

Vital Signs: Snapshot of Arts Funding

The summer issue of the Reader carries our annual report on the state of arts funding. In addition to the one-year "Snapshot of Foundation Grants to Arts and Culture, 2004" from the Foundation Center, we include on page 45 trend information about public funding, supplied to us by Kelly Barsdate at the National Assembly of State Arts Agencies (NASAA). Barsdate is one of GIA's research advisors, to whom we look for guidance on the role that research plays in GIA's work. Other advisors are Cynthia Gehrig (Jerome Foundation), Marian Godfrey (The Pew Charitable Trusts), Michael Moore (William C. Schoene Charitable Foundation), Edward Pauly (The Wallace Foundation), and James Allen Smith (Georgetown University).

Foundation Grants to Arts and Culture, 2004 A One-year Snapshot

Loren Renz and Steven Lawrence

Highlights

The Foundation Center offers these key findings from GIA's sixth 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 societies/historical preservation. Most importantly the findings tell us about the changes in foundation giving for the arts between 2003 and 2004 and the distribution of 2004 giving among arts and cultural institutions and fields of activity. They are based on arts grants of \$10,000 or more reported to the Foundation Center by 1,172 of the largest U.S. foundations. (footnote 1) The Center has conducted annual examinations of the giving patterns of the nation's largest foundations for almost three decades.

Excluding a single large grant, overall foundation funding for arts and culture held steady in 2004. Unadjusted grant dollars awarded for arts and culture by the 1,172 larger foundations in the sample increased by \$189.3 million, from \$1.79 billion in 2003 to \$1.98 billion in 2004. Also, from 2003 to 2004, grant dollars for arts and culture from reporting foundations increased by 10.6 percent, or 7.7 percent after inflation. This gain surpassed the 8.1 percent unadjusted increase in all funding reported for these foundations. However, all of the increase in arts giving was accounted for by a single \$189.8 million grant in the form of 40 works of art from the American Art Foundation to the Whitney Museum of American Art.

The proportion of foundation grantmaking for arts and culture increased slightly. The arts and culture share of total grant dollars from the 1,172 larger foundations in the sample was 12.8 percent in 2004, up slightly from 12.5 percent in 2003. This share of grant dollars roughly matched the average share for the past decade (12.7 percent), while totaling slightly more than the median share (12.5 percent).

Most larger foundations support arts and culture, while half show a strong commitment to the arts. More than four out of every five (84 percent) of the larger 1,172 foundations made grants supporting the arts and culture in 2004. Committed arts funders – i.e., those providing at least 10 percent of their 2004

giving for the arts – represented half of sampled arts funders (49.7 percent).

The number of arts and culture grants increased, with no change in median grant size. The median arts and culture grant size – \$25,000 – did not change from 2003 to 2004, although the real value of the median grant decreased slightly due to inflation. The number of arts grants in the sample increased by 635, from 17,881 in 2003 to 18,516 in 2004. However, this 3.6 percent increase was less than the 4.8 percent growth in the overall number of grants reported in the sample.

Large grants represent more than half of all grant dollars. Large arts grants of \$500,000 and more captured 55 percent of total grant dollars for the arts in the 2004 sample, up from 51 percent in 2003, and they are concentrated in a relatively small share (3.5 percent) of the total number of grants.

Operating support accounted for a smaller share of arts funding than in recent years. In 2004, general operating support accounted for 24.3 percent of arts and culture grant dollars, compared to 30 percent in 2003 and 27 percent in 2002. However, just 13 percent of arts grant dollars in 1989 provided operating support, and 2004 grant dollars for general operating support represented a higher percentage for arts and culture than for many other fields.

Support for the arts appears to be less concentrated among a small number of foundations. The top 25 arts funders by giving amount provided close to 39 percent of total foundation arts dollars in 2004, down from more than 50 percent in the early 1980s.

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.

Specific Findings

Arts Grants Compared to All Grants in the Sample

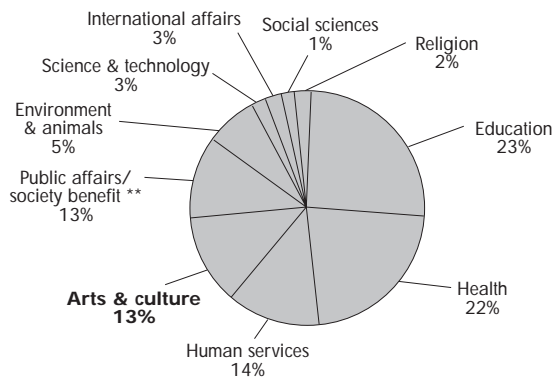
Overall foundation dollars for the arts. Unadjusted grant dollars for arts and culture from the 1,172 larger foundations in the Foundation Center's sample increased by \$189.3 million, from \$1.79 billion in 2003 to \$1.98 billion in 2004. (footnote 2) This growth was consistent with most other funding areas and, among funding areas, represented the second largest increase in actual grant dollars, following health (figure 1).

