The arts in America are entering a new era that will pose an array of challenges for the arts community. The key to developing strategies to respond to these challenges is to understand how and why they are occurring. However, our current knowledge of the operation of the arts world and its underlying dynamics is limited.

These limits are particularly pronounced with regard to the newest and most dynamic component of the arts world: the media arts. Defined as art that is produced using or combining film, video, and computers, the media arts encompass a diverse array of artistic work that includes narrative, documentary, and experimental films; videos and digital products; and installation art using media. The media arts differ from the more traditional performing, visual, and literary arts in several respects. First, they lack the long history, well-established traditions, and external visibility of other art forms. Second, they place a premium on innovation and experimentation. Third, their creation and distribution rely to a much greater extent on emerging information technologies.

These features of the media arts make them particularly worthy of study both in their own right and for the insights they may offer into the future challenges facing the arts. This report examines the organizational features of the media arts, places them in the context of the broader arts environment, and identifies the major challenges they face.

Our analysis indicates that media artists and arts organizations face many of the same challenges that confront the arts world more generally: adapting to changing patterns of audience demand, making an adequate living in an increasingly competitive employment environment, adjusting to changes in the system of distribution of the arts, and securing financial resources in a more challenging funding environment.

Unlike the more traditional arts, however, the media arts bring a different set of assets and liabilities to bear in dealing with these challenges. Consistent with their youth, the media arts abound with artistic vitality, a spirit of innovation, a

history of social activism, and far more aggressive use of new technology. Consistent with their internal focus, on the other hand, the media arts lack external visibility, a clear sense of self-identity, and an explicit understanding of their relationship to the wider society. If the media arts are to build on their special assets in the changing environment of the future, they will need to address these liabilities.

THE CHANGING ARTS ENVIRONMENT

The past 50 years have been a period of unprecedented change for the arts in America. The arts world emerged from World War II sharply divided into nonprofit and commercial sectors. The nonprofit sector, which concentrated on the live performing arts and the display of visual arts in museums, was dominated by a few elite institutions centered in major metropolitan areas, catering to largely affluent, white audiences, and supported by a few major patrons of the arts. The commercial arts, on the other hand, which were largely concentrated in the recorded arts (film and music) and commercial publishing, provided popular entertainment to much larger and more diversified audiences.

The nonprofit sector grew dramatically over the next 30 years as a series of initiatives spawned an order of magnitude growth in the number and diversity of nonprofit arts institutions, audiences, artists, and funding. The commercial sector flourished as well by providing a growing variety of popular products to expanding national and international markets. Continued technological advances increased the sophistication and range of products produced and the complexity of means through which they were delivered.

Recently, a new series of developments indicates that the arts world is shifting again. Both the nonprofit and commercial arts, for example, face increasing competition for their audiences. This change is affecting the public's inclination to participate in the arts as well as what they consume and how. Helped by rising incomes, changing lifestyles, and a leisure industry committed to providing attractive options to a growing market, Americans have a wider array of leisure-time options than ever before but less free time to exercise those options. As a result, the ways in which Americans participate in the arts have been changing: Attendance at live performances has stabilized, an increasing fraction of people participate through the media, and consumers are increasingly favoring art forms and modes of participation that allow them to determine what they consume, when, where, and how.

Despite the continuing difficulties that artists face in making a living from their art, the number and diversity of individuals who identify themselves as artists have been increasing. The role that artists are playing and the settings in which they work also appear to be broadening. As a result, both amateur and profes-

sional artists are playing increasingly important roles in supplying arts to the American public.

The commercial and nonprofit sectors also face increasing financial pressure—although for different reasons. In the commercial sector, both the risks and potential rewards from projects are soaring. Despite enormous payoffs from blockbuster hits, fewer projects earn enough to cover their production, marketing, and distribution costs. And after a decades-long expansion, the nonprofit sector also faces new financial pressures. These pressures are products of declining levels and shifting sources of government funding and the increasing practice of corporations and foundations to target their contributions. In response, the nonprofit arts sector has been driven to increase its earned revenues.

In combination, these developments are reshaping the organizational ecology of the arts world and blurring the traditional distinctions among sectors, disciplines, and media. Instead of a sharp demarcation between a nonprofit sector producing the high arts and a for-profit sector producing mass entertainment, the arts world appears to be increasingly divided along the lines of small versus large organizations and those that cater to broad markets versus niche markets. Large organizations—both commercial and nonprofit—rely increasingly on marketing campaigns and celebrity artists to attract the largest possible audiences and provide the greatest opportunities for associated marketing revenues. Small arts organizations, on the other hand, are becoming both more dynamic and more diverse and are targeting niche and specialized markets.

