



Grantmakers in the Arts

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Ideas and Information on Arts and Culture

## **Arts Funding Snapshot: GIA's Annual Research on Support for Arts and Culture**

### **Foundation Grants to Arts and Culture, 2014: A One-year Snapshot**

*Reina Mukai*

### **Public Funding for the Arts: 2016 Update**

*Ryan Stubbs*

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## Foundation Grants to Arts and Culture, 2014

### A One-Year Snapshot

*Reina Mukai*

This year's snapshot of arts funding is the second that utilizes Foundation Center's new Philanthropy Classification System. This system of coding and organizing foundation funding replaces the Grants Classification System (GCS), which was employed by Foundation Center for nearly a quarter century. For a description of the relevant changes from the GCS, please refer to last year's snapshot of arts funding in the winter 2016 issue of the *Reader*.

In 2014, giving by the approximately 87,000 active US foundations rose 9 percent, to \$60.2 billion. Similarly, among 1,000 of the largest US independent, corporate, community, and grantmaking operating foundations included in Foundation Center's 2014 data set, overall giving was up 10 percent. Arts and culture funding grew at a more modest rate of 4 percent. In addition, while actual grant dollars in 2014 were higher and arts and culture continued to rank among the top three foundation funding priorities, the share of overall foundation support targeting arts and culture remained smaller than what was reported in the 1980s, 1990s, and even earlier in the 2000s. Actual arts grants dollars are likely to grow along with overall foundation giving, but what remains unclear is whether arts funding will rebound to its earlier share of overall foundation support.

### Highlights

Foundation Center offers these key findings from GIA's fifteenth snapshot of foundation giving to arts and culture. The definition of arts and culture used for this snapshot is based on Foundation Center's Philanthropy Classification System and encompasses funding for the performing arts, museums, visual arts, multidisciplinary arts, humanities, historical activities, arts services, folk arts, public arts, and cultural awareness. The findings in this snapshot are based on analysis of two closely related data sets. The distribution of 2014 arts and culture giving uses the latest FC 1000 data set,<sup>1</sup> while the changes in foundation giving for the arts between 2013 and 2014 use a subset of 828 funders for which we had 2013 and 2014 data, referred to in this snapshot as the matched set of foundations.<sup>2</sup>

**Arts funding as a share of total dollars dipped slightly in 2014.** Among the 1,000 largest foundations included in Foundation Center's grants sample for 2014, arts giving totaled nearly \$2 billion, or 8 percent of overall grant dollars. Compared to the previous year, share of dollars was down slightly, while share of number of arts grants remained basically unchanged.

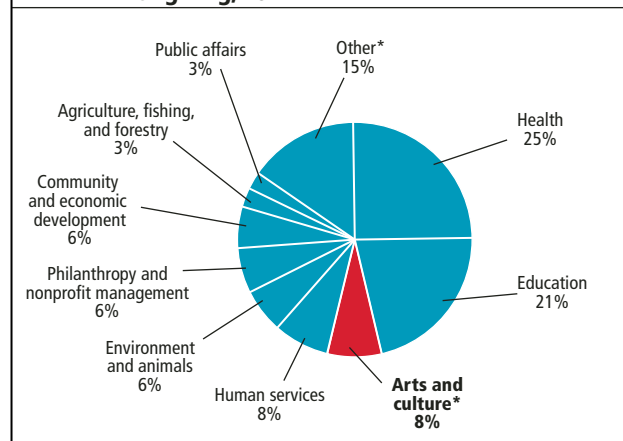
**Foundation funding for arts and culture was up in 2014.** Among the matched set of leading funders, arts funding increased 4 percent between 2013 and 2014 but lagged behind a 10 percent increase in overall giving by these foundations.

**The size of the median arts grant remained unchanged.** The median arts and culture grant size — \$25,000 — did not change from 2013 to 2014 (nor has it changed since the 1990s), although the real value of the median grant decreased due to inflation. The unadjusted value was below the \$30,000 median amount for all foundation grants in the latest year.

**Large grants account for more than half of arts grant dollars.** Large arts grants of \$500,000 and more captured 58 percent of total grant dollars for the arts in 2014, up from 55 percent in 2013.

**Relative to most other fields, a larger share of arts grant dollars provided operating support.** In 2014, general operating support accounted for 26 percent of arts and culture grant dollars. The share is fairly consistent with the 27 percent for general operating support reported for arts grants

**FIGURE 1. Percentage of grant dollars by major field of giving, 2014**



Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations. Includes areas of giving representing 2.5 percent or more of grant dollars. Due to rounding, figures may not total 100 percent.

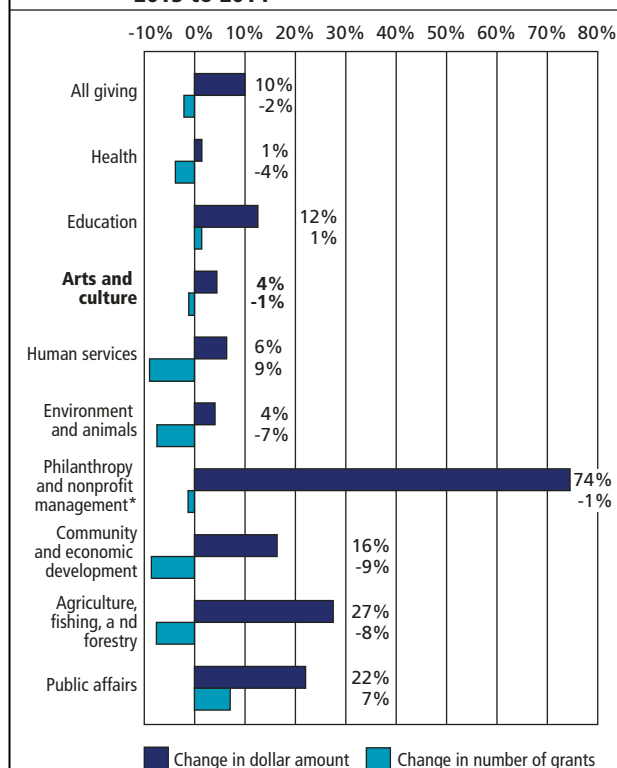
\* Includes other areas of giving representing less than 2.5 percent of overall grant dollars.

dollars in 2013. Over the past decade general operating support for the arts has hovered around 30 percent.

