**Season One: Episode Five**
**Behind the Mission: Leading Arts Institutions for the Long Term**
**Launch Date: June 25, 2026**

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**Maeesha Merchant:** When you're dealing with the nonprofit world if the finances are fragile, the mission is going to be fragile. If we don't have a clear operating model, then it becomes really hard to deliver upon the mission. So it is really important to make sure that that financial strength is built. There is no mission without margin.

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**Willis Wilson: In the non-profit world, financial strength is what makes the mission possible.**

**At the Colburn School in downtown Los Angeles, that mission has been to provide access to excellence in performing arts education since 1950.**

**And what you're hearing now is one example of that.**

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**These are students from Colburn's Conservatory of Music — Chi-Jo Lee on piano, Hyen (Youn) Hong on violin, and Jaidyn Li on cello — performing the fourth movement of Brahms' Trio No. 1 in B Major, Opus. 8.**

**Since 2003, the Conservatory has offered world-class training with tuition, room, and board fully covered. And the school has awarded more than $15 million dollars in scholarships every year — mostly funded by its endowment.**

**So what does it take to build an arts institution that lasts and expands for future generations? Let's find out.**

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**Willis: The most important investment insights don't always come from charts or reports. They come from a good conversation.**

**Welcome to Cambridge Conversations, a podcast from Cambridge Associates where we explore the ideas, challenges, and decisions shaping the investment landscape for institutional and private family investors.**

**I'm Willis Wilson, an Investment Director here at CA and the host of this podcast.**

**Today, I'm joined by Maeesha Merchant, COO, CFO, and EVP of the Colburn School, and my colleague Margaret Chen, Partner and Global Head of our Endowment & Foundation Practice. Margaret also serves as Board Chair of the Boston Youth Symphony Orchestras, which since 1958 has trained about 4,000 young musicians across New England.**

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**Willis: Margaret, Maeesha, thank you for joining on Cambridge Conversations.**

**Maeesha:** Thanks, Willis.

**Margaret Chen:** Thanks, Willis.

**Willis: Maeesha, I know you wear many hats. I wanna start with you. I would love to learn a little bit more about you, your background, and the Coburn School.**

**Maeesha:** Wonderful to be here today. I'm the executive vice president and the chief operating officer, as well as the chief financial officer at the Colburn School. So what that means is I essentially take that inspiration and strategy into execution and make it all happen and have a very holistic and enterprise view of what we're doing as an organization.

**Willis: Can you tell us a little bit more about the school and its mission?**

**Maeesha:** Yeah, absolutely. The Colburn School itself is an incredible organization in downtown Los Angeles. It is at the intersection of education and the performing arts. We serve students from the ages of six months to 70 plus through our community school, where people can come and take classes, lessons, join ensembles.

We also have a pre-collegiate program for aspiring musicians, as well as dancers, through the music academy and dance academy. These students are often child prodigies, and they're 13 to 18 years old, and they live on campus, and they essentially fulfill their education requirements through us.

And then we have the conservatory, which is a highly selective bachelor's and master's programs where the students focus in on instrumental music.

What's wonderful is that with our mission of access to excellence, those students that do go to the conservatory actually pay no tuition, room, or board.

And, and so, we truly believe in the fact that students should have access to the best education possible, the best facilities, the best faculty, regardless of their socioeconomic means.

And so that's why both access and excellence are truly very important to us. And as a result, we also do invest a lot in our facilities and have multiple performing arts venues on campus and are continuing to grow in that space and becoming a performing arts center in addition to an educational organization.

So, we're a really diverse organization with a lot of complexity and really serving not just our students and our community but the city at large.

**Willis: Great to learn more about you and the amazing work being done at The Colburn School. Talk to me a little bit about your background. I know the arts have been a major part of your life for a while now. Your mother's an artist, right?**

**Maeesha:** That's right. I think it's almost like a full circle moment for me because my mom is an artist and my father is a businessman and has been a big supporter and patron of the arts, so really believed in the importance of the arts.

So grew up in this environment where the arts was critical, not just to our everyday life, but to society as a whole.