Technology has played an important role in this process by spawning entirely new art forms and reshaping how the arts are distributed. But these may only be the most obvious of technology's effects on the arts. In addition, technology is also affecting the size and character of the audience for the arts, how individuals experience the arts, the motivations and practices of artists, and even the social purposes of the arts.

THE DEVELOPMENT OF THE MEDIA ARTS

These technological developments are particularly apparent in the media arts, which spring from technologies that have developed largely during the past century. Throughout their brief history, the media arts have continually applied and adapted new technologies for a variety of artistic purposes including storytelling (narrative), providing insight into the world as it exists (documentary), and offering new perspective for our perceptions of time, space, and motion as well as exploring the properties of these tools (experimental work). The specific styles used within these traditions have changed, however, as media artists have

adopted different technological tools (film, video, and, most recently, the computer) for their artistic purposes.

Not surprisingly, given the focus of the media arts on artistic practice and innovation, those in the field have devoted relatively little attention to such structural features as the size and characteristics of their audiences; the employment and background characteristics of media artists; the number and types of organizations that fund, produce, and distribute the media arts; and those features of the media arts that identify them as a distinctive arts genre. Thus, the growing literature on the media arts discusses aesthetics, interest in social commentary and change, artistic styles, and techniques but contains very little empirical information on structural features. Although this situation is understandable, it poses a real challenge for building a comprehensive assessment of the structural features of the media arts and how they compare with those of the performing, visual, and literary arts.

STRUCTURAL FEATURES OF THE MEDIA ARTS

Audiences

Gaining access to wider audiences has been an ongoing objective of those in the media arts and one they have often struggled to achieve. This situation may well be changing since the media arts seem better positioned than other art forms to pursue opportunities afforded by the changing arts environment. The public's increasing reliance on the media and increasing familiarity with computers, for example, are well suited to the media arts. Similarly, improvements in reproduction and transmission technologies that enable individuals to enjoy the kinds of art that they want, when and where they want, should also benefit the media arts. Indeed, the growing importance of broadband technology and the Internet in the production and distribution of the arts, the opening up of new markets for work that had largely been abandoned by traditional distributors (e.g., short films), and the possibility of direct exchanges between artists and their audiences should all provide consumers with better access to the media arts.

How these developments will affect the specific media arts may in part depend upon how various intermediaries, e.g., distributors and critics, view the breadth of their market appeal. Of the three categories of media art, narrative work appears to have the broadest appeal—judging by the fact that almost two-thirds of all Americans attend films annually and over 90 percent watch television. In contrast, documentary and experimental work, for a variety of reasons, is more likely to benefit from developments that appeal to specialized audiences. The ability of the media arts to take advantage of these opportunities, however, may well depend on the public's getting better information about and access to the

media arts and on the attitudes of those in the media arts community toward commercial success—something about which they have sometimes been ambivalent.

Artists

As is true of the arts in general, the number of media artists has been increasing and their backgrounds have been becoming more diverse. Several developments have contributed to these trends. First, the emergence of computer-based work appears to have attracted a large number of new artists to the field. Second, declining costs of the technology used in the media arts have made work as a media artist more affordable. Third, the growth of university film schools and media arts programs has provided training to a much greater number of potential media artists. Finally, reduction of the traditional barriers to collaboration between the commercial and independent sectors has expanded the employment options of media artists.

Although these developments provide increasing options for media artists, they also raise a series of policy and regulatory issues for the media arts, especially with regard to copyright laws and access to the Internet and other new distribution technologies. They also raise other important questions, such as whether, given the proliferation of new work and new channels for distributing it, media artists will become increasingly dependent upon intermediaries to help overloaded audiences alert them to the voices they want to hear. Finally, if the market for media arts work becomes increasingly driven by economic impulse, how will it affect the content of the media arts, much of whose markets will remain both small and highly specialized?

Organizations

Media artists depend upon a host of intermediaries to help them obtain the resources they need to cover their expenses and produce their work as well as to arrange to have their finished products distributed, exhibited, and marketed. The challenges these processes present are germane to all artists, especially those who are just starting out or whose work is not yet recognized. However, they may be particularly acute for media artists for three reasons. First, media artists often work alone or with groups put together for a specific project and thus may lack the institutional resources available to other types of artists. Second, the market for media arts work is often highly specialized and, given its rapidly changing nature, not well identified or established. Third, the distribution process itself appears to be changing—as festivals for screening new work proliferate, and broadband technology, e-commerce, and digital technology

lower distribution costs and enable commercial firms to enter the market profitably.

