know CERF said they appreciate its services, and encourage CERF to continue its critical emergency relief work for craft artists. Some urge CERF to just do this, though more reported that they could use additional help.

Most often, artists want help finding affordable insurance. Many ask CERF to provide links and referrals to other sources of craft business information and services. One focus group advised CERF to "be a referring clearinghouse for information on all aspects of running a business provided by other organizations."

The next step: organizing the response

CERF's Board of Directors and staff will meet in October to review the findings of this research project, and determine how CERF will respond. Since CERF cannot meet all the needs that the research identifies, we will pinpoint which services CERF is uniquely positioned to provide — and we'll encourage other organizations serving craft artists to do the same.

Please contact the CERF office if you'd like a copy of the complete report, which includes a listing of the organizations and the craft artists who participated. CERF would appreciate your thoughts and responses to these findings. Write to us at info@craftemergency.org.

Craig Dreeszen is an organizational development consultant and former wood craftsman. He has been working with CERF on this research project, examining craft artists' needs and status.