

Characteristics of communities that house community-oriented, civically-engaged, and socially-conscious nonprofit arts organizations

WORKING PAPER

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Abstract

Drawing from organizational ecology, stakeholders, and resource dependency theories, this article identifies characteristics of communities that house community-oriented, civically-engaged, and socially-conscious nonprofit arts organizations. Using nationally-representative survey data of arts nonprofits combined with community census and IRS financial data, the study finds that, with few arts nonprofits in the local area, arts nonprofits are likely to act like community nonprofits. As the population of arts nonprofits grows, organizations position themselves as professional arts organizations, but when the industry gets further crowded, arts nonprofits appear to add a community focus or go back to community roots, reshaping their identities as community nonprofits.

Keywords: nonprofit arts organizations, community engagement, socially-conscious arts, community characteristics

Introduction

The nonprofit sector has for many years garnered recognition for its contributions to “public value” (Smith 2012). At the same time, nonprofit organizations are increasingly incorporating commercial activities and adopting business principles in search of financial sustainability amidst increased competition for limited funding (Dart 2004; Dees and Anderson 2003; Young et al. 2012). In light of such growing marketization forces, scholars have raised concerns about the nonprofit sector’s diminishing role in building a sense of community (Backman and Smith 2000; Eikenberry and Kluver 2004; Grønbjerg and Salamon 2012; Skocpol 2003). Now more so than ever, nonprofits must reconcile the tension between ensuring institutional survival and sustaining a distinct nonprofit-sector identity.

Arts and cultural organizations comprise a major nonprofit subsector. Since the 1990s, community relevance and civic engagement has emerged as an important theme for arts and cultural nonprofits (Toepler and Wyszomirski 2012). Rosewall (2006) regards the “arts building boom” of the 1990s as proof that “communities value the arts and culture as an integral part of civic life” (p. 213). Some have even argued that the successes of today’s nonprofit arts and cultural organizations rely on their ability to reflect the interests of and actively engage with a broader segment of the community population (Borwick 2012). For museums specifically, as public service institutions, Moldavanova (2016) found maintaining social and community relevance as key to both short-term and long-term sustainability.

A number of recent studies confirm the important role of arts and cultural nonprofits in civil society, contending that such organizations promote social capital, community cohesion, and social responsibility in addition to their well-known contribution to the community economy (Guetzkow 2002; LeRoux and Bernadska 2014; Markusen 2014; McCarthy et al. 2004; Stern and Seifert 2009). In fact, Americans for the Arts created a subsidiary organization, Animating Democracy, in order to strengthen arts organizations’ capacity to address community challenges and advocate for social change. In short, nonprofit arts organizations, pursuing to promote the arts and culture, are at a critical crossroads where they must balance often-competing managerial goals over the course of promoting the arts and culture: to remain fiscally solvent and to contribute to the civil society.

This article seeks to understand the types of communities that are home to nonprofit arts and culture organizations that incorporate community, civic, and social issues into their regular programs by addressing the following research questions: What are the characteristics of communities that house community-oriented, civically-engaged, and socially-conscious nonprofit arts organizations? This study specifically focuses on the size of the nonprofit arts sector and sociodemographic characteristics in a community. The term community in this study is used to refer to a local area where an organization operates and thus county-level measures are measured to account for community features.

Most would agree that the primary goal of arts organizations is to promote the arts and culture and advance the work of artists. Some arts institutions, committed to preserving, developing, presenting, and celebrating the arts and culture as any arts organizations do, make

more proactive effort to raise attention on critical social problems through their programming. For instance, a community engaged theater creates new plays about recent incidents in its local community and hold talk-back sessions to promote community dialogue. Or a professional art gallery focuses on celebrating community history with its paintings and drawings. There are also organizations engaged in sensitive political and social issues such as voter engagement or racial discrimination. The present study focuses on arts and cultural nonprofits; however, the discussion of this study can be relevant for any types of nonprofit organizations (e.g., education, health care, and social services) that must ensure institutional survival with fiscal solvency and sustain a distinct nonprofit-sector identity as a central figure in civil society.

Drawing on the theories of organizational ecology (Hanna and Freeman 1987), stakeholders (Freeman 1984), and resource dependency (Pfeffer and Salancik 1978), the empirical analysis of this study uses data obtained from several sources. The main source is survey data from a nationally-representative set of arts and cultural nonprofit organizations. The complete survey responses are augmented with each organization's 990 tax returns obtained from the National Center for Charitable Statistics (NCCS), providing organizations' financial information, and with surrounding communities' Census data, providing community context.

The following section reviews the literature that supports the study's conceptual framework and presents the study's hypotheses. Subsequent sections describe the data sources and their contributions in more detail and explain the empirical results. Finally, the paper discusses the implications of the findings for arts nonprofit managers and policymakers.

Theoretical Background

Organizational Population Ecology. Organizational ecology theory (Carroll and Hannan 1989; Hannan and Freeman 1987; Sorenson 2003) helps to explain the social, economic, and political conditions of communities that are likely to be home to arts nonprofits striving to maintain social and community relevancy. The population of organizations is the focus of analysis for organizational ecology theorists based on the belief that the diversity of organizational forms, such as goals, sizes, structure, and technology, within a population of organizations occurs through selection rather than adaptation. Through the selection process, the forms more compatible with the changing environment come to exist or continue to grow while the forms not suited to external demands fail to exist (Hannan and Freeman 1987).