**Top arts funders accounted for a larger share of overall giving than in 2013.** The top twenty-five arts funders by giving amount provided 37 percent of total foundation arts dollars in 2014, an increase from 34 percent in 2013. The share of arts giving accounted for by the top funders has remained consistent for the past decade.

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.

**FIGURE 2. Change in giving by major field of giving, 2013 to 2014**



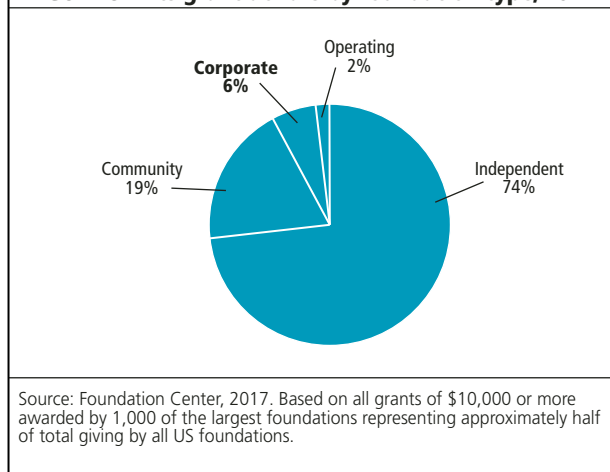
Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by a matched sample of 828 of the largest foundations. Includes areas of giving representing 2.5 percent or more of grant dollars in 2014.  
 \* Contributing to this increase in philanthropy and nonprofit management dollars were two exceptionally large grants awarded by Silicon Valley Community Foundation to Goldman Sachs Philanthropy Fund totaling \$471.2 million. Excluding those two grants, dollars for this issue area would have increased 20 percent.

## Specific Findings

**Overall foundation dollars for the arts.** The foundations included in Foundation Center's 2014 FC 1000 data set awarded 16,545 arts and culture grants totaling nearly \$2 billion, or 8 percent of overall grant dollars (figure 1). Compared to the previous year, the share of arts dollars was down slightly (7.6 percent versus 8.2 percent), while the share of number of arts grants remained basically unchanged at roughly 12 percent. Comparing giving by the matched set of funders shows that grant dollars for the arts increased 4 percent between 2013 and 2014, compared to a 10 percent increase in grant dollars overall (figure 2).

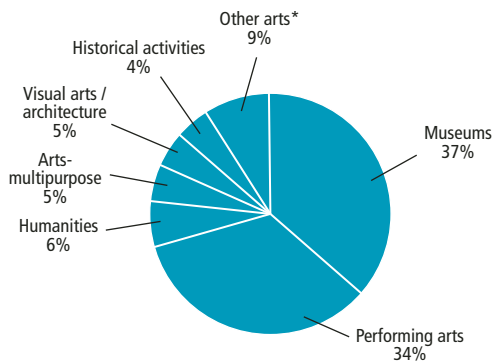
**The impact of exceptionally large grants.** Every year and in all funding areas, a few very large grants can skew overall totals, creating distortions in long-term grantmaking trends. In 2014, seventeen arts and culture grants provided at least \$10 million, and instances where these grants had a notable impact on grantmaking patterns are identified throughout this analysis. 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, Foundation Center provides statistics based on share of number of grants, which are not skewed by exceptionally large grants.)

**FIGURE 3. Arts grant dollars by foundation type, 2014**



Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

**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 2014 grants sample provided 6 percent of grant dollars

**FIGURE 4. Arts and culture, giving to subfields, 2014**

Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations. Due to rounding, figures may not total 100 percent.

\* Includes giving for folk arts, public arts, and cultural awareness.

for the arts (figure 3). Actual grant dollars totaled \$116.5 million. By number, corporate foundations allocated 2,246 grants, or 14 percent, of the overall number of arts grants in 2014.

### Grants by Arts Subfield

Funding for museums accounted for close to two-fifths (37 percent) of all foundation art dollars in 2014 (figure 4), surpassing the share reported for the performing arts (34 percent). From the start of the 1980s until 1997, the performing arts consistently received more foundation support than museums. However, museums surpassed the performing arts by share in the late 1990s to early 2000s, and several times in recent years (2008, 2009, 2013, and 2014). 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.** In 2014, museums benefited from 3,700 grants totaling nearly \$720 million awarded by the 1,000 largest foundations included in the FC 1000 data set. Among museum types, more than half of funding supported art museums. Among the matched set of funders, grant dollars allocated to museums increased 17 percent between 2013 and 2014, while the number of grants was up 10 percent. The largest museum grant in 2014 was a \$31 million award from the Silicon Valley Community Foundation to the San Francisco Museum of Modern Art.

