Teaching Artists Guild

Shared Benefits Research Project

Final Report

Nancy Nelson, Consultant
Next Step

September 30, 2014
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Executive Summary

Project Overview

Next Step, a global consulting firm dedicated to helping clients reach their next stage of growth, was engaged by Teaching Artist Guild (TAG) to conduct research regarding health insurance/benefit plans and work structure options available to teaching artists and other contract and part-time professionals working with multiple organizations. This report will summarize the research and results of a two-year project which began in March 2013 and concluded in October 2014.

In Phase One, Next Step researched how teaching artists work and potential benefit models available to teaching artists and other independent professionals. Three potential benefit models were identified for further exploration and implementation in Phase Two.

In Phase Two, Next Step worked with TAG to further explore these potential benefit models and recommend the potential benefits that would become part of TAG’s pilot membership model.

Phase One Methodology

- **Identification of Potential Benefit Models.** Next Step contacted 39 state and national organizations to survey the landscape of benefit models available to teaching artists. Six potential benefit models were identified for secondary research.

- **Focus Group of Teaching Artist Hiring Organizations (TAHOs).** Next Step and TAG met with representatives of 10 Bay Area TAHOs to brainstorm questions for teaching artist and TAHO surveys.

- **Surveys of Teaching Artists and TAHOs.** 93 teaching artists and 39 TAHO representatives, primarily from the greater San Francisco Bay Area, participated in two separate but related online surveys regarding teaching artist compensation, benefits and the perceived value of TAHO organizations. Several preliminary conclusions were reached about teaching artists and TAHOs that required validation.

- **Focus Group of Teaching Artists.** Next Step held a focus group with five teaching artists to validate the preliminary conclusions.

What We Learned in Phase One

- The most significant barrier to regular compensation for teaching artists is lack of compensation for all hours worked.
A majority of teaching artists are independent contractors working on an hourly basis, though some may work on a W-2 basis depending on the entities for which they work. As a rule, teaching artists work a small number of hours per week for each of multiple entities.

Teaching artists do not have consistent, regular access to health care and related services primarily due to not working enough hours with any one entity to be eligible, or because of their contractor status.

Teaching artists rate opportunities for regular work and competitive pay as top factors in a working relationship with a TAHO. A key area noted for improvement is “better benefits.”

While health insurance benefits are important to teaching artists a majority of teaching artists aren’t willing to trade compensation to have them. However, there was significant interest in a TAHO-sponsored health insurance plan, provided the cost is perceived by teaching artists as affordable.

With the introduction of the Affordable Care Act (ACA), Next Step discovered that an association-sponsored health plan wasn’t feasible, as many insurers were discontinuing their health insurance plans and the ACA.

Opportunities exist for TAHOs and TAG to support teaching artists by marketing and promoting the services of teaching artists in the community, professional certification programs and defined career paths for teaching artists.

**Recommendations for Further Study in Phase Two**

Additional research on the following potential benefit options and professional development opportunities, for potential pilot implementation by TAG in October 2014:

- Collaboration with the Freelancers’ Union, or similar organization, to obtain health insurance coverage under a group health insurance plan.
- A TAHO-sponsored benefits plan, with TAG as the administrator, which would offer coverage “tiers” based on achievement of certain performance milestones or professional development.
- Other value-added benefits, such as a 401(k) or IRA, dental and vision discounts and liability insurance.
- Opportunities for TAG and TAHOs to develop certification programs for teaching artists that provide greater visibility in the community, including corporate exposure, potentially creating new and non-traditional work opportunities for teaching artists.

**Phase Two Methodology and Outcomes**

- **Focus Group for Targeted Feedback on TAG Benefit Options.** Next Step facilitated a third focus group in November 2013, bringing together eight teaching artists and TAHO representatives to provide their feedback on the benefit options under consideration.
• **Second Survey on Benefits and Services for Teaching Artists.** Next Step conducted a second survey of teaching artists in March 2014 focusing on the benefits and services most valued by teaching artists. We also asked participants to tell us what they considered an affordable rate for health insurance, and their experience with the Covered California health insurance exchange. 175 teaching artists participated in this survey, with 77% from the greater San Francisco Bay Area.

• **Working Group to Review Survey Data and Develop Recommendations for TAG.** In April 2014, Next Step and TAG co-facilitated a half-day session with seven teaching artists to review the results of the March 2014 teaching artist survey, brainstorm questions and recommendations related to the three benefits models under consideration, and explore what TAG needs to be as an organization. Health, vision and wellness discounts were rated most highly by the participants, along with community discounts for supplies and entertainment. The brainstorming session also resulted in several new professional development ideas for TAG’s new membership model. The Core Working Group was announced as an opportunity for select teaching artists to work with TAG on their membership package.