When the density of certain organizational forms is low, individual organizations can benefit from its population growth; it renders legitimacy to a set of practices and forms that organizations commonly uses, which then help individual organizations assess and acquire resources. At higher levels of density, however, a greater number of organizations must draw from a common pool of resources, and competition reduces the number of organizations in the population over time (Carroll and Hannan 1989; Hannan and Carroll 1992). Together, these two

factors create a curvilinear relationship between organizational density and organizations' success (Sorenson 2003).

Niche theory (Hannan and Freeman 1977), as part of organizational ecology theory, identifies *generalist* organizations and *specialist* organizations depending on the width of their niches. The niche of an organization is determined by community conditions that help sustain organizational functions (Hanna and Carroll 1992). Niche examples include: breadth of services (Freeman and Hannan 1983; Galaskiewicz and Bielefeld 1998), range of domains (Tucker, Singh, and Meinhard 1990), demographics of the members (Popiellarz and McPherson 1995), and geographic areas of services (Boone et al. 2004; Guo and Brown 2006). Specialist organizations target narrow niches to minimize competition against similar forms of organizations, while generalist organizations operate with broad niches (Hannan and Freeman 1977). Accordingly, generalist organizations tend to have larger resource spaces than specialist organizations.

Niche theory asserts that, in stable environments, specialist organizations generally perform better than generalist organizations because specialist organizations tend to have greater understanding of the target resource pools and are thus better able to exploit their full capacity. For nonprofit arts organizations, this means being able to target specifically defined arts patrons. However, unexpected changes in the environment put specialist organizations at higher risk while generalist organizations “accept a lower level of exploitation in return for greater security” (Hanna and Freeman, 1977, p. 948). In the face of financial threats and intensive competitions, for instance, generalist organizations are more likely than specialist organizations to have alternative resources to draw upon or constituents to tap.

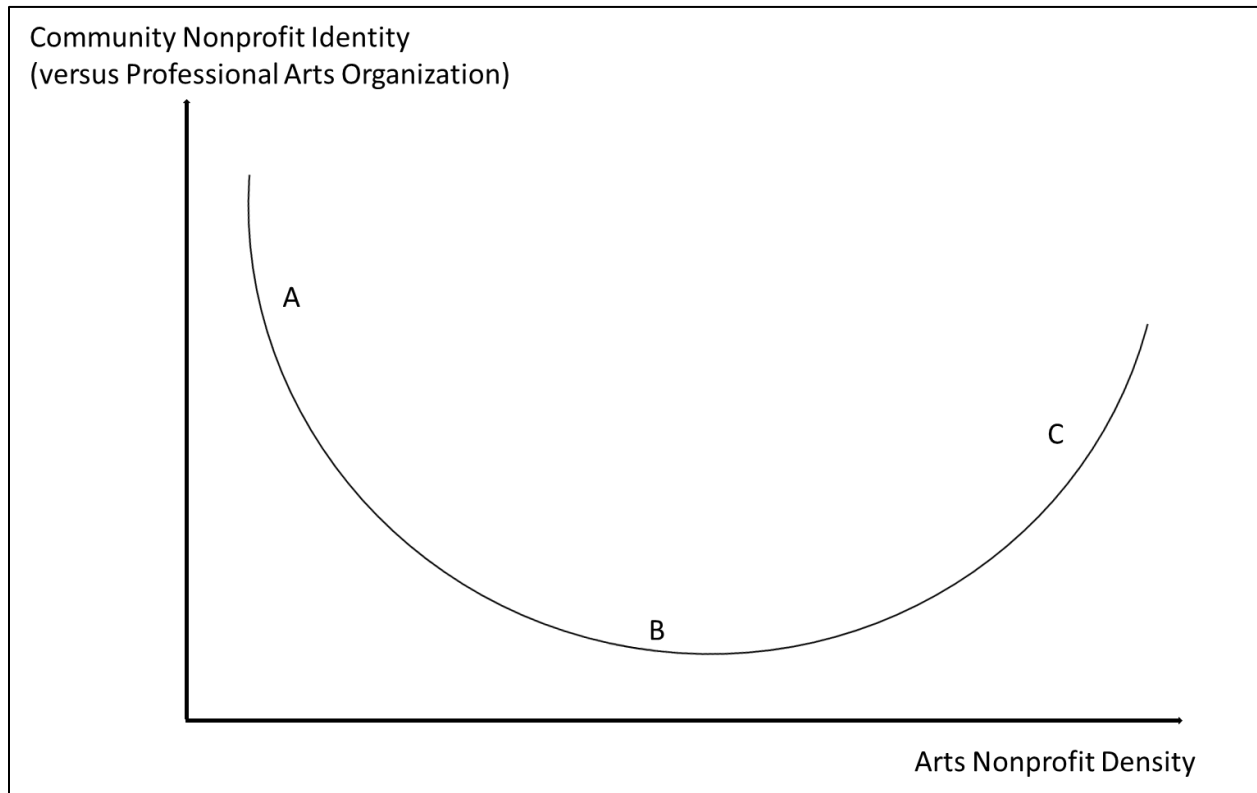
Organizational ecology theory emphasizes the important role of institutional distinctiveness in allowing organizations to occupy particular institutional niches. It however underestimates an organization's potential capacity to adapt to changing conditions. That is, changes within populations also occur when existing organizations transform to adapt to new conditions. Following Moldavanova (2016), this study recognizes organizational adaptive capacity in a changing environment; an organization displays institutional resilience when it strategically shifts focus to a niche where resources are more abundant (depending on institutional density) and, as a result, reconstitutes itself in the face of growing competition. For instance, a nonprofit arts organization could reshape its focus to be a community-oriented, civically engaged, and socially conscious arts organization and create a distinctive institutional identity from other arts organizations. In short, institutional distinctiveness could serve as a base for resilience and sustainability among nonprofit organizations.