And I think it goes back to why the arts is so important. You’re building multiple skills from technical excellence and artistry to resilience.

So much discipline. You're collaborating when you're in an ensemble. You're building confidence, and you're thinking about something beyond yourself. For me, I've seen that, you know, firsthand with my own children. My son, Arman, is a saxophonist, and he's been traveling all around the country, performing and competing.

And my daughter, Amira, who really lends her voice through acting.

We are a very multicultural family. I grew up in Kuwait, so having grown up in the Gulf and in the Middle East, obviously, conflict is a part of our lives, and the arts sort of brings that peace to us on a daily basis. And so, now I think it's going to be close to 10 years being in arts and education administration, and it really feels like a full circle moment.

**Willis: I love that. Margaret, I want to bring it over to you. Can you tell us a little bit about your background, how you ended up at CA, and also share a bit about your role as Global Head of our Endowment & Foundation Practice?**

**Margaret:** So I have been at Cambridge over twenty-five years, and I have worked with amazing institutions like the Colburn School. Like Maeesha, I grew up in a household that was very arts-oriented. My parents were immigrants, and I think when you come to this country you take every advantage possible of going to see arts and culture, mostly because a lot of them were free and that really was very meaningful for me. I've always loved music. I love dance, museums, and so they were very formative.

And so for me, like, the work is about giving back, but also in, in our investing work, we are empowering current and future generations to benefit from all these amazing things that endowments and foundations do in this world. So it's incredibly rewarding and exciting for me.

**Willis: You also serve as the Board Chair of BYSO, the Boston Youth Symphony Orchestras. Tell me a little bit about that work and how that all came together.**

**Margaret:** Actually, it was through a Cambridge connection that I actually got to BYSO. My former colleague Max Senter, his daughter played with BYSO and practicing good governance, he was thinking about who could be a potential replacement for him as he was rolling off the board.

So one day in the middle of the hallway, he's like, "Hey Margaret, are you thinking about serving on a board?"  and it just so happens that at the time, my, uh, older daughter had just auditioned for the BYSO and had just been accepted, and so that was my sort of entrée in. Over time, I began to realize how, uh, valuable the organization was, um, not only to the children involved, but to the broader community.

**Willis: I love the Cambridge connection and the family tie in. With your daughter being involved in BYSO, you got to experience the benefits of the organization. As a board member, I'm interested to know what happens behind the scenes. What are some of the core challenges you help organization leaders and your fellow board members navigate?**

**Margaret:** Willis, I think there are three pillars that I wanna mention in terms of what we help leaders and boards navigate. The first one is just clearly investing endowment portfolios. That is the primary aspect in why we exist, and this is the thing we're very focused on.

But the second I think gets undervalued a bit, which is advising on financial sustainability. So these are enterprise-related goals, as especially as it relates to spending or strategic growth initiatives, things that affect the endowment or long-term investment pool.

And then the third pillar I would say is governance. And governance meaning, like, how the boards function, what are the decision-making processes, who is involved, the number of people involved in terms of making these decisions. How do you interact with the senior administrative staff, with the employees, with the donors? And also of course the children that are in the programs.

When we see institutions be challenged or fall apart in any way, it's really because of the relationship between governance and I think the execution. You know? There can be good, governance but decision-making, that flows from it that really isn't in the best interest of the organization but is in the best interest of a person or a person's thought of what should be the best interest, and that I think is a collective decision-making, but it needs strong leadership.

So these are the three pillars that are the foundation, I call it the secret sauce, uh, for a nonprofit organization. Each of these has many underlying important aspects, but, fundamentally, it's about the investing, the endowment portfolios, it's about the financial sustainability, and about governance. All three things sound very simple. They're incredibly hard work.

**Maeesha:** Yeah, I absolutely agree with Margaret. When you're dealing with the nonprofit world. I think it's absolutely critical that the board member really love the mission, resonate with the vision, and really believe in the organization. Equally important is having sort of that judgment and the willing to make some difficult calls sometimes, right? Hopefully things are going well, but there are situations when there will be some tough calls that need to be made, and how does the governance structure actually support that?