• **Identify National Health and Wellness Discount Provider.** In May/June 2014, Next Step worked with TAG to identify the provider for the group discount plan that would be included in TAG’s full membership plan. Careington, a provider of wellness plans for groups and individuals, was selected as the provider of choice. The Careington card can be used not only within California, but in most states.

• **Establish Core Working Group of Teaching Artists.** TAG established a group of teaching artists to work with TAG on their membership package (not including the group discount plan, which TAG established directly). The group identified community discounts for TAG members, planned local community events for the teaching artist community, and established the Teaching Artist Mapping Project to document the work of teaching artists.
Preface

Next Step, a global consulting firm dedicated to helping clients reach the next stage of growth, was engaged by Teaching Artists Guild (TAG) as part of a two-year study to research how teaching artists work and to identify benefit options that would meet their unique ways of working, especially for teaching artists who work across multiple organizations.

This report marks the end of a remarkable journey. When Next Step began working with TAG in March 2013, the charter was clear: to identify options for “shared benefits” – in particular, health insurance coverage for teaching artists who, by the nature of their work across multiple organizations, aren’t always eligible for health insurance benefits through an employer. Along the way, Next Step and TAG learned more about teaching artists than we ever expected. And as we learned more about them as people, our path and focus changed in a profound way. We discovered the passion that teaching artists feel for their work, their resourcefulness as they find ways to make a living in their chosen profession, and their quest for recognition as professionals in a society that doesn’t always value arts education. While access to health insurance coverage remained important in our final analysis, it was no longer the key focus of our project. Instead, the focus became which benefits and services are most valued and needed by teaching artists so they can continue and grow their practice and build community with like-minded professionals? We hope that what you will see in the final outcome truly reflects the spirit and determination of this dynamic community.

Who Are Teaching Artists?

“Teaching artists are role models for lifestyle, discipline, and skill... They are educators in the truest sense of the word; they “draw out” rather than “put in.” They are guides/facilitators/bridges to creativity... Teaching artists are social activists.”

Tina LaPadula, Arts Corps, Seattle
From an essay by Eric Booth, “What is a Teaching Artist?”
Teaching Artists Defined

A teaching artist is an artist who not only practices their art form, but also shares it with students in a variety of settings.

Teaching Artists by the Numbers

<table>
<thead>
<tr>
<th>Total</th>
<th>California</th>
<th>Oakland/Alameda County</th>
<th>San Francisco/San Mateo counties</th>
<th>Santa Clara County</th>
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<tr>
<td>92,570</td>
<td>12,210</td>
<td>1,530</td>
<td>1,360</td>
<td>530</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics May 2013

Where and How Do Teaching Artists Work?

In our two surveys encompassing 268 teaching artists, with 77% residing in the San Francisco Bay Area, teaching artists most frequently reported working with five different organizations in any given week, usually in K-12 settings but also in preschools, colleges and universities, adult education programs, corporate settings, non-profit organizations, and the community at large. Additional details from our surveys and research can be found in the Methodology section of this report.

How Are Teaching Artists Compensated?

A study by the Arts Council found that 41% of creative workers are self-employed\(^1\). Our survey supported this finding. 41% of teaching artists we surveyed told us they perform their work as independent contractors, with only 14% classified as W-2 employees. However, their work arrangements are varied: 45% are paid as both independent contractors and employees, depending on the project or work structure, which includes part-time, temporary and seasonal arrangements.

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Sometimes I have three different types of jobs going at once, including hourly 1099 pay for teaching, W-2 wages as an employee, and flat rates for one-time workshops.
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\(^1\) 10 Things about being an artist that art teachers don’t tell you. www.theguardian.com/education/mortarboard
What Teaching Artists Earn:  
A Sampling of Key Data

Nearly half of our survey participants said they earned up to $10,000 in 2013 from their work as teaching artists.  
61% said they received pay from one or more jobs in other professions. Several respondents commented the primary reason for working in another profession was to receive health insurance.

Paid Sick Leave

Since most teaching artists aren’t eligible for paid sick leave due to their status as independent contractors or part-time employees, taking time off for illness can bring special challenges. And even if paid sick leave is available through an employer, it is difficult to find substitutes on short notice, which may cause the teaching artist to choose between working while sick and forfeiting pay.

“
I love my work and at the same time I am with no health insurance or sick leave…I sometimes get sick on the job and don’t feel I can’t do anything but come to work sick.”

