



Grantmakers in the Arts

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Ideas and Information on Arts and Culture

Vital Signs Snapshots of Arts Funding

Grantmakers in the Arts, in partnership with the Foundation Center, has provided an annual snapshot of foundation arts funding since 2001. To draw a more complete picture, this year we also provide trend information about government arts funding.

Foundation Grants to Arts and Culture, 2008 A One-year Snapshot

Produced through a partnership of Grantmakers in the Arts and
the Foundation Center

Public Funding for the Arts: 2010 Update

Provided by the National Assembly of State Arts Agencies

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Foundation Grants to Arts and Culture, 2008

A One-Year Snapshot

Steven Lawrence

The Great Recession resulted in a 17.2 percent loss in foundation assets in 2008 and an estimated 8.4 percent reduction in 2009 giving — by far the largest decreases recorded since the Foundation Center began tracking all US foundations in 1975. An analysis prepared by the center for the summer 2009 GIA Reader suggested that the arts would experience changes in funding in 2008 and 2009 roughly proportional to the overall changes in foundation giving. This prediction held true based on 2008 funding. (See below for a detailed analysis of 2008 foundation giving for arts, culture, and media.) Complete data for 2009 are not yet available, but the expectation that foundation arts funding will not be disproportionately affected by the downturn remains in effect.

Highlights

The Foundation Center offers these key findings from GIA's ninth snapshot of foundation giving to arts and culture. The definition of arts and culture used for this snapshot is based on the National Taxonomy of Exempt Entities and encompasses funding for the performing arts, museums, visual arts, multidisciplinary arts, media and communications, humanities, and historical preservation. Most important, the findings tell us about the changes in foundation giving for the arts between 2007 and 2008 by a matched set of 493 funders¹ and the distribution of 2008 arts and culture giving by a larger sample of 1,490 foundations. They are based on all arts grants of \$10,000 or more reported to the Foundation Center by these sets of the largest US foundations, hereafter referred to as "the sample."² The center has conducted annual examinations of the giving patterns of the nation's largest foundations for more than three decades.

Foundation funding for arts and culture rose nearly as fast as overall giving in 2008. Arts funding increased 6.4 percent between 2007 and 2008, compared to a 6.6 percent rise in overall giving by these foundations. This growth in arts grant dollars also surpassed six of the nine other major funding areas — five of which experienced reductions in giving: education, human services, public affairs/society benefit, science and technology, and the social sciences.

Arts funding represented a larger share of total dollars included in the full 2008 grants sample. Among the full set of 1,490 foundations included in the grants sample for 2008, arts giving totaled \$3.2 billion, or 12.5 percent of overall grant dollars. This share was up from 10.6 percent in 2007.

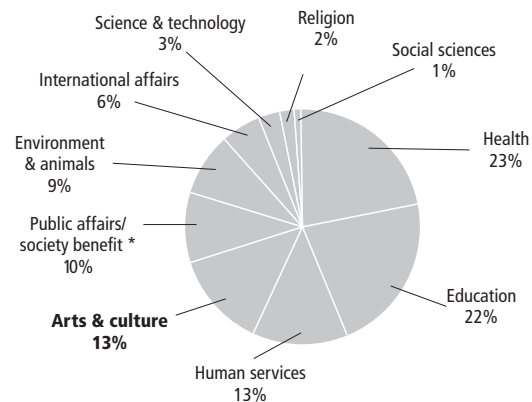
The size of the median arts grant remained unchanged. The median arts and culture grant size — \$25,000 — did not change from 2007 to 2008, although the real value of the median grant continued to decline slightly due to inflation. This value was slightly below the median amount for all foundation grants in the latest year and has not changed since 1993.

Large grants represent close to two-thirds of all grant dollars. Large arts grants of \$500,000 and more captured nearly 64 percent of total grant dollars for the arts in the 2008 sample, up from roughly 54 percent in 2007. They are concentrated in a relatively small share (4.3 percent) of the total number of grants.

Relative to most other fields, a larger share of arts grant dollars provided operating support. In 2008, general operating support accounted for 27 percent of arts and culture grant dollars, surpassed only by public affairs/society benefit. Nonetheless, this share was down from 28.8 percent in 2007. Just 13 percent of arts grant dollars in 1989 provided operating support, however.

Top arts funders accounted for a larger share of overall giving. The top twenty-five arts funders by giving amount provided 39.9 percent of total foundation arts dollars in 2008, up from 34.3 percent in 2007. Nonetheless, the share of arts giving accounted for by the top funders remains well below the more than 50 percent shares recorded in the early 1980s.