Although these developments raise problems for the media arts, they also offer new opportunities. For these opportunities to be realized, however, several issues will need to be resolved. Can effective business models be developed to translate the promise of new distribution technologies into reality? Will the entry of commercial firms into the media arts market affect traditional niche market distributors? And will the new commercial distributors make the investments needed to develop the supply of media arts content?

Funding

The media arts, like the arts more generally, face a new and more challenging funding environment. In this new environment, individual media artists must compete for a shrinking pool of grant funds and may have to rely more on earnings to support their work. Media arts organizations face similar pressures to increase their earned revenues in the face of uncertain public funding and an increasing tendency for corporations and foundations to channel their support for the arts through restricted categorical funding.

These challenges may be particularly troublesome for media arts for several reasons. First, government funding for the media arts, particularly National Endowment for the Arts (NEA) funding, has declined sharply. Although small arts organizations (which most media arts organizations are) never received the lion's share of government funding, they have traditionally been more heavily dependent upon government funds. Second, local government and corporation funding for the arts appears to have favored larger organizations over smaller ones—a pattern that puts media arts organizations at a disadvantage. Third, individual contributions, now the largest single source of arts funding, are often tied to developing a sense of community among contributors—and the media arts field appears to lack basic information about its audiences. Finally, increasing attention by public and private funders alike has been focused on the public benefits of the arts and how their contributions can advance those benefits.

CHALLENGES FACING THE MEDIA ARTS

Although we cannot draw a definitive picture of the status of the media arts today without better empirical data, our analysis highlights the artistic vitality of the media arts, just as it underscores their lack of a clear sense of identity and external visibility. In addition, it identifies a series of challenges that the media arts face. These challenges fall into five areas: distribution, funding, under-

standing the public benefits of the arts, preservation, and developing a clearer identity and greater visibility for the art form.

As our discussion of organizational structure makes clear, several policy issues concerning the distribution of the media arts need to be addressed before the promise of changes in this area can be realized. These include questions about copyright regulations, determining artists' share of revenues from their work, developing business models for the new distribution channels, and developing strategies for the distribution of the new interactive media. The challenge for the media arts community is to ensure that it has a voice in how these issues are resolved.

The media arts also face a more demanding funding environment. Securing adequate funding appears to have become more difficult in part because of declining funding levels (e.g., NEA grants) and in part because traditional funders have changed their criteria for allocating funds. The challenge for those in the media arts is both to increase funding levels and to diversify their funding sources. Although increasing earnings may help alleviate this problem, it will not solve it because, given the nature of their work, many media artists and the organizations that support them must continue to rely on various forms of contribution and grant income.

In recent years, increasing public concern has been expressed about how the arts in America advance the public interest. This concern is shared both by arts policymakers and by public and private funders. Although segments of the media arts community have at various times echoed this concern, it has not engaged the field as a whole. The challenge is to identify explicitly and document the public benefits of the media arts.

Another challenge facing the media arts concerns preservation and technological obsolescence. Given the importance of experimentation in the media arts and their rapid adoption of technological innovation, they, unlike the other arts, face a major issue of how to preserve works using formats, equipment, and computer code that may no longer be available.

Finally, although the public is certainly familiar with film, video, and computers (the basic tools of media artists), it is not clear that people understand how media artists differ from their counterparts who work with these media. Indeed, judging from the literature and our discussions with individuals in the media arts field, there appear to be disputes among media artists themselves on how to define and describe their field. Without a sense of the media arts as a distinctive genre, funders may be less likely to provide programs for the media arts and the public will be less aware of the media arts both as consumers and as potential contributors. The challenge for people in the media arts is to develop both a clearer identity of and visibility for their field.

RECOMMENDATIONS

In light of these challenges, we conclude with a set of recommendations. First, the media arts community needs to develop a clearer sense of identity and greater public visibility for the media arts. Second, it needs to be more attuned and responsive to the policy context in which it operates. Third, it needs to address the lack of systematic information about the field as a whole—including its audiences, artists, organizations, and funding. Finally, both media artists and organizations need to become more active in building greater public involvement in their work.