--Teaching Artist Survey Participant

Health Insurance Coverage: Potential Models

We began this project researching potential models that teaching artists and others in the contingent workforce might use to gain access to health insurance coverage.
Through this research, we identified six potential shared benefit models for further consideration as potential models for teaching artists.

1. **Group Insurance**: Access to group insurance benefits through membership in a guild, union, alumni group, or professional association.

2. **Health Care Provider Discounts**: Eligibility for health care provider discounts through an affinity program, usually administered by a third party insurance company.

3. **Clearinghouse**: Referrals to insurance providers, discounted services; educational outreach on benefit options; discounts for wellness benefits; health screening as a service to the teaching artist community.

4. **Individual Coverage**: Obtaining insurance coverage directly as an individual, most likely through the health insurance exchanges available through the Affordable Care Act.

5. **Small Group Coverage**: Obtaining insurance coverage as a business entity with two or more employees, either directly or through the small business exchange (SHOP) that is part of the Affordable Care Act.

6. **Professional Employer Organization (PEO)**: Small companies outsource HR and payroll functions to a third party for a fee, usually a percentage of covered payroll. Employees have access to several large-group health plans. A co-employer relationship is established between the company and the PEO.

### Teaching Artists and Health Insurance Coverage

**85** The percentage of teaching artists who were covered by health insurance at the time of our survey

**30** Percentage of teaching artists covered under a spouse/domestic partner’s insurance plan

**18** Percentage of teaching artists covered under an employer’s plan

**16** Percentage of teaching artists covered under a plan on the Covered California exchange

**21** Percentage of teaching artists covered by government sponsored plans

**78** Percentage of teaching artists who visited Covered California and didn’t sign up for an exchange plan because their coverage under a spouse/domestic partner was less expensive

**$250** Maximum that 68% of our respondents would be willing to pay per month for quality health insurance

**$410** Monthly premium for Blue Shield Gold EPO Exchange Plan for 40-year-old Oakland resident, single coverage, not eligible for subsidy

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“I would be up a creek if I could not get insurance through my spouse.”

-Teaching Artist Survey Participant

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2 Covered California website www.coveredca.org
Though improved over 2013 for many, the Affordable Care Act has not completely closed the health care coverage gap for teaching artists. Accessibility does not equal affordability, and the need for continuing education on health care options continues.

**Top Five Value-Added Benefits as Ranked by Teaching Artists (Not Including Health Insurance)**

- 53% Retirement Plan for Self-Employed
- 52% Dental Care Discount Services
- 43% Vision Care Discount Program
- 33% Liability Insurance for Teaching Artists
- 29% Discounted Admission to Theaters, Museums

**How the Affordable Care Act Impacted the Course of This Project**

Through surveys and focus groups, teaching artists and teaching artist hiring organizations helped Next Step narrow the six potential benefit models down to three at the end of Phase 1 in September 2013. These choices were further affected by the Affordable Care Act, which made health insurance accessible to individuals without access to insurance through an employer or with pre-existing medical conditions. The ACA also impacted health insurers, who decided to change the markets they served. Of the three models still under consideration, one choice became clear.

**TAG-Sponsored Health Insurance Plan as an Association**

No...With the advent of the Affordable Care Act, most insurers are leaving the association business, which has strict eligibility criteria. It would be difficult for TAG to compete with a plan on the health insurance exchange.

**TAG-Administered Health Insurance Plan**

No...This would only work if TAG employed the teaching artists directly. And, the Affordable Care Act had addressed the access issue, so there was no longer an incentive for TAG to provide health insurance directly.

**Voluntary Benefits Membership Model**
Yes! As a membership organization, TAG would have purchasing power to provide member discounts for value-added products and services at a lower cost than members could buy on their own.

The Role of the Teaching Artist Hiring Organizations

Teaching artist hiring organizations (TAHOs) play a key role in providing career opportunities, professional development and networking opportunities for teaching artists. We asked teaching artists who work with TAHOs to share their experiences in working with these community-based organizations.

- The most important and appreciated factors for teaching artists in working with TAHOs are opportunities for regular work, competitive pay rates, professional development opportunities, and opportunities to build strong networks.
- The top three areas for improvement in working with TAHOs are lack of regular work, lack of affordable health insurance, and lack of certain benefits (most notably, paid sick leave).
- TAHOs were asked about the top three improvements they thought teaching artists would like to see. TAHOs and TAs agreed on the two top areas for improvement, although teaching artists ranked “better benefits” in their top three, whereas TAHOs thought better pay would be one of the three most important improvements for teaching artists.