This study defines the width of niche for generalist organizations versus specialist organizations based on the range of domain. In the context of nonprofit arts organizations, generalist organizations can identify themselves as community nonprofits whereas specialist organizations consider themselves as professional arts agencies. Community nonprofit organizations operate in broad domains, reaching both arts patrons and general community constituents. And such broad domains would allow generalist organizations (i.e., those

identifying as community nonprofits) to access funding streams available for both the arts industry and the nonprofit sector. In a community where few arts nonprofit organizations operate, an organization would benefit by framing itself as part of the general nonprofit sector (Figure 1, stage A). Doing so allows the organization to not only access a diverse sets of resources but also gain legitimacy in its practices. However, at sufficiently high density, the nonprofit arts and cultural sector itself would become a distinct population of organizations. Therefore, organizations could concentrate on specific niches of arts industry, that is, being specialist organizations (Figure 1, stage B). Nonetheless, at much higher density, organizations must find a way to survive amidst competition with other arts organizations. These arts organizations, as a way of adapting to social demand and growing competition, add an extra dimension of community and social relevancy (Figure 1, stage C). The form of community-oriented, civically engaged, and socially conscious arts organizations become the new niche. As such, this study proposes the following hypothesis:

H1. As the number of nonprofit arts organizations in the community increases, the probability that a nonprofit arts organization frames its identity as a community nonprofit is likely to decrease; however, at much higher density, the probability increases again.

Figure 1. Conceptual Model of the Pathways Linking Community Nonprofit Identify and Arts Nonprofit Density



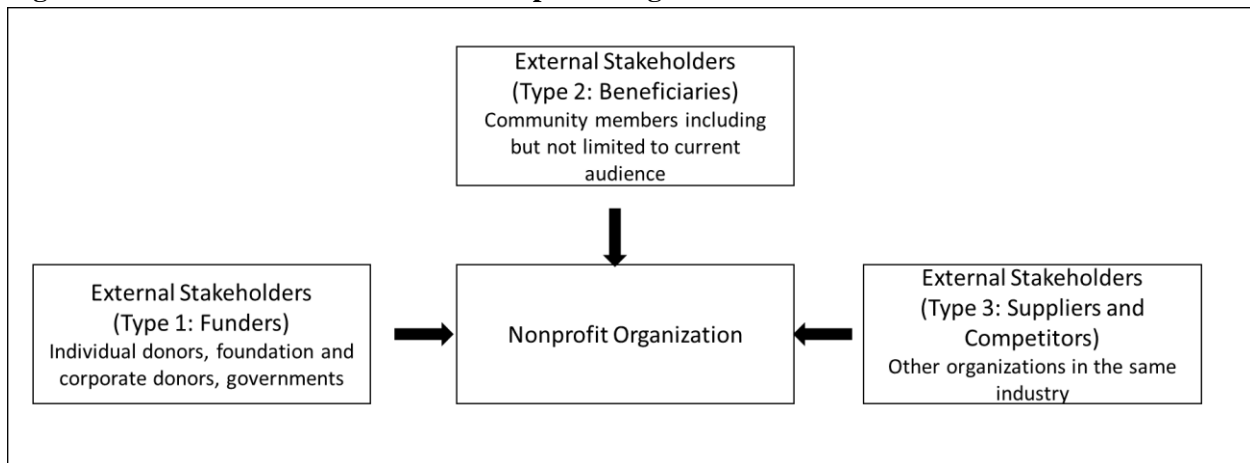
Stakeholder Theory. Stakeholder theory provides additional insights to understand the influence of environment conditions on organizational behavior (Freeman 1994; Mitchell, Agle, and Wood 1997). Stakeholders encompass “any group or individual who can affect or is affected by the achievement of the organization's objectives” (Freeman 1984, p.46). With respect to nonprofit organizations, stakeholders align in three categories (Van Puyvelde et al., 2012): interface (board members), internal (managers, employees, volunteers), and external stakeholders (funders, beneficiaries, suppliers, competitors, organizational partners, and others in the community). Using stakeholder theory, Thibodeau and Ruling (2015) explain the relationships between nonprofit arts organizations and communities, in which, stakeholders often create a sense of shared urgency for generating particular outcomes.

