

Toolkits for the Arts

TOOLKIT 2: FORM AN ARTIST COOPERATIVE

Whether built around a shared gallery, retail shop, or studio space, cooperatives can offer an effective model for artists to work together for mutual benefit. Based on centuries-old principles of joint ownership and control, cooperatives provide a structure for artists to collectively market, display, and sell their work and share equipment and supplies.

Successful artist cooperatives allow individual artists to save time, money, and accomplish more as a collective unit than they could on their own. Like any organization, however, cooperatives require careful planning and management in order to be effective and rewarding to their members.

Learning from the experiences of West Virginia artist cooperatives, this toolkit is designed to:

- provide an overview of different types of artist cooperatives, and
- offer practical steps for starting and managing an artist cooperative in your community.

OTHER TOOLKIT TOPICS

This document is the second installment in a six-part series of toolkits published by the Tamarack Foundation for the Arts. Funded by an “Our Town” grant from the National Endowment for the Arts, this series provides straightforward guidance to help individuals, communities, arts councils, and other creative entities implement local initiatives for the visual arts. Other installments in this series include:

1. Create an arts organization
2. Form an artist cooperative
3. Host a pop-up art shop
4. Organize a studio tour
5. Arrange an art walk
6. Lead a public mural project

About the Tamarack Foundation for the Arts

The Tamarack Foundation for the Arts (TFA) is a nonprofit organization dedicated to cultivating an empowering ecosystem that provides artists, businesses, and communities the tools and support needed to learn, connect, and thrive. TFA convenes a range of initiatives and programming that aim to help West Virginia artists prosper from their creative practice and make meaningful contributions to the well-being of our communities. More information is available at tamarackfoundation.org.

WHY FORM A COOPERATIVE?

A cooperative can be loosely defined as an organization that is jointly owned and democratically controlled by its members (International Co-operative Alliance, 2019).

Cooperatives operate in many different industries and sectors of the economy: For instance, “co-ops” are often associated with independent grocery stores, electric utilities, and credit unions.

In some states, cooperatives can be recognized as designated legal entities, though the term is often applied more generally to businesses or nonprofits that operate according to cooperative principles of joint ownership and control.

In the realm of the arts, artist cooperatives are organizations in which artists come together to:

- jointly operate facilities such as galleries or retail shops to cooperatively sell and promote their work, and/or
- operate studios and workshops to share ownership and/or access to items such as equipment, tools, and supplies.

BENEFITS

Cooperatives offer several key benefits for artists, most of which hinge on increased efficiency.

When artists come together to rent space in a building, staff a gallery or retail store, or jointly purchase a major piece of equipment, the burdens of cost and time are divided among members. While these burdens would likely pose insurmountable challenges to an individual artist acting alone, they become much more manageable when shared among several people. As a result, cooperative members generally pay a low monthly share of the organization’s operating expenses and share responsibilities for promoting and running the cooperative.

Cooperative stores and galleries have an added benefit: Whereas traditional galleries or stores must purchase inventory upfront, member-artists in a cooperative contribute their work as inventory, which further reduces upfront and ongoing costs for the cooperative. The cooperative structure gives member-artists increased independence and creativity while joint marketing helps reduce the time spent individually selling and promoting their art (University of California, 2019).



WEST VIRGINIA ARTIST COOPERATIVES

There are a number of existing arts-focused co-ops in West Virginia. Here are a few:

Gallery Eleven (Charleston) galleryeleven.com/

Gallery Eleven is a cooperative gallery that features the work of member-artists in painting, pottery, stained and blown glass, jewelry, and various other artistic mediums. Members share shifts to staff the gallery during operating hours.



Ice House Artist's Co-op (Berkeley Springs) icehousecoop.com

The Ice House Artist's Co-op is a unique gallery showcasing and selling the work of more than 30 local and regional artists in the eastern panhandle. Founded in 2000 in conjunction with the Morgan Arts Council, the gallery relies on the volunteer support of its members and the friendly help of the docents.

Lost River Artisans Cooperative (Lost River) lostrivercraft.com

The Lost River Artisans Cooperative provides a marketing center for regional artists and craftspeople. The organization maintains a museum that features the work of local artisans, including a weaver who provides demonstrations every weekend.



