



**Silicon Valley Creates
A Valley of Many Voices:
Exploring Silicon Valley's Cultural
Landscape**

Honoring Place

The authors and sponsors of this study wish to acknowledge and honor the *Thámien* Ohlone and other Indigenous peoples who have continuously inhabited the area now known as Silicon Valley for at least 10,000 years. Their unceded lands and lifeways were colonized by Spanish missionaries beginning in 1769. Between 10,000 and 20,000 Ohlone were estimated to have lived in the area at that time but within a few decades only about 3,000 remained. After Mexico separated from Spain in 1822, large tracts of this land then claimed by Mexico were awarded to rancheros to raise cattle and farm. By 1846, when the United States claimed control of the region, government-sanctioned genocide further decimated Indigenous people. Fewer than 1,000 Ohlone were estimated to be still living in the area by 1852. These lands continue to be of great significance to the present-day Muwekma Ohlone Tribe of the San Francisco Bay Area. The Tribe has over 550 documented members. The 2010 Census estimated Indigenous people in Santa Clara County to be just under 4,000, many from other areas of the West. Over three million people from all over the world now reside in Silicon Valley.

This study was commissioned by Silicon Valley Creates <https://www.svcreates.org/> under contract with Creative Community Builders www.creativecommunitybuilders.com
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Funding was provided by Silicon Valley Community Foundation, City of San José Office of Cultural Affairs, David and Lucile Packard Foundation

November 2020

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A Valley of Many Voices: Exploring Silicon Valley's Cultural Landscape

Introduction and Summary

The contemporary arts and cultural landscape of Silicon Valley, and its capital city of San José, display remarkable differences from other similar-sized American cities and metropolitan areas. In the past ten years the formal dimensions of this landscape have evolved in material and symbolic ways to come into closer alignment with the region's changing demographics and global identity. Its nonprofit and municipal actors exhibit responsiveness to evolving populations, cultural interests, and identity. The character of Silicon Valley's nonprofit arts and cultural sector reflects high value placed on varied expressions of culture and in making the Valley home to an increasingly diverse and growing population. This study examined cultural activities in Silicon Valley as expressed by the numbers, types, expenditures, and geographic distribution of nonprofit arts and cultural organizations along with municipal investments in arts and culture. Findings suggest growing levels of involvement by and meaning to people living in the region. Organizations also reflect a region internationally known for innovation in technology.

This study compared San José, a city of over one million people surrounded by a region with a prosperous and well-educated population, with nine other US cities. San José displays a mix of cultural organizations unlike those found in other cities its size. In contrast to its peers, the city is not home to a cohort of large Euro-centric cultural institutions – in spite of concerted past efforts to build them. While this may be partly in deference to its proximity to San Francisco, in multiple other American city pairs – where travel distance and time are similar – each city maintains its own such institutions. In contrast, San José and Silicon Valley exhibit different ways residents engage in arts and cultural activity. Patterns suggest an adaptability and permeability that enables newcomers to make their voices heard and make this place their home.

Findings in this report resonate with two landmark research studies from the early 2000s that documented participatory and informal arts and cultural activities in Silicon Valley. Dr. Pia Moriarty in 2004 found widespread participatory cultural practices among immigrant communities in both informal and formal organizational settings.¹ In 2005, Dr. Maribel Alvarez examined practices outside formal settings in cultural communities across Silicon Valley.²

This 2020 study parallels a 2009 study of the Silicon Valley arts and cultural landscape by the same lead researchers producing this report. A decade apart, these studies examined the expenditures, types, locations, and ages of nonprofit arts and cultural organizations across Silicon Valley and analyzed data on municipal support for arts and culture in Santa Clara County where about two-thirds of Silicon Valley residents live. Similar, though less detailed,

¹ *Immigrant Participatory Arts: An Insight Into Community-building in Silicon Valley*, 2004, Cultural Initiatives Silicon Valley.

² *There's Nothing Informal About It*, 2005, Cultural Initiatives Silicon Valley.

nonprofit data was collected in both studies to compare the city of San José – considered the “Capital” of Silicon Valley – with the same nine peer cities across the United States. Contrasting these two studies ten years apart provides a look at how the landscape continues to evolve. Evidence showed significant change while phenomena identified over the past two decades by Moriarty and Alvarez continue to be evident.

As those two authors documented, the authors of this study recognize that the cultural landscape of this or any region is composed of more than the activities of formally organized nonprofits. Considerable cultural activity takes place through for-profit and unincorporated enterprises, informal activities among families, neighborhoods, and social interest groups as well as through public sector and educational entities and nonprofits not categorized as arts and culture in standard data sources. Nonetheless, this study asserts that the nonprofit sector, and how it changes, serve as a key indicator of the region’s larger cultural landscape. Further, nonprofit data sources make possible comparisons with other cities so as to provide a relative picture of this key indicator, giving additional dimensions to the findings.

It must also be noted that data were collected for this study just prior to the 2020 COVID-19 pandemic. Its widespread impacts on social and civic functions have been especially difficult for the formal arts and cultural sector that is largely dependent on social gatherings. This report serves to document circumstances “before” and cannot presuppose what the sector will look like “after”. Similarly, the 2009 study, compared herein, documented conditions at the precipice of the Great Recession. The impact of that phenomenon on nonprofit and municipal resources required those entities three to five years to regain their footing while leaving lasting changes.

This study revealed three key characteristics of the nonprofit arts and cultural landscape in Silicon Valley and its major city of San José.

1. **Expression of Regional Identity.** An increasing number of newly formed nonprofits during the past two decades were categorized as culturally specific. Of those, less than 20% were identified as addressing Western European cultures. Some older organizations disbanded or became inactive and others grew. The result is an overall profile more in tune with the region’s demographics and identity in context of both the region’s evolving population and its well-known business sector. The numbers of nonprofits identifying with the region’s three largest cultural groups (Asian, White, Latinx), as well as their expenditures, moved demonstrably closer to the relative percentage of those populations across the region. Further, many of Silicon Valley’s largest and fastest growing cultural institutions in 2019 were based in science and technology in keeping with Silicon Valley’s global business identity.
2. **Active Start-up Environment of Entrepreneurial Organizations.** The region demonstrated robust start-up activity among arts and culture nonprofits. Essentially half or 49% of the 1,063 active nonprofits found in 2019 were 10 years old or less. Among major findings in the 2009 study was that Silicon Valley’s cultural landscape exemplified entrepreneurial behavior for which the region is widely known. This continued to be the case. The region stood apart for the mix of organizations by expenditure size. San José

was home to fewer large cultural nonprofits (budgets over \$5 million) than its peer cities where large organizations increased in numbers and size – in some cases dramatically. In Silicon Valley the percentage of zero-dollar organizations was also lower while small organizations (\$1 to \$50,000) were present in double the percentage of most peer cities indicating higher levels of entrepreneurship. Mid-sized organizations (\$50,000 to \$5 million) earned a higher percentage of their income versus contributed income.

3. **Supportive Municipal Platforms.** Direct municipal spending for arts and culture in the cities and towns of Santa Clara County played an important role in supporting the cultural landscape. Public sector support in arts and culture in the County grew between 2008 and 2019 at a faster rate than inflation, population growth, and national averages for public support of the arts. More municipalities also formalized their cultural programs. The largest and most consistent area of municipal support was for facilities to accommodate arts and cultural activities. These provide space for small and mid-sized organizations, enable them greater flexibility in programming, and relieve them of necessity to lease or build their own spaces. Significant growth in municipal spending for public art reflected elevated capital spending while enabling cities to establish stronger place identities and activate public spaces. The second largest growth by percentage was in grants to organizations that also supported small and mid-sized groups.

The cultural landscape of Silicon Valley and the city of San José exhibited characteristics unlike other regions and cities in the US. Culturally specific start-up nonprofits abound. It may be considered what Silicon Valley African Film Festival Director, Chike Nwoffiah called, “a valley of many voices”. Several large, Western-European-focused organizations closed or declined significantly in size as Silicon Valley’s formal cultural sector moved towards parity with a fast-growing and increasingly diverse population. At the same time, the region’s global identity was expressed through a large number of large and small organizations with science and technology missions, including some of its largest. Public investments and individual financial and volunteer support spread across the cultural spectrum with a considerably higher ratio of small and mid-sized nonprofits than peer cities. Public sector support grew faster than US cities on average supportive of local cultural activities and building a stronger sense of place and identity.

Other observations and questions raised in this report include patterns of how nonprofit arts and culture groups organize and operate concurrent with the patterns observed in Silicon Valley, how they produce cultural products or events, how they interact with participants or audiences, and how and where they conduct their activities. Do more fluid organizational models, that parallel Silicon Valley’s business environment and that contrast with older institutions in peer cities, enable a cultural landscape to be more responsive and sustainable?

In short, Silicon Valley generated an unusual, permeable, diverse, and responsive cultural landscape more in tune with its population and regional identity. Cultural vitality depends less on large institutions built on business models from earlier centuries and more on small and mid-sized, entrepreneurial organizations and informal activities.

Comparisons with 2009 Report: “There’s No Place Like Silicon Valley”

An earlier study of the arts and cultural landscape in Silicon Valley commissioned by 1st ACT Silicon Valley (now part of Silicon Valley Creates) was completed in 2009, entitled: *There’s No Place Like Silicon Valley: An Emerging Cultural Ecosystem for the 21st Century*. That study was authored by Tom Borrup and Heidi Wagner, with Erik Takeshita and Paul Anderton.

This 2020 study was designed to track changes during the interim ten years – although practical limitations made it eleven years. The 2009 report provided the first comprehensive profile of Silicon Valley’s formal nonprofit cultural sector revealing its relative size, composition, geographic distribution, and focus of activities. In both studies, data collected on nonprofit entities in San José were compared with those in the same nine peer cities to gain perspective on how the landscape is organized and evolves in contrast to other cities. Those nine cities were selected in 2008 based on characteristics related to population, economy, and active cultural sectors. In retrospect, comparing metropolitan areas would have made more sense. To keep meaningful comparisons, however, the choice was made in 2019 to continue to examine the same peer cities.

Both studies examined nonprofit organizations based in Silicon Valley that identify as arts and culture organizations along with municipal support for arts and culture programs and facilities in Santa Clara County, an area that accounts for nearly two-thirds of Silicon Valley’s population and thus provided a strong sample from which to draw meaningful findings.

The 2009 report stated the following:

No place in the world is better known for technological innovation. No place can boast a more open and robust environment for new ideas and entrepreneurs. No place has the kind of widely-vested diversity where new arrivals so readily connect, organize, invest, and contribute to a vibrant economy and culture. No urban region is so consistently diverse in population. There is no place like Silicon Valley. In the midst of this world-famous high-tech capital a cultural infrastructure has emerged that enables the start-up of new cultural enterprises and fosters participant-generated self-expression by an unprecedented range of people. This environment evolved simultaneous to the emergence of a global workforce, creative economy, and diverse population. Silicon Valley’s illustrious business environment and global impact have sparked many analysts to re-think corporate structures and global economics in the post-industrial age. The region’s cultural environment likewise raises questions about cultural infrastructures, notions of excellence and the role of professional artists, as well as investment in

facilities and institutions built around singular artistic disciplines and industrial age organizational models.

The 2009 study found and examined:

- *653 active nonprofit, tax-exempt organizations based in Silicon Valley that define themselves as primarily providing programs in the arts, culture, and humanities³*
- *municipal governments within Santa Clara County that directly and indirectly provide support for cultural activities, organizations, and facilities*
- *9 other U.S. cities of comparable size and economies with robust nonprofit profiles to compare with the City of San José*

Among key conclusions made in the 2009 study were that:

Most large U.S. cities and their cultural infrastructures grew up during the industrial age. They each established a handful of large, formal cultural institutions that represented stability – the preservation and reinforcement of a dominant culture and the idea of artistic excellence. Innovative arts activity and cultural diversity in those cities emerged much later as smaller, secondary activities. Silicon Valley’s ecosystem and cultural organizations represent a tectonic shift. The milieu there instead produced an adaptable do-it-yourself platform for culture, one in which diversity and informal organizational structures are central to cultural vitality rather than on the edges.

This 2020 study draws conclusions that are consistent and supported by additional evidence as well as some nuanced findings. Patterns observed eleven years earlier continue to characterize the arts and cultural landscape of Silicon Valley and its “Capital City” of San José.

³ The 2009 study reported 659 organizations. In consultation with leaders of Silicon Valley Creates, authors removed six organizations determined to be mis-categorized in the and they determined did not belong in the study.

Growth and Change Across Silicon Valley

The evolution of the arts and cultural landscape in Silicon Valley are set against a backdrop of changes and growth in population, cost of living, wages, and dominant industries and their workforces. In addition, it is instructive to examine the comparative presence of creative industries and patterns of expenditures related to the nonprofit arts sector between the region and the country.

Population

Population growth in Silicon Valley outpaced the State of California between 2010 and 2018 as well as the United States as a whole. The city of San José saw growth of 11%. This was more than four percentage points above the State average and one percentage above Silicon Valley. The Bay Area (including Silicon Valley) grew just 0.4% less than Silicon Valley and 1.4% slower than San José.

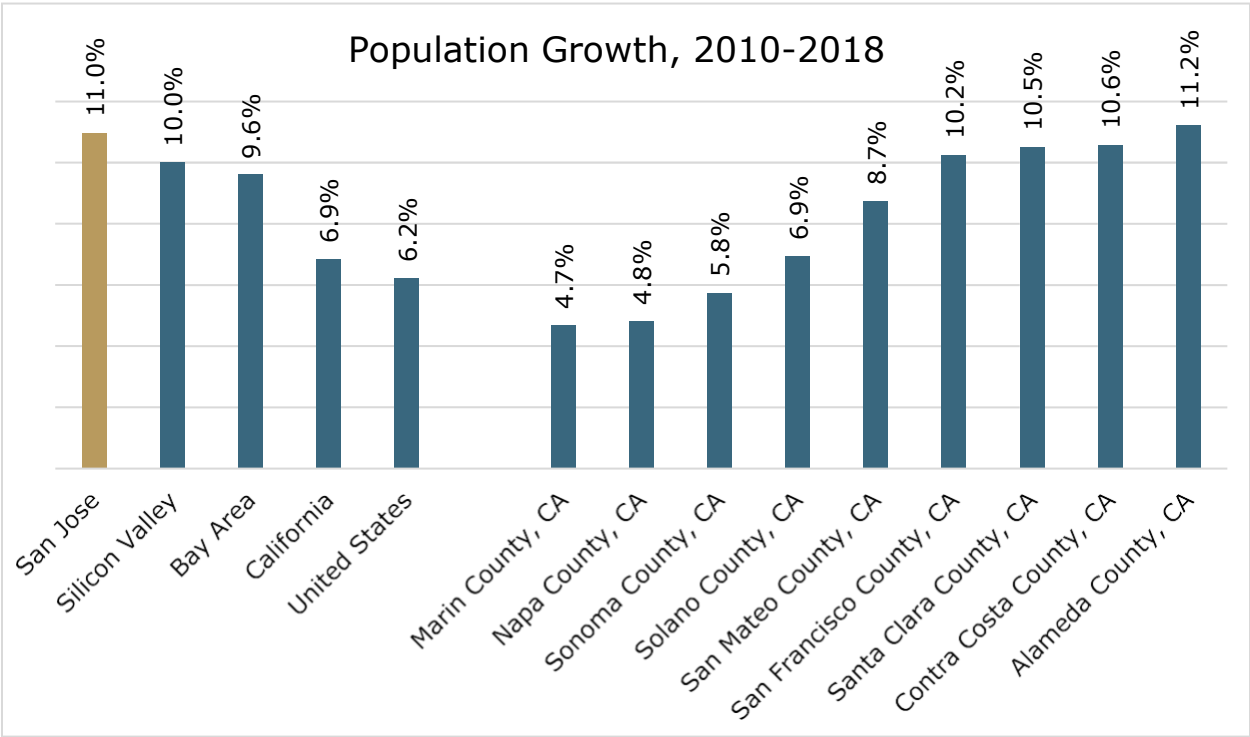


Figure 1. Comparative population growth 2010 - 2018.⁴

⁴ US, city, and county data from the ACS 5-year Datatables from 2010 and 2018, data.census.gov. The Silicon Valley population comprises San Mateo and Santa Clara Counties for purposes of data comparison.

Population growth in Silicon Valley from 2010 to 2018 is made up of a positive net migration of foreign immigration and a negative net migration of domestic population. The period after 2016 saw a dip in total population year over year as international immigration began to decline and domestic out-migration continued. Domestic out-migration showed people moving outside of Santa Clara and San Mateo counties. The most common destinations for domestic migrants were within California. Relocation to other Bay Area locations was 29.5%, other Northern California locations was 23.5% and movement to Southern California was 13.8%.

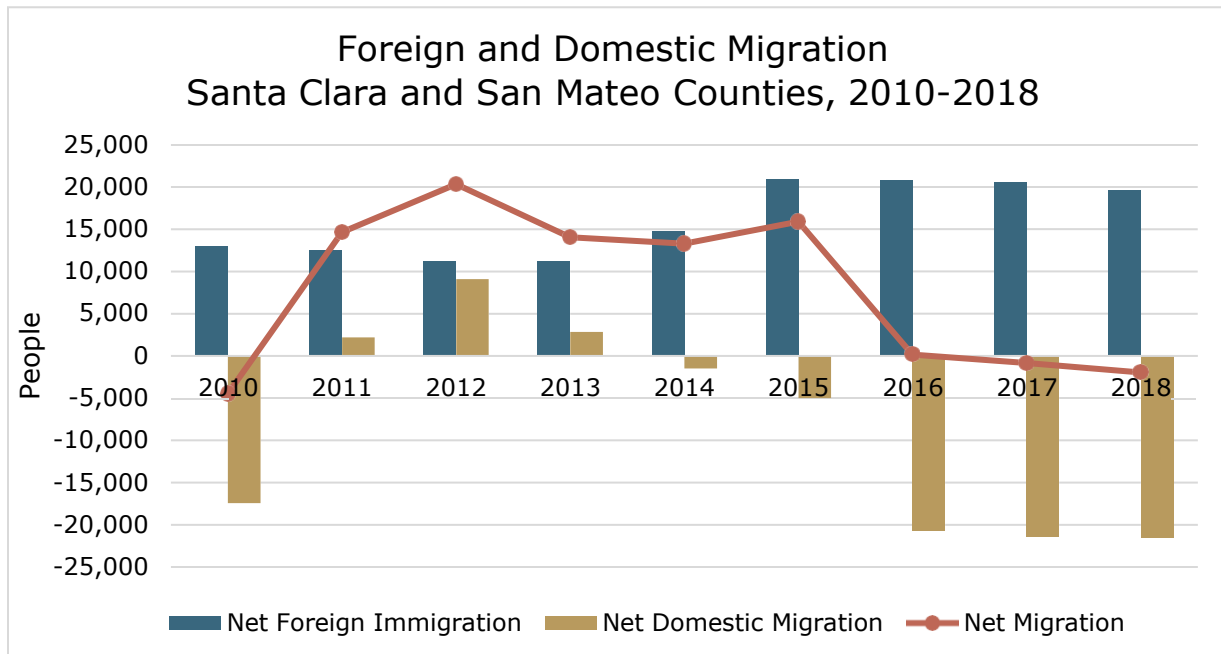


Figure 2. County-to-County migration flows 5-year estimates.⁵

Cost of Living, Wages, and Jobs

The cost of living in the San Francisco Bay Area, including Silicon Valley, outpaced the nation from 2010 to 2018. In 2010 housing costs were 10% above the US average. However, since that time housing costs in the Bay Area increased 46% or twice as fast as the national average and grew to 20% more than the US average.

⁵ United States Census Bureau, using 2013-2017 American Community Survey, 5-Year Estimates.