Funding for arts and culture increased 10.6 percent before inflation between 2003 and 2004. (With an inflation rate of less than 3 percent, this reflected a real increase of 7.7 percent.) Moreover, this gain was more than the 8.1 percent increase in unadjusted funding reported for foundations in the sample overall.

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. Nonetheless, the Foundation Center data in all fields have always included these exceptional grants 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.

A notable large grant in 2004 was a \$189.8 million grant in the form of forty works of art from the American Art Foundation to the Whitney Museum of Art. This grant approximately equaled the total increase in unadjusted grant dollars for arts and culture from the foundations included in the sample. In the absence of this grant, giving for the arts in 2004 would have been unchanged from 2003.

FIGURE 2. Percent of grant dollars by major field of giving, 2004*

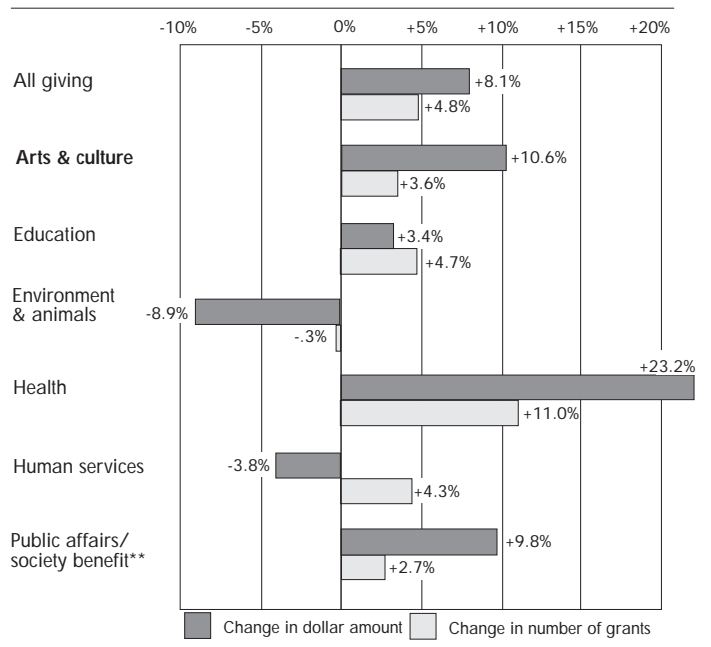


Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

* Due to rounding, percentages may not equal 100.

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

FIGURE 1. Growth of giving by major field of giving, 2003 to 2004*

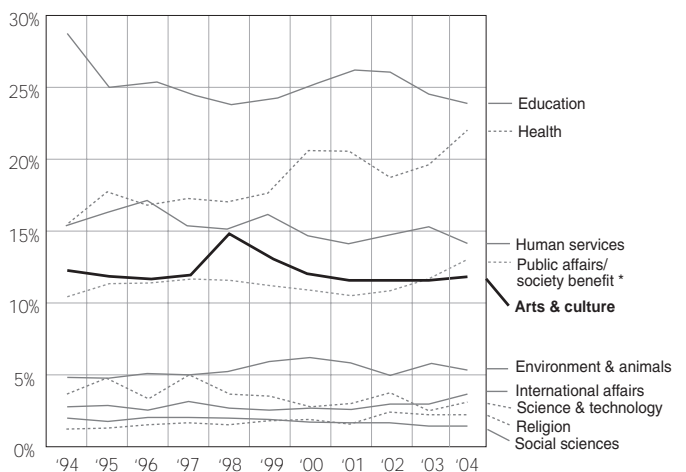


Source: The Foundation Center, 2006. Based on a sample of 1,172 larger foundations.

* Includes subject areas accounting for at least 5 percent of grant dollars or grants.

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

FIGURE 3. Giving trends by major field of giving, 1994 - 2004



Source: The Foundation Center, 2006, based on annual samples of more than 1,000 larger foundations.

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

Note: Disproportionately large gifts, usually made on a one-time basis, may distort long-term funding patterns in one or a few particular years.

The arts' share of all foundation grant dollars. In 2004, arts grant dollars represented 12.8 percent of all grant dollars in the Foundation Center sample (figure 2). This percentage was slightly higher than the arts' 2003 share but roughly matched the 12.7 percent average for the past decade (figure 3). From 1995 through 2004, the arts' share of all foundation grant dollars ranged from lows of 12 percent in 1995 and 2000 to a high of 14.8 percent in 1998.

Number of grants. In terms of the *number* of foundation grants given rather than the total dollar amount, the arts' share of all foundation grants remained almost unchanged at 14.6 percent in 2004, compared to 14.8 percent in 2003 (figure 4). The actual number of grants increased by 635, from 17,881 to 18,516. However, this total remained below the 18,674 arts and culture grants reported in 2002.