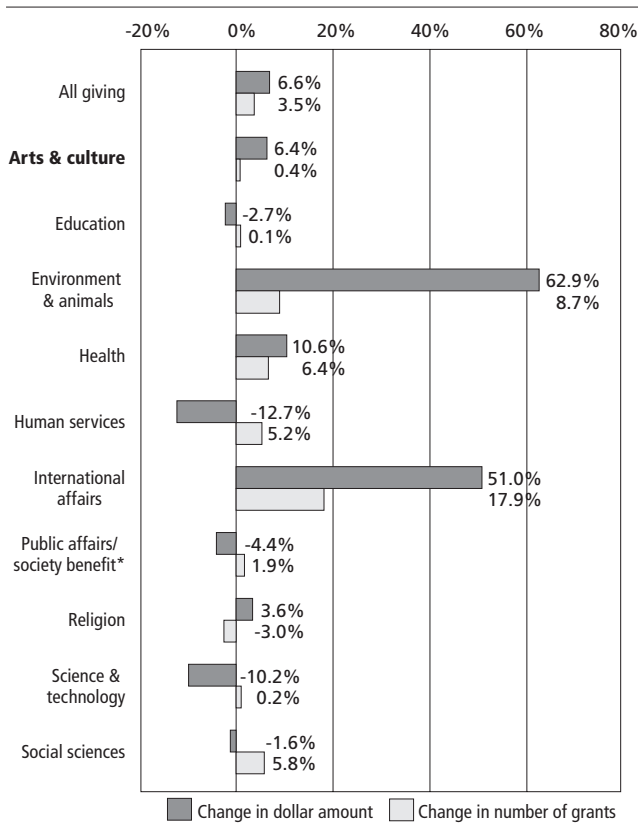
FIGURE 1. Percentage of grant dollars by major field of giving, 2008



Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations. Due to rounding, figures exceed 100 percent.

* Includes civil rights and social action, community improvement, philanthropy and voluntarism, and public affairs.

FIGURE 2. Change in giving by major field of giving, 2007 to 2008



Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a matched sample of 493 larger foundations.

* Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

Please note

It is important to keep in mind that the foundation grantmaking examined here represents only one source of arts financing. It does not examine arts support from earned income, governments, individual donors, or the business community. This analysis also looks only at foundation arts support for nonprofit organizations, and not for individual artists, commercial arts enterprises, or informal and unincorporated activities. In addition, the analysis of changes in giving between 2007 and 2008 is based on a matched subset of 493 funders, while statistics on the distribution of funding and actual dollar amounts and numbers of grants are based on the full set of 1,490 grantmakers included in the Foundation Center's 2008 grants sample (see note 1).

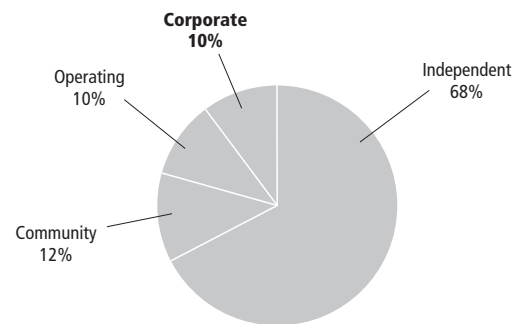
Specific Findings

Overall foundation dollars for the arts. The 1,490 larger foundations included in the Foundation Center's 2008 sample awarded 22,902 arts and culture grants totaling \$3.2 billion, or 12.5 percent of overall grant dollars (figure 1). Arts giving rose 6.4 percent between 2007 and 2008, nearly equaling the 6.6 percent increase in grant dollars overall. (With an inflation rate of close to 4 percent, this reflected

a real overall increase of 2.6 percent and 2.4 percent for arts giving.) Among the nine other major subject areas tracked by the Foundation Center, only the environment, international affairs, and health showed faster growth during this period. Moreover, five of the areas registered declines in grant dollars: education, human services, public affairs/society benefit, science and technology, and the social sciences (figure 2).

The impact of exceptionally large grants. Every year and in all funding areas, a few very large grants can skew overall totals, creating distortions in long-term grantmaking trends. In 2008, twenty-six arts and culture grants totaled at least

FIGURE 3. Arts grant dollars by foundation type, 2008



Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations.

\$10 million, and instances where these grants had a notable impact on grantmaking patterns are identified in the following analyses. Yet despite the potential fluctuations caused by these exceptional grants, Foundation Center data in all fields have always included them, providing consistency over time. (In addition, the Foundation Center provides statistics based on share of *number of grants*, which are not skewed by exceptionally large grants.)

Corporate foundations represent an important source of support for arts and culture. While corporate foundations account for less than 4 percent of US private and community foundations, the larger corporate foundations included in the 2008 grants sample provided 9.5 percent of grant dollars for the arts (figure 3). Actual grant dollars totaled \$301 million. By number, corporate foundations allocated 4,569 grants, or 20 percent of the overall number of arts grants in 2008.