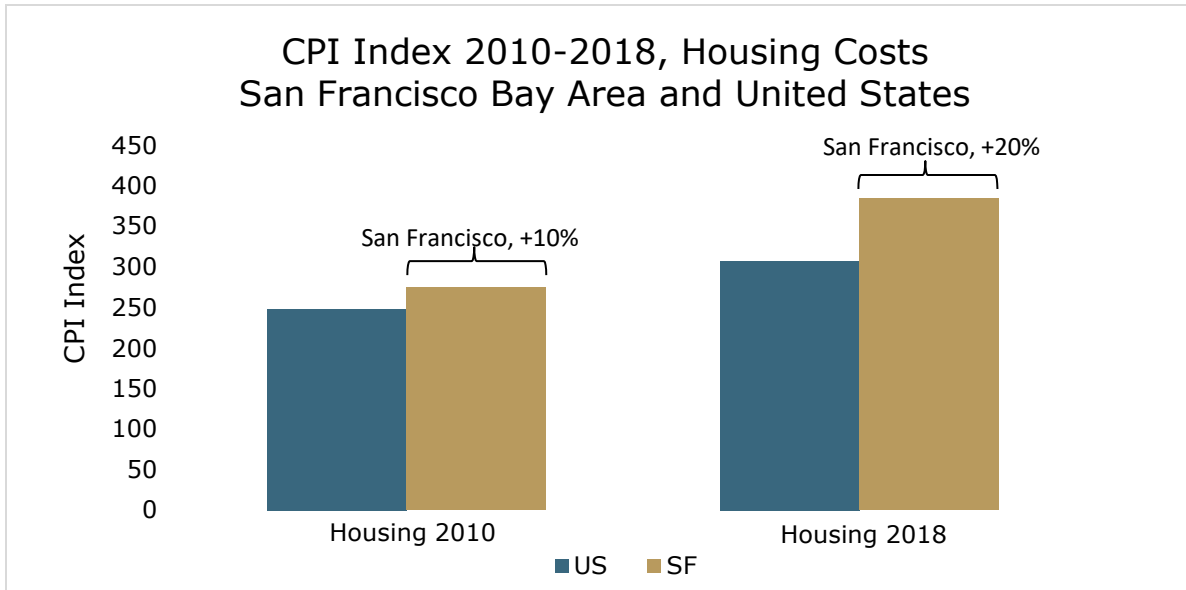


Figure 3. Consumer Price Index growth 2010 - 2018.⁶

Wages also increased more rapidly in Silicon Valley from 2010 to 2018. Although the average wage remained higher in Santa Clara County, wages grew slightly faster in Silicon Valley at 14% than in Santa Clara County at 13%. Average wages in the entire Bay Area also grew by 13% but remained markedly lower than in Silicon Valley. The average wage across California grew only 3% in the same time period. Average Silicon Valley wages remained roughly double those of the entire state.

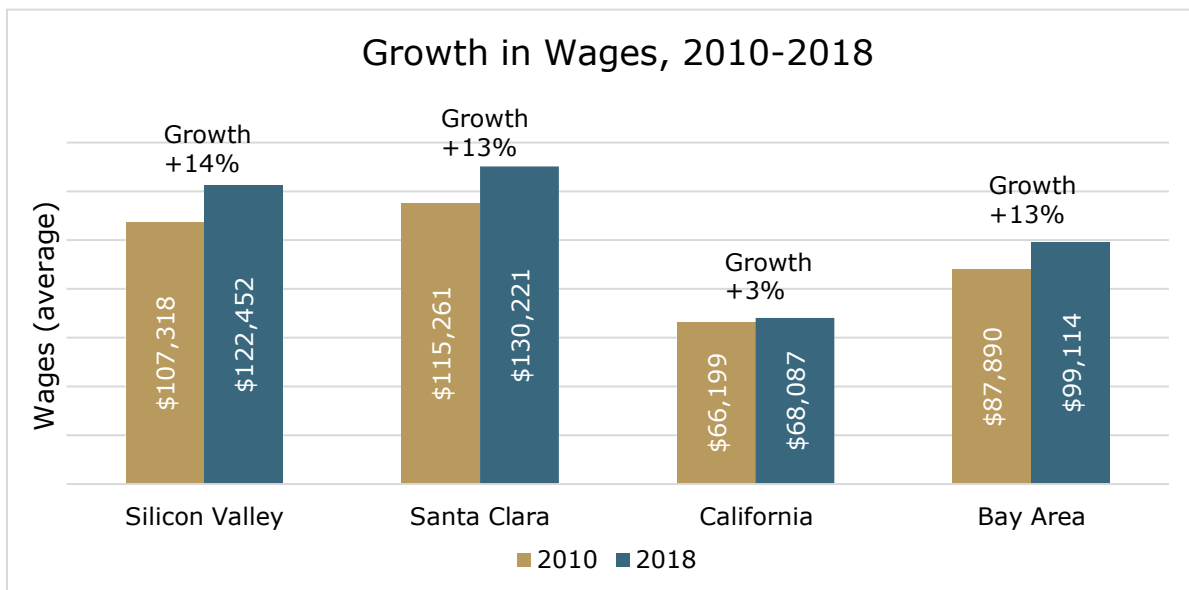


Figure 4. Comparative regional wage growth, 2010 to 2018.⁷

⁶ Data from <https://www.bls.gov/cpi/data.htm>

⁷ Published in *Silicon Valley Index*, 2019, data from www.bls.gov/cew; www.economicmodeling.com

Industry Sectors and Occupations

The Joint Venture Silicon Valley Institute of Regional Study tracks indicators of growth in Silicon Valley. Their analysis of the employment and population data provide context to the arts and cultural landscape of the area. Data from the Silicon Valley Index is published annually. Review of employment shows that the technology sector continues to generate a significant part of the employment opportunities in Silicon Valley

Overall employment in Silicon Valley grew from 2010 to 2019 by 31.6% with the highest gains in Innovation and Information Products & Services.⁸ The region more than doubled the overall growth of employment in comparison to the US in the same period.

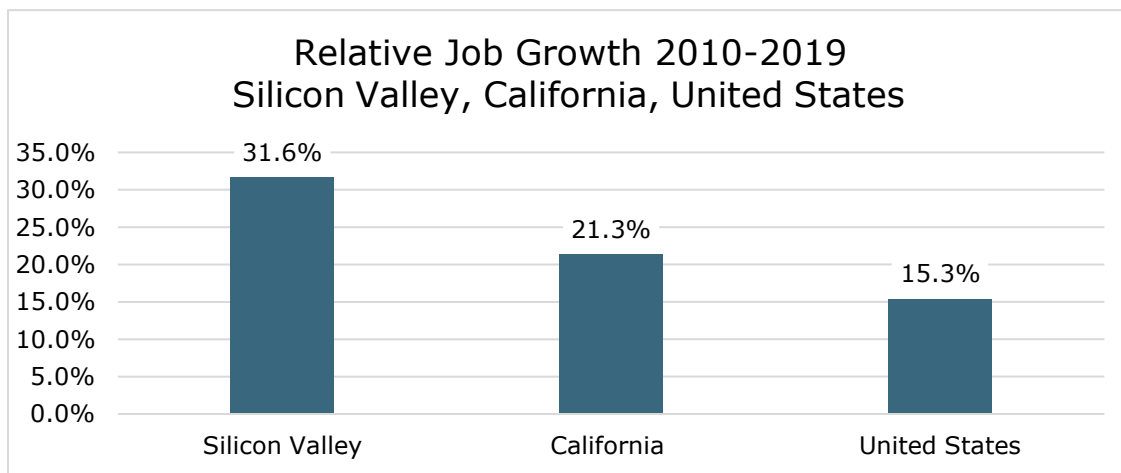


Figure 5. Comparative job growth, Silicon Valley, California and United States.⁹

In their 2019 report, Joint Venture delineated the major industry sectors in Silicon Valley that showed Innovation and Information Products and Services represented at 27% of overall employment.

⁸ 2019 Silicon Valley Index, Joint Ventures

⁹ Data from Silicon Valley Index using data from www.bwresearch.com; www.bls.gov/cew; www.economicmodeling.com

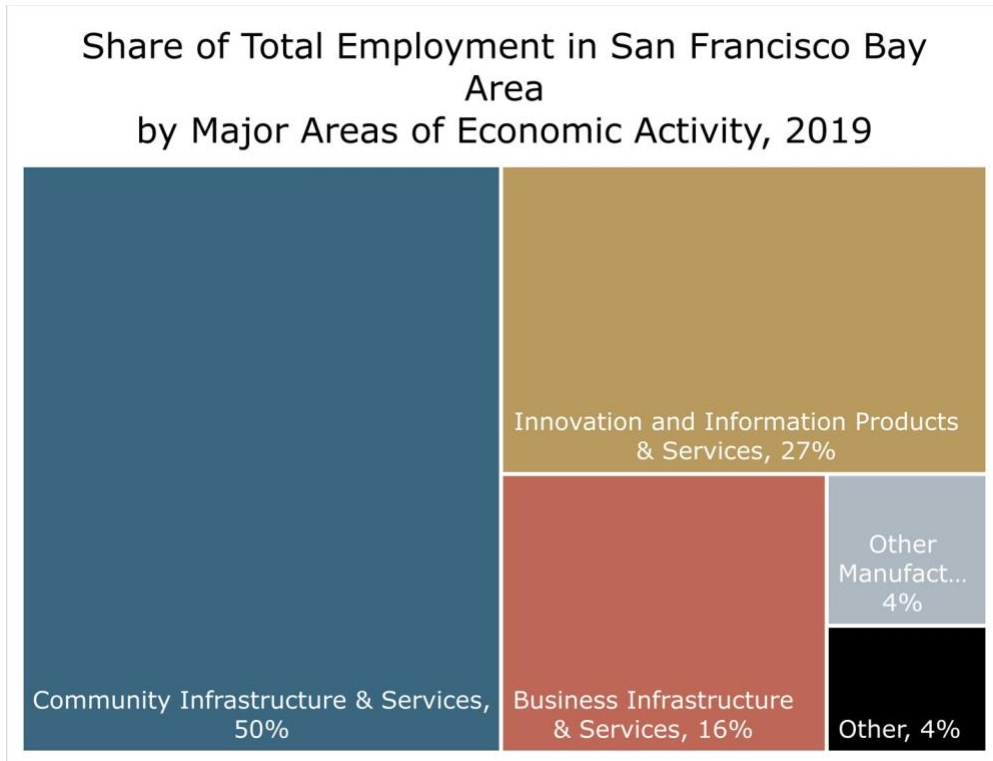


Figure 6. Total employment by major areas of economic activity.¹⁰

The Joint Venture report notes overall employment increasing in Silicon Valley from 2010 to 2017 by 27%. Employment in the Innovation and Information Products and Services sector grew 35% between 2010 and 2017, outpacing overall growth by 8%.

CBRE Group, Inc., the world’s largest commercial real estate services and investment firm, tracks tech talent markets. CBRE data confirms the Joint Venture findings and regularly rates the San Francisco Bay Area as the number one tech talent market. They show growth of tech jobs at approximately 88,000 or a 33.4% growth rate from 2013 to 2018. Peer city regions identified in the 2009 cultural landscape report are shown here for their relative growth in tech talent.

¹⁰ Data published in *Silicon Valley Index 2019* using data from www.bwresearch.com; www.bls.gov/cew; www.economicmodeling.com.

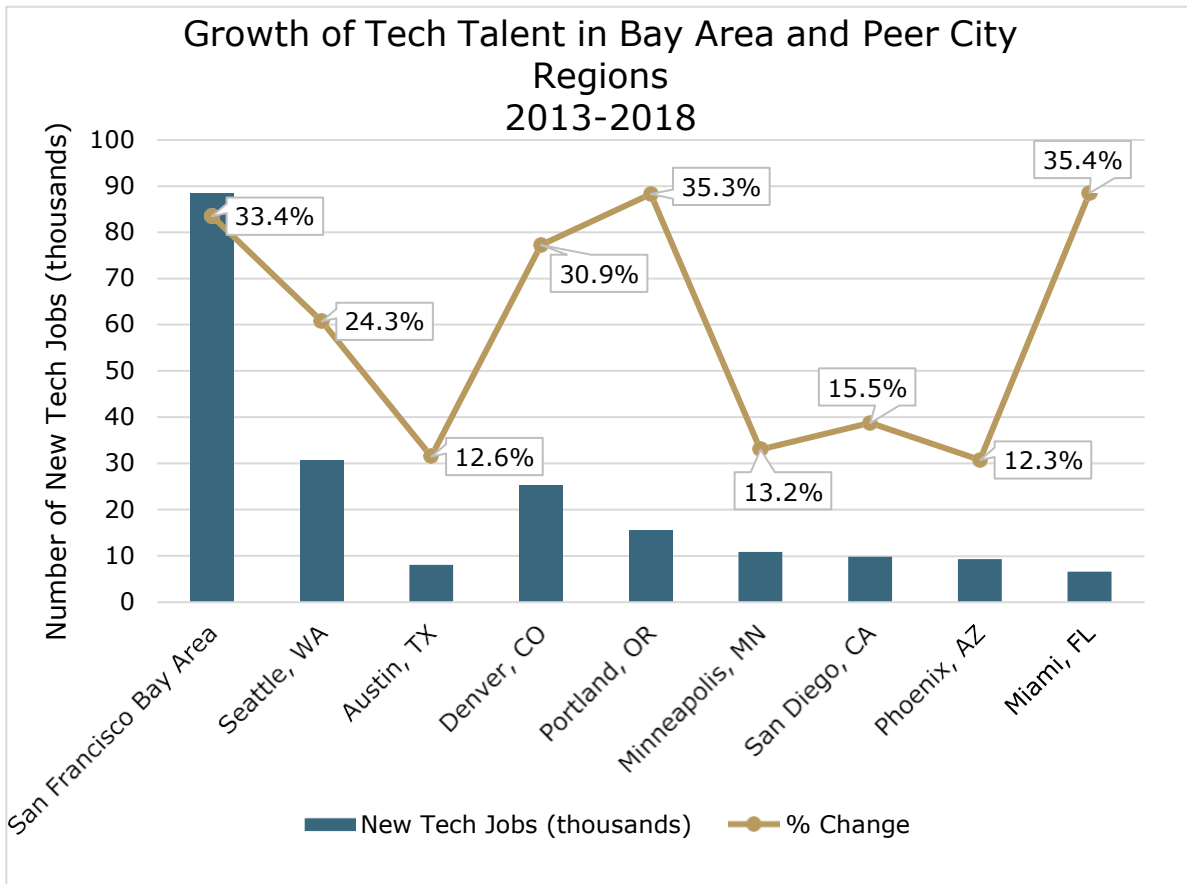


Figure 7. Growth of tech talent among peer cities, 2013 to 2018.¹¹

Specifically related to employment in the creative sector, including nonprofit and for-profit enterprises, Americans for the Arts summarizes creative industry employment county by county in the US. These enterprises include arts schools and services, design and publishing companies, film, radio, and television, as well as museums and special collections, performing arts and visual arts and photography businesses.

In Santa Clara County a total of 4,325 arts-related businesses were reported in 2017 employing a total of 19,533 people. This represented 4.1% of the total number of businesses in the County and 1.7% of all employees.

¹¹ Data is from the CBRE 2019 Scoring Tech Talent report. Scoring Tech Talent is a comprehensive analysis of labor market conditions, cost and quality in the U.S. and Canada for highly skilled tech workers. The top-50 markets were ranked according to their competitive advantages and appeal to tech employers and tech talent using data from the U.S. Bureau of Labor Statistics and other sources. Tech Talent includes the following occupation categories: software developers and programmers; computer support, database and systems; technology and engineering related; and computer and information system managers. Tech talent workers comprise 20 different occupations, which are highly concentrated within the high-tech services industry but are spread across all industry sectors. Using this definition, a software developer who works for a logistics or financial services company, for example, is included in the data.

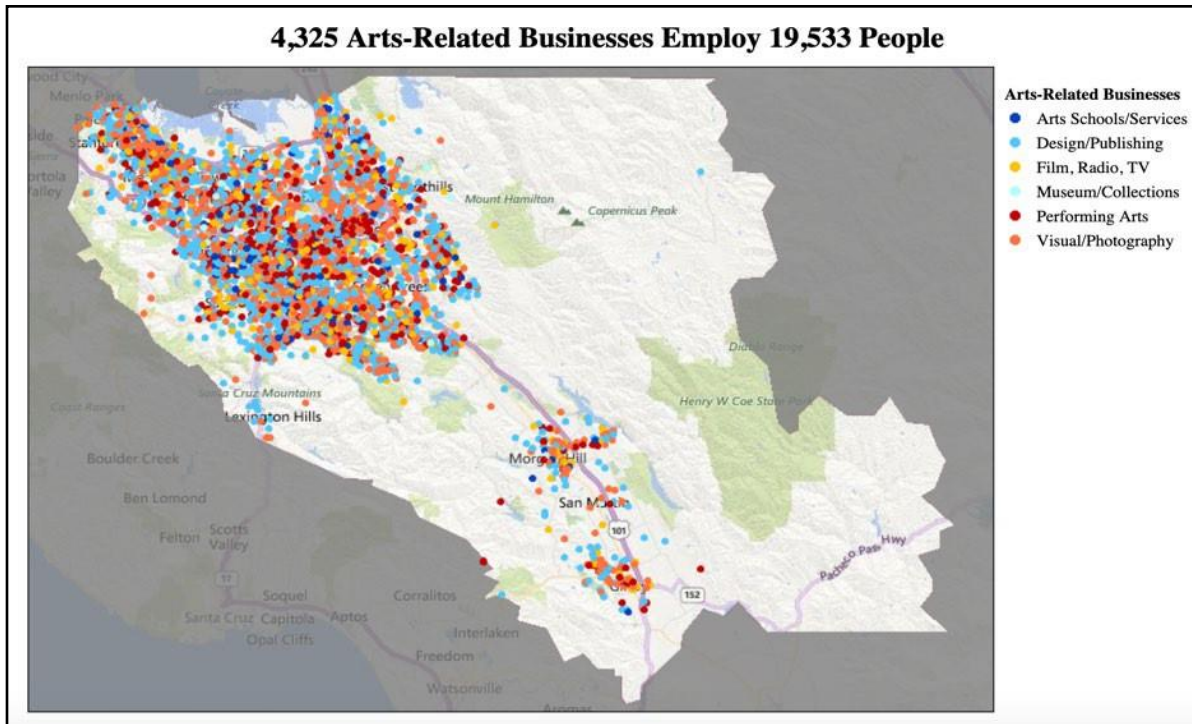
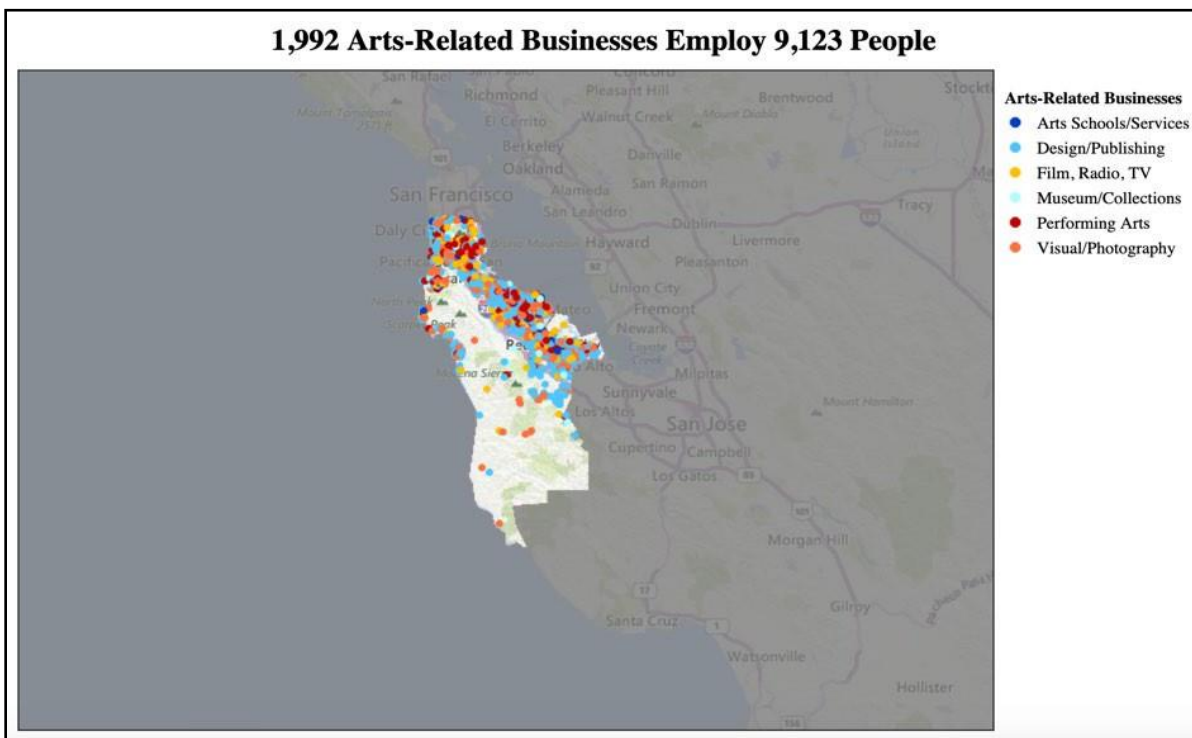


Figure 8. Types and locations of arts-related businesses in Santa Clara County, 2017.¹²

In San Mateo County, a total of 1,992 arts related businesses employed 9,123 people. There, creative industries accounted for 4.3 percent of the total number of businesses and 2.1 percent of the people employed.



¹² From Americans for the Arts https://secur21.brinkster.com/afadc/California/county/CA_Santa_Clara_County.pdf

Figure 9. Types and locations of arts-related businesses in San Mateo County, 2017.¹³

Santa Clara and San Mateo Counties, when combined compare slightly above national percentages in regards to the percentage of creative enterprises but slightly below in employees. Nationally creative enterprises represent on average 4% of all businesses and 2.0% of all employees. Creative enterprises were geographically clustered as illustrated in Figures 8 and 9.