And often it's about judgment, right? Managing resources, managing time horizons, How do you deal with the needs of today versus ensuring that the organization is gonna serve generations down the road? We're thinking about things on an annual basis, on a five-year basis, 10-year basis, but also 100-year basis, 'cause these organizations hopefully will last for a very, very long time.

**Willis: Now, arts institutions are facing waning financial support, which absolutely puts their mission at risk. For the leaders and trustees listening, Maeesha, can you discuss resource allocation and institutional stewardship from a financial perspective?**

**Maeesha:** When I first joined the nonprofit industry, I was very blessed with a number of great mentors. And one of the mentors that I had, he said, "There is no mission without margin." And a lot of times there is a lot of conflict between, like, this concept of, financial responsibility versus driving forward the mission. It really shouldn't be like that because they are really not opposing forces, and financial strength is mission strength.

Because if the finances are fragile, the mission is going to be fragile. If we don't have a clear operating model, then it becomes really hard to deliver upon the mission. And it doesn't mean that every decision is, like, driven by dollars, absolutely not. But it does mean that that is a part of every conversation. It's making sure that you know, when we think about all of those audacious things, all the aspirations, what is the financial underpinnings to actually take something from inspiration to execution, I think that's absolutely critical, and the solution can take many different forms.

It could be, okay, we need to fundraise more. We need to go to the board and say that your support is going to be crucial to this project. Earned revenue could be a possibility, or endowment fundraising, that this initiative needs to live in perpetuity, and therefore, the way to make sure that this program gets funded is through an endowment.

**Willis: The Colburn School has done this a number of times. Can you walk us though an example of what this looks like in practice?**

**Maeesha:** When we started the conducting program at Colburn that is led by Esa-Pekka Salonen, there was always a desire to start this conducting program. But we only started it once we knew that there was a donor in place and a foundation that was going to be able to fund it on an annual basis, and we started it really small with just two to three students. And then once the program proved itself, we said, "this is an incredible program. The students are highly benefiting, and it's not just students, but those conducting students went out into the world and started conducting with different organizations," so we got a lot of positive reinforcement. And we then asked the foundation to convert that annual fundraising into an endowment, which is now allowing us to have that conducting program forever.

Many times, people come to me and say, "Oh, why don't you have a collegiate program in jazz? Why don't you have a collegiate program in voice?"

For us, our conservatory, our collegiate program, goes back to that access to excellence where students pay no tuition, room, or board. And so, in order to do that, there has to be a funding source, and endowment is so important to that.

You know, one of the things that's truly unique to Colburn is because of this access to excellence mission and us being so dependent on investment income and philanthropic dollars, we have to be actually even more disciplined because we can't just increase tuition.

**Maeesha:** And so that, that makes it an even more complex environment and that's where that rigor and discipline is core to our ethos.

**Willis: You know, that brings me to the role of the endowment and stewardship and how that, along with fundraising, and financial planning come together to support the mission. How do these different components in concert actually work at The Colburn School?**

**Maeesha:** We have an investment committee that meets quarterly, and I get to work with them closely, and they've just been a tremendous steward of our resources.

Our investment pool essentially funds over 50% of our annual operating budget. So the reason we're able to provide free education to our conservatory students, provide large scholarships to our community school students and pre-collegiate students is because of the endowment, and we're even building into our future model with the Colburn Center and our expansion an endowment that allows us to be able to help provide grants and fund performing arts organizations to be able to use our facilities.

And the idea is that you are enabling the mission today without taking from the mission tomorrow. So there is this concept of intergenerational equity, and it's really important to have strong financial stewardship behind the endowment and be really careful about a number of things.

So the money coming into the investment pool is often due through endowment fundraising and new gifts, as well as investment returns.

With the endowment spend piece, we take a conservative approach by using a formula that looks at trailing 20 quarters, which equates to about five years. A lot of our peers will only look at three years. This ends up meaning that, you know, if in a bull market we end up spending a little bit less because we're using lower market values, but that allows us to sustain the endowment even further. So, while we have a 5% spend rate, our effective spend rate usually ends up being less than 4.5% on an annualized basis.