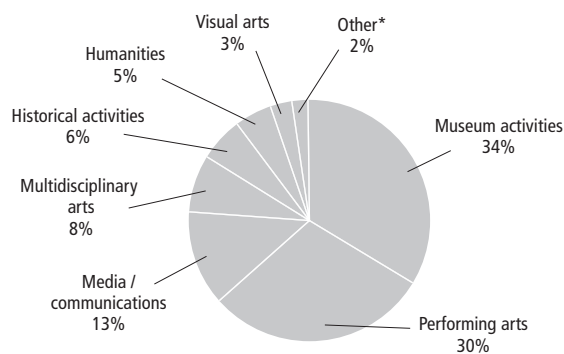
Grants by Arts Subfield

Funding for museums accounted for just over one-third (34 percent) of all foundation arts dollars in 2008 (figure 4), surpassing the share reported for the performing arts (30 percent). From the start of the 1980s until 1998, the

performing arts consistently received more foundation support than museums. However, museums have surpassed the performing arts by share in several recent years (1998, 1999, 2001, 2004, and 2005). More study would be needed to adequately understand the underlying reasons for the shifts in share between these two fields of activity, for example, the entry onto the scene of new and large arts funders, extraordinarily large grants, the contribution of valuable art collections, and new capital projects at museums.

Giving to museums. Grant dollars allocated to museums increased by 8.3 percent between 2007 and 2008. However, the number of grants they awarded slipped a marginal 0.4 percent. The 1,490 foundations included in the

FIGURE 4. Arts and culture, giving to subfields, 2008



Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations. Due to rounding, figures exceed 100 percent.

* Includes giving for broad arts policy and education organizations (but not all policy or education-related arts giving), associations and administration, fundraising and management, and artists' services. Not included in the "Arts, Culture, and Humanities" area of the National Taxonomy of Exempt Entities is giving for arts and humanities library programs, which is included in the "Education" area of the taxonomy, and international cultural exchange, which is included in the "International" area.

full sample awarded 4,849 grants totaling \$1.1 billion for museums in 2008. Among museum types, more than half of funding (53.1 percent) supported art museums.

Giving to performing arts. In 2008, performing arts grant dollars decreased by about 2 percent, although the number of grants rose just over 2 percent. A total of 9,441 grants were awarded for the performing arts by the overall set of 1,490 foundations — close to double the number reported for museums — and their value surpassed \$937 million. In general, the average performing arts grant tends to be smaller than the average museum grant. The largest share of giving to the performing arts supported the performing arts generally (including performing arts centers and education), followed by music (including symphony orchestras and opera), theater, and dance.

Giving to media and communications. Support for media and communications³ represented 12.9 percent of arts funding in 2008, up from 9 percent in 2007. Grant dollars rose 17 percent in the latest year. Accounting for much of this growth was the largest arts and culture grant tracked in the 2008 sample: the Packard Humanities Institute's \$155.5 million award to the Architect of the Capitol in Washington, D.C., in the form of a film archive and conservation facility.

Giving to multidisciplinary arts. The share of arts giving for multidisciplinary arts⁴ dipped to 7.9 percent in 2008. Grant dollars awarded for multidisciplinary arts declined 6.3 percent from 2007.

Giving to historic preservation. Support for historic preservation grew close to 9 percent between 2007 and 2008, surpassing the overall rate of growth in arts funding. Within the full set of grantmakers, historic preservation benefited from \$175.2 million in 1,582 grants — the largest number of grants recorded by the Foundation Center for this field in a single year.

Giving to the humanities. Funding for the humanities⁵ reached 5 percent of arts grant dollars in 2008, up from just under 4 percent in 2007. Support for the field more than doubled during this period.⁶

Giving to the visual arts. Grant dollars for the visual arts and architecture declined 19.2 percent between 2007 and 2008, and the number of grants for the field decreased 7 percent. Total giving for the full set of sampled foundations surpassed \$101 million in 2008. However, this total fell well below the record \$167.6 million in support for the visual arts tracked in the 2006 sample.

Grants by Types of Support

An important caveat to a report on the allocation of foundation dollars by specific types of support is that for roughly 23 percent of arts grant dollars in the 2008 Foundation Center sample, the type of support could not be identified. This means that modest differences in percentages — that is, variations under 10 percent — may not be reliable. (The grant records available to the Foundation Center often lack the information necessary to identify the type of support. For example, it is often the case that the only source of data for this sample on foundations' grants is the 990-PF tax return, and this tends to be less complete than other forms of grant reporting.)

The arts compared to other foundation fields of giving. The three largest categories of support tracked by the Foundation Center are program support, capital support, and general operating support. Of these, special programs and projects typically receive the largest share of arts and culture grant dollars and grants. In fact, the same is true in most of the major fields, such as health and education, where program support consistently accounts for the largest share of funding.