External stakeholders include many types of individuals and entities around the organization—including donors, beneficiaries, audiences, suppliers, other arts organizations, and other nonprofit organizations—and have the capacity to greatly influence an organization’s strategy and overall approach. Figure 2 categorizes external stakeholders that affect or are affected by nonprofit arts organizations into three types (Van Puyvelde et al. 2012). The first type is funders, including individual donors, foundations, corporations, and governments. The second type is beneficiaries and suppliers, consisting of community members. The characteristics of community members, not necessarily limited to current audiences, would create different influences over the focus of arts nonprofits. Relatively more generous and wealthier communities are likely to have more funding opportunities specifically designed for arts organizations and patrons who can afford to pay for and support arts activities. The third type includes both collaborators and competitors within a surrounding area, such as other nonprofit arts organizations. Such organizations influence the legitimacy of practices and forms a population of organizations share and the level of competitions for resources.

Within this context, the present study explores how community characteristics are associated with the extent to which nonprofit arts organizations incorporate broader social and community issues into their arts programming. This study explores how the demographics of community members, as external stakeholders, are linked to the likelihood of an organization framing its identity as a community nonprofit. As such, this study proposes the following hypothesis:

H2. Characteristics of external stakeholders (i.e., organizations and people in the community) are related to the probability of whether or not a nonprofit arts organization identifies itself as a community organization.

Figure 2. External Stakeholders for a Nonprofit Organization



Resource Dependency. This study also draws from resource dependency theory (Calabrese 2012; Carroll and Stater 2009; Froelich 1999; Pfeffer and Salancik 1978) to consider the effect of organizational dependency on contributed income sources. According to resource dependency theory, “the key to organizational survival is the ability to acquire and maintain resources” (Pfeffer and Salancik 1978, p. 2). External resource dependent organizations operate in an uncertain environment of scarce resources over which they have little if any control. As such, nonprofit organizations experience external pressures and are often compelled to accommodate the requirements of important resource providers (Froelich 1999). By extension, the theory argues, much of how an organization behaves is determined by its dependency on external sources (Pfeffer and Salancik 1978).

Organizations can be identified as either “donative,” relying on contributions as primary sources of revenue, or “commercial,” deriving a majority of revenues from program service fees (Hansmann 1980). Prior studies (Garner and Harrison 2013; Kim 2016) have shown that the type of primary source of revenue, i.e., being donative or commercial nonprofit results in different organizational behavior. In line with previous studies (Carroll and Stater 2009; Chang and Tuckman 1996; Garner and Harrison 2013; Kim 2016), this study adopts the donative-versus-commercial framework and make the following assumption based on resource dependency theory: Commercial organizations would prioritize arts audiences to remain competitive given the growing forces of commercialism and professionalism in the industry (Salamon 2012; Toepler and Wyszomirski 2012). Donative organizations, on the other hand, might be expected to address the broader community concerns and bring benefits for broader sections of the community through their programs. The empirical model in this study also controls for the financial vulnerability of sample organizations given that being financial vulnerable is likely to make organizations more beholden to external resource providers’ requirements. Following a method employed by Gilbert et al. (1990) and subsequent studies, financial vulnerability is

measured in terms of having net incomes for three consecutive years. As such, this study proposes the following hypothesis:

H3. Donative nonprofit arts organizations are more likely than commercial nonprofit arts organizations to identify themselves as community organizations.

Data

The main data used for this study come from a survey of nonprofit arts and cultural organizations across the 50 states in the United States. Conducted as part of a larger study, an online survey was administered via Qualtrics in March 2014, with a pre-notice, an initial invitation, and two reminders. The study sample was drawn from the National Center for Charitable Statistics (NCCS) 2011 core files for 501(c)(3) arts and cultural organizations; the core files include all organizations that filed an Internal Revenue Service (IRS) Form 990 for the 2011 tax year. The arts and culture organizations that do not interact with the general public on a daily basis or provide programs, such as arts councils, alliances, and historical sites were excluded from the sample. The full list of organizations was stratified into ten groups to draw a random sample. The sampling method conformed to the Total Design Method (TDM) as established by Dillman (2002).

Invitation emails were delivered to 3,015 randomly select organizations¹. A total of 909 respondents completed the survey² for a response rate of 30%, which is considered relatively high for an organizational study (Dillman et al. 2009). Executive directors and others in equivalent leadership positions were the intended recipients of the survey given that individuals in those roles are typically most familiar with the practices and activities of an organization as a whole (Berry et al., 2003). In order to minimize the possibility of self-report bias among respondents, an introduction to the survey described methods employed to ensure confidentiality. The sampling strategy and total response rate, as described above, provide confidence that the sample organizations are representative of the population of nonprofit arts and cultural organizations in the United States. Further, the sample shows no significant deviation from the target population with regard to the organizational size, funding structure, and field of activity.

To account for community conditions, survey responses were matched with 2010 Decennial Census data for the community in which each organization operates, as well as the corresponding organization's IRS Form 990 data for the 2011, 2012, and 2013 tax years. To measure the density of nonprofit arts and cultural organizations, the number of registered arts and cultural nonprofits was obtained from the NCCS Business Master Files. The density is measured by the number of arts nonprofits per county as of February 2014. As a result, the main

¹ Invitation emails were sent out to 3,129 organizations; 114 emails bounced back.

² I obtained email addresses from each organization's website. As such, organizations that did not provide email addresses online were not included in the survey.

analysis for this study consisted of 715 organizations whose three consecutive years of NCCS financial data are available with complete responses.