**Willis: That's great. And a real example of good stewardship in practice.**

**Margaret, we've discussed funding and investing the endowment. Staying on this same vein of governance and stewardship, can you discuss how those are linked and what non-profit leaders and board members most need to understand about the relationship between these components?**

**Margaret:** The link is actually strong decision-making, right? You can have an excellent board, but if it doesn't execute particularly well, and if the decision-making is a little haphazard and not very disciplined, then what happens is you don't really see the impact necessarily immediately, but you see the impact down the road, and it will impact the organization.

So I think for board members, it's these big decisions need to be thought through, in a very disciplined way, but you also have to bring everyone along. Like you do need the leadership. You need to be challenged. You need to have very, strong thought partners, and then the decision has to be made, and everyone has to get on board.

**Willis: Maesha, anything you would add in terms ensuring the longevity of the institution?**

**Maeesha:** Yeah, it's not always clear-cut for nonprofits. Unlike in a corporation where they, especially a public company that is trying to beat their earnings, and show the growth levels to the investors, growth is not always the solution for nonprofits.

Sometimes it can be that you have to stay the same size. Sometimes it can be that you need to shrink, and sometimes you may need to grow. It really depends on a multitude of factors from, financial underpinnings, the financial strength of the organization, but also the mission, the relevance, the demand. And then get to the point of, does growth make sense? And trying to take the time to actually think through how that growth will also be sustained.

I'll give you an example. We are in the process of a major expansion, and we are building the Colburn Center, which is a Frank Gehry design, 100,000 square feet expansion, which includes performance venues, learning spaces, outdoor areas, and this incredible concert hall, which is built by the same team that built the Walt Disney Concert Hall in downtown LA. It's an audacious project, which will be completely life-changing for Colburn and its community.

**Maeesha:** When we went through and decided to go ahead with this project, it wasn't a, a slam dunk. There were folks that were super excited, so excited, that were willing to underwrite a huge portion of this project, and then there were others who were sort of bystanders.

So you might wonder, okay, why so many different opinions on a project that just seems so incredible… It's because they were worried that there are situations where an organization may choose to grow, but they grow too fast without the right people in place, having the right systems in place, having the right decision-making processes in place, and that growth can actually then hurt them in the future.

So it's really important to have intentional growth, and scaling is important, but the way that a non-profit scales can really vary, and is not the same sort of mindset that one would think about in a for-profit organization.

**Margaret:** Exactly, yeah, exactly. BYSO was on the other end of it. This is an organization that had, when I joined, a $3 million endowment. It had no space, but it had 600-plus kids in the organization, like three full symphonic orchestras. I remember joining the board and people were saying, "You know, we've been talking about this for years and years. Like, we will have to find a home for ourselves." And that was a real seminal moment for the organization 'cause Maeesha's, point was that, you know, to be audacious is to say, "Wow, we have never done something like this. How do we go about doing that?" And we ended up buying a beautiful plaza in the middle of Boston. It is a spectacular I.M. Pei, firm-designed building. and that became our home. And so, we built the BYSO Youth Center for Music and that has transformed the organization.

And so, the comment Maeesha said about growth resonates with me so much because I think in the nonprofit world, growth isn't the goal. You know, growth is just a part of the strategic initiative.

And I think about in two ways.

One is if you think about colleges and universities today, so at Cambridge Associates, we have CA Institute, which is an independent group that really thinks about best practices in terms of the whole enterprise. We look at our cohort of college and universities, and about twenty-five percent of our cohort right now are basically spending more than they would have beyond their spending rule.

And that's a moment in time because of today, right? Because of what, what is going on more broadly with colleges, universities, the cuts, the lower enrollment, all that, is playing out. In the arts organizations, and I think in nonprofits broadly, you cannot live beyond your means.