As a way to look into the direct economic impact of a nonprofit arts and cultural sector on its immediate community, Americans for the Arts publishes every five years the *Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences*. The report notes the expenditures captured by nonprofit organizations and their audiences from cultural events nationally and by county. This includes the organizational expenses and estimates of audience spending when they participate in cultural activities. These include everything from child care to transportation, to meals, lodging, parking, and souvenirs.

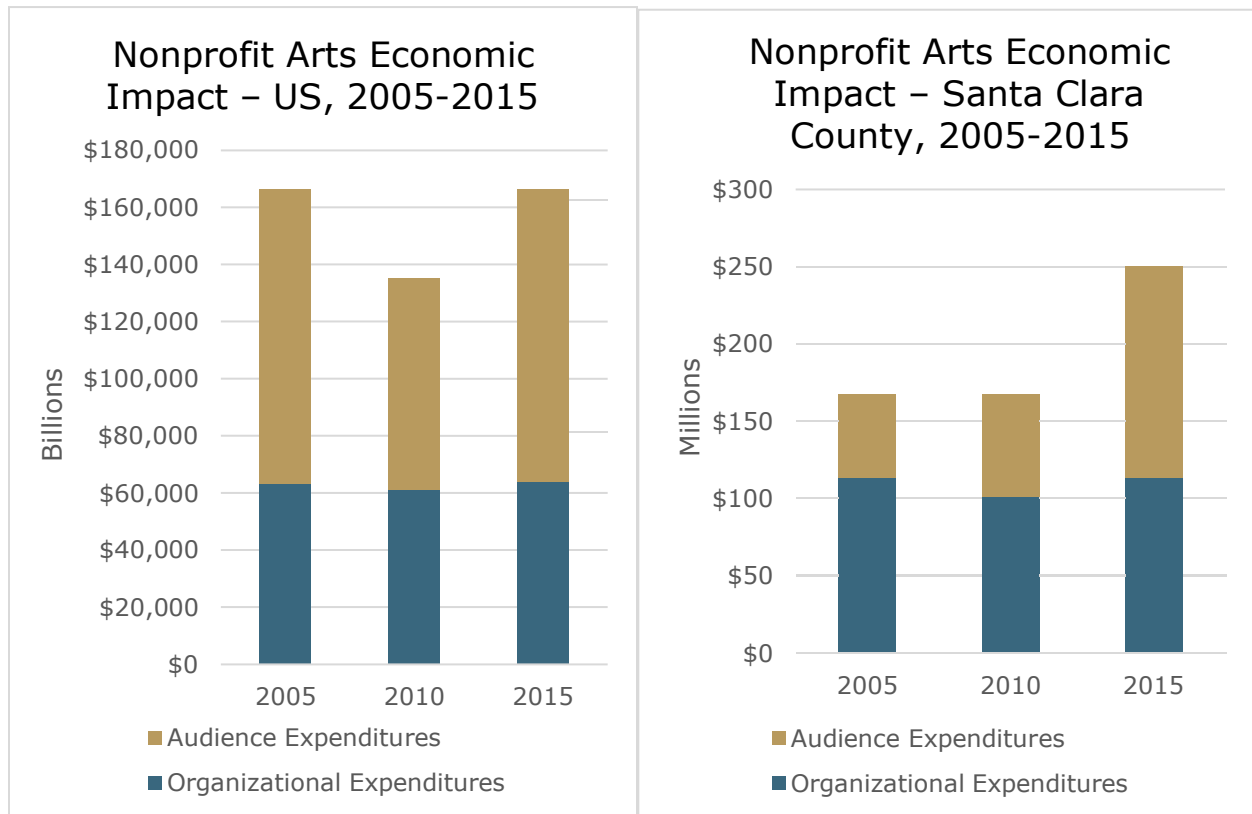


Figure 10. Source: Americans for the Arts. *Arts & Economic Prosperity 5: The economic impact of nonprofit arts and cultural organizations and their audiences in US (left) and Santa Clara County (right).*

Given robust job and income growth in Silicon Valley and Santa Clara County, a comparison from 2005 to 2015 between Santa Clara County and nationally show audience expenditures in Santa Clara County growing at a faster pace than the nation (Figure 10).

¹³ From Americans for the Arts https://securer21.brinkster.com/aftadc/California/county/CA_San_Mateo_County.pdf

Study Methodology

Defining Silicon Valley

For this study Silicon Valley was defined by the zip codes adopted by Joint Venture Silicon Valley.¹⁴ This includes the entirety of Santa Clara and San Mateo Counties; Fremont, Newark, and Union City in Alameda County; and Scotts Valley in Santa Cruz County. Because Silicon Valley is a business construct, standard data sources do not conform to its boundaries. Santa Clara County, representing the majority of Silicon Valley's population, is used in this study as a surrogate to assess municipal arts and culture investments.



Figure 11. Map and key population and economic data from Joint Venture Silicon Valley, 2019. Municipalities included in Silicon Valley area (in yellow).

Nonprofit Data Collection

To gather a primary universe of tax-exempt, nonprofit organization data, a search of Guidestar.org¹⁵ data was conducted for the zip codes of Silicon Valley as defined by Joint Venture and described above. Core information regarding each nonprofit was collected including: ruling year of the organization, contact information, employer identification numbers, reported revenues, and reported expenditures. Each organization was listed with a code from the National Taxonomy of Exempt Entities (NTEE)¹⁶. For this study only organizations with

¹⁴ Established in 1993, Joint Venture provides analysis and action on issues affecting the Silicon Valley economy and quality of life. See: www.jointventure.org

¹⁵ GuideStar USA, Inc. is an information service specializing in reporting on U.S. nonprofit entities.

¹⁶ NTEE Codes - <https://nccs.urban.org/publication/irs-activity-codes>

codes in the major category of Arts, Culture, and Humanities were included. Information gathered from Guidestar.org included self-reported information regarding mission and organization purpose. While individual nonprofits may update their Guidestar.org profile, quantitative data in the core information used from these sites were drawn from Internal Revenue Service tax filings. The assumption for both the 2009 and 2020 studies was that these organizations represent the largest element of the region's formal cultural infrastructure with the most public activity, and that this element represents a broad spectrum of cultural activity. It is likely that informal and commercial or market-driven cultural activities change and adapt to resident interests more quickly than activity under the auspices of nonprofits. Thus, measuring nonprofit cultural patterns can be considered a lagging indicator of the characteristics of the larger cultural landscape.

In addition to the Guidestar.org data, Silicon Valley Creates and the City of San José provided data identifying entities that had received organizational grants between 2017 and 19. Additionally, Joint Venture offered data from their internal research and advocacy work. Combined these data sources led to over 1,300 organizations. The raw list was refined using multiple criteria to determine if each organization was 'active'. Organizations designated as 'active' met at least one of the following criteria: a record of tax filings from the past three years, active web presence and incorporation with the State of California. Each organization's website was accessed, reviewed for recent activity, and, if available, information was captured related to the mission. Organizations were then coded to note if they were serving specific cultural audiences. The list was refined by referencing the California Secretary of State data for incorporated organizations¹⁷ and filtered to remove organizations identified by the State as revoked or consolidated into other organizations. Lastly, local subject matter experts reviewed the list resulting in a small group of organizations being added. Others, which local experts believed to be mis-categorized, were removed. The final list for this analysis included 1,063 active nonprofit arts and culture organizations. Data were collected in November 2019 for each organization with expenditures from the most recent reported tax filing. In this study most recent reporting varied by organization, ranging from 2016 to 2018. Ruling years were collected through Guidestar.org and used to indicate the age of each organization.

Nonprofit Data Comparison

This inventory of current and active 501c3 arts and culture organizations was compared to the inventory of organizations for the 2009 study. Data for the previous study were gathered in 2008 using the same method as above for building the list of organizations. Tax data were from 2006 to 2008. This provided a basis to observe some of the ways Silicon Valley's nonprofit cultural landscape changed. Both studies compared San José's organizations with those in nine peer cities (Austin, Denver, Miami, Minneapolis, Phoenix, Portland, San Diego, San Francisco, and Seattle). Guidestar.org was also used to gather data on organizations in these cities. The search was restricted to the nine cities and organizations with NTEE codes in the major category of Arts, Culture, and Humanities. There was not as deep a dive into the peer city organization data as there was for the Silicon Valley data.

¹⁷ California Secretary of State Business Entity search: <https://www.sos.ca.gov/business-programs/business-entities/cbs-search-tips/>

It is important to note a key change to required reporting since the 2009 study. Beginning in tax year 2008, the IRS required small organizations with expenditures of less than \$25,000 to report annually whereas in prior years they were not required to file. This change likely increased the number of small nonprofits captured in the current study. However, since the same data source was used for all the cities listed above, the comparisons between periods and cities remain constant.

Municipal Data Collection

Data on municipal expenditures were collected from Santa Clara County only, as in the 2009 study and considered representative of Silicon Valley as a whole. Data came through direct contact with officials identified to have responsibility for arts and culture spending and programs in each city and town. In some cases, this was more than one person. This varied from one city to another requiring consultants to use email and phone to identify appropriate personnel and request data. In a few cases the individuals were the same from 2008. A roster of municipal contacts, as well as further information on each city and town, appear as an appendix to this report. Given that populations ranged from over one million in San José to about 3,500 in Monte Sereno, capacity of different municipalities to provide data varied widely. Policies related to arts and culture were researched through city ordinances and investments in public art were gleaned from interviews with city staff liaisons.

Overall budget figures from each town and city were pulled from official budget documents on municipal websites. Data available from city staff sometimes reflected prior year expenditures and sometimes current year budgets. The same process was followed with data collection in 2008. For the most recent fiscal period, 2018-19 budget figures were used. Data in the 2009 report varied similarly.

Detailed Study Findings

1. Arts and Culture Sector Grew to Express the Region’s Identity

In two different and significant ways, the arts and cultural sector in Silicon Valley evolved between 2008 and 2019 to bring it closer in line with the cultural make-up and identity of the area. This is reflected in the numbers, types, and missions of the nonprofit organizations.

Organizations Grow with Population Changes

Responsive to and reflective of a growing population and new, as well as long-term, immigrant communities, many new nonprofit arts and cultural organizations became active between 2008 and 2019 in Silicon Valley. In 2008, a total of 653 active arts and culture nonprofits were identified in the region with 219 in the City of San José. That number grew to 1,063 in 2019, of which 327 were located in San José. Expressed in both numbers and their expenditures, these organizations grew to become more closely aligned with the region’s demographics.

Meaningful changes in the character of the arts and cultural sector were seen in the mission focus of the organizations themselves.

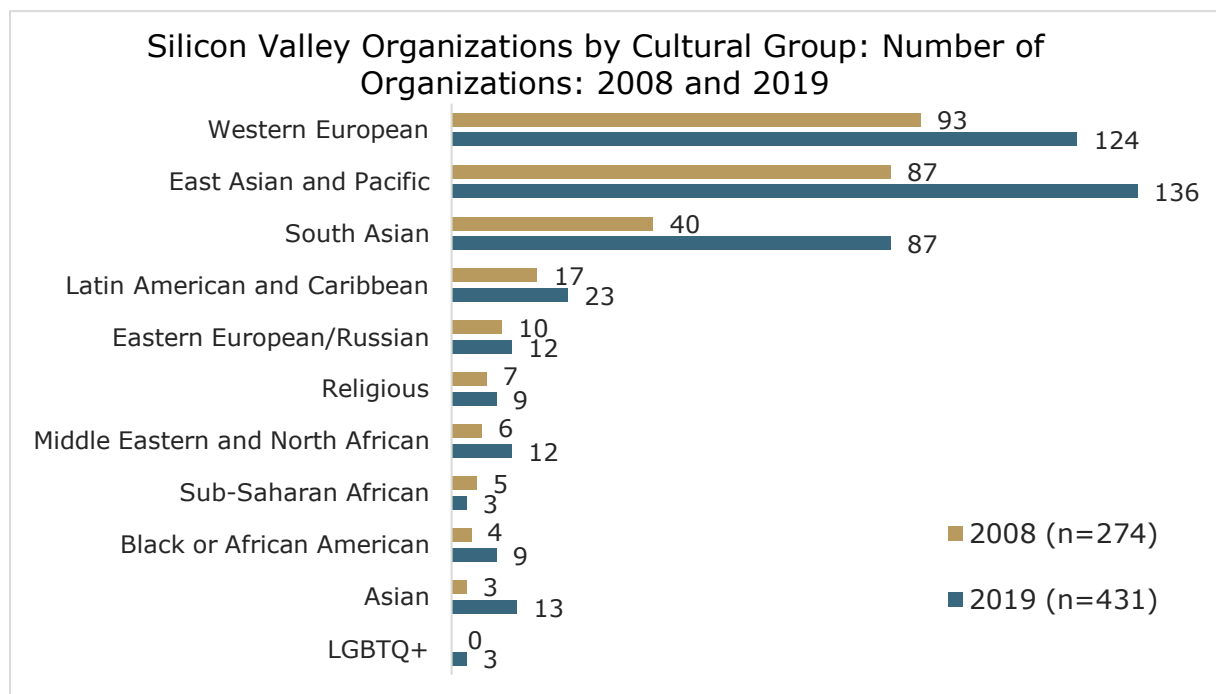


Figure 12. Numbers of Silicon Valley organizations by cultural group and change from 2008 to 2019.¹⁸

Relying on their stated purposes and/or missions, consultants identified organizations that indicated a culturally specific practice or orientation and that fit within cultural or ethnic practices

¹⁸ 2019 data from Guidestar.org, cultural group identification done manually, 2008 data from 2008 Guidestar, cultural group identification updated manually to align with 2019 data and groups.

relative to global regions using World Bank categories.¹⁹ Non-culturally specific symphony, dance, and theatre were characterized as Western European. Of a total of 1,063 active organizations in 2019, 41%, or 431 organizations, were categorized as culturally specific. This compared to 274 in 2008.

Thus, consultants found 59% of the organizations as serving – or endeavoring to serve – the community as a whole with programming not grounded in one specific cultural group. These included arts councils and advocacy groups, arts education organizations, most media and publishing organizations (including print and television), as well as general and multi-purpose organizations focused on non-culturally specific music, dance, theatre, folk, and craft arts.

The data in figure 12 reflect 31 new organizations whose mission and/or art forms are rooted in Western European cultures. At the same time, there were a total of 106 new organizations rooted in East Asian and Pacific, South Asian, and Asian cultures. Organizations identifying with Latin American and Caribbean, Middle Eastern and African, and other cultures grew slightly in numbers. The trend is further illustrated when grouping these organizations by founding years.

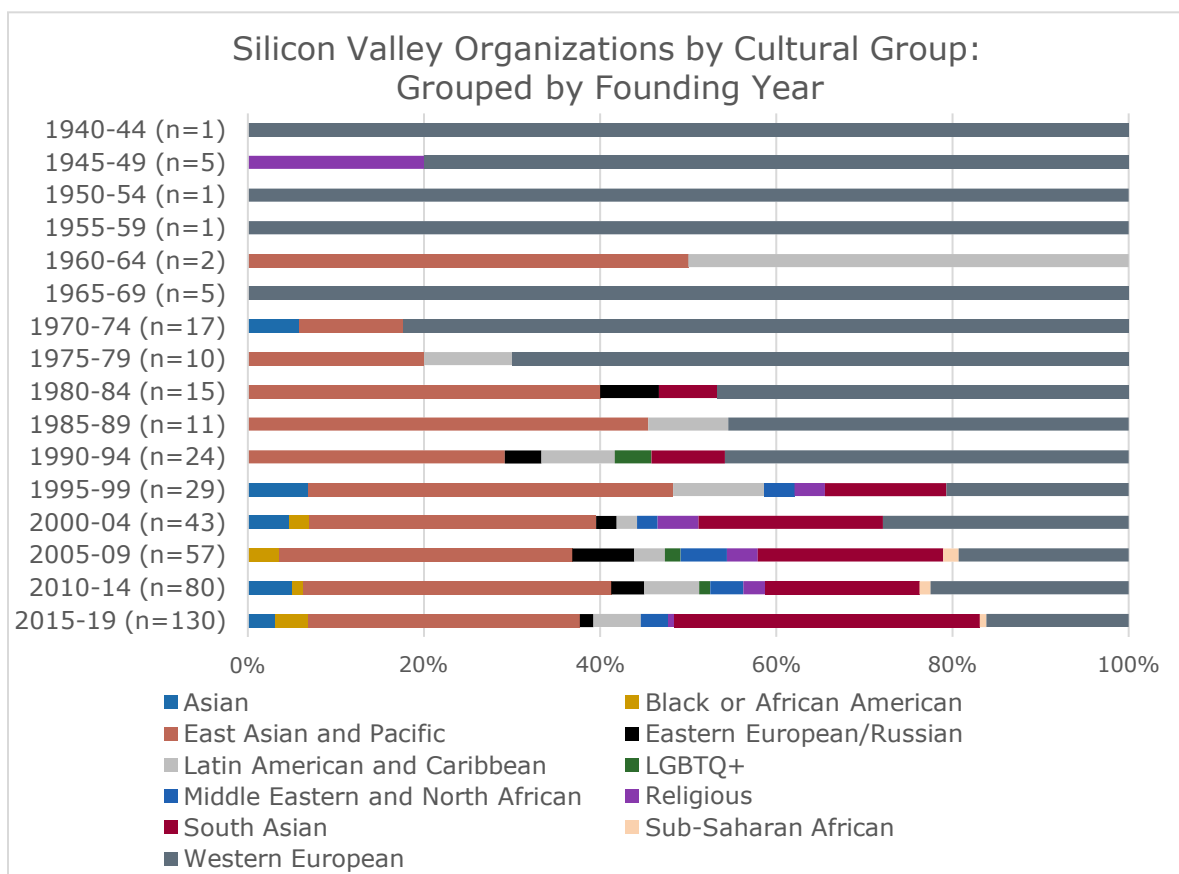


Figure 13. Percentage of groups formed during five-year periods identified as culturally specific.

¹⁹ Cultural Groups based regions defined by the World Bank: <http://datatopics.worldbank.org/sdgatlas/the-world-by-region.html>. Created separate Western and Eastern Europe/Russia groupings. Non-culturally specific symphony, dance and theatre added as Western European. Added Black or African American, LGBTQ+, and religious groups separately. Groups labeled Asian are organizations that are only identified as Asian with no specific country or culture.

Most organizations founded prior to 1980, that remained active in 2019, represent Western European cultures. Five organizations founded between 1960 and 1980 were East Asian and Pacific and two identified as Latin American or Caribbean. Beginning in 1980, the trend in formation of non-Western European organizations began to be significant in numbers, accelerating from the 1990s. Of the organizations identified as culturally specific that formed during the period between 2005 and 2019, 81% identified as non-Western European.

When looking at the change in percentage of the total of culturally specific organizations, this trend remains evident. In figure 14, Western European organizations declined as an overall percentage while South Asian and Asian groups increased.

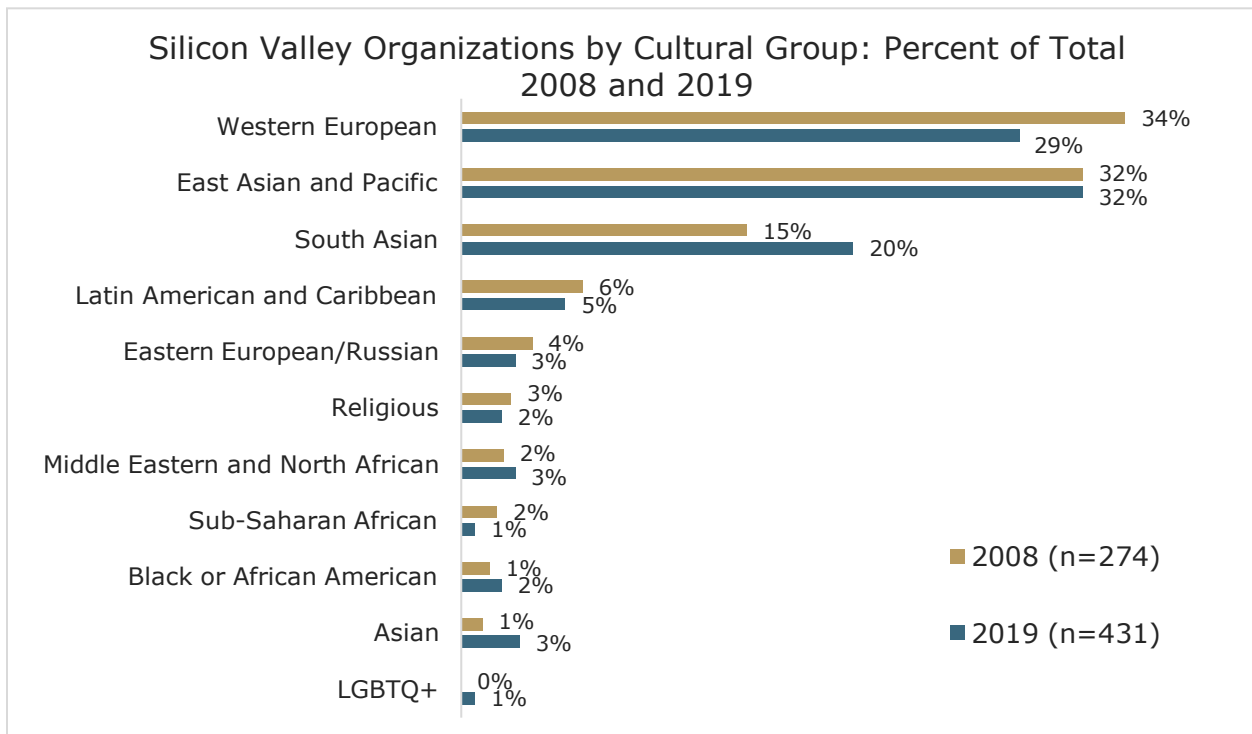


Figure 14. Percent of total organizations per cultural group comparing change 2008 to 2019.