Arts funding by region. Foundations in the Northeast provided a larger share of their overall 2004 giving for arts and culture (18.7 percent) than did foundations in other regions. The Northeast was followed by foundations in the Midwest (12.8 percent), South (10.5 percent), and West (7.4 percent) regions of the United States. Organizations in the Northeast received the largest share of arts grant dollars out of overall giving (18 percent), followed by those in the Midwest (15 percent), West (13.8 percent), and South (7.7 percent). Of grant dollars funding organizations located outside of the United States, a notably smaller 5.1 percent supported the arts.

Share of foundations funding the arts. In the 2004 sample, 84 percent of funders supported arts and culture – 986 of 1,172 foundations. However, some of these foundations do not maintain a consistent commitment to the arts. Among sampled arts

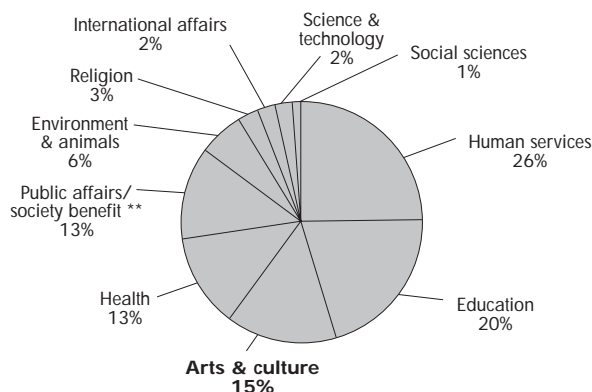
funders showing a stronger commitment to the arts, about half (490) provided at least 10 percent of their 2004 grant dollars for the arts, while close to one-fifth (183) gave at least 25 percent.

Grants by arts subfield

Funding for museums accounted for well over one-third (36 percent) of all foundation arts dollars in 2004 (figure 5), surpassing the share reported for the performing arts (32 percent). From the start of the 1980s until 1998, the performing arts consistently received more foundation support than museums. In the mid-1980s, the two fields received nearly equal shares of funding. This lasted for only a short period of time, and between the late-1980s and the mid-1990s the performing arts regained its earlier lead. However, in 1998, grant dollars to museums increased significantly, surpassing those going to the performing arts. They achieved this larger share of support again in 1999 and 2001. The underlying reasons for the shifts in share between these two fields of activity are complex. More study would be needed to adequately understand the role played, for example, by 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. For example, in 2004 the exceptional \$189.8 million grant in the form of artwork from the American Art Foundation (noted above) was the principal factor pushing the level of museum funding above the level reported for the performing arts.

Giving to museums. Grant dollars allocated to museums rose by 46.2 percent between 2003 and 2004, from \$486.9 million to \$711.7 million. The number of grants increased by a far more

FIGURE 4. Percent of number of grants by major fields of giving, 2004*

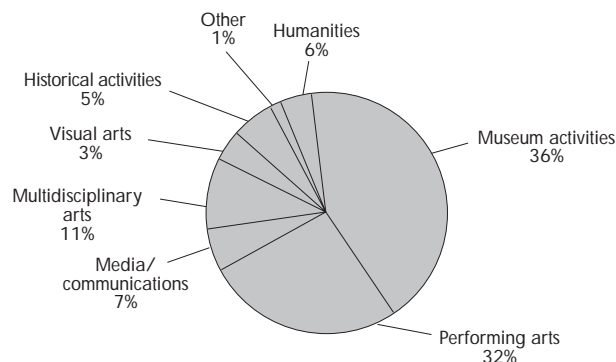


Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

* Due to rounding, percentages may not equal 100.

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

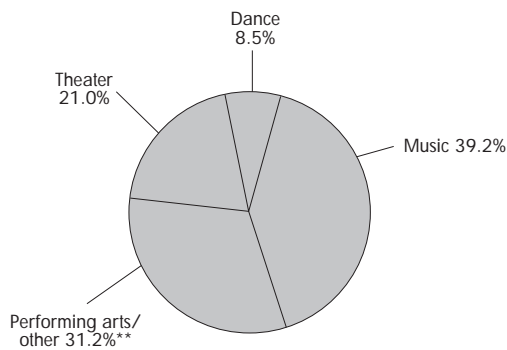
FIGURE 5. Arts and culture, giving to subfields, 2003*



Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

* Due to rounding, percentages may not equal 100.