<table>
<thead>
<tr>
<th>Teaching Artist Top Areas for Improvement</th>
<th>What Improvements TAHOs Think Teaching Artists Want</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of regular work</td>
<td>More regular work</td>
</tr>
<tr>
<td>Lack of affordable health insurance</td>
<td>More affordable health insurance</td>
</tr>
<tr>
<td>Better benefits</td>
<td>Better pay</td>
</tr>
</tbody>
</table>

Conclusions about Teaching Artist Compensation and the Importance of Benefits
Teaching artists do not have consistent, regular access to health care and related services, especially dental and vision services which often are not covered under health insurance plans.

While health insurance benefits are important to teaching artists’ work with TAHOS, this may not be the most important factor going forward. The availability of health insurance through government exchanges assures access for many more uninsured individuals, and subsidies are available for individuals with limited incomes. Since teaching artists told us that any insurance plan would have to be affordable (very low priced) to enable them to have insurance and still meet their basic living needs, For many, remaining on a spouse or other relative’s plan may be the better option.

The most significant barrier to regular compensation for teaching artists is lack of compensation for all hours worked and not being paid on time, or being paid inconsistently, for services performed.

From these conclusions, a new theme emerged that extended far beyond identifying health insurance options for teaching artists. Access to health insurance, while important, is only one element in total compensation for teaching artists. The new question is: How can benefits play a larger role in sustaining teaching artists to enable them to remain in the profession?

What Do Teaching Artists Need to Thrive?

Shifting the Conversation from Health Insurance to Building a Professional Community

A focus group of teaching artists who had participated in Next Step’s prior research activity convened again in April 2014 to further explore value-added services for a potential pilot by TAG. After nearly a full day of visioning and brainstorming, the following recommendations emerged:

What Teaching Artists Need

- Steady income and a living wage
- Retirement security
- Affordable health insurance
- A way to manage scheduling and rescheduling of work, which has a huge financial impact (one of the top contributors to lack of regular compensation)
- Financial advisors (and other service providers) who know how teaching artists work
- Ways to raise awareness about their services
- Recognition as a profession through credentialing and certification
What TAG Needs to Be

- Resource for contract negotiation, industry standards
- Provider of access to accountants, other professionals who understand how teaching artists work
- A bridge to other teaching artists through conferences, other events
- A developer of the standard for a living wage
- A promoter of teaching artists in the community through events, social media
- “A Catalyst for Gypsies” – helping teaching artists with portfolio careers and multiple gigs navigate their careers

TAG Member Benefits for the Pilot, in Priority Order

1. **Dental and Vision Discounts.** These offer the highest value to teaching artists and will help TAG build membership momentum in the San Francisco Bay Area, other parts of California and nationwide.

2. **Community Discounts.** These are the easiest to implement (low hanging fruit) and can help TAG gain momentum; include areas such as financial planning, wellness, other community discounts.

3. **Retirement Planning/Plans.** Teaching artists need money to pay for retirement and need resources for options and assistance in planning; industry standard pay rates are first priority before they can afford a retirement plan.

4. **Liability insurance.** Teaching artists need to understand liability, sources, options, and address a whole host of questions first before committing to liability insurance.

Core Working Group

Led by TAG’s Membership Director Lynn Johnson, a select group of teaching artists was recruited by TAG to assist in identifying local community discounts and professional development opportunities for TAG members. This group would become the “core working group.” Their charter was as follows:

- Identify “hyper-local” discounts and services for San Francisco Bay Area teaching artists that could be replicated in other geographies;
- Help develop and facilitate community building and networking through Meetup groups, Google Hangouts and other venues;
- Spread the word about TAG and promote TAG membership.

The group of seven teaching artists met virtually beginning in late June and concluded in early September. Key outcomes include:
• Local discounts at artist supply and bookstores in Oakland and Berkeley; proprietors will accept a TAG membership card.
• A gathering of teaching artists is planned for September 23 in Santa Cruz.
• A schedule of Google Hangouts is published on TAG’s website. The first Hangout was held in July.
• TAG’s Housewarming was held in August at its new location at the Flight Deck in downtown Oakland.
• A Teaching Artist Asset Map project is underway to document teaching artists’ work, led by core team member Adam Johnson.

Details on these projects and events can be found at www.teachingartistsguild.org

Membership Package with National Network

TAG’s national membership will launch in October 2014 and will include a host of benefits for $12 per month.

• Discounts on dental, vision, legal services, financial services, pet services and alternative health providers
• Financial tools designed specifically for teaching artists and discounts to tax, financial and legal professionals
• Free and discounted professional and social events
• Free and discounted online courses focused on business and career
• Members only professional services packages

For members who do not need a full package of benefits or simply want to enjoy networking opportunities with TAG, an affiliate membership is available at a reduced rate.