Of those organizations identified with a specific culturally based form or community, the percentage of the total identified with Western European cultures declined from 34% to 29% between 2008 and 2019. Meanwhile, South Asian and Asian groups grew not only in numbers but as a percentage. All other groups changed more or less by only 1%.

Expenditures by these organizations further demonstrated this shift. Western European groups declined significantly in their expenditures in the years between studies. At the same time, East Asian and Pacific and South Asian organizations grew significantly with collective expenditures adding up to nearly equivalent to the Western European organizations.

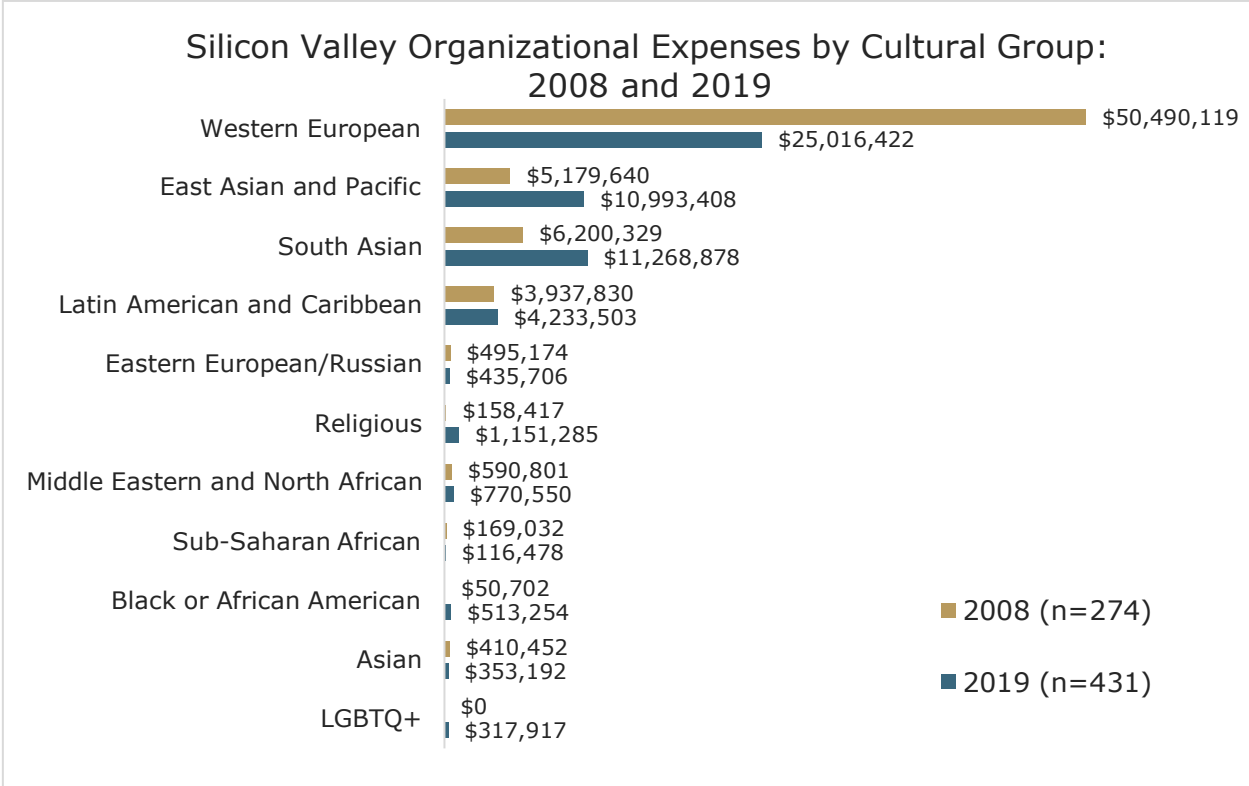


Figure 15. Organizational expenses by cultural group, adjusted for inflation comparing 2008 and 2019.

Expenditures by Western European organizations declined during the past decade largely because of the demise of several larger organizations rooted in Western European cultures. This coincided with rapid growth in organizations rooted in Asian cultures and modest growth of Latinx organizations. As a result, there is a closer balance of cultural resources in conformance with population changes in Silicon Valley. It should be noted that Latinx organizations continued to lag given the relative size of the population.

As aggregated in figure 16 (top) using broader demographic categories, expenditures of White organizations declined by nearly one-half from \$50.1 million in 2008 to \$25.5 million in 2019. Asian organizations nearly doubled their expenditures from \$11.8 million in 2008 to \$22.6 in 2019.

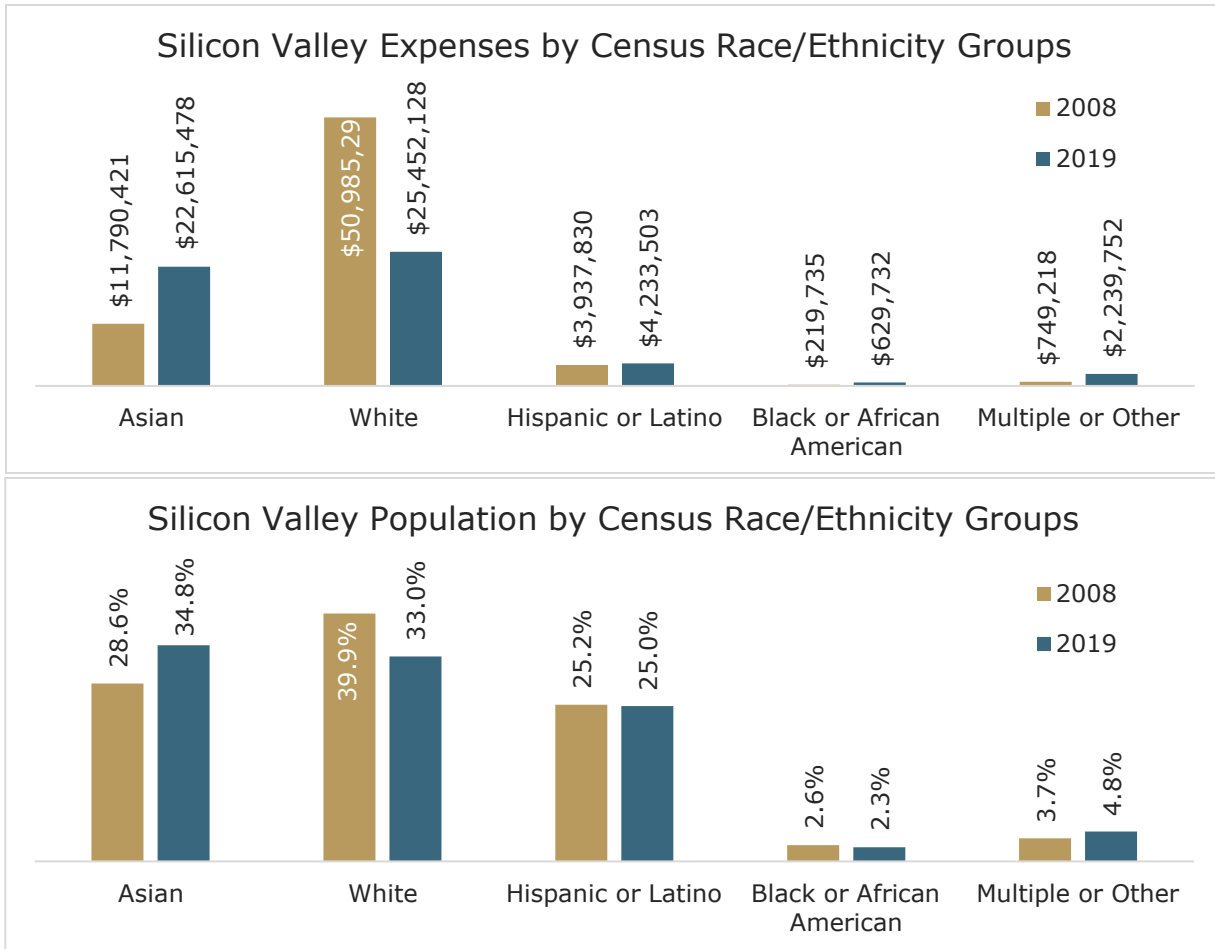


Figure 16. Silicon Valley expenses by race/ethnicity groups adjusted for inflation (top) and Silicon Valley population by race/ethnicity groups (bottom).²⁰

Expenditures of culturally identified nonprofits in 2019 (top) nearly parallel the population groups (bottom). While there is not parity among the groups, the balance has shifted significantly in ten years. In general, combined Asian populations in Silicon Valley now represent 35%, the largest portion of the population overall. The White population has declined slightly to 33% and Latinx populations remain near steady at around 25% with Black and other ethnicities combined remaining between 6% and 7% of the total.

While data show that Latinx organizations have grown modestly in numbers and expenditures they continue to lag in relation to the size and longevity of the population. Likely, this is due partly to the ways in which the region’s most established ethnic groups celebrate and participate in culture. In other words, informal activities, festivals, churches, family groups, and other modes

²⁰ Cultural Group Data Summary 2008 and 2019 diversity of Joint Venture/Silicon Valley data from 2020 Silicon Valley Index; Combined Cultural groups (based on World Bank categories) manually categorized to align with U.S Census race/ethnicity categories:

- o Asian: Asian, East Asian and Pacific, South Asian
- o White: Eastern European/Russian, Western European
- o Hispanic or Latino: Latin American and Caribbean
- o Black or African American: Sub-Saharan African, Black or African American
- o Multiple or Other: LGBTQ+, Middle Eastern and North African, Religious

of participation in traditional and creative activities take place outside the context of nonprofit organizations. Newer immigrant communities form nonprofits at a higher rate, it appears, so as to provide formal structures around which to gather, replicate, and celebrate home cultures.

It must be noted that these organizations categorized here as rooted in one cultural form or community do not represent all of the region’s cultural organizations. With a total of 653 found in 2008, and 1,063 in 2018, those that could be categorized as culturally specific represented 40% and 41% of the total respectively. Nonetheless, the pattern of start-ups and growth that parallel population changes remains dramatic.

Organizations Evolve by Activity Type

As the make-up of cultural nonprofits in Silicon Valley moved closer to mirroring its diverse populations, the self-categorization of groups via NTEE codes also provides evidence that fewer new organizations are trying to serve everyone or singular art forms. Instead, they focus on serving more specific communities, participants, or audiences.

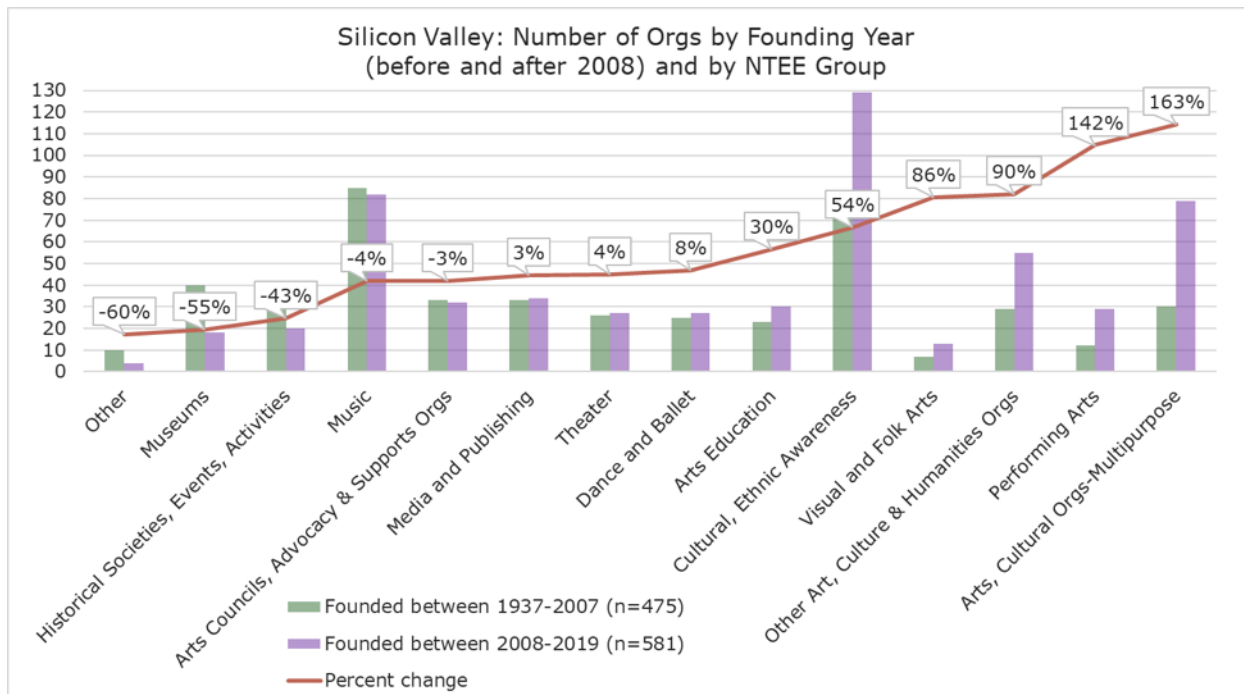


Figure 17. Number of organizations founded before and after 2008 by NTEE categories and percentage of change 2008 to 2019.²¹

The types of arts and cultural organizations founded before 2008 in Silicon Valley and those founded since illustrate distinct differences. NTEE categories are self-defined by each organization as part of their tax filing. From time to time, some organizations update or select a different category. In the aggregate they reflect the activities organizations undertake. Looking at the types of groups formed prior to 2008 and between 2008 and 2019, the largest change by

²¹ 2018 data from 2019 Guidestar, 2008 data from 2008 Guidestar did not include "Community Service, Development" NTEE category in analysis because the numbers in these categories were too small to visualize. Also did not include organizations with no founding year listed.

a considerable measure is seen in the growth of Cultural and Ethnic Awareness and Multi-purpose organizations as well as Performing Arts and Other Art, Cultural, and Humanities organizations.

Organizations in other NTEE categories grew less dramatically. Museums and Historical Societies mostly formed earlier along with Music, Arts Councils and Support organizations. Media and publishing, theater, and dance started up at a slow rate after 2008. A more robust startup rate (30% increase) was found among Arts Education Organizations. Cultural and Ethnic Awareness and Visual and Folk Art organizations grew by 54% and 86% respectively. Performing Arts and Multipurpose organizations grew most dramatically by 142% and 163% respectively. Greatest growth was seen in categories with less specificity around artistic disciplines such as music, theatre, and dance.

The smaller size of most of the new organizations based on expenditures, together with the increase in specific cultural focus, as opposed to art disciplines, represents a right-sizing in relation to audiences and participants. In other words, organizations form and produce a range of activities for specific participant groups with less intention to address or serve the entire population of the region or to grow into large institutions. Likely in ten years hence many of them will no longer be active and will be replaced with new organizations (see “churn rate” later in this report).

Organizations Grow to Reflect Regional Industries

The other major way in which the nonprofit cultural sector evolved was in accordance with the region’s business identity. This is exemplified most prominently through significant growth of organizations related to science and technology. In 2008, the two largest nonprofit arts and cultural organizations by expenditures were American Musical Theatre of San José and Montalvo Arts Center. In 2019, the two largest were The Tech Interactive and The Computer History Museum. American Musical Theatre went out of business in 2009. Meanwhile, science and technology museums, as well as a variety of other organizations not categorized as museums that focus on science and/or technology, experienced the most dramatic growth in expenditures among cultural institution types between 2008 and 2019.

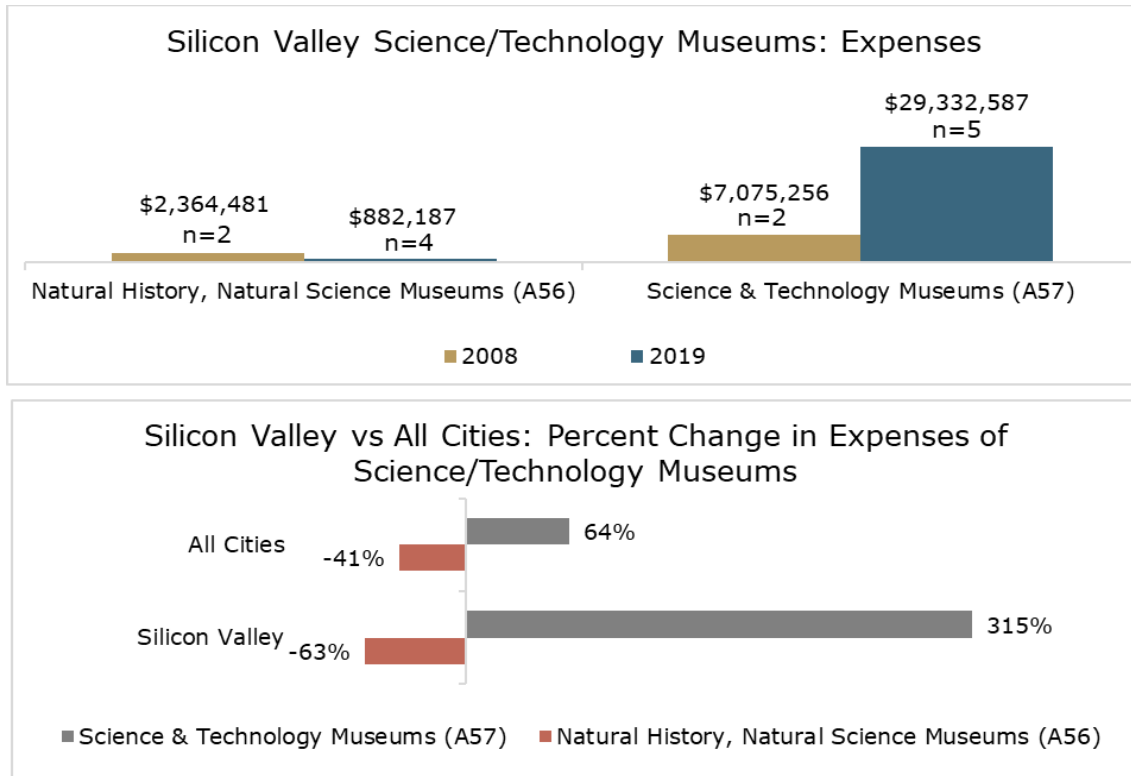


Figure 18. Expense changes in NTEE-listed science and technology museums in Silicon Valley, 2008 to 2018 and in Silicon Valley vs. peer cities, 2008-2019 adjusted for inflation.

Total expense budgets of Silicon Valley science and technology museums grew by 315% from 2008 to 2019. This compares to an average 64% growth in science and technology museum spending during the same period among the nine peer cities.

A total of nine active organizations reported in this NTEE category in the 2019 data, up from four in 2008. Many more organizations were also found with a focus on various forms of technology and science that listed themselves in other NTEE categories. The Computer History Museum, for instance, listed itself as a history museum. Others are listed in figure 19.

Org Name	Expenses
The Tech Interactive	\$ 21,777,974
Computer History Museum	\$ 12,792,536
San Jose Children's Discovery Museum	\$ 7,948,465
CuriOdyssey	\$ 4,532,527
Hiller Aviation Museum	\$ 2,771,158
Youth Science Institute-Alum Rock	\$ 797,542
Zero1 - The Art and Technology Network	\$ 541,428
Museum of American Heritage	\$ 329,581
Niles Essanay Silent Film Museum Inc	\$ 277,461
Golden Gate Railroad Museum	\$ 223,792
Virtual Science Center Inc	\$ 124,835
Lo-Op Center Inc	\$ 27,136
California Trolley and Railroad Corporation	\$ 23,702
Digital Game Museum	\$ -
International Arts and Technology Foundation	\$ -
Museum of Pop Culture	\$ -
Northern California Contest Club	\$ -
Purple Pam Foundation Inc	\$ -
Rest of World Media Inc	\$ -
Roadway Antique Trucks	\$ -
Silicon Valley International Student Film Festival	\$ -
Techapella	\$ -
West Bay Model Railroad Association Inc	\$ -
Total	\$ 52,168,137

Figure 19. Nonprofit organizations with missions and activities focused on technologies and science listed by 2019 expenditures.