You do really have to think about, how you're gonna be, financially sustainable. And one of the reasons I actually did join BYSO is because I realized very early on that the organization has a discipline of financial sustainability. They never have lived beyond their means.

They have almost always, every year since 1958, has had a balanced budget. And so to Maeesha's point, there were years when you didn't grow, and for many years actually, until you were able to have that opportunity to be like, "Okay, now we're ready. We can take a little bit of risk, you know, and we're ready, and here's why."

I think that is very unique and that's what we try to help, not just managing endowments and supporting others in their endowment management work. But I feel like holistically, that's really where we need to bring to bear the intersection of endowment management plus the enterprise. That is the secret sauce of how you allow yourself to live in perpetuity.

**Willis: Yeah, for sure. Another component of the secret sauce. Maeesha, when you think about the current state of arts and culture, the humanities broadly, what are some of the hardest challenges facing arts and cultural organizations?**

**Maeesha:** It's a really good question, Willis. Arts and culture, as I mentioned, I think has a really important role to play in the world and a really important civic role. And at this moment, given the political environment we're in, it is being threatened. And unfortunately, there are organizations that have been deeply impacted.

Whether it be through the funding sources that they receive, the voices that they can express through the art forms, the programming that they can have. So there is a lot of, a lot of concern amongst the arts, uh, world right now, and, and we're really hoping that things will change, and it'll take a turn for itself I truly believe that the arts is a universal language and is really important for society. It really should be supported.

**Willis: Absolutely. And Margaret, when you think about the future of arts organizations, what gives you optimism, especially at a time like now, given they're such a core part of society?**

**Margaret:** If I could tell you how many young musicians have told me how BYSO experience has changed his or her life and what it meant to them, whether it's playing in the opera with professional singers, whether it's going to summer camp for the one or two weeks to prepare for the season, whether it's just hanging with friends, every week. The joy and the experience that can provide children, um, is really special.

**Willis: That sounds like an amazing experience. Maeesha, how about you?**

**Maeesha:** Yeah, I absolutely agree with Margaret, if I think about what gives me optimism is that the need for the arts is timeless. And, no matter what generation, the arts has been resilient. It's an integral part of being a person, a human, and people need that feeling of meaning, that shared experience.

It's just so important for them to feel connected to something that's larger than themselves. Young people need these opportunities to really discover themselves, to do sort of that self-reflection and discover their potential. The arts also plays an important part in cities, you know, as a cultural anchor.

We, bring these beautiful buildings that then attract people to come visit, experience something beautiful together, uh, again, in a peaceful way that, you know, transcends differences, which I think is, is so important, we really do need to focus on unity and what brings us together, and arts can be that unifying factor.

**Willis: Yeah, arts are a unifying factor for sure. Every time I am a patron of the arts, I love seeing the uniqueness of the room and seeing the different kinds of people that come together to enjoy such an experience. From each of you I want to take a moment to learn or take one practical lesson that you hope non-profit leaders and board members will take away from this conversation? Margaret, we'll start with you.**

**Margaret:** The investment return of any portfolio is really important, but the reason you do it is because you're supporting an organization that is providing what we would say is a life-changing experience, right? And in today's world, being able to provide, especially for children, the ability to have those kinds of life-changing experiences is to, to me, the broader impact. and the financial capability through the endowment is a means to doing that work.

**Maeesha:** Yeah, I absolutely agree with Margaret, whether you're on the board or whether you're in administration or you're an employee working at an organization, it's a, it's a love of labor, right? When you're dealing with the nonprofit world. So there's a lot of heart, but equally important is the rigor and the discipline.

And, and so that needs to sort of be ubiquitous across the organization, and as well as at the board level.

**Willis: Margaret, Maeesha, thank you so much for joining us on Cambridge Conversations.**

**Margaret:** Thank you

**Maeesha:** Thank you so much, Willis. This was wonderful.

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**Willis: You're listening to the Boston Youth Symphony Orchestras, performing Schubert's Symphony No. 9 in C Major, also known as "The Great."**

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**Thank you so much for listening and being a part of the conversation.**

**Until next time.**