The Careington Card

Next Step researched various options for dental and vision discounts for TAG’s consideration to include in their national membership package. Provider options included traditional insurers and trade groups such as the Freelancers Union. The critical mass required to offer health discounts was a major challenge, as was finding a provider who would offer coverage in California and most states. Because TAG is just starting to ramp up its membership base, we were uncertain whether TAG would be able to meet enrollment minimums.

Careington, a marketer of dental and other health and lifestyle discount plans, was selected by TAG to provide discounted services to their members. Careington helps associations and affinity groups save money on health care and other services. Groups as low as five members can participate and the provider networks are quite extensive, including national providers such as Vision Service Plan and Delta Dental. Coverage is offered in most states, including California. TAG members will receive a Careington card as part of their full membership.

https://www1.careington.com/groups/associations/associations.html
Conclusion

“This is a great service for artists. Thank you for your existence.”
--Teaching Artist Survey Participant

Next Step would like to thank Teaching Artists Guild for the opportunity to take part in this journey, with special thanks to Jessica Mele, Jean Johnstone and Lynn Johnson of TAG for all their support and guidance. We at Next Step learned so much from all the teaching artists we met along the way and thank all of them for sharing their expertise, time and talents with us. We look forward to TAG’s membership launch and will be watching with great interest as they continue to build their community of teaching artists.

About Next Step

Next Step is a global consulting firm dedicated to helping clients reach the next step of their growth through proven strategies in sales, marketing, people and management development. For more information about Next Step, visit www.nextstepgrowth.com or call 650.361.1902.

For questions or requests for information on this project, contact Nancy Nelson, Consultant, Next Step, nnelson@nextstepgrowth.com or 650.361.1902.
Appendix 1
Summary of Research for Teaching Artists Organized (TAO)
May 1, 2013

Background

Next Step, a management consulting firm working with companies to take them to the next step of their growth, was engaged by TAO to conduct research regarding health insurance/benefit plans and work structure options available to teaching artists and other contract and part-time professionals working with multiple organizations. This research is the basis of a larger project involving a survey of teaching artists (TAs) and teaching artist employment organizations (TAHOs) and identifying possible benefit/work models for future consideration.

Methodology

We identified 39 national and California-based organizations from which we gathered data regarding benefits and work structures for teaching artists and other professionals working on a part-time basis. These organizations were chosen based on referrals from TAO, our professional networks, and sources identified in the course of our research. In choosing the organizations for this study, the goal was to identify a broad base of entities representing contract, part-time and freelancing professionals in a variety of professions in addition to teaching artists, in addition to resources such as insurance brokers, professional associations and government agencies.

Through participation in legal updates, webinars and professional events, we gathered additional data on the Affordable Care Act, California’s health insurance exchange, insurance options for self-employed teaching artists, and independent contractor guidelines specific to teaching artists.

The breakdown of organizations in this study, by type, is as follows:

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<thead>
<tr>
<th>Category</th>
<th>Count</th>
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<tbody>
<tr>
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<td>Clearinghouses</td>
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<td>Guilds</td>
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<tr>
<td>Non-Profits</td>
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<tr>
<td>Insurance Brokers</td>
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<tr>
<td>TAHOs</td>
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<tr>
<td>Unions</td>
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<td>Foundations</td>
<td>1</td>
</tr>
<tr>
<td>California Insurance Exchange</td>
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<tr>
<td>State Government (EDD)</td>
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<tr>
<td>Alumni Associations</td>
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<td><strong>TOTAL</strong></td>
<td><strong>39</strong></td>
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See the end of this document for the complete list of organizations.
Key Findings

From our research, we identified three key findings.

- Six primary benefit/health care options were identified for teaching artists and other part-time/contract professionals.
- The Affordable Care Act will make health care more accessible for individuals and small businesses with two or more employees.
- Teaching artists work as employees or independent contractors, based on the entity engaging their service and nature of their work; TA organizations are raising awareness about independent contractor classification.

Following is the detail regarding these findings.

2. **Several health coverage and benefits models are currently available for teaching artists and other professionals who work part-time for one or more organizations. The six most common include:**

1. **Group Insurance:** Access to group insurance benefits through a guild, union, alumni group, or professional association membership. Sometimes an employment relationship with the sponsoring organization is required.
2. **Health Care Provider Discounts:** Eligibility for health care provider discounts through an affinity program, usually administered by a third party insurance company.
3. **Clearinghouse:** Referrals to insurance providers, discounted services, and educational outreach on benefit options and discounts for wellness benefits and health screening as a service to the teaching artist community.
4. **Individual Coverage:** Obtaining insurance coverage directly as an individual.
5. **Small Group Coverage:** Obtaining insurance coverage as a business entity with two or more employees.
6. **Professional Employer Association (PEO):** Small companies outsource HR and payroll functions to a third party for a fee, usually a percentage of covered payroll. Employees have access to several large-group health plans. A co-employer relationship is established between the company and the PEO.