Because there are several large budget organizations in this category, including the three of the four largest nonprofit cultural organizations in Silicon Valley, their aggregate expenses total approximately half of all expenses of all nonprofit arts and cultural organizations in the region.

Summary

Since 2008, the formal arts and culture landscape of Silicon Valley changed in ways that bring it more in line with the region's identity. Immigrant communities, especially from East Asian and Pacific and South Asian countries, launched and raised money for new nonprofit cultural organizations at a remarkable rate. At the same time, some organizations focusing on Western European cultures disbanded and/or declined in their expenditures. There was also modest growth in organizations focusing on Latinx cultures. Together, these changes brought the profile of the nonprofit cultural sector closer in line with the demographics of the region. Meanwhile, organizations focusing on science and technology grew dramatically, two of which are now the region's largest cultural institutions. These reflect Silicon Valley's widely known identity as a nexus of technology and innovation.

2. Active Start-up Environment of Entrepreneurial Organizations

Silicon Valley continued to demonstrate robust start-up activity in the arts and culture sector during the past decade with organizations exhibiting an entrepreneurial character. The number of new nonprofit arts and cultural organizations grew at an even faster rate since 2008. During the ten years leading up to 2008, 286 newly active organizations joined the sector in Silicon Valley. They represented 44% of the total of 653 organizations identified in 2008. During the eleven years since, leading up to 2019, there were 519 newly active organizations out of a total of 1,063. Essentially half or 49% of the active nonprofits in 2019 were 10 years old or less. This represents 82% more start-ups between 2008 and 2019 than in the prior decade.

Rate of Start-ups

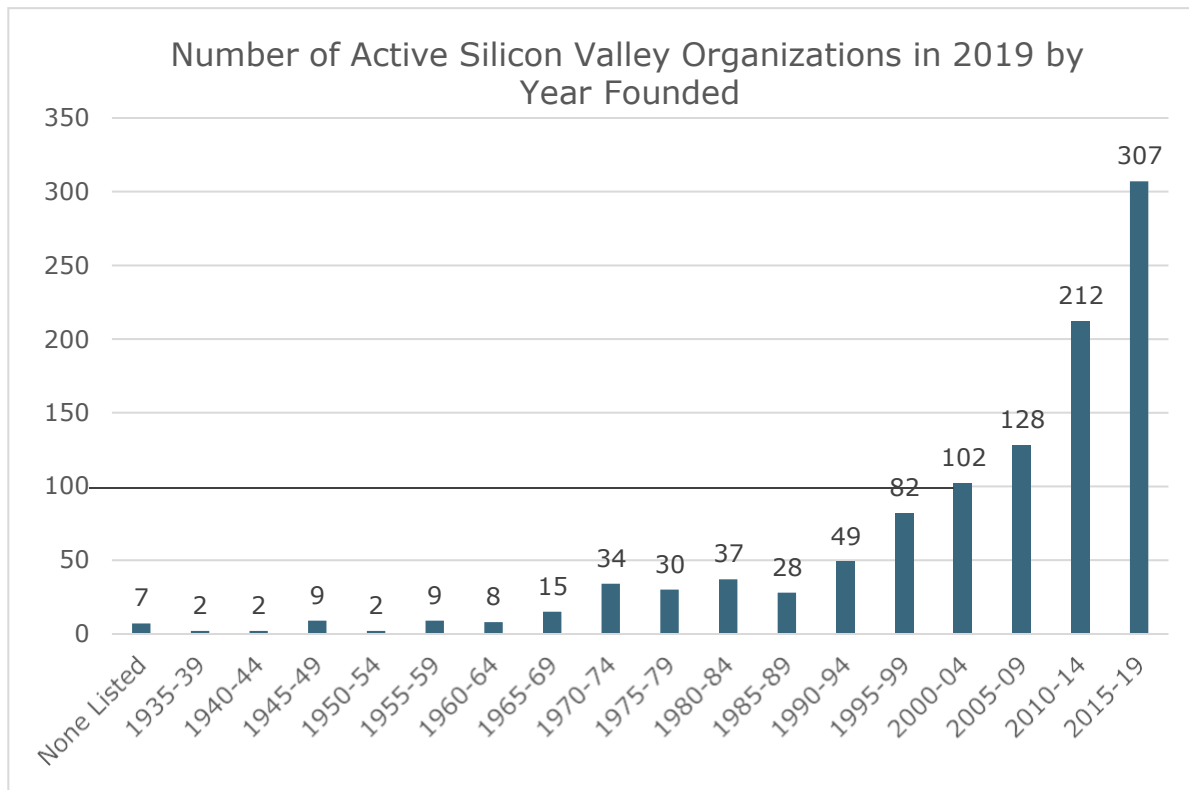


Figure 20. Numbers of Silicon Valley organizations active in 2019 by year founded.

The total of 519 organizations founded since 2010 that remained active in 2019 had total expenditures of \$26.03 million. This is a substantial sum for relatively young organizations representing an average expenditure of \$50,100.

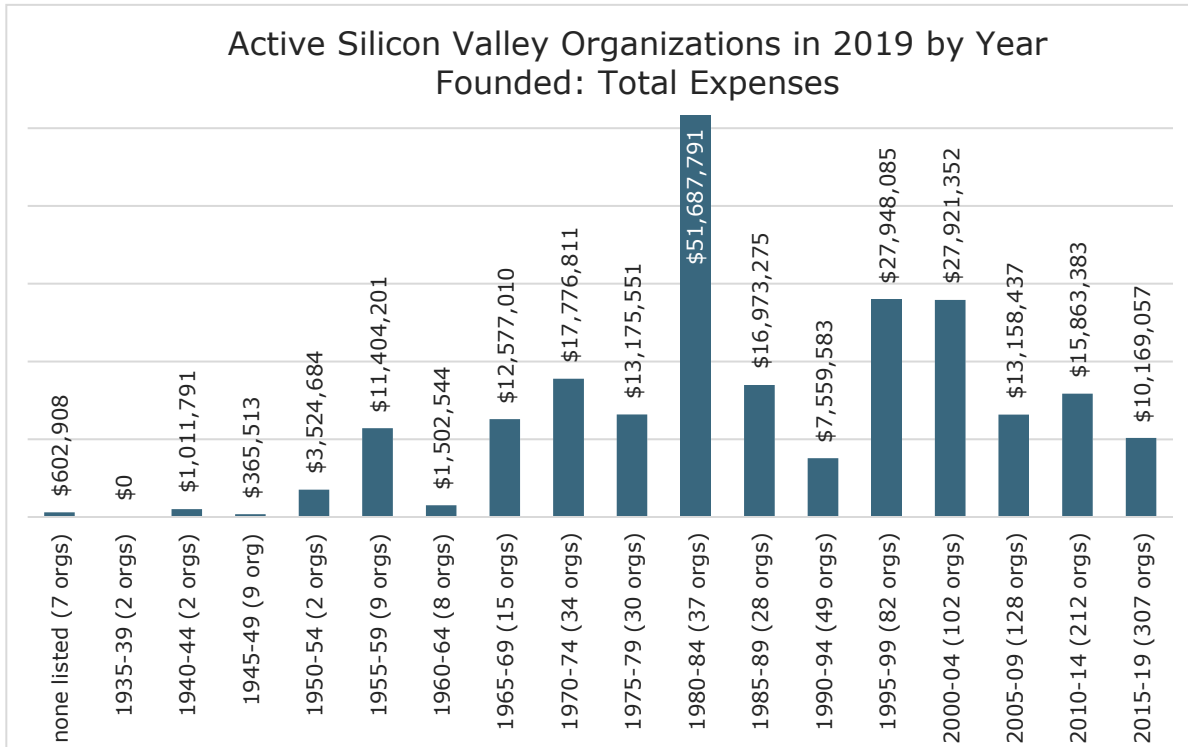


Figure 21. Number of active Silicon Valley organizations in 2019 by year founded with their total expenses (five-year intervals)

In a comparable period between 2000 and 2009, 230 organizations formed during that time and remained active. Data from 2019 showed their collective expenditures of \$41.08 million, an average of \$179,000. Between 1980 and 1989, a period of prolific public investment in the arts, especially in San José, 65 still-active organizations formed. They reported a total of \$68.66 million in spending in 2019, or an average of \$1,056,000 per organization. These include some of the largest organizations active in 2019.

Organizational Lifespan and Churn Rate

To examine the lifespan or what could be called the churn or turn-over rate of cultural organizations, their average age provides one piece of the picture. The overall average age of all active Silicon Valley arts and cultural nonprofits in 2019 was 15.5 years. The ages of groups in each of the culturally specific categories, delineated below, reflect a combination of longevity and the rate of start-ups. Lower average ages primarily indicate more newly formed organizations in each category during that time period.

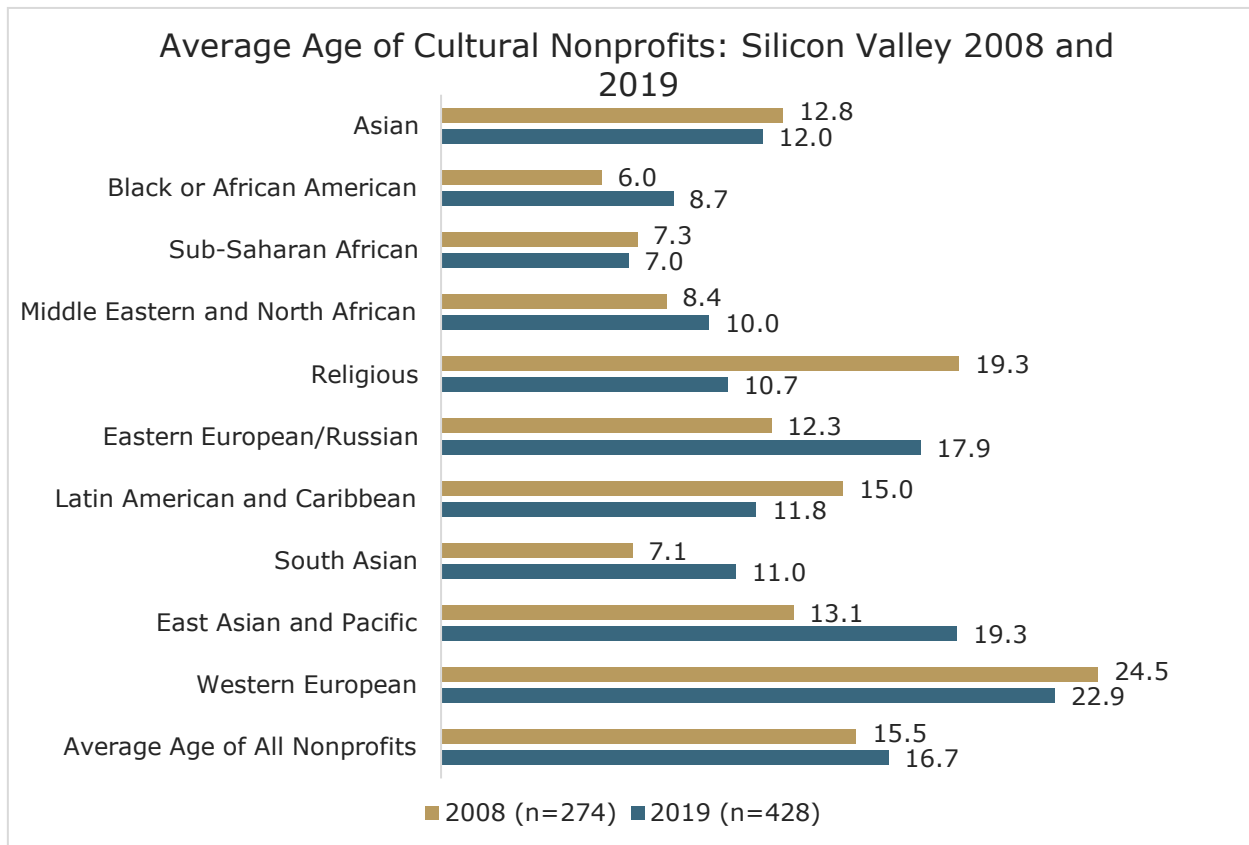


Figure 22. Average age of nonprofits per cultural category and change from 2008 to 2019.²²

The oldest cultural organizations are in the Western European category but were not the most stable. The average age of those organizations of 24.5 years in 2019 increased only 1.6 years between 2008 and 2019 due to the entrance of some new organizations and some older organizations that became inactive. The most stable were religious organizations that grew from 10.7 years to 19.2 years. They were followed by Latin American and Caribbean organizations whose average age went from 11.8 years to 15 years. There were only a few start-up organizations with missions to serve Latinx populations.

Younger organizations included Black or African American and Sub-Saharan African whose ages went from 6.0 to 8.7 years and 7.3 to 7.0 respectively, although they were relatively few in number. The average age of Asian groups went from 12 to 12.8 years, reflecting many new organizations serving those populations. Organizations with declining rates of longevity were in categories where there were the most new startups. This included East Asian-Pacific groups from 19.3 years to 13.1 years; South Asian from 11 years to 7.1. Where there were very few start-ups and declining age were among Eastern European/Russian groups that declined from 17.9 to 12.3 years and Middle Eastern/North African groups from 10 to 8.4 years. Among these cultural clusters there were few start-ups.

²² Only included orgs that identified in both 2008 and 2019 (did not include LGBTQ+ orgs because groups didn't identify as such in 2008).

Another look at the rate of churn or turn-over is in contrast between those organizations that were active in 2008 that remained active in 2019 in comparison to the peer cities.

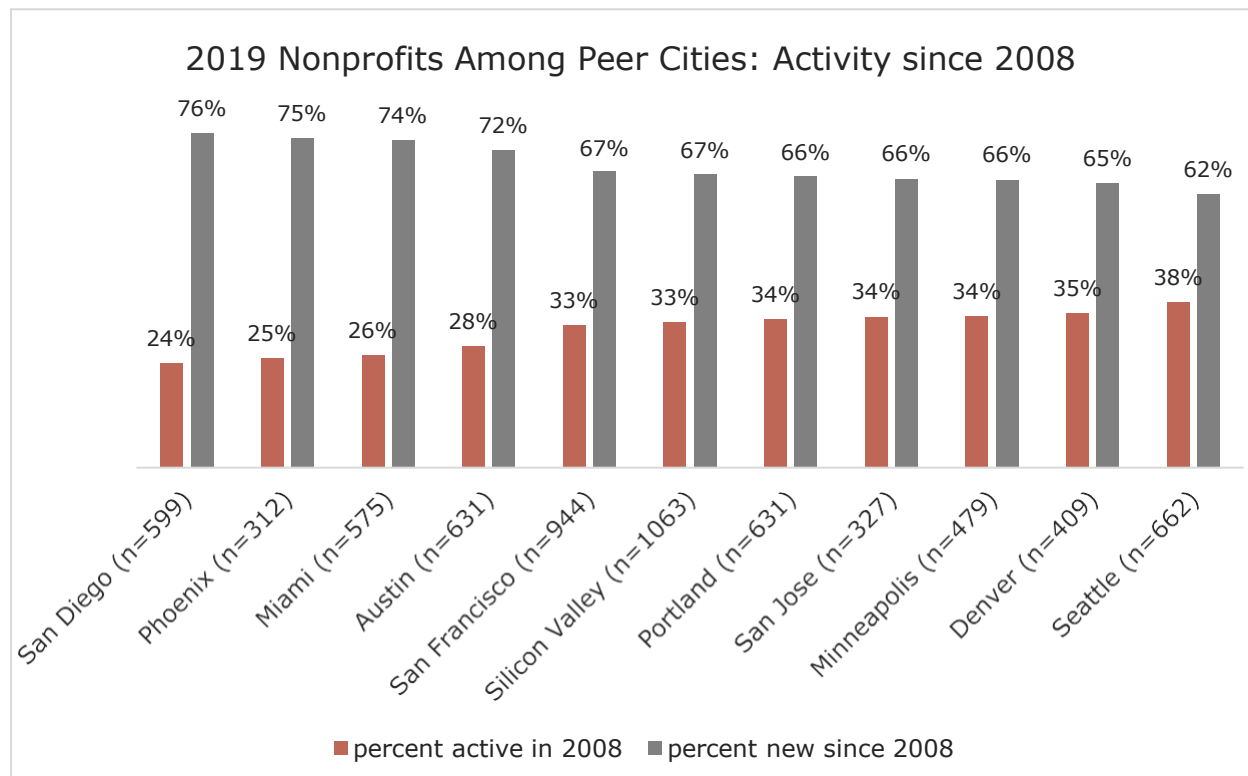


Figure 23. Percentage of nonprofits active in 2008 of the totals that remained active in 2019 among peer cities and Silicon Valley.

San José and Silicon Valley showed a modest rate of churn or turnover when compared with peer cities. San Diego, Phoenix, Miami, and Austin had the highest churn rate with only between 24% and 28% of the organizations active in 2008 still active as of 2019, meaning they had the lowest ratio of older organizations compared to new organizations in 2019. This is a function of both new startups and inactivity or dissolution among older organizations. San Francisco, Portland, San José, Minneapolis, and Denver were in the middle range with 33 to 35% of the 2008 organizations still active in 2019. Seattle, by just three percentage points (38%), had the highest rate of older organizations remaining active in comparison to new organizations.

Organizational Sizes a Key Character of the Landscape

While the numbers of organizations grew in all expenditure categories (except over \$5 million), the percentages of the total declined at both the low end and the high end indicating growth and the greatest level of activity in the mid-sized organizations. Those that reported \$0 in fiscal activity grew from 352 to 526 but declined as a percentage of the total from 53.9% to 49.5%.

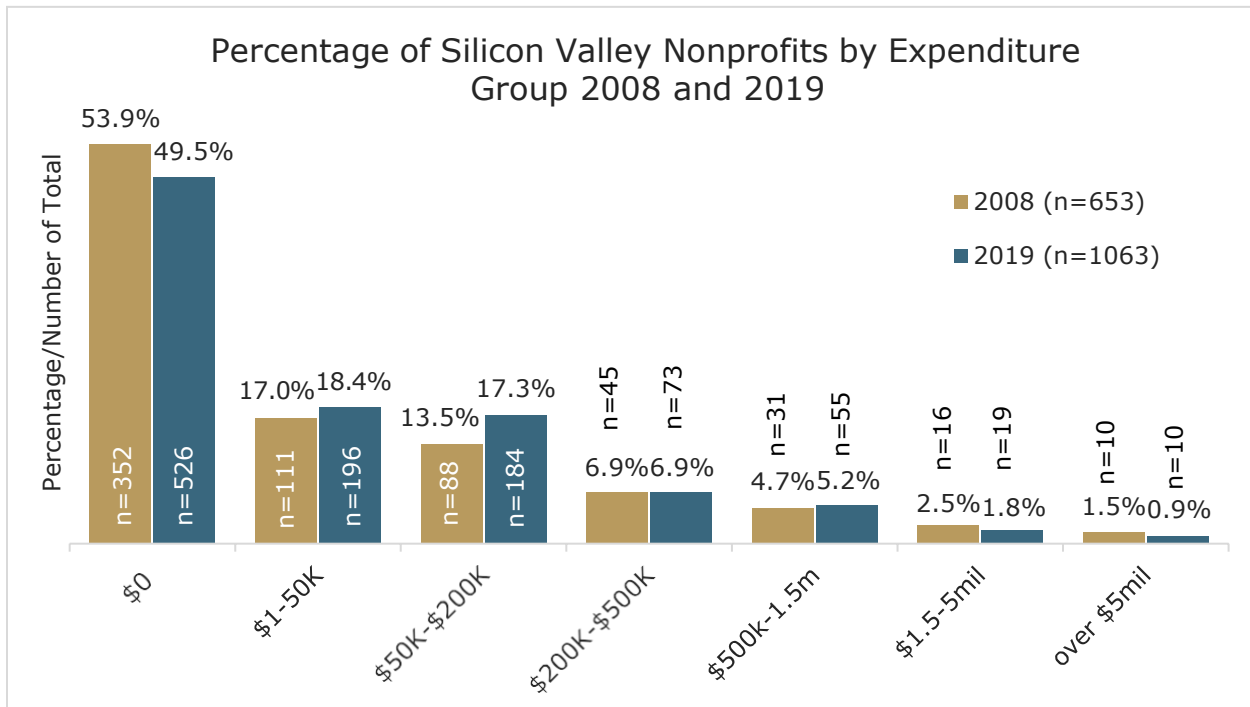


Figure 24. Number and relative percentage of Silicon Valley nonprofits by expenditure group (comparison 2008 vs. 2019)²³

Those between \$1.5 and \$5 million and over \$5 million also declined as a percentage of the total while the numbers grew slightly in the \$1.5 to \$5 million range. Those organizations with expenditures over \$5 million remained the same in numbers in Silicon Valley while declining as a percentage of the total.