FIGURE 6. Giving to performing arts, 2004*



Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

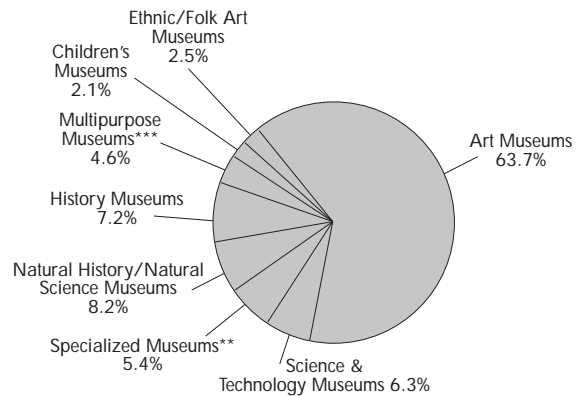
- * Giving to performing arts constitutes 32 percent of all giving to the arts and culture subcategory. Due to rounding, percentages do not equal 100%.
- ** Performing arts/other includes performing arts centers, performing arts schools, and other multidisciplinary arts programs.

modest 5.6 percent, from 3,590 to 3,791. Among museum types (figure 6), the largest share of 2004 funding supported art museums (63.7 percent), and this share was up substantially from the previous year (51.2 percent). As a result, the shares of funding recorded for all other museum types decreased. Nonetheless, actual grant dollars increased between 2003 and 2004 for natural history/natural science museums, history museums, multipurpose museums, (footnote 3) and ethnic/folk arts museums. By comparison, grant dollars decreased for children's museums and other specialized museums. (footnote 4) Support for science and technology museums remained roughly unchanged. In the Foundation Center's 2004 sample, 62 percent of all funders supported museum activities.

Giving to performing arts. In 2004, performing arts grant dollars increased by 8 percent, from \$580.5 million to \$626.7 million. The largest share of giving to the performing arts (figure 6) continued to go to music (including symphony orchestras and opera), performing arts centers, and theater. The performing arts received less arts funding than museums in 2004 based on share of arts grant dollars. However, the performing arts benefited from a larger share of the number of arts grants (41.9 percent vs. 20.5 percent). In general, the average performing arts grant tends to be smaller in size than the average museum grant. In 2004, 66 percent of all funders in the Foundation Center sample supported the performing arts.

Giving to multidisciplinary arts. The share of arts giving for multidisciplinary arts (footnote 5) decreased to 11 percent in 2004, down from 13 percent in 2003. Actual grant dollars for these activities declined by 9.4 percent, from \$233.8 million to \$211.8 million. However, the 2004 total remained well above the \$153.2 million in multidisciplinary arts giving recorded in 2002. Moreover, the number of multidisciplinary arts grants increased from 2,200 in 2003 to 2,335 in 2004.

FIGURE 7. Giving to museums, 2004*



Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

- * Giving to museums constitutes 36 percent of all giving to the arts and culture subcategory.
- ** Includes maritime, sports, hobby and other specialized museums.
- *** Includes museums such as the Smithsonian Institution and general purpose museum programs

Giving to media and communications. Support for media and communications (footnote 6) represented 7 percent of arts funding in 2004, down from more than 9 percent in 2003. Actual grant dollars declined 21.5 percent, from \$168.7 million to \$132.4 million. Only one grant of at least \$2.5 million was made in the media and communications field in 2004, a decrease from eight in the previous year.

Giving to the humanities. Funding for the humanities (footnote 7) totaled 6 percent of arts grant dollars in 2004, unchanged from 2003. Actual humanities grant dollars increased by a modest 2.6 percent. In contrast, the number of humanities grants grew by 9.3 percent, from 805 to 880. (footnote 8)

Giving to other arts and culture subfields. Among other arts and culture fields, support for historic preservation decreased slightly from close to 6 percent of arts grants dollars in 2003 to 5 percent in 2004. Actual grant dollars were nearly unchanged, while the number of historic preservation grants increased 3.3 percent, from 1,108 to 1,145. However, this total remained well below the 1,272 historic preservation grants reported in 2002. Finally, support for the visual arts and architecture decreased 27.1 percent in the latest year, from \$81 million to \$59.1 million.

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 18 percent of all grant dollars in the 2004 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 on smaller 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, general operating support, and capital support. See figure 8 for a comparison in these three categories of dollars going to arts and culture with grant dollars going to other major foundation subject areas.

Of the three main categories of support, special programs and projects typically receive the largest share of arts and culture grant dollars. 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.