Capital support accounted for the second largest share of arts grant dollars in 2008 (32.5 percent). Grants for capital support are larger on average than awards for program and general operating support, and exceptionally large capital

TABLE 1. Arts grants by types of support, 2008*

Type of support	Dollar value of grants	%	No. of grants	%
General support	\$850,945,055	27.0	7,424	32.4
General/operating	705,233,777	22.3	6,173	27.0
Management development	92,281,463	2.9	567	2.5
Income development	46,595,834	1.5	544	2.4
Annual campaigns	6,833,981	0.2	140	0.6
Program support	1,246,360,917	39.5	8,463	37.0
Program development	573,252,907	18.2	4,988	21.8
Collections management / preservation	232,153,527	7.4	212	0.9
Exhibitions	104,127,308	3.3	621	2.7
Electronic media/online services	73,336,137	2.3	280	1.2
Performance/productions	73,206,803	2.3	900	3.9
Faculty/staff development	37,610,763	1.2	285	1.2
Film/video/radio	36,399,046	1.2	288	1.3
Curriculum development	28,263,181	0.9	178	0.8
Seed money	21,586,595	0.7	63	0.3
Publications	21,377,854	0.7	226	1.0
Conferences/seminars	19,502,213	0.6	302	1.3
Commissioning new works	18,368,983	0.6	91	0.4
Professorships	7,175,600	0.2	29	0.1
Capital support	1,026,181,277	32.5	2,407	10.5
Building/renovations	370,933,100	11.8	1,134	5.0
Capital campaigns	267,936,675	8.5	443	1.9
Endowments	205,967,653	6.5	243	1.1
Collections acquisition	122,108,940	3.9	102	0.4
Equipment	29,454,813	0.9	310	1.4
Land acquisition	14,598,317	0.5	14	0.1
Computer systems/equipment	13,165,960	0.4	143	0.6
Debt reduction	2,015,819	0.1	18	0.
Professional development	117,070,701	3.7	648	2.8
Fellowships/residencies	58,503,626	1.9	243	1.1
Awards/prizes/competitions	27,268,799	0.9	167	0.7
Student aid	18,275,000	0.6	27	0.1
Scholarship funds	6,819,300	0.2	144	0.6
Internship funds	6,203,976	0.2	67	0.3
Other support	43,539	1.9	362	1.7
Research	58,549,459	1.9	312	1.4
Technical assistance	16,556,241	0.5	102	0.4
Emergency funds	185,000	0.0	5	0.0
Program evaluation	2,768,022	0.1	27	0.1
Not specified	709,871,474	22.5	6,304	27.5
Qualifying support type**				
Continuing	1,131,844,428	35.9	7,576	33.1
Matching or challenge	49,911,146	1.6	254	1.1

Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations.

* Dollar figures in thousands; grants may occasionally be for multiple types of support, e.g., for new works and for endowment, and would thereby be counted twice.

** Qualifying types of support are tracked in addition to basic types of support, e.g., a challenge grant for construction, and are thereby represented separately.

TABLE 2. Arts grants by grant size, 2008

(dollar amount in thousands)				
Grant range	No. of grants	%	Dollar amount	%
\$5 million and over	71	0.3	\$983,053,960	31.1
\$1 million – under \$5 million	441	1.9	738,526,542	23.4
\$500,000 – under \$1 million	483	2.1	294,552,804	9.3
\$100,000 – under \$500,000	3,574	15.6	649,429,838	20.6
\$50,000 – under \$100,000	3,329	14.5	202,009,414	6.4
\$25,000 – under \$50,000	5,132	22.4	154,613,201	4.9
\$10,000 – under \$25,000	9,872	43.1	133,709,475	4.2
Total	22,902	100.0	\$3,155,895,234	100.0

Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations.

grants can have a pronounced effect on the distribution of funding by type of support. In fact, arts dollars allocated to capital support have fluctuated more than arts dollars to the other two primary categories of support: in 1986 the share allocated to capital was about 44 percent; in 1993 it was about 30 percent; and in 1999 it was about 41 percent. (In general, the share of capital support is highest in periods of strong foundation asset growth.)

The shares of grant dollars and number of grants allocated for general operating support in 2008 were higher for arts and culture (27 percent and 32.4 percent, respectively) than for all but one other field (public affairs/society benefit). Moreover, the portion of grant dollars allocated to this type of support has risen markedly over the past two decades; operating support represented only 13 percent of arts funding in 1989.

Arts grants by specific types of support. Table 1 provides a breakdown of more specific types of support within the larger support categories and lists both the specific dollar value and number of grants made in each type. As with all data in the “Snapshot,” it is important to keep in mind that this table includes only grants of \$10,000 or more awarded to organizations by a sample of 1,490 larger foundations. It is also important to note that for close to 23 percent of the arts grant dollars in this sample, the type of support was not specified.