Dependent Variable

The focus of this study is nonprofit arts organizations that are community-oriented, civically active, and socially conscious. First, the survey asked respondents to identify the respondent's organization as either a "community nonprofit organization" or a "professional arts organization." By design, the question encouraged respondents to choose between the two answer options despite the fact that most organizations in the sample fit both categories in a broad sense. Of the 909 responding organizations, 38 participants (about 4%) opted to skip the question, possibly signaling difficulty in choosing between the two. Of the 871 remaining organizations, representatives of 541 (62.11%) arts nonprofits identified their organizations as "community nonprofit organization" versus "professional arts organization."

An organization's self-identification as a community nonprofit does not guarantee the organization is actively engaged in community issues. In order to examine whether an organization that identifies itself as a community nonprofit is more likely to be involved in community, civic, and social issues than another organization that chooses to be viewed as a professional arts organization, the study examines the level of engagement in various role dimensions for these two types of organizations. Survey respondents were asked to assess the level of their organization's engagement in a wide range of nonprofit public roles within a community, using index items adopted from Moulton and Eckerd (2012) and with a scale ranging from 0 (low level) to 100 (high level). Of the original 18 index items, this study focuses on the 12 items relevant to nonprofit organizations' civil society contributions in four categories: (1) creating social capital, (2) promoting citizen engagement, (3) making political advocacy, and (4) helping individual expression³.

The selected four categories are significant because: First, many nonprofit activities cultivate an associational life that strengthens social capital (Bryce 2006; Putnam 2000; Verba et al. 1995). Second, nonprofit organizations are also known for their role in facilitating citizen participation (Berry 2005; Brady et al. 1995; Schachter 2011). Third, nonprofits' nonparticipant activities help improve civic awareness and stimulate political participation (Avner 2010; Berry 2005; Berry and Arons 2005; Boris and Maronick 2012; Jenkins 2006). Finally, nonprofit organizations are largely grounded in the motives of staff, donors, and volunteers who want to translate their values into concrete actions (Eikenberry and Kluver 2004; Jeavons 1992; Rothschild and Milofsky 2006). Table 1 presents the average level of involvement in each role dimension for the two types of nonprofit arts organizations of interest for this study—community nonprofit organizations and professional arts organizations— and provides corresponding differences of means tests.

³ The other six items cover the activities of service delivery and initiating innovative approaches, both of which are more relevant to nonprofits' market contributions.

According to Table 1, these two types of organizations show clearly different levels of engagement in community, civic, and social issues. The statistical differences of means tests support the premise that organizations identifying as a community nonprofit organization are more likely to engage in activities strengthening civil society than organizations identifying themselves as a professional arts organization. For instance, community nonprofit organizations engage volunteers more actively in their critical activities (average level of 62.6 out of 100) than do professional arts organizations (average level of 45.0 out of 100).

Table 1. Average Level of Community, Civic, and Social Engagement

Civil Society Role Construct	The extent to which the executive director would say his/her organization has been involved in...	Professional Arts (N= 285)	Community Nonprofit (N= 430)	t	P-value
	promoting a sense of community among our users/clients	68.2	77.5	-4.284	***
Social Capital	bringing together people of different political/economic backgrounds through our providing a place for people to socialize or feel a sense of belonging	51.6	60.8	-3.425	***
	participating in or promoting voter education and participation	6.1	8.4	-1.476	*
Citizen Engagement	participating in/ promoting public education campaigns (e.g., against teenage drinking)	14.7	17.2	-1.178	
	community organizing around social issues	16.0	23.0	-3.221	***
	participating in government committees or commissions	12.4	14.8	-1.322	*
Political Advocacy	meeting with public officials and staff; providing testimony on policy issues	15.9	20.4	-2.183	**
	participating in coalitions with other organizations for the purpose of influencing policy	21.1	21.2	-0.041	
	providing a vehicle for private donors to express their values through our programs/services	35.4	33.7	0.625	
Value Expression	supporting special interests that may not be represented in government or business	20.0	26.9	-2.790	***
	engaging volunteers in critical activities within the organization	45.0	62.6	-6.875	***

Note: t-tests of mean differences indicate that community nonprofit organizations' involvement in the listed activity are rated significantly differently from the professional arts organizations' involvement at the * $p < 0.1$, ** $p < 0.05$, and *** $p < 0.01$ levels.

Independent Variables

The present study offers three sets of independent variables for community characteristics developed from the theories of organizational ecology, stakeholders, and resource dependency, as described below. Additionally, the role of a nonprofit organization as a community nonprofit versus a professional arts organization can be confounded by the type of program, size, and years in service. Thus, the empirical model controls for the ten types of art organizations (with the reference group being music organizations such as symphony orchestras and ensembles), size (measured by annual budget), and age of the organization.

Organizational density. The main independent variable is the density of nonprofit arts organizations that may compete against or collaborate with the sample organizations. This variable measures the number of nonprofit arts and cultural organizations registered in a given county. Organizational ecology studies argue that, at low density, legitimation processes dominate a population of organizations and competition processes dominate at high levels of density (Carroll and Hannan 1989; Hannan and Carroll 1992). To test the expected nonlinear relationship, a quadratic term of this variable is included in the empirical model.

Community stakeholders. The second set of independent variables account for the socioeconomic status of the county an organization serves and from which it generates its revenue. The measures include the population size, resident median age, racial and ethnic diversity (inversely measured by the percentage of non-Hispanic Whites), community wealth (measured by median family income), community generosity (measured by the amount of itemized contributions reported in 2013⁴), and being an urban community (i.e., whether a community belongs to a metropolitan statistical area or not).