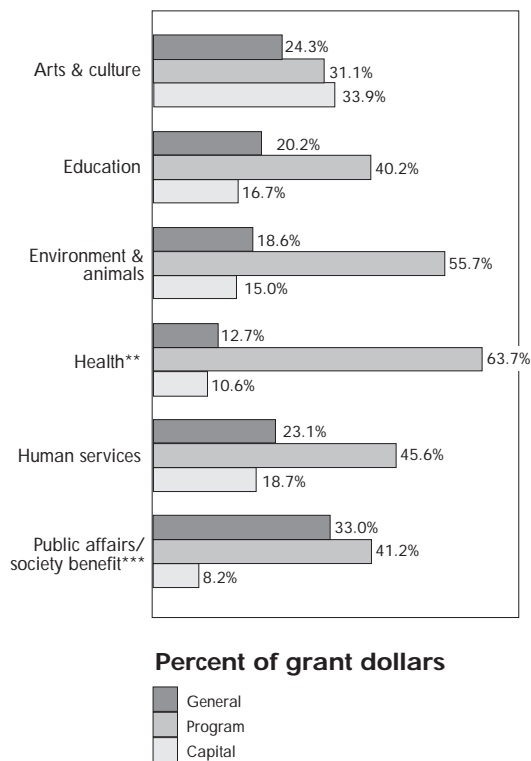
Contrasting with previous years, however, in 2004 capital support accounted for the largest share (33.9 percent), boosted by the exceptional American Art Foundation grant (noted earlier). Arts dollars allocated to capital support have fluctuated more than arts dollars to the other two primary categories 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.)

Program support represented the second largest share of arts and culture grant dollars in 2004 (31.1 percent) and the largest share of number of grants (36.1 percent). (By comparison, capital support accounted for a far more modest 10 percent of the number of grants.)

Grant dollars allocated for general operating support in 2004 were higher for arts and culture (24.3 percent) than for many other fields. However, this share was down from 30 percent in 2003 and 27 percent in 2002. Still, the portion of grant dollars allocated to operating support has almost doubled in the last fifteen years; 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 1,172 larger foundations. It is also important to note that for 21 percent of the arts grant dollars in this sample, the type of support was not specified.

FIGURE 8. General, program, and capital support grant dollars by major subject area, 2004*



Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

* Subject areas representing at least 5 percent of grant dollars.

** Research support accounted for 17.5 percent of grant dollars in health.

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

Grants by grant size

Median grant size. The median or “typical” grant amount (footnote 9) for arts and culture in 2004 was \$25,000. This amount has remained unchanged since 1993. If this amount were adjusted for inflation, however, it would have lost value in real dollars. The figure also matched the median amount for all foundation grants in 2004. 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 mid-sized grants. Two-thirds (66.4 percent) of all arts grants in the 2004 sample were for amounts between \$10,000 and \$49,999 (table 2), almost identical to the 2003 share. The share of mid-sized arts grants (\$50,000 to \$499,999) also remained nearly unchanged at 30 percent.

Large grants. The share of larger arts grants (\$500,000 and over) was down just slightly over the same period: larger grants represented 3.5 percent of the total number of arts grants in

TABLE 1. Arts grants by types of support, 2004*

Type of support	Dollar value of grants	%	No. of grants	%
General support	\$ 480,299	24.3	5,890	31.8
General Operating	388,045	19.6	4,873	26.3
Annual Campaigns	13,125	0.7	99	0.5
Income Development	40,550	2.0	520	2.8
Management Development	38,578	1.9	398	2.1
Program support	615,780	31.1	6,692	36.1
Program Development	302,497	15.3	3,799	20.5
Conferences/Seminars	17,314	0.9	289	1.6
Faculty/Staff Development	25,553	1.3	271	1.5
Professorships	20,638	1.0	15	0.1
Film/Video/Radio	29,315	1.5	232	1.3
Publication	24,472	1.2	195	1.1
Seed Money	22,432	1.1	59	0.3
Curriculum Development	16,339	0.8	162	0.9
Performance/Productions	37,088	1.9	689	3.8
Exhibitions	59,139	3.0	521	2.8
Collections Management/Preservation	18,215	0.9	166	0.9
Commissioning New Works	12,328	0.6	130	0.7
Electronic Media/Online Services	30,450	1.5	155	0.8
Capital support	671,669	33.9	1,910	10.3
Capital Campaigns	71,926	3.6	314	1.7
Building/Renovation	242,638	12.3	926	5.0
Equipment	17,501	0.9	221	1.2
Computer Systems/Equipment	9,168	0.5	104	0.6
Land Acquisition	8,489	0.4	17	0.1
Endowments	105,494	5.3	185	1.0
Debt Reduction	3,313	0.2	20	0.1
Collections Acquisition	213,141	10.8	123	0.7
Professional development	52,703	2.7	496	2.7
Fellowships/Residencies	25,315	1.3	230	1.2
Internships	5,809	0.3	59	0.3
Scholarships	6,667	0.3	103	0.6
Awards/Prizes/Competitions	14,482	0.7	92	0.5
Unspecified	430	0.0	12	0.1
Other Support	37,052	1.9	407	2.1
Research	29,523	1.5	284	1.5
Technical Assistance	5,533	0.3	92	0.5
Emergency Funds	291	0.0	8	0.0
Program Evaluation	1,705	0.1	23	0.1
Not specified	414,949	21.0	5,049	27.3
Qualifying Support Type**				
Continuing	556,626	28.1	6,069	32.8
Matching or Challenge	96,728	4.9	203	1.1