Grants by Grant Size

Median grant size. The median or “typical” grant amount⁷ for arts and culture in 2008 was \$25,000, which nearly matched the median amount for all foundation grants (\$25,275). This amount has remained unchanged since 1993. If this amount were adjusted for inflation, however, it would have lost value in real dollars. More study would be required to determine whether the unchanged median means that foundation arts grants simply are not keeping pace with inflation, or whether, in combination with the increased number of grants, it means that foundations are choosing to distribute funds more broadly to a larger number of recipients.

Small and midsize grants. Nearly two-thirds (65.5 percent) of all arts grants in the 2008 sample were for amounts between \$10,000 and \$49,999 (table 2), almost identical to the 2007 share. The share of midsize arts grants (\$50,000 to \$499,999) also remained fairly consistent at just over 30 percent.

Large grants. The share of larger arts grants (\$500,000 and over) rose slightly over the same period: larger grants represented 4.3 percent of the total number of arts grants in 2008, compared to 3.8 percent in 2007. However, as a result of several exceptionally large arts grants awarded in 2008, their share of total grant dollars jumped from 53.8 percent to 63.8 percent. Overall, foundations in the sample made 146 arts grants of at least \$2.5 million in 2008, up from 110 in 2007 and 103 in 2006.

In addition to the \$155.5 million grant from the Packard Humanities Institute to the Architect of the Capitol (noted earlier), examples of other especially large grants in the 2008 sample included the Walton Family Foundation's \$60 million in support for the Crystal Bridges Museum of American Art in Bentonville, Arkansas; the Freedom Forum's \$57.3

million in continuing support for the Newseum in Washington, D.C.; and the American Art Foundation's \$25 million grant to the Whitney Museum of American Art in New York to promote the activities of the organization.

The twenty-five largest arts funders. The top twenty-five arts funders by giving amount provided nearly 40 percent of the total arts dollars in the Foundation Center's 2008 sample (table 3), up from 34.3 percent in 2007. Overall, the share of giving accounted for by the top twenty-five arts funders has fallen between 33 and 39 percent since the end of the 1990s. While the share recorded for the latest year remains substantial, in the early 1980s the top twenty-five arts funders accounted for more than half of the grant dollars in the sample. This suggests that the base of large arts funders has widened since that time, making arts funding less concentrated among a small number of foundations.

Top foundations by share of arts giving out of overall giving. Of the foundations that committed large percentages of their grant dollars to arts and culture, many are the smaller foundations in the sample (table 4). Among the top one hundred foundations ranked by share of arts giving out of total giving, just over half of foundations (fifty-one)

TABLE 3. Twenty-five largest arts, culture, and media funders, 2008

Rank	Foundation	State	Arts grant dollars*	Total grant dollars*	Arts as % of total dollars	No. of arts grants
1.	Packard Humanities Institute	CA	\$173,138,896	\$174,920,153	99.0	46
2.	Greater Kansas City Community Foundation	MO	130,498,931	268,778,914	48.6	295
3.	Andrew W. Mellon Foundation	NY	121,935,815	275,477,615	44.3	173
4.	Annenberg Foundation	CA	90,716,166	266,131,336	34.1	169
5.	Walton Family Foundation	AR	66,019,092	203,150,012	32.5	34
6.	Freedom Forum	DC	59,476,242	60,100,145	99.0	13
7.	John S. and James L. Knight Foundation	FL	55,334,794	130,772,274	42.3	64
8.	Ford Foundation	NY	54,106,536	538,612,973	10.0	214
9.	Burnett Foundation	TX	47,960,497	55,841,637	85.9	10
10.	Hall Family Foundation	MO	39,904,077	137,210,902	29.1	22
11.	Donald W. Reynolds Foundation	NV	38,481,821	103,746,280	37.1	29
12.	Cudahy Foundation	WI	37,051,863	37,835,720	97.9	6
13.	Edward C. Johnson Fund	MA	34,423,197	37,690,109	91.3	29
14.	Eli & Edythe Broad Foundation	CA	33,371,820	121,909,178	27.4	28
15.	Bank of America Charitable Foundation	NC	31,761,941	153,682,790	20.7	503
16.	Kresge Foundation	MI	31,181,000	186,914,799	16.7	60
17.	William and Flora Hewlett Foundation	CA	29,145,858	758,129,230	3.8	135
18.	American Art Foundation	NY	25,000,000	25,000,000	100.0	1
19.	William Penn Foundation	PA	24,201,608	81,298,911	29.8	67
20.	Skirball Foundation	NY	24,149,333	38,561,665	62.6	31
21.	Manton Family Art Foundation	DE	23,151,000	23,151,000	100.0	1
22.	Silicon Valley Community Foundation	CA	22,506,096	214,862,604	10.5	355
23.	Bill & Melinda Gates Foundation	WA	21,717,159	3,174,490,651	0.7	13
24.	Peter Jay Sharp Foundation	NY	21,674,500	44,440,193	48.8	71
25.	James Irvine Foundation	CA	21,161,500	67,782,000	31.2	126
Total			\$1,258,069,742	\$7,180,491,091	17.5	2,495

Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations.