**Giving to performing arts.** In 2014, among the matched set of funders, performing arts grant dollars declined 5 percent compared to 2013, while the number of grants dropped 2 percent. A total of 7,272 grants were awarded for the performing arts by foundations in the set — close to double the number reported for museums. In general, the average performing arts grant tends to be smaller in size than the average museum grant (around \$90,000 versus \$195,000). The largest share of giving to the performing arts supported theaters and performing arts centers. One of the biggest performing arts grants in the latest sample was a \$5 million award from the Annenberg Foundation to the Wallis Annenberg Center for the Performing Arts to restore the center and to provide a professional theater environment for children and young adults through school programs. Included within the performing arts is support for performing arts education, which totaled \$70.5 million in 2014. (See “Giving to multidisciplinary arts,” below, for a figure on foundation grant dollars supporting other types of arts education.)

**Giving to the humanities.** In 2014, the humanities benefited from 540 grants totaling \$111.7 million awarded by the 1,000 largest foundations included in the FC 1000 data set.<sup>3</sup> Funding for this area accounted for 6 percent of arts grant dollars in 2014, up slightly from the 5 percent share captured in 2013. Among the matched set of funders, grant dollars awarded for the humanities increased 12 percent, while the number of grants awarded was up only 2 percent.

**Giving to multidisciplinary arts.** The share of arts giving for multidisciplinary arts fell to 5 percent in 2014.<sup>4</sup> Grant dollars awarded for multidisciplinary arts also declined 13 percent between 2013 and 2014 among the matched set of funders. Among the various subcategories of multidisciplinary arts, arts education (excluding performing arts education) totaled \$47.5 million in the latest year.

**Giving to the visual arts.** Among the matched set of funders, grant dollars for the visual arts and architecture increased 26 percent between 2013 and 2014, although the number of grants for the field declined (down 12 percent). The visual arts and architecture benefited from \$97.5 million in 2014, including a \$1.8 million grant from the Kresge Foundation to the College of Creative Studies for the Kresge Eminent Artist Award and Artist Fellowships.

**TABLE 1: Distribution of grants by support strategy, 2014\***

Support strategy	Dollar amount	%	No. of grants	%
<b>Capacity-building and technical assistance</b>	<b>82,951,161</b>	<b>4.2</b>	<b>418</b>	<b>2.5</b>
<b>Capital and infrastructure</b>	<b>364,973,678</b>	<b>18.6</b>	<b>1,038</b>	<b>6.3</b>
Building acquisitions	1,472,000	0.1	4	–
Building and renovations	118,946,123	6.1	226	1.4
Capital campaigns	81,514,042	4.2	207	1.3
Collections acquisitions	15,625,875	0.8	24	0.1
Collections management and preservation	27,628,125	1.4	41	0.2
Equipment	7,432,709	0.4	71	0.4
Facilities maintenance	1,275,000	0.1	3	–
Information technology	14,968,800	0.8	44	0.3
Land acquisitions	3,535,000	0.2	4	–
Rent	476,600	–	1	–
Other capital and infrastructure	107,547,563	5.5	453	2.7
<b>Financial sustainability</b>	<b>175,996,129</b>	<b>9.0</b>	<b>754</b>	<b>4.6</b>
Annual campaigns	3,830,711	0.2	56	0.3
Debt reduction	11,386,119	0.6	6	–
Earned income	145,000	–	3	–
Emergency funds	3,673,925	0.2	2	–
Endowments	67,840,498	3.5	68	0.4
Financial services	575,000	–	2	–
Fundraising	62,739,519	3.2	427	2.6
Sponsorships	4,864,370	0.2	32	0.2
Other financial sustainability	36,242,263	1.8	191	1.2
<b>General support</b>	<b>511,205,262</b>	<b>26.1</b>	<b>4,819</b>	<b>29.1</b>
<b>Individual development and student aid</b>	<b>58,179,077</b>	<b>3.0</b>	<b>386</b>	<b>2.3</b>
<b>Leadership and professional development</b>	<b>32,402,457</b>	<b>1.7</b>	<b>148</b>	<b>0.9</b>
<b>Network-building and collaboration</b>	<b>44,217,986</b>	<b>2.3</b>	<b>207</b>	<b>1.3</b>
<b>Policy, advocacy, and systems reform</b>	<b>18,448,191</b>	<b>0.9</b>	<b>127</b>	<b>0.8</b>
Advocacy	12,086,055	0.6	84	0.5
Coalition building	90,000	–	1	–
Equal access	1,401,570	0.1	10	0.1
Ethics and accountability	75,000	–	1	–
Grassroots organizing	600,000	–	1	–
Litigation	–	–	–	–
Public policy and systems reform	5,906,054	0.3	8	–
Other policy, advocacy, and systems reform	2,295,566	0.1	24	0.1
Publishing and productions	117,762,867	6.0	1049	6.3
<b>Product and service development</b>	<b>218,000</b>	<b>–</b>	<b>4</b>	<b>–</b>
<b>Program development</b>	<b>405,947,262</b>	<b>20.7</b>	<b>3,832</b>	<b>23.2</b>
<b>Public engagement and marketing</b>	<b>29,425,651</b>	<b>1.5</b>	<b>205</b>	<b>1.2</b>
<b>Research and evaluation</b>	<b>38,240,607</b>	<b>2.0</b>	<b>119</b>	<b>0.7</b>
<b>Other specified strategies</b>	<b>135,322,729</b>	<b>6.9</b>	<b>1,038</b>	<b>6.3</b>
<b>Not specified</b>	<b>443,078,245</b>	<b>22.6</b>	<b>5,042</b>	<b>30.5</b>
<b>Total</b>	<b>1,959,446,612</b>	<b>100.0</b>	<b>16,545</b>	<b>100.0</b>

Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

\* Grants may occasionally be for multiple types of support, e.g., for new works and for endowment, and would thereby be counted twice.