Source: The Foundation Center, 2006, based on a sample of 1,172 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, 2004 (dollar amount in thousands)

Grant Range	No. of grants	%	Dollar amount	%
\$5 million and over	31	0.1	\$420,898	21.2
\$1 million-under \$5 million	287	1.5	459,880	23.3
\$500,000-under \$1 million	347	1.9	206,415	10.4
\$100,000-under \$500,000	2,723	14.7	484,207	24.5
\$50,000-under \$100,000	2,834	15.3	170,490	8.6
\$25,000-under \$50,000	4,273	23.1	128,962	6.5
\$10,000-under \$25,000	8,021	43.3	108,688	5.5
Total	18,516	100.0	\$1,979,541	100.0

Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

TABLE 3. 25 largest arts, culture, and media funders, 2004

Rank	Foundation	State	Total grant dollars*	Arts as % of total dollars	No. of grants
1.	American Art Foundation	NY	\$192,678,150	100.0	2
2.	Annenberg Foundation	PA	\$93,338,871	44.0	150
3.	Skirball Foundation	NY	60,508,519	87.2	28
4.	Andrew W. Mellon Foundation	NY	58,777,095	31.6	123
5.	Ford Foundation	NY	37,546,267	8.4	232
6.	Kresge Foundation	MI	25,956,400	25.0	35
7.	Crawford Taylor Foundation	MO	25,682,599	99.8	6
8.	John S. and James L. Knight Foundation	FL	20,761,100	22.5	78
9.	Lilly Endowment	IN	19,709,501	5.0	50
10.	Packard Humanities Institute	CA	18,906,913	91.8	37
11.	R. W. Woodruff Foundation.	GA	17,163,780	16.6	18
12.	Freedom Forum	VA	16,194,865	89.2	13
13.	Janes Irvine Foundation	CA	15,292,000	32.9	88
14.	Horace W. Goldsmith Foundation	NY	14,715,000	38.9	98
15.	Edward C. Johnson Fund	MA	14,414,110	74.7	43
16.	Starr Foundation	NY	14,067,500	7.9	103
17.	Burnett Foundation	TX	13,840,346	63.2	15
18.	William Penn Foundation	PA	13,711,508	23.8	54
19.	William and Flora Hewlett Foundation	CA	13,329,500	8.5	111
20.	New York Community Trust	NY	13,130,309	9.3	344
21.	Richard King Mellon Foundation	PA	12,871,000	18.9	34
22.	Schubert Foundation	NY	12,830,000	94.1	276
23.	J. Paul Getty Trust	CA	12,272,338	99.1	114
24.	Ahmanson Foundation	CA	12,189,700	32.8	72
25.	Virginia G Piper Charitable Trust	AZ	12,185,834	42.2	6
Total			\$762,123,205		2,130

Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

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

** Giving includes a \$189.8 million grant in the form of 40 works of art and a \$2.9 million operating support grant. In general, arts funders provide cash grants.

2004. However, their share of total grant dollars increased from 51 percent in 2003 to 55 percent in 2004. Overall, foundations in the sample made 71 arts grants of at least \$2.5 million in 2004, compared to 74 in 2003 and 76 in 2002.

In addition to the \$189.8 million grant from the American Art Foundation to the Whitney Art Museum, examples of other large 2004 grants included the Crawford Taylor Foundation's two unrestricted grants totaling \$24.7 million to the Saint Louis Symphony Orchestra, the Freedom Forum's \$15.9 million continuing support grant to the Freedom Forum Newseum, and the Annenberg Foundation's \$10 million grant to the Philadelphia Orchestra Association for the Annenberg Fund for Artistic Endeavors to support touring, education, and technology.

The 25 largest arts funders. The top 25 arts funders by giving amount provided close to 39 percent of the total arts dollars in the Foundation Center's 2004 sample (table 3), up from 36 per-

cent in 2003. While this is a significant share, in the early 1980s the top 25 arts funders accounted for more than half of the grant dollars in the sample. Their share has declined since then – down to about 41 percent in 1989, 1993, and 1998 and 34 percent in 1995. This suggests that the base of large arts funders has widened to include more foundations and that support for the arts is less concentrated among a small number of foundations than in the 1980s.

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 smaller foundations (table 4). Among the top 100 foundations ranked by share of arts grant dollars out of total giving, 62 foundations gave less than \$5 million in total arts grant dollars in 2004.

Loren Renz is the Foundation Center's vice president for research and Steven Lawrence is its director of research.