*Figures based on grants awarded of \$10,000 or more, excluding grants paid directly to individuals.

TABLE 4. Top thirty-five foundations by share of arts giving out of overall giving, 2008

Rank	Foundation	State	Foundation type*	Total grant dollars*	Arts grant dollars*	Arts as % of total dollars	Number of arts grants
1.	American Art Foundation	NY	OP	\$25,000,000	\$25,000,000	100.0	1
2.	Manton Family Art Foundation	DE	OP	23,151,000	23,151,000	100.0	1
3.	J. Paul Getty Trust	CA	OP	10,368,296	10,368,296	100.0	81
4.	Gordon Parks Charitable Trust	NY	IN	5,892,873	5,892,873	100.0	1
5.	Paul Dyck Foundation Research Institution of American Indian Culture	AZ	IN	5,228,435	5,228,435	100.0	1
6.	Bradley Family Foundation	WI	IN	5,216,500	5,216,500	100.0	2
7.	Estee Lauder Fund	DE	IN	4,300,000	4,300,000	100.0	2
8.	Eldred Foundation	WY	IN	2,609,962	2,599,962	99.6	1
9.	Harding Foundation	PA	IN	13,685,000	13,600,000	99.4	6
10.	George W. Barber, Jr. Foundation	AL	IN	4,128,292	4,103,292	99.4	1
11.	Packard Humanities Institute	CA	OP	174,920,153	173,138,896	99.0	46
12.	Freedom Forum	DC	OP	60,100,145	59,476,242	99.0	13
13.	Dozier Family Foundation	GA	OP	15,345,021	15,189,798	99.0	1
14.	Judith Rothschild Foundation	NY	OP	6,724,421	6,633,321	98.6	21
15.	Cudahy Foundation	WI	IN	37,835,720	37,051,863	97.9	6
16.	Shubert Foundation	NY	IN	16,429,935	15,942,435	97.0	332
17.	Colburn Foundation	CA	IN	8,178,000	7,893,000	96.5	34
18.	Samuel H. Kress Foundation	NY	IN	4,124,420	3,959,420	96.0	117
19.	PSH Foundation	TX	IN	7,398,279	7,072,000	95.6	3
20.	Behring Foundation	CA	IN	7,699,855	7,304,219	94.9	3
21.	Barrette Family Fund	NH	IN	1,024,000	971,000	94.8	3
22.	Juliet L. Hillman Simonds Foundation	PA	IN	945,000	895,000	94.7	8
23.	Walt and Lilly Disney Foundation	CA	IN	13,000,000	12,156,000	93.5	4
24.	Piqua Community Foundation	OH	CM	1,223,354	1,140,926	93.3	2
25.	Henry & Elaine Kaufman Foundation	FL	IN	5,448,936	4,994,236	91.7	13
26.	Edward C. Johnson Fund	MA	IN	37,690,109	34,423,197	91.3	29
27.	Drs. Bruce and Lee Foundation	SC	IN	7,607,698	6,942,124	91.3	5
28.	Andy Warhol Foundation for the Visual Arts	NY	IN	7,592,580	6,886,000	90.7	83
29.	William S. Paley Foundation	NY	IN	4,890,442	4,402,942	90.0	6
30.	Muriel McBrien Kauffman Foundation	MO	IN	13,379,771	11,937,521	89.2	87
31.	Robert S. and Grayce B. Kerr Foundation	WY	IN	881,867	767,186	87.0	7
32.	Burnett Foundation	TX	IN	55,841,637	47,960,497	85.9	10
33.	JFM Foundation	CO	IN	7,900,305	6,772,492	85.7	8
34.	Alice Tully Foundation	NY	IN	6,545,000	5,550,000	84.8	19
35.	Frist Foundation	TN	IN	6,961,000	5,764,250	82.8	12

Source: The Foundation Center, 2010, based on all grants of \$10,000 or more awarded by a sample of 1,490 larger foundations.

IN = Independent; OP = Operating; CM = Community

*Figures based on grants awarded of \$10,000 or more, excluding grants paid directly to individuals.

gave less than \$5 million in total arts grant dollars in 2008. This number would be greater if grants of less than \$10,000 were included, because some arts funders will either primarily or exclusively award arts grants of less than \$10,000 each.