**Giving to historic preservation.** Support for historic preservation declined 17 percent between 2013 and 2014 among the matched set of funders, while the number of grants awarded held steady. Overall, historic preservation benefited from 1,064 grants totaling \$87.9 million in 2014.

### Grants by Support Strategy

An important caveat to report on the allocation of foundation dollars by specific support strategy is that for roughly 23 percent of arts grant dollars in the 2014 Foundation Center sample, the support strategy could not be identified. This means that modest differences in percentages may not be reliable. (The grant records available to Foundation Center often lack the information necessary to identify the support strategy. For example, it is often the case that the only source of data on 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 Foundation Center are general operating support, program support, and capital support.

General operating support accounted for the largest share of arts grant dollars in 2014. The shares of grant dollars and number of grants allocated for this support strategy in 2014 were higher for arts and culture (26 percent and 29 percent, respectively) than the overall share directed to operating support by FC 1000 foundations, which accounted for roughly 16 percent of grant dollars.

Program support received the second largest share of arts grants dollars, 21 percent, in 2014. Special programs and projects typically receive one of the largest shares 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

**TABLE 2: Arts grants by grant size, 2014\***

Grant range	No. of grants	%	Dollar amount	%
\$5 million and over	43	0.3	\$397,398,747	20.3
\$1 million – under \$5 million	306	1.8	508,253,179	25.9
\$500,000 – under \$1 million	358	2.2	220,756,362	11.3
\$100,000 – under \$500,000	2,599	15.7	460,623,802	23.5
\$50,000 – under \$100,000	2,649	16.0	163,561,818	8.3
\$25,000 – under \$50,000	3,824	23.1	116,123,818	5.9
\$10,000 – under \$25,000	6,766	40.9	92,728,886	4.7
<b>Total</b>	<b>16,545</b>	<b>100.0</b>	<b>\$1,959,446,612</b>	<b>100.0</b>

Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

\* Grants may occasionally be for multiple types of support, e.g., for new works and for endowment, and would thereby be counted twice.

**TABLE 3. Twenty-five largest arts, culture, and media funders, 2014**

Rank	Foundation	State	Number of arts grants	Arts grant dollars	Total grant dollars	Arts as percent of total dollars	Arts capital support dollars*	Arts other support dollars*
1.	Andrew W. Mellon Foundation	NY	197	\$162,484,190	\$263,860,287	61.6	\$30,540,996	\$154,330,590
2.	Silicon Valley Community Foundation	CA	260	42,838,923	910,826,774	4.7	–	1,555,125
3.	Hess Foundation	NJ	41	37,821,630	56,723,130	66.7	–	36,147,130
4.	Brown Foundation	TX	173	36,211,255	68,543,407	52.8	24,300,213	26,581,053
5.	Minneapolis Foundation	MN	78	35,129,240	68,055,681	51.6	11,551,360	23,238,880
6.	Windgate Charitable Foundation	AR	164	30,908,750	42,240,588	73.2	19,763,647	9,958,498
7.	Gilder Foundation	NY	26	27,150,000	40,655,000	66.8	–	10,000
8.	The Kresge Foundation	MI	88	26,899,850	133,794,514	20.1	–	25,174,850
9.	Greater Kansas City Community Foundation	MO	265	25,910,403	148,418,960	17.5	–	21,817,687
10.	Freedom Forum	DC	2	25,469,510	25,469,510	100.0	–	25,469,510
11.	Johnson Art and Education Foundation	NJ	2	24,278,549	24,278,549	100.0	22,451,217	1,827,332
12.	Eli and Edythe Broad Foundation	CA	18	23,091,500	154,421,874	15.0	5,900,000	23,066,500
13.	Shubert Foundation	NY	450	21,990,000	22,480,000	97.8	–	21,810,000
14.	Colburn Foundation	CA	5	21,465,000	21,585,000	99.4	–	21,465,000
15.	Ford Foundation	NY	66	21,313,342	421,675,922	5.1	3,970,000	20,813,342
16.	Annenberg Foundation	CA	97	20,685,813	68,719,044	30.1	10,469,023	10,478,406
17.	William Penn Foundation	PA	47	19,642,871	121,447,919	16.2	859,700	19,642,871
18.	Dallas Foundation	TX	45	19,097,430	53,497,078	35.7	95,667	18,138,912
19.	Lilly Endowment	IN	39	17,746,567	276,049,697	6.4	4,110,167	13,675,400
20.	Robert W. Woodruff Foundation	GA	7	14,600,000	112,526,449	13.0	12,600,000	9,600,000
21.	William and Flora Hewlett Foundation	CA	110	14,465,250	311,004,525	4.7	1,340,000	13,634,250
22.	Doris Duke Charitable Foundation	NY	45	14,108,373	52,291,548	27.0	–	11,125,623
23.	Ahmanson Foundation	CA	68	14,050,100	48,999,277	28.7	10,676,100	6,669,000
24.	James Irvine Foundation	CA	40	13,512,100	67,630,600	20.0	1,000,000	13,512,100
25.	Bank of America Charitable Foundation	NC	232	13,199,878	130,887,983	10.1	–	13,199,878
<b>Total</b>			<b>2,565</b>	<b>\$724,070,524</b>	<b>\$3,646,083,316</b>	<b>19.9</b>	<b>\$159,628,090</b>	<b>\$542,941,937</b>

Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

\* Grants may provide capital support and other types of support. In these cases, grants would be counted in both totals. Figures include only grants that could be coded as providing specific types of support.

program support consistently accounts for one of the largest shares of funding.

Capital support accounted for the third largest share of arts grant dollars. Similar to general support, the share of grant dollars allocated for this type of support was also higher for arts and culture (19 percent) than for grants overall (8 percent). Grants for capital support are larger on average than awards for program and general operating support, and exceptionally large capital grants can have a pronounced effect on the distribution of funding by support strategy.