Lucy Quarrier Weavers (Charleston)

The Lucy Quarrier Weavers are a group of fiber artists whose group was founded over 40 years ago by Lucy Quarrier. Today the group owns 17 looms of varying sizes in space rented from the Vandalia Recreation Center and occasionally offers workshops and lessons. Each member contributes to the monthly rent and has a key to the facility, so they may come and go as they please.

Main Street Arts Co-op (Buckhannon) artistryonmain.com

The Main Street Arts Co-op is a nonprofit collective that runs the Artistry on Main retail store in downtown Buckhannon. Once juried in, member-artists pay a sliding-scale fixed monthly rent based on the amount of space their work occupies in the gallery and agree to work one day per month staffing the store.

Pocahontas County Artisan Co-op (Pocahontas County) pocahontasartistry.com

With more than 40 member artists and craftspeople, the Pocahontas County Artisans Co-op (PCAC) is a nonprofit organization that serves as a business incubator for regional artisans advancing from hobby to cottage industry. PCAC operates a year-round gallery and store in Marlinton as well as seasonal markets in Cass and other locations. The organization is committed to promoting the arts in Pocahontas County through public demonstrations, workshops, exhibitions, and community-based educational activities.

The RiffRaff Arts Collective (Princeton) theriffraff.net

The RiffRaff Arts Collective is a cooperative and interdisciplinary group of performing, visual, literary and healing artists based in downtown Princeton. Located in the Mercer Street Grassroots District of downtown Princeton, WV, the collective has pumped soul into the neglected turn of the century structures and is breathing life into a once depressed downtown area. In addition to hosting a weekly open stage night and other initiatives, the Collective runs a cooperative fine art gallery and artist studios in downtown Princeton.



WHERE TO START?

Think artists in your community might benefit from a local artist cooperative? Here are some suggestions on where to start.

DO YOUR HOMEWORK

Oftentimes groups or individuals know from the start how their cooperative will serve their community. Nevertheless, initial planning is important for setting your organization up for success. Answering these fundamental questions can help shape the direction for your artist cooperative.

Who are your members, and what do they need?

A defining element of cooperatives is that they are driven by and governed by their owner-members. As a result, the needs of your local artists will directly shape the direction of your cooperative. For example, do local artists need better access to large, expensive equipment such as kilns or printing presses? Or are they seeking a venue to display and sell their work locally? Similarly, are your artists working in a shared medium, like the Lucy Quarrier Weavers? Or do you seek to feature the work of artists across media and disciplines? Based on what you find, set an intention for what you want the cooperative to achieve.

How many artists are interested in joining?

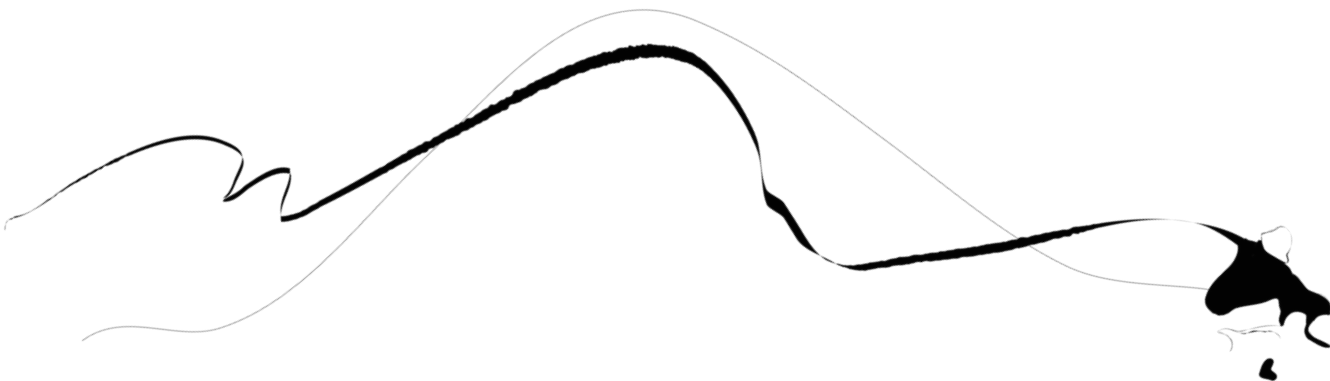
The business model for your cooperative will depend heavily on how many artists you expect to work with. For instance, the cost of renting a gallery space will range dramatically depending on whether you are splitting the cost among three artists versus thirteen artists. As a result, you'll need a realistic estimate of how many artists might participate in order to formulate achievable goals.