Support for International Cultural Exchange

Foundation grant dollars targeting international cultural exchange rose 36 percent between 2007 and 2008. The Foundation Center's full 2008 grants set included 224 grants

related to international cultural exchange totaling \$31.6 million. Among the largest of these awards was a \$3.5 million grant from the Doris Duke Charitable Foundation to the New Orleans-based National Performance Network for the Creation Fund, Performance Residency Program, Community Fund and Freight Fund, and the International Strategic Partnerships Program.

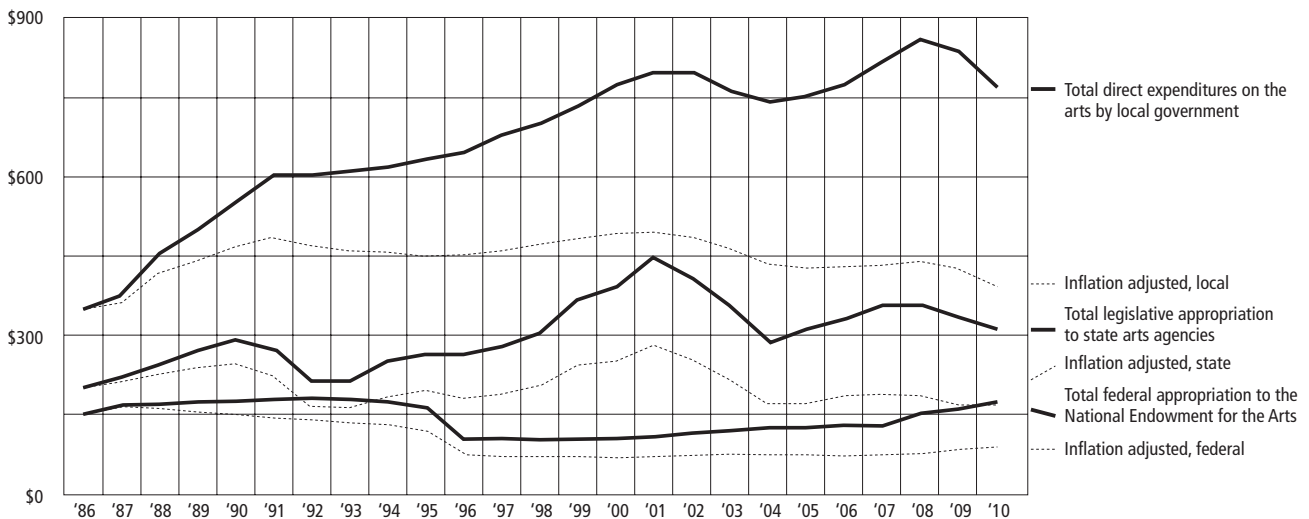
Steven Lawrence is the Foundation Center's director of research.

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Public Funding for the Arts: 2010 Update

Angela Han

Federal, state and local appropriations to the arts, nominal and inflation-adjusted dollars, fiscal years 1986 – 2010



Current Funding

The three primary sources of government support for the arts in the United States are federal appropriations to the National Endowment for the Arts (NEA), legislative appropriations to the nation’s state arts agencies, and direct expenditures on the arts through county and municipal governments. In 2010 the NEA received \$167.5 million, state arts agencies received \$307.1 million, and local expenditures were \$765.0 million. Compared to the prior year, state appropriations and local expenditures experienced declines (6.9 percent and 8.1 percent, respectively), while appropriations to the National Endowment for the Arts grew by 8.1 percent. Combined, these three public funding streams account for \$1.2 billion in arts support, or about \$3.98 per capita. Public sector grantmakers use these funds to support a wide array of arts activities, artistic disciplines, public participation initiatives, and institutional grants to encourage community creativity and make the arts highly accessible to the public.

Dollars mentioned here and in the accompanying graph do not include \$50 million in special, nonrecurring funds appropriated to the NEA as a part of the American Recovery and Reinvestment Act (ARRA), commonly referred to as stimulus funds. These funds were awarded in 2009 by the NEA, states, and some localities for the purposes of short-term job preservation in nonprofit arts organizations.

Trends Over Time

State funding is historically a more volatile part of the government arts funding mix, contracting sharply during

recessions and growing relatively quickly in times of economic expansion. However, state arts funding did not fully recover from cuts received in the early 2000s. This made the declines of the past three years especially challenging for state arts agencies and their grantees. Local government arts spending is similarly affected by the economy. While increases and decreases have historically been less acute than those seen in state funding, in 2010 local spending experienced a decline sharper than state funding. In fact, it was the steepest decline in twenty-five years.

While most state and local governments are required to maintain balanced budgets each year, the federal government is not. In the past, political influence has been a relatively more powerful driver than economics in shaping federal funding for the arts. Appropriations have grown steadily over the past ten years and have remained relatively stable during the two most recent recessions. Current NEA funding, however, still falls short of its 1992 peak.

