



Five Ways To Support Artists And Generate Business

◆ branch strategies business customers

Summary: Do your business customers include artists? If not, you could be missing out on an opportunity. Reaching out to artists not only helps them, but also expands your business and solidifies your commitment to your community. We lay out five ways that you can support artists and generate business, including displaying artwork, sponsoring shows, and financing the development of “art communities.”

While artists are often called starving, there are some that do quite well. The top list of artists currently consists of Damien Hirst, Painter/Sculptor with an estimated net worth of \$1B, Jeff Koons, Sculptor worth \$500MM, and Jasper Johns, Painter worth \$300MM. Even though these are at the top of their field, there are others that likely make a decent living at their craft. This is a good reason to consider artists as customers.

While maybe not top of mind as business customers, some artists have been successfully courted by community financial institutions (CFIs). Supporting creatives can reap multiple benefits not only for the artists, but also for the community and your institution. So, today we provide you with some ways that you can support artists, generate business, and connect with community.

1. Displaying artwork in branches. Some CFIs purchase art from local artists and display them in branches. The institutions view this as an important way to boost their local economies, which is especially critical after so many businesses suffered during the pandemic shutdowns - including artists.

One MD CFI rotates the work of local artists every quarter, from oil paintings to pottery to sculptures. Most of the artwork is available for sale, and the institution even hosts art shows to encourage purchases.

“When you think about human beings ... what makes us uniquely human is the capacity to create something from nothing,” said a Tennessee banker. *“And so, our role as bankers is, we say, to empower creators with resources.”*

2. Sponsoring art shows and other local events. Many CFIs provide grants or outright sponsor local artists to conduct shows or put on community art festivals to expand both their businesses and increase local tourism. One CFI in MO notes that it has supported the arts for years, especially the performing arts. The CEO states his commitment in this way, *“...we do have a mandate to act responsibly. These artists are small business people, who [are] an economic engine for travel and entertainment and other services.”*

3. Facilitating art programs in the community. Some CFIs also provide both financial and volunteer support to nonprofits that offer free afterschool art classes in low-income areas or art therapy to at-risk youth or elderly people in assisted care facilities. This type of outreach strengthens your community, while showing your commitment. You are also potentially facilitating the development of young new artists that could become your customers.

4. Banking artists as customers. Some CFIs make a niche out of banking artists and art organizations. A Midwest CFI is an example of this. *“Sometimes it’s a matter of doing the analysis on the organization and*

having them understand what exactly their cash flows are and where the risks are...we want these arts organizations to be here for a long time," says the CFI's CEO.

One California CFI proactively offered Paycheck Protection Program loans to artists to help them better weather the pandemic shutdowns.

They put the detailed information together on their website through videos, which seemed to appeal to this creative group. Courting and supporting artists may take a little extra time in education on the front end, but it could be worth it. This same CFI has Grammy, Academy, and Emmy award winners among its customers.

5. Financing the development of "art communities." CFIs can also help finance the creation of art communities, particularly redevelopment projects in blighted areas. One Minnesota CFI banked the redevelopment of an old warehouse into living & work spaces for artists, which spurred the transformation of the entire neighborhood.

"When we look at these development proposals, they have to make sense from a safety and soundness perspective, just like any other loan," said the CFI's community reinvestment officer. The institution not only benefits from income generated from the loans, but also by receiving Community Reinvestment Act credit.

You may already have artists as your business customers. But, if you don't, you now have a few ways to connect and start working with them, while improving your community and increasing your business.

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ECONOMY & RATES

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Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	-0.01	-0.04
6M	0.06	0.01	-0.03
1Y	0.08	0.01	-0.03
2Y	0.21	0.03	0.09
5Y	0.78	0.08	0.41
10Y	1.31	0.07	0.38
30Y	1.95	0.05	0.30
FF Market	FF Disc	IORB	
0.10	0.25	0.15	
SOFR	Prime	OBFR	
0.05	3.25	0.08	

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