Resource dependency. The empirical model also accounts for factors that influence an organization's dependency on external resources. It first measures the extent to which organizations are reliant on contributed sources of revenue—in other words, being a donative organization or not. To ensure dependency is not a single-year incident, an organization is labeled as donative if it has generated more than half of its income from contributions for three consecutive years (i.e., fiscal years 2011-2013). The empirical model also controls for organizational financial vulnerability to assess the extent to which organizations have the capacity to address external resource providers' influences. Financial vulnerability is measured in terms of having negative net income for three consecutive years (i.e., fiscal years 2011-2013).

Table 2 presents the mean values of selected independent variables for professional arts organizations and for community nonprofit organizations. On average, there are over six registered nonprofit arts organizations in counties where organizations identified as professional arts organizations operate while less than five registered nonprofit arts organizations in counties where community nonprofit organizations operate. Although this difference is statistically different, it should be noted that these two types of organizations can be found in the same local community.

⁴ This data is drawn from the National Center for Charitable Statistics.

The difference could be further explained by community size, with populations of 1.8 million for professional arts organizations versus 1.3 million people for community nonprofits. On a related note, professional arts organizations operate in more racially and ethnically diversified areas (inversely measured by the percentage of Non-Hispanic Whites) than the areas where community nonprofit organizations operate. Focusing on resource availability, the average amount of itemized giving per person and the median family income are both higher in the counties where professional arts organizations operate. In other words, nonprofit arts organizations in more affluent and generous communities are more likely to identify themselves as professional arts agencies. These statistically significance differences seem to be confounded by the fact that community nonprofit organizations cover relatively more non-urban area communities than professional arts organizations (about 10% versus about 20%).

In terms of resource dependency, a slightly larger percentage of community nonprofit organizations is financially vulnerable compared to that of professional arts organizations (11% versus 9%). Although the difference is small in size, it is statistically significant. The majority of both types of organizations are donative, and the means test shows no statistically significant difference across the two types in terms of being donative. Focusing on basic organizational demographics, there seems to be no significant difference in the years in business between the two types of arts nonprofits. However, the average size of professional arts organizations is more than twice as large as that of community nonprofit organizations. For the type of programs, a larger share of the ethnic/community arts organizations, arts education organizations, and arts and other museums identified themselves as community nonprofits whereas more performing arts organizations (including dance, theater, and music) associated themselves with the professional arts industry. Although the comparisons of the means offer some insights into the community characteristics that may influence organizational focus and identity, the analysis of the mean differences does not control for the effects of confounders; the next section presents the results of multivariate analyses.

Table 2. Descriptive Statistics of Independent Variables

	Professional Arts (N= 285)	Std. Dev.	Community Nonprofit (N= 430)	Std. Dev.	t	P-value
Organizational Ecology						
Density of Arts Nonprofits	6.623	(5.710)	5.010	4.711	4.114 ***	
Density of Arts Nonprofits_squared	76.348	(122.313)	47.245	174.828	2.442 ***	
Stakeholders (Community SES)						
Population	1,815,066	(2,385,724)	1,343,762	(2,005,201)	2.850 ***	
Persons over 65 years, percent	13.125	(2.550)	13.123	2.871	0.011	
Persons under 18 years, percent	21.245	(4.006)	22.295	3.373	-3.778 ***	
Percent of Non-Hispanic Whites	56.976	(20.345)	61.638	21.496	-2.900 ***	
Community Wealth (Median Family Income)	73,658	(17,275)	70,466	(16,817)	2.459 ***	
Community Wealth (Log of Median Family Income)	11.180	(0.232)	11.135	(0.235)	2.523 ***	
Charitable Giving Culture (Itemized Contributions in \$100s/person)	10.567	(9.587)	7.202	(5.948)	5.790 ***	
Urban Area	0.919	(0.273)	0.833	(0.374)	3.367 ***	
Resource Dependency						
Vulnerable (having negative net income for 3 consecutive years)	0.095	(0.293)	0.109	(0.312)	-0.625 ***	
Donative (receiving more than half of revenue from contributions for 3 consecutive years)	0.568	(0.496)	0.607	(0.489)	-1.026	
Group Type (Proportion)						
Arts Services	0.049	(0.217)	0.095	(0.294)	-2.276 **	
Ethnic/Community Arts	0.039	(0.193)	0.126	(0.332)	-4.000 ***	
Arts Education	0.067	(0.250)	0.084	(0.277)	-0.837	
Media	0.074	(0.262)	0.079	(0.270)	-0.264	
Arts Museum	0.081	(0.273)	0.137	(0.344)	-2.327 **	
Other Museum	0.021	(0.144)	0.093	(0.291)	-3.875 ***	
Performing Arts	0.088	(0.283)	0.040	(0.195)	2.693 ***	
Dance/Ballet	0.102	(0.303)	0.037	(0.189)	3.505 ***	
Theater/Opera	0.270	(0.445)	0.126	(0.332)	4.971 ***	
Music/Symphony	0.211	(0.408)	0.184	(0.388)	0.886	
Organization Profile						
Organization Age	24.596	(15.785)	23.207	(15.605)	1.160	
Organization Size (Annual budget in millions)	1.641	(5.108)	0.692	(2.309)	3.366 ***	

Note: t-tests of mean differences indicate the statistically significant difference in the values of the selected variable between community nonprofit organizations and professional arts organizations. *p < 0.1, **p < 0.05, ***p < 0.01 levels.