TABLE 4. Top 35 foundations by share of arts giving out of overall giving, 2004

Rank	Foundation	State	Fdn. type*	Total grant dollars	Arts grant dollars	Arts as % of total dollars	No. of arts grants
1.	American Art Foundation**	NY	OP	\$192,678,150	\$192,678,150	100.0	2
2.	Overture Foundation	WI	IN	11,233,150	11,233,150	100.0	3
3.	Crawford Taylor Foundation	MO	IN	25,737,599	25,682,599	99.8	6
4.	J. Paul Getty Trust	CA	OP	12,385,213	12,272,338	99.1	114
5.	Robert Lehman Foundation	NY	IN	4,211,134	4,161,134	98.8	17
6.	Allen Foundation for the Arts	WA	IN	5,218,160	5,155,660	98.8	98
7.	Andy Warhol Foundation for the Visual Arts	NY	IN	4,553,626	4,438,956	97.5	89
8.	Helen F. Whitaker Fund	PA	IN	4,188,067	4,078,067	97.4	32
9.	Colburn Foundation	CA	IN	6,073,431	5,758,431	94.8	26
10.	El Paso Community Foundation	TX	CM	10,960,464	10,387,300	94.8	6
11.	Shubert Foundation	NY	IN	13,632,500	12,830,000	94.1	276
12.	Packard Humanities Institute	CA	OP	20,591,913	18,906,913	91.8	37
13.	Jerome Foundation	MN	IN	2,439,070	2,224,570	91.2	79
14.	Walt and Lilly Disney Foundation	CA	IN	8,993,104	8,193,104	91.1	4
15.	Holland Foundation	NE	IN	9,347,312	8,510,312	91.1	15
16.	William S. Paley Foundation	NY	IN	4,318,535	3,903,535	90.4	6
17.	Freedom Forum	VA	OP	18,158,490	16,194,865	89.2	13
18.	Skirball Foundation	NY	IN	69,430,262	60,508,519	87.2	28
19.	McConnell Foundation	CA	IN	10,570,857	9,178,143	86.8	7
20.	Harold & Mimi Steinberg Charitable Trust	NY	IN	4,020,900	3,470,000	86.3	63
21.	Muriel McBrien Kauffman Foundation	MO	IN	7,369,932	6,335,932	86.0	96
22.	Peter Norton Family Foundation	CA	IN	4,276,050	3,656,050	85.5	39
23.	Institute for Aegean Prehistory	NY	OP	1,407,916	1,188,382	84.4	25
24.	Richard Driehaus Foundation	IL	IN	9,011,589	7,522,956	83.5	74
25.	Samuel H. Kress Foundation	NY	IN	3,000,600	2,450,000	81.7	82
26.	Ella West Freeman Foundation	LA	IN	1,482,000	1,200,000	81.0	3
27.	J. Roderick MacArthur Foundation	IL	IN	4,388,096	3,501,000	80.7	6
28.	Gertrude C. Ford Foundation	MS	IN	2,033,900	1,630,500	80.2	3
29.	Martin Bucksbaum Family Foundation	IA	IN	2,367,168	1,846,384	78.0	17
30.	Frist Foundation	TN	IN	6,551,251	5,054,411	77.2	10
31.	Sue and Edgar Wachenheim Foundation	NY	IN	4,105,400	3,117,000	75.9	2
32.	McWane Foundation	AL	CS	1,474,625	1,109,000	75.2	5
33.	Ball Brothers Foundation	IN	IN	4,777,713	3,585,263	75.0	7
34.	Trust for Mutual Understanding	NY	IN	3,461,400	2,588,900	74.8	91
35.	Edward C. Johnson Fund	MA	IN	19,289,113	14,414,110	74.7	43

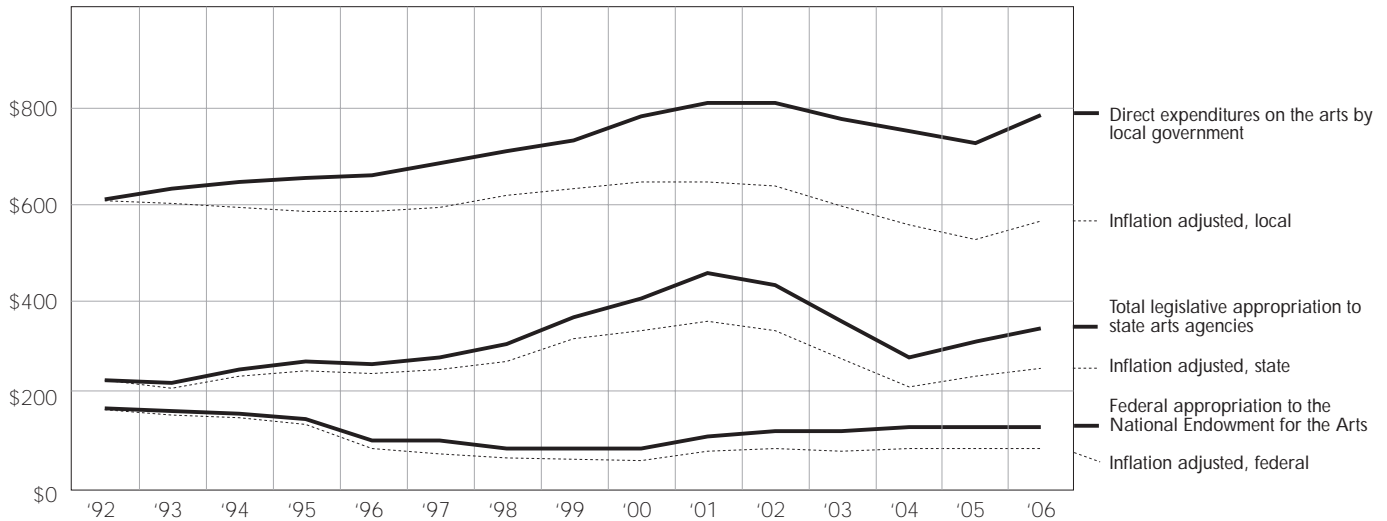
Source: The Foundation Center, 2006, based on a sample of 1,172 larger foundations.