**Arts grants by specific types of support.** Table 1 provides a breakdown of more specific support strategies 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 the top 1,000 foundations by total giving. It is also

important to note that approximately 23 percent of the arts grant dollars in this sample did not have a specified support strategy.

### Grants by Grant Size

**Median grant size.** The median or “typical” grant amount for arts and culture in 2014 was \$25,000, which was below the median amount for all foundation grants (\$30,000).<sup>5</sup> The median amount for arts and culture has remained consistent at \$25,000 since the early 1990s. 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 midsized grants.** Roughly two-thirds (64 percent) of all arts grants in the 2014 sample were for amounts between \$10,000 and \$49,999

**TABLE 4. Top thirty-five foundations by share of arts giving out of overall giving, 2014**

Rank	Foundation	State	Fdn type*	Number of arts grants	Arts grant dollars	Total grant dollars	Arts as percent of total dollars	Arts capital support dollars**	Arts other types of support dollars**
1.	Freedom Forum	DC	OP	2	\$25,469,510	\$25,469,510	100.0	–	\$25,469,510
2.	Johnson Art and Education Foundation	NJ	IN	2	24,278,549	24,278,549	100.0	\$22,451,217	1,827,332
3.	David H. Koch Charitable Foundation	KS	IN	1	10,000,000	10,000,000	100.0	10,000,000	–
4.	SHS Foundation	NY	IN	36	4,723,423	4,723,423	100.0	–	683,283
5.	Ford Motor Company	MI	CS	1	1,000,000	1,000,000	100.0	1,000,000	–
6.	Colburn Foundation	CA	IN	5	21,465,000	21,585,000	99.4	–	21,465,000
7.	Jerome Foundation	MN	IN	78	2,841,200	2,873,200	98.9	40,000	2,801,200
8.	Lloyd Rigler Lawrence E. Deutsch Foundation	CA	IN	17	6,144,970	6,267,530	98.0	–	775,000
9.	Shubert Foundation	NY	IN	450	21,990,000	22,480,000	97.8	–	21,810,000
10.	Calderwood Charitable Foundation	MA	IN	5	5,936,417	6,319,633	93.9	–	5,936,417
11.	Muriel McBrien Kauffman Foundation	MO	IN	68	10,105,506	10,992,506	91.9	110,000	3,907,500
12.	Howard Gilman Foundation	NY	IN	41	9,635,000	10,885,000	88.5	500,000	9,135,000
13.	J. Paul Getty Trust	CA	OP	81	11,808,301	13,363,301	88.4	1,552,945	10,355,356
14.	Lee and Juliet Folger Fund	VA	IN	5	4,945,000	6,120,000	80.8	4,900,000	45,000
15.	Windgate Charitable Foundation	AR	IN	164	30,908,750	42,240,588	73.2	19,763,647	9,958,498
16.	San Angelo Area Foundation	TX	CM	5	8,071,453	11,062,458	73.0	–	20,000
17.	Goatie Foundation	OH	IN	11	3,750,000	5,182,500	72.4	1,000,000	1,635,000
18.	Sue and Edgar Wachenheim Foundation	NY	IN	12	8,356,000	11,658,500	71.7	–	8,356,000
19.	Avenir Foundation	CO	IN	10	10,075,842	14,753,342	68.3	7,805,842	2,270,000
20.	Gulf Coast Community Foundation	MS	CM	1	450,500	670,125	67.2	–	450,500
21.	Gilder Foundation	NY	IN	26	27,150,000	40,655,000	66.8	–	10,000
22.	Hess Foundation	NJ	IN	41	37,821,630	56,723,130	66.7	–	36,147,130
23.	Monteforte Foundation	NY	IN	17	5,413,673	8,391,473	64.5	–	675,603
24.	Leonard and Evelyn Lauder Foundation	NY	IN	6	1,436,667	2,265,667	63.4	–	186,667
25.	Elizabeth Morse Genius Charitable Trust	IL	IN	12	1,403,333	2,246,418	62.5	–	1,403,333
26.	Andrew W. Mellon Foundation	NY	IN	197	162,484,190	263,860,287	61.6	30,540,996	154,330,590
27.	Lannan Foundation	NM	IN	42	7,376,775	12,079,299	61.1	1,375,000	5,611,775
28.	Richard H. Driehaus Foundation	IL	IN	65	1,961,800	3,247,800	60.4	–	1,961,800
29.	Frist Foundation	TN	IN	8	5,417,775	9,183,498	59.0	221,500	5,186,275
30.	Ehrenkranz Family Foundation	NY	IN	4	2,577,570	4,666,685	55.2	–	–
31.	Alex and Marie Manoogian Foundation	MI	IN	1	450,000	821,000	54.8	–	–
32.	Robert H. Smith Family Foundation	VA	IN	21	6,480,554	11,965,910	54.2	–	–
33.	Borina Foundation	CA	IN	1	100,000	187,000	53.5	–	–
34.	Fan Fox and Leslie R. Samuels Foundation	NY	IN	98	3,112,000	5,874,000	53.0	–	749,500
35.	Brown Foundation	TX	IN	173	36,211,255	68,543,407	52.8	24,300,213	26,581,053

Source: Foundation Center, 2017. Based on all grants of \$10,000 or more awarded by 1,000 of the largest foundations representing approximately half of total giving by all US foundations.

\* IN = Independent; OP = Operating; CS = Corporate; CM = Community

\*\* Grants may provide capital support and other types of support. In these cases, grants would be counted in both totals. Figures include only grants that could be coded as providing specific types of support.