Empirical Results

This study employs logistic regressions to predict the likelihood of a nonprofit arts organization identifying as a community nonprofit organization versus a professional arts organization, when forced to choose between the two. In Table 3, Model 1 provides a baseline assessment of the likelihood that an organization identifies itself as a community nonprofit given the degree of arts nonprofit density in a county. Model 2 controls for basic organizational characteristics that may be confounders, or alternate explanations, for identifying as a community nonprofit organization, including the type, age, and size of the organization. Model 3 includes community socioeconomic measures to account for resource availability for nonprofit arts and cultural services. Model 4, which is the complete model, adds two resource dependency

indicators—being donative and being financially vulnerable—to account for the level of influence external stakeholders may impose on an organization.

Table 3. Logistic Regression Results of Self-identifying as a Community Nonprofit Organization versus a Professional Arts Organization

	Model 1		Model 2		Model 3		Model 4	
	β	(SE)	β	(SE)	β	(SE)	β	(SE)
Organizational Ecology								
Density of Arts Nonprofits	-0.117	(0.033) ***	-0.117	(0.040) ***	-0.235	(0.120) *	-0.239	(0.121) **
Density of Arts Nonprofits_squared	0.002	(0.001) *	0.003	(0.002) *	0.010	(0.006) *	0.010	(0.006) *
Stakeholders (Community SES)								
Population (in millions)					-0.098	(0.047) **	-0.092	(0.047) *
Persons over 65 years, percent					-0.062	(0.041)	-0.061	(0.042)
Persons under 18 years, percent					-0.017	(0.043)	-0.017	(0.044)
Percent of Non-Hispanic Whites					0.000	(0.006)	-0.001	(0.006)
Community Wealth					0.414	(0.509)	0.421	(0.511)
Charitable Giving Culture					-0.045	(0.026) *	-0.044	(0.026) *
Urban Area					-0.747	(0.349) **	-0.787	(0.352) **
Resource Dependency								
Vulnerable							0.215	(0.291)
Donative							0.255	(0.180)
Control Variables								
Group Type								
Arts Services			0.888	(0.361) **	0.928	(0.369) **	0.921	(0.370) **
Ethnic/Community Arts			1.319	(0.382) ***	1.299	(0.389) ***	1.272	(0.389) ***
Arts Education			0.414	(0.345)	0.517	(0.351)	0.494	(0.352)
Media			0.332	(0.339)	0.366	(0.347)	0.388	(0.348)
Arts Museum			0.762	(0.309) **	0.686	(0.317) **	0.660	(0.320) **
Other Museum			1.733	(0.482) ***	1.650	(0.486) ***	1.620	(0.486) ***
Performing Arts			-0.572	(0.373)	-0.615	(0.381)	-0.679	(0.385) *
Dance/Ballet			-0.895	(0.364) **	-0.792	(0.372) **	-0.844	(0.376) **
Theater/Opera			-0.565	(0.254) **	-0.525	(0.259) **	-0.584	(0.263) **
Organization Age			-0.004	(0.006)	-0.006	(0.006)	-0.006	(0.006)
Organization Size			-0.113	(0.042) ***	-0.092	(0.041) **	-0.097	(0.041) **
Constant	0.9484	0.1513 ***	0.946	(0.270) ***	-1.029	(5.434)	-1.188	(5.454)
N = 715								
Log likelihood	-470.24		-425.52		-416.08		-414.85	
Pseudo R2	0.0220		0.1150		0.1346		0.1371	

Note: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$ levels.

A finding of the significant effect of the density of nonprofit arts and cultural organizations in the community is a unique addition to the literature on nonprofit service organizations. Model 1 results show a negative coefficient estimate for nonprofit arts organization density and a positive coefficient for its quadratic term, supporting this article's main conjecture regarding the curvilinear relationship between community-orientation and the density of nonprofit arts organizations in a community. The coefficients of both the main and quadratic terms are statistically significant and remain relatively consistent even after adjusting for organizational-level confounding factors.

When looking at the community factors, results indicate that larger populations, a more generous community culture, and being an urban area are significantly and negatively related to the probability of an organization identifying as a community nonprofit. An increase in population by one million people is negatively linked to the likelihood of an organization identifying as a community nonprofit, with an odds ratio of 0.912 and statistical significance ($p < .05$). However, given the size of the measurement unit, an odds ratio of close to 1 implies there is no practical difference in the probability of an organization identifying as a community nonprofit given changes in population. With population size held constant, the community being an urban area decreases the likelihood of an organization identifying as a community nonprofit by 54%.

Interestingly, an organization is less likely to identify as a community nonprofit when it operates in a more generous community, although this association is only marginally significant. When the amount of itemized giving per county resident increases by \$100, organizations are approximately 5% less likely to identify as community nonprofits. These results hold true while controlling for other confounding community and organizations factors. Generous communities are likely to have larger resources flow into the nonprofit sector, and therefore more sufficient funding opportunities would be available specifically for the nonprofit arts sector. Consequently, organizations in more generous communities would be less compelled to stretch the scope of their programs in order to identify as community nonprofits and seek non-arts-specific funding support. Conversely, the nonprofit arts sector in a relatively less generous community has a smaller amount of funding for its specific niche of arts programs from which to draw. Under such circumstances, a nonprofit arts organization would benefit from framing its identity as a community nonprofit and being eligible for broader categories of funding opportunities.