With the implementation of the Affordable Care Act in 2014, it is unclear whether a group insurance option under an association umbrella will remain a viable choice or provide a real advantage over individual coverage, which leads to our second finding.

2. **The Affordable Care Act, and California’s health insurance exchange, will make health insurance available to millions more California residents and provide additional options for small groups.**

   - Effective January 1, 2014, pre-existing conditions for individual coverage will be eliminated and insurers cannot deny or cancel coverage on this basis.
   - Tax subsidies for individuals and small businesses with less than 25 employees may be available.
Covered California, our state’s health insurance exchange, is scheduled to begin open enrollment in October 2013 for a January 2014 effective date. [http://www.coveredca.com/](http://www.coveredca.com/), with plans to actively promote the exchange to California residents in coming months. This provides California residents with an advantage to those in many other states, particularly small businesses, who may have to wait until 2015 until the small business provisions of the Affordable Care Act take effect.

- Health plans will be standardized and provide coverage in several key areas such as preventive care. Plans will be organized by the “metal” system: bronze, silver, gold and platinum.
- All individuals will be required to have coverage effective January 2014. For individuals who do not have coverage, a penalty of $95 per year will be assessed beginning in 2014 that will increase in subsequent years. It is unclear how this penalty will be collected.
- Large employers with over 50 employees will need to provide health insurance coverage for all full-time equivalent employees who work over 30 hours per week. If coverage is not provided, then the employer will be assessed a penalty for each eligible employee. Some employers will opt to pay the penalty, which may be less than the cost of coverage; financial analysis is required.
- Small employers with less than 50 full-time equivalent employees will not be required to provide health insurance coverage.
- The teaching artist profession is providing many resources for the TA community on health insurance and health care reform, including white papers, resource guides and webinars.
- While California is ahead of the game in establishing its exchange compared to other states, we should note that many details, including the payment of penalties and taxes, have not been finalized and are subject to change. The actual impact of the Affordable Care Act, especially in terms of health insurance costs, is unknown and could go either up or down depending on many factors.

3. **Teaching artists conduct their work as either independent contractors or employees, depending on state and federal requirements, the nature of their work and the entity that engages their services. Organizations that support teaching artists are raising awareness on the difference between independent contractors and employees and why this distinction is important.**

- According to the Bureau of Labor Statistics, 92,570 teaching artists are employed nationally, with 12,210 teaching artists in California as of May 2012. On a local level, BLS reports 1,530 teaching artists employed in the Oakland/Alameda County area and 1,360 teaching artists employed in the San Francisco/San Mateo area.
- BLS reports 10.1 million self-employed workers nationally as of 2010. California’s self-employment numbers are not readily available but could be the basis for secondary research.
- Certain associations provide a toolkit for teaching artists who are sole proprietors or have organized themselves as a business entity, with sample contracts and engagement letters, tips for structuring projects and getting paid, resources for structuring a business, and discounts for business-related services, including liability insurance.
- Teaching artists groups are generally aware of the issues regarding classifying independent contractors, which under IRS and California’s Employment Development Department (EDD) guidelines must meet certain criteria based on a variety of factors. Primary criteria according to the IRS are behavioral control, financial control, and the relationship of the parties.
Factors vary by state and federal guidelines; certain factors point to either an employment or an independent contractor relationship.

- The Lawyers’ Alliance of New York recently conducted a webinar that specifically discussed the criteria that apply to teaching artists who are independent contractors.
- The EDD and the IRS have determined that public school teachers and instructors, including specialty teachers in art and music, are employees.
- Certain community college districts have reclassified their part-time and adjunct instructors from independent contractors to employees as the result of IRS audits.

List of Organizations

<table>
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<th>Organization Name</th>
<th>Source</th>
<th>Organization Type: School, Guild, Union, Association, Exchange</th>
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<tbody>
<tr>
<td>College Alumni Association</td>
<td>Professional networks</td>
<td>Alumni Association example: Cal Poly San Luis Obispo</td>
</tr>
<tr>
<td>American Booksellers Association</td>
<td>Research referral</td>
<td>Association</td>
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<tr>
<td>American Institute of Graphic Arts</td>
<td>Research referral</td>
<td>Association</td>
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<tr>
<td>California Association of Realtors</td>
<td>Professional networks</td>
<td>Association</td>
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<tr>
<td>National Small Business United</td>
<td>Research referral</td>
<td>Association</td>
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<tr>
<td>NAFE - National Association of Female Executives</td>
<td>Research referral</td>
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<tr>
<td>The American Print Alliance</td>
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<td>Association</td>
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<td>Association of Independent Video and Filmmakers</td>
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<td>Association</td>
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<td>Craft Alliance of New York State</td>
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Appendix 2: Methodology