Is your community supportive of the concept?

Local buy-in from your community will be important to the longevity and success of your cooperative. Be sure that there is some consensus in your town that community members support the concept of a cooperative and are willing to support it.

What other groups have paved the way?

Find examples of other cooperatives that you hope to emulate, and reach out to them. Many organizations will be happy to offer tips and/or mentorship to others hoping to follow the same path.



DETERMINE THE LEGAL STRUCTURE FOR YOUR COOPERATIVE

Legal structure is an important matter for any arts cooperative, but especially for those that plan to sell work of member-artists.

While some states recognize cooperatives as distinct legal entities, West Virginia law only recognizes agricultural cooperatives in the State Code. As a result, artist cooperatives forming in West Virginia have several main options for legal structure:

Business

For cooperatives made up of only a few individuals, members can form a simple partnership in which each member is personally liable for the cooperative's debts, obligations, and liabilities. However, to shield members from liability, cooperatives can be incorporated; in these cases, state and federal tax liabilities exist but are born by the entity, not the individual members. (Georgia Council for the Arts, 2019; University of Nebraska, 2019)

Nonprofit

Just as the name implies, nonprofits are considered to be “mission-driven” organizations rather than profit-driven businesses. In a nonprofit cooperative, the organization itself is exempt from tax liability, though individual members are responsible for taxes on their own work sold. For example, member-artists at Artistry on Main in Buckhannon receive 100% of their sales each month and are responsible for paying their own state sales tax, local property tax, and insurance as needed/desired. (To learn more about forming a nonprofit, see Toolkit 1: Creating an Arts Organization).

FIND A PHYSICAL SPACE

Whether you plan to open a gallery or a studio, finding the right physical location will be critical to the success of your cooperative. Affordability and accessibility are particularly important considerations. Your space should be affordable for your members to collectively rent, and ideally located in a visible location, particularly if you hope to attract walk-in traffic.

In West Virginia, our communities often have empty storefronts to spare, and the owners are sometimes more than happy to negotiate a reasonable rent in order to have the building occupied. For instance, the Riffraff Arts Collective in Princeton was given free access to a 2,000-square-foot space in a former department store in exchange for covering utilities and general maintenance of the building. As a result, use your network of artists and other contacts in your community to help find available spaces for rent, and be open to creative solutions. Like the Riffraff Collective, you may find that your cooperative is able to breathe life into otherwise unused spaces in your community.

Clubs and guilds: Informal clubs and guilds are not legal entities, so assuming that they are not selling their work, they have no tax liability. However, individual members *could* be held liable for any accidents or issues, and they are individually responsible for taxes on sales of their own work. As a result, insurance is generally highly recommended for clubs. (Georgia Council for the Arts, 2019)

SET THE PARAMETERS

Regardless of the legal structure, you'll need a basic business plan to chart out your cooperative's path to success. This business plan should include a breakdown of estimated expenses and income.

For example:

- What are your estimated startup and operating costs? For a retail or gallery space, monthly costs typically include rent for a physical location, utilities, a Point of Sale computer system for tracking retail sales.
- How many artists can your building's space accommodate? Based on the square footage and display space of your location, you'll need to estimate approximately how much space could be allocated for individual artists, and at what rate.
- Based on these calculations, how many artists will it take to pay the rent monthly?