In contrast to the nine peer cities, San José was home to fewer large cultural nonprofits (budgets over \$5 million) in 2019. Within the city of San José, between 2008 and 2019, large organizations decreased in number from seven to three. In all other cities the numbers of large cultural organizations increased in numbers – in some cases dramatically. In Austin they grew from one to eleven, in San Diego from six to twelve, and in San Francisco from sixteen to thirty-one. Minneapolis had the most relative stability with eleven in 2008 and thirteen in 2019.

²³ 2019 data from Guidestar.org accessed in November 2019. 2008 data from Guidestar.org accessed in 2008. Percentages calculated by count/total. References table on page 17 of 2009 report.

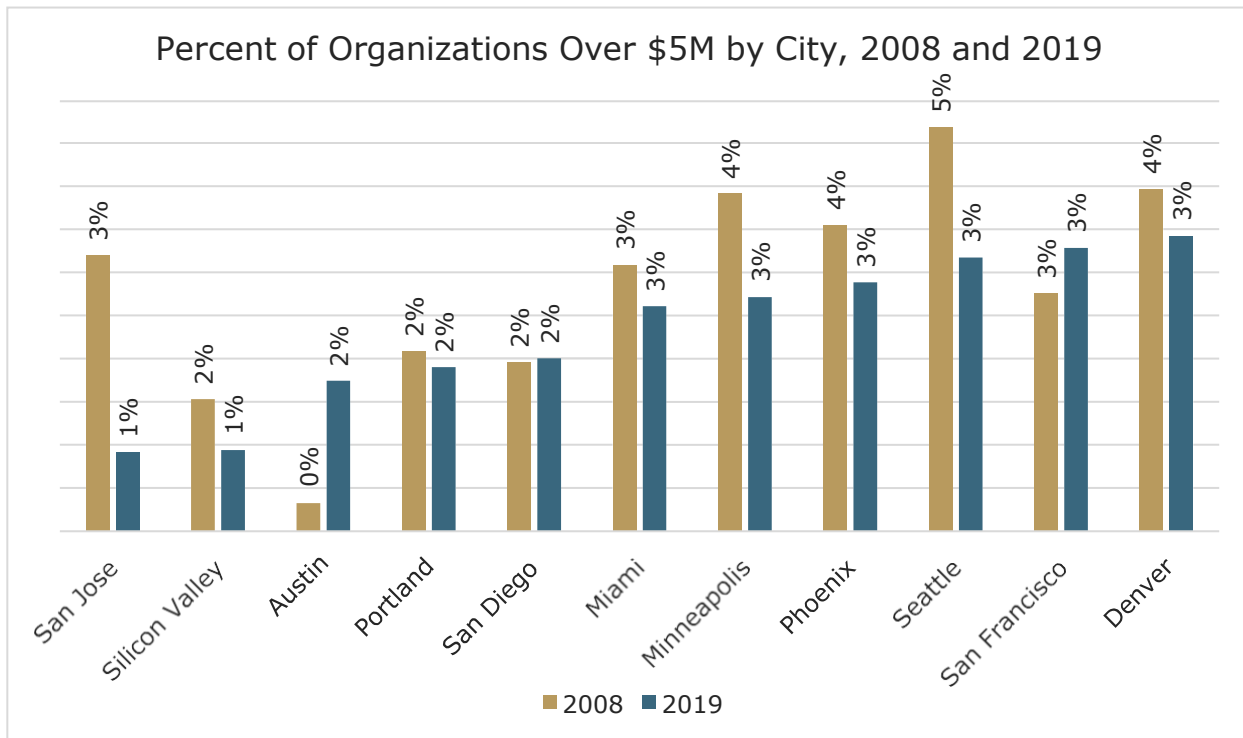


Figure 25. Organizations reporting expenditures over \$5 million as a percentage of total organizations and change between 2008 and 2019.

This study does not compare other metropolitan regions with Silicon Valley but trends observed indicate that financial resources for arts and culture, while smaller in the aggregate, are more widely distributed across Silicon Valley. While cultural organizations with expenditures over \$5 million declined from seven to three in San José between 2008 and 2019, during that time in Silicon Valley as a whole, the number of such organizations remained constant at ten. In 2008, active organizations in Silicon Valley with expenditures above \$5 million included: (* indicates located in San José):

2008 Organization Name	Total Expenses
American Musical Theatre Of San José *	\$10,844,735
Montalvo Association	\$8,713,370
KTEH-TV Foundation*	\$8,201,064
Theatreworks	\$6,468,832
San José Repertory Theatre *	\$6,077,554
The Tech Museum Of Innovation *	\$6,066,433
Ballet San José Silicon Valley *	\$6,010,325

San José Children's Discovery Museum *	\$5,815,487
Computer History Museum	\$5,794,305
San José Museum Of Art Association *	\$5,097,478

Figure 26. Active organizations with budgets above \$5 million in 2008 by expenditures.

In contrast, in 2019 active organizations in Silicon Valley with expenditures over \$5 million included: (* indicates located in San José):

2019 Organization Name	Total Expenses
The Tech Interactive *	\$21,777,974
Computer History Museum	\$12,792,536
TheatreWorks Silicon Valley	\$9,468,161
San José Children's Discovery Museum *	\$7,948,465
Filoli Center	\$7,248,497
Community School of Music and Arts	\$6,829,323
Minority Television Project Inc	\$6,597,974
Montalvo Arts Center	\$6,069,492
San José Museum of Art Association *	\$5,333,969
Vanguard Music and Performing Arts	\$5,044,210

Figure 27. Active organizations in 2019 with budgets above \$5 million in 2019 by expenditures.

One assertion for the dearth of larger cultural organizations in San José is that San Francisco is relatively close with an abundance of such institutions. While this no doubt has impact on the make-up of San José and other Silicon Valley arts and cultural organizations and activities, the situation is not dissimilar to multiple other city pairings in the United States.

Although these city pairings vary considerably in size, each maintains relatively large Western European-focused museums and performing arts organizations as well as presenting venues.

City 1	City 2	Drive Time	Train Time
Hartford, CT	Springfield, MA	:27	:43
Miami, FL	Fort Lauderdale, FL	:36	1:24
Cleveland, OH	Akron, OH	:45	2:40
Worcester, MA	Boston, MA	:50	1:27
San José	San Francisco	:50	1:32
Boston, MA	Providence, RI	:56	1:06
Baltimore, MD	Washington, DC	:59	:28
Buffalo, NY	Rochester, NY	1:13	1:08
Austin, TX	San Antonio, TX	1:20	1:50
New York, NY	Philadelphia, PA	1:46	1:08

Figure 28. Optimal travel times by car and train between paired cities.

In some cases, these cities are geographically closer than San José and San Francisco or closer in travel times. Thus, the proximity of San José and San Francisco do not necessarily explain the absence of such large organizations.

Small and Medium-sized Groups Dominate the Landscape

In keeping with this robust start-up environment, San José, as well as the Silicon Valley region, demonstrated a participatory and entrepreneurial character among its arts and cultural organizations. Based on numbers and scale of small (between \$0 and \$50,000) and mid-sized nonprofits (between \$50,000 and \$5 million), there are patterns reflecting higher levels of activity in this category than among comparable cities.

At the lowest end of the expenditure scale, in comparison to the nine peer cities, San José had the smallest percentage of cultural organizations reporting \$0 in expenditures in 2019, tied with Minneapolis.

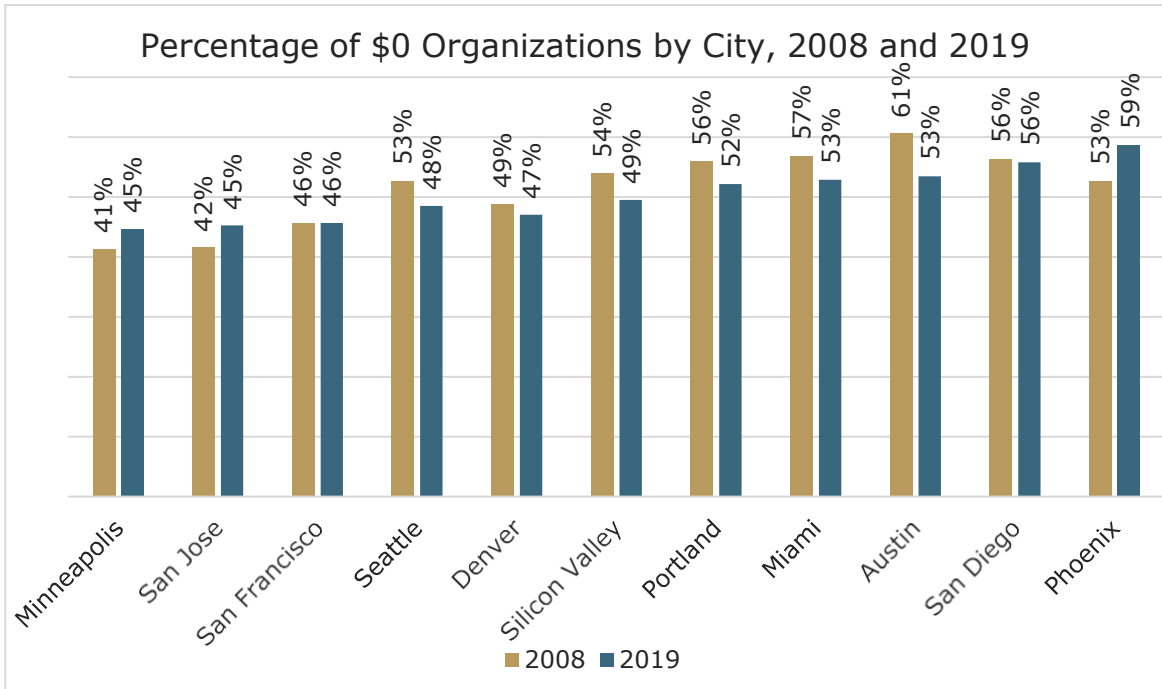


Figure 29. Organizations reporting \$0 in expenditures as a percentage of total organizations and relative percentages 2008 and 2019.

In accord with this smaller percentage of \$0 organizations in San José, both the city and Silicon Valley have a higher percentage of organizations in the \$1 to \$50,000 category – double or nearly double the rate of most of the other peer cities (figure 31).

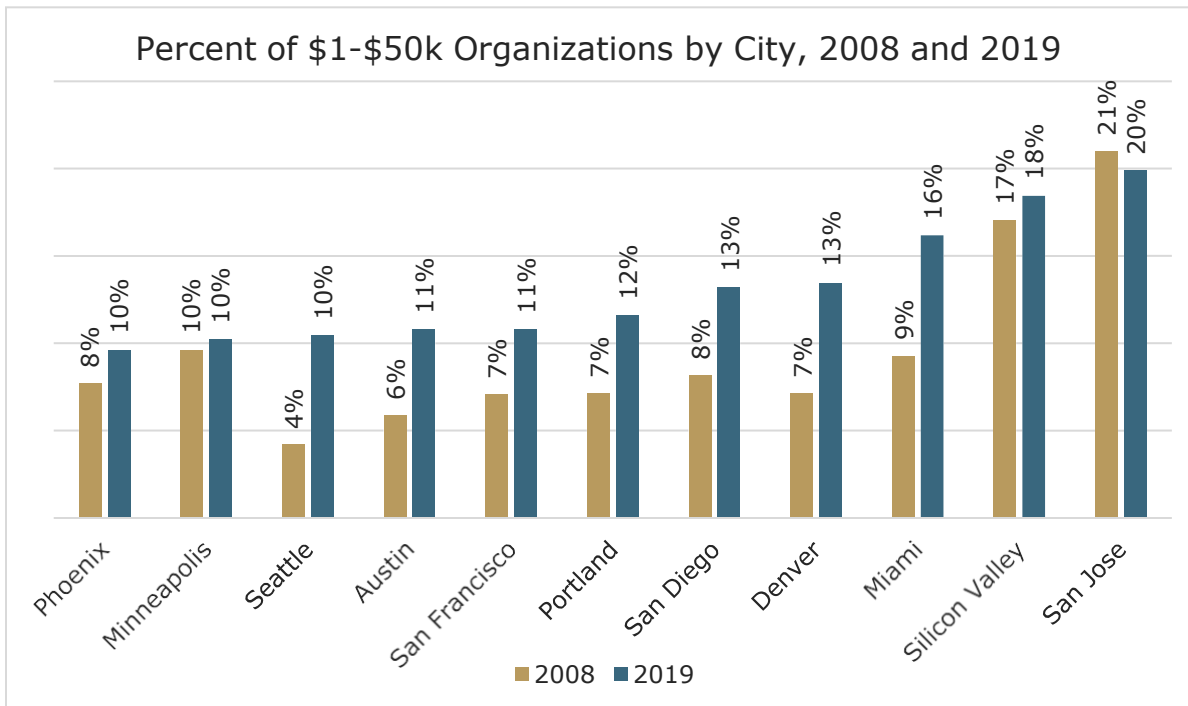


Figure 30. Small organizations reporting expenditures between \$0 and \$50K as a percentage of total organizations and change between 2008 and 2019.

This indicates that in San José, new organizations, and those that have operated on a strictly volunteer level, have founders and participants who contribute or earn some dollars to support activities. They demonstrate an inclination, at least, to operate in a business-like way, and/or they have successfully generated some revenues in contrast to the larger percentage of organizations in other cities where small organizations either choose to operate without funds or have not been successful at generating revenue. Whether this indicates San José organizations have aspirations to grow is not known. They may operate at a nominal level to meet specific needs and interests of their respective communities or find charitable support difficult to raise.

For purposes of comparison, organizations from each of the peer cities with expenditures between \$50K and \$5 million are considered in this study as mid-sized organizations.

While not standing out among peer cities for its cultural organizations with expenditures between \$50,000 and \$5 million, San José maintained a moderate percentage of its total organizations in that category, 34%, in 2019 in comparison to Miami on the low end with 28% and Minneapolis on the high end at 42%. In regard to mid-sized organizations, San José ranks with San Francisco, Minneapolis, and Denver, and slightly above Seattle, all peer cities with robust philanthropic sectors that focus on development of arts nonprofits.

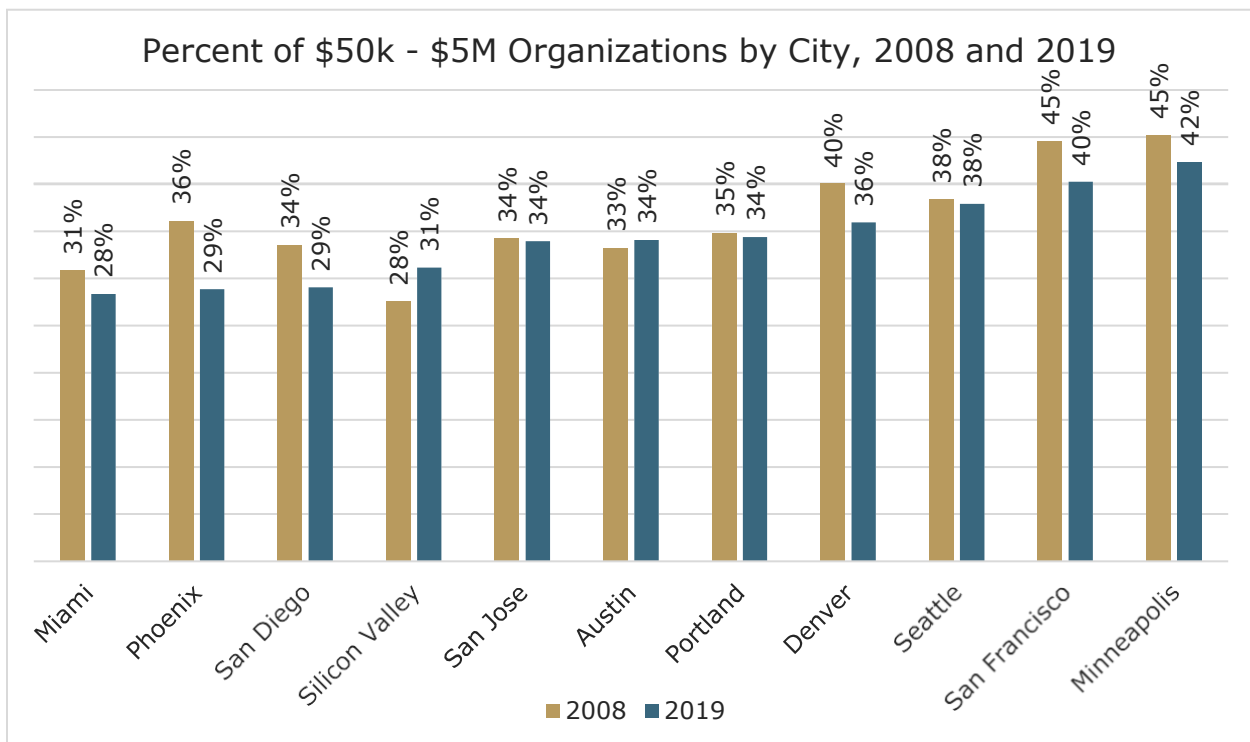


Figure 31. Mid-sized organizations reporting expenditures between \$50K and \$5 million as a percentage of total organizations and change between 2008 and 2019.

Another view into mid-sized organizations is to review the percentage of contributed versus earned income. Within the city of San José, these nonprofits ranked slightly above average in their ratio of contributed income. In comparison, across Silicon Valley, these mid-size groups

were considerably less dependent on contributed income. Among 331 organizations in Silicon Valley reporting their income sources, contributed income accounted for 39%, far lower than any of the peer cities. Silicon Valley, of course, is a region, so it is not directly comparable. However, given the majority of the large nonprofits are located in the region outside San José, this indicates Silicon Valley groups are more dependent on earned income.

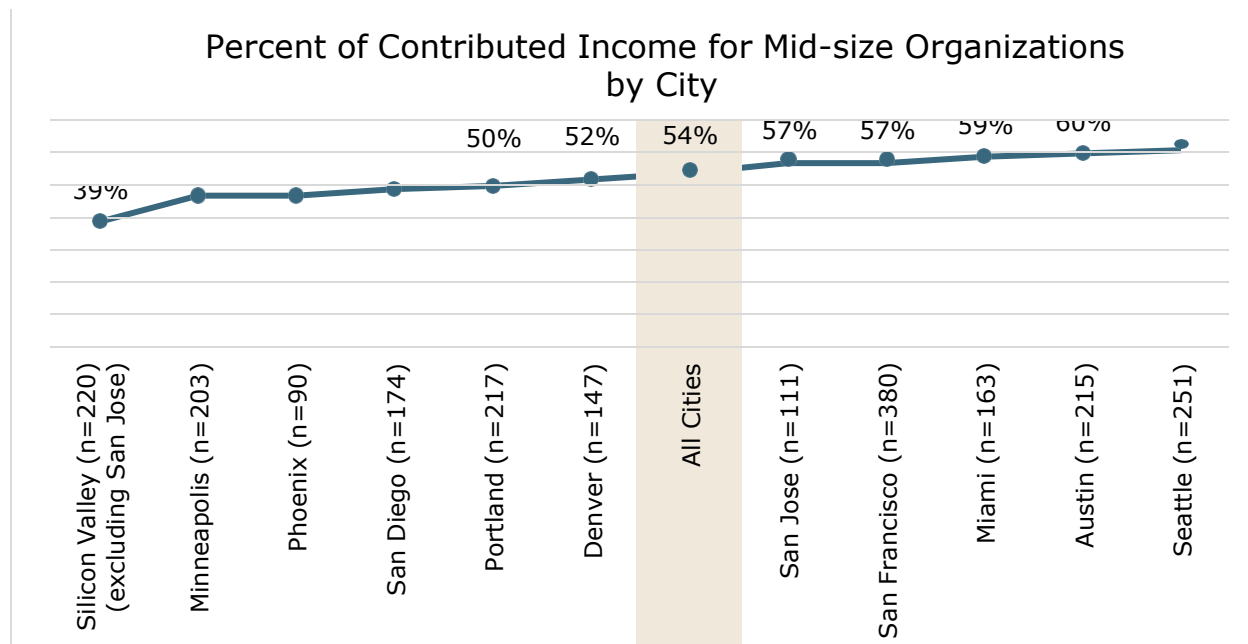


Figure 32. Percentage of contributed income among mid-sized cultural nonprofits reporting comparing ten cities and Silicon Valley.

In San José, average contributed income among 111 mid-sized organizations reporting was 57%, slightly higher than the average for all cities. This contrasts with the region as a whole and indicates that the small to mid-sized organizations outside of the city San José are considerably more entrepreneurial or driven by earned income.