(table 2), nearly unchanged from the 2013 share. The share of midsized arts grants (\$50,000 to \$499,999) also remained fairly consistent, accounting for about one-third of arts grants.

**Large grants.** The share of larger arts grants (\$500,000 and over) remained consistent at 4 percent of the total number of arts grants in 2014. Their share of total grant dollars increased slightly to 58 percent, compared to 56 percent in 2013. Overall, foundations in the sample made ninety-six arts grants of at least \$2.5 million in 2014, up slightly from 2013.

In addition to a \$5 million award from the Annenberg Foundation to the Wallis Annenberg Center for the Performing Arts, noted earlier, examples of other especially large grants in 2014 included Andrew W. Mellon Foundation's \$10 million award to the Detroit Institute of Arts for its "Grand Bargain" to hold its collections for the public in perpetuity; Roberts Foundation's \$8.5 million grant to expand the San Francisco Museum of Modern Art; and a \$7.9 million grant to the Brookfield Arts Foundation from the Edward C. Johnson Fund for art acquisition.

**The twenty-five largest arts funders.** The top twenty-five arts funders by giving amount provided 37 percent of the total arts dollars in Foundation Center's 2014 sample (table 3), up from 33 percent in 2013. Overall, the share of giving accounted for by the top twenty-five arts funders has fluctuated between 33 and 39 percent since the end of the 1990s.

**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, over half (fifty-nine) gave less than \$5 million in total arts grant dollars in 2014.

### **Giving for International Cultural Exchange**

Grant dollars supporting international cultural exchange decreased roughly 24 percent between 2013 and 2014. In 2014, foundations awarded thirty-five grants related to international cultural exchange totaling \$5.2 million. The largest award was a \$1 million grant from E. Rhodes and Leona B. Carpenter Foundation to Asia Society in New York City to support the exhibit *Buddhist Art of Myanmar*. By comparison, the largest grant reported in 2013 for international cultural exchange was a \$1.4 million general support grant from the New

York-based Mark and Anla Cheng Kingdon Fund to the China Institute in America.

*Reina Mukai is Foundation Center's knowledge services manager.*

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#### **NOTES**

1. Foundation Center's 2014 FC 1000 set includes all of the grants of \$10,000 or more reported by 1,000 of the largest US independent, corporate, community, and grantmaking operating foundations by total giving. For community foundations, the set includes only discretionary grants and donor-advised grants (when provided by the funder). The set excludes grants to individuals. This set accounts for approximately half of giving by all of the more than 87,000 active US grantmaking foundations. Grant amounts may represent the full authorized amount of the grant or the amount paid in that year, depending on the information made available by each foundation.
2. Between 2013 and 2014 the composition of the FC 1000 changed, which could distort year-to-year fluctuations in grant dollars targeting specific issue areas. To account for these potential distortions year to year, Foundation Center has analyzed changes in giving based on a subset of 828 funders for which we had 2013 and 2014 data.
3. Included within the humanities is funding for art history, history and archaeology, classical and foreign languages, linguistics, literature, philosophy, and theology.
4. Included in multidisciplinary arts is funding for multidisciplinary centers, arts councils, artist's services, arts administration, arts exchange, and arts education.
5. 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.



## Government Funding for the Arts, 2016

*Ryan Stubbs*

Earned income and private giving make up the largest share of arts funding in the United States, but government funds are an essential piece of the arts ecosystem. Public investments in the arts are citizen driven and beholden to the public interest. They support inclusive experiences, promulgated by representative democracy covering every part of the country.

Public funding for the arts is best understood by tracking three key sources: congressional allocations to the National Endowment for the Arts (NEA), legislative appropriations to the nation's state arts agencies, and funds allocated by local governments to local arts agencies. These entities are responsible for the distribution of public grants and services to artists, arts organizations, and other creative entities across the nation. Public funding for the arts totaled \$1.29 billion in FY2016.

### The Economic Context of Public Arts Funding

Cultural producers are entrepreneurial with motivations that span from profit margins to social impact. The value of the arts to society has a similar range of benefits, from intrinsic to economic. This cross-sectoral variety of players and participants necessitates several funding types. Earned income, investments, contributed revenue, and government support all play a role.

Payments received for the consumption of artistic goods and services make up a majority of the arts ecosystem in the United States. The Bureau of

Economic Analysis, the definitive producer of such figures, shows the economic contribution of arts and culture to be over \$700 billion,<sup>1</sup> greater than both the tourism industry and the construction industry. This staggering figure speaks to the integrated nature of the arts in our economy and society.

Consistent with all major industries, the arts require public partnerships to maintain infrastructure, generate wealth, and allow for access to services. Compared to other industries, such as construction, transportation, and health care, taxpayer investment in the arts is remarkably low. For example, transportation and economic development programs constitute 18 percent of federal nondefense discretionary spending.<sup>2</sup> The federal budget for the NEA constitutes 0.025 percent of nondefense discretionary spending.