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

**Giving includes a \$189.8 million grant in the form of 40 works of art and a \$2.9 million operating support grant. In general, arts funders provide cash grants.

Public Funding for the Arts: 2006 Update

Kelly Barsdate



Funding in 2006: Three key sources of government support for the arts in the United States are federal appropriations to the National Endowment for the Arts, legislative appropriations to the nation's state arts agencies, and direct expenditures on the arts through county and municipal governments. Combined, these three funding streams account for \$1.23 billion in public support for the arts in 2006 – an amount equivalent to \$4.11 per capita. Public sector grantmakers use these funds to support a wide array of arts activities, artistic disciplines, public participation initiatives, and institutional grantees. Significant grantmaking areas include arts education, community revitalization, operating support, and individual artist support.

Trends over time: State and local government spending on the arts grew rapidly during the 1990s. Between 1992 and 2001, local government arts funds grew by \$200 million, or 33 percent, while state arts appropriations more than doubled, rising by \$236 million. Congressional funding for the National Endowment for the Arts has increased slightly in each of the last five years, but still remains below amounts seen in the early 1990s. Aggregate public funding for the arts reached a high point of \$1.35 billion in 2001. Since that time, however, all three levels of government have faced resource shortfalls that have forced spending cutbacks. Government arts support at all levels has also been challenged to keep pace with the cost of liv-

ing. Despite recent increases, only state arts agency appropriations currently exceed 1992 funding levels when adjusted for inflation.

Outlook: Fiscal conditions at the state and local levels are improving, and arts funding has increased accordingly. At the same time, the costs of health care, education, corrections, and security obligations continue to grow exponentially. This restricts the flexibility of lawmakers to spend dollars in many discretionary areas, including the arts. Public sector grantmakers continue to underscore the necessity of vigorous advocacy from citizens, the cultural community and private sector leaders. When elected officials see evidence of positive public benefits – and understand support of the arts as sound public policy – they find means of support even when funds are scarce.

Kelly J. Barsdate, is director of policy, research and evaluation, National Assembly of State Arts Agencies.

Source: National Assembly of State Arts Agencies (NASAA), drawing on local spending estimates from Americans for the Arts, NASAA's Legislative Appropriations Annual Survey, Fiscal Year 2006 and information from the National Endowment for the Arts. Constant dollar adjustments are calculated using Bureau of Labor Statistics Consumer Price Index (CPI) figures with a base year of 1992.

Notes for Vital Signs: Snapshot of Arts Funding, pages 12-18.

1. Source of the data. 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 (2006) report and the grants sample database. The data for 2004 include all grants of \$10,000 or more awarded by 1,172 of the largest U.S. foundations and reported to the Foundation Center between June 2004 and July 2005. Grants were awarded primarily in 2004. These grants represented half of total grant dollars awarded by the nearly 68,000 active U.S. independent, corporate, community, and grantmaking operating foundations that the Foundation Center tracks. (The sample 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.
2. In addition to the \$1.98 billion supporting the arts in 2004, foundations in the sample provided 118 grants totaling \$24,010,071 for arts and humanities library programs, and 60 grants totaling \$6,556,600 for international cultural exchange.
3. Includes museums such as the Smithsonian Institution and general purpose museum programs.

4. Includes maritime, sports, and hobby museums and other specialized museums.
5. 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. Alienza, *Foundation Funding for Arts Education: An Overview of Recent Trends*, New York: The Foundation Center, 2005.
6. Includes support for production and dissemination in one or more media forms including film/video, television, radio, and print publishing; support also for journalism and communications centers.
7. Includes support for archeology, art history, history, modern and classical languages, philosophy, ethics, theology, and comparative religion.
8. For a detailed analysis of foundation humanities support, see L. Renz and S. Lawrence, *Foundation Funding for the Humanities*, New York: The Foundation Center, 2004.
9. 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.