Next Step and TAG established the following working goals for the shared benefits project:

1. To explore and identify the benefits and work structures available to teaching artists and other part-time, contract and freelance professionals;
2. To understand the importance of these benefits and work structures to teaching artists;
3. To establish a framework to guide additional research on health insurance solutions for teaching artists; and
4. To identify possible shared benefit models for further exploration.

Review of Phase One Methodology

Identification of Potential Benefit Models

Next Step began Phase One with primary and secondary research on potential shared benefit models. We identified 39 national and California-based organizations from which we gathered data regarding benefits and work structures for teaching artists and other professionals working on a part-time and contingent basis. See Appendix 1 for the complete list of organizations and the research report.

Through this research, we identified six potential shared benefit models for further consideration:

1. Group Insurance: Access to group insurance benefits through membership in a guild, union, alumni group, or professional association.
2. Health Care Provider Discounts: Eligibility for health care provider discounts through an affinity program, usually administered by a third party insurance company.
3. Clearinghouse: Referrals to insurance providers, discounted services, and educational outreach on benefit options and discounts for wellness benefits and health screening as a service to the teaching artist community.
4. Individual Coverage: Obtaining insurance coverage directly as an individual, most likely through the health insurance exchanges that will be made available through the Affordable Care Act.
5. Small Group Coverage: Obtaining insurance coverage as a business entity with two or more employees, either directly or through the small business exchange (SHOP) that is part of the Affordable Care Act.
6. Professional Employer Association (PEO): Small companies outsource HR and payroll functions to a third party for a fee, usually a percentage of covered payroll. Employees have access to several large-group health plans. A co-employer relationship is established between the company and the PEO.
Focus Group of Teaching Artists Hiring Organizations. Together with TAG, we facilitated a focus group in May, 2013 consisting of TAHO representatives. The purpose of the focus group was to update the TAHOs on the project, our preliminary research findings and the online surveys that would be launched over the summer. The focus group also provided an ideal opportunity to generate interest and involvement in the project. The TAHO representatives also provided essential input on two key queries, which would form the basis of our survey questions.

- What do TAHOs want to know about other TAHOs’ practices for engaging teaching artists regarding benefits and work structures?
- What types of questions and issues are being raised by the teaching artists themselves in terms of pay, benefits and work structures?

Surveys of Teaching Artists and TAHOs. After the initial phase of primary and secondary research, Next Step conducted two separate but related surveys: one of teaching artists and one of TAHO representatives. Survey questions covered teaching artist compensation, benefits eligibility and participation, how teaching artist work is structured, and perceptions of the value and importance of the TAHO organizations.

93 teaching artists participated in the teaching artist survey, and 39 TAHO organizations participated in the TAHO survey. Data was collected from June 5 through July 31, 2013 through direct invitations, web links and Facebook posts. Teaching artists were offered a gift card incentive to participate. TAHO representatives were offered an executive summary of the results as an incentive. Both groups were given the opportunity to opt-in for further follow-up.

Initial Conclusions from the Surveys

- Teaching artists lack regular compensation, although we weren’t sure how teaching artists defined “regular.” We needed to validate this conclusion. What were the factors that contributed to lack of regular compensation – low pay, not being paid for all hours worked, not being paid at regular intervals, or something else altogether?
- Teaching artists do not have consistent, regular access to health care and related services.
- Health insurance benefits are one aspect that is important to teaching artists’ work with TAHOs – but we suspected this may not be the most important factor.
- While health insurance benefits are important, a majority of teaching artists aren’t willing to trade compensation to have them.
- A majority of teaching artists are independent contractors working on an hourly basis.
- Teaching artists work a small number of hours per week for each of multiple entities.
Validation of Initial Conclusions through a Teaching Artist Focus Group

In order to validate our initial conclusions, Next Step facilitated another focus group in November 2013, this time with a subset of the teaching artists who responded to the survey and opted in for follow-up. Five teaching artists participated.

As with the TAHO focus group, we gave the participants an overview of the project and the potential benefit options as identified in our initial research phase. We also led the group through a series of questions to help validate our initial conclusions. See Appendix 2 for a summary and recap of the focus group.

Focus Group Questions

1. The Affordable Care Act becomes effective on January 1, 2014 and individuals will be able to sign up for coverage starting in October 2013. What do you know about the ACA and how do you think it will affect health insurance coverage for teaching artists?