For resource dependency-specific variables (i.e., being vulnerable and donative, measured based on three years of trend), empirical results do not show any significant results on nonprofit arts organizations' propensity to identify as community nonprofit organizations. At the organizational level, the size and type of organization are significantly related to identifying as a community nonprofit organization versus a professional arts organization. It is not surprising that museums, ethnic and community arts associations, and art services organizations are more likely to identify as community nonprofit organizations, compared to music organizations, since these organizations have more flexibility for incorporating community issues into their programs by the nature of the type of the programs they serve. Finally, larger organizations show a slightly lower likelihood of identifying as community nonprofit organizations versus professional arts organizations (odds ratio = 0.908, $p < 0.05$).

Discussion and Conclusion

In the recent years, there have been call for nonprofit arts organizations to make their programs relevant to broader sections of their communities by incorporating civic and social

issues into their arts programs (Borwick, 2012, 2015; Korza et al. 2005; Toepler & Wyszomirski, 2012). To better understand the community context of such trend, this study defined arts nonprofits by two types: organizations that identify as community nonprofit organizations and those that identify as professional arts organizations. While creating a false dichotomy—that is, all arts nonprofits are providing professional arts services with varying levels of community orientation and civic engagement—the distinction was useful for recognizing organizations that make proactive efforts to be community oriented, civically engaged, and socially conscious than others, and further, for specifying the characteristics of communities that house such organizations.

Empirical results support the study's main argument that a nonprofit arts organization's community orientation can be largely explained by the type of community to which it belongs, especially the population of nonprofit arts in the community. In communities where arts nonprofits are not prevalent, an organization would situate itself within the broader, general nonprofit sector in order to access greater resources. With a sufficient number of nonprofit arts organizations in the community, arts nonprofits will gain legitimacy as a distinct niche population. However, as density increases, competition over resources increases and organizations must take a different form to find new niches. As such, at either lower or higher densities, organizations are likely to position themselves as community nonprofits.

In order to remain sustainable, both scholars and practitioners (e.g., Borwick 2012; Moldavanova 2016) urge more nonprofit arts organizations must engage with broader sections of the community and make conscious efforts to reflect community issues. Indeed, this study's empirical results support the idea nonprofit arts organizations must incorporate community-orientation or go back to their community roots to survive in the increasingly highly-populated field. In other words, it is not merely an ethical imperative but also a necessity for institutional survival. The finding also has implications for organizational ecology theory as it shows how population growth influences organizational form in the nonprofit arts industry.

The data also support that the characteristics of community stakeholders (i.e., individuals and organizations that influence and are influenced by nonprofit arts organizations) explain an organization's identity form. In particular, more generous communities are more likely to house organizations that identify as professional arts organizations, with community nonprofit organizations tending to operate in less generous communities. The finding further supports the argument based on organizational ecology theory: When the density of nonprofit arts organizations is high relative to resources, competition is more critical. Less generous communities have relatively fewer resources, giving the competitive environment of the industry stronger influence on organizational population. The lack of significant findings related to resource dependency, reliance on contributions, and financial vulnerability further suggest that overall community factors are more important to explain an organization's tendency to identify as a community nonprofit rather than individual organizational capacity.

There are some limitations of this study that must be taken into account when interpreting these findings. First, measures of resource availability in the community, family income and

charitable giving level, do not completely rule out omitted variable bias. There could be additional confounding factors such as the extent to which charitable giving goes to the arts sector versus other industries and how much government support is available for nonprofit activities. Relatedly, itemized giving provides only a proxy measure for community generosity as it does not account for many small, unreported donations. Second, the cross-sectional nature of the study precludes a causal inference for the association between community factors and the form of organizational identity. A third limitation lies with the sample used for the analysis: The sample organizations were randomly selected from a collection of nonprofit organizations that filed an IRS Form 990 for the 2011 tax year; however, the IRS does not require organizations with annual revenue of less than \$50,000 to file a Form 990. Thus, the study's findings might not accurately reflect community engagement of very small nonprofit arts organizations.

Despite these limitations, this study provides important insights about recent interest in community-orientation in the nonprofit arts sector. In particular, the study provides empirical evidence that appreciating social responsibility is not only an ethical process, as Moldavanova (2016) argues, but also a strategy for nonprofit arts organizations to be competitive and sustainable. The pursuit of community engagement and achieving artistic excellence are not mutually exclusive. While all nonprofit arts organizations prioritize artistic standards for the purpose of promoting arts and culture, organizations giving careful consideration to a balanced merger of artistic vision and civic mission will be able to achieve their long-term sustainability goals. In view of the limitations of this study, future research should collect longitudinal data as well as gather information on small nonprofit arts organizations. Further, future analysis should incorporate more detailed contextual factors that are specifically relevant to the nonprofit arts sector such as the amount of resources that directly or indirectly flow into the arts industry and the percentage of community population that are likely to attend arts events on regular basis, in other words, loyal arts patrons.

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