### 2016 Funding Levels

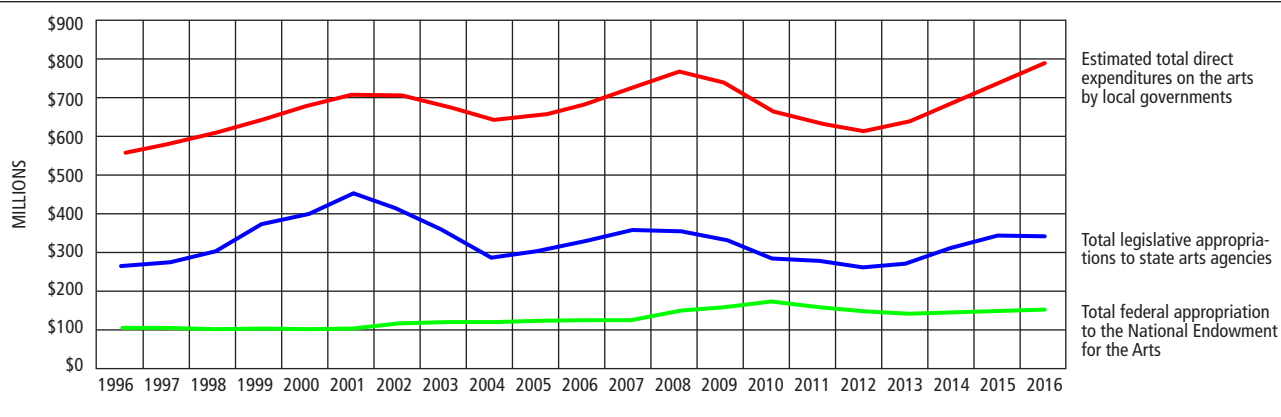
The federal government, states, and localities appropriated a combined \$1.29 billion to the arts in FY2016, for a total per capita investment of \$3.97. Comprising this total were the following:

- \$147.9 million in appropriations to the NEA, an increase of 1.32 percent from FY2015
- \$349 million in legislative appropriations to state and jurisdictional arts agencies, a decrease of 0.3 percent from FY2015
- \$795 million in funds allocated by local governments to local arts agencies,<sup>3</sup> an increase of 4.7 percent from FY2015

### Trends over Time

In nominal dollars (not adjusted for inflation), public funding for the arts by federal, state, and local governments increased by 40 percent over the past twenty years. State and local funding patterns have largely corresponded with periods of economic

**FIGURE 1. Federal, state, and local government arts funding, 1996–2016**



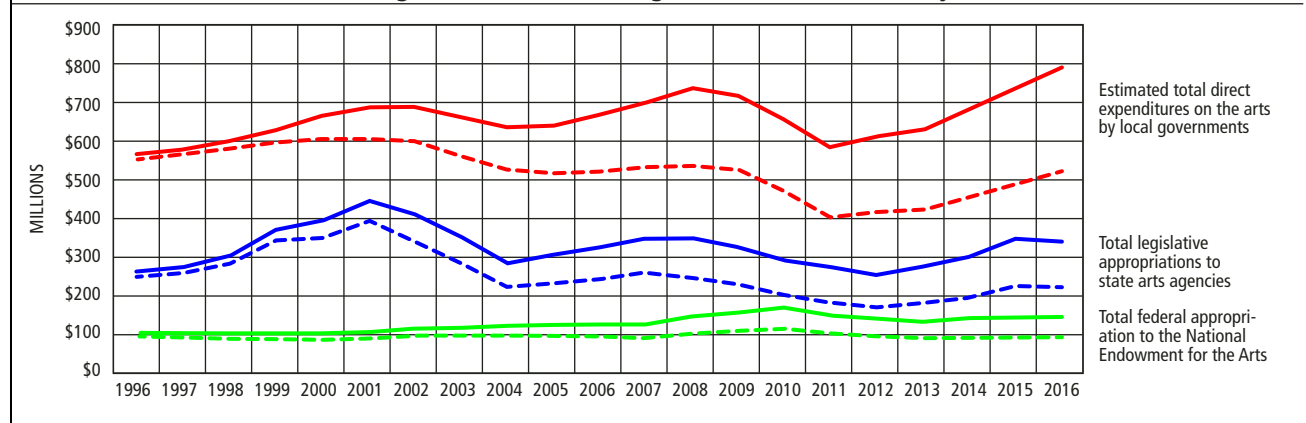
growth and recession. Aggregate appropriations to state arts agencies reached a high point in 2001, and local funders reported their highest point in 2016. Federal funding for the NEA has displayed incremental growth after sustaining large cuts in the mid-1990s.

Despite these nominal dollar increases, public funding for the arts has not kept pace with inflation. When adjusting for inflation, total public funding for the arts has actually decreased by 7 percent over the past twenty years. In constant dollar terms, state arts agency appropriations decreased by 12 percent, local funding contracted by 6 percent, and federal funds have remained essentially flat, decreasing by 2 percent.

sharp impact on marginalized communities. Increases in public appropriations for the arts can likewise be of substantial benefit to such communities.

The distribution patterns of government arts grants reflect another public sector objective of attaining maximum geographic coverage. Given the modest appropriations described above, this often necessitates the mechanism of awarding many grants that are small in size, rather than concentrating impact via larger grants. Illustrating this is the fact that state arts agencies have a median award value of \$4,390, while the median foundation award is \$25,000. While the median NEA award amount is also \$25,000, 49 percent of all NEA grants are less than \$25,000 in size.

**FIGURE 2. Federal, state, and local government arts funding, nominal and inflation-adjusted dollars, 1996–2016**



## Implications for Grantmaking

Appropriations for state, local, and federal arts agencies drive the availability of grant dollars. For example, trends in grantmaking by state arts agencies track closely with appropriations to state arts agencies over time.<sup>4</sup> When state arts agency appropriations declined by 26 percent during the great recession between 2008 and 2012, state arts agency grant outlays declined by a nearly identical 27 percent during that same time period.

