

How businesses can fundraise in a recession

Many entrepreneurs look to funding programmes and grant-making institutions to raise capital for their businesses. Organisations in the cultural sector in particular often seek financial support from private philanthropy and public organisations such as Arts Council England (ACE), Heritage Lottery Fund and the Paul Hamlyn Foundation. But with the current downturn in the economy and increasingly stretched state funding, businesses across the creative industries are now seeking alternative financial models to ensure long-term sustainability.

Arts and culture are examples of positive economic assets. Latest figures published by the Department for Digital, Culture, Media & Sport show that the creative industries contributed £104B to the UK economy in 2021, a rise of just over 9% from 2020 and equivalent to £282M every day. The arts alone, excluding museums and galleries, contributed £7B. This value has both direct and indirect impact on the economy, from general turnover and employment, to supporting other industries that supply goods and services to arts and

culture organisations. The creative industries also provide other economic benefits to the UK through tourism, cultural diplomacy and foreign direct investment.

Our own business model at Artiq is unique. Founded in 2009 and operating without any public funding, Artiq is an international art agency that connects the world of business and art. Curating art collections and cultural experiences worldwide, our support of fair and inclusive opportunities for artists is at the heart of our work.

Like many people working within the cultural sector, the last few years have been particularly challenging for artists. The pandemic had a profound impact, causing gallery closures and increasing the pressure on artists to find alternative representation and income streams. In 2020-21, more than 80,000 claims were made under the Self-Employment Income Support Scheme (SEISS) by people in the arts, culture and heritage sector – 68% of the eligible population in the UK – but many artists fell through the cracks. More recently, the ‘cost of living crisis’ has seen studio rents rise exponentially, an increased demand on and costs of materials, and fewer opportunities for career development and professional support. For artists who are already facing barriers into the industry, these factors coupled with a culture of exposure over income is deterring artists from pursuing careers in the art world.

Through Artiq’s corporate model, we have been able to successfully support hundreds of creatives to navigate the current economic climate. Over the last three years, we’ve paid more than £5M to artists, we’ve built and financially supported a roster of partnerships and practitioners, and we’ve completed projects in 20 countries, sustaining local economies beyond our own. By opening our doors to the corporate and commercial sectors, we have also proved that culture has substantial value beyond the cultural sector. In moving away from the traditional blueprint for cultural organisations, Artiq has proved that a sustainable and equitable framework is possible. This is not just innovative, but vital for the future of the UK’s cultural economy.

Patrick McCrae is the CEO and Co-Founder of Artiq.