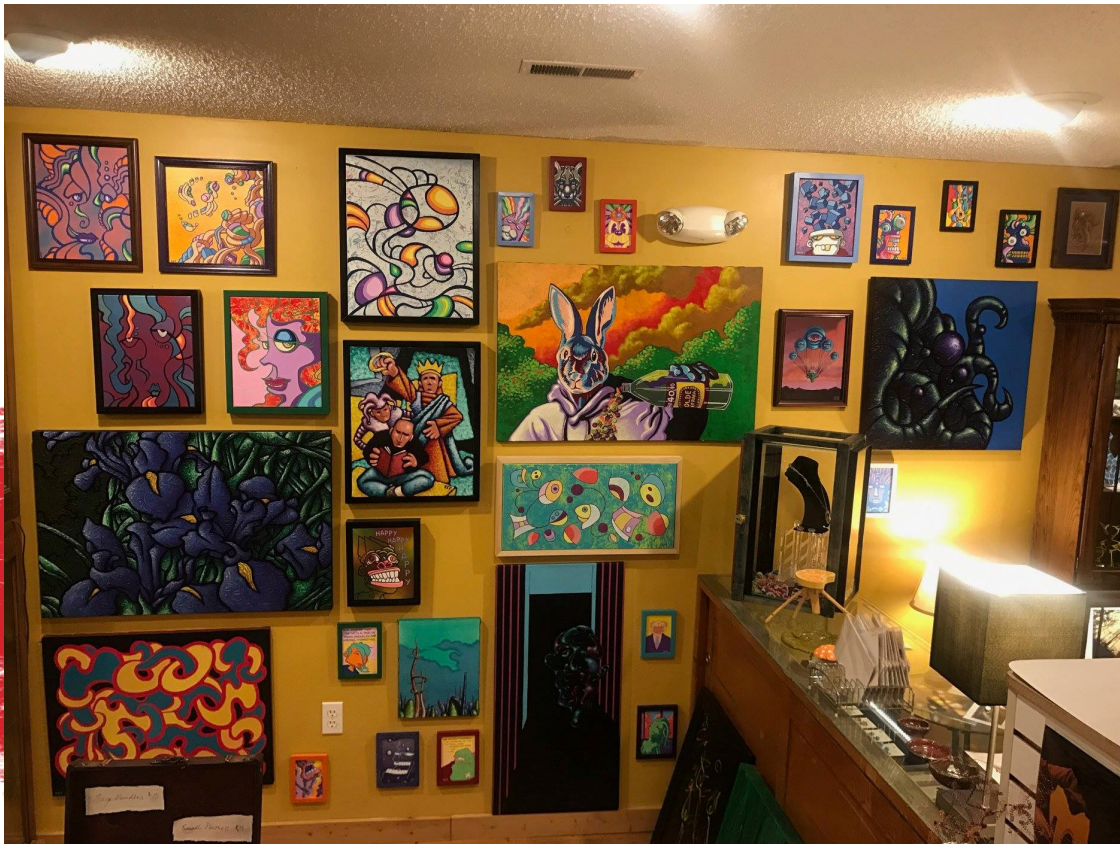
(Artistry on Main, 2015)

Artistry on Main divides space at their downtown Buckhannon storefront into display areas for member-artists. Member dues are priced based on the amount of retail space they occupy, averaging about \$30 per month for a typical display area. Through their business plan, Artistry on Main knows that having 80% of their membership slots filled will allow the organization to break even, though having 100% of their slots filled gives them a healthier margin to run the cooperative well.

The business plan should also outline the cooperative's governance model. It's important to remember that the principle of cooperation lies at the heart of any cooperative. As a result, the business plan (as well as the bylaws) of the cooperative should spell out the rules and structure by which the organization will be run.

Other details should include:

- Who will serve as board members and other decision-makers for the organization?
- How many potential member-artists will your cooperative feature, and how will they be selected? (Will they be juried in? If so, how?)
- Will the cooperative take a commission on sales? And if so, how much?
- Will your cooperative have paid staff or be run by volunteers?



(RiffRaff Arts Collective, 2018)

Once they gained a critical mass of community artists willing and able to commit time, the RiffRaff Arts Collective formed a cooperative gallery in downtown Princeton. They found a leader to coordinate the effort, who then worked with members to devise a plan for starting a cooperative and running a shop.