Public funders devote a significant portion of their grant dollars to grassroots community arts activity, small organizations, and underserved constituencies: groups that are geographically isolated,<sup>5</sup> are economically challenged,<sup>6</sup> or that face systemic obstacles to cultural resources and opportunities to access the arts.<sup>7</sup> Government arts agencies have adopted this focus as a public principle, and it is in some instances mandated by state or federal statutes.<sup>8</sup> As a result, reductions in appropriations to local, state, and federal arts agencies can have an especially

Federal, state, and local grantmaking decisions are made independently; however, revenues are connected at all levels of government, and legislative funding decisions ripple throughout the system. Forty percent of the NEA's grant dollars are designated by Congress to go to state and regional arts agencies. Seventeen state arts agencies have decentralized funding mechanisms that provide block grants to local arts agencies designated as regranters. Local government grant funds are often used to match federal-state investments, as well as to support other community-based arts projects. Each level of government funding is important and plays a distinct role in ensuring that national, regional, and local needs get met. Different public sources foster multiple levels of public engagement in grantmaking through citizen representation on the panels that adjudicate the awards.

**TABLE 1. Grant distribution by size of award and grantor, 2016**

Size of award	Number of foundation grants	Number of NEA grants	Number of SAA grants
> \$5 million	31	-	-
\$1–\$5 million	348	8	7
\$500,000–\$999,999	410	51	21
\$100,000–\$499,999	2,805	51	326
\$50,000–\$99,999	2,824	278	547
\$25,000–\$49,999	4,229	658	1,132
\$10,000–\$24,999	7,656	1,012	3,599
Under \$10,000	N/A	8	14,718
Total arts grants	18,303	2,066	20,350
<b>Median award dollar amount</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$4,390</b>

Source: GIA Reader, Vol. 27, No. 1, Winter 2016. Foundation Center sample excludes grants of less than \$10,000, NEA arts.gov grants search, FY2015, SAA Final Descriptive Report records, FY2015.

## Complementary Roles

A larger piece of the arts funding ecosystem comes from private sector giving, which includes individuals, corporations, and foundations.<sup>9</sup> Foundations help to drive social innovation in the arts with large investments supporting programming as well as the physical infrastructure needed to deliver arts experiences. Private funding sources may be used for experimental programs more readily than public dollars, which may be constrained by risk-mitigating regulations. Private support helps cultural producers stay ahead of the curve and rapidly capitalize new ideas. All of these functions are important but are not by themselves sufficient to deliver on art, creativity, and culture as public goods.

The cultural ecosystem requires both public and private support to thrive. Corporations and foundations that fund the arts do not exist in all communities. Government funds are modest but important, achieving wider geographic access to cultural experiences as well as access across the income spectrum. Public funds allow for citizen involvement in policy decision making. Public sector accountability requirements, while not perfect, incentivize arts organizations to provide public value in their programs and adhere to high standards of transparency, accessibility, and inclusion.

Foundations, public agencies, and their grantees all can be effective advocates for the value of the arts in our society. The scope of the arts sector includes every citizen as a stakeholder. Public funding for

the arts insures that governments continue to be stakeholders in art as a public good and that the public and private sectors both continue to fuel arts investments. The National Arts and Humanities Foundation Act of 1965 notes that it is necessary for government to support a “climate encouraging freedom of thought, imagination, and inquiry” because “democracy demands wisdom and vision in its citizens.” Over fifty years, the importance and wisdom of public investments in the arts remain. Research continues to build a body of evidence showing the educational, economic, and civic benefits of arts. Artists and arts organizations continue to create and produce in challenging funding environments. This enduring work and investment by citizens and governments remains in the collective spirit of the United States.

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## NOTES

This profile draws on local spending estimates from Americans for the Arts, NASAA's legislative appropriations surveys of the nation's state and jurisdictional arts agencies, and appropriations data from the NEA. As of this writing, the most recent data available about federal and local funding for the arts are from FY2016. FY2017 data for state arts agencies are available from [www.nasaa-arts.org](http://www.nasaa-arts.org). Constant dollar adjustments for inflation are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 1996. Per capita calculations are based on national population estimates from the US Census Bureau.

1. NEA Arts and Cultural Production Satellite Account Issue Brief #1, <https://www.arts.gov/sites/default/files/ADP%239-Brief1.pdf>.
2. Office of Management and Budget Analysis BY CBPP, <http://www.cbpp.org/research/policy-basics-non-defense-discretionary-programs>.
3. Americans for the Arts substantially changed the methodology for collecting local arts agency investments through the local arts agency census in 2016. The most recent five years of local arts agency data are based on the 1,128 census respondents. Annual estimates are used prior to 2011.
4. State Arts Agency Grant-Making Statistics, 2016, <http://www.nasaa-arts.org/Research/Grant-Making/index.php>.
5. See “State Arts Agency Fact Sheet: Support for Arts in Rural Areas,” <http://www.nasaa-arts.org/Research/Grant-Making/RuralGrantmakingFactSheet0316.pdf>.
6. See “State Arts Agencies Create More Equitable Access to the Arts,” <http://www.nasaa-arts.org/Research/Grant-Making/SAAsCreateEquitableAccessToTheArts.pdf>.
7. See “State Policies and Programs Addressing Diversity,” <http://www.nasaa-arts.org/Research/Best-Practices/State-Policies-and-Programs-Addressing-Diversity.pdf>; “2015 Local Arts Agency Census Diversity and Equity,” [http://www.americansforthearts.org/sites/default/files/DiversityEquity\\_v4.pdf](http://www.americansforthearts.org/sites/default/files/DiversityEquity_v4.pdf).
8. For example, see the National Foundation on the Arts and Humanities Act, §954(c), paragraphs (a) and (b) as amended by P.L. 111–88, Sec. 439; <https://www.arts.gov/sites/default/files/Legislation.pdf>.
9. Foundation Center, “Foundation Grants to Arts and Culture 2013,” <http://www.gjarts.org/article/foundation-grants-arts-and-culture-2013>.