Summary

As observed in 2009, the formal arts and culture landscape of Silicon Valley exemplified a kind of Do-It-Yourself environment where many nonprofits were started in response to specialized cultural interests. Many of these included participatory traditional and creative activities of immigrant communities as described by Moriarty (2004), cited earlier. During the ten years leading to 2019, that pattern of start-ups continued to characterize the landscape. Their character, as described earlier, appears to be in line with the specific cultural interests and identities of the population. As such, they are more akin to Do-It-Together organizations.²⁴

²⁴ John Hagel III, John Seely Brown and Lang Davison, *From Do It Yourself to Do It Together*, Harvard Business Review, February 18, 2010.

San José differed from its peer cities in the composition of its arts and cultural institutions in terms of scale and cultural focus. The city has far fewer large organizations with expenditures over \$5 million with a Western European cultural focus. As a percentage of the total numbers of organizations, among its peer cities fewer than average reported \$0 in expenditures. Meanwhile, patterns of activity among small and mid-sized organizations demonstrated more entrepreneurial activity. San José's mid-sized organizations were near average in reliance on contributed income, yet mid-sized organizations across Silicon Valley reported far less a percentage of contributed income. Such a composition of organizations and their financial base demonstrates organizations that are entrepreneurial and potentially more nimble and responsive.

3. Municipal Investments Supported Smaller Organizations and Placemaking

With a population of almost two million, the cities and towns of Santa Clara County played increasingly significant roles in supporting the region's arts and cultural landscape. As in the 2009 report, this study surveyed the fifteen municipalities in the County. They represent nearly two-thirds of the population of Silicon Valley and provide a meaningful sample as well as comparison with the prior decade. Findings revealed that public sector spending on arts and culture among those municipalities during the past ten years became more sophisticated and grew at a faster rate than inflation, population growth, and national averages. More municipalities formalized their arts and cultural commissions and public art programs.

Half reported one or more dedicated staff working on arts- and culture-related programs. Many of these staff members, with the exception of those in the City of San José, reported spending 25% or less of their work time in the arts and culture area. San José reported a twelve-person staff complement in its Office of Cultural Affairs. Though capacity levels are limited in most of the cities, there was a sense of passion for the work derived from the individual conversations.



Figure 33. Santa Clara County as per GoogleMaps.

Eleven of the fifteen municipalities in the County provided data for the 2019 survey. Those cities and towns made investments in art and culture in a variety of ways. They were: Cupertino, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Saratoga, and Sunnyvale. Their total population of over 1.7 million people represent 92% of the population of all fifteen communities. It also must be noted that their combined populations do not match the total Santa Clara County population as there are a number of unincorporated areas in the County with approximately 70,000 additional residents.

Data collected on municipal financial investments included direct arts and culture spending and policies that frame the work of commissions in their advisory roles to City or Town Council members and staff. Many of the staff liaisons worked in various departments such as parks and recreation, community services, city clerk's office, planning, and economic development.

Cities Reporting	2008	2019	Consistent	2008 Population	2018 Population	2018 Consistent
Campbell	X			40,000		
Cupertino	X	X	X	55,551	60,170	60,170
Gilroy	X			40,153		
Los Gatos		X			30,680	
Milpitas		X			80,430	
Monte Sereno	X	X	X	3,212	3,492	3,492
Morgan Hill		X			45,135	
Mountain View	X	X	X	72,200	83,377	83,377
Palo Alto		X			66,666	
San José	X	X	X	989,496	1,030,119	1,030,119
Santa Clara		X			129,488	
Saratoga	X	X	X	29,843	30,599	30,599
Sunnyvale	X	X	X	137,538	153,185	153,185
Population of Reporting Municipalities				1,367,993	1,713,341	1,360,942
Population All Municipalities Reporting and Non-reporting				1,709,157	1,853,653	1,853,653
Percent of Total Population Covered by Reporting				80%	92%	73%

Figure 34. Municipalities consistently reporting 2008 and 2018 and population as percentage of all.

Financial Data

Spending by the municipalities reporting was identified across six areas: facilities, public art, public performances and festivals, recreation classes, grant programs, and arts commissions. These expenditures do not include city staff time dedicated to arts and culture or indirect expenditures associated with delivering these programs.

Cumulatively, the eleven municipalities reporting in 2019 spent \$37.5 million in six different areas.

Distribution of Expenses Collected 2019	Total Expenses
Facility Operation/Subsidy	\$19.6M
Grants, Direct Partner Funding	\$6.8M
Public Art Programs	\$5.3M
Recreational Arts Programs	\$2.9M
Festivals/Public Performance	\$2.7M
Art Commission Costs	\$0.188M
Total	\$37.5M

Figure 35. Types and amounts of municipal expenditures by eleven reporting cities in 2019.

In 2008, eight Santa Clara County municipalities reported spending a collective total of \$17.95 million on arts and culture.²⁵ Comparing the six consistently reporting municipalities, the rate of growth in spending nearly doubled growing 92% between 2008 and 2019, adjusted for inflation.

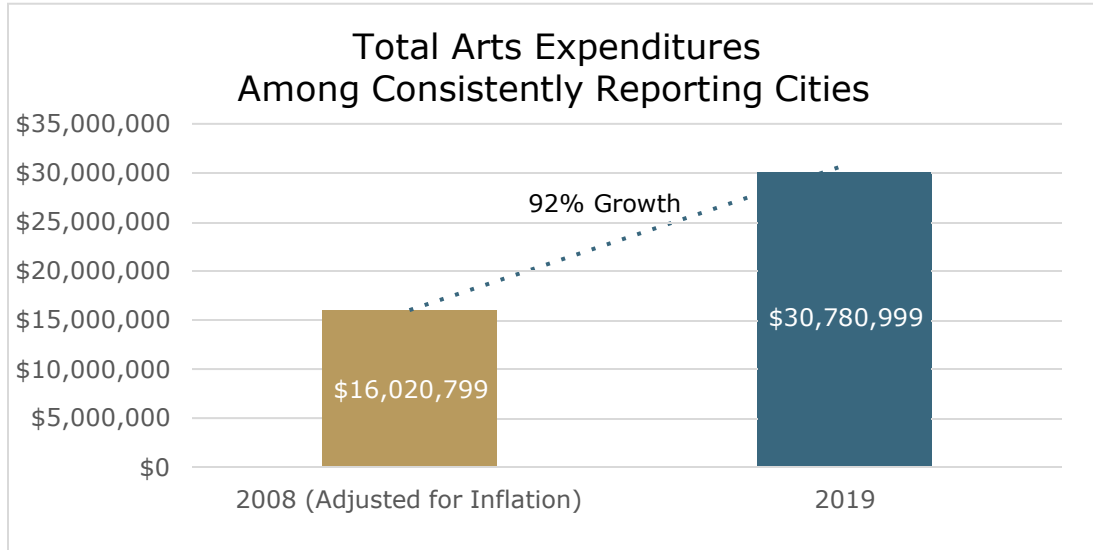


Figure 36. Comparative arts and culture spending by six consistently reporting municipalities, 2008 - 2109.

San José accounted for an inordinate share of total expenditures in both periods, and the city exhibited considerable growth. For a comparison of how the smaller municipalities allocated arts and cultural expenditures, excluding San José from the data, still revealed an inflation-adjusted increase of 67% from just under \$5 million in 2008 to \$8.32 million in 2019. This far exceeded population growth of 10.5% in Santa Clara County as well as the percentage of growth in overall city budgets during that time.

²⁵ 2008 data varied per municipality reflecting 2007-08 or 2008-09 fiscal years and actual vs. budget.

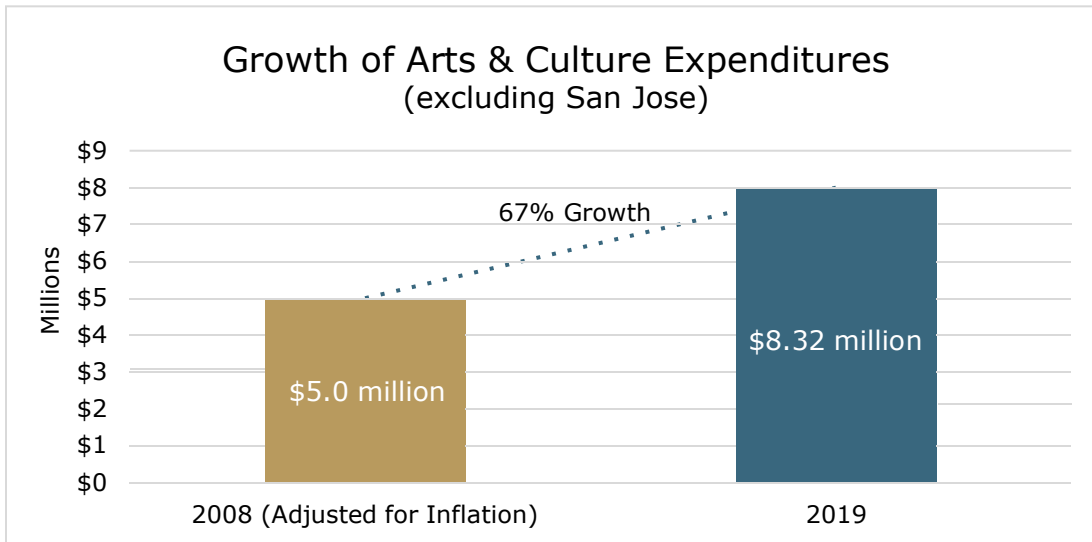


Figure 37. Growth of total arts and cultural spending by consistently reporting municipalities from 2008 to 2019, excluding San José, adjusted for inflation.

The cumulative budgets of all fifteen Santa Clara County municipalities in all spending categories totaled \$7.17 billion in the 2018-19 fiscal year. Adjusted for inflation, this represents an average increase of 35.8% in municipal budgets over the ten-year period in contrast with population growth of 10.5% in the County.

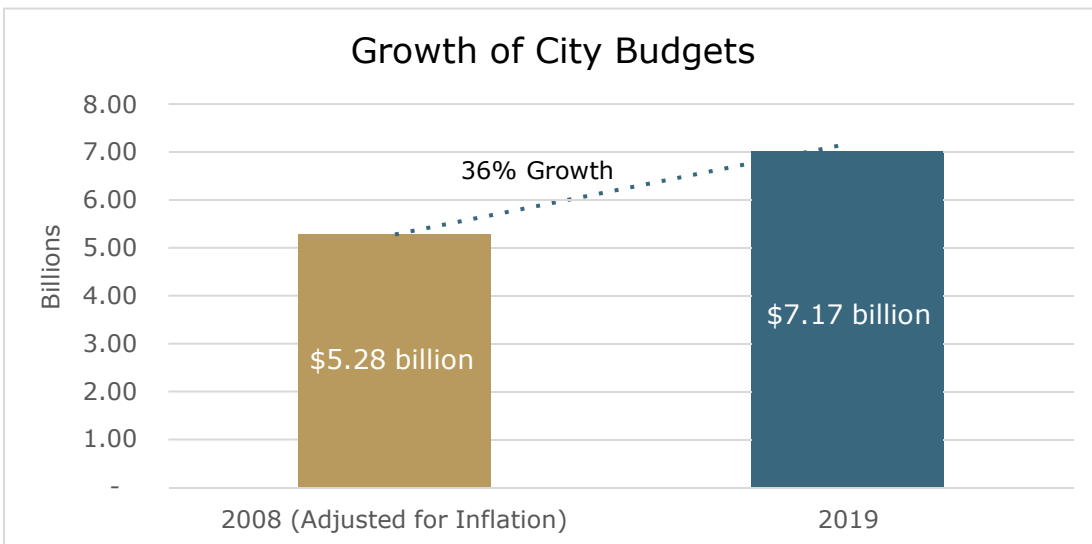


Figure 38. Overall growth of fifteen municipal budgets in Santa Clara County between 2008 and 2019; 2008 numbers are adjusted for inflation.

As a percentage of total municipal budgets, arts and culture spending in 2008 (with eight cities reporting) averaged 0.39%. Ten years later (with eleven cities reporting), that ratio increased to an average of 0.53% or just over one-half of one percent of all expenditures. This represents an increase of 86%. Sunnyvale reported the highest rate of arts-related expenditures at 1.1%, followed by Mountain View at 0.69%, San Jose at 0.6%, and Monte Sereno at 0.5%.

Per capita calculation of spending on arts and culture among the eight municipalities reporting in 2008 reflected spending of \$13.12 per resident. Ten years later, with eleven cities reporting, that increased to \$21.90 per resident or by 67%. While still not a major portion of public sector budgets, this reflects higher priority being placed on the sector.

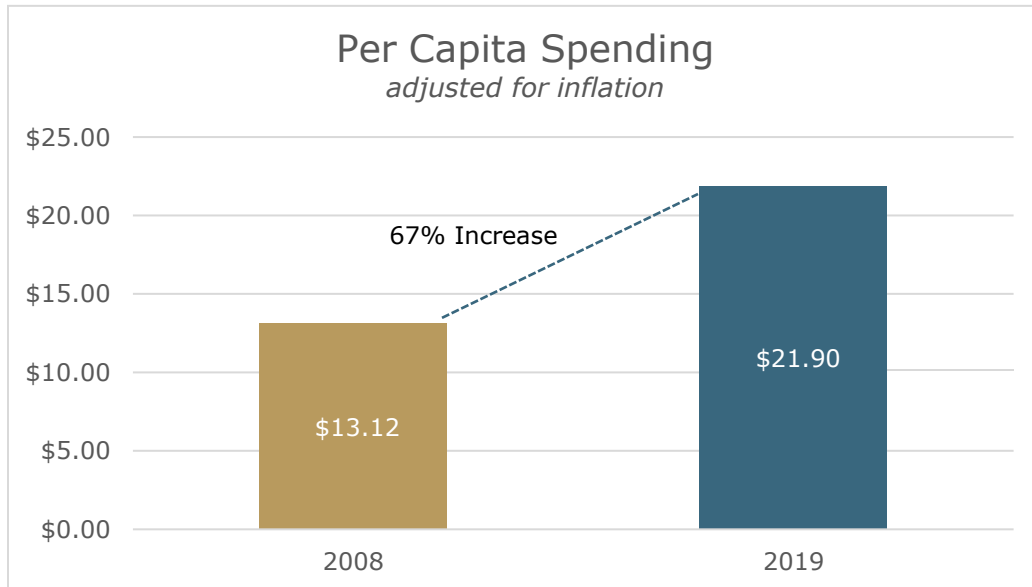


Figure 39. Average per capita municipal spending among reporting Santa Clara County municipalities.

Areas of Municipal Spending

The largest and most consistent area of municipal investment in many of the towns and cities was in facilities to accommodate arts and cultural activities and to establish recognizable centers of activity. In 2019, seven cities reported significant annual spending on facilities, totaling \$19.6 million. In 2008 seven cities reported spending \$12.6 million in this category, although not all the same cities. Numbers provided by municipal staff likely do not take into account the full costs of construction, maintenance, and operations of these facilities. Municipal accounting does not make it easy to isolate the full costs for capital investments, personnel, and overhead commonly related to facility expenses.

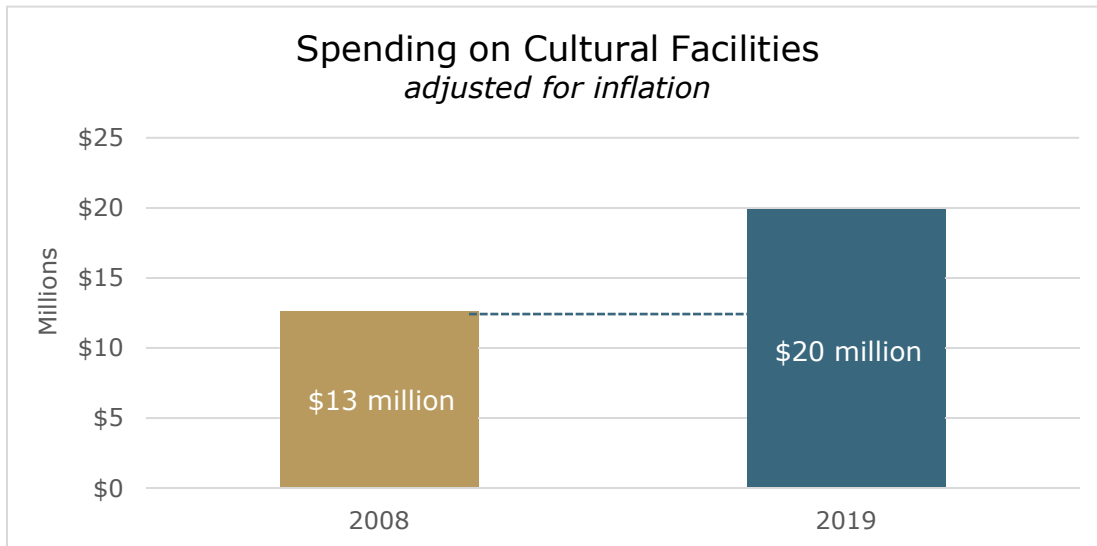


Figure 40. Spending on cultural facilities comparing 2008 and 2019 adjusted for inflation. Not the same seven cities reported for both periods.

In San José, investments include facilities that accommodate everything from large-scale musical events, touring productions, and corporate events to local presentations and activities. Other Santa Clara County municipalities manage or support facilities for museums, galleries, local performing arts, and smaller-scale events. These facilities also support local small and mid-sized organizations, enabling them greater flexibility in programming and relieving them of necessity to lease or build their own facilities.

Another area of large growth in municipal investment was in public art reflecting implementation of percent-for-art ordinances in more cities and increased capital construction. Public art generally represents permanent amenities and investments in placemaking and development of stronger community identity.

Since 2008, many cities developed policies to require public art. For example, the City of Palo Alto adopted an ordinance in 2013 adding to the municipal code a requirement for public art in construction projects that require architectural review over 10,000 square feet, with an estimated construction value of more than \$200,000. The ordinance provides the option to commission artwork on the development site equal to the cost of one percent of the estimated construction valuation or the option to pay a one percent in-lieu fee into a Public Art Fund.

It is less clear whether the growth of spending in public art represents an increase in capital construction or elevated commitments to establishing stronger identities and the activation of public spaces. This area of municipal investments nonetheless grew dramatically.

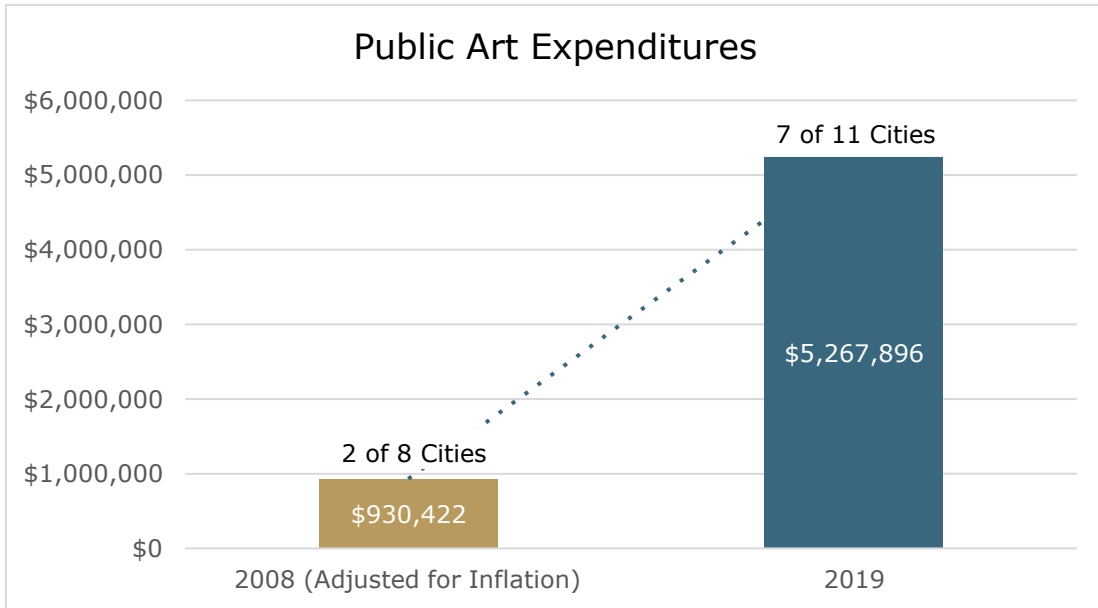


Figure 41. Public art spending reported by Santa Clara County municipalities, adjusted for inflation, 2008 to 2019.

Public art spending in 2008 was reported by only two of the eight cities responding totaling just under \$1 million. In 2019, seven of the eleven responding reported nearly \$5.3 million in current public art commitments. It must be noted that 74% of the 2019 total is by the City of Sunnyvale. A \$3.9 million investment by the City of Sunnyvale, likely reflects a one-time commitment in response to major capital construction in that community. Nonetheless, more municipalities reported spending in this area in contrast to 2008.