To be accepted as a member-artist, the RiffRaff Arts Collective asks interested artists to submit an artist statement, samples of their work, and complete an application questionnaire. New members are decided upon by a vote amongst working members, based on the quality of their submitted materials. Once accepted, each artist is responsible for pricing their work, allowing for the commission subtracted, and each artist is in charge of creating their own inventory. (Create Your State, 2019)

OPERATING LOGISTICS

Most West Virginia cooperatives focused on retail and/or galleries find that, with enough members, they can cover their operating costs with a low monthly membership fee. (Many also take a small commission on sales.)

Examples of West Virginia cooperative retail/gallery structures

Cooperative	Dues or membership cost	Commission rate per sale	Volunteer commitment
Artistry on Main (Buckhannon, WV)	Monthly fee based on space used (\$15–75)	Artists get 100% of sales	Members volunteers one day in the store per month
Ice House (Berkeley Springs, WV)	Flat monthly fee of \$30	80% artist, 20% co-op	Members participate in gallery work days three times
Pocahontas County Artisans Co-op (Pocahontas County, WV)	Flat monthly fee of \$30	90% artist, 10% co-op	Members volunteers one day in the store per month
RiffRaff Arts Collective (Princeton, WV)	Flat monthly fee of \$10	85% artist, 15% co-op*	Working members volunteer one work shift per week, plus rotating Saturdays*

**The RiffRaff Arts Collective also offers other membership tiers in which those who opt to volunteer in the store less take a lower commission on their sales.*

To keep overhead costs low, most cooperatives are volunteer-run and have set volunteer requirements for their members. While cooperatives are generally built on the principles of joint ownership and control, there are several key positions in any cooperative which require special care and attention to detail.

Based on their experience running a cooperative gallery in Princeton, the RiffRaff Arts Collective recommends the following three positions:

- **A general manager:** responsible for managing volunteer shift schedules, keeping everyone on task, and serving as the overall point person for the cooperative;
- **A bookkeeper and/or finance manager:** responsible for preparing monthly financial statements, tax reporting, and paying operating bills and artists for their sales;
- **An inventory manager:** responsible for managing inventory and keeping things organized. (Create Your State, 2019)

Whether filled by board members, volunteers, or paid employees, these basic positions allow a cooperative to function with relative efficiency. That said, the bulk of the day-to-day staffing of a cooperative retail store or gallery is generally performed by member-artists, who typically are required to staff the facility for a certain amount of time per month.



BEST PRACTICES FROM EXISTING COOPERATIVES

Successful cooperatives offer tremendous cost-savings and other efficiencies to their member-artists. However, many important lessons can be learned from both successful and unsuccessful organizations alike. As a result, the following tips, strategies, and recommendations offer final words of wisdom based on the experience of other cooperatives.

- For most cooperatives, the first year is generally the roughest as the organization gets established. Know that it might take time to work out initial kinks in your operating system. Also, turnover among member-artists is natural and should be anticipated. According to the RiffRaff Art Collective's Lori McKinney, "I realized that this is going to be a natural ebb and flow of our gallery. There will be influxes and declines in our artist roster, and that is okay" (Create Your State, 2019). As a result, it's important to have a solid business plan and a process in place for recruiting new members.
- As a cooperative organization, it's critical to have dedicated members who are committed to the organization. Tales from unsuccessful cooperatives often tell of lackadaisical members who failed to pay their dues or take their responsibilities seriously.
- On the other hand, another frequently cited reason for cooperative failure is disagreements among members, who in theory make decisions collectively. While much of such problems fall back onto interpersonal relationships and internal politics, it underlines the importance of setting strong ground rules for how your cooperative will be operated.
- For retail or gallery spaces, maintaining reliable business hours is important for the viability of the cooperative. Artistry on Main keeps their storefront in downtown Buckhannon open seven days per week and makes a point to staff the store each day with a different artist. According to the cooperative president Christine Keller, "people really like to meet the artists, so we highlight the fact that every day there is an artist from a different medium in the store" (Keller, 2019).
- Regardless of the cooperative's focus, support from and engagement with your local community will be critical to your organization's survival. Cooperatives such as Pocahontas County Artisans Co-op and Artistry on Main host frequent workshops, and the RiffRaff Arts Collective hosts quarterly themed open houses and art showcases, which give the artists and community members a chance to interact.

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