2. What factors contribute to lack of regular compensation for teaching artists?

3. What do you think are the barriers to health insurance coverage for teaching artists?

4. How important is it that teaching artists have health insurance through their TAHO?

5. Would you be willing to accept any trade-offs for a health insurance plan sponsored by your TAHO? What would those trade-offs be, if any?

Key Focus Group Takeaways

- The Affordable Health Care Act/Covered California Exchange has created anticipation of accessible coverage for teaching artists. The focus group participants were anticipating the end of pre-existing condition clauses and other barriers that have prevented teaching artists from buying affordable insurance. That being said, the teaching artists stressed that for any plan to be viable for teaching artists, it has to be affordable (very low priced) to enable teaching artists to have insurance and still meet their basic living needs.

- There is interest among teaching artists in some form of TAHO-sponsored health care insurance plan, based upon existing models and possible new arrangements. Research was conducted regarding how guilds handle this situation. An insurance plan under TAG’s guild status holds particular promise. One of the possibilities to be reviewed in the next phase is a relationship between TAG and the Freelancers Guild. This did not come to pass because of the advent of the ACA and association business taking a dive.

- The most significant barrier to regular compensation for teaching artists is lack of compensation for all hours worked – with teaching artists taking on additional tasks such as marketing of their
services and grant-writing to help the schools in which they work to achieve funding (which clearly is not compensated).

- There are opportunities for TAHOs and TAG to play a larger role in supporting teaching artists in the following ways:
  - Increasing awareness of the availability and value of teaching artists;
  - Marketing and promoting teaching artists beyond traditional channels in the community, including corporate sponsorships and arts programs for leadership development and teambuilding;
  - Certification programs that provide greater visibility and career paths for teaching artists; and
  - Providing additional value-added services such as group liability insurance that might be difficult for teaching artists to obtain on their own.

Review of Phase Two Methodology and Results

Focus Group for Targeted Feedback on TAG Benefit Options. Next Step facilitated a third focus group in November 2013, bringing together eight teaching artists and TAHO representatives to provide their feedback on the benefit options under consideration.

Participants discussed and ranked the options:
A: Group health insurance under a guild/association plan
B: A TAG-sponsored health insurance plan with “tiers” based on goal achievement and service
C: TAG Membership benefits such as 401(k), liability insurance, dental and vision discounts

Option C and A were ranked highest, based on factors including interest level, importance to the profession and ease of implementation. Option B had minimal support and was generally viewed as difficult to manage. Feedback from the participants helped us frame the questions for a follow-on survey scheduled for the spring of 2014.

Second Survey on Benefits and Services for Teaching Artists. Next Step conducted a second survey of teaching artists in March 2014 focusing on the benefits and services most valued by teaching artists. We also asked participants to tell us what they considered an affordable rate for health insurance, and their experience with the Covered California health insurance exchange. 175 teaching artists participated in this survey, with 77% from the greater San Francisco Bay Area. Potential participants were invited to participate in the following ways:

- Direct, targeted email requests by TAG to TAHO and teaching artist contacts;
- Social media posts including Facebook, Twitter and TAG’s blog;
- In-person events including the Artists’ Alliance where Next Step presented data on the shared benefits project during a Covered California enrollment presentation.

Survey participants were automatically entered into a drawing for a consultation with a financial planner.
Working Group to Review Survey Data and Develop Recommendations for TAG. In April 2014, Next Step and TAG co-facilitated a half-day session with seven teaching artists to review the results of the March 2014 teaching artist survey, brainstorm questions and recommendations related to the three benefits models under consideration, and explore what TAG needs to be as an organization. Health, vision and wellness discounts were rated most highly by the participants, along with community discounts for supplies and entertainment. The brainstorming session also resulted in several new professional development ideas for TAG’s new membership model. The Core Working Group was announced as an opportunity for select teaching artists to work with TAG on their membership package.

Identify National Health and Wellness Discount Provider. In May/June 2014, Next Step worked with TAG to identify the provider for the group discount plan that would be including in TAG’s full membership plan. After an extensive search, Careington, a provider of wellness plans for groups and individuals, was selected as the provider of choice. Unlike most insurance carriers, associations and affinity groups can participate with as few as five members. The Careington card can be used not only within California, but in most states.

Establish Core Working Group of Teaching Artists. In June 2014, TAG established a core group of teaching artists to work with TAG on their membership package (not including the group discount plan, which TAG established directly). The group identified community discounts for TAG members, planned local community events for the teaching artist community, and established the Teaching Artist Mapping Project to document the work of teaching artists.