To examine overall municipal spending in arts and culture, public art was backed out of the data to compare per capita spending in all other areas. Per capita spending, adjusted for inflation, still increased 51% between 2008 and 2019 without public art.

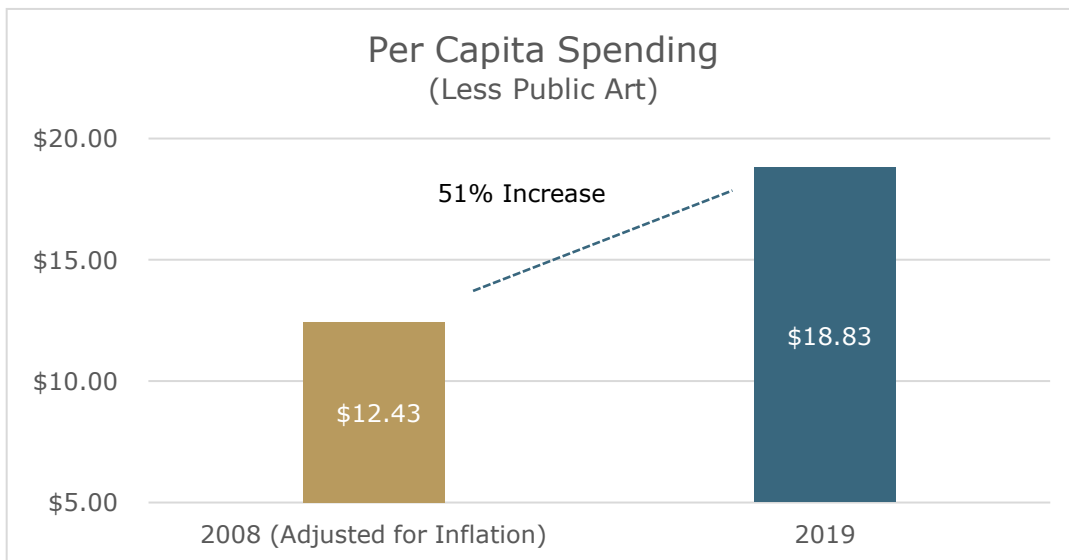


Figure 42. Average per capita municipal spending less spending for public art.

Another way that municipalities support local cultural groups and generate interest in specific locations or neighborhoods is through festivals and public performances. Support ranges from direct cash support to covering costs for security, clean-up, and other municipal services. Other activities that also signal efforts to build local identity include community events and festivals. These investments often represent efforts to make those towns and cities feel like home for residents and welcoming for visitors as well as to stimulate local economies.

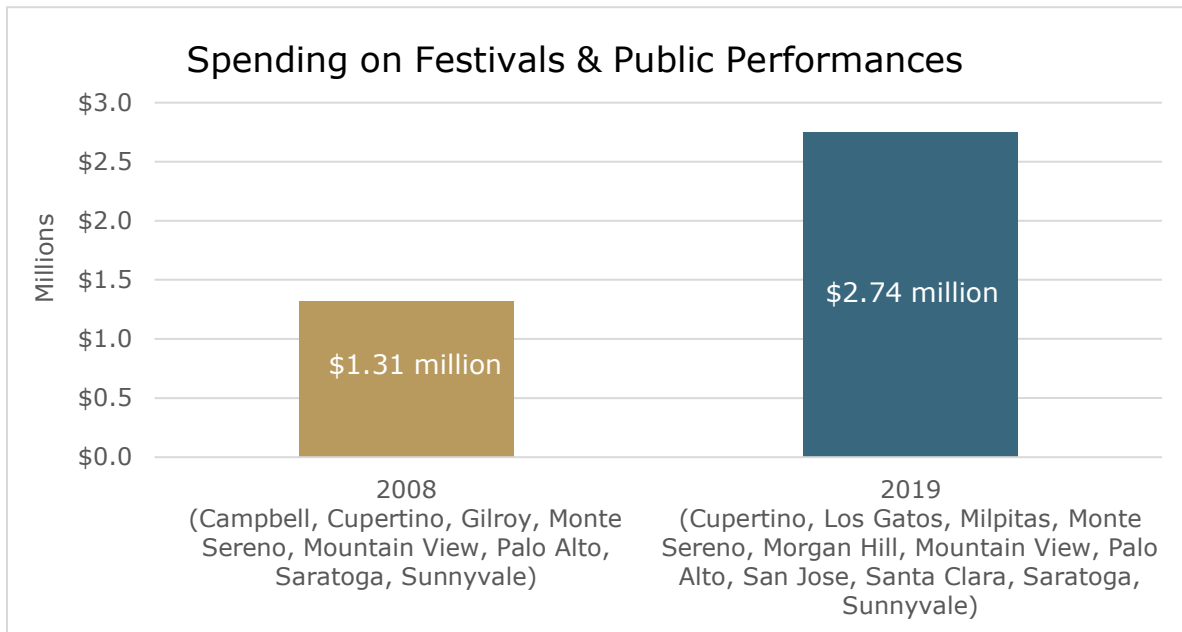


Figure 43. Municipal spending on festivals and public performances comparing 2008 to 2019 adjusted for inflation.

Although not all of the same cities responded in the two surveys to make a percentage change meaningful, it is of significance that festivals and public performances are the only area of spending that was reported by all the municipalities that responded in 2019.

Another area in which growth was significant was in grantmaking. In 2008, San José accounted for more than 98% of the cash grants made by the municipalities reporting. Only two others reported making grants at that time for a total of only \$17,200. This compares to San Jose’s grants of over \$1 million in 2008, or about \$1.3 million adjusted for inflation, that grew to over \$5.8 million in 2019.

Municipal Grant Programs	
City	2019 Expenses
Cupertino	\$ 1,750
Los Gatos	\$ 39,000
Morgan Hill	\$ 10,000
Mountain View	\$ 77,059
Palo Alto	\$ 800,000
San Jose	\$ 5,853,701
Santa Clara	\$ 20,850
Sunnyvale	\$ 17,000

Figure 44. Municipal grant programs in 2019.

In 2019, seven of the eleven municipalities reported awarding grants to nonprofit organizations serving their communities. Grantmaking by San José increased nearly five-fold based on dedicated tax revenue from Transient Occupancy Taxes, known in some cities as Lodging or Hotel-Motel Taxes, a frequently tapped municipal source of arts funding. Nonetheless, it is significant that numerous smaller cities provided cash grants to support local cultural activities.

Recreational and park programs often provide creative activities for people of all ages and most often for youth. Two-thirds of the municipalities that reported during both periods supported such activities. By 2019, seven of the eleven cities reported spending nearly \$3 million. San José, typically the largest spender in every category, did not report any spending on arts in recreation programs. This is likely because such spending was outside the purview of the cultural affairs office and thus was not provided with otherwise robust data they supplied.

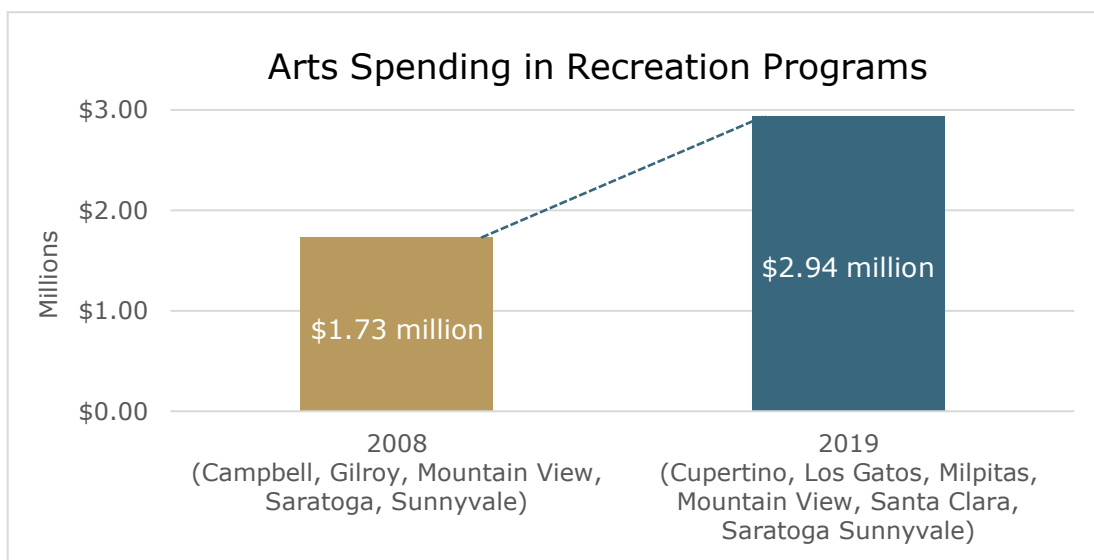


Figure 45. Spending on recreation programs by cities reporting, 2008 and 2019.

Local Management and Advisory Entities

Through the process of working with municipal staff to collect data, it was also found that the cities and towns in the County function independently from one another when it comes to their arts and culture investments. They vary considerably in the types of investments and processes they employ to invest in their communities.

Municipally established advisory entities play an essential role in each city and town's investments in the arts and cultural work. Out of the fifteen Santa Clara County municipalities, Monte Sereno (2019 population 3,492) is the only one of all fifteen that does not have an arts or cultural commission. These entities take on different titles that include Cultural Commission, Fine Arts Commission, Public Art Commission, Arts & Culture Commission, Civic Improvement Commission, Visual Arts Committee, Library, Culture & Arts Commission, and Arts Commission. Their powers and functions are similar. Commission members are responsible to provide advice and recommendations on policies, public programs, public art projects, budgets, and capital improvement projects, allocation of general funds, development and expansion of programs, library facilities, fundraising, and work with consultants in public art. A city staff liaison largely supports the responsibilities of the commissions. The staff liaison's department differs per municipality.

The City of San José is the only municipality with its own Office of Cultural Affairs (OCA) that sits under the Office of Economic Development. The OCA exists to represent and work with art and culture sectors for the City. Among the region's other cities, there are a variety of departments with a primary responsibility to integrate with the arts and culture sector. These departments can include Parks and Recreation, Planning, Community Services, Community Development, Public Services, Library, and City Manager's office. What is interesting about the list of departments is the variety of perspectives on the implied value the arts serve in each community.

National Comparisons

This study surveyed municipal spending more comprehensively than other known national data sources. This study included investments in physical facilities, festivals and events, public art, grantmaking, community recreation activities, and other areas. In contrast, national data sources track arts agency budgets which rarely account for this full range of municipal investments. Still, spending trends among Santa Clara County municipalities grew at a faster rate than other cities on average.

Local public support for arts agencies in 60 large US cities, tracked by Americans for the Arts, including San José, grew by 25.3% between 2008 and 2015, the most recent data available. In Santa Clara County, average arts and culture spending increased 67% (excluding San José) between 2008 and 2019. With San José, that increase was 92%. Spending on arts and culture by San José by itself, grew 142% between 2008 and FY 2019, far out-pacing national averages.

On a per capita basis, the 60 US cities surveyed spent an average of \$7.11 on their arts agencies between 2008 and 2015, the most recent data available. In contrast, Santa Clara

County municipalities maintained average per capita spending between 2008 and 2018 of \$11.05 to \$21.90, also well ahead of the national average.

Summary

Growing investments in arts and culture facilities, events, grants, and public art reflect efforts among municipalities in Santa Clara County to support activities of meaning and to build on a sense of place for their residents. Santa Clara County contains nearly two-thirds the population of Silicon Valley, providing a representative sample. Investments such as festivals, public art, and cultural facilities, in particular, illustrate efforts to make those towns and cities feel like home for residents and newcomers, as well as to stimulate local economies. Publicly owned and operated facilities make it possible for small and mid-sized organizations to carry out activities with more flexibility and without concern for overhead costs and the need to grow their operating budgets to lease, build, or operate facilities. In these cases, municipal investments exhibited a shared service model in their relationship with local organizations. However, they did not coordinate with each other in any way that was found. These municipal investments represent significant elements of infrastructure that promote start-ups, small and mid-sized organizations, and publicly available activities serving diverse communities.

Looking Towards the Future: Observations and Questions

Responsiveness and the Silicon Valley Cultural Landscape

Viruses and recessions are not the only challenges that have confronted Silicon Valley during the last century. Nor are they likely the last. In 1904, as Santa Clara Valley was emerging as one of the world's most productive fruit growing regions, it was devastated by an infestation of what came to be known as Pear Thrips. Several fruit crops were severely damaged, and the local economy hit hard. Some experts thought the pests originated in China, yet there was evidence they had been observed earlier in England and Ireland. The Valley's diversity of crops kept the agricultural economy viable and by 1911, after several seasons of careful scientific study, effective treatments were developed. The region's primary industry bounced back. New industries and new land uses, however, began to replace the agricultural economy in the 1950s.

In the aftermath of the 2008 Recession, Silicon Valley nonprofit arts and cultural organizations, as well as municipal governments, required several years to rebuild their economic base. Some arts and cultural organizations did not survive while many new ones grew in their place. They did so in ways more in tune with a diversifying population and a regional identity based in science, technology, and entrepreneurship. Within ten years, the region exceeded its previous population, economic output, jobs, and overall spending related to arts and culture.

Today, the entrepreneurial behavior of Silicon Valley's unique landscape of diverse, small- and mid-sized arts and cultural organizations may contribute to the vitality of the cultural and creative life of its residents. Other cities in the United States measure stability in the culture sector by the age and financial size of its organizations. Silicon Valley's capacity to generate new, highly relevant, and participatory organizations may be a new kind of indicator – one in which cultural vitality is assessed by the relevance of organizations to ever-changing populations and their entrepreneurial capacities, as well as the willingness of people to actively engage in cultural expression as opposed to being part of an audience.

Changes in store in the wake of the COVID-19 Pandemic of 2020 cannot be foretold. What is known is that Silicon Valley arts and cultural organizations are more closely and increasingly tied to the region's demographic makeup and to the volunteers and participants who carry on their cultural and creative practices. The region's high levels of entrepreneurial energy, reliance on earned income, and publicly owned facilities and spaces provide conditions for a continued and robust level of cultural activity. Evidence suggests the Silicon Valley cultural landscape is more responsive and able to pivot more quickly.

In spite of a philanthropic climate for arts and culture that is not as generous as in many other cities and regions its size, San José and Silicon Valley maintained an active pattern of nonprofit start-ups. It is hard to know what fuels this start-up culture other than proximity to the region's

legendary entrepreneurial technology sector and growing immigrant communities. The decline and dearth of conventional Western European cultural institutions in the region in comparison to its peers – being replaced by organizations in keeping with the region’s diverse population and global identity – remains unique among major American cities.

Given the wealth generated in Silicon Valley and the lack of significant growth in nonprofit arts and culture spending inside the region, it can be assumed that San Francisco institutions were among the beneficiaries of significant financial contributions from individuals and corporations based in Silicon Valley. Those institutions supply donors with major visibility, social networks, and personal recognition. Such prestige cultural investment opportunities are less available among San José cultural institutions where greater emphasis has been placed on more immediate relevance and opportunities for active involvement among volunteers and participants.

Observations Related to Organizing for Arts and Culture

Most large US cities and their cultural institutions grew up during the industrial age. These institutions were, in fact, often founded by industry titans and used familiar corporate business models. A handful of large, formal cultural institutions represented social stability for these cities – the preservation, reinforcement, and transmission of a dominant culture. They were built around ideas of artistic excellence, honoring solitary (mostly male and White) genius, centralized production, distribution to mass audiences in highly controlled environments, and oversight by influential and wealthy civic and business leadership. Innovative arts activity and cultural diversity emerged in those cities on what was known as the fringes. Diverse and innovative cultural activities remain smaller, secondary activities, in a continual fight for organizational existence.

Silicon Valley’s cultural landscape represents a tectonic shift. The milieu there instead produced an adaptable Do-It-Yourself or Do-It-Together platform for arts and culture, one in which diversity and informal organizational structures are central to cultural vitality rather than on the fringes. Yes, a symphony, ballet, contemporary art museum, and repertory theatre are, and have been part of that landscape. However, they never gained traction or scale to the same degree as similar institutions in peer cities. The mystery of why these efforts in San José and Silicon Valley couldn’t grow into major or sustainable institutions baffled their proponents for decades.

Instead, in this global, high-tech capital a cultural landscape emerged that fosters start-up of new and diverse cultural and creative enterprises and participant-generated self-expression by an unprecedented range of people – a “valley of many voices”. This environment evolved simultaneous to the emergence and rapid growth of a global workforce, creative economy, and diverse population. Not unique to organizations in Silicon Valley, these characteristics observed in 2009 are broadly born out in the Silicon Valley landscape.

The region’s illustrious business environment and global impact have sparked many analysts to re-think corporate structures and global economics in the post-industrial age. The region’s

cultural environment likewise raised questions about cultural organizations, notions of excellence, the role of professional artists, as well as investment in facilities and institutions built around singular artistic disciplines and industrial age business models.

Some of these characteristics show up in assumptions around which they're organized, how they are led, how they produce products or events, how they interact with participants or audiences, and how and where they locate themselves. The 2009 study characterized older, larger, more traditional institutions built around industrial era corporate models in contrast to newer, more fluid creative economy models. Similar contrasts have been made by scholars studying Silicon Valley businesses.

These characteristics have been updated from 2009 and are represented below:

Characteristic	Industrial Era Model	Creative Economy Model
Position of Culture in Daily Life	Separate Normative Safe, predictable Power-centered Institution-centered	Integrated Disruptive Boundary-crossing People-centered Community-centered
Focus of Nonprofit Cultural Sector	Inward/exclusive Formal Universalizing Repetitive / evolutionary Declares excellence	Outward/inclusive Informal Localizing Re-contextual / Innovative Nurtures fulfillment
<i>Missions</i>	Heritage transmission Intra-group connection Status attainment / promotion Celebrate genius	Heritage activation Inter-group connections Ethnic / community pride Celebrate group identity
Organizations		
<i>Character</i>	Resource-hungry Few, seeking scale Aspire to status Deficit-based thinking Institution-building	Make-do Many, remaining nimble Aspire to meaning Asset-based thinking Episodic
<i>Structure</i>	Pyramidal Curatorial Technology-assisted Formulaic	Honeycombed/networked Crowd-sourced Technology-infused Adaptive
<i>Leadership & Human Resources</i>	Authoritative Professional Successional Hierarchical Specialist	Deliberative Volunteer/amateur Entrepreneurial Flat Generalist
<i>Governance</i>	Social elite	Mixed class positions

	Influence-seeking Tradition and theory Donor-centric Fiscal	Skill and interest-based Passion Participant-driven Moral
<i>Funding & Resources</i>	Asset-protecting Charitable sources Competitive Strategic mix	Venture-based Community supported Collaborative / Synergistic Earned, catch-all
Cultural & Creative Products	Formal Western canons Discipline/excellence driven Individual vision Showcasing talent Predetermined standards	Instrumental/celebratory Flexible, multiple Social purpose driven Group cohesion Nurturing talent Contextual quality / relevance
<i>Audience</i>	Artist / audience separation Segregated People go to activity Social/educational elite	Engaged / participatory Specific interests Activities where people are Mixed status
<i>Production</i>	Spectacle Professionalized Reward product Refined, controlled	Participatory Do-it-yourself Reward process Spontaneous, adaptive
Physical Spaces	Highly capitalized Private nonprofit facilities Destination focused Fixed Specialized Critical to mission	Non/Nominally capitalized Public spaces Mobile / virtual / periodic As needed Adaptable Secondary to mission
<i>Locations</i>	City/town center based Prominent Indoors / formal Visible Identified with status	Decentralized Accessible & open Outdoors / flexible Embedded Congenial

Figure 46. Matrix comparing Industrial Era and Creative Economy organizational models.

What Patterns May Be Seen Next?

If Silicon Valley and California remain harbingers of business and cultural patterns for the United States, what is the next trend that might emanate from the region? While this study saw a few cities outpace San José in the rate of new start-up cultural organizations in 2019, the focus on diverse, small and mid-sized organizations that are more responsive to and representative of community demographics remains unique. Larger, Western European-based, single discipline institutions giving way to a plethora of smaller, diverse, and participatory cultural organizations may be another.

Historically, larger institutions have been grounded in White cultures and/or see the world through a Euro-centric lens. In other words, they have been about maintaining an American status quo. Silicon Valley arts and cultural institutions grounded in Western European cultures have not been successful as have their counterparts in peer cities – not even close. Instead, large and active immigrant communities in Silicon Valley have formed new organizations and achieved a financial scale nearly on par with their relative proportion of the population. This change and growth took place within a relatively short period of time, signaling a more permeable cultural environment. Local municipal governments of all sizes have contributed in significant ways to physical infrastructure and financial resources in support of these organizations. Will other cities and regions with diversifying populations follow similar patterns?