An Organizational Autopsy of Exit Art: Non-Profit Closure as Management Success

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Experts think of arts non-profits as fragile organizations, prone to closure. Despite these predictions, the decision to close is often viewed as a form of management failure. Yet the staff and board of New York’s Exit Art, which closed in 2011 after 30 years of successful operation, report the closure was a success. Under what conditions do staff and board members see these closures as successes? How is it possible to view closure positively when organizational closure is typically seen as an administrative failure?

The material necessary for documenting a harmonious closure was found in a New York art organization. What follows is an organizational autopsy of a New York art space called Exit Art, a non-collecting, non-profit, multi-disciplinary gallery with a storied history of critically acclaimed shows, and a legendary commitment to supporting new and emerging artists. The board’s decision to close Exit Art in 2011, after the death of co-founder Jeanette Inbergman, came as a shock to many, including several board and staff members in the organization. The decision was made quickly, with little deliberation, and the grieving staff was asked to close the organization in under a year. They were also asked to launch an ambitious program of events to run concurrently with the closure, framed as a “Legacy Project” and supported by independent funding and programming. These memorial events included the completion of two books on the history of the organization (and its peers), three shows, an auction, the transfer of thousands of organizational records to a university archive, and an ambitious program of grant writing and fundraising meetings to support this programming.

We argue that the genius of Exit Art’s legacy planning lies in the fact that it provided a mission to what had become a functionally mission-less organization. It did so without disrespecting the founders’ work or desires. Because the new mission was dedicated to preserving an organization that would no longer exist, it presented no contradiction to the staff, board, the public, or funders. “Legacy” furthermore helped the staff to structure organizational processes and interpersonal relations during the final months.

More than a rhetorical flourish, the concept of legacy provided a coordinating mechanism upon which a successful close likely depended. It helped organize the mundane tasks around both disbanding and reconnecting. Legacy also served as a reminder that the organization was not closing because of any fault on the part of the staff or board. Legacy generated commitment, connection, volunteerism, and while it led to some conflicts, it also helped resolve tensions by refocusing or prioritizing feelings. Finally, the desire to serve as a model of successful closure likely influenced the behavior of staff and board members. They were aware that just as peer organizations observed their operational successes for thirty years, they would also monitor their closure closely. The successful closure of Exit Art became, as it were, a self-fulfilling prophesy.

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Our conclusions rest on analysis of Exit Art’s complete organizational archive, housed in the Downtown Collection at the Fales Library, New York University. This archive comprises over 350 linear feet of paper files and 1.5 terabytes of digital information (approximately 450,000 files). We also conducted and analyzed 17 in-depth interviews with members of the organization (board and staff members, in the main) who were asked to discuss the activities, frustrations, and successes they experienced during the final year.

Exit Art was an exceptional organization, but many of the steps taken and lessons learned may be generalizable to other organizations. This re-consideration of closure as a form of management success is particularly important in light of what many see as the “overbuilt” non-profit arts sector. The mission-driven structure of these organizations allow for exit strategies that can be framed within a crowning achievement rather than a failure to survive. If we continue to view organizational closure as a failure of management—and refer to it pejoratively as “death,” “failure,” and so forth—we do no service to the staff, board, or public who support these organizations, and we make it harder for organizations that should close to do so. If we do not illuminate closing procedures that yield successful results, we continue to leave grant makers and other funders bereft of the information they need to support the needs and understand the struggles of nonprofit organizations undergoing the process of closure. Our study offers novel insights into management practices that may benefit non-profits in the future, and may interest scholars who study management transitions and organizational closure.