Although the long-term growth in total public funding is a notable achievement in a competitive fiscal environment, government arts funding at all three levels has been challenged to keep pace with the costs of living and doing business. When adjusted for inflation, funding has increased by 11.6 percent at the local level since 1986 and decreased by 19.8 percent at the state level. Federal funding is about half the appropriation amount from twenty-five years ago. In inflation-adjusted dollars per capita, funding from local, state, and federal sources has decreased by 31 percent since 1986.

Outlook

As the second major economic contraction in less than a decade, the current recession is causing significant distress in government budgets. Fiscal analysts also express long-term concerns about tax structures and the inexorable escalation of health care, retirement, and education costs. State arts agencies are expecting further funding cuts in this current environment, estimating a 12.9 percent decline in appropriations for 2011. In light of these reduced budgets, agencies have focused programs on sustaining arts organizations and artists, increased partnerships and services, and further reduced internal costs.

Congress continues to favor modest growth for the National Endowment for the Arts. As appropriations develop for the 2011 fiscal year, the House of Representatives recommends an increase of \$3 million, while President Obama proposes a cutback to \$161 million as part of an overall strategy to reduce the size of the federal deficit.

In this environment, public sector grantmakers and cultural advocates are emphasizing how the arts contribute to economic and community resiliency and add value to other economic recovery policy strategies. Public arts leaders are also promoting the economic, educational, and civic return on the investment of taxpayers' dollars, emphasizing how public funding, earned income, and philanthropic support all are required to sustain vibrant and prosperous communities.

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Note: This profile draws on local spending estimates from Americans for the Arts, NASAA's legislative appropriations surveys, and information from the National Endowment for the Arts. Constant dollar adjustments for inflation are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 1986. Per capita calculation is based on July 1, 2009, population estimates from the US Census Bureau.

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NOTES

1. Over time, the sample size has changed, which could also distort year-to-year fluctuations in grant dollars and grants targeting specific activities or populations. To account for these potential distortions year-to-year, the Foundation Center has analyzed changes in giving based on a matched set of funders.
2. The original research upon which this report is based was conducted by the Foundation Center. Specifically, the source for data was the Foundation Center's *Foundation Giving Trends: Update on Funding Priorities* (2010) report and the grants sample database. The data for "circa 2008" include all grants of \$10,000 or more awarded by 1,490 of the largest US foundations and reported to the Foundation Center between June 2008 and July 2009. Two-thirds of grant dollars represent 2008 grant authorizations or payments, with the balance reflecting 2007 authorizations or payments. (The incorporation of "older" data reflects delays in the availability of timely grants information.) The grants sample typically represents about half of total grant dollars awarded annually by the more than 75,000 active US independent, corporate, and community foundations that the Foundation Center tracks. (The sample also captures roughly half of all foundation giving for arts and culture.) For community foundations, only discretionary and donor-advised grants were included. Grants to individuals were not included.
3. Includes support for the production and dissemination of one or more media forms, including film/video, television, radio, and print publishing; and support for journalism and communications centers.
4. Includes support for multidisciplinary centers, ethnic/folk arts, arts education, and arts councils. For a detailed analysis of *foundation funding for arts education*, see L. Renz and J. Atienza, *Foundation Funding for Arts Education* (New York: Foundation Center, 2005).
5. Includes support for archaeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion.
6. For a detailed analysis of foundation humanities support, see L. Renz and S. Lawrence, *Foundation Funding for the Humanities* (New York: Foundation Center, 2004).
7. The median — meaning that half of the grants are above and half are below the amount — is generally acknowledged to be a more representative measure of the typical grant than the mean or "average," because the median is not influenced by extreme high or low amounts.

Who we are

The mission of Grantmakers in the Arts (GIA) is to provide leadership and service to advance the use of philanthropic resources on behalf of arts and culture. GIA is the only national association of private and public funders making grants to artists and arts organizations in America. GIA's strength is in its diversity of members: private, family, community and corporate foundations, national, state and local governmental agencies, nonprofit national, regional and local service organizations. What they all have in common is a belief that America is a better place to live and our communities are stronger when the creativity of artists is prevalent in all aspects of society.

The goals of GIA include providing information, research, communication and convening opportunities. Additionally, GIA has a goal of public policy and advocacy, serving as a source to nationally disseminate information on why artists and arts organizations are valued tools for community economic, educational and cultural revitalization.

GIA offers a forum for discourse, whether in print, face-to-face, or online, that probes topics relevant to arts grantmakers and encourages relationship building and best practices. GIA's solid history has created both a base and an appetite for more programming, including active interchange within philanthropy around arts, culture, inclusiveness, and creativity.

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